



Mavern House Nursing Home, Corsham Road, Shaw, Wiltshire


**126**
**Properties<sup>†</sup>**
<sup>†</sup> Includes exchanged, funded and under construction assets

**£508.0m**
**Property value<sup>†</sup>**

**19.2yrs**
**WAULT**

**£38.0m**
**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 6.54p per share in respect of 2022<sup>1</sup>; and
- a NAV total return of 9.0% per annum<sup>1</sup>.

**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.

<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.

## Key achievements in Q4 2021

- Invested in a portfolio of 12 care homes in Scotland with an existing tenant, Holmes. This portfolio contains 480 beds and consent for two substantial extensions, for consideration of £37.5 million at a gross initial yield of 7.2 %.
- Exchanged contracts to purchase two care homes in Northern Ireland to be leased to an existing tenant, Electus. This portfolio adds 147 beds for consideration of £11.0 million at a gross initial yield of 7.8%. This acquisition completed in February 2022.
- Completed the acquisition of a 61-bed care home in Kilmarnock, with all en suite wet room, leased to an existing tenant, Silverline. The purchase price of £3.3 million reflects a gross initial yield of 7.5%.
- Completed the acquisition of an 88-bed home in the South West of England, leased to an existing tenant, Minster. Considerations was £5.8 million with a gross initial yield of 7.2%.
- The Group agreed a £75 million issuance of senior secured notes to two large institutional investors. This comprises two tranches with a weighted average coupon of 2.97% and weighted average maturity of 14 years. The first of these tranches, totalling £37 million, was issued in December 2021 and the second tranche totalling £38 million, will be issued in June 2022.

## Impact at a glance

	31 December 2021*	30 September 2021*	% change
Shares in issue	350,644,188	350,644,188	
Share price (p)	119.60	110.00	
NAV per share (p)	112.43	111.82	
Market Cap (£m)	419.37	385.71	
NAV (£m)	394.24	392.09	0.5%
Bank borrowings (£m)	114.5	67.5	
Number of completed properties <sup>1</sup>	122	108	1.9%
Number of beds <sup>1</sup>	6,546	5,900	2.6%
Market value (£m) <sup>1</sup>	492.1	442.9	2.7%
– per property (£m)	4.0	4.1	(2.4)%
– per bed (£'000)	75.2	75.1	0.3%
Contracted rent roll (£m)	38.0	33.9	12.1%
EPRA "topped-up" yield (%)	6.70	6.67	

\* Unaudited

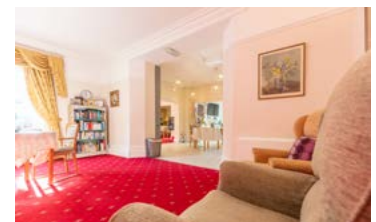
<sup>1</sup> This excludes exchanged and under construction assets

## 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	1.6025p	1.5725p	1.5425p	1.50p	1.50p
Q4	*1.6025p	1.5725p	1.5425p	1.50p	1.50p
	6.41p	6.29p	6.17p	6.00p	4.50p

\* Declared in February payable in March 2022

Below: Mavern House Nursing Home, Corsham Road, Shaw, Wiltshire.



## Company overview

IPO	7 March 2017	<b>Registered address</b>	
Market	LSE Main Market	The Scalpel, 18th Floor, 52 Lime Street,	
	Premium Segment	London EC3M 7AF	
Index Inclusion	EPRA/NAREIT		
Ticker	IHR		
ISIN	GB00BYXVMJ03		
SEDOL	BYXVMJ0		
Dividend payments	Quarterly		

## Board of Directors

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

## Key dates

Half year end 30 June  
Full year end 31 December  
AGM May 2022  
Publication date: February 2022

## Portfolio update

### NAV and valuation

The unaudited NAV per share at 31 December 2021 was 112.43p per share, up from 30 September 2021 NAV of 111.82p.

The net asset value increased to £394.2 million from £392.1 million, an uplift of 0.5% including the increase in property value.

The Group's property portfolio ("Portfolio") was independently valued at £459.4 million as at 31 December 2021 (valuation as at 30 September 2021, £447.7 million), an increase of £11.6 million, or 2.6% in the quarter.

£9.5 million relates to investments in acquisitions, like for like valuation uplifts on standing assets were £2.1 million in the quarter, including £1.6 million from assets with RPI uplifts, £0.3 million due to yield movements and a further £0.2 million increase as a result of a capital improvements.

### Acquisition pipeline

The Group has successfully progressed acquisitions in the quarter on homes with strong trading credentials announcing the investment in two portfolios allowing for growth with existing tenants. The Investment manager ("IM") continues to progress several acquisition opportunities that remain attractive to the business's investment strategy.

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.

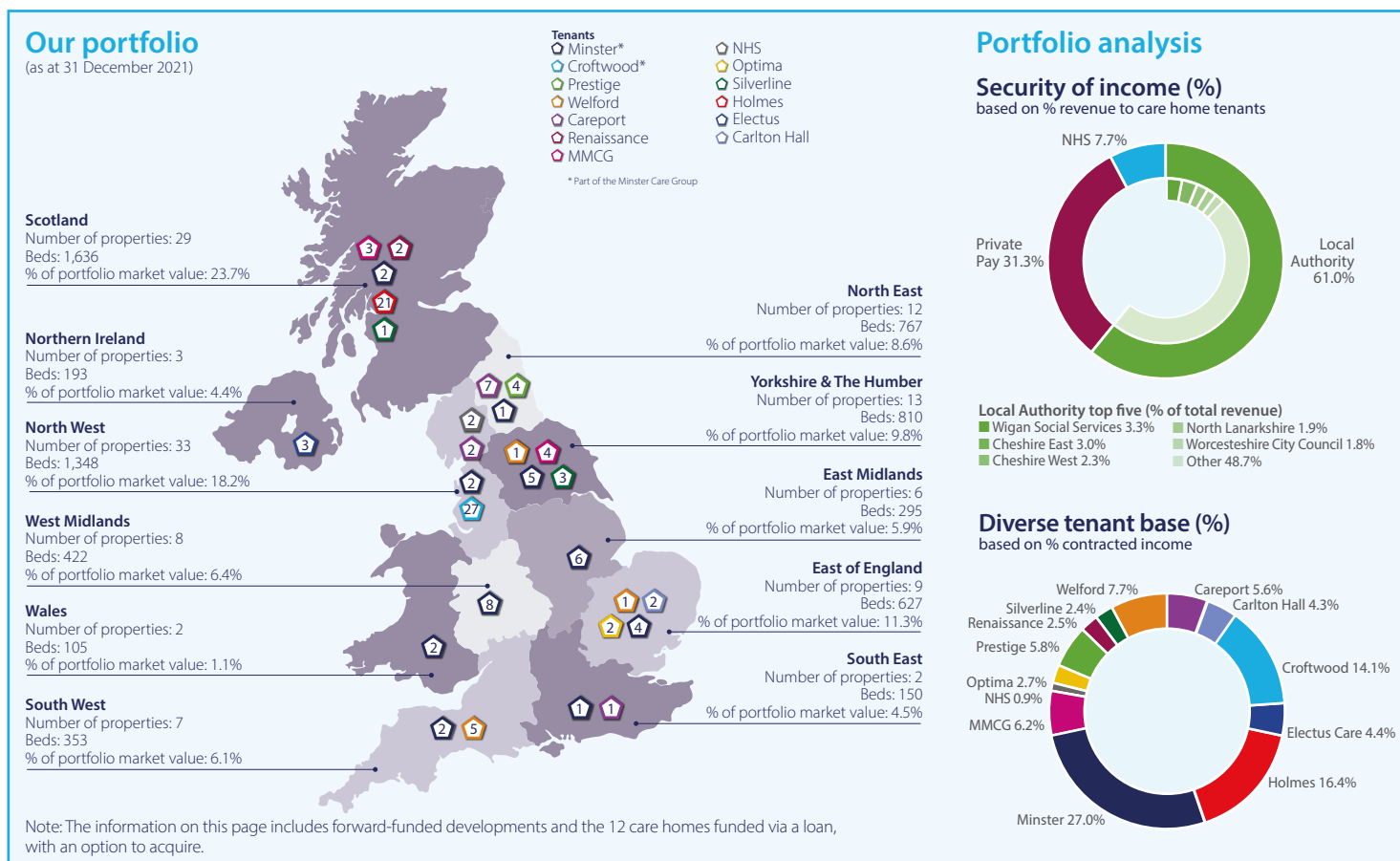
### Operational update

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

Tenants' occupancy levels remained stable across the quarter with Managers at the Group's homes reporting good levels of enquiries.

This has been very active quarter for the Group, completing and committing to several investments, which, once fully completed, increase the Group's bed numbers by 790 and properties by 16.

Furthermore, the Group secured £75 million of long-term institutional debt on attractive rates and competitive terms. This aligns with the Group's secure and long-term income profile and gives additional headroom to pursue the strong pipeline of attractive acquisition opportunities.



#### Key contacts

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