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J.P. Morgan Cazenove, which is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated in the UK by the PRA and the Financial Conduct Authority (“**FCA**”), and Stifel, which is authorised and regulated in the UK by the FCA, are each acting exclusively for the Company in connection with the Share Issue. Neither J.P. Morgan Cazenove nor Stifel will regard any other person (whether or not a recipient of this document) as a client in relation to the Share Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to Share Issue or any transaction, matter or arrangement described in this document.

Apart from the responsibilities, and liabilities, if any, which may be imposed on J.P. Morgan Cazenove and Stifel by the Financial Services and Markets Act of 2000 or the regulatory regime established thereunder, or under the regulatory regime of

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The Banks are acting exclusively for the Company and no one else in connection with the Share Issue. They will not regard any other person (whether or not a recipient of this document) as their client in relation to the Share Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Share Issue or any transaction or arrangement referred to in the attached document.

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This document comprises a prospectus relating to Assura plc (“**Assura**” or the “**Company**”) prepared in accordance with the Prospectus Rules and has been approved by the FCA in accordance with section 87A of FSMA. A copy of this document has been filed with the FCA in accordance with paragraph 3.2.1 of the Prospectus Rules. In accordance with paragraph 3.2.2 of the Prospectus Rules, this document has been made available to the public free of charge at the Company’s registered office and the London office of Travers Smith LLP, details of which are set out on page 45 of this document.

If you sell or have sold or otherwise transferred all of your Existing Ordinary Shares prior to 16 November 2017 (the date when the Existing Ordinary Shares are expected to be marked ex-entitlement to the Open Offer by the London Stock Exchange), please forward this document, and if relevant, the accompanying Application Form, Offer for Subscription Application Form and the enclosed Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, neither this document nor any Application Form or Offer for Subscription Application Form should be forwarded to or transmitted into any jurisdiction where to do so may constitute a violation of local securities laws or regulations, including, but not limited to, subject to certain exceptions, the Excluded Territories or their respective territories or possessions. If you sell or have sold or otherwise transferred only part of your registered holding of Existing Ordinary Shares, please contact the stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications set out in the Application Form, if relevant. If your registered holding of Existing Ordinary Shares which were sold or transferred was held in uncertificated form and is sold or transferred before the date that the Existing Ordinary Shares are marked ex-entitlement, a claim transaction will automatically be generated by CREST which, on settlement, will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. Please refer to paragraph 7 of Part II (Terms and Conditions of the Open Offer) of this document if you propose to send this document and/or the Application Form outside the United Kingdom.

The distribution of this document and the accompanying documents, and/or the transfer of the Open Offer Entitlements and the Excess Open Offer Entitlements through CREST, into jurisdictions other than the United Kingdom, may be restricted by law. Therefore persons into whose possession this document (and/or any accompanying documents) comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction. In particular, subject to certain exceptions, this document, the Application Form and any other related documents should not be distributed, forwarded to or transmitted in or into any Excluded Territory or any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law.

The Open Offer Entitlements, the Excess Open Offer Entitlements, the Application Form and the New Ordinary Shares are only transferable, and this document may only be distributed, subject to the restrictions set out in paragraph 7 of Part II (Terms and Conditions of the Open Offer) of this document. No action has been taken by the Company, J.P. Morgan Securities plc or Stifel Nicolaus Europe Limited that would permit an offer of the New Ordinary Shares, the Open Offer Entitlements, the Excess Open Offer Entitlements or possession or distribution of this document, the Application Form, the Offer for Subscription Application Form or any other offering or publicity material in any jurisdiction where action for that purpose is required other than in the United Kingdom.

You should read carefully the whole of this document and any document incorporated into it by reference. In particular, your attention is drawn to the section entitled “Risk Factors” on pages 20 to 31 of this document and the letter from the Chairman of Assura in Part I of this document which recommends that you vote in favour of the Resolution to be proposed at the General Meeting.

ASSURA plc

(incorporated in England and Wales under the Companies Act 2006 with registered number 9349441)

**Firm Placing, Placing and Open Offer of up to 526,315,789 New Ordinary Shares
and an Offer for Subscription of up to 52,631,578 New Ordinary Shares, all at 57 pence per share
and**

Notice of General Meeting

Sponsor and Joint Bookrunner
STIFEL NICOLAUS EUROPE LIMITED

Joint Bookrunner
J.P. MORGAN CAZENOVE

Application will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be admitted to the premium segment of the Official List and to be admitted to trading on the premium segment of the London Stock Exchange’s Main Market. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 6 December 2017.

J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove, “**J.P. Morgan Cazenove**”), which is authorised by the Prudential Regulation Authority (“**PRA**”) and regulated in the UK by the PRA and the FCA, and Stifel Nicolaus Europe Limited (“**Stifel**”), which is authorised and regulated in the UK by the FCA, are each acting exclusively for the Company in connection with the Share Issue. Neither J.P. Morgan Cazenove nor Stifel will regard any other person (whether or not a recipient of this document) as a client in relation to the Share Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to Share Issue or any transaction, matter or arrangement described in this document. Apart from the responsibilities and liabilities, if any, which may be imposed upon J.P. Morgan Cazenove and Stifel by FSMA or the regulatory regime established thereunder, none of J. P. Morgan Cazenove, Stifel nor any of their respective affiliates or Representatives accepts any responsibility whatsoever, and no representation or warranty, express or implied, is made or purported to be made by any of them, or on their behalf, for or in respect of the contents of this document, including its accuracy, completeness, verification or sufficiency, or concerning any other document or statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Ordinary Shares, the Share Issue, and nothing in this document is, or shall be relied upon as, a warranty or representation in this respect, whether as to the past or future. Each of J.P. Morgan Cazenove, Stifel and each of their respective affiliates and Representatives disclaim, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise which they might otherwise be found to have in respect of this document or any such statement.

The Open Offer closes at 11.00 a.m. on 1 December 2017 and payment is required in full by this time. If you are a Qualifying non-CREST Shareholder (other than, subject to certain exceptions, Qualifying non-CREST Shareholders with a registered address in any of the Excluded Territories) and wish to apply or subscribe for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form and return it with your remittance in accordance with the instructions set out in paragraph 5.1 of Part II (Terms and Conditions of the Open Offer) of this document and in the Application Form. If you are a Qualifying CREST Shareholder (other than, subject to certain exceptions, Qualifying CREST Shareholders with a registered address in any of the Excluded Territories) the relevant CREST instructions must have settled as explained in Part II (Terms and Conditions of the Open Offer) of this document by no later than 11.00 a.m. on 1 December 2017. The Application Form is personal to Qualifying non-CREST Shareholders and cannot be transferred, sold or assigned except to satisfy *bona fide* market claims. Applications under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim. The latest time and date for acceptance and payment in full for the New Ordinary Shares under the Offer for Subscription is expected to be 11.00 a.m. on 1 December 2017 and the procedures for application and payment are set out in Part III (Terms and Conditions of the Offer for Subscription) of this document and, where relevant, in the Offer for Subscription Application Form.

Investors should only rely on the information contained in this document and any documents incorporated into it by reference. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document and any document incorporated by reference into it and, if given or made, such information or representation must not be relied upon as having been so authorised by the Company, its Directors, Stifel, J.P. Morgan Cazenove or any of their Representatives. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information required by law or by any regulatory authority but assumes no further obligation to publish additional information.

Notice of the General Meeting of Assura plc, to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 10.00 a.m. on 4 December 2017, is set out at the end of this document. A Form of Proxy is enclosed for use by Shareholders in connection with the meeting. In order to be valid, any Form of Proxy and power of attorney or other authority under which it is signed, or a notorially certified or office copy of such power or authority, must reach, by post, the Company’s Registrars, Link Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not less than 48 hours (excluding any part of a day which is a non-working day) before the time of the meeting or of any adjournment of the meeting. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the General Meeting should they so wish.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities, or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

OVERSEAS TERRITORIES

Subject to certain exceptions, the Share Issue is not being made to shareholders or investors in the United States or any Excluded Territory. Neither this document nor the Application Form constitutes or forms part of any offer to sell or issue, or any solicitation of any offer to acquire, the New Ordinary Shares offered to any person with a registered address, or who is resident or located in, any jurisdiction in which such an offer or solicitation is unlawful.

The New Ordinary Shares and the Open Offer Entitlements and Excess Open Offer Entitlements have not been and will not be registered under the applicable securities laws of any Excluded Territory. Accordingly, subject to certain exceptions, the New Ordinary Shares and the Open Offer Entitlements and Excess Open Offer Entitlements may not be offered or sold in such jurisdictions or to, or for the account or benefit of, any resident of such jurisdictions. There will be no public offer of the New Ordinary Shares or the Open Offer Entitlements and Excess Open Offer Entitlements in any of the Excluded Territories.

All Overseas Shareholders and any person (including, without limitation, an agent custodian, nominee, or trustee) who is holding Existing Ordinary Shares for the benefit of such persons or who has a contractual or other legal obligation to forward any documents issued by the Company in connection with the Share Issue including this document or any Application Form, if and when received to a jurisdiction outside the United Kingdom, should read paragraph 7 of Part II (Terms and Conditions of the Open Offer) of this document.

Subject to certain exceptions, this document and the Application Form should not be distributed, forwarded or transmitted in or into the United States of the Excluded Territories or in or into any jurisdiction or to any person where the extension or availability of the Share Issue would breach any applicable law.

The New Ordinary Shares and the Open Offer Entitlements and Excess Open Offer Entitlements have not been and will not be registered under the US Securities Act of 1933, as amended (the “**US Securities Act**”), or under the securities laws of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, resold, taken up, transferred, delivered or distributed, directly or indirectly, in, into or within the United States. There will be no public offer of the New Ordinary Shares or the Open Offer Entitlements and Excess Open Offer Entitlements in the United States. The New Ordinary Shares are being offered and sold (i) outside the United States in “offshore transactions” as defined in and pursuant to Regulation S under the US Securities Act (“**Regulation S**”) and (ii) with respect to Firm Placed Shares and/or Placing Shares, within the United States, only to qualified institutional buyers (“**QIBs**”), as defined in Rule 144A under the US Securities Act (“**Rule 144A**”) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. Prospective investors are hereby notified that the sellers of the Firm Placed Shares and Placing Shares may be relying on the exemption from the registration requirements of section 5 of the US Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of the New Ordinary Shares and the distribution of this document, see paragraph 7 of Part II (Terms and Conditions of the Open Offer) of this document.

Until the expiry of 40 days after the commencement of the Share Issue, an offer or sale of New Ordinary Shares within the United States by a dealer (whether or not it is participating in the Share Issue) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with an applicable exemption from registration under the US Securities Act.

The New Ordinary Shares and the Open Offer Entitlements and Excess Open Offer Entitlements have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares or the Open Offer Entitlements and Excess Open Offer Entitlements or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

The New Ordinary Shares are subject to selling and transfer restrictions in certain jurisdictions. Prospective purchasers should read the restrictions that apply to the New Ordinary Shares as described in paragraph 7 of Part II (Terms and Conditions of the Open Offer) of this document. Each purchaser of the New Ordinary Shares outside the United States will be deemed to have made the relevant representations described therein and elsewhere in Part II (Terms and Conditions of the Open Offer) of this document.

Any reproduction or distribution of this Prospectus in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the New Ordinary Shares is prohibited, except to the extent such information is available publicly. By accepting delivery of this Prospectus, each offeree of the New Ordinary Shares agrees to the foregoing.

No action has been taken by the Company or by Stifel and J.P. Morgan Cazenove that would permit an offer of the New Ordinary Shares or possession or distribution of this Prospectus or any other offering or publicity material or the Application Form in any jurisdiction where action for that purpose is required, other than in the United Kingdom. None of the Company, Stifel and J.P. Morgan Cazenove or any of their respective affiliates, directors, officers, employees or advisers is making any representation to any offeree, purchaser or acquirer of New Ordinary Shares regarding the legality of an investment in the Share Issue or the New Ordinary Shares by such offeree, purchaser or acquirer under the laws applicable to such offeree, purchaser or acquirer.

AVAILABLE INFORMATION

For so long as any of the Ordinary Shares are in issue and are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act, the Company will, during any period in which it is not subject to section 13 or 15(d) under the US Securities Exchange Act of 1934, as amended (the “**US Exchange Act**”), nor exempt from reporting under the US Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of an Ordinary Share, or to any prospective purchaser of a New Ordinary Share designated by such holder or beneficial owner, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the US Securities Act.

This Prospectus is dated 16 November 2017.

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SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These Elements are numbered in Sections A–E (A.1–E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “not applicable”.

Section A – Introduction and warnings		
A.1	Introduction	<p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in the securities should be based on consideration of the Prospectus as a whole by the investor.</p> <p>Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable – the Company has not given consent to the use of this document for subsequent resale or any final placement of Ordinary Shares by financial intermediaries.

Section B – Issuer and any guarantor		
B.1	Legal and commercial name	The issuer’s legal and commercial name is Assura plc.
B.2	Domicile/Legal Form/Legislation/Country of Incorporation	Assura plc is a public limited company incorporated and domiciled in England and Wales with its registered office at The Brew House, Greenalls Avenue, Warrington, Cheshire WA4 6HL. The Company operates under the Companies Act 2006.
B.3	Key factors of the issuer’s current operations, principal activities and markets	Assura develops and acquires primary care premises used predominantly by NHS-backed GPs and other related health service providers. It provides bespoke, purpose-built premises to satisfy the evolving needs of GPs as they look to meet the increasing healthcare requirements of the UK population. The Group’s ability to provide these services, from identifying potential properties to managing the primary care facility once it is completed and occupied, enables it to adopt a long-term partner approach throughout the lifecycle of a medical centre.

B.4a	Significant trends	<p>The requirement for investment in primary care premises is increasing as the demands on the NHS are rising against a backdrop of an existing property estate that is not able to meet these challenges. The demand for GP and other primary care services is expected to increase, driven in part by an aging population and an increase in the number of people with long-term or chronic conditions.</p> <p>The Five Year Forward View for NHS England, published in 2014, provided for the expansion of funding to upgrade primary care infrastructure and asked local authorities across England to develop a local, place-based health and care plan, bringing together the NHS and local councils. Significantly, the importance of leveraging the private sector has also been recognised, particularly in Sir Robert Naylor's review of NHS estate and land, published in March 2017, which recommends utilising private sector investment in supporting GPs and improving premises standards.</p> <p>In addition to the beneficial supply and demand dynamics, the primary care property sector displays strong real estate fundamentals: a specialist sector with high barriers to entry; excellent occupier covenants (backed by the NHS); limited development risk with pre-let arrangements; restricted supply with little speculative development; long leases typically without breaks or rent free periods; high occupancy levels and low volatility of returns. In addition, the underlying open market rent review mechanism most common in the sector has provided returns which have historically demonstrated a linkage to inflation, with recent land and construction cost inflation providing the potential for future rental growth. While in recent years, healthcare real estate yields have compressed, they remain attractive when compared with the yields on long dated UK Government Gilts.</p>																					
B.5	Group structure	<p>The Company is the ultimate holding company of the Group. Assura has the following significant subsidiaries: Assura Health Investments Limited; Assura Medical Centres Limited; Assura Primary Care Properties Limited; Assura Properties plc; Assura Properties UK Limited; Medical Properties Limited; Metro MRH Limited; Metro MRM Limited; Metro MRI Limited, Trinity Medical Properties Limited, Assura HC Limited, Assura HC UK Limited, Assura Aspire Limited, Assura Financing Limited, Assura Trellech Limited and Assura (GHC) Limited.</p>																					
B.6	Notifiable interests in the Company and voting rights	<p>As at 14 November 2017 (being the latest practicable date prior to the publication of this document), the Company has been notified that the following persons – in addition to the interests of the Directors referred to herein – are, directly or indirectly, interested in three per cent. or more of the Company's issued ordinary share capital or voting rights:</p> <table> <tr> <th></th><th colspan="2"><i>As at 14 November 2017</i></th></tr> <tr> <th></th><th><i>Number of Ordinary Shares</i></th><th><i>Percentage of voting rights</i></th></tr> <tr> <td>Invesco</td><td>267,550,042</td><td>14.61%</td></tr> <tr> <td>Artemis Investment Management</td><td>173,498,211</td><td>9.48%</td></tr> <tr> <td>Blackrock</td><td>165,443,946</td><td>9.04%</td></tr> <tr> <td>Standard Life Aberdeen</td><td>124,632,410</td><td>6.81%</td></tr> <tr> <td>Cohen & Steers Capital Management</td><td>103,463,020</td><td>5.65%</td></tr> </table>		<i>As at 14 November 2017</i>			<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights</i>	Invesco	267,550,042	14.61%	Artemis Investment Management	173,498,211	9.48%	Blackrock	165,443,946	9.04%	Standard Life Aberdeen	124,632,410	6.81%	Cohen & Steers Capital Management	103,463,020	5.65%
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B.7	Selected historical key financial information	<p>The tables below set out summary financial information for the Group for the periods indicated. The data below has been extracted, without material adjustment, from the Group’s audited consolidated financial statements for the years ended 31 March 2015, 2016 and 2017 and the unaudited interim consolidated financial statements for the six months ended 30 September 2016 and 2017:</p> <p>Consolidated Balance Sheet</p> <table><tr><td></td><td>30 September</td><td colspan="2">As at</td><td></td></tr><tr><td></td><td>2017</td><td>31 March</td><td>31 March</td><td>31 March</td></tr><tr><td></td><td>2017</td><td>2017</td><td>2016</td><td>2015</td></tr><tr><td></td><td>£m</td><td>£m</td><td>£m</td><td>£m</td></tr><tr><td>Investment property</td><td>1,560.0</td><td>1,344.9</td><td>1,109.4</td><td>925.3</td></tr><tr><td>Property assets held for sale</td><td>4.8</td><td>0.9</td><td>1.7</td><td>5.4</td></tr><tr><td>Investments</td><td>–</td><td>–</td><td>0.4</td><td>0.4</td></tr><tr><td>Cash, cash equivalents and restricted cash</td><td>21.9</td><td>23.5</td><td>44.3</td><td>66.5</td></tr><tr><td>Borrowings</td><td>(588.0)</td><td>(520.1)</td><td>(369.2)</td><td>(513.5)</td></tr><tr><td>Other assets and liabilities (net)</td><td>(27.5)</td><td>(31.2)</td><td>(32.3)</td><td>(32.2)</td></tr><tr><td>Net assets</td><td>971.2</td><td>818.0</td><td>754.3</td><td>451.9</td></tr><tr><td>Net asset value per Ordinary Share – Basic (p)</td><td>53.1p</td><td>49.4p</td><td>46.1p</td><td>44.9p</td></tr><tr><td>Net asset value per Ordinary Share – Diluted (p)</td><td>53.1p</td><td>49.3p</td><td>45.7p</td><td>44.0p</td></tr><tr><td>EPRA NAV per Ordinary Share – Basic (p)⁽¹⁾</td><td>53.1p</td><td>49.4p</td><td>46.1p</td><td>44.9p</td></tr><tr><td>EPRA NAV per Ordinary Share – Diluted (p)⁽¹⁾</td><td>53.1p</td><td>49.3p</td><td>45.8p</td><td>44.0p</td></tr></table> <p>Note:</p> <p>(1) EPRA NAV represents net assets adding back own shares held, derivative financial instrument and deferred tax.</p>		30 September	As at				2017	31 March	31 March	31 March		2017	2017	2016	2015		£m	£m	£m	£m	Investment property	1,560.0	1,344.9	1,109.4	925.3	Property assets held for sale	4.8	0.9	1.7	5.4	Investments	–	–	0.4	0.4	Cash, cash equivalents and restricted cash	21.9	23.5	44.3	66.5	Borrowings	(588.0)	(520.1)	(369.2)	(513.5)	Other assets and liabilities (net)	(27.5)	(31.2)	(32.3)	(32.2)	Net assets	971.2	818.0	754.3	451.9	Net asset value per Ordinary Share – Basic (p)	53.1p	49.4p	46.1p	44.9p	Net asset value per Ordinary Share – Diluted (p)	53.1p	49.3p	45.7p	44.0p	EPRA NAV per Ordinary Share – Basic (p) ⁽¹⁾	53.1p	49.4p	46.1p	44.9p	EPRA NAV per Ordinary Share – Diluted (p) ⁽¹⁾	53.1p	49.3p	45.8p	44.0p
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		Consolidated Income Statement				
		<i>Six months ended</i>			<i>Year ended</i>	
		<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
		<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Continuing operations						
Gross rental and related income		39.4	34.4	71.1	61.0	51.1
Property operating expenses		(1.1)	(1.5)	(3.2)	(2.6)	(2.9)
Net rental income		38.3	32.9	67.9	58.4	48.2
Administrative expenses		(3.6)	(3.4)	(7.0)	(6.1)	(5.7)
Revaluation gains		50.4	23.4	56.5	36.4	21.4
(Loss)/gain on sale of property		(0.3)	–	(0.1)	0.1	(0.1)
Share based payment charge		(0.2)	–	(0.1)	(1.9)	(0.7)
Finance revenue		–	0.1	(0.1)	0.2	0.4
Finance costs		(11.2)	(11.3)	(22.1)	(24.2)	(27.0)
Early Repayment Costs		–	–	–	(34.1)	–
Gain/(loss) on derivative financial Instruments		–	–	–	–	(0.1)
Profit before taxation		73.4	41.7	95.2	28.8	36.6
Taxation		–	–	0.1	(0.9)	(0.6)
Profit for the year attributable to equity holders of the parent		73.4	41.7	95.3	27.9	37.2
EPS – basic (p)		4.2p	2.5p	5.8p	2.2p	4.9p
EPRA EPS – basic (p)		1.3p	1.2p	2.4p	2.0p	2.1p
		Consolidated Cash Flow Statement				
		<i>Six months ended</i>			<i>Year ended</i>	
		<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
		<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Cash flows from operating activities		20.3	15.6	39.0	22.9	16.9
Cash flows from investing activities:						
Purchase of investment property and subsidiaries		(155.3)	(82.7)	(157.9)	(122.5)	(64.3)
Development expenditure		(14.8)	(10.5)	(19.9)	(17.7)	(14.0)
Proceeds from sale of property and investments		1.1	1.1	1.4	1.5	4.2
Expenditure on property, plant and equipment		–	(0.4)	(0.3)	(0.2)	–
Net loans received from/ (advanced to) associated companies		–	–	–	–	0.1
Net cashflow from investing activities		(169.0)	(92.5)	(176.7)	(138.9)	(74.0)
Cash flows from financing activities:						
Issue of Ordinary Shares		98.4	–	–	308.6	180.2
Issue costs paid on Issuance of Ordinary Shares		(2.3)	–	–	(9.5)	(6.7)
Dividend paid		(16.5)	(15.8)	(31.9)	(26.3)	(14.4)
Net borrowings movement		67.5	76.1	148.8	(179.0)	(74.1)
Net cashflow from financing activities		147.1	60.3	196.9	93.8	85.0

		<i>Six months ended</i>		<i>Year ended</i>		
		<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
		<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
		<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Net increase/(decrease) in cash and cash equivalents		(1.6)	(16.6)	(20.8)	(22.2)	27.9
Opening cash and cash equivalents		23.5	44.3	44.3	66.5	38.6
Closing cash and cash equivalents		21.9	27.7	23.5	44.3	66.5
<p>Save as set out below, there have been no significant changes in the financial condition or operating results of the Group during the period covered by the audited annual reports and accounts of the Group for the years ended 31 March 2015, 2016 and 2017, the unaudited interim accounts of the Group for the six months ended 30 September 2017 and the period since 30 September 2017 until 14 November 2017, being the latest practicable date prior to the publication of this document.</p> <p>Review of operational performance</p> <p>Profit before taxation decreased by £7.8 million, or 21.3 per cent., from a profit of £36.6 million for the year ended 31 March 2015 to a profit of £28.8 million for the year ended 31 March 2016. This decrease was primarily the result of the early repayment cost incurred by the Group in the year ended 31 March 2016 and was partially offset by (i) growth in net rental income following acquisitions and completed developments; and (ii) revaluation gains on the investment property held.</p> <p>Profit before taxation subsequently increased by £66.4 million, or 230.6 per cent., to £95.2 million for the year ended 31 March 2017. This increase was due primarily to (i) growth in net rental income following acquisitions and completed developments; (ii) revaluation gains on the investment property held; and (iii) a decrease in finance costs as a result of the implementation of the debt reduction programme.</p> <p>Profit before taxation has increased by £31.7 million, or 76.0 per cent. from £41.7 million in the six months ended 30 September 2016, to £73.4 million in the six months ended 30 September 2017. The increase has been the result of (i) growth in net rental income following acquisitions and completed developments; and (ii) revaluation gains on investment property held.</p> <p>EPRA NAV per Ordinary Share increased during the period under review from 44.9p as at 31 March 2015 to 53.1p as at 30 September 2017. The increase over the period is the result of operating profit, revaluation gains and gains on disposal of investments, net of dividends paid to shareholders.</p> <p>Since 30 September 2017 to 14 November 2017 (being the latest practicable date prior to publication of this document) the Group has completed the acquisition of 4 medical centres for a total gross consideration of £20.5 million and the Group has a near-term pipeline of acquisition opportunities of £126 million.</p>						

		<p>Significant events</p> <p>The following are the significant events which have occurred over the last three financial years and up to the date of publication of this document:</p> <ul style="list-style-type: none"> • in January 2015, the Group changed its corporate structure by inserting Assura plc as a new English-incorporated parent company at the head of the Group by way of the Scheme. Assura plc elected to be a UK REIT Group on 28 January 2015 (in order that the REIT status enjoyed by the Group since 1 April 2013 would continue following the implementation of the Scheme); • in October 2015, the Company raised proceeds of £309.0 million, gross of expenses, through an issue of 618,000,000 Ordinary Shares pursuant to a firm placing, placing and open offer and offer for subscription; • in May 2016, the Company entered into a new five year £200 million revolving credit facility with RBS, HSBC, Santander and Barclays at an initial margin of 150 basis points over LIBOR. This facility was increased to £250 million in May 2017 and £300 million in October 2017; • in October 2016, the Company issued £100 million 10-year 2.65 per cent. notes in the US private placement market on an unsecured basis; • in June 2017, the Company raised gross proceeds of £98.4 million through a placing of 163,999,820 Ordinary Shares; and • in October 2017, the Company privately placed £150 million unsecured notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.
B.8	Selected key pro forma financial information	<p>The unaudited summary pro forma statement below sets out how the receipt of proceeds from the Share Issue are expected to impact the Group's financial position as though the Firm Placing, Placing and Open Offer had occurred at 30 September 2017. By its nature, the pro forma financial information addresses a hypothetical situation and does not therefore represent the Company's or the Group's actual financial position or results.</p>

		<p><i>Adjustments for the net proceeds of the Firm Placing, Placing and Open Offer</i></p> <p><i>Net assets of the Group at 30 September 2017 Note 1 £m (unaudited)</i></p> <p><i>Summary Pro forma net assets of the Group Note 3 £m</i></p>
		<p>Investment property 1,560.0 – 1,560.0</p> <p>Other non-current assets 0.9 – 0.9</p> <p>Cash, cash equivalents & restricted cash 21.9 290.0 311.9</p> <p>Other current assets 18.5 – 18.5</p> <p>Borrowings and obligations due under finance leases (591.0) – (591.0)</p> <p>Other liabilities (39.1) – (39.1)</p> <p>Net assets 971.2 290.0 1,261.2</p> <p>Notes:</p> <p>1. The consolidated net assets of the Group at 30 September 2017 have been extracted without material adjustment from the interim financial statements of Assura plc for the six months ended 30 September 2017 which have been incorporated by reference as set out in the part of this document headed “Documents Incorporated by Reference” and prepared under the Group’s IFRS accounting policies.</p> <p>2. The adjustment for the net proceeds of the Firm Placing, Placing and Open Offer reflects the estimated maximum funds to be raised of £290.0 million (gross proceeds of £300.0 million less expenses of £10.0 million, assuming maximum payment of the Shareholder Commissions). The Company intends that £91 million of the proceeds from the Share Issue is used to refinance certain of the Group’s borrowings, with up to £209 million being invested in medical properties that would be added to the Group’s investment portfolio. The adjustment does not reflect the payment of any interest or early repayment costs that would arise as a result of the repayment of borrowings.</p> <p>3. No account has been taken of the financial performance of the Group since 30 September 2017 nor of any other event save as disclosed above.</p> <p>Since 30 September 2017 to 14 November 2017 (being the latest practicable date prior to the publication of this document), the Group has completed a number of acquisitions, the financial impact of which is not reflected in the above pro forma statement. These acquisitions have been for a gross consideration of £20.5 million.</p>
B.9	Profit forecast/estimate	Not applicable – there is no profit forecast or estimate contained in this document.
B.10	Audit report – qualifications	Not applicable – there are no qualifications contained in the audit reports regarding the Company’s historical financial information for the years ended 31 March 2015, 2016 and 2017.
B.11	Working Capital	The Company is of the opinion that, taking into account the existing bank and other facilities available to it, the working capital available to the Group is sufficient for its present requirements, that is, for a period of at least 12 months from the date of this document.

Section C – Securities		
C.1	Type and class of the securities being admitted to trading, including the security identification number	<p>The Company proposes to raise gross proceeds of up to £330 million (£319 million net of expenses) through the issue of up to 193,460,489 New Ordinary Shares through a Firm Placing, 332,855,300 New Ordinary Shares through a Placing and Open Offer and up to 52,631,578 New Ordinary Shares through an Offer for Subscription, all at 57 pence per New Ordinary Share.</p> <p>The ISIN of the Existing Ordinary Shares (and the New Ordinary Shares once admitted to trading) is GB00BVGBWW93 and the SEDOL is BVGBWW9.</p>
C.2	Currency of the securities issue	Pounds sterling.
C.3	Number of shares in issue and par value	The issued and fully paid up share capital of the Company as at 14 November 2017 (being the latest practicable date prior to publication of this document) was £183.1 million divided into 1,830,704,153 Ordinary Shares of 10 pence each.
C.4	Rights attaching to the securities	<p>The New Ordinary Shares will be issued credited as fully paid and will rank <i>pari passu</i> in all respects with the Existing Ordinary Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of the allotment and issue of the New Ordinary Shares, including the quarterly dividend which is expected to be payable in January 2018, with an expected associated record date of 15 December 2017.</p> <p>Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares (for example, in the case of joint holders of a share, the only vote which will count is the vote of the person whose name is listed before the other voters for the share on the Company's register of members), Shareholders shall have the right to receive notice of and to attend and vote at general meetings of the Company.</p> <p>Subject to applicable laws, the Articles and to any rights for the time being attached to any existing Ordinary Share, any Ordinary Shares may be issued with such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if the Company has not so determined, as the Board may determine.</p> <p>Subject to applicable laws, any Ordinary Share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the holder, on such terms, conditions and in such manner as the Board may determine.</p> <p>If the Company's share capital is divided into shares of different classes, any rights attached to any class of shares may (subject to the rights attached to the shares of the class) be varied or abrogated in any manner, either with the written consent of the holders of not less than three quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such class of shares.</p>

C.5	Restrictions on free transferability of the securities	Not applicable – there are no restrictions on the free transferability of the Ordinary Shares.
C.6	Admission to trading on a regulated market	Subject to Shareholder approval, application will be made to the UK Listing Authority and the London Stock Exchange for all of the New Ordinary Shares to be admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's Main Market.
C.7	Dividend policy	The Company continues its commitment to delivering a fully covered and growing dividend that increases broadly in line with EPRA earnings growth. Subject to completion of the Share Issue (assuming the maximum number of Ordinary Shares to be issued under the Firm Placing and Placing and Open Offer), the Board intends to increase the quarterly dividend by 9 per cent. to 0.655 pence per Ordinary Share or 2.62 pence per Ordinary Share on an annualised basis with effect from January 2018. The associated record date is expected to be 15 December 2017.

Section D – Risks		
D.1	Key information on the key risks that are specific to the issuer or its industry	<p>Risks relating to the Group's business and its real estate portfolio</p> <ul style="list-style-type: none"> The Group's financial performance and results of operation could be adversely affected by a deterioration in the general economic environment, which could lead to a general property market contraction, a decline in rental values and increasing levels of tenant defaults and result in declines in the Group's rental returns and the value of its property portfolio. The Group's success is dependent upon its ability to maintain a substantial pipeline of suitable properties and developments for investment on favourable terms and conditions. There can be no assurance that the Group will be successful in acquiring the assets in its pipeline or that it will be able to complete developments on time, or at all, which would limit the Group's growth and ability to generate Shareholder returns. Any weakening of rental yields and valuations could have an adverse impact on the Group's future profits, including revaluation surpluses or deficits. Rent values on a majority of the Group's leases could be exposed to a reduction in real value during a sustained period of inflation, and a small percentage of the Group's leases may be subject to downward rent review triggered by the tenants if there were an overall decline in rent levels on the open market for similar properties. Certain of the Group's borrowing facilities contain certain interest cover and LTV covenant calculations. While the Group has a prudent level of headroom in place under such covenants, they could be breached as a result of a material decline in rental income and valuations on the Group's property. Under such circumstances the Group may be forced to cure a breach, which could negatively impact its

		<p>net asset value and ability to generate Shareholder returns. The Group's secured bond has a WAULT threshold, below which the facility becomes amortising, resulting in potentially increased debt repayments of the principal.</p> <ul style="list-style-type: none"> • The Group may face increased competition from existing or new competitors, which could impact its ability to acquire new properties at acceptable prices and have an adverse impact on rent returns. If the Group failed to continue to execute its strategy and provide a high quality and differentiated service within the primary care property sector, it could lose market share to such competitors. • Property and property-related assets are inherently difficult to value due to the individual nature of each property and the fact that any valuation is based on assumptions which may not prove to be accurate. As a result, valuations are subjective and can be uncertain with valuers having differing opinions. There can be no guarantee that the estimates resulting from the valuation process will reflect actual sale prices that could be realised by the Group in the future or another valuer's estimate of valuation which may adversely affect the asset value of the Company. <p>Risks relating to regulation, government policy and tax</p> <ul style="list-style-type: none"> • As a key provider of private sector capital and expertise to the NHS in providing primary care facilities, the Group is exposed to changes in government policy and the direction and management of the NHS. Changes in NHS procurement and funding for GPs could adversely affect the availability of new schemes for investment and changes to the rent reimbursement mechanism would reduce the attractiveness of the sector for ongoing investment. • The reorganisation of the NHS that was implemented in April 2013 led to a reduction in the number of approvals of new developments as the new organisational structures took time to be bedded in. Recent announcements by the NHS point to the approval process improving and the Directors are hopeful that the rate of approvals for new schemes will increase in the near future. • The Company, as a REIT, may become subject to an additional tax charge if it makes a distribution to, or in respect of, a substantial shareholder, that is, broadly, a company which has rights to 10 per cent. or more of the distributions of Ordinary Shares or controls at least 10 per cent. of the voting rights in the Company. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying distributions to such a substantial shareholder.
D.3	Key risks that are specific to the securities	<p>Risks relating to the Ordinary Shares and the Share Issue</p> <ul style="list-style-type: none"> • The market price of the Ordinary Shares may fluctuate significantly due to a change in sentiment in the market regarding the Company's business, financial condition or

		<p>results of operations. Such fluctuations may be influenced by a number of factors beyond the Company's control, including but not limited to the market's perception of the likelihood of completion of the Share Issue, actual or anticipated changes in the Group's performance or that of its competitors, the expectations and recommendations of analysts who cover the Company's business and industry, regulatory changes affecting the Group's operations, large sales or purchases of the Ordinary Shares (or the perception that such transactions may occur) and general market and economic conditions.</p> <ul style="list-style-type: none"> • There is no guarantee that the market price of the Ordinary Shares will reflect fully the underlying value of the assets held by the Group. As well as being affected by the underlying value of the assets held, the market value of the Ordinary Shares will, amongst other factors, be influenced by their dividend yield and the supply and demand for the Ordinary Shares in the market. As such, the market value of the Ordinary Shares may vary considerably from the underlying value of the Group's assets. The market price of the Ordinary Shares may also fall, and remain below, the Offer Price. • The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited under law. The Company has been formed and registered under the laws of England and Wales. The rights of the Overseas Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction. Overseas Shareholders may be unable to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries outside the United Kingdom against the Directors who are residents of the United Kingdom or countries other than those in which a judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries. • Shareholders will experience dilution in their ownership and voting interests pursuant to the Firm Placing and the Offer for Subscription whether or not Qualifying Shareholders take up their Open Offer Entitlement. If Qualifying Shareholders take up the offer of New Ordinary Shares under the Open Offer in full, as a result of the Firm Placing and the Offer for Subscription their proportionate ownership and voting interests in the Ordinary Shares will be diluted by 8.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 10.2 per cent. (assuming the maximum number of Firm Placed Shares
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		<p>being issued and full take up under the Offer for Subscription). If they do not take up any of their Open Offer Entitlement their holding will be diluted by 22.3 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 24.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription). The percentage of the Company's issued share capital that the Existing Ordinary Shares represent will be reduced by 22.3 per cent. to 77.7 per cent. as a result of the Share Issue (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or by 24.0 per cent. to 76.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription).</p> <ul style="list-style-type: none"> The Ordinary Shares have not been registered in the United States under the US Securities Act or under any other applicable securities laws and are subject to restrictions on transfer contained in such laws. There are additional restrictions on the resale of the Ordinary Shares by Shareholders who are in the United States and on the resale of the Ordinary Shares by any Shareholder to any person who is in the United States. These restrictions could make it more difficult to resell the Ordinary Shares in many instances and this could have an adverse effect on the market value of the Ordinary Shares.
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Section E – Offer		
E.1	Net proceeds and expenses	<p>The Company is proposing to raise net proceeds of up to £319 million (after the deduction of estimated expenses of £11 million, including a maximum payment of Shareholder Commissions) pursuant to the Share Issue. No expenses will be charged to subscribers of New Ordinary Shares in connection with the Share Issue.</p>
E.2a	Reasons for the offer and use of proceeds	<p>The estimated net proceeds of up to £319 million from the Share Issue will be used to make further investments into primary care properties and to refinance certain of the Group's borrowings.</p> <p>Fund acquisition and development pipeline: £209 million</p> <p>The Group has successfully completed acquisitions for consideration of £174.1 million since 31 March 2017 to 14 November 2017. The Group has a near-term pipeline of acquisitions and developments with a cost of approximately £209 million. The Company has identified £126 million of acquisition opportunities, which are anticipated to be under contract before 31 March 2018. These opportunities predominantly represent individual sites where deals are being negotiated directly with the current owner.</p> <p>In addition, the Company has a pipeline of £83 million of developments that are on-site or are expected to be underway over the next 12 months. The Group currently has five schemes for</p>

		<p>development on site with a cost of £34.3 million. In addition to the development projects currently on-site, the Group has further 12 identified development scheme opportunities with a value of £49 million that are expected to have commenced within 12 months. The Directors believe that the Group's development pipeline is the strongest it has been over the previous five years and that, when combining the acquisitions and developments that have already completed or commenced, along with the Group's near term and 12 month pipeline, the financial year ended 31 March 2018 may be the Group's busiest year in recent history.</p> <p>The Board intends to continue to target acquisitions and to fund developments to secure new investments at above-market yields. The above acquisitions and developments are expected to generate yield on costs or consideration broadly in line with that of the Group's most recent acquisitions, developments and forward funding agreements.</p> <p>Refinancing of borrowings: £91 million</p> <p>The Group intends, subject to completion of the Share Issue, to refinance its Aviva senior secured term loans, which had a balance of £211.7 million as at 30 September 2017 with a weighted average interest rate of 5.43 per cent. The Group anticipates that the associated break costs of this refinancing will be approximately £55 million. The Group will utilise the proceeds of the Share Issue to fund this break cost and deploy £36 million to reduce further the Group's LTV providing substantial capacity for further property investment beyond the Group's current pipeline.</p> <p>To the extent that the proceeds of the Share Issue are less than £200 million, the Group will review the specific allocation of the use of proceeds between the refinancing of the Aviva senior secured term loans and investment in property acquisitions and developments, subject to the implication for the Group's LTV. To the extent that the proceeds of the Share Issue are above £300 million, as a result of applications under the Offer for Subscription, the Group will allocate the additional proceeds to reduce its debt in the short term and make further investments into its portfolio in the longer term.</p>
E.3	Terms and conditions of the offer	<p>The Company is proposing to issue up to 193,460,489 New Ordinary Shares through the Firm Placing, 332,855,300 New Ordinary Shares through the Placing and Open Offer and up to 52,631,578 New Ordinary Shares through the Offer for Subscription, in order to raise up to £319 million (net of expenses).</p> <p>The Share Issue requires Shareholder approval which will be sought at the General Meeting.</p> <p>The Offer Price represents a discount of 2.7 per cent. to the Closing Price of 58.6 pence per Existing Ordinary Share on 15 November 2017 (being the last business day prior to the announcement of the Share Issue) but a premium of 7.3 per cent. to the Company's last reported adjusted EPRA NAV per Ordinary Share as at 30 September 2017 of 53.1 pence.</p>

		<p>Firm Placing</p> <p>Pursuant to the Sponsor and Placing Agreement, the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to procure Firm Placees for up to 193,460,489 New Ordinary Shares at the Offer Price, representing gross proceeds of up to £110 million. The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer or Offer for Subscription.</p> <p>Placing and Open Offer</p> <p>The Open Offer Shares are being offered to existing Shareholders by way of the Placing and Open Offer (representing gross proceeds of £190 million). The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising (subject to compliance with applicable securities laws) by subscribing both for their Open Offer Entitlement and for any Excess Open Offer Entitlement, subject to availability.</p> <p>Qualifying Shareholders will have an Open Offer Entitlement of: 2 Open Offer Shares for every 11 Existing Ordinary Shares registered in the name of the relevant Qualifying Shareholder on the Record Date and so in proportion to any other number of Existing Ordinary Shares held.</p> <p>Qualifying Shareholders may also apply, under the Excess Application Facility, for any whole number of Excess Shares registered in the name of the relevant Qualifying Shareholder on the Record Date. In all circumstances, allocation of Excess Shares shall be subject to the discretion of the Directors. To the extent that there remains unallocated Excess Shares following the application by Qualifying Shareholders under the Excess Application Facility, such Excess Shares will be made available under the Placing.</p> <p>Pursuant to the Sponsor and Placing Agreement the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to conditionally place all of the Open Offer Shares with institutional investors at the Offer Price subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer.</p> <p>Offer for Subscription</p> <p>The Offer for Subscription is only being made in the UK but may be extended by the Company on a private placement basis to other jurisdictions. The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If the Company exercises such right of termination, the Offer for Subscription will lapse and any monies will be returned without interest. Applications under the Offer for Subscription must be for a minimum of 2,000 New Ordinary Shares and thereafter in multiples of 1,000 New Ordinary Shares.</p> <p>The Bookbuild will establish (i) the number of Firm Placed Shares; and (ii) the identity of Firm Placees and Placees and their respective allocations. The final number of Firm Placed Shares will be set out in the Placing Terms Agreement. To the extent that any Firm Placee or Placee procured by the Joint Bookrunners fails</p>
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E.4	Interests material to the issue including conflicting interests	Not applicable – there are no interests (including conflicts of interest) which are material to the issue.
E.5	Lock-up arrangements	Not applicable – there are no entities or persons offering to sell the security of Assura. There are no lock-up agreements.
E.6	Dilution	<p>Following the issue of all New Ordinary Shares pursuant to the Share Issue, Qualifying Shareholders who do not take up any of their Open Offer Entitlements or participate in the Offer for Subscription will suffer a dilution of approximately 22.3 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 24.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription).</p> <p>If a Qualifying Shareholder takes up his Open Offer Entitlement in full he will suffer a dilution of 8.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 10.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription).</p>
E.7	Estimated expenses charged to the investor	Not applicable; no expenses will be directly charged by the Company to any investor who subscribes for or purchases New Ordinary Shares pursuant to the Share Issue.

RISK FACTORS

An investment in New Ordinary Shares involves risk. Prior to investing in New Ordinary Shares, you should carefully consider risks associated with any investment in securities and, in particular, the New Ordinary Shares, as well as the Group's business and the industry in which it operates, together with all other information contained in this document including, in particular, the risk factors described below. The risk factors set out below do not purport to be a complete list or explanation of all the risks involved in investing in the New Ordinary Shares or that may adversely affect the Group's business. Other risks and uncertainties relating to an investment in New Ordinary Shares and to the Group's business that are not currently known to us, or that the Group currently deems immaterial, may also have an adverse effect on its business, results of operations, financial condition and prospects. If any such risks occur, the price of the New Ordinary Shares may decline and you could lose all or part of your investment. You should consider carefully whether an investment in the New Ordinary Shares is suitable for you in light of the information in this document and your personal circumstances.

Prospective investors should note that the risks relating to the Group, its industry and the New Ordinary Shares summarised in the section of this document entitled "Summary" are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the New Ordinary Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the additional risks and uncertainties described below.

Risks relating to the Group's business and real estate portfolio

Adverse market conditions could have a significant impact on the value of the Group's property portfolio and on the Group's ability to fund acquisitions and generate attractive rental returns

The Group's financial performance and results of operation could be adversely affected by a deterioration in the general economic environment, including from increased rates of inflation, fluctuations in interest rates and declining rates of GDP growth, which could have a significant impact on the value of the Group's property portfolio and on the Group's ability to fund acquisitions and generate attractive rental returns.

Such adverse market conditions may have a significant negative impact on the availability of credit, property pricing and liquidity levels, which could impact the Group's ability to identify, fund and execute investments in suitable assets that generate acceptable returns. This was the case during the previous global economic downturn, where lenders were lending at lower multiples of income and at lower loan to value ratios compared with historical averages. Adverse market conditions such as these would impact negatively on the Group if it were to seek to fund acquisitions through additional borrowings and could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Furthermore, adverse market conditions could lead to a general property market contraction, a decline in rental values and increasing levels of tenant defaults. While a significant majority of the Group's leases with GP practices are longer term with a WAULT of 12.8 years as at 30 September 2017 and NHS-backed rent reimbursement, such adverse events could lead to an increase in capital expenditure or running costs of the Group and/or reduce the rental return on and capital values of its property assets, which would in turn, affect the value of its property portfolio and have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group's success is dependent upon its ability to maintain a substantial pipeline of acquisitions and developments that, once completed, can generate satisfactory returns

The success of the Group's strategy is dependent upon its ability to maintain a substantial pipeline of suitable properties and developments available for investment at prices and upon terms and conditions (including financing) that the Board considers favourable. Property prices in the Group's sector have risen over recent years, and a sustained or more significant increase in prices, as a result of increased competition or other

factors, could have a negative impact on the Group's ability to identify or complete acquisitions at favourable prices, or at all.

While the Group has historically completed a substantial portion of its near-term acquisition pipeline, there can be no assurance that it will succeed in negotiations to acquire any given asset or that it can improve or retain the same rate of completion going forward. As a majority of the Group's acquisitions are for a single property, the negotiation process for each acquisition can differ significantly making the timing of completion for each acquisition, and the Group's completion rate overall, difficult to predict. The Group also incurs certain third party costs associated with the sourcing and acquisition of suitable assets and can give no assurance as to the level of such costs, which could have an impact on the Group's results of operation and financial condition if it were to fail in completing a significant number of acquisition targets in its pipeline.

The Group's development pipeline may also be exposed to cost overruns, completion delays, planning difficulties and financing shortfalls, in which case the Group may need to commit additional funding to the relevant development than it had originally planned from its existing cash resources. Furthermore, while the Group's policy is to engage in developments that are substantially pre-let with fixed price build contracts (or contracts with a price ceiling) in place at their inception, occasionally some of the Group's developments may not be fully pre-let. In such circumstances, if the Group were unable to find tenants for any surplus space, the Group could be left with unutilised space in buildings which may have limited application to alternative uses, thereby negatively impacting the Group's return on its development investment.

In addition, following the reorganisation of the NHS in April 2013, there was a reduction in the rate of approvals for new development projects. While the Directors expect the rate of new approvals to improve going forward, there can be no assurance that will be the case and the Group's development pipeline and number of new developments it is able to complete may be negatively impacted.

As a result of any of the foregoing, there can be no assurance that the Group will be able to maintain a substantial pipeline of suitable properties and developments in which to invest the net proceeds of the Share Issue. A failure to maintain such a pipeline of investments and developments that can be successfully completed and generate satisfactory returns could limit the Group's growth in underlying earnings and its ability to generate Shareholder returns, which could have a material adverse effect on the Group's business, results of operation, financial condition and prospects.

Weakening of rental yields and valuations could have a material adverse impact on the Group

While the Directors believe that the valuations on its properties are fairly stated and represent robust, defensive investments in the current market due to their long lease length and NHS-backed rent reimbursement, weakening of rental yields and valuations could have an adverse impact on the Group's future profits, including revaluation surpluses or deficits.

With respect to rental yields, the Group targets a balance of both open market rent reviews and rent reviews linked to the Retail Price Index ("RPI") in its leases, and the majority of its existing leases have open market reviews based on certain data points agreed in the lease. As a result, a sustained period of inflation could lead to a reduction in the real value of rental income and the valuation of properties with open market reviewed leases. Furthermore, the timing of rent reviews during an inflationary period could have a negative impact on the Group's rental yields if such reviews could not be initiated to adjust rental rates to inflationary changes in the market.

In addition, while a substantial majority of the Group's leases with open market rent reviews are on an upwards only basis, a small number include a tenant right to trigger a downward rent review. Generally under such circumstances, if the rent levels available on the open market for a similar property based on the agreed data points in the lease are lower than the rent payable by the tenant immediately before the rent review, the rent payable may decrease, although not usually to below the level of the initial rent payable under the lease.

As a result of any of the foregoing, the Group could suffer from a weakening of rental yields and valuations, which could have a material adverse effect on its business, financial condition, results of operation and prospects.

A fall in asset value or revenues may result in a breach of financial covenants

The Group is a long term investor in property and accordingly is exposed to long term cyclical movements in property rental income and valuations, both of which are used in certain covenant calculations under the Group's borrowing facilities. For example, the Group's secured bond has a WAULT threshold, below which the facility becomes amortising, resulting in potentially increased debt repayments of the principal.

There is a prudent level of headroom in the Group's covenants and these have not been breached. The primary care property sector has seen a general stable trend of yield reduction since 2010 and the Directors believe that the sector continues to provide strong property fundamentals with prospects for this trend in yield reduction to continue. However, a material increase in yields of a magnitude greater than what has been experienced historically by the Group in the primary care property sector (for which, in light of current trends, the Board sees no evidence over the next 12 months) could result in the Group breaching its interest cover or LTV covenants with its lenders in the longer term (although the Group's loans from Aviva are not subject to LTV covenants).

Should there be a breach of financial covenants, the Group may be required to cure such breach via the provision of additional security or to repay such borrowings in whole or in part together with any attendant costs. If the Group is required to repay all or part of its borrowings, it may be required to sell assets at less than their market value at a time and in circumstances where the realisation proceeds are reduced because of a downturn in property values generally or because there is limited opportunity to market the property. As a consequence the net asset value of the Group could be adversely affected and the level of dividends which the Company is able to pay may also be reduced, which would have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Increased competition could lead to a reduction in the Group's ability to acquire new properties at acceptable prices and potentially increase prices in the primary care property market

Increased competition from new purchasers, as well as existing competitor property groups, could lead to a reduction in the Group's ability to acquire new properties at acceptable prices and potentially increase prices in the commercial property market generally. While the Group operates in a specialist primary care property sector of the commercial property market with a limited number of similarly placed competitors, there can be no assurance that other purchasers will not seek to enter the market and acquire or develop properties within the primary care sector. The Directors believe that the Group occupies a strong competitive position in the market with its established GP relationships and partnerships. However, if the Group failed to continue to execute its strategy and provide a high quality and differentiated service within the primary care property sector, it could lose market share to current or new competitors.

Increased competition in the Group's market could lead to: (i) an oversupply of premises through overdevelopment; (ii) prices for existing properties or land for development being inflated through competing bids by potential purchasers; and/or (iii) the maximum rents to be achieved from existing properties being adversely impacted by an oversupply of primary care space. Accordingly, the existence of, or an increase in, such competition could have a negative impact on the Group's ability to acquire properties or develop land at satisfactory cost and to secure tenants for its properties at satisfactory rental rates and on a timely basis, any of which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Property is inherently difficult to value

Property and property-related assets are inherently difficult to value due to the individual nature of each property. As a result, valuations are subjective and can be uncertain, with valuers having differing opinions. The Group's property portfolio has been valued by Jones Lang LaSalle and Savills as at 30 September 2017 on the basis of market value ("**Market Value**") in accordance with the Royal Institution of Chartered Surveyors' ("**RICS**") Valuation – Professional Standards incorporating the International Valuation Standards effective from 6 January 2014 (revised April 2015) (the "**Red Book**"), details of which are set out in Part VI (Property Valuation Reports) of this document and which together cover the Group's entire property portfolio. Market Value is defined in the Red Book as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arms'

length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In determining Market Value, the valuers are required to make certain assumptions. Such assumptions may prove to be inaccurate. Incorrect assumptions or flawed assessments underlying a valuation report could negatively affect the Group's financial condition and potentially inhibit the Group's ability to realise a sale price that reflects the stated valuation. In addition, there can be no guarantee that the estimates resulting from the valuation process will reflect actual sale prices that could be realised by the Group in the future or another valuer's estimate of valuation which may adversely affect the asset value of the Group.

Further, if the Group acquires properties based on inaccurate valuations, the Group's net assets and results of operations may be materially adversely affected. There can be no assurance that the valuation of the Group's current and prospective properties will be reflected in the actual transaction prices, even where any such transactions occur shortly after the relevant valuation date, or that the estimated yield and estimated annual rental income will prove to be attainable. In addition, property valuations are dependent on the level of rental income receivable and anticipated to be receivable on that property in the future and, as such, declines in rental income could have an adverse impact on revenue and the value of the Group's assets.

Any of the foregoing factors could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group may be unable to re-let a property following the expiry of a tenancy

There can be no assurance that tenants will renew their leases at the end of their current tenancies and, if they do not, that new tenants of equivalent standing (or any new tenants) will be found to take up replacement leases. This is particularly the case where a property requires refurbishment or redevelopment following the expiry of a tenancy. Tenants with the benefit of contractual break rights may also exercise these to bring the lease to an end before the contractual termination date. During void periods, the Group will suffer a rental shortfall and incur additional expenses until the property is re-let. Even if tenant renewals or replacements are effected, there can be no assurance that such renewals or replacements will be on terms (including rental levels and rent review terms) that are as favourable to the Group as before or that new tenants will be as creditworthy as previous tenants. The inability of the Group to re-let properties to tenants on favourable terms or at all or to realise any alternative use value for the property, could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Redevelopment, expansion and/or the refurbishment of properties may be necessary in the future to preserve rental income and could be adversely affected by a number of factors

Returns from investment in property depend largely upon the amount of rental income generated from the property and the expenses incurred in the repair, maintenance and management of the property, as well as changes in its market value. Development or redevelopment expenditure may be necessary in the future to preserve the rental income generated from and the value of the property, which could negatively impact the Group's profitability.

In addition, the potential for the redevelopment, expansion and/or refurbishment and ongoing improvement of the Group's properties may be adversely affected by a number of factors, including constraints on location, planning legislation and the need to obtain other licences, consents and approvals and the existence of restrictive covenants affecting the title to the property. If any of these rights were to materialise, the Group may be unable to carry out needed redevelopment, expansion or refurbishment works, which could negatively impact rental returns and the value of the property and have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group may be unable to adjust its property portfolio or maximise returns on disposed property assets

Whilst the Company is not a limited life company, and is under no obligation to sell its assets within a fixed time frame, there can be no assurance that, at the time it seeks to dispose of its assets, conditions in the relevant market will be favourable or that the Group will be able to maximise the returns on such disposed assets. As property assets are relatively illiquid, such liquidity may affect the Group's ability to adjust, dispose of or liquidate its portfolio in a timely fashion and at satisfactory prices. Disposal of any of the

Group's property assets could, therefore, take longer than may be commercially desirable or the realisation proceeds may be lower than anticipated, which would have a negative impact on the Group's profits and proceeds realised from such disposals.

To the extent that market conditions are not favourable, the Group may also not be able to dispose of property assets at a gain. If the Group sought to dispose of or liquidate an asset on unsatisfactory terms, it may be forced to realise less than the value at which the asset was previously recorded, which could result in a decline in net asset value. In circumstances where the Group purchases properties when capitalisation rates are low and purchase prices are high, the value of its properties may not increase over time. This may restrict the Group's ability to sell its properties, or in the event that it is able to sell such properties may lead to losses on the sales, any of which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Furthermore, the Group may be exposed to future liabilities and/or obligations arising from warranty claims or contingent liabilities in connection with such disposals. The Group may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties that it had given to a purchaser prove to be inaccurate or to the extent that it had breached any of its covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that any incorrect representations and warranties could give rise to a right for the purchaser to unwind the contract, in addition to the payment of damages, and the Group could become involved in disputes or litigation in connection with such disposals. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as certain environmental liabilities. Any such claims, litigation or obligations, and any steps which the Group is required to take to meet this cost, such as the sale of assets or increased borrowings, could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Due diligence may not identify all risks and liabilities in respect of an acquisition

Prior to entering into an agreement to acquire any property, the Group will perform due diligence on the proposed investment. In doing so, it would typically rely in part on third parties to conduct a significant portion of this due diligence (including legal reports on title and property valuations). To the extent that the Group or other third parties underestimate or fail to identify risks and liabilities associated with the investment in question, the investment may be subject to defects in title, to environmental, structural or operational defects requiring remediation, or the Group may be unable to obtain necessary permits. If there is a due diligence failure, there is a risk that properties could be acquired that are not consistent with the Group's investment strategy or fail to perform in accordance with projections, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group may become exposed to environmental liabilities

There is no guarantee that the Group's current properties or sites or those that are acquired going forward will be free from contamination of hazardous waste, asbestos or other toxic substances. Investigation, removal or remediation of environmental liabilities required by governmental authorities under environmental regulations or in connection with a change in use or redevelopment, may impose substantial costs on the Group regardless of whether the Group originally caused the contamination. In addition, such environmental liabilities could adversely affect the Group's ability to sell, lease or redevelop the property, or to borrow using the property as security. Laws and regulations, which may be amended over time, may also impose liability for the release of certain materials, including asbestos, into the air or water from a property investment, and such release can form the basis for liability to third persons for personal injury or other damages. Other environmental laws and regulations may limit the development of, and impose liability for, the disturbance of wetlands of the habitats of threatened or endangered species.

While the Board is not aware of any such environmental issues, if the Group were to purchase contaminated properties, or if there are contaminated properties within the current portfolio, the Group may have an obligation, alone or jointly with other parties, to dispose of or otherwise resolve any such environmental hazards to the satisfaction of relevant governmental authorities. This could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group could suffer uninsured losses

The Group's properties could suffer physical damage as a result of fire or other causes, resulting in losses (including loss of rent) which may not be fully compensated by insurance. In addition, there are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war that may be uninsurable or are not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors, including terrorism or acts of war, might also result in insurance proceeds being insufficient to repair or replace a property if it is damaged or destroyed.

Under such circumstances, the insurance proceeds may be inadequate to restore the Group's economic position with respect to the affected real estate. Should an uninsured loss or a loss in excess of insured limits occur, the Group could lose capital invested in the affected property as well as anticipated future revenue from that property. In addition, the Group could be liable to repair damage caused by uninsured risks. The Group would also remain liable for any debt or other financial obligation related to that property. No assurance can be given that material losses in excess of insurance proceeds will not occur in the future. In addition, whilst the Group will attempt to ensure that all of its properties are adequately insured, changes in the cost, cover or availability of insurance could expose the Group to uninsured losses, any of which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The loss of key personnel and inability to attract and retain skilled and qualified employees may negatively impact the Group's relationship with developers, suppliers, CCGs, GPs and customers

The Group's business performance is dependent, to a certain extent, on key individuals and employees and their ongoing relationships with, amongst others, developers, suppliers, CCGs, GPs and customers. While the Group seeks to offer its staff competitive remuneration packages, attractive incentives, career development opportunities and a good working environment, there can be no guarantee that it will be able to recruit and retain suitable key personnel. The loss of the services of the Directors, members of the senior management and certain other key employees could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Group could suffer a loss of revenue due to tenant defaults and loss of NHS rent reimbursement

The Group could be exposed to the risk of tenant medical practices handing back GP contracts and losing the right to NHS rent reimbursement and thereby becoming unable to meet their financial obligations under the lease. While the Group has been in active discussion with the tenants and NHS commissioning bodies in certain limited cases where such action has been threatened, the Group would suffer a material loss in rental revenue should its tenants, representing a material amount of the rental payments due to the Group, fail to meet their lease obligations under such circumstances, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Rental income from additional or complementary healthcare related service providers may not be on commercially acceptable terms

The Group intends to increase the rental income streams generated by its primary care properties by letting to tenants that provide additional healthcare related services at certain of these premises, where possible. It may not always be possible to attract the desired additional services or complementary service providers on commercially acceptable terms. In addition, such additional service providers, unlike GP tenants, will not generally have their rent reimbursed by an entity funded by the Government. Consequently, if such service providers were to default in significant numbers, the Group may be unable to recover any unpaid rent, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Use of gearing increases volatility in net asset value per Ordinary Share

Prospective investors should be aware that, whilst the use of borrowings should enhance the net asset value of the Ordinary Shares where the value of the Group's underlying assets is rising, it can have the opposite effect if the underlying asset value is falling. In addition, in the event that the rental income of the Group's property portfolio falls, including as a result of defaults by tenants under the terms of their leases with the

Group, the use of borrowings will increase the impact of such falls on the profitability of the Group and, accordingly, this will have an adverse effect on the Company's profits and ability to pay dividends to Shareholders in the future, which would have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

If the Group repays its third party debt early it will be subject to early repayment charges

The Group has entered into financing arrangements with certain third parties, details of which are set out in paragraph 10 of Part X (Additional Information) of this document. The Group intends, subject to completion of the Share Issue, to refinance its Aviva senior secured term loans, which had a balance of £211.7 million as at 30 September 2017. The Group anticipates that the associated break costs of this refinancing will be approximately £55 million, which the Group intends to fund from the proceeds of the Share Issue. However, the final amount of fees due will vary depending on prevailing interest rates and other factors at the time of redemption. The amount of these fees is not within the control of the Group, and payment of substantial early repayment fees could adversely affect the net asset value of the Group and the level of dividends which the Company is able to pay may also be reduced, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Risks relating to regulation, government policy and tax

Changes in NHS procurement and funding could adversely affect the Group

The Group is operating in the primary healthcare market providing property facilities to the NHS. There have been instances in the recent past of a limited number of UK medical professionals and politicians publicly expressing hostility towards government policy in relation to primary care services operated by commercial enterprises outside the control of the NHS. Whilst the Directors do not currently expect changes in government policy to have a direct impact on its business, changes to the role that private companies are able to play in providing services to the NHS, cuts in the funding available for the renting of medical centres or changes to rental reimbursement mechanisms to GPs by the NHS may reduce the amounts available to fund services provided by the Group or impact on the covenant strength of the underlying tenants in future, thereby putting downward pressure on the Group's rental income and property values.

For example, the reorganisation of the NHS that was implemented in April 2013 led to a reduction in the number of approvals of new developments as the new organisational structures took time to be bedded in, during which time the Group experienced a reduction in the number and rate of new development approvals.

The Company has no influence over the direction taken by the CCGs who are responsible for investment decisions in primary care premises. In particular, a reduction in the funding of the CCGs may reduce the funds available for the development of, or investment in, NHS properties and adversely affect the Company's ability to grow its assets and source appropriate opportunities in accordance with its strategy, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

Uncertainty surrounding the process and terms of the UK's withdrawal from the EU could have a material adverse effect on the Group

On 23 June 2016, a referendum was held on the UK's membership in the EU, the outcome of which was a vote in favour of leaving the EU. On 29 March 2017, the UK government notified the EU that it was triggering the formal process for leaving the EU under Article 50 of the Treaty of the European Union, which allows a Member State to decide to withdraw from the EU in accordance with its own constitutional requirements. The triggering of Article 50 commenced a two year negotiating period for the UK to agree the terms of its exit from the EU, although this period can be extended with the unanimous agreement of the European Council. Without any such extension or agreement on the terms of the UK's withdrawal from the EU, the UK's membership in the EU would end automatically upon the expiration of the two year period.

The result of the referendum and the triggering of Article 50 mean that the long term nature of the UK's relationship with the EU is unclear, which may create an uncertain political and economic environment in the UK and other EU Member States that could potentially last for a number of months or years. There is

also considerable uncertainty as to whether the terms of the UK's withdrawal from the EU will be agreed upon within the two year negotiating period and, if an extension of the negotiating period is not agreed, the UK may be forced to exit the EU without mutually acceptable terms having been agreed. The terms of any such exit, and the accompanying political and economic uncertainty surrounding the UK's withdrawal from the EU, could have a material adverse effect on the Group's business, results of operation, financial condition and prospects.

The Group could lose its status as a REIT

Assura Group Limited being, prior to January 2015, the principal company of the Group, gave notice to HMRC (in accordance with section 523 CTA 2010) that the Group would become a group UK real estate investment trust with effect from 1 April 2013. The Company elected to be a UK REIT on 28 January 2015 (in order that the REIT status enjoyed by the Group since 1 April 2013 would continue following the implementation of the Scheme).

As a result, the REIT Group needs to comply with certain ongoing regulations and conditions. The basis of taxation of any Shareholder's shareholding in the Company may differ or change fundamentally if the REIT Group fails or ceases to maintain its REIT status.

The requirements for maintaining REIT status are, however, complex (see Part V (The REIT Regime and Taxation) of this document for a discussion of these requirements) and the REIT Regime, having commenced in 2007, has as yet no case law history of interpretation. Furthermore, there may be changes subsequently introduced (including changes in interpretation) to the requirements for maintaining REIT status. Prospective investors should note that there is no guarantee that the Group will continue to maintain REIT status (whether by reason of failure to satisfy the conditions for REIT status or otherwise). The Company cannot guarantee that it will maintain continued compliance with all of the REIT conditions and there is a risk that the REIT Regime may cease to apply in some circumstances. HMRC may require the Company to exit the REIT Regime if:

- (a) it regards a breach of the conditions or an attempt to obtain a tax advantage as sufficiently serious;
- (b) the Company or the REIT Group fails to satisfy certain conditions relating to the REIT regime;
- (c) if the REIT Group has committed a certain number of breaches of the conditions in a specified period;
or
- (d) if HMRC has given the REIT Group at least two notices in relation to the obtaining of a tax advantage within a ten year period.

In addition, if the conditions for REIT Group status relating to the share capital of the Company or the prohibition on entering into certain prohibited loans with abnormal returns are breached, or the Company ceases to be UK tax resident, becomes dual tax resident or an open-ended investment company, the Group will automatically lose REIT status. The Group could therefore lose its status as a REIT as a result of actions by third parties, for example, in the event of a successful takeover by a company that is not a REIT. Alternatively, the Group may voluntarily give notice to cease to be a REIT.

If the Group fails to remain qualified as a REIT, members of the Group may be subject to UK corporation or income tax on some or all of their property rental income and chargeable gains on the sale of properties which would reduce the amounts available to distribute to investors.

If the REIT Group were to be required to leave the REIT Regime, HMRC has wide powers to direct how it would be taxed (both before and after it leaves the REIT Regime), including in relation to the date on which the Group would be treated as exiting the REIT Regime which could have a material impact on the financial condition of the Group and, as a result, Shareholder returns. In addition, incurring a tax liability might require the REIT Group to borrow funds, liquidate some of its assets or take other steps that could negatively affect its operating results. A Shareholder's returns from its shareholding in the Company may differ or change fundamentally if the Group fails or ceases to maintain its REIT status.

If the Company is acquired by an entity that is not a REIT, the Company is likely in most cases to fail to meet the requirements for being a REIT. If so, the Company will be treated as leaving the REIT Regime at the end of the accounting period preceding the takeover and will cease from the end of that accounting period to benefit from the REIT Regime's tax exemptions.

Any of the above factors could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

The Company's status as a REIT may restrict distribution opportunities to certain Shareholders

A REIT may become subject to an additional tax charge if it pays a dividend to, or in respect of, a company or certain corporate bodies beneficially entitled (directly or indirectly) to 10 per cent. or more of the Ordinary Shares or dividends of the Company or which controls (directly or indirectly) 10 per cent. or more of the voting rights of the Company. This additional tax charge will not be incurred if the Company has taken reasonable steps to avoid paying distributions to an Excessive Shareholder. Therefore, the Articles contain provisions designed to avoid the situation where dividends may become payable to an Excessive Shareholder and these provisions are summarised at paragraph 3 of Part V (The REIT Regime and Taxation) of this document. The Articles (i) provide the Directors with powers to identify Excessive Shareholders (including giving notice to a Shareholder requiring him to provide such information as the Directors may require to establish whether or not he is an Excessive Shareholder; (ii) provide the Directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of an Excessive Shareholder's shareholding, unless certain conditions are met; (iii) allow dividends to be paid on Ordinary Shares that form part of an Excessive Shareholding where the Excessive Shareholder has disposed of its rights to dividends on its Ordinary Shares; (iv) seek to ensure that if a dividend is paid on Ordinary Shares that form part of an Excessive Shareholding and certain arrangements are not met, the Excessive Shareholder concerned does not become beneficially entitled to that dividend; and (v) provide the Directors with powers if certain conditions are met, to require (I) an Excessive Shareholder; or (II) a Shareholder who has not complied with a notice served; or (III) a Shareholder who has provided materially inaccurate or misleading information in relation to the Excessive Shareholder provisions of the Articles, to dispose of such number of their Ordinary Shares as the Directors may specify, or to take such other steps as will cause the Directors to believe the Shareholder is no longer an Excessive Shareholder.

The Company's status as a REIT may restrict its ability to make investments

The Company is intending to grow through acquisitions. However, the REIT distribution requirements limit the Company's ability to fund acquisitions and capital expenditures through retained income earnings. To maintain REIT status and as a result of obtaining full exemption from UK corporation tax on the profits of the Qualifying Property Rental Business of the Company, the Company is required to distribute annually to Shareholders an amount sufficient to meet the 90 per cent. distribution test by way of Property Income Distributions ("PIDs"). The Company would be required to pay tax at regular UK corporation tax rates on any shortfall to the extent that it distributes as PIDs less than the amount required to meet the 90 per cent. distribution test for each accounting period. Therefore, the Company's ability to grow through acquisitions would be limited if the Company were unable to obtain further debt or issue Ordinary Shares.

Further, differences in timing between the receipt of cash and the recognition of income for the purposes of the REIT rules and the effect of any potential debt amortisation payments could require the Company to borrow funds to meet the distribution requirements that are necessary to achieve the full tax benefits associated with qualifying as a REIT, even if the then-prevailing market conditions are not favourable for these borrowings.

As a result of these factors, the constraints of maintaining REIT status could limit the Company's flexibility to make investments, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

ERISA and related considerations

The U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), regulate and impose restrictions on

certain U.S. employee benefit plans and retirement accounts, and on the persons who administer such plans and accounts and manage their assets. These restrictions can apply to pooled investment vehicles and funds that are regarded as holding “plan assets” under ERISA.

The Directors believe that the Company has not been holding, will not be regarded as holding, “plan assets” under ERISA by reason of one or more U.S. regulatory exemptions, including the exemption for a “real estate operating company”, each as defined in ERISA regulations.

Investors that may be subject to these regulations should consult with legal counsel regarding the fiduciary requirements applicable to investment decisions affecting their plan or account.

The Company is not, and does not intend to become, regulated as an investment company under the US Investment Company Act and related rules

The Company has not been and does not intend to become registered as an “investment company” under the US Investment Company Act and related rules which provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. If the Company were to become subject to the US Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the US Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Group. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the US Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment.

Risks relating to the Ordinary Shares and the Share Issue

The market price of the Ordinary Shares may fluctuate in response to a number of factors, many of which are outside the Company’s control

The market price of the Ordinary Shares may fluctuate significantly due to a change in sentiment in the market regarding the Group’s business, financial condition or results of operations. Such fluctuations may be influenced by a number of factors beyond the Company’s control, including but not limited to the markets’ perception of the likelihood of completion of the Share Issue, actual or anticipated changes in the Group’s performance or that of its competitors, the expectations and recommendations of analysts who cover the Group’s business and industry, regulatory changes affecting the Group’s operations, large sales or purchases of the Ordinary Shares (or the perception that such transactions may occur) and general market and economic conditions.

Stock markets have from time to time experienced, significant price and volume fluctuations that have affected the market prices for securities, and these changes in market prices may have been unrelated to the operating performance or prospects of the businesses to which the securities relate. Stock market conditions are affected by many factors including but not limited to the supply and demand of capital, general economic and political conditions, movements in or outlook on interest rates and inflation rates, currency fluctuations, commodity prices, changes in investor sentiment and terrorist activity. Furthermore, the Group’s operating results and prospects from time to time may be below the expectations of market analysts and investors. Any of these factors could influence the market price of the Ordinary Shares.

For all or any of these reasons, the market price of the Ordinary Shares may go down as well as up. Consequently, investors may not recover their original investment and could lose all of it.

Shareholders may be exposed to fluctuations in currency exchange rates

Shareholders based outside the United Kingdom may be exposed to fluctuations in currency exchange rates. The Existing Ordinary Shares and the New Ordinary Shares are priced in sterling, and will be quoted and traded in sterling. In addition, any dividends that the Company may declare will be paid in sterling. Accordingly, Shareholders resident in non-UK jurisdictions are subject to risks arising from adverse movements in the value of their local currencies against sterling, which may reduce the value of the Ordinary Shares as well as that of any dividends paid.

Future sales of the Ordinary Shares in the public market could depress the market price

Sales of a substantial number of the Ordinary Shares in the public market after the Share Issue, whether by Shareholders in the Open Offer or investors who acquired New Ordinary Shares in the Firm Placing and/or the Placing, or the perception that these sales might occur, could depress the market price of the Company's Ordinary Shares.

The correlation between net asset value and market price is not guaranteed

There is no guarantee that the market price of the Ordinary Shares will reflect fully the underlying value of the assets held by the Group. As well as being affected by the underlying value of the assets held, the market value of the Ordinary Shares will, amongst other factors, be influenced by their dividend yield and the supply and demand for the Ordinary Shares in the market. As such, the market value of the Ordinary Shares may vary considerably from the underlying value of the Group's assets. The market price of the Ordinary Shares may also fall, and remain below, the Offer Price.

The payment of dividends will be, in part, dependent on the performance of the investment portfolio

All of the assets of the Company are owned by its various Subsidiaries, and the Company's ability to continue to pay dividends is dependent, amongst other things, on the performance of its underlying investment portfolio and the subsequent receipt by the Company of distributions from its Subsidiaries. The Company can give no assurance that it will be able to pay a dividend, or the level of such dividend, going forward.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited under law. The Company has been formed and registered under the laws of England and Wales. The rights of the Overseas Shareholders and the fiduciary duties that are owed to them and the Company may differ in material respects from the rights and duties that would be applicable if the Company were organised under the laws of a different jurisdiction.

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors. All of the current Directors are residents of the United Kingdom. Consequently, it may not be possible for an Overseas Shareholder to effect service of process on the Directors within the Overseas Shareholder's country of residence nor to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. Overseas Shareholders may be unable to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries outside the United Kingdom against the Directors who are residents of the United Kingdom or countries other than those in which a judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

There is no public market for shares in the United States or elsewhere outside of the UK

There is currently no public market for the Ordinary Shares in the United States or elsewhere outside of the United Kingdom. The New Ordinary Shares have not been, and will not be, registered under the US Securities Act or any state securities laws of the United States and will be subject to significant restrictions on resale in the United States. The Company does not intend to apply for a listing of the Ordinary Shares on a securities exchange in the United States or elsewhere outside the United Kingdom. As a consequence, an active trading market is not expected to develop for the Ordinary Shares outside of the United Kingdom and investors outside the United Kingdom may not be able to sell them at an acceptable price or at all.

Risks relating to the Share Issue not completing

If the Resolution is not approved or any other condition is not satisfied such that the Share Issue will not proceed, the Group will not receive the net proceeds of the Share Issue and therefore will not be able to reduce its LTV which was 36 per cent. as at 30 September 2017 but would be expected to increase if the

Group funds its current investment pipeline through debt alone. In such circumstance, the Group's inability to reduce its LTV may adversely affect the overall strategy and financial success of the Group as it will have reduced capacity to make future investments and acquisitions. The Board will also review its future dividend policy such that the intended 9 per cent. increase may not take place as it is conditional on the Share Issue.

Shareholders will experience dilution of existing ownership of Ordinary Shares

Shareholders will experience dilution in their ownership and voting interests pursuant to the Firm Placing and the Offer for Subscription whether or not Qualifying Shareholders take up their Open Offer Entitlement. If Qualifying Shareholders take up the offer of New Ordinary Shares under the Open Offer in full, as a result of the Share Issue their proportionate ownership and voting interests in the Ordinary Shares will be diluted by 8.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 10.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription). If they do not take up any of their Open Offer Entitlement their holdings will be diluted by 22.3 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 24.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription). The percentage of the Company's issued share capital that the Existing Ordinary Shares represent will be reduced by 22.3 per cent. to 77.7 per cent. as a result of the Share Issue (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or by 24.0 per cent. to 76.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription).

Shareholders outside the UK may not be able to subscribe for New Ordinary Shares in the Open Offer or Offer for Subscription or for future issues of Ordinary Shares and may be diluted

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by other Shareholders in the Open Offer or Offer for Subscription. In particular, except in limited circumstances as agreed with the Company, holders of the Company's Ordinary Shares who are located in the United States will not be able to exercise their pre-emption rights. The Open Offer and Offer for Subscription will not be registered under the US Securities Act.

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. As a result, certain Qualifying Shareholders may not be able to participate in the Open Offer or Offer for Subscription and this will result in their not receiving the economic benefit of their Open Offer Entitlements and in their interests in the Ordinary Shares being diluted (in addition to the dilution caused by the Firm Placing, Placing and the Offer for Subscription). Qualifying Shareholders who have a registered address in or who are resident in, or who are citizens of, countries other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to subscribe for the New Ordinary Shares in the Open Offer or Offer for Subscription.

IMPORTANT INFORMATION

Currency exchange rate information

Unless otherwise indicated, all references in this document to “sterling”, “pounds sterling”, “£”, “pence”, “penny” or “p” are to the lawful currency of the UK.

No incorporation of website information

Neither the contents of the Company’s website nor the content of any website accessible from hyperlinks on the Company’s website is incorporated into, or forms part of, this document.

Rounding

Certain numerical figures set out in this document, including financial data presented in millions or thousands, have been subject to rounding adjustments and as a result, the totals of the data in this document may vary slightly from the actual arithmetic totals of such information.

Non-IFRS/Non-GAAP Financial Information

The financial information included in this document is not intended to comply with the US Securities and Exchange Commission reporting requirements. Compliance with such requirements would entail the modification or exclusion of certain financial measures that are not recognised under generally accepted accounting principles in the United States (“US GAAP”) or under IFRS, as set out below.

The Group uses certain measures to assess the financial performance of its business. Certain of these measures are termed “non-IFRS” or “non-GAAP” measures because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS measures include:

- EPRA Earnings
- EPRA Earnings before net interest
- EPRA EPS – Basic
- EPRA NAV
- EPRA NAV per ordinary share
- EPRA NNNAV
- EPRA NNNAV per ordinary share
- EPRA Cost Ratio
- EPRA Cost Ratio (excluding direct vacancy costs)
- Net Debt
- Interest Cover
- Loan to Value
- Total Property Return
- Total Accounting Return

These non-IFRS/non-GAAP financial measures are included in this document as they are used by management to monitor and report to the Board on the Group’s financial position, performance and available

operating liquidity. The Directors believe that these measures enhance prospective investors' understanding of the Group's underlying business performance, indebtedness and its current ability to fund ongoing operations and make capital expenditures and the Group's ability to service debt requirements. Certain of these non-IFRS/non-GAAP financial measures, such as the EPRA performance measures, are widely used by certain investors, securities analysts and other interested parties as supplemental measures of financial position, financial performance and liquidity.

However, these non-IFRS/non-GAAP financial measures are not measures based on IFRS or US GAAP and prospective investors should not consider such items as an alternative to the historical financial position or other indicators of the Group's cash flow and forward position based on IFRS measures.

These non-IFRS/non-GAAP financial measures are not measurements of operating performance under IFRS or US GAAP, and should not be considered a substitute for profit on ordinary activities, profit for the financial year, cash flows from operating activities or other income or cash flow statement data, or as measures of profitability or liquidity. Further, they do not necessarily indicate whether cash flow will be sufficient or available for cash requirements. These measures may not be indicative of the Group's historical operating results nor are they meant to be predictive of potential future results. Other companies may calculate such measures in a different way, and the presentation may not be comparable to similarly entitled measures of other companies.

EPRA performance measures

This document contains references to certain EPRA performance measures, which are calculated in accordance with the EPRA Best Practice Recommendations with the aim of improving the transparency, comparability and relevance of financial reporting within the real estate sector across Europe.

EPRA Earnings, EPRA Earnings before net interest, and EPRA EPS

EPRA Earnings is a non-IFRS measure defined by EPRA as "Earnings from operational activities." EPRA states the purpose of EPRA Earnings is to present a key measure of a company's underlying operating results and indication of the extent to which current dividend payments are supported by earnings. EPRA's BPR guide (the "**BPR Guide**") specifies the adjustments from earnings to arrive at EPRA Earnings. In accordance with EPRA's guidance, the Company calculates EPRA Earnings as profit for the year as adjusted to exclude early repayment costs and the write off of loan issues as well as revaluation gains and the loss/gain on sale of property, as such measures are not considered to be representative of the underlying performance of the Group. The Group also presents EPRA Earnings before net interest which represents EPRA Earnings (as defined above) before finance costs less finance revenue and excluding the write-off of loan issue costs and early repayment costs. Management presents this measure for purposes of calculating Interest Cover (as defined below) to monitor compliance with its financial covenants.

EPRA EPS is a non-IFRS measure defined by EPRA as EPRA Earnings per basic number of shares. In accordance with EPRA's guidance, the Company calculates EPRA EPS as EPRA Earnings per share, based on weighted average number of basic shares in issue. In addition, the Company presents EPRA Earnings per weighted average outstanding share, adjusted for the potential dilutive impact of share options, and labels the measure as Diluted EPRA EPS, in accordance with EPRA guidelines.

The Company considers EPRA Earnings and EPRA EPS to be key measures of the Group's underlying operating results and provide an indication of the extent to which current dividend payments are supported by earnings, as it eliminates potential differences in performance caused by events and transactions outside the Group's underlying operations, such as early repayments of loans, the revaluation of investment properties and the sale of investment properties.

The table below sets forth the Group's EPRA Earnings and EPRA EPS and the reconciliation from profit for the year.

	<i>Six months ended</i>		<i>Year ended</i>		
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Profit for the year	73.4	41.7	95.3	27.9	37.2
Early repayment costs ⁽¹⁾	–	–	–	34.1	–
Revaluation gains ⁽²⁾	(50.4)	(23.4)	(56.5)	(36.4)	(21.4)
Revaluation of derivative financial instruments ⁽³⁾	–	–	–	–	(0.1)
Loss/(gain) on sale of property ⁽⁴⁾	0.3	–	0.1	(0.1)	0.1
Write off of loan issue costs ⁽⁵⁾	–	1.5	1.4	–	0.1
EPRA earnings	23.3	19.8	40.3	25.5	15.8
Net interest ⁽⁶⁾	11.2	9.7	20.6	24.0	26.6
EPRA earnings before net interest	34.5	29.5	60.9	49.5	42.4
Weighted average number of shares in issue – basic ⁽⁷⁾	1,748.1m	1,641.8m	1,647.4m	1,300.3m	763.2m
Potential dilutive impact of share options ⁽⁸⁾	0.2m	3.2m	3.2m	11.2m	20.7m
Weighted average number of shares in issue – diluted ⁽⁹⁾	1,748.3m	1,645.0m	1,650.6m	1,311.6m	783.9m
EPRA EPS – Basic (p)	1.3p	1.2p	2.4p	2.0p	2.1p
EPRA EPS – Diluted (p)	1.3p	1.2p	2.4p	2.0p	2.0p

Notes:

- (1) Amounts represent fees incurred due to the early repayment of £182.0 million of loans in November 2015.
- (2) Amounts represent the gains recorded in the income statement related to the annual external valuation for investment properties.
- (3) Amount represents the revaluation gain on derivative financial instruments.
- (4) Amounts represent the losses or gains recorded in conjunction with the sale of investment properties.
- (5) Amounts represent write-off of loan issue costs due to the cancellation of our previous revolving credit facility.
- (6) Net interest represents finance costs less finance revenue and excluding the write-off of loan issue costs and early repayment costs as reconciled below:

	<i>Six months ended</i>		<i>Year ended</i>		
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Finance costs	11.2	11.3	22.1	58.3	27.0
Early repayment costs	–	–	–	(34.1)	–
Write off of loan issue costs	–	(1.5)	(1.4)	–	–
Finance revenue	–	(0.1)	(0.1)	(0.2)	(0.4)
Net Interest	11.2	9.7	20.6	24.0	26.6

- (7) Represents the weighted average of ordinary shares in issue.
- (8) Represents the potential dilution of shares issued due to the Company's employee share plans, including the expiry of the Value Creation Plan.
- (9) Represents the weighted average number of shares in issue adjusted for the potential dilutive impact of share options.

EPRA NAV (NNNAV) and EPRA NAV (NNNAV) per ordinary share

EPRA NAV is a non-IFRS measure defined by EPRA as “Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.” Per the BPR guide, adjustments to EPRA NAV include the exclusion of fair value of financial instruments, deferred tax, and goodwill as a result of deferred tax. The Company calculates EPRA NAV as Net Assets adjusted to exclude own shares held and deferred tax.

EPRA NAV per ordinary share is a non-IFRS measure defined by EPRA as EPRA NAV per basic number of shares. The Company has calculated EPRA NAV per ordinary share as EPRA NAV per share, based on basic weighted average number of shares in issue. In addition, the Company presents EPRA NAV per share, adjusted for the potential dilutive impact of share options, and labels the measure as Diluted EPRA NAV per share, in accordance with EPRA guidelines.

EPRA Triple Net Asset Value (or “**EPRA NNNAV**”) is a non-IFRS measure defined by EPRA as “EPRA NAV adjusted to include the fair values of (i) financial instruments (ii) debt and (iii) deferred taxes.” The Company calculates EPRA NNNAV in accordance with the above guidance, adjusting net assets for own shares held, deferred taxes, and mark-to-market adjustments for fixed rate debt.

The Company believes EPRA NAV (and EPRA NAV per share) and EPRA NNNAV (and EPRA NNNAV per share) provide Shareholders with the most relevant information regarding the fair value of the Group’s assets and liabilities.

The table below sets forth the Group’s EPRA NAV and EPRA NAV per share and the reconciliation from net assets.

	<i>As at</i>			
	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Net assets	971.2	818.0	754.3	451.9
Own shares held ⁽¹⁾	–	–	0.6	1.8
Deferred tax ⁽²⁾	(0.5)	(0.5)	(0.4)	(1.3)
EPRA NAV	970.7	817.5	754.5	452.4
Number of shares in issue ⁽³⁾	1,827.6m	1,655.0m	1,637.7m	1,006.9m
Potential dilutive impact of VCP ⁽⁴⁾	0.2m	3.2m	11.2m	20.7m
Diluted number of shares in issue ⁽⁵⁾	1,827.8m	1,658.3m	1,648.9m	1,027.6m
EPRA NAV per Ordinary Share – basic	53.1	49.4p	46.1p	44.9p
EPRA NAV per Ordinary Share – diluted	53.1	49.3p	45.8p	44.0p

The table below sets forth the Group’s EPRA NNNAV (and EPRA NNNAV per share) and the reconciliation from EPRA NAV.

	<i>As at</i>			
	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Net assets	971.2	818.0	754.3	451.9
Own shares held ⁽¹⁾	–	–	0.6	1.8
Deferred tax ⁽²⁾	(0.5)	(0.5)	(0.4)	(1.3)
Mark to market of fixed rate debt ⁽⁶⁾	(65.5)	(77.7)	(60.2)	(90.7)
EPRA NNNAV	905.2	739.8	694.3	361.7

		<i>As at</i>		
	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Number of shares in issue ⁽³⁾	1,827.6m	1,655.0m	1,637.7m	1,006.9m
Potential dilutive impact of VCP ⁽⁴⁾	0.2m	3.2m	11.2m	20.7m
Diluted number of shares in issue ⁽⁵⁾	1,827.8m	1,658.3m	1,648.9m	1,027.6m
EPRA NNAV per Ordinary Share – basic	49.5p	44.7p	42.4p	35.9p

Notes:

- (1) Own shares held comprise shares held by the Assura Employee Benefit Trust. Management believes this amount is not representative of the fair value of Group's net assets and liabilities.
- (2) Management has adjusted for deferred tax as they do not consider representative of the fair value of the Group's net assets and liabilities.
- (3) Represents the weighted average of ordinary shares in issue.
- (4) Represents the potential dilution of shares issued due to the Company's employee share plans, including the expiry of the Value Creation Plan.
- (5) Represents the weighted average number of shares in issue adjusted for the potential dilutive impact of share options.
- (6) Represents fair value adjustments to mark fixed rate debt to market.

EPRA Cost Ratio

EPRA cost ratio is a non-IFRS measure defined by EPRA that should “include all administrative and operating expenses in the IFRS statements including the share of joint venture overheads and operating expenses (net of any service fees)” and is calculated “as a percentage of gross rental income less ground rent (including share of joint venture gross rental income less ground rent)”. Further, EPRA recommends this measure be presented including and excluding direct vacancy costs.

EPRA Cost Ratio for the Company, is calculated as the sum of administrative expenses, property operating expenses, share-based payment costs, net service charge costs/(fees) and ground rent costs, collectively “EPRA Costs”, divided by gross rental and related income excluding ground rent, as such measures are considered to be representative of the underlying cost performance of the Group. This measure is also presented to exclude direct vacancy costs to give a representation of the underlying cost performance of the Group assuming the properties were fully let. The table below sets forth the Group's EPRA cost ratio and EPRA cost ratio excluding direct vacancy costs.

	<i>Six months ended</i>		<i>Year ended</i>		
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Administrative expenses	3.6	3.4	7.0	6.1	5.7
Property operating expenses	1.1	1.5	3.2	2.6	2.9
Share-based payment costs	0.2	–	0.1	1.9	0.7
Net service charge costs ⁽¹⁾	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)
Ground rent costs ⁽²⁾	(0.2)	(0.2)	(0.4)	(0.4)	(0.3)
EPRA Costs	4.6	4.6	9.7	10.0	8.8
Gross rental and related income	39.4	34.4	71.1	61.0	50.1
Ground rent costs ⁽²⁾	(0.2)	(0.2)	(0.4)	(0.4)	(0.3)

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Gross rental income excluding ground rent costs	39.2	34.2	70.7	60.6	49.8
EPRA Cost Ratio	11.7%	13.5%	13.7%	16.5%	17.7%
Direct vacancy costs ⁽³⁾	(0.1)	(0.4)	(0.9)	(0.3)	(0.7)
EPRA Cost Ratio (excluding Direct vacancy costs)	11.5%	12.3%	12.4%	16.0%	16.3%

Notes:

- (1) Net service charge costs/(fees) represent the Group's share of costs for shared space or common areas not recharged specifically to tenants.
- (2) Ground rent costs represent costs incurred by the Group primarily related to head lease rent on long leasehold properties.
- (3) Direct vacancy costs represent business rates and repairs/maintenance expenses for space not occupied.

Net Debt and Loan to Value

Net debt is a non-IFRS measure that is defined as current and non-current borrowings, obligations due under finance leases, less cash, cash equivalents and restricted cash. Loan to Value (or LTV) is a non-IFRS measure that is defined as net debt (as defined above) as a percentage of total investment property and property assets held for sale.

Management believe that net debt is a useful indicator of the Group's indebtedness, financial flexibility and capital structure because it indicates the level of borrowings after taking account of cash and cash equivalents within the Group's business that could be utilised to pay down the outstanding borrowings. Management believes that net debt can assist securities analysts, investors and other parties to evaluate the Group. Net debt and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. Accordingly, caution is required in comparing net debt as reported by the Group to net debt of other companies. Management further utilises net debt in its calculation of Loan to Value to analyse the Group's capacity for growth. The following table shows a reconciliation of the Group's net debt and Loan to Value.

	<i>As at</i>			
	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Current borrowings	4.4	4.3	4.0	8.0
Non-current borrowings	583.6	515.8	365.2	505.5
Obligations due under finance leases	3.0	3.0	3.0	3.0
Cash, cash equivalents and restricted cash	(21.9)	(23.5)	(44.3)	(66.5)
Net debt	569.1	499.6	327.9	450.0
Investment property and property assets held for sale	1,564.8	1,345.8	1,111.1	930.7
Loan to Value (LTV)	36%	37%	30%	48%

Interest Cover

Interest cover is a non-IFRS measure that is defined as EPRA earnings before net interest (as defined above) divided by net interest. Management primarily utilises interest cover for purposes of monitoring compliance with the Group's financial covenants.

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
EPRA earnings before					
net interest	34.5	29.5	60.9	49.5	42.4
Net interest	11.2	9.7	20.6	24.0	26.6
Interest Cover	308%	304%	296%	206%	159%

Total Property Return

Total property return is a non-IFRS measure that is defined as the sum of net rental income and revaluation gains divided by the sum of investment property at the beginning of the period (defined as opening investment property excluding pharmacy lease premiums and finance lease obligations recognised separately), additions and development costs.

Management believes total property return to be a useful measure of performance in investment strategy and the management of investment property over time. The table below sets forth the Group's total property return and the reconciliation from investment property, net rental income, and revaluation gains.

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Net rental income	38.3	32.9	67.9	58.4	48.2
Revaluation gain	50.4	23.4	56.5	36.4	21.4
Total	88.7	56.3	124.4	94.8	69.6
Investment property	1,344.9	1,109.4	1,109.4	925.3	656.7
Pharmacy lease premium	(6.4)	(6.9)	(6.9)	(7.3)	(7.2)
Finance lease obligations	(3.0)	(3.0)	(3.0)	(3.0)	(3.1)
Opening investment					
property	1,335.5	1,099.5	1,099.5	915.0	646.4
Additions	154.6	82.6	158.0	127.2	231.0
Development costs	14.7	11.5	20.9	17.7	14.0
Total	1,504.8	1,193.6	1,278.4	1,059.9	891.4
Total Property Return	5.9%	4.7%	9.7%	8.9%	7.8%

Total Accounting Return

Total accounting return is a non-IFRS measure that is defined as the sum of dividends paid per share and the difference between opening and closing basic EPRA net asset value per ordinary share (as defined above) divided by the opening basic EPRA net asset value per ordinary share.

Management believes total accounting return to be a useful measure of performance in delivering returns to shareholders in the form of dividends paid as well as the growth in EPRA net asset value. The table below sets forth the Group's total accounting return.

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Opening basic EPRA NAV					
per ordinary share	49.4p	46.1p	46.1p	44.9p	43.4p
Closing basic EPRA NAV					
per ordinary share	53.1p	47.3p	49.4p	46.1p	44.9p
Total Change	3.7p	1.2p	3.3p	1.2p	1.5p
Dividends paid per ordinary					
share	1.2p	1.1p	2.25p	2.05p	1.85p
Total	4.9p	2.3p	5.55p	3.25p	3.35p
Opening basic EPRA NAV					
per ordinary share	49.4p	46.1p	46.1p	44.9p	43.4p
Total Accounting Return	9.9%	5.0%	12.0%	7.2%	7.7%

Other KPIs

Like-for-Like Valuation Growth

Like-for-like valuation growth represents the change in the valuation of investment properties based upon the cost of investment properties owned throughout the period.

Total Shareholder Return

Total shareholder return represents the sum of the change in share price of the Group for the period and dividends paid as divided by the opening share price. Management believes this measure to be reflective of the dividend and capital appreciation experienced by shareholders.

General

Shareholders and prospective investors should not treat the contents of this document as advice relating to legal, taxation, investment or any other matters. Shareholders and prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of New Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Ordinary Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares. Shareholders and prospective investors must rely upon their own legal advisers, accountants and other financial advisers as to legal, tax, investment or any other related matters concerning the Company and any investment therein. Statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein. This document should be read in its entirety before making any application for New Ordinary Shares. Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles.

In making an investment decision, each Shareholder and prospective investor must rely on its own examination, analysis and enquiry of the Company and the terms of the Share Issue.

No person has been authorised to give any information or make any representations other than the information contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company. Subject to the requirements of the Prospectus Rules, neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in this document is correct at any time subsequent to its date.

Stifel, J.P. Morgan Cazenove and their respective affiliates have engaged in transactions with and performed various investment banking, financial advisory and other services for the Company and its affiliates, for which they received customary fees, and they and their respective affiliates may provide such services for

the Company and its affiliates in the future. As a result, Stifel, J.P. Morgan Cazenove and their respective affiliates may have a commercial interest in continuing to provide services to the Company and its affiliates that may be material to the Firm Placing and/or Placing and Open Offer.

In connection with the Firm Placing and/or Placing and Open Offer, Stifel, J.P. Morgan Cazenove and any of their respective affiliates acting as an investor for their own account(s) may subscribe for New Ordinary Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or related investments in connection with the Firm Placing and/or Placing and Open Offer or otherwise. In addition, Stifel, J.P. Morgan Cazenove and their respective affiliates may enter into derivative transactions in connection with the Firm Placing and/or Placing and Open Offer, acting at the order and for the account of their business and may also purchase or hold New Ordinary Shares as a hedge for these transactions. Accordingly, references in this document to Ordinary Shares being issued, offered, subscribed or otherwise dealt with should be read as including any issue or offer to, or subscription or dealing by, Stifel, J.P. Morgan Cazenove or any of their respective affiliates acting as an investor for its or their own account(s). Neither J.P. Morgan Cazenove nor Stifel (as applicable) intends to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Service of Process and Enforcement of Civil Liabilities

All of the Directors are residents of the UK, and the Company has been incorporated under English law. Service of process upon Directors and officers of the Company may be difficult to obtain within the United States. Shareholders based in the United States may have difficulties enforcing in courts outside the United States judgments obtained in US courts against some of the Directors or the Company (including actions under the civil liability provisions of the US securities laws). In addition, an award or awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom. Shareholder may also have difficulty enforcing liabilities under the US securities laws in legal actions originally brought in jurisdictions located outside the United States.

Forward-Looking Statements

This document contains forward-looking statements which are based on the Board's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. These statements include forward-looking statements both with respect to the Group and the markets in which the Group operates. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue" and similar statements of a future or forward-looking nature identify forward-looking statements. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a number of variables which could cause actual results or trends to differ materially, including, but not limited to any limitations of the Company's internal financial reporting controls; an increase in competition; an unexpected decline in turnover, rental income or the value of all or part of the Group's property portfolio; legislative, fiscal and regulatory developments, including but not limited to, changes in environmental, safety and healthcare regulations and governmental policy in relation to the delivery of primary healthcare and pharmacies; and currency and interest rate fluctuations. Each forward-looking statement speaks only as of the date of this document. Except as required by the rules of the FCA (and in particular the Prospectus Rules, the Listing Rules and the Disclosure Guidance and Transparency Rules), the London Stock Exchange or by law (in particular FSMA), the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in the Board's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. All subsequent written and oral forward-looking statements attributable to any person involved in the preparation of this document or to persons acting on the Company's behalf are, subject to the requirements of the Prospectus Rules, expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Group's actual results of operation, financial condition, prospects, growth, synergies, strategies and dividend policy and the development of the industry in which it operates may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the results of operations, financial condition, prospects, growth, synergies, strategies and the dividend policy of the Company, and the development of the industry in which it operates, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. These forward-looking statements are further qualified by the risk factors set out in this document. Prospective investors are urged to read the sections of this document entitled "Risk Factors", "Letter from the Chairman" and "Information on Assura" for a more complete discussion of the factors that could affect the Group's future performance and the industry in which it operates.

Any forward-looking statement contained in this document based on past or current trends and/or activities of the Group should not be taken as a representation that such trends or activities will continue in the future. No statement in this document is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years will necessarily match or exceed the historical or published earnings of the Group.

Forward-looking statements contained in this document do not in any way seek to qualify the working capital statement contained in paragraph 13 of Part X (Additional Information) of this document.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlements under the Open Offer	close of business on 14 November 2017
Announcement of the Share Issue	16 November 2017
Ex-entitlement date	16 November 2017
Despatch of Prospectus, Application Forms and Forms of Proxy	16 November 2017
Offer for Subscription opens	17 November 2017
Open Offer Entitlements and Excess Open Offer Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	as soon as possible after 8.00 a.m. on 17 November 2017
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess Open Offer Entitlements from CREST	4.30 p.m. on 27 November 2017
Recommended latest time for depositing Open Offer Entitlements and Excess Open Offer Entitlements in to CREST	3.00 p.m. on 28 November 2017
Recommended latest time for splitting Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 29 November 2017
Latest time and date for receipt of Forms of Proxy and electronic proxy appointments via CREST	11.00 a.m. on 30 November 2017
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 1 December 2017
Latest time and date for receipt of Offer for Subscription Application Forms and payment in full under the Offer for Subscription	11.00 a.m. on 1 December 2017
Announcement of the results of the Open Offer and the Offer for Subscription	4 December 2017
General Meeting	10.00 a.m. on 4 December 2017
Announcement of results of General Meeting	4 December 2017
Admission and commencement of dealings in the New Ordinary Shares	6 December 2017
CREST stock accounts expected to be credited for the New Ordinary Shares	6 December 2017
Share certificates for New Ordinary Shares expected to be despatched	within 14 days of Admission

Notes:

- (1) Each of the times and dates in the table above is indicative only and may be subject to change.
- (2) References to times in this document are to London time.
- (3) The times and dates set out in the table above and mentioned throughout this document may be adjusted by the Company in consultation with Stifel and J.P. Morgan Cazenove, in which event details of the new times and dates will be notified to the FCA, the London Stock Exchange and, where appropriate, Shareholders.
- (4) Any Existing Ordinary Shares sold prior to the close of business on 16 November 2017, the date on which the Existing Ordinary Shares will trade with entitlement, will be sold to the purchaser with the right to receive entitlements under the Open Offer.

- (5) If you have any questions on the procedure for application and payment under the Open Offer, please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am to 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

STATISTICS RELATING TO THE SHARE ISSUE

Number of Existing Ordinary Shares in issue as at 14 November 2017 (being the latest practicable date prior to the publication of this document)	1,830,704,153
Offer Price per New Ordinary Share	57 pence
Premium to last published EPRA NAV ⁽¹⁾	7.3 per cent.
Entitlement under the Open Offer	2 New Ordinary Shares for every 11 Existing Ordinary Shares
Number of Firm Placed Shares to be issued pursuant to the Firm Placing	up to 193,460,489
Number of Open Offer Shares to be issued pursuant to the Placing and Open Offer	332,855,300
Number of New Ordinary Shares to be issued pursuant to the Offer for Subscription	up to 52,631,578
Aggregate number of New Ordinary Shares to be issued pursuant to the Share Issue ⁽²⁾	up to 578,947,367
Number of Ordinary Shares in issue immediately following the Share Issue ⁽²⁾	up to 2,409,651,520
Estimated gross proceeds of the Share Issue ⁽²⁾	up to £330 million
Estimated expenses of the Share Issue ⁽²⁾⁽³⁾	up to £11 million
Estimated net proceeds receivable by the Company ⁽²⁾⁽³⁾	up to £319 million
New Ordinary Shares as a percentage of the Enlarged Issued Share Capital ⁽²⁾	up to 24 per cent.
ISIN of the Existing Ordinary Shares (and the New Ordinary Shares once admitted to trading)	GB00BVGBWW93
ISIN of the Open Offer Entitlement	GB00BF3FNC98
ISIN of the Excess Open Offer Entitlement	GB00BF3FNG37
SEDOL	BVGBWW9

Notes:

- (1) EPRA NAV as at 30 September 2017 of 53.1 pence per Ordinary Share.
- (2) This assumes the maximum number of Firm Placed Shares being issued and full take up of the Offer for Subscription.
- (3) Stated inclusive of the maximum payment of Shareholder Commissions pursuant to the Placing.

DIRECTORS, REGISTERED OFFICE AND ADVISERS TO THE COMPANY

Directors	<p>Simon Laffin (<i>Non-executive Chairman</i>) Jonathan Murphy (<i>CEO</i>) Jayne Cottam (<i>CFO</i>) Andrew Darke (<i>Property Director</i>) Jenefer Greenwood (<i>Non-executive Director</i>) David Richardson (<i>Non-executive Director</i>) Ed Smith (<i>Non-executive Director</i>)</p>
Company Secretary	Orla Ball
Registered office and principal place of business	<p>The Brew House Greenalls Avenue Warrington Cheshire WA4 6HL Tel. +44 (0)1925 420660</p>
Sponsor and Joint Bookrunner	<p>Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET</p>
Joint Bookrunner	<p>J.P. Morgan Securities plc 25 Bank Street London E14 5YP</p>
Solicitors to the Company as to English and US Law	<p>Travers Smith LLP 10 Snow Hill London EC1A 2AL</p>
Solicitors to the Sponsor and Joint Bookrunners as to English and US Law	<p>Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS</p>
Auditors	<p>Deloitte LLP 2 Hardman Street Manchester M3 3HF</p>
Reporting Accountant	<p>PricewaterhouseCoopers LLP 101 Barbirolli Square Lower Mosley Street Manchester M2 3PW</p>
Registrars to the Company	<p>Link Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU</p>

Receiving Agent

Link Asset Services
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Valuers

Savills Advisory Services Limited
33 Margaret Street
London W16 0JD

Jones Lang LaSalle
30 Warwick Street
London W1B 5NH

PART I

LETTER FROM THE CHAIRMAN

ASSURA plc

(incorporated in England and Wales under the Companies Act 2006 with registered number 9349441)

Directors:

Simon Laffin, *Non-executive Chairman*
Jonathan Murphy, *CEO*
Jayne Cottam, *CFO*
Andrew Darke, *Property Director*
Jenefer Greenwood, *Non-executive Director*
David Richardson, *Non-executive Director*
Ed Smith, *Non-executive Director*

Registered office:

The Brew House
Greenalls Avenue
Warrington
Cheshire
WA4 6HL

16 November 2017

To Shareholders and, for information only, holders of awards under the Assura Employee Share Plans

Dear Shareholder,

1. Introduction

Assura develops and acquires primary care premises used predominantly by NHS-backed GPs and other related health service providers. It provides bespoke, purpose-built premises to satisfy the evolving needs of GPs as they look to meet the increasing health requirements of the UK population. The Company's ability to provide these services, from identifying potential properties to managing the primary care facility once it is completed and occupied, enables it to adopt a long-term partner approach throughout the lifecycle of a medical centre.

The Company has successfully deployed capital over the last three financial years, which has enabled it to deliver substantial growth in its portfolio and income. Assura has a strong investment pipeline and sees opportunities to make further investments in the primary care property market which is a sector which has attractive fundamentals and a track record of strong risk adjusted returns. The Company has today announced that it proposes to raise gross proceeds of up to £330 million.

The Share Issue

The Company proposes to raise gross proceeds of up to £300 million (£290 million net of expenses, assuming maximum payment of the Shareholder Commissions) through the issue of up to 526,315,789 New Ordinary Shares by way of a Firm Placing and a Placing and Open Offer and additional gross proceeds of up to £30 million (£29 million net of expenses) through the issue of up to 52,631,578 New Ordinary Shares by way of an Offer for Subscription, all at the offer price of 57 pence per New Ordinary Share. The Offer Price represents a discount of 2.7 per cent. to the Closing Price of 58.6 pence per Existing Ordinary Share on 15 December 2017 (being the last business day prior to the announcement of the Share Issue) but a premium of 7.3 per cent. to the Company's last reported EPRA NAV per Ordinary Share as at 30 September 2017 of 53.1 pence.

Shareholder approval

The Share Issue requires Shareholder approval to grant the Directors authority to allot and issue the New Ordinary Shares as if the applicable statutory pre-emption rights did not apply. Approval will be sought at a General Meeting convened for 10.00 a.m. on 4 December 2017, notice of which is set out at the end of this document. If the Resolution is not passed at the General Meeting, the Share Issue will not proceed.

Purpose of this document

This letter sets out the background to and explains the reasons for the Share Issue and why the Directors believe it is in the best interests of the Group and Shareholders as a whole.

You are recommended to read the whole of this document (and all the information incorporated by reference into it which is listed in the section entitled “Documents Incorporated by Reference”) and not rely on the summarised information set out in this letter. In particular, you are advised to consult the section entitled “Risk Factors”.

2. Assura and its market

Market background

Primary care model is central to care provision in the UK

GPs are a cornerstone of the UK health model, providing approximately 340 million patient consultations per year, 90 per cent. of which take place in general practice facilities. In a 2014 BMA survey of over 4,500 GP practices, 40 per cent. felt their premises were inadequate and made it difficult to provide even basic GP services.

The GP-led primary care model is a central part of the delivery of healthcare services in the UK. According to the NHS Five Year Forward View, “general practice is undeniably the bedrock of NHS care . . . so if general practice fails, the NHS fails”. As such, the UK government has committed funding to support the primary care model, and the NHS is seeking to increase access to GP services, grow the primary care workforce, encourage practices to work together in networks and increase investment, including into GP premises and infrastructure, a policy supported by both the major UK political parties. In order to help GPs deliver improved services as the UK’s healthcare demands increase, GP-led CCGs have been given more control over the wider NHS budget and new funding schemes have been launched to support investment into GP premises.

Demographic changes result in a predictable and growing demand for primary care services in the UK

The requirement for GP and other primary care services is expected to increase, driven in part by an ageing population in the UK and an increase in the number of people with long-term or chronic medical conditions. From 2007 to 2017, according to the Office for National Statistics, the total number of people aged 65 or over has increased by 20 per cent., representing nearly 1.7 million additional people, with those aged 85 and older seeing the greatest growth in percentage terms, increasing by more than 33 per cent. over the same period. The number of GP consultations in the UK grew by 15.2 per cent. between 2010/11 and 2014/15, driven in large part by the annual number of consultations for those aged 85 and older rising significantly, approximately four times more quickly than that for 18-64 year-olds from 2010/11 to 2014/15.

In addition, more than 15 million children, adults and older people in England live with at least one long-term condition, accounting for more than half of all GP appointments, and this figure is set to increase to around 18 million by 2025, according to the British Medical Association.

The expected increase in demand for primary care is in the context of an NHS budget that has already seen significant increases. The commissioning budget of the NHS was approximately £109 billion in 2017/18 and is expected to increase to approximately £112 billion in 2018/19. It is unlikely, however, that this rate of growth in the NHS budget will be sustained over the medium to long term.

As a result, with increasing demand for health care but potentially limited growth in the budget for expanding access to such services, increased and improved access must be accomplished in an efficient manner which the Directors believe will result in further potential opportunities for third party investment in the NHS estate, such as provided by Assura.

Supply of new primary care properties is limited

Increased supply of GP and other primary care services delivered in communities is recognised as an important part of increasing the availability of health care services:

- In March 2017, NHS England set out plans for increasing access to GP services, growing the primary care workforce, encouraging practices to work together in networks and improving GP premises by 2020.
- A November 2016 report on the future of primary care by Deloitte's UK Centre for Healthcare Solutions describes the GP estates as one of the most important factors in ensuring a sustainable future for primary care, second only to workforce.
- Community-focused primary care services are already making an impact in Greater Manchester, as the primary care estates in that region are working to develop a hub model for GPs which the Directors believe will provide evidence for the development of similar models of primary care in other parts of the country.
- The GP Forward View, published in April 2016, pledged nearly £1 billion of capital funding for improving primary care buildings and technology through the Estates and Technology Transformation Fund.
- During the 2017 general election, the importance of improving the NHS estate was highlighted by both the Conservative and Labour parties in the UK with each making explicit pledges in their manifestos around the need to invest in healthcare buildings.

Perhaps most significantly, the Five Year Forward View, published in 2014, provided for the expansion of funding to upgrade primary care infrastructure and asked local authorities across England to develop a local, place-based health and care plan, bringing together the NHS and local councils. These "sustainability and transformation plans" ("STPs") cover 44 areas across England and are designed to meet the needs of the whole population in each area. Analysis by The King's Fund of the STPs suggests that improvements in the NHS estate will be a key enabler for delivery of NHS transformation, including access to GP and related services in the community. In 2017, the UK government made what it described as a 'first down payment' into NHS buildings with a £325 million allocation to the most advanced STPs for a range of capital schemes including several new primary care hubs, but demand continues to outstrip supply of government capital for primary care buildings.

Significantly, the importance of leveraging the private sector has also been recognised, particularly in Sir Robert Naylor's review of NHS estate and land, published in March 2017, which recommends utilising private sector investment in supporting GPs and improving premises standards. Following this review, the Company has worked with other listed players across the sector to highlight the role that third party development can play in providing investment for primary care infrastructure. This took the form of the Primary Care Buildings Pledge setting out the potential for £3 billion of investment over five years, which could create up to 750 new medical buildings across the country.

Sub-sector with highly attractive real estate characteristics

In addition to the beneficial supply and demand dynamics, the primary care property sector displays strong real estate fundamentals: a specialist sector with high barriers to entry; excellent occupier covenants (backed by the NHS); limited development risk with pre-let arrangements; restricted supply with little speculative development; long leases typically without breaks or rent free periods; high occupancy levels and low volatility of returns. In addition, the underlying open market rent review mechanism most common in the sector has provided returns which have historically demonstrated a linkage to inflation, with recent land and construction cost inflation providing the potential for future rental growth. While in recent years, healthcare real estate yields have compressed, they remain attractive when compared with the yields on long dated UK Government Gilts.

Assura business model

Assura is a market leader in primary care property

Assura is one of the leading primary care property investors and developers in the UK, with approximately 7 per cent. of patient visits to GP practices in the UK in 2016 taking place at a facility owned by the Group. Assura occupies a distinctive position in the listed primary care sector in that it provides a full suite of in-house property services for GPs and other tenants. The Group's ability to provide these services, from identifying potential properties to managing the primary care facility once it is completed and occupied, enables it to adopt a long-term partnership approach throughout the lifecycle of a medical centre.

The Group has a strong brand in the primary care property sector, due to its scale, its track record of delivering new GP premises and its focus on building long term relationships with its GP tenants, who are the Group's greatest source of referrals for new acquisition opportunities. In addition to referrals through GP relationships, the Group sources potential acquisitions through a bespoke database it maintains, providing information on every GP practice in the UK. The Group's integrated approach to development, investment and management of properties provides Assura with continuing interaction with GPs and hence a better understanding of their evolving needs, which can then be an advantage in securing new development opportunities.

The Group's portfolio benefits from:

- excellent occupier covenants in its leases through the NHS reimbursement mechanism;
- high occupancy rates driven by the stability of the core tenant base, restricted supply and long leases typically without breaks or rent free periods;
- returns which have historically demonstrated a linkage to inflation, with the potential for growth over the medium term, driven primarily by high occupancy rates and the open market rent review mechanism; and
- limited development risk, with pre-let arrangements.

Construction cost increases drive rental growth

At 30 September 2017, 73 per cent. of the Group's leases, by value, were on an upward only review basis, with a further 22 per cent. being subject to rent reviews at the discretion of the Group only, providing a stable foundation for increasing rents, subject to the terms of the review.

At 30 September 2017, 73 per cent. of the Group's leases, by value, were subject to open market rental reviews, and 27 per cent. were subject to RPI based, fixed uplift or other rent reviews. In the primary care sector rent reviews are agreed with the District Valuers, effectively acting for the NHS and ensuring value for money for the public purse, typically on a three year cycle.

Open market rental reviews are estimated based on an open book review of the costs of a development, allowing for an agreed developer's margin, and are therefore heavily influenced by the rents set on new developments, which, in turn, are influenced by land values and construction costs. As a result, in a period of increasing land values and construction cost inflation, these rising input costs usually result in increasing rental levels being set on new developments and hence provide evidence for the wider primary care market. However, delays in the rent review process and a reduction in or only a small number of new developments may result in slower rental growth across the sector because of the limited number of inputs into the rental review that would otherwise contribute to increased rental rates. This was likely a factor in the slow rate of open market rental growth across the sector from 2015 to 2017, although the open market rent review mechanism did provide returns that demonstrated a linkage to inflation during this period.

RPI rent reviews are based on the retail price index which measures the average change from month to month in the prices of goods and services purchased by most households in the UK. RPI and fixed rent reviews were the main driver of rental growth for the Group, resulting in an annualised increase of 2.84 per cent. and 2.49 per cent. for the six months ended 30 September 2017 and the financial year ended 31 March 2017,

respectively. Open market reviews resulted in an annualised increase of 0.83 per cent. and 0.88 per cent. for the six months ended 30 September 2017 and the financial year ended 31 March 2017, respectively.

Assuming the development pipeline grows across the sector, the Directors believe that the upward pressure on rents subject to open market review should begin to build again.

High quality and resilient income profile supported by strong NHS covenants

As of 30 September 2017, the NHS or GPs constituted 86 per cent. of the Group's counterparties to its leases. Each of these leases contain covenants or obligations that are either directly or indirectly provided or backed by the NHS, such that the possibility of a default by a lessor that leads to a vacancy and a failure to pay the amounts required under the lease is extremely low. In respect of leases held directly by the NHS, through the NHS Propco, the NHS guarantees the rental payment for the relevant lease. For leases between GPs and the Group, the GPs are personally obligated to make the required rental payments but the Group indirectly benefits from the rent reimbursement that is provided by the NHS that is, in turn, set out in the contract provided to the GP by the NHS.

In addition, the weighted average unexpired lease term was 12.8 years at 30 September 2017, with 74 per cent. of the Group's rent roll, at 30 September 2017, relating to leases with at least nine years remaining.

In addition, the Group benefits from high occupancy rates, with an EPRA vacancy rate of 2.1 per cent. as of 30 September 2017.

Scalable platform with strong growth track record and significant future opportunities

Assura has a strong track record of successfully growing its portfolio through acquisitions and developments, with acquisitions of investment property and transfers of completed investment properties under construction of £728.9 million during the period from 1 April 2014 to 30 September 2017. The Group benefits from a scalable platform, with its EPRA Cost Ratio (including direct vacancy costs) declining from 20.2 per cent. to 13.7 per cent. over the three years to 31 March 2017 which has enhanced EPRA EPS (basic) by 41 per cent., supporting growth in quarterly dividends per Ordinary Share of 33 per cent. over the same period.

In addition to securing new developments, Assura has an extensive track record in delivering accretive acquisitions of existing primary care premises, having acquired £662.7 million of investment properties in the period from 1 April 2014 to 30 September 2017 with an average yield on cost (being rent roll on acquired investment properties divided by cost of acquired investment properties) of 5.4 per cent. and a blended WAULT of 15.8 years. Securing further acquisitions is a key priority and management is in regular dialogue with GP practices and other property owners in the sector to identify and secure future opportunities. The Group's access to the opportunities is primarily driven by the database it maintains of every GP practice in the UK, its access to and relationships with GP practices throughout the UK, its strong reputation with the NHS and amongst GPs, which often leads to referrals and recommendations from current GP partners, and its ability to provide a full suite of services for primary care properties.

Assura continues to invest in strengthening its investment and development teams in order to support the ongoing identification and delivery of both acquisition and development opportunities. In the past six months one surveyor has been recruited into the investment team and one into the development team. The Group currently employs six surveyors in its investment team and three in its development team.

As of the date of this document, the pipeline of acquisition opportunities, representing transactions where commercial terms are agreed and completion is likely within six months, is £126 million (which are anticipated to be under contract before 31 March 2018) and the development pipeline, representing developments which have started on site or are expected to commence within the next 12 months, is £83 million.

The primary care property sector remains highly fragmented with the majority of medical centres owned by GPs or other private owners. The Directors believe that, given the capital requirements of building new developments and redeveloping existing but outdated premises, as well as the complexity of managing a

primary care facility, the sector will continue to consolidate. The Group's status as a listed-REIT, its ability to provide a full suite of service through in-house teams and its access to and reputation with GPs will leave it well-placed to benefit from this consolidation.

3. Reasons for the fundraising and use of proceeds

Primary care real estate has a track record of strong risk adjusted returns, exhibiting a higher return and lower risk profile than other property sectors, based on MSCI IPD data over the last ten years, and the Directors believe there is a compelling investment opportunity for the Group to deploy additional capital into this sector.

To capitalise on current opportunities, the Company wishes to raise capital to make further investments into primary care properties and to refinance certain of the Group's borrowings.

Fund acquisition and development pipeline: £209 million

The Group has successfully completed acquisitions for consideration of £174.1 million since 31 March 2017 to 14 November 2017. The Group has a near-term pipeline of acquisitions and developments with a cost of approximately £209 million. The Company has identified £126 million of acquisition opportunities, which are anticipated to be under contract before 31 March 2018. These opportunities predominantly represent individual sites where deals are being negotiated directly with the current owner.

In addition, the Company has a pipeline of £83 million of developments that are on-site or are expected to be underway over the next 12 months. The Group currently has five schemes for development on site with a cost of £34.3 million. In addition to the development projects currently on-site, the Group has further 12 identified development scheme opportunities with a value of £49 million that are expected to have commenced within 12 months. The Directors believe that the Group's development pipeline is the strongest it has been over the previous five years and that, when combining the acquisitions and developments that have already completed or commenced, along with the Group's near term and 12 month pipeline, the financial year ended 31 March 2018 may be the Group's busiest year in recent history.

The Board intends to continue to target acquisitions and to fund developments to secure new investments at above-market yields. The above acquisitions and developments are expected to generate yield on costs or consideration broadly in line with that of the Group's most recent acquisitions, developments and forward funding agreements.

Refinancing of borrowings: £91 million

The Group intends, subject to completion of the Share Issue, to refinance its Aviva senior secured term loans, which had a balance of £211.7 million as at 30 September 2017 with a weighted average interest rate of 5.43 per cent. The Group anticipates that the associated break costs of this refinancing will be approximately £55 million. The Group will utilise the proceeds of the Share Issue to fund this break cost and deploy £36 million to reduce further the Group's LTV providing substantial capacity for further property investment beyond the Group's current pipeline.

To the extent that the proceeds of the Share Issue are less than £200 million, the Group will review the specific allocation of the use of proceeds between the refinancing of the Aviva senior secured term loans and investment in property acquisitions and developments, subject to the implication for the Group's LTV. To the extent that the proceeds of the Share Issue are above £300 million, as a result of applications under the Offer for Subscription, the Group will allocate the additional proceeds to reduce its debt in the short term and make further investments into its portfolio in the longer term.

4. Current trading and prospects of Assura

Since 30 September 2017, the Group completed the acquisition of four properties for total consideration of £20.5 million, increased its available credit under the RCF from £250.0 million to £300.0 million and privately placed £150.0 million unsecured notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.

5. Principal terms of the Share Issue

The Company is proposing to raise up to £330 million (before expenses) through the Share Issue. The Company intends to issue up to 193,460,489 New Ordinary Shares through the Firm Placing, 332,855,300 New Ordinary Shares through the Placing and Open Offer and up to 52,631,578 New Ordinary Shares through the Offer for Subscription, all at the Offer Price of 57 pence per New Ordinary Share.

The Offer Price represents a discount of 2.7 per cent. to the Closing Price of an Ordinary Share of 58.6 pence on 15 November 2017 (being the last business day prior to the announcement of the Share Issue) but represents a premium of 7.3 per cent. to the Company's EPRA NAV per share as at 30 September 2017.

Firm Placing

Pursuant to the Sponsor and Placing Agreement, the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to procure Firm Placees for up to 193,460,489 New Ordinary Shares at the Offer Price representing gross proceeds of up to £110 million at the Offer Price. The Firm Placed Shares are not subject to clawback and are not part of the Placing and Open Offer.

Placing and Open Offer

The Open Offer Shares are being offered to Qualifying Shareholders by way of the Placing and Open Offer (representing gross proceeds of £190 million at the Offer Price). Excluded Overseas Shareholders will not be able to participate in the Open Offer. The Open Offer provides an opportunity for Qualifying Shareholders to participate in the fundraising (subject to compliance with applicable securities laws) by subscribing both for their Open Offer Entitlement and for any Excess Open Offer Entitlement, subject to availability.

Qualifying Shareholders will have an Open Offer Entitlement of:

2 Open Offer Shares for every 11 Existing Ordinary Shares

registered in the name of the relevant Qualifying Shareholder on the Record Date and so in proportion to any other number of Existing Ordinary Shares held.

Qualifying Shareholders may also apply, under the Excess Application Facility, for any whole number of New Ordinary Shares. Applications for Excess Shares will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their pro rata entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of the Open Offer Entitlements, such applications will be scaled back at the discretion of the Directors (in consultation with Stifel and J.P. Morgan Cazenove), who will have regard to the pro rata number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will not be allocated but will be aggregated and made available in the Excess Application Facility.

The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back. Pursuant to the Sponsor and Placing Agreement the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to conditionally place all of the Open Offer Shares with institutional investors at the Offer Price subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer. Any New Ordinary Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and under the Excess Application Facility may be issued in the Placing.

Application Forms for Qualifying non-CREST Shareholders are expected to be posted to Qualifying non-CREST Shareholders on 16 November 2017 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 17 November 2017. The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 1 December 2017, with Admission expected to take place on 6 December 2017.

Shareholders should note that the Open Offer is not a rights issue. Qualifying Shareholders should be aware that in the Open Offer, unlike with a rights issue, any Open Offer Shares not applied for by Qualifying Shareholders under their Open Offer Entitlement will not be sold in the market on behalf of, or placed for the benefit of, Qualifying Shareholders who do not apply under the Open Offer, but may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or will be placed under the Placing.

Any Qualifying Shareholder who has sold or transferred all or part of his registered holding(s) of Existing Ordinary Shares prior to the close of business on 16 November 2017 is advised to consult his stockbroker, bank or other agent through whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him under the rules of the London Stock Exchange by those who purchased his holding(s) or part thereof.

Further information on, and the terms and conditions of, the Open Offer are set out in Part II (Terms and Conditions of the Open Offer) of this document.

Offer for Subscription

Up to 52,631,578 New Ordinary Shares are available under the Offer for Subscription at the Offer Price, representing gross proceeds of up to £30 million at the Offer Price. The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot New Ordinary Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription are set out in Part III of this document and an Offer for Subscription Application Form accompanies this document. The terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbroker, bank manager, solicitor, accountant or other financial adviser if they are in any doubt about the contents of this document.

The latest time and date for receipt of completed Offer for Subscription Application Forms and payment in full under the Offer for Subscription and settlement of relevant CREST instructions (as appropriate) is 11.00 a.m. on 1 December 2017, with Admission expected to take place on 6 December 2017.

In the event of excess applications under the Offer for Subscription, the basis of allocation will be determined at the discretion of the Directors (in consultation with Stifel and J.P. Morgan Cazenove) who will have regard to the pro rata number of New Ordinary Shares applied for by potential investors under the Offer for Subscription. The Offer for Subscription is separate to, and does not form part of, the Firm Placing, or Placing and Open Offer.

The Share Issue is conditional, amongst other things, on:

- the execution of the Placing Terms Agreement by the parties thereto following completion of the Bookbuild;
- the satisfaction of certain conditions contained in the Sponsor and Placing Agreement between the Company, Stifel and J.P. Morgan Cazenove, which are typical for an agreement of that nature;
- Stifel and J.P. Morgan Cazenove not having terminated the Sponsor and Placing Agreement in accordance with its terms;
- the approval of the Resolution by Shareholders at the General Meeting (or any adjournment thereof); and
- Admission occurring on or before 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners and the Company may agree, being not later than 22 December 2017).

The Bookbuild will establish (i) the number of Firm Placed Shares; and (ii) the identity of Firm Placees and Placees and their respective allocations. The final number of Firm Placed Shares will be set out in the Placing Terms Agreement.

To the extent that any Firm Placee or Placee procured by the Joint Bookrunners fails to subscribe for any or all of the Firm Placed Shares and/or Placing Shares which have been allocated to it, pursuant to the Sponsor and Placing Agreement each of the Joint Bookrunners shall severally subscribe, as principal, for such Firm Placed Shares and/or Placing Shares at the Offer Price. Each of the Joint Bookrunner's obligation to

subscribe for Firm Placed Shares and/or Placing Shares is subject to certain conditions in the Sponsor and Placing Agreement including, among others, the execution of the Placing Terms Agreement. The Offer for Subscription is not being underwritten.

6. Director participation

The Directors are interested in an aggregate of 7,722,662 Ordinary Shares (representing approximately 0.42 per cent. of the Existing Ordinary Shares). Simon Laffin, David Richardson, Ed Smith, Jonathan Murphy and Jayne Cottam intend to participate in the Share Issue.

Further details of the Directors' and PDMRs' participation in the Share Issue, their shareholdings as at the date of this document and their anticipated shareholdings at Admission are set out in paragraphs 5.2 and 5.3 of Part X (Additional Information) of this document.

7. Impact of dilution

Shareholders will experience dilution in their ownership and voting interests pursuant to the Firm Placing and Offer for Subscription whether or not Qualifying Shareholders take up their Open Offer Entitlements. If Qualifying Shareholders take up the offer of New Ordinary Shares under the Open Offer in full, as a result of the Share Issue their proportionate ownership and voting interests in the Ordinary Shares will be diluted by 8.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 10.2 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription). If they do not take up any of their Open Offer Entitlement their holdings will be diluted by 22.3 per cent. (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or 24.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription). The percentage of the Company's issued share capital that the Existing Ordinary Shares represent will be reduced by 22.3 per cent. to 77.7 per cent. as a result of the Share Issue (assuming the maximum number of Firm Placed Shares being issued and excluding the impact of the Offer for Subscription) or by 24.0 per cent. to 76.0 per cent. (assuming the maximum number of Firm Placed Shares being issued and full take up under the Offer for Subscription).

8. Financial impact of the Share Issue

The unaudited summary pro forma statement below sets out how the receipt of maximum amount of the net proceeds from the Share Issue would have impacted the Group's financial position as at 30 September 2017 had the Firm Placing and Placing and Open Offer occurred on that day.

	<i>Net assets of the Group at 30 September 2017 Note 1 £m (unaudited)</i>	<i>Adjustments Net proceeds of the Firm Placing and Open Offer Note 2 £m</i>	<i>Summary Pro forma net assets of the Group Note 3 £m</i>
Investment Property	1,560.0	—	1,560.0
Other non-current assets	0.9	—	0.9
Cash, cash equivalents and restricted cash	21.9	290.0	311.9
Other current assets	18.5	—	18.5
Borrowings and obligations due under finance leases	(591.0)	—	(591.0)
Other liabilities	(39.1)	—	(39.1)
Net assets	<u>971.2</u>	<u>290.0</u>	<u>1,261.2</u>

Notes:

1. The consolidated net assets of the Group at 30 September 2017 have been extracted without material adjustment from the interim financial statements of Assura plc for the six months ended 30 September 2017 which have been incorporated by reference set out in the part of this document headed “Documents Incorporated by Reference” and prepared under the Group’s IFRS accounting policies.
2. The adjustment for the net proceeds of the Firm Placing and Placing and Open Offer reflects the estimated maximum funds to be raised of £290.0 million (gross proceeds of £300.0 million less expenses of £10.0 million, assuming maximum payment of the Shareholder Commissions). The Company intends that £91 million of the proceeds from the Share Issue is used to refinance certain of the Group’s borrowings, with up to £209 million being invested in medical properties that would be added to the Group’s investment portfolio. The adjustment does not reflect the payment of any interest or early repayment costs that would arise as a result of the repayment of borrowings.
3. No account has been taken of the financial performance of the Group since 30 September 2017 nor of any other event save as disclosed above.

Since 30 September 2017 to 14 November 2017 (being the latest practicable date prior to the publication of this document), the Group has completed a number of acquisitions, the financial impact of which is not reflected in the above pro forma statement. These acquisitions have been for a gross consideration of £20.5 million.

9. Dividend policy

Subject to completion of the Share Issue (assuming the maximum possible number of Ordinary Shares to be issued under the Firm Placing and the Placing and Open Offer), the Board intends to increase the quarterly dividend by 9 per cent. to 0.655 pence per Ordinary Share or 2.62 pence per Ordinary Share on an annualised basis with effect from January 2018. The New Ordinary Shares to be issued pursuant to the Share Issue will also qualify for this dividend. The associated record date is expected to be 15 December 2017.

The Board intends to retain its commitment to a fully covered and growing dividend that increases broadly in line with EPRA earnings growth.

10. Debt arrangements

As at 14 November 2017, the Group had available banking facilities of £871.1 million in aggregate of which £621.1 million were drawn. In addition, as at 30 September 2017, the Group had cash balances of £21.9 million of which £0.3 million was held as rent deposits for tenants. The banking facilities are provided by various parties as follows:

- a 10 year senior secured bond for £110 million, listed on the Main Market of the London Stock Exchange, which matures in December 2021;
- senior term loans with Aviva with an aggregate balance of £211.7 million at 30 September 2017, which mature on various dates between 2024 and 2044;
- a £200 million revolving credit facility with RBS, HSBC, Santander and Barclays, which was subsequently increased to £250 million facility in May 2017 and to £300 million in October 2017, with an initial termination date in May 2020, of which £170.0 million was drawn as at 30 September 2017;
- £100 million 10-year notes on an unsecured basis; and
- £150 million in unsecured privately placed notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.

At 30 September 2017, the average weighted maturity of the outstanding debt was 7.9 years at an average rate of 3.78 per cent., and 71 per cent. of this was at fixed rates.

11. General Meeting

The Notice convening a General Meeting to be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 10.00 a.m. on 4 December 2017 is set out at the end of this document. The purpose

of the General Meeting is to consider, and if thought fit, pass the Resolution, to approve the Share Issue as set out in full in the Notice of General Meeting.

The Resolution proposes that the Directors be authorised to allot and issue up to 578,947,367 New Ordinary Shares on a non-pre-emptive basis in connection with the Share Issue.

The Share Issue will not proceed unless the Resolution is passed by the requisite majority.

12. Overseas Shareholders

The availability of the New Ordinary Shares under the terms of the Open Offer to Assura Shareholders not resident in the UK may be affected by the laws of the relevant jurisdiction where they are resident. Such persons should inform themselves about and observe any applicable requirements. Further details in relation to Overseas Shareholders are contained in Part II (Terms and Conditions of the Open Offer) of this document.

13. Taxation

Information regarding certain aspects of UK and US taxation is set out in paragraph 12 of Part X (Additional Information) of this document. This information is, however, intended only as a general guide to certain aspects of the current tax position under UK and US taxation law. Shareholders who are in any doubt as to their tax position, or who are subject to tax in jurisdictions other than the UK and the US are strongly advised to consult their own independent professional adviser without delay.

14. Assura Employee Share Plans

There will be no adjustment to any share awards in the Assura Employee Share Plans as a consequence of the Share Issue.

15. Risk factors

Shareholders and investors should consider fully the risk factors associated with the Group, its business, the New Ordinary Shares and the Share Issue. Your attention is drawn to the Risk Factors set out on pages 20 to 31 in this document.

16. Action to be taken

If you are a Shareholder, you will find enclosed with this document a Form of Proxy for use at the General Meeting. Whether or not you intend to be present at the General Meeting, you are asked to complete the Form of Proxy in accordance with the instructions printed on it and to return it to the Registrar, Link Asset Services at PXS1, The Registry, 34 Beckenham Road, Beckenham BR3 4ZF, as soon as possible and, in any event, so as to arrive no later than 11.00 a.m. on 30 November 2017. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you wish to do so. You may also submit your proxies electronically using the Shareportal Service at www.signalhub.com where full details of the procedure are given. This website is operated by the Company's Registrar. If you hold your Ordinary Shares in CREST, you may appoint a proxy by completing and transmitting a CREST proxy instruction to the issuer's agent, ID RA10, not later than 48 hours before the time appointed for holding the meeting, so that it is received no later than 11.00 a.m. on 30 November 2017.

17. Board intentions and recommendation

The Board considers the terms of the Share Issue to be in the best interests of Assura and the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolution, as the Directors intend to do in respect of their own beneficial holdings and those of their connected persons, which amount in aggregate to 7,722,662 Ordinary Shares, representing approximately 0.42 per cent. of the Company's issued ordinary share capital as at 14 November 2017 (being the latest practicable date prior to the publication of this document).

Yours sincerely,

Simon Laffin

Non-executive Chairman

PART II

TERMS AND CONDITIONS OF THE OPEN OFFER

1. Introduction

As explained in the letter from the Chairman of Assura plc in Part I of this document, the Board proposes to raise up to £319 million (net of expenses) by the issue of up to 193,460,489 New Ordinary Shares pursuant to a Firm Placing, 332,855,300 New Ordinary Shares through a Placing and Open Offer and up to 52,631,578 New Ordinary Shares through an Offer for Subscription all at 57 pence per New Ordinary Share.

Pursuant to the Sponsor and Placing Agreement the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to conditionally place all of the Open Offer Shares with institutional investors at the Offer Price, subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer.

The Bookbuild will establish (i) the number of Firm Placed Shares; and (ii) the identity of Firm Placees and Placees and their respective allocations. The final number of Firm Placed Shares will be set out in the Placing Terms Agreement. To the extent that any Firm Placee or Placee procured by the Joint Bookrunners fails to subscribe for any or all of the Firm Placed Shares and/or Placing Shares which have been allocated to it, pursuant to the Sponsor and Placing Agreement each of the Joint Bookrunners shall severally subscribe, as principal, for such Firm Placed Shares and/or Placing Shares at the Offer Price. Each of the Joint Bookrunner's obligation to subscribe for Firm Placed Shares and/or Placing Shares is subject to certain conditions in the Sponsor and Placing Agreement including, among others, the execution of the Placing Terms Agreement. The Offer for Subscription is not being underwritten. A summary of the Sponsor and Placing Agreement is set out in paragraph 10 of Part X (Additional Information) of this document.

This document and, for Qualifying non-CREST Shareholders only, the accompanying Application Form contain the formal terms and conditions of the Open Offer.

2. The Open Offer

Subject to the terms and conditions set out below and, where relevant, in the Application Form, and pursuant to the Sponsor and Placing Agreement, Qualifying Shareholders are invited to apply for Open Offer Shares at a price of 57 pence per New Ordinary Share, payable in full on application, free of all expenses, on the basis of:

2 New Ordinary Shares for every 11 Existing Ordinary Shares

held by them and registered in their names on the Record Date and so in proportion for any other number of Existing Ordinary Shares then held.

Qualifying Shareholders may apply for any whole number of New Ordinary Shares. Applications for Excess Shares will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their *pro rata* entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of the Open Offer Entitlements, such applications will be scaled back at the discretion of the Directors (in consultation with Stifel and J.P. Morgan Cazenove) who will have regard to the *pro rata* number of Excess Shares applied for by the Qualifying Shareholders under the Excess Application Facility. No assurances can therefore be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full, in part or at all.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Qualifying Shareholders' entitlements under the Open Offer.

Fractions of Ordinary Shares will not be allocated to Qualifying Shareholders and entitlements to apply for New Ordinary Shares will be rounded down to the nearest whole number of New Ordinary Shares. Fractional entitlements under the Open Offer will be aggregated and made available in the Excess Application Facility.

If you have received an Application Form with this document please refer to paragraph 5.1 and paragraphs 6 to 10 of this Part II.

If you hold your Existing Ordinary Shares in CREST and have received a credit of Open Offer Entitlements and Excess Open Offer Entitlements to your CREST stock account, please refer to paragraph 5.2 and paragraphs 6 to 10 of this Part II and also to the CREST Manual for further information on the CREST procedures referred to below.

The Open Offer is not a rights issue. Qualifying CREST Shareholders should note that although the Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Qualifying non-CREST Shareholders should note that the Application Form is not a negotiable document and cannot be traded.

Before making any decision to acquire Open Offer Shares, you are asked to read and carefully consider all the information in this document including, in particular, the important information set out in the letter from the Chairman of the Company in Part I of this document, as well as this paragraph 2 of Part II and the Risk Factors in this document. Shareholders who do not participate in the Open Offer will experience dilution of their shareholdings. The material terms of the Share Issue are contained in this document.

The Existing Ordinary Shares are listed on the premium segment of the Official List and traded on the premium segment of the London Stock Exchange's Main Market. Application will be made to the FCA and to the London Stock Exchange for the New Ordinary Shares to be issued in the Share Issue to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. It is expected that Admission will become effective on 6 December 2017 and that dealings for normal settlement in the New Ordinary Shares will commence at 8.00 a.m. on the same day.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares; all such shares, when issued and fully paid, may be held and transferred by means of CREST.

An application has been made for the Open Offer Entitlements and the Excess Open Offer Entitlements to be admitted to CREST. The conditions for such admission having already been met, the Open Offer Entitlements and the Excess Open Offer Entitlements are expected to be admitted to CREST with effect from 17 November 2017.

The Open Offer Shares will when issued and fully paid be identical to and rank in full for all dividends or other distributions declared made or paid after Admission including the next quarterly dividend which is expected to be payable in January 2018 with an expected associated record date of 15 December 2017 and in all other respects will rank *pari passu* with the Existing Ordinary Shares in issue. No temporary documents of title will be issued.

3. Conditions of the Share Issue

The Share Issue is conditional upon, amongst other things, Shareholder approval of the Resolution and the Sponsor and Placing Agreement becoming or being declared unconditional in all respects by 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 22 December 2017) and the Sponsor and Placing Agreement not being terminated in accordance with its terms. The Sponsor and Placing Agreement is subject to the satisfaction of certain material conditions, details of which are set out in paragraph 10 of Part X (Additional Information) of this document.

It is expected that all these conditions will be satisfied by 8.00 a.m. on 6 December 2017 and that Admission will become effective at 8.00 a.m. on 6 December 2017, and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 6 December 2017. Definitive certificates in respect of New Ordinary Shares will be prepared and are expected to be posted to those allottees who have validly elected to hold their shares in certificated form within seven days of Admission. In respect of those allottees who have validly elected to hold their shares in uncertificated form, the New Ordinary Shares are expected to be credited to their accounts maintained in the CREST system as soon as possible after 8.00 a.m. on 6 December 2017.

If the Sponsor and Placing Agreement is not declared or does not become unconditional in all respects, or if it is terminated in accordance with its terms, the Share Issue will be revoked and will not proceed. In such event, no New Ordinary Shares will be issued, and all monies received by the Receiving Agent in connection with the Open Offer will be returned to applicants without interest and at their risk as soon as practicable and any Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will thereafter be disabled.

4. Basis of allocation

The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back. Any Ordinary Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and under the Excess Application Facility may be issued in the Placing.

Applications for Excess Shares will be satisfied only to the extent that corresponding applications by other Qualifying Shareholders are not made or are made for less than their *pro rata* entitlements. If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take-up of the Open Offer Entitlements, such applications will be scaled back at the discretion of the Directors (in consultation with Stifel and J.P. Morgan Cazenove) who will have regard to the *pro rata* number of Excess Shares applied for by the Qualifying Shareholders.

5. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

CREST sponsored members should refer to their CREST-sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

5.1 *If you hold your shares in certificated form (not in CREST) in respect of your entitlement under the Open Offer*

(i) *General*

Qualifying non-CREST (certificated) Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date. It also shows the maximum number of New Ordinary Shares for which you are entitled to apply on a *pro rata* basis under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to you. You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form form part of the terms of the Open Offer.

The Application Form has not been, and will not be, sent to Overseas Shareholders in, or with registered addresses in any Excluded Territories. Brokers, banks and other agents may not send an Application Form to, or submit Application Forms on behalf of, Overseas Shareholders in, or with addresses in any of these countries or a person (including, without limitation, stockbrokers, banks or other agents) who has a contractual or other legal obligation to forward this document into a jurisdiction other than the United Kingdom.

(ii) *Market Claims*

Applications may only be made on the Application Form and may only be made by the Qualifying Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, being 16 November 2017. Application Forms may be split up to 3.00 p.m. on 29 November 2017. The Application Form is not a negotiable document and cannot be separately traded. A Qualifying non-CREST Shareholder who has sold or transferred all or part of his holding of Existing Ordinary Shares prior to 16 November 2017, being the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to the Open Offer by the London Stock Exchange, should consult his or her broker or other professional adviser as soon as possible, as the invitation to acquire New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee from his or her counterparty pursuant to the rules of the London Stock Exchange. Qualifying Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box J on the Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Application Form should not, however, be forwarded to or transmitted in or into any of the Excluded Territories.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in paragraph 5.2 below.

(iii) *Excess non-CREST applications*

Qualifying non-CREST Shareholders who have taken up their Open Offer Entitlements in full may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying non-CREST Shareholders wishing to apply to acquire Excess Shares may do so by following the relevant instructions on the Application Form. The total number of Open Offer Shares will not be increased in response to such excess applications. Excess applications will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full, and in all circumstances allocation pursuant to excess applications shall be subject to the discretion of the Directors (in consultation with Stifel and J.P. Morgan Cazenove). No assurances can therefore be given that the applications by Qualifying Shareholders will be met in full, in part or at all. Excess monies in respect of scaled down applications will be returned to the applicant (at the applicant’s risk) without interest within 14 days of Admission by way of a cheque.

(iv) *Application procedures*

If you are a Qualifying non-CREST Shareholder and wish to apply for all or some of your entitlement to New Ordinary Shares and, where applicable, Excess Shares under the Open Offer you should complete and sign the Application Form in accordance with the instructions on it and send it, together with the appropriate remittance and in accordance with the instructions in this Part II, paragraph 5 by post, or by hand (during normal business hours only) to the Receiving Agent Link Asset Services, Corporate Actions, The Registry, 34 Beckenham

Road, Beckenham, Kent BR3 4TU. A reply-paid envelope is enclosed for use by Qualifying non-CREST Shareholders within the UK, in connection with the Open Offer.

Please note that the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether or not you should take up your entitlement to New Ordinary Shares under the Open Offer. If any Application Form is sent by first-class post within the United Kingdom, Qualifying non-CREST (certificated) Shareholders are recommended to allow at least four Business Days for delivery. Applications in respect of which remittances are received prior to 11.00 a.m. on the final date for acceptance and payment of the Open Offer from an authorised person (as defined in FSMA specifying the number of New Ordinary Shares concerned and undertaking to lodge the relevant Application Form duly completed by not later than 11.00 a.m. on the second Business Day immediately following the final date for acceptance and payment of the Open Offer.

(v) *Payments*

All payments must be in Sterling and cheques or banker's drafts should be made payable to "Link Market Services Ltd Re: Assura Plc – OO A/C" and crossed "A/C payee only". Cheques or banker's drafts must be drawn on an account at a branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which is a member of either of the Committees of Scottish or Belfast clearing houses or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees. Such cheques or banker's drafts must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application.

Cheques must be drawn on the personal account of the individual investor where they have sole or joint title to the funds. Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the building society cheque/banker's draft to such effect. The account name should be the same as that shown on the application.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be allowed on payments made as funds are held in a non-interest bearing account. It is a term of the Open Offer that cheques shall be honoured on first presentation, and the Company may elect in its absolute discretion to treat as invalid acceptances in respect of which cheques are not so honoured. Post-dated cheques and payment via CHAPs, Bacs or electronic transfer will not be accepted.

Application monies will be paid into a separate non-interest bearing bank account pending the Open Offer becoming unconditional. In the event that it does not become unconditional by 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 22 December 2017), the Share Issue will lapse and application monies will be returned by post to applicants, at the applicants' risk and without interest, to the address set out on the Application Form, within 14 days thereafter.

(vi) *Effect of application*

All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. By completing and delivering an Application Form, you (as the applicant(s)):

- (A) agree that all applications, and contracts resulting therefrom, under the Open Offer shall be governed by, and construed in accordance with, the laws of England;

- (B) confirm that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part thereof shall have any liability for any such information or representation not so contained;
- (C) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that if you have received some or all of your Open Offer Entitlements from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (D) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that you are not a person who by virtue of being resident in or a citizen of any country outside the United Kingdom is prevented by the law of any relevant jurisdiction from lawfully applying for New Ordinary Shares;
- (E) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that you are acquiring New Ordinary Shares in an “offshore transaction” as defined in and in accordance with Regulation S and furthermore that, (i) you are not in the United States, or in any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares or to use the Application Form in any manner in which you have used or will use it; (ii) you are not acting for the account or benefit of a US Person, a person located within the United States, or a person within any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, and were not acting for the account or benefit of such a person at the time the instruction to apply for the New Ordinary Shares was given; and (iii) you and any person for whom you are acting are not acquiring New Ordinary Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such New Ordinary Shares into the United States, or any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, except in each case of (i), (ii) and (iii) where proof satisfactory to the Company, Stifel and J.P. Morgan Cazenove has been provided that you and any person for whom you are acting are entitled to take up your entitlement without any breach of applicable law; and
- (F) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that you are not, and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986.

Further representations and warranties are contained in the Application Form. Each subscriber or purchaser acknowledges that the Company, Stifel and J.P. Morgan Cazenove will rely upon the truth and accuracy of the foregoing agreements, confirmations, representations and warranties and agrees that if any of the agreements, confirmations, representations or warranties made by such subscriber or purchaser are no longer accurate he shall promptly notify the Company, Stifel and J.P. Morgan Cazenove. If such subscriber or purchaser is subscribing for, or purchasing, New Ordinary Shares as a fiduciary or agent for one or more investor accounts, each subscriber or purchaser represents that he has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

If you do not wish to apply for any of the New Ordinary Shares to which you are entitled under the Open Offer, you should not complete and return the Application Form.

If you are in doubt as to whether or not you should apply for any of the New Ordinary Shares under the Open Offer, you should consult your independent financial adviser immediately. All enquiries in relation to the procedure for application for Qualifying non-CREST (certificated)

Shareholders under the Open Offer should be addressed to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

5.2 *If you have Open Offer Entitlements and Excess Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer*

(i) *General*

Subject as provided in paragraph 7 of this Part II in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the basic number of New Ordinary Shares for which he is entitled to apply under the Open Offer and his Excess Open Offer Entitlements (see paragraph 5.2(iii) below for further details).

The CREST stock account to be credited will be an account under the Participant ID and Member Account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and Excess Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00 p.m. on 17 November 2017 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and/or Excess Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying non-CREST (certificated) Shareholders with Application Forms will apply to Qualifying CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlements to New Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Ordinary Shares as only your CREST-sponsor will be able to take the necessary action to make this application in CREST.

(ii) *Market claims*

The Open Offer Entitlements and Excess Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and Excess Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess Open Offer Entitlements may only be made by the

Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and Excess Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess Open Offer Entitlements will thereafter be transferred accordingly.

(iii) *Excess application facility*

Qualifying CREST Shareholders who have taken up their Open Offer Entitlements in full may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement. A Qualifying CREST Shareholder should not make an application under the Excess Application Facility unless such Qualifying CREST Shareholder has applied for his Open Offer Entitlements in full.

An Excess Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 7 of this Part II in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of *bona fide* market claims only). Neither the Open Offer Entitlements nor the Excess Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph (iv) below and must not return a paper form and cheque. Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement is transferred, the Excess Open Offer Entitlements will not transfer with the Open Offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. **Please note that a separate USE Instruction must be sent in respect of any application under the Excess Open Offer Entitlement.**

Fractions of Excess Shares will be rounded down to the nearest whole number.

The total number of Open Offer Shares is fixed and will not be increased in response to any applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. Applications under the Excess Application Facility shall be allocated as detailed in paragraph 4 of this Part II and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest within 14 days thereafter by way of cheque or CREST payment as appropriate.

A credit of Excess Open Offer Entitlements will be made to the CREST account of each Qualifying CREST Shareholder; if a Qualifying CREST Shareholder would like to apply for a larger number of Excess Shares under the Excess Application Facility such Qualifying CREST Shareholder should contact Link Asset Services and arrange for a further credit of Excess Open Offer Entitlements to be made, subject at all times to the maximum number of Excess Shares available.

All enquiries in relation to the procedure for application and completion of applications For Excess Open Offer Entitlements should be addressed to the Receiving Agent, Link Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. Please contact Link Asset Services on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the proposals nor give any financial, legal or tax advice.

(iv) *USE Instructions*

Qualifying CREST Shareholders who wish to apply for New Ordinary Shares in respect of all or some of their Open Offer Entitlements and their Excess Open Offer Entitlements in CREST must send (or, if they are a CREST sponsored member, procure that their CREST sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (A) the crediting of a stock account of Link Asset Services under the Participant ID and Member Account ID specified below, with a number of Open Offer Entitlements or Excess Open Offer Entitlements corresponding to the number of New Ordinary Shares applied for; and
- (B) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in (A) above.

(v) *Content of USE Instructions in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear’s specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (A) the number of New Ordinary Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (B) the ISIN of the Open Offer Entitlements – GB00BF3FNC98;
- (C) the Member Account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (D) the CREST Participant ID of the accepting CREST Member;
- (E) the CREST Participant ID of the Receiving Agent, in its capacity as CREST receiving agent – 7RA33;
- (F) the Member Account ID of the Receiving Agent, in its capacity as CREST receiving agent – 29401ASU;
- (G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 1 December 2017; and
- (I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1 December 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (aa) a contact name and telephone number (in the free-format shared note field); and
- (bb) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 1 December 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Share Issue does not become unconditional by 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 22 December 2017), the Share Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter.

(vi) *Content of USE Instruction in respect of Excess Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (A) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess Open Offer Entitlement(s) being delivered to the Registrar);
- (B) the ISIN of the Excess Open Offer Entitlement – GB00BF3FNG37;
- (C) the Member Account ID of the accepting CREST member from which the Excess Open Offer Entitlements are to be debited;
- (D) the CREST participant ID of the accepting CREST member;
- (E) the CREST participant ID of the Receiving Agent, in its capacity as CREST receiving agent – 7RA33;
- (F) the Member Account ID of the Receiving Agent, in its capacity as CREST receiving agent – 29401ASU;
- (G) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph (A) above;
- (H) the intended settlement date. This must be on or before 11.00 a.m. on 1 December 2017; and
- (I) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 1 December 2017.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) should add the following non-mandatory fields to the USE instruction:

(aa) a contact name and telephone number (in the free format shared note field); and

(bb) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 1 December 2017 in order to be valid is 11.00 a.m. on that day.

In the event that the Share Issue does not become unconditional by 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners may agree, being not later than 8.00 a.m. on 22 December 2017), the Share Issue will lapse, the Open Offer Entitlements and the Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter.

(vii) *Deposit of Open Offer Entitlements and Excess Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form as per the foregoing is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 1 December 2017. Shortly after depositing their Open Offer Entitlement into their CREST account, CREST holders will receive a credit for their Open Offer Entitlement and Excess Open Offer Entitlements which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements or Excess Open Offer Entitlements in CREST, is 3.00 p.m. on 28 November 2017, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and/or Excess Open Offer Entitlements from CREST is 4.30 p.m. on 27 November 2017, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and/or Excess Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess Open Offer Entitlements prior to 11.00 a.m. on 1 December 2017. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw their Open Offer Entitlement and the Excess Open Offer Entitlements.

Delivery of an Application Form with the CREST Deposit Form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application

Form or into the name of another person, shall constitute a representation and warranty to the Company, J.P. Morgan Cazenove, Stifel and the Receiving Agent from the relevant CREST member(s) that you are acquiring New Ordinary Shares in an “offshore transaction” as defined in and in accordance with Regulation S and furthermore that, (i) you are not in the United States, or in any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares or to use the Application Form in any manner in which you have used or will use it; (ii) you are not acting for the account or benefit of a US Person, a person located within the United States, or a person within any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, and were not acting for the account or benefit of such a person at the time the instruction to apply for the New Ordinary Shares was given; and (iii) you and any person for whom you are acting are not acquiring New Ordinary Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such New Ordinary Shares into the United States, or any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, except in each case of (i), (ii) and (iii) where proof satisfactory to the Company, Stifel and J.P. Morgan Cazenove has been provided that you and any person for whom you are acting are entitled to take up your entitlement without and breach of applicable law; and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

Each subscriber or purchaser acknowledges that the Company, Stifel and J.P. Morgan Cazenove will rely upon the truth and accuracy of the foregoing agreements, confirmations, representations and warranties and agrees that if any of the agreements, confirmations, representations or warranties made by such subscriber or purchaser are no longer accurate he shall promptly notify the Company, Stifel and J.P. Morgan Cazenove. If such subscriber or purchaser is subscribing for, or purchasing, New Ordinary Shares as a fiduciary or agent for one or more investor accounts, each subscriber or purchaser represents that he has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

(viii) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 1 December 2017 will constitute a valid application under the Open Offer.

(ix) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 1 December 2017. In this connection, CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(x) *Incorrect or incomplete applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (A) to reject the application in full and refund the payment to the CREST member in question;

- (B) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question; or
- (C) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE instruction refunding any unutilised sum to the CREST member in question.

(xi) *Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (A) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (B) request that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Articles;
- (C) agree that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England;
- (D) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that he is acquiring New Ordinary Shares in an “offshore transaction” as defined in and in accordance with Regulation S and furthermore that, (i) he is not in the United States, or in any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares or to use the Application Form in any manner in which he has used or will use it; (ii) he is not acting for the account or benefit of a US Person, a person located within the United States, or a person within any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, and was not acting for the account or benefit of such a person at the time the instruction to apply for the New Ordinary Shares was given; and (iii) he and any person for whom he is acting are not acquiring New Ordinary Shares with a view to the offer, sale, resale, delivery or transfer, directly or indirectly, of any such New Ordinary Shares into the United States, or any of the Excluded Territories or any other territory in which it is unlawful to make or accept an offer to apply for New Ordinary Shares, except in each case of (i), (ii) and (iii) where proof satisfactory to the Company, Stifel and J.P. Morgan Cazenove has been provided that he and any person for whom he is acting are entitled to take up an entitlement without any breach of applicable law;
- (E) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (F) confirm that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information and further agree that having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained herein; and

- (G) represent and warrant to the Company, Stifel and J.P. Morgan Cazenove that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and the Excess Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.

Each subscriber acknowledges that the Company, Stifel and J.P. Morgan Cazenove will rely upon the truth and accuracy of the foregoing agreements, confirmations, representations and warranties and agrees that if any of the agreements, confirmations, representations or warranties made by such subscriber or purchaser are no longer accurate he shall promptly notify the Company, Stifel and J.P. Morgan Cazenove. If such subscriber or purchaser is subscribing for, or purchasing, New Ordinary Shares as a fiduciary or agent for one or more investor accounts, each subscriber or purchaser represents that he has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

(xii) *The Company's discretion as to rejection and validity of applications*

The Company may in its sole discretion:

- (A) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part II;
- (B) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (C) treat a properly authenticated dematerialised instruction (in this subparagraph the “**first instruction**”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (D) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Ordinary Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

6. UK Money Laundering Regulations

6.1 *Holders of Application Forms*

It is a term of the Open Offer that to ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, in its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”).

The person(s) (the “**Applicant**”) who, by lodging an Application Form with payment, and in accordance with the other terms as described above, accept(s) the Open Offer in respect of the New

Ordinary Shares (the “**relevant shares**”) comprised in such Application Form shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as it may require to satisfy the verification of identity requirements.

The Receiving Agent may therefore undertake requests for proof of identity.

If the Receiving Agent determines that the verification of identity requirements apply to any applicant or application, the relevant shares (notwithstanding any other term of the Open Offer) will not be issued to the applicant unless and until the verification of identity requirements have been satisfied in respect of that application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and none of the Receiving Agent, the Company, J.P. Morgan Cazenove or Stifel will be liable to any person for any loss, expense or damage suffered or incurred (or alleged), directly or indirectly as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If satisfactory verification of identity has not been received by Link Asset Services within a reasonable period of time, then the Application Form or USE message through CREST in question may be rejected, in which event the application will not proceed any further and the application monies (without interest) will be returned to the bank account on which the cheque was drawn at the Applicant’s own risk.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting Link Asset Services’ right to require verification of identity as indicated above).

Submission of an Application Form with the appropriate remittance will constitute a warranty from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing (no. 2015/849/EU)); or
- (ii) if the applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the name of such applicant; or
- (iv) if the aggregate subscription price for the relevant shares is less than the sterling equivalent of €15,000.00 (approximately £13,000.00).

In other cases the verification of identity requirements may apply. The following guidance is provided in order to assist in satisfying the verification of identity requirements and to reduce the likelihood of difficulties or delays and potential rejection of an application (but does not limit the right of the Receiving Agent to require verification of identity as stated above). Satisfaction of the verification of identity requirements may be facilitated in the following ways:

- (A) if payment is made by building society cheque (not being a cheque drawn on an account of the applicant) or banker’s draft, by the building society or bank endorsing on the cheque or draft the applicant’s name and the number of an account held in the applicant’s name at such building society or bank, such endorsement being validated by a stamp and an authorised signature by the building society or bank on the reverse of the cheque or banker’s draft; or

- (B) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Hong Kong, Iceland, India, Japan, the Republic of Korea, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United States of America and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form and written assurance that it has obtained and recorded evidence of the identity of the persons for whom it acts and that it will on demand make such evidence available to the Receiving Agent or the relevant authority.

In order to confirm the acceptability of any written assurance referred to in (B) above or any other case, the applicant should contact the Receiving Agent; or

- (C) if (an) Application Form(s) is/are in respect of relevant shares with an aggregate subscription price of the sterling equivalent of €15,000.00 (approximately £13,000) or more and is/are lodged by hand by the applicant in person, he should ensure that he has with him evidence of identity bearing his photograph (for example, his passport) and evidence of his address.

Third-party cheques will not be accepted.

6.2 *Open Offer Entitlements in CREST and Excess Open Offer Entitlements in CREST*

If you hold your Open Offer Entitlements in CREST and Excess Open Offer Entitlements in CREST and apply for New Ordinary Shares in respect of all or some of your Open Offer Entitlements in CREST and Excess Open Offer Entitlements in CREST as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application.

You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

7. *Overseas Shareholders*

The making of the Open Offer to Overseas Shareholders may be affected by the laws or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 7 are intended as a general guide only and any Overseas Shareholders who are in any doubt in this respect should consult their professional advisers. No person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form and/or credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST, unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form or credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST could lawfully be used without contravention of any legislation or other local regulatory requirements. Receipt of this document

and/or an Application Form or the crediting of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST does not constitute an invitation or offer to Overseas Shareholders in the territories in which it would be unlawful to make an invitation or offer and in such circumstances this document and/or any Application Forms are sent for information only. It is the responsibility of any person receiving a copy of this document and/or an Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST outside the United Kingdom and wishing to make an application for any New Ordinary Shares to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such other territory.

Persons (including, without limitation, stockbrokers, banks and other agents) receiving an Application Form and/or receiving a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST should not, in connection with the Open Offer, distribute or send the Application Form or transfer the Open Offer Entitlements and/or Excess Open Offer Entitlements into any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an Application Form or a credit of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST is received by any person in any such jurisdiction or by the stockbrokers, banks and other agents or nominees of such person, he or she must not seek to take up the New Ordinary Shares except pursuant to an express agreement with the Company. Any person who does forward an Application Form or transfer the Open Offer Entitlements and/or Excess Open Offer Entitlements into any such jurisdiction, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of this paragraph. The Company, Stifel and J.P. Morgan Cazenove reserve the right to reject an Application Form or transfer of Open Offer Entitlements and/or Excess Open Offer Entitlements from or in favour of Shareholders in any such jurisdiction or persons who are acquiring New Ordinary Shares for resale in any such jurisdiction.

The Company, Stifel and J.P. Morgan Cazenove reserve the right in their absolute discretion to treat as invalid any application for New Ordinary Shares under the Open Offer if it appears to the Company, Stifel and J.P. Morgan Cazenove and their agents that such application or acceptance thereof may involve a breach of the laws or regulations of any jurisdiction or if in respect of such application the Company, Stifel and J.P. Morgan Cazenove have not been given the relevant warranty concerning overseas jurisdictions set out in the Application Form or in this document, as appropriate. All payments under the Open Offer must be made in Sterling.

7.1 *European Economic Area*

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive, an offer to the public of any New Ordinary Shares may not be made in that Relevant Member State pursuant to the Firm Placing, Placing and Open Offer prior to the publication of a prospectus in relation to the New Ordinary Shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the first Relevant Member State, all in accordance with the Prospectus Directive, except that an offer to the public in that Relevant Member State of any New Ordinary Shares may be made at any time:

- (A) to any legal entity which is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive
- (B) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (C) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Ordinary Shares shall result in a requirement for the Company or any Joint Bookrunner to publish a prospectus pursuant to Article 3 of the Prospectus Directive or

supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who initially acquires any New Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Company and the Joint Bookrunners that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any New Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Open Offer and any New Ordinary Shares to be offered so as to enable a prospective investor to decide to purchase any New Ordinary Shares, as the same may be varied for that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any New Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, warranted and agreed that it is a “qualified investor” within the meaning of Article 2(1)(e) of the Prospectus Directive and (i) the New Ordinary Shares acquired by it have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, or in circumstances in which the prior consent of the Joint Bookrunners has been obtained to each such proposed offer or resale; or (ii) where New Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons. The Company and the Joint Bookrunners and each of their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty and agreement.

7.2 *United States of America*

The New Ordinary Shares (whether Firm Placed Shares, Placing Shares or Open Offer Shares) and the Open Offer Entitlements and/or Excess Open Offer Entitlements and the Existing Ordinary Shares have not been, and will not be, registered under the US Securities Act or with any securities regulatory authority of or under the applicable securities laws or regulations of any state or other jurisdiction of the United States and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the New Ordinary Shares or the Open Offer Entitlements and/or Excess Open Offer Entitlements in the United States.

The New Ordinary Shares are being offered and sold (1) in the United States only to persons reasonably believed to be QIBs pursuant an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; or (2) outside the United States in “offshore transactions” within the meaning of and in reliance on Regulation S.

Accordingly, the Company is not extending the Open Offer into the United States unless an exemption from the registration requirements of the US Securities Act is available and, subject to certain exceptions set out below, none of this Prospectus, the Application Form nor the crediting of Open Offer Entitlements and/or Excess Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer or an invitation to apply for or an offer or an invitation to acquire or subscribe for any New Ordinary Shares in the United States. Subject to certain limited exceptions and to the representations and warranties set out below, the Application Form will not be sent to, and neither Open Offer Entitlements and/or Excess Open Offer Entitlements nor New Ordinary Shares will be credited to a stock account in CREST of, any Qualifying Shareholder with a registered address in the United States. Subject to certain limited exceptions, Application Forms sent from or postmarked in the United States, or including a United States registered address, will be deemed to be invalid and all persons acquiring Open Offer Shares and wishing to hold such Open Offer Shares in registered form must provide an address outside the United States for registration of the Open Offer Shares.

Each person acquiring New Ordinary Shares pursuant to the Open Offer within the United States, by accepting delivery of this Prospectus, will be deemed to have represented, agreed and acknowledged that it has received a copy of this Prospectus and such other information as it deems necessary to make an investment decision and that:

- (A) it is (i) a QIB; (ii) acquiring the New Ordinary Shares for its own account or for the account of one or more QIBs with respect to whom it has the authority to make, and does make, the representations and warranties set forth herein; (iii) acquiring the New Ordinary Shares for investment purposes, and not with view to further distribution of such New Ordinary Shares; and (iv) aware, and each beneficial owner of the New Ordinary Shares has been advised, that the offer and sale of the New Ordinary Shares to it is being made in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act; and
- (B) it understands that the New Ordinary Shares are being offered and sold in the United States only in a transaction not involving any public offering within the meaning of the US Securities Act and that the New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, pledged or otherwise transferred except (i) to a person that it and any person acting on its behalf reasonably purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; (ii) in an Offshore Transaction in accordance with Rule 903 or Rule 904 of Regulation S; (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available); or (iv) pursuant to an effective registration statement under the US Securities Act, in each case in accordance with any applicable securities laws of any state of the United States. It further (A) understands that the New Ordinary Shares may not be deposited into any unrestricted depositary receipt facility in respect of the New Ordinary Shares established or maintained by a depositary bank; (B) acknowledges that the New Ordinary Shares (whether in physical certificated form or in uncertificated form held in CREST) are “restricted securities” within the meaning of Rule 144(a)(3) under the US Securities Act and that no representation is made as to the availability of the exemption provided by Rule 144 for resales of the New Ordinary Shares; and (C) understands that the Company may not recognise any offer, sale, resale, pledge or other transfer of the New Ordinary Shares made other than in compliance with the above-stated restrictions.

The Company, the Joint Bookrunners, and their affiliates will rely on the truth and accuracy of the foregoing acknowledgements, representations and agreements.

The Company reserves the right to treat as invalid any Application Form that appears to the Company or its agents to have been executed in, or dispatched from, the United States, or that provides an address in the United States for the receipt of New Ordinary Shares, or which does not make the warranties set out in the Application Form or where the Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements. In addition, except as set out below, any person exercising Open Offer Entitlements and/or Excess Open Offer Entitlements must make the representations and warranties set out in this Part II, as appropriate. Accordingly, except as set out below, the Company reserves the right to treat as invalid (i) any Application Form which does not make the representations and warranties set out in this Part II; and (ii) any USE instruction which does not make the representations and warranties set out in this Part II. In addition, the Company reserves the right to reject any USE instruction sent by or on behalf of any CREST member with a registered address in the United States or which appears to the Company to have been dispatched from the United States or any other Excluded Territory, in a manner which may involve a breach of the laws of any jurisdiction or it or its agents believe may violate any applicable legal or regulatory requirement, or which does not make the representations and warranties set out in this Part II.

Notwithstanding the foregoing, New Ordinary Shares may be made available under the Open Offer to a limited number of Qualifying Shareholders in the United States who are QIBs, in the sole discretion of or as otherwise agreed by the Company, in consultation with the Joint Bookrunners and in a manner designed not to require registration of the New Ordinary Shares under the US Securities Act.

Any person in the United States into whose possession this document comes should inform himself about and observe any applicable legal restrictions; any such person in the United States who is not a QIB is required to disregard this Prospectus. No representation has been, or will be, made by the Company or either of the Joint Bookrunners as to the availability of Rule 144 under the Securities Act or any other exemption under the Securities Act or any state securities laws for the reoffer, pledge or transfer of the New Ordinary Shares.

7.3 *Australia*

This document does not constitute a prospectus or other disclosure document, or a product disclosure statement, under Chapter 6D or Part 7.9, respectively, of the Australian Corporations Act 2001 (Cth) (“**Corporations Act**”), has not been lodged with the Australian Securities and Investments Commission, and does not purport to include the information required of a prospectus or other disclosure document, or a product disclosure statement, under Chapter 6D or Part 7.9, respectively, of the Corporations Act.

Accordingly (i) the Share Issue may only be made to persons to whom it is lawful to offer those shares without disclosure to investors under Chapter 6D of the Corporations Act under one or more of the exemptions set out in section 708 of the Corporations Act; (ii) this document may only be made available in Australia to the persons as set forth in clause (i) above; (iii) each investor must warrant and agree that in accepting the offer of New Ordinary Shares under this document, the investor is a person referred to in clause (i) above; and (iv) unless otherwise permitted under the Corporations Act, the investor agrees not to sell or otherwise dispose of any New Ordinary Shares within Australia within 12 months after the date of their issue to the investor. None of the Company, J.P. Morgan Cazenove or Stifel are licensed in Australia to provide financial product advice in relation to the New Ordinary Shares, the Open Offer Entitlements and/or Excess Open Offer Entitlements and any advice contained in this document is general advice only and does not take into account any person’s objectives, financial situation or needs. Before acting on any such advice, investors should read this document in full and consider the appropriateness of the advice, taking into account their own objectives, financial situation and needs (including financial and tax needs) and seek independent professional advice from their financial or other professional adviser before deciding whether to apply for New Ordinary Shares under the Share Issue. No cooling-off period applies in respect of the acquisition of New Ordinary Shares.

7.4 *Canada*

The New Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the New Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if the Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser’s province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”), the Joint Brokers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

7.5 *Japan*

The New Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended; the “**FIEA**”). The New Ordinary Shares may not be offered or sold directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

7.6 *Netherlands*

The Ordinary Shares (including the rights representing an interest in the Ordinary Shares in global form) which are the subject of this Prospectus, have not been and shall not be offered, sold, transferred or delivered in the Netherlands other than to qualified investors (within the meaning of the Prospectus Directive).

For the purposes of the abovementioned paragraphs, the expression an “offer of shares to the public” in relation to any Ordinary Shares in the Netherlands means the announcement or communication in any form and by any means of sufficient information on the terms of the offer and the Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive) and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

No approved prospectus within the meaning of the Prospectus Directive is required to be made generally available in connection with the offer.

7.7 *Belgium*

This offering is to be exclusively conducted under applicable private placement exceptions and therefore has not been and will not be notified to, and any other offering material relating to the offering has not been, and will not be approved by, the Belgian Financial Services and Markets Authority pursuant to the Belgian laws and regulations applicable to the public offering of securities. Accordingly, this Prospectus and any other documents or materials related to the offer or sale, or invitation for subscription or purchase, of the Ordinary Shares, may not be advertised, offered or distributed in any other way, directly or indirectly, (i) to any other person located and/or resident in Belgium other than a professional client within the meaning of Annex II to Directive 2004/39/EC or an eligible counterparty within the meaning of Article 24 of the same directive or (ii) to any person qualifying as a consumer for the purposes of Book VI of the Belgian Code of economic law, unless this is in compliance with the relevant provisions of such code and the implementing regulation.

7.8 *Switzerland*

The New Ordinary Shares may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland and will not be listed on the SIX Swiss Exchange (“**SIX**”) or on any other stock exchange or regulated trading facility in Switzerland.

The Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under article 652a or article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under article 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the New Ordinary Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the Open Offer, the Company, or the New Ordinary Shares have been or will be filed with, and the offer of New Ordinary Shares will not be supervised by, the Swiss Finance Market Supervisory Authority (FINMA), and the offer of New Ordinary Shares has not been and will not be authorised under the Swiss Federal Act on collective investment schemes (“CISA”). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the New Ordinary Shares.

7.9 *Hong Kong*

This Prospectus has not been approved by or registered with the Securities and Futures Commission of Hong Kong or the Registrar of Companies of Hong Kong. No person may offer or sell in Hong Kong, by means of any document, any Ordinary Shares other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance, or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Ordinary Shares which is directed at, or contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

7.10 *Guernsey*

This Prospectus is only being, and may only be, made available in or from within the Bailiwick of Guernsey and the Offer that is referred to in this Prospectus is only being, and may only be, made in or from within the Bailiwick of Guernsey by persons licensed to do so under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) (the “**POI Law**”).

The offer of New Ordinary Shares referred to in this Prospectus and this Prospectus are not available in or from within the Bailiwick of Guernsey other than from persons licensed under the POI Law and must not be relied upon by any person unless made or received from such licensed persons.

7.11 *Jersey*

Consent under the Control of Borrowing (Jersey) Order 1958 has not been obtained for the circulation of this Prospectus. Accordingly, the offer that is the subject of this Prospectus may only be made in Jersey where the offer is valid in the United Kingdom or Guernsey and is 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 or Guernsey as the case may be. The Directors may, but are not obliged to, apply for such consent in the future.

7.12 *Other overseas territories*

Qualifying Shareholders in jurisdictions other than the United States or the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Prospectus and, if relevant, the Application Form. Each person to whom the New Ordinary Shares or the Application Form are distributed, offered or sold outside the United States will be deemed by its subscription for, or purchase of, the New Ordinary Shares to have represented and agreed to the representations and warranties set out in this Part II.

7.13 Waiver

The provisions of this paragraph 7 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion (after consultation with the Joint Bookrunners). Subject to this, the provisions of this paragraph 7 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 7 to Shareholders shall include references to the person or persons executing an Application Form and, in the event of more than one person executing an Application Form, the provisions of this paragraph 7 shall apply to them jointly and to each of them.

8. Withdrawal rights

Qualifying Shareholders wishing to exercise statutory withdrawal rights after publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with the Receiving Agent, so as to be sent by the Qualifying Shareholder no later than two Business Days after the date on which the supplementary prospectus is published or by email to withdraw@linkgroup.co.uk. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment of New Ordinary Shares to such Qualifying Shareholder becoming unconditional save to the extent required by statute. In such event Shareholders are advised to seek independent legal advice.

9. Taxation

Information regarding certain aspects of UK taxation is set out in paragraph 12 of Part X (Additional Information) of this document. This information is, however, intended only as a general guide to certain aspects of the current tax position under UK taxation law. Shareholders who are in any doubt as to their tax position, or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own independent professional adviser without delay.

10. Listing, settlement, dealings and publication

Application will be made to the FCA for the New Ordinary Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the same to be admitted to trading on the premium segment of its Main Market subject to the fulfilment of the conditions of the Open Offer. Subject to the Share Issue becoming unconditional in all respects (save only as to Admission) it is expected that admission of the New Ordinary Shares to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's Main Market will become effective and that dealings therein for normal settlement will commence at 8.00 a.m. on 6 December 2017.

Open Offer Entitlements and Excess Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 1 December 2017 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, New Ordinary Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 6 December 2017). On this day, the Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons, entitlement to New Ordinary Shares with effect from Admission (expected to be 6 December 2017).

The stock accounts to be credited will be accounts under the same Participant IDs and Member Account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess Open Offer Entitlements, and to allot and/or issue any New Ordinary Shares in

certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST), or on the part of the facilities and/or systems operated by the Registrars in connection with CREST.

For Qualifying non-CREST Shareholders who have applied by using an Application Form, definitive share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post within seven days of Admission. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers of the New Ordinary Shares by Qualifying non-CREST (certificated) Shareholders will be certified against the share register. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying non-CREST (certificated) Shareholders are referred to the Application Form.

Qualifying CREST Shareholders should note that they will be sent no confirmation of the credit of the New Ordinary Shares to their CREST stock account nor any other written communication by the Company in respect of the issue of the New Ordinary Shares.

The completion and results of the Share Issue will be announced and made public through an announcement on a Regulatory Information Service as soon as possible after the results are known on or around 4 December 2017.

The terms and conditions of the Open Offer as set out in this document, the Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of, or in connection with, the Open Offer, this document or the Application Form (including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form). By taking up the Open Offer Shares, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales (including, without limitation, in relation to disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form) and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

11. Other Information

Your attention is drawn to the letter from your Chairman which is set out in Part I of this document and also, where relevant, to the terms, conditions and other information printed on the accompanying Application Form.

PART III

TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

The New Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme. In the case of a joint application, references to you in these terms and conditions of application are to each of you and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the application form for the Offer for Subscription, or otherwise apply to participate in the Offer for Subscription in accordance with this Part III.

The Offer for Subscription is only being made in the United Kingdom. If you are outside of the United Kingdom, see paragraph 2.9 of this Part III.

1. Introduction

- 1.1 Up to 52,631,578 New Ordinary Shares are available under the Offer for Subscription at a price of 57 pence per New Ordinary Share.
- 1.2 Applications must be made on the Offer for Subscription Application Form which accompanies this Prospectus or otherwise published by the Company, or otherwise in accordance with this Part III.

2. Effect of Application

- 2.1 Applications under the Offer for Subscription must be for New Ordinary Shares with a minimum subscription amount of 2,000 New Ordinary Shares and thereafter in multiples of 1,000 New Ordinary Shares. Multiple applications will be accepted.

2.2 Offer to acquire New Ordinary Shares

By completing and delivering an Offer for Subscription Application Form, you, as the applicant, and, if you sign the Offer for Subscription Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of New Ordinary Shares at the Offer Price per New Ordinary Share as may be purchased by the subscription amount specified in Box 1 on your Offer for Subscription Application Form (being a minimum of 2,000 New Ordinary Shares), or such smaller number for which such application is accepted, on the terms, and subject to the conditions, set out in this document, including these terms and conditions of application and the Articles;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any New Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to or, in the case of delivery by hand, on receipt by, the Receiving Agent of your Offer for Subscription Application Form;
- (c) undertake to pay the subscription amount specified in Box 1 (being the Offer Price multiplied by the number of New Ordinary Shares applied for) on your Offer for Subscription Application Form in full on application and warrant that the remittance accompanying your Offer for Subscription Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the New

Ordinary Shares applied for in certificated form or be entitled to commence dealing in New Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such New Ordinary Shares unless and until you make payment in cleared funds for such New Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall not constitute an acceptance of your application under the Offer for Subscription and shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent, the Company and both Stifel and J.P. Morgan Cazenove against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the New Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque drawn on a branch of a UK clearing bank to the bank account name on which the payment accompanying the application was first drawn at your risk, for an amount equal to the proceeds of the remittance which accompanied your Offer for Subscription Application Form, without interest);

- (d) agree that where on your Offer for Subscription Application Form a request is made for New Ordinary Shares to be deposited into a CREST account (a “**CREST Account**”): (i) the Receiving Agent may in its absolute discretion issue such New Ordinary Shares in certificated form registered in the name(s) of the holder(s) specified in your Offer for Subscription Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent or the Company may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST Account in respect of the number of New Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Offer for Subscription Application Form;
- (e) agree, in respect of applications for New Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.1(d) above to issue New Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Offer for Subscription Application Form may become entitled or pursuant to paragraph 2.1(d) above (and any monies returnable to you) may be retained by the Receiving Agent:
 - (i) pending clearance of your remittance;
 - (ii) pending investigation of any suspected breach of the warranties contained in paragraphs 2.7(a), (b), (f), (h), (m), (n), (o), (p), (q), (r) or (t) or any other suspected breach of these terms and conditions of application; or
 - (iii) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purpose of the UK Money Laundering Regulations and any other regulations applicable thereto;
- (f) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- (g) agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Receiving Agent) following a request, the Company may terminate the agreement with you to allot New Ordinary Shares and, in such case, the New Ordinary Shares which would otherwise have been allotted to you may be re-allotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned by a cheque drawn on a branch of a UK clearing bank to the

bank account name on which the payment accompanying the application was first drawn without interest and at your risk;

- (h) agree that you are not applying on behalf of a person engaged in money laundering;
- (i) undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Offer for Subscription Application Form together with full identity documents for the person so signing;
- (j) undertake to pay interest at the rate described in paragraph 2.3 below if the remittance accompanying your Offer for Subscription Application Form is not honoured on first presentation;
- (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of New Ordinary Shares for which your application is accepted or if you have completed section 2B on your Offer for Subscription Application Form, but subject to paragraph 2.2(d) above, to deliver the number of New Ordinary Shares for which your application is accepted into CREST and/or to return any monies returnable by a cheque drawn on a branch of a UK clearing house to the bank account name from which such monies were received without interest and at your risk;
- (l) confirm that you have read and complied with paragraph 2.7 below;
- (m) agree that all subscription cheques and payments will be processed through a bank account in the name of “Link Market Services Ltd: Assura Plc – OFS A/C” opened by the Receiving Agent;
- (n) agree that your Offer for Subscription Application Form is addressed to the Company and the Receiving Agent;
- (o) agree that, if a fractional entitlement to a New Ordinary Share arises on your application, the number of New Ordinary Shares issued to you will be rounded down to the nearest whole number and any fractions shall be retained by the Company for its benefit;
- (p) acknowledge that the offer to the public of New Ordinary Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for New Ordinary Shares); and
- (q) agree that any application may be rejected in whole or in part at the sole discretion of the Company.

2.3 ***Acceptance of your Offer***

The Receiving Agent under instruction of the Company, may accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by the UK Listing Authority being notified through a Regulatory Information Service of the basis of allocation (in which case the acceptance will be on that basis).

The basis of allocation will be determined by the Company (in consultation with both Stifel and J.P. Morgan Cazenove) who will have regard to the *pro rata* number of New Ordinary Shares applied for by potential investors under the Offer for Subscription. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects completed or delivered in accordance with the instructions accompanying the Offer for Subscription Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Offer for Subscription Application Form where you have agreed with the Company in some other manner to apply in

accordance with these terms and conditions of application. The Company reserves the right to accept Offer for Subscription Application Forms and accompanying remittances which are received through the post or by hand no later than 11.00 a.m. on 1 December 2017.

The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payments.

The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society that is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or that has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of either of those companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of an individual applicant where they have sole or joint title to the funds, should be made payable to "Link Market Services Ltd Re: Assura plc – OFS A/C". Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping/endorsing the cheque or banker's draft to that effect. The account name should be the same as that shown on the Offer for Subscription Application Form.

2.4 *Electronic Bank Transfers*

For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 1 December 2017 directly into the bank account detailed below. The payment instruction must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example, MJ SMITH 01234 567 8910

Bank: Royal Bank of Scotland
Sort Code: 15-10-00
A/C No: 32577493
A/C Name: Link Market Services Ltd re: Assura plc – OFS a/c

The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying application form.

2.5 *Conditions*

The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:

- (a) Admission occurring by 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners and the Company may agree, being not later than 8.00 a.m. on 22 December 2017); and
- (b) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects and not being terminated in accordance with its terms before Admission.

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

2.6 *Return of application monies*

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in your

favour, by post at the risk of the person(s) entitled thereto, without interest. In the meantime, application monies will be retained by the Receiving Agent in a separate non-interest bearing account.

2.7 ***Warranties***

By completing an Offer for Subscription Application Form, you:

- (a) undertake and warrant that, if you sign the Offer for Subscription Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant, if the laws of any territory or jurisdiction outside the UK are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside of the UK in connection with the Offer for Subscription in respect of your application;
- (c) confirm that (save for advice received from your financial adviser (if any)) in making an application, you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- (d) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Ordinary Shares contained therein;
- (e) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Stifel, J.P. Morgan Cazenove or the Receiving Agent;
- (f) warrant that you are not under the age of 18 on the date of your application;
- (g) agree that all documents and monies sent by post to, by, from or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Offer for Subscription Application Form;
- (h) confirm that you have reviewed the restrictions contained in paragraph 2.9 below and warrant that you (and any person on whose behalf you apply) comply with the provisions therein;
- (i) agree that, in respect of those New Ordinary Shares for which your Offer for Subscription Application Form has been received and processed and not rejected, acceptance of your Offer for Subscription Application Form shall be constituted by the Company instructing the Registrar to enter your name on the register of Shareholders;
- (j) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with the laws of England and Wales and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out

of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- (k) irrevocably authorise the Company and the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or the Receiving Agent to execute any documents required therefore and to enter your name on the register of Shareholders;
- (l) agree to provide the Company with any information which it or the Receiving Agent may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including, without limitation, satisfactory evidence of identity to ensure compliance with the UK Money Laundering Regulations;
- (m) warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, Stifel, J.P. Morgan Cazenove or the Receiving Agent acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your application;
- (n) acknowledge that the New Ordinary Shares have not been and will not be registered under the US Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;
- (o) represent and warrant that (i) you and the person(s), if any, for whose account or benefit you are acquiring the New Ordinary Shares are purchasing the Placing Shares in an “offshore transaction” as defined in Regulation S under the US Securities Act; (ii) you are aware of the restrictions on the offer and sale of the New Ordinary Shares pursuant to Regulation S; and (iii) the New Ordinary Shares have not been offered to you by means of any “directed selling efforts” as defined in Regulation S;
- (p) agree that Stifel, J.P. Morgan Cazenove and the Receiving Agent are acting for the Company in connection with the Offer for Subscription and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the New Ordinary Shares or concerning the suitability of the New Ordinary Shares for you or be responsible to you for the protections afforded to their customers;
- (q) warrant that you are: (i) highly knowledgeable and experienced in business and financial matters as to be capable of evaluating the merits and risks of an investment in the New Ordinary Shares; (ii) fully understand the risks associated with such investment; and (iii) are able to bear the economic risk of your investment in the Company and are currently able to afford the complete loss of such investment;
- (r) warrant that you are not subscribing for the New Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Ordinary Shares;
- (s) warrant that the information contained in the Offer for Subscription Application Form is true and accurate;
- (t) agree that if you request that New Ordinary Shares are issued to you on a date other than Admission and such New Ordinary Shares are not issued on such date that the Company and its

agents and Directors will have no liability to you arising from the issue of such New Ordinary Shares on a different date; and

- (u) confirm that if you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Offer for Subscription, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statement therein misleading.

2.8 *Money laundering*

You agree that, in order to ensure compliance with the UK Money Laundering Regulations and all other applicable regulations, the Receiving Agent may at its absolute discretion require verification of identity of you the (the “**holder(s)**”) as the applicant lodging an Offer for Subscription Application Form and further may request from you and you will assist in providing identification of:

- (a) the owner(s) and/or controller(s) (the “**payor**”) of any bank account not in the name of the holder(s) on which is drawn a payment by way of banker’s draft or cheque; or
- (b) where it appears to the Receiving Agent that a holder or the payor is acting on behalf of some other person or persons, such person or persons.

Any delay or failure to provide the necessary evidence of identity may result in your application being rejected or delays in crediting CREST accounts or in the despatch of documents.

Without prejudice to the generality of this paragraph 2.8, verification of the identity of holders and payors will be required if the value of the New Ordinary Shares applied for, whether in one or more applications considered to be connected, exceeds €15,000.00 (approximately £13,000.00). If, in such circumstances, you use a building society cheque or banker’s draft, you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the cheque or banker’s draft and adds its stamp.

If, in such circumstances, the person whose account is being debited is not a holder you will be required to provide for both the holder and the payor an original or a copy of that person’s passport or driving licence certified by a solicitor and an original or certified copy of two of the following documents no more than three months old, a gas, electricity, water or telephone (not mobile) bill, a recent bank statement or a council tax bill, in their name and showing their current address (which originals will be returned by post at the addressees’ risk), together with a signed declaration as to the relationship between the payor and you the holder.

For the purpose of the UK Money Laundering Regulations, a person making an application for New Ordinary Shares will not be considered as forming a business relationship with the Company or the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent. Submission of an Offer for Subscription Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Registrar from the applicant that the UK Money Laundering Regulations will not be breached by the application of such remittance.

The person(s) submitting an application for New Ordinary Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).

If the amount being subscribed exceeds €15,000.00 (approximately £13,000.00) you should endeavour to have the declaration contained in section 7 of the Offer for Subscription Application Form signed by an appropriate firm as described in that section. If you cannot have that declaration signed and the amount being subscribed exceeds €15,000.00 (approximately £13,000.00) then you must provide with the Offer for Subscription Application Form the identity documentation detailed in section 6 of the Offer for Subscription Application Form for each underlying beneficial owner.

2.9 *Non-United Kingdom investors*

If you receive a copy of the Prospectus or an Offer for Subscription Application Form in any territory other than the United Kingdom, you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use an Offer for Subscription Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or an Offer for Subscription Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the UK and wish to make an application for New Ordinary Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

The New Ordinary Shares have not been and will not be registered under the relevant laws of any of the Excluded Territories or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly in or into any of the Excluded Territories or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territories except pursuant to an applicable exemption.

2.10 *Data Protection Legislation*

Pursuant to the Data Protection Legislation, the Company and/or the Registrar will store personal data proved to them by Shareholders both on the Registrar's and the Company's computer system and manually. By becoming registered as a Shareholder a person acknowledges and agrees that for the purposes of the Data Protection Legislation, the Registrar and the Company are each required to specify the purposes for which they will hold personal data. For the purposes of this document "Data Protection Legislation" shall mean (i) prior to 25 May 2018 the UK Data Protection Act 1998 and the Data Protection Directive (95/46/EC) and (ii) on and after 25 May 2018, EU Regulation 2016/679 ("GDPR") or any equivalent or similar legislation implemented in the United Kingdom following the United Kingdom's withdrawal from the European Union. The Registrar and the Company will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:

- (a) process Shareholders' personal data (including sensitive personal data) as required for or in connection with the holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
- (b) communicate with it as necessary in connection with the proper running of its business affairs and generally in connection with the holding of Ordinary Shares;
- (c) provide personal data to such third parties as are or shall be necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares or as the Data Protection Act 1998 may require, including to third parties outside the United Kingdom or the EEA (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK);
- (d) without limitation, provide such personal data to the Company and its respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the EEA (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and

- (e) process its personal data for the purpose of their internal record-keeping and reporting obligations.

In providing the Registrar or the Company with information, each Shareholder represents and warrants to the Registrar and the Company that it has obtained any necessary consents of any data subject to whose data it has provided to the Registrar, the Company and their respective associates holding and using their personal data for the Purposes (including, where required, the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out above) and will make the list of “Purposes” for which the Registrar and the Company will process the data available to all data subjects whose personal data may be shared by it. For the purposes of this document, “data subject”, “data controller”, “data processor”, “personal data” and “sensitive personal data” shall have the meanings attributed to them in the Data Protection Legislation.

Shareholders, the Company and the Registrar are each data controllers for the purpose of the Data Protection Legislation and the parties all agree and acknowledge that none of the Shareholders, the Company, and the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the Data Protection Legislation and Shareholders will do nothing that puts the Company or the Registrar in breach of their respective obligations.

2.11 *Miscellaneous*

To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the New Ordinary Shares and the Offer for Subscription.

The rights and remedies of the Company, Stifel, J.P. Morgan Cazenove and the Receiving Agent under these terms and conditions of application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

The Company reserves the right to extend the closing time and/or date of the Offer for Subscription from 11.00 a.m. on 1 December 2017. In that event, the new closing time and/or date will be notified through the publication of a notice through a Regulatory Information Service.

The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned as indicated without interest.

You agree that Stifel, J.P. Morgan Cazenove and the Receiving Agent are acting for the Company in connection with the Share Issue and for no-one else, and that none of Stifel, J.P. Morgan Cazenove and the Receiving Agent will treat you as its customer by virtue of such application being accepted or owe you any duties concerning the price of the Ordinary Shares or concerning the suitability of the New Ordinary Shares for you or otherwise in relation to the Offer or for providing the protections afforded to their customers.

Save where the context requires otherwise, terms used in these terms and conditions of application bear the same meaning as where used in this Prospectus.

PART IV

INFORMATION ON ASSURA

Overview

Assura is one of the leading primary care property investors and developers in the UK and occupies a distinctive position in the listed primary care sector in that it provides a full suite of in-house property services for GPs and other tenants. The Group's ability to provide these services, from identifying potential properties to managing the primary care facility once it is completed and occupied, enables it to adopt a long-term partnership approach throughout the lifecycle of a medical centre.

The Group has a strong brand in the primary care property sector, due to its scale, its track record of delivering new GP premises and its focus on building long term relationships with its GP tenants, who are the Group's greatest source of referrals for new acquisition opportunities. In addition to referrals through GP relationships, the Group sources potential acquisitions through a bespoke database it maintains, providing information on every GP practice in the UK. The Group's integrated approach to development, investment and management of properties provides Assura with continuing interaction with GPs and hence a better understanding of their evolving needs, which can then be an advantage in securing new development opportunities.

The Group's portfolio benefits from:

- excellent occupier covenants in its leases through the NHS reimbursement mechanism;
- high occupancy rates driven by the stability of the core tenant base, restricted supply and long leases typically without breaks or rent free periods;
- returns which have historically demonstrated a linkage to inflation, with the potential for growth over the medium term, driven primarily by high occupancy rates and the open market rent review mechanism; and
- limited development risk, with pre-let arrangements.

Assura has a strong track record of successfully growing its portfolio through acquisitions and developments, with acquisitions of investment property and transfers of completed investment properties under construction of £728.9 million during the period from 1 April 2014 to 30 September 2017. The Group benefits from a scalable platform, with its EPRA Cost Ratio (including direct vacancy costs) declining from 20.2 per cent. to 13.7 per cent. over the three years to 31 March 2017 which has enhanced EPRA EPS (basic) by 41 per cent., supporting growth in quarterly dividends per Ordinary Share of 33 per cent. over the same period.

In addition to securing new developments, Assura has an extensive track record in delivering accretive acquisitions of existing primary care premises, having acquired £662.7 million of investment properties in the period from 1 April 2014 to 30 September 2017 with an average yield on cost (being rent roll on acquired investment properties divided by cost of acquired investment properties) of 5.4 per cent. and a blended WAULT of 15.8 years.

As of the date of this document, the pipeline of acquisition opportunities, representing transactions where commercial terms are agreed and completion is likely within six months, is £126 million; and the development pipeline, representing developments which have started on site or are expected to commence within the next 12 months, is £83 million.

History of the Group

In 2003, the former parent company of the Group was incorporated and registered in Guernsey under the name "The Medical Property Investment Fund Limited" and was admitted to listing on the Official List as a property investment undertaking.

In 2006, the Company changed its name to Assura Group Limited.

In 2008, the UKLA approved the reclassification of Assura Group Limited from a property investment company to a trading company. Assura Group Limited raised £30 million via a placing in October 2008 to fund the expansion of its medical division.

In 2010, Assura Group Limited disposed of its 75.1 per cent. interest in Assura Medical Limited.

In 2011, Assura Group Limited carried out a firm placing and open offer in connection with its recommended offer for AH Medical Properties plc. In November 2011, Assura Group Limited raised approximately £35.3 million pursuant to a fully underwritten rights issue to fund the cancellation of the interest rate swap between the Assura Group Limited and NAB. In July 2011, the Group completed the sale of its Pharmacy division.

In 2013, Assura Group Limited elected for REIT status, which provides the Company with a number of tax efficiencies (as explained in Part III (The REIT Regime and taxation) of this document) and access to a global specialist investor base.

In 2014, Assura Group Limited raised gross proceeds of approximately £155.2 million by way of a firm placing and placing and open offer, and additional gross proceeds of £25 million by way of an offer for subscription.

In 2014, Assura plc was incorporated under the Companies Act with the name Assura Kingston plc, and subsequently changed its name to Assura plc. Assura plc was admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange on 28 January 2015. Assura plc is the ultimate holding company of the Group and elected to be a UK REIT Group on 28 January 2015 (in order that the REIT status enjoyed by the Group since 1 April 2013 would continue following the implementation of the Scheme).

In October 2015, the Company raised further proceeds of £309.0 million, gross of expenses, through an issue of 618,000,000 Ordinary Shares pursuant to a firm placing, placing and open offer and offer for subscription.

In June 2017, the Company raised gross proceeds of £98.4 million through a placing of 163,999,820 Ordinary Shares.

Principal activities

Assura develops and acquires primary care premises used predominantly by NHS-backed GPs and other related health service providers.

For new development projects, the process generally begins by identifying or being contacted by a group of GPs seeking to establish a new practice or move an existing practice in a given area. Following receipt of the necessary approvals from the NHS, the Group's development managers work with the GPs to identify a suitable location, following which the team continues to monitor and manage the process from design through to delivery of the completed building. As a long-term investor, Assura is committed to each new development being completed to a high standard and, following delivery of the completed building, the efficient operation and management of the building by the Group's team of property surveyors. The Group's integrated approach to development, investment and management of properties provides Assura with continuing interaction with GPs and hence a better understanding of their evolving needs, which can then be an advantage in securing new development opportunities.

In addition to securing new developments, delivering accretive acquisitions is a key priority and management is in regular dialogue with GP practices and other property owners in the sector to identify and secure future opportunities. The Group's access to the opportunities is primarily driven by the database it maintains of every GP practice in the UK, its access to and relationships with GP practices throughout the UK, its strong reputation with the NHS and amongst GPs, which often leads to referrals and recommendations from current GP partners, and its ability to provide a full suite of services for primary care properties.

Assura's performance and track record

Assura, as one of the leading primary care property investors and developers in the UK, has achieved strong growth in its investment portfolio and rental income during the period from 1 April 2014 through 30 September 2017, driven by portfolio valuation uplifts, acquisitions, new developments and rental growth.

The Group's net rental income has increased by 79.6 per cent., its EPRA EPS (basic) by 41 per cent. and its dividend per share by 33.0 per cent. over the three financial years ended 31 March 2017. Its EPRA NAV per Ordinary Share has increased by 22.4 per cent. from 1 April 2014 through 30 September 2017.

The growth in the portfolio has been achieved without a proportionate increase in the overheads of the business and in the period from 1 April 2014 to 31 March 2017, the administrative expenses of the Group as a percentage of the average portfolio value (average of opening and closing investment property) has declined from 0.82 per cent. to 0.57 per cent. and the EPRA Cost Ratio (including direct vacancy costs) has declined from 20.2 per cent. to 13.7 per cent.

As a business capable of providing a suite of services through in-house teams, management has built a focused, scalable platform with capacity to manage a larger portfolio of assets with only marginal increases in associated overheads. Management estimates that for every additional £100 million of assets under management, approximately £100,000 of incremental overheads would be expected to be incurred in order to manage the incremental properties. This has enabled the growth in the portfolio to be achieved while increasing EPRA EPS.

The Company raised £98.4 million net of expenses from equity issuances in June 2017 for the purposes of further investment in primary care centres. Since 30 June 2017 to 14 November 2017 (being the latest practicable date prior to the publication of this document), the Group has acquired 55 properties for a gross consideration of £125.2 million.

The appetite for lending into the primary care property sector has remained positive over recent years and there has been significant activity from both the traditional banks and other non-bank lenders such as insurers. The majority of the Group's debt is fixed rate, which is well-suited to the long-term and secure nature of its income stream. The Group's current strategy is to operate the Group at a lower gearing level and with more flexible unsecured funding facilities, as they believe this strategy confers significant operational advantages. In May 2016, the Group entered into the unsecured £200 million revolving credit facility, which was subsequently increased to £250 million in May 2017 and to £300 million in October 2017. In October 2016, the Group issued £100 million 10-year notes on an unsecured basis, and in October 2017, the Company privately placed £150 million in unsecured notes in two tranches with maturities of eight and ten years and a weighted average coupon of 3.04 per cent. At 30 September 2017, the average weighted maturity of the outstanding debt was 7.9 years at an average rate of 3.78 per cent., and 71 per cent. of this was at fixed rates.

Recent expansion of portfolio

Since 1 April 2014 to 30 September 2017, the Group has completed 13 new developments, valued at £73.3 million at 30 September 2017, with a passing rent of £3.5 million. The Group has an extensive track record in delivering accretive acquisitions of existing primary care premises, having acquired £662.7 million of completed properties since April 2014 with an average yield on cost (being rent roll on acquired investment properties divided by cost of acquired investment properties) of 5.4 per cent. and a blended WAULT of 15.8 years. The Group's acquisitions and developments over the three years ended 31 March 2017 have enhanced EPRA EPS (basic) by 41 per cent. to 2.4 pence per share for the year ended 31 March 2017, supporting growth in annual dividends per Ordinary Share of 33.0 per cent.

In the six months ended 30 September 2017, the Group has acquired a total of 75 medical centre properties for £153.0 million. As of the date of this document, the pipeline of acquisition opportunities, representing transactions where commercial terms are agreed and completion is likely within six months, is £126 million; and the development pipeline, representing developments which have started on site or are expected to commence within the next 12 months, is £83 million.

As at 30 September 2017, the Group's portfolio of completed primary care medical centres stands at 475 properties valued at £1,527.2 million and with a contracted passing rent of £83.1 million. The Group's property portfolio has been valued by two independent property experts who have issued reports on separate parts of the portfolio as set out in Part VI (Property Valuation Reports) of this document. Savills have issued a report valuing part of the Group's portfolio at £1,144.9 million and Jones Lang LaSalle have issued a report valuing the balance of the Group's portfolio at £424.4 million.

<i>Portfolio by region as at 30 September 2017</i>	<i>Number of properties</i>	<i>Total value (£m)</i>	<i>Total value (%)</i>
North	166	616	40
South	158	459	30
Midlands	82	302	20
Scotland	22	48	3
Wales	47	102	7
Total	475	1,527	100

<i>Portfolio by capital value as at 30 September 2017</i>	<i>Number of properties</i>	<i>Total value (£m)</i>	<i>Total value (%)</i>
Less than £1m	111	73	5
£1m – £5m	284	712	47
£5m – £10m	55	370	24
Greater than £10m	25	372	24
Total	475	1,527	100

<i>Portfolio rent roll by tenant covenant as at 30 September 2017</i>	<i>Total rent roll (£m)</i>	<i>Total rent roll (%)</i>
GPs	57.0	69
NHS body	14.2	17
Pharmacy	6.7	8
Other	5.2	6
Total	83.1	100

Lease Profile and Covenant Arrangements

As of 30 September 2017, the NHS or GPs constituted 86 per cent. of the Group's counterparties to its leases. Each of these leases contain covenants or obligations that are either directly or indirectly provided or backed by the NHS, such that the possibility of a default by a lessor that leads to a vacancy and a failure to pay the amounts required under the lease is extremely low. In respect of leases held directly by the NHS through the NHS Propco, the NHS guarantees the rental payment for the relevant lease. For leases between GPs and the Group, the GPs are personally obligated to make the required rental payments, but the Group indirectly benefits from the rent reimbursement that is provided by the CCG that is, in turn, set out in the license provided to the GP by the NHS.

The Group's weighted average unexpired lease term was 12.8 years at 30 September 2017, with 74 per cent. of the Group's rent roll, at 30 September 2017, relating to leases with at least nine years remaining. The Company also benefits from high occupancy rates, with an EPRA vacancy rate of 2.1 per cent. as of 30 September 2017.

NHS Development Approval Processes

As part of the national re-organisation of the NHS in April 2013, the CCGs, NHS England and NHS Propco were all created to assume the commissioning functions and other responsibilities within the NHS system. Developments for new properties and transactions which involve material alteration of a lease, including any

increase in the amount of rent due, requires engagement with or approval by both the CCG and NHS England.

Initial requests for new developments are made to the CCG and NHS England, usually by a GP or a group of GPs that are seeking to establish new premises in a given area. A meeting is convened of local interested parties, to consider the type of development to be considered, whether there is space in another development capable of handling the required accommodation and whether there is a need in the area for that development.

As a part of this process, the CCG will be consulted to determine the amount of funding that will be available for reimbursement to the GPs in relation to any rental payments made by the GPs pursuant to the terms of the lease. The project will eventually be submitted to the CCG and NHS England, who, in turn, seek the input of the District Valuer and will also review the terms of the lease to be executed by the GPs and the owner of the premises. Suitable premises for the new development are sought following receipt of the necessary approvals.

The reorganisation of the NHS that was implemented in April 2013 led to a reduction in the number of approvals of new developments as the new organisational structures took time to be fully adopted. Given the support for an increase in the supply of GP services and other primary care, as set out in the Five Year Forward View, the GP Forward View, the Sir Robert Naylor's review of NHS estate and land published in March 2017, the Directors believe there is the possibility that approvals for new developments will increase.

Acquisitions of GP practices that entail a material amendment to the lease will also require approval before the acquisition can proceed to closing. The CCG will need to approve any increase in the funding that will be available for reimbursement to the GPs in relation to any rental payments made by the GPs pursuant to the terms of the lease and approval by the CCG, with the involvement of the District Valuer, will be required in relation to any other material amendments to the lease.

Rent Review

The Group's lease portfolio has provided stable returns which have historically demonstrated a linkage to inflation with weighted average annual increase in rent roll from completed rent reviews across the Group's portfolio increasing 1.81 per cent., 1.57 per cent., 1.20 per cent. and 1.27 per cent. for the six months ended 30 September 2017 and the financial years ended 31 March 2017, 2016 and 2015, respectively. At 30 September 2017, 72.6 per cent. of the Company's leases, by value, were on an upward only review basis, with a further 21.7 per cent. being subject to rent reviews at the discretion of the Company only and the remainder on an upward or downward basis at either party's discretion.

Rent reviews for leases in the Groups portfolio are primarily conducted on an open market basis or based on the RPI, although the Group does have a number of leases with fixed rental increases or other arrangements. At 30 September 2017, by value:

- 73.2 per cent. of the Group's leases were subject to open market rental reviews (90.2 per cent. of which were subject to rent reviews every three years);
- 13.7 per cent. of the Group's leases were subject to RPI-based reviews (38.7 per cent. of which were subject to rent reviews every three years and 33.2 per cent. subject to rent reviews every year);
- 7.5 per cent. of the Group's leases provide for fixed increases (68.6 per cent. of which were subject to rent reviews every three years);
- 5.6 per cent. of the Group's leases were subject to other rental review arrangements (92.9 per cent. of which were subject to rent reviews every three years).

In the primary care sector, rent reviews are agreed with the District Valuers, effectively acting for the NHS and ensuring value for money for the public purse.

Open market rent reviews are estimated based on an open book review of the costs of a development, allowing for an agreed developer's margin, and are therefore heavily influenced by the rents set on new

developments, which, in turn, are influenced by land values and construction costs. As a result, in a period of increasing land values and construction cost inflation, these rising input costs usually result in increasing rental levels being set on new developments and hence provide evidence for the wider primary care market. However, delays in the rent review process or a reduction in or only a small number of new developments may result in slower rental growth across the sector because of the limited number of inputs into the rental review that would otherwise contribute to increased rental rates. This was likely a factor in the slow rate of open market rental growth across the sector from 2015 to 2017, although the open market rent review mechanism did provide returns which demonstrated a linkage to inflation during this period.

RPI and fixed rent reviews are based on the retail prices index, which measures the average change from month to month in the prices of goods and services purchased by most households in the UK. RPI rent reviews were the main driver of rental growth for the Company, resulting in an annualised increase of 2.84 per cent., 2.49 per cent., 1.93 per cent. and 3.06 per cent. for the six months ended 30 September 2017 and the financial years ended 31 March 2017, 2016 and 2015, respectively. Open market rent reviews resulted in an annualised increase of 0.83 per cent., 0.88 per cent., 0.69 per cent. and 0.38 per cent. for the six months ended 30 September 2017 and the financial years ended 31 March 2017, 2016 and 2015, respectively.

Competition

In addition to Assura, there are two other companies with listings on the premium segment of the London Stock Exchange's Main Market that participate in the market in the UK and one large non-listed portfolio, but the sector is otherwise highly fragmented with the majority of medical centres owned by GPs or other private owners. Prices for acquisitions, particularly acquisitions for multi-premise portfolios that involve an open bidding process, have increased in recent years, driven largely by increased competition in the market.

The Directors believe that, given the capital requirements of building new developments and redeveloping existing but outdated premises, as well as the complexity of managing a primary care facility, the sector will increasingly turn to the private sector for additional capital and ownership. The Directors believe that the Group's access to capital given its status as a listed-REIT, its ability to provide a full suite of service through in-house teams and its access to and reputation with GPs will leave it well-placed to benefit from this consolidation.

Selected financial information

The following table highlights selected financial information in respect of the Group for the financial years ended 31 March 2015, 2016 and 2017 and the six months ended 30 September 2016 and 2017.

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>(unaudited)</i>			<i>(audited)</i>	
Net rental income	£38.3m	£32.9m	£67.9m	£58.4m	£48.2m
Profit before taxation	£73.4m	£41.7m	£95.2m	£28.8m	£36.6m
Dividends paid	£(19.9m)	£(18.0m)	£(37.0m)	£(27.2m)	£(14.4m)
Investment property	£1,560.0m	£1,226.8m	£1,344.9m	£1,109.4m	£925.3m
Cash, cash equivalents and restricted cash	£21.9m	£27.7m	£23.5m	£44.3m	£66.5m
Borrowings	£(588.0m)	£(447.1m)	£(520.1m)	£(369.2m)	£(513.5m)
EPS – Basic	4.2p	2.5p	5.8p	2.2p	4.9p
EPRA NAV per Ordinary Share – Basic	53.1p	47.3p	49.4p	46.1p	44.9p
EPRA NAV per Ordinary Share – Diluted	53.1p	47.2p	49.3p	45.8p	44.0p

Directors and Persons Discharging Managerial Responsibilities

The Company has a board of directors headed by a Non-executive Chairman. The Board also comprises three independent Non-executive Directors and three executive Directors. A brief biography of each Director is set out below.

Directors

Simon Timothy Laffin (appointed in August 2011) is the Non-executive Chairman of the Company. Simon is non-executive chairman of Flybe Group plc and non-executive director of Watkin Jones plc. Previously he served as chairman of Hozelock Group and a non-executive director of Quintain Estates & Development PLC, Mitchells & Butlers plc, Aegis Group plc and Northern Rock plc (as part of the rescue team). Between 1995 and 2004 he was group chief financial officer of UK grocery retailer Safeway plc (which he joined in 1990) and was latterly also responsible for property at Safeway. Prior to that, he held a variety of finance and management roles in Mars Confectionery, Rank Xerox and BP, and he was also an adviser to CVC Capital Partners for 10 years until 2013. He is a qualified accountant.

Jonathan Stewart Murphy (appointed in February 2017) is the CEO of the Company and was previously the Finance Director, having joined the Group in January 2013. Jonathan has significant experience in real estate, capital markets and investment gained during his time as Finance Director and Interim CEO for the Group and in his previous position as managing director for the property management business of Brooks MacDonald Group plc. Jonathan was previously finance director of the fund management business of Brooks Macdonald, having joined as a result of the acquisition of Braemar Group plc in 2010, where he was finance director for four years. His earlier career included commercial and strategic roles at Spirit Group and Vodafone. Jonathan qualified as a chartered accountant with PricewaterhouseCoopers, holding management roles in both the UK and Asia. Jonathan holds an MBA from IESE, the European Business School in Barcelona.

Jayne Marie Cottam (appointed in September 2017) is the CFO of the Company. Jayne joined the Group from Morris Homes Ltd. one of the UK's largest private housing developers where she was the Finance Director for Operations, providing financial and strategic support as a member of the board for each of its three operating regions. Prior to that, Jayne was Director of Finance for the Continental Europe Division of European Metal Recycling Limited, one of the worlds' largest metal recyclers and was also the Financial Controller of the Group gaining significant experience in debt capital markets and M&A. She is a qualified accountant.

Andrew Simon Darke (appointed in October 2016) is the Property Director of the Company. Andrew is a chartered surveyor of over 25 years and has been with the Company since floatation having acquired the seed portfolio in 2003. He has led the property team through its growth since then and been instrumental in all aspects of the property development, investment and portfolio management. Prior to joining the Company, he held investment and development roles at Barlows plc, Rowlinson Securities plc and Royal Sun Alliance, having started his career at the District Valuers Office in Liverpool. Andrew will be resigning from the Board and stepping down as Property Director of the Company in March 2018 but will be retained as an adviser to the Company.

Jenefer Dawn Greenwood OBE (appointed in May 2012) is a Non-executive Director of the Company. Jenefer is a chartered surveyor who started her career at Hillier Parker in 1978, becoming executive director and head of retail on merger with CBRE. She worked for Grosvenor Estate from 2003 until 2012. Jenefer was appointed to the boards of DCH Group in August 2014 and St Modwen Properties plc in June 2017. She has previously served on the board of The Crown Estate and chaired its remuneration committee. She has held positions as chair of the National Skills Academy for Retail and president of the British Council of Shopping Centres.

David Hedley Richardson (appointed in January 2012) is a Non-executive Director of the Company. David is currently chairman of BBGI SICAV S.A. and a board member of The Edrington Group. Previously he spent 22 years at Whitbread plc where he was the strategic planning director for eight years and the finance director for four years. At Whitbread he played a pivotal role in transforming the group from a brewing and pubs company into a market leader in hotels, restaurants and leisure clubs. Following this he has held a

number of non-executive roles in FTSE listed companies including Serco Group plc, Forth Ports PLC, Tomkins plc (now called Gates Worldwide Limited), Dairy Crest plc and De Vere Group plc. He is a chartered accountant.

John Edward Kitson Smith CBE (appointed in October 2017) is a Non-executive Director of the Company. Ed is a chartered accountant whose principal career was at PricewaterhouseCoopers for more than 30 years including in UK board and global leadership roles. He has since been closely involved in leading a range of public services most notably as Deputy Chairman of NHS England and Chairman of NHS Improvement. He has also chaired the Student Loan Company and Crown Commercial Services as well as being the lead Non-executive Director on the Department for Transport Board.

Other PDMRs

Orla Ball joined the Group in 2015 as Company Secretary and Head of Legal. Orla qualified as a solicitor with Eversheds in Manchester where she worked in their corporate department for over 14 years and then spent six years as in-house counsel for Brooks Macdonald where she looked after the legal matters for their property management and property funds business.

Corporate Governance

The Board is committed to ensuring that high standards of corporate governance are maintained by the Company. The Directors are satisfied that the Company, as at the date of this document, complies with all relevant principles and provisions of the UK Corporate Governance Code. This document incorporates by reference the Corporate Governance Reports of the Annual Report of the Company for the financial periods ended 31 March 2015, 31 March 2016 and 31 March 2017.

Audit Committee

The audit committee comprises the three independent Non-executive Directors of the Company, David Richardson (chairman of the committee), Jenefer Greenwood and Ed Smith.

The Board is satisfied that David Richardson has the requisite recent and relevant financial experience to be chairman of the audit committee. The Board is also satisfied that both Ed Smith and Jenefer Greenwood have the appropriate experience, understanding and knowledge of financial, risk and accounting matters to contribute effectively and appropriately to the work of the audit committee.

The audit committee is responsible for:

- monitoring the integrity of the half year and annual financial statements before submission to the Board;
- discussing any issues arising from the interim and final audits of the Company;
- reviewing significant financial reporting matters and judgements, with a particular focus on matters of material financial impact on the Company;
- reviewing the effectiveness of the Company's system of internal controls;
- conducting an annual review of the need to establish an internal audit function;
- monitoring and annually reviewing the auditor's independence, objectivity and effectiveness;
- developing and implementing the policy for provision of non-audit services by the external auditor; and
- making recommendations to the Board in relation to the selection process for the appointment of the external auditor, their fees and terms of engagement.

The audit committee reports its findings to the Board, identifying any matters on which it considers that action or improvement is needed and recommending the appropriate steps to be taken.

Remuneration Committee

The remuneration committee comprises the three independent Non-executive Directors of the Company, Jenefer Greenwood (chair of the committee), David Richardson and Ed Smith and the Chairman, Simon Laffin, all of whom have been determined by the Board to be independent. Jonathan Murphy attends meetings of the remuneration committee.

No Director is involved in deciding their own remuneration. The remuneration committee's terms of reference include:

- reviewing the Directors Remuneration Policy;
- consideration of the objectives and targets for annual bonuses;
- consideration of annual pay awards and bonuses;
- approving the level of staff pension contributions (to be made both by the Company and by the individual);
- reviewing and agreeing changes to the allocation basis for the staff bonus pool;
- confirming the vesting of the Assura Group Limited Executive Recruitment Plan;
- reviewing any new disclosure requirements as and when they arise; and
- reviewing and allocating staff awards under the Assura Group Limited PSP.

Nomination Committee

The nomination committee is chaired by Simon Laffin and includes the three independent Non-executive Directors of the Company, David Richardson, Jenefer Greenwood and Ed Smith, all of whom have been determined by the Board to be independent. Jonathan Murphy is also a member of this committee.

The principal functions of the nomination committee are to:

- review the succession planning requirements of the Company;
- keep under review the composition of the Board, the various committees and their chairmanship;
- consider the training needs of the Board; and
- evaluate the Board's performance.

Employees

As at 14 November 2017 (being the latest practicable date prior to the publication of this document), the Group had 47 permanent employees. At the end of the financial periods ended 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017, the Group had 31, 34, 43 and 46 employees, respectively.

PART V

THE REIT REGIME AND TAXATION

1. Introduction

The summary of the REIT Regime applicable in the UK below is intended to be a general guide only and constitutes a high-level summary of the Company's understanding of certain aspects of current UK law and HMRC practice relating to the UK REIT Regime, each of which is subject to change, possibly with retrospective effect. It is not an exhaustive summary of all applicable legislation in relation to the REIT Regime. The UK REIT Regime was introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of CTA 2010.

The Group converted to REIT status with effect from 1 April 2013, and the Company is now the principal company of a Group REIT for the purposes of the REIT Regime rules.

2. The REIT regime

The following paragraphs are intended as a general guide only and constitute a high-level summary of the Company's understanding of current UK law and HMRC practice, each of which is subject to change.

They do not constitute advice to any Shareholder, prospective investor in the Company or other person.

2.1 Overview

Investing in property through a UK taxable corporate investment vehicle generally has the disadvantage that, in comparison to a direct investment in property assets, some categories of Shareholders effectively suffer tax twice on the same income: first, indirectly, when the vehicle pays UK direct tax on its profits; and secondly when the Shareholder receives a dividend. UK non-tax paying entities, such as UK pension funds, bear tax indirectly when investing through a taxable closed-ended corporate vehicle that is not a REIT in a manner which they would not suffer if they were to invest directly in the property assets.

As part of a group UK REIT, UK resident REIT Group members no longer pay UK direct taxes on income and capital gains from their "Qualifying Property Rental Business" (within the meaning of section 205 of CTA 2009 or an overseas property business within the meaning of section 206 of CTA 2009), but in each case, excluding certain specified types of business (as per section 519(3) of CTA 2010) in the UK and elsewhere; and, non-UK resident REIT Group members with a UK Qualifying Property Rental Business no longer pay UK direct taxes on income from their UK Qualifying Property Rental Businesses, provided that certain conditions are satisfied. Instead, distributions in respect of the tax-exempt Qualifying Property Rental Business are treated for UK tax purposes as UK property income in the hands of Shareholders. Further details of the UK tax treatment of Shareholders after entry into the REIT Regime are contained in paragraph 12 of Part X (Additional Information) of this document.

Gains arising in UK resident companies on the disposal of shares in property owning companies may, however, be subject to UK corporation tax. In addition, REIT Group members will remain subject to overseas direct taxes in respect of any property rental business carried on outside the UK and, UK and overseas direct taxes are still payable in respect of income and gains from the REIT Group's businesses (generally including any property trading business) not included in its Qualifying Property Rental Business (the "**Residual Business**").

Whilst within the REIT Regime, the Qualifying Property Rental Business will be "ring-fenced" and treated for UK corporation tax purposes as a separate business from the Residual Business. Accordingly, a loss incurred in the Qualifying Property Rental Business cannot be set off against profits of the Residual Business (and *vice versa*), and cannot be carried forward to set off against any profits arising after the company ceases to be a REIT.

A dividend paid by the Company relating to profits or gains of the Qualifying Property Rental Business of the members of the Group (other than gains arising to non-UK resident members of the Group) is referred to as a “PID” or a “Property Income Distribution”. Other normal dividends paid by the Company (including dividends relating to the Residual Business) are referred to as “Non-PID Dividends”. Under the REIT Regime, both PIDs and Non-PID Dividends are capable of being satisfied by stock dividends. Further details of the UK tax treatment of Shareholders after entry into the REIT Regime are contained in paragraph 12 of Part X (Additional Information) of this document.

In this section of the document, references to a company’s accounting period are to its accounting period for UK corporation tax purposes. This period can differ from a company’s accounting period for other purposes.

2.2 *Qualification as a REIT*

A group becomes a group UK REIT by the principal company serving a notice on HMRC on or before the date from which it wishes to come under the REIT Regime. In order to qualify as a REIT, the REIT Group must satisfy certain conditions set out in Part 12 of CTA 2010. A non-exhaustive summary of the material conditions is set out below. Broadly, the principal company must satisfy the conditions set out in paragraphs (a) to (d) and (f) below and the REIT Group as a whole must satisfy the conditions set out in paragraph (e).

(a) *Company conditions*

The principal company must be a solely UK tax-resident company, admitted to trading on a recognised stock exchange and it must not be an open-ended investment company. The principal company’s shares must either be listed on a recognised stock exchange throughout each accounting period or traded on a recognised stock exchange in each accounting period. This listing/traded requirement is relaxed in the REIT Group’s first three accounting periods but the REIT Group can benefit from this relaxation only once. The principal company must also not (apart from in circumstances where it is only a close company because it has as a participator an institutional investor as defined in section 528(4A) of CTA 2010) be a “close company” (as defined in Part 10 of CTA 2010 as amended by section 528(5) of CTA 2010) (the “**close company condition**”). In summary, the close company condition amounts to a requirement that the company cannot be under the control of 5 or fewer participators, or of participators who are directors (and participators for these purposes is defined in section 454 of CTA 2010), subject to certain exceptions. The close company condition is relaxed for the REIT Group’s first three years.

An institutional investor includes the trustee or manager of an authorised unit trust (or overseas equivalent), the trustee or manager of a pension scheme, a person acting in the course of a long-term insurance business (or overseas equivalent), a UK REIT or overseas equivalent, a person who cannot be liable for corporation tax or income tax on the grounds of sovereign immunity, a charity, a limited partnership which is a collective investment scheme, a registered social landlord or an open-ended investment company (or overseas equivalent).

Although the Board does not expect the non-close company condition to be breached in the ordinary course of events, there is a risk that the Company may fail to meet this condition for reasons beyond its control. However, under certain circumstances a breach of the non-close company condition may be disregarded (subject to anti-avoidance) if the reason for the breach is that the Company becomes a member of another group UK REIT or that the breach is the result of anything done or not done by a person other than the Company and the Company remedies the breach before the end of the accounting period after that in which the breach began. Loss of REIT status would have a material impact on the tax status of the Company.

(b) *Share capital restrictions*

The principal company must have only one class of ordinary shares in issue. The only other shares it may issue are non-voting restricted preference shares, including shares which would be restricted preference shares but for the fact that they carry a right of conversion into shares or securities in the Company.

(c) *Borrowing restrictions*

The principal company must not be party to any loan in respect of which the lender is entitled to interest which exceeds a reasonable commercial return on the consideration lent or where the interest depends to any extent on the results of any of its business or on the value of any of its assets (subject to exceptions). In addition, the amount repayable must either not exceed the amount lent or must be reasonably comparable with the amount generally repayable (in respect of an equal amount lent) under the terms of issue of securities listed on a recognised stock exchange.

(d) *Financial Statements*

The principal company must prepare financial statements (the “**Financial Statements**”) in accordance with statutory requirements set out in Sections 532 and 533 of CTA 2010 and submit these to HMRC. In particular, the Financial Statements must contain the information about the Qualifying Property Rental Business and the Residual Business separately.

(e) *Qualifying Property Rental Business Conditions (including the Balance of Business conditions)*

The REIT Group must satisfy, amongst other things, the following conditions in respect of each accounting period during which the REIT Group is to be treated as a REIT:

- (i) the Qualifying Property Rental Business must, throughout the accounting period, involve at least three properties;
- (ii) throughout the accounting period, no one property may represent more than 40 per cent. of the total value of all the properties involved in the Qualifying Property Rental Business. Assets must be valued in accordance with IFRS, and at fair value when IFRS offers a choice between a cost basis and a fair value basis;
- (iii) the income profits arising from the Qualifying Property Rental Business must represent at least 75 per cent. of the REIT Group’s total profits for the accounting period (the “**75 per cent. profits test**”). Profits for this purpose means profits calculated in accordance with IFRS, before deduction of tax, and excludes (among other items) realised and unrealised gains and losses on the disposal of property; and
- (iv) at the beginning of the accounting period the value of the assets in the Qualifying Property Rental Business must represent at least 75 per cent. of the total value of assets held by the REIT Group (the “**75 per cent. assets test**”). Cash held on deposit and gilts or relevant UK REIT Shares are included in the value of assets relating to the Qualifying Property Rental Business for the purpose of meeting the 75 per cent. assets test. Non-cash assets must be valued in accordance with IFRS and at fair value where IFRS offers a choice of valuation between cost basis and fair value.

In addition, the Qualifying Property Rental Business does not include any property which is classified as owner-occupied in accordance with generally accepted accounting practice (subject to certain exceptions).

(f) *Distribution condition*

The principal company of the REIT (which, for the purposes of this Part, will be the Company) will be required (to the extent permitted by law) to distribute to Shareholders (by way of cash or stock dividend), on or before the filing date for the principal company’s tax return for the

accounting period in question, at least 90 per cent. of the Group's property rental business profits as calculated for tax purposes (broadly, calculated using normal UK corporation tax rules) of the UK resident members of the REIT Group in respect of their Qualifying Property Rental Business and of the non-UK resident members of the REIT Group insofar as they are derived from their UK Qualifying Property Rental Business arising in each accounting period (the “**90 per cent. distribution condition**”). Failure to meet this requirement will result in a tax charge calculated by reference to the extent of the failure, although in certain circumstances where the profits of the period are increased from the amount originally shown in the Financial Statements delivered to HMRC, this charge can be mitigated if an additional dividend is paid within a specified period which brings the amount of profits distributed up to the required level. For the purpose of satisfying the distribution condition, any dividend withheld in order to comply with the excessive shareholder rule (as described below) will be treated as having been paid.

(g) *Investment in other REITs*

Finance Act 2013 enacted certain amendments to the REIT Regime rules in order to facilitate investment by REITs in other REITs. The legislation exempts a distribution of profits or gains of the Qualifying Property Rental Business of one REIT to another REIT. The investing REIT is required to distribute 100 per cent. of the distributions to its Shareholders. The investment by one REIT in another REIT will effectively be treated as a Qualifying Property Rental Business asset for the purposes of the 75 per cent. assets condition.

2.3 *Effect of becoming a REIT*

(a) *Tax exemption*

As a REIT, the REIT Group will not pay UK tax on profits and gains from the Qualifying Property Rental Business. UK tax will still be charged in the normal way in respect of the Residual Business.

Corporation tax could also be payable were the shares in a member of the REIT Group to be sold (as opposed to property involved in the Qualifying Property Rental Business). The REIT Group will also continue to pay all other applicable taxes including VAT, stamp duty land tax, stamp duty, PAYE, rates, Scottish LBTT and national insurance contributions in the normal way.

(b) *The Excessive Shareholder rule*

The principal company of a REIT may become subject to an additional tax charge if it pays a distribution to, or in respect of, a person beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company. Shareholders should note that this tax charge only applies where a distribution is paid to persons that are companies or are treated as bodies corporate in accordance with the law of an overseas jurisdiction with which the UK has a double taxation agreement, or in accordance with such a double taxation agreement. It does not apply where a nominee has such a 10 per cent. or greater holding unless the persons on whose behalf the nominee holds the shares meets the test in their own right.

This tax charge will not be incurred if the principal company has taken reasonable steps to avoid paying distributions to such a person. HMRC guidance describes certain actions that might be taken to show it has taken such “reasonable steps”. One of these actions is to include restrictive provisions in the principal company's articles of association to address this requirement. The Articles (as summarised in paragraph 4 of Part X (Additional Information)) are consistent with the provisions described in the HMRC guidance.

(c) *Dividends*

When the principal company of a REIT pays a dividend (including a stock dividend), that dividend will be a PID to the extent necessary to satisfy the 90 per cent. distribution condition (and where it relates to profits or gains of the Qualifying Property Rental Business of the members of the Group, other than gains arising to non-UK resident members of the Group). If the dividend exceeds the amount required to satisfy that condition, the REIT may determine that all or part of the balance is a Non-PID Dividend to the extent there are any profits of the current or previous years which derive from activities of a kind in respect of which corporation tax is chargeable in relation to income (e.g. profits of the Residual Business). Any remaining balance of the dividend (or other distribution) will generally be deemed to be a PID: firstly, in respect of the remaining income profits of the Qualifying Property Rental Business for the current year or previous years; and secondly, in respect of chargeable gains which are exempt from tax by virtue of the REIT Regime. Any remaining balance will be attributed to other Non-PID Dividends.

Subject to certain exceptions, PIDs will be subject to withholding tax at the basic rate of income tax (currently 20 per cent). Further details of the UK tax treatment of certain categories of Shareholder while the Group is in the REIT Regime are contained in paragraph 12 of Part X (Additional Information) of this document.

If the REIT Group ceases to be a REIT, dividends paid by the principal company may nevertheless be PIDs to the extent they are paid in respect of profits and gains of the Qualifying Property Rental Business that arose whilst the REIT Group was within the REIT Regime.

(d) *Profit: financing cost ratio*

A tax charge will arise if, in respect of any accounting period, the ratio of the company's income profits (before capital allowances) to financing costs (in both cases in respect of its Qualifying Property Rental Business) is less than 1.25:1. The ratio is based on the cost of debt finance taking into account interest, amortisation of discounts or premiums, periodic payments and receipts relating to certain hedging instruments (and related amortisation of discounts and premiums) and the financing expense implicit in payments made under finance leases. The amount (if any) by which the financing costs exceeds the amount of those costs which would cause that ratio to equal 1.25 (subject to a cap of 20 per cent. of the income profits) is chargeable to corporation tax.

(e) *Certain tax avoidance arrangements*

If HMRC thinks that a member of a REIT has been involved in certain tax avoidance arrangements, it may cancel the tax advantage obtained and, in addition, impose a tax charge equal to the amount of the tax advantage. These rules apply to both the Residual Business and the Qualifying Property Rental Business. In addition, if HMRC consider that the circumstances are sufficiently serious or if two or more notices in relation to the obtaining of a tax advantage are issued by HMRC in a ten year period, they may require the REIT Group to exit the REIT Regime.

(f) *Property development and property trading by a REIT*

A property development undertaken by a member of the REIT Group can be within the Qualifying Property Rental Business provided certain conditions are met. However, if the costs of the development exceed 30 per cent. of the fair value of the asset at the later of: (a) the date on which the relevant company becomes a member of a REIT, and (b) the date of the acquisition of the development property, and the REIT sells the development property within the three years beginning with the completion of the development, the property will be treated as never having been part of the Qualifying Property Rental Business for the purposes of calculating any gain arising on disposal of the property (and any tax exempt market value

deemed disposal of the property or entry to the UK REIT Regime will be ignored). Any gain will be chargeable to corporation tax.

If a member of the REIT Group disposes of a property (whether or not a development property) in the course of a trade, the property will be treated as never having been within the Qualifying Property Rental Business for the purposes of calculating any profit arising on disposal of the property (and any tax exempt market value deemed disposal of the property or entry to the REIT Regime will be ignored). Any profit will be chargeable to corporation tax.

(g) *Movement of assets in and out of the Qualifying Property Rental Business*

In general, where an asset owned by a UK resident member of the REIT Group and used for the Qualifying Property Rental Business begins to be used for the Residual Business, there will be a tax-exempt market value disposal of the asset. Where an asset owned by a UK resident member of the REIT Group and used for the Residual Business begins to be used for the Qualifying Property Rental Business, this will generally constitute a taxable market value disposal of the asset for UK corporation tax purposes, except for capital allowances purposes.

(h) *Joint ventures*

The REIT Regime also makes certain provisions for corporate joint ventures. If one or more members of the REIT Group are beneficially entitled, in aggregate, to at least 40 per cent. of the profits available for distribution to equity holders in a joint venture company and at least 40 per cent. of the assets of the joint venture company available to equity holders in the event of a winding up, that joint venture company (or its subsidiaries) is carrying on a Qualifying Property Rental Business which satisfies the 75 per cent. profits condition and the 75 per cent. assets condition (the “**JV company**”) and certain other conditions are satisfied, the principal company may, by giving notice to HMRC, elect for the assets and income of the JV company to be included in the Qualifying Property Rental Business for tax purposes (on a proportionate basis). In such circumstances, the income of the JV company will count towards the 90 per cent. distribution condition and the 75 per cent. profits condition, and its assets will count towards the 75 per cent. assets condition (on a proportionate basis).

The REIT Group’s share of the underlying income and gains arising from any interest in a tax transparent vehicle carrying on a Qualifying Property Rental Business, including offshore unit trusts or partnerships, should fall within the REIT tax exemption, and should also count towards the 75 per cent. profits and assets conditions, provided the REIT Group is entitled to more than 20 per cent. of the profits and assets of the relevant tax transparent vehicle. The REIT Group’s share of the Qualifying Property Rental Business profits arising will also count towards the 90 per cent. distribution condition.

(i) *Acquisitions and takeovers*

If a REIT is taken over by another REIT, the acquired REIT does not necessarily cease to be a REIT and will, provided the applicable conditions continue to be met, continue to enjoy tax exemptions in respect of the profits of its Qualifying Property Rental Business and chargeable gains on disposal of properties in the Qualifying Property Rental Business.

The position is different where a REIT is taken over by an acquirer which is not a REIT. In these circumstances, the acquired REIT is likely in most cases to fail to meet the requirements for being a REIT (unless the acquirer qualifies as an Institutional Investor and the REIT’s shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) and will therefore be treated as leaving the REIT Regime at the end of its accounting period preceding the takeover and ceasing from the end of this accounting period to benefit from tax exemptions on the profits of its Qualifying Property Rental Business and chargeable gains on disposal of property forming part of its Qualifying Property Rental Business. The properties in the Qualifying Property Rental Business are treated as having been sold and reacquired at market value for the purposes of UK corporation tax on chargeable gains

immediately before the end of the preceding accounting period. These disposals should be tax exempt as they are deemed to have been made at a time when the acquired REIT was still in the REIT Regime and future chargeable gains on the relevant assets will, therefore, be calculated by reference to a base cost equivalent to this market value. If the acquired REIT ends its accounting period immediately prior to the takeover becoming unconditional in all respects, dividends paid as PIDs before that date should not be re-characterised retrospectively as normal dividends.

3. Excessive Shareholders

3.1 *The Excessive Shareholder rule*

As noted above, under the REIT Regime a tax charge may be levied on the principal company of a REIT Group if it makes a distribution to, or in respect of, certain bodies corporate that are beneficially entitled, directly or indirectly, to 10 per cent. or more of the principal company's dividends or share capital or that controls, directly or indirectly, 10 per cent. or more of the voting rights in the principal company.

This tax charge will not be incurred if the principal company of the REIT Group (in this case the Company) has taken "reasonable steps" to avoid such a distribution being paid.

The Articles of the Company contain relevant provisions intended to give the Board the powers it needs to demonstrate to HMRC that "reasonable steps" have been taken to avoid making distributions to Excessive Shareholders.

The Articles contain a special article for this purpose (the "**REIT Provisions**"), in line with HMRC guidance and recommendations.

3.2 *Summary of the REIT Provisions*

The REIT Provisions:

- (a) provide directors with powers to identify the Company's Excessive Shareholders (including giving notice to a Shareholder requiring him to provide such information as the Directors may require to establish whether or not he is an Excessive Shareholder);
- (b) provide directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of an Excessive Shareholding, unless certain conditions are met;
- (c) allow dividends to be paid on Shares that form part of an Excessive Shareholding where the Shareholder has disposed of its rights to dividends on its Shares;
- (d) seek to ensure that if a dividend is paid on Shares that form part of an Excessive Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Excessive Shareholder concerned does not become beneficially entitled to that dividend; and
- (e) provide the Directors with powers if certain conditions are met, to require (i) an Excessive Shareholder; or (ii) a Shareholder who has not complied with a notice served in accordance with the power referred to in (a); or (iii) a Shareholder who has provided materially inaccurate or misleading information in relation to the Excessive Shareholder provisions of the Articles, to dispose of such number of their shares as the Directors may specify, or to take such other steps as will cause the Directors to believe the Shareholder is no longer an Excessive Shareholder.

The effect of the REIT Provisions is explained in more detail below.

3.3 ***Identification of Excessive Shareholders***

The share register of a company records the legal owner and the number of ordinary shares they own but does not identify the persons who are beneficial owners of the ordinary shares or are entitled to control the voting rights attached to the ordinary shares or are beneficially entitled to dividends.

Accordingly, the REIT Provisions require an Excessive Shareholder and any registered Shareholder holding shares on behalf of an Excessive Shareholder to notify the Company if his interest in the Company forms part of an Excessive Shareholding. Such a notice must be given within two business days.

The REIT Provisions give the Board the right to require any person to provide information in relation to their shareholding in order to determine whether the Shares form part of an Excessive Shareholding. If the required information is not provided within the time specified (which is seven days after a request is made or such other period as the Board may decide), the Board is entitled to withhold dividends.

3.4 ***Preventing payment of a dividend to an Excessive Shareholder***

The REIT Provisions provide that a dividend may not be paid on any Shares that the Directors believe may form part of an Excessive Shareholding unless the Board is satisfied that the Excessive Shareholder is not beneficially entitled to the dividend.

If in these circumstances payment of a dividend is withheld, the dividend will be paid subsequently if the Board is satisfied that:

- (a) the Excessive Shareholder concerned is not beneficially entitled to the dividends;
- (b) the shareholding is not part of an Excessive Shareholding;
- (c) all or some of the Shares and the right to the dividend have been transferred to a person who is not, and does not thereby become, an Excessive Shareholder (in which case the dividends will be paid to the transferee); or
- (d) sufficient Shares have been transferred (together with the right to the dividends) such that the Ordinary Shares retained are no longer part of an Excessive Shareholding (in which case the dividends will be paid on the retained Shares).

For this purpose references to the “transfer” of a Share includes the disposal (by any means) of beneficial ownership of, control of voting rights in respect of and beneficial entitlement to dividends in respect of, that Share.

If the Directors decide that payment of a distribution should be withheld pursuant to the REIT Provisions, they must notify the relevant Shareholder in writing within five business days.

3.5 ***Payment of a dividend where rights to it have been transferred***

The REIT Provisions provide that dividends may be paid on the Shares that form part of an Excessive Shareholding if the Board is satisfied that the right to the dividend has been transferred to a person who is not, and does not thereby become, an Excessive Shareholder and the Board may be satisfied that the right to the dividend has been transferred if it receives a certificate containing appropriate confirmations and assurances from the Excessive Shareholder. The Directors may require that any such certificate is copied or provided to such persons as they may determine, including HMRC.

If the Directors believe a certificate given in these circumstances is or has become inaccurate, then it will be able to withhold payment of future dividends (as described above). In addition, the Board may require an Excessive Shareholder to pay to the Company the amount of any tax payable (and other costs incurred) as a result of a dividend having been paid to an Excessive Shareholder in reliance on the inaccurate certificate. The Board may require a sale of the relevant Shares and retain the amount claimed from the proceeds.

Certificates provided in the circumstances described above will be of considerable importance to the Company in determining whether dividends can be paid. If the Company suffers loss as a result of any misrepresentation or breach of undertaking given in such a certificate, it may seek to recover damages directly from the person who has provided it. Any such tax may also be recovered out of dividends to which the Excessive Shareholder concerned may become entitled in the future.

The effect of these provisions is that there is no restriction on a person becoming or remaining an Excessive Shareholder provided that the person who does so makes appropriate arrangements to divest itself of the entitlement to dividends.

3.6 *Trust arrangements where rights to dividends have not been disposed of by an Excessive Shareholder*

The REIT Provisions provide that if a dividend is in fact paid on Shares forming part of an Excessive Shareholding (which might occur, for example, if an Excessive Shareholding is split among a number of nominees and is not notified to the Company prior to a dividend payment date), the Excessive Shareholder shall pay the amount of such tax payable (and other costs incurred) in connection with the recovery of such amount. In such circumstances, the Excessive Shareholder may nominate two or more persons (who are not Excessive Shareholders) to be the beneficiaries of the trust. The persons nominated as the beneficiary could be the purchaser of the Shares if the Excessive Shareholder is in the process of selling down their holding so as not to cause the Company to breach the Excessive Shareholder rule. If the Excessive Shareholder does not nominate anyone within twelve years, the dividend concerned will be held on trust for the Company.

If the recipient of the dividend passes it on to another without being aware that the Shares in respect of which the dividend was paid were part of an Excessive Shareholding, the recipient will have no liability as a result. However, the Excessive Shareholder who receives the dividend should do so subject to the terms of the trust and as a result may not claim to be beneficially entitled to those dividends.

3.7 *Mandatory sale of Excessive Shareholdings*

The REIT Provisions also allow the Board to require the disposal of Shares forming part of an Excessive Shareholding if:

- (a) an Excessive Shareholder has been identified and a dividend has been announced or declared and the Board has not been satisfied that the Excessive Shareholder has transferred the right to the dividend (or otherwise is not beneficially entitled to it);
- (b) there has been a failure to provide information requested by the Board; or
- (c) any information provided by any person proves materially inaccurate or misleading.

In these circumstances, if the Company incurs a charge to tax as a result of one of these events, the Board may, instead of requiring the Shareholder to dispose of the Shares, arrange for the sale of the relevant Shares and for the Company to retain from the sale proceeds an amount equal to any tax so payable.

3.8 *Takeovers*

The REIT Provisions do not prevent a person from acquiring control of the Company through a takeover or otherwise, although as explained above, such an event may cause the Company to cease to qualify as a REIT.

3.9 *Other*

The REIT Provisions also give the Company power to require any Shareholder who applies to be paid dividends without any tax withheld to provide such certificate as the Board may require to establish the Shareholder's entitlement to that treatment.

4. Exit from the REIT Regime

The principal company of the REIT Group can give notice to HMRC that it wants to leave the REIT Regime at any time. The Board retains the right to decide that the REIT Group should exit the REIT Regime at any time in the future without the consent of Shareholders if it considers this to be in the best interests of the REIT Group.

If the REIT Group (or a member of the REIT Group) voluntarily leaves the REIT Regime within ten years of joining and disposes of any property or other asset that was involved in its Qualifying Property Rental Business within two years of leaving, any uplift in the base cost of any property held by the Company as a result of the deemed disposal on entry into and deemed disposal and reacquisition at market value on exit from the REIT Regime (or as a movement from the Qualifying Property Rental Business to the Residual Business) is disregarded in calculating the gain or loss on the disposal.

It is important to note that it cannot be guaranteed that the Company or the REIT Group will comply with all of the REIT conditions and that the REIT Regime may cease to apply in some circumstances. HMRC may require the REIT Group to exit the REIT Regime for a number of reasons, including that:

- (a) it regards a breach of the conditions relating to the REIT Regime, or an attempt to obtain a tax advantage, as sufficiently serious; or
- (b) the REIT Group or the Company have committed a certain number of breaches of the conditions in a specified period; or
- (c) HMRC has given members of the REIT Group two or more notices in relation to the obtaining of a tax advantage within a ten year period of the first notice having been given.

In addition, if the conditions for REIT status relating to the share capital of the principal company and the prohibition on entering into loans with abnormal returns are breached or the principal company ceases to be UK resident, becomes dual resident or an open-ended company, it will automatically lose REIT status. Where the REIT Group automatically loses REIT status or is required by HMRC to leave the REIT Regime within ten years of joining, HMRC has wide powers to direct how it is to be taxed, including in relation to the date on which the REIT Group is treated as exiting the REIT Regime.

Shareholders should note that it is possible that the REIT Group could lose its status as a REIT as a result of actions by third parties (for example, in the event of a successful takeover by a company that is not a REIT, unless the acquirer qualifies as an Institutional Investor and the REIT's shares continue to be admitted to trading on a recognised stock exchange and are either listed or traded) or other circumstances outside the REIT Group's control.

PART VI

PROPERTY VALUATION REPORTS

This Part VI comprises:

- (a) the Jones Lang LaSalle Valuation Report, which values certain properties owned by the Group as at 30 September 2017; and
- (b) the Savills Advisory Services Limited Valuation Report, which values the remaining properties owned by the Group as at 30 September 2017.

These Valuation Reports, together, cover all of the investment properties and developments owned by the Group.



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16 November 2017

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DESKTOP PORTFOLIO VALUATION OF 208 PROPERTIES FOR THE PURPOSE OF INCLUSION IN A PROSPECTUS

1.0 Instructions

- 1.1 In this Report, the “**Issuer**” shall mean Assura plc.
- 1.2 In accordance with instructions received from the Issuer in its email dated 4 October 2017 and as confirmed in our Terms of Engagement letter dated 7 November 2017, we have considered certain of the existing investment properties, developments in the course of construction and the additional land bank sites and vacant buildings (the “**Properties**” and each a “**Property**”) held by the Issuer and its group of companies (together the “**Assura Group**”) in order to provide our opinion on a Desktop basis of the aggregate Market Value and Market Rent (in each case as defined below) of the 208 freehold and leasehold interests in each of the Properties, subject to and with the benefit of the various occupational leases to which the Properties may be subject, as at 30 September 2017.
- 1.3 This Report has been prepared for the purpose of inclusion in the listing particulars prepared by the Issuer dated 16 November 2017 for the purposes of EU Directive 2003/71/EC (the “**Prospectus Directive**”) and comprising the listing particulars given in compliance with the listing rules made under Section 73A of the Financial Services and Markets Act 2000 by the UK Listing Authority (the “**Prospectus**”). The Prospectus is being published in connection with the firm placing, placing and open offer and offer for subscription being conducted by the Issuer and the subsequent admission to listing of the shares issued by the Issuer pursuant thereto to the premium segment of the Official List of the UK Listing Authority and to trading on the premium segment of London Stock Exchange plc’s Main Market.

2.0 Compliance with Appraisal and Valuation Standards

- 2.1 We confirm that our valuation and report will be prepared in accordance with the current RICS Valuation – Global Standards 2017 published by the Royal Institution of Chartered Surveyors and the RICS Valuation – Professional Standards UK January 2014 (revised April 2015) (the RICS Red Book).

Jones Lang LaSalle Limited
Registered in England & Wales Number 1188567
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- 2.2 We further confirm that our valuations and Report have been prepared in accordance with the relevant provisions of the Listing Rules and the City Code on Takeovers and Mergers, Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of the ESMA update of the CESR recommendations for the consistent implementation of the European Commission's Regulation on Prospectuses No 809/2004 (the "**Prospectus Directive Regulation**") ("**ESMA Guidelines**") and the Prospectus Directive. We also confirm that unless otherwise defined, terms have the meaning given to them in the above sources.

3.0 Status of Valuer

- 3.1 We confirm that we have undertaken the Valuation acting as an External Valuer (as defined in the RICS Red Book) for the purposes of valuing the Properties pursuant to the Terms of Engagement Letter and as an independent expert for the purposes of the ESMA Guidelines.

4.0 Disclosures Required Under the Provisions of UKPS 5.3

- 4.1 We confirm in the financial year to 31 December 2016, the proportion of total fees payable by the Assura Group to the total fee income of Jones Lang LaSalle (JLL) was less than 5%.
- 4.2 The signatories to this Report have also signed annual and interim valuation reports for Assura Group since March 2014 being RICS Registered Valuers. In accordance with VPS3 s7(a) we confirm that the aforementioned individuals have the knowledge, skill and understanding to undertake the valuation competently.

5.0 Conflict of Interest

- 5.1 We confirm that we undertake quarterly desktop reviews of the portfolio for the Assura Group and security valuations for their banks and on the basis that all interested parties are aware of these roles, we do not consider there to be a conflict of interest.

6.0 Information

- 6.1 In preparing this desktop valuation we have relied on the following information and assumed all are valid for the purposes of our Report but should any information prove to be incorrect or inadequate, then this could affect the accuracy of the valuations:
- (a) our files relating to each of the Properties we have inspected previously;
 - (b) leases and/or summaries, floor plans and other relevant information in respect of the recently completed or acquired Properties which we have not yet inspected;
 - (c) copy leases and floor plans, where available;
 - (d) updating information regarding any material changes to the Properties including lettings, rents, layout, and proposed terms of occupation where vacant space is under negotiation or in construction; and
 - (e) previous Certificates of Title prepared by the Issuer's solicitors (although these are now regarded as historic).
- 6.2 The Properties are inspected on a three-year programme as part of our periodic reviews and 70% have been visited since 2013. Inspections of the remaining Properties will be carried out during 2017. We have been advised by the Issuer that there have been no material changes to any of the Properties since our inspections other than as stated and reflected in our valuations.



7.0 The Portfolio

- 7.1 The Properties we have valued comprise 208 investments, which are held on a mixed freehold, heritable, part freehold/leasehold and leasehold basis, subject to and with the benefit of various occupational leases and agreements but otherwise with full vacant possession.
- 7.2 The Properties have been valued individually and do not reflect the potential for a premium if disposed of as a single lot. We have assumed that there would be a reasoned disposal programme so as not to flood the market with this niche product and having regard to lotting, as appropriate, to achieve the best price. However, there is limited stock and recent corporate interest in portfolios would suggest that a premium could be secured at the present time but this is not reflected in our valuations.

8.0 Tenure and Tenancies

- 8.1 The Properties are held on a mixed freehold, heritable, long and short leasehold basis, subject to various leases and otherwise free from encumbrance and we have not been advised of any outstanding notices or disputes affecting them.
- 8.2 We have relied upon the details of tenure, tenancies and other information provided by the Issuer. In addition, we have previously been provided with Certificates of Title supplied to us by the Issuer's Solicitors and confirm as follows:
- (a) where we have relied upon information provided to us by the Issuer, such information is not inconsistent with the Certificates of Title;
 - (b) we have assumed that, save as may be disclosed by the Certificates of Title, the Properties possess good marketable titles free from any unusual encumbrances, restrictions or obligations;
 - (c) we have assumed that, save as may be disclosed by the Certificates of Title, nothing would be revealed by any local search or replies to usual enquiries of the seller which would materially adversely affect the respective values of the Properties; and
 - (d) in respect of the short and long leasehold interests, we have assumed that consent to assign would not be withheld or delayed by the landlord if required and that, save as may be disclosed by the Certificates of Title, there are no outstanding arrears or breaches of covenant.
- 8.3 No account has been taken of any mortgages, debentures or other security which may now or in the future exist over any of the Properties.

9.0 Basis of Valuation

- 9.1 Our Valuation has been prepared in accordance with the RICS Red Book which sets out the following definitions:

Market Value

- 9.2 Valuation Practice Standard VPS 4 (1.2) of the Red Book defines Market Value (MV) as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."



Market Rent (MR)

9.3 Valuation Practice Standard VPS 4 (1.3) of the Red Book defines Market Rent (MR) as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had acted knowledgeably, prudently and without compulsion.”

9.4 Our valuations are exclusive of any Value Added Tax (VAT) and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of acquisition costs payable by a buyer of a property including professional fees and Stamp Duty Land Tax (SDLT) currently based on a sliding scale in England and Wales of 0.0% up to £120,000 cost, 1.0% up to £250,000, 3.0% up to £500,000 and 4.0% above, adopting 20% VAT on fees. Scottish properties are subject to Land and Buildings Transaction Tax (LBTT) which is the equivalent to SDLT in England and Wales of 0.0% up to £150,000, 3.0% up to £350,000 and 4.5% above, adopting 20% VAT on fees.

10.0 Assumptions and Sources of Information

Net Annual Rent

10.1 When assessing the values of these Properties we have had regard to the annual rents receivable for each Property and the definition of ‘net annual rent’ given in the Listing Rules made by the Financial Conduct Authority pursuant to section 73A of the Financial Services and Markets Act, as amended. Further, our valuation based on the annual rent of the Properties:

- (a) ignores any special receipts or deductions arising from the Property;
- (b) excludes Value Added Tax and before taxation (including tax on profits and allowances for interest on capital or loans); and
- (c) makes deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent.

Where premises are let on effective full repairing and insuring leases, the net annual rents receivable are the presently contracted rents payable under those leases without any deduction for the cost of management or any other expenses.

The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

Floor Areas

10.2 We have relied upon the floor areas provided to us by the Issuer where we have not had sufficient access to buildings or scale floor plans. In certain instances check measurements have been taken on site, and the floor area figures provided have proved to be accurate. We assume that all floor area figures provided are complete and correct and calculated in accordance with the Code of Measuring Practice, 6th Edition issued by the RICS and agreed with the District Valuer at practical completion or at subsequent rent reviews.



Environmental Investigations and Ground Conditions

- 10.3 We were not instructed to undertake an Environmental Audit, and are therefore unable to warrant that the Properties will not be adversely affected by the provisions and implementation of the Environmental Protection Act 1990 and Environment Act 1995. We have not investigated whether the sites of the Properties are, or have been in the past, contaminated and are therefore unable to warrant that the Properties are free from any defect or risk in this respect. We have not however been advised of any contamination affecting these Properties or, of any neighbours, or other investigation or soil survey which may have been carried on the Properties which may draw attention to contamination or the possibility of such contamination.
- 10.4 We have assumed that, except to the extent disclosed to us by the Issuer, that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the Properties.

Town Planning and Statutory Requirements

- 10.5 We have not made updating town planning enquiries for the purposes of this Report and assume (save as set out in the Certificates of Title) (a) that there are no adverse town planning or highway issues nor other schemes or proposals and (b) that all relevant planning consents exist for the Properties and their respective present uses.
- 10.6 Further, we have not made enquiries with the Care Quality Commission regarding the regulatory compliance of the various medical practices and assume there are no material outstanding requirements or enforcement actions.

Tenants' Covenants

- 10.7 We have not conducted credit enquiries into the financial status of any of the tenants of the Properties (the "Tenants"). However, in undertaking our valuations we have reflected our understanding of the market's perception of the financial status of the Tenants and the rent reimbursement process. We have also assumed that each Tenant is capable of meeting its lease obligations, and that there are no material undisclosed breaches of covenant.

11.0 Valuation

- 11.1 We are of the opinion that the aggregate Market Value calculated on a desk top basis of the mixed freehold, heritable, part freehold/long leasehold and leasehold medical centre Properties, subject to the various existing and proposed leases in their current condition can be fairly stated at £424,355,700 (FOUR HUNDRED AND TWENTY FOUR MILLION THREE HUNDRED AND FIFTY FIVE THOUSAND AND SEVEN HUNDRED POUNDS).

- 11.2 This is apportioned between the freehold/heritable and long leasehold Properties which is shown below:

<i>Investments</i>	<i>Market Value</i>
Freehold	£326,610,200
Long Lease	£97,745,500
Total	£424,355,700

- 11.3 The aggregate gross passing rent for the Properties contracted under the terms of the leases as provided to us by the Issuer as at 30 September 2017 and stated before deduction of any Landlord's non recoverable expenditure and prior to the settlement of any outstanding rent reviews is £24,021,000 (TWENTY FOUR MILLION AND TWENTY ONE THOUSAND POUNDS) per annum.



- 11.4 We have valued the income producing Properties individually on a traditional investment basis applying a mix of net initial, hardcore or term and reversion yields to the net rents receivable under the various leases and having regard to the quality of each building, Tenant covenant strength, length of lease, location and whether the Property is regarded as reversionary by reference to our assessment of Market Rent.

The leases are on a mix of either full repairing and insuring terms (or with effective full recovery through service charges) or a Tenant internal repairing basis and our assessment of net rent and resulting valuations have been adjusted for head rents and Landlord's non recoverable costs on external repairs and insurance etc. Where there is vacant space, we have reflected extended void periods and risk adjusted yields together with fit out costs as appropriate.

- 11.5 The aggregate figures provided relate to the total of the individual Property Market Values and Market Rents at the date of valuation being 30 September 2017.
- 11.6 The Market Value figures adopted take into account the Net Annual Rent and the Market Rent and anticipated income profile over the life of the investments.
- 11.7 There is a reasonable amount of evidence of recent open market transactions, and we consider our valuations are well supported by reference to our analysis of transactional evidence, where available, and our direct experience of the primary care market and buying criteria of potential purchasers with appropriate adjustments to reflect current market conditions. Accordingly, we consider our opinion of Market Value as detailed above can be reported with a reasonable degree of confidence.

12.0 General Assumptions

12.1 Exclusions

The valuations do not make any allowance or take into account any legal fees, costs or other expenses, which would be incurred on the sale or purchase of the Properties, other than usual purchaser's costs as set out above.

We have excluded from our consideration any special purchaser who, due to special interest or circumstances, may wish to purchase the Properties.

Whilst we have had regard to the general effects of taxation on market value, we have not taken into account any liability for tax which may arise on a disposal, whether actual or national, and neither have we made any deduction for Capital Gains Tax, Value Added Tax or any other tax liability.

The valuation figures in this report are exclusive of VAT. We have not undertaken any enquiries to ascertain whether or not a sale of the Properties would attract VAT.

The valuations are based on the technical, legal and financial information given to us and we have relied on this information in formulating our opinions of value.

12.2 Structural and Decorative Condition

This valuation and Report is not a structural survey and we therefore value on the assumption that each Property is of sound design and construction, and free from any inherent defect. We have not inspected any covered or inaccessible areas, nor were any detailed inspections carried out of woodwork or structural members.

We did not carry out any investigation to determine whether or not high alumina cement, calcium chloride additives, asbestos or other potentially deleterious or hazardous materials have been used in the construction of the Properties or have since been incorporated in the Properties.



12.3 *Services, Plant and Equipment*

No detailed inspection or tests have been carried out by us on any of the services or items of equipment, therefore no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We have assumed all services, plant and machinery are in full working order and comply with all statutory requirements and standards.

12.4 *Compliance with Statutory Matters*

In the absence of contrary statements, we have assumed that the buildings fully comply with all statutory requirements to include Fire Office approval, environmental health and health and safety etc. without any conditions or onerous costs to the owner.

12.5 *Confidentiality and Publication*

This Report has been prepared for inclusion in the Prospectus. The contents of this Report may be used only for the specific purpose to which they refer. Before this Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, our written approval as to the form and context of such publication or disclosure must first be obtained.

For the avoidance of doubt such approval is required whether or not Jones Lang LaSalle is referred to by name and whether or not the contents of our Report are combined with others.

We confirm that we have consented in our Terms of Engagement to the inclusion of this Report in the Prospectus.

12.6 *Responsibility Statement*

Save for any responsibility or liability which we may have to those persons to whom this Report is addressed, and save for any responsibility arising under the Listing Rules, the City Code on Takeovers and Mergers or Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Report or our statement, required by and given solely for the purposes of complying with the Listing Rules, the City Code on Takeovers and Mergers and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.

For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information contained within this Report and declare that we have taken all reasonable care to ensure that the information contained in this Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex I item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

A handwritten signature in black ink, appearing to read "Andrew Sproson", with a long horizontal flourish extending to the right.

Andrew Sproson FRICS
For and on behalf of
Jones Lang LaSalle Limited

A handwritten signature in black ink, appearing to read "Emma Glynn", with a long horizontal flourish extending to the right.

Emma Glynn MRICS
For and on behalf of
Jones Lang LaSalle Limited

A handwritten signature in black ink, appearing to read "Anthony Oldfield", with a long horizontal flourish extending to the right.

Anthony Oldfield MRICS
For and on behalf of
Jones Lang LaSalle Limited

Assura plc
The Brew House
Greenalls Avenue
Warrington
WA4 6HL

Stifel Nicolaus Europe Limited
150 Cheapside
London EC2V 6ET

J.P. Morgan Securities plc
25 Bank Street
London E14 5JP

16 November 2017

Dear Sirs

Samantha Rowland BSc (Hons) FRICS
E: srowland@savills.com
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Savills (UK) Ltd
33 Margaret Street
London
W1G 0JD
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PORTFOLIO VALUATION AS AT 30 SEPTEMBER 2017

1.0 INSTRUCTIONS

- 1.1 In this Report, the “**Issuer**” shall mean Assura plc.
- 1.2 In accordance with the instructions received from the Issuer in its email dated 4 October 2017 and as confirmed in our Terms of Engagement letter dated 31 October 2017, we have considered certain of the existing investment properties, developments in the course of construction and the land bank sites (the “**Properties**” and each a “**Property**”) held by the Issuer and its group of companies (together the “**Assura Group**”) in order to provide our opinion of the aggregate Market Value and Market Rent (in each case as defined below) of the 281 freehold/heritable and leasehold interests in each of the Properties, subject to and with the benefit of the various occupational leases to which the Properties may be subject, as at 30 September 2017.
- 1.3 This Report has been prepared for the purpose of inclusion in the listing particulars prepared for the purposes of EU Directive 2003/71/EC (the “**Prospectus Directive**”) and comprising the listing particulars given in compliance with the listing rules made under Section 73A of the Financial Services and Markets Act 2000, as amended (“**FSMA**”) by the UK Listing Authority (the “**Prospectus**”). The Prospectus is being published on the date of this Report in connection with the firm placing, placing and open offer and offer for subscription being conducted by the Issuer and subsequent admission to the listing of the shares issued by the Issuer pursuant thereto to the premium segment of the Official List of the UK Listing Authority and to trading on the premium segment of London Stock Exchange plc’s Main Market.

2.0 COMPLIANCE WITH APPRAISAL AND VALUATION STANDARDS

- 2.1 This Report has been prepared in accordance with the RICS Valuation – Global Standards 2017 incorporating the IVSC International Valuation Standards issued June 2017 and effective from 1 July

Offices and associates throughout the Americas, Europe, Asia Pacific, Africa and the Middle East.

Savills Advisory Services Limited. Chartered Surveyors. A subsidiary of Savills plc. Registered in England No. 6215875.
Registered office: 33 Margaret Street, London W1G 0JD

2017 (the “**Red Book**”), in particular in accordance with the requirements of VPS 3 entitled Valuation Reports.

- 2.2 We further confirm that our valuations and Report have been prepared in accordance with the relevant provisions of the Listing Rules and the City Code on Takeovers and Mergers, Rule 5.6.5G of the Prospectus Rules published by the Financial Services Authority and paragraphs 128 to 130 of the ESMA update of the CESR recommendations for the consistent implementation of the European Commission’s Regulation on Prospectuses No 809/2004 (“**ESMA Guidelines**”) and the Prospectus Directive. We also confirm that unless otherwise defined, terms have the meaning given to them in the above sources.

3.0 STATUS OF VALUER

- 3.1 We confirm that we have undertaken the Valuation acting as an External Valuer (as defined in the RICS Red Book) for the purposes of valuing the Properties pursuant to the Terms of Engagement Letter and as an independent expert for the purposes of the ESMA Guidelines.

4.0 DISCLOSURES REQUIRED UNDER THE PROVISIONS OF PS 5.1

- 4.1 Savills Advisory Services Limited is a wholly owned subsidiary of Savills plc (the “Group”). In the Group’s financial year to 31 December 2016, the proportion of total fees payable by the Assura Group to the total fee income of the Group was less than 5%. We would not envisage that this situation will vary in terms of our current financial year to 31 December 2017.
- 4.2 Samantha Rowland BSc (Hons) FRICS has been the signatory of the Valuation Reports provided to the Company since 2014. Colin Rees Smith BSc (Hons) MRICS joined Savills in 2007 as a Director and has over 20 years of experience in the healthcare sector. Alex Crawley BSc (Hons) MRICS has assisted with the valuations and report and is experienced in primary care valuations. Alex has assisted on the portfolio since 2013 and undertakes the majority of rent reviews on behalf of Assura in the south of England.
- 4.3 All three are also RICS Registered Valuers. Furthermore, in accordance with VPS3 s2(a) we confirm that the aforementioned individuals have the knowledge, skill and understanding to undertake the valuation competently.

5.0 CONFLICT OF INTEREST

- 5.1 We confirm that we undertake quarterly valuations of the portfolio for the Assura Plc and security valuations for their banks and on the basis that all interested parties are aware of these roles, we do not consider there to be a conflict of interest.

6.0 INFORMATION

- 6.1 In preparing this valuation we have relied on the following information and assumed all are valid for the purposes of our Report but should any information prove to be incorrect or inadequate, then this could affect the accuracy of the valuations:
- (a) our files relating to each of the Properties we have inspected previously;
 - (b) leases, floor plans and other relevant information in respect of the recently completed or acquired Properties which we have not yet inspected;

- (c) copy leases and floor plans, where available;
 - (d) updating information regarding any material changes to the Properties including lettings, rents, layout, and proposed terms of occupation where vacant space is under negotiation or in construction; and
 - (e) previous Certificates of Title prepared by the Issuer's solicitors (although these are now regarded as historic).
- 6.2 As set out in our terms of engagement letter dated 2 March 2017 and in accordance with the requirements of VPS 2 of the RICS Red Book, we have not re-inspected the Properties for the purposes of this valuation but a proportion have been visited in the last 12 months. We have inspected all of the properties and we are re-inspecting all Properties on a 3 year rolling program with effect from March 2017.
- 6.3 We have been advised by the Company that there have been no material changes to any of the Properties since our last inspections other than reported to us, such as extensions, and which are reflected in our valuations.

7.0 THE PORTFOLIO

- 7.1 The Properties we have valued comprise 269 investments, 5 developments in the course of construction and the additional 7 sites which are held on a mixed freehold, heritable, part freehold/leasehold and leasehold basis, subject to and with the benefit of various occupational leases and agreements but otherwise with full vacant possession.
- 7.2 The Properties have been valued individually and do not reflect the potential for a premium if disposed of as a single lot. We have assumed that there would be a reasoned disposal programme so as not to flood the market with this niche product and having regard to lotting, as appropriate, to achieve the best price.
- 7.3 However, there is limited stock available and recent corporate interest in portfolios would suggest that a premium could be secured at the present time but this is not reflected in our valuations.

8.0 TENURE AND TENANCIES

- 8.1 The Properties are held on a mixed freehold, heritable, long and short leasehold basis, subject to various leases and otherwise free from encumbrance and we have not been advised of any outstanding notices or disputes affecting them.
- 8.2 We have relied upon the details of tenure, tenancies and other information provided by the Issuer. In addition, we have previously been provided with Certificates of Title supplied to us by the Issuer's solicitors and confirm as follows:
- (a) where we have relied upon information provided to us by the Issuer, such information is not inconsistent with the Certificates of Title;
 - (b) we have assumed that, save as may be disclosed by the Certificates of Title, the Properties possess good marketable titles free from any unusual encumbrances, restrictions or obligations;
 - (c) we have assumed that, save as may be disclosed by the Certificates of Title, nothing would be revealed by any local search or replies to usual enquiries of the seller which would materially adversely affect the respective values of the Properties; and

- (d) in respect of the short and long leasehold interests, we have assumed that consent to assign would not be withheld or delayed by the landlord if required and that, save as may be disclosed by the Certificates of Title, there are no outstanding arrears or breaches of covenant.

8.3 No account has been taken of any mortgages, debentures or other security which may now or in the future exist over any of the Properties.

9.0 BASIS OF VALUATION

9.1 Our Valuation has been prepared in accordance with the RICS Red Book which sets out the following definitions:

Market Value

9.2 Market Value (MV) is defined in IVS 104 paragraph 30.1 as:

“The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

Market Rent (MR)

9.3 Market Rent (MR) is defined in IVS 104 paragraph 40.1 as:

“The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.”

9.4 Our valuations are exclusive of any Value Added Tax (VAT) and no allowances have been made for any expenses of realisation nor for taxation which might arise in the event of a disposal of a Property. Our valuations are, however, net of the standard acquisition costs payable by a buyer of a property (adjusted for Scotland) adopting 20% VAT on fees.

10.0 ASSUMPTIONS AND SOURCES OF INFORMATION

Net Annual Rents

10.1 When assessing the values of the Properties we have had regard to the annual rents receivable for each Property and the definition of ‘net annual rent’ given in the Listing Rules made by the Financial Conduct Authority pursuant to section 73A of the FSMA.

10.2 Further, our valuation based on the annual rent of the Properties:

- (a) ignores any special receipts or deductions arising from the Property;
- (b) excludes Value Added Tax and before taxation (including tax on profits and allowances for interest on capital or loans); and
- (c) makes deductions for superior rents (but not for amortisation), and any disbursements including, if appropriate, expenses of managing the property and allowances to maintain it in a condition to command its rent.

- 10.3 Where premises are let on effective full repairing and insuring leases, the net annual rents receivable are the presently contracted rents payable under those leases without any deduction for the cost of management or any other expenses.
- 10.4 The rental value reflects the terms of the leases where the Properties, or parts thereof, are let at the date of valuation. Where Properties, or parts thereof, are vacant at the date of valuation, the rental value reflects the rent we consider would be obtainable on an open market letting as at the date of valuation.

Floor Areas

- 10.5 We have relied upon the floor areas provided to us by the Issuer where we have not had sufficient access to buildings or scale floor plans. In certain instances check measurements have been taken on site, and the floor area figures provided have proved to be accurate. We assume that all floor area figures provided are complete and correct and calculated in accordance with the Code of Measuring Practice, 6th Edition issued by the RICS and agreed with the District Valuer at practical completion or at subsequent rent reviews.

Environmental Investigations and Ground Conditions

- 10.6 We were not instructed to undertake an Environmental Audit, and are therefore unable to warrant that the Properties will not be adversely affected by the provisions and implementation of the Environmental Protection Act 1990 and Environment Act 1995.
- 10.7 We have not investigated whether the sites of the Properties are, or have been in the past, contaminated and are therefore unable to warrant that the Properties are free from any defect or risk in this respect.
- 10.8 We have not however been advised of any contamination effecting these Properties or, of any neighbours, or other investigation or soil survey which may have been carried on the Properties which may draw attention to contamination or the possibility of such contamination.
- 10.9 We have assumed that, except to the extent disclosed to us by the Issuer, that there are no abnormal ground conditions, nor archaeological remains present, which might adversely affect the present or future occupation, development or value of any of the Properties.

Town Planning and Statutory Requirements

- 10.10 We have not made updating town planning enquiries for the purposes of this Report and assume (save as set out in the Certificates of Title) (a) that there are no adverse town planning or highway issues nor other schemes or proposals and (b) that all relevant planning consents exist for the Properties and their respective present uses.
- 10.11 Further, we have not made enquiries with the Care Quality Commission regarding the regulatory compliance of the various medical practices and assume there are no material outstanding requirements or enforcement actions.

Tenants' Covenants

- 10.12 We have not conducted credit enquiries into the financial status of any of the tenants of the Properties (the “**Tenants**”). However, in undertaking our valuations we have reflected our understanding of the market’s perception of the financial status of the Tenants and the rent reimbursement process. We have also assumed that each Tenant is capable of meeting its lease obligations, and that there are no material undisclosed breaches of covenant.

11.0 VALUATION

- 11.1 We have valued the income producing Properties individually on a traditional investment basis applying a mix of net initial, hardcore or term and reversion yields to the net rents receivable under the various leases and having regard to the quality of each building, Tenant covenant strength, length of lease, location and whether the Property is regarded as reversionary by reference to our assessment of Market Rent.
- 11.2 The leases are on a mix of either full repairing and insuring terms (or with effective full recovery through service charges) or a Tenant internal repairing basis and our assessment of net rent and resulting valuations have been adjusted for head rents and Landlord's non recoverable costs on external repairs and insurance etc. Where there is vacant space, we have reflected extended void periods of up to 48 months and risk adjusted yields together with fit out costs as appropriate.
- 11.3 The Market Value figures adopted take into account the Net Annual Rent and the Market Rent and anticipated income profile over the life of the investments.
- 11.4 We are of the opinion that the aggregate Market Value of the 269 mixed freehold, heritable, part freehold/long leasehold and leasehold medical centre and retail mall investments, subject to the various existing and proposed leases, and the 5 mixed freehold and long leasehold medical centre developments, on the assumption that these developments are completed and fitted out to a high standard and the various proposed leases are entered into on the terms advised to us, together with the 7 sites, in their current condition, net of acquisition costs, can be fairly stated at £1,144,855,000 (One Billion, One Hundred and Forty Four Million and Eight Hundred and Fifty Five Thousand Pounds).
- 11.5 This is apportioned between the 269 investments, 5 developments in the course of construction and the 7 sites as follows which we have also shown split between freehold and leasehold tenure:
- | | |
|---|--------------|
| (a) <i>Investments</i> | |
| Freehold/heritable | £844,080,000 |
| Freehold/Long Leasehold | £6,955,000 |
| Long Leasehold | £246,065,000 |
| Short Leasehold | £5,780,000 |
| (b) <i>Developments in the course of construction</i> | |
| Freehold | £37,150,000 |
| Long Leasehold | £1,830,000 |
| (c) <i>Land Bank Sites and Vacant Buildings</i> | |
| Freehold | £2,995,000 |
| Leasehold | Nil |
- 11.6 The aggregate gross passing rent for the Properties contracted under the terms of the leases as provided to us by the Issuer as at 30 September 2017 and stated before deduction of any Landlord's non recoverable expenditure and prior to the settlement of any outstanding rent reviews is **£58,907,926 per annum (Fifty Eight Million, Nine Hundred and Seven Thousand, Nine Hundred and Twenty Six Pounds per annum).**

- 11.7 Our opinion of the Market Values of the Properties are stated as at 30 September 2017. We are not aware of any material changes to the aggregate valuation from that date to the date of this letter.
- 11.8 The combined values of the Properties, excluding new acquisitions and recently completed developments, has increased by £44,470m (5.09%) overall from the year end valuation undertaken for the Issuer as at 31 March 2017 on a like for like basis adjusted for sales and acquisitions. This is mainly as a result of successful rent reviews, extension works and lettings together with yield adjustments to reflect the recently improved market conditions and comparable evidence.
- 11.9 Despite the limited evidence of recent open market transactions, we consider our valuations are well supported by reference to our analysis of transactional evidence, where available, and our experience of the primary care market and buying criteria of potential purchasers with appropriate adjustments to reflect current market conditions.
- 11.10 Accordingly, we consider our opinion of Market Value as detailed above can be reported with a reasonable degree of confidence.

12.0 GENERAL ASSUMPTIONS

12.1 *Exclusions*

The valuations do not make any allowance or take into account any legal fees, costs or other expenses, which would be incurred on the sale or purchase of the Properties, other than usual purchaser's costs as set out above.

We have excluded from our consideration any special purchaser who, due to special interest or circumstances, may wish to purchase the Properties.

Whilst we have had regard to the general effects of taxation on market value, we have not taken into account any liability for tax which may arise on a disposal, whether actual or national, and neither have we made any deduction for Capital Gains Tax, Value Added Tax or any other tax liability.

The valuation figures in this report are exclusive of VAT. We have not undertaken any enquiries to ascertain whether or not a sale of the Properties would attract VAT.

The valuations are based on the technical, legal and financial information given to us and we have relied on this information in formulating our opinions of value.

12.2 *Structural and Decorative Condition*

This valuation and Report is not a structural survey and we therefore value on the assumption that each Property is of sound design and construction, and free from any inherent defect. We have not inspected any covered or inaccessible areas, nor were any detailed inspections carried out of woodwork or structural members.

We did not carry out any investigation to determine whether or not high alumina cement, calcium chloride additives, asbestos or other potentially deleterious or hazardous materials have been used in the construction of the Properties or have since been incorporated in the Properties.

12.3 *Services, Plant and Equipment*

No detailed inspection or tests have been carried out by us on any of the services or items of equipment, therefore no warranty can be given with regard to their serviceability, efficiency, safety or adequacy for their purpose. We have assumed all services, plant and machinery are in full working order and comply with all statutory requirements and standards.

12.4 ***Compliance with Statutory Matters***

In the absence of contrary statements we have assumed that the buildings fully comply with all statutory requirements to include Fire Office approval, CQC, environmental health and health and safety etc without any conditions or onerous costs to the owner.

12.5 ***Confidentiality and Publication***

This Report has been prepared for inclusion in the Prospectus. The contents of this Report may be used only for the specific purpose to which they refer. Before this Report, or any part thereof, is reproduced or referred to, in any document, circular or statement, and before its contents, or any part thereof, are disclosed orally or otherwise to a third party, our written approval as to the form and context of such publication or disclosure must first be obtained.

For the avoidance of doubt such approval is required whether or not Savills Advisory Services Limited is referred to by name and whether or not the contents of our Report are combined with others.

We confirm that we have consented in our Terms of Engagement to the inclusion of this Report in the Prospectus.

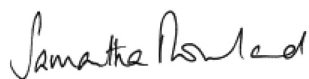
12.6 ***Responsibility Statement***

Save for any responsibility or liability we may have to those persons to whom the Report is addressed, and save for any responsibility arising under the Listing Rules, the City Code on Takeovers and Mergers or Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in accordance with the Report or our statement, required by and given solely for the purposes of complying with the Listing Rules, the City Code on Takeovers and Mergers and Annex I item 23.1 of the Prospectus Directive Regulation, consenting to its inclusion in the Prospectus.


For the purpose of Prospectus Rule 5.5.3R(2)(f), we accept responsibility for the information contained within this Report and declare that we have taken all reasonable care to ensure that the information contained in this Report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with Annex 1 item 1.2 of the Prospectus Directive Regulation.

Yours faithfully

For and on behalf of Savills Advisory Services Limited



Samantha Rowland BSc (Hons) FRICS
RICS Registered Valuer
Director – Head of Healthcare Valuations



Colin Rees Smith BSc (Hons) MRICS
RICS Registered Valuer
Director – Healthcare



Alex Crawley BSc (Hons) MRICS
RICS Registered Valuer
Associate Director – Healthcare

PART VII

FINANCIAL INFORMATION ON ASSURA

1. Basis of Financial Information

The consolidated financial statements of Assura included in the 2015 Annual Report, the 2016 Annual Report and the 2017 Annual Report, together with the audit reports thereon, and the 2016 Interim Report and the 2017 Interim Report, together with the review report thereon, are incorporated by reference into this document with the consent of Assura. The consolidated financial statements of and for the financial years ended 31 March 2015, 31 March 2016, 31 March 2017 were prepared in accordance with IFRS, and the audit report for each such financial period was unqualified.

Each of the 2015 Annual Report, the 2016 Annual Report, the 2017 Annual Report, the 2016 Interim Report and the 2017 Interim Report are available on the Group's website, www.Assuraplco.co.uk.

2. Cross-reference list

The following list is intended to enable investors to easily identify specific items of information which have been incorporated by reference into this document. Any non-incorporated parts of the documents incorporated by reference in this document are either not relevant for the purposes of the Share Issue or the relevant information is included elsewhere in this document. Any documents themselves incorporated by reference in this document shall not form part of this document.

Financial statements for the year ended 31 March 2015 and independent audit report thereon
The page numbers below refer to the relevant pages of the 2015 Annual Report.

Consolidated income statement	page 80
Consolidated balance sheet	page 81
Consolidated statement of changes in equity	page 82
Consolidated cash flow statement	page 83
Notes to the financial statements	pages 84 to 105
Independent auditor's report	pages 77 to 79

Financial statements for the year ended 31 March 2016 and independent audit report thereon
The page numbers below refer to the relevant pages of the 2016 Annual Report.

Consolidated income statement	page 94
Consolidated balance sheet	page 95
Consolidated statement of changes in equity	page 96
Consolidated cash flow statement	page 97
Notes to the financial statements	pages 98 to 116
Independent auditor's report	pages 90 to 93

Financial statements for the year ended 31 March 2017 and independent audit report thereon
The page numbers below refer to the relevant pages of the 2017 Annual Report.

Consolidated income statement	page 75
Consolidated balance sheet	page 76
Consolidated statement of changes in equity	page 77
Consolidated cash flow statement	page 78
Notes to the financial statements	pages 79 to 97
Independent auditor's report	pages 70 to 74

Interim financial statements for the six months ended 30 September 2016 and the review report thereon.
The page numbers below refer to the relevant pages of the 2016 Interim Report.

Interim condensed consolidated income statement	page 8
Interim condensed consolidated balance sheet	page 9
Interim condensed consolidated statement of changes in equity	page 10
Interim condensed cash flow statement	page 11
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Independent review report	page 19

Interim financial statements for the six months ended 30 September 2017 and the review report thereon.
The page numbers below refer to the relevant pages of the 2017 Interim Report.

Interim condensed consolidated income statement	page 9
Interim condensed consolidated balance sheet	page 10
Interim condensed consolidated statement of changes in equity	page 11
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PART VIII

OPERATING AND FINANCIAL REVIEW

This Part VIII “Operating and Financial Review” should be read in conjunction with the historical financial information and information on the Group contained in this document. Prospective investors should read the entire document and not rely solely on the summary information set out below. The following Operating and Financial Review contains financial information that has been extracted or derived without material adjustment from the Company’s financial information for the financial years ended 31 March 2015, 31 March 2016 and 31 March 2017 and the six months ended 30 September 2016 and 30 September 2017, which is incorporated by reference in this document as set out in Part VII (Financial Information on Assura). The consolidated financial statements referred to in this discussion have been prepared in accordance with (i) IFRS as adopted by the EU and (ii) the interim financial statements referred to in this discussion have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

This Part VIII of this document contains forward looking statements about the Company’s and the Directors’ beliefs and expectations. Forward looking statements involve inherent risks and uncertainties and speak only as at the date on which they are made. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward looking statements. In particular, the results of the Company’s operations may not be consistent with predicted trends. Prospective investors should read the statement in relation to forward looking statements contained on page 40 of this document.

In addition, the following discussion of the Group’s results of operations and financial conditions contains the Directors’ estimates with respect to certain revenue and cost break-downs. These estimates are derived from management reporting systems and not from the Group’s financial accounting systems or financial accounting records and, therefore, are not subject to the same degree of internal controls as information derived from financial accounting systems. The Directors’ estimates are unaudited and are not reviewed by the Group’s auditors. The Directors nonetheless believe that investors will find this information helpful in assessing the Group’s business.

Overview

Assura is one of the leading primary care property investors and developers in the UK and occupies a distinctive position in the listed primary care sector in that it provides a full suite of in-house property services for GPs and other tenants. The Group’s ability to provide these services, from identifying potential properties to managing the primary care facility once it is completed and occupied, enables it to adopt a long-term partnership approach throughout the lifecycle of a medical centre.

The Group has a strong brand in the primary care property sector, due to its scale, its track record of delivering new GP premises and its focus on building long term relationships with its GP tenants, who are the Group’s greatest source of referrals for new acquisition opportunities. In addition to referrals through GP relationships, the Group sources potential acquisitions through a bespoke database it maintains, providing information on every GP practice in the UK. The Group’s integrated approach to development, investment and management of properties provides Assura with continuing interaction with GPs and hence a better understanding of their evolving needs, which can then be an advantage in securing new development opportunities.

The Group’s portfolio benefits from:

- excellent occupier covenants in its leases through the NHS reimbursement mechanism;
- high occupancy rates driven by the stability of the core tenant base, restricted supply and long leases typically without breaks or rent free periods;
- returns which have historically demonstrated a linkage to inflation, with the potential for growth over the medium term, driven primarily by high occupancy rates and the open market rent review mechanism; and
- limited development risk, with pre-let arrangements.

Assura has a strong track record of successfully growing its portfolio through acquisitions and developments, with acquisitions of investment property and transfers of completed investment properties under construction of £728.9 million during the period from 1 April 2014 to 30 September 2017. The Group benefits from a scalable platform, with its EPRA Cost Ratio (including direct vacancy costs) declining from 20.2 per cent. to 13.7 per cent. over the three years to 31 March 2017 which has enhanced EPRA EPS (basic) by 41 per cent., supporting growth in quarterly dividends per Ordinary Share of 33 per cent. over the same period.

In addition to securing new developments, Assura has an extensive track record in delivering accretive acquisitions of existing primary care premises, having acquired £662.7 million of investment properties in the period from 1 April 2014 to 30 September 2017 with an average yield on cost (being rent roll on acquired investment properties divided by cost of acquired investment properties) of 5.4 per cent. and a blended WAULT of 15.8 years.

As of the date of this document, the pipeline of acquisition opportunities, representing transactions where commercial terms are agreed and completion is likely within six months, is £126 million; and the development pipeline, representing developments which have started on site or are expected to commence within the next 12 months, is £83 million.

Current trading and prospects

Since 30 September 2017, the Group completed the acquisition of four properties for total consideration of £20.5 million, increased its available credit under the RCF from £250.0 million to £300.0 million and privately placed £150.0 million unsecured notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.

Principal factors affecting results of operations

The Directors believe that the factors discussed below are the principal factors that have affected, and are expected to continue to affect, the Group's results of operation and financial condition.

Government policy

As a key provider of private sector capital and expertise to the NHS in upgrading the NHS infrastructure in the form of primary care facilities, the Group's results of operation and financial condition may be impacted by changes in government policy with respect to the direction and management of the NHS. Changes in NHS procurement and funding for GPs could adversely affect the availability of new schemes for investment and changes to the rent reimbursement mechanism would reduce the attractiveness of the sector for ongoing investment.

For example, following the reorganisation of the NHS in April 2013, the Group experienced a reduction in the number of approvals for new developments during the period under review as the new organisational structures took time to be put in place. This slowdown in the number of new development completions had an impact on the Group's rental growth rates, as open market rent reviews are set by reference to rents on new development schemes and are thereby impacted indirectly by land and construction cost inflation with respect to such new developments. As a result, the Group's rental growth has not been able to fully reflect these increased costs as the lower number of new developments have not been sufficient to fully evidence that cost inflation. However, the Directors believe the Group is well placed to capture this rental growth once the rate of new developments recovers.

Levels and cost of financing

The Group's level and cost of borrowing is monitored on a regular basis and the ability to source debt at attractive rates has been, and will continue to be, important to the Group's financial condition and results of operation. The appetite for lending into the primary care property sector has remained positive over recent years and there has been significant activity from both the traditional banks and other non-bank lenders.

The Group's financing statistics for the period under review are set forth in the table below.

	<i>As at</i>			
	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Net debt	£569.1m	£499.6m	£327.9m	£450.0m
Weighted average debt maturity	7.9 years	8.7 years	10.2 years	11.9 years
Weighted average interest rate	3.78%	4.06%	4.84%	5.28%
% of debt at fixed/capped rates	71%	81%	88%	100%
Interest cover ⁽¹⁾	308%	296%	206%	159%
Loan to Value (LTV)	36%	37%	30%	48%

Note:

(1) Interest cover is the number of times net interest payable is covered by EPRA earnings before net interest.

The Group's strategy has been to operate at a lower gearing level, and it has shifted from mainly secured facilities to pursuing more flexible unsecured facilities during the period under review. In May 2016, the Group replaced its existing secured £120 million revolving credit facility with the new five-year £200 million RCF on an unsecured basis, which has been further extended to £300 million. In October 2016, the Group issued £100 million 10-year notes on an unsecured basis. In October 2017, the Company also privately placed £150 million in unsecured notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.

At 30 September 2017, the average weighted maturity of the Group's outstanding debt was 7.9 years at an average interest rate of 3.78 per cent., and 71 per cent. of this was at fixed rates, which reflects the secure nature of the Group's income stream and cash flows. As the Group implements its strategy to operate at a lower gearing level, it has been more willing to borrow at variable rates with shorter maturities compared to its historical focus on long-term fixed rate facilities, which is reflected in the movement in these figures during the period under review. The Group's LTV was 36 per cent. as at 30 September 2017.

Investment and development activity

The ability to source development opportunities and to make acquisitions at attractive prices is crucial to the success of the Group's business and its results of operation. The Group's management is in regular dialogue with GP practices and other property owners in the sector to identify and secure future development and acquisition opportunities, including portfolio purchases.

The Group has invested substantially during the period under review, with expenditure split between investments in completed properties, developments, forward funding projects, extensions and fit-out costs enabling vacant space to be let. The table below sets forth the Group's investment expenditure for the period under review.

	<i>Six months ended</i>		<i>Year ended</i>		
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Acquisition of completed medical centres	152.8	81.2	155.6	124.5	230.3
Developments/forward funding arrangements	14.7	11.5	20.9	17.7	14.0
Like-for-like portfolio (improvements) ⁽¹⁾	1.8	1.4	2.4	2.7	0.7
Total capital expenditure	169.3	94.1	178.9	144.9	245.0

Note:

(1) Being expenditure on improvements for the existing portfolio at the start of the period.

A substantial majority of the Group's growth has come through the acquisition of 260 properties during the period under review, investing a total of £662.7 million during the period. Despite new development activity

being at historically low levels due to delays in the NHS approval process, the Group completed 13 new developments during the period under review with a total development cost of £57.9 million. Developments typically deliver higher margin returns than acquisitions, as the Group is able to source developments at a higher effective yield on cost; and they also drive rental growth by providing evidence of construction cost inflation. As a result, development expenditure will have a more significant impact on the Group's performance than equivalent expenditure on acquisitions of completed properties.

Portfolio management

The Group's results of operation are significantly impacted by the Group's ability to manage its portfolio to generate strong rental growth. For the six months ended 30 September 2017, the Group successfully concluded 88 rent reviews (31 March 2017: 156 rent reviews) which generated a weighted average annual rent increase of 1.81 per cent. (31 March 2017: 1.57 per cent.) on the relevant properties. RPI, fixed and other uplift rent reviews accounted for 27 per cent. of the Group's total rent reviews for the six months ended 30 September 2017 (31 March 2017: 28 per cent.) and generated an average uplift of 2.84 per cent. during the same period (31 March 2017: 2.49 per cent.), while the remaining majority of the Group's portfolio is subject to open market rent reviews which generated an average uplift of 0.83 per cent. for the six months ended 30 September 2017 (31 March 2017: 0.88 per cent.).

The Group has also added value to its property portfolio by working closely with its GP tenants on proposals for physical extensions or agreeing new or extended lease terms. The Group agreed 43 new tenancies during the period under review, which added an additional £1.2 million to its rent roll. In addition, the Group has benefited from increasingly high occupancy rates, with its EPRA vacancy rate declining from 3.2 per cent. at 31 March 2015 to 2.1 per cent. at 30 September 2017.

Investor demand for primary care property in the UK

Changes to levels of investor demand for UK primary care property can affect valuation gains on the Group's portfolio which has a significant impact on its results of operation and financial condition. During the period under review, the Group realised like-for-like valuation growth, being valuation gain on properties owned at the start of the period of 5.6 per cent., 4.8 per cent. and 5.2 per cent. for the years ended 31 March 2017, 2016 and 2015, respectively. This was in part due to increased investor demand for primary care property which increased asset prices over the period. While the sector has benefited from strong investor demand during the period, reduced levels of demand could arise from, amongst other things, changes in NHS policy, general economic conditions, availability of finance and the relative attractiveness of other asset classes.

Key performance indicators

In addition to the principal factors discussed above, the Group's management utilise the key performance indicators ("KPIs") discussed below to evaluate the performance of the Group. The KPIs are not measures of financial performance under generally accepted accounting principles, including IFRS, and should not be considered in isolation or as an alternative to the IFRS financial statements incorporated by reference in this document as set out in Part VII (Financial Information on Assura), see Important Information – Non-IFRS Financial Information above for additional information.

Because the KPIs are not determined in accordance with generally accepted accounting principles and are thus susceptible to varying calculations, they may not be comparable with other similarly titled measures of performance of other companies. Accordingly, prospective investors should not place undue reliance on the KPIs set forth below and elsewhere in this document.

EPRA performance measures

EPRA has published Best Practice Recommendations with the aim of improving the transparency, comparability and relevance of financial reporting within the real estate sector across Europe. The table

below sets forth the Group's performance with respect to each EPRA performance measure during the period under review.

	<i>Six months ended</i>		<i>Year ended</i>		
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
EPRA EPS – Basic (p)	1.3p	1.2p	2.4p	2.0p	2.1p
EPRA NAV (p)	53.1p	47.3p	49.4p	46.1p	44.9p
EPRA NNNNAV (p)	49.5p	41.6p	44.7p	42.4p	35.9p
EPRA NIY (%)	4.96%	5.18%	5.05%	5.23%	5.43%
EPRA “topped-up” NIY (%)	4.96%	5.18%	5.05%	5.23%	5.43%
EPRA Vacancy Rate	2.1%	2.4%	2.1%	3.0%	3.2%
EPRA Cost Ratio (including direct vacancy costs) (%)	11.7%	13.5%	13.7%	16.5%	17.7%
EPRA Cost Ratio excluding direct vacancy costs (%)	11.5%	12.3%	12.4%	16.0%	16.3%

For a description of EPRA EPS, EPRA NAV, EPRA NNNNAV and EPRA Cost Ratios, including a reconciliation to the Group's IFRS consolidated financial information, see Important Information – Non-IFRS Financial Information above.

EPRA NIY represents the net initial yield from annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, increased with (estimated) purchasers' costs. This is further adjusted by EPRA “topped-up” NIY in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

The EPRA Vacancy Rate represents the estimated rental value of vacant space divided by the estimated rental value of the Group's whole portfolio.

Additional KPIs

In addition to the EPRA performance measures above, the Group's management utilise the KPIs set forth in the table below to monitor and evaluate the Group's performance.

	<i>30 September</i>	<i>30 September</i>	<i>As at</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>31 March</i>	<i>2016</i>	<i>2015</i>
Rent roll	£83.1m	£70.1m	£74.4m	£63.8m	£55.6m
Total property return	5.9%	4.7%	9.7%	8.9%	7.8%
IPD annualised five-year total return	N/A	N/A	8.9%	8.8%	9.1%
Weighted average unexpired lease term (WAULT)	12.8 years	13.5 years	13.2 years	14.0 years	14.4 years
Percentage of tenant covenant NHS/GP	86%	86%	86%	87%	87%
Cost of developments completed during the period	£9.5m	£13.8m	£13.8m	£15.5m	£19.6m
Cost of developments ongoing at the period end	£34.3m	£3.8m	£31.0m	£13.5m	£22.2m
Total accounting return	9.9%	5.0%	12.0%	7.2%	7.7%
Total shareholder return	10.5%	11.9%	13.2%	(11.4)%	49.9%

Rent roll is passing rent being the total of all contracted rents reserved under the Group's leases, and the growth in rent roll during the period under review is primarily a result of growth in the Group's portfolio through acquisitions.

The Group's total property return shows the return generated by its portfolio on a debt free basis and is defined within Important Information (Non-IFRS/Non-GAAP Financial Information) above, and the IPD line item provides an equivalent five-year annualised figure (calculated by MSCI to the December prior to the reporting date). The growth in the Group's total property return during the period under review reflects the capital growth achieved on its portfolio in addition to the annual rental yield.

The percentage of tenant covenant NHS/GP reflects the proportion of the Group's rent roll that is paid directly by GPs or the CCG's or other NHS bodies, and the WAULT is the average period until the next available break clause in the Group's leases weighted by rent. The Group's NHS/GP percentage and WAULT have remained relatively stable during the period under review, reflecting the degree to which the Group's investments during the period fit within the profile of the Group's existing portfolio.

The Group's development activity has begun to improve following a decline in new developments as a result of a decline in the number of approvals following the reorganisation of the NHS that was implemented in April 2013. As of 30 September 2017, the Group has five developments ongoing at a development cost of £34.3 million, which represents the estimated value on completion for developments currently commenced at the period end.

Total accounting return is the amount generated for Shareholders in the form of dividends and movement in EPRA NAV as defined within Important Information (Non-IFRS/Non-GAAP Financial Information) above. The growth in total accounting return during the period under review reflects the capital growth achieved during the period and the consistent dividend returned to Shareholders. The change in total shareholder return during the period reflects changes in the ratio of the Group's Share price to EPRA NAV.

Results of operations

The following discussion and analysis of the Group's results and operation and financial condition for each of the years ended 31 March 2015, 2016 and 2017 and for the six months ended 30 September 2016 and 2017 is based on the Group's historical results.

The table below sets forth the Group's results of operations for the period under review, which has been extracted without material adjustment from the consolidated historical financial information incorporated by reference in this document as set out in Part VII (Financial Information on Assura):

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
	<i>(unaudited)</i>			<i>(audited)</i>	
Continuing operations					
Gross rental and related income	39.4	34.4	71.1	61.0	51.1
Property operating expenses	(1.1)	(1.5)	(3.2)	(2.6)	(2.9)
Net rental income	38.3	32.9	67.9	58.4	48.2
Administrative expenses	(3.6)	(3.4)	(7.0)	(6.1)	(5.7)
Revaluation gains	50.4	23.4	56.5	36.4	21.4
(Loss)/gain on sale of property	(0.3)	–	(0.1)	0.1	(0.1)
Share-based payment charge	(0.2)	–	(0.1)	(1.9)	(0.7)
Finance revenue	–	0.1	0.1	0.2	0.4
Finance costs	(11.2)	(11.3)	(22.1)	(24.2)	(27.0)
Early repayment costs	–	–	–	(34.1)	–
Gain on derivative financial instruments	–	–	–	–	0.1
Profit before Taxation	73.4	41.7	95.2	28.8	36.6
Taxation	–	–	0.1	(0.9)	0.6
Profit for the year attributable to equity holders of the parent	73.4	41.7	95.3	27.9	37.2
EPS – Basic (p)	4.2p	2.5p	5.8p	2.2p	4.9p
EPRA EPS – Basic (p)	1.3p	1.2p	2.4p	2.0p	2.1p

Description of key line items

Gross rental and related income

Gross rental and related income is rental income earned on the investment properties owned by the Group. Rental income is recognised on an accruals basis and recognised on a straight line basis over the lease term.

Net rental income

Net rental income represents the gross rental and related income less directly attributable property costs and is the Group's gross profit on investment properties.

Administrative expenses

Administrative expenses represent the overheads associated with operating and managing the investment property portfolio.

Revaluation gains

Gains on revaluation of investment property include development profits on the completion of properties developed by the Group, as well as the revaluation movements following semi-annual valuations completed by independent external advisors.

Gain/(loss) on sale of property

Gain/(loss) on sale of property is realised on the Group's property disposals. As investment properties are held on the balance sheet at the fair value determined by an independent external advisor, the proceeds are generally close to the book value, resulting in an insignificant gain or loss on disposal.

Share-based payment charge

The share-based payment charge is the cost of employee share-based incentive arrangements as calculated in line with IFRS 2 (Share-based Payment). Details of employee share-based incentives are provided in paragraph 8 of Part X (Additional Information) of this document.

Finance revenue

Finance revenue represents interest earned on cash balances and deposits.

Finance costs

Finance costs consist primarily of interest expense on financial liabilities.

Taxation

Taxation recorded in the income statement represents the movement in the deferred tax asset.

For the six months ended 30 September 2017 as compared to the six months ended 30 September 2016

Gross rental and related income

Gross rental and related income has increased by £5.0 million, or 14.5 per cent. from £34.4 million in the six months ended 30 September 2016, to £39.4 million in the six months ended 30 September 2017.

The following table illustrates the number of properties owned by the Assura Group at period end, presented along with the contracted annual rent roll at that point.

	<i>Six months ended</i>	
	<i>30 September 2017</i>	<i>30 September 2016</i>
Number of properties	475	363
Annual contracted rent roll	£83.1m	£70.1m

In addition, the Group has completed the development of a number of new properties. The number of completed developments and the associated annual rental income is summarised below:

	<i>Six months ended</i>	
	<i>30 September 2017</i>	<i>30 September 2016</i>
Number of completed developments	3	2
Annual contracted rent roll	£0.5m	£0.7m

The primary reason for the increase in the number of properties and annual contracted rent roll was acquisition of new properties which accounted for 88.5 per cent. of the growth in rent roll for the six months ended 30 September 2017. The increase was also supported by upward rent reviews.

Net rental income

Net rental income has increased by £5.4 million, or 16.4 per cent. from £32.9 million in the six months ended 30 September 2016, to £38.3 million in the six months ended 30 September 2017, which reflects the growth in gross rental income and decreased property operating expenses.

Administrative expenses

Administrative expenses have increased by £0.2 million, or 5.9 per cent. from £3.4 million in the six months ended 30 September 2016, to £3.6 million in the six months ended 30 September 2017. The increase was due primarily to the growth of the Group's portfolio and corresponding increases in headcount within the Group's property team.

The Group's EPRA Cost Ratio (including direct vacancy costs) was 11.7 per cent. in the six months ended 30 September 2017 and 13.5 per cent. in the six months ended 30 September 2016 as a result of lower rates of increase in administrative and operating costs compared to increases in gross rental income.

Revaluation gains

Gains on revaluation of investment property were £23.4 million and £50.4 million for the six months ended 30 September 2016 and 2017, respectively. The revaluation gains represented like-for-like valuation growth of 4.29 per cent. for the six months ended 30 September 2017. The uplift was primarily a result of downward pressure on yields with increased demand for assets in the primary care sector.

Finance revenue

Finance revenue remained broadly unchanged at £0.1 million and nil for the six months ended 30 September 2016 and 2017, respectively.

Finance costs

Finance costs have remained relatively stable at £11.3 million in the six months ended 30 September 2016 and £11.2 million in the six months ended 30 September 2017.

Profit before tax

Profit before tax has increased by £31.7 million, or 76.0 per cent., from £41.7 million in the six months ended 30 September 2016, to £73.4 million in the six months ended 30 September 2017. The increase has been the result of (i) growth in net rental income following acquisitions and completed developments; and (ii) revaluation gains on the investment property held.

Profit for the year attributable to equity holders of the parent

Profit for the year attributable to equity holders of the parent has increased by £31.7 million, or 76.0 per cent. from £41.7 million in the six months ended 30 September 2016, to £73.4 million in the six months ended 30 September 2017.

For the financial year ended 31 March 2017 as compared to the financial years ended 31 March 2016 and 31 March 2015

Gross rental and related income

Gross rental and related income has increased by £9.9 million, or 19.4 per cent., from £51.1 million in the year ended 31 March 2015, to £61.0 million in the year ended 31 March 2016 and further increased by £10.1 million, or 16.6 per cent., to £71.1 million in the year ended 31 March 2017, driven primarily by an increase in the number of properties in the Group's portfolio and annual contracted rent roll.

The following table illustrates the number of properties owned by the Assura Group at year end, presented along with the contracted annual rent roll at that point.

	<i>Year ended</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2015</i>
Number of properties	398	321	265
Annual contracted rent roll	£74.4m	£63.8m	£55.6m

In addition, the Group has completed the development of a number of new properties. The number of completed developments and the associated annual rental income is summarised below:

	<i>Year ended</i>		
	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2015</i>
Number of completed developments	2	4	4
Annual contracted rent roll	£0.7m	£0.9m	£1.4m

The primary reason for the increase in the number of properties and annual contracted rent roll during the period was acquisition of new properties which accounted for 80.5 per cent. and 83.0 per cent. of the growth in rent roll for the financial years 2016 and 2017, respectively. The increase was also supported by completed developments and upward rent reviews.

Net rental income

Net rental income has increased by £10.2 million, or 21.2 per cent., from £48.2 million in the year ended 31 March 2015 to £58.4 million in the year ended 31 March 2016 and further increased by £9.5 million, or 16.3 per cent., to £67.9 million in the year ended 31 March 2017. The increase over these three financial periods reflects the growth in the gross rental income over the same period.

Administrative expenses

Administrative expenses increased by £0.4 million, or 7.0 per cent., from £5.7 million in the year ended 31 March 2015 to £6.1 million in the year ended 31 March 2016, and further increased by £0.9 million, or 14.8 per cent., to £7.0 million in the year ended 31 March 2017, which was primarily driven by the growth of the Group's portfolio and corresponding increases in headcount within the Group's property team.

The Group's EPRA Cost Ratio (including direct vacancy costs) measures the changes in the Group's operating costs against gross rental income and declined from 17.7 per cent. for the year ended 31 March 2015 to 16.5 per cent. for the year ended 31 March 2016 and 13.7 per cent. for the year ended 31 March 2017 as a result of lower rates of increase in administrative and operating costs compared to increases in gross rental income.

Revaluation gains

Gains on revaluation of investment property were £21.4 million, £36.4 million and £56.5 million for the years ended 31 March 2015, 31 March 2016 and 31 March 2017, respectively. The revaluation gains represented like-for-like valuation growth of 4.8 per cent. and 5.6 per cent. for the financial years 2016 and 2017, respectively. The uplifts are primarily a result of downward pressure on yields with increased demand for assets in the primary care sector.

Share-based payment charge

The Group's share-based payment charge increased from £0.7 million for the year ended 31 March 2015 to £1.9 million for the year ended 31 March 2016 and further decreased to £0.1 million for the year ended 31 March 2017. The variability of the share-based payment charge during the period was primarily related to the performance of the Group's business in the relevant period triggering pay-outs under its employee share schemes and the expiry of the VCP and implementation of the PSP employee share scheme in financial year 2017, under which smaller annual awards are made.

Finance revenue

Finance revenue remained relatively stable over the period decreasing from £0.4 million for the year ended 31 March 2015 to £0.2 million for the year ended 31 March 2016 and further decreasing to £0.1 million for the year ended 31 March 2017.

Finance costs

Finance costs decreased by £2.8 million, or 10.4 per cent., from £27.0 million for the year ended 31 March 2015 to £24.2 million for the year ended 31 March 2016 and further decreased by £2.1 million, or 8.7 per cent., to £22.1 million for the year ended 31 March 2017. The decrease is primarily the result of lowering debt levels over the period and also reflects reductions in the weighted average cost of debt.

Early repayment cost

In November 2015, in line with its debt reduction plan, the Group repaid £182.0 million on the Aviva loan, and incurred early repayment costs of £34.1 million for the year ended 31 March 2016.

Profit before tax

Profit before tax decreased by £7.8 million, or 21.3 per cent., from a profit of £36.6 million for the year ended 31 March 2015 to a profit of £28.8 million for the year ended 31 March 2016. This decrease was primarily the result of the early repayment cost incurred by the Group in the year ended 31 March 2016 and was partially offset by (i) growth in net rental income following acquisitions and (ii) completed developments and revaluation gains on the investment property held.

Profit before tax subsequently increased by £66.4 million, or 230.6 per cent., to £95.2 million for the year ended 31 March 2017. This increase was due primarily to (i) growth in net rental income following acquisitions and completed developments; (ii) revaluation gains on the investment property held; and (iii) a decrease in finance costs as a result of the implementation of the debt reduction programme.

Taxation

Taxation has fluctuated as a credit of £0.6 million for the year ended 31 March 2015, a debit of £0.9 million for the year ended 31 March 2016 and a credit of £0.1 million for the year ended 31 March 2017. The amount recorded in the income statement represents the movement in the deferred tax asset.

Profit for the year attributable to equity holders of the parent

For the reasons discussed above, profit for the year attributable to equity holders of the parent decreased by £9.3 million, or 25.0 per cent., from a profit of £37.2 million for the year ended 31 March 2015 to a profit of £27.9 million for the year ended 31 March 2016 and subsequently increased by £67.4 million, or 241.6 per cent., to £95.3 million for the year ended 31 March 2017.

Balance sheet analysis

The following table summarises the balance sheet of the Assura Group as at 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017.

	30 September	31 March	As at 31 March	31 March
	2017	2017	2016	2015
	£m	£m	£m	£m
	(unaudited)		(audited)	
Investment property	1,560.0	1,344.9	1,109.4	925.3
Property assets held for sale	4.8	0.9	1.7	5.4
Investments	–	–	0.4	0.4
Cash, cash equivalents and restricted cash	21.9	23.5	44.3	66.5
Borrowings	(588.0)	(520.1)	(369.2)	(513.5)
Other assets and liabilities (net)	(27.5)	(31.2)	(32.3)	(32.2)
Net assets	971.2	818.0	754.3	451.9
Net asset value per Ordinary				
Share – Basic (p)	53.1p	49.4p	46.1p	44.9p
Net asset value per Ordinary				
Share – Diluted (p)	53.1p	49.3p	45.7p	44.0p
EPRA NAV per Ordinary				
Share – Basic (p) ⁽¹⁾	53.1p	49.4p	46.1p	44.9p
EPRA NAV per Ordinary				
Share – Diluted (p) ⁽¹⁾	53.1p	49.3p	45.8p	44.0p

Note:

(1) EPRA NAV represents net assets adding back own shares held, derivative financial instrument and deferred tax.

Investment property

Investment property has increased during the period under review from £925.3 million as at 31 March 2015 to £1,560.0 million as at 30 September 2017. The increase is due primarily to the number of acquisitions and revaluation gains, as well as new developments completed.

Cash, cash equivalents and restricted cash

Cash, cash equivalents and restricted cash was £21.9 million as at 30 September 2017.

Restricted cash arises where there are interest payment guarantees, cash is ring-fenced for committed property development expenditure, which is released to pay contractors invoices directly, cash is held as net deposits for tenants, or under the terms of security arrangements under the Group's banking facilities or its Bond. The following table shows the split between cash and restricted cash during the period under review.

	30 September	31 March	As at 31 March	31 March
	2017	2017	2016	2015
	£m	£m	£m	£m
	(unaudited)		(audited)	
Cash held in current accounts	21.6	23.3	43.7	65.3
Restricted cash	0.3	0.2	0.6	1.2
Total	21.9	23.5	44.3	66.5

Borrowings

Borrowings, which are reported net of loan fees capitalised and including fair value adjustments on borrowings assumed with acquisitions completed, were £513.5 million as at 31 March 2015, decreasing to

£369.2 million as at 31 March 2016, increasing to £520.1 million as at 31 March 2017 and increasing to £588.0 million as at 30 September 2017.

Borrowings have fluctuated over the period under review, increasing as a result of amounts drawn to partially fund new properties acquired and developed by the Group and offset by the early repayment made on the Aviva facility in the financial year 2016.

Further details of the Company's borrowing arrangements are set out in paragraph 10 of Part X (Additional Information) of this document.

Other assets and liabilities (net)

Net other assets and liabilities as at 31 March 2015, 2016 and 2017 and as at 30 September 2017 were a net liability of £32.2 million, £32.3 million, £31.2 million and £27.5 million, respectively.

This includes deferred tax, trade and other receivables, trade and other payables, deferred revenue and property provisions and remained relatively stable during the period under review.

The Group has no contingent liabilities.

EPRA NAV per Ordinary Share

EPRA NAV per Ordinary Share (Basic) increased during the period under review from 44.9p as at 31 March 2015 to 53.1p as at 30 September 2017. The increase over the period under review is the result of increases in operating profit, revaluation gains, net of dividends paid to shareholders.

Liquidity and capital resources

During the period under review and the period since 30 September 2017 until 14 November 2017 (being the latest practicable date prior to the publication of this document), the principal use of the Group's resources has been to fund:

- the acquisition of properties to add to the Group's portfolio;
- the cost of construction of new developments built by the Group;
- interest and capital repayments in respect of the Group's obligations in respect of Borrowings;
- dividends paid; and
- working capital.

Sources of liquidity during the period under review and the period since 30 September 2017 until 14 November 2017 (being the latest practicable date prior to the publication of this document) have included:

- cash generated from operations;
- amounts drawn from existing borrowing facilities;
- proceeds from the issue of Ordinary Shares pursuant to a firm placing, placing and open offer and offer for subscription in October 2015;
- five year, £200 million revolving credit facility with RBS, HSBC, Santander and Barclays at an initial margin of 150 basis points over LIBOR, which was increased to £250 million in May 2017 and £300 million in October 2017;
- £100 million 10-year 2.65 per cent. notes which were issued in the US private placement market on an unsecured basis in October 2016;
- proceeds from the issue of 163,999,820 Ordinary Shares pursuant to a placing in June 2017; and
- £150 million in October 2017 from the issue of privately placed unsecured notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.

As at 30 September 2017, the Company had outstanding borrowings or indebtedness in the nature of borrowings of £588.0 million, finance lease obligations of £3.0 million and aggregate cash balances of £21.9 million. In addition, the Company had undrawn committed facilities totalling £80.0 million.

The Group's LTV as at 30 September 2017 was 36 per cent. (31 March 2017: 37 per cent.) based on the property valuations contained in this document.

The Group does not typically experience any seasonality in its liquidity or net debt during the course of any year.

The following table shows the Group's Net Debt and LTV as at 31 March 2015, 2016 and 2017 and 30 September 2017.

	<i>As at</i>			
	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
Current borrowings	4.4	4.3	4.0	8.0
Non-current borrowings	583.6	515.8	365.2	505.5
Obligations due under finance leases	3.0	3.0	3.0	3.0
Cash, cash equivalents and restricted cash	(21.9)	(23.5)	(44.3)	(66.5)
Net debt	569.1	499.6	327.9	450.0
Investment property and property assets				
held for sale	1,564.8	1,345.8	1,111.1	930.7
Loan to Value (LTV)	36%	37%	30%	48%

As at 30 September 2017, the Group had bank facilities of £671.7 million in aggregate. In addition, as at 30 September 2017, the Group had cash balances of £21.9 million of which £0.3 million was held on behalf of tenants. The banking facilities are provided by various parties as follows:

- a 10 year senior secured bond for £110.0 million, listed on the Main Market of the London Stock Exchange, at a fixed interest rate of 4.75 per cent., which matures December 2021;
- senior term loans with Aviva with an aggregate balance of £211.7 million at 30 September 2017 subject to fixed all-in interest rates ranging from between 4.11 per cent. and 6.66 per cent. and a weighted average of 5.43 per cent., which mature on various dates between 2021 and 2044. In November 2015, the Company repaid £182.0 million of the loans along with associated early repayment costs of £34.1 million;
- a five year revolving credit facility with RBS, HSBC, Santander and Barclays for £200.0 million at an initial margin of 150 basis points over LIBOR expiring in May 2021. This facility was increased to £250.0 million in May 2017 and £300 million in October 2017, of which £170.0 million had been drawn as at 30 September 2017;
- £100 million 10-year 2.65 per cent. notes, which were issued in the US private placement market on an unsecured basis in October 2016; and
- £150 million in October 2017 from the issue of privately placed unsecured notes in two tranches with maturities of eight and ten years, with a weighted average coupon of 3.04 per cent.

As at 14 November 2017 (being the latest practicable date prior to publication of this document), the Company had available banking facilities of £871.1 million in aggregate of which £621.1 million were drawn, finance lease obligations of £3.0 million and an aggregate cash balance of £23.3 million. The information relating to 14 November 2017 has been extracted from unaudited accounting records as at that date. There have been no material changes to the outstanding borrowings or indebtedness in the nature of borrowings, finance lease obligations or the aggregated cash balances of the Company since 14 November 2017.

Further details of the Company's borrowing arrangements, including details of the covenants attached to each facility, are set out in paragraph 10 of Part X (Additional Information) of this document. The Group has been in compliance with all covenants throughout the period under review and there has been no breach of any covenants since 30 September 2017 to the date of this document.

Capitalisation and indebtedness

Set out below is a statement of capitalisation of the Group at 30 September 2017 and indebtedness of the Group at 30 September 2017.

	<i>Capitalisation</i>
	<i>As at 30 September</i>
	<i>2017</i>
	<i>£m</i>
Share capital – allotted, called up and fully paid	182.8
Share premium	328.6
Merger reserve	231.2
Reserves	228.6
Capital and reserves	971.2

	<i>Indebtedness</i>
	<i>As at 30 September</i>
	<i>2017</i>
	<i>£m</i>
Current debt – secured	4.4
Total current debt ⁽¹⁾	4.4
Non-current debt (excluding current portion of long term debt)	587.3
Total non-current debt⁽¹⁾	587.3
Total indebtedness⁽¹⁾	591.7

	<i>Net financial</i>
	<i>indebtedness</i>
	<i>As at 30 September</i>
	<i>2017</i>
	<i>£m</i>
Cash and cash equivalents ⁽¹⁾	21.9
Current portion of non-current debt	(4.4)
Current financial debt ⁽²⁾	(4.4)
Net current financial indebtedness	17.5
Non-current bank loans ⁽³⁾	(477.3)
Bonds issued	(110.0)
Non-current financial indebtedness⁽⁴⁾	(587.3)
Net financial indebtedness	(569.8)

Notes:

- (1) Included within total debt is £321.7 million of secured loans and bond debt. There are no further secured amounts within cash and cash equivalents.
- (2) The Group's debt is shown gross of unamortised issue costs.
- (3) Included within non-current bank loans is the Group's debt US private placements.
- (4) The Group has no indirect or contingent indebtedness.

Cash flows

The following table summarises the movements in cash balances in the years ended 31 March 2015, 2016 and 2017 and the six months ended 30 September 2016 and 2017:

	<i>Six months ended</i>			<i>Year ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
	<i>(unaudited)</i>			<i>(audited)</i>	
Cash flows from operating activities	20.3	15.6	39.0	22.9	16.9
Cash flows from investing activities:					
Purchase of investment property and subsidiaries	(155.3)	(82.7)	(157.9)	(122.5)	(64.3)
Development spend	(14.8)	(10.5)	(19.9)	(17.7)	(14.0)
Proceeds from sale of property	1.1	1.1	1.4	1.5	4.2
Net loans received from/ (advanced to) associated companies	–	–	–	–	0.1
Expenditure on property, plant and equipment	–	(0.4)	(0.3)	(0.2)	–
Net Cash flows from investing activities	(169.0)	(92.5)	(176.7)	(138.9)	(74.0)
Cash flows from financing activities:					
Issue of Ordinary Shares	98.4	–	–	308.6	180.2
Issue costs paid on issuance of Ordinary Shares	(2.3)	–	–	(9.5)	(6.7)
Dividend paid	(16.5)	(15.8)	(31.9)	(26.3)	(14.4)
Net borrowings movement	67.5	76.1	148.8	(179.0)	(74.1)
Net Cash flows from financing activities	147.1	60.3	116.9	93.8	85.0
Net increase/(decrease) in cash and cash equivalents	(1.6)	(16.6)	(20.8)	(22.2)	27.9
Opening cash balance	23.5	44.3	44.3	66.5	38.6
Closing cash balance	21.9	27.7	23.5	44.3	66.5

Cash flows from operating activities

The following table illustrates the breakdown of the cash flows from operating activities during the period under review:

	<i>Six months ended</i>		<i>Years ended</i>		
	<i>30 September</i>	<i>30 September</i>	<i>31 March</i>	<i>31 March</i>	<i>31 March</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>	<i>£m</i>
	<i>(unaudited)</i>			<i>(audited)</i>	
Rent received	36.4	33.2	71.1	62.7	50.8
Interest paid and similar charges	(11.1)	(9.6)	(19.2)	(25.9)	(26.9)
Fees received	0.4	0.4	0.8	0.8	1.0
Interest received	–	0.1	0.1	0.2	0.4
Cash paid to suppliers and employees	(5.4)	(8.5)	(13.8)	(14.9)	(8.4)
Cash flows from operating activities	20.3	15.6	39.0	22.9	16.9

Net cash flows from operating activities was £20.3 million for the six months ended 30 September 2017, an increase of £4.7 million as compared to £15.6 million for the six months ended 30 September 2016, which was primarily an increase in rent received and decrease in cash paid to suppliers and employees, and partially offset by an increase in interest paid and similar charges.

Net cash flows from operating activities was £39.0 million for the year ended 31 March 2017, an increase of £16.1 million as compared to £22.9 million for the year ended 31 March 2016, which had increased by £6.0 million from £16.9 million for the year ended 31 March 2015. The increase over the periods was primarily a result of a 40.0 per cent. increase in rent received as well as a 28.6 per cent. decrease in interest and similar charges over the three years ended 31 March 2017.

Cash used in investing activities

Net cash used in investing activities was £169.0 million for the six months ended 30 September 2017, an increase of £76.5 million as compared to £92.5 million for the six months ended 30 September 2016. This was due primarily to an increase in cash used for the purchase of investment property and subsidiaries and development spend from £93.2 million for the six months ended 30 September 2016 to £170.1 million for the six months ended 30 September 2017.

Net cash used in investing activities was £176.7 million for the year ended 31 March 2017, an increase of £37.8 million as compared to £138.9 million for the year ended 31 March 2016, which had increased by £64.9 million from £16.9 million for the year ended 31 March 2015. This increase was primarily the result of an increase in cash used for the purchase of investment property and subsidiaries and development spend from £78.3 million for the year ended 31 March 2015 to £177.8 million for the year ended 31 March 2017.

Cash flows from financing activities

Net cash flows from financing activities was £147.1 million for the six months ended 30 September 2017, an increase of £86.8 million as compared to £60.3 million for the six months ended 30 September 2016. This was due primarily to £98.4 million in gross proceeds raised through a placing of Ordinary Shares in June 2017 partially offset by net movements in borrowings.

Net cash flows from financing activities was £116.9 million for the year ended 31 March 2017, an increase of £23.1 million as compared to £93.8 million for the year ended 31 March 2016, which had increased by £8.8 million from £85.0 million for the year ended 31 March 2015.

The increase in net cash flows from financing activities for the year ended 31 March 2016 was primarily a result of the proceeds received from share issues of £308.6 million and partially offset by repayment of loans of £188.5 million and early repayment costs of £34.1 million.

The increase in net cash flows from financing activities for the year ended 31 March 2017 was primarily a result of an increase in drawdown under the Group's facilities of £210.0 million.

Dividend payments

The Group has paid quarterly dividends during the three years ended 31 March 2017 which have increased from 1.85 pence per Ordinary Share in the financial year 2015 to 2.25 pence per Ordinary Share in the financial year 2017, given the Group's increase in EPRA EPS. The Group is committed to maintaining a covered dividend which is sustainable and broadly in line with EPRA earnings growth. The Group also has in place a scrip dividend scheme, for those Shareholders who have elected to receive the dividend in the form of Ordinary Shares.

Significant accounting policies and estimates

For a description of the Group's critical accounting judgments and key sources of estimation uncertainty, see note 2 to the Group's consolidated financial statement for the year ended 31 March 2017 on pages 79 to 81 of the 2017 Annual Report incorporated by reference herein.

Qualitative and quantitative disclosure about market risk

The Group's activities expose it to a number of financial and market risks, which are set forth in detail in note 23 to the Group's consolidated financial statement for the year ended 31 March 2017 on pages 94 to 97 of the 2017 Annual Report incorporated by reference herein.

PART IX

PRO FORMA FINANCIAL INFORMATION

PART A: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA INFORMATION



The Directors
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16 November 2017

Assura plc (the “Company”)

We report on the unaudited pro forma financial information (the “**Pro Forma Financial Information**”) set out in section B of Part IX of the Company’s prospectus dated 16 November 2017 (the “**Prospectus**”) which has been prepared on the basis described in the notes to the Pro Forma Financial Information, for illustrative purposes only, to provide information about how the proposed admission of the new ordinary shares of the Company to the premium segment of the Official List maintained by the Financial Conduct Authority (the “**FCA**”) might have affected the financial information presented on the basis of the accounting policies adopted by the Company in preparing the financial statements for the period ended 31 March 2017. This report is required by item 7 of Annex II to the PD Regulation and is given for the purpose of complying with that PD Regulation and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex II of the PD regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II to the PD Regulation as to the proper compilation of the Pro Forma Financial Information and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Opinion

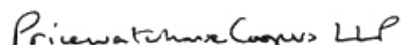
In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3 R(2)(f), we are responsible for this report as part of the Prospectus and we declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully



PricewaterhouseCoopers LLP
Chartered Accountants

PART B: UNAUDITED PRO FORMA FINANCIAL INFORMATION

The unaudited pro forma statement of net assets of the Group set out below has been prepared on the basis set out in the notes below to illustrate the impact of the Share Issue on the net assets of the Group as at 30 September 2017 as if they had taken place on that date.

The unaudited pro forma information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and therefore does not represent the Company's or the Group's actual financial position or results.

The consolidated net assets of the Group at 30 September 2017 have been extracted without material adjustment from the unaudited interim financial statements of Assura for the six months ended 30 September 2017 which have been incorporated by reference set out in the part of this document headed "Documents Incorporated by Reference" and prepared under the Group's IFRS accounting policies.

The unaudited pro forma information does not constitute financial statements within the meaning of Section 434 of the Companies Act 2006. Shareholders should read the whole of this document and not rely solely on the summarised financial information contained in this Part IX.

The unaudited pro forma statement of net assets does not reflect any changes in the trading performance of the Company or the Group since 30 September 2017.

	<i>Net assets of the Group at 30 September 2017 £m (unaudited) Note 1</i>	<i>Adjustments Net proceeds of the Firm Placing, Placing and Open Offer £m Note 2</i>	<i>Pro forma net assets of the Group £m Note 3</i>
Non-current assets			
Investment property	1,560.0	–	1,560.0
Investments	–	–	–
Property plant and equipment	0.4	–	0.4
Deferred tax asset	0.5	–	0.5
	<u>1,560.9</u>	<u>–</u>	<u>1,560.9</u>
Current assets			
Cash, cash equivalents and restricted cash	21.9	290.0	311.9
Trade and other receivables	13.7	–	13.7
Property assets held for sale	4.8	–	4.8
	<u>40.4</u>	<u>290.0</u>	<u>330.4</u>
Total assets	<u>1,601.3</u>	<u>290.0</u>	<u>1,891.3</u>

	<i>Net assets of the Group at 30 September 2017 £m (unaudited) Note 1</i>	<i>Adjustments Net proceeds of the Firm Placing, Placing and Open Offer £m Note 2</i>	<i>Pro forma net assets of the Group £m Note 3</i>
Current liabilities			
Trade and other payables	15.3	—	15.3
Borrowings	4.4	—	4.4
Deferred revenue	17.9	—	17.9
	<u>37.6</u>	<u>—</u>	<u>37.6</u>
Non-Current liabilities			
Borrowings	583.6	—	583.6
Obligations due under finance leases	3.0	—	3.0
Deferred revenue	5.9	—	5.9
	<u>592.5</u>	<u>—</u>	<u>592.5</u>
Total liabilities	<u>630.1</u>	<u>—</u>	<u>630.1</u>
Net assets	<u>971.2</u>	<u>290.0</u>	<u>1,261.2</u>

Notes:

1. The consolidated net assets of the Group at 30 September 2017 have been extracted without material adjustment from the interim financial statements of Assura plc for the six months ended 30 September 2017 which have been incorporated by reference set out in the part of this document headed “Documents Incorporated by Reference” and prepared under the Group’s IFRS accounting policies.
2. The adjustment for the net proceeds of the Firm Placing, Placing and Open Offer reflects the estimated maximum funds to be raised of £290.0 million (gross proceeds of £300.0 million less expenses of £10.0 million, assuming maximum payment of Shareholder Commissions). The Company intends that £91 million of the proceeds from the Share Issue is used to refinance certain of the Group’s borrowings, with up to £209 million being invested in medical properties that would be added to the Group’s investment portfolio. The adjustment does not reflect the payment of any interest or early repayment costs that would arise as a result of the repayment of borrowings.
3. No account has been taken of the financial performance of the Group since 30 September 2017 nor of any other event save as disclosed above.

PART X

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names and functions are set out page 158 of this document, and the Company, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Group

2.1 Incorporation

Assura was incorporated under the name Assura Kingston plc on 10 December 2014 under the Companies Act as a public limited company with registered number 9349441. The Company changed its name to Assura plc pursuant to a special resolution passed on 16 December 2014.

On 28 January 2015, the Group changed its corporate structure by inserting Assura plc as a new English-incorporated and domiciled parent company at the head of the Group by way a scheme of arrangement made under Part VII of the Companies (Guernsey) Law 2008 (as amended) between Assura Group Limited and the holders of shares in Assura Group Limited.

The Companies Act comprises the principal legislation under which the Company operates and under which the Ordinary Shares were created.

The Company elected to be a UK REIT on 28 January 2015 (in order that the REIT status enjoyed by the Group since 1 April 2013 would continue following the implementation of the Scheme).

2.2 Group structure

The Company is the ultimate holding company of the Group.

The Company is not directly or indirectly owned or controlled by another company and there are no arrangements in place that may at a subsequent date result in a change of control of the Company.

The Company has the following significant subsidiary undertakings, being those considered by the Company to be likely to have a significant effect on the assessment of the assets and liabilities, financial position and/or profits and losses of the Group:

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>% of issued share capital held directly or indirectly by the Company</i>	<i>Principal activity</i>
Assura Health Investments Limited	England	100	Property investment
Assura Medical Centres Limited	England	100	Property investment
Assura Primary Care Properties Limited	England	100	Property investment
Assura Properties plc	England	100	Property investment
Assura Properties UK Limited	England	100	Property investment
Medical Properties Limited	England	100	Property investment
Metro MRH Limited	England	100	Property investment
Metro MRM Limited	England	100	Property investment
Metro MRI Limited	England	100	Property investment
Trinity Medical Properties Limited	England	100	Property investment

<i>Name of subsidiary</i>	<i>Country of incorporation</i>	<i>% of issued share capital held directly or indirectly by the Company</i>	<i>Principal activity</i>
Assura HC Limited	England	100	Property investment
Assura HC UK Limited	England	100	Property investment
Assura Aspire Limited	England	100	Property investment
Assura Aspire UK Limited	England	100	Property investment
Assura Financing Limited	England	100	Property investment
Assura Trellech Limited	England	100	Property investment
Assura (GHC) Limited	England	100	Property investment

The Company owns, directly or indirectly, 100 per cent. of the issued shares of the above companies and can exercise 100 per cent. of the voting rights of each such company.

3. Share capital

- 3.1 The Company was incorporated on 10 December 2014 with an issued share capital of £50,000, comprising 2 Ordinary Shares and 499,998 redeemable shares of 10 pence each, all issued to Link Trust Nominees No. 1 Limited and paid up to one-quarter of the nominal value of each share.
- 3.2 The redeemable shares were issued for the purpose of satisfying the Companies Act minimum share capital requirements for public companies. They carried no right to receive notice of or to attend, speak or vote at any general meeting of the Company or (subject to the Companies Act) at any meeting of the holders of any class of shares in the capital of the Company or for the purposes of a written resolution of the Company. They did not entitle their holders to receive any dividend or distribution and they only carried the right to receive, after all share capital (including premium) on the ordinary shares in issue has been repaid, £1 for every £100,000,000,000 of capital returned to the holders of ordinary shares. Subject to the Companies Act, the redeemable shares were redeemable at their nominal value at the option of the Company or the holder. The redeemable shares were redeemed by the Company at their nominal value and automatically cancelled upon the Scheme becoming effective.
- 3.3 The issued and fully paid up share capital of the Company as at 16 November 2017 (the date of this document) was £183.1 divided into 1,830,704,153 Ordinary Shares. No shares are held in treasury.
- 3.4 The issued ordinary share capital of the Company at the beginning and end of the financial periods ended 31 March 2015, 2016 and 2017, was as follows:

	<i>At 1 April</i>	<i>At 31 March</i>
2016/17	1,637,706,738	1,655,040,993
2015/16	1,006,900,141	1,637,706,738
2014/15	529,548,924	1,006,900,141

- 3.5 On 1 April 2014 (being the date of the commencement of the period for which the historical financial information on the Group has been provided in this document), the authorised share capital of the Company was £53.0 million divided into 529,548,924 ordinary shares of 10 pence each. On the same date, the issued and fully paid up share capital of the Company was £53.0 million divided into 529,548,924 ordinary shares of 10 pence each.

- 3.6 The following alterations in the issued share capital of Assura have taken place during the period for which the historical financial information set out in Part VII (Financial Information on Assura) of this document has been prepared:
- (a) Assura issued 1,006,900,141 Ordinary Shares on 28 January 2015 to former shareholders of Assura Group Limited as consideration pursuant to the Scheme under which it acquired the entire issued share capital of Assura Group Limited;
 - (b) immediately upon the Scheme becoming effective on 28 January 2015, the 499,998 redeemable shares in the capital of Assura were redeemed and the two subscriber Ordinary Shares were gifted by the initial subscriber to a nominee of Assura and cancelled. This was to ensure that the number of Ordinary Shares in issue after the Scheme was exactly the same as the number of ordinary shares of 10 pence each in Assura Group Limited in issue immediately prior to the effective time of the Scheme;
 - (c) Assura's issued share capital increased on 20 July 2015 by 4,545,455 Ordinary Shares from 1,006,900,141 Ordinary Shares to 1,011,445,596 Ordinary Shares as a result of the issue by the Company of 4,545,455 Ordinary Shares as part consideration for the acquisition of Pentagon HS Limited;
 - (d) in October 2015, Assura issued 556,200,000 ordinary shares of 10 pence each pursuant to a firm placing and placing and open offer and 61,800,000 ordinary shares of 10 pence each pursuant to an offer for subscription;
 - (e) in June 2017, Assura issued 163,999,820 Ordinary Shares of 10 pence each pursuant to a placing.
- 3.7 Application will be made to the UK Listing Authority and the London Stock Exchange for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's Main Market for listed securities. It is expected that Admission will become effective and that dealings in the New Ordinary Shares will commence at 8.00 a.m. on 6 December 2017.
- 3.8 The Ordinary Shares currently in issue are, and the New Ordinary Shares will be, in registered form and, subject to the New Ordinary Shares being admitted to and accordingly enabled for settlement in CREST, the Ordinary Shares will be capable of being held in uncertificated form. Where New Ordinary Shares are held in certificated form, share certificates will be sent to the registered member by first class post.
- 3.9 When admitted to trading, the New Ordinary Shares will be registered with International Security Identification Number ("ISIN") GB00BVGBWW93, the same as the ISIN number for the Existing Ordinary Shares.
- 3.10 The New Ordinary Shares to be issued pursuant to the Share Issue will be credited as fully paid and will rank equally in all respects with the Existing Ordinary Shares, including the right to receive any dividends or distributions made, paid or declared after Admission.
- 3.11 The Existing Ordinary Shares are, and the New Ordinary Shares will be, traded on the London Stock Exchange and are not traded on any other regulated or equivalent market.
- 3.12 The Company is subject to the City Code, and in particular will continue to be subject to the rules concerning mandatory takeover bids and sell-out rules under the City Code.
- 3.13 Other than in connection with the Assura Employee Share Plans, no share capital of the Company or any of its subsidiaries is under option or award or agreed conditionally or unconditionally to be put under option or award.

- 3.14 The Company has not issued any securities with warrants, convertible securities or exchangeable securities, and there are no acquisition rights and/or obligations over unissued share capital or any undertaking to increase the share capital.

4. Articles

The Articles include provisions, *inter alia*, to the following effect:

4.1 Objects

The Articles do not provide for (i) any objects of the Company and accordingly the Company's objects are unrestricted; or (ii) any purposes for which the Company was established.

4.2 Share rights

Subject to applicable laws, the Articles and to any rights for the time being attached to any Existing Ordinary Share, any shares may be issued with such rights or restrictions as the Company may from time to time by ordinary resolution determine, or, if the Company has not so determined, as the Board may determine.

Subject to applicable laws, any share may be issued which is to be redeemed, or is to be liable to be redeemed at the option of the Company or the holder, on such terms, conditions and in such manner as the Board may determine.

4.3 Share class rights

If the Company's share capital is divided into shares of different classes, any rights attached to any class of shares may (subject to the rights attached to the shares of the class) be varied or abrogated in any manner, either with the written consent of the holders of not less than three-quarters in nominal value of the shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of such class of shares.

4.4 Share transfers

- (a) A member may transfer certificated shares to another person by a written instrument of transfer in any usual form (or any other form approved by the Board) executed by or on behalf of the member and, in the case of a share which is not fully paid, by or on behalf of that person. The Board may refuse to register the transfer of a certificated share which is in respect of a partly paid share or in respect of more than one class of share or in favour of more than four joint transferees or not duly stamped or not delivered for registration with appropriate evidence of the transferor's title to the Company's registered office or its share registrars.
- (b) A member may transfer uncertificated shares without a written instrument if such shares are a participating security held in uncertified form in accordance with the CREST Regulations. The Board is required to register a transfer of any uncertificated share in accordance with those regulations. The Board may refuse to register any such transfer which is in favour of more than four persons jointly or in any other circumstance permitted by those regulations.

4.5 Dividends

- (a) All dividends on shares are to be paid according to the amounts paid up on their nominal value, or otherwise in accordance with the terms concerning entitlement to dividends on which shares were issued. All unclaimed dividends may be made use of by the Board for the Company's benefit until claimed. Any dividend unclaimed for 12 years shall revert to the Company.
- (b) At the Company's annual general meeting in July 2015, in accordance with the Articles, the Directors were authorised, to provide Shareholders with the option to receive new fully paid ordinary shares in place of their cash dividend. The Directors retain discretion to determine whether to offer a scrip dividend alternative in respect of each future dividend. The Directors

also retain discretion to withdraw the offer of a scrip dividend alternative in certain circumstances, in particular if a minimum take-up threshold is not reached.

4.6 *General meetings*

- (a) Every member who is present at a general meeting in person or by proxy is entitled to one vote on a resolution put to the meeting on a show of hands and to one vote for every share of which he is the holder on a resolution put to the meeting on a poll. The vote of the senior of joint holders who tenders a vote will be accepted to the exclusion of the votes of the other joint holders. Seniority is determined by the order in which the names of the holders appear in the Company's register of members in respect of the joint holding.
- (b) The Board is required to convene annual general meetings in accordance with the Act. The Board may convene a general meeting which is not an annual general meeting whenever it thinks fit. The Company is required to give notice of a general meeting to each member (other than a person who, under the Articles or pursuant to any restrictions imposed on any shares, is not entitled to receive such a notice or to whom the Company, in accordance with applicable law, has not sent and is not required to send its latest annual accounts and reports), to the Directors and to the auditors. For these purposes "members" are the persons registered in the Company's register of members as being holders of shares at any particular time on any particular record date fixed by the Board that (in accordance with the CREST Regulations) is not more than 21 days before the sending out of the notices. The notice of a general meeting may specify a time by which a person must be entered on the Company's register of members in order to have the right to attend or vote at the meeting.
- (c) A member who is entitled to attend and vote at a general meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and to vote at the meeting.
- (d) A corporation which is a member may, by resolution of its Assura Directors or other governing body, authorise one or more persons as it thinks fit to act as a representative for it at any general meeting of the Company. The Company may require such a representative to produce a certified copy of the authorising resolution or such other reasonable evidence of his authority before permitting him to exercise any powers on the corporation's behalf at the meeting.

4.7 *Interests in shares not disclosed to the Company*

If the Company gives notice under section 793 of the Act in relation to any shares to a member or another person appearing to be interested in such shares and the recipient fails to give the Company the information required within 14 days afterwards, the holder of such shares is not entitled to attend or vote at a general meeting or exercise any other rights in respect of them in relation to a general meeting or a poll. Where such shares represent at least 0.25 per cent. of the issued shares of their class (i) the Company may withhold payment of any dividend or other distribution or amount payable in respect of them, (ii) the member is not entitled to elect to receive shares instead of a dividend, and (iii) the Board may refuse to register the transfer of any such shares unless (1) the member is not himself in default in supplying the information required and proves to the satisfaction of the Board that no person in default of supplying the information required is interested in any shares which are the subject of the transfer or (2) the transfer is made pursuant to acceptance of a takeover offer or in consequence of a sale made through the London Stock Exchange or any other recognised investment exchange or is shown to the Board's satisfaction to be made in consequence of a sale in good faith of the whole of the beneficial interest in the shares to a person who is not connected with the member or with any other person appearing to be interested in the shares.

4.8 *Alteration of share capital*

The Company may alter its share capital in any way permitted by the Act and applicable law and confer any preference or other advantage on one or more of the shares resulting from any division or

sub-division of its share capital as compared with the others and make any such share subject to any restriction as compared with the others

4.9 *Return of capital*

On a winding up of the Company, the Company's assets available for distribution will be divided among the members in proportion to the nominal amount paid up in respect of the shares held by them, subject to any rights attached to any shares. The liquidator may divide among the members in kind the whole or any part of the Company's assets. The liquidator may set the value he deems fair on any property of the Company and determine how the division is to be carried out between members or classes of members. The liquidator may not distribute to a member without his consent an asset to which there is attached a liability or potential liability for the owner.

4.10 *Lien and forfeiture*

- (a) The Company has a first and paramount lien on every share which is not fully paid for all amounts payable to the Company (whether actually or contingently and whether presently or not) in respect of that share. The Board may sell any share on which the Company has a lien if a sum in respect of which the lien exists is presently payable and is not paid within 14 days after notice has been sent to the holder of the share demanding payment and stating that if the notice is not complied with the share may be sold.
- (b) Subject to the terms on which shares are allotted, the Board may make calls on members in respect of any money unpaid on their shares. Each member shall (subject to receiving at least 14 days' notice) pay to the Company the amount called on his shares. If a call or any instalment of a call remains unpaid in whole or in part after it has become due and payable, the Board may give the person from whom it is due not less than 14 days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any costs, charges and expenses incurred by the Company by reason of such non-payment. The notice shall name the place where payment is to be made and shall state that if the notice is not complied with the shares in respect of which the call was made will be liable to be forfeited.

4.11 *Board powers*

- (a) The Company's business is to be managed by the Board. The Board may exercise all of the Company's powers and may do on its behalf anything that can be done by the Company or on its behalf which is not required by law or the Articles to be exercised or done by the Company in general meeting, subject to applicable laws, the Articles and such directions as may be prescribed by the Company by special resolution.
- (b) The Board may delegate to a Director holding executive office any of its powers, authorities and discretions on such terms as it thinks fit. The Board may grant to a Director the power to sub-delegate, and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the Director.
- (c) The Board may delegate any of its powers, authorities and discretions on such terms as it thinks fit to a committee consisting of one or more Directors and, if thought fit, one or more other persons. The Board may grant to the committee the power to sub-delegate, and may retain or exclude the right of the Board to exercise the delegated powers, authorities or discretions collaterally with the committee.

4.12 *Directors – appointment, retirement and removal*

- (a) At any one time the total number of Directors may not be less than two. This limit may be changed by ordinary resolution of the Company. The Company may by ordinary resolution appoint as a Director a person who is willing to act as such, either to fill a vacancy or as an addition to the existing Directors. The Board may appoint as a Director any person who is willing to act as such, either to fill a vacancy or as an addition to the existing Board. Any

Director so appointed by the Board is required to retire at the next annual general meeting. He will be eligible to stand for election as a Director at that meeting and will not be taken into account in determining the number or identity of Directors who are to retire by rotation at it.

- (b) At each annual general meeting one-third of the Directors who are subject to retirement by rotation in accordance with the Articles or, if their number is not three nor a multiple of three, the number nearest to but not exceeding one-third, are required to retire from office. If the Board so decides, one or more other Directors selected by the Board may also retire at the annual general meeting as if any such other Director was also retiring by rotation at that meeting. A Director who retires at an annual general meeting may, if willing to act, be reappointed at it.
- (c) The Company may remove any Director from office and appoint as a Director another person who is willing to act as such in his place, in each case by ordinary resolution.

4.13 *Directors – fees and remuneration*

- (a) The maximum aggregate amount of fees (which for the purpose of this article excludes salary or other remuneration) that the Company may pay to all the Directors (but not alternate Directors) for their services as such is £700,000 per annum, or such larger amount as the Company may by ordinary resolution decide. These fees are to be divided among the Directors as the Board decides or, if no decision is made, equally. The executive Directors, instead of any such fees, may and do receive from the Company salary and other remuneration.
- (b) The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties as Directors, including any professional fees incurred by him.
- (c) The Board may provide pensions, other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities for persons who are or were directors of the Company and their relatives and dependants.

4.14 *Directors' interests*

- (a) A Director is not required (provided he has disclosed his interest in the matter) to account to the Company for any profit, remuneration or other benefit which he derives from or in connection with (i) being interested in any contract, arrangement, transaction or proposal with the Company or in which the Company is otherwise interested, (ii) holding any other office or place of profit under the Company, except that of auditor, in conjunction with the office of Director and acting by himself or through his firm in a professional capacity for the Company (and being entitled to remuneration as the Board may arrange, either in addition to or in lieu of any remuneration provided for by any other Article), or (iii) being a director or other officer of, or employed by, or a party to any contract, arrangement, transaction or proposal with or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested or as regards which the Company has any powers of appointment.
- (b) A Director may not vote on, or be counted in the quorum in relation to, any resolution of the Board concerning any contract or arrangement or any other proposal to which the Company is or is to be a party and in which he has an interest which is to his knowledge a material interest (otherwise than by virtue of his interests in shares or debentures or other securities of, or otherwise in or through, the Company), nor can he be counted in the quorum in relation to it, other than a resolution:
 - (i) relating to the giving of any security, guarantee or indemnity to him in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of any member of the Group (a “**Group Undertaking**”);

- (ii) relating to the giving of any security, guarantee or indemnity in respect of a debt or obligation of a Group Undertaking for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) relating to, or in the context of, an offer of securities by a Group Undertaking in which he is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
 - (iv) relating to another company in which he does not have to his knowledge an interest (as that term is used in Part 22 of the Act) in shares representing one per cent. or more of either any class of the equity share capital, or the voting rights in, such company;
 - (v) relating to an arrangement for the benefit of employees of any Group Undertaking which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
 - (vi) concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including any Director; or
 - (vii) concerning any proposal for the Company (1) to provide him with an indemnity permitted by the Act, (2) to provide him with funds in circumstances permitted by that Act to meet his defence expenditure in respect of any civil or criminal proceedings or regulatory investigation or other regulatory action or in connection with any application for any category of relief permitted by that Act, or (3) to do anything to enable him to avoid incurring any such expenditure.
- (c) The Board may authorise any situation or matter relating to a particular Director to which section 175 of the Act (on “**Duty to avoid conflicts of interest**”) applies (each a “**Conflict Matter**”) on such terms as they think fit. For the Board to do so, a Director must propose to the Board that the Conflict Matter concerned be so authorised. The Board may terminate or withdraw any such authorisation by giving notice to the Director concerned. Any terms to which such an authorisation is made subject may include that the Director concerned (i) is not obliged to disclose to the Company confidential information obtained by him (other than in his capacity as its Director or as its employee or agent or, if the Directors so decide, in any other capacity that would otherwise oblige him to disclose it to the Company) in any situation to which such authorisation applies, nor to use any such information directly or indirectly for the Company’s benefit, where to do so would amount to a breach of a duty of confidence to a third party that he has previously disclosed to the Board, and (ii) may absent himself from any Board discussions, and make arrangements not to receive documents and information, relating to the Conflict Matter concerned for so long as he reasonably believes that he has or may have a conflict of interest in respect of it.

4.15 *Directors’ indemnity and insurance*

Subject to the Act and applicable law, the Company may:

- (a) indemnify any Director or any director of any associated company against any liability pursuant to any qualifying third party indemnity provision or any qualifying pension scheme indemnity provision, or on any other basis as is then lawful, in each case on such terms as the Board may decide; and
- (b) purchase and maintain for any Director or any director of any associated company insurance against any liability.

4.16 *Borrowing powers*

- (a) Subject to the limitations referred to in paragraph 4.16(b) below, the Board may exercise all the company’s powers to borrow money and to mortgage or charge all or part of the Company’s undertaking, property and assets (present or future) and uncalled capital of the Company and

subject to applicable laws) to create and issue debentures and other securities, whether outright or as collateral security for a debt, liability or obligation of the Company or of a third Party.

- (b) The Board must restrict the Company's borrowings and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings so as to ensure that the aggregate principal amount outstanding in respect of 'monies borrowed' (as defined in the Articles) by Group undertakings does not at any time (without the prior sanction of an ordinary resolution) exceed a sum equal to three times the Group's nominal amount of issued and paid up capital and consolidated reserves.

4.17 *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a member remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the member, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

4.18 *Real Estate Investment Trust*

The Articles:

- (a) provide directors with powers to identify the Company's Excessive Shareholders (including giving notice to a shareholder requiring him to provide such information as the Directors may require to establish whether or not he is an Excessive Shareholder);
- (b) provide directors with powers to prohibit the payment of dividends on Ordinary Shares that form part of an Excessive Shareholding, unless certain conditions are met;
- (c) allow dividends to be paid on the Company that form part of an Excessive Shareholding where the Shareholder has disposed of its rights to dividends on its Ordinary Shares;
- (d) seek to ensure that if a dividend is paid on Ordinary Shares that form part of an Excessive Shareholding and arrangements of the kind referred to in the preceding paragraph are not met, the Excessive Shareholder concerned does not become beneficially entitled to that dividend; and
- (e) provide the directors with powers if certain conditions are met, to require (i) an Excessive Shareholder; or (ii) a Shareholder who has not complied with a notice served in accordance with the power referred to in (a); or (iii) a Shareholder who has provided materially inaccurate or misleading information in relation to the Excessive Shareholder provisions of the Articles, to dispose of such number of their shares as the directors may specify, or to take such other steps as will cause the directors to believe the Shareholder is no longer an Excessive Shareholder.

The above is a summary only of certain provisions of the Articles, the full provisions of which are available for inspection as described in paragraph 19 of this Part X.

5. **Directors and PDMRs**

5.1 The Directors of the Company and their functions are as follows:

<i>Name</i>	<i>Position</i>
Simon Timothy Laffin	Non-executive Chairman
Jonathan Stewart Murphy	CEO
Jayne Marie Cottam	CFO
Andrew Simon Darke*	Property Director
Jenefer Dawn Greenwood	Non-executive Director
David Hedley Richardson	Non-executive Director
John Edward Kitson Smith	Non-executive Director

Note:

* On 3 October 2017, the Company announced that Andrew Darke will resign from the Board with effect from 31 March 2018 after which he will be retained as an adviser to the Company.

- 5.2 The interests of the Directors, other PDMRs and persons connected with them (within the meaning of section 252 of the Companies Act) in the issued share capital of the Company (all of which are beneficial) and the existence of which is known to, or could with reasonable diligence be ascertained by, the Directors (a) as at 14 November 2017 (being the latest practicable date prior to publication of this document) and (b) as they are expected to be immediately following Admission are as follows:

	<i>As at 14 November 2017</i>		<i>Expected amount at Admission</i>		
	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights assuming no take up under the Offer for Subscription</i>	<i>Percentage of voting rights assuming full take up under the Offer for Subscription</i>
Simon Laffin	3,357,664	0.18	3,620,821	0.15	0.15
Jonathan Murphy	2,323,174	0.13	2,393,349	0.10	0.10
Jayne Cottam	–	–	17,543	<0.01	<0.01
Andrew Darke	1,500,000	0.08	1,500,000	0.06	0.06
Jenefer Greenwood	117,256	<0.01	117,256	<0.01	<0.01
David Richardson	414,835	0.02	485,010	0.02	0.02
Ed Smith	–	–	87,719	<0.01	<0.01
Orla Ball	9,733	<0.01	9,733	<0.01	<0.01

- 5.3 The Directors and other PDMRs are interested in an aggregate of 7,722,662 Ordinary Shares (representing approximately 0.42 per cent. of the Existing Ordinary Shares). Simon Laffin, David Richardson, Ed Smith, Jonathan Murphy and Jayne Cottam intend to participate in the Share Issue.
- 5.4 Details of options and awards over Ordinary Shares granted pursuant to the Assura Group Performance Share Plan which are held by the Directors and other PDMRs as at the date of this document are as follows:

PSP

	<i>Date of grant of award</i>	<i>Number of awards granted</i>	<i>Normal vesting dates for award</i>
Jonathan Murphy	8 August 2016	607,759	From 8 August 2019
Jonathan Murphy	18 July 2017	803,781	From 18 July 2020
Andrew Darke	8 August 2016	530,172	From 8 August 2019
Andrew Darke	18 July 2017	611,834	From 18 July 2020

The PSP awards were granted at the closing share price on the day before the grant. The exercise price is nil. The awards are subject to two performance conditions which will be determined following the 2019 financial year and the 2020 financial year for the 2016 and 2017 grants, respectively. Half of the award shares are subject to a performance condition of at least 15 per cent. growth in absolute average annual compound total shareholder return over the performance period, and the remaining half are subject to a performance condition of at least 15 per cent. growth in absolute average annual compound NAV over the performance period.

- 5.5 During the 12 months prior to the date of this document, the following interests in Ordinary Shares have been acquired by the Directors or other PDMRs:

<i>Name</i>	<i>Date</i>	<i>Number of Ordinary Shares acquired</i>	<i>Purchase price per Ordinary Share (pence)</i>
Simon Laffin	18 January 2017	35,593	56p
Jonathan Murphy ⁽¹⁾	1 September 2017	682,828	nil
Andrew Darke ⁽¹⁾	1 September 2017	340,885	nil

Note:

(1) Represents nil cost options exercised under the VCP less shares sold to satisfy income tax and National Insurance liabilities.

- 5.6 Other than current or former directorships of members of the Group, during the five years immediately prior to the date of this document the Directors and other PDMRs are or have been directors or partners or members of the administrative, management or supervisory bodies of the companies or partnerships listed below:

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Former Directorships/Partnerships</i>
Simon Laffin	Flybe Group plc Simon Laffin Business Services Limited CVC Capital Partners VI Associates L.P. CVC Capital Partners V Associates SCA Watkin Jones plc	Quintain Estates and Development plc Rasindeck Limited Thistlehaven Limited Aegis Group plc Ashspring Limited
Jonathan Murphy	N/A	Bayfield Capital Management Limited Braemar Estates (Residential) Limited Braemar Estates Mortgages & Finance Limited Braemar Facilities Management Limited Braemar Group Limited Brooks Macdonald Funds Limited Ground Rents Income Fund plc The Manchester Ground Rent Company Limited UK Farming plc
Jayne Cottam	N/A	N/A
Andrew Darke	Costermongers Limited KLAS Homes & Lettings Limited	Deva Property Investments Limited Crosby Property Investments Limited Chester and Suburban Properties Limited Manchester and Suburban Properties Limited

<i>Director</i>	<i>Current Directorships/Partnerships</i>	<i>Former Directorships/Partnerships</i>
Jenefer Greenwood	Westonbirt Leisure Limited Westonbirt Schools Limited St Modwen Properties plc DCH Group Ernest Cook Trust	The National Skills Academy for Retail 29 – 37 Davies Street Limited 72 Eaton Place Limited Belgrave House Developments Limited Belgravia Estate Services Limited Belgravia Leasehold Properties Limited Belgravia Leases Limited Eaton Square Properties Limited Fournier Securities Limited Grosvenor (Belgravia) Estate Grosvenor (Mayfair) Estate Grosvenor Commercial Properties Grosvenor Estate Belgravia Grosvenor Investments Limited Grosvenor Keysign Limited Grosvenor Properties Grosvenor Property Developments Limited Grosvenor Quarryvale Limited Grosvenor West End Properties Limited London Leasehold Flats Limited Mayfair Leasehold Properties Limited Montrose Place Development Limited Quarryvale Two Limited Victoria Properties (London) Limited GEB2 Limited
David Richardson	BBGI SICAV S.A. The Edrington Group Limited	Serco Group plc Spire Bidco Hotels Limited Cotswold Four Pillars Limited Four Pillars Hotels Limited Oxford Spires Four Pillars Hotel Limited Oxford Thames Four Pillars Hotel Limited Tortworth Four Pillars Hotel Limited Vocalhaven Limited Witney Four Pillars Hotel Limited World Hotels AG IHS GmbH
Ed Smith	JEKS Advisory Services Limited Caterham School Limited	NHS Property Services Limited Chatham House Enterprises Limited British Universities and Colleges Sport Limited WWF-UK Burleigh Management Limited Carlton Club (London) Limited Student Loans Company Limited

- 5.7 There are no loans made or guarantees granted or provided by the Company or any member of the Group to or for the benefit of any Director or PDMR.
- 5.8 No Director or PDMR is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Group and which was effected by the Company or any member of the Group during the current or immediately preceding financial year or which was effected by the Company or any member of the Group during any earlier financial year and remains in any respect outstanding or unperformed.
- 5.9 As at the date of this document there are no potential conflicts of interests between the duties of any Director and/or PDMR and his private interests or other duties.
- 5.10 During the five years immediately prior to the date of this document no Director or PDMR has:
- (a) any convictions in relation to fraudulent offences;
 - (b) been bankrupt or the subject of an individual voluntary arrangement, or has had a receiver appointed to any of his assets;
 - (c) been a director of any company which, while he was a director, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangement with its creditors generally or with any class of its creditors;
 - (d) been a partner of any partnership which, while he was a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
 - (e) received any public criticism and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
 - (f) been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

6. Directors' and PDMRs Service Contracts

- 6.1 Particulars of the Executive Directors' current service agreements with the Company are set out below:

<i>Director</i>	<i>Date of Service Agreement</i>	<i>Notice period from either party</i>	<i>Salary (£) and Bonus</i>	<i>Benefits in kind</i>
Jonathan Murphy	26 April 2017	6 months	335,000 as per agreed bonus plan (maximum 100% of salary)	Car cash allowance, private medical, life assurance, pension
Jayne Cottam	1 August 2017	6 months	180,000 as per agreed bonus plan (maximum 75% of salary)	Car cash allowance, private medical, life assurance, pension
Andrew Darke	19 December 2016	6 months	220,000 as per agreed bonus plan (maximum 75% of salary)	Car cash allowance, private medical, life assurance, pension

- 6.2 The service agreement for each of the Executive Directors provides that six months' notice shall be given (by the Company or by the Executive Director) to terminate the agreement. During such notice period, the Executive Director may be placed on garden leave (at the Company's discretion) and will continue to receive salary and benefits. Alternatively, the Company may (at its discretion) terminate the Executive Director's employment forthwith by making a payment in lieu of salary and contractual benefits in respect of the notice period, or any unexpired part of it.
- 6.3 There are no provisions in the Executive Directors' service agreements for compensation to be payable in the event of early termination of their respective service agreements, other than payment in lieu of notice.
- 6.4 Particulars of the current letters of appointment between the Non-executive Directors and the Company are set out below:

<i>Director</i>	<i>Date of Service Agreement</i>	<i>Notice period from either party</i>	<i>Current Annual fee (£)</i>
Simon Laffin	28 January 2015	6 months	133,400
David Richardson	28 January 2015	6 months	54,700
Jenefer Greenwood	28 January 2015	6 months	46,200
Ed Smith	16 October 2017	6 months	37,700

- 6.5 Each Non-executive Director is entitled to have the costs of independent legal advice required in connection with the performance of their duties met by the Company. The Non-executive Directors are also entitled to be reimbursed for all reasonable expenses incurred in the proper performance of their duties. There are no provisions in the Non-executive Directors' letters of appointments for compensation to be payable in the event of early termination of their letters of appointment.
- 6.6 During the financial year ended 31 March 2017, the amount of remuneration paid (including any contingent or deferred compensation) and benefits in kind granted by the Group to each Director and other PDMRs for services to the Group were as follows:

	<i>Director Salary/fee (£)</i>	<i>Bonus (£)</i>	<i>Benefits in kind (£)</i>	<i>Pension contribution (£)</i>	<i>Long term incentives (£)</i>	<i>Total (£)</i>
Simon Laffin	130,500	–	–	–	–	130,500
Jonathan Murphy	270,000	178,000	15,000	33,000	736,000	1,232,000
Andrew Darke ⁽¹⁾	110,000	144,000	8,000	15,000	–	277,000
David Richardson	53,400	–	–	–	–	53,400
Jenefer Greenwood	45,200	–	–	–	–	45,200
Other PDMRs						
Orla Ball	72,903	13,600	9,177	5,530	–	101,210

Note:

- (1) Andrew Darke joined the Board on 3 October 2016 and figures above relate to amounts after appointment only.

7. Major shareholders

- 7.1 The Company has been notified that the following persons were, directly or indirectly, interested in three per cent. or more of the Company's issued ordinary share capital or voting rights as at 14 November 2017 (being the latest practicable date prior to the publication of this document), and the Company expects such interests immediately following the Share Issue to be as follows:

	<i>As at 14 November 2017</i>	
	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights</i>
Invesco	267,550,042	14.61%
Artemis Investment Management	173,498,211	9.48%
Blackrock	165,443,946	9.04%
Standard Life Aberdeen	124,632,410	6.81%
Cohen & Steers Capital Management	103,463,020	5.65%
Schroders	93,643,394	5.12%
Resolution Capital	79,208,222	4.33%
Investec Wealth & Investment	68,368,133	3.73%
Legal & General	56,425,857	3.08%

- 7.2 So far as the Directors are aware, no person, directly or indirectly, jointly or severally, exercises or could exercise control of the Company.
- 7.3 So far as the Directors are aware, there are no arrangements the operation of which may at a later date result in a change of control of the Company.
- 7.4 None of the persons referred to in paragraph 7.1 above (or their nominees) has or will have different voting rights in relation to their shareholdings in the Company.

8. Share Schemes

Assura has in place an employee share plan, the PSP, and an employee benefit trust ("**EBT**"), the key terms of which are summarised below.

8.1 **PSP**

(a) *Operation*

The PSP was approved and adopted by Assura Shareholders on 19 July 2016 and adopted by the Remuneration Committee of Assura (the "**Committee**") on 8 August 2016. The Remuneration Committee supervises the operation of the PSP.

(b) *Eligibility*

Any employee (including an executive Director) of the Group, will be eligible to participate in the PSP ("**Participants**").

(c) *Grant of Awards*

The Committee may grant Participants: (i) a conditional right to acquire Ordinary Shares (a "**Conditional Award**"), or (ii) a right to acquire Ordinary Shares (an "**Option**") (a Conditional Award and an Option, each an "**Award**") under the PSP. Awards are granted by deed executed by Assura.

Awards may only be granted under the PSP:

- in the period of 6 weeks beginning with the dealing day after the date on which Assura announces its results for any period; or
- at any other time when the Committee considers circumstances to be sufficiently exceptional to justify its grant.

However, Awards may not be granted under the PSP after 19 July 2026.

Awards granted under the PSP may not be transferred (other than on death) and lapse immediately upon bankruptcy.

(d) *Individual limits and dilution*

An Award may not be made if, when granted, it would cause the number of Ordinary Shares allocated in the period of 10 years under the PSP and:

- any other executive share plan adopted by Assura, to exceed 5 per cent. of the ordinary share capital of Assura at the time; or
- under any employee share plan adopted by Assura, to exceed 10 per cent. of the ordinary share capital of Assura at the time.

The maximum total market value of Awards that may be granted to any Participant during any financial year of Assura is 150 per cent. of salary, save for exceptional circumstances in relation to the recruitment of an individual, in which case it shall be 300 per cent. of salary.

(e) *Conditions*

The Committee may attach such conditions to an Award as it wishes in its absolute discretion (including performance conditions or extended holding periods that relate to the vesting of an Award.

(f) *Vesting of Awards*

Awards will generally vest: (i) in accordance with the conditions attached to the Award by the Committee, and (ii) on the later of:

- the date on which the Committee determines that the relevant conditions have been satisfied;
- the third anniversary of the grant of the Award; and
- the expiry of any subsequent holding period.

Where an Award vests but Ordinary Shares have not yet been allotted or transferred, the Committee may substitute cash for the right to acquire Ordinary Shares by way of employment income equivalent to the market value of the Ordinary Shares.

(g) *Leaving employment*

As a general rule, Awards lapse upon the Participant ceasing to hold employment with, or be a Director of, the Group.

However, in the event of: (i) a Participant's death, (ii) retirement with the agreement of the employer, (iii) the office or employment ceasing to be with a group company of Assura, or (iv) involuntary cessation of employment (such as injury, disability or redundancy), then the Committee shall determine the number of Ordinary Shares in respect of which the relevant Award shall vest by applying: (i) any conditions imposed on the Award; and (ii) a pro rata reduction to the number of Ordinary Shares based on the period of time after the grant of the Award that the leaver left Assura relative to three years. This is the case save where the Committee (acting fairly and reasonably) decides that the reduction is inappropriate in any particular case.

(h) *Corporate events*

On a change of control, the Committee shall notify all Participants of such change of control within 7 days. All Awards shall vest on the date of notification and accrued Options may be exercised within one month of notification.

(i) *Dividend equivalents*

The number of Ordinary Shares comprised in an Award shall increase by such number of additional Ordinary Shares as could have been acquired at the closing mid-market price on each relevant ex-dividend date with the dividends (net of any tax credits) which would have been paid on the Ordinary Shares comprised in that Award. Such additional Ordinary Shares vest on the date on which the Award itself vests.

The Committee may decide at any time that in lieu of the number of additional Ordinary Shares calculated above, on the vesting of an Award the Participant will be paid the cash value of the number of additional Ordinary Shares, with such cash value calculated by the Committee on a reasonable basis and paid subject to any withholding for any tax liability.

(j) *Cash settling*

Where an Award vests but Ordinary Shares have not yet been allotted or transferred to the Participant, the Committee may determine that, in substitution for the right to acquire such Ordinary Shares, Assura may pay, by way of additional employment income, a sum equal to the cash equivalent of that number of Ordinary Shares.

(k) *Alterations to the PSP*

The Committee may amend the provisions of the PSP in any respect provided that the prior approval of Shareholders is obtained in a general meeting for amendments or additions which are to the advantage of Participants, to provisions relating to (amongst other things) eligibility, individual limits and basis of entitlement.

The requirement to obtain the prior approval of Shareholders will not, however, apply in relation to any minor amendment made to benefit the administration of the PSP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Assura any of its subsidiaries or for Participants or any alteration.

(l) *Non-pensionable benefits*

Benefits under the PSP are non-pensionable.

8.2 **EBT**

The Group has an employee benefit trust in Jersey which is used to provide Ordinary Shares to some or all employees in connection with some or all of the Assura Employee Share Plans. The EBT was established on 12 May 2006 for the benefit of employees of the Group and their dependants. The trustee of the EBT is Link Asset Services an independent professional trustee incorporated in Jersey. As at 14 November 2017 (being the latest practicable date prior to the publication of this document), the EBT held no Ordinary Shares.

9. **Property**

The material tangible fixed assets of the Group as at 31 March 2017 were as set out in the Annual Report and Accounts of the Company for the year ended 31 March 2017. In addition, the Company has since 31 March 2017 to 14 November 2017 (being the latest practicable date prior to the publication of this document) completed the acquisition of 79 medical properties for a total consideration of £174.1 million and, between 31 March 2017 and 30 September 2017, invested approximately £191 million in tangible fixed assets.

As far as the Directors are aware there are no environmental issues affecting the Group's utilisation of its fixed assets.

10. Material contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group (a) within the 24 months immediately prior to publication of this document, or (b) at any time, and contain provisions under which any member of the Group has an obligation or entitlement which is, or may be, material to the Group as at the date of this document:

10.1 *Sponsor and Placing Agreement*

The Company has entered into the Sponsor and Placing Agreement pursuant to which the Joint Bookrunners have severally agreed to use their respective reasonable endeavours to procure Firm Placees and Placees for the Firm Placed Shares and the Placing Shares, in each case, at the Offer Price on the basis that the Placing Shares for which Placees are procured shall be the subject of clawback to the extent they are taken up in the Open Offer. To the extent that any Firm Placee or Placee procured by the Joint Bookrunners fails to subscribe for any or all of the Firm Placed Shares and/or Placing Shares which have been allocated to it, each of the Joint Bookrunners shall severally subscribe, as principal, for such Firm Placed Shares and/or Placing Shares at the Offer Price.

The Company has agreed to pay a commission of 2.5 per cent. of the amount equal to the product of the Offer Price and the aggregate number of New Ordinary Shares. All expenses incurred by the Joint Bookrunners will be paid by the Company, irrespective of whether Admission occurs. In addition, in connection with the Placing, the Company has agreed to pay each Placee a placing commission of 0.75 per cent. of the Offer Price multiplied by the number of New Ordinary Shares in their participation which are subsequently subject to clawback to satisfy valid applications by Qualifying Shareholders under the Open Offer, which commission is to be payable by the Joint Bookrunners, as agent for and on behalf of the Company.

The Joint Bookrunners' obligation to subscribe for Firm Placed Shares and/or Placing Shares is conditional on certain conditions that are typical for an agreement of this nature including, among others:

- the execution of the Placing Terms Agreement by the parties thereto following completion of the Bookbuild;
- the passing without amendment of the Resolution at the General Meeting on 4 December 2017 (or such later date as the Bookrunners may agree) and the Resolution remaining in force;
- the Company having complied with its obligations under the Sponsor and Placing Agreement or under the terms and conditions of the Firm Placing and the Placing and Open Offer which, in each case, fall to be performed on or prior to Admission; and
- Admission occurring on or before 8.00 a.m. on 6 December 2017 (or such later time and/or date as the Joint Bookrunners and the Company may agree, being not later than 8.00 a.m. on 22 December 2017).

If, by the time specified in the Sponsor and Placing Agreement (or such later time and/or date as the Joint Bookrunners may agree) any of the conditions have not been fulfilled or waived by the Joint Bookrunners, the Sponsor and Placing Agreement and all obligations of each of the parties thereunder shall immediately cease to have any effect save that certain provisions survive. The Joint Bookrunners may in their discretion waive compliance with the whole or any part of certain of the conditions or extend the time provided for fulfilment of any such conditions but only prior to Admission. In addition, the Joint Bookrunners may terminate the Sponsor and Placing Agreement in certain circumstances (such as a material adverse change or force majeure event) but only prior to Admission. The Joint Bookrunners are not entitled to terminate the Sponsor and Placing Agreement after Admission.

The parties have agreed that in the event a supplementary prospectus is published two or fewer Business Days prior to the closing date of the Open Offer (or such later date as may be agreed by the Joint Bookrunners), the closing date of the Open Offer shall be extended to the date which is three Business Days after the date of publication of the supplementary prospectus.

The Company has given certain customary warranties and undertakings to the Joint Bookrunners including, among other things, warranties in relation to the business, the historical financial information and the information contained in this document.

Pursuant to the terms of the Sponsor and Placing Agreement, the Company has undertaken that it will not without the prior written consent of the Joint Bookrunners, during the period ending 90 days from the date of Admission: (i) directly or indirectly, issue, allot, offer, pledge, sell, contract to sell, lend, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, deposit into any depositary receipt facility or otherwise transfer or dispose of any Ordinary Shares (or any interest therein or in respect thereof) in Ordinary Shares or any securities convertible into or exercisable or exchangeable for, or substantially similar to, Ordinary Shares or file any registration statement under the US Securities Act with respect to any of the foregoing (or publicly announce the same or any intention to do the same); or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly, or indirectly, the economic consequences of ownership of the Ordinary Shares (or publicly announce the same or any intention to do the same), whether any such swap or transaction described in (i) or (ii) above is to be settled by delivery of the Ordinary Shares or such other securities, in cash or otherwise. The foregoing undertaking does not apply to: (a) the issue and offer by or on behalf of the Company of the New Ordinary Shares; (b) any Ordinary Shares issued or to be issued by the Company upon the exercise of an option or warrant or the conversion of a security outstanding on the date hereof and disclosed in this document; (c) any Ordinary Shares issued or to be issued or options to subscribe for or acquire Ordinary Shares granted pursuant to existing or proposed employee benefit plans of the Company disclosed in this document; and (d) any Ordinary Shares issued or to be issued to Shareholders instead of cash in respect of any dividend declared by the Company.

10.2 *June 2017 Placing Agreement*

The Company entered into a placing agreement dated 20 June 2017 (the “**June 2017 Placing Agreement**”) pursuant to which Stifel and Liberum Capital Limited (together, the “**Placing Agents**”), subject to certain conditions, agreed to act as joint bookrunners and to use their reasonable endeavours to procure purchasers for new ordinary shares in the Company. A total of 163,999,820 new ordinary shares were placed by the Placing Agents, raising gross proceeds of £98.4 million and representing, in aggregate, approximately 9.9 per cent. of the Company’s then issued ordinary share capital.

The Company gave certain customary warranties and undertakings to the Placing Agents including, among other things, warranties in relation to the Company’s business.

10.3 *Facility agreements*

(a) *Aviva Commercial Finance Limited*

Certain members of the Group entered into a series of facility agreements between 21 May 2003 and 31 December 2014 with Aviva (“**Aviva Facility Agreements**”). The outstanding balances under the Aviva Facility Agreements as at 30 September 2017 totalled £211.7 million. These loans were made available for the purpose of funding the refinancing and/or development of certain properties owned by those members of the Group.

The loans carry interest at fixed rates of between 4.11 per cent. and 6.66 per cent., with interest payable on a quarterly basis. The Aviva Facility Agreements are for terms ranging from 5 years to 30 years. The indebtedness under the Aviva Facility Agreements is secured against first legal charges over specified properties and assignments over specific agreements and/or rental income (depending on the nature of the relevant Aviva Facility Agreement).

The financial covenants require that rental income from the relevant property (adjusted, where the relevant lease is not on a full repair and insurance basis, for the anticipated costs of the repair and insurance of the property subject to the lease) is equal to or exceeds between 90 and 105 per cent. of the aggregate of interest and capital repayments payable on each interest payment date for the relevant Aviva Facility Agreement (in the case of Aviva facility agreements provided for the purpose of developing the relevant property, this covenant is relevant only following the date of practical completion). There is the opportunity to cure any breach of this covenant by prepaying an amount of the loan, depositing an amount into a bank account charged to Aviva or providing additional security to Aviva.

(b) *Bond*

Assura Properties plc (“**AP plc**”), a subsidiary of the Company, issued a bond, listed on the Main Market of the London Stock Exchange, on 9 December 2011 constituted by a trust deed between AP plc and Prudential Trustee Company Limited. The principal amount of the Bond is equal to £110 million and is secured by a first ranking mortgage over certain properties owned by AP plc and certain subsidiaries of AP plc (Assura Properties UK Limited, BHE (Heartlands) Limited and BHE (St James) Limited) and a floating charge over all of the assets of AP plc and each charging subsidiary.

The Bond attracts interest at a rate of 4.75 per cent. per annum which is payable in arrears on 9 June and 9 December each year. Unless previously redeemed or purchased and cancelled in accordance with the terms and conditions of the Bond, the Bond shall be redeemed at its principal amount outstanding on 9 December 2021 together with interest accrued to (and including) the maturity date.

The financial covenants require that: (i) the aggregate valuation of the properties mortgaged must exceed the aggregate principal amount of the Bond plus the interest accrued payable by a ratio of at least 1.35:1; (ii) the ratio of net annual income from the properties mortgaged to gross annual interest of the Bond must not be less than 1.15:1; (iii) at least 75 per cent. of the net annual income from the properties mortgaged shall be payable by NHS GPs or directly from the NHS; and (iv) the weighted average remaining length of leases granted in respect of the properties mortgaged must be greater than 10 years. In the case of AP plc applying to either substitute or withdraw properties mortgaged then the ratio increases to 1.43:1 in respect of covenant (i) and to 1.5:1 in respect of covenant (ii). Each covenant is tested twice annually by reference to the latest valuation report in respect of the properties mortgaged.

(c) *Syndicated Revolving Credit Facility*

Certain members of the Group entered into a five-year syndicated Revolving Facility Agreement with Barclays Bank plc, HSBC Bank plc, National Westminster Bank plc and Santander UK plc (together, the “**Lenders**”) dated 17 May 2016 (the “**RCF**”) for £200.0 million (the “**Available Credit**”). The Available Credit under the RCF was increased to £250.0 million in May 2017 and £300.0 million in October 2017.

Loans can be drawn down from the RCF (each a “**Loan**”) from time to time by serving notice on the Lenders, providing that the LTV does not exceed 50 per cent. As at 14 November 2017 (being the latest practicable date prior to the publication of this document) £50.0 million of the RCF is currently drawn in Loans.

The RCF is provided on an unsecured basis and carries interest payable on the Loans equal to the aggregate of a margin (the “**Margin**”) plus LIBOR. The Margin is calculated depending on the LTV such that, in the event that the LTV is:

- less than or equal to 20 per cent., the Margin will be 1.50 per cent.;
- greater than 20 per cent. but less than or equal to 30 per cent., the Margin will be 1.55 per cent.;

- greater than 30 per cent. but less than or equal to 40 per cent., the Margin will be 1.70 per cent.;
- greater than 40 per cent. but less than or equal to 50 per cent., the Margin will be 1.85 per cent.; and
- greater than 50 per cent., the Margin will be 2.0 per cent.

As at 30 September 2017 the Group's LTV was 36 per cent.

Upon drawing down a Loan, the applicable borrower must elect an interest period for the Loan, such interest period to be either: (i) one month; (ii) two months; (iii) three months; (iv) six months, or (v) such other period as the borrower and the lenders agree. The Loan principal and accrued interest must be repaid upon the expiry of the applicable interest period. The maximum number of outstanding Loans capable of being drawn down from the RCF at any one time is ten.

In addition to the payment of principal and interest set out above, Assura Financing Limited is liable to pay the Lenders:

- a quarterly commitment fee for the RCF calculated at 40 per cent. per annum of the applicable Margin of the Available Credit; and
- where the aggregate value of the Loans is equal to or greater than 33 per cent. of the Available Credit, a quarterly utilisation fee calculated at: on the aggregate sum of such Loans, accruing daily on each day on which the aggregate value of the Loans are:
 - 0.15 per cent. per annum of the aggregate of such Loans where such sum is greater than or equal to 33 per cent. but less than 66 per cent. of the Available Credit; or
 - 0.30 per cent. per annum of the aggregate of such Loans where such sum is greater than or equal to 66 per cent. of the Available Credit,

(together, “**RCF Fees**”). The Company is also liable to pay an arrangement fee and an agency fee in respect of the RCF.

The financial covenants require that Assura Financing Limited shall ensure that:

- in respect of each period of 12 months ending on 31 March and 30 September in each year (each a “**Relevant Period**”), the net rental income for that Relevant Period, as a percentage of total charges payable by the Group in respect of the RCF during that Relevant Period, is at least 175 per cent.;
- in respect of any Relevant Period, LTV does not exceed 60 per cent.;
- weighted average lease length shall not be less than seven years;
- in respect of any Relevant Period, net rental income shall not be less than 8.50 per cent. of the amount of the aggregate financial indebtedness of the Group (excluding any financial indebtedness owed to any member of the Group which are subordinated to the Lenders’) on the last day of each Relevant Period; and
- gearing in respect of any Relevant Period shall not exceed 150 per cent.

(d) *US Private Placement Notes*

On 30 September 2016, certain members of the Group entered into two Note Purchase and Private Shelf Agreements pursuant to which Assura Financing Limited issued £100.0 million 10-year notes (the “**2026 Notes**”) in the US private placement market. The 2026 Notes are unsecured but are unconditionally guaranteed by Assura plc.

The 2026 Notes accrue interest at a rate of 2.65 per cent. per annum which is payable in arrears semi-annually on 13 April and 13 October each year. Unless previously redeemed or purchased and cancelled in accordance with the terms and conditions of the 2026 Notes, the 2026 Notes shall be redeemed at its principal amount outstanding on 13 October 2026 together with interest accrued to (and including) the maturity date.

The financial covenants in respect of the 2026 Notes are, *mutatis mutandis*, the same as those contained in the RCF. There are a number of other positive and negative covenants applicable to the 2026 Notes that apply to the Group that are standard in agreements of this nature.

(e) *UK Private Placement Notes*

On 20 October 2017, Assura plc and Assura Financing Limited entered into a note purchase agreement pursuant to which Assura Financing Limited issued £70,000,000 8-year notes (the “**2025 Notes**”) and £80,000,000 10-year notes (the “**2027 Notes**”) in the UK private placement market. The 2025 Notes and the 2027 Notes are unsecured but are unconditionally guaranteed by Assura plc.

The 2025 Notes accrue interest at a rate of 2.86 per cent. per annum and the 2027 Notes accrue interest at a rate of 3.19 per cent. per annum, each of which is payable in arrears semi-annually on 20 April and 20 October each year. Unless previously redeemed or purchased and cancelled in accordance with the terms and conditions of the note purchase agreement, the 2025 Notes and the 2027 Notes shall be redeemed, at the applicable principal amount outstanding, on 20 October 2025 and 20 October 2027 respectively, together with applicable interest accrued to (and including) the maturity date.

The financial covenants in respect of the 2025 Notes and the 2027 Notes are, *mutatis mutandis*, the same as those contained in the RCF. There are a number of other positive and negative covenants applicable to the 2025 Notes and 2027 Notes that apply to the Group that are standard in agreements of this nature.

11. Related party transactions

The following related party transactions (which for these purposes are those set out in the standards adopted according to the Regulation (EC) 1606/2002) have either been entered into by the Group during the three financial years ended 31 March 2017 (being the last period for which audited financial information of the Company has been published) or in the period to 14 November 2017 (being the latest practicable date prior to the publication of this document), or, where entered into prior to such financial years, there exist outstanding commitments in respect of such transactions:

- 11.1 during the 2014/15 Financial Year, such transactions as are referred to in note 29 on page 105 of the 2015 Annual Report and pages 87, 92 and 105 thereof are hereby incorporated by reference into this document;
- 11.2 during the 2015/2016 Financial Year, such transactions as are referred to in note 25 on page 116 of the 2016 Annual Report and pages 101, 105 and 116 thereof are hereby incorporated by reference into this document;
- 11.3 during the 2016/2017 Financial Year, such transactions as are referred to in note 25 on page 97 of the 2017 Annual Report and pages 82, 86 and 97 thereof are hereby incorporated by reference into this document;
- 11.4 Invesco was deemed a related party of the Company for the purposes of Chapter 11 of the Listing Rules in June 2017. Invesco purchased 26,666,666 Ordinary Shares under, and on the terms and conditions of, the placing in June 2017, which was classified as a smaller related party transaction for the purposes of Chapter 11 of the Listing Rules; and

- 11.5 between 31 March 2017 to 14 November 2017 (being the latest practicable date prior to the publication of this document), save as disclosed in paragraph 11.4 of this Part X there have been no new related party transactions.

12. Taxation

12.1 *United Kingdom tax treatment of Shareholders*

12.1.1 *Introduction*

The statements set out below are intended only as a general guide to certain aspects of current UK tax law and the published practice of HMRC as at the date of this document and apply only to certain Shareholders who are resident for tax purposes (and in the case of individuals, domiciled or deemed domiciled) in the UK (save where express reference is made to non-UK resident persons). The summary does not purport to be a complete analysis or listing of all the potential tax consequences of acquiring, holding or disposing of Ordinary Shares. Prospective purchasers of Ordinary Shares are advised to consult their own independent tax advisers concerning the consequences under UK tax law of the acquisition, ownership and disposition of Ordinary Shares.

The following paragraphs relate only to certain limited aspects of the United Kingdom taxation treatment of Property Income Distributions (“**PIDs**”) and Non-PID Dividends paid by the Company, the acquisition of New Ordinary Shares and disposals of Ordinary Shares. The statements are not applicable to all categories of Shareholders, and in particular are not addressed to (i) Shareholders who do not hold their Ordinary Shares as capital assets or investments or who are not the legal and absolute beneficial owners of those shares or dividends in respect of those shares, (ii) some Shareholders who own (or are deemed to own) ten per cent. or more of the share capital or of the voting power of the Company or are entitled to ten per cent. or more of the Company’s distributions, (iii) special classes of Shareholders such as dealers in securities, broker-dealers, insurance companies, trustees of certain trusts and investment companies, (iv) Shareholders who hold Ordinary Shares as part of hedging or commercial transactions, (v) Shareholders who hold Ordinary Shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or in the case of a non-UK resident corporate Shareholder, a permanent establishment), (vi) Shareholders who hold Ordinary Shares acquired by reason of their employment, (vii) Shareholders who hold Ordinary Shares in an individual savings account or (viii) Shareholders who are subject to UK taxation on a remittance basis, or (ix) Shareholders who are not resident in the UK for tax purposes (save where express reference is made to non-UK resident Shareholders).

12.1.2 *Taxation of PIDs*

(a) UK tax resident individuals

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are individuals as the profit of a single UK property business (as defined in Part 3 of the Income Tax (Trading and Other Income) Act 2005). This means that, subject to the availability of any exemptions or reliefs, such Shareholders would be liable to income tax on the entire amount of their PID as if it were property business (rather than dividend) income. A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate UK property business. Income from any other UK property business (a “different UK property business”) carried on by the relevant shareholder is taxed separately. This means that any surplus expenses from a shareholder’s different UK property business cannot be offset against a PID.

Finance Bill 2017-2019, which is currently before Parliament, includes legislation introducing a new personal income tax allowance for property business income, with effect from 6 April 2017. Based on the current proposed legislation, this can be used

against PID income. Individuals with property business income (including PID income) up to the £1,000 allowance will no longer be required to declare or pay income tax on that income. Individuals with property income exceeding the £1,000 allowance will be allowed to deduct the £1,000 allowance from their property business income arising in the same or future years.

Credit will be available in respect of the basic rate tax withheld by the Company (where required) on the PID.

Please see also the section below relating to withholding tax and PIDs at paragraph 12.1.3.

(b) UK taxation of UK tax resident corporate Shareholders

Subject to certain exceptions, a PID will generally be treated in the hands of Shareholders who are within the charge to corporation tax as profit of a UK property business (as defined in Part 4 of CTA 2009) (“Part 4 property business”). This means that, subject to the availability of any exemptions or reliefs, such Shareholders would be liable to UK corporation tax on the entire amount of their PID. A PID is, together with any property income distribution from any other company to which Part 12 of CTA 2010 applies, treated as a separate Part 4 property business. Income from any other Part 4 property business (a “different Part 4 property business”) carried on by the relevant Shareholder is taxed separately. This means that any surplus expenses from a Shareholder’s different Part 4 property business cannot be offset against a PID as part of a single calculation of the shareholder’s property business profits. The main rate of UK corporation tax on such profit is currently 19 per cent.

Please see also the section below relating to withholding tax and PIDs at paragraph 12.1.3.

(c) UK taxation of Shareholders who are not resident for tax purposes in the UK

Where a Shareholder who is not resident for tax purposes in the UK receives a PID, the PID will generally be chargeable to UK income tax as profit of a UK property business and this tax will generally be collected by way of a withholding tax. Under Section 548(7) of CTA 2010, this income is expressly not non-resident landlord income for the purposes of regulations under section 971 of the Income Tax Act 2007.

Prospective non-UK tax resident Shareholders should consult their own professional advisers on the implications in the relevant jurisdictions of any non-UK implications of receiving PIDs.

Please see also the section below relating to withholding tax and PIDs at paragraph 12.1.3.

12.1.3 *Withholding tax and PIDs*

(a) General

Subject to certain exceptions summarised below, the Company is required to withhold income tax at source at the basic rate (currently 20 per cent.) from its PIDs (whether paid in cash or in the form of a stock dividend). The Company will provide shareholders with a certificate setting out the gross amount of the PID, the amount of tax withheld, and the net amount of the PID.

(b) Shareholders solely resident in the UK

Where tax has been withheld at source, Shareholders who are individuals may, depending on their particular circumstances, be liable to further tax on their PID at their applicable marginal rate, incur no further liability on their PID, or be entitled to claim repayment of some or all of the tax withheld on their PID. Shareholders who are

corporate entities will generally be liable to pay corporation tax on their PID and if (exceptionally) income tax is withheld at source, the tax withheld can be set against their liability to corporation tax, or income tax which they are required to withhold, in the accounting period in which the PID is received.

- (c) Shareholders who are not resident for tax purposes in the UK
It is not possible for a Shareholder to make a claim under a double taxation convention for a PID to be paid by the Company gross or at a reduced rate of withholding. The right of a Shareholder to claim repayment of any part of the tax withheld from a PID will depend on the existence and terms of any double taxation convention between the UK and the country in which the Shareholder is resident. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning tax liabilities on PIDs received from the Company.
- (d) Exceptions to requirement to withhold income tax
Shareholders should note that in certain circumstances the Company is not required to withhold income tax at source from the payment of a PID. These include where the Company reasonably believes that the person beneficially entitled to the PID is a company resident for tax purposes in the UK, or certain charities. They also include where the Company reasonably believes that the PID is paid to the scheme administrator of a registered pension scheme, the sub-scheme administrator of certain pension sub-schemes, the account manager of an individual savings account, or the account provider for a child trust fund, in each case, provided the Company reasonably believes that the PID will be applied for the purposes of the relevant scheme, account or fund.

In order to pay a PID without withholding tax, the Company will need to be satisfied that the Shareholder concerned is entitled to that treatment. For that purpose the Company will require such Shareholders to submit a valid claim form (copies of which may be obtained on request from the Registrar). Shareholders should note that the Company may seek recovery from a Shareholder if the statements made in its claim form are incorrect and the Company suffers tax as a result. The Company will, in some circumstances, suffer tax if its reasonable belief as to the status of the Shareholder turns out to have been mistaken.

12.1.4 *UK taxation of Non-PID Dividends*

Non-PID Dividends are treated in exactly the same way as dividends received from UK companies that are not REITs. The Company is not required to withhold tax when paying a Non-PID Dividend (whether in cash or in the form of a stock dividend).

- (a) UK taxation of Shareholders who are individuals
Shareholders who are resident and domiciled or deemed domiciled in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax in respect of Non-PID dividends paid by the Company.

All Non-PID dividends received from the company by an Individual Shareholder who is resident and domiciled or deemed domiciled in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the Shareholder's total income for income tax purposes.

From 6 April 2016, a nil rate of income tax will apply to the first £5,000 of dividend income received by an individual shareholder in a tax year (the “**Nil Rate Amount**”), regardless of what tax rate would otherwise apply to that dividend income. If the Finance Bill 2017-19 is enacted in the form it was introduced to Parliament on 8 September 2017, the nil rate amount will reduce to £2,000 for dividends received on

or after 6 April 2018. Any dividend income received by an individual shareholder in a tax year in excess of the Nil Rate Amount will be subject to income tax at the following dividend rates for 2017/18: 7.5 per cent. for basic rate taxpayers, 32.5 per cent for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers.

Dividend income that is within the dividend nil rate amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the nil rate amount. In calculating into which tax band any dividend income over the nil rate amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

(b) UK taxation of UK resident corporate Shareholders

Shareholders within the charge to UK corporation tax which are “small companies” for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 will generally not be subject to UK corporation tax on any Non PID dividend received provided certain conditions are met (including an anti-avoidance condition).

A UK resident corporate Shareholder (which is not a “small company” for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 19 per cent from 1 April 2017, and reducing to 17 per cent from 1 April 2020) unless the Non PID dividend falls within one of the exempt classes set out in Part 9A. Examples of exempt classes (as defined in Chapter 3 of Part 9A of the Corporation Tax Act 2009) include dividends paid on shares that are “ordinary shares” (that is shares that do not carry any present or future preferential right to dividends or to the Company's assets on its winding up) and which are not “redeemable”, and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital in respect of which the distribution is made). However, the exemptions are not comprehensive and are subject to anti-avoidance rules.

(c) Taxation of Shareholders who are not resident in the UK for tax purposes

A Shareholder resident outside the UK who receives a Non-PID dividend from the Company is treated as having paid UK income tax on their dividend income at the dividend ordinary rate (7.5 per cent.). Such income tax will not be repayable to a non-UK resident Individual Shareholder. A non-UK resident Shareholder is not generally subject to further UK tax on dividend receipts.

A Shareholder resident outside the UK may also be subject to foreign taxation on dividend income under local law. Shareholders who are not resident for tax purposes in the UK should obtain their own tax advice concerning their tax position on Non-PID Dividends received from the Company.

12.1.5 *UK taxation of chargeable gains in respect of Ordinary Shares*

(a) New Ordinary Shares acquired pursuant to the Open Offer

As a matter of United Kingdom tax law, the acquisition of New Ordinary Shares pursuant to the open offer to shareholders that are resident in the UK for UK tax purposes will not, strictly speaking, constitute a reorganisation of the Company's share capital for the purposes of UK taxation of chargeable gains. However, the published practice of HMRC is that they will generally regard a subscription for shares in a company by an existing shareholder in that company as a reorganisation of the relevant company's share capital where that subscription takes place pursuant to an open offer under which that shareholder has an entitlement to subscribe for a minimum number of shares, to the extent that the subscription does not exceed that minimum entitlement. An

acquisition of shares in excess of the minimum entitlement is not regarded by HMRC as a reorganisation. It is not certain that this practice will be applied by HMRC in circumstances where, as here, not every shareholder in the company is entitled to subscribe shares under the open offer. The reorganisation treatment of the Open Offer by HMRC is therefore not guaranteed. No specific confirmation of the treatment has been requested in relation to the Open Offer.

To the extent that the acquisition of New Ordinary Shares pursuant to the Open Offer is regarded as a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains, the New Ordinary Shares acquired will be treated as the same asset as that Shareholder's Existing Ordinary Shares. The amount of the subscription monies paid for those New Ordinary Shares will be added to the chargeable gains base cost of that asset.

If and to the extent, any New Ordinary Shares acquired pursuant to the open offer are not treated as a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains, such New Ordinary Shares will be treated as separately acquired from any existing Ordinary Shares held. In the event that the New Ordinary Shares are offered at a discount, shareholders may be regarded as having a part disposal of their existing Ordinary Shares for the purpose of the UK taxation of chargeable gains when they take up the New Ordinary Shares under the Open Offer. For both corporate and individual shareholders, the New Ordinary Shares should be pooled with their existing Ordinary Shares (provided the shares are of the same class) and the share identification rules will apply on a future disposal. For the purposes of calculating the indexation allowance (only in the case of corporate shareholders) on a subsequent disposal of Ordinary Shares, the amount paid will generally be taken into account only from the time that the payment was made.

- (b) New Ordinary Shares acquired pursuant to the Placing, the Firm Placing and the Offer for Subscription

The acquisition of New Ordinary Shares pursuant to any of the Placing, the Firm Placing or the Offer for Subscription will not be regarded as a reorganisation of the Company's share capital for the purposes of the UK taxation of chargeable gains. Accordingly, such an acquisition of New Ordinary Shares will instead be treated as a separate acquisition for the purposes of the UK taxation of chargeable gains, the base cost in which is the price paid for those New Ordinary Shares.

- (c) Subsequent disposals of Ordinary Shares

For the purpose of UK tax on chargeable gains, the amount paid by a Shareholder for Ordinary Shares will constitute the base cost of his holding. If a Shareholder disposes of all or some of his Ordinary Shares, a liability to tax on chargeable gains may arise. This will depend on the base cost and incidental costs of acquisition and disposal, which can be allocated against the proceeds, and also, the Shareholder's circumstances and any reliefs to which they are entitled. In the case of corporate Shareholders, indexation allowance will apply to the amount paid for the Ordinary Shares.

- (i) For an individual Shareholder within the charge to UK capital gains tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The rate of capital gains tax on disposal of shares is 10 per cent. (2017/2018) for individuals who are subject to income tax at the basic rate and 20 per cent. (2017/2018) for individuals who are subject to income tax at the higher or additional rates. An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £11,300) for the year to 5 April 2018 without being liable to UK capital gains tax.

- (ii) For a corporate Shareholder within the charge to UK corporation tax, a disposal (or deemed disposal) of Ordinary Shares may give rise to a chargeable gain at the rate of corporation tax applicable to that Shareholder (currently 19 per cent with effect from 1 April 2017, and reducing to 17 per cent from 1 April 2020) or an allowable loss for the purposes of UK corporation tax. Indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax by increasing the chargeable gains tax base cost of an asset in accordance with the rise in the retail prices index but indexation allowance cannot create or increase any allowable loss.
- (iii) A Shareholder who is not resident in the UK for tax purposes is generally not subject to UK capital gains tax, unless such a Shareholder carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a non-UK resident corporate Shareholder, a permanent establishment to which the Ordinary Shares are attributable.

Individual Shareholders who are not resident in the United Kingdom will not be subject to UK capital gains tax in respect of gains arising on disposals of Ordinary Shares. However, a Shareholder who has previously been resident or ordinarily resident in the United Kingdom may in some cases be subject to UK tax on capital gains in respect of a disposal of Ordinary Shares in the event that they re-establish residence in the United Kingdom.

12.1.6 *Stamp Duty and Stamp Duty Reserve Tax on transfers of Ordinary Shares*

The following paragraphs are intended only as a general and non-exhaustive guide to the UK stamp duty and UK SDRT position in relation to Ordinary Shares under current UK law. They apply in relation to Ordinary Shares irrespective of the residence or domicile of the relevant Shareholder or prospective Shareholder. They do not apply in relation to any issue or transfer of New Ordinary Shares to, or to a nominee or agent for, a depositary receipt issuer or to a clearance service provider, where higher rates of tax may be applicable, or to persons such as market makers, brokers, dealers or intermediaries.

- (a) **Issue of New Ordinary Shares**
The issue of the New Ordinary Shares pursuant to the Share Issue is not expected to give rise to any charge to UK stamp duty or SDRT.
- (b) **Subsequent transactions in New Ordinary Shares**
Transfers on sale of Ordinary Shares by way of an instrument (usually a stock transfer form) will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer, rounded up if necessary to the nearest multiple of £5.00. The purchaser normally pays the stamp duty. An exemption from stamp duty will be available on an instrument transferring the Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000.

An unconditional agreement to transfer Ordinary Shares will normally give rise to a charge to UK SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. If a duly stamped or exempt transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional), any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is a liability for the purchaser.

Electronic transfers of Ordinary Shares within the CREST system will generally be liable to SDRT (rather than stamp duty) at the rate of 0.5 per cent. of the amount or value

of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system but, in practice, this cost will be passed on to the purchaser of the shares. Deposits of Ordinary Shares into CREST will not generally be subject to Stamp Duty or SDRT, unless the transfer into CREST is itself for consideration in money or money's worth, in which case a charge to SDRT will arise at the rate of 0.5 per cent. on the value of the consideration paid.

Prospective purchasers of Ordinary Shares should consult their own tax advisers with respect to the tax consequences to them of acquiring, holding and disposing of Ordinary Shares.

The statements above are intended as a general guide to the current position. Certain categories of person, including market makers, brokers and dealers are not liable to stamp duty or SDRT and/or may, although not primarily liable for the tax, be required to notify and account for it under the Stamp Duty Reserve Tax Regulations 1996.

12.2 *United States Federal Income Taxation*

12.2.1 *Introduction*

The following summary is a general discussion of certain US federal income tax considerations to US Holders (as defined below) of acquiring, holding and disposing of Ordinary Shares. The following summary applies only to US Holders that purchase Ordinary Shares and that will hold Ordinary Shares as capital assets and not as part of a fixed base or part of a permanent establishment outside of the United States, and that are not residents of, or ordinarily resident in, the United Kingdom for United Kingdom tax purposes. The following summary is not a complete analysis of all US federal income tax consequences that may be relevant to a prospective investor's decision to acquire, hold or dispose of Ordinary Shares. In particular, this summary does not address US federal income tax consequences that apply to prospective investors subject to special tax rules, including, among others, financial institutions, insurance companies, real estate investment trusts, regulated investment companies, dealers in securities or currencies, traders in securities that elect to mark to market, tax-exempt entities, individual retirement and other tax-deferred accounts, investors that will hold Ordinary Shares as part of an "integrated", "hedging" or "conversion" transaction or as a position in a "straddle" for US federal income tax purposes, grantor trusts, investors that have a "functional currency" other than the US dollar, investors that own (directly or by attribution) 10 per cent. or more (by voting power) of the Company's stock, US expatriates or investors subject to the alternative minimum tax.

This summary does not discuss the tax consequences of the purchase, ownership or disposition of Ordinary Shares under the tax laws of any state, locality or non-US jurisdiction. Prospective investors considering an investment in Ordinary Shares should consult their own tax advisors in determining the US federal, state, local, non-US and any other tax consequences to them of an investment in Ordinary Shares and the purchase, ownership and disposition thereof.

The following summary is based on the Code, the US Treasury Regulations thereunder, published rulings of the US Internal Revenue Service (the "**IRS**"), the income tax treaty between the United States and the United Kingdom (the "**US-UK Treaty**") and judicial and administrative interpretations thereof, in each case as in effect and available on the date of this Prospectus. Changes to any of the foregoing, or changes in how any of these authorities are interpreted, may affect the tax consequences set out below, possibly retroactively. No ruling will be sought from the IRS with respect to any statement or conclusion in this discussion, and no assurances can be given that the IRS will not challenge such statement or conclusion or, if challenged, a court would uphold such statement or conclusion.

For purposes of the following summary, a "**US Holder**" is a beneficial owner of Ordinary Shares that is for US federal income tax purposes: (i) a citizen or resident alien of the United States, (ii) a corporation or other entity treated as a corporation for US federal income tax

purposes, created or organised in or under the laws of the United States or any state thereof (including the District of Columbia), (iii) an estate, the income of which is subject to US federal income taxation regardless of its source, or (iv) a trust if (x) (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust or (y) the trust has validly elected to be treated as a domestic trust for US federal income tax purposes.

If a partnership (including any entity treated as a partnership for US federal income tax purposes) is a beneficial owner of Ordinary Shares, the US federal income tax consequences to the partners of such partnership will depend on the activities of the partnership and the status of the partners. A partnership considering an investment in Ordinary Shares should consult its own tax advisors about the consequences to its partners of the acquisition, ownership and disposition of Ordinary Shares by the partnership.

12.2.2 *Taxation of Ordinary Shares*

(a) Distributions

This paragraph (a) is subject to the discussion in paragraph (c), “Passive Foreign Investment Company,” below. Generally, the gross amount of any distribution by the Company with respect to the Ordinary Shares will be includible in a US Holder’s ordinary income as a dividend to the extent of the Company’s current and accumulated earnings and profits (as determined under US federal income tax principles) at the time the US Holder receives such amount in accordance with the US Holder’s usual method of accounting for US federal income tax purposes. Any distribution in excess of the Company’s current and accumulated earnings and profits will be treated first as a tax-free return of capital to the extent of a US Holder’s adjusted tax basis and thereafter as capital gain.

The Company does not maintain calculations of its earnings and profits under US federal income tax principles. US Holders should therefore expect that a distribution by the Company with respect to the Ordinary Shares will constitute ordinary dividend income. US Holders should consult their own tax advisers with respect to the appropriate treatment of any distribution received from the Company for US federal income tax purposes.

Dividends paid by the Company should not be eligible for the dividends received deduction provided for certain dividends received by U.S. corporate shareholders. Dividends paid by the Company to non-corporate US Holders should, subject to the discussion under paragraph (c) “Passive Foreign Investment Company” below, be subject to US federal income tax at lower rates than other types of ordinary income, provided that the Company is a qualified foreign corporation and certain other requirements are met. The Company generally will be treated as a qualified foreign corporation with respect to any dividend it pays if it is eligible to claim benefits of the US-UK Treaty. The Company expects to be a qualified foreign corporation for these purposes.

Where distributions are paid in pounds sterling, a US Holder should include the US dollar amount of such distributions determined at the GBP/USD rate in effect on the date such distributions are includible in the US Holder’s income. Generally, any gain or loss resulting from currency fluctuations during the period from the date the distribution is included in income to the date the US Holder converts the payment into US dollars or other property should be treated as ordinary income or loss and should not be eligible for the special tax rate described in the previous paragraph.

Dividends with respect to the Ordinary Shares should be treated as foreign source income for US foreign tax credit purposes. The limitation on foreign taxes eligible for

credit is calculated separately with respect to specific classes of income. US Holders should consult their own tax advisers concerning the availability and the utilisation of the foreign tax credit.

- (b) **Proceeds from the Sale, Exchange or Retirement of the Ordinary Shares**
Subject to the discussion under paragraph (c) “Passive Foreign Investment Company” below, upon the sale, exchange or retirement of an Ordinary Share, a US Holder generally will recognise US source capital gain or loss equal to the difference, if any, between the US dollar amount realised on the sale, exchange or retirement (determined on the date of sale or, in the case of cash basis and electing accrual basis taxpayers where the Ordinary Shares are regularly traded on a qualifying exchange, the settlement date) and the US Holder’s tax basis in the Ordinary Share. The US Holder’s tax basis will generally be the US dollar value of the amount paid for the Ordinary Share. Any gain or loss generally will be a long-term capital gain or loss if the Ordinary Share has been held for more than a year. Such gain or loss will generally be US source gain or loss. Long-term capital gains of certain non-corporate taxpayers generally are taxed at lower rates than short-term capital gains. The deductibility of capital losses is subject to limitations.

US Holders should consult their own tax advisers regarding how to account for currency gain or loss (if any) arising from payments made with respect to the sale or other disposition of the Ordinary Shares that are not paid in US dollars.

- (c) **Passive Foreign Investment Company**
Based on the Company’s current financial profile, including the source of its income, the composition of its assets, and taking into account the expected application of the proceeds of this offer, the Company believes that the Company is not, and will not become in the near future, a “passive foreign investment company” or “PFIC” for US federal income tax purposes. The Company’s possible status as a PFIC must be determined annually and therefore may be subject to change. In particular, although the Company does not currently contemplate any changes which are likely to cause it to be a PFIC, the Company is under no obligation to avoid PFIC status. If the Company were to be treated as a PFIC for any year when particular US Holders own the Ordinary Shares, materially adverse consequences could result to such US Holders for that year and all future years during which such US Holders retain their Ordinary Shares.

In general, a non-US corporation will be classified as a PFIC if in any taxable year either (i) 75 per cent. or more of its gross income consists of passive income (e.g. dividends, interest and certain rents and royalties) or (ii) 50 per cent. or more of its assets, by value, determined on the basis of a quarterly average, consists of assets that produce, or are held for the production of, passive income.

If the Company is classified as a PFIC for any tax year during which a US Holder holds the Ordinary Shares, then under the Code and proposed US Treasury regulations, the Company should continue to be treated as a PFIC with respect to such US Holder, regardless of whether the Company continues to meet either of the two tests in the previous paragraph. In such a case, a US Holder could be subject to significantly greater amounts of US tax than would otherwise apply with respect to (i) any gain on the sale or exchange of the Ordinary Shares, or (ii) dividends. Additionally, dividends that are paid by the Company may not be eligible for the special reduced rate described above under paragraph (a) “Distributions” if the Company were a PFIC in the current or preceding taxable year. The US Holder would also be subject to more burdensome US tax reporting obligations.

US Holders should consult their tax advisers concerning the application of the PFIC rules and the possibility that the Company was, is, or will be a PFIC, and alternative tax reporting methods that may be available.

12.2.3 Backup Withholding and Information Reporting Requirements

US federal backup withholding and information reporting requirements may apply to the sale, exchange or other disposition of the Ordinary Shares. In addition, a portion of any such payment may be withheld as a backup withholding against such US Holder's potential US federal income tax liability if such US Holder fails to establish it is exempt from these rules, furnish its correct taxpayer identification number or otherwise fails to comply with such information reporting requirements. Any amounts withheld under the backup withholding rules from a payment to a US Holder will be credited against such US Holder's federal income tax liability, if any, or refunded if the amount withheld exceeds such tax liability provided the required information is furnished to the IRS.

The above summary is not intended to constitute a complete analysis of all US federal income tax consequences to a US Holder of acquiring, holding and disposing of Ordinary Shares. Each US Holder should consult its own tax adviser with respect to the US federal, state, local and non-US consequences of acquiring, holding and disposing of Ordinary Shares.

12.3 ERISA Considerations

Each prospective investor that is or holds assets of an employee benefit plan or trust (an “**ERISA Plan**”) within the meaning of, and subject to the provisions of, ERISA, and/or a plan within the meaning of, and subject to the provisions of, Section 4975 of the Code, such as an individual retirement account (a “**Code Plan**”), should consider the matters described in this section in determining whether to invest in the Company. The provisions of ERISA are complex and their application to an investment in the Company should be reviewed by the appropriate representatives of any prospective investor that is an ERISA Plan or a Code Plan (each, a “**Plan**”). In particular, each such prospective investor should consult with legal counsel concerning the issues described below. The following is intended to be a summary only and is not a substitute for careful planning with a professional adviser. The sale of an Ordinary Share to a Plan is in no respect a representation by the Company or any other person associated with the offering of interests in the Company that such an investment meets all relevant legal requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

Fiduciary Matters and Prohibited Transactions Generally. In considering an investment in the Company of a portion of the assets of any ERISA Plan, any Code Plan and any entity whose underlying assets include “plan assets” of any such Plan by reason of an investment in such entity by an ERISA Plan or a Code Plan (a “**Benefit Plan Investor**”), the relevant fiduciary with respect to such benefit plan investor should consider, among other factors, (i) whether the investment is in accordance with the documents and instruments governing the Plan; (ii) whether the investment satisfies the diversification requirements of Section 404(a)(1)(C) of ERISA, if applicable; (iii) whether the investment provides sufficient liquidity to permit benefit payments to be made as they become due; (iv) any requirement that the fiduciary annually value the assets of the Plan; (v) whether the investment is prudent; (vi) whether the investment is for the exclusive purpose of providing benefits to participants and their beneficiaries; and (vii) whether the indicia of ownership of any assets of a Plan is held outside the jurisdiction of the district courts of the United States.

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions (“**Prohibited Transactions**”) involving the assets of a Plan and certain persons (referred to as “**parties in interest**” or “**disqualified persons**”) who have certain relationships with respect to the Plan, such as Plan fiduciaries, unless a statutory or administrative exemption is available to the transaction. A party in interest or disqualified person who engages in a non-exempt Prohibited Transaction may be subject to non-deductible excise taxes and other penalties and liabilities under ERISA and the Code, and the transaction might have to be rescinded. A fiduciary of a Plan should consult with its counsel regarding the applicability of the Prohibited Transaction provisions to an investment in the Company by such Plan, and to confirm that such investment will not constitute or result in a non-exempt Prohibited Transaction or any other violation of ERISA.

Governmental plans, non-US plans and certain church plans, while not subject to the fiduciary responsibility provisions of ERISA or the rules regarding Prohibited Transactions, may nevertheless be subject to other laws that are substantially similar to the foregoing provisions of ERISA and the Code. Fiduciaries of any such plans should consult with their counsel before making an investment in the Company.

Plan Assets. Under a regulation issued by the U.S. Department of Labor (“DOL”) 29 CFR Section 2510.3-101 (as modified by Section 3(42) of ERISA, the “**Plan Assets Regulation**”), the DOL explains that the assets and properties of certain entities in which a Plan makes an equity investment (other than an investment in a publicly offered security that trades on a US stock exchange or a security issued by an investment company registered under the US Investment Company Act) would be deemed to be assets of the investing Plan unless (i) the entity is an “operating company” (including a “**real estate operating company**”), or (ii) Benefit Plan Investors hold less than 25 per cent. of each class of equity of the entity (the “**25 per cent. Limit**”). Ordinary Shares will constitute an equity investment in the Company for purposes of the Plan Assets regulation, and such interests in the Company will not constitute US publicly offered securities (because the Ordinary Shares are not listed on a US-regulated stock exchange) nor will the Ordinary Shares constitute securities issued by an investment company registered under the Investment Company Act, within the meaning of the Plan Assets Regulation.

Under the Plan Assets Regulation, the 25 per cent. Limit would be exceeded and, assuming no other exemption applies, the Company’s assets would be deemed to include “plan assets” subject to ERISA if, immediately after the most recent acquisition of any equity interest in the Company, 25 per cent. or more of the value of any class of equity interests in the Company is held by Benefit Plan Investors. For purposes of this determination, the value of equity interests held by a person (other than a Benefit Plan Investor) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee with respect to such assets (or any affiliate of such a person) will be disregarded. The Company has not yet determined whether to rely on this aspect of the Plan Assets Regulation and it is possible that the 25 per cent. Limit may be exceeded.

Under the Plan Assets Regulation, an entity is an “operating company” if it is primarily engaged, directly or through a majority-owned subsidiary or subsidiaries, in the production or sale of a product or service other than the investment of capital. In addition, the Plan Assets Regulation provides that the term operating company includes an entity qualifying as a real estate operating company (or “**REOC**”). For the Company to be considered a REOC, as of the date of its initial long-term investment and thereafter on any date during each “annual valuation period,” at least 50 per cent. of its assets, valued at cost and exclusive of certain short-term investments pending long term commitment, must be investments in real estate which is managed or developed and with respect which the Company has the right to substantially participate directly in management or development activities. In addition, the Company must actually engage directly in real estate management or development activities in the ordinary course of its business each year.

If the 25 per cent. Limit is exceeded, or the Company elects not to rely upon the 25 per cent. Limit, the Company intends to use commercially reasonable efforts to operate the Company in a manner that will enable the Company to qualify as a REOC or to meet such other exception as may be available to prevent the assets of the Company from being treated as assets of any investing Plan for purposes of the Plan Assets Regulation. The Company expects to continue to invest in real estate which is managed or developed and with respect which the Company has the right to substantially participate directly in management or development activities (within the meaning of the Plan Assets Regulation) and to continue to engage directly in such real estate management or development activities. Accordingly, whilst the Directors of the Company cannot give any assurances, they believe that the Company has been operated, and will continue to be operated as a REOC.

Plan Asset Consequences. If the Company’s assets were deemed to constitute “plan assets” subject to Title I of ERISA and/or Section 4975 of the Code (i) the prudence and other fiduciary responsibility standards of Title I of ERISA would extend to investments made by the Company, (ii) the executive

and nonexecutive members of the Board of Directors of the Company may be considered to be fiduciaries under ERISA, and (iii) certain transactions in which the Company might seek to engage could constitute non-exempt Prohibited Transactions. Plan fiduciaries who make the decision to invest in Ordinary Shares of the Company could, under certain circumstances, be liable as co-fiduciaries for actions taken by the Company. In such circumstances, the Company, in its sole discretion, may void or undo any such Prohibited Transaction, and may require each Shareholder that is a Benefit Plan Investor to withdraw from the Company upon terms that the Company considers appropriate.

Furthermore, unless appropriate exemptions were available or were obtained, the Company could be restricted from acquiring an otherwise desirable investment or from entering into an otherwise favourable transaction, if such acquisition or transaction would constitute a non-exempt Prohibited Transaction.

No investment advice provided. Under amendments to another regulation issue by the DOL (29 C.F.R. Section 2510.3-21(a)) (the “**Fiduciary Regulation**”), the DOL has expanded the definition of an ERISA fiduciary of a Plan to include persons who do not intend to act as an ERISA fiduciary but who are deemed to be an ERISA fiduciary by providing investment recommendations or investment advice to a Plan about purchasing, holding, transferring, or selling securities or other property for a fee or other compensation. To be clear, none of the Company or any of their directors, employees, representatives or affiliates provides investment recommendations or other investment advice (or otherwise acts as a fiduciary under ERISA or the Code) in connection with the offering, purchasing, holding, transferring or selling of any Ordinary Shares. Further, note that the Company and its employees, representatives and affiliates have financial interests in the marketing, and operation of the Company as further described in this prospectus. To satisfy an exemption under the Fiduciary Regulation, investors who are or who act on behalf of a Plan may be required to make certain representations to the Company and its affiliates that they are, or are represented by, independent fiduciaries who meet certain criteria, including the ability to exercise independent judgment in evaluating the purchasing, holding, transferring and selling of Ordinary Shares.

13. Working capital

Assura is of the opinion that, taking into account the existing bank and other facilities available to it, the working capital available to the Group is sufficient for its present requirements, that is, for a period of at least 12 months from the date of this document.

14. Expenses

The total costs, charges and expenses of or incidental to the Share Issue, including the fees of the London Stock Exchange and the FCA, commissions and fees payable to advisers, legal and accounting fees and expenses, and the costs of printing and distribution of documents are estimated to amount to approximately £11 million, including a maximum payment of the Shareholder Commissions.

15. Legal and arbitration proceedings

There are not, and have not been, any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened as far as the Company is aware), during the 12 months immediately preceding the date of this document which may have, or have had in the recent past, significant effects on the Company’s or the Group’s financial position or profitability.

16. Significant change

Save for the £20.5 million of acquisitions completed since 30 September 2017 (as further detailed in paragraph 8 of Part I), the increase of available credit under the RCF to £300.0 million in October 2017 and the issue of £150.0 million notes in the UK private placement market in October 2017 (each as further detailed in paragraph 10 of this Part X), there has been no significant change in the Group’s financial or trading position since 30 September 2017, being the date to which the last interim financial statements for the Group were drawn up.

17. General

- 17.1 The Group's statutory accounts for the years ended 31 March 2015, 2016 and 2017 were audited by Deloitte LLP of 2 Hardman Street, Manchester, M3 3HF, which is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales.
- 17.2 PricewaterhouseCoopers LLP has given and has not withdrawn its written consent to the inclusion of its name and of its report on the unaudited pro forma financial information in Part A of Part IX ("**Unaudited Pro Forma Financial Information**") of this document, in the form and context in which they are included, and has authorised the contents of that part of this document which comprises its report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.
- 17.3 Savills Advisory Services Limited, of 20 Grosvenor Hill, London W1K 3HQ, has given and has not withdrawn its written consent to the inclusion of its name and of its property valuation report included in Part IV (Property Valuation Reports) of this document and references to them in the form and context in which they are included and has authorised, and accordingly takes responsibility for, the contents of that report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules. To the best of the knowledge of Savills Advisory Services Limited (who has taken all reasonable care to ensure that such is the case) the information contained in this document for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 17.4 Jones Lang LaSalle, of 40 Berkeley Street, Bristol BS8 1HU, has given and has not withdrawn its written consent to the inclusion of its name and of its property valuation report included in Part IV (Property Valuation Reports) of this document and references to them in the form and context in which they are included and has authorised, and accordingly takes responsibility for the contents of that report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules. To the best of the knowledge of Jones Lang LaSalle (who has taken all reasonable care to ensure that such is the case) the information contained in this document for which it takes responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 17.5 There has been no material change in the valuation of the properties which are the subject of the property valuation reports referred to in Part VI (Property Valuation Reports) since the date of the valuation contained in each such report.

18. Third party information

Where information contained in this document originates from a third party source, it is identified where it appears in this document together with the name of its source. Such third party information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

19. Documents available for inspection

Copies of the following documents will be available for inspection at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL during normal business hours on any weekday (public holidays excepted) up to and including the date of Admission:

- (a) the Articles;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Company's request, any part of which is included or referred to in any part of this document; and
- (c) this document. Dated: 16 November 2017

DOCUMENTS INCORPORATED BY REFERENCE

The table below sets out the various sections of such documents which are incorporated by reference into this document, so as to provide the information required pursuant to the Prospectus Rules and to ensure that Shareholders are aware of all information which is relevant to the Scheme, the Company and the Ordinary Shares.

These documents are available online at www.Assuraplco.co.uk or in printed form from Assura's registered office at The Brew House, Greenalls Avenue, Warrington, Cheshire WA4 6HL or from Travers Smith LLP in accordance with the details set out in paragraph 19 of Part X (Additional Information) of this document.

Each of the documents incorporated by reference into this document have previously been published, approved by and filed with the Financial Conduct Authority. Such documents are incorporated in, and form part of, this document, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this document to the extent that a statement contained herein modifies or supersedes such earlier statement, whether expressly, by implication or otherwise. Any statement so modified or superseded shall not, except as so modified and superseded, constitute a part of this document.

Any non-incorporated parts of the documents incorporated by reference in this document are either not relevant for the purposes of the Share Issue or the relevant information is included elsewhere in this document. Any documents themselves incorporated by reference in the documents incorporated by reference in this document shall not form part of this document.

Financial statements for the year ended 31 March 2015 and independent audit report thereon. The page numbers below refer to the relevant pages of the 2015 Annual Report.

Consolidated income statement	page 80
Consolidated balance sheet	page 81
Consolidated statement of changes in equity	page 83
Consolidated cash flow statement	page 82
Notes to the financial statements	pages 84 to 105
Independent auditor's report	pages 77 to 79

Financial statements for the year ended 31 March 2016 and independent audit report thereon. The page numbers below refer to the relevant pages of the 2016 Annual Report.

Consolidated income statement	page 94
Consolidated balance sheet	page 95
Consolidated statement of changes in equity	page 96
Consolidated cash flow statement	page 97
Notes to the financial statements	pages 98 to 116
Independent auditor's report	pages 90 to 93

Financial statements for the year ended 31 March 2017 and independent audit report thereon. The page numbers below refer to the relevant pages of the 2017 Annual Report.

Consolidated income statement	page 75
Consolidated balance sheet	page 76
Consolidated cash flow statement	page 72
Consolidated statement of changes in equity	page 78
Notes to the financial statements	pages 79 to 97
Independent auditor's report	pages 70 to 74

Interim financial statements for the six months ended 30 September 2016 and the review report thereon. The page numbers below refer to the relevant pages of the 2016 Interim Report.

Interim condensed consolidated income statement	page 8
Interim condensed consolidated balance sheet	page 9
Interim condensed consolidated statement of changes in equity	page 10
Interim condensed cash flow statement	page 11
Notes to the financial statements	page 12 to 17
Independent review report	page 19

Interim financial statements for the six months ended 30 September 2017 and the review report thereon. The page numbers below refer to the relevant pages of the 2017 Interim Report.

Interim condensed consolidated income statement	page 9
Interim condensed consolidated balance sheet	page 10
Interim condensed consolidated statement of changes in equity	page 11
Interim condensed cash flow statement	page 12
Notes to the financial statements	pages 13 to 18
Independent review report	page 20

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires.

2015 Annual Report	the Group's annual report and accounts, including its audited consolidated financial statements, for the financial year ended 31 March 2015
2016 Annual Report	the Group's annual report and accounts, including its audited consolidated financial statements, for the financial year ended 31 March 2016
2016 Interim Report	The Group's interim report and unaudited consolidated financial statements for the six months ended 30 September 2016
2017 Annual Report	the Group's annual report and accounts, including its audited consolidated financial statements, for the financial year ended 31 March 2017
2017 Interim Report	The Group's interim report and unaudited consolidated financial statements for the six months ended 30 September 2017
Act	the Companies Act 2006 (as amended from time to time)
Admission	admission of the New Ordinary Shares (i) to the premium listing segment of the Official List and (ii) to trading on premium segment of the Main Market of the London Stock Exchange
Application Form	the personalised application form which accompanies this document for Qualifying non-CREST Shareholders for use in connection with the Open Offer
Articles	the memorandum and articles of association of Assura, as amended from time to time
Assura or Company	Assura plc, a public limited company incorporated in England and Wales and registered with number 9349441
Assura Employee Share Plans	means the VCP and the PSP
Assura Group or Group	the Company together with its subsidiaries and subsidiary undertakings (and its 75 per cent. subsidiaries from time to time (as defined in section 606 of the CTA 2010)) and, where the context permits, each of them as at the date of this document
Aviva	Aviva Commercial Finance Limited
Board	the Directors of the Company, whose names appear in paragraph 5.1 of Part X (Additional Information) of this document
Bond	the 10 year £110 million senior secured bond, listed on the main market of the London Stock Exchange issued by Assura Properties plc on 9 December 2011, which matures December 2021
Bookbuild	the bookbuilding process in relation to the Firm Placing and the Placing
Business Day	a day (excluding Saturdays and Sundays and public holidays in England and Wales) on which banks are generally open for the transaction of normal banking business in the City of London

Certificated or certificated form	a share which is not in uncertificated form
City Code	The City Code on Takeovers and Mergers
Closing Price	the closing, mid-market price of an Existing Ordinary Share on 15 November 2017 (the last business day prior to the announcement of the Share Issue) as published by the London Stock Exchange
Companies Act	the Companies Act 2006
CREST	the relevant system (as defined in the Regulations) for the paperless settlement of trades and the holding of securities in uncertificated form operated by Euroclear in accordance with the Regulations
CREST Manual	the rules governing the operation of CREST
CREST member	a person who has been admitted to Euroclear as a system member (as defined in the Regulations)
CREST participant	a person who has been admitted to Euroclear as a system participant (as defined in the Regulations)
CREST payment	has the meaning given to it in the CREST Manual
CREST proxy instruction	has the meaning given to it in the CREST Manual
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor
CREST sponsored member	a CREST member admitted to CREST as a CREST sponsored member
CTA 2009	The Corporation Tax Act 2009
CTA 2010	The Corporation Tax Act 2010
Directors	the directors of the Company, whose names appear in paragraph 5.1 Part X (Additional Information) of this document, or the directors from time to time of the Company, as the context requires, and Director shall be construed accordingly
Disclosure Guidance and Transparency Rules	the Disclosure Rules and the Transparency Rules made, in the case of the Transparency Rules, by the FCA under Part VI of FSMA
Distribution	any dividend or other distribution by the Company (“distribution” being construed in accordance with Part 23 of CTA 2010)
EEA	the European Economic Area
Enlarged Issued Share Capital	the issued ordinary share capital of the Company following the Share Issue
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
European Economic Area	The European Union, Iceland, Norway and Liechtenstein
European Union or EU	the economic and political union of European nations created on 1 November 1993 by the Treaty of the European Union
Excess Application Facility	the facility for Qualifying Shareholders to apply for Excess Shares in excess of their Open Offer Entitlements
Excess Open Offer Entitlements	in respect of each Qualifying CREST Shareholder who has taken up his Open Offer Entitlement in full, the entitlement (in addition to

	the Open Offer Entitlement) to apply for Excess Shares up to the number of Open Offer Shares credited to his stock account in CREST pursuant to the Excess Application Facility, which may be subject to scaling back as set out in this document
Excessive Shareholder	any person whose interest in the Company, whether legal or beneficial, direct or indirect, may cause any member of the Group to be liable to pay tax under section 551 of CTA 2010 on or in connection with the making of any dividend or distribution to or in respect of such person, including a “holder of excessive rights” as defined by section 553 of CTA 2010
Excessive Shareholding	an Excessive Shareholder’s shareholding
Excess Shares	Open Offer Shares which may be applied for in addition to Open Offer Entitlements
Excluded Overseas Shareholders	(other than as agreed in writing by the Company and as permitted by applicable law) Shareholders who are resident or otherwise located in any Excluded Territory
Excluded Territories	Australia, Canada, Guernsey, Japan, Jersey, Hong Kong Special Administrative Region of the People’s Republic of China, Switzerland and the United States or territories for which the distribution of this document and any accompanying documents or the making of the offer to subscribe for New Ordinary Shares pursuant to the Share Issue may constitute a violation of relevant securities laws and “Excluded Territory” shall mean any of them
Existing Ordinary Shares	the 1,830,704,153 existing Ordinary Shares of 10 pence each in nominal value in the capital of the Company as at the date of this document
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom
Firm Placee	any person who has agreed to subscribe for Firm Placed Shares pursuant to the Firm Placing
Firm Placed Shares	up to 193,460,489 New Ordinary Shares which the Company is proposing to issue pursuant to the Firm Placing
Firm Placing	the subscription by the Firm Placees for the Firm Placed Shares
Form of Proxy	the form of proxy enclosed with this document for use in connection with the General Meeting
FSMA	the Financial Services and Markets Act 2000 as amended
General Meeting	the general meeting of the Company to be convened pursuant to the Notice of General Meeting in order to, amongst other things, pass the Resolution, including any adjournment thereof
HMRC	Her Majesty’s Revenue & Customs
IFRS	International Financial Reporting Standards as adopted for use in the European Union
Institutional Investor	a person who qualifies as an institutional investor under section 528(4A) of CTA 2010

Invesco	Invesco Asset Management Limited, acting as agent for and on behalf of its discretionary clients
Joint Bookrunners	Stifel and J.P. Morgan Cazenove
J.P. Morgan Cazenove	J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove), joint bookrunner for the Company
LBTT	land and buildings transaction tax, charged pursuant to the Land and Buildings Transaction Tax (Scotland) Act 2013
Link Asset Services	a trading name of Link Asset Services Limited
LIBOR	London Interbank Offered Rate
Listing Rules	the Listing Rules made by the FCA under section 73A of FSMA
Loan to Value or LTV	has the meaning given to it in Important Information (Non-IFRS/Non-GAAP Financial Information – Net Debt and Loan to Value) in this document
London Stock Exchange	London Stock Exchange plc
Member State	a member state of the European Union
Money Laundering Regulations	the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) 2017 Regulations S.I. 2017/692, as amended
NAB	National Australia Bank
New Ordinary Shares	up to 578,947,367 new Ordinary Shares of 10 pence each in nominal value in the capital of the Company to be issued in connection with the Share Issue
Notice of General Meeting	the notice convening the General Meeting set out at the end of this document
Offer for Subscription	the offer for subscription of New Ordinary Shares at the Offer Price on the terms set out in this Prospectus
Offer for Subscription Application Form	the application form included with this document for use in connection with the Offer for Subscription
Offer Price	57 pence per New Ordinary Share
Official List	the official list maintained by the UK Listing Authority pursuant to Part VI of FSMA
Open Offer	the conditional invitation to Qualifying Shareholders to apply for the Open Offer Shares at the Offer Price on a pre-emptive basis
Open Offer Entitlement	the pro rata entitlement to subscribe for Open Offer Shares allocated to a Qualifying Shareholder pursuant to the Open Offer
Open Offer Shares	the 332,855,300 New Ordinary Shares for which Qualifying Shareholders are being invited to apply at the Offer Price to be issued pursuant to the terms of the Open Offer
Ordinary Shares	ordinary shares of 10 pence each in the capital of the Company

Overseas Shareholders	Assura Shareholders who are resident in, ordinarily resident in, located in or citizens of, jurisdictions outside the UK
PD Amending Directive	means Directive 2010/73/EU
PDMRs	means Persons Discharging Managerial Responsibilities whose names appear in Part IV (Information on Assura – Directors and Persons Discharging Managerial Responsibilities) of this document
Placing	the conditional placing by Stifel and J.P. Morgan Cazenove of the Placing Shares, subject to clawback pursuant to the Open Offer, on behalf of the Company on the terms and subject to the conditions contained in the Sponsor and Placing Agreement
Placing Terms Agreement	the Placing Terms Agreement to be entered into by the Company, Stifel and J.P. Morgan Cazenove following completion of the Bookbuild in their respective sole discretions
Placing Shares	the 332,855,300 New Ordinary Shares to be conditionally placed pursuant to the terms of the Placing
Placee	any person who has agreed to subscribe for Placing Shares pursuant to the Placing
PRA	the Prudential Regulation Authority of the United Kingdom
Prospectus	this document
Prospectus Directive	means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive)
Prospectus Rules	the Prospectus Rules of the FCA made under Part VI of FSMA
PSP	the Assura Group Performance Share Plan
Qualifying CREST Shareholders	Qualifying Shareholders holding Ordinary Shares in uncertificated form
Qualifying non-CREST Shareholders	Qualifying Shareholders holding Ordinary Shares in certificated form
Qualifying Shareholders	holders of Ordinary Shares (other than Excluded Overseas Shareholders) on the Company's register of members on the Record Date
Receiving Agent	Link Asset Services, a trading name of Link Market Services Limited
Record Date	the record date for the Open Offer, being close of business on 14 November 2017
Registrar	Link Asset Services, a trading name of Link Market Services Limited
Regulations	the Uncertificated Securities Regulations 2001
Regulatory Information Service	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange's website
REIT	a company or group to which Part 12 of the CTA 2010 applies

REIT Group	a group UK REIT within the meaning of Part 12 of the CTA 2010
REIT Regime	the regime as set out in Part 12 of the CTA 2010
Relevant Member State	each Member State of the European Economic Area that has implemented the Prospectus Directive
Representatives	in relation to any person, its directors, officers, partners or employees
Resolution	the resolution to be proposed at the General Meeting, as set out in the Notice of General Meeting
Revolving Credit Facility or RCF	the Group's five year £200 million revolving credit facility with RBS, HSBC, Santander and Barclays dated 17 May 2016 as amended and increased to £250 million in May 2017 and £300 million in October 2017.
Savills	Savills Advisory Services Limited
Scheme	the scheme of arrangement made under Part VII of the Companies (Guernsey) Law 2008 (as amended) between Assura Group Limited and the holders of shares in Assura Group Limited and which became effective on 28 January 2015
SDRT	UK stamp duty reserve tax
Shareholder Commissions	commissions payable to Placees pursuant to the Sponsor and Placing Agreement
Shareholders	holders of Ordinary Shares
Share Issue	the Firm Placing, Placing and Open Offer and Offer for Subscription
Sponsor and Placing Agreement	the Sponsor and Placing Agreement dated 16 November 2017 in relation to the Share Issue made between Stifel, J.P. Morgan Cazenove and Assura, the terms of which are summarised in paragraph 10.1 of Part X (Additional Information) of this document
Stifel	Stifel Nicolaus Europe Limited, sponsor and joint bookrunner for the Company
Subsidiary	any subsidiary of the Company as defined in section 1159 of the Companies Act
UK Listing Authority or UKLA	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
UK Money Laundering Regulations	the Money Laundering Regulations and any other applicable anti-money laundering guidance, regulations or legislation
uncertificated or uncertificated form	recorded on the relevant register or other record of the share or other security concerned as being held in uncertificated form in CREST, and title to which, by virtue of the Regulations, may be transferred by means of CREST
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland

United States, U.S., US or USA	the United States of America, its territories and possessions, any state of the United States of America and the district of Columbia and any other area subject to its jurisdiction
US Investment Company Act	the US Investment Company Act of 1940, as amended
US Securities Act	the US Securities Act of 1933, as amended from time to time, and the rules and regulations thereunder
VAT	(i) within the European Union, any tax imposed by any member state in conforming with the directive of the council of the European Union on the common system of value added tax (2006/112/EC) and (ii) outside the European Union, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition
VCP	the Assura Group Value Creation Plan

GLOSSARY OF INDUSTRY SPECIFIC TERMS

CCG	Clinical Commissioning Group, a NHS organisation set up by the Health and Social Care Act 2012 to organise delivery of NHS services in England
DoH	Department of Health
EPRA	European Public Real Estate Association, the industry body for European REITs
EPRA EPS	EPRA earnings per basic number of shares
EPRA NAV	the balance sheet net assets calculated by excluding own shares held and deferred tax
GP	General Practitioner
MSCI	Morgan Stanley Capital International, a provider of research-based indices
NHS	the National Health Service, established in 1948, is the national public health service for England. Funded through the use of taxes, the service aims to provide care for all that is free at the point of delivery. Services are provided by a wide range of professionals in both hospital and community settings with a vision of providing appropriate care closer to home
NHS Property Services Limited or NHS Propco	the company wholly owned and funded by the Department of Health which, as of 1 April 2013, has taken on all property obligations formerly borne by the PCTs
Non-PID Dividends	a dividend paid by the Company that is not a PID
PID or Property Income Distribution	a distribution referred to in section 548(1) or 548(3) of CTA 2010, being a dividend or distribution paid by the Company in respect of profits or gains of the Qualifying Property Rental Business of the Group (other than gains arising to non-UK resident Group companies) arising at a time when the Group is a REIT insofar as they derive from the Group's Qualifying Property Rental Business
Primary care	medical care provided by the primary healthcare team including general practitioners' surgeries
Primary Care Trust or PCT	a body corporate established by the Secretary of State for Health pursuant to the National Health Service or the National Health Service Act 2006 which has the responsibility for planning and procuring the health care for the population within the area it serves and, where relevant, Health Boards being the bodies corporate established in Scotland for the same purposes pursuant to pursuant to the National Health Service (Scotland) Act 1978 and the Public Health etc. (Scotland) Act 2008, or Local Health Boards, being the bodies corporate established in Wales for the same purposes pursuant to the National Health Service Act 1977 or the National Health Service (Wales) Act 2006

Property Rental Business	a business within the meaning of section 205 of the CTA 2009 or an overseas property business within the meaning of section 206 CTA 2009, but, in each case, excluding certain specified types of business (as per section 519(3) of the CTA 2010)
Qualifying Property Rental Business	a Property Rental Business fulfilling the conditions in section 529 of the CTA 2010
Residual Business	that part of the business of the Group that is not part of the Qualifying Property Rental Business
Secondary care	medical care provided in hospitals
WAULT	weighted average unexpired lease term

NOTICE OF GENERAL MEETING

Assura plc

(a public limited company incorporated in England and Wales with registered number 9349441)

Notice is hereby given that a General Meeting of the Shareholders of Assura plc (the “**Company**”) will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 10.00 a.m. on 4 December 2017 for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution.

SPECIAL RESOLUTION

1. THAT:

- (a) the Directors of the Company (“**Directors**”) be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot and issue shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company (“**Allotment Rights**”), but so that (i) the maximum amount of shares that may be allotted and issued or made the subject of Allotment Rights under this authority are shares with an aggregate nominal value of £57,894,737; (ii) this authority is limited to the allotment and issue of ordinary shares of 10 pence each (“**Ordinary Shares**”) pursuant to the Share Issue (as defined within the prospectus of the Company dated 16 November 2017 (the “**Prospectus**”)); (iii) this authority shall expire on 30 September 2018 (unless previously revoked or varied by the Company in general meeting), save that the Company may make any offer or agreement before such expiry which would or might require shares to be allotted and issued or Allotment Rights to be granted after such expiry, revocation or variation and the Directors may allot shares pursuant to such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied; and (iv) this authority shall be in addition and without prejudice to any other authorities vested in the Directors to allot and issue shares in the Company or to grant Allotment Rights; and
- (b) in addition to all other existing powers of the Directors under section 570 of the Act which shall continue in full force and effect, the Directors are empowered under the said section 570 to allot equity securities as defined by section 560 of the Act for cash pursuant to the authority conferred by Resolution 1(a) above in respect of the new Ordinary Shares allotted pursuant to the Share Issue as if section 561 of the Act did not apply to any such allotment. Such power shall, subject to the continuance of the authority conferred by Resolution 1(a) above, expire on 30 September 2018 or, if earlier, on the conclusion of the Company’s next annual general meeting, but may be revoked or varied from time to time by special resolution and the Company may before such expiry, revocation or variation make any offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied.

BY ORDER OF THE BOARD

Orla Ball

Company Secretary

Registered Office

The Brew House

Greenalls Avenue

Warrington

Cheshire WA4 6HL

Dated 16 November 2017

NOTES:

1. A member who is entitled to attend and vote at the meeting is entitled to appoint another person, or two or more persons in respect of different shares held by him, as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting.
2. The right of a member of the Company to vote at the meeting will be determined by reference to the register of members. A member must be registered on that register as the holder of ordinary shares by close of business on 30 November 2017 in order to be entitled to attend and vote at the meeting as a member in respect of those shares.
3. A member wishing to attend and vote at the meeting in person should arrive prior to the time fixed for its commencement. A member that is a corporation can only attend and vote at the meeting in person through one or more representatives appointed in accordance with section 323 of the Companies Act 2006. Any such representative should bring to the meeting written evidence of his appointment, such as a certified copy of a board resolution of, or a letter from, the corporation concerned confirming the appointment. Any member wishing to vote at the meeting without attending in person or (in the case of a corporation) through its duly appointed representative must appoint a proxy to do so. Forms for the appointment of a proxy that can be used for this purpose have been provided to members with this notice of meeting. To be valid, a proxy appointment form must be completed in accordance with the instructions that accompany it and then delivered (together with any power of attorney or other authority under which it is signed, or a certified copy of such item) to Link Asset Services at PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF so as to be received by 11.00 a.m. on 30 November 2017. Alternatively, you may submit your Form of Proxy electronically using the Shareportal Service at www.signalhub.com where full details of the procedure are given. This website is operated by the Company's registrars. To be a valid proxy appointment, the member's electronic message confirming the details of the appointment completed in accordance with those instructions must be transmitted so as to be received by the same time. Members who hold their shares in uncertificated form may also use "the CREST voting service" to appoint a proxy electronically, as explained below. Appointing a proxy will not prevent a member from attending and voting in person at the meeting should he so wish.
4. Any person to whom this notice is sent who is currently nominated by a member of the Company to enjoy information rights under section 146 of the Companies Act 2006 ("nominated person") may have a right under an agreement between him and that member to be appointed, or to have someone else appointed, as a proxy for the meeting. If a nominated person has no such right or does not wish to exercise it, he may have a right under such an agreement to give instructions to the member concerned as to the exercise of voting rights. The statement in note 1 above of the rights of a member in relation to the appointment of proxies does not apply to a nominated person. Such rights can only be exercised by the member concerned.
5. As at close of business on 14 November 2017 (the latest practicable date prior to the printing of this document) (i) the Company's issued share capital consisted of 1,830,704,153 ordinary shares of 10p each, carrying one vote each, and (ii) the total voting rights in the Company were 1,830,704,153.
6. Each member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting which, in accordance with section 319A of the Companies Act 2006 and subject to some exceptions, the Company must cause to be answered. Information relating to the meeting which the Company is required by the Companies Act 2006 to publish on a website in advance of the meeting may be viewed at www.Assurapl.com. A member may not use any electronic address provided by the Company in this document or with any proxy appointment form or in any website for communicating with the Company for any purpose in relation to the meeting other than as expressly stated in it.
7. CREST members who wish to appoint one or more proxies through the CREST system may do so by using the procedures described in "the CREST voting service" section of the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed one or more voting service providers, should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment or a proxy instruction made using the CREST voting service to be valid, the appropriate CREST message ("CREST proxy appointment instruction") must be properly authenticated in accordance with the specifications of CREST's operator, Euroclear UK & Ireland Limited ("Euroclear"), and must contain all the relevant information required by the CREST Manual. To be valid, the message (regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy) must be transmitted so as to be received by Link Asset Services (ID RA10), as the Company's "issuer's agent", by 11.00 a.m. on 30 November 2017. After this time any change of instruction to a proxy appointed through the CREST system should be communicated to the appointee through other means. The time of the message's receipt will be taken to be when (as determined by the timestamp applied by the CREST Applications Host) the issuer's agent is first able to retrieve it by enquiry through the CREST system in the prescribed manner. Euroclear does not make available special procedures in the CREST system for transmitting any particular message. Normal system timings and limitations apply in relation to the input of CREST proxy appointment instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or a CREST sponsored member or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as is necessary to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and, where applicable, their CREST sponsors or voting service providers should take into account the provisions of the CREST Manual concerning timings as well as its section on "Practical limitations of the system". In certain circumstances the Company may, in accordance with the Uncertificated Securities Regulations 2001 or the CREST Manual, treat a CREST proxy appointment instruction as invalid.

