21 May 2024

Assura plc

Good operational and strategic progress; further dividend increase announced

Assura plc ("Assura"), the specialist healthcare property investor and developer, today announces its results for the year ended 31 March 2024.

Jonathan Murphy, CEO, said:

“We have continued our track record of growth to deliver another period of increased EPRA earnings and dividend, driven by our disciplined approach to investment, extensive sector expertise, and ability to identify new market opportunities. It is these capabilities, underpinned by our strong financial position and secure balance sheet, that make Assura best placed to meet the critical need for new and enhanced healthcare capacity in a community setting.

“Our portfolio continues to deliver high-quality cash flows, against a turbulent economic backdrop, as we further demonstrate our long-term resilience with another year of strong financial performance – increasing rental income by 4% to £143.3 million. Opportunities across broader healthcare markets, each identified as meeting the same underlying demand and offering attractive risk-adjusted investment characteristics, are becoming meaningful contributors to Assura’s £2.7bn portfolio and cash flows. Our five completions reflect the shifting demand in the healthcare sector and include schemes for private operators such as a state-of-the art day case hospital in Kettering as well as our first development in Ireland.

“We have today separately announced a £250m joint venture with USS is an exciting transaction that will further strengthen our balance sheet whilst diversifying the available funding sources to support Assura’s continued growth trajectory. The long-term partnership aligns with cross-party political support for investment into essential NHS community healthcare buildings that are so needed to enable better health outcomes.

“Assura is the partner of choice for the future – best positioned to provide high-quality, sustainable new premises for the delivery of health services in the community – and deliver long-term value for all stakeholders.”

Attractive and resilient assets with another period of EPRA earnings and dividend growth

- Passing rent roll increased 5% to £150.6 million (2023: £143.4 million) with WAULT of 10.8 years
- Net rental income up 4% to £143.3 million (2023: £138.0 million)
- Investment property value £2,708 million (March 2023: £2,738 million)
- Net Initial Yield (“NIY”) widened 30 basis points to 5.17% (March 2023: 4.87%)
- EPRA earnings up 6% to £102.3 million (2023: £96.8 million) and EPRA EPS of 3.4p (2023: 3.3p)
- IFRS loss before tax £28.7 million (2023: £119.2 million) and EPS (1.0)p (2023: (4.0)p), reflecting a 4% like-for-like valuation decline driven by outward yield shift
- 2.4% increase in the quarterly dividend to 0.84 pence per share (3.36 pence on an annual basis) with effect from the July 2024 payment

Answering critical need for new health care capacity in a community setting

- Portfolio of 614 high-quality primary care properties serving 6.4 million people across the UK
- Five developments completed in the period (completion value £72 million) and one acquisition in Ireland (Wicklow) that includes opportunity for a significant asset enhancement project
- Completed eight asset enhancement capital projects (total spend £8.9 million); on site with five (total spend £4.0 million)
- Rent reviews generated a like-for-like increase of 8.9% on 24% of rent roll reviewed (weighted average annual rent increase of 3.9%[1])

£250 million joint venture; to further strengthen balance sheet and support Assura’s growth trajectory

- Assura today announces strategic partnership with USS, the principal pension scheme for universities and Higher Education institutions in the UK, focused solely on assets let directly to NHS or GP tenants
- Long-term partnership will support investment into essential NHS community healthcare buildings, to help address the current patient backlog and meet demand for modern, flexible healthcare properties

- Seeded with an initial agreed portfolio of seven assets from Assura's existing portfolio valued at £107 million; targeting growth to £250 million over the next three years with the potential to increase this to £400 million
- Assura will act as property manager, with an appropriate asset management fee linked to vehicle gross asset value, as well as retaining 20% of the equity interest

Good momentum from strategic expansion into broader healthcare markets

- Opportunities across broader healthcare markets becoming meaningful contributors to portfolio and cash flow – each identified as closely aligned with existing portfolio with a strong underlying tenant covenant, and significant future growth potential:
  - Private health: Completion of newly built state-of-the-art day case hospitals in Kettering and Guildford
  - NHS Trusts: On site developments include two schemes directly with NHS Trusts including £25 million Northumbria Training Academy in Cramlington (completed post year end) and £11 million net zero carbon in operation Ambulance Hub in Bury St Edmunds
  - Mental health: Currently on site with children's therapy centre in Fareham
  - Ireland: Four standing investments in Ireland – one with a significant development opportunity; on site with one in-house development and two forward funding projects with a further two in the immediate pipeline

Disciplined investment activity with pipeline of attractive opportunities

- On site with eight developments; total cost of £92 million (March 2023: 11, £129 million) of which £42 million is remaining to be spent
- Immediate development pipeline of five schemes (total cost £28 million), and extended pipeline of 34 schemes (total cost £423 million)
- Pipeline of 18 asset enhancement capital projects (projected spend of £9 million) over the next two years

The Bigger Picture: Health at the heart of all decision-making

- Relaunched ESG strategy The Bigger Picture to provide lens to view strategic decisions
- Three pillars of Healthy Environment, Healthy Communities and Healthy Business. In the year to 31 March 2024:
  - Healthy Environment: 45 energy efficient building upgrades delivered in the year, saving 1.9m kWh per year. 66% of portfolio now at EPC B or better (2023: 53%); on site with first two net zero carbon developments at Fareham and Winchester, and net zero carbon in operation scheme at Bury St Edmunds
  - Healthy Communities: five new developments completed to benefit communities; £3.40 of social value generated from every £1 donated and team volunteering hours significantly increased year on year; Assura Community Fund has committed over £2.0 million since 2020 to community health related projects
  - Healthy Business: 11th consecutive year of dividend growth and named in the Top 10 of the FTSE 250 Women Leaders 2023 review
- Intention to become a B-Corp; giving strong external accreditation of our approach to social responsibility. Expected to be the first FTSE 250 entity to achieve this. Certification to be ratified following AGM in July 2024

Robust financial position and balance sheet

- Weighted average interest rate unchanged at 2.30% (March 2023: 2.30%); all drawn debt at fixed rates
- Weighted average debt maturity of 6 years, no refinancing on drawn debt due until October 2025. Over 50% of drawn debt matures beyond 2030, with our longest maturity debt at our lowest rates
- Revolving credit facilities refinanced in October 2023, increased to £200 million, reduced overall cost and adding sustainability-linked KPIs
- Net debt of £1,217 million on a fully unsecured basis with cash and undrawn facilities of £235 million (including refinanced RCF)

Summary results

Financial performance	**March 2024**	**March 2023**	**Change**
Net rental income	£143.3m	£138.0m	3.8%
IFRS loss before tax	£(28.7)m	£(119.2)m	(75.8)%
IFRS loss per share	(1.0)p	(4.0)p	
EPRA earnings per share	3.4p	3.3p	3.0%
Dividend per share	3.24p	3.08p	5.2%
Property valuation and performance	**March 2024**	**March 2023**	**Change**
Investment property	£2,708m	£2,738m	(1.1)%

Diluted EPRA NTA per share	49.3p	53.6p	(8.0)%
Rent roll	£150.6m	£143.4m	5.0%
Financing	**March 2024**	**March 2023**	**Change**
Net debt to EBITDA	9.4x	9.1x	
Undrawn facilities and cash	£235m	£243m	(3.3)%
Weighted average cost of debt	2.30%	2.30%	No change

[1] Weighted average annual uplift on all settled reviews

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.

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A presentation for investors and analysts followed by live Q&A will be hosted at the London Stock Exchange on 21 May 2024 at 9.00am BST. The event will also be streamed live at the following link, and shortly after the event a full recording will be available.

Webcast link: https://brrmedia.news/AGR_FY23

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No 596/2014 and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

Notes to Editors
Assura plc is the UK's leading specialist healthcare property investor and developer. Assura enables better health outcomes through its portfolio of more than 600 healthcare buildings, from which over six million patients are served.

A UK REIT based in Altrincham, Assura is a constituent of the FTSE 250 and the EPRA* indices. As at 31 March 2024, Assura's portfolio was valued at £2.7 billion and has a strong track record of growing financial returns and dividends for shareholders.

At Assura, we BUILD for health, having developed over 100 new healthcare buildings in our history, and at the heart of our strategy sits The Bigger Picture; Healthy Environment (E), Healthy Communities (S), Healthy Business (G).

Further information is available at www.assuraplc.com

Assura plc LEI code: 21380026T19N2Y52XF72

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

Chair's statement

Delivering growth for our shareholders

I am pleased to be reporting to you on another year in which we have delivered for all of our stakeholders – delivering new buildings for health services, delivering building upgrades and sustainability improvements, delivering social value through our community initiatives and delivering growth for our shareholders.

The delivery of health services in the UK is a subject which is so often front and centre of the political agenda and is incredibly important to the population of the UK. The NHS faces many challenges: long waiting lists, an ageing population with increasingly complex health needs, budgetary pressures, ageing infrastructure and a wave of medical and technological innovations. All of these will need to be addressed in the coming years.

Whilst the NHS continues to be a system of which we, in the UK, are rightly proud, it is also a system that needs help to continue to adapt and deliver the changes a fit-for-purpose health service requires.

There are many improvements that can be made to achieve this. Moving services out of hospital into a community-setting. Shifting the focus to prevention from treatment. Investing in an estate which has a growing maintenance backlog. Training the staff needed to deliver the healthcare of the future. Harnessing the power of digital delivery and access. Thinking about sustainability as an investment for improved long-term cost efficiency. All areas that can be enabled through Assura's expertise and experience.

Increasingly, the NHS is supported by, or patients choose to be seen by, the private sector. Embracing the help of the private sector from capacity to expertise can enable the health system as a whole to become more efficient. Jonathan's CEO Statement covers why we consider private assets, and those in broader healthcare markets, as attractive investments. What is most important is that patients get early diagnoses and then are treated promptly and efficiently – something that Assura enables by creating standout quality facilities that provide capacity to support high quality patient care and improved patient outcomes.

We continue to run our business for the long term, including conservatively managing our balance sheet. Whilst the recent economic headwinds have led to many difficult decisions around capital allocation and cost control, our long-term prospects remain strong. The recent valuation movement of our portfolio has no impact on our occupiers or the underlying quality of our cash flows.

We are proud to have delivered another year of growth in earnings and dividend for shareholders.
This growth has not come at the expense of our other stakeholders, who remain at the centre of our strategic decision making. Our re-launched ESG strategy, The Bigger Picture, doesn't change what we are doing. It does, however, provide us with a lens through which to frame our decisions – thinking about ensuring a Healthy Environment, positively contributing to Healthy Communities and remaining a Healthy Business. We believe our approach leaves us well-placed to capture more than our fair share of opportunities over the long term.

Even in times of adversity, The Bigger Picture sets the long term expectation from the public.

Once again I would like to reiterate that all the great things our business does would not be possible without the skill and dedication of our team. We promote creative thinking – our buildings are not 'one size fits all' and that speaks to the approach we collectively take. We pride ourselves on the strength of our long term relationships, which ultimately comes down to how everyone within our organisation operates and conducts themselves.

We continue to look to the future with a high degree of optimism – seeing myriad ways that our business can grow and deliver for all of our stakeholders, economic returns, innovation, expertise, ultimately enabling better health outcomes.

Ed Smith CBE
Non-Executive Chair
21 May 2024

CEO statement

Delivering essential healthcare infrastructure to create value for all stakeholders

Assura is a business built for the long-term, enabling better health outcomes to create value for all our stakeholders.

As the leading investor and developer of healthcare buildings in a community setting, Assura is best-placed to meet the critical need for delivery of fit-for-purpose, sustainable healthcare buildings leveraging our extensive sector experience and taking a consistently, disciplined investment approach.

The UK is facing a healthcare crisis, and the nation's ageing population combined with unrelenting hospital waiting lists continues to drive significant demand for investment in healthcare infrastructure.

This demand for investment in improved and more diverse health facilities has received cross-party political support, with countless reports highlighting the need to move services out of hospital and tackle health inequalities within communities in a cost-effective way. 2024 is set to be an election year and the NHS will undoubtedly be a key election topic, already having been granted considerable air time by all the major political parties in recent months. Whichever party is in Government post-election, our expectation is that there will continue be a desire to demonstrate improvements in health services during the next parliamentary term. Investment in community healthcare is an obvious way to achieve this – easing pressure on the NHS, benefiting patients, focusing on prevention rather than treatment, and ultimately making the health system more efficient over the long-term.

It is these essential health spaces that Assura invests in and develops, across healthcare markets including for private providers, and our resilient cash flows which have delivered growing dividends to our shareholders, underpinned by long-term healthcare demands.

Our decision making is on a long-term basis too and is why we continue to illustrate discipline in our investment and development activities, waiting for the right opportunities and adapting as our cost of capital has evolved over the past 18 months in response to the macro-economic environment. We have moved on site with five developments in the year as rent negotiations catch up with the current cost of new buildings. We see pockets of improvement in certain locations around the country, generally where demand is strongest, and maintain our push for a wider unlocking.

Recognising the evolving and diversified nature of healthcare demand in communities, we continue to develop opportunities in broader healthcare markets: with NHS Trusts, partnerships with private providers, provision of mental health service infrastructure and expansion into Ireland. We identified all of these areas as demonstrating the same underlying market demand for more investment in health buildings; structural trends that support this demand; offering attractive risk-adjusted investment characteristics with long leases and a secure cash flow stream; and benefitting from Assura's extensive sector experience, expertise and long-term relationships.

We have a strong financial position, with a secure balance sheet, A- investment grade credit rating from Fitch and a debt book, one of the best in the UK listed real estate sector, that is fully fixed at a rate of 2.3% and with a maturity of 6 years. These characteristics position us well for the long-term as we continue to invest in our capabilities to remain best-placed to meet the needs of our customers.

Intrinsic to delivering better outcomes for all our stakeholders is our ESG focus – which underpins everything we do at Assura as we support the communities and environments we serve to deliver associated long-term health benefits.

Our newly refreshed ESG strategy – the Bigger Picture – provides three clear pillars of Healthy Environment, Healthy Communities and Healthy Business, against which to align our strategic decisions, central to which sits Assura's high quality team. Our success would not be possible without this team, and we were delighted to see strong positive results from our staff engagement survey as well as recognition for our gender diversity - being Top 10 for the FTSE 250 Women Leaders 2023 review.

Financial and operational performance

Our business is built on the reliability and resilience of the long-term, secure cash flows from our high-quality £2.7 billion portfolio of 614 properties alongside our efficient capital structure.

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

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. We made one acquisition in Ireland and have closely monitored our on site developments to deliver them on budget. We celebrated our 100th development completion of Prestbury Medical Centre in Wolverhampton, with a total of five completions (£72 million) during the year that also included schemes for private operators such as a state-of-the art day case hospital in Kettering and a cancer care facility in Guildford as well as our first development completion in Ireland: Kilbeggan Medical Centre. These diverse schemes, alongside the contribution from portfolio management, enabled us to deliver 4% growth in net rental income to £143.3 million, and our passing rent roll stands at £150.6 million 5% higher than 12 months ago.

…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.

This year, the team completed 307 rent reviews (generated an 8.9% uplift on the rent reviewed), 15 lease re-gears, and invested in eight capital projects and 45 sustainability improvements. Collectively these added £3.4 million to our rent roll, offering attractive growth for modest capital outlay. Our total contracted rental income, which is a combination of our passing rent roll and lease length, stands at £1.8 billion, our weighted average unexpired lease term is 10.8 years and 95% of our income comes from GPs, the NHS, the HSE, pharmacies or established private operators.

…and carefully controlling our balance sheet and cost base…

Despite the impact of inflation, we reduced administrative expenses and our EPRA Cost Ratio fell. The decline in valuation, albeit lower than in the previous year nevertheless resulted in us recording an IFRS loss of £29 million or 1.0 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 2024.

All of our drawn debt has fixed interest, at an average of 2.3%, a weighted average maturity of 6 years and we have no significant refinancings due in the next four years.

…to deliver earnings growth that supports our dividend policy.

These elements have enabled us to continue our track record of growth year on year. Our EPRA earnings have increased by 6% to £102.3 million which translates to an EPRA EPS of 3.4 pence per share.

The strength of our income and the growth we have delivered is reflected in our fully covered dividend payments, which we have now increased for 11 consecutive years. Alongside these results, we announce a 2% increase in the quarterly dividend payment to 0.84 pence with effect from the July 2024 payment, equivalent to 3.36 pence per share on an annualised basis.

Assura outlook

The primary care market remains a challenging environment in which to achieve external growth, with delays in agreeing the rents required for new build developments to be commercially viable. The underlying demand for new buildings remains high, so we are confident that this position will unlock in due course, and pockets of opportunity have started to emerge in some regions. 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.

Our focus over the past 12 months has been on efficiently delivering our on site schemes and driving internal growth, as well as continuing to grow our longer term pipeline of opportunities across broader healthcare markets.

We are currently on site with eight developments (remaining spend £42 million) of which six are due to complete in 2024 and so will positively boost our rental income in the coming months, as well as having attractive long term rental growth characteristics.

The make-up of schemes we have completed in recent years is where we have seen change. Our five completions include only two UK medical centres (in Kings Lynn and Wolverhampton) – the others being two treatment centres for private providers (Guildford and Kettering) and one primary care community centre in Ireland (Kilbeggan), building on our successes in recent years with the West Midlands Ambulance Hub and several private day-case hospitals.

Similarly, our eight on site schemes include two UK medical centres (Southampton and Winchester). The others include three Irish schemes (Castlebar, Birr and Ballybay), two buildings for NHS Trusts (Cramlington and Bury St Edmunds) and an NHS children's therapy centre (Fareham).

Our capital markets event in February highlighted the attraction of these broader healthcare markets, with very similar investment characteristics to our existing portfolio – long leases, upward only rent reviews, and, most importantly, underpinned by the long-term health needs in each particular location that gives us a strong underlying occupier covenant. All of these areas offer attractive growth in the future, both short- and long-term, and we expect these, collectively, to become increasingly meaningful contributors to our rental growth and earnings, alongside the strong prospects in the primary care market.

Having completed eight asset enhancement projects (£8.9 million) in the period, we are on site with a further six (total spend £4.0 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 reconfiguration and lease regear at Ling House in Keighley, and a sustainability linked upgrade in Banbury (conversion to an air source heat pump). Crucially each of these responds to specific local and community needs for health services and associated infrastructure. Delivering projects such as these helps us serve our customers best, as well as driving long-term returns from the assets in our portfolio.

Market outlook

Assura has a vital role as a partner to a range of health providers to ease the pressures faced by the system, whether with GPs, with NHS Trusts, mental health services, private providers or the HSE in Ireland. Our unique set of skills leaves us well-placed to capture opportunities across these identified areas.

Health providers need a specialist health care landlord to develop new premises or to improve their existing estate and Assura's long-term relationships in healthcare, focus on social impact and sustainability, and capabilities across development and asset enhancements means we can offer health care providers a complete, long-term solution.

We are the partner of choice for the future: 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 and responding to shifting demand in the healthcare sector.

This approach means we are enabling our customers, and partners, to do what they do best – delivering quality health care services and better patient outcomes.

Jonathan Murphy
CEO
21 May 2024

CFO Review

A disciplined approach creating growing returns for investors

Despite the turbulent economic backdrop, our portfolio continues to deliver high-quality cash flows, which combine with our disciplined cost control and fixed-rate debt book to deliver growing EPRA earnings.

We have continued to demonstrate our long-term resilience with another year of strong financial performance. Our focus has been on delivering our on site developments and generating internal growth from rent reviews and asset enhancement activities.

This year we successfully refinanced our revolving credit facility with improved terms; increasing the size of the facility, reducing the costs and adding sustainability-linked KPIs. The improved terms are a reflection of the strength of our business, which also saw our A- rating from Fitch reaffirmed with a stable outlook.

Despite the wider macroeconomic uncertainty, with the inflationary environment and increase in interest rates, the strong financial performance highlights the resilience of our assets in generating high-quality cash flows. 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 and cost control. The long-term, fixed and sustainable financing in place, and the reduction in administrative expenses, despite the inflationary environment, means 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 measured normally in the Glossary, are included where possible.

Portfolio as at 31 March 2024 £2,708.3 million (2023: £2,738.0 million)

Our business is based on our investment portfolio of 614 properties (2023: 608).

This has a passing rent roll of £150.6 million (2023: £143.4 million), 79% of which is underpinned by the NHS. The WAULT is 10.8 years (2023: 11.2 years) and we have a total contracted rent roll of £1.76 billion (2023: £1.77 billion).

At 31 March 2024 our portfolio of completed investment properties was valued at a total of £2,652.1 million (2023: £2,667.4 million), which produced a net initial yield ("NIY") of 5.17% (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 5.41% (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 5.43% (2023: 5.12%).

Our EPRA NIY, based on our passing rent roll and latest annual direct property costs, was 5.08% (2023: 4.77%).

	2024 £m	2023 £m
Net rental income	**143.3**	138.0
Valuation movement	**(131.5)**	(215.3)
Total Property Return	**11.8**	(77.3)

Reflecting the recent unstable macroeconomic backdrop and movement in gilt yields, we, like most real estate companies, recorded a loss on valuation of £131.5 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 0.4% for the year (2023: negative 2.6%).

The net valuation loss represents a 4% movement on a like-for-like basis (prior year 6.4%). However, this was offset by the positive actions we have taken in the year to improve the portfolio – with 15 lease regears, eight capital projects and £3.4 million additional rent from asset enhancement activities.

As a comparison, the 10-year and 15-year UK gilts moved significantly in the year, now standing at 3.93% and 4.23% respectively (2023:3.49% and 3.78% respectively).

Portfolio additions

We have continued to take a disciplined approach to investment in the period, with primary spending relating to on site developments and asset enhancement capital projects. This follows on from the slowdown in activity which commenced around October 2022 following the economic uncertainty in the UK which preceded an increase in interest rates.

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:

	2024 £m
Acquisitions	**13.2**
Completed developments	**71.8**
Additions	**85.0**
Disposals	**(3.4)**
Asset enhancement & sustainability	**15.7**
Net investment	**97.3**

We have completed one acquisition in Ireland, five developments reached practical completion and completed eight asset enhancement capital projects. These activities focused on completing outstanding commitments, and opportunities for generating internal growth.

These additions were at a combined total cost of £85 million with a combined initial passing rent of £3.8 million and a WAULT of 25 years.

Development activity

We completed five developments during the year, with a completion value of £71.8 million. The completions reflected a mix of GP surgeries (two including the 100th development in our 20-year history, Prestbury Medical Practice in Wolverhampton) and broader healthcare markets (two private day case units in Kettering and Guildford, and our first completion in Ireland at Kilbeggan).

Reflecting our disciplined approach in response to the current economic backdrop, only three schemes have moved on site during the year. All three are in broader healthcare markets with two in Ireland and one ambulance hub in Bury St Edmunds, meaning that we have eight schemes on site at 31 March 2024. These eight schemes have a combined development cost of £91.2 million, of which £42.0 million is remaining to be spent as at the year end.

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, ensuring all aspects are fixed before we commence. We have an immediate pipeline of five properties (estimated cost £28 million, which we would hope to be on site within 12 months) and an extended pipeline of 34 properties (estimated cost £423 million, appointed exclusive partner and awaiting NHS approval).

Live developments and forward funding arrangements

	Forward fund/ in house	Principal occupier	Estimated completion date	Total development costs £m	Costs to date £m	Size sq.m
Ballbay	FF	HSE	Q4 24	4.3	1.2	1,695
Birr	FF	HSE	Q3 25	15.3	0.9	5,000
Bury St Edmunds	In house	NHS Trust	Q2 24	11.1	8.0	2,900
Castlebar	In house	HSE	Q2 25	11.9	1.0	4,200
Cramlington	In house	NHS Trust	Q2 24	26.7	23.5	6,500
Fareham	In house	NHS Trust	Q4 24	5.2	2.1	950
Southampton	In house	GPs	Q2 24	8.3	7.9	1,385
Winchester	In house	GPs	Q3 24	8.4	4.6	1,353

Portfolio management

Our rent roll grew by £7.2 million during the year to £150.6 million. The growth came from rent reviews (£3.1 million), acquisitions and development completions (£3.8 million), and asset enhancement activity (£0.3 million).

During the year we successfully concluded 307 rent reviews (2023: 352 reviews) to generate a weighted average annual rent increase of 3.9% (2023: 3.8%) on those properties, which is a figure that includes rent reviews we chose not to instigate in the year. These 307 reviews covered £34.1 million or 24% of our rent roll at the start of the year and, on a like-for-like basis, the absolute increase of £3.1 million is an 8.9% increase on this rent. Our portfolio benefits from a 39% weighting in fixed, RPI and other uplifts which generated an average uplift of 5.2% during the period. The majority of our portfolio is subject to open market reviews and these have generated an average uplift of 1.7% (2023: 1.5%) during the period.

Our total contracted rental income, which is a function of the 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 (“regears”).

We delivered 15 lease regears in the year covering £0.5 million of current annual rent and adding 10 years to the WAULT for those particular leases and two vacant space lettings adding £0.1 million annual rent (2023: 15 regears, £2.0 million of rent). We have also agreed terms on a pipeline of 33 regears covering £4.4 million of rent roll and these are currently in legal hands.

We have completed eight capital projects in the year (total spend £8.9 million) and are currently on site with a further six (total spend of £4.0 million). These schemes increase the WAULT on those properties by 11 years and improve the sustainability performance of those buildings. In addition, we have 18 asset enhancement projects we hope to complete in the next two years with estimated spend of £8.7 million.

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

Our current contracted annual rent roll is £150.6 million and, on a proforma basis, would increase to in excess of £161.0 million once on site developments, asset enhancement projects and rent reviews are completed.

Administrative expenses

Administrative expenses in the year were £13.2 million (2023: £13.3 million). The Group analyses cost performance by reference to our EPRA Cost Ratios (including and excluding direct vacancy costs) which were 13.2% and 11.7% respectively (2023: 13.5% and12.3%).

We also measure our operating efficiency as the ratio of administrative costs to the average gross investment property value. This ratio during the period equated to 0.48% (2023: 0.48%).

Financing

Our balance sheet and financing position remains strong. We have cash reserves and committed undrawn facilities totalling £235.4 million, and our long-term, drawn facilities have fixed rates in place.

Growth during the period, with net investment of £97.3 million, has been funded by cash reserves.

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 by the all-in cost of the facility and added sustainability-linked KPIs which, if achieved, will result in a five basis-point reduction to the interest, which will be paid to the Assura Community Fund. Following this, 55% of our available facilities are now ESG-linked.

Financing statistics	**2024**	2023
Net debt (Note 12)	**£1,217.4m**	£1,134.6m
ESG-linked financing	**55%**	43%
Weighted average debt maturity	**6.0 years**	7.0 years
Weighted average interest rate	**2.30%**	2.30%
% of debt at fixed/capped rates	**100%**	100%
EBITDA to net interest cover	**4.8x**	4.5x
Net debt to EBITDA	**9.4x**	9.1x
LTV (Note 12)	**45%**	41%

As can be seen from the table above, the cash flow based debt metrics of net debt to EBITDA and interest cover remain very strong with our high quality portfolio generating strong recurring cash flows and our fixed debt facilities with long remaining maturity. The metrics are two of the measures used by Fitch in their rating assessment, which was reaffirmed at A- in January 2024 with a stable outlook.

Our LTV ratio currently stands at 45% which has increased over the past two years as a result of negative valuation movements caused by the macroeconomic backdrop. 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 6.0 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 four 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 year amounted to £27.1 million (2023: £27.3 million).

IFRS loss before tax

IFRS loss before tax for the period was £28.7 million (2023: loss of £119.2 million). The prior year loss was as a result of greater negative valuation movement.

EPRA earnings

	2024 £m	2023 £m
Net rental income	**143.4**	138.0
Administrative expenses	**(13.2)**	(13.3)
Net finance costs	**(27.1)**	(27.3)
Share-based payments and other	**(0.8)**	(0.6)
EPRA earnings	**102.3**	96.8

The movement in EPRA earnings can be summarised as follows:

	£m
Year ended 31 March 2023	96.8
Net rental income	5.3
Administrative expenses & other	-
Net finance costs	0.2
Year ended 31 March 2024	**102.3**

EPRA earnings has grown 6% to £102.3 million in the year to 31 March 2024 reflecting the property acquisitions and developments completed as well as the impact of our asset management activity with rent reviews and new lettings, whilst administrative and other costs have remained flat.

Earnings per share

The basic earnings per share ("EPS") on loss for the period was (1.0) pence (2023: loss of (4.0) pence).

EPRA EPS, which excludes the net impact of valuation movements and gains on disposal, was 3.4 pence (2023: 3.3 pence).

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 is not material with no impact on EPS figures.

Dividends

Total dividends settled in the year to 31 March 2024 were £96.1 million or 3.24 pence per share (2023: 3.08 pence per share). £10.6 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 EPRA earnings. Three dividends paid during the year were PIDs and one was a normal dividend (non-PID). It is expected that the majority of future dividends will be PIDs.

The table below illustrates our cash flows over the period:

	2024 **£m**	2023 £m
Opening cash	**118.0**	243.5
Net cash flow from operations	**102.4**	94.1
Dividends paid	**(85.5)**	(88.9)
Investment:		
Property and other acquisitions	**(31.7)**	(150.3)
Development expenditure	**(69.4)**	(57.9)
Sale of properties	**3.4**	77.8
Financing:		
Net borrowing movement	**(1.8)**	(0.3)
Closing cash	**35.4**	118.0

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

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 March 2023 (Note 6)	1,586.9	53.6
EPRA earnings	102.3	3.4
Capital (revaluations and capital gains)	(131.1)	(4.4)
Dividends	(96.1)	(3.2)
Other (inc. scrip dividend)	10.5	(0.1)
Diluted EPRA NTA at 31 March 2024 (Note 6)	**1,472.5**	**49.3**

Our Total Accounting Return per share for the year ended 31 March 2024 is (2.0)% (2023: (6.6)%) of which 3.2 pence per share (6.0%) has been distributed to shareholders, offset by the 4.3 pence per share (8.0%) reduction in EPRA NTA.

Jayne Cottam
CFO
21 May 2024

Consolidated income statement
For the year ended 31 March 2024

		2024			2023		
	Note	**EPRA £m**	**Capital and non-EPRA £m**	**Total £m**	EPRA £m	Capital and non-EPRA £m	Total £m
Gross rental and related income		**150.2**	**7.6**	**157.8**	144.4	6.0	150.4
Property operating expenses		**(6.9)**	**(7.6)**	**(14.5)**	(6.4)	(6.0)	(12.4)
Net rental income	3	**143.3**	**–**	**143.3**	138.0	–	138.0
Administrative expenses		**(13.2)**	**–**	**(13.2)**	(13.3)	–	(13.3)
Revaluation deficit		**–**	**(131.5)**	**(131.5)**	–	(215.3)	(215.3)
Gain on sale of property		**–**	**1.0**	**1.0**	–	0.1	0.1
Share-based payment charge		**(0.8)**	**–**	**(0.8)**	(0.7)	–	(0.7)
Share of losses from investments		**0.2**	**(0.5)**	**(0.3)**	0.1	(0.8)	(0.7)
Finance income	3	**2.1**	**–**	**2.1**	1.6	–	1.6
Finance costs	4	**(29.2)**	**(0.1)**	**(29.3)**	(28.9)	–	(28.9)
Loss before taxation		**102.4**	**(131.1)**	**(28.7)**	96.8	(216.0)	(119.2)
Taxation		**(0.1)**	**–**	**(0.1)**	–	–	–
Loss for the year attributable to equity holders of the parent		**102.3**	**(131.1)**	**(28.8)**	96.8	(216.0)	(119.2)
Other comprehensive income:							
Exchange (loss)/gain arising on translation of foreign operations		**–**	**(0.6)**	**(0.6)**	–	0.4	0.4
Total comprehensive loss		**102.3**	**(131.7)**	**(29.4)**	**96.8**	**(215.6)**	**(118.8)**
EPS – basic & diluted	5			**(1.0)p**			(4.0)p
EPRA EPS – basic & diluted	5	**3.4p**			3.3p		

All income arises from continuing operations in the UK and Ireland.

Consolidated balance sheet
As at 31 March 2024

	Note	**2024 £m**	2023 £m
Non-current assets			
Investment property	7	**2,708.3**	2,738.0
Property work in progress	7	**9.5**	13.9
Property, plant and equipment		**1.0**	0.3
Equity accounted and other investments		**19.7**	18.3
Deferred tax asset		**0.6**	0.6
		2,739.1	2,771.1
Current assets			
Cash, cash equivalents and restricted cash		**35.4**	118.0
Trade and other receivables		**37.3**	33.1
Property assets held for sale	7	**0.4**	0.4
		73.1	151.5
Total assets		**2,812.2**	2,922.6
Current liabilities			
Trade and other payables	8	**49.9**	46.8
Head lease liabilities		**0.3**	0.4
Deferred revenue		**32.2**	30.6
		82.4	77.8
Non-current liabilities			
Borrowings		**1,246.9**	1,246.4
Head lease liabilities		**5.6**	5.8
Deferred revenue	8	**4.2**	5.1
		1,256.7	1,257.3
Total liabilities		**1,339.1**	1,335.1
Net assets		**1,473.1**	1,587.5
Capital and reserves			
Share capital	10	**298.5**	296.1
Share premium		**932.7**	924.5
Merger and other reserve	10	**231.0**	231.6
Retained earnings		**10.9**	135.3
Total equity		**1,473.1**	1,587.5

NAV per Ordinary Share	**– basic**	6	**49.4p**	53.6p
	– diluted	6	**49.3p**	53.6p
EPRA NTA per Ordinary Share	**– basic & diluted**	6	**49.3p**	53.6p

The financial statements were approved at a meeting of the Board of Directors held on 21 May 2024 and signed on its behalf by:

Jonathan Murphy CEO

Jayne Cottam CFO

Consolidated statement of changes in equity
For the year ended 31 March 2024

	Note	Share capital £m	Share premium £m	Merger reserve and other £m	Retained earnings £m	Total equity £m
1 April 2022		294.8	918.5	231.2	345.1	1,789.6
Loss attributable to equity holders		–	–	–	(119.2)	(119.2)
Other comprehensive income:						
Exchange gain on translation of foreign balances	10	–	–	0.4	–	0.4
Total comprehensive loss		–	–	0.4	(119.2)	(118.8)
Issue of Ordinary Shares	10	0.8	4.3	–	–	5.1
Dividends		0.4	1.7	–	(91.0)	(88.9)
Employee share-based incentives		0.1	–	–	0.4	0.5
31 March 2023		296.1	924.5	231.6	135.3	1,587.5
Loss attributable to equity holders		**–**	**–**	**–**	**(28.8)**	**(28.8)**
Other comprehensive loss:						
Exchange loss on translation of foreign balances		**–**	**–**	**(0.6)**	**–**	**(0.6)**
Total comprehensive loss		**–**	**–**	**(0.6)**	**(28.8)**	**(29.4)**
Dividends		**2.4**	**8.2**	**–**	**(96.1)**	**(85.5)**
Employee share-based incentives		**–**	**–**	**–**	**0.5**	**0.5**
31 March 2024		**298.5**	**932.7**	**231.0**	**10.9**	**1,473.1**

Consolidated cash flow statement
For the year ended 31 March 2024

	Note	2024 £m	2023 £m
Operating activities			
Rent received		**147.0**	138.1
Interest paid and similar charges		**(29.3)**	(29.0)
Fees received		**1.6**	1.4
Interest received		**2.1**	1.6
Cash paid to suppliers and employees		**(19.0)**	(18.0)
Net cash inflow from operating activities		**102.4**	94.1
Investing activities			
Purchase of investment property		**(28.9)**	(135.1)
Development expenditure		**(69.4)**	(57.9)
Proceeds from sale of property		**3.4**	77.8
Other investments and property, plant and equipment		**(2.8)**	(15.2)
Net cash outflow from investing activities		**(97.7)**	(130.4)
Financing activities			
Dividends paid		**(85.5)**	(88.9)
Interest on head lease liabilities		**(0.2)**	(0.2)
Loan issue costs		**(1.6)**	(0.1)
Net cash outflow from financing activities		**(87.3)**	(89.2)
Decrease in cash, cash equivalents and restricted cash		**(82.6)**	(125.5)
Opening cash, cash equivalents and restricted cash		**118.0**	243.5
Closing cash, cash equivalents and restricted cash		**35.4**	118.0

Notes to the accounts
For the year ended 31 March 2024

1. Corporate information and operations
The Company is a public limited company, limited by shares, incorporated and domiciled in England and Wales, whose 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.

2. Basis of preparation
The financial information set out in this preliminary announcement is derived from but does not constitute the Group's statutory accounts for the years ended 31 March 2024 and 31 March 2023, and as such, does not contain all information required to be disclosed in the financial statements prepared in accordance with UK-adopted international accounting standards (IFRSs). The financial information has been extracted from the Group's audited consolidated statutory accounts. The auditor has reported on those accounts, their reports were unqualified, did not draw attention to any matters by way of emphasis, and did not contain statements under s498 (2) or (3) of the Companies Act 2006.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, including investment properties under construction and land which are included at fair value. The financial statements have been prepared in accordance with UK-adopted international accounting standards ("IFRS").

In concluding that the going concern basis of preparation is appropriate for the period to 31 May 2025, the Board of Directors have had reference to financial forecasts (including a number of sensitivities and scenarios) showing that borrowing facilities are adequate, the Group can operate within these facilities and meets its obligations when they fall due. All investment in the financial forecasts is at management's discretion, with the exception of committed development spend.

The Group has adequate headroom in its banking covenants and has been in compliance throughout the previous 12 months. In reaching its conclusion, the Directors have considered the specific impact in respect of the ongoing situation in Ukraine and the Middle East as well as the current macroeconomic backdrop, none of which, in themselves, are considered significant risks to the business based on the current position.

The accounting policies have been applied consistently to the results, other gains and losses, liabilities and cash flows of entities included in the consolidated financial statements. All intragroup balances, transactions, income and expenses are eliminated on consolidation.

In preparing the financial statements, management has considered the impact of climate change, taking into account the relevant disclosures in the Strategic Report, including those made in accordance with TCFD, and considered the impact of the issues identified to be appropriately built into the financial statements. The impact of climate change is considered in the valuation of investment properties and future cash flows of the Group and so is appropriately considered in these financial statements. The impact of climate change on the values are expected to be immaterial.

3. Net rental income

	2024 £m	2023 £m
Rental revenue	**148.7**	143.0
Service charge income	**7.6**	6.0
Other related income	**1.5**	1.4
Gross rental and related income	**157.8**	150.4
Finance revenue		
Bank and other interest	**2.1**	1.6
Total revenue	**159.9**	152.0

	2024 £m	2023 £m
Gross rental and related income	**157.8**	150.4
Direct property expenses	**(6.9)**	(6.4)
Service charge expenses	**(7.6)**	(6.0)
Net rental income	**143.3**	138.0

During the year, £1.5 million of rental revenue was generated from operations in Ireland (2023: £0.7 million).

4. Finance costs

	2024 £m	2023 £m
Interest payable	**28.9**	28.9
Interest capitalised on developments	**(2.0)**	(2.3)
Amortisation of loan issue costs	**2.1**	2.1
Interest on head lease liability	**0.2**	0.2
Refinancing costs	**0.1**	–
Total finance costs	**29.3**	28.9

Interest was capitalised on property developments at the appropriate cost of finance at commencement. During the year this ranged from 4% to 5% (2023: 4% to 5%).

5. Earnings per Ordinary Share

	Earnings 2024 £m	EPRA earnings 2024 £m	Earnings 2023 £m	EPRA earnings 2023 £m
Loss for the year	**(28.8)**	**(28.8)**	(119.2)	(119.2)
Revaluation deficit		**131.5**		215.3
Share of revaluation losses from investments		**0.5**		0.8
Gain on sale of property		**(1.0)**		(0.1)
Refinancing fees		**0.1**		–
EPRA earnings		**102.3**		96.8
EPS – basic & diluted	**(1.0p)**		(4.0)p	
EPRA EPS – basic & diluted		**3.4p**		3.3p

	2024	2023
Weighted average number of shares in issue	**2,970,682,182**	2,958,384,509
Potential dilutive impact of share options	**1,292,891**	1,055,291
Diluted weighted average number of shares in issue	**2,971,975,073**	2,959,439,800

The current number of potentially dilutive shares relates to nil-cost options under the share-based payment arrangements and is 1.3 million (2023: 1.1 million).

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

6. NAV per Ordinary Share

2024 **£m**		**IFRS**	**EPRA NRV**	**EPRA NTA**	**EPRA NDV**
IFRS net assets		**1,473.1**	**1,473.1**	**1,473.1**	**1,473.1**
Deferred tax			**(0.6)**	**(0.6)**	–
Fair value of debt			**–**	–	**176.7**
Real estate transfer tax			**171.3**	–	–
EPRA adjusted NAV			**1,643.8**	**1,472.5**	**1,649.8**
Per Ordinary Share	- basic	**49.4p**	**55.1p**	**49.3p**	**55.3p**
	- diluted	**49.3p**	**55.0p**	**49.3p**	**55.2p**

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			1,791.4	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

	2024	2023
Number of shares in issue	**2,984,790,496**	2,960,594,138
Potential dilutive impact of share options	**1,292,891**	1,055,291
Diluted number of shares in issue	**2,986,083,387**	2,961,649,429

For definitions of the above EPRA NAV metrics, see Glossary.

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

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

Properties are stated at fair value as at 31 March 2024. 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.

	Investment 2024 £m	**IPUC 2024 £m**	**Total 2024 £m**	Investment 2023 £m	IPUC 2023 £m	Total 2023 £m
Opening market value	**2,685.0**	**53.0**	**2,738.0**	2,682.8	69.1	2,751.9
Additions:						
– acquisitions	**17.7**	**–**	**17.7**	126.5	–	126.5
– improvements	**11.1**	**–**	**11.1**	15.0	–	15.0
	28.8	**–**	**28.8**	141.5	–	141.5
Development costs	**–**	**73.8**	**73.8**	–	58.9	58.9
Transfers	**71.8**	**(71.8)**	**–**	72.5	(72.5)	–
Capitalised interest	**–**	**2.0**	**2.0**	–	2.3	2.3
Disposals	**(2.1)**	**(0.3)**	**(2.4)**	(1.8)	–	(1.8)
Foreign exchange gain	**(0.4)**	**–**	**(0.4)**	0.5	–	0.5
Unrealised deficit on revaluation	**(124.5)**	**(7.0)**	**(131.5)**	(210.5)	(4.8)	(215.3)
Closing fair value of investment property	**2,658.6**	**49.7**	**2,708.3**	2,685.0	53.0	2,738.0

Investment property includes a £5.8 million head lease liability (2023: £6.2 million).

	2024 £m	2023 £m
Market value of investment property as estimated by valuer	**2,652.1**	2,677.4
Add IPUC	**49.7**	53.0
Add capitalised lease premiums and rental payments	**0.7**	1.4
Add head lease obligations recognised separately	**5.8**	6.2
Fair value for financial reporting purposes	**2,708.3**	2,738.0
Completed investment property held for sale	–	–
Land held for sale	**0.4**	0.4
Total property assets	**2,708.7**	2,738.4

	2023 £m	2022 £m
Investment property	**2,652.1**	2,677.4
Investment property held for sale	–	–
Total completed investment property	**2,652.1**	2,677.4

At March 2024, there is one asset held as available for sale (2023: 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 IPUC as at 31 March 2024 was Level 3 – Significant unobservable inputs (2023: Level 3). There were no transfers between Levels 1, 2 or 3 during the year.

Descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques used to derive Level 3 fair values
The valuations have been prepared on the basis of fair market value which is defined in the Red Book as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arms-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Unobservable inputs
The key unobservable inputs in the property valuation are the net initial yield, the equivalent yield and the ERV, which are explained in more detail below. It is also worth noting that the properties are subject to physical inspection by the valuers on a rotational basis (at least once every three years).

In respect of 97% of the portfolio by value, the net initial yield ranges from 3.8% to 8.5% (2023: 3.5% to 8.5%) and the equivalent yield ranges from 3.9% to 8.5% (2023: 3.8% to 8.5%). A decrease in the net initial or equivalent yield applied to a property would increase the market value. Factors that affect the yield applied to a property include the weighted average unexpired lease term, the estimated future increases in rent, the strength of the occupier covenant and the physical condition of the property. Lower yields generally represent properties with index-linked reviews, 100% NHS tenancies and longer unexpired lease terms, ranging from 4.0% to 4.5%. Higher yields (range 6.0% to 8.5%) are applied for a weaker occupier mix and leases approaching expiry. Our properties have a range of occupier mixes, rent review basis and unexpired terms. A 0.25% shift in either net initial or equivalent yield would have approximately a £115.7 million (2023: £124 million) impact on the investment property valuation.

The ERV ranges from £100 to £750 per sq.m (2023: £100 to £669 per sq.m), in respect of 95% of the portfolio by value. An increase in the ERV of a property would increase the market value. A 2% increase in the ERV would have approximately a £52.4 million (2023: £53.2 million) increase in the investment property valuation. The nature of the sector we operate in, with long unexpired lease terms, low void rates, low occupier turnover and upward only rent review clauses, means that a significant fall in the ERV is considered unlikely.

Property work in progress

	2024 £m
At 1 April	**13.9**
Additions during the period	**0.7**
Transfers	**(5.1)**
At 31 March	**9.5**

8. Deferred revenue

	2024 £m	2023 £m
Arising from rental received in advance	**31.5**	30.1
Arising from pharmacy lease premiums received in advance	**4.9**	5.6
	36.4	35.7
Current	**32.2**	30.6
Non-current	**4.2**	5.1
	36.4	35.7

9. Borrowings

	2024 **£m**	2023 £m
At 1 April	**1,246.4**	1,244.4
Amount drawn down in year	**–**	–
Amount repaid in year	**–**	–
Loan issue costs	**(1.6)**	(0.1)
Amortisation of loan issue costs	**2.1**	2.1
At 31 March	**1,246.9**	1,244.4
Due within one year	**–**	–
Due after more than one year	**1,246.9**	1,246.4
At 31 March	**1,246.9**	1,246.4

The Group has the following bank facilities:

1. 10-year senior unsecured bond of £300 million at a fixed rate of 3% 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 31 March 2024, the facility was undrawn (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 on 13 October 2016. An additional £107 million of notes were issued in two series, £47 million in August 2019 and £60 million in October 2019, with maturities of 10 and 15 years respectively and a weighted average fixed interest rate of 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. All notes are denominated in GBP.

4. £150 million of unsecured privately placed notes in two tranches with maturities of eight and ten years drawn on 20 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 a 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 year. Debt instruments held at year end have prepayment options that can be exercised at the sole discretion of the Group. As at the year end no prepayment option has been exercised. Borrowings are stated net of unamortised loan issue costs and unamortised bond pricing adjustments totalling £10.1 million (2023: £10.6 million).

10. Share capital and other reserves

	Number of shares 2024	**Share capital 2024 £m**	Number of shares 2023	Share capital 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 – 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**	–	–
Issued 11 October 2023 – scrip	**6,281,654**	**0.7**	–	–
Issued 10 January 2024 – scrip	**13,197,231**	**1.3**	–	–
Total share capital	**2,984,790,496**	**298.5**	2,960,594,138	296.1

There is no difference between the number of Ordinary Shares issued and authorised. At the AGM each year, approval is sought from shareholders giving the Directors the ability to issue Ordinary Shares, up to 10% of the Ordinary Shares in issue at the time of the AGM.

The Ordinary Shares issued in April 2022, July 2022, October 2022, January 2023, April 2023, July 2023, October 2023 and January 2024 were issued to shareholders who elected to receive Ordinary Shares in lieu of a cash dividend under the Company scrip dividend alternative. In the year to 31 March 2024 this increased share capital by £2.4 million and share premium by £8.2 million (2023: £0.4 million and £1.7 million respectively).

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. A portion of the shares issued on 13 July 2022 (383,194) and on 12 July 2023 (287,241) were issued to the EBT on behalf of employees under the PSP.

The share capital relates to the Group and Company.

Other reserves

The merger reserve £231.2 million (2023: £231.2 million) relates to the capital restructuring in January 2015 whereby Assura plc replaced Assura Group Limited as the top company in the Group and was accounted for under merger accounting principles.

The other reserve relates to the foreign exchange translation reserve £(0.2) million (2023: £0.4 million).

11. Dividends paid on Ordinary Shares

Payment date	Pence per share	Number of Ordinary Shares	**2024 £m**	2023 £m
13 April 2022	0.74	2,951,691,176	**–**	21.8
13 July 2022	0.78	2,957,539,088	**–**	23.0
12 October 2022	0.78	2,959,198,708	**–**	23.1
11 January 2023	0.78	2,959,250,709	**–**	23.1
12 April 2023	0.78	2,960,594,138	**23.1**	–
12 July 2023	0.82	2,963,935,357	**24.3**	–
11 October 2023	0.82	2,965,311,611	**24.3**	–
10 January 2024	0.82	2,971,593,265	**24.4**	–
			96.1	91.0

The April dividend for 2024/25 of 0.82 pence per share was paid on 10 April 2024 and the July dividend for 2024/25 of 0.84 pence per share is currently planned to be paid on 10 July 2024 with a record date of 7 June 2024.

A scrip dividend alternative was introduced with effect from the January 2016 quarterly dividend. Details of shares issued in lieu of dividend payments can be found in Note 11.

The April 2022, July 2022, October 2022, April 2023, July 2023 and October 2023 dividends were PIDs as defined under the REIT regime. Future dividends will be a mix of PID and normal dividends as required.

The dividends paid disclosure relates to both the Group and Company.

12. Financial instruments

The Group monitors capital structure with reference to LTV, which is calculated as net debt divided by total property. The LTV percentage on this basis is 45% at 31 March 2024 (31 March 2023: 41%).

	2024 £m	2023 £m
Investment property	**2,658.6**	2,685.0
Investment property under construction	**49.7**	53.0
Held for sale	**0.4**	0.4
Total property	**2,708.7**	2,738.4

	2024 £m	2023 £m
Borrowings	**1,246.9**	1,246.4
Head lease liabilities	**5.9**	6.2
Cash, cash equivalents and restricted cash	**(35.4)**	(118.0)
Net debt	**1,217.4**	1,134.6
LTV	**45%**	41%

Financial liabilities, which comprise loans and head lease liabilities in the table above, have increased from £1,252.6 million to £1,252.8 million as at 31 March 2024.

13. Commitments

At the year end the Group had eight (2023: 11) committed developments which were all on site with a contracted total expenditure of £91.2 million (2023: £129 million) of which £49.2 million (2023: £54.7 million) had been expended. The remaining commitment is therefore £42.0 million (2023: £74.3 million).

In addition, the Group is on site with six asset enhancement capital projects (2023: eight) with a contracted total expenditure of £4.0 million (2023: £8.9 million) of which £2.1 million (2023: £5.0 million) had been expended. The remaining commitment is therefore £1.9 million (2023: £3.9 million).

The Group is committed to invest up to £5 million in PropTech investor PI Labs III LP, which can be requested on demand to cover investments that the fund makes in qualifying, selected PropTech businesses. £2.7 million had been invested as at 31 March 2024.

Glossary

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 £129.5 million, calculated as net rental income (£143.3 million) plus income from investments (£0.2 million), less administrative expenses (£13.2 million) and share-based payment charge (£0.8 million).

ED&I is equality, diversity and inclusion.

European Public Real Estate Association ("EPRA") is the industry body for European REITs. EPRA is a registered trademark 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 5.

EPRA EPS is EPRA earnings, calculated on a per share basis. See Note 5.

EPRA Loan to Value ("EPRA LTV") is debt divided by the market value of the 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 6. 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 6.

EPRA Net Tangible Assets ("EPRA NTA") is the balance sheet net assets excluding deferred taxation. See Note 6. 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 and other unexpired lease incentives.

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

Equivalent Yield 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.

ESG is environmental, social and governance.

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.

GMS is General Medical Services.

Gross Rental Income is the gross accounting rent receivable.

Group is Assura plc and its subsidiaries.

HSE is the Health Service Executive, the body which provides public health and social care services to everyone living in Ireland.

IFRS is UK-adopted international accounting standards.

Interest Cover is the number of times net interest payable is covered by EBITDA. In the current period net interest payable is £27.1 million, EBITDA is £129.5 million, giving interest cover of 4.8 times.

KPI is a Key Performance Indicator.

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

Like-for-like represents amounts calculated based on properties owned at the previous year end.

Loan to Value ("LTV") is the ratio of net debt to the total value of property assets. See Note 12.

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 12.

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 0.48%. This is calculated as administrative expenses of £13.2 million divided by the average property balance of £2,723 million (opening £2,738 million plus closing £2,708 million, divided by two).

Primary Care Network ("PCN") is GP practices 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 service 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 March 2024 the rent roll was £150.6 million (March 2023: £143.4 million) and the growth in the year was £7.2 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 Targets 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 6) 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 49.3 pence per share, and dividends paid total 3.24 pence per share giving a return of (2.0)% in the year.

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 March 2024, 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 year to March 2024, the calculation is net total income of £143.3 million less revaluation loss of £131.5 million giving a return of £11.8 million, divided by £2,833.0 million (opening investment property £2,677.4 million and IPUC £53.0 million plus additions of £28.8 million and development costs of £73.8 million). This gives a Total Property Return in the year of 0.4%.

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 31 March 2024 it was 42.6 pence, and dividends paid during the period were 3.24 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.