

Bupa Finance plc Announces Cash Tender Offer for its £500,000,000 5.00 per cent. Fixed Rate Subordinated Notes due 2023

THIS ANNOUNCEMENT RELATES TO THE DISCLOSURE OF 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 EUROPEAN UNION (WITHDRAWAL) ACT 2018 (EUWA).

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14 September 2021. Bupa Finance plc (the **Offeror**) announces today an invitation to holders of its outstanding £500,000,000 5.00 per cent. Fixed Rate Subordinated Notes due 2023 (ISIN: XS0920221453) (the **Notes**) to tender such Notes for purchase by the Offeror for cash (such invitation, the **Offer**).

The Offer is being made on the terms and subject to the conditions contained in the tender offer memorandum dated 14 September 2021 (the **Tender Offer Memorandum**) prepared by the Offeror in connection with the Offer, and is subject to the offer restrictions set out below, as more fully described in the Tender Offer Memorandum. For detailed terms of the Offer, please refer to the Tender Offer Memorandum, copies of which are (subject to distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used but not otherwise defined in this announcement shall have the meanings given to them in the Tender Offer Memorandum.

Summary of the Offer

A summary of certain of the terms of the Offer appears below:

Description of the Notes	ISIN / Common Code	Outstanding Nominal Amount	Benchmark Security	Purchase Spread	Target Acceptance Amount
£500,000,000 5.00 per cent. Fixed Rate Subordinated Notes due 2023	XS0920221453 / 092022145	£500,000,000	UK Treasury 0.125% due January 2023 (ISIN: GB00BL68HG94)	45 bps	Subject as set out herein, up to £250,000,000 in aggregate nominal amount

Rationale for the Offer

The Offer, in conjunction with the issuance of the New Notes (as defined below), is part of the Group's proactive management of its funding and capital structure. The overall transaction is intended to increase the Group's financial flexibility by establishing access to the Restricted Tier 1 capital market and create additional Tier 2 Capital headroom, whilst also offering a liquidity event for current holders of the Notes.

Notes purchased by the Offeror pursuant to the Offer are expected to be cancelled and will not be re-issued or re-sold.

Purchase Price

The Offeror will pay for any Notes validly tendered and accepted for purchase by it pursuant to the Offer a purchase price for such Notes (the **Purchase Price**) to be determined at or around 12.00 p.m. (London time) on 22 September 2021 (the **Pricing Time**) in the manner described in the Tender Offer Memorandum by reference

to the sum (such sum, the **Purchase Yield**) of (i) the purchase spread of 45 bps (the **Purchase Spread**) and (ii) the Benchmark Security Rate.

Accrued Interest

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

Final Acceptance Amount and Scaling

The Offeror proposes to accept for purchase pursuant to the Offer up to £250,000,000 in aggregate nominal amount of the Notes (the **Target Acceptance Amount**), although the Offeror reserves the right, in its sole discretion, to accept significantly more or significantly less than (or none of) the Target Acceptance Amount for purchase pursuant to the Offer (the final aggregate amount of Notes accepted for purchase pursuant to the Offer being the **Final Acceptance Amount**).

If the Offeror decides to accept for purchase valid tenders of Notes pursuant to the Offer and the aggregate nominal amount of Notes validly tendered pursuant to the Offer is greater than the Final Acceptance Amount, the Offeror intends to accept such Notes for purchase on a *pro rata* basis such that the aggregate nominal amount of Notes accepted for purchase pursuant to the Offer is no greater than the Final Acceptance Amount, as further described in the Tender Offer Memorandum.

New Issue Condition

The Offeror will announce today its intention to issue a series of new restricted tier 1 securities (the **New Notes**), subject to market conditions.

Whether the Offeror will purchase any Notes validly tendered in the Offer is subject, without limitation, to the successful completion (in the sole determination of the Offeror) of the issue of the New Notes (the **New Issue Condition**).

Even if the New Issue Condition is satisfied, the Offeror is under no obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Offeror of Notes validly tendered pursuant to the Offer is at the sole discretion of the Offeror, and tenders may be rejected by the Offeror for any reason.

*Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the offering memorandum to be prepared by the Offeror in connection with the issue and listing of the New Notes (including any amendment or supplement thereto, the **Offering Memorandum**), and no reliance is to be placed on any representations other than those contained in the Offering Memorandum. Subject to compliance with applicable securities laws and regulations, a preliminary offering memorandum (the **Preliminary Offering Memorandum**) dated on or about 14 September 2021 relating to the New Notes is available from the Dealer Managers on request.*

For the avoidance of doubt, the ability to purchase New Notes is subject to all applicable securities laws and regulations in force in any relevant jurisdiction (including the jurisdiction of the relevant Holder and the selling restrictions set out in the Offering Memorandum). It is the sole responsibility of each Holder to satisfy itself that it is eligible to purchase the New Notes.

*The New Notes are not being, and will not be, offered or sold in the United States. Nothing in either this announcement or the Tender Offer Memorandum constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other jurisdiction. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the United States Securities Act of 1933, as amended (the **Securities Act**). The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).*

Compliance information for the New Notes:

UK MiFIR professionals/ECPs-only/No UK PRIIPs KID – eligible counterparties and professional clients only (all distribution channels). No sales to UK retail investors; no key information document has been or will be prepared. EU MiFID professionals/ECPs-only/No EU PRIIPs KID – eligible counterparties and professional clients only (all distribution channels). No sales to EEA retail investors; no key information document has been or will be prepared.

See the Preliminary Offering Memorandum for further information.

No action has been or will be taken in any jurisdiction in relation to the New Notes to permit a public offering of securities.

Allocation of the New Notes

When considering allocation of the New Notes, the Offeror may give preference to those Holders that, prior to such allocation, have validly tendered or have given a firm intention to any Dealer Manager that they intend to tender their Notes for purchase pursuant to the Offer. Therefore, a Holder that wishes to subscribe for New Notes in addition to tendering its existing Notes for purchase pursuant to the Offer may be eligible to receive, at the sole and absolute discretion of the Offeror, priority in the allocation of the New Notes, subject to the issue of the New Notes and such Holder making a separate application for the purchase of such New Notes to a Dealer Manager (in its capacity as a joint lead manager of the issue of the New Notes) in accordance with the standard new issue procedures of such joint lead manager. Any such preference will, subject to the sole and absolute discretion of the Offeror, be applicable up to the aggregate nominal amount of Notes tendered by such Holder (or in respect of which such Holder has indicated a firm intention to tender as described above) pursuant to the Offer. However, the Offeror is not obliged to allocate any New Notes to a Holder that has validly tendered or indicated a firm intention to tender its Notes for purchase pursuant to the Offer and, if any such New Notes are allocated, the nominal amount thereof may be less or more than the nominal amount of Notes tendered by such Holder and accepted for purchase by the Offeror pursuant to the Offer. Any such allocation will also, among other factors, take into account the minimum denomination of the New Notes (being £100,000).

All allocations of the New Notes, while being considered by the Offeror as set out above, will be made in accordance with customary new issue allocation processes and procedures in the sole and absolute discretion of the Offeror. In the event that a Holder validly tenders Notes pursuant to the Offer, such Notes will remain subject to such tender and the conditions of the Offer as set out in the Tender Offer Memorandum irrespective of whether that Holder receives all, part or none of any allocation of New Notes for which it has applied.

Holders should note that the pricing and allocation of the New Notes are expected to take place prior to the Expiration Deadline for the Offer and any Holder that wishes to subscribe for New Notes in addition to tendering existing Notes for purchase pursuant to the Offer should therefore provide, as soon as practicable, to any Dealer Manager any indications of a firm intention to tender Notes for purchase pursuant to the Offer and the quantum of Notes that it intends to tender.

Tender Instructions

In order to participate in, and be eligible to receive the Purchase Price and the Accrued Interest Payment pursuant to, the Offer, Holders must validly tender their Notes for purchase 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 21 September 2021 unless extended, re-opened, amended and/or terminated as provided in the Tender Offer Memorandum (the **Expiration Deadline**).

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 Notes of no less than £100,000 (being the minimum denomination of the Notes), and may be submitted in integral multiples of £1,000 thereafter.

A separate Tender Instruction must be completed on behalf of each beneficial owner.

Indicative timetable for the Offer

The anticipated transaction timetable is summarised below:

Events

Times and Dates

(All times are London time)

Commencement of the Offer

Announcement of Offer and the intention of the Offeror to issue the New Notes, subject to market conditions. Tender Offer Memorandum available from the Tender Agent (subject to the restrictions set out in “Offer and Distribution Restrictions” below).

14 September 2021

Expiration Deadline

Final deadline for receipt of valid Tender Instructions by the Tender Agent in order for Holders to be able to participate in the Offer.

4.00 p.m. on 21 September 2021

Announcement of Indicative Results

Announcement by the Offeror of the aggregate nominal amount of Notes validly tendered pursuant to the Offer, together with a non-binding indication of the level at which it expects to set the Final Acceptance Amount and indicative details of any *pro rata* scaling that will apply in the event that the Offeror decides to accept (subject to satisfaction or waiver of the New Issue Condition on or prior to the Settlement Date) valid tenders of Notes pursuant to the Offer.

Prior to the Pricing Time on 22 September 2021

Pricing Time

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

At or around 12.00 p.m. on 22 September 2021

Announcement of Results and Pricing

Announcement by the Offeror of whether it will accept (subject to the satisfaction or waiver of the New Issue Condition on or prior to the Settlement Date) valid tenders of Notes for purchase pursuant to the Offer and, if so accepted, the Final Acceptance Amount, the Benchmark Security Rate, the Purchase Yield, the Purchase Price and details of any *pro rata* scaling.

As soon as reasonably practicable after the Pricing Time

Settlement Date

Subject to the satisfaction, or waiver, of the New Issue Condition, expected Settlement Date for the Offer.

24 September 2021

The Offeror may, in its sole discretion, extend, re-open, amend, waive any condition of or terminate the Offer at any time (subject to applicable law and as provided in the Tender Offer Memorandum) 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.

*Holders 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 Holder in order for that Holder 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 and revocation of Tender Instructions will be earlier than the relevant deadlines set out above and in the Tender Offer Memorandum.***

Unless stated otherwise, announcements in connection with the Offer will be made by or on behalf of the Offeror by (i) publication through RNS and (ii) the delivery of notices to the Clearing Systems for communication to Direct Participants. Such announcements may also be made (a) on the relevant Reuters Insider Screen and/or (b) by the issue of a press release to a Notifying News Service. Copies of all such announcements, press releases and notices can also be obtained upon request from the Tender Agent, the contact details for which are below. Significant delays may be experienced where notices are delivered to the Clearing Systems and Holders are urged to contact the Tender Agent for the relevant announcements during the course of the Offer. In addition, Holders may contact the Dealer Managers for information using the contact details below.

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

BNP Paribas, Citigroup Global Markets Limited, HSBC Bank plc and NatWest Markets Plc are acting as Dealer Managers for the Offer and Lucid 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:

BNP Paribas (Telephone: +33 1 55 77 78 94; Attention: Liability Management Group; Email: liability.management@bnpparibas.com); **Citigroup Global Markets Limited** (Telephone: +44 20 7986 8969; Attention: Liability Management Group; Email: liabilitymanagement.europe@citi.com); **HSBC Bank plc** (Telephone: +44 20 7992 6237; Attention: Liability Management; Email: LM_EMEA@hsbc.com); and **NatWest Markets Plc** (Telephone: +44 20 7678 5222; Attention: Liability Management; Email: liabilitymanagement@natwestmarkets.com).

Questions and requests for assistance in connection with the procedures for participating in the Offer, including the delivery of Tender Instructions, may be directed to the Tender Agent:

Lucid Issuer Services Limited (Telephone: +44 20 7704 0880; Attention: Harry Ringrose; Email: bupa@lucid-is.com).

This announcement is released by the Offeror 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 Kathryn Tait, Deputy Company Secretary, Bupa Group.

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 Holder is in any doubt as to the contents of this announcement and/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 broker, bank manager, solicitor, accountant or other independent financial, tax or legal adviser. Any individual or company whose Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee or intermediary must contact such entity if it wishes to tender such Notes pursuant to the Offer. The Dealer Managers are acting exclusively for the Offeror and no one else in connection with the arrangements described in this announcement and the Tender Offer Memorandum and will not be responsible to any Holder for providing the protections which would be afforded to customers of the Dealer Managers or for advising any other person in connection with the Offer. None of the Offeror, the Dealer Managers or the Tender Agent or any director, officer, employee, agent or affiliate of any such person has made or will make any assessment of the merits and risks of the Offer or of the impact of the Offer on the interests of the Holders either as a class or as individuals, and none of them makes any recommendation as to whether Holders should tender Notes pursuant to the Offer. None of the Offeror, the Dealer Managers or the Tender Agent (or any of their respective directors, officers, employees, agents or affiliates) is providing Holders with any legal, business, tax or other advice in this announcement and/or the Tender Offer Memorandum. Holders should consult with their own advisers as needed to assist them in making an investment decision and to advise them whether they are legally permitted to tender Notes for cash.

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. The distribution of this announcement, the Tender Offer Memorandum and/or any other materials relating to the Offer in certain jurisdictions may be restricted by law. Persons into whose possession this announcement, the Tender Offer Memorandum and/or any other materials relating to the Offer come(s) are required by each of the Offeror, the Dealer Managers and the Tender Agent to inform themselves about, and to observe, any such restrictions.

Neither this announcement, the Tender Offer Memorandum nor the electronic transmission thereof constitutes an offer to buy or a solicitation of an offer to sell Notes (and tenders of Notes in the Offer will not be accepted from Holders) 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 Dealer Manager 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.

No action has been or will be taken in any jurisdiction in relation to the New Notes that would permit a public offering of securities and the minimum denomination of the New Notes will be £100,000.

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. The Notes 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 or to any U.S. Person. 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 or to any U.S. Person, and the Notes cannot be tendered in the Offer by any use, means, instrumentality or facility 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 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.

Neither this announcement nor the Tender Offer Memorandum is an offer of securities for sale in the United States or to U.S. Persons. Securities may not be offered, sold or delivered in the United States absent registration under, or an exemption from the registration requirements of, the Securities Act. The New Notes have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons.

Each Holder participating in the Offer will represent that it is not a U.S. Person and it is not located in the United States and it 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 two paragraphs, **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, this announcement, the Tender Offer Memorandum and any other documents or materials relating to the Offer 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**)), persons who are within Article 43 of the Financial Promotion Order (which includes an existing creditor of the Offeror and, therefore, includes the Holders) or 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 and any other documents or materials relating to the Offer has 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 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. Holders or beneficial owners of the Notes that are located in Italy may tender some or all of their Notes in 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 and/or the Offer.

France

The Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). This announcement, the Tender Offer Memorandum and 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. Neither this announcement nor the Tender Offer Memorandum has been or will be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.