



Westhaven / Wirrel / Merseyside

Overview

Impact Healthcare REIT plc (ticker: IHR) is a real estate investment trust. We are traded on the Premium Segment of the Main Market of the London Stock Exchange.

The Company aims to provide shareholders with an attractive return by investing in a diversified portfolio of UK healthcare real estate assets, in particular residential care homes. This return will primarily be in the form of quarterly dividends. High-quality and financially sound tenants, long leases and inflation-linked rent reviews give us secure and stable income, which underpins our dividend payments. The Company's ability to add value through selective acquisitions and asset management offers the potential for income and capital growth for shareholders.

We and our Investment Manager believe that residential healthcare is a significant and attractive investment opportunity in the UK.

A growing and ageing population is increasing demand for care, while the supply of suitable assets for providing that care is falling. As a well-capitalised landlord with an experienced Investment Manager, we remain well positioned to deliver attractive returns to investors, while providing stability to residents and a commitment to enhance their homes wherever possible

Investment objectives

The Company's investment policy is:

- to acquire, renovate, extend and redevelop high-quality healthcare real estate assets in the UK
- to lease those assets, under full repairing and insuring leases, primarily to operators providing residential healthcare services.

Key achievements in Q4 2018

- Declared and paid the Q3 dividend of 1.5p with the Q4 dividend of 1.5p being declared and paid post quarter-end. Total dividend paid for 2018 of 6.0p per share delivering on the Company's target.
- The Company announced post quarter-end that it will seek to grow the target dividend in line with the inflation-linked rental uplifts received by the Group under the terms of the rent review provisions contained in the Group's leases in the prior financial year¹. In-line with this policy, the Company announced a dividend of 6.17p per share for 2019¹.
- Acquired two homes with 126 beds to the south east of Glasgow, leased to a new tenant, Renaissance Care.
- Acquired a further home in the North East, Holly lodge with 40 beds leased to Careport, taking the total beds leased to Careport to 258.
- Portfolio value increase of 13.1% in the quarter, with like-for-like value up 1.6%.

¹ This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.

Impact at a glance

	31 December*	30 September*
Shares in Issue	192,206,831	192,206,831
Share price (p)	103.50	104.50
NAV per share (p)	103.18	102.30
Market Cap (£ million)	198.9	200.8
NAV (£ million)	198.3	196.6
EPRA NAV (£ million)	197.8	196.0
Gross Debt (£ million)	26.0	25.0
WAULT (years)	19.6	19.3

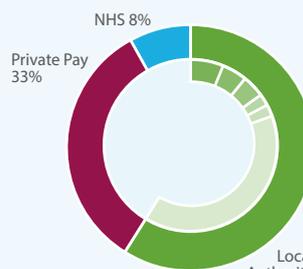
* Unaudited

Dividend history (per share)

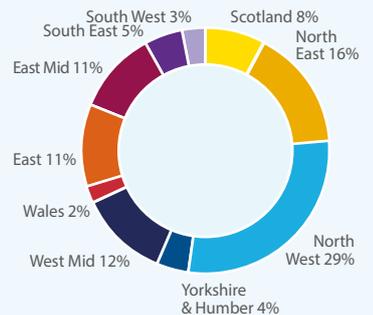
	2018	2017
Q1	1.5p	n/a
Q2	1.5p	1.5p
Q3	1.5p	1.5p
Q4	1.5p	1.5p
	6.0p	4.5p

Portfolio analysis – 31 December 2018

Security of income (%) based on % revenue to tenants



Regionally diverse (%) based on % portfolio market value



Local Authority top five (% of total revenue)

Wigan Council	6.4%
Cheshire West	4.6%
Cheshire East Council	4.1%
Worcester County Council	2.3%
Northants County Council	2.3%
Other	39.5%

Financial position and performance

	31 December*	30 September*	% change
Number of properties	72	67	7.5%
Number of beds	3,533	3,152	8.7%
Market value (£ million)	223.8	197.9	13.1%
– per property (£ million)	3.11	2.95	5.4%
– per bed (£000)	63.3	62.8	4.0%
Contracted rent roll (£ million)	17.8	16.8	5.9%
Contracted Yield (%)	7.43	7.51	(0.1)%

* Unaudited

Company overview

IPO	7 March 2017	Registered address
Market	LSE Main Market Premium Segment	7th Floor, 9 Berkeley Street London W1J 8DW
Index Inclusion	–	
Ticker	IHR	
ISIN	GB00BYXVMJ03	
SEDOL	BYXVMJ0	
Dividend payments	Quarterly	

Board of Directors
Rupert Barclay (Chairman)
Amanda Aldridge
Rosemary Boot
Paul Craig
Philip Hall

Key dates	
Full year end	31 December
2018 results announcement	end of March 2019
Half year end	30 June

Publication date: March 2019

Portfolio update

NAV and valuation

The unaudited NAV per share at 31 December 2018 was 103.18p per share, up from 30 September unaudited 2018 NAV of 102.30p.

The portfolio value increased to £223.8 million from £197.9 million, an uplift of 13.1% including £1.3 million of capital improvements and £21.5 million of acquisitions in the quarter. The like-for-like uplift was 1.6%.

Acquisition pipeline

The Group continues to add additional attractive assets to our portfolio which the Group expects will deliver growth in income alongside capital appreciation from asset management opportunities. The Investment Manager continues to make progress on a strong pipeline of value accretive investment opportunities, which are in line with the Company's investment criteria and returns profile.

Development works at Freeland House.



The Company and its Investment Manager will continue to exercise robust capital discipline to deliver value at the point of acquisition or investment.

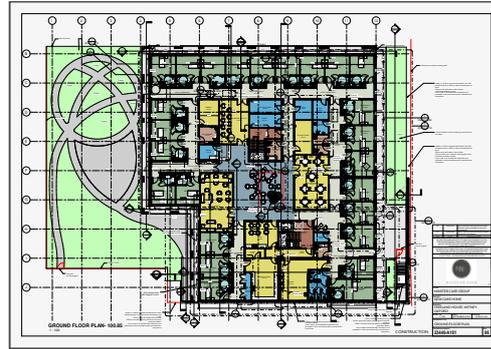
Asset management – Freeland House

During the quarter, work continued on asset management improvements across three homes leased to Minster and Croftwood:

- A 46 bed extension at Freeland
- A 30 bed extension at Diamond House
- An 11 bed extension and reconfiguration at Garswood

All projects are progressing to plan and due for delivery in 2019.

Development plan with landscaped garden at Freeland House.



New tenant – Renaissance

In November 2018 we announced the acquisition of two care homes with a new tenant, Renaissance Care (Scotland) Limited, with a combined total of 126 beds located in Uddingston to the south east of Glasgow. Renaissance was formed by Robert Kilgour, a successful Scottish entrepreneur, who founded Four Seasons Health Care in 1988, developing it from its roots in Fife into the UK's fifth largest care home provider with 101 homes throughout the UK, employing over 6,500 staff, which he left in early 2000.

Renaissance currently operates 14 homes throughout Scotland with 667 beds and employing close to 950 staff.

Homes leased to Renaissance, below from left: Croftbank House, Rosepark.



The two homes acquired by Impact are trading well with 94% occupancy and are rated Good to Very Good by the Care Inspectorate.

The Company has entered into a new lease in respect to each home with Renaissance. The terms of which are fully repairing and insuring leases, substantially the same as the leases within the Group's existing portfolio and reinforced with a new Company framework agreement with Renaissance. Each lease has a fixed 25-year term with no break clauses and a tenant option to extend to 35 years at the end of year 10.



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