

## ACQUIRES THREE CARE HOMES FOR £14.3 MILLION

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Impact Healthcare REIT PLC  
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**Impact Healthcare REIT plc**  
("Impact" or the "Company" or, together with its subsidiaries, the "Group")

### ACQUIRES THREE CARE HOMES FOR £14.3 MILLION

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 recently completed the acquisition of a property and exchanged contracts to acquire two further properties all with existing Group tenants.

Once completed, these transactions are expected to deliver the following benefits to the Group:

- enable the Company to deploy £14.3 million of capital, plus transaction costs;
- these acquisitions will add three care homes comprising 208 beds to the Group's portfolio, which will then total 112 care homes and 6,191 beds (at 30 September 2021: 108 homes and 5,900 beds);
- increase the Group's contracted annual rent roll to £35.5 million, a 4.7% increase on contracted annual rent at 30 September 2021 of £33.9 million;
- EPC ratings of B<sup>1</sup> on two homes and EPC C<sup>1</sup> on the third home with a strategy to deliver an EPC B;
- rent cover at the acquisition of each care home will be approximately two times; and
- all of the acquisitions will be leased on Impact's new improved green leases (the "**Group's standard lease**"), with fixed terms of 25 years and annual upward-only rent reviews linked to the Retail Price Index ("**RPI**"), with commitments from each tenant to a minimum annual expenditure on the maintenance of the care homes.

#### **Springhill Nursing care home in Kilmarnock, Scotland, for £3.25 million**

Earlier in the quarter, the Group completed the acquisition of Springhill Nursing care home in a sale and lease back with Silverline, one of the Group's existing tenants. Springhill, located in Kilmarnock, Scotland, is a four storey Georgian building with a substantial purpose-built extension offering a total of 61 beds with en suite wet room facilities. The Group paid a net purchase price of £3.25 million with an initial annual rent of £243,000 with rent cover at acquisition of just under two times. The acquisition price reflects gross initial yield of 7.5%. The home has an EPC rating of C53<sup>1</sup> with a strategy to achieving an equivalent EPC rating of B. Silverline has entered into the Group's standard lease, with a fixed term of 25 years with no break clauses and RPI uplifts of between 2% and 4% per annum. Silverline has committed to a minimum annual expenditure on the maintenance of the care homes.

#### **Portfolio of two care homes in Northern Ireland leased to Electus Healthcare for £11.02 million**

The Group has exchanged contracts for the acquisition of two care homes in Northern Ireland, subject to re-registration with the Regulation and Quality Improvement Authority, which is expected to be procedural. Both care homes are purpose-built in established residential areas and provide a combined total of 147 en suite bedrooms. One of the homes is located in the north-west of Belfast, the second in the coastal town of Larne. Both homes have an EPC rating B<sup>1</sup>. The two homes will be operated by an existing tenant, Electus, and take our total care homes in Northern Ireland to five with 340 beds.

The Group is to pay a net purchase price of £11.02 million to the vendors. The initial annual rent has been agreed at £854,500, reflecting a gross initial yield of 7.8%. Rent cover at acquisition will be two times.

Electus will enter the Group's standard leases, with a fixed term of 25-years with no break clauses. The rents receivable under the leases will be subject to annual upward-only rent reviews linked to RPI, with a floor of 2% p.a. and a cap of 4% per annum. Electus has committed to a minimum annual expenditure on the maintenance of the care homes.

#### **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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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 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<sup>2</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.

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.

<sup>1</sup> All homes have been appraised under the English EPC rating system to ensure consistency and benchmarking.

<sup>2</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.

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