

## Acquisitions And Investment Pipeline Update

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Impact Healthcare REIT PLC  
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4 September 2020

### Impact Healthcare REIT plc

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

#### ACQUISITIONS AND INVESTMENT PIPELINE UPDATE

The Board of Directors 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, is pleased to announce that the Group has exchanged contracts on an individual property to be leased to an existing tenant and that it has also completed the acquisition of the previously exchanged Holmes Care Portfolio.

#### St Peters House

The Group has exchanged contracts to acquire St Peters House for a net consideration of £7.4 million. The initial rent will be £555,000, reflecting a yield of 7.5%.

St Peters House is an attractive period property which has been substantially extended and is now largely purpose-built, providing 62 single en-suite bedrooms. It is located in an affluent area close to the town centre of Bury St Edmunds and is currently rated as Outstanding by CQC.

The Group has agreed to appoint one of its existing tenants, Welford Healthcare Limited ("Welford"), as the new tenant of St Peters House, which will leave Welford operating six homes for Impact with a total of 305 beds and strong rent cover above 2 times across this portfolio. The terms of the new repairing and insuring lease with Welford for the home are the same as Impact's standard lease terms, with a fixed term of 25 years and annual upward-only rent reviews linked to RPI and Welford has committed to a minimum annual expenditure on the maintenance of the home.

The acquisition further enhances the Group's geographic diversification and is in line with its investment criteria and returns profile.

#### Holmes Care

On 9 March 2020, the Group announced the exchange of contracts on the nine Holmes Care homes, with completion subject to the required regulatory approvals from The Care Inspectorate in Scotland. These have now been received and the deal completed on 28 August 2020, making Holmes Care Group the Company's 11<sup>th</sup> tenant<sup>1</sup>.

#### Financing and pipeline

The St Peters House transaction and completion of the Holmes Care acquisition are financed from the Group's existing cash resources and available debt facilities and the Group remains well capitalised, with a strong balance sheet and has significant liquidity and headroom, with 100% collection of rent due for the year to date.

When the Company paused new acquisitions in March, the Group had a strong pipeline of potential investments and it is now re-engaging on certain acquisitions along with new opportunities, some of which are at an advanced stage. The Group expects to make further announcements in due course.

#### Notes

1 Minster, Croftwood, (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance, Welford, Maria Mallaband Countrywide Group, NHS Cumbria, Optima, Holmes Care and Silverline Care.

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The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Impact Healthcare REIT is available at [www.impactreit.uk](http://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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