

ACQUISITION OF THREE CARE HOMES FOR £8.1 MILLION

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Impact Healthcare REIT PLC
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14 April 2022

Impact Healthcare REIT plc

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

ACQUIRES THREE CARE HOMES FOR £8.1 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 exchanged contracts to acquire three purpose-built care homes in and around Glasgow with an existing Group tenant.

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

- enable the Company to deploy £8.1 million of capital, plus transaction costs;
- the initial annual rent has been agreed at £627,750, reflecting an accretive gross initial yield of 7.75%;
- will add three care homes comprising 155 beds, all en-suite, to the Group's portfolio, which will then total 131 care homes and 7,129 beds (at 31 December 2021: 124 homes and 6,720 beds);
- EPC ratings of English equivalent B on one home and English equivalent EPC C on two homes with a strategy to bring these two homes to English equivalent EPC B; and
- Silverline will enter into Impact's new improved green leases (the "**Group's standard lease**") with fixed 25-year terms 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. Silverline has committed to a minimum annual expenditure on the maintenance of the care homes.

Completion is subject to re-registration with the Care Inspectorate and will be operated by an existing Group tenant, Silverline, and take the Group's total care homes leased to Silverline to seven with 398 beds.

The Company's investment manager, Impact Health Partners LLP, is in developed legal discussions on several projects and expects to make further announcements in the near future.

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.

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 Company is targeting a dividend for the year to 31 December 2022 to increase by 2.0% to 6.54 pence per share^{*}.

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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^{*} 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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