

NET ASSET VALUE, DIVIDEND DECLARATION AND UPDATE

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Impact Healthcare REIT PLC
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23 October 2019

Impact Healthcare REIT plc

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

NET ASSET VALUE, DIVIDEND DECLARATION AND UPDATE

The board of Directors (the "**Board**") of Impact Healthcare REIT plc (ticker: IHR), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular care homes for the elderly, is pleased to provide the following update for the quarter ended 30 September 2019.

NET ASSET VALUE

- Unaudited net asset value ("**NAV**") at 30 September 2019 of £303.7 million, 106.00 pence per share (NAV at 30 June 2019: £299.9 million, 104.67 pence per share).

DIVIDEND DECLARATION

- The Board has today declared the Company's third interim dividend for the year ending 31 December 2019 of 1.5425 pence per ordinary share, payable on 22 November 2019 to shareholders on the register on 1 November 2019. The ex-dividend date will be 31 October 2019. This dividend will be a normal dividend ("**Non PID**").
 - This is consistent with the prior quarter dividend and reflects the Company's intention to pay a target aggregate dividend of 6.17 pence per ordinary share for the year to 31 December 2019¹, an increase of 2.83% over the aggregate dividend paid for 2018.

PROPERTY VALUATION

- The Group's property portfolio ("**Portfolio**") was independently valued (unaudited) at £310.6 million as at 30 September 2019 (valuation as at 30 June 2019, £271.6 million).
 - In the quarter to 30 September 2019, the market value of the Group's Portfolio grew by £38.9 million, or 14.3%.
 - This increase in market value includes £31.9 million of completed acquisitions, £2.5 million invested in capital improvements in homes and a net value uplift of £4.6 million (an increase of 1.7% on a like-for-like basis). Half of this value uplift has been delivered from homes where investment by the Company in capital improvements has been made, demonstrating the benefits of the Company's approach to active asset management.

PORTFOLIO UPDATE

- At 30 September 2019, the Portfolio comprised 86 healthcare properties, of which 84 are care homes let to eight 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). In addition, the Group owns two healthcare facilities leased to the NHS. In total the Group now has nine tenants² across its Portfolio of homes.
- In the quarter, the Group completed on several acquisitions including:
 - Two homes leased to Optima Care (Optima) with 98 operational beds near Ipswich. Optima is a new operator for the Group and our ninth tenant. The homes are leased under new 25-year full repairing and insuring leases.
 - Argentum Lodge, located in Nailsea approximately 10 miles south west of Bristol with 56 bedrooms and let on a new 25-year lease to Welford, an existing tenant of the Group.
 - The Group also completed on two homes which had previously been announced as exchanged: Holmesley, a 52-bedroom care home in Devon, leased to Welford; and Old Prebendal House, a 37-bed care home in Oxfordshire, leased to Careport. Both homes are let on new 25-year leases.
- In total, these five homes have added 243 beds to the portfolio. Over 90% of the new equity raised in May has now been deployed or committed to transactions or the repayment of the Group's revolving debt facilities.
- Weighted average unexpired lease term across the Portfolio of 19.9 years.
- Loan to value ratio of 7.6% as at 30th September 2019.

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

"The Group continues to make good progress in investing in homes that align with the Company's investment strategy and are accretive to the overall property portfolio. The investment in capital improvements over the past 18 months is also starting to deliver positive returns.

Over 90% of the £100 million equity raised in May is now deployed and the pipeline of new attractive opportunities remains strong, which leaves the Company well-positioned to provide investors with further secure inflation-linked income for the long-term and capital growth potential."

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP

Mahesh Patel
Andrew Cowley

via Maitland/AMO

Winterflood Securities Limited

Joe Winkley
Neil Langford

Tel: 020 3100 0000

RBC Capital Markets

Rupert Walford
Matthew Coakes

Tel: 020 7653 4000

Maitland/AMO (Communications Adviser)

James Benjamin

Tel: 020 7379 5151

Email: maitland@maitland.co.uk

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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 care homes for the elderly. 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 Company's intention is to pay a target dividend of 6.17 pence per share for the year to 31 December 2019¹.

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 segment, on 8 February 2019. The Company is a constituent of the FTSE EPRA/NAREIT index.

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, Welford, Maria Mallaband Countrywide Group, NHS Cumbria and Optima.

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