



Assura Financing plc

(incorporated in England with limited liability with registered number 10023274)

£300,000,000

1.500 per cent. Guaranteed Bonds due 2030

Issue Price 99.763 per cent.

The £300,000,000 1.500 per cent. Guaranteed Bonds due 2030 (the “**Bonds**”) will be issued by Assura Financing plc (the “**Issuer**”) and guaranteed as set out below. Interest on the Bonds is payable annually in arrear on 15 September in each year. Payments on the Bonds will be made without deduction for or on account of taxes of the United Kingdom (the “**UK**”) to the extent described under “*Terms and Conditions of the Bonds — Taxation*”.

The Bonds will initially be fully, unconditionally and irrevocably guaranteed on a joint and several basis by Assura plc (the “**Company**”) or the “**Group Parent**”) and certain subsidiaries of the Group Parent named under “*Overview – Guarantor(s)*” below (each a “**Guarantor**”, and together the “**Guarantors**”). The Bonds mature on 15 September 2030 at their principal amount together with accrued interest. The Bonds are subject to redemption in whole, at their (i) Make Whole Redemption Price (as defined herein), together with accrued interest, at the option of the Issuer at any time prior to 15 June 2030; (ii) principal amount, together with accrued interest, at the option of the Issuer at any time on or after 15 June 2030; and (iii) principal amount, together with accrued interest, at the option of the Issuer at any time in the event of certain changes affecting taxes of the UK. In addition, upon the occurrence of certain change of control events which result in a negative ratings action being taken by a relevant credit rating agency, each holder of Bonds (a “**Bondholder**”) shall have the option to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) the Bonds of such Bondholder at their principal amount, together with accrued interest. See “*Terms and Conditions of the Bonds — Redemption and Purchase*”.

The Bonds will constitute unsecured and unsubordinated obligations of the Issuer. See “*Terms and Conditions of the Bonds — Status*”.

Application has been made to The Irish Stock Exchange plc trading as Euronext Dublin (“**Euronext Dublin**”) for the approval of this Offering Circular as listing particulars and for the Bonds to be admitted to the Official List of Euronext Dublin (the “**Official List**”) and to trading on the Global Exchange Market of Euronext Dublin (the “**Global Exchange Market**”), which is the exchange-regulated market of Euronext Dublin. This Offering Circular constitutes listing particulars in respect of the admission of the Bonds to the Official List and to trading on the Global Exchange Market. The Global Exchange Market is not a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MiFID II**”). This Offering Circular does not constitute a prospectus for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and in accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Bonds. References in this Offering Circular to the Bonds being “**listed**” (and all related references) shall mean that the Bonds have been admitted to the Official List and admitted to trading on the Global Exchange Market. **Investors should note that securities to be admitted to the Official List and to trading on the Global Exchange Market will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters.**

The Bonds will be issued in registered form and available and transferable in minimum denominations of £100,000 and integral multiples of £1,000 in excess thereof. The Bonds will initially be represented by interests in a global certificate in registered form (the “**Global Certificate**”) which will be registered in the name of a nominee of a common safekeeper for Euroclear Bank SA/NV (“**Euroclear**”) and Clearstream Banking S.A. (“**Clearstream, Luxembourg**”). It is expected that delivery of the Global Certificate will be made on 15 September 2020 (the “**Issue Date**”). The Global Certificate will be exchangeable for individual certificates in registered form (each a “**Certificate**”) in the limited circumstances set out in it. See “*Summary of Provisions relating to the Bonds while in Global Form*”.

The Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Bonds are being offered outside the United States by the Joint Bookrunners (as defined in “*Subscription and Sale*”) in accordance with Regulation S under the Securities Act (“**Regulation S**”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from the registration requirements of the Securities Act.

The Bonds are expected to be rated at issuance A- by Fitch Ratings Ltd (“**Fitch**”), which is a credit rating agency established in the UK and registered under Regulation (EC) No 1060/2009 (as amended) (the “**CRA Regulation**”). Fitch appears on the latest update of the list of registered credit rating agencies on the website of the European Securities and Markets Authority: <https://www.esma.europa.eu/>. A security

rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning credit rating agency.

An investment in the Bonds involves risk. Prospective investors in the Bonds are recommended to read this Offering Circular, including the section entitled “Risk Factors”, carefully.

Barclays	Joint Active Bookrunners	
	HSBC	Santander Corporate & Investment
		Banking
	Passive Bookrunner	
	NatWest Markets	

Offering Circular dated 11 September 2020

This Offering Circular is to be read in conjunction with all the documents which are incorporated herein by reference (see “*Documents Incorporated by Reference*”).

The Issuer and the Guarantors accept responsibility for the information contained in this Offering Circular. To the best of the knowledge of the Issuer and the Guarantors (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect its import.

Unless the context otherwise requires, references to “**Group**” in this Offering Circular shall mean the Group Parent 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 Offering Circular.

The Group uses certain measures to assess the financial performance of its business. Certain of these measures are termed “non-IFRS” 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 International Financial Reporting Standards (“**IFRS**”), or are calculated using financial measures that are not calculated in accordance with IFRS. These non-IFRS financial measures are included in this Offering Circular as they are used by management to monitor and report to the board of directors of the Company (the “**Board**”) on the Group’s financial position, performance and available operating liquidity. The Group believes 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 financial measures, such as the performance measures of the European Public Real Estate Association, the industry body for European REITs (the “**EPRA**”), 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 financial measures are not measures based on IFRS 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 financial measures are not measurements of operating performance under IFRS 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.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer, the Guarantors or the Joint Bookrunners to subscribe for or purchase, any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Guarantors and the Joint Bookrunners to inform themselves about and to observe any such restrictions.

For a description of further restrictions on offers and sales of Bonds and distribution of this Offering Circular, see “*Subscription and Sale*” below.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer, the Guarantors or the Joint Bookrunners. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date hereof or

the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer, the Guarantors or the Group since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds or any Guarantee is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Each potential investor in the Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Bonds, the merits and risks of investing in the Bonds and the information contained in this Offering Circular;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Bonds and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Bonds, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Bonds and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Bonds unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Bonds will perform under changing conditions, the resulting effects on the value of such Bonds and the impact this investment will have on the potential investor's overall investment portfolio.

EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN TAX ADVISER, LEGAL ADVISER AND FINANCIAL ADVISER AS TO TAX, LEGAL, FINANCIAL AND RELATED MATTERS CONCERNING THE PURCHASE OF THE BONDS.

The Joint Bookrunners make no comment as to the taxation treatment of the Bonds. To the fullest extent permitted by law, the Joint Bookrunners accept no responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made by a Joint Bookrunner or on its behalf in connection with the Issuer, the Guarantors or the issue and offering of the Bonds. Each Joint Bookrunner accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement and shall not be responsible for any acts or omissions of the Issuer, the Guarantors or any other person (other than the relevant Joint Bookrunner) in connection with the issue and offering of the Bonds.

In this Offering Circular, unless otherwise specified, references to a “**Member State**” are references to a Member State of the EEA, references to “**£**”, “**pounds sterling**” or “**Sterling**” are to the lawful currency of the UK and references to “**€**” or “**euro**” are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty on the functioning of the European Union.

In connection with the issue of the Bonds, Barclays Bank PLC (the “Stabilisation Manager”) (or any person acting on behalf of the Stabilisation Manager) may over-allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise

prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or any person acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

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

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

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with:

- (i) the trading update of the Group Parent for the first quarter ended 30 June 2020;
- (ii) the audited consolidated financial statements of the Group Parent for the financial year ended 31 March 2020, together with the audit report thereon, as set out on pages 105 to 130 of the annual report of the Group Parent for the financial year ended 31 March 2020;
- (iii) the audited consolidated financial statements of the Group Parent for the financial year ended 31 March 2019, together with the audit report thereon, as set out on pages 82 to 109 of the annual report of the Group Parent for the financial year ended 31 March 2019; and
- (iv) the audited consolidated financial statements of the Group Parent for the financial year ended 31 March 2018, together with the audit report thereon, as set out on pages 74 to 101 of the annual report of the Group Parent for the financial year ended 31 March 2018,

which have been previously published or are published simultaneously with this Offering Circular and which have been approved by Euronext Dublin or filed with it. Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular 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 or superseded, constitute a part of this Offering Circular. Those parts of the documents incorporated by reference in this Offering Circular which are not specifically incorporated by reference in this Offering Circular are either not relevant for prospective investors in the Bonds or the relevant information is included elsewhere in this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained (without charge) from the Company's website at www.assurapl.com. The information on the Company's website does not form part of this Offering Circular, except where that information has been specifically incorporated by reference into this Offering Circular.

FORWARD-LOOKING STATEMENTS

This Offering Circular 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 at the date of this Offering Circular. Except as required by the rules of Euronext Dublin or by law, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this Offering Circular 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 Offering Circular or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this Offering Circular.

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 Offering Circular. 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 Offering Circular, 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 Offering Circular. Prospective investors should read the sections of this Offering Circular entitled "*Risk Factors*" and "*Description of the Group*" 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 Offering Circular 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 Offering Circular 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.

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OVERVIEW

The overview below describes the principal terms of the Bonds and is qualified in its entirety by the more detailed information contained elsewhere in this Offering Circular. Capitalised terms used herein and not otherwise defined have the respective meanings given to them in the section “*Terms and Conditions of the Bonds*” (the “**Conditions**”).

Issuer:	Assura Financing plc
Guarantors:	<p>As at the Issue Date, the initial Guarantors (the “initial Guarantors”) will be the Group Parent and certain Subsidiaries of the Group Parent named below:</p> <p>Assura Aspire Limited Assura Aspire UK Limited Assura (GHC) Ltd Assura HC Limited Assura HC UK Limited Assura Health Investments Limited Assura Medical Centres Limited Assura Primary Care Properties Limited Assura (SC 1) Ltd Assura (SC 2) Limited Assura Trellech Limited Donnington Health Care Limited Malmesbury Medical Enterprise Limited Medical Properties Limited Metro MRH Limited Metro MRI Limited Metro MRM Limited Newton Healthcare Limited Park Medical Services Limited Pentagon HS Limited SJM Developments Limited Trinity Medical Properties Limited</p> <p>The circumstances in which the Issuer will procure that other Subsidiaries of the Group Parent provide a Guarantee in respect of the Bonds or in which Guarantors (other than the Group Parent) may be released from their obligations in relation to the Guarantee are set out in Conditions 3(c) and 3(d).</p> <p>References in this “<i>Overview</i>” to the “Guarantors” shall be to the initial Guarantors together with any entity which becomes a guarantor of the Bonds after the Issue Date but shall not include any entity which ceases to be a guarantor of the Bonds.</p>
Form and Denomination:	The Bonds will be issued in registered form in denominations of £100,000 and integral multiples of £1,000 in excess thereof.
Status of the Bonds and Guarantee:	The Bonds constitute (subject to Condition 4.1) direct, general,

unconditional and unsecured obligations of the Issuer, and shall at all times rank *pari passu* and without any preference among themselves. In accordance with Condition 3(b), the due and punctual payment of all sums from time to time expressed to be payable by the Issuer in respect of the Bonds will be unconditionally and (subject to the provisions of Condition 3(d)) irrevocably guaranteed on a joint and several basis by the Guarantors. Each such guarantee (if any) (together, the “**Guarantees**”) will constitute (subject to Condition 4.1) the direct, general, unconditional and unsecured obligations of the relevant Guarantor and shall (subject to Condition 4.1) at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of such Guarantor. See “*Guarantors*” above.

Currency:	Pounds sterling (“£”)
Principal Amount:	£300,000,000
Interest Rate:	1.500 per cent. per annum
Interest Payment Dates:	Interest in respect of the Bonds will be payable annually in arrear on 15 September in each year commencing on 15 September 2021 and ending on the Maturity Date (unless the Bonds are redeemed or purchased early).
Issue Price:	99.763 per cent.
Issue Date:	15 September 2020
Maturity Date:	15 September 2030
Redemption:	Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on the Maturity Date.
Early Redemption for Taxation Reasons:	The Issuer may, at its option, redeem all, but not some only, of the Bonds at any time at their principal amount, together with accrued interest in the event of certain tax changes, as described in Condition 6(b).
Early Redemption at the Option of the Issuer:	The Issuer may, at its option, redeem all, but not some only, of the Bonds at any time after the Issue Date at their (i) Make Whole Redemption Price, together with accrued interest, at any time prior to 15 June 2030; or (ii) principal amount, together with accrued interest, at any time on or after 15 June 2030, as further described in Condition 6(c).
Change of Control Put Option:	Upon the occurrence of a Change of Control Put Event, each Bondholder shall have the option to require the Issuer to redeem or (at the option of the Issuer) purchase (or procure the purchase of) the Bonds of such holder at their principal amount together with accrued interest, as described under Condition 6(d).
Events of Default:	The Bonds will be subject to certain events of default including

(among others) non-payment of principal or interest for a period of 14 days, failure to perform or observe any of the other obligations in respect of the Bonds, cross-default and certain events relating to bankruptcy and insolvency of the Issuer, any Guarantor or any Material Subsidiary. See Condition 9.

Negative Pledge and other Covenants:

The Conditions contain a negative pledge provision, as well as covenants which contain certain limitations on indebtedness of the Group. See Condition 4.

Testing Frequency:

The financial covenants shall be tested as at each Half-Year Date by reference to the financial statements of the Parent relating to such Half-Year Date, with a compliance certificate to be provided to the Trustee in respect thereof.

Withholding Tax and Additional Amounts:

All payments of principal and interest in respect of the Bonds made by or on behalf of the Issuer or the Guarantors shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant Taxing Jurisdiction, or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer or (as the case may be) the Guarantors will pay such additional amounts as may be necessary in order that the net amounts received by each Bondholder in respect of the Bonds, after such withholding, will equal the respective amounts which would have been received in the absence of any such withholding taxes, subject to customary exceptions, as described in Condition 8.

Governing Law:

The Bonds and the guarantees thereof, and any non-contractual obligations arising out of or in connection with the Bonds and the guarantees thereof, will be governed by, and construed in accordance with, English law.

Clearing and Settlement:

Euroclear Bank SA/NV and Clearstream Banking, S.A.

Joint Active Bookrunners:

Banco Santander, S.A.

Barclays Bank PLC

HSBC Bank plc

Passive Bookrunner:

NatWest Markets Plc

Trustee:

HSBC Corporate Trustee Company (UK) Limited

Principal Paying Agent, Registrar and Transfer Agent:

HSBC Bank plc

Listing and Admission to Trading:

Application has been made to Euronext Dublin for the Bonds to be admitted to listing on the Official List and to trading on the Global Exchange Market.

Selling Restrictions:

There are restrictions on offers of the Bonds to EEA and UK retail investors and into, or to persons resident in, the United States, the UK and elsewhere. See “*Subscription and Sale*”.

Category 2 selling restrictions will apply to the Bonds for the purposes of Regulation S under the Securities Act.

Risk Factors:

For a discussion of certain risk factors relating to the Issuer, the Group and the Bonds that prospective investors should carefully consider prior to making an investment in the Bonds, see “*Risk Factors*”.

ISIN:

XS2228214362

Common Code:

222821436

Issuer LEI Code:

549300YH2O3CNDZSO632

RISK FACTORS

The Issuer and the Guarantors believe that the following factors may affect their ability to fulfil their obligations under the Bonds and the Guarantees. All of these factors are contingencies which may or may not occur and the Issuer and the Guarantors are not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer and the Guarantors believe may be material for the purpose of assessing the market risks associated with the Bonds and the Guarantees are also described below.

The Issuer and the Guarantors believe that the factors described below represent the principal risks inherent in investing in the Bonds, but the Issuer and the Guarantors may be unable to pay interest, principal or other amounts on or in connection with the Bonds for other reasons, and the Issuer and the Guarantors do not represent that the statements below regarding the risks of holding the Bonds are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

An investment in the Bonds involves risk. Prior to investing in the Bonds, you should carefully consider risks associated with any investment in securities and, in particular, the Bonds, as well as the Group's business and the industry in which it operates, together with all other information contained in this Offering Circular including, in particular, the risk factors described below. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Bonds. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. 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 Bonds or that may adversely affect the Group's business. Other risks and uncertainties relating to an investment in the Bonds and to the Group's business that are not currently known to the Group, 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 Bonds may decline and you could lose all or part of your investment. You should consider carefully whether an investment in the Bonds is suitable for you in light of the information in this Offering Circular and your personal circumstances.

1 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 could 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 weighted average unexpired lease term ("WAULT") of 11.7 years as at 31 March 2020 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 Group expects 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. 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, 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 Group believes 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 Group believes 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 could result in the Group breaching its interest cover or loan to value ("LTV") covenants with its lenders in the longer term.

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 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 Group believes that it 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 31 March 2020 on the basis of market value ("**Market Value**") in accordance with the Royal Institution of Chartered Surveyors' ("**RICS**") Valuation – Professional Standards 2020 (the "**Red Book**") 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. See also Note 2 of the financial statements of the Group Parent for the financial year ended 31 March 2020, which states that as a result of the COVID-19 outbreak and the consequential impact upon global financial markets, the Group's external valuers have taken into account latest guidelines from RICS and reported the Group's investment property valuations on the basis of "material valuation uncertainty" as per VPS 3 and VPGA 10 of the RICS Red Book Global.

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 Company 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 is exposed to cyber security risk

The Group's operations are dependent on the availability and reliability of its information technology ("IT") systems. The Group is exposed to the risk of hardware or software failure or the threat posed by cyber-attacks, which are increasingly frequent, sophisticated and wider in scope. The occurrence of one or more cyber-attacks may result in loss of data, financial fraud and the shutdown of the Group's IT systems. Weak cyber defences, through a failure to keep up with increasing cyber risk and insufficient IT disaster recovery planning and testing, could increase the likelihood and severity of a cyber-attack leading to business disruption, reputational damage and loss of customers and/or a fine under applicable data protection legislation which could have a material adverse effect on the Group's business, financial condition, results of operations and/or 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, Clinical Commissioning Groups ("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.

The Group could experience a reduction in the availability and/or an increase in the cost of finance

A reduction in available financing could adversely affect the Group's ability to source new funding and refinance existing facilities. Any such reduction could delay or prevent the acquisition or development of new premises. In addition, increases in the cost of finance could increase the overall cost of debt to the Group and reduce underlying profits.

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, as set out in the Group's financial statements. The Group anticipates that break costs would be incurred in the event that the amounts outstanding under these funding arrangements are repaid before their scheduled maturity. However, the final amount of fees due as a result of any early repayment of debt 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.

2 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 Group does 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 Group 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 Group'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 United Kingdom's ("UK") membership in the European Union ("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 delivery of the Article 50 notice by the UK triggered a two year period of negotiation to determine the terms on which the UK would exit the EU and the framework for the UK's future relationship with the EU (the "Article 50 Withdrawal Agreement"). The Article 50 Withdrawal Agreement was approved by the UK parliament on 22 January 2020 and by the

European parliament on 29 January 2020. Consequently, the UK left the EU on 31 January 2020 and a transition period is now in place until 31 December 2020. During this transition period, the Treaty on the European Union and the Treaty on the Functioning of the EU continue to apply to the UK.

Until the terms of the UK's exit from the EU are confirmed, it is not possible to determine the full impact on the political and economic environment in the UK and other EU Member States and on the Group. 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 HM Revenue & Customs ("HMRC") (in accordance with section 523 of the 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 requirements for maintaining REIT status are, however, complex 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 Group 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 within ten years of joining, 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. 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.

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 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 its 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 Group 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.

3 Risks relating to the structure of the Bonds

The application of an amount equivalent to the net proceeds of the Bonds as described in "Use of Proceeds" may not meet investor expectations or be suitable for an investor's investment criteria

It is the Issuer's intention to apply an amount equivalent to the net proceeds of the issue of the Bonds to eligible social projects in accordance with the social finance framework established by the Group (the "**Social Finance Framework**").

Prospective investors should have regard to the information set out in "*Use of Proceeds*" and must determine for themselves the relevance of such information for the purpose of any investment in the Bonds, together with any other investigation such investor deems necessary. In particular, no assurance is given by the Issuer, the Guarantors, the Joint Bookrunners or any other person that the use of such proceeds for any asset will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, it should be noted that there is currently no clearly defined definition of, nor market consensus as to what constitutes, a "social" or an equivalently-labelled asset. In addition the requirements of any such label may evolve from time to time, accordingly, no assurance is or can be given to investors that any asset or use(s) the subject of, or related to, any asset will meet any or all investor expectations regarding such "social" or other equivalently-labelled performance objectives or that any adverse sustainability and/or other impacts will not occur during the implementation of any projects. In addition, no assurance can be given by the Issuer,

the Guarantors, the Joint Bookrunners or any other person that any Bonds will comply with any future standards or requirements for social bonds and therefore the status of the Bonds could change at any time.

No assurance or representation is given by the Issuer, the Guarantors, the Joint Bookrunners or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of the Bonds and in particular with any asset, to fulfil any social and/or other criteria. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any Bonds.

The Bondholders have no recourse against the Issuer, the Guarantors, any of the Joint Bookrunners or the provider of any such opinion or certification for the contents of any such opinion or certification. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in the Bonds.

In the event that the Bonds are listed or admitted to trading on any dedicated “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Guarantors, the Joint Bookrunners or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any eligible social projects. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Guarantors, the Joint Bookrunners or any other person that any such listing or admission to trading will be obtained in respect of any such Bonds or, if obtained, that any such listing or admission to trading will be maintained during the life of the Bonds.

While it is the intention of the Issuer to apply an amount equivalent to the net proceeds of the Bonds, in, or substantially in, the manner described in “*Use of Proceeds*”, there is no contractual obligation to do so, and there can be no assurance that the relevant project or use(s) the subject of, or related to, any project, will be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such amount equivalent to the net proceeds will be totally or partially disbursed for such project. Nor can there be any assurance that such project will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not (i) constitute an Event of Default under the Bonds; (ii) give rise to any claim of a Bondholder against the Issuer; and (iii) lead to an obligation of the Issuer to redeem the Bonds.

Any such event or failure to apply an amount equivalent to the net proceeds of the Bonds for any eligible social project and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on may have a material adverse effect on the value of the Bonds and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Modification, waivers and substitution

The Conditions and the Trust Deed contain provisions for calling meetings of Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Bondholders including Bondholders who did not attend and vote at the relevant meeting and Bondholders who voted in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Bondholders and subject to the provisions of the Trust Deed, agree to (i) any modification of any of the Conditions or any of the provisions of the Trust Deed, that is of a formal, minor or technical nature or is made to correct a manifest error or (ii) any other modification (except as mentioned in the Trust Deed), waiver or authorisation of any breach, or proposed breach, of any of the provisions of the Bonds which is, in the opinion of the Trustee, not materially prejudicial to the interests of the Bondholders or (ii) determine without the consent of the Bondholders that any Event of Default or Potential Event of Default (in each case, as defined in the Trust Deed) shall not be treated as such if in the opinion of the Trustee it is not materially prejudicial to the interests of Bondholders to do so or (iii) the substitution of certain other entities as principal debtor under the Bonds in place of the Issuer, in each case in the circumstances described in Condition 12.

Redemption prior to maturity

The option for the Issuer to redeem the Bonds at any time, as provided in Condition 6(c), is likely to limit the market value of the Bonds. The market value of the Bonds generally will not rise substantially above the price at which they can be redeemed.

The Issuer may be expected to redeem Bonds when its cost of borrowing is lower than the interest rate on the Bonds. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Bonds being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Definitive Bonds will not be issued in integral multiples of less than £100,000

The denomination of the Bonds is £100,000 and integral multiples of £1,000 in excess thereof. Therefore, it is possible that the Bonds may be traded in amounts in excess of £100,000 that are not integral multiples of £100,000. In such a case, a Bondholder who, as a result of trading such amounts, holds a principal amount of less than £100,000 will not receive an individual Certificate in respect of such holding (should individual Certificates be printed) and would need to purchase a principal amount of Bonds such that it holds an amount equal to at least the minimum denomination.

Change of law

The Bonds will be governed by English law. No assurance can be given as to the impact of any possible judicial decision or change to English law or any administrative practice thereof after the Issue Date.

Condition 3 (*Status and Guarantee*) of the Bonds is intended to ensure that the Bonds and the Issuer's Bank Facility rank *pari passu* with each other at all times

On 21 May 2020, the Issuer entered into a £300,000,000 Revolving Facility Agreement (the “**Revolving Facility Agreement**”) with, among others, Barclays Bank PLC, HSBC Bank plc, National Westminster Bank PLC and Santander UK plc as arrangers (together, the “**Arrangers**”). The Revolving Facility Agreement as amended and/or amended and restated from time to time or any facility which refinances or replaces the same as the primary facility of the Group, is referred to herein as the “**Bank Facility**”.

The Conditions require that any guarantor under the Bank Facility must also guarantee the Bonds. As a result if a Subsidiary of the Issuer is added as a new guarantor to the Bank Facility, the Issuer must at or prior to the

date of the giving of such guarantee add it as a guarantor of the Bonds in accordance with Condition 3(c) and, from the Issue Date onwards, if a guarantor ceases to be a guarantor under the Bank Facility, the Issuer can require (subject to certain Bondholder protections) that it ceases to be a guarantor of the Bonds.

4 Risks relating to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, interest rate risk, exchange rate risk and credit risk:

The secondary market generally and liquidity risks

The Bonds will have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. The development or continued liquidity of any secondary market for the Bonds will be affected by a number of factors such as the creditworthiness of the Issuer and the Guarantors, as well as other factors such as the time remaining to the maturity of the Bonds and the outstanding amount of the Bonds. Such factors also will affect the market value of the Bonds. Investors may not be able to sell Bonds readily or at prices that will enable investors to realise their anticipated yield. No investor should purchase Bonds unless the investor understands and is able to bear the risk that the Bonds may not be readily sellable, that the value of Bonds will fluctuate over time and that such fluctuations might be significant.

Although application has been made for the Bonds to be admitted to listing on the Official List and to trading on the Global Exchange Market, there is no assurance that an active trading market will develop. Illiquidity may have a severely adverse effect on the market value of Bonds.

Interest rate risks

Investment in the Bonds, which are fixed rate obligations, involves the risk that subsequent changes in market interest rates may adversely affect the value of the Bonds.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of sterling or revaluation of the Investor's Currency) and the risk that authorities may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to sterling would decrease (1) the Investor's Currency-equivalent yield on the Bonds, (2) the Investor's Currency equivalent value of the principal payable on the Bonds and (3) the Investor's Currency equivalent market value of the Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate and restrict the free movement of currency. As a result, investors may receive less interest or principal than expected.

Credit ratings may not reflect all risks

The Bonds are expected to be rated at issuance A- by Fitch. The ratings assigned to the Bonds may not reflect the potential impact of all risks related to factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. Any adverse change in an applicable credit rating could affect the trading price for the Bonds.

Investors in the Bonds must rely on Euroclear and Clearstream procedures

The Bonds will be represented on issue by a Global Certificate that will be delivered to a common safekeeper for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the Global Certificate, investors will not be entitled to receive individual Certificates in respect of Bonds. Euroclear and Clearstream, Luxembourg and their respective participants will maintain records of the beneficial interests in the Global Certificate. While the Bonds are represented by the Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their respective participants.

The Issuer will discharge its payment obligations under the Bonds by making payments to or to the order of the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in the Global Certificate must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Certificate.

Holders of beneficial interests in the Global Certificate will not have a direct right to vote in respect of the Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Certificate will not have a direct right under the Global Certificate to take enforcement action against the Issuer in the event of a default under the Bonds but will have to rely upon their rights under the Trust Deed.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Bonds are legal investments for it, (2) the Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of the Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Bonds under any applicable risk-based capital or similar rules.

TERMS AND CONDITIONS OF THE BONDS

The following are the terms and conditions substantially in the form in which they will be endorsed on the Bonds:

The issue of the Bonds was authorised by a resolution of the Board of Directors of Assura Financing plc (the “**Issuer**”) passed on 4 September 2020. The Bonds are constituted by a Trust Deed (the “**Trust Deed**”) dated 15 September 2020 between the Issuer, Assura plc (the “**Parent**”), certain subsidiaries of the Parent as set out in Schedule 1 (*The Guarantors*) to the Trust Deed (together with the Parent, the “**Guarantors**”, which expression shall include any entity which becomes, and has not for the time being ceased to be, a Guarantor pursuant to the relevant provisions of Condition 3 (*Status and Guarantee*)) and HSBC Corporate Trustee Company (UK) Limited (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the holders of the Bonds. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bonds. Copies of the Trust Deed, and of the Agency Agreement (the “**Agency Agreement**”) dated 15 September 2020 relating to the Bonds between the Issuer, the Trustee, the registrar (the “**Registrar**”), any transfer agents (each a “**Transfer Agent**”), the initial principal paying agent and any other agents named in it, are available for inspection during usual business hours at the principal office of the Trustee (presently at 8 Canada Square, London E14 5HQ) and at the specified offices of the principal paying agent for the time being (the “**Principal Paying Agent**”), the Registrar and any Transfer Agents. “**Agents**” means the Principal Paying Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Bonds. The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those applicable to them of the Agency Agreement.

All capitalised terms that are not defined in these terms and conditions (the “**Conditions**”) will have the meanings given to them in the Trust Deed.

1 Form, Specified Denomination and Title

The Bonds are in registered form and issued in the specified denomination of £100,000 and higher integral multiples of £1,000.

The Bonds are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(a) (*Transfer*), each Certificate shall represent the entire holding of Bonds by the same holder.

Title to the Bonds shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Bond shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such Certificate and no person shall be liable for so treating the holder.

In these Conditions, “**Bondholder**” and “**holder**” means the person in whose name a Bond is registered.

2 Transfers of Bonds

- (a) **Transfer:** A holding of Bonds may, subject to Condition 2(d) (*Closed Periods*), be transferred in whole or in part upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate(s) representing such Bonds to be transferred, together with the form of transfer endorsed on such Certificate(s) (or another form of transfer substantially in the same form and containing the same

representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Bonds represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. In the case of a transfer of Bonds to a person who is already a holder of Bonds, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding. All transfers of Bonds and entries on the Register will be made in accordance with the detailed regulations concerning transfers of Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Bondholder upon request.

- (b) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Condition 2(a) (*Transfer*) shall be available for delivery within three business days of receipt of a duly completed form of transfer and surrender of the existing Certificate(s). Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/ or such insurance as it may specify. In this Condition 2(b), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).
- (c) **Transfer or Exercise Free of Charge:** Certificates, on transfer, shall be issued and registered without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (d) **Closed Periods:** No Bondholder may require the transfer of a Bond to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Bond, (ii) after any such Bond has been called for redemption, or (iii) during the period of seven days ending on (and including) any Record Date.

3 Status and Guarantee

- (a) **Status:** The Bonds constitute (subject to Condition 4.1 (*Negative Pledge*)) direct, general, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by applicable law that is both mandatory and of general application and subject to Condition 4.1 (*Negative Pledge*), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Issuer.
- (b) **Guarantee of the Bonds:** The initial Guarantors have in the Trust Deed jointly and severally, unconditionally and (subject to the provisions of Condition 3(d) (*Release of Guarantors*)) irrevocably guaranteed the due and punctual payment of all sums from time to time expressed to be payable by the Issuer in respect of the Bonds, and each entity which becomes a Guarantor pursuant to Condition 3(c) (*Addition of Guarantors*) will guarantee, jointly and severally, unconditionally and (subject to the provisions of Condition 3(d) (*Release of Guarantors*)) irrevocably the due and punctual payment of all

sums from time to time expressed to be payable by the Issuer in respect of the Bonds. Each such guarantee (each a “**Guarantee**”) constitutes, subject to Condition 4.1 (*Negative Pledge*), direct, general, unconditional and unsecured obligations of the relevant Guarantor which will, subject to Condition 4.1 (*Negative Pledge*), at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the relevant Guarantor, save for such exceptions as may be provided by applicable law that is both mandatory and of general application.

- (c) **Addition of Guarantors:** If at any time after 15 September 2020 (the “**Issue Date**”) and for so long as (i) any commitments remain available and/or (ii) any utilised amount(s) remain outstanding under the Principal Bank Facility (whichever is later), any member of the Group provides a guarantee in respect of the Principal Bank Facility (as defined below), the Issuer covenants that it shall procure that such member of the Group shall, as soon as reasonably practicable but in any event no later than 14 days after the date of giving its guarantee in respect of the Principal Bank Facility, provide a Guarantee in respect of the Bonds on the terms set out in the Trust Deed. Notwithstanding the above, for so long as any Bond remains outstanding the Issuer may, at its option, at any time procure that any entity provides a Guarantee in respect of the Bonds on the terms set out in the Trust Deed. The Issuer shall provide written notice to the Trustee of the proposed accession of any member of the Group or any other entity as a Guarantor. The Trust Deed provides that the Trustee shall agree to any such Guarantee being provided by any such further Guarantor, subject to such amendment of, or supplement to, the Trust Deed as the Trustee may require and such other conditions as are set out in the Trust Deed (including the delivery to the Trustee of a legal opinion(s) as the Trustee shall require from legal advisers satisfactory to the Trustee and in a form and with substance satisfactory to the Trustee as to the enforceability under the laws of all relevant jurisdictions of the guarantee to be given by such Group member or other entity and all other obligations to be assumed by such Group member or other entity in such amendment or supplement.
- (d) **Release of Guarantors:** A Guarantor other than the Parent which no longer provides a guarantee in respect of the Principal Bank Facility may be (subject always to Condition 3(c) (*Addition of Guarantors*)) and the following provisions of this Condition 3(d) irrevocably released and relieved of all of its obligations under the relevant Guarantee of the Bonds and all of its present and future obligations as a Guarantor under the Trust Deed and the Bonds, but without prejudice to any obligations or liabilities which may have accrued prior to such release, upon the Issuer giving written notice to the Trustee signed by two Directors of the Issuer confirming that such Guarantor no longer provides a guarantee in respect of the Principal Bank Facility. Any such notice must also contain the following certifications to the Trustee:
- (i) that no Event of Default or Potential Event of Default (as defined in the Trust Deed) is continuing, or is expected to result from the release of that Guarantor;
 - (ii) that no part of the financial indebtedness in respect of which that Guarantor is or was providing a guarantee in respect of the Principal Bank Facility (if applicable) is at that time due and payable but remains unpaid in circumstances where any obligation to make payment has arisen under the relevant guarantee in respect of the Principal Bank Facility; and
 - (iii) save in respect of any obligations or liabilities which may have accrued prior to its release as a guarantor under the Principal Bank Facility, that such Guarantor is not providing (and is not required to provide), in accordance with the terms of the Principal Bank Facility, any guarantee, indemnity, security, surety or other form of collateral or credit support arrangement in respect of the Principal Bank Facility.

If any Guarantor or any other member of the Group or entity released from providing a Guarantee as described above subsequently provides a guarantee in respect of the Principal Bank Facility, the relevant member of the Group or other entity will, in accordance with the Trust Deed, provide a Guarantee as described in Condition 3(c) (*Addition of Guarantors*).

- (e) **Notice of Change of Guarantors:** Notice of any release or addition of a Guarantor at any time pursuant to the foregoing provisions of this Condition 3 will be given by the Issuer to the Bondholders in accordance with Condition 16 (*Notices*).
- (f) **Trustee not obliged to monitor:** The Trustee shall not be obliged to monitor compliance by the Issuer or any other member of the Group or entity with Condition 3(c) (*Addition of Guarantors*) or 3(d) (*Release of Guarantors*) and shall have no liability to any person for not doing so. The Trustee shall be entitled to rely, without liability to any person, on a notice of the Issuer provided under this Condition 3, and, until it receives any such notice, it shall assume that no other member of the Group or entity has provided a guarantee in respect of the Principal Bank Facility.
- (g) **Definitions:** In these Conditions:

“**Group**” means the Parent and its Subsidiaries taken as a whole;

“**Principal Bank Facility**” means the £300,000,000 revolving facility agreement dated 21 May 2020 between *inter alios* the Issuer and Barclays Bank PLC, HSBC Bank plc, National Westminster Bank plc and Santander UK plc as arrangers, as amended and/or restated and/or replaced and/or refinanced from time to time or any facility (or facilities) which in turn refinances or replaces such facility as the primary working capital and standby facility (or facilities) of the Group, however many times; and

“**Subsidiary**” means a subsidiary within the meaning of section 1159 of the Companies Act 2006, as amended.

4 Covenants

4.1 Negative Pledge

So long as any Bond remains outstanding (as defined in the Trust Deed), neither the Issuer nor any Guarantor will, and the Issuer and each Guarantor will ensure that none of their Subsidiaries will, create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (each a “**Security Interest**”), other than a Permitted Security Interest, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall in its absolute discretion deem not materially less beneficial to the interest of the Bondholders or (ii) shall be approved by an Extraordinary Resolution (as defined in the Trust Deed) of the Bondholders.

4.2 Financial Covenants

So long as the Bonds remain outstanding, the Issuer shall ensure that:

- (i) **Interest Cover:** Interest Cover in respect of any Relevant Period shall not be less than 150 per cent.;
- (ii) **Leverage:** Leverage in respect of any Relevant Period shall not be greater than 65 per cent.; and

(iii) **Priority Debt:** Priority Debt shall not exceed 0.25:1.

4.3 Definitions: In these Conditions:

“**Acceptable Bank**” means:

- (a) a bank or financial institution which has a rating for its long-term unsecured and non credit-enhanced debt obligations of BBB+ or higher by S&P Global Ratings Europe Limited or Fitch Ratings Limited or Baa1 or higher by Moody’s Investors Service Limited or a comparable rating from an internationally recognised credit rating agency; or
- (b) any other bank or financial institution approved by the Trustee;

“**Agreement for Lease**” means an agreement to grant an Occupational Lease for all or part of a Property;

“**Borrowings**” means, at any time, the aggregate outstanding principal, capital or nominal amount (and any fixed or minimum premium payable on prepayment or redemption) of any indebtedness of the Parent and the wholly owned Subsidiaries of the Group and the Group’s share of such amount of any indebtedness of any Non-Wholly Owned Entity for or in respect of:

- (a) moneys borrowed;
- (b) any acceptances under any acceptance credit facility (or dematerialised equivalent);
- (c) any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) any Finance Lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any counter-indemnity obligation in respect of a guarantee, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (g) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind the entry into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 120 days after the date of supply;
- (h) any amount raised under any other transaction (including any forward sale or purchase agreement, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing or otherwise classified as borrowings under IFRS; and
- (i) (without double counting) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in (a)-(h) above;

“**Cash**” means, at any time, cash denominated in sterling in hand or at bank and (in the latter case) credited to an account with an Acceptable Bank and to which a member of the Group or other Non-Wholly Owned Entity is alone (or together with other members of the Group or other Non-Wholly Owned Entities) beneficially entitled and (in any such case) for so long as:

- (a) that cash is repayable within 30 days after the relevant date of calculation;

- (b) repayment of that cash is not contingent on the prior discharge of any other indebtedness of any member of the Group or of any other person whatsoever or on the satisfaction of any other condition;
- (c) there is no Security over that cash other than constituted by a netting or set-off arrangement entered into by members of the Group or other Non-Wholly Owned Entities in the ordinary course of their banking arrangements; and
- (d) the cash is freely and (except as mentioned in paragraph (a) above) immediately available to be applied in repayment or prepayment of the Principal Bank Facility;

“**Cash Equivalent Investments**” means at any time:

- (a) certificates of deposit maturing within 1 year after the relevant date of calculation and issued by an Acceptable Bank;
- (b) any investment in marketable debt obligations issued or guaranteed by the government of the United States of America, the United Kingdom, any member state of the European Economic Area or any member state of the European Economic Area that has the euro as its lawful currency in accordance with legislation of the European Union relating to Economic and Monetary Union (a “**Participating Member State**”) or by an instrumentality or agency of any of them having an equivalent credit rating, maturing within 1 year after the relevant date of calculation and not convertible or exchangeable to any other security;
- (c) commercial paper not convertible or exchangeable to any other security:
 - (i) for which a recognised trading market exists;
 - (ii) issued by an issuer incorporated in the United States of America, the United Kingdom, any member state of the European Economic Area or any Participating Member State;
 - (iii) which matures within 1 year after the relevant date of calculation; and
 - (iv) which has a credit rating of either A-1 or higher by S&P Global Ratings Europe Limited or F1 or higher by Fitch Ratings Limited or P-1 or higher by Moody’s Investors Service Limited, or, if no rating is available in respect of the commercial paper, the issuer of which has, in respect of its long-term unsecured and non-credit enhanced debt obligations, an equivalent rating;
- (d) sterling bills of exchange eligible for rediscount at the Bank of England and accepted by an Acceptable Bank (or their dematerialised equivalent);
- (e) any investment in money market funds which:
 - (i) have a credit rating of either A-1 or higher by S&P Global Ratings Europe Limited or F1 or higher by Fitch Ratings Limited or P-1 or higher by Moody’s Investors Service Limited;
 - (ii) which invest substantially all their assets in securities of the types described in paragraphs (a) to (d) above; and
 - (iii) can be turned into cash on not more than 30 days’ notice; or
- (f) any other debt security approved by the lenders under the Principal Bank Facility,

in each case, denominated in sterling and to which any member of the Group or Non-Wholly Owned Entity is alone (or together with other members of the Group or other Non-Wholly Owned Entities) beneficially entitled at that time and which is not issued or guaranteed by any member of the Group or other Non-Wholly Owned Entity or subject to any Security;

“Finance Charges” means, for any Relevant Period, the aggregate amount of interest, commission, fees, discounts, prepayment fees, premium or charges and finance payments in respect of Financial Indebtedness paid or payable by the Parent and any wholly owned Subsidiary of the Group and the Group’s share of such amount paid or payable by any Non-Wholly Owned Entity in respect of that Relevant Period:

- (a) excluding any such amounts where the relevant Financial Indebtedness is owed to a member of the Group or a Non-Wholly Owned Entity and the rights of such member of the Group or such Non-Wholly Owned Entity have been subordinated to those of the Bondholders and the Trustee;
- (b) excluding any upfront fees or costs to the extent paid in full;
- (c) including the interest (but not the capital) element of payments in respect of Finance Leases;
- (d) including any commission, fees, discounts and other finance payments payable by (and deducting any such amounts payable to) any member of the Group or a Non-Wholly Owned Entity under any interest rate hedging arrangement; and
- (e) taking no account of any unrealised gains or losses on any derivative instruments other than any derivative instruments which are accounted for on a hedge accounting basis

and so that (i) no amount shall be included or added (or deducted) more than once and (ii) in the case of a Non-Wholly Owned Entity only the Group’s share of the relevant amount shall be added (or deducted);

“Finance Lease” means any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;

“Financial Indebtedness” means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with IFRS, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (f) any amount raised under any other transaction (including any forward sale or purchase agreement) of a type not referred to in any other paragraph of this definition having the commercial effect of a borrowing;
- (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction,

only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of that derivative transaction, that amount) shall be taken into account);

- (h) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (i) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (h) above;

“Half-Year Date” means each 31 March and 30 September in each year;

“Financial Year” means the annual accounting period of the Parent and each member of the Group ending on or about 31 March in each year;

“IFRS” means international accounting standards within the meaning of IAS Regulation 1606/2002;

“Interest Cover” means, in respect of any Relevant Period, Net Rental Income for that Relevant Period as a percentage of Finance Charges for that Relevant Period;

“Joint Venture” means any joint venture entity, whether a company, unincorporated firm, undertaking, association, joint venture or partnership or any other entity in which a member of the Group has a direct or indirect shareholding or other ownership interest;

“Lease Document” means:

- (a) an Agreement for Lease;
- (b) an Occupational Lease; or
- (c) any other document designated as such by the Issuer;

“Leverage” means in respect of any Relevant Period, the percentage of Total Net Debt on the last day of that Relevant Period to Value on the last day of that Relevant Period;

“Material Subsidiary” means a Subsidiary of the Parent which has Net Rental Income representing 5 per cent. or more of the Total Net Rental Income for the 12 month period ending on the relevant date or has gross assets (excluding intra-group items) representing 5 per cent. or more of the gross assets of the Group, calculated on a consolidated basis by reference to the then latest consolidated financial statements of the Parent, in each case as required to be delivered pursuant to Condition 4.5. However, if a Subsidiary has been acquired since the date as at which such consolidated financial statements of the Group were prepared, the financial statements shall be deemed to be adjusted in order to take into account the acquisition of that Subsidiary. A certificate signed by two Directors of the Parent confirming that a Subsidiary is or is not a Material Subsidiary shall, in the absence of manifest error, be conclusive and binding on the Trustee, the Bondholders and all other interested parties;

“Net Rental Income” means Rental Income for that Relevant Period other than Tenant Contributions for that Relevant Period;

“Non-Guarantor Indebtedness” means any Borrowings, which are not Secured Debt, of a Subsidiary of the Group (other than the Issuer) or a Non-Wholly Owned Entity which (in either case) is not a Guarantor, excluding any such Borrowings from any other member of the Group and so that in no event shall any amount be included more than once;

“Non-Wholly Owned Entity” means any member of the Group and (if not a member of the Group) any Joint Venture which (in any such case) is not wholly owned (directly or indirectly) by the Parent;

“Occupational Lease” means any lease or licence or other right of occupation or right to receive rent to which a Property may at any time be subject and includes any guarantee of a tenant’s obligations under the same;

“Parent” means Assura plc;

“Permitted Security Interest” means (i) the £110,000,000 4.75 per cent. secured bonds due 2021 issued by Assura Properties plc and (ii) a Security Interest on undertakings, assets or revenues of a company acquired by the Parent or any of its Subsidiaries after 15 September 2020, provided that such Security Interest was not created in contemplation of such acquisition and the principal amount secured by such Security Interest has not been increased in contemplation of or since such acquisition;

“Priority Debt” means the ratio of the aggregate of Secured Debt and Non-Guarantor Indebtedness to Value;

“Property” means any real estate owned by a member of the Group Or a Non-Wholly Owned Entity;

“Relevant Indebtedness” means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which, with the agreement of the Issuer or the Parent, for the time being are, or are intended to be, quoted, listed or dealt in or traded on any stock exchange or over the counter or other securities market;

“Relevant Period” means each period of 12 months ending on or about a Half-Year Date;

“Rental Income” means the aggregate of all amounts paid or payable to or for the account of the Parent and wholly-owned Subsidiaries of the Group and the Group’s share of all amounts paid or payable to or for the account of any Non-Wholly Owned Entities in connection with the letting, licence or grant of other rights of use or occupation of any part of a Property, including each of the following amounts:

- (a) rent licence fees and equivalent amounts paid or payable;
- (b) any sum received or receivable from any deposit held as security for performance of a tenant’s obligations;
- (c) a sum equal to any apportionment of rent allowed in favour of the Parent and any wholly owned Subsidiary of the Group and the Group’s share of any such sum allowed in favour of any Non-Wholly Owned Entity;
- (d) any other moneys paid or payable in respect of occupation and/or usage of that Property and any fixture and fitting on that Property for display or advertisement, on licence or otherwise;
- (e) any sum paid or payable under any policy of insurance in respect of loss of rent or interest on rent;
- (f) any sum paid or payable, or the value of any consideration given, for the grant, surrender, amendment, supplement, waiver, extension or release of any Lease Document;
- (g) any sum paid or payable in respect of a breach of covenant or dilapidations under any Lease Document;
- (h) any sum paid or payable by or distribution received or receivable from any guarantor of any occupational tenant under any Lease Document;
- (i) any Tenant Contributions; and

- (j) any interest paid or payable on, and any damages, compensation or settlement paid or payable in respect of, any sum referred to above less any related fees and expenses incurred (which have not been reimbursed by another person) by the Parent and its Subsidiaries and other Non-Wholly Owned Entities;

“**Secured Debt**” means Borrowings with respect to which the Parent or a wholly-owned Subsidiary of the Group or a Non-Wholly Owned Entity has created Security including any agreement or arrangement under which any person:

- (a) sells, transfers or otherwise disposes of any receivables on recourse terms; or
- (b) enters into any other preferential arrangement having a similar effect

in circumstances where the arrangement or transaction is entered into primarily for the purpose of securing any Borrowings, but excluding (i) any such Borrowings from any other member of the Group or other Non-Wholly Owned Entity; and (ii) the outstanding principal amount of the Bonds if the Bonds are accorded security pursuant to Condition 4.1 and so that in no event shall any amount be included more than once;

“**Security**” means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

“**Tenant Contributions**” means, for any Relevant Period, any amount paid or payable to the Parent or wholly-owned Subsidiaries of the Group, and the Group’s share of any amount paid or payable to any Non-Wholly Owned Entities, by any tenant under a Lease Document or any other occupier of a Property, by way of:

- (a) contribution to:
 - (i) ground rent;
 - (ii) insurance premia;
 - (iii) the cost of an insurance valuation;
 - (iv) a service or other charge in respect of a member of the Group’s or other Non-Wholly Owned Entity’s cost in connection with any management, repair, maintenance or similar obligation or in providing services to a tenant of, or with respect to, a Property;
 - (v) a reserve or sinking fund; or
 - (vi) agreed costs and expenses paid with respect to a Property pursuant to any TR1 Lease; or
- (b) VAT;

“**Total Net Debt**” means, as of the last day of any Relevant Period, the aggregate amount of all Borrowings of the Parent and wholly owned Subsidiaries of the Group at that time and the Group’s share of the aggregate amount of all Borrowings of any Non-Wholly Owned Entities at that time but:

- (a) deducting the aggregate amount of Cash and Cash Equivalent Investments held by the Parent and any member of the Group and the Group’s share of Cash and Cash Equivalent Investments held by any Non-Wholly Owned Entity; and
- (b) excluding any such obligations owed to a member of the Group or other Non-Wholly Owned Entity where the rights of any member of the Group or other Non-Wholly Owned Entity as a creditor have been subordinated to those of the Bondholders,

and so that no amount shall be included or excluded more than once;

“**Total Net Rental Income**” means the aggregate Net Rental Income of the Group as reported in the then latest consolidated financial statements of the Parent required to be delivered pursuant to Condition 4.5 (*Financial Statements*);

“**TR1 Lease**” means any Occupational Lease in respect of a Property granted on terms pursuant to which the tenant of that Property is only under an obligation to maintain, repair and insure the internal parts of that Property;

“**Value**” means the aggregate market value of the Properties of the Parent and wholly owned Subsidiaries of the Group and the Group’s share of the market value of the Properties of any Non-Wholly Owned Entities, as reported in the Parent’s then latest consolidated financial statements as required to be delivered pursuant to Condition 4.5 (*Financial Statements*); and

“**VAT**” means:

- (a) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and
- (b) any other tax of a similar nature, whether imposed in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraph (a) above, or imposed elsewhere.

4.4 Financial Testing

The financial covenants set out in Condition 4.2 (*Financial Covenants*) shall be calculated in accordance with IFRS and tested as at the last day of each Relevant Period by reference to the financial statements of the Parent relating to the related Half-Year Date, in each case required to be delivered pursuant to Condition 4.5 (*Financial Statements*) and each Financial Covenants Compliance Certificate delivered pursuant to Condition 4.6 (*Financial Covenants Compliance Certificate*).

4.5 Financial Statements

The Parent shall supply to the Trustee as soon as the same become available, but in any event within:

- (a) 120 days after the end of each of its Financial Years; and
- (b) 90 days after the end of the first half of each of its Financial Years,

its audited consolidated financial statements for that Financial Year or unaudited interim condensed consolidated financial statements for that half Financial Year (as appropriate).

4.6 Financial Covenants Compliance Certificate

- (a) The Parent shall supply a certificate (the “**Financial Covenants Compliance Certificate**”) to the Trustee, together with each set of financial statements delivered pursuant to Condition 4.5 (*Financial Statements*), confirming (i) that the Leverage is not greater than 65 per cent.; (ii) that the Interest Cover in respect of the Relevant Period is at least 150 per cent.; and (iii) that Priority Debt does not exceed 0.25:1.
- (b) Each Financial Covenants Compliance Certificate shall be signed by two Directors of the Parent, one of which shall be the Chief Financial Officer of the Parent.

4.7 Bondholder Annual Call

For so long as any Bond remains outstanding, the Parent will convene one investor call per calendar year for Bondholders to discuss the financial position of the Group, such call to take place within 180

days of the end of its Financial Year. The Parent shall notify all Bondholders of the date (which such date shall be no more than 21 days following such notification), time and dial-in details for the call in accordance with Condition 16 (*Notices*). The Parent or other representatives of the Group shall act in good faith in addressing any questions regarding the financial position of the Parent or any other member of the Group raised on any such call, provided, however, that the Parent and the Group shall not be obliged to disclose any information which they, in their absolute discretion, consider to be of a confidential nature.

5 Interest

The Bonds bear interest on their outstanding principal amount from and including 15 September 2020 at the rate of 1.500 per cent. per annum, payable annually in arrear on 15 September in each year (each an “**Interest Payment Date**”). Each Bond will cease to bear interest from the due date for redemption unless, upon surrender of the Certificate representing such Bond, payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder, and (b) the day seven days after the Trustee or the Principal Paying Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to that seventh day (except to the extent that there is failure in the subsequent payment to the relevant holders under these Conditions).

Where interest is to be calculated in respect of a period which is shorter than an Interest Period (as defined below), the day-count fraction used will be the number of days in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

In these Conditions, the period beginning on and including 15 September 2020 and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an “**Interest Period**”.

Interest in respect of any Bond shall be calculated per £1,000 in principal amount of the Bonds (the “**Calculation Amount**”). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the rate of interest specified above, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest penny (half a penny being rounded upwards).

6 Redemption and Purchase

(a) Final Redemption

Unless previously redeemed, or purchased and cancelled, the Bonds will be redeemed at their principal amount on 15 September 2030. The Bonds may not be redeemed at the option of the Issuer other than in accordance with this Condition 6.

(b) Redemption for Taxation Reasons

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if (i) the Issuer satisfies the Trustee immediately prior to the giving of such notice that it (or, if the relevant Guarantee were called, a Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or

amendment to, the laws or regulations of the relevant Taxing Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 11 September 2020, and (ii) such obligation cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the relevant Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Bonds (or the relevant Guarantee, as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(b), the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer (or the relevant Guarantor, as the case may be) stating that the obligation referred to in (i) above cannot be avoided by the Issuer (or the relevant Guarantor, as the case may be) taking reasonable measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders.

In these Conditions, “**Taxing Jurisdiction**” means the United Kingdom and any political subdivision and any authority therein or thereof having the power to tax, and/or any other jurisdiction (and in each case any political subdivision and any authority therein or thereof having the power to tax) in which the Issuer and/or any Guarantor is incorporated, organised or otherwise resident for tax purposes.

(c) **Redemption at the Option of the Issuer**

The Issuer may, at any time, on giving not less than 30 nor more than 60 days’ notice to the Bondholders in accordance with Condition 16 (which notice shall be irrevocable and shall specify the date fixed for redemption (the “**Optional Redemption Date**”)) redeem all, but not some only, of the Bonds at (i) their principal amount if the Optional Redemption Date is on or after 15 June 2030, or (ii) the Make Whole Redemption Price if the Optional Redemption Date is prior to 15 June 2030, in each case together with interest accrued to but excluding the Optional Redemption Date.

Any notice of redemption given under Condition 6(b) will override any notice of redemption given (whether previously, on the same date or subsequently) under this Condition 6(c).

In this Condition:

“**Determination Agent**” means a financial adviser or bank which is independent of the Issuer appointed by the Issuer for the purpose for determining the Make Whole Redemption Price;

“**Determination Date**” means the date which is the second London Business Day prior to the Optional Redemption Date;

“**Gross Redemption Yield**” on the Bonds and the Reference Stock will be expressed as a percentage and will be calculated by the Determination Agent on the basis set out by the United Kingdom Debt Management Office in the paper “Formulae for Calculating Gilt Prices from Yields” page 4, Section One: Price/Yield Formulae “Conventional Gilts”; “Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date” (published on 8 June 1998 and updated on 15 January 2002 and 16 March 2005 and as further updated or amended from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places);

“**London Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London;

“Make Whole Redemption Price” means, in respect of each Bond, (a) the principal amount of such Bond or, if this is higher, (b) the principal amount of such Bond multiplied by the price (as reported in writing to the Issuer and the Trustee by the Determination Agent) expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards) at which the Gross Redemption Yield on the Bonds (if the Bonds were to remain outstanding until their stated maturity) on the Determination Date is equal to the sum of (x) the Gross Redemption Yield at 11.00 a.m. (London time) on the Determination Date of the Reference Stock plus (y) 0.20 per cent.; and

“Reference Stock” means 0.375 per cent. United Kingdom Government Treasury Stock due 22 October 2030 or, where the Determination Agent advises the Issuer and the Trustee that, for reasons of illiquidity or otherwise, such Reference Stock is not appropriate for such purpose, such other government stock as the Determination Agent may recommend.

(d) **Redemption at the Option of the Bondholders following a Change of Control Put Event**

A **“Change of Control Put Event”** will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006, as amended) whose shareholders are or are to be substantially the same as the pre-existing shareholders of the Parent, becomes interested (within the meaning of Part 22 of the Companies Act 2006, as amended) in (A) more than 50 per cent. of the issued or allotted ordinary share capital of the Parent or (B) shares in the capital of the Parent carrying more than 50 per cent. of the voting rights normally exercisable on a poll vote at a general meeting of the Parent (each such event being, a **“Change of Control”**); and
- (ii) on the date (the **“Relevant Announcement Date”**) that is the earlier of: (1) the first public announcement of the relevant Change of Control, and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any), the Bonds carry:
 - (a) an investment grade credit rating (Baa3 (from Moody’s)/BBB- (from S&P or Fitch), or their respective equivalents, or better) (an **“Investment Grade Rating”**) from any Rating Agency (as defined below) at the invitation of the Issuer or the Parent (or, where there is no rating from any Rating Agency assigned at the invitation of the Issuer or the Parent, any Investment Grade Rating from any Rating Agency of its own volition) and such rating is, within the Change of Control Period (as defined below), either downgraded to a non-investment grade credit rating (Ba1 (from Moody’s)/BB+ (from S&P or Fitch), or their respective equivalents, or worse) (a **“Non-Investment Grade Rating”**) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or restored to an Investment Grade Rating by such Rating Agency; or
 - (b) a Non-Investment Grade Rating from any Rating Agency at the invitation of the Issuer or the Parent (or, where there is no rating from any Rating Agency assigned at the invitation of the Issuer or the Parent, any Non-Investment Grade Rating from any Rating Agency of its own volition) and such rating is, within the Change of Control Period, either downgraded by one or more rating categories (from BB+ to BB being an example of a downgrade by one rating category) or withdrawn and is not, within the Change of Control Period, subsequently (in the case of a downgrade) upgraded or restored to its earlier credit rating or better by such Rating Agency; or

- (c) no credit rating and, within the Change of Control Period, (i) the Issuer or the Parent does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a rating of the Bonds or of any other unsecured and unsubordinated debt of the Issuer; or (ii) if the Issuer or the Parent does so seek and use such endeavours, it is unable to obtain at least an Investment Grade Rating by the end of the Change of Control Period (a “**Negative Rating Event**”),

provided that, if on the Relevant Announcement Date the Bonds carry a credit rating from more than one Rating Agency, at least one of which is an Investment Grade Rating, then only subparagraph (a) above will apply; and

- (iii) in making any decision to downgrade or withdraw a credit rating pursuant to subparagraphs (a) and (b) above or not to award a credit rating of at least an Investment Grade Rating as described in subparagraph (ii) of the definition of Negative Rating Event, the relevant Rating Agency announces publicly or confirms in writing to the Issuer that such decision(s) resulted, in whole or in part, from the relevant Change of Control.

If a Change of Control Put Event occurs, the holder of each Bond will have the option (a “**Change of Control Put Option**”) (unless prior to the giving of the relevant Change of Control Put Event Notice (as defined below) the Issuer has given notice of redemption under Conditions 6(b) or 6(c) above) to require the Issuer to redeem or, at the Issuer’s option, purchase (or procure the purchase of) that Bond on the date (the “**Change of Control Put Date**”) which is seven days after the expiration of the Change of Control Put Period (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) interest accrued to (but excluding) the Change of Control Put Date.

Promptly upon, and in any event within 14 days after, the Issuer or the Parent becoming aware that a Change of Control Put Event has occurred, the Issuer shall give notice (a “**Change of Control Put Event Notice**”) to the Bondholders (and the Trustee, where such Change of Control Put Notice is given by the Issuer) in accordance with Condition 16 specifying the nature of the Change of Control Put Event and the procedure for exercising the Change of Control Put Option.

To exercise the Change of Control Put Option, the holder of a Bond must deposit the Certificate representing such Bond at the specified office of the Registrar or any Transfer Agent at any time during normal business hours of such Registrar or Transfer Agent, as the case may be, within 45 days after a Change of Control Put Event Notice is given (the “**Change of Control Put Period**”), accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of the Registrar or any Transfer Agent (a “**Change of Control Put Notice**”). No Certificate so deposited and option so exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. The Issuer shall redeem or purchase (or procure the purchase of) the relevant Bonds on the Change of Control Put Date unless previously redeemed (or purchased and cancelled).

If 80 per cent. or more in principal amount of the Bonds then outstanding have been redeemed or purchased pursuant to this Condition 6(d), the Issuer may, on giving not less than 30 nor more than 60 days’ notice to the Bondholders (such notice being given within 30 days after the Change of Control Put Date), redeem or purchase (or procure the purchase of), at its option, all but not some only of the remaining outstanding Bonds at their principal amount, together with interest accrued to (but excluding) the date fixed for such redemption or purchase.

If the rating designations employed by Moody's, Fitch and/or S&P (each as defined below) are changed from those which are described in paragraph (ii) of the definition of "Change of Control Put Event" above, or if a rating is procured from a Substitute Rating Agency (as defined below), the Issuer shall determine the rating designations of Moody's and/or Fitch and/or S&P and/or such Substitute Rating Agency, as applicable, as are most equivalent to the prior rating designations of Moody's, Fitch and/or S&P, as the case may be, and this Condition 6(d) shall hence be construed accordingly.

The Trustee is under no obligation to ascertain or monitor whether a Change of Control Put Event or Change of Control or Negative Rating Event or any event which could lead to the occurrence of or could constitute a Change of Control Put Event or Change of Control or Negative Rating Event has occurred, or to seek any confirmation relating to a decision of any Rating Agency pursuant to paragraph (iii) above or pursuant to the definition of Negative Rating Event above and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee shall be entitled to assume that no Change of Control Put Event or Change of Control or Negative Rating Event has occurred and shall have no liability to the Bondholders or any other person in respect thereof.

In these Conditions:

"Change of Control Period" means the period commencing on the Relevant Announcement Date and ending 90 days after the relevant Change of Control (both dates inclusive) (or such longer period for which the Bonds are under consideration (such consideration having been announced publicly within the period ending 90 days after the Change of Control) for rating review or, as the case may be, rating by a Rating Agency, such period not to exceed 60 days after the public announcement of such consideration);

"Rating Agency" means Moody's Investors Service Limited ("**Moody's**"), Fitch Ratings Ltd. ("**Fitch**") or S&P Global Ratings Europe Limited ("**S&P**") or any of their respective successors or any other internationally recognised rating agency (a "**Substitute Rating Agency**") substituted for any of them by the Issuer from time to time; and

"Relevant Potential Change of Control Announcement" means any public announcement or statement by the Parent, any actual or potential bidder or any adviser thereto relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

- (e) **Purchase:** Each of the Issuer, any Guarantor and any of the Parent's other Subsidiaries may at any time purchase Bonds in the open market or otherwise at any price. The Bonds so purchased, while held by or on behalf of the Issuer, any Guarantor or any such Subsidiary of the Parent, shall not entitle the holder to vote at any meetings of the Bondholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Bondholders or for the purposes of Condition 12(a).
- (f) **Cancellation:** All Certificates representing Bonds purchased by or on behalf of the Issuer or any Guarantor or any other subsidiary of the Parent may be surrendered for cancellation to the Registrar and, upon any surrender thereof, all such Bonds shall be cancelled forthwith. Any Certificates so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Bonds shall be discharged.

7 Payments

(a) **Method of Payment:**

- (i) Payments of principal shall be made (subject to surrender of the relevant Certificates at the specified office of any Transfer Agent or of the Registrar if no further payment falls to be made in respect of the Bonds represented by such Certificates) in the manner provided in paragraph (ii) below.
- (ii) Interest on each Bond shall be paid to the person shown on the Register at the close of business on the Business Day before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Bond shall be made in pounds sterling by cheque drawn on a bank and mailed to the holder (or to the first named of joint holders) of such Bond at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank.
- (iii) If the amount of principal being paid upon surrender of the relevant Certificate is less than the outstanding principal amount of such Certificate, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Bondholder) issue a new Certificate with a principal amount equal to the remaining unpaid outstanding principal amount. If the amount of interest being paid is less than the amount then due, the Registrar will annotate the Register with the amount of interest so paid.

- (b) **Payments subject to Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Bondholders in respect of such payments.

- (c) **Payment Initiation:** Where payment is to be made by transfer to an account in pounds sterling, payment instructions (for value the due date, or if that is not a Business Day, for value the first following day which is a Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Certificate has not been surrendered at the specified office of any Transfer Agent or of the Registrar, on a day on which the Principal Paying Agent is open for business and on which the relevant Certificate is surrendered.

- (d) **Appointment of Agents:** The Principal Paying Agent, the Registrar, and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed below. The Principal Paying Agent, the Registrar, and the Transfer Agents act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Bondholder. The Issuer reserves the right at any time with the approval of the Trustee to terminate the appointment of the Principal Paying Agent, the Registrar, or any Transfer Agent and to appoint additional or other Transfer Agents, provided that the Issuer shall at all times maintain (i) a Principal Paying Agent, (ii) a Registrar, (iii) a Transfer Agent, and (iv) such other agents as may be required by any other stock exchange on which the Bonds may be listed, in each case, as approved by the Trustee.

Notice of any such change or any change of any specified office shall promptly be given to the Bondholders.

- (e) **Delay in Payment:** Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Bond if the due date is not a Business Day, if the

Bondholder is late in surrendering or cannot surrender its Certificate (if required to do so) or if a cheque mailed in accordance with Condition 7(a)(ii) arrives after the due date for payment.

- (f) **Non-Business Days:** If any date for payment in respect of any Bond is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

In these Conditions, “**Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the place in which the specified office of the Registrar is located and where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in pounds sterling in London.

8 Taxation

All payments of principal and interest by or on behalf of the Issuer or the Guarantors in respect of the Bonds or under the Guarantees shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by a Taxing Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event the Issuer or, as the case may be, the Guarantors shall pay such additional amounts as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Bond:

- (a) **Other connection:** held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with a Taxing Jurisdiction other than the mere holding of the Bond; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority; or
- (c) **Surrender more than 30 days after the Relevant Date:** in respect of which the Certificate representing it is presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the Certificate representing such Bond for payment on the last day of such period of 30 days.

“**Relevant Date**” in respect of any Bond means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Bondholders that, upon further surrender of the Certificate representing such Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender.

Notwithstanding any other provision of the Conditions and the Trust Deed, all payments of principal, interest and any other amount by or on behalf of the Issuer in respect of the Bonds shall be made net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an

intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

9 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing the Trustee at its discretion may, and if so requested by holders of at least one-fifth in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (provided that the Trustee shall have been indemnified and/or secured and/or prefunded to its satisfaction), give written notice to the Issuer that the Bonds are, and they shall immediately become, due and payable at 100 per cent. of their principal amount together (if applicable) with accrued interest:

- (a) **Non-Payment:** the Issuer or any Guarantor fails to pay any principal or interest in respect of any of the Bonds when due and such failure continues for a period of 14 days or more; or
- (b) **Breach of Other Obligations:** the Issuer or any Guarantor does not perform or comply with any one or more of its other obligations in the Bonds or the Trust Deed or under the relevant Guarantee which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 days after notice of such default shall have been given to the Issuer by the Trustee; or
- (c) **Cross-Default:** (i) any other present or future indebtedness of the Issuer, any Guarantor or any Material Subsidiary for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared as a result of an event of default (howsoever described)) due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any originally applicable grace period, or (iii) the Issuer, any Guarantor or any Material Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this Condition 9(c) have occurred equals or exceeds £10,000,000 or its equivalent (as reasonably determined by the Trustee); or
- (d) **Enforcement Proceedings:** a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any part of the property, assets or revenues of the Issuer, any Guarantor or any Material Subsidiary having an aggregate value of £5,000,000 or its equivalent (as reasonably determined by the Trustee) and is not discharged or stayed within 60 days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer, any Guarantor or any Material Subsidiary becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, administrative receiver, administrator manager or other similar person) where the assets(s) so secured have an aggregate value of £1,000,000 or its equivalent (as reasonably determined by the Trustee); or
- (f) **Insolvency:** the Issuer, any Guarantor or any Material Subsidiary is declared insolvent or bankrupt, is unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer, any Guarantor or any Material Subsidiary; or
- (g) **Winding-up:** an administrator is appointed or an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, any Guarantor or any Material

Subsidiary, or the Issuer, any Guarantor or any Material Subsidiary ceases or threatens to cease to carry on all or a substantial part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Trustee or by an Extraordinary Resolution of the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another Material Subsidiary; or

- (h) **Guarantee:** a Guarantee is not (or is claimed by any Guarantor not to be) in full force and effect (except in accordance with Condition 3(d) (*Release of Guarantors*)); or
- (i) **Analogous Event:** any event occurs which has an analogous effect to any of the events referred to in paragraphs (e) to (g) above,

provided that in the case of Condition 9(b) (in respect of the Issuer and each Guarantor) and Conditions 9(c), 9(d), 9(e), 9(f), 9(g) and 9(i) (in respect of each Material Subsidiary), the Trustee shall have certified that in its opinion such event is materially prejudicial to the interests of Bondholders.

10 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

11 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations or other relevant regulatory authority regulations, at the specified office of the Registrar or such other Transfer Agent as may from time to time be designated by the Issuer for that purpose and notice of whose designation is given to Bondholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

12 Meetings of Bondholders, Modification, Waiver and Substitution

- (a) **Meetings of Bondholders:** The Trust Deed contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions or any provisions of the Trust Deed or any Guarantee. Such a meeting may be convened by Bondholders holding not less than 10 per cent. in principal amount of the Bonds for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting one or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds or the dates on which interest is payable in respect of the Bonds, (ii) to reduce or cancel the principal amount of, or any premium payable on redemption of, or interest on, the Bonds or altering the method for calculating the amount of any payment in respect of the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify or cancel the terms of any Guarantee (except in accordance with Condition 3(d) (*Release of Guarantors*)) or (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be one or more persons

holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Bondholders (whether or not they were present at the meeting at which such resolution was passed).

The Trust Deed provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Bondholders.

- (b) **Modification of the Trust Deed:** The Trustee may agree, without the consent of the Bondholders, to (i) any modification of any of these Conditions or any of the provisions of the Trust Deed, that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions or any of the provisions of the Trust Deed that is in the opinion of the Trustee not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation or waiver shall be binding on the Bondholders and, unless the Trustee agrees otherwise, such modification, authorisation or waiver shall be notified to the Bondholders as soon as practicable.
- (c) **Substitution:** The Trust Deed contains provisions permitting the Trustee to agree, subject to the conditions as set out in Clause 15 of the Trust Deed, but without the consent of the Bondholders, to the substitution of any other company in place of the Issuer, or of any company that has become a Substitute Issuer pursuant to this Condition 12(c), (the “**Substitute Issuer**”) as principal debtor under the Trust Deed and the Bonds. Under the Trust Deed, the Trustee may agree to the substitution as principal debtor under the Trust Deed and the Bonds of a company incorporated in some other jurisdiction in the event of the Issuer becoming subject to any form of tax on its income or payments in respect of the Bonds.
- (d) **Entitlement of the Trustee:** In connection with the exercise of its functions (including but not limited to those referred to in this Condition) the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

13 Enforcement

The Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer and/or any Guarantor as it may think fit to enforce the terms of the Trust Deed, any Guarantee and the Bonds, but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Bondholders holding at least one-fifth in principal amount of the Bonds outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder may proceed directly against the Issuer or any Guarantor unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

14 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility. The Trustee is entitled to enter into business transactions with the Issuer, any Guarantor and any entity related to the Issuer or any Guarantor without accounting for any profit.

The Trustee may rely without liability to Bondholders on a report, confirmation or certificate or any advice of any accountants, financial advisers, financial institution or any other expert, whether or not addressed to it and whether their liability in relation thereto is limited (by its terms or by any engagement letter relating thereto entered into by the Trustee or in any other manner) by reference to a monetary cap, methodology or otherwise. The Trustee may accept and shall be entitled to rely on any such report, confirmation or certificate or advice and such report, confirmation or certificate or advice shall be binding on the Issuer, the Trustee and the Bondholders.

15 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further bonds either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding bonds of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other bonds issued pursuant to this Condition and forming a single series with the Bonds. Any further bonds forming a single series with the outstanding bonds of any series (including the Bonds) constituted by the Trust Deed or any deed supplemental to it shall, and any other bonds may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Bondholders and the holders of bonds of other series where the Trustee so decides.

16 Notices

Notices required to be given to the holders of Bonds pursuant to the Conditions shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices required to be given to the holders of Bonds pursuant to the Conditions shall also be published (if such publication is required) in a manner which complies with the rules and regulations of the stock exchange or other relevant authority on which the Bonds are for the time being listed and/or admitted to trading. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. If publication as provided above is not, in the opinion of the Trustee, practicable, notice will be given in such other manner, and shall be deemed to be given on such date, as the Trustee may approve.

17 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds or any Guarantee under the Contracts (Rights of Third Parties) Act 1999.

18 Governing Law and Jurisdiction

- (a) **Governing law:** The Trust Deed, each Guarantee and the Bonds and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** Each of the Issuer and the Guarantors has in the Trust Deed (i) agreed for the benefit of the Trustee and the Bondholders that the courts of England shall have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Bonds (including any non-contractual obligation arising out of or in connection with the Bonds); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue

that any other courts are more appropriate or convenient. The Trust Deed also states that nothing contained in the Trust Deed prevents the Trustee from taking proceedings relating to a Dispute (“**Proceedings**”) in any other courts with jurisdiction and that, to the extent allowed by law, the Trustee may take concurrent Proceedings in any number of jurisdictions.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Trust Deed and the Global Certificate contain provisions which apply to the Bonds while they are in global form, some of which modify the effect of the terms and conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions:

1 Initial Issue of Certificates

The Global Certificate will be registered in the name of a nominee (the “**Registered Holder**”) for a common safekeeper for Euroclear and Clearstream, Luxembourg (the “**Common Safekeeper**”) and may be delivered on or prior to the original issue date of the Bonds. Depositing the Global Certificate with the Common Safekeeper does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Upon the registration of the Global Certificate in the name of a nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Safekeeper, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Bonds equal to the nominal amount thereof for which it has subscribed and paid.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (“**Alternative Clearing System**”) as the holder of a Bond represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate and in relation to all other rights arising under the Global Certificate, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Bonds for so long as the Bonds are represented by the Global Certificate and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate in respect of each amount so paid.

3 Exchange

The following will apply in respect of transfers of Bonds held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Bonds within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Bonds may be withdrawn from the relevant clearing system.

Transfers of the holding of Bonds represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days’ notice at its specified office of the Registered Holder’s intention to effect such transfer.

4 Amendment to Conditions

The Global Certificate contains provisions that apply to the Bonds that it represents, some of which modify the effect of the terms and conditions of the Bonds set out in this Offering Circular. The following is a summary of certain of those provisions:

4.1 Payments

All payments in respect of Bonds represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

4.2 Meetings

For the purposes of any meeting of Bondholders, the holder of the Bonds represented by the Global Certificate shall (unless the Global Certificate represents only one Bond) be treated as being entitled to one vote in respect of each integral currency unit of the currency of the Bonds.

4.3 Trustee’s Powers

In considering the interests of Bondholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests as if such accountholders were the holders of the Bonds represented by the Global Certificate.

4.4 Notices

So long as the Bonds are represented by a Global Certificate and such Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, notices to Bondholders may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions. Notices shall be deemed to have been given to Bondholders in accordance with Condition 16 on the date of delivery to the relevant Clearing System.

4.5 Change of Control Put Option

If a Change of Control Put Event (as defined in the Conditions) occurs, the Bondholders’ put option contained in Condition 6(d) may be exercised by the holder of the Global Certificate giving written notice to the Principal Paying Agent of such exercise and specifying the principal amount of Bonds in respect of which the option is being exercised and presenting the Global Certificate for endorsement of exercise within the time limits specified in Condition 6(d). Any such notice shall be irrevocable and may not be withdrawn.

5 Electronic Consent and Written Resolution

While any Global Certificate is registered in the name of any nominee for a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in principal amount of the Bonds outstanding (an “**Electronic**

Consent”) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting to which the special quorum provisions (as set out in the Trust Deed) apply), take effect as an Extraordinary Resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Bondholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “**commercially reasonable evidence**” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Bonds. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Bonds is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

DESCRIPTION OF THE GROUP

Overview

Assura plc is one of the largest listed owner of primary care property in the UK and a FTSE 250 REIT with a market capitalisation of approximately £2.1 billion as at 30 June 2020. The Group's portfolio totals 576 properties geographically diversified across the UK as at 31 March 2020, serving over 5.8 million patients annually, and with a total portfolio value of £2,093.6 million. As at 31 March 2020, the contracted rent of £108.9 million is underpinned by 1,173 leases with a WAULT of 11.7 years and where 85 per cent. of the rent is directly or indirectly provided or backed by the NHS.

Assura plc is one of the leading primary care property investors and developers in the UK and occupies a distinctive position in the 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 the Company 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 (at 2.7 per cent. as a percentage of total portfolio value as at 31 March 2020, with no speculative development) and pre-let arrangements.

Furthermore, the Group operates a conservative financial model with:

- As at 31 March 2020, LTV of 38 per cent. (30 per cent. as at 7 April 2020 following the placing of 240,207,920 Ordinary Shares) and an interest cover (the number of times net interest payable is covered by EPRA earnings before net interest) of 3.6x;
- Prudent financial guidelines, including allowing LTV to reach the range of 40 and 50 per cent. should the need arise and interest cover above 2.5x;
- Further Group guidelines, including maintaining a minimum liquidity headroom of £100.0 million, providing full dividend cover, and ensuring committed development projects is at all times below 10 per cent. of total portfolio value;

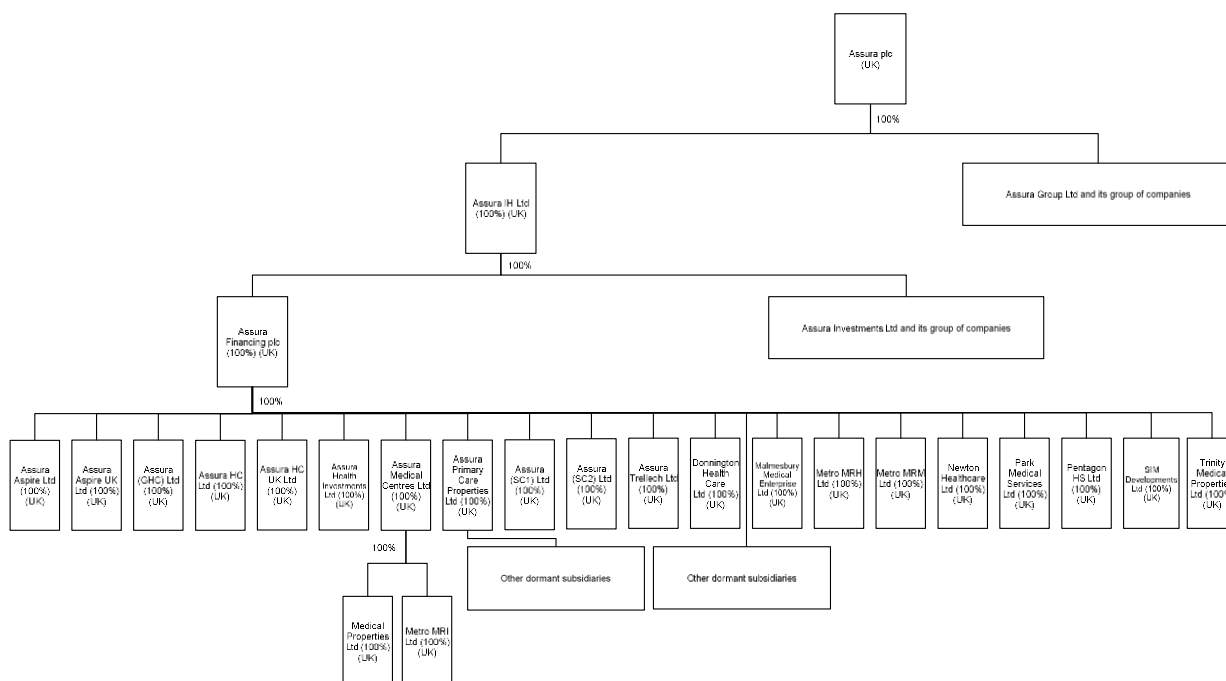
- 90 per cent. of the portfolio being unencumbered as at 31 March 2020, with the Group expecting to be fully unencumbered once the 2021 secured bond is repaid;
- Well diversified financing structure across both bank and private placements;
- Range of debt maturities that serve to reduce the level of refinancing risk within the business; and
- The Group having no joint ventures as at 31 March 2020.

The Company 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 £689.2 million during the period from 1 April 2017 to 31 March 2020. The Group benefits from a scalable platform, with its EPRA Cost Ratio (including direct vacancy costs) declining from 13.7 per cent. to 12.6 per cent. over the three years to 31 March 2020.

In addition to securing new developments, the Company has an extensive track record in delivering accretive acquisitions of existing primary care premises, having acquired £616.6 million of investment properties in the period from 1 April 2017 to 31 March 2020 with an average yield on cost (being rent roll on acquired investment properties divided by cost of acquired investment properties) of 4.8 per cent. and a blended WAULT of 14.4 years.

As at 31 March 2020, the pipeline of acquisition opportunities, representing transactions where commercial terms are agreed and completion is likely within six months, was £67 million; and the development pipeline, representing developments which have started on site or are expected to commence within the next 12 months, was £77 million.

The chart below illustrates, in simplified form, the corporate structure of the Group:



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 former parent 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 provided it with a number of tax efficiencies 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 £25.0 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.

In December 2017, the Company raised further gross proceeds of £310.7 million through an issue of 545,124,813 Ordinary Shares pursuant to a firm placing, placing and open offer and offer for subscription.

In April 2020, the Company raised gross proceeds of £185 million through a placing of 240,207,920 Ordinary Shares.

Principal activities

The Company 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, the Company 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 the Company 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 supported 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.

The Company's performance and track record

The Company, 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 2017 through 31 March 2020, driven by portfolio valuation uplifts, acquisitions, new developments and rental growth.

The Group's net rental income has increased by 52.7 per cent. over the three financial years ended 31 March 2020. 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 2017 to 31 March 2020, the administrative expenses of the Group as a percentage of the average portfolio value (average of opening and closing investment property) has declined from 0.57 per cent. to 0.48 per cent. and the EPRA Cost Ratio (including direct vacancy costs) has declined from 13.7 per cent. to 12.6 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 £100.0 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 efficiently.

The Company raised gross proceeds of £98.4 million from equity issuances in June 2017 for the purposes of further investment in primary care centres and £310.7 million from equity issuances in December 2017 for the purposes of further investment in primary care centres and repositioning its balance sheet by repaying debt and reducing LTV. An additional £185 million was raised from an equity issuance in April 2020 for the purpose of further investment in primary care centres. Between 31 March 2020 and 30 June 2020 (being the latest practicable date prior to the publication of this Offering Circular), the Group has completed the acquisition of seven medical centres and two developments at a combined cost of £46.9 million, and disposed of 20 properties for consideration of £17 million. In addition to these completed transactions the Group has a pipeline of approximately £206 million, which represents acquisitions of £51 million and £155 million of developments.

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 the Group believes this strategy confers significant operational advantages. In May 2016, the Group entered into the unsecured £200.0 million revolving credit facility, which was subsequently increased to £250.0 million in May 2017 and to £300.0 million in October 2017.

In December 2011, the Group issued £110.0 million 10-year senior secured bonds at an interest rate of 4.75 per cent. per annum through Assura Properties plc, a subsidiary of Assura Group Limited. The bonds are listed on the Main Market of the London Stock Exchange and are secured by a first ranking mortgage over certain properties owned by Assura Properties plc and certain subsidiaries of Assura Properties plc and a floating charge over all of the assets of Assura Properties plc and each charging subsidiary. In October 2016, the Group issued £100.0 million 10-year notes on an unsecured basis, and in October 2017, the Group privately placed £150.0 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 31 March 2018, the average weighted maturity of the outstanding debt was 6.0 years at an average rate of 3.12 per cent., and 73 per cent. of this was at fixed rates.

On 22 June 2018, the Group entered into a £100 million standby committed revolving credit facility in order to provide it with additional headroom for further borrowing. In July 2018, this facility was cancelled upon issue of the Issuer's £300 million 3.000 per cent. guaranteed bonds due 2028.

In August 2019, the Group privately placed £107 million in unsecured notes in two tranches with maturities of ten and fifteen years with a weighted average coupon of 2.3 per cent. As at 31 March 2020, the weighted average interest rate was 3.04 per cent.

As at 21 May 2020, the Group extended its £300 million unsecured revolving credit facility to November 2024 (which will reduce to £225 million in May 2021 to the extent not reduced earlier at the Group's discretion).

As at 30 June 2020, gross debt stood at £767 million with undrawn facilities of £300 million.

Recent expansion of portfolio

Since 1 April 2017 to 31 March 2020, the Group has completed 13 new developments, valued at £72.6 million at 31 March 2020, with a passing rent of £3.4 million at 31 March 2020. As at 31 March 2020, the Group has eight in house developments and seven forwarded funding schemes onsite which are expected to be delivered in 2020 and 2021 with an estimated total cost of £81 million (cost to complete £31 million). A further 18 schemes are in the immediate pipeline with an approximated end cost of £77 million.

The Group has an extensive track record in delivering accretive acquisitions of existing primary care premises, having acquired £625.4 million of completed properties since April 2017 with an average yield on cost (being rent roll on acquired investment properties divided by cost of acquired investment properties) of 4.8 per cent. and a blended WAULT of 13.4 years.

In the year ended 31 March 2020, the Group acquired a total of 28 medical centre properties for £119.4 million. As at 31 March 2020, the pipeline of acquisition opportunities, representing transactions where commercial terms are agreed and completion is likely within six months, is £67 million; and the development pipeline, representing developments which have started on site or are expected to commence within the next 12 months, is £77 million.

As at 31 March 2020, the Group's portfolio of completed primary care medical centres stands at 576 properties valued at £2,093.6 million and with a contracted passing rent of £108.9 million. The Group's property portfolio has been valued by two independent property experts who have issued reports on separate parts of the portfolio. Savills have issued a report valuing part of the Group's portfolio at £1,498.8 million and Jones Lang LaSalle have issued a report valuing the balance of the Group's portfolio at £594.8 million. The portfolio's net initial yield was 4.68 per cent. and 4.74 per cent. for the financial years ended 31 March 2020 and 2019, respectively.

	Number of properties	Total value	Total Value
		(<i>£m</i>)	(<i>%</i>)
Portfolio by region as at 31 March 2020			
North	182	799.1	38
South	226	736.1	35
Midlands	85	360.0	17
Scotland & NI	23	57.3	3
Wales.....	60	141.1	7
Total	576	2,093.6	100

	Number of properties	Total value	Total Value
		(<i>£m</i>)	(<i>%</i>)
Portfolio by capital value as at 31 March 2020			
Less than £1m	96	61.6	3
£1m – £5m	363	899.4	43
£5m – £10m	76	494.4	24
Greater than £10m.....	41	638.2	30
Total	576	2,093.6	100

	Total rent roll	
	(<i>£m</i>)	(<i>%</i>)
Portfolio rent roll by tenant covenant as at 31 March 2020		
GPs.....	73.7	68
NHS body.....	18.7	17
Pharmacy.....	8.7	8
Other	7.8	7
Total	108.9	100

Lease Profile and Covenant Arrangements

As of 31 March 2020, the NHS or GPs constituted 85 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 NHS Property Services Limited (“**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 contract provided to the GP by the NHS.

The Group's WAULT was 11.7 years at 31 March 2020, with 64 per cent. of the Group's rent roll, at 31 March 2020, relating to leases with at least ten years remaining. The Company also benefits from high occupancy rates, with an EPRA vacancy rate of 1.6 per cent. as at 31 March 2020.

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 Group believes 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 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 1.79 per cent., 2.18 per cent. and 1.70 per cent. for the financial years ended 31 March 2020, 2019 and 2018, respectively. At 31 March 2020, 78 per cent. of the Company's leases, by value, were on an upward only review basis, with a further 18 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 Group's 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 31 March 2020, by value:

- 70 per cent. of the Group's leases were subject to open market rental reviews (89 per cent. of which were subject to rent reviews every three years);

- 17 per cent. of the Group's leases were subject to RPI-based reviews (41 per cent. of which were subject to rent reviews every three years and 29 per cent. subject to rent reviews every year);
- 7 per cent. of the Group's leases provide for fixed increases (71 per cent. of which were subject to rent reviews every three years);
- 6 per cent. of the Group's leases were subject to other rental review arrangements (83 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. Rent levels also reflect the levels of repairs that a tenant is responsible for. The tenant is responsible for internal and external repairs in approximately half of the portfolio and is responsible for only internal repairs in the other half of the portfolio. The rent paid to the landlord by tenants only responsible for internal repairs is higher.

Open market rents on a new development are estimated based on an open book review of the costs of a development, allowing for an agreed developer's margin. The level of open market rents 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 2.58 per cent., 3.17 per cent. and 3.14 per cent. for the financial years ended 31 March 2020, 2019 and 2018, respectively. Open market rent reviews resulted in an annualised increase of 1.18 per cent., 1.10 per cent. and 0.68 per cent. for the financial years ended 31 March 2020, 2019 and 2018, respectively.

Competition

In addition to the Company, 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 Group believes 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 Group believes that its 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 2018, 2019 and 2020.

	Year ended 31 March		
	2020	2019	2018
		<i>(audited)</i>	
Net rental income.....	£103.7m	£95.2m	£80.2m
Profit before taxation.....	£78.9m	£84.0m	£71.8m
Dividends paid.....	£(66.2m)	£(63.3m)	£(46.4m)
Investment property.....	£2,139.0m	£1,978.8m	£1,732.7m
Cash, cash equivalents and restricted cash.....	£18.5m	£18.3m	£28.7m
Borrowings.....	£(841.3m)	£(683.3m)	£(486.3m)

Recent Developments

On 7 July 2020, the Group Parent released its trading update for the first quarter ended 30 June 2020, which is incorporated by reference into this Offering Circular.

Directors

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

Directors

Ed Smith CBE (appointed in October 2017) is the Non-executive Chairman of the Group Parent. During his time as Chairman of NHS Improvement and Deputy Chairman of NHS England he gained significant health service and public sector experience. During his 30-year career as a Senior Partner at PricewaterhouseCoopers, holding many leading Board and top client roles in the UK and globally, he gained broad experience in finance and accounting, capital markets and customer focus. He is a Non-Executive Director of HS2 Ltd and chairs the Advisory Board of HCA Healthcare UK and Push Doctor. Ed is a Chartered Accountant.

Jonathan Stewart Murphy (appointed in February 2017) is the CEO of the Group Parent 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 Group Parent. 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 world's 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.

Jenefer Dawn Greenwood OBE (appointed in May 2012) is a Non-executive Director of the Group Parent. 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.

Jonathan Owen Davies (appointed in June 2018) is a Non-executive Director of the Group Parent. Jonathan is Chief Financial Officer of SSP Group plc. He has been CFO of SSP since 2004. Prior to this he was Finance Director, Operations Board of Safeway plc, and before this worked at OC&C Strategy Consultants and Unilever plc. He has an MBA from INSEAD and a degree in Chemistry from Oxford University.

Louise Fowler (appointed in June 2019) is a Non-executive Director of the Group Parent. From beginning her career at British Airways before moving into financial services with Barclays and the Co-operative Banking Group, Louise has achieved 25 years' marketing, customer and digital experience at a senior level in the travel and financial services industries. In recent years, she has been working as an independent consultant for well-known consumer brands such as the Post Office, First Direct and M&S. With her significant experience in promoting and developing a coherent business culture, Louise was ideally placed to take over Board responsibility for employee engagement.

In addition, 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 Group Parent. The Group Parent, as at the date of this Offering Circular, complies with all relevant principles and provisions of the UK Corporate Governance Code.

Audit Committee

The audit committee comprises three independent Non-executive Directors of the Group Parent, Jonathan Davies (chairman of the committee), Jenefer Greenwood and Louise Fowler. Jonathan Murphy and Ed Smith attend meetings of the audit committee.

The Board is satisfied that Jonathan Davies has the requisite recent and relevant financial experience to be chairman of the audit committee. The Board is also satisfied that both Jenefer Greenwood and Louise Fowler 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 Group Parent;
- reviewing significant financial reporting matters and judgements, with a particular focus on matters of material financial impact on the Group Parent;
- reviewing the effectiveness of the Group Parent'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 four independent Non-executive Directors of the Group Parent, Jenefer Greenwood (chair of the committee), Jonathan Davies, Ed Smith and Louise Fowler, 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 Group Parent 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.

Nominations Committee

The nominations committee is chaired by Ed Smith and includes the four independent Non-executive Directors of the Group Parent, David Richardson, Jenefer Greenwood, Jonathan Davies and Louise Fowler,

all of whom have been determined by the Board to be independent. Jonathan Murphy attends meetings of the nominations committee.

The principal functions of the nominations committee are to:

- review the succession planning requirements of the Group Parent;
- 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 31 March 2020 (being the latest practicable date prior to the publication of this Offering Circular), the Group had 71 permanent employees.

DESCRIPTION OF THE ISSUER

Incorporation and business

Assura Financing plc was originally incorporated as a private limited company under the laws of England and Wales on 24 February 2016 with registration number 10023274 and was re-registered as a public limited company on 27 June 2018. The Issuer is domiciled in the United Kingdom. As of the date of this Offering Circular the Issuer has an issued share capital of £87,489,374 represented by shares of £1 each. The Issuer has a financial year end of 31 March.

Organisational structure

The Issuer is a wholly-owned subsidiary of Assura plc and its principal function is to operate as a financing company for the Group.

Administrative, management and supervisory bodies of Assura Financing plc

Directors

The following is a list of the Directors of Assura Financing plc:

Name	Function
Orla Ball.....	Director and Company Secretary
Jayne Marie Cottam	Director
Jonathan Murphy.....	Director

None of the Directors listed above performs activities outside the Group which are significant with respect to the Group.

The business address of the Directors of the Issuer is The Brew House, Greenalls Avenue, Warrington, Cheshire, United Kingdom, WA4 6HL.

Administrative, management and supervisory bodies' conflicts of interest

There are no potential conflicts of interest between any duties to the Issuer of the Directors listed above and/or their private interests and other duties.

USE OF PROCEEDS

An amount equivalent to the net proceeds from the issue of the Bonds will be allocated by the Issuer, in part or in full, to finance or refinance eligible social projects relating to the acquisition, development and refurbishment of publicly accessible primary care and community healthcare centres (the “**Eligible Social Projects**”) in accordance with the Social Finance Framework established by the Group (the “**Social Finance Framework**”).

The Issuer intends to allocate an amount equivalent to the net proceeds from the issue of the Bonds within 2 years from the Issue Date to Eligible Social Projects that originated no more than three years prior to the Issue Date. In the event that an amount equivalent to the net proceeds from the issue of the Bonds cannot be immediately and fully allocated, the Issuer will hold such proceeds in cash, short term securities or short term repayments until such time as the proceeds are allocated to Eligible Social Projects.

The Social Finance Framework is in accordance with the Social Bond Principles 2020 (updated as at June 2020), as promulgated by the International Capital Market Association (the “**Social Bond Principles**”). The Issuer has appointed ISS Corporate Solutions to provide a second party opinion on the alignment of the Social Finance Framework with the Social Bond Principles.

The Group will establish a Sustainable Finance Working Group (the “**SFWG**”), which will be made up of representatives from the following departments: (i) Finance, (ii) Property Management and (iii) Social Impact Committee. The SFWG will be chaired by the Chief Financial Officer and will meet on a semi-annual basis. The missions of the SFWG are to:

- (i) review the project list and assess project eligibility for social financing in accordance with the eligibility criteria set out in the Social Finance Framework;
- (ii) oversee the arrangements established to ensure the Bonds remain in alignment with the Social Bond Principles;
- (iii) oversee the arrangements established to ensure the amount equivalent to the net proceeds is utilised in accordance with the uses specified in the Social Finance Framework; and
- (iv) oversee the introduction and operation of arrangements to generate the information required to produce periodic reports, in accordance with the Social Finance Framework and the Social Bond Principles.

The Group will publish an allocation report and an impact report, which will be updated annually until full allocation of an amount equivalent to the net proceeds or until none of the Bonds remains outstanding, whichever is earlier. The allocation report, which will be subject to external verification by an independent third party, will contain at least the following details on an aggregated basis: (i) the total amount of proceeds allocated to Eligible Social Projects; (ii) regional distribution of projects; (iii) refinancing versus new financing; and (iv) the balance of unallocated proceeds. The impact report, where feasible, will report on relevant potential impact metrics for Eligible Social Projects including number of patients enrolled and number of healthcare facilities acquired, developed or refurbished.

The ISS Corporate Solutions second party opinion, the Social Finance Framework and information on the Eligible Social Projects are available on the Group’s website at <https://www.assurapl.com/investor-relations/shareholder-information/sustainability-and-corporate-governance-policies>. For the avoidance of doubt, the second party opinion, the Social Finance Framework and information on the Eligible Social Projects on the Group’s website are not incorporated by reference into, and do not form part of, this Offering Circular.

TAXATION

General

The comments below on United Kingdom taxation are of a general nature and are not intended to be exhaustive. They assume that there will be no substitution of the Issuer or further issues of securities that will form a single series with the Bonds, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Bonds).

Any Bondholders who are in doubt as to their own tax position should consult their professional advisers. In particular, Bondholders should be aware that the tax legislation of any jurisdiction where a Bondholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Bonds including in respect of any income received from the Bonds.

United Kingdom

The comments in this part are based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), in each case as at the latest practicable date before the date of this Offering Circular and which may be subject to change, sometimes with retrospective effect. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who hold their Bonds as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Bonds are attributable) and are the absolute beneficial owners thereof. (In particular, Bondholders holding their Bonds via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof.) Certain classes of persons such as dealers, certain professional investors, or persons connected with the Issuer may be subject to special rules and this summary does not apply to such Bondholders.

1 Withholding

While the Bonds continue to be listed on a recognised stock exchange within the meaning of section 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of United Kingdom income tax. Euronext Dublin is a recognised stock exchange for these purposes. Securities will be treated as listed on Euronext Dublin if they are included in the Official List and are admitted to trading on the Global Exchange Market.

If the Bonds cease to be listed interest which has a United Kingdom source will generally be paid by the Issuer under deduction of income tax at the basic rate (currently 20 per cent.) unless: (i) another relief applies under domestic law; or (ii) the Issuer has received a direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

If interest were paid under deduction of United Kingdom income tax (e.g. if the Bonds lost their listing), Bondholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

The Bonds may be issued at an issue price of less than 100 per cent. of their principal amount. If so, any discount element on the Bonds will not generally be subject to any withholding or deduction on account of United Kingdom income tax pursuant to the provisions mentioned above.

2 Payments in respect of the Guarantee

The United Kingdom withholding tax treatment of payments which have a United Kingdom source by a Guarantor under the terms of the Guarantee in respect of interest on the Bonds (or other amounts due under the Bonds other than the repayment of amounts subscribed for the Bonds) is uncertain. In particular, such payments by a Guarantor may not be eligible for the exemption from withholding on account of United Kingdom tax in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by the Issuer. Accordingly, if a Guarantor makes any such payments and they have a United Kingdom source, these may be subject to United Kingdom withholding tax at the basic rate (currently 20 per cent.).

SUBSCRIPTION AND SALE

Banco Santander, S.A., Barclays Bank PLC and HSBC Bank plc (the “**Joint Active Bookrunners**”) and NatWest Markets Plc (the “**Passive Bookrunner**” and together with the Joint Active Bookrunners, the “**Joint Bookrunners**”) have, pursuant to a subscription agreement dated 11 September 2020 (the “**Subscription Agreement**”), jointly and severally agreed with the Issuer and the initial Guarantors, subject to the satisfaction of certain conditions, to subscribe the Bonds at 99.763 per cent. of their principal amount less commissions. In addition, the Issuer and the initial Guarantors have agreed to reimburse the Joint Bookrunners for certain of their expenses in connection with the issue of the Bonds. The Subscription Agreement entitles the Joint Bookrunners to terminate it in certain circumstances prior to payment being made to the Issuer. The yield of the Bonds is 1.526 per cent. on an annual basis. The yield is calculated as at 15 September 2020 on the basis of the issue price. It is not an indication of future yield.

General

Neither the Issuer, the Guarantors nor any Joint Bookrunner has made any representation that any action will be taken in any jurisdiction by the Joint Bookrunners, the Issuer or the Guarantors that would permit a public offering of the Bonds, or possession or distribution of this Offering Circular (in preliminary, proof or final form) or any other offering or publicity material relating to the Bonds (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Bookrunner has agreed that it will comply to the best of its knowledge and belief in all material respects with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells or delivers Bonds or has in its possession or distributes this Offering Circular (in preliminary, proof or final form) or any such other material, in all cases at its own expense. It will also ensure that no obligations are imposed on the Issuer, the Guarantors or any other Joint Bookrunner in any such jurisdiction as a result of any of the foregoing actions.

Prohibition of Sales to EEA and UK Retail Investors

Each Joint Bookrunner has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds to any retail investor in the EEA or the UK. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United States

The Bonds and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Joint Bookrunner has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

United Kingdom

Each Joint Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

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
CTA 2009	Corporation Tax Act 2009
CTA 2010	Corporation Tax Act 2010
EPRA	European Public Real Estate Association, the industry body for European REITs
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
GP	General Practitioner
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 England	an independent body at arm’s length to the government which sets the priorities and direction of the NHS and seeks to improve health and care outcomes for people in England and acts as the commissioner for primary care services such as GPs, pharmacists and dentists, including military health services and some specialised services
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
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 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 of the 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
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
WAULT	weighted average unexpired lease term

GENERAL INFORMATION

1. Application has been made to Euronext Dublin for the Bonds to be admitted to the Official List and to be admitted to trading on the Global Exchange Market.
2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by a resolution of the Board of Directors of the Issuer passed on 4 September 2020. The issue of the Bonds and the relevant Guarantee was authorised by the Board of Directors of the Group Parent passed on 1 September 2020 and a resolution of a committee of the Board of Directors of the Group Parent passed on 4 September 2020. The initial Guarantees of the Bonds were authorised by resolutions of the Board of Directors of each initial Guarantor (other than the Group Parent) passed on 4 September 2020.
3. There has been no significant change in the financial or trading position of the Group since 31 March 2020 and no material adverse change in the prospects of the Group since 31 March 2020.
4. Neither the Issuer, the initial Guarantors nor any member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Circular which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer, any Guarantor or the Group.
5. The Issuer's LEI Code: 549300YH2O3CNDZSO632.
6. The Bonds have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records) with a Common Code of 222821436. The International Securities Identification Number (ISIN) for the Bonds is XS2228214362.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
7. The Bonds are intended to be held in a manner which will allow Eurosystem eligibility. This means that the Bonds are intended, upon issue, to be deposited with a Common Safekeeper for Euroclear and Clearstream, Luxembourg and does not necessarily mean that the Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("Eurosystem eligible collateral") either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria. Neither the Issuer nor any Guarantor gives any representation, warranty, confirmation or guarantee to any investor in the Bonds that the Bonds will, either upon issue or at any time prior to redemption in full, satisfy all or any of the requirements for Eurosystem eligibility and be recognised as Eurosystem eligible collateral. Any potential investor in the Bonds should make their own conclusions and seek their own advice with respect to whether or not the Bonds constitute Eurosystem eligible collateral.
8. There are no material contracts entered into other than in the ordinary course of the Issuer's and each Guarantor's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's or the Guarantors' ability to meet their obligations to Bondholders in respect of the Bonds and the Guarantees.
9. For as long as the Bonds are listed on the Official List and admitted to trading on the Global Exchange Market, copies of the following documents will be available in physical form, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer and the Principal Paying Agent:

- (a) the Trust Deed (which includes the form of the Global Certificates and the Certificates);
 - (b) the Agency Agreement;
 - (c) the Memorandum and Articles of Association of the Issuer;
 - (d) the audited consolidated annual financial statements of the Group Parent for the years ended 31 March 2020, 31 March 2019 and 31 March 2018;
 - (e) the trading update of the Group Parent for the first quarter ended 30 June 2020; and
 - (f) a copy of this Offering Circular together with any supplement to this Offering Circular.
10. Deloitte LLP, 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, has audited, and rendered unqualified audit reports on, the accounts of Assura plc the years ended 31 March 2020, 31 March 2019 and 31 March 2018.
11. Certain of the Joint Bookrunners and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may provide services to, the Issuer, the Guarantors and/or their affiliates in the ordinary course of business. Certain of the Joint Bookrunners and their affiliates may have positions, deal or make markets in the Bonds, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer, the Guarantors and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Bookrunners and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantors and their affiliates. Certain of the Joint Bookrunners or their affiliates that have a lending relationship with the Issuer and the Guarantors routinely hedge their credit exposure to the Issuer, the Guarantors and their affiliates consistent with their customary risk management policies. Typically, such Joint Bookrunners and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds. Any such positions could adversely affect future trading prices of the Bonds. The Joint Bookrunners and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

12. Walkers Listing Services Limited is acting solely in its capacity as listing agent for the Issuer and the Guarantors in relation to the Bonds and is not itself seeking admission of the Bonds to the Official List or to trading on the Global Exchange Market.
13. As at the Issue Date, the initial Guarantors will be the Group Parent and certain Subsidiaries of the Group Parent (the “**Subsidiary Guarantors**”): Assura Aspire Limited, Assura Aspire UK Limited, Assura (GHC) Ltd, Assura HC Limited, Assura HC UK Limited, Assura Health Investments Limited, Assura Medical Centres Limited, Assura Primary Care Properties Limited, Assura (SC 1) Ltd, Assura (SC 2) Limited, Assura Trellech Limited, Donnington Health Care Limited, Malmesbury Medical Enterprise Limited, Medical Properties Limited, Metro MRH Limited, Metro MRI Limited, Metro MRM Limited, Newton Healthcare Limited, Park Medical Services Limited, Pentagon HS Limited, SJM Developments Limited and Trinity Medical Properties Limited.

Each Subsidiary Guarantor is a wholly-owned subsidiary of the Group Parent. Each Subsidiary Guarantor will, pursuant to the Trust Deed, unconditionally and fully guarantee, on a joint and several basis, the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Bonds.

The financial information presented in this Offering Circular is the audited consolidated financial information of the Group Parent which includes both guarantor and non-guarantor subsidiaries.

Based on the Group Parent's consolidated financial information for and as of the year ended 31 March 2020:

- (a) the Guarantors (collectively) recorded an EBITDA of £80.5 million and net assets of £1,912.9 million, representing 86.0 per cent. and 146.9 per cent., respectively, of the Group's EBITDA and net consolidated assets;
- (b) the members of the Group (excluding the Guarantors and the Issuer) (collectively) recorded an aggregate EBITDA of £13.1 million and net assets of £131.1 million, representing 14.0 per cent. and 10.1 per cent., respectively, of the Group's EBITDA and net consolidated assets; and
- (c) the Issuer recorded an EBITDA of £0 and net assets of -£741.6 million, representing 0 per cent. and -57.0 per cent., respectively, of the Group's EBITDA and net consolidated assets. The net assets value is negative for the Issuer, as the sole purpose of the Issuer in the Group is to be the unsecured borrower of the Group and while its borrowings are guaranteed by other members of the Group, the Issuer itself does not hold the assets.

The below information is provided on Assura HC Limited and which is required to be included on the basis that Assura HC Limited represents in excess of 20 per cent. of Group EBITDA or net consolidated assets. Assura HC Limited recorded an EBITDA of £15.2 million in the year ended 31 March 2020 and net assets of £406.7 million as at 31 March 2020, representing 16.3 per cent. and 31.2 per cent., respectively, of the Group's EBITDA and net consolidated assets for the year then ended/as at such date.

Name: Assura HC Limited

Registered Address: The Brew House, Greenalls Avenue, Warrington, Cheshire WA4 6HL

Registration Number: 09156392

Date of Incorporation: 31 July 2014

Description of Business Activities: Letting and operating of own and/or leased real estate.

There are currently no encumbrances on Assura HC Limited's assets that could materially affect its ability to meet its obligations under the Guarantee. Although Assura HC Limited may be affected by some or all the general risks set out in "*Risk Factors—Risks relating to the Group's business and real estate portfolio*", the Issuer and Assura HC Limited do not believe there are any risks specific to Assura HC Limited that could adversely impact on its Guarantee.

The Issuer

Assura Financing plc

The Brew House
Greenalls Avenue
Warrington
Cheshire WA4 6HL

The Group Parent

Assura plc

The Brew House
Greenalls Avenue
Warrington
Cheshire WA4 6HL

Auditors of the Group Parent

Deloitte LLP

2 Hardman Street
Manchester, M3 3HF
United Kingdom

Trustee

HSBC Corporate Trustee Company (UK) Limited

8 Canada Square
London E14 5HQ
United Kingdom

Principal Paying Agent and Registrar

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Legal Advisers

To the Issuer as to English law

Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

*To the Joint Bookrunners and
the Trustee as to English law*

Clifford Chance LLP
10 Upper Bank Street
London E14 5JJ
United Kingdom

Listing Agent

Walkers Listing Services Limited

5th Floor, The Exchange
George's Dock, IFSC
Dublin 1
Ireland

Joint Active Bookrunners

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Ciudad Grupo Santander
Avenida de Cantabria s/n
Edificio Encinar, planta baja
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Madrid
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5 The North Colonnade
Canary Wharf
London E14 4BB
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HSBC Bank plc
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United Kingdom

Passive Bookrunner

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