

Transfer Of Operations & Related Party Transaction

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Impact Healthcare REIT PLC
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15 May 2024

Impact Healthcare REIT plc

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

TRANSFER OF OPERATIONS OF THREE CARE HOMES TO A NEW TENANT OPERATOR OF THE GROUP AND SMALLER RELATED PARTY TRANSACTION

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, announces that the Group has completed the transfer of three homes located in Bradford (the "Bradford Portfolio") to a new tenant, We Care Group ("We Care"), on long-term leases. These homes have been operated by Melrose Holdings Limited ("MHL") following their transfer from the Silverline Group ("Silverline") as part of a recovery plan first announced by the Group in June 2023.

Since acquiring Silverline's tenant companies, MHL has stabilised the operation of the homes, including the Bradford Portfolio. As a result, discussions have taken place with potential long-term, third-party operators and the Board has concluded that it is in the best interests of all the Company's stakeholders to facilitate the transfer of the Bradford Portfolio to We Care, providing a long-term future for the homes.

We Care is an experienced operator with over 30 homes located throughout the North of England. As an operator, it has significant experience with turnaround homes, including in the Bradford submarket. We Care has committed to make further investment in the homes and has agreed to the inclusion of a Landlord option to extend the leases to 35 years.

The Company has granted a rent-free period to We Care and lease incentives of £1.46 million of which £0.25 million is additional cash to invest directly in the homes. These incentives will enable We Care to complete the refurbishment of the homes and are expected to be fully recovered over the life of the leases. It is anticipated that the Bradford Portfolio will resume paying rent in the first quarter of 2025.

The four remaining homes, located in Scotland, that were transferred from Silverline continue to be operated by MHL. The Investment Manager is making progress with its negotiations to transfer these four homes to a new operator on long-term leases.

MHL is wholly-owned by connected parties of Mahesh Patel and as such the transfer of its Bradford leases to We Care is a smaller related party transaction for the purposes of Listing Rule 11.1.10R and this announcement is therefore made in accordance with Listing Rule 11.1.10R(2)(c). As per the requirements of Listing Rule 11.1.10 the Company has obtained written confirmation from an FCA-approved sponsor firm that it believes the transaction is fair and reasonable as far as the shareholders of the Company are concerned.

Andrew Cowley, Managing Partner of Impact Health Partners commented "I am delighted that we have secured a new tenant for the three homes in Bradford. This will provide a long-term partner and secure these high quality and much needed homes to the benefit of both residents and staff. We would like to thank Melrose for stepping in and enhancing the operations in the homes over the last year, which will secure value over the long term for our shareholders"

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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's dividend policy is to maintain a progressive dividend that is covered by adjusted earnings.

The target total dividend for the year ending 31 December 2024 is 6.95 pence per share*, a 0.18 pence increase over the 6.77 pence in dividends paid or declared per ordinary share for the year ended 31 December 2023.

The Group's Ordinary Shares trade on the main market of the London Stock Exchange, premium segment. The Company is a constituent of the FTSE EPRA/NAREIT index.

* 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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