

## NAV, DIVIDEND DECLARATION & PORTFOLIO UPDATE

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Impact Healthcare REIT PLC  
13 May 2021

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13 May 2021

### Impact Healthcare REIT plc

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

#### NET ASSET VALUE, DIVIDEND DECLARATION AND PORTFOLIO 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, is pleased to provide the following business and trading update.

#### NET ASSET VALUE

- Unaudited net asset value ("NAV") at 31 March 2021 of £352.4 million, 110.48 pence per share (NAV at 31 December 2020: £349.5 million, 109.58 pence per share).
- The unaudited NAV total return for the quarter was 2.3%, comprising of dividends paid in the quarter of 1.5725 pence and 0.90 pence per share growth in NAV.
  - This is in line with the Company's target of an average NAV total return of 9% per annum<sup>1</sup>.

#### DIVIDEND DECLARATION

- The Board has today declared the Company's first interim dividend for the year ending 31 December 2021 of 1.6025 pence per ordinary share, payable on 11 June 2021 to shareholders on the register on 28 May 2021. The ex-dividend date will be 27 May 2021. This dividend will be paid as a Property Income Distribution ("PID").
  - This is in line with the Company's annual dividend target of 6.41 pence per share for the year ending 31 December 2021<sup>1</sup>, a 1.91% increase over the 6.29 pence in dividends paid per ordinary share for FY 2020.

#### PROPERTY VALUATION

- The Group's property portfolio ("Portfolio") was independently valued at £427.0 million as at 31 March 2021 (valuation as at 31 December 2020: £418.8 million), an increase of £8.2 million, or 2.0% in the quarter.
  - £5.4 million of the increase relates to investments in acquisitions.
  - Net valuation uplifts of £2.8 million were recognised in the quarter. or 0.7% on a like for like basis, the majority of this increase reflects uplifts from RPI rent reviews.

#### 100% RENT COLLECTION CONTINUING AND PORTFOLIO UPDATE

- The Group continued to receive 100% of rent payments as they fall due.
- 69 rent reviews were conducted in the quarter, which contributed a £328,000 increase to the Group's contracted rent in the quarter.
- At 31 March 2021, the Portfolio comprised 109 healthcare properties, of which 107 are care homes let to 11 tenants<sup>2</sup> 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 on 98 leases, and 1% p.a. and 5% p.a. on nine). In addition, the Group owns two healthcare facilities leased to the NHS with annual CPI uplift. In total, the Group had 12 tenants<sup>2</sup> across its Portfolio.
- Since the quarter end, the Group has committed to two further properties, both let to a new tenant for the Group, Carlton Hall. One is a high-quality care home near Lowestoft and the other is a pre-let forward funding arrangement for a new care home in Norwich, on 30 and 35 year leases respectively with upward-only Retail Price Index-linked rent reviews (with a floor and cap at 2% p.a. and 4% p.a). These increase the Group's total portfolio to 111 healthcare properties and 13 tenants<sup>2</sup>.
- Contracted rent increased to £31.7 million at the quarter end (£30.9 million at 31 December 2020) as a result of the above rent reviews and the acquisition in the quarter. Since the quarter end, this has increased to £33.3 million following the transaction with Carlton Hall for two care homes.
- Rent cover remains stable at just under 1.8 times across the portfolio for the quarter to 31 March 2021.
- Weighted average unexpired lease term across the Portfolio of 19.8 years at 31 March 2021.

#### FINANCING UPDATE

- Loan to value ratio ("LTV") of 21.3% as at 31 March 2021 following the Group's drawdown of £20 million to fund the acquisition in the quarter and maintain Group level cash reserves, which stood at £24.1 million at the quarter end.
- With the equity raise announced on 30 April 2021, a further £35 million in equity has now been received and will be used to pay down the current RCF facilities, which will reduce the LTV to under 14%.
- The Investment Manager continues to progress its strong and growing identified pipeline of attractive investment opportunities and is continuing to pursue these in the quarter.

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

"The Board is pleased with the ongoing strong performance of the Group's growing portfolio and continuing 100% collection of rent due. We remain a long-term business focused on healthcare real estate that provides crucial social care infrastructure supporting vulnerable elderly people across the UK.

The Board remains confident that, despite the short-term uncertainty produced by the pandemic, the fundamental drivers of the Group's market and business remain strong and sustainable. The net proceeds of the equity raise announced on 30 April 2021 enable the Group to continue to capitalise on its attractive, near-term and growing pipeline of potential acquisitions that are expected to deliver further attractive returns to our shareholders."

Note:

- <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.
- <sup>2</sup> Minster and Croftwood (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance, Welford, Maria Mallaband Countrywide Group, NHS Cumbria, Optima, Holmes Care, Silverline, Electus Healthcare and Carlton Hall.

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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The Company's LEI is 213800AX3FHMPJL4IJ53.

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.

On this basis, the target total dividend for the year ending 31 December 2021 is 6.41 pence per share<sup>1</sup>, a 1.91% increase over the 6.29 pence in dividends paid per ordinary share for the year ended 31 December 2020.

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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