

AMENDED: NAV, DIVIDEND, DIVIDEND TARGET AND UPDATE

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Impact Healthcare REIT PLC
31 January 2020

The following amendment has been made to the 'NAV, DIVIDEND, DIVIDEND TARGET AND UPDATE' announcement released on 31 January 2020 at 07:00 under RNS No 5023B

The dividend payment date has been corrected to 21 February 2020 (previously 22 February 2020).

All other details remain unchanged.

The full amended text is shown below.

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31 January 2020

Impact Healthcare REIT plc

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

NET ASSET VALUE, DIVIDEND DECLARATION, DIVIDEND TARGET FOR 2020 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 31 December 2019.

NET ASSET VALUE

- Unaudited net asset value ("**NAV**")⁽¹⁾ at 31 December 2019 of £340.7 million, 106.81 pence per share (NAV at 30 September 2019: £303.7 million, 106.00 pence per share).

DIVIDEND DECLARATION

- The Board has today declared the Company's fourth and final interim dividend for the year ended 31 December 2019 of 1.5425 pence per ordinary share, payable on 21 February 2020 to shareholders on the register on 7 February 2020. The ex-dividend date will be 6 February 2020. This dividend will be a property income distribution dividend ("**PID**").
 - When this dividend is paid the Company will have delivered on its target of paying a dividend of 6.17 pence per share for the year ended 31 December 2019.

DIVIDEND TARGET FOR 2020

- At the beginning of 2019 the Company introduced a progressive dividend policy under which it seeks to grow its 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⁽²⁾.
- 100% of the Group's leases are inflation linked. During the year to 31 December 2019, the Group received a total rent increase from RPI uplifts of £372,941.
- Consequently the Board announces today that the target total dividend for the year ending 31 December 2020 is 6.29 pence per share⁽²⁾, a 1.94% increase over the 6.17 pence per share for the year ended 31 December 2019.

NAV TOTAL RETURN

- Unaudited NAV⁽¹⁾ total return for the year ended 31 December 2019 of 9.46%, composed of dividends paid in the year and 3.63 pence per share growth in NAV.
 - The Company's target is a NAV total return of 9% per annum.

PROPERTY VALUATION

- The Group's property portfolio ("**Portfolio**") was independently valued⁽¹⁾ at £318.8 million as at 31 December 2019 (valuation as at 30 September 2019, £310.6 million), an increase of £8.2 million, or 2.6% in the quarter.

- This includes a £2.7 million deferred incentive payment on Yew Tree which was paid to the tenant in return for an uplift in rent at a yield of 8% which was accretive to shareholder returns whilst maintaining strong rent cover at the home.
- In addition, a further £1.9 million was invested in capital improvements and value uplifts across the portfolio of £3.6 million were achieved delivering a like for like increase of 1.2% during the quarter.

£35 MILLION EQUITY RAISE AND PORTFOLIO UPDATE

- The Group successfully raised £35 million through an equity issue, the result of which was announced on 5 December 2019.
- At 31 December 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 has nine tenants² across its portfolio.
- Weighted average unexpired lease term across the Portfolio of 19.7 years.
- Loan to value ratio of 6.8% as at 31 December 2019.
- The Portfolio had an annualised contracted rent roll of £23.1 million at 31 December 2019.
- The Investment Manager continues to progress a strong identified pipeline of investment opportunities with a number of transactions targeted to exchange in the quarter.

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

"The Board is pleased by the good progress made by the Company over the past year. The Company's portfolio of UK residential care homes and growing number of high-quality tenants, who offer an essential regulated service and provide good care, continue to deliver investors secure inflation-linked and attractive income for the long-term with the potential for income and capital growth. This has provided an unaudited NAV⁽¹⁾ total return of 9.46% for the period, ahead of target.

The £35 million of equity raised by the Company in December last year, in addition to the remaining headroom on its £50 million of debt facilities, leave the Company well-placed to continue to diversify its portfolio by geography and by tenant by adding further experienced operators from its pipeline of near term opportunities."

Note:

- (1) The NAV and other financials reported in this announcement remain unaudited and subject to change. Final audited financial statements are expected to be published at the end of March 2020.
- (2) 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.
- (3) Minster, Croftwood, (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance, Welford, Maria Mallaband Countrywide Group, NHS Cumbria and Optima.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP via Maitland/AMO
Maresh 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 impacthealth-

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 has a progressive dividend policy with a target to grow its annual aggregate 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.

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