


**86**  
Care homes

**£318.8m\***  
Property value

**19.7 yrs**  
WAULT long leases

**£23.1m**  
Contracted rent roll

**100%**  
Inflation linked leases<sup>1</sup>

<sup>1</sup> Linked to the Retail Price Index, with a floor of 2% per annum and cap of 4% per annum

## 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.**

**Strategy** – We have an established strategy, supported by a disciplined approach to putting capital to work. Our strategic target is to deliver accretive growth by working in a long-term partnership with carefully selected care home operators, who:

- have a track record of delivering high-quality care;
- are consistently and sustainably profitable; and
- are ambitious to grow their businesses, through Impact acquiring more homes they will manage and through asset management opportunities, to expand and improve the homes they already manage.

**Objectives** – We aim to provide shareholders with attractive and sustainable returns, primarily in the form of quarterly dividends. Through active asset management, we also aim to generate growth in net asset values over the medium term. Our targets are to deliver:

- a progressive dividend policy, with a total target dividend of – 6.17p per share in respect of 2019<sup>1</sup>; – 6.29p per share in respect of 2020<sup>1</sup>; and
- a NAV total return of 9.0% per annum<sup>1</sup>.

**Investment Policy** – To acquire, own, lease, renovate, extend and redevelop high-quality healthcare real estate assets in the UK, in particular care homes, and to lease those assets to care home operators and other healthcare service providers, under full repairing and insuring leases.

<sup>1</sup> 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.

## Key achievements in Q4 2019

- Declared and paid the Q3 dividend of 1.5425p per share delivering towards the annual dividend target of 6.17 pence per share for 2019.
- Successfully raised £35 million of equity at 108.00p per share at December 2019.
- Continued to progress a number of pipeline opportunities towards completion.

## Dividend history (per share)

	2019	2018	2017
Q1	1.5425p	1.50p	n/a
Q2	1.5425p	1.50p	1.50p
Q3	1.5425p	1.50p	1.50p
Q4	1.5425p <sup>#</sup>	1.50p	1.50p
	<b>6.17p</b>	<b>6.00p</b>	<b>4.50p</b>

<sup>#</sup> Declared payable in February

## Impact at a glance

	31 December 2019*	30 September 2019*	% change
Shares in issue	<b>318,953,861</b>	286,546,454	
Share price (p)	<b>108.00</b>	111.00	
NAV per share (p)	<b>106.81</b>	106.00	
Market Cap (£m)	<b>344.47</b>	318.07	
NAV (£m)	<b>340.68</b>	303.69	
Bank borrowings (£m)	<b>25.1</b>	23.2	
Number of properties	<b>86</b>	86	
Number of beds	<b>4,274<sup>†</sup></b>	4,174	
Market value (£m)	<b>318.8</b>	310.6	2.64%
– per property (£m)	<b>3.7</b>	3.61	2.64%
– per bed (£'000)	<b>74.6</b>	74.4	2.64%
Contracted rent roll (£m)	<b>23.1</b>	23.1	
Contracted Yield (%)	<b>7.07</b>	7.26	

\* Unaudited

<sup>†</sup> As of 31 December 2019 bed numbers have been reported on registered beds

Below, from left: Briardene, Westerhope; Kingston Court, Carlisle; Sovereign Lodge, Westerhope; and Derwent, Low Westwood.



## Company overview

IPO	7 March 2017	<b>Registered address</b>
Market	LSE Main Market Premium Segment	The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF
Index Inclusion	–	
Ticker	IHR	
ISIN	GB00BYXVMJ03	
SEDOL	BYXVMJ0	
Dividend payments	Quarterly	

<b>Board of Directors</b>
Rupert Barclay (Chairman)
Rosemary Boot (Senior Independent Director)
Amanda Aldridge
Paul Craig
Philip Hall

<b>Key dates</b>	
AGM	May 2020
Half year end	30 June
Full year end	31 December

Publication date: January 2020

## Portfolio update

### NAV and valuation

The unaudited NAV per share at 31 December 2019 was 106.81p\* per share, up from 30 September 2019 NAV of 106.00p.

The net asset value increased to £340.7 million from £303.7 million, an uplift of 12.2% including £35 million equity raised and the increase in property value.

The property portfolio experienced a 2.6% rise for the quarter being valued at £318.8 million, this consisted £1.9 million investment in capital improvements in homes, a net value uplift of £3.6 million (1.2% on a like-for-like basis) and a £2.7 million deferred incentive payment on Yew Tree 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.

### Acquisition pipeline

The Investment Manager continues to pursue a strong pipeline of investment opportunities including three near term opportunities in excess of £80 million.

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

Construction work at Diamond House and Freeland House is soon to come to an end, with CQC registration inspections to take place in the new year. Development work has begun on the extension at Loxley Hall, adding a further four bedrooms to the care home whilst improving existing day space and ancillary accommodation, works are expected to be completed Q2 2020. We have submitted several planning applications for a number of developments across the portfolio and are awaiting the outcome of these in Q1 2020.



An aerial image of the 30-bed development (left) at Diamond House, Leicestershire.

## Our portfolio

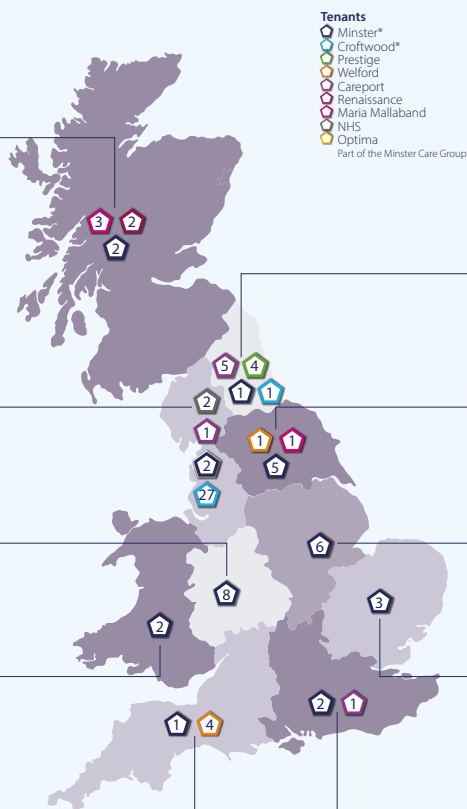
**Scotland**  
Number of properties: 7  
Beds: 446  
% of portfolio income: 8.7%

**North West**  
Number of properties: 32  
Beds: 1,286  
% of portfolio income: 25.3%

**West Midlands**  
Number of properties: 8  
Beds: 365  
% of portfolio income: 8.8%

**Wales**  
Number of properties: 2  
Beds: 105  
% of portfolio income: 1.5%

**South West**  
Number of properties: 5  
Beds: 214  
% of portfolio income: 6.6%



- Tenants**
- Minster\*
  - Croftwood\*
  - Prestige
  - Welford
  - Careport
  - Renaissance
  - Maria Mallaband
  - NHS
  - Optima
- \*Part of the Minster Care Group\*

**North East**  
Number of properties: 11  
Beds: 671  
% of portfolio income: 12.1%

**Yorkshire & The Humber**  
Number of properties: 7  
Beds: 422  
% of portfolio income: 8.9%

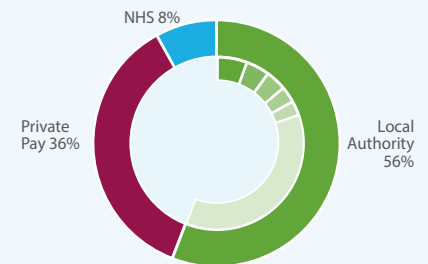
**East Midlands**  
Number of properties: 6  
Beds: 265  
% of portfolio income: 8.9%

**East of England**  
Number of properties: 5  
Beds: 309  
% of portfolio income: 13.4%

**South East**  
Number of properties: 3  
Beds: 191  
% of portfolio income: 5.9%

## Portfolio analysis

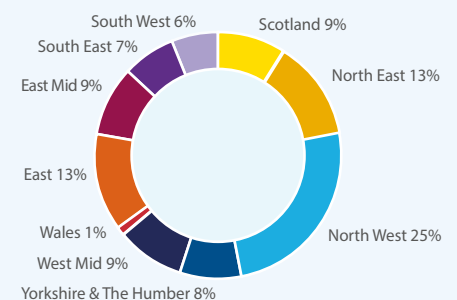
**Security of income (%)**  
based on % revenue to care home tenants



**Local Authority top five (% of total revenue)**



**Regionally diverse (%)**  
based on % portfolio market value



\*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.

### Key contacts

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