

NAV, Dividend Declaration & Trading Update

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Impact Healthcare REIT PLC
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1 May 2019

Impact Healthcare REIT plc

("Impact" or the "Company" or, together with its subsidiaries, the "Group")

NET ASSET VALUE, DIVIDEND DECLARATION AND TRADING UPDATE

The board of Directors of Impact Healthcare REIT plc (the "**Board**") (ticker: IHR), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular residential care homes, is pleased to provide the following update for the quarter ended 31 March 2019.

NET ASSET VALUE

- Unaudited Net Asset Value ("**NAV**") at 31 March 2019 of £200.2 million, 104.18 pence per share (NAV at 31 December 2018: £197.8 million, 103.18 pence per share).
 - NAV at IPO in March 2017 of 98 pence per share.

DIVIDEND DECLARATION

- The Board has today declared the Company's first interim dividend for the year of 1.5425 pence per ordinary share. This dividend is for the period from 31 December 2018 to 31 March 2019, payable on 7 June 2019 to shareholders on the register on 17 May 2019. The ex-dividend date will be 16 May 2019. This dividend will be a Property Income Distribution ("**PID**").
 - This represents an increase of 2.83% on the prior quarter dividend and reflects the Company's intention to pay a target dividend of 6.17 pence per share for the year to 31 December 2019¹.

PROPERTY VALUATION

- The Group's property portfolio ("**Portfolio**") was independently valued (unaudited) at £230.4 million as at 31 March 2019 (valuation as at 31 December 2018: £223.8 million).
 - In the quarter to 31 March 2019, the market value of the Group's Portfolio grew by £6.6 million or 2.94%.
 - This increase in market value includes £2.8 million of acquisitions, £1.1 million invested in capital improvements in homes and a net value uplift of £2.7 million (an increase of 1.2% on a like for like basis).

PORTFOLIO UPDATE

- At 31 March 2019, the Portfolio comprised 73 residential care homes (3,529 operational beds) let to six tenants² on fixed-term leases of 20 to 25 years (no break clauses), subject to annual upward-only Retail Price Index-linked rent reviews (with a floor and cap at 2% p.a. and 4% p.a., respectively).
- The Group completed on the acquisition of Yew Tree in the quarter adding 76 beds to the Company's portfolio.
- Weighted average unexpired lease term across the Portfolio of 19.4 years.
- The Portfolio has an annualised contracted rent roll of £18.1 million at 31 March 2019 up from £17.8 million last quarter as a result of RPI rent reviews in the quarter.

PROPOSED EQUITY RAISE

- As announced on 15 April 2019, the Board intends to raise at least £25 million by way of a Placing of New Ordinary Shares pursuant to the Company's placing programme to fund a strong pipeline of potential acquisitions.
- The Issue Price per New Ordinary Share will be 106 pence, which represents a discount of 2.3 per cent. to the closing price per Ordinary Share on 12 April 2019 of 108.5 pence (the undisturbed share price prior to announcement) and a premium of approximately 1.7 per cent. to the unaudited NAV of 104.18 pence per share announced today.
- The Placing is expected to close at 2:00pm on 9 May 2019 and the results of the Placing are expected to be announced on 10 May 2019.

Rupert Barclay, Chairman of Impact Healthcare REIT plc, commented:

"The Group is continuing to exercise a disciplined, value-led and patient approach to capital deployment, which is driving attractive,

growing and secure long-term income and capital returns for our shareholders, while helping to deliver stability and high quality care to residents and a commitment to enhance their homes wherever possible.

The Group continues to add additional attractive assets to our Portfolio which we expect will deliver growth in income alongside capital appreciation from asset management opportunities.

The Company's proposed fundraising will enable the Company to capitalise on its identified pipeline of attractive near-term investment opportunities, which are expected to be earnings accretive and further diversify the Company's portfolio."

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.

² Minster and Croftwood (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance and Welford.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP via Maitland/AMO
Mahesh Patel
Andrew Cowley

Winterflood Securities Limited Tel: 020 3100 0000
Joe Winkley
Neil Langford

RBC Capital Markets Tel: 020 7653 4000
Rupert Walford
Matthew Coakes

Maitland/AMO (Communications Adviser) Tel: 020 7379 5151
James Benjamin Email: [maitland@maitland.co.uk](mailto:impacthealth-
maitland@maitland.co.uk)
Andy Donald

The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Impact Healthcare REIT is available at www.impactreit.uk.

NOTES:

Impact Healthcare REIT plc is a real estate investment trust ("REIT") which aims to provide shareholders with an attractive return, principally in the form of quarterly income distributions and with the potential for capital and income growth, through exposure to a diversified portfolio of UK healthcare real estate opportunities, in particular residential care homes. The Group's investment policy is to acquire, renovate, extend and redevelop high quality healthcare real estate assets in the UK and lease those assets primarily to healthcare operators providing residential healthcare services under full repairing and insuring leases.

The Group has now declared or paid eight quarterly dividends of 1.50 pence per share or greater since IPO on 7 March 2017.

The Company 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 year.

The Group's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, premium fund segment, on 8 February 2019.

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