


94
Properties

£345.1m*
Property value

19.8yrs
WAULT long leases

£29.2m
Contracted rent roll

100%
Inflation linked leases[†]

* Unaudited
† All care home leases are 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 invest in a diversified portfolio of UK healthcare real estate assets, in particular residential and nursing care homes.

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 6.29p per share in respect of 2020¹; and
- a NAV total return of 9.0% per annum¹.

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.

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.

Key achievements in Q1 2020

- Declared and paid the Q4 dividend of 1.5425p per share delivering the annual dividend target of 6.17 pence per share for 2019.
- Acquired eight homes, three are leased to a new tenant, Silverline.
- Exchanged contracts to acquire nine homes in Scotland with a new tenant, Holmes Care.
- Forward funded the development of a new 94 bed care home with Prestige.

Dividend history (per share)

	2020	2019	2018	2017
Q1	1.5725p	1.5425p	1.50p	n/a
Q2		1.5425p	1.50p	1.50p
Q3		1.5425p	1.50p	1.50p
Q1		1.5425p	1.50p	1.50p
	1.5725p	6.17p	6.00p	4.50p

Impact at a glance

	31 March 2020*	31 December 2019	% change
Shares in issue	318,953,861	318,953,861	
Share price (p)	91.50	108.00	
NAV per share (p)	106.98	106.81	
Market Cap (£m)	291.84	344.47	
NAV (£m)	341.21	340.68	
Bank borrowings (£m)	25.1	25.1	
Number of properties	94	86	
Number of beds	4,898	4,274 [†]	
Market value (£m)	345.1	318.8	8.3%
– per property (£m)	3.7	3.7	0%
– per bed (£'000)	70.5	74.6	(3.8)%
Contracted rent roll (£m)	29.2	23.1	
Contracted Yield (%)	7.23	7.07	

* Unaudited

† As of 31 December 2019 bed numbers have been reported on registered beds

Below, the Freeland House extension completed in January 2020 has now received CQC registration adding 46-beds.



Company overview

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

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

Key dates	
AGM	18 June 2020
Half year end	30 June
Full year end	31 December

Publication date: June 2020

Portfolio update

NAV and valuation

The unaudited NAV per share at 31 March 2020 was 106.98p per share, up from 31 December 2019 NAV of 106.81p.

The net asset value increased to £341.2 million from £340.7 million, an uplift of 0.15% including the increase in property value.

The property portfolio experienced an 8.3% rise for the quarter being valued at £345.1 million, this consisted £21.7 million for the acquisition of eight care homes with across three tenants (three of these homes were leased to a new tenant, Silverline), £1.2 million on a new forward funded development with Prestige, £0.7 million investment in capital improvements in homes, £0.7 million in deferred consideration on a home leased to Careport and a net value uplift of £2.0 million primarily as a result of the inflation linked rent reviews performed in the quarter.

Acquisition pipeline

Due to COVID-19 the Company has decided to pause acquisitions. This position is under regular review and we remain in active dialogue with vendors on a number of opportunities. The timing of future acquisitions will be considered carefully, taking into account, amongst other things, the homes' trading performance and the market outlook.

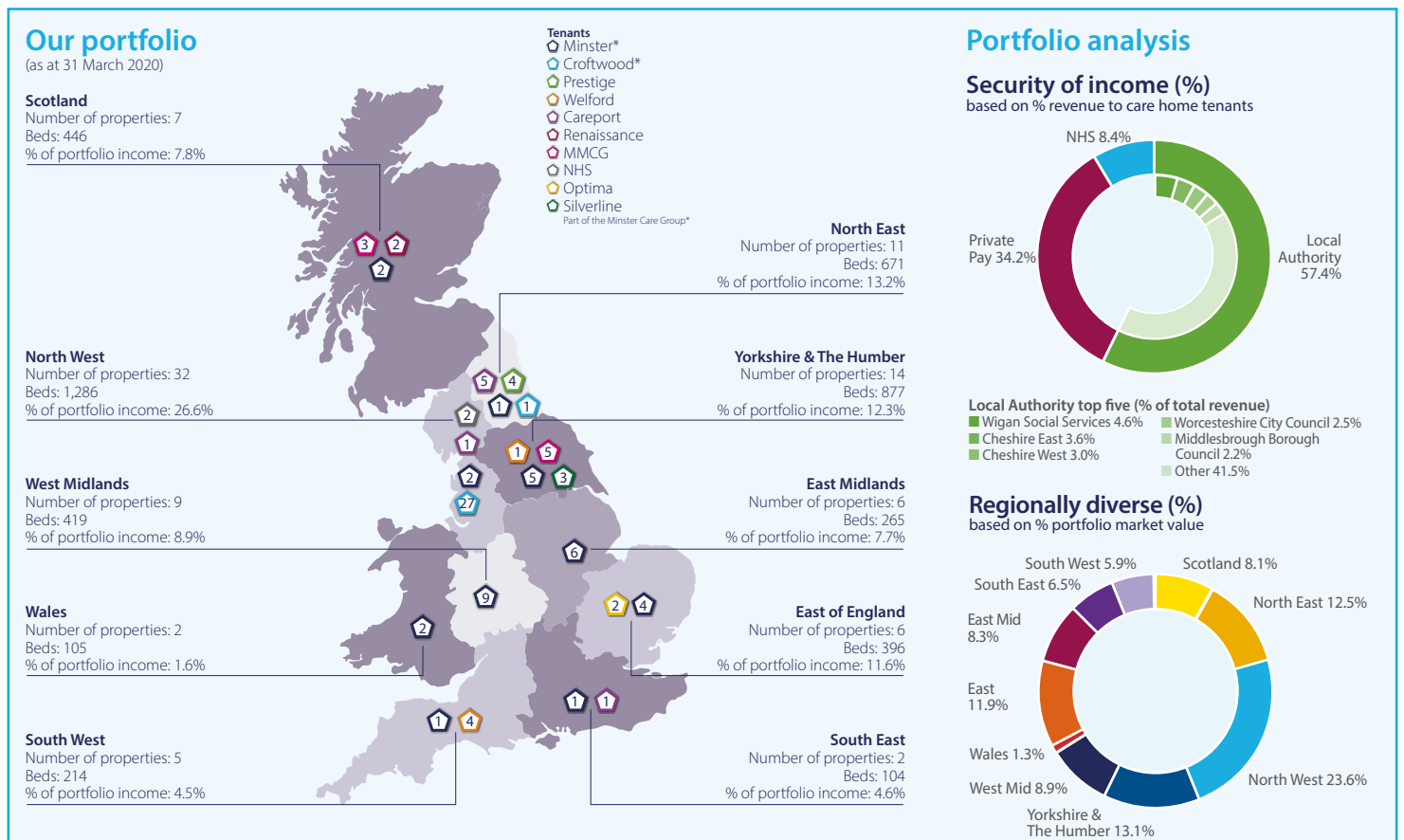
Operational update

The Investment Manager ("IM") continues to be in regular communication with the Group's tenants and key service providers to monitor the pandemic's effect on them and also, to share information and ideas on how to manage the current situation.

In addition to the tenants' detailed operating and financial data the IM receives on a quarterly basis, tenants have been providing weekly updates on occupancy and how the pandemic is affecting their operations.

The first deaths from COVID-19 in care homes were recorded in mid-March and therefore the effect of the virus on our portfolio in the period to 31 March was modest. Our tenants' principal concerns at the end of the quarter were the safety of residents and staff, alongside the availability of staff and personal protective equipment ("PPE"). Tenants are now reporting that pressure on staffing has eased and PPE is more widely available. There are also encouraging signs that COVID-19 testing for care home residents and staff is becoming more widely and promptly available.

Despite the continuing uncertainty created by the pandemic, the Company has continued to receive all rent due as normal and will provide updates with material developments as the pandemic evolves.



Key contacts

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