



Laurel Bank Care Home / Bradford


108
Properties[†]

£418.8m
Property value

20.0yrs
WAULT

£30.9m
Contracted rent roll^{}**

100%
Inflation linked leases[†]
[†] Includes assets under construction. ^{**} Following a further acquisition in Q1 2021, contracted rent at the date of publications is £31.7m

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

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 6.41p per share in respect of 2021¹; 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 Q4 2020

- Declared and paid the Q3 dividend of 1.5725p per share.
- Completed the acquisition of three Northern Irish care homes, adding a further 193 beds and our twelfth tenant, Electus Healthcare. Our first investment in Northern Ireland increasing our tenant and geographic diversification.
- Acquired Blackwell Vale in Carlisle with 60 beds and a £1m commitment to capital improvements. The home is leased to an existing tenant, Careport.

Dividend history (per share)

	2020	2019	2018	2017
Q1	1.5725p	1.5425p	1.50p	n/a
Q2	1.5725p	1.5425p	1.50p	1.50p
Q3	1.5725p	1.5425p	1.50p	1.50p
Q4	1.5725p[#]	1.5425p	1.50p	1.50p
	6.29p	6.17p	6.00p	4.50p

[#] Declared in January, paid in February

Impact at a glance

	31 December 2020	30 September 2020 [*]	% change
Shares in issue	318,953,861	318,953,861	
Share price (p)	109.00	98.60	
NAV per share (p)	109.58p	109.06p	
Market Cap (£m)	347.66	314.49	
NAV (£m)	349.52	347.84	
Bank borrowings (£m)	76.4	76.2	
Number of completed properties ¹	107	102	4.9%
Number of beds ¹	5,830	5,509	5.8%
Market value (£m) ¹	417.3	397.9	4.9%
– per property (£m)	3.9	3.9	0.0%
– per bed (£'000)	71.6	72.2	(0.9)%
Contracted rent roll (£m)	30.9	29.9	3.5%
EPRA "topped-up" yield (%)	6.72	6.72	

^{*} Unaudited

¹ This excludes assets under development

Below, from left: Argentum Lodge, Bristol; Three Towns Care Home, Stevenson; Wallace View Care Home, Stirling; Sovereign Lodge, Westerhope.



Company overview

IPO 7 March 2017
Market LSE Main Market Premium Segment
Index Inclusion EPRA/NAREIT
Ticker IHR
ISIN GB00BYXVMJ03
SEDOL BYXVMJ0
Dividend payments Quarterly

Registered address

The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF

Board of Directors

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

Key dates

AGM 12 May 2021
Half year end 30 June
Full year end 31 December
Publication date: April 2021

Portfolio update

Financial position

The net asset value ("NAV") per share at 31 December 2020 was 109.58 pence per share, up from 30 September 2020 NAV of 109.06 pence.

The NAV increased to £349.5 million from £347.8 million, an uplift of 0.5% and an increase of £8.8 million (2.6%) on 31 December 2019.

The Group's property portfolio ("Portfolio") was independently valued at £418.8 million as at 31 December 2020 (valuation as at 30 September 2020, £399.4 million), an increase of £19.4 million, or 4.8% in the quarter.

£16.7 million relates to investments in acquisitions and £0.3 million on capital improvements. Net valuation uplifts of £2.4 million were recognised in the quarter, including £0.8 million on new acquisitions, £0.7 million from assets with RPI uplifts in the quarter and £0.9 million across the remainder of the portfolio.

Debt drawn was unchanged at £76.1 million at 31 December 2020 with cash balances of £8.0 million. A further £20.0 million of debt was drawn after the year end to replenish cash reserves taking total debt drawn to £96.1 million.

Acquisition pipeline

The Company has successfully progressed acquisitions in the quarter on homes with strong trading credentials despite the

pandemic. The Investment manager ("IM") continues to progress a number of acquisition opportunities that remain attractive to the businesses investment strategy and expects to announce further acquisitions shortly.

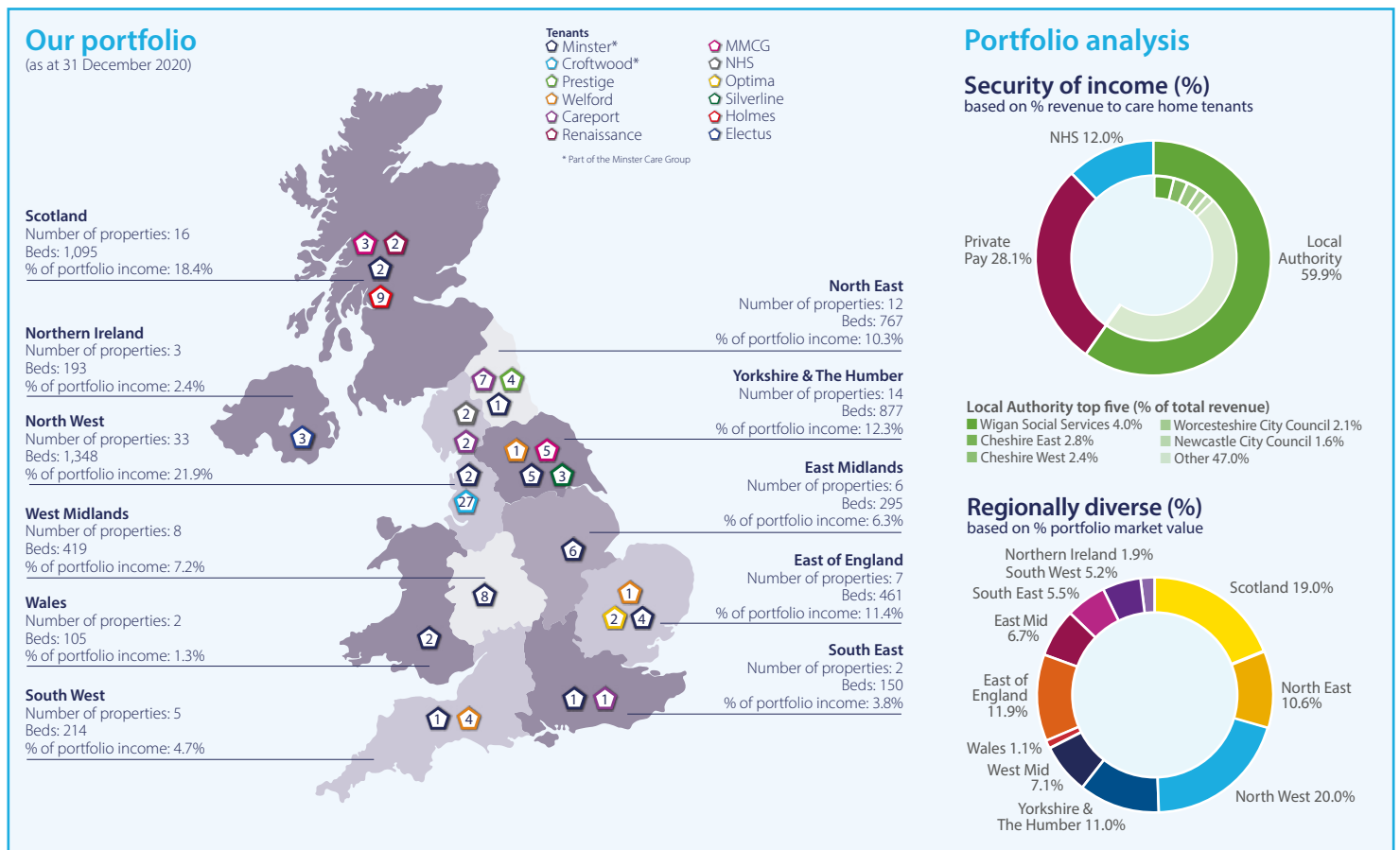
In addition, the IM has built a strong pipeline of potential future acquisitions. The pipeline is increasing and further opportunities are being identified as confidence increases.

Operational update

The Company continues to receive 100% of rent receipts with no variation to lease terms.

All of our tenants' residents and health care workers have now been offered first dose vaccinations, and at the date of publication over 75% of our care homes have been offered the second vaccination.

Tenants' occupancy levels were stable across the portfolio during Q4 2020, but are below their usual levels. Managers at the Group's homes report good levels of enquiries, however, new admissions are not expected to rise substantially until current lockdown restrictions on visitors to homes are eased and care home vaccinations have been completed.



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