

TRANSFER OF OPERATIONS OF FOUR HOMES TO NEW TENANT

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Impact Healthcare REIT PLC
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25 September 2024

Impact Healthcare REIT plc

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

TRANSFER OF OPERATIONS OF FOUR CARE HOMES TO A NEW TENANT OPERATOR OF THE GROUP

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 four homes located in Scotland to a new tenant, Fulcrum Care ("Fulcrum"), on long-term leases. These homes have been operated by Melrose Holdings Limited ("Melrose") following their transfer from the Silverline Group ("Silverline") as part of a recovery plan first announced by the Group in June 2023. Melrose is an affiliate of Minster Care Group.

Since acquiring Silverline's tenant companies, Melrose has stabilised the operations of the homes. The Board has now concluded that it is in the best interests of all the Company's stakeholders to facilitate the transfer of the four homes in Scotland to a long-term third-party operator, Fulcrum. With this transfer, all seven of the former Silverline homes have now been transitioned to long-term operators.

Fulcrum is experienced at managing complex care home turnaround strategies and brings a wealth of operational experience to these four homes. Fulcrum is committed to the long-term success of the homes with leases extending to 35 years and will recommence rent payments on 1 November 2024.

To help Fulcrum ensure the homes achieve their full potential, the Company has granted a lease incentive of £0.3m and a short-term working capital facility of £0.45m to fund any short term liquidity requirements. The working capital facility will attract a coupon of 10% per annum. The working capital facility is repayable and the lease incentive is expected to be fully recovered over the life of the leases. We anticipate investing a further £0.5m of capex across the four homes, which will be rentalised and accretive to shareholder value.

Andrew Cowley, Managing Partner of Impact Health Partners commented, "I am delighted that we have now secured new long-term tenants for all the ex-Silverline homes. We would like to thank Melrose for its interim management and turnaround of these homes. Our primary commitment has been achieved in ensuring continuity of care for the residents in these homes, while simultaneously securing long-term value for our shareholders."

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP		Via H/Advisors Maitland
Andrew Cowley		
David Yaldron		
Jefferies International Limited		+44 20 7029 8000
Tom Yeadon	tyeadon@jefferies.com	
Ollie Nott	onott@jefferies.com	
Winterflood Securities Limited		+44 20 3100 0000
Neil Langford	neil.langford@winterflood.com	
Joe Winkley	joe.winkley@winterflood.com	
H/Advisors Maitland (Communications advisor)	impacthealth-maitland@h-advisors.global	
James Benjamin		+44 7747 113

		930
Rachel Cohen		+44 20 7379 5151
Billy Moran		+44 20 7379 5151

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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