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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

5 JULY 2021

**RECOMMENDED INCREASED FINAL<sup>1</sup> CASH OFFER**

**for**

**Spire Healthcare Group plc**

**by**

**Ramsay Health Care Limited**

**to be effected through its wholly owned subsidiary, Ramsay Health Care (UK) Limited, by way of a scheme of arrangement under Part 26 of the UK Companies Act 2006**

**Introduction**

On 26 May 2021, the boards of Ramsay Health Care Limited ("**Ramsay**") and Spire Healthcare Group plc ("**Spire**") announced that they had reached agreement on the terms of a recommended cash acquisition of the entire issued and to be issued ordinary share capital of Spire by Ramsay's wholly owned subsidiary, Ramsay Health Care (UK) Limited ("**Ramsay UK**"), by way of a scheme of arrangement under Part 26 of the UK Companies Act 2006 (the "**Transaction**").

The scheme document in respect of the Transaction (the "**Scheme Document**") was published and made available to Spire Shareholders, Spire CSN Participants and, for information only, to participants in the Spire Share Plans and persons with information rights on 15 June 2021. Capitalised terms used but not defined in this announcement have the meanings given to them in the Scheme Document.

**Final Offer Price**

The board of directors of Ramsay announce the terms of an increased and final recommended cash offer by Ramsay UK to acquire the entire issued and to be issued share capital of Spire (the "**Final Offer**").

Under the terms of the Final Offer, Scheme Shareholders will be entitled to receive:

**for each Scheme Share**

**250 pence in cash**

The Final Offer values Spire's entire issued and to be issued share capital at approximately £1,041.3 million on a fully diluted basis and approximately £2,105.3 million on an enterprise value basis (including IFRS 16 lease liabilities). It represents:

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<sup>1</sup> Ramsay reserves the right to increase the offer price if there is an announcement on or after the date of this announcement of an offer or a possible offer for Spire by a third party offeror or potential offeror.

- a premium of 30 per cent. to the Closing Price of 193 pence per Spire Share on the Latest Practicable Date;
- a premium of 54 per cent. to the volume weighted average Closing Price of 163 pence per Spire Share over the 180 day period ending on the Latest Practicable Date;
- a premium of 62 per cent. to the Closing Price of 154 pence per Spire Share on 5 March 2021 being the last Business Day prior to Ramsay's first approach to Spire;
- an implied enterprise value multiple of approximately 11.1x Spire's post-IFRS EBITDA of £189.0 million for the year ended 31 December 2019 (prior to the COVID-19 pandemic); and
- an implied enterprise value multiple of approximately 11.9x Spire's pre-IFRS EBITDA of £120.5 million, for the year ended 31 December 2019 (prior to the COVID-19 pandemic).

The Final Offer is final and will not be increased, except that Ramsay reserves the right to increase the offer price if there is an announcement on or after the date of this announcement of an offer or a possible offer for Spire by a third party offeror or potential offeror.

The Scheme will be modified to reflect the terms of the Final Offer. Save as disclosed in this announcement, the Final Offer is subject to the same terms and conditions set out in the Scheme Document.

### **Irrevocable undertakings**

Ramsay UK has received irrevocable undertakings from Spire Directors who hold, or are otherwise beneficially interested in, Spire Shares to vote, or procure a vote, in favour of the Scheme at the Court Meeting and the Spire Resolutions at the General Meeting in respect of, in aggregate, 1,263,387 Spire Shares, representing approximately 0.3 per cent. of Spire's issued share capital on the Latest Practicable Date.

In addition to the irrevocable undertakings from the Spire Directors, Ramsay UK has also received irrevocable undertakings from Mediclinic and the former Chairman of Spire, Garry Watts, to vote, or procure a vote, in favour of the Scheme at the Court Meeting and the Spire Resolutions at the General Meeting (or, in the event that the Final Offer is implemented by way of a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of, in aggregate, 120,576,912 Spire Shares, representing approximately 30.1 per cent. of Spire's issued share capital on the Latest Practicable Date.

Ramsay UK has therefore received irrevocable undertakings in respect of a total of 121,840,229 Spire Shares, representing, in aggregate, approximately 30.4 per cent. of Spire's issued share capital on the Latest Practicable Date.

Further details of these irrevocable undertakings (and the circumstances in which they shall cease to be binding or otherwise fall away) are set out in the Scheme Document.

### **Spire Shareholder Meetings**

Ramsay reminds Spire Shareholders that the Court Meeting and the General Meeting in connection with the Final Offer will be held on 12 July 2021. The Court Meeting will start at 10.30 a.m. (London time) and the General Meeting will start at 10.45 a.m. (London time) (or as soon thereafter as the Court Meeting has concluded or been adjourned). In respect of the Court Meeting only, Scheme Shareholders (and their duly appointed proxies) will be permitted to attend, raise any objections and vote remotely at the Court Meeting via the Virtual Meeting Platform. However, Spire Shareholders (including their duly appointed proxies) will not be permitted to vote remotely at the

General Meeting via the Virtual Meeting Platform, even if they are following the business of the General Meeting remotely via the Virtual Meeting Platform. Spire Shareholders are therefore strongly encouraged to appoint the Chair of the General Meeting as their proxy in advance of the General Meeting using one of the procedures set out in the Scheme Document. Information about how to attend the Meetings through the Virtual Meeting Platform is set out in the Scheme Document and available on Spire's website at [www.spirehealthcare.com](http://www.spirehealthcare.com).

Commenting on the Final Offer, Craig McNally, CEO and Managing Director of Ramsay said:

*"We are confident that our 250 pence cash offer per Spire share, which was reached after extensive negotiations with the Spire board, is fair and reasonable. It is therefore our best and final offer.*

*Ramsay is a global health care operator delivering a wide range of acute and primary healthcare services to private and public patients from over 500 locations across 10 countries caring for 8.5 million+ patient visits and admissions per annum. We have been operating in the UK market for 15 years and as such have strong operational insight and a good appreciation of the industry dynamics and long term outlook for the market. We have called on this deep understanding to determine what we believe is a full and fair price for the Spire business.*

*Our offer provides Spire shareholders with the ability to realise a premium on their investment in the near term at an attractive valuation multiple, without the execution risks associated with delivery of the Spire stand-alone strategy – many of which are outside of its control.*

*Ramsay has an established reputation for delivering high quality patient care and outcomes in the UK which we are committed to continuing. The proposed acquisition of Spire enables us to build a broader platform from which to continue to deliver best in class healthcare and lead the way on patient outcomes, through bolstered partnerships with private health insurers, the NHS, our doctors, clinicians and associated clinical networks."*

## **Timetable**

Since publication of the Scheme Document, Spire has booked the Court Hearing (assuming the relevant resolutions are duly passed at the Court Meeting and the General Meeting) for 21 July 2021. An updated expected timetable of principal events for the implementation of the Scheme is set out in the appendix to the Spire announcement released on 28 June 2021 (RNS number 2261D). If any of the dates and / or times in the updated expected timetable change, the revised dates and / or times will be notified by announcement through a Regulatory Information Service.

## **Financing the Final Offer**

The cash consideration payable pursuant to the Final Offer is being wholly funded through existing facilities available to the Ramsay Group.

Rothschild & Co, in its capacity as financial adviser to Ramsay and Ramsay UK, is satisfied that the resources available to Ramsay UK are sufficient to satisfy in full the cash consideration payable to the Spire Shareholders under the terms of the Final Offer.

## **Enquiries:**

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*Ashurst LLP is retained as legal adviser to Ramsay and Ramsay UK.*

**Important notices**

*N.M. Rothschild & Sons Limited ("**Rothschild & Co**"), which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, is acting as financial adviser exclusively for Ramsay and Ramsay UK and no one else in connection with the matters set out in this announcement and will not be responsible to any person other than Ramsay and Ramsay UK for providing the protections afforded to clients of Rothschild & Co, nor for providing advice in relation to the content of this announcement or any matter referred to herein. Neither Rothschild & Co nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Rothschild & Co in connection with this announcement, any statement contained herein or otherwise. Rothschild & Co has given, and not withdrawn, its consent to the inclusion in this announcement of the references to its name in the form and context in which they appear.*

**Further information**

*This announcement is for information purposes only and is not intended to and does not constitute, or form part of, an offer, invitation, inducement or the solicitation of an offer to buy, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of or exercise rights in respect of any securities, or the solicitation of any vote or approval of an offer to buy securities in any jurisdiction, pursuant to the Transaction or otherwise, nor shall there be any purchase, sale, issuance or transfer of securities or such solicitation in any jurisdiction in contravention of the laws of such jurisdiction. The Transaction will be made implemented solely pursuant to the terms set out in the Scheme Document (or, in the event that the Transaction is to be implemented by means of a Takeover Offer, the Offer Document), which, together with the Forms of Proxy, will contain the full terms and conditions of the Transaction, including details of how to vote in respect of the Transaction. Any acceptance or other response to the Transaction should be made only on the basis of the information in the Scheme Document (or, in the event that the Transaction is to be implemented by means of a Takeover Offer, the Offer Document).*

*This announcement has been prepared for the purpose of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom.*

*This announcement does not constitute a prospectus or prospectus equivalent document.*

*The Transaction shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the Financial Conduct Authority.*

**Overseas shareholders**

*This announcement has been prepared for the purposes of complying with English law and the Takeover Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*The release, publication or distribution of this announcement in or into jurisdictions other than the United Kingdom may be restricted by law. The availability of the Scheme to Spire Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Persons who are not resident in the United Kingdom or who are subject to other jurisdictions should inform themselves of, and observe, any applicable requirements.*

*Unless otherwise determined by Ramsay and/or Ramsay UK, or required by the Takeover Code, and permitted by applicable law and regulation, the Transaction shall not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Transaction by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Transaction are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Transaction (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws of that jurisdiction.*

### **Additional information for US investors**

*The Transaction relates to shares of a company incorporated in England and Wales and is proposed to be effected by means of a scheme of arrangement under the laws of England and Wales. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or proxy solicitation rules under the US Exchange Act. Accordingly, the Transaction is subject to the disclosure and procedural requirements applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.*

*The financial information included in this announcement and the Scheme Document has been prepared in accordance with IFRS and may not be comparable to the financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*If, in the future, Ramsay and/or Ramsay UK exercises its right to implement the Transaction by means of a Takeover Offer and determines to extend the Takeover Offer into the United States, such offer would be made in compliance with all applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Such a Takeover Offer would be made in the United States by Ramsay and/or Ramsay UK and no one else.*

*In accordance with, and to the extent permitted by, the Takeover Code and normal United Kingdom market practice, Ramsay, Ramsay UK or its nominees or its brokers (acting as agents) may from time to time make certain purchases of, or arrangements to purchase, shares or other securities of Spire outside of the US, other than pursuant to the Transaction, until the date of the Transaction and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases or arrangements to purchase shall be disclosed as required in the UK, shall be reported to a Regulatory Information Service and shall be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*The receipt of consideration by a US holder for the transfer of Spire Shares pursuant to the Scheme will likely be a taxable transaction for US federal income tax purposes. Each Spire Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Transaction applicable to them, including their applicable US state and local as well as overseas and other tax laws.*

### **Forward looking statements**

*This Announcement contains statements about the Wider Spire Group, the Wider Ramsay Group and the Combined Group that are or may be forward looking statements. All statements other than statements of historical facts included in this Announcement may be forward looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "should", "continue", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "projects", "ambition", or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Wider Spire Group, the Wider Ramsay Group and the Combined Group's operations and potential synergies resulting from the Transaction; and (iii) the effects of government regulation on the Wider Spire Group's, the Wider Ramsay Group's and the Combined Group's business.*

*Such forward looking statements involve risks and uncertainties that could significantly affect expected results and are based on assumptions and assessments made by Spire, Ramsay and/or Ramsay UK in light of their experience and their perception of historical trends, current conditions, future developments or other factors they believe appropriate. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. Neither the Spire Group nor the Ramsay Group assume any obligation to update any forward looking or other statements contained herein, except as required by applicable law or regulation.*

#### **No profit forecasts or estimates**

*Unless expressly stated otherwise, nothing in this Announcement (including any statements or estimated synergies) is intended as a profit forecast or estimate for any period and no statements in this Announcement should be interpreted to mean that earnings or earnings per share for Ramsay, Ramsay UK or Spire, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Ramsay, Ramsay UK or Spire, as appropriate.*

#### **Dealing disclosure requirements of the Takeover Code**

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

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing*

*Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.*

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

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

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

### **Publication on website and hard copies**

*A copy of this announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Ramsay's website at [www.ramsayhealth.com](http://www.ramsayhealth.com) and Spire's website at [www.spirehealthcare.com](http://www.spirehealthcare.com) by no later than 12 noon (London time) on the Business Day following the date of this announcement. For the avoidance of doubt, the content of these websites is not incorporated into and does not form part of this announcement.*

*Spire Shareholders may request a hard copy of this announcement by contacting 0371 384 2030 (UK) or +44 (0)121 415 7047 (Overseas) during London business hours or by submitting a request in writing to Spire Registrars at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. If you have received this announcement in electronic form, copies of this announcement (and any document or information incorporated by reference) will not be provided unless such a request is made.*

## APPENDIX 1

### SOURCES AND BASES OF INFORMATION

Unless otherwise stated in this Announcement:

- 1 the value of the Acquisition on a fully diluted basis has been calculated on the basis of a fully diluted issued share capital of 416,511,783 Spire Shares, which has been calculated by reference to 401,083,536 Spire Shares in issue, together with 15,667,530 unissued Spire Shares which may be issued on or after the date of this Announcement on the exercise of options or vesting of awards under the Spire Share Plans less 239,283 Spire Shares held in the Spire Employee Benefit Trust, in each case as at the Latest Practicable Date;
- 2 references to the existing issued share capital of Spire are to the number of Spire Shares in issue as at the Latest Practicable Date, which was 401,083,536 Spire Shares. The ISIN for the Spire Shares is GB00BNLPYF73;
- 3 unless otherwise stated, the financial information relating to Spire is extracted (without material adjustment) from the audited consolidated financial statements of Spire for the relevant years, prepared in accordance with IFRS;
- 4 the implied enterprise value for Spire (including IFRS 16 lease liabilities) incorporates the value attributed to the fully diluted issued share capital of Spire, adjusted for the net financial debt of £314.5 million and lease liabilities of £749.5 million as at 31 December 2020;
- 5 the valuation multiple to Spire's EBITDA (post-IFRS 16) multiple incorporates: (i) the post-IFRS enterprise value of £2,105.3 million made up of the value attributed to the fully diluted issued share capital of Spire equal to £1,041.3 million, adjusted for the net financial debt of £314.5 million as at 31 December 2020 and lease liabilities of £749.5 million as at 31 December 2020 and (ii) adjusted EBITDA (post-IFRS 16) reported by Spire for the year 31 December 2019 of £189.0 million, respectively;
- 6 the valuation multiple to Spire's EBITDA (pre-IFRS 16) multiple incorporates: (i) the pre-IFRS enterprise value of £1,435.1 million made up of the value attributed to the fully diluted issued share capital of Spire equal to £1,041.3 million, adjusted for the net financial debt of £314.5 million as at 31 December 2020 and pre IFRS 16 finance leases of £79.3 million associated with the Ventas finance lease<sup>2</sup> as at 31 December 2020 and (ii) adjusted EBITDA (pre-IFRS 16) reported by Spire for the year 31 December 2019 of £120.5 million, respectively;
- 7 unless otherwise stated, all prices for Spire Shares have been derived from the Daily Official List and represent Closing Prices on the relevant date(s); and
- 8 the 180 day volume weighted average prices as of 25 May 2021 have been derived from FactSet and refer to trading on the London Stock Exchange only.

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<sup>2</sup> The Ventas lease refers to the sale and leaseback in 2014 for Clare Park, Fylde Coast and Hull hospitals, which have been classified as finance leases since 2014.