


111
Properties[†]
[†] Includes exchanged and under construction assets.

£432.4m
Property value[†]

19.5yrs
WAULT

£33.8m
Contracted rent roll

100%
Inflation linked leases

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 6.41p 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 Q2 2021

- Exchanged contracts for an 86-bed home in Lowestoft and agreed the forward funding of an 80-bed care home in Norwich with a new tenant, Carlton Hall. These transactions will deploy £20.8m of capital with a further deferred payment of up to £4m.
- Raised £35.3m of gross proceeds from an issue of new ordinary shares.
- Secured a new RCF of £26m with NatWest, the Group also agreed to repay £10m of its more expensive £25m term loan with Metro bank. The new facility with NatWest has an accordion agreement allowing the available facility to increase up to £50m, subject to bank approval.
- Appointed a new non-executive director, Chris Santer, who has c.25 years' experience in UK and European real estate investment and development
- Broke ground on a new 17-bed extension at Fairview.

Dividend history (per share)

	2021	2020	2019	2018	2017
Q1	1.6025p	1.5725p	1.5425p	1.50p	n/a
Q2	1.6025p [#]	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
	3.205p	6.29p	6.17p	6.00p	4.50p

[#] Declared in July, payable in August 2021

Impact at a glance

	30 June 2021*	31 March 2021*	% change
Shares in issue	350,644,188	318,953,861	
Share price (p)	111.20	113.50	
NAV per share (p)	110.66	110.48	
Market Cap (£m)	389.92	362.01	
NAV (£m)	388.02	352.37	10.1%
Bank borrowings (£m)	62.4	96.5	
Number of completed properties ¹	108	108	0.0%
Number of beds ¹	5,881	5,881	0.0%
Market value (£m) ¹	427.5	425.5	0.5%
– per property (£m)	4.0	3.9	0.6%
– per bed (£'000)	72.7	72.4	0.5%
Contracted rent roll (£m)	33.8	31.7	6.6%
EPRA "topped-up" yield (%)	6.75	6.75	

* Unaudited

¹ This excludes exchanged and under construction assets

Below, from left: Carlton Hall (exterior, main building); Bakehouse bedroom; Granery; bungalows and gardens.



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
Chris Santer

Key dates

AGM May 2022
Half year end 30 June
Full year end 31 December

Publication date: September 2021

Portfolio update

NAV and valuation

The unaudited NAV per share at 30 June 2021 was 110.66p per share, up from 31 March 2021 NAV of 110.48p.

The net asset value increased to £388.0 million from £352.4 million, an uplift of 10.1% including the increase in property value.

The Group's property portfolio ("Portfolio") was independently valued at £432.4 million as at 30 June 2021 (valuation as at 31 March 2021, £427.0 million), an increase of £5.4 million, or 1.3% in the quarter.

£2.4 million relates to investments in acquisitions, with a net purchase price of £2.8 million and associated costs of £0.4 million resulting in a small initial value reduction. Like-for-like valuation uplifts on standing assets were £2.0 million in the quarter, including £0.8 million from assets with RPI uplifts in the quarter and £1.2 million across the remainder of the portfolio. A further £1.0 million increase is due to investment in assets under construction and capital improvements.

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 has announced a further investment since the quarter end.

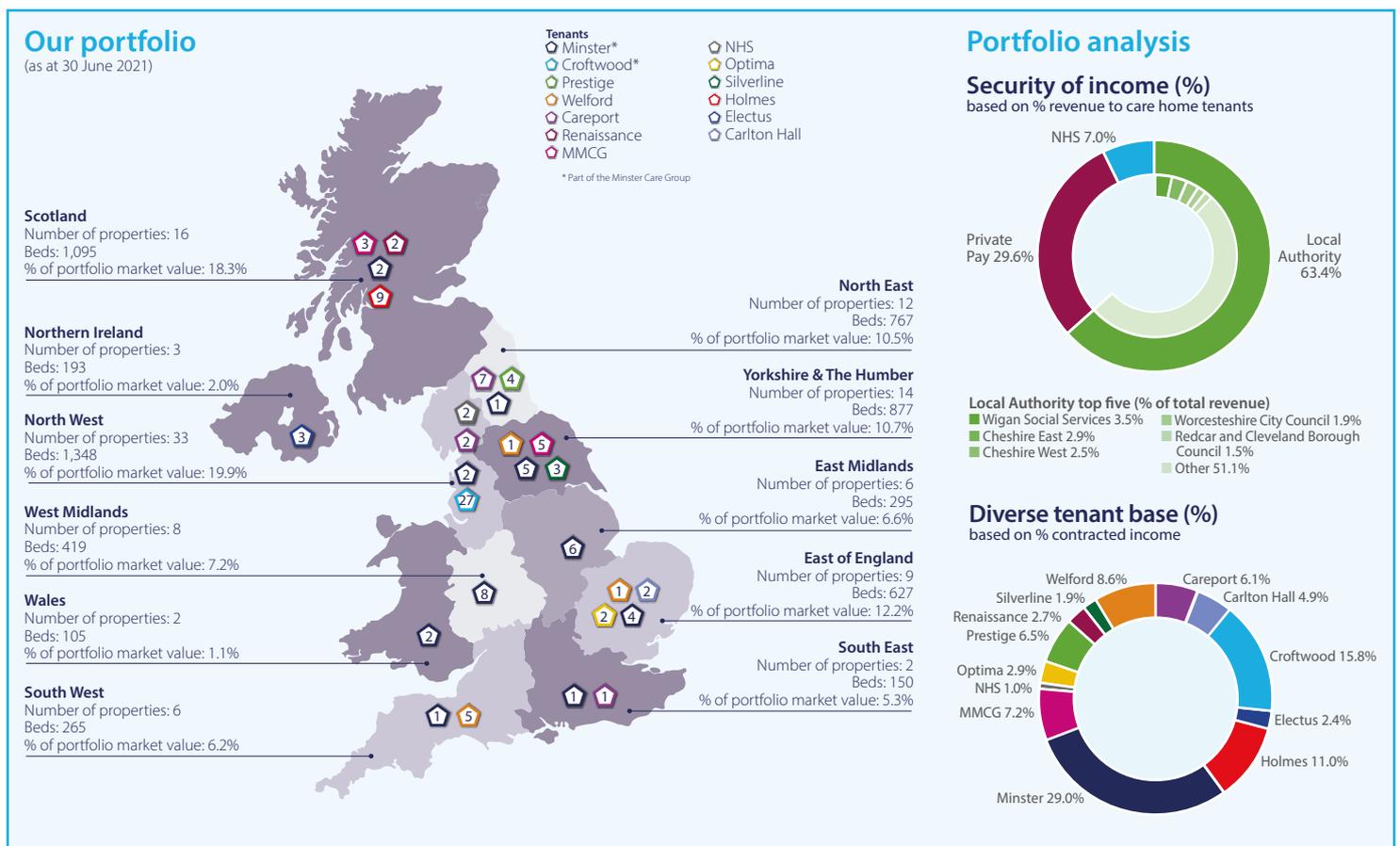
In addition, the IM has built a strong pipeline of potential future acquisitions and this pipeline is increasing as further opportunities are coming to the market as confidence increases.

Operational update

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

Tenants' occupancy levels began to recover across the Portfolio during Q2 2021, 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 lockdown restrictions have ended.

The Company broke ground on a 17-bed extension at Fairview that will add a net 11 beds alongside the full refurbishment and reconfiguration of Fairview house and linkage to Fairview court to provide a modern care facility with a targeted EPC "A" rating.



Key contacts
Investment Manager
Impact Health Partners LLP
info@impactreit.uk
+44 (0)20 3146 7100

Media and Public Relations
Maitland/AMO
+44 (0)20 7379 5151
james.benjamin@maitland.co.uk

Administrator and Secretary
JTC (UK) Limited
The Scalpel, 18th Floor, 52 Lime Street
London EC3M 7AF

Registrar
Computershare Investor Services PLC
The Pavilions Bridgwater Road
Bristol
BS99 6ZZ

Legal Advisers
Travers Smith LLP
10 Snow Hill, London EC1A 2AL

Joint Financial Adviser
Jefferies International Limited
100 Bishopsgate, London EC2N 4JL

Winterflood Securities Limited
The Atrium Building, Cannon Bridge
25 Dowgate Hill, London EC4R 2GA

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