



Raleigh Meads, Widgey Drive, South Molton, Devon


131
Properties†

£568.9m
Property value†

19.9yrs
WAULT

£42.0m
Contracted rent roll

100%
Inflation linked leases

† Includes forward-funded assets and portfolios invested in via a loan to operator where the Group has an option to acquire.

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 2022¹; and
- an average Total accounting return of 9.0% over the medium term¹.

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 2022

- Completed the acquisition of a portfolio of care homes in Mansfield with an existing tenant, Welford. This portfolio contains 107 high-quality predominantly en-suite beds, for consideration of £11.1 million at a gross initial yield of 6.4%.
- Completed the acquisition of three properties in Somerset and Devon comprising 184 predominantly en-suite beds. This portfolio has been acquired at a gross initial yield of 6.8% and consideration of £25.0 million, it has been leased to an existing tenant, Welford.
- Exchanged contracts to purchase three homes in Scotland with an existing tenant, Silverline. These homes comprise 155 en-suite beds for consideration of £8.1 million at a gross initial yield of 7.8%. This transaction completed in July 2022.
- Drew down the second tranche of long-term institutional fixed-rate debt amounting to £38 million at an attractive 3.002% fixed interest and maturing in June 2035.
- Following the quarter end a further £22.3 million of equity was raised at a subscription price of 117p per share.

Impact at a glance

	30 June 2022*	31 March 2022*	% change
Shares in issue	385,731,909	385,731,909	
Share price (p)	116.80	122.20	
NAV per share (p)	116.18	114.93	
Market Cap (£m)	450.53	471.36	
NAV (£m)	448.13	443.31	1.1%
Bank borrowings (£m)	137.6	107.6	
Number of completed properties ¹	130	126	3.2%
Number of beds ¹	7,081	6,803	4.1%
Market value (£m) ¹	566.5	526.8	7.5%
– per property (£m)	4.4	4.2	4.8%
– per bed (£'000)	80.0	77.4	3.4%
Contracted rent roll (£m)	42.0	39.4	6.6%
EPRA "topped-up" yield (%)	6.69	6.71	

* Unaudited

¹ This excludes exchanged and forward-funded assets, but includes assets invested in via a loan to operator where the Group has an option to acquire.

Dividend history (per share)

	2021	2021	2020	2019	2018
Q1	1.6350p	1.6025p	1.5725p	1.5425p	1.50p
Q2	*1.6350p	1.6025p	1.5725p	1.5425p	1.50p
Q3		1.6025p	1.5725p	1.5425p	1.50p
Q4		1.6025p	1.5725p	1.5425p	1.50p
	3.27p	6.41p	6.29p	6.17p	6.00p

* Declared in August 2022 and payable in September 2022.

Eastleigh Care Homes, Periton Road, Minehead.



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

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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 11 May 2022
Publication date: August 2022

Portfolio update

NAV and valuation

The unaudited NAV at 30 June 2022 was 116.18p per share, up from 31 March 2022 NAV of 114.93p.

The net asset value increased to £448.1 million from £443.3 million, an uplift of 1.1% including the increase in property value.

The Group's property portfolio ("Portfolio") was independently valued at £530.2 million as at 30 June 2022 (valuation as at 31 March 2022, £484.0 million), an increase of £46.2 million, or 9.5% in the quarter.

£36.7 million relates to investments in acquisitions and £5.9 million as a result of investment in capital improvements. The remaining £3.6 million reflects value uplift in the quarter; £1.7 million from operational assets including the effects of RPI uplifts and a further £1.9 million from the uplift following the practical completion of our forward-funded development in Hartlepool.

In addition to the portfolio value above, the Group had an outstanding portfolio investment loan of £37.5 million in relation to 12 homes with 494 beds loaned to Holmes Care Group in December 2021. The current valuation of this portfolio of £38.7 million includes an uplift in value of £0.5 million recognised through the Group's call option to acquire this portfolio.

Acquisition pipeline

The Group has successfully progressed acquisitions in the quarter

on homes with strong trading credentials, completing the acquisition of five care homes in the South West and East Midlands and exchanging on a further three care homes in Scotland allowing for growth with existing tenants with improved portfolio and tenant diversification. 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 received 100% of rent receipts for the period with no variation to lease terms.

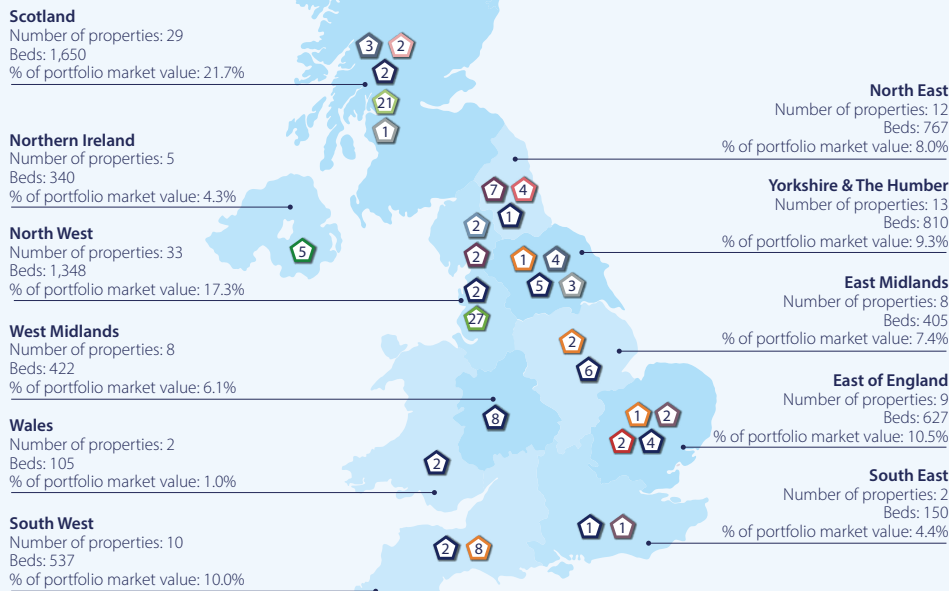
Tenants' reported a steady increase in occupancy levels over the quarter alongside good levels of enquiries.

The Group completed 10 inflation-linked rent reviews with an average uplift of 4%.

Furthermore, the Group drew down the second tranche of its long-term institutional debt amounting to £38 million at an attractive fixed coupon of 3.002% and maturing in June 2035. This gives additional headroom to pursue the strong pipeline of acquisition opportunities while matching the Group's long-term income streams.

Our portfolio

(as at 30 June 2022)

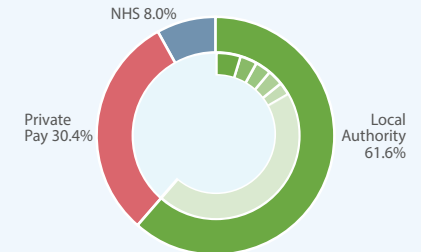


Note: The information on this page includes forward-funded developments and the 14 care homes funded via a loan, with an option to acquire.

Portfolio analysis

Security of income (%)

based on % revenue to care home tenants

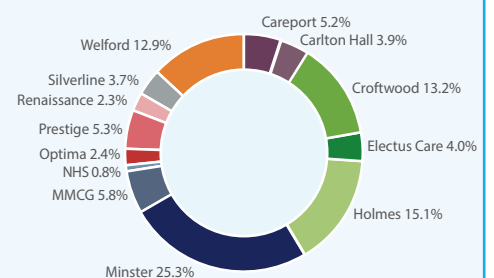


Local Authority top five (% of total revenue)



Diverse tenant base (%)

based on % contracted income



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