assura

Interim report

For the six months ended
30 September 2023

CEO statement

Assura is a business built for the long-term. We have again demonstrated this with another successful period of progress, against a challenging macro-economic backdrop, and I am proud of how our team has delivered against our strategy.

We operate in a market that offers a significant opportunity, notably with one third of the current GP estate in need of replacement, and substantial investment is required in the primary care estate for both NHS and private providers. The market offers attractive investment characteristics, with long leases and a secure cash flow stream.

Our portfolio has strong fundamentals, carefully constructed through selective acquisition and development projects. As the largest developer in this market we have delivered 101 new developments in our 20-year history. Geographically spread through the UK and now Ireland, it has a long remaining lease term of 11 years, 81% benefitting from an NHS-backed occupier covenant and occupancy of 99%.

We have a strong financial position, with a secure balance sheet, A- investment grade credit rating from Fitch and a debt book that is fully fixed at a rate of 2.3% and with a maturity of over 6 years.

Our longest-dated debt, being our Social and Sustainability Bonds representing approximately 50% of our outstanding debt, also have the lowest rates, at 1.5% and 1.625% respectively.

These characteristics mean we are well positioned for the future, whilst we also invest in our capabilities to ensure we remain best-placed to meet the needs of our customers for the long-term. We place a heavy emphasis on social impact and sustainability in everything we do, as areas that are intrinsic to our business model. Our activities in these areas help the overall health system, they make buildings cheaper to run and allow more efficient service delivery – making us a more attractive, long-term partner. Initiatives such as Design for Everyone, the activities of the Assura Community Fund and the launch of our Net Zero Carbon Pathway demonstrate this. Similarly, partnering with the right suppliers that can help us deliver more social impact, building greater requirements into our tenders, or a better technology-based solution in our facilities management offering, demonstrates the benefit of working collaboratively for the long term.

CEO statement

Financial and operational performance

Assura's business is built on the reliability and resilience of the long-term, secure cash flows from our high-quality £2.7 billion portfolio of 612 properties and our efficient capital structure.

We strive to grow the rental income generated from our portfolio…

While remaining resilient, Assura has consistently demonstrated an ability to identify and secure new opportunities for growth, building on our market-leading capabilities to manage, invest in and develop outstanding spaces for health services in our communities.

We have continued our strong track record of investing with capital discipline. During the period, this has meant closely monitoring our on site developments to deliver them on budget, with completions at Wolverhampton, the 100th development completion in our history, and our scheme for Ramsay in Kettering. This enabled us to deliver 1% growth in net rental income to £71 million, and our passing rent roll stands at £146.9 million.

…whilst protecting the quality of our cash flows…

An essential part of our growth strategy is the careful review of every asset for opportunities to increase its lifetime cash flows and impact on the community. Our portfolio management team seek to enhance the value of our assets through agreeing rent reviews, completing lease re-gears, letting vacant space and undertaking physical extensions.

In the first half, the team completed 155 rent reviews, four lease re-gears, five new tenancies for our vacant space, five capital projects and commenced our planned sustainability improvements. Our total contracted rental income, which is a combination of our passing rent roll and lease length, stands at £1.76 billion, our weighted average unexpired lease term is 11 years and 81% of our income is backed by the NHS or HSE.

…and carefully controlling our balance sheet and cost base…

Despite the decline in valuation in the period, which has resulted in us recording an IFRS loss of £18 million or 0.6 pence per share, our balance sheet remains strongly positioned with robust debt metrics of net debt to EBITDA, interest cover and LTV. Our investment grade rating of A- was re-affirmed by Fitch Ratings Ltd in January 2023.

All of our drawn debt has fixed interest, at an average of 2.3%, a weighted average maturity of 6.5 years and we have no significant refinancings due in the next five years.

…to deliver earnings growth that supports our dividend policy.

The combination of these elements has enabled us to continue our track record of growth year on year. Our EPRA earnings have increased by 4% to £50.8 million which translates to an EPRA EPS of 1.7 pence per share.

The resilience of our income and the growth we have delivered is reflected in our fully covered dividend payments, which we have now increased for ten consecutive years. In May, we announced a 5% increase in the quarterly dividend payment to 0.82 pence with effect from the July 2023 payment, equivalent to 3.28 pence per share on an annualised basis.

CEO statement

Assura outlook

The market to expand our portfolio through acquisition in the UK has been muted over the months, since the bond market reaction to the mini-budget in September 2022, and this remains the case today. Looking ahead we would expect the majority of our growth in the short-term to come from maximising the returns on our existing portfolio, focusing on developments and asset enhancement opportunities as the areas in which we can generate most value-add.

We are on site with 10 developments, with a total cost of £114 million that will complete over the next 15 months. These have a remaining spend of £55 million and are fully funded from available cash.

The recent challenges in the construction industry, with significant cost inflation and higher finance costs, continue to impact rent negotiations on pipeline schemes. Generally these negotiations remain slow, but we are starting to see positive movement in some locations where the NHS need for investment in new buildings is strongest. We only move on site when all aspects of a scheme (NHS approval, fixed price construction contract, agreement for lease in place) are agreed in full.

We are seeing progress in our areas of strategic expansion – working directly with NHS Trusts, private providers and stakeholders in Ireland. Each of these areas are closely aligned with our existing portfolio, being buildings that deliver health services in a community setting – aiming to relieve some of the pressure on the NHS system – with a strong underlying occupier covenant.

Our on-site developments include four schemes directly with NHS Trusts (Shirley, Fareham, Cramlington and Bury St Edmunds), one with a private provider (Guildford) and also our first two forward funding projects in Ireland (Kilbeggan and Ballybay). Similarly, our immediate pipeline of four schemes (total estimated cost of £25 million) contains three schemes in Ireland, building on the recent successes we have had in these areas becoming meaningful contributors to our portfolio and cash flow stream.

Having completed five asset enhancement projects (£3.3 million) in the period, we are on site with seven more (total spend £6.9 million). The nature of each of these projects is different – for example, a significant extension and refurbishment of the existing area at Wantage, a sustainability-linked improvement alongside a lease regear at Doctors Lane in Darlington, and a sustainability linked upgrade in Banbury (conversion to air source heat pump) – but crucially responds to the needs of the customer and patients at that particular location. Delivering opportunities such as these helps us serve our customers best, as well as driving long-term returns from the assets in our portfolio.

Market outlook

The critical need for investment in infrastructure to support the services delivered by the NHS is as pronounced as it has ever been. We have an ageing population, and it is cheaper for the NHS to deliver health services in a primary care setting. Waiting lists are longer than they have been for decades because hospitals are overburdened, and appropriate space doesn't exist in a community setting to deliver care where it is needed.

The existing NHS estate is not fit for purpose and requires significant investment to meet this demand. Healthcare professionals openly admit that the premises they work in are constraining the services they can provide, hindering recruitment of staff and holding back progress on tackling the care backlog. The recent restructuring of the NHS into Integrated Care Partnerships should provide a greater opportunity for stronger collaboration across health professionals, services and the property estate.

This all means there will be increasing numbers of diagnostic, specialist treatment and mental health services moving out of hospitals and into a community setting. It also means there is a growing demand for health services from private providers – both from patients electing to be treated privately and for NHS-referred work being delivered by private providers.

Assura has a vital role as a partner to a range of health providers to ease the pressures faced by the system. By investing in our capabilities, we are strategically placing ourselves as the partner of choice for the long-term. We are best placed to provide high-quality, sustainable new premises for delivery of health services, to retrofit existing buildings to meet the net zero carbon challenge, partnering with our supply chain to maximise the social value that we create for the communities we operate in and continually evolving our offering through adopting the latest technologies.

Focusing on enhancing our expertise and delivering this into our buildings, both physically and through the customer service we aim to deliver, means that our customers can focus on what they do best – delivering essential health services.

Jonathan Murphy
CEO
15 November 2023

CFO review

For the six months ended 30 September 2023

The first six months of the year has seen us remain disciplined in our approach to managing our portfolio and balance sheet.

With market conditions remaining unsettled due to the inflationary environment and movements in long-term interest rates, our focus has been on delivering our on site developments and generating internal growth from rent reviews and asset enhancement activities.

What has remained consistent is the resilience of our assets in generating high-quality cash flows, highlighting the strength of our business model. Our asset class benefits from increasing demand, long leases and a primarily government-backed occupier base, and so it remains attractive regardless of the political or economic backdrop.

This is then enhanced by our disciplined balance sheet management, with long-term, fixed and sustainable financing in place meaning the growth in rental income can efficiently flow through to EPRA earnings and the dividend we pay.

All of this means we continue to have high confidence in our future prospects and our ability to deliver attractive returns that benefit all of our stakeholders.

Alternative Performance Measures ("APMs")

The financial performance for the period is reported including a number of APMs (financial measures not defined under IFRS). We believe that including these alongside IFRS measures provides additional information to help understand the financial performance for the period, in particular in respect of EPRA performance measures which are designed to aid comparability across real estate companies. Explanations to define why the APM is used and calculations of the measures, with reconciliations back to reported IFRS measures normally in the Glossary, are included where possible.

Portfolio as at 30 September 2023: £2,725.1 million (31 March 2023: £2,738.0 million)

Our business is based on our investment portfolio of 612 completed properties. This has a passing rent roll of £146.9 million (March 2023: £143.4 million), 81% (March 2023: 81%) of which is underpinned by the NHS. The Weighted Average Unexpired Lease Term ("WAULT") is 11.0 years (March 2023: 11.2 years) and we have total contracted rental income of £1.76 billion (March 2023: £1.77 billion).

At 30 September 2023, our portfolio of completed investment properties was valued at £2,663.7 million (March 2023: £2,677.4 million), which produced a net initial yield ("NIY") of 5.03% (March 2023: 4.87%).

Taking account of potential lettings of unoccupied space and any uplift to current market rents on review, our valuers assess the net equivalent yield to be 5.25% (March 2023: 5.09%). Adjusting this Royal Institution of Chartered Surveyors ("RICS") standard measure to reflect the advanced payment of rents, the true equivalent yield is 5.27% (March 2023: 5.12%).

Our EPRA NIY, based on our passing rent roll and latest annual direct property costs, was 4.93% (March 2023: 4.77%).

	Six months ended 30 Sep 2023 £m	Six months ended 30 Sep 2022 £m
Net rental income	70.8	70.0
Valuation movement	(68.6)	(19.0)
Total Property Return	**2.2**	**51.0**

Reflecting the recent unstable macro-economic backdrop and movement in gilt yields, we, like most real estate companies, recorded a loss on valuation of £68.6 million in the period. This is consequently reflected in our Total Property Return (expressed as a percentage of opening investment property plus additions) which was 0.1% for the six months compared with 1.8% in the six months to September 2022.

The net valuation loss represents a 2% movement on a like-for-like basis. However, this was offset by the positive actions we have taken in the period to improve the portfolio – with four lease regears, 12 capital projects completed or onsite, and £1.5 million additional rent from rent reviews settled in the period.

As a comparison, the 10-year and 15-year UK gilts now stand at 4.44% and 4.75% respectively (2022: 4.09% and 4.21% respectively).

Portfolio additions

We have continued to take a disciplined approach to investment during the period, with primary spending relating to onsite developments and asset enhancement capital projects. Expenditure in the period can be split between investments in completed properties, developments, forward funding projects, extensions and fit-out costs enabling vacant space to be let as follows:

Spend during the period	**Six months ended 30 Sep 2023 £m**
Acquisitions	**13.4**
Completed developments	**30.8**
Additions	**44.2**
Asset enhancement & sustainability	**6.4**
Net investment	**50.6**

During the first six months we completed one acquisition in Ireland, two developments reached practical completion and completed five asset enhancement capital projects. These activities focused on completing outstanding commitments, and opportunities for generating internal growth.

CFO review

Development activity

We completed two developments in the first half of the year, adding £1.2 million to our rent roll, including the 100th in our 20-year history, Prestbury Medical Practice in Wolverhampton.

Given the continued challenging environment for negotiating new development schemes, we have moved on site with only one scheme in the first half – our second ambulance hub, in Bury St Edmunds – meaning that 10 are on site at 30 September 2023.

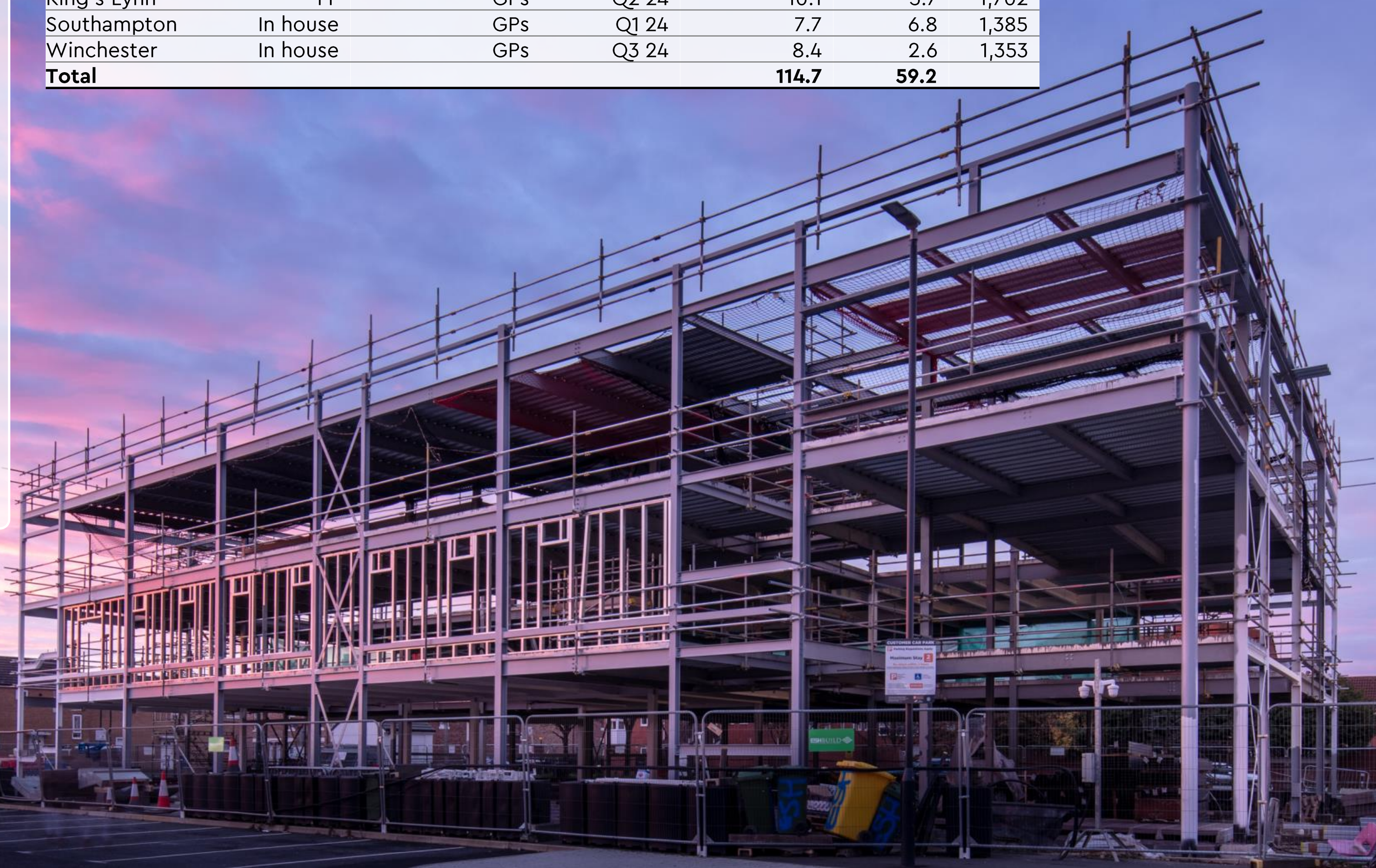
Of the 10, five are under forward funding arrangements (including two schemes in Ireland) and five are in-house schemes. These have a combined development cost of just over £114 million of which £59 million had been spent at the half year date and £55 million is therefore remaining.

We continue to source additional schemes for our development pipeline, but the pressures of both rising construction costs and higher costs of finance have led us to proceed with discipline before committing to schemes, ensuring all aspects are fixed before we commence.

We have an immediate pipeline of four properties (estimated cost £25 million, which we would hope to be on site within 12 months) and an extended pipeline of 50 properties (estimated cost £449 million, appointed exclusive partner and awaiting NHS approval).

Live developments and forward funding arrangements

	Forward fund/ in house	Principal occupier	Estimated completion date	Estimated development costs £m	Costs to date £m	Size m²
Ballybay	FF	HSE	Q2 24	4.4	0.9	1,695
Brighton	FF	GPs	Q3 24	4.9	2.0	948
Bury St Edmunds	In house	NHS Trust	Q3 24	11.1	1.6	2,901
Cramlington	In house	NHS Trust	Q1 24	26.7	16.8	6,500
Fareham	In house	NHS Trust	Q2 24	5.2	1.5	950
Guildford	FF	Private provider	Q4 23	30.8	18.0	2,818
Kilbeggan	FF	HSE	Q1 24	5.4	3.3	1,740
King's Lynn	FF	GPs	Q2 24	10.1	5.7	1,702
Southampton	In house	GPs	Q1 24	7.7	6.8	1,385
Winchester	In house	GPs	Q3 24	8.4	2.6	1,353
Total				**114.7**	**59.2**	



CFO review

Portfolio management

In the first half, our rent roll grew by £3.5 million (2.4%) to £146.9 million, with £1.5 million of this growth from rent reviews.

We successfully concluded 155 rent reviews during the six months (year to March 2023: 352) to generate a weighted average annual rent increase of 4.2% (year to March 2023: 3.8%) on those properties. These 155 reviews covered £19.4 million or 14% of our rent roll at the start of the year and the absolute increase of £1.5 million is a 7.8% increase on this rent. Our portfolio benefits from a 36% weighting in fixed, Retail Price Index ("RPI") and other uplifts which generated an average uplift of 5.4% during the period. The majority of our portfolio is subject to open market reviews and these have generated an average uplift of 1.5% during the period.

Our total contracted rental income, which is a function of current rent roll and unexpired lease term on the existing portfolio and on-site developments is £1.76 billion (March 2023: £1.77 billion). We grow our total contracted rental income through additions to the portfolio and getting developments on site, but increasingly our focus has been extending the unexpired term on the leases on our existing portfolio ("re-gears").

We delivered four lease re-gears in the six months covering £0.2 million of current annual rent and adding 10 years to the WAULT for those particular leases. We have also agreed terms on a pipeline of 42 re-gears covering £8.2 million of rent roll and these are currently in legal hands.

We have completed five asset enhancement capital projects in the six months (total spend £3.3 million) and are currently on site with a further seven (total spend of £6.9 million). These schemes increase the WAULT on those properties by 15 years and improve the sustainability performance of those buildings. In addition, we have a further 15 asset enhancement projects we hope to complete in the next two years with estimated spend of £10.2 million and additional annual rent of £0.5 million.

Our EPRA Vacancy Rate was 1.2% (March 2023: 1.0%).

Our current contracted annual rent roll is £146.9 million and, on a proforma basis, would increase to in excess of £159 million once on site developments, asset enhancement projects and rent reviews are completed.

Administrative expenses

Administrative expenses in the period remained at £6.6 million (2022: £6.6 million).

The Group analyses cost performance by reference to our EPRA Cost Ratios (including and excluding direct vacancy costs) which were 12.2% and 11.0% respectively (2022: 12.5% and 11.6% respectively).

We also measure our operating efficiency as the proportion of administrative costs (as per the income statement) to the average gross investment property value (average of opening and closing balance sheet amounts). This ratio during the period was 0.24% (2022: 0.23%).

Financing

Our balance sheet and financing position remains strong. We have cash reserves and committed undrawn facilities totalling £259 million, and our long-term, drawn facilities have fixed rates in place.

Growth during the period has been funded by cash reserves and we currently hold a cash balance of £58.9 million, in addition to the revolving credit facility we have available.

Immediately following the period end, in October, we completed the refinancing of our revolving credit facility for a further three years with the option of extending by a further two. We increased the facility to £200 million, reduced the all-in cost of the facility and added sustainability-linked KPI which, if achieved, will result in a 5 basis-point reduction to the interest, which will be paid to the Assura Community Fund.

Financing statistics	30 Sep 2023	31 Mar 2023
Net debt (Note 11)	**£1,195m**	£1,135m
Weighted average debt maturity	**6.5 yrs**	7.0 yrs
Weighted average interest rate	**2.3%**	2.3%
% of debt at fixed/capped rates	**100%**	100%
EBITDA to net interest cover	**4.8x**	4.5x
Net debt to EBITDA	**9.3x**	9.1x
LTV (Note 11)	**44%**	41%

Our LTV ratio currently stands at 44% and will increase in the short term as we utilise cash to fund the pipeline of development and asset enhancement opportunities. We generally operate with an LTV in and around 40%, and our policy allows us to reach the range of 40%–50% should the need arise.

100% of our drawn debt facilities are at fixed interest rates, although this will change as and when we draw on the revolving credit facility which is at a variable rate.

The weighted average debt maturity is 6.5 years, and our longest dated facilities (the Social and Sustainability bonds which mature in 2030 and 2033 respectively) are at our lowest rates (1.5% and 1.625% respectively).

Over the next five years, we have only £250 million of debt that needs refinancing. Assuming these were to be refinanced at a rate of 5.5%, this would only impact EPRA EPS by approximately 0.2 pence on an annualised basis.

Net finance costs presented through EPRA earnings in the six-month period amounted to £13.2 million (2022: £14.0 million).

IFRS loss before tax

IFRS loss before tax for the period was £17.8 million (2022: profit of £30.9 million).

This has reduced compared with the prior year due to revaluation movements – which were positive in the first half of the prior year.

CFO review

EPRA earnings

The movement in EPRA earnings can be summarised as follows:

	Six months ended 30 Sep 2023 £m	Six months ended 30 Sep 2022 £m
Net rental income	**70.8**	70.0
Administrative expenses	**(6.6)**	(6.6)
Net finance costs	**(13.2)**	(14.0)
Share-based payments, share of investments & tax	**(0.2)**	(0.4)
EPRA earnings	**50.8**	**49.0**

EPRA earnings has grown 3.7% to £50.8 million in the six months to 30 September 2023, with growth in rent from additions and rent reviews offset by the impact of disposals which occurred in September 2022 and therefore were included in rent in the prior year. Our administrative costs and finance costs remain closely controlled and have both reduced in the period.

Earnings per share

The basic earnings per share ("EPS") on loss for the period was (0.6) pence (2022: 1.0 pence).

EPRA EPS, which excludes the net impact of valuation movements and gains on disposal, was 1.7 pence (2022: 1.7 pence).

Based on calculations completed in accordance with IAS 33, share-based payment schemes are currently expected to be dilutive to EPS, with 1.4 million new shares expected to be issued. The dilution is not material, with no impact on the EPS figures.

Dividends

Total dividends settled in the six months to 30 September 2023 were £47.4 million or 1.6 pence per share (2022: 1.5 pence per share). £2.1 million of this was satisfied through the issuance of shares via scrip.

As a REIT with requirement to distribute 90% of taxable profits (Property Income Distribution, "PID"), the Group expects to pay out as dividends at least 90% of recurring cash profits. Both the April and July dividends paid were PIDs. The October 2023 dividend has subsequently been paid as a PID and future dividends will be a mix of PID and normal dividends as required.

Cash flow movements

	Six months ended 30 Sep 2023 £m	Six months ended 30 Sep 2022 £m
Opening cash	**118.0**	243.5
Net cash flow from operations	**36.0**	32.9
Dividends paid	**(42.5)**	(41.1)
Investment:		
Property & other acquisitions	**(21.7)**	(121.3)
Development expenditure	**(31.8)**	(28.3)
Sale of properties	**0.9**	73.3
Closing cash	**58.9**	159.0

Net cash flow from operations differs from EPRA earnings due to movements in working capital balances primarily finance costs where annual bond repayments fall in the first half of the year.

The investment activity in the period has been funded from cash reserves and the disposals during the period.

Diluted EPRA NTA movement

	£m	**Pence per share**
Diluted EPRA NTA at 31 Mar 2023 (Note 8)	**1,586.9**	**53.6**
EPRA earnings	**50.8**	**1.7**
Capital (revaluations and capital gains)	**(68.6)**	**(2.3)**
Dividends	**(47.4)**	**(1.6)**
Other	**2.3**	**–**
Diluted EPRA NTA at 30 Sep 2023 (Note 8)	**1,524.0**	**51.4**

Our Total Accounting Return per share (dividends plus movement in EPRA net tangible assets as a proportion of opening EPRA net tangible assets) for the six months ended 30 September 2023 is (1.1)% of which 1.6 pence per share (3.0%) has been distributed to shareholders and (2.2) pence per share (4.1%) is the movement on EPRA NTA.

Jayne Cottam
CFO
15 November 2023

EPRA performance measures

The calculations below are in accordance with the EPRA Best Practice Recommendations dated February 2022, and in line with the calculations provided in our accounts for the March 2023 year end.

	6 months ended 30 Sep 2023	6 months ended 30 Sep 2022
EPRA EPS (p)	1.7	1.7
EPRA Cost Ratio (including direct vacancy costs (%)	12.2	12.5
EPRA Cost Ratio (excluding direct vacancy costs (%)	11.0	11.6

	Sep 2023	Mar 2023
EPRA NTA	51.4p	53.6p
EPRA NRV	57.2p	59.5p
EPRA NDV	60.0p	61.2p
EPRA NIY	4.93%	4.77%
EPRA "topped-up" NIY	4.94%	4.78%
EPRA LTV	45%	43%
EPRA Vacancy Rate	1.2%	1.0%

Portfolio analysis

By capital value	Number of properties	Total value £m	Total value %
>£10m	51	842.8	32
£5–10m	107	725.5	27
£1–5m	413	1,065.7	40
<£1m	41	29.7	1
	612	**2,663.7**	**100**

By region	Number of properties	Total value £m	Total value %
South	248	985.2	37
North	187	898.5	34
Midlands	107	503.9	19
Scotland, Ireland and NI	26	145.7	5
Wales	44	130.4	5
	612	**2,663.7**	**100**

By tenant covenant	Total rent roll £m	Total rent roll %
GPs	87.4	60
NHS Body	31.1	21
Pharmacy	11.4	8
Private providers	8.7	6
Other	8.3	5
	146.9	**100**

Additional statements

Principal risks and uncertainties

The factors identified by the Board as having the potential to affect the Group's operating results, financial control and/or the trading price of its shares were set out in detail in the Annual Report for the year ended 31 March 2023. These risks include strategic items outside the control of the Group (such as political risk or new entrants to the market), financial risks (relating to financing available to the Group) and operational risks (relating to internal matters and how assets are managed).

The Directors have reconsidered the principal risks and uncertainties facing the Group. Whilst the macro-economic backdrop has changed with gilt rates rising, the business continues to be managed from a long-term perspective. The impact of rising gilt rates is likely to impact the available rate for new borrowing or refinancing, and yield movements are expected across the real estate sector which may impact property valuations. However, the Directors consider the Group to be well-positioned, having operated the balance sheet in a conservative manner over recent years.

Going concern

The Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group's properties are substantially let (1% vacancy) with the majority of rent paid or reimbursed by the NHS and they benefit from a weighted average lease length on the portfolio of 11.0 years. The Group has facilities from a variety of lenders, in addition to the unsecured listed bonds, and has remained in compliance with all covenants throughout the period. At the period end, the cash balance is £58.9 million and the Group has a £200 million revolving credit facility ("RCF") which is currently undrawn. The next maturity date on debt facilities is October 2025.

In making the assessment the Directors have reviewed the Group's financial forecasts which cover a period of 12 months to 30 November 2024. The forecasts factor in committed cash flows of the Group (including the committed elements of the acquisition and development pipelines) and funding available for this based on current resources.

Covenant compliance is assessed throughout the forecast period and reverse stress tests are completed to estimate by how much valuations and rental income would need to fall for covenants to be breached. The directors consider the fall in valuations of reverse stress test to be implausible as this includes assumptions, which are more extreme than previously experienced economic events. As at the period end, considerable headroom exists on all covenants.

There have been no material changes in assumptions in the forecast from the basis adopted in making the assessment at the previous year end. In reaching our conclusion, management have referenced the ongoing situation in Ukraine and the Middle East and the current macroeconomic background.

The forecasts prepared show that borrowing facilities are adequate and the business can operate within these facilities to meet its obligations as they fall due for the foreseeable future.

Directors' responsibilities statement

The Board confirms to the best of their knowledge:

that the Interim Condensed Consolidated Financial Statements for the six months to 30 September 2023 have been prepared in accordance with UK adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority;

that the Interim Report comprising the CFO review and the principal risks and uncertainties includes a fair review of the information required by 4.2.7R of the Disclosure and Transparency Rules ("DTR", indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

the Interim Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

The above Directors' responsibilities statement was approved by the Board on 15 November 2023.

Jonathan Murphy
CEO

Jayne Cottam
CFO

Interim condensed consolidated income statement
For the six months ended 30 September 2023

	Note	Six months ended 30 Sep 2023 Unaudited			Six months ended 30 Sep 2022 Unaudited		
		EPRA £m	**Capital and non-EPRA £m**	**Total £m**	EPRA £m	Capital and non-EPRA £m	Total £m
Gross rental and related income		**74.0**	**4.0**	**78.0**	72.9	2.9	75.8
Property operating expenses		**(3.2)**	**(4.0)**	**(7.2)**	(2.9)	(2.9)	(5.8)
Net rental income		**70.8**	**–**	**70.8**	70.0	–	70.0
Administrative expenses		**(6.6)**	**–**	**(6.6)**	(6.6)	–	(6.6)
Revaluation loss – property	9	**–**	**(68.6)**	**(68.6)**	–	(19.0)	(19.0)
Share-based payment charge		**(0.3)**	**–**	**(0.3)**	(0.4)	–	(0.4)
Gain/(loss) on sale of property		**–**	**0.1**	**0.1**	–	(0.1)	(0.1)
Share of gains from investments		**0.1**	**(0.1)**	**–**	–	0.6	0.6
Finance income		**1.4**	**–**	**1.4**	0.4	–	0.4
Finance costs	5	**(14.6)**	**–**	**(14.6)**	(14.4)	–	(14.4)
Foreign exchange gain		**–**	**–**	**–**	–	0.4	0.4
Profit before taxation		**50.8**	**(68.6)**	**(17.8)**	49.0	(18.1)	30.9
Taxation	6	**–**	**–**	**–**	–	–	–
(Loss)/profit for the period attributable to equity holders of the parent		**50.8**	**(68.6)**	**(17.8)**	49.0	(18.1)	30.9
EPS – basic & diluted	7			**(0.6)p**			1.0p
EPRA EPS – basic & diluted	7	**1.7p**			1.7p		

There were no items of other comprehensive income or expense and therefore the profit for the period also represents the Group's total comprehensive income. All income derives from continuing operations.

Interim condensed consolidated balance sheet
As at 30 September 2023

	Note	**30 Sep 2023 Unaudited £m**	31 Mar 2023 Audited £m
Non-current assets			
Investment property	9	**2,725.1**	2,738.0
Property work in progress		**13.7**	13.9
Property, plant and equipment		**0.6**	0.3
Investments		**19.8**	18.3
Deferred tax asset		**0.6**	0.6
		2,759.8	2,771.1
Current assets			
Cash, cash equivalents and restricted cash		**58.9**	118.0
Trade and other receivables		**39.2**	33.1
Property assets held for sale	9	**0.4**	0.4
		98.5	151.5
Total assets		**2,858.3**	2,922.6
Current liabilities			
Trade and other payables		**43.9**	46.8
Head lease liabilities		**0.3**	0.4
Deferred revenue	10	**31.9**	30.6
		76.1	77.8
Non-current liabilities			
Borrowings	11	**1,247.3**	1,246.4
Head lease liabilities		**5.8**	5.8
Deferred revenue	10	**4.5**	5.1
		1,257.6	1,257.3
Total liabilities		**1,333.7**	1,335.1
Net assets		**1,524.6**	1,587.5
Capital and reserves			
Share capital	12	**296.5**	296.1
Share premium		**926.2**	924.5
Merger and other reserve		**231.6**	231.6
Reserves		**70.3**	135.3
Total equity		**1,524.6**	1,587.5
NAV per Ordinary Share – basic & diluted	8	**51.4p**	53.6p
EPRA NTA per Ordinary Share – basic & diluted	8	**51.4p**	53.6p

The Interim Condensed Consolidated Financial Statements were approved at a meeting of the Board of Directors held on 15 November 2023 and signed on its behalf by:

Jonathan Murphy
CEO

Jayne Cottam
CFO

Interim condensed consolidated statement of changes in equity
For the six months ended 30 September 2023

	Note	Share capital £m	Share premium £m	Merger and other reserve £m	Reserves £m	Total equity £m
1 April 2022		294.8	918.5	231.2	345.1	1,789.6
Profit attributable to equity holders		–	–	–	30.9	30.9
Total comprehensive income		**–**	**–**	**–**	**30.9**	**30.9**
Issue of Ordinary Shares	12	0.8	4.4	–	–	5.2
Dividend	12, 13	0.2	1.1	–	(44.8)	(43.5)
Employee share-based incentives		0.1	–	–	0.2	0.3
30 September 2022 (unaudited)		**295.9**	**924.0**	**231.2**	**331.4**	**1,782.5**
Loss attributable to equity holders		–	–	–	(150.3)	(150.3)
Other comprehensive income: Exchange gain on translation of foreign operations		–	–	0.4	–	0.4
Total comprehensive income		**–**	**–**	**0.4**	**–**	**0.4**
Dividend	12, 13	0.2	0.5	–	(46.0)	(45.3)
Employee share-based incentives		–	–	–	0.2	0.2
31 March 2023 (audited)		**296.1**	**924.5**	**231.6**	**135.3**	**1,587.5**
Loss attributable to equity holders		–	–	–	(17.8)	(17.8)
Total comprehensive income		**–**	**–**	**–**	**(17.8)**	**(17.8)**
Dividend	12, 13	0.4	1.7	–	(47.4)	(45.3)
Employee share-based incentives		–	–	–	0.2	0.2
30 September 2023 (unaudited)		**296.5**	**926.2**	**231.6**	**70.3**	**1,524.6**

Interim condensed consolidated statement of cash flow
For the six months ended 30 September 2023

	Six months ended 30 Sep 2023 Unaudited £m	Six months ended 30 Sep 2022 Unaudited £m
Operating activities		
Rent received	**68.2**	68.5
Interest paid and similar charges	**(23.7)**	(23.7)
Fees received	**0.8**	0.7
Interest received	**1.4**	0.4
Cash paid to suppliers and employees	**(10.7)**	(13.0)
Net cash inflow from operating activities	**36.0**	32.9
Investing activities		
Purchase of investment property	**(19.9)**	(106.4)
Development expenditure	**(31.8)**	(28.3)
Proceeds from sale of property	**0.9**	73.3
Other investments and property, plant and equipment	**(1.8)**	(14.9)
Net cash outflow from investing activities	**(52.6)**	(76.3)
Financing activities		
Dividends paid	**(42.5)**	(41.1)
Net cash outflow from financing activities	**(42.5)**	(41.1)
Decrease in cash, cash equivalents and restricted cash	**(59.1)**	(84.5)
Opening cash, cash equivalents and restricted cash	**118.0**	243.5
Closing cash, cash equivalents and restricted cash	**58.9**	159.0

1. Corporate information

The Interim Condensed Consolidated Financial Statements of the Group for the six months ended 30 September 2023 were authorised for issue in accordance with a resolution of the Directors on 15 November 2023.

Assura plc ("Assura") is a public limited company, limited by shares, incorporated and domiciled in England and Wales, and the Company's Ordinary Shares are publicly traded on the main market of the London Stock Exchange.

With effect from 1 April 2013, the Group has elected to be treated as a UK REIT. See Note 6 for further details. Copies of this statement are available from the website at www.assuraplc.com.

2. Basis of preparation

The Interim Condensed Consolidated Financial Statements for the six months ended 30 September 2023 have been prepared in accordance with UK adopted International Accounting Standard 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority. These accounts cover the six-month accounting period from 1 April 2023 to 30 September 2023 with comparatives for the six-month accounting period from 1 April 2022 to 30 September 2022, or 31 March 2023 for balance sheet amounts.

The Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Report, and should be read in conjunction with those in the Group's Annual Report as at 31 March 2023 which were prepared in accordance with UK-adopted international accounting standards.

The accounts are prepared on a going concern basis (see page 11 for further narrative) and presented in pounds sterling rounded to the nearest 0.1 million unless specified otherwise.

3. Accounts

The results for the six months to 30 September 2023 and to 30 September 2022 are unaudited. The interim accounts do not constitute statutory accounts. The financial information for the year ended 31 March 2023 does not constitute the Company's statutory accounts for that year, but is derived from those accounts. Statutory accounts for the year ended 31 March 2023 have been delivered to the Registrar of Companies. The auditor reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

4. New standards, interpretations and amendments thereof, adopted by the Group

The accounting policies adopted in the preparation of the Interim Condensed Consolidated Financial Statements are the same as those followed in the preparation of the Group's Annual Report for the year ended 31 March 2023.

The Group is not expecting any other new and proposed changes in accounting standards to have a material impact on reported numbers in future periods.

5. Finance costs

	Six months ended 30 Sep 2023 £m	Six months ended 30 Sep 2022 £m
Interest payable	**14.9**	14.9
Interest capitalised on developments	**(1.0)**	(1.2)
Amortisation of loan issue costs	**0.7**	0.7
Total finance costs	**14.6**	14.4

6. Taxation on profit on ordinary activities

The Group elected to be treated as a UK REIT with effect from 1 April 2013. The UK REIT rules exempt the profits of the Group's property rental business from corporation tax. Gains on properties are also exempt from tax, provided the properties are not held for trading or sold in the three years post completion of development. The Group will otherwise be subject to corporation tax at 25% in 2023/24 (2022/23: 19%).

Any Group tax charge/(credit) relates to its non-property income. As the Group has sufficient brought forward losses, no tax is due in relation to the current or prior period.

As a REIT, the Group is required to pay Property Income Distributions ("PIDs") equal to at least 90% of the Group's rental profit calculated by reference to tax rules rather than accounting standards. During the period, the Group paid a PID within the April and July 2023 interim dividend. Future dividends will be a mix of PID and normal dividends as required. To remain as a UK REIT there are a number of conditions to be met in respect of the principal company of the Group, the Group's qualifying activities and the balance of business. The Group remains compliant at 30 September 2023.

7. Earnings per Ordinary Share

	Earnings 2023 £m	EPRA earnings 2023 £m	Earnings 2022 £m	EPRA earnings 2022 £m
(Loss)/profit for the period from continuing operations	**(17.8)**	**(17.8)**	30.9	30.9
Revaluation & fair value adjustments		**68.7**		18.0
(Profit)/loss on sale of property		**(0.1)**		0.1
EPRA earnings		**50.8**		49.0
EPS – basic & diluted	**(0.6)p**		1.0p	
EPRA EPS – basic & diluted		**1.7p**		1.7p

	30 Sep 2023	30 Sep 2022
Weighted average number of shares in issue	**2,964,200,844**	2,956,938,876
Potential dilutive impact of share options	**1,353,389**	1,220,518
Diluted weighted average number of shares in issue	**2,965,554,233**	2,958,159,394

The current estimated number of potentially dilutive shares relates to nil-cost options under the share-based payment arrangements and is 1.4 million (Sep-22: 1.2 million; Mar-23: 1.1 million). These shares have been included in the calculation of EPRA EPS, but excluded from the IFRS diluted earnings per share as they would be anti-dilutive.

8. NAV per Ordinary Share

30 Sep 2023 £m		IFRS	EPRA NRV	EPRA NTA	EPRA NDV
IFRS net assets		**1,524.6**	**1,524.6**	**1,524.6**	**1,524.6**
Deferred tax		**–**	**(0.6)**	**(0.6)**	**–**
Fair value of debt		**–**	**–**	**–**	**256.3**
Real estate transfer tax		**–**	**172.5**	**–**	**–**
EPRA adjusted NAV		**1,524.6**	**1,696.5**	**1,524.0**	**1,780.9**
Per Ordinary Share	– basic	**51.4p**	**57.2p**	**51.4p**	**60.1p**
	– diluted	**51.4p**	**57.2p**	**51.4p**	**60.0p**

31 Mar 2023 £m		IFRS	EPRA NRV	EPRA NTA	EPRA NDV
IFRS net assets		1,587.5	1,587.5	1,587.5	1,587.5
Deferred tax		–	(0.6)	(0.6)	–
Fair value of debt		–	–	–	226.5
Real estate transfer tax		–	174.5	–	–
EPRA adjusted NAV		1,587.5	1,761.4	1,586.9	1,814.0
Per Ordinary Share	– basic	53.6p	59.5p	53.6p	61.3p
	– diluted	53.6p	59.5p	53.6p	61.2p

	30 Sep 2023	31 Mar 2023
Number of shares in issue	**2,965,311,611**	2,960,594,138
Potential dilutive impact of share options (Note 7)	**1,353,389**	1,055,291
Diluted number of shares in issue	**2,966,665,000**	2,961,649,429

The EPRA measures set out above are in accordance with the Best Practices Recommendations of the European Public Real Estate Association dated February 2022.

Mark to market adjustments represent fair value and have been provided by the counterparty as appropriate or by reference to the quoted fair value of financial instruments.

9. Property assets

Properties are stated at fair value as at 30 September 2023. The fair value has been determined by the Group's external valuers, CBRE, Cushman & Wakefield and Jones Lang LaSalle. The properties have been valued individually and on the basis of open market value (which the Directors consider to be the fair value) in accordance with RICS Valuation – Professional Standards 2020 ("the Red Book"). Valuers are paid on the basis of a fixed fee arrangement, subject to the number of properties valued.

Property assets comprises investment property and investment property under construction ("IPUC").

	30 Sep 2023			31 Mar 2023		
	Investment property £m	**IPUC £m**	**Total £m**	Investment property £m	IPUC £m	Total £m
Opening market value	**2,685.0**	**53.0**	**2,738.0**	2,682.8	69.1	2,751.9
Additions:						
– acquisitions	**13.4**	**–**	**13.4**	126.5	–	126.5
– improvements	**6.4**	**–**	**6.4**	15.0	–	15.0
	19.8	**–**	**19.8**	141.5	–	141.5
Development costs	**–**	**36.0**	**36.0**	–	58.9	58.9
Transfers	**30.8**	**(30.8)**	**–**	72.5	(72.5)	–
Transfer to assets held for sale	**–**	**–**	**–**	–	–	–
Capitalised interest	**–**	**1.0**	**1.0**	–	2.3	2.3
Disposals	**(0.9)**	**–**	**(0.9)**	(1.8)	–	(1.8)
Foreign exchange gain	**(0.2)**	**–**	**(0.2)**	0.5	–	0.5
Unrealised deficit on revaluation	**(63.6)**	**(5.0)**	**(68.6)**	(210.5)	(4.8)	(215.3)
Closing fair value of investment property	**2,670.9**	**54.2**	**2,725.1**	2,685.0	53.0	2,738.0

Investment property includes a £6.1 million head lease asset (Mar-23: £6.2 million).

	30 Sep 2023 £m	31 Mar 2023 £m
Market value of investment property as estimated by valuer	**2,663.7**	2,677.4
Add IPUC	**54.2**	53.0
Add capitalised lease premiums and rental payments	**1.1**	1.4
Add head lease liabilities recognised separately	**6.1**	6.2
Fair value for financial reporting purposes	**2,725.1**	2,738.0
Land held for sale	**0.4**	0.4
Total property assets	**2,725.5**	2,738.4

	30 Sep 2023 £m	31 Mar 2023 £m
Investment property	**2,663.7**	2,677.4
Investment property held for sale	**–**	–
Total completed investment property	**2,663.7**	2,677.4

	30 Sep 2023 £m
Assets held for sale at 1 April 2023	**0.4**
Disposals during the period	**–**
Assets held for sale at 30 September 2023	**0.4**

As at 30 September 2023, there is one asset held as available for sale (Mar-23: one asset). These properties are either being actively marketed for sale or have a negotiated sale agreed which is currently in legal hands.

Fair value hierarchy

The fair value measurement hierarchy for all investment property and investment property under construction ("IPUC") as at 30 September 2023 was Level 3 – significant unobservable inputs (Mar-23: Level 3). There were no transfers between Level 1, 2 or 3 during the half year.

The key unobservable inputs in the property valuation are the net initial yield, equivalent yield and the ERV. A decrease in either the net initial yield or the equivalent yield applied to a property would increase the market value. An increase in the ERV of a property would increase the market value. The analysis for unobservable inputs disclosed within Note 9 of the Annual Report and Accounts for the year ended 31 March 2023 continues to apply to the portfolio as at 30 September 2023.

10. Deferred revenue

	30 Sep 2023 £m	31 Mar 2023 £m
Arising from rental income received in advance	**31.2**	30.1
Arising from pharmacy lease premiums received in advance	**5.2**	5.6
	36.4	35.7
Current	**31.9**	30.6
Non-current	**4.5**	5.1
	36.4	35.7

11. Borrowings

	30 Sep 2023 £m	31 Mar 2023 £m
At beginning of the period/year	**1,246.4**	1,244.4
Amount issued or drawn down in period/year	**-**	-
Amount repaid in period/year	**-**	-
Loan issue costs	**(0.1)**	(0.1)
Amortisation of loan issue costs	**1.0**	2.1
At the end of the period/year	**1,247.3**	1,246.4

The Group has the following bank facilities:

1. 10-year senior unsecured bond of £300 million at a fixed interest rate of 3.0% maturing July 2028, 10-year senior unsecured Social Bond of £300 million at a fixed interest rate of 1.5% maturing September 2030 and 12-year senior unsecured Sustainability Bond of £300 million at a fixed rate of 1.625% maturing June 2033. The Social and Sustainability Bonds were launched in accordance with Assura's Social & Sustainable Finance Frameworks respectively to be used for eligible investment in the acquisition, development and refurbishment of publicly accessible primary care and community healthcare centres. The bonds are subject to an interest cover requirement of at least 150%, maximum LTV of 65% and priority debt not exceeding 0.25:1. In accordance with pricing convention in the bond market, the coupon and quantum of the facility are set to round figures with the proceeds adjusted based on market rates on the day of pricing.
2. Three-year club unsecured revolving credit facility with Barclays, HSBC, NatWest and Santander. In October 2023, this was refinanced to October 2026, increasing the facility from £125 million to £200 million, and reducing the margin which starts at 1.35% above SONIA subject to LTV. The margin has a ratchet linked to LTV, increasing up to 1.75% where the LTV is in excess of 45%. The facility is subject to a historical interest cover requirement of at least 175% and maximum LTV of 60%. As at 30 September 2023, the facility was undrawn (31 March 2023: undrawn).
3. 10-year notes in the US private placement market for a total of £100 million. The notes are unsecured, have a fixed interest rate of 2.65% and were drawn in October 2016. An additional £107 million of notes were issued in two series, £47 million drawn in August 2019 and £60 million drawn in October 2019. The notes have maturities of 10 and 15 years respectively and a weighted average interest rate fixed at 2.30%. The facilities are subject to a historical interest cover requirement of at least 175%, maximum LTV of 60% and a weighted average lease length of seven years.
4. £150 million of privately placed notes in two tranches with maturities of eight and 10 years drawn in October 2017. The weighted average coupon is 3.04%. The facility is subject to a historical cost interest cover requirement of at least 175%, maximum LTV of 60% and weighted average lease length of seven years.

The Group has been in compliance with all financial covenants on all of the above loans as applicable throughout the period.

Net debt and LTV	30 Sep 2023 £m	31 Mar 2023 £m
Investment property	**2,670.9**	2,685.0
Investment property under construction	**54.2**	53.0
Held for sale	**0.4**	0.4
Total property	**2,725.5**	2,738.4
Loans	**1,247.3**	1,246.4
Head lease liabilities	**6.1**	6.2
Cash	**(58.9)**	(118.0)
Net debt	**1,194.5**	1,134.6
LTV	**44%**	41%

12. Share capital

	Number of shares 30 Sep 2023	**Share capital 30 Sep 2023 £m**	Number of shares 31 Mar 2023	Share capital 31 Mar 2023 £m
Ordinary Shares of 10 pence each issued and fully paid				
At 1 April	**2,960,594,138**	**296.1**	2,948,359,637	294.8
Issued 7 April 2022	–	–	3,331,539	0.3
Issued 13 April 2022 – scrip	–	–	317,384	–
Issued 27 April 2022	–	–	4,556,283	0.5
Issued 13 July 2022	–	–	974,245	0.1
Issued 13 July 2022 - scrip	–	–	1,659,620	0.2
Issued 12 October 2022 - scrip	–	–	52,001	–
Issued 11 January 2023 - scrip	–	–	1,343,429	0.2
Issued 12 April 2023 - scrip	**3,053,978**	**0.3**	–	–
Issued 12 July 2023	**287,241**	–	–	–
Issued 12 July 2023 - scrip	**1,376,254**	**0.1**	–	–
Total at 30 September/ 31 March	**2,965,311,611**	**296.5**	2,960,594,138	296.1
Own shares held	–	–	–	–
Total share capital	**2,965,311,611**	**296.5**	2,960,594,138	296.1

The Ordinary Shares issued in April 2022, July 2022, October 2022, January 2023, April 2023 and July 2023 were issued to shareholders who elected to receive Ordinary Shares in lieu of a cash dividend under the Company scrip dividend alternative. In the six months to 30 September 2023, this increased share capital by £0.4 million and share premium by £1.7 million.

The Ordinary Shares issued on 7 April 2022 and 27 April 2022 were issued as part consideration for the acquisition of medical centres.

The Ordinary Shares issued in July 2022 and July 2023 relate to employee share awards under the Performance Share Plan.

13. Dividends paid on Ordinary Share

Payment date	Pence per share	Number of Ordinary Shares	**Six months ended 30 Sep 2023 £m**	Six months ended 30 Sep 2022 £m
13 April 2022	0.74	2,948,359,637	–	21.8
13 July 2022	0.78	2,956,564,843	–	23.0
12 April 2023	0.78	2,960,594,138	**23.1**	–
12 July 2023	0.82	2,956,564,843	**24.3**	–
			47.4	44.8

A dividend of 0.82 pence per share was paid to shareholders on 11 October 2023.

14. Commitments

At the period end the Group had 10 committed developments on site (31 March 2023: 11) with a contracted total expenditure of £114.7 million (31 March 2023: £129.0 million) of which £59.2 million (31 March 2023: £54.7 million) had been expended. The remaining commitment is therefore £55.5 million (31 March 2023: £73.4 million).

In addition, the Group is on site with seven asset enhancement capital projects (31 March 2023: eight) with a contracted total expenditure of £6.9 million (31 March 2023: £8.9 million) of which £4.4 million (31 March 2023: £5.0 million) had been expended. The remaining commitment is therefore £2.5 million (31 March 2023: £3.9 million).

Independent review report to Assura plc
For the six months ended 30 September 2023

Conclusion
We have been engaged by the Group to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the Interim Condensed Consolidated Income Statement, the Interim Condensed Consolidated Balance Sheet, the Interim Condensed Consolidated Statement of Changes in Equity, the Interim Condensed Consolidated Statement of Cash Flow and the related Notes 1 to 14. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion
We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern
Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors
The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information
In reviewing the half-yearly report, we are responsible for expressing to the Group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report
This report is made solely to the Group in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Leeds
15 November 2023

Glossary and calculations

AGM is the Annual General Meeting.

ASHP is air source heat pump.

Average Debt Maturity is each tranche of Group debt multiplied by the remaining period to its maturity and the result divided by total Group debt in issue at the year end.

Average Interest Rate is the Group loan interest and derivative costs per annum at the year end, divided by total Group debt in issue at the year end.

British Property Federation ("BPF") is the membership organisation, the voice, of the real estate industry.

Building Research Establishment Environmental Assessment Method ("BREEAM") assess the sustainability of buildings against a range of criteria.

Code or New Code is the UK Corporate Governance Code 2018, a full copy of which can be found on the website of the Financial Reporting Council.

Company is Assura plc.

Direct Property Costs comprise cost of repairs and maintenance, void costs, other direct irrecoverable property expenses and rent review fees.

District Valuer ("DV") is the commercial arm of the Valuation Office Agency. It provides professional property advice across the public sector and in respect of primary healthcare represents NHS bodies on matters of valuations, rent reviews and initial rents on new developments.

Earnings per Ordinary Share from Continuing Operations ("EPS") is the profit attributable to equity holders of the parent divided by the weighted average number of shares in issue during the period.

EBITDA is EPRA earnings before tax and net finance costs. In the current period this is £64.0 million, calculated as net rental income (£70.8 million) plus income from investments (£0.1 million) less administrative expenses (£6.6 million) and share-based payment charge (£0.3 million).

European Public Real Estate Association ("EPRA") is the industry body for European REITs. EPRA is a registered trade mark of the European Public Real Estate Association.

EPRA Cost Ratio is administrative and operating costs divided by gross rental income. This is calculated both including and excluding the direct costs of vacant space.

EPRA earnings is a measure of profit calculated in accordance with EPRA guidelines, designed to give an indication of the operating performance of the business, excluding one-off or non-cash items such as revaluation movements and profit or loss on disposal. See Note 7.

EPRA EPS is EPRA earnings, calculated on a per share basis. See Note 7.

EPRA Loan to Value ("EPRA LTV") is debt divided by the market value of property, differing from our usual LTV by the inclusion of net current payables or receivables and the proportionate share of co-investment arrangements.

EPRA Net Disposal Value ("EPRA NDV") is the balance sheet net assets adjusted to reflect the fair value of debt and derivatives. See Note 8. This replaces the previous EPRA NNNAV metric.

EPRA Net Reinstatement Value ("EPRA NRV") is the balance sheet net assets excluding deferred tax and adjusted to add back theoretical purchasers' costs that are deducted from the property valuation. See Note 8.

EPRA Net Tangible Assets ("EPRA NTA") is the balance sheet net assets excluding deferred taxation. See Note 8. This replaces the previous EPRA NAV metric.

EPRA NIY is annualised rental income based on cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of property, increased with (estimated) purchasers' costs. The "topped up" yield adjusts this for the expiration of rent-free periods or other unexpired lease incentives.

EPRA Vacancy Rate is the ERV of vacant space divided by the ERV of the whole portfolio.

Equivalent Yield is a weighted average of the Net Initial Yield and Reversionary Yield and represents the return a property will produce based upon the timing of the income received. The true equivalent yield assumes rents are received quarterly in advance. The nominal equivalent assumes rents are received annually in arrears.

Estimated Rental Value ("ERV") is the external valuers' opinion as to the open market rent which, on the date of valuation, could reasonably be expected to be obtained on a new letting or rent review of a property.

EUI is energy usage intensity, being a measure of how much energy is used by a building per square metre per year.

GMS is General Medical Services.

Gross Rental Income is the gross accounting rent receivable.

Group is Assura plc and its subsidiaries.

IFRS is UK-adopted International Financial Reporting Standards.

Interest Cover is the number of times net interest payable is covered by EBITDA. In the current period net interest payable is £13.2 million, EBITDA is £64.0 million, giving interest cover of 4.85 times.

KPI is a Key Performance Indicator.

kWh is kilowatt-hour, being a unit of energy.

Like-for-like represents amounts calculated relative to properties owned at the previous year end and start of the current period.

Loan to Value ("LTV") is the ratio of net debt to the total value of property assets. See Note 11.

Mark to Market is the difference between the book value of an asset or liability and its market value.

MSCI is an organisation that provides performance analysis for most types of real estate and produces an independent benchmark of property returns.

NAV is Net Asset Value**.**

Net debt is total borrowings plus head lease liabilities less cash. See Note 11.

Net Initial Yield ("NIY") is the annualised rents generated by an asset, after the deduction of an estimate of annual recurring irrecoverable property outgoings, expressed as a percentage of the asset valuation (after notional purchasers' costs). Development properties are not included.

Net Rental Income is the rental income receivable in the period after payment of direct property costs. Net rental income is quoted on an accounting basis.

Operating efficiency is the ratio of administrative costs to the average gross investment property value. This ratio during the period equated to 0.24%. This is calculated as administrative expense of £6.6 million divided by the average property balance of £2,732 million (opening £2,738 million plus closing £2,725 million, divided by two).

Glossary and calculations

Primary Care Network ("PCN") is a GP practice working with local community, mental health, social care, pharmacy, hospital and voluntary services to build on existing primary care services and enable greater provision of integrated health services within the community they serve.

Primary Care Property is the property occupied by health services providers who act as the principal point of consultation for patients such as GP practices, dental practices, community pharmacies and high street optometrists.

Property Income Distribution ("PID") is the required distribution of income as dividends under the REIT regime. It is calculated as 90% of exempted net income.

PSP is Performance Share Plan.

PV is photo-voltaic panels, commonly referred to as solar-panels.

Real Estate Investment Trust ("REIT") is a listed property company which qualifies for and has elected into a tax regime which exempts qualifying UK profits, arising from property rental income and gains on investment property disposals, from corporation tax, but requires the distribution of a PID.

Rent Reviews take place at intervals agreed in the lease (typically every three years) and their purpose is usually to adjust the rent to the current market level at the review date.

Rent Roll is the passing rent (i.e. at a point in time) being the total of all the contracted rents reserved under the leases, on an annual basis. At September 2023 the rent roll was £146.9 million (March 2023: £143.4 million) and the growth in the six months was £3.5 million.

Retail Price Index ("RPI") is an official measure of the general level of inflation as reflected in the retail price of a basket of goods and services such as energy, food, petrol, housing, household goods, travelling fares, etc. RPI is commonly computed on a monthly and annual basis.

RPI Linked Leases are those leases which have rent reviews which are linked to changes in the RPI.

SBTi is Science Based Target initiative.

Total Accounting Return is the overall return generated by the Group including the impact of debt. It is calculated as the movement on EPRA NTA (see glossary definition and Note 8) for the period plus the dividends paid, divided by the opening EPRA NTA. Opening EPRA NTA (i.e. at 31 March 2023) was 53.6 pence per share, closing EPRA NTA was 51.4 pence per share, and dividends paid total 1.60 pence per share giving a return of (1.1)% in the six months.

Total Contracted Rent Roll or Total Contracted Rental Income is the total amount of rent to be received over the remaining term of leases currently contracted. For example, a lease with rent of £100 and a remaining lease term of ten years would have total contracted rental income of £1,000. At September 2023, the total contracted rental income was £1.76 billion (March 2023: £1.77 billion).

Total Property Return is the overall return generated by properties on a debt-free basis. It is calculated as the net rental income generated by the portfolio plus the change in market values, divided by opening property assets plus additions. In the period to September 2023, the calculation is net rental income of £70.8 million less revaluation loss of £68.6 million giving a return of £2.2 million, divided by £2,768.2 million (opening investment property £2,677.4 million and IPUC £53.0 million plus additions of £19.8 million and development costs of £36.0 million). This gives a Total Property Return in the six months of 0.1%.

Total Shareholder Return ("TSR") is the combination of dividends paid to shareholders and the net movement in the share price during the period, divided by the opening share price. The share price at 31 March 2023 was 48.9 pence, at 30 September 2023 it was 42.3 pence, and dividends paid during the period were 1.60 pence per share.

UK GBC is the UK Green Building Council.

Weighted Average Unexpired Lease Term ("WAULT") is the average lease term remaining to first break, or expiry, across the portfolio weighted by contracted rental income.

Yield on cost is the estimated annual rent of a completed development divided by the total cost of development including site value and finance costs expressed as a percentage return.

Yield shift is a movement (usually expressed in basis points) in the yield of a property asset or like-for-like portfolio over a given period.

Yield compression is a commonly used term for a reduction in yields.

Corporate information

Registered Office
3 Barrington Road
Altrincham
WA14 1GY
Company Number: 9349441

Directors
Sam Barrell
Emma Cariaga
Jayne Cottam
Jonathan Davies
Louise Fowler
Noel Gordon
Jonathan Murphy
Ed Smith

Company Secretary
Orla Ball

Auditor
EY LLP
2 St Peter's Square
Manchester
M2 3DF

Joint Corporate Brokers
Barclays Bank plc
5 North Colonnade
Canary Wharf
London
E14 4BB

Stifel Nicolaus Europe Limited
150 Cheapside
London
EC2V 6ET

Legal Advisors
CMS Cameron McKenna Nabarro Olswang LLP
DWF Law LLP

Bankers
Barclays Bank plc
HSBC UK Bank plc
National Westminster Bank plc
Santander UK plc