

# Information Booklet

## 28 January 2020

The information contained herein may only be released, published or distributed in the United Kingdom, the Isle of Man, the Republic of Ireland, Jersey and the Bailiwick of Guernsey in accordance with applicable regulatory requirements.

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### **Bruntwood Bond 2 plc** **6.00 Per cent. bonds due 2025 (the “Bonds”)** **Guaranteed by Bruntwood Limited (the “Parent Guarantor”)** **and Bruntwood Management Services Limited** **(the “Subsidiary Guarantor”)**

#### **Joint Lead Managers**

City & Continental Ltd  
Peel Hunt LLP

#### **Initial Authorised Offerors**

**Equiniti Financial Services Limited** (Trading as Selftrade, Shareview and/or Saga Share Direct)  
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

#### **AJ Bell YouInvest**

4 Exchange Quay Salford, The Quays, Manchester M5 3EE

#### **iDealing.com Limited**

Finsbury House, 23 Finsbury Circus, London EC2M 7EA

#### **Redmayne Bentley LLP**

9 Bond Court, Leeds, LS1 2JZ

This Information Booklet is an advertisement and not a prospectus.

Any decision to purchase or sell the Bonds should be made solely on the basis of a careful review of the exchange offer memorandum and Prospectus (“the Prospectus”) dated 28 January 2020, available on the Bruntwood Group’s website, at [www.bruntwood.co.uk](http://www.bruntwood.co.uk)

## Important information

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This Information Booklet is an advertisement for the purposes of Prospectus Rule 3.3 and Article 22 of Regulation (EU) 2017/1129 (the "Prospectus Regulation") and is not a prospectus for the purposes of the Prospectus Regulation and/or Part VI of the Financial Services and Markets Act 2000 (the "FSMA").

This Information Booklet is not an offer for the subscription or sale of the Bonds (defined in the following paragraph).

This Information Booklet relates to a proposed offer of 6.00 per cent. Bonds due 25 February 2025 (the "Bonds"). An exchange offer memorandum and prospectus dated 28 January 2020 (the "Prospectus"), which comprises a prospectus for the purposes of the Prospectus Regulation, has been prepared and made available to the public in accordance with the Prospectus Regulation. Copies of the Prospectus are available from the website of Lucid Issuer Services Limited (<https://portal.lucid-is.com>), the website of the London Stock Exchange plc ([www.londonstockexchange.com/newissues](http://www.londonstockexchange.com/newissues)) and Bruntwood's website ([www.bruntwood.co.uk](http://www.bruntwood.co.uk)). Your Authorised Offeror will provide you with a copy of the Prospectus.

This Information Booklet should not be relied on for making any investment decision in relation to the purchase of the Bonds. Any investment decision should be made solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest. You should ensure that you understand and accept the risks and rewards relating to an investment in the Bonds before making such an investment. You should seek your own professional investment, accounting, legal and tax advice as to whether an investment in the Bonds is suitable for you.

The Prospectus has been approved by the Financial Conduct Authority (the "FCA"). The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of either the Issuer or the Guarantors or the quality of the Bonds that are the subject of the Prospectus and investors should make their own assessment as to the suitability of investing in the Bonds.

# Important information

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**This Information Booklet is a financial promotion approved, for the purposes of section 21(2)(b) of FSMA, by Peel Hunt LLP and City & Continental Ltd (together, the “Joint Lead Managers”) and made by Bruntwood Bond 2 plc (the “Issuer”).** Peel Hunt LLP (incorporated in England and Wales with registered number OC357088) whose registered office is Moor House, 120 London Wall, London EC2Y 5ET, is authorised and regulated by the FCA. City & Continental Ltd (incorporated in England and Wales with registered number 09997053) whose registered office is Cheyne House Crown Court, 62-63 Cheapside, London EC2V 6AX, is authorised and regulated by the FCA.

### MIFID II product governance / Retail investors, professional investors and ECPs target market

Solely for the purposes of the manufacturers’ product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”) and (ii) all channels for distribution of the Bonds are appropriate, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Bonds (a “**distributor**”) should take into consideration the manufacturer’s target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels, subject to the distributor’s suitability and appropriateness obligations under MiFID II, as applicable.

### PRIIPs Regulation

The Bonds have a fixed rate of interest and the redemption amount of the Bonds is fixed as described in the Prospectus. No key information document pursuant to Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) is required for the purposes of offering the Bonds, and accordingly no key information document has been prepared.

No reliance may be placed on the Joint Lead Managers for advice or recommendations of any sort. The Joint Lead Managers make no representation or warranty to you with regard to the information contained in the Prospectus. This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as it may do so under applicable law, the Joint Lead Managers do not warrant or make any representation as to its completeness, reliability or accuracy.

Bruntwood Bond 2 plc is the legal entity that will issue the Bonds (the meaning of that term is explained below) and Bruntwood Limited and Bruntwood Management Services Limited are the legal entities that will provide a guarantee to the Bonds.

No offer for subscription or sale of any of the Bonds has or may be circulated in Jersey unless such offer is circulated in Jersey by a person or persons authorised to conduct investment business under the Financial Services (Jersey) Law 1998, as amended and (a) such offer does not for the purposes of Article 8 of the Control of Borrowing (Jersey) Order 1958, as amended, constitute an offer to the public; or (b) an identical offer is for the time being circulated in the United Kingdom without contravening the FSMA and is, *mutatis mutandis*, circulated in Jersey only to persons similar to those to whom, and in a manner similar to that in which it is for the time being circulated in the United Kingdom.

The Bonds may only be sold in or from within the Bailiwick of Guernsey in compliance with the provisions of the Protection of Investors (Bailiwick of Guernsey) Law 1987 (as amended) (the “**POI Law**”). The Bonds may not be promoted or offered for sale, directly or indirectly, in or from within the Bailiwick of Guernsey other than (i) by persons licensed to do so by the Guernsey Financial Services Commission under the POI Law; (ii) to persons licensed under the POI Law, the Banking Supervision (Bailiwick of Guernsey) Law, 1994 (as amended), the Insurance Business (Bailiwick of Guernsey) Law, 2002 (as amended), the Insurance Managers and Insurance Intermediaries (Bailiwick of Guernsey) Law, 2002

## Important information (Cont.)

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(as amended) or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 (as amended); or the requirements set out in section 29(c) of the Protection of Investors (Bailiwick of Guernsey) Law 1987 in respect of (b)(i) above and the requirements set out in section 29(cc) of the Protection of Investors (Bailiwick of Guernsey) Law 1987 in respect of (b)(ii) above have been complied with.

The Bonds may not be marketed, offered or sold in, or to persons resident in, the Isle of Man, other than in compliance with the licensing requirements of the Isle of Man Financial Services Act 2008 or in accordance with any relevant exclusion contained in the Isle of Man Regulated Activities Order 2011 or in accordance with any relevant exemption contained in the Isle of Man Financial Services (Exemptions) Regulations 2011.

This Information Booklet is not for distribution in the United States of America or to US persons. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and the Bonds, which are in bearer form, are subject to certain US tax law requirements. The Bonds may not be offered, sold or delivered within the United States of America or to, or for the account or benefit of, US persons.

No action has been or will be taken by the Issuer, the Guarantors, or the Joint Lead Managers in any jurisdiction other than the United Kingdom or Ireland that would, or is intended to, permit a public offer of the Bonds in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager will agree, to the best of its knowledge and belief, to comply in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes the Prospectus or any amendment or supplement thereto or any other offering material, in all cases at its own expense. Potential investors are advised to review in full the “Subscription and Sale” section on page 109 onwards of the Prospectus for further information.

# Offer of 6.00 Per Cent. Bonds due 2025 ("Bonds")

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The Bruntwood Bond 2 plc 6.00 per cent. Bonds due 25 February 2025 pay interest of 6.00 per cent. per annum on the face value of £100 per Bond.

The Bonds may form part of a single series of Bonds together with further Bonds issued pursuant to an offer to the existing holders of the £50,000,000 6.00 per cent. secured bonds due 2020 issued by Bruntwood Investments plc and guaranteed by Bruntwood Limited (the "**Existing 2020 Bonds**") to exchange their Existing 2020 Bonds for the Bonds (the "**Exchange Offer**") which was publicly announced by the Issuer on the publication date of the prospectus. **The potential exchange of Existing 2020 Bonds for Bonds is not the subject of this Information Booklet and this Information Booklet contains no information relating to that transaction.**

The only way to purchase Bonds during the offer period is through a stockbroker or other financial intermediary which has been granted consent by Bruntwood Bond 2 plc (the "**Issuer**") to use the Prospectus (an "**Authorised Offeror**") for the purposes of making offers of the Bonds. Contact your stockbroker or other financial intermediary, or any of those listed in the "**Authorised Offerors**" section of this Information Booklet on page 19 if you wish to purchase these Bonds. The Bonds will be available for purchase from the date of this Information Booklet until 12 noon London time on 18 February 2020 or such earlier time and date as may be announced by Bruntwood Bond 2 plc during the Offer Period.

The minimum initial amount of Bonds you can buy is £2,000. Purchases of greater than £2,000 must be in whole multiples of £100. After the initial purchase of Bonds during the Offer Period, the Bonds can be bought and sold in whole multiples of £100. Your Authorised Offeror will provide you with a copy of the Prospectus (on request). You should read the "**Important Information**" section of this Information Booklet on pages 2 to 4.

## Interest on the Bonds

Interest will be paid in two equal instalments a year on 25 February and 25 August every year (with the first payment being made on 25 August 2020) up to and including 25 February 2025 (the "**Maturity Date**"), unless the Bonds have previously been redeemed or purchased and cancelled. On the Maturity Date (i.e. 25 February 2025), Bruntwood Bond 2 plc is required to repay an amount equal to the face value of the Bonds (i.e. £100 for each Bond) unless the Bonds have previously been redeemed or purchased and cancelled. **If Bruntwood Bond 2 plc, Bruntwood Limited and Bruntwood Management Services Limited go out of business or become insolvent before the Maturity Date, you may lose some or all of your investment.** Please see the "**Key Risks of Investing in the Bonds**" and "**Key Features of the Bonds**" sections of this Information Booklet on pages 10-11 and 7-8 respectively.

# Offer of 6.00 Per Cent. Bonds due 2025 ("Bonds") (Cont.)

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## Redemption of the bonds on the Maturity Date

Provided that Bruntwood Bond 2 plc (the issuer) and Bruntwood Limited and Bruntwood Management Services Limited (each a guarantor) do not go out of business or become insolvent (including cashflow insolvency, due to insufficient liquidity or recourse to finance) and provided that the Bonds have not previously been redeemed or purchased or cancelled, the Bonds will be redeemed at 100% of their face value (i.e. £100) on the Maturity Date (i.e. 25 February 2025).

## Early redemption due to change in relevant taxation laws

In the event of any change in, amendment to, or any change in the interpretation of taxation law in the UK that would result in Bruntwood Bond 2 plc being required to pay additional amounts in respect of the Bonds, the Bonds may be redeemed early (in whole but not in part) in certain circumstances at Bruntwood Bond 2 plc's option at 100% of their face value (i.e. £100) plus accrued interest as set out in "**Redemption for Taxation Reasons**" in the "**Terms and Conditions of the Bonds**" at page 67 of the Prospectus.

# Key Features of the Bonds

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- **Issuer:** Bruntwood Bond 2 plc
  - **Guarantors:** The Bonds will be unconditionally and irrevocably guaranteed on a joint and several basis by each of Bruntwood Limited (the “**Parent Guarantor**”) and Bruntwood Management Services Limited (the “**Subsidiary Guarantor**”).
  - **Interest rate:** 6.00 per cent. per annum. Your actual return will depend on the price at which you acquire the Bonds (if different from the face value) and, if you do not hold the Bonds until maturity, the price at which you sell your Bonds.
  - **Interest payments:** Interest will be paid in two equal instalments on 25 February and 25 August in each year, starting on 25 August 2020 up to and including the Maturity Date (i.e. 25 February 2025).
  - **Offer Period:** The Bonds are available for purchase through your stockbroker or other financial intermediary in the period from the date of this Information Booklet until 12 noon on 18 February 2020 (London time) or such earlier time and date as specified by Bruntwood Bond 2 plc and announced by Bruntwood Bond 2 plc via a Regulatory Information Service (which is expected to be the Regulatory News Service operated by the London Stock Exchange) (the “**End of Offer Date**”).
  - **Authorised Offerors:** A number of authorised offerors (listed on page 19 of this Information Booklet) have been given consent by Bruntwood Bond 2 plc to provide this Information Booklet and the Prospectus to potential investors in the Bonds until the End of Offer Date.  
  
Bruntwood Bond 2 plc has also granted its consent for other financial intermediaries to use the Prospectus for the purposes of making offers of the Bonds to potential investors in the United Kingdom. The conditions attached to this consent are set out in the section headed “**Important Legal Information – Consent**” on page 102 onwards of the Prospectus.
- Any offer to sell the Bonds made or received from any other party, or by any party after the End of Offer Date, may not have been approved by the Issuer and you should check with such party whether or not such party is so approved.**
- **Date on which the Bonds are issued and on which interest begins to accrue:** 25 February 2020.
  - **Term of the Bonds:** 5 years.
  - **Maturity Date** (i.e. when the Bonds mature and are repayable): 25 February 2025.
  - **Face value of each Bond:** £100. Although the face value of each Bond is £100, it is not possible to purchase less than £2,000 during the Offer Period. In the secondary market (i.e. after the issue date of the Bonds), it should be possible to purchase and sell the Bonds in whole multiples of £100.
  - **Issue price:** 100 per cent. of the face value of each Bond (i.e. £100).
  - **Negative Pledge:** The Bonds contain a negative pledge provision pursuant to which (subject to certain exceptions) none of the Issuer, the Guarantors or any of their subsidiaries may create or have outstanding any security interest upon the whole or (to the extent that the Issuer and the Guarantors can procure compliance through proper exercise of voting and other rights or powers of control) any part of its or their respective undertakings or assets (present or future) to secure any debt instruments or any guarantee or indemnity obligation in respect of debt instruments without granting such security to the holders of the Bonds, or making arrangements not materially less beneficial.
  - **Financial covenants:** The terms of the Bonds will contain financial covenants, including in respect of the maintenance of a **Financial Indebtedness to Tangible Fixed Assets** ratio and the maintenance of **Operating Profit to Net Interest Payable** ratio (terms defined in the “**Terms and Conditions of the Bonds**” in the Prospectus).



## Key Features of the Bonds (Cont.)

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- **Redemption at Maturity Date:** Provided that Bruntwood Bond 2 plc as issuer or Bruntwood Limited and Bruntwood Management Services Limited as guarantors do not go out of business or become insolvent, and provided that the Bonds have not previously been redeemed or purchased and cancelled early by Bruntwood Bond 2 plc, the Bonds will be redeemed at 100 per cent of their face value on the Maturity Date (i.e. 25 February 2025).
- **Early redemption due to change in relevant taxation laws:** In the event of any change in, amendment to, or any change in the interpretation of taxation law in the UK that would result in Bruntwood Bond 2 plc being required to pay additional amounts in respect of the Bonds, the Bonds may be redeemed early (in whole but not in part) in certain circumstances at Bruntwood Bond 2 plc's option at 100 per cent. of their face value plus accrued interest as set out in "**Redemption for taxation reasons**" in the "**Terms and Conditions of the Bonds**" at page 67 of the Prospectus.
- **Trading:** Investors will, subject to market conditions, be able to buy Bonds or sell their Bonds during the life of the Bonds. See the "**Key Risks of Investing in the Bonds**" and "**Further Information - How to trade the Bonds**" sections on pages 10-11 and 17 respectively of this Information Booklet for more details.
- **Bond ISIN:** XS2104011304.
- **Amount of Bonds to be issued:** The total amount of the Bonds to be issued will depend on the demand received from (a) the holders of Existing 2020 Bonds to participate in the Exchange Offer and (b) new applicants for the Bonds before the End of Offer Date.
- **Joint Lead Managers:** Peel Hunt LLP and City & Continental Ltd



# What is a Bond?

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**A fixed rate bond is a form of borrowing by a company seeking to raise funds from investors. The bonds have a fixed term and a fixed rate of interest. The company that issues the bonds promises to pay a fixed rate of interest to the investor until the date that the bond matures (i.e. in the case of the Bonds, their Maturity Date) when it also promises to repay the amount borrowed.**

A bond is a tradable instrument; meaning that you do not have to keep the Bonds until the date when they mature. The market price of a bond may vary between the date when it is issued and the date when it matures.

As with any investment there is a risk that a bondholder could get back less than their initial investment or lose all their initial investment, including if they sell their bonds at a price lower than that which they paid for them.

**You should refer to the “Important Information” and “Key Risks of Investing in the Bonds” sections on pages 2-4 and 10-11 of this Information Booklet and to the “Terms and Conditions of the Bonds” as set out at page 62 onwards in the Prospectus.**

**A copy of the Prospectus will be provided to you by your stockbroker or financial adviser upon request.**

## Key risks of investing in the Bonds

A number of particularly important risks relating to an investment in the Bonds are set out below. You must ensure that you understand the risks inherent in the Bonds. The risks set out below are not intended to be a comprehensive list of all the risks that may apply to an investment in the Bonds. **You should seek your own independent professional investment, legal and tax advice as to whether an investment in the Bonds is suitable for you. You should be aware that you could get back less than you invest or lose your entire investment.**

**Full details regarding the risk factors relating to Bruntwood, and the Bonds are set out in the section headed "Risk Factors" on pages 10 to 24 of the Prospectus. Please read them carefully.**

**Risks relating to the Bruntwood Group's business operations:**

- The ability of the Bruntwood Group to raise funds to roll-over or refinance on similar terms to the Bruntwood Group's existing debt financing, or at all, its existing debt facilities, which are currently set to mature on dates ranging from 8 June 2020 to 22 December 2031, will be dependent on a number of factors including general economic, political, debt and equity capital market conditions, funding availability and, importantly, the appetite of financial institutions to lend to the property sector.

**Risks relating to the structure of the Bruntwood Group that may affect the Issuer's and Guarantors' respective abilities to fulfil their obligations in relation to the Bonds:**

- The sole function of the Issuer is to act as a special purpose company to raise money, by the issue of securities, for on-lending to the Bruntwood Group for its general corporate purposes. The Issuer will have no tangible assets of its own and the Issuer's only material assets will be the obligation of the Parent Guarantor and other members of the Bruntwood Group to pay interest on and to repay such on-lent funds on a timely basis. As the funds needed to pay interest on the on-lent funds and to repay the on-lent funds will originate from cashflow generated from the wider business of the Bruntwood Group, the Issuer's ability to meet its payment obligations under the Bonds is subject to all the risks to which the Bruntwood Group is subject.

- The Parent Guarantor's principal business is that of holding shares in its subsidiaries. It conducts all of its operations through its subsidiaries and is dependent on the financial performance of its subsidiaries and payments of dividends and inter-company payments from these subsidiaries to meet its debt obligations including its ability to fulfil its obligations under the Parent Guarantee.
- The Subsidiary Guarantor's sole assets are the benefit of intercompany receivables from other subsidiaries of the Bruntwood Group and excess cash of the Bruntwood Group (if any) from time to time. So, its ability to make payments pursuant to the Subsidiary Guarantee is dependent on the repayment to it by other Bruntwood Group entities of those intercompany accounts, and the extent of generation of surplus cash by those other subsidiaries.

**Risks relating to investing in property:**

- The valuation of property and property-related assets is inherently subjective and investments in property are relatively illiquid and typically more difficult, and/or take longer, to realise than certain other investments. There is no assurance that the valuations of the Bruntwood Group's current and prospective properties will be reflected in actual transaction prices, that estimated yield and annual rental income will prove to be attainable or that the Bruntwood Group will be able to dispose of, or liquidate, assets from its property portfolio expeditiously and at satisfactory prices if it were required to do so.
- As at 30 September 2019, approximately 83 per cent. of the rental income generated by the Bruntwood Group's property portfolio relates to conventional office space. A given

## Key risks of investing in the Bonds

property's age, condition, design and ability to offer certain amenities to customers all affect the ability of such property to compete against other office properties in the area belonging to competitors in attracting and retaining customers.

### Market risks relating to the Bruntwood Group's business:

- Returns from an investment in property depend largely upon factors which are outside the Bruntwood Group's control, including changes in the relevant property's market value, the costs and expenses incurred in a property's maintenance and management, as well as the amount of rental and other income generated by the property. The latter may depend on the financial stability of the Bruntwood Group's customers. If for whatever reason the Bruntwood Group's customers cease to pay rent or other charges, the revenue generated by the rental of properties will decrease.
- All of the Bruntwood Group's properties are located in the United Kingdom and are concentrated in Manchester, Greater Manchester, Liverpool, Birmingham and Leeds. In this way, an economic downturn in the UK (and in particular, in Manchester, Greater Manchester, Liverpool, Birmingham and/or Leeds), either as a result of microeconomic or macroeconomic factors, could materially adversely affect the Bruntwood Group's business, financial condition or results of operations as well as the market value of the Bruntwood Group's property portfolio.
- Both rental income and the market value of properties may be affected by factors specific to individual properties, such as competition from other nearby properties and the perceptions of prospective customers of the relative attractiveness, convenience and safety of properties. Additionally, competition in the property market may lead to prices for properties identified by the Bruntwood Group as a

suitable investment opportunity being driven up through competing bids by potential purchasers.

### Summary of general risks affecting the Bonds:

- The Bonds are not protected by the Financial Services Compensation Scheme ("FSCS") or any equivalent scheme in another jurisdiction. As a result, neither the FSCS nor anyone else will pay compensation to Investors upon the failure of the Issuer, the Guarantors or the Group as a whole.
- Defined majorities may be permitted to bind all Bondholders with respect to modification and waivers of the Bonds Conditions, even if some Bondholders did not attend or vote.
- The Bonds do not have an established trading market when issued, and one may never develop, or may develop and be illiquid. Investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.
- The Bonds bear interest at a fixed rate until the Maturity Date and this exposes Bondholders to potential prevailing interest rate and inflation risk over the term of the Bonds.
- Although Peel Hunt LLP will be appointed as a market-maker when the Bonds are issued, there is no assurance that the market-maker will continue to act as a market-maker for the life of the Bonds and a replacement market-maker may not be appointed, impacting the ability to sell the relevant Bonds.

# The Issuer and the Group

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You should refer to the sections headed “Description of the Issuer” and “Description of the Subsidiary Guarantor” and “Description of the Business of the Bruntwood Group” in the Prospectus for full information on the Issuer, the Guarantors and the Bruntwood Group.

## The Issuer

The Issuer was incorporated and registered in England and Wales on 20 November 2019 under the Companies Act 2006 as a public limited company with registered number 12325238 under the name of Bruntwood Bond 2 plc. The principal legislation under which the Issuer operates is the Companies Act 2006.

The Issuer’s registered office and principal place of business is Union, Albert Square, Manchester M2 6LW and its telephone number is 0161 212 2222.

The Legal Entity Identifier of the Issuer is 21380034YZZ56VF4QF27.

The Issuer’s website is the same as that of the Group’s, being [www.bruntwood.co.uk](http://www.bruntwood.co.uk). Any information contained in any website specified in the Prospectus does not form part of the Prospectus, except where that information has been incorporated by reference into the Prospectus.

## The Parent Guarantor and the Bruntwood Group

The Parent Guarantor was incorporated and registered in England and Wales on 4 December 2006 under the Companies Act 1985 as a private limited company with registered number 6017744 under the name of Bruntwood Group Limited. The Parent Guarantor changed its name from Bruntwood Group Limited to Bruntwood Limited on 31 December 2008. The principal legislation under which the Parent Guarantor operates is the Companies Act 2006. The Parent Guarantor’s objects and purposes are unrestricted.

The Parent Guarantor’s registered office and principal place of business is Union, Albert Square, Manchester, M2 6LW and its telephone number is 0161 212 2222.

The Legal Entity Identifier of the Parent Guarantor is 213800ZX2CGN7UUXYC31.

The Parent Guarantor’s website is [www.bruntwood.co.uk](http://www.bruntwood.co.uk). Any information contained in any website specified in the Prospectus does not form part of the Prospectus, except where that information has been incorporated by reference into the Prospectus.

## Overview

The Parent Guarantor’s business is that of a holding company and it is the intermediate holding company of a group of subsidiary companies. The Parent Guarantor is a wholly owned subsidiary of Bruntwood Group Limited which is the ultimate holding company of the Group and which is in turn owned by the Oglesby family and family related trusts. The ultimate controlling shareholder of the Bruntwood Group, via investment through Bruntwood Group Limited, is considered by the Parent Guarantor’s Board of Directors to be Mr C G Oglesby, close members of his family and Oglesby family trusts. The Group was founded in 1976 and is one of the United Kingdom’s largest privately-owned commercial property groups. The Bruntwood Group employs approximately 800 people. The Bruntwood Group’s main activity is the customer service led provision of office space with ancillary retail premises, storage and car parking facilities to a range of customers including the public and private sectors.

As at 30 September 2019, the Bruntwood Group owned approximately 7,400,000 square feet of space within 110 properties. This is comprised of 2,931,000 square foot of space in located in central Manchester, 2,829,000 square foot of space in Greater Manchester and 1,636,000 square foot of space in Liverpool, Leeds and Birmingham (combined). The Bruntwood Group’s properties were utilised by approximately 2,600

## The Issuer and the Group (Cont.)

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business customers. The Bruntwood Group's turnover for the 12 months ended 30 September 2019 was £160.1 million (£137.7 million for the same period in 2018) of which the Bruntwood Group's rental and related income contributed £93.4 million and the Bruntwood Group's service charge income contributed £22.6 million (£87.6 million and £25.2 million respectively for the same period in 2018). Of the Bruntwood Group's rental and related income as at 30 September 2019, headline rent amounted to £102.7 million, passing rent amounted to £91.8 million and estimated rental value amounted to £120 million. The Bruntwood Group's profit before taxation for the year ended 30 September 2019 was £51.5 million (£116.3 million for the same period in 2018).

### History and development

The Bruntwood Group was established in 1976 by Mr M J Oglesby and his early business partner as a family-owned and managed property company. The purpose of the Bruntwood Group at its outset was to invest in old mills and industrial units such that they could be refurbished and repositioned for use by smaller owner managed businesses. However, from 1979 onwards, the wider economy of the principal commercial centres of north-west England experienced a general move away from its traditional manufacturing industry to a service led industry. As a consequence, the Bruntwood Group changed its focus to the acquisition of well-located but often neglected commercial office properties in order to develop them to a higher presentational standard to let to its customer base. The first site was located in Manchester. Further sites were then acquired in Manchester and Greater Manchester, and later, Liverpool, Birmingham and Leeds.

Today the Bruntwood Group is a leading regional provider of high-quality office space to a wide range of public and private sector business customers located in Manchester, Greater Manchester, Liverpool, Leeds and Birmingham. The Bruntwood Group places an emphasis on its customer service by locating dedicated teams within each of its buildings in order to respond to each of its customers' needs quickly and

to ensure that all systems within the buildings continue to operate correctly.

The Bruntwood Group places a particular emphasis on the development of strong relationships with its customers and it lets and manages its floor space according to the needs of its customers. The Bruntwood Group aims to achieve this by offering office space to its customers in a flexible and progressive manner through conventional leases, short term serviced office licences and all-inclusive fully managed leases. A primary aim of the Bruntwood Group is to provide office space in this manner for each stage of a customer's business development cycle.

The Bruntwood Group aims to be fully embedded within the communities in which it operates and therefore works closely with local civic, academic and health partners. Since 2012, through these partnerships, the Bruntwood Group has diversified its operations into Science, Health and Technology and owns a number of science parks and innovation centres devoted to growing these sectors. In 2018, these properties represented approximately one quarter of assets owned and it was decided to sell equity in this part of the business, forming Bruntwood SciTech Ltd, a 50:50 Joint Venture with Legal & General Plc. With the combined financial power of Legal & General and Bruntwood, SciTech aims to expand its operations both within and beyond the Group's core cities. The Bruntwood Group now operates under two key brands, being Bruntwood SciTech (the joint venture with Legal & General) and Bruntwood Works (the wholly owned office focused business).

The Bruntwood Group continues to adopt a family-owned and managed structure. Mr M J Oglesby founded the Bruntwood Group and his son, Mr C G Oglesby, took over as Chief Executive in 1999. The Bruntwood Group's activities are directed through a single unified corporate management and control structure which is run by the board of Directors (the "**Group Board**") sitting at the level of the Parent Guarantor. The Group Board is responsible for designing and managing the strategic direction of the Bruntwood Group, major



## The Issuer and the Group (Cont.)

funding and acquisition decisions and controlling the corporate management and operational structure of the Bruntwood Group.

The 50:50 Joint Venture, Bruntwood SciTech Ltd is controlled by the SciTech Group Board consisting of two Bruntwood directors, namely Mr C G Oglesby and Mr K J Crotty, together with two directors nominated by Legal & General.

The day to day operation of Bruntwood Works and Bruntwood SciTech is delegated to their respective management boards, headed by Ms C Keeling and Mr P Kemp. Both Ms C Keeling and Mr P Kemp sit on the Group Board.

### Principal Activities and Markets

#### Office Space

- The Bruntwood Group offers flexible office space within a range of building styles from architecturally-significant and refurbished listed buildings through to high tech office centres and corporate headquarters. The Bruntwood Group owns a portfolio of 110 buildings across Manchester, Greater Manchester, Liverpool, Leeds and Birmingham. The Bruntwood Group's customer base consists of businesses with staff head count totalling from one person to several hundred people. The Bruntwood Group owns its buildings through a combination of freehold and leasehold titles and each of its properties is operated by its in-house customer service and facilities management teams. The Bruntwood Group offers its office space to its customers on leases which vary in tenure from one month to 25 years and upon flexible terms which enable customers to move their business within the Bruntwood Group's office portfolio as their needs dictate.
- As part of its office space product offering, the Bruntwood Group also provides fully serviced offices focused on smaller start-up businesses looking to avoid the costs of committing to lengthy lease terms in their early years, meeting room facilities for use by new

and existing customers, virtual offices, storage space and car parking. In addition, larger offices are now offered on a fully managed 'turn-key' basis (meaning, the offices are already fitted out for the relevant client) for those larger clients who want to completely out-source their office operations.

- In more recent years, Bruntwood's model has evolved to offer the different types of occupation within the same building with enhanced shared space and amenity which can be used by all customers. Customers of a similar sectoral focus have also been co-located and their collaboration encouraged through networking events and the Bruntwood collective app, an app that informs customers of the Bruntwood Group's events programmes, changes to customers' buildings, exclusive discounts and most importantly allowing the customers themselves to communicate with each other. The Bruntwood Group believes that clustering of like-minded businesses has aided customer retention and increased the estimated rental value of the properties.

#### Retail Space

- The Bruntwood Group's portfolio contains only 8 per cent. retail, 36 per cent. of which is ancillary retail space located on the ground floors of the Bruntwood Group's portfolio of office buildings. The Bruntwood Group believes its ancillary retail space enhances the attractiveness of the office environment of its buildings and therefore its ability to attract customers to its office space. The Bruntwood Group's retail portfolio consists of coffee shops, restaurants, local supermarkets, food and leisure operations whose product offering is aimed at office workers located within its buildings and trade from those passing by. The retail locations benefit from wide catchment areas with most located near to key transport hubs and associated significant passing customer traffic as well as customer footfall generated by other customers of the Bruntwood Group occupying office space of the Bruntwood Group at each location.

# The Issuer and the Group (Cont.)

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- The remaining 64 per cent. of retail space that the Bruntwood Group owns is dedicated town centre retail located in two well-located regional centres where the Bruntwood Group has partnered in a 50:50 joint venture with the local authority to re-position those centres, increasing the amount of residential and office space and changing the retail offer to service that repositioning. This is an example of how the Bruntwood Group's strong relationships with its civic partners has enabled the sourcing and funding of off-market opportunities.

## Science and Technology Space

- The Bruntwood Group's 50:50 joint venture with Legal & General Plc, 'Bruntwood SciTech Ltd' is now one of the UK's largest operator by square footage of space dedicated to Science and Technology with 2.3 million sq. ft under ownership. The space offered includes office and lab space offered on flexible terms in a similar way to the core office portfolio (see above) with the addition of pay as you go scientific services to help start-ups who perhaps cannot afford the necessary equipment and resources on a standalone basis. In addition, SciTech offers a number of incubation services for start-ups and growing businesses as well as a life-science fund (which is run by an external fund manager) which can be accessed to help businesses through their early phase lifecycle.

## Competitors

- The Bruntwood Group does not have a single direct competitor of equivalent market focus and presence that offers a similar range of products in the principal markets in which the Bruntwood Group operates. The competition that the Bruntwood Group experiences is of a fragmented nature.
- The Bruntwood Group experiences competition from smaller property companies with particular focus on some of the Bruntwood Group's product areas within a specific city. The Bruntwood Group also

experiences competition in certain product areas from major institutional United Kingdom property investors. Major institutional property investors tend to own the freehold of certain large properties and compete in certain Bruntwood Group product areas. Their properties are typically targeted towards larger single occupier properties let on longer lease terms.

- In recent years, new entrants (such as WeWork) into the Manchester and Birmingham serviced office markets have provided some competition in the property sector. However, despite some aggressive price pressure from competitors, the Bruntwood Group's serviced space occupational and pricing statistics have held up strongly. The Bruntwood Group believes the two key factors to explain this are increased demand and that the principal offering of those new competitors is something that the Bruntwood Group has been offering its clients for many years, but the Bruntwood Group believes it has been able to retain its competitive advantage of catering for all scale of customer demand through the depth of property ownership that the Bruntwood Group has in these cities.
- The Bruntwood Group believes its strategy uniquely positions it within its market to focus on multi-tenanted properties let to customers on shorter lease terms that are regularly reviewed and extended or replaced as the customers' needs dictate. This strategy aims to ensure that the Bruntwood Group is not exposed to the loss of any one customer or the gradual erosion in property value as longer leases move towards expiry.
- Following the 2008 financial crisis and related regulatory developments, UK banks are increasingly well capitalised and lending parameters within the current economic cycle have been more restrained with banks providing senior lending only to a maximum loan to value ratio of 65 per cent. This has been beneficial to the Bruntwood Group, as it has historically sought to finance its portfolio



## The Issuer and the Group (Cont.)

within that range, whereas should there be more highly leveraged market entrants that are in competition with the Bruntwood Group, then they may find themselves unable to access funding at comparable rates of interest as the market moves.

### Outlook

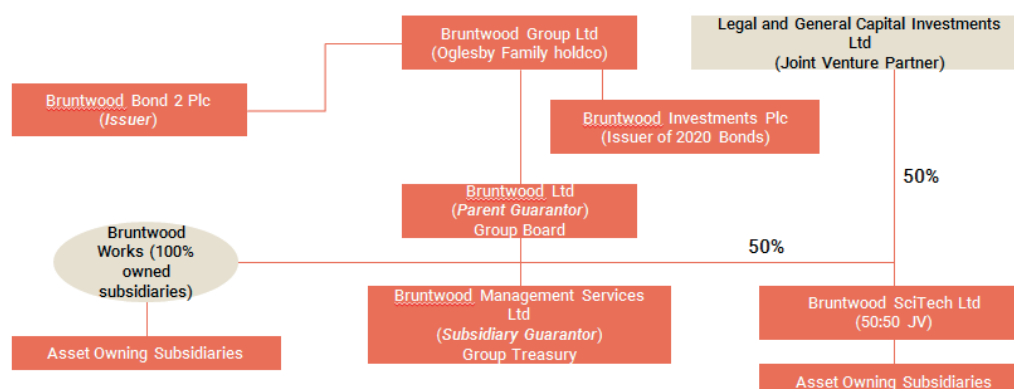
- The commercial real estate markets of the regional cities of the United Kingdom are the core market of the Bruntwood Group. In those markets, commercial pricing (with the exception of pure retail) has been stable in recent years, despite macroeconomic factors (such as Brexit). The Bruntwood Group's property portfolio largely consists of so-called "upper secondary" properties, and, as at the date of the Prospectus, has a valuation yield range of approximately 5 per cent. to 9 per cent. This compares favourably to other asset classes, such as prime property, where regional valuation yields are approximately 5 per cent., and in particular as compared to the 10 year UK Gilt rate which has been hovering at around 0.5 per cent. in recent years. The Bruntwood Group believes its

portfolio offers a reasonable return on investment as compared to other asset classes of a comparable risk profile.

- In terms of occupation of its properties, the Bruntwood Group's vacancy statistics remain at low levels and enquiry levels remain high. Whilst the UK outlook for economic growth is generally positive, the Bruntwood Group remains vigilant to any potential slowdown that may occur. Even in the 2008 financial crisis, the retention levels in the Bruntwood Group's portfolio held up well, with companies opting to stay put rather than taking on the risk of a move. Any downturn in the economy could potentially result in a decrease in the headline rent per square foot of some of its properties and/or an increase in the concessions that need to be offered to customers, either of which could reduce cash flow and lower valuations. However, the Bruntwood Group maintains covenant headroom within each of its borrowing facilities which it believes are adequate to weather an economic downturn. The Bruntwood Group has never breached a banking covenant in its 43-year history.

### Group Structure

The following chart shows, in simplified form, the organisational structure of the Bruntwood Group.



# Further Information

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## Holding the Bonds

The Bonds will be held in custody for you by your Authorised Offeror, or as may be arranged by your stockbroker or financial adviser.

## How to trade the Bonds

The Bonds are expected to be listed on the Official List of the UK Listing Authority and admitted to trading on the regulated market of the London Stock Exchange plc.

The Bonds are also expected to be eligible for the London Stock Exchange's electronic Order Book for Retail Bonds (the "ORB").

The ORB was launched in response to private investor demand for easier access to trading bonds with the aim of providing a transparent and efficient mechanism for UK retail investors to access the bond markets. The Bonds are tradable instruments and prices will be quoted in the market during trading hours (8.00am to 4.30pm London time).

The Bonds are expected to be supported in a market-making capacity by Peel Hunt LLP.

Market-making means that, throughout the trading day, a person will quote prices for buying and selling the Bonds. Peel Hunt LLP will be appointed as registered market maker through the ORB ([www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html](http://www.londonstockexchange.com/exchange/prices-and-markets/retail-bonds/retail-bonds-search.html)) when the Bonds are issued.

Investors should, in most normal circumstances, be able to sell their Bonds at any time, subject to market conditions, by contacting their stockbroker.

**As with any investment, there is a risk that an investor could get back less than his/her initial investment or lose his/her initial investment in its entirety.** See the section headed "Key Risks of Investing in the Bonds" on pages 10-11 of this Information Booklet.

Pricing information for sales and purchases of the Bonds in the market will be available during market hours (8.00am to 4.30pm London time) and in normal market conditions on the ORB.

As noted above, notwithstanding that Peel Hunt will act as market-maker (as explained above), if trading activity levels are low, this may severely and adversely impact the price that an investor would receive if he/she wishes to sell his/her Bonds.

## Fees

Bruntwood Bond 2 plc will pay certain fees and commissions in connection with the offer of the Bonds. Peel Hunt LLP and City & Continental Ltd will receive a fee of 1.5% of the aggregate nominal amount of the Bonds to be issued, of which each Authorised Offeror will be entitled to receive a fee of 0.375% of the total face value of the Bonds issued and allotted to such initial Authorised Offeror.

Authorised Offerors may charge expenses to you in respect of any Bonds purchased and/or held. These expenses are beyond the control of Bruntwood Bond 2 plc and are not set by Bruntwood Bond 2 plc. Neither Bruntwood Bond 2 plc, the Guarantors nor (unless acting as an Authorised Offeror) are the Joint Lead Managers responsible for the level or payment of any of these expenses.

## Taxation of the Bonds

**The tax treatment of an investor will depend on his or her individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future). Prospective investors should consult their own independent professional tax advisers to obtain advice about their particular tax treatment in relation to the Bonds.**

## Further Information (Cont.)

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If you make an investment in the Bonds, the tax treatment which will apply to you will depend on your individual circumstances and taxation law and practice at the relevant time (and so may be subject to change in the future including during the life of the Bonds).

Please also refer to the section at page 116 onwards of the Prospectus entitled **"Taxation (Bonds)"** for information regarding certain aspects of United Kingdom taxation of payments of interest on the Bonds.

**All amounts, yields and returns described herein are shown before any tax impact.**

It is the responsibility of every investor to comply with the tax obligations operative in their country of residence.

### Individual savings accounts

The Bonds will be qualifying investments for the stocks and shares component of an account (an **"ISA"**) under the Individual Savings Account Regulations 1998 (the **"ISA Regulations"**) provided that the Bonds are listed on the official list of a recognised stock exchange within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange for these purposes. Subject to their person limits, individual bond holders who acquire or hold their Bonds through an ISA and who satisfy the requirements for tax exemption in the ISA Regulations will not be subject to United Kingdom tax on interest or other amounts received in respect of the Bonds.

The opportunity to invest in Bonds through an ISA is restricted to individuals. Individuals wishing to purchase the Notes through an ISA should contact their professional advisers regarding their eligibility

See also the **"Taxation of the Bonds"** section above.

**You should refer to the sections headed "Subscription and Sale" on page 109 onwards of the Prospectus, "Taxation (Bonds)" on page 116 onwards of the Prospectus and "Important Legal Information" on page 101 onwards of the Prospectus.**

# Disclaimer

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This Information Booklet does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to purchase, any Bonds. Any purchase or sale of Bonds should only be made on the basis of the information contained in the Prospectus, available as described above.

The contents of this Information Booklet are indicative and are subject to change. This Information Booklet should not be relied on for making any investment decision in relation to the purchase of Bonds. Any decision to purchase or sell the Bonds should be made by you solely on the basis of a careful review of the Prospectus. Please therefore read the Prospectus carefully before you invest. Before buying or selling any Bonds you should ensure that you fully understand and accept the risks relating to an investment in the Bonds, otherwise you should seek professional independent advice.

Each of Peel Hunt LLP and City & Continental Ltd is acting for itself and will not act and has not acted as your legal, tax, accounting or investment adviser and will not owe you or your clients any fiduciary duties in connection with a purchase or sale of the Bonds or any related transaction.

No reliance may be placed on Peel Hunt LLP, City & Continental Ltd, Bruntwood Bond 2 plc or either Guarantor for advice or recommendations of any sort. Peel Hunt LLP and City & Continental Ltd make no representation or warranty to you with regard to the information contained in the Prospectus, this Information Booklet or any website or webpages that Bruntwood Bond 2 plc may establish or maintain in relation to the Bonds. This Information Booklet contains information derived from the Prospectus and is believed to be reliable but, in so far as each of them may do so under applicable law, Peel Hunt LLP and City & Continental Ltd do not warrant or make any representation as to its completeness, reliability or accuracy.

None of Peel Hunt LLP, City & Continental Ltd, Bruntwood Bond 2 plc or either Guarantor is responsible for any advice or service you may receive from a third party in relation to the Bonds.

Peel Hunt LLP and City & Continental Ltd and their respective affiliates, connected companies, employees and/or clients may have an interest in the Bonds and/or in related investments. Such interest may include dealing, trading, holding, acting as market makers in such instruments and may include providing banking, credit and other financial services to any company or issuer of securities referred to herein.

## Authorised offerors

**Equiniti Financial Services Limited** (Trading as Selftrade, Shareview and/or Saga Share Direct)  
Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

### **AJ Bell YouInvest**

4 Exchange Quay Salford, The Quays, Manchester M5 3EE

### **iDealing.com Limited**

Finsbury House, 23 Finsbury Circus, London EC2M 7EA

### **Redmayne Bentley LLP**

9 Bond Court, Leeds, LS1 2JZ

