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**THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY FIRM OFFER WILL BE MADE.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

**09 April 2025**

### **Possible Combination of Primary Health Properties PLC and Assura plc**

Primary Health Properties PLC ("PHP") notes the announcement this morning by Assura plc ("Assura") and Sana Bidco Limited ("Bidco") a newly formed company indirectly wholly owned by (i) funds advised by Kohlberg Kravis Roberts & Co. L.P. and its affiliates and (ii) funds advised by Stonepeak Partners LP and its affiliates of a cash offer for Assura (the "KKR and Stonepeak Cash Offer").

The Board of PHP is considering its options and continues to believe that a combination of Assura and PHP, as set out in its announcement of 3 April 2025 (the "PHP Proposal"), would deliver significant strategic and financial benefits for shareholders of both companies. The Board of PHP will continue its engagement with the Assura Board, and its advisers, to explore a possible combination.

The Board of PHP notes that in relation to the KKR and Stonepeak Cash Offer:

- It crystallises value in cash at what the PHP Board believes to be an inflection point in the cycle, with recent government policy placing greater focus on, and increasing demand for, primary care healthcare properties;
- Whilst reference is given to the KKR and Stonepeak Cash Offer being at 100 per cent of EPRA NTA
  - The proposal is made with reference to an historic EPRA NTA (as at 30 September 2024), with an updated property valuation as at 31 March 2025 to be published in the scheme document;
  - An offer at or below EPRA NTA attributes no value to the Assura platform, other than the historic value of Assura's assets; and
  - EPRA NTA includes no additional value for Assura's in-place, low cost fixed rate debt facilities, which have a mark-to-market value of 5.5 pence per share as at 30 September 2024.
- Shareholders will not receive, or the offer price may be revised downward for, the Assura dividend expected to be paid in early July, and any other future dividends.

Accordingly, the Board of PHP does not agree with the assertion that the KKR and Stonepeak Cash Offer represents a superior proposal to the PHP Proposal. The PHP Proposal allows Assura shareholders to benefit from value accretion, synergies and the ongoing dividend growth that the Board of PHP believes will result from a combination of both companies.

As a reminder, the Board of PHP believes that a PHP Proposal would deliver significant strategic and financial benefits for both sets of shareholders, including:

- Creating a UK REIT of significant scale (eighth largest UK listed REIT) benefiting from increased public markets presence, greater index weighting and improved investor flows;
- Creating a specialist of greater scale in a growth sector, underpinned by critical infrastructure assets, supported by government policy placing greater focus on primary care and increasing the demand for modern healthcare facilities;
- A combined £6 billion portfolio of long-leased, sustainable infrastructure assets principally let to government tenants and leading UK providers, benefiting from increased income security, longevity, diversity of product type, geography and mix of rent review types;
- Ability to benefit from the improving rental growth outlook reflecting the significant increases in construction costs in recent years together with the historically suppressed levels of open market rental value growth in the sector;
- Significant cost and operating synergies, supporting expected earnings accretion and dividend growth for both companies, with the combined group expected to have one of the lowest EPRA Cost Ratios in the sector;

- Improved access to capital markets, both debt and equity, with potential cost of capital benefits due to enhanced scale, liquidity and diversity;
- Embedded value of the low fixed cost, long-term, debt facilities of both Assura and PHP valued at 5.5 pence per share as at 30 September 2024 and 9.4 pence per share as at 31 December 2024 respectively, which is expected to be largely retained in the Combination to the benefit of the enlarged group's shareholders;
- Enhanced ability to pursue select developments, with operational synergies; and
- "Best of both" management approach, leveraging the significant experience and expertise of the combined management team and Boards.

A further announcement will be made as appropriate.

### **Important Code Notes**

In accordance with Section 4(c) of Appendix 7 of the Code, the Takeover Panel will announce the deadline by which PHP must clarify its intention in relation to Assura.

In accordance with Rule 2.5(a) of the Code, PHP reserves the right to: (i) introduce other forms of consideration and / or vary the mix or composition of consideration of any offer; and (ii) make an offer for Assura at a lower value and/or on less favourable terms than those described in this announcement: (a) with the agreement or recommendation of the Board of Assura; (b) if a third party announces a firm intention to make an offer for Assura; or (c) following the announcement by Assura of a Rule 9 waiver transaction pursuant to Appendix 1 of the Code or a reverse takeover (as defined in the Code). If after the date of this announcement Assura declares, makes or pays any dividend or distribution or other return of capital to its shareholders, other than (i) the previously announced quarterly dividend of 0.84 pence per Assura share due to be paid to Assura shareholders on 9 April 2025; (ii) a quarterly dividend yet to be declared but expected to be paid on 9 July 2025, provided that it does not exceed 0.84 pence per Assura share; and (iii) any other quarterly dividend paid on the usual timetable and at a level specified by PHP, up to the date any offer becomes unconditional, further details of which will be set out in any firm offer announcement, PHP reserves the right to make an equivalent reduction to terms of the Combination or an equalisation dividend to a common date.

A property portfolio valuation in respect of PHP in accordance with Rule 29 of the Code will be published when required by the Panel at the appropriate point in the course of the offer period and by no later than the date of any offer document.

### **Enquiries:**

#### **Primary Health Properties PLC**

Harry Hyman, Non-Executive Chair  
Mark Davies, Chief Executive Officer  
Richard Howell, Chief Financial Officer

**+44 (0) 7970 246 725**

**via Sodali & Co**

#### **Rothschild & Co (Joint Lead Financial Adviser to PHP)**

Alex Midgen  
Sam Green  
Nikhil Walia  
Jake Shackelford

**+44 (0) 207 280 5000**

#### **Deutsche Numis (Joint Lead Financial Adviser to PHP)**

Kevin Cruickshank  
Heraclis Economides  
Stuart Ord  
Jack McLaren

**+44 (0) 207 260 1000**

#### **Sodali & Co (Communications for PHP)**

Rory Godson  
Elly Williamson

**+44 (0) 7970 246 725**

CMS Cameron McKenna Nabarro Olswang LLP are retained as legal adviser to PHP.

The person responsible for arranging the release of this announcement on behalf of PHP is Toby Newman, Company Secretary.

### **Further information**

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#### ***Disclosure requirements of the Code***

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

#### ***Rule 2.4 information***

In accordance with Rule 2.4(c)(iii) of the Code, PHP confirms that it is not aware of any dealings in Assura shares that would require it to offer a minimum level, or a particular form, of consideration under Rule 6 or Rule 11 of the Code. However, it has not been practicable for PHP to make enquiries of all persons acting in concert with it prior to the date of this announcement in order to confirm whether any details are required to be disclosed under Rule 2.4(c)(iii) of the Code. To the extent that any such details are identified following such enquiries, PHP will make an announcement disclosing such details as soon as practicable, and in any event by no later than the time it is required to make its Opening Position Disclosure under Rule 8.1 of the Code.

#### ***Rule 2.9 information***

In accordance with Rule 2.9 of the Code, PHP confirms that, as at the close of business on 8 April 2025 (being the business day immediately prior to the date of this announcement), it had in issue 1,336,493,786 ordinary shares of 12.5 pence each. PHP does not hold any ordinary shares in treasury. The International Securities Identification Number (ISIN) of the ordinary shares is GB00BYRJ5J14.

#### ***Rule 26.1 disclosure***

In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at [www.phpgroup.co.uk](http://www.phpgroup.co.uk) promptly and in any event by no later than 12 noon on the business day following this announcement. The content of this website is not incorporated into and does not form part of this announcement.

#### **Profit Forecasts and Estimates**

No statement in this announcement is intended to constitute a profit forecast or profit estimate, no statement in this announcement is subject to the requirements of Rule 28 of the Code and no statement in this announcement should be interpreted to mean that the earnings or future earnings per share of or dividends or future dividends per share of PHP and/or Assura for current or future financial years will necessarily match or exceed the historical or published earnings or dividends per share of PHP or Assura, as appropriate.

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