



Larkfield View Care Centre / Glasgow / Scotland


104
Properties[†]

£399.4m
Property value*

20.0yrs
WAAULT*

£29.9m
Contracted rent roll[†]

100%
Inflation linked leases[†]

[†] Includes completed and exchanged properties and assets under construction
* Excludes exchanged properties

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

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 6.29p per share in respect of 2020¹; and
- a NAV total return of 9.0% per annum¹.

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 Q3 2020

- Declared and paid the Q2 dividend of 1.5725p per share.
- Achieved a gold award in both EPRA sBPR and BPR along with a most improved award for EPRA sBPR.
- Completed the acquisition of nine Scottish care homes, welcoming in our eleventh tenant, Holmes Care.
- Exchanged contracts on St Peters House, a 62 bed ensuite property in Bury St Edmunds, to be leased to an existing tenant, Welford.
- Sold a non-core asset, the Shrubbery, at a 24% uplift to its most recent valuation.

Dividend history (per share)

	2020	2019	2018	2017
Q1	1.5725p	1.5425p	1.50p	n/a
Q2	1.5725p	1.5725p	1.50p	1.50p
Q3	1.5725p	1.5425p	1.50p	1.50p
Q4		1.5425p	1.50p	1.50p
	4.7175p	6.17p	6.00p	4.50p

Impact at a glance

	30 September 2020*	30 June 2020*	% change
Shares in issue	318,953,861	318,953,861	
Share price (p)	98.60	95.80	
NAV per share (p)	109.06p	107.17p	
Market Cap (£m)	314.49	305.56	
NAV (£m)	347.84	341.82	
Bank borrowings (£m)	76.2	76.1	
Number of completed properties ¹	102	94	8.5%
Number of beds ¹	5,509	4,896	12.5%
Market value (£m) ¹	397.9	344.5	15.5%
– per property (£m)	3.9	3.7	6.5%
– per bed (£'000)	72.2	70.4	2.7%
Contracted rent roll (£m)	29.9	29.5	1.4%
EPRA "topped up" yield (%)	6.72	6.78	

* Unaudited

¹ This excludes assets under development and exchanged properties

Below, from left: EPRA sBPR gold award; St Peters House Care home, Bury Saint Edmunds; Hik vision thermal imaging camera; Almond View Care Home, Glasgow.



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

Key dates

AGM	18 June 2020
Half year end	30 June
Full year end	31 December

Publication date: October 2020

Portfolio update

NAV and valuation

The unaudited NAV per share at 30 September 2020 was 109.06p per share, up from 30 June 2020 NAV of 107.17p.

The net asset value increased to £347.8 million from £341.8 million, an uplift of 1.8% including the increase in property value.

The Group's property portfolio ("Portfolio") was independently valued at £399.4 million as at 30 September 2020 (valuation as at 30 June 2020, £346.0 million), an increase of £53.4 million, or 15.4% in the quarter.

£48.4 million relates to investments in acquisitions and £0.2 million on capital improvements. Net valuation uplifts of £5.6 million were recognised in the quarter, including £1.9 million on new acquisitions, £1.1 million from assets with RPI uplifts in the quarter and £2.6 million across the remainder of the portfolio, which was largely driven by RPI uplifts that were not previously recognised because of the heightened uncertainty at the early stages of the pandemic. One property was also sold in the period with a carrying value of £0.8 million. The sale was at a premium to carrying value.

Acquisition pipeline

The Company has taken a cautious approach to restarting acquisitions, while at all times exercising robust capital discipline in

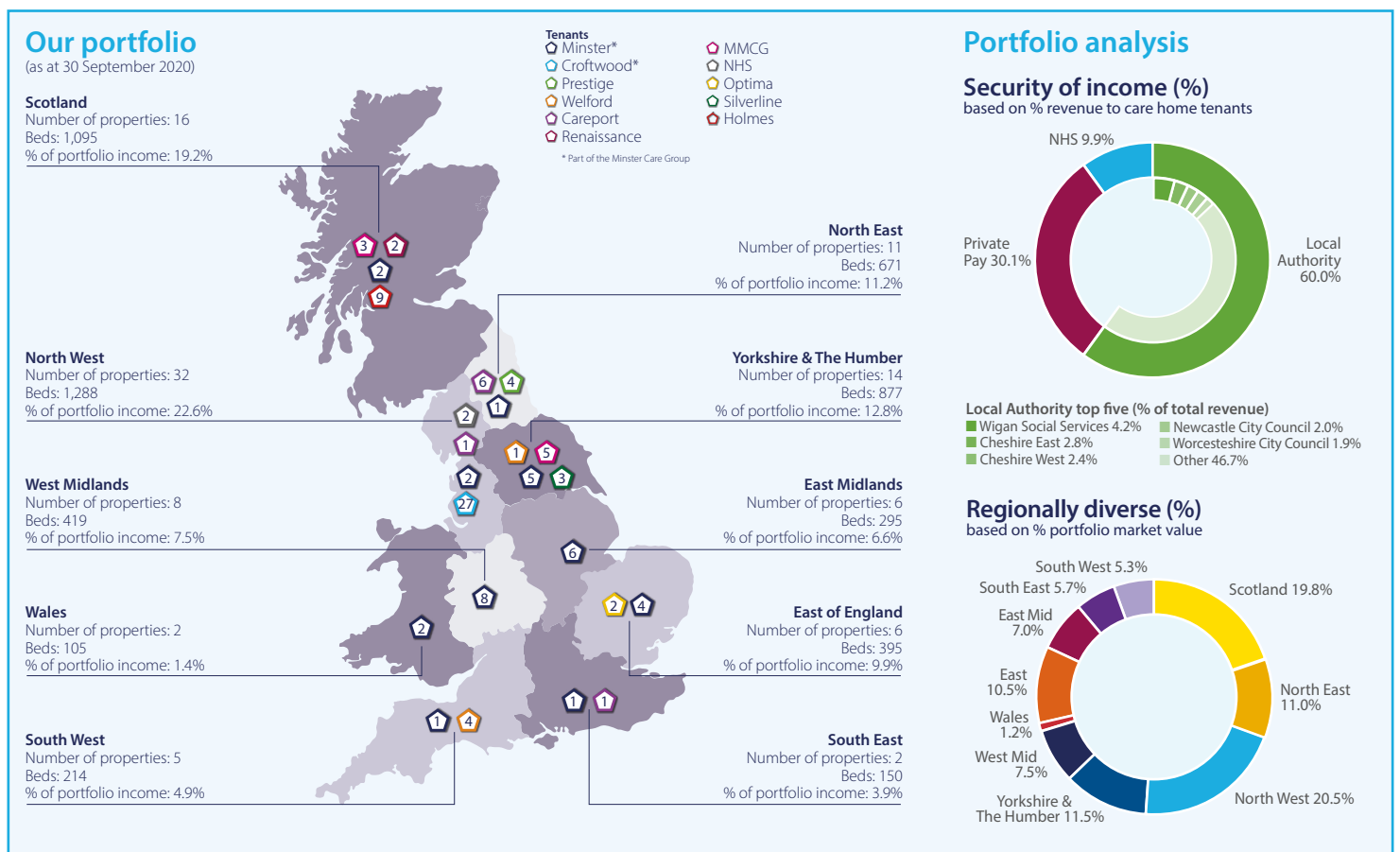
order to deliver value at the point of acquisition or investment. The Investment manager continues to progress acquisition opportunities that remain attractive to the businesses investment strategy while also building a healthy pipeline of potential future acquisitions.

Operational update

The Investment Manager ("IM") continues to be in regular communication with all the Group's tenants and key service providers to monitor how the pandemic is affecting them and also, where appropriate, to share information amongst the tenants. The installation of thermal imaging cameras in the entrances of our homes is progressing and provides an added layer of infection control to support residents and healthcare professionals.

Testing remains critical to the ongoing management and control of the virus and typically we are seeing procedures where all healthcare professionals are tested weekly and all residents are tested monthly, should any results come back positive a procedure of isolation is put in place and no new residents are admitted for a period of 28 days. As a result, occupancy levels continue to be stable but slow to recover and the level of positive results in care homes and amongst care home professionals remains low.

Despite the continuing uncertainty created by the pandemic, the Company has continued to receive all rent due as normal and will provide updates with material developments as the pandemic evolves.



Key contacts

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