

**Clarion Housing Association Limited announces Tender Offer for
the £342,950,000 6.625 per cent. Secured Loan-Backed Bonds due 2038
issued by RSL Finance (No. 1) plc**

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THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF INFORMATION THAT QUALIFIED OR MAY HAVE QUALIFIED AS INSIDE INFORMATION WITHIN THE MEANING OF ARTICLE 7(1) OF THE MARKET ABUSE REGULATION (EU) 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (EUWA).

22 March 2023. RSL Finance (No. 1) plc (the **Issuer**) has been informed that Clarion Housing Association Limited (the **Offeror**) has today launched an invitation to holders of the Issuer's outstanding £342,950,000 6.625 per cent. Secured Loan-Backed Bonds due 2038 (ISIN: XS0155451866) (the **Bonds**) to tender their Bonds for purchase by the Offeror for cash (the **Offer**). The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 22 March 2023 (the **Tender Offer Memorandum**) prepared by the Offeror for the Offer, and is subject to the offer restrictions set out below and as more fully described in the Tender Offer Memorandum.

Copies of the Tender Offer Memorandum are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used in this announcement but not defined have the meanings given to them in the Tender Offer Memorandum.

Summary of the Offer

Description of the Bonds	ISIN / Common Code	Outstanding Original Nominal Amount ^{(1) (2)}	Pool Factor ⁽²⁾	Benchmark Security	Purchase Spread	Target Acceptance Amount
£342,950,000 6.625 per cent. Secured Loan-Backed Bonds due 2038 issued by the Issuer	XS0155451866 / 015545186	£210,450,000	80.13765 per cent.	1 per cent. UK Treasury Gilt due 31 January 2032 (ISIN: GB00BM8Z2T38)	+105 bps	Subject as set out in the Tender Offer Memorandum, up to £40,000,000 in aggregate original nominal amount.

(1) As shown in the records of the Clearing Systems.

(2) The Bonds have been subject to amortisation since 30 September 2013, the aggregate outstanding (amortised) nominal amount of the Bonds being the product of the aggregate original nominal amount of the Bonds and the Pool Factor.

Background and Rationale for the Offer

Broomleigh Housing Association Limited (**Broomleigh**), as borrower, entered into a loan agreement (as amended and supplemented from time to time, the **Loan Agreement**) on 25 January 2000 with National Westminster Bank Plc as original lender and M&G Trustee Company Limited (formerly Prudential Trustee Company Limited) as security agent pursuant to which a loan facility of £40,000,000 was made available to Broomleigh (the **Facility**).

The Bonds were issued by the Issuer on 30 September 2002 and, in connection with the issue of the Bonds, the Issuer became (by way of assignment) the lender of the Facility under the Loan Agreement. The Facility is one of a number of loan facilities funded by the Bonds.

As a result of a series of transfer of engagements and amalgamations under the Co-operative and Community Benefit Societies Act 2014, all the rights and obligations of Broomleigh as borrower under the Loan Agreement have transferred to the Offeror.

The Offeror is making the Offer in order to purchase up to the Target Acceptance Amount of £40,000,000 in aggregate original nominal amount of the Bonds, which is equal to £32,055,060 in aggregate (amortised) nominal amount of the Bonds and reflects the full outstanding balance of the Facility.

In accordance with the Loan Agreement, the Offeror shall (following settlement of the Offer) surrender any purchased Bonds to the Issuer to be cancelled, and an amount of the outstanding balance of the Facility equal to the aggregate (amortised) nominal amount of such purchased Bonds shall be deemed to have been prepaid. Accordingly, if the Offeror purchases the Target Acceptance Amount of Bonds pursuant to the Offer, following the surrender and cancellation of the relevant purchased Bonds the Facility shall be deemed to have been prepaid in full.

Purchase Price and Accrued Interest

The Offeror will, on the Settlement Date, pay for Bonds validly tendered and accepted by it for purchase pursuant to the Offer a cash purchase price (the **Purchase Price**) to be determined at or around 11.00 a.m. (London time) (the **Pricing Time**) on 30 March 2023 (the **Pricing Date**) by reference to the sum (such sum, the **Purchase Yield**) of (i) the purchase spread of +105 bps (the **Purchase Spread**); and (ii) the Benchmark Security Rate.

The Purchase Price will be determined in accordance with market convention and expressed as a percentage of the (amortised) nominal amount of the Bonds accepted for purchase pursuant to the Offer (rounded to the nearest 0.001 per cent., with 0.0005 per cent. rounded upwards), and is intended to reflect a yield to average life at par basis of the Bonds on the Settlement Date based on the Purchase Yield. Specifically, the Purchase Price will equal (a) the value of all remaining payments of principal (as per the amortisation schedule in Condition 5(a) of the terms and conditions of the Bonds) and interest on the Bonds up to and including the scheduled maturity date of the Bonds, discounted to the Settlement Date at a discount rate equal to the Purchase Yield, minus (b) Accrued Interest in respect of the Bonds.

The Offeror will also pay an Accrued Interest Payment in respect of Bonds accepted for purchase pursuant to the Offer.

Final Acceptance Amount and Pro-ration

Final Acceptance Amount

If the Offeror decides to accept any validly tendered Bonds for purchase pursuant to the Offer, the Offeror proposes that the aggregate original nominal amount of Bonds it will accept for purchase will be no greater than £40,000,000 (the **Target Acceptance Amount**), although the Offeror reserves the right, in its sole discretion, to accept significantly less than such amount for purchase pursuant to the Offer (the final aggregate original nominal amount of Bonds accepted for purchase pursuant to the Offer being the **Final Acceptance Amount**).

Pro-ration

If the Offeror decides to accept any validly tendered Bonds for purchase pursuant to the Offer and the aggregate original nominal amount of Bonds validly tendered for purchase pursuant to the Offer is greater than the Final Acceptance Amount, the Offeror intends to accept such Bonds for purchase on a *pro rata* basis such that the aggregate original nominal amount of Bonds accepted for purchase pursuant to the Offer is no greater than the Final Acceptance Amount.

Tender Instructions

The Offer begins on 22 March 2023 (the **Launch Date**) and will expire at 4.00 p.m. (London Time) on 29 March 2023 (the **Expiration Deadline**), unless extended, re-opened or terminated as provided in the Tender Offer Memorandum.

In order to participate in, and be eligible to receive the Purchase Price and Accrued Interest Payment pursuant to, the Offer, Bondholders must validly tender their Bonds by the Expiration Deadline, by delivering, or arranging to have delivered on their behalf, a valid Tender Instruction that is received by the Tender Agent by the Expiration Deadline.

Tender Instructions must be submitted in respect of a minimum original nominal amount of Bonds of no less than £1,000, being the original minimum denomination of the Bonds, and may be submitted in original integral multiples of £1,000 thereafter. A separate Tender Instruction must be completed on behalf of each beneficial owner of the Bonds.

Tenders of Bonds in the Offer will be irrevocable except in the limited circumstances described in the Tender Offer Memorandum.

Indicative Timetable for the Offer

Events

Times and Dates

(all times are London Time)

Launch Date

Offer announced and Tender Offer Memorandum available from the Tender Agent.

Wednesday, 22 March 2023

Expiration Deadline

Deadline for receipt by the Tender Agent of all Tender Instructions.

4.00 p.m. on Wednesday, 29 March 2023

Announcement of Indicative Results

Announcement by the Offeror of the aggregate original nominal amount of Bonds validly tendered in the Offer, together with a non-binding indication of the level at which it expects to set the Final Acceptance Amount (and its (amortised) nominal amount equivalent) and (if applicable) indicative details of the Pro-ration Factor that will apply in the event that the Offeror decides to accept valid tenders of Bonds pursuant to the Offer.

Prior to the Pricing time on the Pricing Date

Pricing Time and Pricing Date

Determination of the Benchmark Security Rate, the Purchase Yield and the Purchase Price.

At or around 11.00 a.m. on Thursday, 30 March 2023

Announcement of Final Results and Pricing

Announcement by the Offeror of whether it will accept for purchase Bonds validly tendered in the Offer and, if so accepted, the Final Acceptance Amount (and its (amortised) nominal amount equivalent, the Benchmark Security Rate, the Purchase Yield, the Purchase Price, and (if applicable) the Pro-ration Factor that will be applied to valid tenders of Bonds.

As soon as reasonably practicable after the Pricing Time on the Pricing Date

Settlement Date

Payment of the Purchase Price and the Accrued Interest Payment in respect of the Bonds accepted for purchase.

Expected to be Friday, 31 March 2023

Subject to applicable law and as provided in the Tender Offer Memorandum, the Offeror may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time and the above times and dates are subject to the right of the Offeror to so extend, re-open, amend and/or terminate the Offer.

*Bondholders are advised to check with any bank, securities broker or other intermediary through which they hold Bonds when such intermediary would need to receive instructions from a Bondholder in order for that Bondholder 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 above. **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 and in the Tender Offer Memorandum.***

Unless stated otherwise, announcements in connection with the Offer will be made by the Offeror by delivery of notices to the Clearing Systems for communication to Direct Participants. The Issuer may also release certain announcements relating to the Offer through PR Newswire during the course of the Offer. Such announcements may also be found on the relevant Reuters Insider Screen and be made by the issue of a press release to a Notifying News Service. Significant delays may be experienced in respect of notices delivered to the Clearing Systems and Bondholders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer, the contact details for which are set out below.

Further Information

Bondholders are advised to read carefully the Tender Offer Memorandum for full details of, and information on the procedures for participating in, the Offer.

Requests for information in relation to the Offer should be directed to:

THE SOLE DEALER MANAGER

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Telephone: +44 20 7678 5222

Attention: Liability Management

Email: NWMLiabilityManagement@natwestmarkets.com

Requests for information in relation to the procedures for tendering Bonds in, and for any documents or materials relating to, the Offer should be directed to:

THE TENDER AGENT

Kroll Issuer Services Limited

The Shard
32 London Bridge Street
London SE1 9SG
United Kingdom

Telephone: +44 20 7704 0880

Attention: Owen Morris

Email: rslfinance@is.kroll.com

Website: <https://deals.is.kroll.com/rslfinance>

This announcement is made by RSL Finance (No. 1) plc as issuer of the Bonds 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 UK domestic law by virtue of the EUWA (**UK MAR**), encompassing information relating to the Offer described above. For the purposes of UK MAR and the Implementing Technical Standards, this announcement is made by the Directors of the Issuer.

LEI Number of RSL Finance (No. 1) plc: 213800MZK854C5G27E68

The Issuer has no involvement in the Offer. Neither the Issuer nor any of its directors, officers, employees or affiliates expresses any opinion on the merits of, or makes any representation or recommendation whatsoever regarding, the Offer or makes any recommendation whether Bondholders should tender Bonds in the Offer, and neither the Issuer nor any of its directors, officers, employees or affiliates accepts any responsibility for the accuracy or completeness of any of the information concerning the Offer, the Issuer, the Offeror or any other person in connection with the Offer, or the factual statements contained in, or the effect or effectiveness of, the Tender Offer Memorandum.

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 Bondholder is in any doubt as to 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 broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Bonds are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to tender such Bonds in the Offer. None of the Offeror, the Sole Dealer Manager or the Tender Agent makes any recommendation whether Bondholders should tender Bonds in the Offer.

OFFER AND DISTRIBUTION RESTRICTIONS

The distribution of this announcement and the Tender Offer Memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this announcement and/or the Tender Offer Memorandum come(s) are required by each of the Offeror, the Sole Dealer Manager and the Tender Agent to inform themselves about and to observe any such restrictions. Neither this announcement nor the Tender Offer Memorandum constitutes an offer to buy or the solicitation of an offer to sell Bonds (and tenders of Bonds in the Offer will not be accepted from Bondholders) 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 the Sole Dealer Manager or any of its affiliates is such a licensed broker or dealer in any such jurisdiction, the Offer shall be deemed to be made on behalf of the Offeror by the Sole Dealer Manager or such affiliate (as the case may be) in such jurisdiction.

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. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. The Bonds may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of this announcement, the Tender Offer Memorandum 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 any persons located or resident in the United States. Any purported tender of Bonds in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and any purported tender of Bonds made by a person located in the United States or 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 Bonds participating in the Offer will represent that it is not 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. For the purposes of 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 is 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 (as amended, the **Financial Promotion Order**)) or within Article 43 of the Financial Promotion Order, or to any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

Italy. None of the Offer, this announcement, the Tender Offer Memorandum or any other document or materials relating to the Offer have been or will be submitted to the clearance procedures of the *Commissione Nazionale per le Società e la Borsa (CONSOB)* pursuant to Italian laws and regulations. The Offer is being carried out in 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. Accordingly, Bondholders or beneficial owners of the Bonds that are located in Italy can tender Bonds for purchase in the Offer through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018, as amended, and Legislative Decree No. 385 of 1 September 1993, as amended) and in compliance with any other applicable laws and regulations and with any 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 Bonds or the Offer.

France. The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). None of this announcement, the Tender Offer Memorandum or any other document or material relating to the Offer have only been and shall only be distributed in France to qualified investors as defined in Article 2(e) of Regulation (EU) 2017/1129, as amended. Neither this announcement nor the Tender Offer Memorandum have been or will be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

Belgium. None of this announcement, the Tender Offer Memorandum or any other documents or materials relating to the Offer have been notified or submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten / Autorité des services marchés financiers*) 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 none of this announcement, the Tender Offer Memorandum or 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" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets, acting on their own account. Insofar as Belgium is concerned, this announcement and the Tender Offer Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Offer. Accordingly, the information contained in this and/or the Tender Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.