

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

**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, 14 and 29 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:

### **Paragraphs 5(b), 5(c), 5(e)(ii), 5(e)(iii), 5(h), 5(i) and 5(j) of the Initial Order – Transfer of certain HC-One operations**

The CMA understands that, in order to [redacted] ensure the management of the HC-One care homes is improved for the benefit of residents, Welltower needs to transfer the operations of the Target care homes to new operators (the **Management Transfers**).

It is intended that these operations will be transferred as follows:

- (1) the operations of [redacted] HC-One care homes will be transferred to [redacted]. [redacted]. Accordingly, this transfer will have no impact on the market structure (compared to the status quo).

- (2) The operations of [REDACTED] HC-One care homes will be transferred to [REDACTED], which is a new entrant to Great Britain. Accordingly, this transfer will not create any new operator level overlaps.
- (3) The operations of [REDACTED] HC-One care homes will be transferred to [REDACTED] and the operations of [REDACTED] HC-One care homes will be transferred to [REDACTED]. Based on the information available to the CMA at this stage of the investigation (including its own calculations based on conservative assumptions), the CMA currently considers that the transfer of any of the [REDACTED] is unlikely to give rise to pre-emptive action.

Welltower submits that, in order to effect the Management Transfers, it will need to undertake an [REDACTED] (the **Lease Restructuring**).

Welltower further submits that in order to effect the Management Transfers in relation to each of the [REDACTED] Homes, the [REDACTED] Homes, and the [REDACTED] Homes (the **[REDACTED] Management Transfers**) it will need to:

- (a) Progress regulatory registrations associated with the transfer of operations to the incoming operators;
- (b) Negotiate and agree business transfer documentation with the incoming operators;
- (c) initiate [REDACTED];
- (d) negotiate and agree Care Services Agreements (**CSAs**) with the incoming operators, the execution of which will [REDACTED];
- (e) terminate the licenses in place as part of the current transitional arrangements; and
- (f) terminate the [REDACTED].

Welltower submits that this derogation does not seek to integrate the Welltower and HC-One businesses nor to enable Welltower to control the HC-One business. Welltower also submits that this derogation does not prejudice the outcome of a CMA reference or impede the taking of any remedial actions which may be justified by the CMA's decision on a reference.

Based on the representations of Welltower, the CMA therefore consents to a derogation from paragraphs 5(b), 5(c), 5(e)(ii), 5(e)(iii), 5(h), 5(i), and 5(j) of the Initial Order to permit the Lease Restructuring and the [REDACTED] Management Transfers. The CMA consents to the derogation strictly on the basis that:

- (a) The entry into CSAs with the new operators, [REDACTED], will 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 executing CSAs with the new operators.

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)*.

Yours sincerely

**Oliver Norden**  
**Director, Mergers**  
**Competition and Markets Authority**  
**13 February 2026**