NEW LONG-TERM INSTITUTIONAL DEBT

Released : 22/12/2021 07:00

RNS Number : 4086W
Impact Healthcare REIT PLC
22 December 2021

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22 December 2021

Impact Healthcare REIT plc

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

NEW LONG-TERM INSTITUTIONAL DEBT

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 it has agreed £75 million of new long-term debt provided by two large UK insurance companies.

THE NOTES

Impact has entered into an agreement with these institutional investors to issue £75 million of senior secured notes (the "**Notes**"), comprising two tranches with a weighted average coupon of 2.967%, and a weighted average maturity of 14 years.

The two tranches comprise:

- £37 million of Notes at a fixed coupon of 2.932% which were issued on 21 December 2021 and mature in December 2035; and
- £38 million of notes at a fixed coupon of 3.002% which will be issued on 20 June 2022 and mature in June 2035.

The Notes represent Impact's debut transaction in the institutional debt market and provide Impact with long-term, fixed-rate debt to match the Group's long income profile. The first tranche has lengthened the Group's weighted average debt term to 4.7 years, and this will increase further upon draw down of the second tranche in June.

Following drawdown of the first tranche on 21 December 2021, £10 million of the revolving credit facility with Metro Bank has been cancelled, further reducing loan facilities with Metro Bank from £40 million to £30 million. The remainder of the proceeds will be used to fund the Group's strong pipeline of investments.

After the drawdown of the first tranche and repayment of Metro Bank, the Group's total available debt stands at £168 million of which £104.5 million is drawn, giving an LTV of c.21% based on gross assets as at 30 September 2021 plus new debt. The Group has headroom of £104 million under its committed bank facilities and available cash, in addition to an uncommitted accordion facility of £24 million.

Rupert Barclay, Chairman of Impact Healthcare REIT plc, commented: "*We are delighted with the attractive rates and competitive terms that have been achieved, and how this transaction reflects both the high level of resilience the Group has demonstrated during an exceptionally challenging period, and support from institutional investors for Impact and its strategy.*"

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP		Via Maitland/AMO
Mahesh Patel		
Andrew Cowley		
Jefferies International Limited		+44 20 7029 8000
Tom Yeadon	tyeadon@jefferies.com	
Neil Winward	nwinward@jefferies.com	
Francesco Namari	fnamari@jefferies.com	
Winterflood Securities Limited		+44 20 3100 0000
Neil Langford	neil.langford@winterflood.com	
Joe Winkley	joe.winkley@winterflood.com	
Maitland/AMO (Communications adviser)		+44 7747 113 930
James Benjamin	impacthealth-maitland@maitland.co.uk	

The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Impact Healthcare REIT is available at www.impactreit.uk.

NOTES:

Impact Healthcare REIT plc acquires, renovates, extends and redevelops high quality healthcare real estate assets in the UK and lets these assets on long-term full repairing and insuring leases to high-quality established healthcare operators which offer good quality care, under leases which provide the Company with attractive levels of rent cover.

The Company aims to provide shareholders with an attractive sustainable return, principally in the form of quarterly income distributions and with the potential for capital and income growth, through exposure to a diversified and resilient portfolio of UK healthcare real estate assets, in particular care homes for the elderly.

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*, 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.

Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

* 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.

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