11 November 2021

Assura plc

Delivering continued growth

Assura plc ("Assura"), the leading primary care property investor and developer, today announces its interim results for the six months ended 30 September 2021.

Jonathan Murphy, CEO, said:

"Assura has continued to make strong progress over the past six months. We expanded our high-quality portfolio with 27 new additions and grew Assura's market-leading development pipeline to a record £480 million, building upon our acquisition of Apollo in February. Our financial platform remains robust, with a conservative LTV of 39% and our lowest ever cost of debt of 2.30% down 17 bps from last year. This is Assura's eighth year of dividend growth – a testament to our successful strategy, which continues to drive resilient cash flows, strong growth and a positive outlook for the company.

"The pandemic has shone a light like never before on Assura's role as the NHS's partner of choice, supported by our financial strength, sector expertise and mutually beneficial relationships with GPs. With capacity constraints and health inequalities having been exacerbated significantly in the last 18 months, the provision of the high-quality community healthcare that Assura delivers has become more important than ever. With our leadership position we are also well positioned to adapt to emerging trends within the sector such as the growing digitalisation at our sites and remote diagnosis. Most recently, more than 87,000 people benefited from our social impact strategy, SixbySix, from improvements to and through our healthcare buildings in the half-year period and as COP26 draws to a close we continue to play a key role in supporting the NHS's commitment to become the world's first net zero healthcare system.

"Today, we are also proposing an equity raise of approximately £190 million, to fund additional investment in our development pipeline, acquisitions and asset enhancements. This will help us to further build on our strong track record of delivering growth, supporting the NHS and increasing shareholder value."

Strong growth and resilient cash flows bolster our position as NHS partner of choice

- Passing rent roll up 5% to £127.5 million (March 2021: £121.7 million), WAULT 11.7 years (March 2021: 11.9 years)
- Profit before tax up 58% to £69.4 million (2020: £43.8 million); EPS 2.6p (2020: 1.7p)
- EPRA earnings up 7% to £40.9 million (2020: £35.8 million); EPRA EPS of 1.5p (2020: 1.4p[1])
- Portfolio increased 6% to £2,595 million as at 30 September 2021 (March 2021: £2,453 million)
- Portfolio Net Initial Yield ("NIY") at 4.56% (March 2021: 4.56%), valuation gain of £28.1 million in the six months
- Current quarterly dividend of 0.74p (March 2021: 0.71p)

Continuing to deliver critical new capacity for community healthcare

- Growing portfolio of 625 high-quality properties (March 2021: 609), serving 6.3 million people across the UK
- 27 property additions for total cost of £117 million (yield on cost 4.9%, WAULT 16.3 years, £82 million acquisitions, £35 million development completions)
- Market-leading development capability strengthened by acquisition of Apollo in February 2021
- Total development pipeline of £480 million of which on site £72 million
- 11 selective disposals completed for proceeds of £15 million generating a modest profit over book value
- Five asset enhancement capital projects on site (£3.7 million spend)
- Five lease re-gears (£0.2 million existing rent roll) and 144 rent reviews completed (2.1% uplift[2])
- Total contracted rental income increased to £1.61 billion (March 2021: £1.57 billion)
- Pipelines: immediate developments[3] £145 million; extended developments[4] £263 million; acquisitions £102 million in legal hands; asset enhancement capital projects £15 million
- 56 lease re-gears covering £6.7 million of existing rent roll in the current pipeline

Sustainability and social impact at the heart of all decision-making

- Further progress on our SixbySix social impact strategy ambition
- EPC improvement programme on track to roll out in the second half of the year

- Assura Community Fund distributed £100,000 as official Community Health Partner of the Rugby League World Cup
- Evaluating bids in second £400,000 grants programme for health-improving projects around our buildings
- All development completions rated BREEAM Very Good or Excellent and met EPC targets of B and above
- Two development projects identified as first net zero pilots; aiming to be on site within 12 months
- Sustainability Bond issued in accordance with Sustainable Finance Framework

Strong and diverse financial position

- LTV of 39% at 30 September 2021 and weighted average interest rate of 2.30%
- Issued 12-year £300 million Sustainability Bond with coupon of 1.625% in June 2021
- As at 30 September 2021 net debt of £1,007 million on a fully unsecured basis
- Undrawn facilities of £125 million and cash of £241.6 million
- A- (stable outlook) rating from Fitch Ratings Ltd reaffirmed in January 2021

Summary results

Financial performance	**September 2021**	**September 2020**	**Change**
Net rental income	£61.1m	£54.4m	12.3%
Profit before tax	£69.4m	£43.8m	58.4%
IFRS earnings per share	2.6p	1.7p	52.9%
EPRA earnings per share	1.5p	1.3p	15.4%
Adjusted EPRA earnings per share	1.5p	1.4p	7.1%
Dividend per share	1.45p	1.4p	3.6%
Property valuation and performance	**September 2021**	**March 2021**	**Change**
Investment property	£2,595m	£2,453m	5.8%
Diluted EPRA NTA per share	58.4p	57.2p	2.1%
Rent roll	£127.5m	£121.7m	4.8%
Financing	**September 2021**	**March 2021**	**Change**
Loan to Value ("LTV") ratio	39%	37%	2ppt
Undrawn facilities and cash	£367m	£272m	34.9%
Weighted average cost of debt	2.30%	2.47%	(17)bps

[1] Comparator is Adjusted EPRA earnings per share, adjusted to remove the £2.5 million contribution to the Assura Community Fund in the 6 months to September 2020

[2] Weighted average annual uplift on all settled reviews

[3] Immediate development pipeline: schemes expected to be onsite within 12 months

[4] Extended development pipeline: Assura appointed exclusive development partner, awaiting NHS approval

Alternative Performance Measures ("APMs")

The highlights page and summary results table above include a number of financial measures to describe the financial performance of the Group, some of which are considered APMs as they are not defined under IFRS. Further details are provided in the CFO Review, notes to the accounts and Glossary.

For further information, please contact:

Assura plc: Tel: 01925 420 680
Jayne Cottam, CFO Email: Investor@assura.co.uk
David Purcell, Head of Investor Relations

Finsbury: Tel: 0207 251 3801
Gordon Simpson Email: Assura@Finsbury.com
James Thompson

A presentation for investors and analysts, followed by live Q&A, will be streamed at the link below on 11 November 2021 at 9.00am GMT.

Webcast link: https://webcasting.brrmedia.co.uk/broadcast/6165b49c4e29f55a9419342b

In addition, the company will host a presentation with Q&A for retail investors on the Investor Meet Company platform on Friday 12th November 2021 at 3.00pm GMT. Investors can sign up to Investor Meet Company for free and add to meet Assura plc via: https://www.investormeetcompany.com/assura-plc/register-investor

Notes to Editors

Assura plc, a constituent of the FTSE 250 and the EPRA* indices, is a UK REIT and long-term investor in and developer of primary care property. The company, headquartered in Warrington, works with GPs, health professionals and the NHS to create outstanding spaces for health services in our communities. At 30 September 2021, Assura's property portfolio was valued at £2,595 million.

Further information is available at www.assuraplc.com

*EPRA is a registered trademark of the European Public Real Estate Association.

CEO statement

We are delighted to be reporting on another period of strong progress and growth for Assura.

We have continued our recent track record of quality additions to our portfolio with 20 acquisitions and seven development completions for £117 million in the period at a yield on cost of 4.9%. We have now added over £1.1 billion to our portfolio since April 2017 whilst retaining our strong portfolio metrics.

Our pipeline of further opportunities has not only been replenished but expanded – covering acquisitions (£102 million currently in legal hands), developments (record pipeline of £480 million) and asset enhancements (both re-gears and capital projects).

These have been boosted by and include emerging opportunities in the areas we have previously talked about as being complementary to our portfolio – diagnostics, mental health, primary care at scale and carefully selected private providers. We are pleased with our initial progress.

All of which is possible due to the strength of our balance sheet and the support from both the equity and debt markets. During the period, on the back of our Social Bond in 2020 and initial progress on our social impact and sustainability strategy, SixBySix, we issued in June 2021 a £300 million 12 year Sustainability Bond at 1.625%.

Financial and operational performance

Assura's business and our ability to continue to deliver on our purpose is built on the reliability and resilience of our long-term, secure cash flows. These are supported by a weighted average unexpired lease term of 11.7 years and a strong financial position reflected in our A- credit rating from Fitch.

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.

During the first six months of the year, we completed 20 acquisitions for £82 million. These opportunities were sourced by our investment team leveraging the relationships we have with existing occupiers as well as our bespoke database which contains details on all medical centres in the UK.

Our strategic investment over the last five years in our development team and capabilities, most recently with the acquisition of Apollo in February, is continuing to reap rewards. Following the 12 completions in the year to March 2021, we have completed seven further buildings in the six months to September 2021 (at a total cost of £35 million and all hitting our BREEAM and EPC targets) and moved three further schemes on to site, including the £22 million Ambulance Hub in the West Midlands.

Our high-quality portfolio now stands at 625 properties serving approximately 6.3 million patients. Each asset is regularly and carefully reviewed for opportunities to enhance its lifetime cash flows and impact on the community, with total contracted rental income a strategic KPI. This metric is a combination of our passing rent roll and lease length, providing an effective measure of our ability to both grow and extend our cash flows for the long term. It captures the crucial value-enhancing activity of our portfolio management teams as they agree rent reviews, complete lease re-gears, let vacant space and undertake physical extensions. In the first half, the team completed 144 rent reviews, five lease re-gears and is currently on site with five capital projects (total cost £4 million). Our total contracted rental income has grown to £1.61 billion and our weighted average unexpired lease term stands at 11.7 years.

The combination of these elements has enabled us to continue our strong track record of growth. Our portfolio has increased by 6% in six months to £2.6 billion and our passing rent roll is up 5% to £127.5 million. Our EPRA earnings have increased by 14% to £40.9 million which translates to an EPRA EPS of 1.5p. Taking into account positive valuation movements, our net profit is £69.4 million.

Finally, the resilience of our income and the growth we have delivered is reflected in our dividend payments. During the period we announced a 4% increase in quarterly dividend payment to 0.74 pence with effect from July 2021, equivalent to 2.96 pence on an annualised basis.

Assura outlook
Assura's success, and its future strategy is built on our complementary offer to our customers of investment, development and management of premises. This multi-faceted approach allows us to better understand the requirements of our customers and anticipate their future needs.

Following our first half performance, we have replenished our immediate pipeline. Acquisition opportunities in legal hands total £102 million. In development, we are on site with 12 schemes (total cost £72 million), have an immediate pipeline of 20 development opportunities (£145 million) expected to commence in the next 12 months and an extended pipeline of 37 schemes (£263 million) where Assura is the exclusive partner. We have £15 million of asset enhancement capital projects in the immediate pipeline.

We continue to explore exciting opportunities in new adjacent areas, all supporting delivery of community-based services away from hospitals, including in new geographies.

In addition to the on site Ambulance Hub in the West Midlands, our multi-use facility for the Northumbria Healthcare NHS Foundation Trust in Cramlington is included in our immediate development pipeline. We have acquired two buildings used in the provision of mental health services and we completed a further development for Ramsay in Preston with another scheme in our immediate pipeline. Our strategic partnership with a national provider of primary care at scale has yielded several acquisition opportunities in our immediate pipeline.

We remain well funded to support our future growth plans. Following the Sustainability Bond issue we have cash and undrawn committed facilities totalling £367 million. This financial strength further underpins our growth prospects.

Market outlook
At the year end, we talked about the emerging trends within healthcare in the UK; in particular about the long term impact of COVID-19.

The pandemic has highlighted and exacerbated the existing problems that need to be addressed within our primary healthcare infrastructure.

With record waiting lists, pressure on the NHS remains high. With an ageing population demand for health services will only grow. With a large proportion of the country's medical centres out-dated and not fit for purpose, the delivery of health services in a community setting that relieves some of the pressure in the system remains extremely challenging.

The adoption of technology, in particular for triage and routine appointments, is needed to help relieve this pressure but face-to-face consultations in suitable spaces remains an essential part of delivering adequate clinical services.

Recent Government announcements have pledged significant funding to tackle these issues.

The Health and Social Care Levy, announced in September 2021, will see £36 billion invested over the next three years in clearing waiting lists through increasing capacity within the system.

The Autumn Budget pledges £5.9 billion of investment in physical infrastructure and equipment, including diagnostics testing facilities and improving IT and digital technology within the NHS.

The recognition of the issues within the system and the increased funding are welcome, and we look forward to seeing how this will flow into the significant required investment in the primary care infrastructure needed to deliver this capacity.

Assura, with a proven track record of property skills, innovation and the financial strength to deliver, remains well placed to help support the needs of the NHS. We continue to look forward to the future with confidence in our prospects.

Jonathan Murphy
CEO
10 November 2021

CFO review

For the six months ended 30 September 2021
It has been another strong period for Assura. Growth has been delivered through acquisitions, development completions and asset enhancement activities.

We continue to carefully manage our costs, our EPRA Cost Ratio being maintained around 13%, whilst investing in our team particularly with respect to our development capabilities.

We are delighted to have received further support from the debt markets in the period; our £300 million 12-year Sustainability Bond was significantly oversubscribed with a strong institution-based order book.

This leaves us well-placed to fund further growth in our portfolio.

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.

In particular, in the prior period we disclosed an adjusted EPRA earnings measure. This was included to exclude the one-off impact of the £2.5 million contribution to the Assura Community Fund in the prior period, so as to ensure readers of the accounts can continue to understand the underlying, recurring cash flows of the property rental business.

Portfolio as at 30 September 2021: £2,594.6 million (31 March 2021: £2,453.3 million)
Our business is based on our investment portfolio of 625 completed properties. This has a passing rent roll (current contracted annual rent) of £127.5 million (March 2021: £121.7 million), 82% (March 2021: 83%) of which is underpinned by the NHS. The Weighted Average Unexpired Lease Term ("WAULT") is 11.7 years (March 2021: 11.9 years) and we have total contracted rental income of £1.61 billion (March 2021: £1.57 billion).

At 30 September 2021, our portfolio of completed investment properties was valued at £2,546.6 million (March 2021: £2,414.7 million including investment property held for sale of £14.3 million), which produced a net initial yield ("NIY") of 4.56% (March 2021: 4.58%).

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 4.79% (March 2021: 4.81%). Adjusting this Royal Institution of Chartered Surveyors ("RICS") standard measure to reflect the advanced payment of rents, the true equivalent yield is 4.81% (March 2021: 4.83%).

Our EPRA NIY, based on our passing rent roll and latest annual direct property costs, was 4.47% (March 2021: 4.55%).

	Six months ended 30 Sep 2021 £m	Six months ended 30 Sep 2020 £m
Net rental income	**61.1**	54.4
Valuation movement	**28.1**	9.6
Total Property Return	**89.2**	64.0

Expressed as a percentage of opening investment property plus additions, Total Property Return for the six months was 3.5% compared with 2.9% in 2020.

The net valuation gain in the six months of £28.1 million represents a modest 1.2% uplift on a like-for-like basis net of movements relating to properties acquired in the period. The valuation gain can be split in half – relating equally to rental uplifts and the two basis point movement in net initial yield since March 2021.

The NIY on our assets continues to represent a substantial premium over both the 10-year and 15-year UK gilts which traded at 1.02% and 1.24% respectively at 30 September 2021, having continued to reduce from 0.845% and 1.22% respectively at 31 March 2021.

Investment and development activity

We have continued to invest during the period, with this expenditure 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 2021 £m
Acquisition of completed medical centres	81.3
Developments/forward funding arrangements	28.1
Capitalised interest	0.8
Investment properties – no incremental lettable space	3.4
Total capital expenditure	**113.6**

We have completed 20 acquisitions and seven developments during the first six months.

These additions were at a combined total cost of £117 million with a combined passing rent of £5.8 million (yield on cost of 4.9%) and a WAULT of 16.3 years.

We continue to source properties that meet our investment criteria for future acquisition. As at the half year, the acquisition pipeline stands at £102 million, being opportunities that are currently in solicitors' hands and which we would hope to complete within three to six months, subject to satisfactory due diligence.

During the period, we disposed of 11 properties where we believed there was lower growth prospects than the rest of the portfolio, generating proceeds of £15.1 million at a premium over book value of £0.4 million. We are continually reviewing our portfolio for any indication that properties no longer meet our investment criteria.

Of the 16 developments that were on site at March 2021, seven have completed in the first half of the year, and a further five are currently expected to complete in the second half of the year.

The development team has continued to have success in converting schemes from the pipeline to live schemes, with three schemes moving on site in the first half, meaning 12 are on site at September 2021.

Of the 12 developments on site at 30 September 2021, six are in-house developments and six are under forward funding agreements. These have a combined development cost of £72 million of which £31 million had been spent at the half year date.

In addition to the 12 developments currently on site, we have an immediate pipeline of 20 properties (estimated cost £145 million, which we would hope to be on site within 12 months) and an extended pipeline of 37 properties (estimated cost £263 million, appointed exclusive partner and awaiting NHS approval).

During the first six months of the year, we recorded a revaluation gain of £1.1 million in respect of investment property under construction (September 2020: £2.0 million).

Live developments and forward funding arrangements

	Estimated completion date	Estimated development costs	Costs to date	Size
Beaconsfield	Q1 22	£6.2m	£4.5m	1,668 sq.m
Brighton	Q1 23	£4.8m	£1.9m	948 sq.m
Calne	Q3 22	£3.7m	£0.4m	813 sq.m
Hackbridge	Q1 22	£1.6m	£0.2m	565 sq.m
Hemel Hempstead	Q1 22	£5.1m	£4.1m	997 sq.m
Kelsall	Q1 22	£2.9m	£1.6m	700 sq.m
Nunthorpe	Q2 22	£2.2m	£0.3m	565 sq.m
Portsmouth	Q1 22	£4.5m	£2.3m	968 sq.m
Stourport	Q2 22	£5.6m	£4.0m	1,950 sq.m
Sutton	Q2 22	£3.2m	£2.3m	664 sq.m
Wallsend	Q3 22	£9.8m	£2.1m	2,794 sq.m
West Midlands Ambulance Hub	Q3 22	£22.3m	£6.9m	7,081 sq.m
Total		**£71.9m**	**£30.6m**	

Portfolio management

In the first half, our rent roll grew by £5.8 million (4.8%) to £127.5 million. £1.0 million of this growth was from rent reviews.

We successfully concluded 144 rent reviews during the six months (2020: 129) to generate a weighted average annual rent increase of 2.13% (year to March 2021: 1.5%) on those properties, which is a figure that includes 8 reviews we chose not to instigate in the period. These 144 reviews covered £17.0 million or 14% of our rent roll at the start of the year and the absolute increase of £1.0 million is a 5% increase on this rent. Our portfolio benefits from a 31% weighting in fixed, Retail Price Index ("RPI") and other uplifts which generated an average uplift of 2.71% during the period. The majority of our portfolio is subject to open market reviews and these have generated an average uplift of 1.49% 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, has increased from £1.57 billion at March 2021 to £1.61 billion at September 2021, despite the passage of time. 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 5 lease re-gears in the six months covering £0.2 million of current annual rent and adding 9 years to the WAULT for those particular leases (September 2020: 13 re-gears, £1.1 million of rent). We have also agreed terms on a pipeline of 56 re-gears covering £6.7 million of rent roll and these are currently in legal hands.

We are currently on site with five asset enhancement capital projects with total spend of £3.7 million – schemes which generate additional annual rent of £150,000, increase the WAULT on those properties by 18 years and improve the sustainability performance of those buildings. In addition, we have an additional 19 asset enhancement projects we hope to complete in the next two years with estimated spend of £15 million and additional annual rent of £0.9 million.

Our EPRA Vacancy Rate was 1.3% (March 2021: 1.3%).

Our current contracted annual rent roll is £127.5 million and, on a proforma basis, would increase to in excess of £159 million once the pipelines for acquisitions, developments, rent reviews and asset enhancements are completed.

Administrative expenses

Administrative expenses in the period were £6.3 million (2020: £7.6 million including £2.5 million contribution to the Assura Community Fund).

The Group analyses cost performance by reference to our EPRA Cost Ratios (including and excluding direct vacancy costs) which were 13.1% and 12.1% respectively (2020: 12.5% and 11.4% respectively). These figures exclude the £2.5 million contribution to the Assura Community Fund in the prior period.
Making adjustment to exclude the direct costs of the development team, the EPRA Cost Ratio for the six months is 11.5% (2020: 11.1%). All direct development team costs are currently taken to the income statement as opposed to being capitalised within the cost of investment property under construction.

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 0.25% (2020: 0.23%).

Financing

Growth during the period has been primarily funded by debt issuance, in addition to the capital recycled from the 11 properties disposed in the six months.

In June 2021, following our first Social Bond issuance in September 2020, we successfully launched a £300 million, 12 year Sustainability Bond which priced at a fixed interest rate of 1.625%. This was launched alongside our Sustainable Finance Framework, which supports our SixBySix social impact strategy, and the proceeds are to be used for investment in eligible acquisitions, developments and refurbishment of publicly accessible primary care and community healthcare centres.

Subsequently, in July 2021 we voluntarily took the option to reduce the RCF to £125 million; benefitting from a reduction in non-utilisation fees with the increased access to a range of debt options as a result of our strong balance sheet and A- rating from Fitch.

Financing statistics	30 Sep 2021	31 Mar 2021
Net debt (Note 11)	£1,007.4m	£907.6m
Weighted average debt maturity	8.5 yrs	8.0 yrs
Weighted average interest rate	2.30%	2.47%
% of debt at fixed/capped rates	100%	100%
EBITDA to net interest cover	4.0x	3.9x
LTV (Note 11)	39%	37%

Our LTV ratio currently stands at 39% and will increase in the short term as we utilise cash to fund the pipeline of acquisitions, development and asset enhancement opportunities. Our policy allows us to reach the range of 40%–50% should the need arise.

As at 30 September 2021, 100% of our debt facilities are at fixed interest rates, although this will change as we draw on the revolving credit facility which is at a variable rate. The weighted average debt maturity is 8.5 years.

Net finance costs presented through EPRA earnings in the year amounted to £13.6 million (2020: £13.2 million).

IFRS profit before tax

IFRS profit before tax for the period was £69.4 million (2020: £43.8 million). This increase in profit before tax was driven by the increase in EPRA earnings (see individual movements in the table below) and we have also recorded an increased valuation gain following our positive asset enhancement activities.

EPRA earnings

	Six months ended 30 Sep 2021 £m	Six months ended 30 Sep 2020 £m
Net rental income	61.1	54.4
Administrative expenses	(6.3)	(7.6)
Net finance costs	(13.6)	(13.2)
Share-based payments & tax	(0.3)	(0.3)
EPRA earnings	**40.9**	**33.3**
Add back one off Assura Community Fund contribution	-	2.5

Adjusted EPRA earnings (exc. one off donation)	**40.9**	**35.8**

The movement in adjusted EPRA earnings (exc. one off donation) can be summarised as follows:

	£m
Six months ended 30 Sep 2020	35.8
Net rental income	6.7
Administrative expenses	(1.2)
Net finance costs	(0.4)
Six months ended 30 Sep 2021	**40.9**

Adjusted EPRA earnings has grown 14.0% to £40.9 million in the six months to 30 September 2021, reflecting the property acquisitions and developments completed as well as the impact of our asset management activity with rent reviews and new lettings. This has been offset by increases in administrative expenses (exc. one off donation) and financing costs.

Earnings per share
The basic earnings per share ("EPS") on profit for the period was 2.6 pence (2020: 1.7 pence).

EPRA EPS, which excludes the net impact of valuation movements and gains on disposal, was 1.5 pence (2020: 1.3 pence, or 1.4 pence excluding the £2.5 million Assura Community Fund contribution in the prior period).

Based on calculations completed in accordance with IAS 33, share-based payment schemes are currently expected to be dilutive to EPS, with 1.3 million new shares expected to be issued. The dilution has no impact on the basic figures, as illustrated in the table below:

EPS measure (Note 7)	Basic	Diluted
Profit for six months	2.6p	2.6p
EPRA	1.5p	1.5p

Dividends
Total dividends settled in the six months to 30 September 2021 were £38.8 million or 1.45 pence per share (2020: 1.4 pence per share). £2.5 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. The April dividend paid was a PID whilst the July dividend paid was a normal dividend (non-PID), as a result of brought forward tax losses and available capital allowances. The October 2021 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 2021 £m	Six months ended 30 Sep 2020 £m
Opening cash	**46.6**	18.5
Net cash flow from operations	**35.1**	28.0
Dividends paid	**(36.3)**	(30.2)
Investment:		
Property & other acquisitions	**(85.0)**	(84.2)
Development expenditure	**(28.1)**	(30.6)
Sale of properties	**15.1**	23.0
Financing:		
Net proceeds from equity issuance	**-**	180.8
Net borrowings movement	**294.2**	215.8
Closing cash	**241.6**	321.1

Net cash flow from operations differs from EPRA earnings due to movements in working capital balances, but this is the cash earned and used to support dividends paid.

The investment activity in the period has been funded by the proceeds from the Sustainability Bond issuance in June 2021.

Diluted EPRA NTA movement

	£m	Pence per share
Diluted EPRA NTA at 31 Mar 2021 (Note 8)	**1,530.2**	57.2
EPRA earnings	**40.9**	1.5
Capital (revaluations and capital gains)	**28.5**	1.2
Dividends	**(38.7)**	(1.5)
Other	**3.1**	-
Diluted EPRA NTA at 30 Sep 2021 (Note 8)	**1,564.0**	**58.4**

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 2021 is 4.6% of which 1.5 pence per share (2.5%) has been distributed to shareholders and 1.2 pence per share (2.1%) is the movement on EPRA NTA.

Jayne Cottam
CFO
10 November 2021

EPRA performance measures

The calculations below are in accordance with the EPRA Best Practice Recommendations dated October 2019, and in line with the calculations provided in our accounts for the March 2021 year end.

	6 months ended 30 Sep 2021	6 months ended 30 Sep 2020
EPRA EPS (p)	1.5	1.3
EPRA Cost Ratio (including direct vacancy costs (%)	13.1	17.0
EPRA Cost Ratio (excluding direct vacancy costs (%)	12.1	15.8

	Sep 2021	Mar 2021
EPRA NRV (p)	64.6	63.2
EPRA NTA (p)	58.4	57.2
EPRA NDV (p)	59.8	56.0
EPRA NIY (%)	4.47	4.55
EPRA “topped-up” NIY (%)	4.48	4.56
EPRA Vacancy Rate (%)	1.3	1.3

In addition, we present the following measures on an adjusted basis, to remove the impact of the one-off £2.5 million contribution to the Assura Community Fund in the prior period.

	6 months ended 30 Sep 2021	6 months ended 30 Sep 2020
Adjusted EPRA EPS (p)	1.5	1.4
Adjusted EPRA Cost Ratio (including direct vacancy costs (%)	13.1	12.5
Adjusted EPRA Cost Ratio (excluding direct vacancy costs (%)	12.1	11.4

Portfolio analysis by capital value

	Number of properties	Total value £m	Total value %
>£10m	49	796.9	31
£5–10m	100	670.7	26
£1–5m	401	1,031.6	41
<£1m	75	47.4	2
	625	**2,546.6**	**100**

Portfolio analysis by region

	Number of properties	Total value £m	Total value %
North	199	931.9	37
South	241	916.8	36
Midlands	102	471.9	18
Wales	56	143.3	6
Scotland & NI	27	82.7	3
	625	**2,546.6**	**100**

Portfolio analysis by tenant covenant

	Total rent roll £m	Total rent roll %
GPs	81.7	64
NHS Body	22.5	18
Pharmacy	10.2	8
Private providers	7.1	5
Other	6.0	5
	127.5	**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 2021. 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. Accordingly, the Directors do not consider that the principal risks and uncertainties have changed significantly since the publication of the Annual Report for the year ended 31 March 2021.

With respect to both COVID-19 and Brexit, the Board continues to monitor the situation but as disclosed in the Annual Report, does not consider either COVID-19 or Brexit, in themselves, to constitute a significant risk to the business.

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 11.7 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 £241.6 million and the Group has a £125 million revolving credit facility("RCF") which is currently undrawn. The next maturity date on debt facilities is the RCF in November 2024.

In making the assessment the Directors have reviewed the Group's financial forecasts which cover a period of 18 months beyond the balance sheet date. 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. 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.

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 2021 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 10 November 2021.

Jonathan Murphy
CEO
10 November 2021

Jayne Cottam
CFO

Interim condensed consolidated income statement
For the six months ended 30 September 2021

		Six months ended 30 Sep 2021 Unaudited			Six months ended 30 Sep 2020 Unaudited		
	Note	**EPRA £m**	**Capital and non-EPRA £m**	**Total £m**	EPRA £m	Capital and non-EPRA £m	Total £m
Gross rental and related income		**63.9**	**2.4**	**66.3**	56.8	1.9	58.7
Property operating expenses		**(2.8)**	**(2.4)**	**(5.2)**	(2.4)	(1.9)	(4.3)
Net rental income		**61.1**	**–**	**61.1**	54.4	–	54.4
Administrative expenses		**(6.3)**	**–**	**(6.3)**	(7.6)	–	(7.6)
Revaluation gain – property	9	**–**	**28.1**	**28.1**	–	9.6	9.6
Share-based payment charge		**(0.4)**	**–**	**(0.4)**	(0.3)	–	(0.3)
Gain on sale of property		**–**	**0.4**	**0.4**	–	0.9	0.9
Finance income		**–**	**–**	**–**	0.1	–	0.1
Finance costs	5	**(13.6)**	**–**	**(13.6)**	(13.3)	–	(13.3)
Profit before taxation		**40.8**	**28.5**	**69.3**	33.3	10.5	43.8
Taxation	6	**0.1**	**–**	**0.1**	–	–	–
Profit for the period attributable to equity holders of the parent		**40.9**	**28.5**	**69.4**	33.3	10.5	43.8
EPS – basic & diluted	7			**2.6p**			1.7p
EPRA EPS – basic & diluted	7	**1.5p**			1.3p		

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 2021

		Note	30 Sep 2021 Unaudited £m	31 Mar 2021 Audited £m
Non-current assets				
Investment property		9	**2,594.6**	2,453.3
Property work in progress			**13.2**	13.6
Property, plant and equipment			**0.4**	0.3
Investments			**1.4**	0.7
Deferred tax asset			**0.6**	0.5
			2,610.2	2,468.4
Current assets				
Cash, cash equivalents and restricted cash			**241.6**	46.6
Trade and other receivables			**25.3**	27.4
Property assets held for sale		9	**0.4**	14.7
			267.3	88.7
Total assets			**2,877.5**	2,557.1
Current liabilities				
Trade and other payables			**30.0**	40.7
Head lease liabilities			**0.1**	0.1
Deferred revenue		10	**26.5**	25.4
			56.6	66.2
Non-current liabilities				
Borrowings		11	**1,243.5**	948.7
Head lease liabilities			**5.4**	5.4
Deferred revenue		10	**7.4**	6.1
			1,256.3	960.2
Total liabilities			**1,312.9**	1,026.4
Net assets			**1,564.6**	1,530.7
Capital and reserves				
Share capital		12	**267.7**	267.2
Share premium			**765.7**	763.1
Merger reserve			**231.2**	231.2
Reserves			**300.0**	269.2
Total equity			**1,564.6**	1,530.7
NAV per Ordinary Share	– basic	8	**58.5**	57.3p
	– diluted	8	**58.4**	57.3p
EPRA NTA per Ordinary Share	– basic	8	**58.4**	57.3p
	– diluted	8	**58.4**	57.2p

The Interim Condensed Consolidated Financial Statements were approved at a meeting of the Board of Directors held on 10 November 2021 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 2021

	Note	Share capital £m	Share premium £m	Merger reserve £m	Reserves £m	Total equity £m
1 April 2020		241.3	595.5	231.2	234.4	1,302.4
Profit attributable to equity holders		–	–	–	43.8	43.8
Total comprehensive income		–	–	–	43.8	43.8
Issue of Ordinary Shares	12	24.0	161.0	–	–	185.0
Issue costs	12	–	(4.2)	–	–	(4.2)
Dividend	12, 14	0.8	4.7	–	(35.7)	(30.2)
Employee share-based incentives		0.1	–	–	–	0.1
30 September 2020 (Unaudited)		266.2	757.0	231.2	242.5	1,496.9
Profit attributable to equity holders		–	–	–	64.5	64.5
Total comprehensive income		–	–	–	64.5	64.5
Issue of Ordinary Shares	12	0.2	0.8	–	–	1.0
Issue costs	12	–	(0.1)	–	–	(0.1)
Dividend	12, 14	0.8	5.4	–	(37.9)	(31.7)
Employee share-based incentives		–	–	–	0.1	0.1
31 March 2021 (Audited)		267.2	763.1	231.2	269.2	1,530.7
Profit attributable to equity holders		–	–	–	69.4	69.4
Total comprehensive income		–	–	–	69.4	69.4
Issue of Ordinary Shares	12	0.1	0.4	–	–	0.5
Dividend	12, 14	0.3	2.2	–	(38.8)	(36.3)
Employee share-based incentives		0.1	–	–	0.2	0.3
30 September 2021 (Unaudited)		267.7	765.7	231.2	300.0	1,564.6

Interim condensed consolidated statement of cash flow
For the six months ended 30 September 2021

	Six months ended 30 Sep 2021 Unaudited £m	Six months ended 30 Sep 2020 Unaudited £m
Operating activities		
Rent received	**66.8**	56.3
Interest paid and similar charges	**(18.3)**	(16.2)
Fees received	**0.7**	0.7
Interest received	**–**	0.1
Cash paid to suppliers and employees	**(14.1)**	(12.9)
Net cash inflow from operating activities	**35.1**	28.0
Investing activities		
Purchase of investment property	**(84.2)**	(83.8)
Development expenditure	**(28.1)**	(30.6)
Proceeds from sale of property	**15.1**	23.0
Other investments and property, plant and equipment	**(0.8)**	(0.4)
Net cash outflow from investing activities	**(98.0)**	(91.8)
Financing activities		
Issue of Ordinary Shares	**–**	185.0
Issue costs paid on issuance of Ordinary Shares	**–**	(4.2)
Dividends paid	**(36.3)**	(30.2)
Repayment of loans	**–**	(80.0)
Long-term loans drawn down	**295.9**	298.1
Loan issue costs	**(1.7)**	(2.3)
Net cash inflow from financing activities	**257.9**	366.4
Increase in cash, cash equivalents and restricted cash	**195.0**	302.6
Opening cash, cash equivalents and restricted cash	**46.6**	18.5
Closing cash, cash equivalents and restricted cash	**241.6**	321.1

Notes to the interim condensed consolidated financial statements
For the six months ended 30 September 2021

1. Corporate information

The Interim Condensed Consolidated Financial Statements of the Group for the six months ended 30 September 2021 were authorised for issue in accordance with a resolution of the Directors on 10 November 2021.

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 2021 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 2021 to 30 September 2021 with comparatives for the six-month accounting period from 1 April 2020 to 30 September 2020, or 31 March 2021 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 2021 which were prepared in accordance with IFRSs adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The March 2022 accounts will be prepared in accordance with UK adopted international accounting standards.

The accounts are prepared on a going concern basis (see Additional Statements 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 2021 and to 30 September 2020 are unaudited. The interim accounts do not constitute statutory accounts. The financial information for the year ended 31 March 2021 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 2021 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 consistent with those followed in the preparation of the Group's Annual Report for the year ended 31 March 2021.

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

5. Finance costs

	Six months ended 30 Sep 2021 £m	Six months ended 30 Sep 2020 £m
Interest payable	**13.8**	13.5
Interest capitalised on developments	**(0.8)**	(1.1)
Amortisation of loan issue costs	**0.6**	0.9
Total finance costs	**13.6**	13.3

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 19% in 2021/22 (2020/21: 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 2021 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 2021.

7. Earnings per Ordinary Share

	Earnings 2021 £m	**EPRA earnings 2021 £m**	Earnings 2020 £m	EPRA earnings 2020 £m
Profit for the period from continuing operations	**69.4**	**69.4**	43.8	43.8
Revaluation & fair value adjustments		**(28.1)**		(9.6)
Profit on sale of property		**(0.4)**		(0.9)
EPRA earnings		**40.9**		33.3
Additional Company adjustment				
Add back: One off Assura Community Fund contribution		**–**		2.5
Adjusted EPRA earnings (exc. Community Fund contribution)		**40.9**		35.8
EPS – basic & diluted				1.3p
EPRA EPS – basic & diluted	**2.6p**	**1.5p**	1.7p	
Adjusted EPRA EPS (exc. Community Fund) – basic & diluted		**1.5p**		1.4p

	30 Sep 2021	30 Sep 2020
Weighted average number of shares in issue	**2,675,927,670**	2,649,839,615
Potential dilutive impact of share options	**1,284,588**	1,953,589
Diluted weighted average number of shares in issue	**2,677,212,258**	2,651,793,204

The current estimated number of potentially dilutive shares relates to nil-cost options under the share-based payment arrangements and is 1.3 million (Sep-20: 2.0 million; Mar-21: 1.6 million).

8. NAV per Ordinary Share

30 Sep 2021 £m		**IFRS**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS net assets		**1,564.6**	**1,564.6**	**1,564.6**	**1,564.6**
Deferred tax			(0.6)	(0.6)	–
Fair value of debt			–	–	36.8
Real estate transfer tax			166.3	–	–
EPRA adjusted NAV			**1,730.3**	**1,564.0**	**1,601.4**
per Ordinary Share	– basic	**58.5p**	**64.6p**	**58.4p**	**59.8p**
	– diluted	**58.4p**	**64.6p**	**58.4p**	**59.8p**

31 Mar 2021 £m		IFRS	EPRA NRV	EPRA NTA	EPRA NDV
IFRS net assets		1,530.7	1,530.7	1,530.7	1,530.7
Deferred tax			(0.5)	(0.5)	–
Fair value of debt			–	–	(34.6)
Real estate transfer tax			158.8	–	–
EPRA adjusted NAV			1,689.0	1,530.2	1,496.1
per Ordinary Share	– basic	57.3p	63.2p	57.3p	56.0p
	– diluted	57.3p	63.2p	57.2p	56.0p

	30 Sep 2021	31 Mar 2021
Number of shares in issue	**2,676,915,938**	2,671,853,938
Potential dilutive impact of share options (Note 7)	**1,284,588**	1,637,671
Diluted number of shares in issue	**2,678,200,526**	2,673,491,609

The EPRA measures set out above are in accordance with the Best Practices Recommendations of the European Public Real Estate Association dated October 2019.

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

Investment properties are stated at fair value as at 30 September 2021. The fair value has been determined by the Group's external valuers, CBRE, Cushman & Wakefield and JLL. Properties have been valued individually and on the basis of open market value in accordance with RICS Valuation – Professional Standards 2020 ("the Red Book"). Property assets comprises investment property and investment property under construction ("IPUC").

	30 Sep 2021			31 Mar 2021		
	Investment property £m	**IPUC £m**	**Total £m**	Investment property £m	IPUC £m	Total £m
Opening market value	**2,404.3**	**43.5**	**2,447.8**	2,075.9	57.5	2,133.4
Additions:						
– acquisitions	**81.3**	**–**	**81.3**	228.9	–	228.9
– improvements	**3.4**	**–**	**3.4**	4.6	–	4.6
	84.7	**–**	**84.7**	233.5	–	233.5
Development costs	**–**	**28.1**	**28.1**	–	56.9	56.9
Transfers	**34.8**	**(34.8)**	**–**	77.7	(77.7)	–
Transfer to assets held for sale	**–**	**–**	**–**	(14.3)	–	(14.3)
Capitalised interest	**–**	**0.8**	**0.8**	–	1.9	1.9
Disposals	**(0.4)**	**–**	**(0.4)**	(5.2)	–	(5.2)
Unrealised surplus on revaluation	**27.0**	**1.1**	**28.1**	36.7	4.9	41.6
Closing market value	**2,550.4**	**38.7**	**2,589.1**	2,404.3	43.5	2,447.8
Add head lease liabilities recognised separately	**5.5**	**–**	**5.5**	5.5	–	5.5
Closing fair value of investment property	**2,555.9**	**38.7**	**2,594.6**	2,409.8	43.5	2,453.3

	30 Sep 2021 £m	31 Mar 2021 £m
Market value of investment property as estimated by valuer	**2,546.6**	2,400.4
Add IPUC	**38.7**	43.5
Add capitalised lease premiums and rental payments	**3.8**	3.9
Add head lease liabilities recognised separately	**5.5**	5.5
Fair value for financial reporting purposes	**2,594.6**	2,453.3
Completed investment property held for sale	**–**	14.3
Land held for sale	**0.4**	0.4
Total property assets	**2,595.0**	2,468.0

	30 Sep 2021 £m	31 Mar 2021 £m
Investment property	**2,546.6**	2,400.4
Investment property held for sale	**–**	14.3
Total completed investment property	**2,546.6**	2,414.7

	30 Sep 2021 £m
Assets held for sale at 1 April 2021	**14.7**
Disposals during the period	**(14.3)**
Assets held for sale at 30 September 2021	**0.4**

As at 30 September 2021, 1 asset is held as available for sale (31 March 2021: 11 assets).

Fair value hierarchy

The fair value measurement hierarchy for all investment property and investment property under construction ("IPUC") as at 30 September 2021 was Level 3 – significant unobservable inputs (March 2021: 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 2021 continues to apply to the portfolio as at 30 September 2021.

10. Deferred revenue

	30 Sep 2021 £m	31 Mar 2021 £m
Arising from rental income received in advance	**25.9**	24.9
Arising from pharmacy lease premiums received in advance	**8.0**	6.6
	33.9	31.5
Current	**26.5**	25.4
Non-current	**7.4**	6.1
	33.9	31.5

11. Borrowings

	30 Sep 2021 £m	31 Mar 2021 £m
At beginning of the period/year	**948.7**	841.5
Amount issued or drawn down in period/year	**295.9**	298.1
Amount repaid in period/year	**–**	(190.0)
Loan issue costs	**(1.7)**	(3.2)
Amortisation of loan issue costs	**0.6**	1.6
Write off of loan issue costs	**–**	0.7
At the end of the period/year	**1,243.5**	948.7

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. Five-year club revolving credit facility with Barclays, HSBC, NatWest and Santander for £125 million on an unsecured basis at an initial margin of 1.60% above LIBOR subject to LTV and expiring in November 2024. The margin increases based on the LTV of the subsidiaries to which the facility relates, up to 1.95% 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 2021, the facility was undrawn (31 March 2021: undrawn). The facility was £300 million as at March 2021 and during the period the decision was taken by the Company to reduce the facility to £125 million.
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 2021 £m**	31 Mar 2021 £m
Investment property	**2,555.9**	2,409.8
Investment property under construction	**38.7**	43.5
Held for sale	**0.4**	14.7
Total property	**2,595.0**	2,468.0
Loans	**1,243.5**	948.7
Head lease liabilities	**5.5**	5.5
Cash	**(241.6)**	(46.6)
Net debt	**1,007.4**	907.6
LTV	**39%**	37%

12. Share capital

	Number of shares 30 Sep 2021	**Share capital 30 Sep 2021 £m**	Number of shares 31 Mar 2021	Share capital 31 Mar 2021 £m
Ordinary Shares of 10 pence each issued and fully paid				
At 1 April	**2,671,853,938**	**267.2**	2,413,241,827	241.3
Issued 9 April 2020	**–**	**–**	240,207,920	24.0
Issued 15 April 2020 – scrip	**–**	**–**	6,543,440	0.7
Issued 15 July 2020 – scrip	**–**	**–**	1,290,983	0.1
Issued 22 July 2020	**–**	**–**	676,549	0.1
Issued 4 September 2020	**–**	**–**	213,319	–
Issued 14 October 2020 – scrip	**–**	**–**	1,879,606	0.2
Issued 4 November 2020	**–**	**–**	1,199,598	0.1
Issued 13 January 2021 – scrip	**–**	**–**	6,433,015	0.7
Issued 5 February 2021	**–**	**–**	167,681	–
Issued 9 April 2021	**682,128**	**0.1**	–	–
Issued 14 April 2021 – scrip	**3,011,418**	**0.3**	–	–
Issued 7 July 2021	**867,377**	**0.1**	–	–
Issued 14 July 2021 – scrip	**501,077**	**–**	–	–
Total at 30 September/31 March	**2,676,915,938**	**267.7**	2,671,853,938	267.2
Own shares held	**–**	**–**	–	–
Total share capital	**2,676,915,938**	**267.7**	2,671,853,938	267.2

The Ordinary Shares issued in April 2020, July 2020, October 2020, January 2021, April 2021 and July 2021 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 2021, this increased share capital by £0.3 million and share premium by £2.2 million.

In April 2020, a total of 240,207,920 new Ordinary Shares were placed at a price of 77 pence per share. The equity raise resulted in gross proceeds of £185.0 million which has been allocated appropriately between share capital (£24.0 million) and share premium (£161.0 million). Issue costs totalling £4.3 million were incurred and have been allocated against share premium.

The Ordinary Shares issued on 4 November 2020 and 9 April 2021 were issued as part consideration for the acquisition of medical centres.

The Ordinary Shares issued in July 2020, September 2020, February 2021 and July 2021 relate to employee share awards under the Performance Share Plan.

13. Dividends paid on Ordinary Shares

Payment date	Pence per share	Number of Ordinary Shares	**Six months ended 30 Sep 2021 £m**	Six months ended 30 Sep 2020 £m
15 April 2020	0.697	2,413,241,824	**–**	16.8
15 July 2020	0.71	2,654,993,187	**–**	18.9
14 April 2021	0.71	2,671,853,938	**19.0**	–
14 July 2021	0.74	2,675,547,484	**19.8**	–
			38.8	35.7

A dividend of 0.74 pence per share was paid to shareholders on 13 October 2021.

14. Commitments

At the period end the Group had 12 committed developments on site (31 March 2021: 16) with a contracted total expenditure of £71.9 million (31 March 2021: £72.5 million) of which £30.6 million (31 March 2021: £36.6 million) had been expended. The remaining commitment is therefore £41.3 million (31 March 2021: £35.9 million).

Independent review report to Assura plc
For the six months ended 30 September 2021

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2021 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 2021 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 and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. 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 will be 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".

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.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion is 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 Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
Manchester, UK
10 November 2021

Glossary and calculations

AGM is the Annual General Meeting.

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.

Clinical Commissioning Groups ("CCGs") are the groups of GPs and other healthcare professionals responsible for commissioning primary and secondary healthcare services in their locality.

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 £54.4 million, calculated as net rental income (£61.1 million) less administrative expenses (£6.3 million) and share-based payment charge (£0.4 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 NAV is IFRS NAV adjusted to reflect certain assets at fair value and exclude long-term items not expected to crystallise. This has now been replaced by EPRA NTA. See Note 8.

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.

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.

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.

EPRA "topped up" NIY incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods or other unexpired lease incentives.

EPRA NNNAV is EPRA NAV adjusted to include the fair value of debt, financial instruments and deferred tax This has now been replaced by EPRA NDV. See Note 8.

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.

GMS is General Medical Services.

Gross Rental Income is the gross accounting rent receivable.

Group is Assura plc and its subsidiaries.

IFRS is International Financial Reporting Standards as adopted by the European Union.

Interest Cover is the number of times net interest payable is covered by EBITDA. In the current period net interest payable is £13.6 million, EBITDA is £54.4 million, giving interest cover of 4.0 times.

KPI is a Key Performance Indicator.

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. The MSCI All Healthcare Index refers to the MSCI UK Annual Healthcare Property Index, incorporating all properties reported to MSCI for the 12 months to December that meet the definition of healthcare.

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 (before one off charitable donation of £2.5 million in prior period) to the average gross investment property value. This ratio during the period equated to 0.25%. This is calculated as administrative expense of £6.3 million divided by the average property balance of £2,523 million (opening £2,453 million plus closing £2,595 million, divided by two).

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.

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 2021 the rent roll was £127.5 million (March 2021: £121.7 million) and the growth in the six months was £5.8 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.

Reversionary Yield is the anticipated yield which the initial yield will rise to once the rent reaches the ERV and when the property is fully let. It is calculated by dividing the ERV by the valuation.

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

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 2021) was 57.2 pence per share, closing EPRA NTA was 58.4 pence per share, and dividends paid total 1.45 pence per share giving a return of 4.6% 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 2021, the total contracted rental income was £1.61 billion (March 2021: £1.57 billion) and the growth in the six months was £38.8 million.

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 2021, the calculation is net rental income of £61.1 million plus revaluation of £28.1 million giving a return of £89.2 million, divided by £2,556.7 million (opening investment property £2,400.7 million and IPUC £43.5 million plus additions of £84.7 million and development costs of £28.1 million). This gives a Total Property Return in the six months of 3.5%.

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 2021 was 72.5 pence, at 30 September 2021 it was 71.55 pence, and dividends paid during the period were 1.45 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.