

ANNINGTON FUNDING PLC ANNOUNCES TENDER OFFER

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ANNINGTON FUNDING PLC ANNOUNCES TENDER OFFER

26 January 2024. Annington Funding plc (the "**Offeror**") hereby announces that it is inviting Noteholders of its outstanding £625,000,000 2.646 per cent. Notes due 12 July 2025 (ISIN: XS1645518496), issued by the Offeror and guaranteed by Annington Limited, Annington Homes Limited and Annington Property Limited (together, the "**Guarantors**" and each a "**Guarantor**") (the "**Notes**") to tender such Notes for purchase by the Offeror for cash (the "**Offer**"), up to the Final Acceptance Amount (as defined below), all on the terms and subject to the satisfaction or waiver of the conditions set out in the tender offer memorandum dated 26 January 2024 (the "**Tender Offer Memorandum**").

The Offer is subject to the conditions set out in the Tender Offer Memorandum prepared in connection with the Offer and is subject to the offer and distribution restrictions set out below. Capitalised terms used in this announcement and not otherwise defined have the meanings given to them in the Tender Offer Memorandum.

Description of the Notes	ISIN	Nominal amount outstanding	Maturity Date	Par Call Date	Benchmark	Purchase Spread	Maximum Acceptance Amount
£625,000,000 2.646 per cent. Notes due 12 July 2025	XS1645518496	£481,530,000	12 July 2025	12 June 2025	0.625 per cent. UK Treasury Gilt due June 2025 (ISIN: GB00BK5CVX03)	+90bps	£250,000,000, subject to the right of the Offeror to increase or decrease such amount in its sole and absolute discretion

Rationale and background for the Offer

The rationale for the Offer is to proactively manage the Offeror's balance sheet and maturity profiles. Notes purchased by the Offeror pursuant to the Offer will be cancelled and will not be re-issued or re-sold. Notes which have not been validly offered and accepted for purchase pursuant to the Offer will remain outstanding.

Details of the Offer

Final Acceptance Amount

The Offeror proposes to accept for purchase a target amount of £250,000,000 in aggregate nominal amount (the "**Maximum Acceptance Amount**") of the Notes, although the Offeror reserves the right, in its sole and absolute discretion, to accept less or more than such amount for purchase pursuant to the Offer (the final aggregate nominal amount of Notes accepted for purchase by the Offeror being the "**Final Acceptance Amount**").

If the aggregate nominal amount of Notes validly tendered exceeds the Final Acceptance Amount, the Offeror will accept for purchase such tendered Notes on a *pro rata* basis as further specified in the Tender Offer Memorandum (see "*Terms and Conditions of the Offer - Scaling of Tenders*").

Rights of the Offeror

Subject to applicable laws and regulations and as provided in the Tender Offer Memorandum, the Offeror may, in its sole and absolute discretion, extend, re-open, withdraw or terminate the Offer and amend or waive any of the terms and conditions of the Offer at any time before the announcement of the acceptance of the Notes validly tendered and may, in its sole and absolute discretion, waive any of the conditions to the Offer either before or after such announcement.

Purchase Price

The Offeror will pay, for each of the Notes accepted by it, a price (the "**Purchase Price**") to be determined at or about 11 a.m. (London time) (the "**Pricing Time**") on 5 February 2024, being the Business Day following the Expiration Deadline (the "**Pricing Date**") in the manner described in the Tender Offer Memorandum by reference to a yield (such yield, the "**Purchase Yield**") calculated as the sum of the Purchase Spread and the Benchmark Rate.

The Purchase Price for the Notes will be determined in accordance with market convention and expressed as a percentage of the nominal amount of the Notes.

If the Purchase Yield as determined in accordance with the Tender Offer Memorandum is less than the contractual rate of interest for the Notes, then the Purchase Price for the Notes will be calculated based on the Par Call Date. If the Purchase Yield as determined in accordance with the Tender Offer Memorandum is higher than or equal to the contractual rate of interest for the Notes, then the Purchase Price for the Notes will be calculated based on the Maturity Date.

The Purchase Price for the Notes will equal (a) the present value of all remaining payments of principal and interest on each Note up to and including the Par Call Date or the Maturity Date of the Notes (depending on the Purchase Yield), discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) the Accrued Interest, calculated according to market convention and the terms and conditions of the Notes, as advised to the Issuer by the Dealer Managers.

Scaling

In the circumstances described in the Tender Offer Memorandum in which valid tenders of Notes are to be accepted for purchase on a *pro rata* basis, each such tender of Notes will be scaled by a factor (such factor, a "**Scaling Factor**") derived from (i) the Final Acceptance Amount divided by (ii) the aggregate nominal amount of the Notes that have been validly tendered and accepted for purchase (subject to adjustment resulting from the rounding of tenders and the intentions of the Offeror, as further described in the Tender Offer Memorandum).

Accrued Interest Payment

In addition to the Purchase Price, in respect of all Notes validly tendered and delivered and accepted for purchase by the Offeror pursuant to the Offer, the Offeror will pay Accrued Interest.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price pursuant to the Offer, Noteholders must validly tender their Notes by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by 4.00 p.m. (London time) on 2 February 2024. Tender Instructions will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Tender Instructions must be submitted in respect of a minimum nominal amount of the Notes of no less than £100,000 plus integral multiples of £1,000.

Expected Transaction Timeline

Date	Action
26 January 2024	<i>Commencement of the Offer</i> Offer announced by way of announcements on the relevant Notifying News Service and through the Clearing Systems. Tender Offer Memorandum available from the Tender Agent.
4.00 p.m. (London time) on 2 February 2024	<i>Expiration Deadline</i> Deadline for receipt by the Tender Agent of all Tender Instructions in order for Noteholders to be able to participate in the Offer.
As soon as reasonably practicable after the Expiration Deadline	<i>Announcement of Indicative Results</i> Announcement of (i) the aggregate nominal amount of Notes validly tendered pursuant to the Offer and (ii) a non-binding indication of the level at which the Offeror expects to set the Maximum Acceptance Amount and any applicable indicative Scaling Factor.
At or around 11 a.m. (London time) on 5 February 2024	<i>Pricing Time</i>

Determination of the Benchmark Rate and the Purchase Price for the Notes.

As soon as reasonably practicable after the Pricing Time

Announcement of Final Results of Offer

Announcement of whether the Offeror will accept valid tenders of Notes pursuant to the Offer and, if so accepted, (i) the Final Acceptance Amount, (ii) the Purchase Price (including whether the Purchase Price has been calculated using the Par Call Date or Maturity Date of the Notes), (iii) any Scaling Factor (if applicable), and (iv) the Accrued Interest in respect of the Notes.

7 February 2024

Expected Settlement

Expected Settlement Date for the Offer. Payment of the applicable Purchase Price and Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer.

The above times and dates are subject to the right of the Offeror to extend, re-open, amend, withdraw and/or terminate the Offer (subject to applicable law and as provided in the Tender Offer Memorandum). Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Notes when such intermediary would need to receive instructions from a Noteholder in order for that Noteholder to be able to participate in, or (in the limited circumstances in which revocation is permitted) revoke their instruction to participate in, the Offer, before the deadlines specified in the Tender Offer Memorandum. The deadlines set by any such intermediary and each Clearing System for the submission of Tender Instructions will be earlier than the relevant deadlines specified above.

Further Information

A complete description of the terms and conditions of the Offer is set out in the Tender Offer Memorandum. Barclays Bank PLC and Goldman Sachs International are acting as the dealer managers (the "**Dealer Managers**") for the Offer. Kroll Issuer Services Limited is acting as Tender Agent.

Questions and requests for assistance in connection with the Offer may be directed to:

THE DEALER MANAGERS

Barclays Bank PLC
1 Churchill Place
London E14 5HP
United Kingdom

Telephone: +44 20 3134 8515

Email: eu.lm@barclays.com

Attention: Liability Management Group

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

Telephone: +44 20 7774 4836

Email: liabilitymanagement.eu@gs.com

Attention: Liability Management Group

Questions and request for assistance in connection with the delivery of Tender Instructions including requests for a copy of the Tender Offer Memorandum may be directed to:

THE TENDER AGENT

Kroll Issuer Services Limited

The Shard
32 London Bridge Street
London SE1 9SG

Tel: +44 207 704 0880

Attention: Owen Morris

Email: annington@is.kroll.com

Tender Offer Website: <https://deals.is.kroll.com/annington>

Each Noteholder is solely responsible for making its own independent appraisal of all matters as such Noteholder deems appropriate (including those relating to the Offer, the Notes, the Offeror and the Guarantors) and each Noteholder must make its own decision, based upon its own judgement and having obtained advice from such financial, accounting, legal and tax advisers as it may deem necessary, as to whether to tender any or all of its Notes for purchase pursuant to the Offer.

None of the Dealer Managers, the Tender Agent or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for the accuracy or completeness of the information concerning the Offer contained in this announcement or in the Tender Offer Memorandum. None of the Dealer Managers, the Tender Agent, the Offeror, the Guarantors or any of their respective directors, officers, employees, agents or affiliates is acting for any Noteholder, or will be responsible to any Noteholder for providing any protections which would be afforded to its clients or for providing advice in relation to the Offer, and accordingly none of the Dealer Managers, the Tender Agent, the Guarantors or any of their respective directors, officers, employees, agents or affiliates assumes any responsibility for any failure by the Offeror to disclose information with regard to the Offeror or the Notes which is material in the context of the Offer and which is not otherwise publicly available.

None of the Dealer Managers, the Tender Agent, the Offeror, the Guarantors or any of their respective directors, officers, employees, agents or affiliates makes any representation or recommendation whatsoever regarding the Offer, or any recommendation as to whether Noteholders should tender Notes in the Offer.

Disclaimer

This announcement must be read in conjunction with the Tender Offer Memorandum. This announcement and the Tender Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the contents of this announcement or the Tender Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser.

Offer and Distribution Restrictions

Neither this announcement nor the Tender Offer Memorandum constitutes an invitation to participate in the Offer in any jurisdiction in which, or to any person to or from whom, it is unlawful to make such invitation or for there to be such participation under applicable securities laws and regulations. The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by laws and regulations. Persons into whose possession either this announcement or the Tender Offer Memorandum comes are required by each of the Offeror, the Guarantors, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

United States

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to any U.S. Person (as defined in Regulation S of the United States Securities Act of 1933, as amended (each a "**U.S. Person**")). This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of the Tender Offer Memorandum, this announcement and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to a U.S. Person and the Notes cannot be tendered in the Offer by any such use, means, instrumentality or facility or from or within or by persons located or resident in the United States or by any U.S. Person. Any purported tender of Notes in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Notes made by a person located in the United States, a U.S. Person, by any person acting for the account or benefit of a U.S. Person, or by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will be invalid and will not be accepted.

Each holder of Notes participating in the Offer will represent that it is not a U.S. Person located in the United States and is not participating in the Offer from the United States, or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Offer from the United States and who is not a U.S. Person. For the purposes of this and the above paragraph, "**United States**" means the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any state of the United States of America and the District of Columbia.

United Kingdom

The communication of this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer are not being made, and such documents and/or materials have not been approved, by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Financial Promotion Order**")) or persons who are within Article 43(2) or 49 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

This announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer have only been or shall only be distributed in the Republic of France ("**France**") to qualified investors within the meaning of Article 2(e) of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"). The Tender Offer Memorandum and any other document or material relating to the Offer have not been and will not be submitted for clearance to nor approved by the *Autorité des marchés financiers*.

Belgium

Neither this announcement, nor the Tender Offer Memorandum nor any other documents or materials relating to the Offer have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority and, accordingly, the Offer may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids, as amended or replaced from time to time. Accordingly, the Offer may not be advertised and the Offer will not be extended, and neither this announcement nor the Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation. The Offer may not be advertised and the Offer will not be extended, and neither this announcement nor the Tender Offer Memorandum nor any other documents or materials relating to the Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time.

Italy

None of the Offer, this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations.

The Offer is being carried out in the Republic of Italy ("**Italy**") as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4, of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Noteholders or beneficial owners of the Notes that are resident and/or located in Italy can tender some or all of their Notes pursuant to the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended from time to time, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Offer.

General

Neither this announcement, nor the Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or the solicitation of an offer to sell Notes (and tenders of Notes for purchase pursuant to the Offer will not be accepted from Noteholders) in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made by such Dealer Manager or such affiliate, as the case may be, on behalf of the Offeror in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Offer will be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Offer*" in the Tender Offer Memorandum. Any tender of Notes for purchase pursuant to the Offer from a Noteholder that is unable to make these representations will not be accepted.

Each of the Offeror, the Guarantors, the Dealer Managers and the Tender Agent reserves the right, in its sole and absolute discretion, to investigate, in relation to any tender of Notes for purchase pursuant to the Offer whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Offeror determines (for any reason) that such representation is not correct, such tender or submission may be rejected.

MAR

This announcement is released by Annington Funding plc and contains information that qualified or may have qualified as inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA ("**MAR**"). For the purposes of MAR this announcement is made by Stephen Leung, Director, on behalf of Annington Funding plc.

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