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28 November 2023



Virgin Money UK PLC

*(incorporated with limited liability in England and Wales with registered number 09595911)
(formerly CYBG PLC)*

Legal Entity Identifier (LEI): 213800ZK9VGCYYR6O495

ANNOUNCES TENDER OFFER TO PURCHASE NOTES FOR CASH

Virgin Money UK PLC (the "**Issuer**") has today launched an invitation to holders of its outstanding £250,000,000 9.25 per cent. Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes (ISIN: XS1959441640) (the "**Notes**"), to tender any and all such Notes for purchase by the Issuer for cash (the "**Offer**"), subject to satisfaction or waiver of the New Financing Condition (as defined herein) and subject to the terms and conditions described in a tender offer memorandum prepared by the Issuer dated 28 November 2023 (the "**Tender Offer Memorandum**").

The Offer is subject to the offer and distribution restrictions set out below and as more fully described in the Tender Offer Memorandum. Copies of the Tender Offer Memorandum are (subject to offer and distribution restrictions) available from the Tender Agent as set out below. Capitalised terms used and not otherwise defined in this announcement have the meanings given in the Tender Offer Memorandum. Details of the Notes and the Offer are set out in the table below.

THE OFFER

Description of the Notes	ISIN / Common Code	Outstanding Principal Amount	First Reset Date ^{1,2}	Purchase Price	Amount Subject to the Offer
9.25 per cent. Fixed Rate Reset Perpetual Subordinated Contingent Convertible Notes	XS1959441640 / 195944164	£250,000,000	8 June 2024	100.000 per cent. of the principal amount of the Notes	Any and all

¹ The Issuer is entitled to, subject to obtaining regulatory consent and to satisfaction of certain conditions, redeem all (and not some only) of the Notes at par on 8 June 2024 or any Reset Date (as defined in the Tender Offer Memorandum) thereafter.

² On 8 June 2024, the interest rate will reset and the Notes will bear interest at a rate which is the aggregate of the margin of 8.307 per cent. per annum and the applicable Reset Reference Rate.

THE OFFER BEGINS ON THE DATE OF THIS ANNOUNCEMENT AND WILL EXPIRE AT 4.00 P.M. (LONDON TIME) ON 5 DECEMBER 2023, UNLESS EXTENDED, RE-OPENED, AMENDED, WITHDRAWN AND/OR TERMINATED (THE "EXPIRATION DEADLINE") AS PROVIDED IN THE TENDER OFFER MEMORANDUM. TENDER INSTRUCTIONS, ONCE SUBMITTED, MAY NOT BE REVOKED EXCEPT IN THE LIMITED CIRCUMSTANCES OUTLINED IN THE TENDER OFFER MEMORANDUM UNDER THE HEADING "AMENDMENT AND TERMINATION – REVOCATION RIGHTS". THE DEADLINES SET BY ANY INTERMEDIARY OR CLEARING SYSTEM WILL BE EARLIER THAN THE EXPIRATION DEADLINE. NOTEHOLDERS SHOULD CONTACT THE INTERMEDIARY THROUGH WHICH THEY HOLD THEIR NOTES AS SOON AS POSSIBLE TO ENSURE PROPER AND TIMELY DELIVERY OF INSTRUCTIONS.

Rationale for the Offer

The purpose of the Offer is to provide liquidity for investors in the Notes concurrent with the opportunity to redeploy funding into the Issuer's proposed New Notes (as defined below). The Offer in conjunction with an issue of New Notes is being made as part of the Issuer's active management of its capital base. The Issuer intends to consider future optional redemption rights in respect of the Notes that are not tendered and accepted pursuant to the Offer on an economic basis, considering current and future regulatory capital treatment and minimum requirement for own funds and eligible liabilities (MREL) value, relative funding cost, rating agency treatment, regulatory developments and having regard to the prevailing circumstances at the relevant time.

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

Amount subject to the Offer

If the Issuer decides to accept for purchase Notes validly tendered pursuant to the Offer, the Issuer intends to accept for purchase all of the Notes that are validly tendered and there will be no scaling of any tenders of Notes for purchase.

Purchase Price

The Issuer will pay, for Notes accepted for purchase pursuant to the Offer (and subject to satisfaction or waiver of the New Financing Condition), a cash purchase price equal to 100.000 per cent. of the principal amount of the relevant Notes (the "**Purchase Price**").

Accrued Interest

If the Settlement Date is not an Interest Payment Date, the Issuer will also pay an Accrued Interest Payment in respect of Notes accepted for purchase pursuant to the Offer.

Noteholders should be aware that the expected Settlement Date for the Offer (being 8 December 2023) coincides with a regular scheduled Interest Payment Date of the Notes. As such, interest accrued and unpaid on the outstanding Notes (including the Notes tendered pursuant to the Offer) from (and including) the Interest Payment Date most recently preceding the expected Settlement Date to (but excluding) the expected Settlement Date, will be made pursuant to the usual payment process in the ordinary course of business. As such, no Accrued Interest shall be payable pursuant to the Offer, unless the Settlement Date is amended to a date which is not a regular scheduled Interest Payment Date of the Notes.

New Financing Condition

The Issuer will announce on the date hereof its intention to issue new benchmark Sterling denominated fixed rate reset perpetual subordinated contingent convertible notes (the "**New Notes**") subject to market conditions. Whether the Issuer will accept for purchase any Notes validly tendered in the Offer and complete the Offer is subject, without limitation, to the successful completion (in the sole determination of the Issuer) of the issue of the New Notes (the "**New Financing Condition**"). The Issuer reserves the

right at any time to waive any or all of the conditions of the Offer (including the New Financing Condition) as set out in the Tender Offer Memorandum.

The Issuer is not under any obligation to accept for purchase any Notes tendered pursuant to the Offer. The acceptance for purchase by the Issuer of Notes tendered pursuant to the Offer is at the sole discretion of the Issuer and tenders may be rejected by the Issuer for any reason.

Any investment decision to purchase any New Notes should be made solely on the basis of the information contained in the listing particulars relating to the New Notes (the "**Listing Particulars**"), and no reliance is to be placed on any representations other than those contained in the Listing Particulars. Subject to compliance with all applicable securities laws and regulations, the Listing Particulars are expected to be available from the Dealer Managers, in their capacity as joint lead managers of the issue of the New Notes, on request.

The New Notes are not being, and will not be, offered or sold in the United States. Nothing in 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 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.

MiFID II product governance - *The target market for the New Notes is eligible counterparties and professional clients only (all distribution channels), each as defined in Directive 2014/65/EU (as amended, "MiFID II").*

UK MiFIR product governance - *The target market for the New Notes is eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients only (all distribution channels), as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA") ("UK MiFIR").*

PROHIBITION OF SALES TO EEA RETAIL INVESTORS - *The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.*

PROHIBITION OF SALES TO UK RETAIL INVESTORS - *The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the New Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the New Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.*

The New Notes have and shall only be offered in conformity with the provisions of the Listing Particulars and the selling restrictions and, if applicable, the exemption wording, contained therein.

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 the allocation of the New Notes, the Issuer may give preference to those Noteholders who, prior to such allocation, have informed the Issuer or any Dealer Manager that they have validly tendered or have given a firm intention to the Issuer or any Dealer Manager that they intend to tender their Notes pursuant to the Offer. Therefore, a Noteholder who wishes to subscribe for New Notes in addition to tendering its Notes for purchase pursuant to the Offer may be eligible to receive, at the sole and absolute discretion of the Issuer, priority in the allocation of the New Notes, subject to the issue of the New Notes and such Noteholder 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. However, the Issuer is not obliged to allocate the New Notes to a Noteholder who has validly tendered or indicated a firm intention to tender the Notes pursuant to the Offer and, if New Notes are allocated, the principal amount thereof may be less or more than the principal amount of Notes tendered by such holder and accepted by the Issuer pursuant to the Offer. Any such allocation will also, among other factors, take into account the minimum denomination of the New Notes (being £200,000). Holders should note that the pricing and allocation of the New Notes are expected to take place prior to the Expiration Deadline and therefore should 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 (if applicable) the Accrued Interest Payment pursuant to, the Offer, Noteholders 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 the Expiration Deadline. See "*Procedures for Participating in the Offer*" of the Tender Offer Memorandum.

EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only.

Events

Times and Dates

(All times are London time)

Commencement of the Offer

Announcement of Offer. Tender Offer Memorandum available from the Tender Agent.

28 November 2023

Pricing of the New Notes

Expected pricing of the New Notes.

Expected to be prior to the Expiration Deadline

Expiration Deadline

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

4.00 p.m. on 5 December 2023

Announcement of Results of the Offer

Announcement of whether the Issuer will accept (subject to satisfaction or waiver of the New Financing Condition on or prior to the Settlement Date) valid tenders of Notes for purchase pursuant to the Offer and, if so accepted, the aggregate principal amount of the Notes accepted for purchase.

As soon as practicable on 6 December 2023

Settlement Date

Subject to satisfaction or waiver of the New Financing Condition on or prior to such date, the expected Settlement Date for the Offer. Payment of Purchase Price and (if applicable) Accrued Interest Payment in respect of the Offer to Noteholders whose Notes have been accepted for purchase pursuant to the Offer.

Expected to be 8 December 2023

*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. See "Procedures for Participating in the Offer" of the Tender Offer Memorandum.***

FURTHER INFORMATION

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

A complete description of the terms and conditions of the Offer is set out in the Tender Offer Memorandum. Any questions or requests for assistance in connection with: (i) the Offer, may be directed to the Dealer Managers; and (ii) the delivery of Tender Instructions or requests for additional copies of the Tender Offer Memorandum or related documents, which may be obtained free of charge, may be directed to the Tender Agent, the contact details for each of which are set out below.

Dealer Managers

Goldman Sachs International

Plumtree Court
25 Shoe Lane
London EC4A 4AU
United Kingdom

Telephone no.: +44 20 7774 4836
Email: Liabilitymanagement.eu@ny.email.gs.com
Attention: Liability Management Desk

J.P. Morgan Securities plc

25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Email: liability_management_EMEA@jpmorgan.com
Attention: EMEA Liability Management Group

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
United Kingdom

Telephone no.: +44 207 996 5420
Email: DG.LM-EMEA@bofa.com
Attention: Liability Management Team

NatWest Markets Plc

250 Bishopsgate
London EC2M 4AA
United Kingdom

Telephone no.: +44 (0)20 7678 5222
Email: NWMLiabilityManagement@natwestmarkets.com
Attention: Liability Management

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 / Alessandro Zorza
Email: virginmoney@is.kroll.com
Website: <https://deals.is.kroll.com/virginmoney>

DISCLAIMER

This announcement must be read in conjunction with the Tender Offer Memorandum. No offer to acquire or exchange any securities is being made pursuant to this announcement. This announcement and the Tender Offer Memorandum contain important information, which must be read carefully before any decision is made with respect to the Offer. If any Noteholder is in any doubt as to the action it should take, it is recommended to seek its own financial, legal and any other advice, including in respect of any tax financial, accounting, regulatory and 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 participate in the Offer. None of the Issuer, the Dealer Managers or the Tender Agent or their respective directors, employees or affiliates makes any recommendation as to whether Noteholders should participate in the Offer and none of the Issuer, the Dealer Managers or the Tender Agent nor any of their respective affiliates will have any liability or responsibility in respect thereto.

This announcement may contain inside information as defined in Article 7 of the Market Abuse Regulation (EU) 596/2014 (the "**Market Abuse Regulation**") and is disclosed in accordance with the Issuer's obligations under Article 17 of the Market Abuse Regulation. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

Announcement authorised for release by Lorna McMillan, Group Company Secretary.

OFFER AND DISTRIBUTION 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 mail 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. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. 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 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.

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 or sold 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, in the United States or to, or for the account or benefit of, U.S. Persons.

Each Noteholder 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 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.

Italy

None of this announcement, the Offer, 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**").

The Offer is being carried out in the Republic of 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 (the "**Issuer's Regulation**").

Noteholders, or beneficial owners of the Notes, 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.

Noteholders, or beneficial owners of the Notes that qualify as qualified investors (*investitori qualificati*) can offer Notes for purchase 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.

United Kingdom

The communication of this announcement or the Tender Offer Memorandum by the Issuer 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 FSMA. 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, and may only be acted upon by, 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 persons who are within Article 43(2) of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

France

The Offer is not being made, and this announcement, the Tender Offer Memorandum and any other document or material relating to the Offer have not been and will not be distributed, directly or indirectly, in the Republic of France except to qualified investors (*investisseurs qualifiés*) as referred to in Article L.411-2 1° of the French Code *monétaire et financier* and defined in Article 2(e) of Regulation (EU) 2017/1129, as amended. 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*.

General

Neither this announcement, 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 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 Issuer in such jurisdiction.

Nothing in this announcement, the Tender Offer Memorandum or the electronic transmission thereof constitutes an offer to sell or the solicitation of an offer to buy the New Notes in the United States or any other 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*" of 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 Issuer, 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 Issuer determines (for any reason) that such representation is not correct, such tender shall not be accepted.

Virgin Money UK PLC is registered in England and Wales (company number: 09595911) and as a foreign company in Australia (ARBN 609 948 281) and has its registered office at Jubilee House, Gosforth, Newcastle upon Tyne, NE3 4PL