

DEROGATION LETTER IN RESPECT OF INITIAL ENFORCEMENT ORDER ISSUED PURSUANT TO SECTION 72(2) ENTERPRISE ACT 2002 COMPLETED ACQUISITION

Consent under section 72(3c) of the Enterprise Act 2002 (the Act) to certain actions for the purposes of the Initial Enforcement Order made by the Competition and Markets Authority (CMA) on 3 February 2026

Completed acquisition by Welltower Inc. (through its subsidiary Horizon Topco Limited) of HC-One Topco Limited (the Transaction)

We refer to your email and accompanying submissions dated 8 and 14 January 2026 requesting that the CMA consents to derogations to the Initial Enforcement Order of 3 February 2026 (the **Initial Order**). The terms defined in the Initial Order have the same meaning in this letter.

Under the Initial Order, save for written consent by the CMA, Welltower Inc. (**Welltower**), Horizon Topco Limited (**Horizon**) and HC-One Topco Limited (**HC-One**) are required to hold separate the HC-One business from the Welltower business and refrain from taking any action which might prejudice a reference under section 22 of the Act or impede the taking of any remedial action following such a reference. After due consideration of your request for derogations from the Initial Order, based on the information received from you and in the particular circumstances of this case, Welltower, Horizon, and HC-One may carry out the following actions, in respect of the specific paragraphs:

Paragraph 5(e) of the Initial Order – disposal of HC-One assets

The CMA understands that Welltower, [X], currently holds five closed care homes for sale, which were closed and in the process of being sold prior to the Transaction. The relevant closed care homes are:

- (1) The freehold of [X]. The sale [X].
- (2) The long leaseholds of [X]. The sales process [X].
- (3) The long leasehold of [X]. The sales process [X].

(4) The long leasehold of [X]. The sales process [X].

(5) The long leasehold of [X]. The sales process [X].

The CMA consents to a derogation from paragraph 5(e) of the Initial Order to permit Welltower to progress the disposal of the abovementioned assets held for sale, in line with its pre-existing business plan. The CMA consents to the derogation strictly on the basis that:

- (a) Any such disposal shall be subject to the prior written consent of the CMA (which can be provided via email). Welltower must obtain written confirmation from the CMA before proceeding with any disposal of assets currently classified as held for sale.
- (b) The CMA shall be notified as soon as possible in advance and no later than one week ahead of the planned disposal and in order for the specific consent for that to be obtained. Welltower shall provide the CMA with any such information the CMA may reasonably require for the purpose of providing its approval under this derogation.

It is a criminal offence under section 117 of the Enterprise Act 2002 for a person to recklessly or knowingly supply to the CMA information which is false or misleading in any material respect. Breach of this provision can result in fines, imprisonment for a term not exceeding two years, or both (Section 117 of the Enterprise Act 2002). In addition, the CMA can impose penalties if a person has, without reasonable excuse, supplied to the CMA information which is false or misleading in any material respect (Section 110(1A)) as described in the Annex and the *Administrative penalties: Statement of Policy on the CMA's approach (CMA4)*.

Sincerely,

Joanne Webb
Assistant Director, Mergers
Competition and Markets Authority
3 February 2026

ANNEX

Penalties for the provision of false or misleading information

Imposition of civil penalties

- (1) Under section 110(1A) of the Act, the CMA may impose a penalty on a person in accordance with section 111 of the Act where the CMA considers that:
 - (a) The person has, without reasonable excuse, supplied information that is false or misleading in a material respect to the CMA in connection of any of the CMA's functions under Part 3 of the Act;
 - (b) The person has without reasonable excuse, supplied information that is false or misleading in a material respect to another person knowing that the information was to be used for the purpose of supplying information to the CMA in connection with any function of the CMA under Part 3 of the Act.
- (2) Under section 110(1C) of the Act, the CMA may not impose such a penalty in relation to an act or omission which constitutes an offence under section 117 of the Act if the person has, by reason of the act or omission, been found guilty of that offence.

Amount of penalty

- (3) Under section 111(1) of the Act, a penalty imposed under section 110(1A) of the Act shall be of such amount as the CMA considers appropriate.
- (4) A penalty imposed under section 110(1A) of the Act on a person who does not own or control an enterprise shall be a fixed amount that must not exceed £30,000.
- (5) Under section 111(4A) of the Act a penalty imposed under section 110(1A) of the Act on any other person shall be a fixed amount that must not exceed 1% of the total value of the turnover (both in and outside the United Kingdom) of the enterprises owned or controlled by the person.
- (6) In deciding whether and, if so, how to proceed under section 110(1A) of the Act, the CMA must have regard to the statement of policy which was most recently published under section 116 of the Act at the time when the act or omission occurred.