Impact Healthcare REIT

Investing in UK care homes for everyone

Annual Results Presentation
Year ended 31 December 2023

Contents

01 Key highlights

Executive Summary

We invest in care homes, which are essential social infrastructure

The Platform

A specialist investor in **UK social infrastructure**	**Deployed >£600m** into UK healthcare real estate	**7,700+ beds** in Main Market listed REIT	Track record of **disciplined capital deployment**

The Market

An **ageing population**	**Acuity** is also increasing	Highly **fragmented market**	Care homes are part of the solution for an **NHS under pressure**

Delivering the Strategy

Progressive dividend policy	**Covered dividend**	**Robust balance sheet**	**Long-term** WAULT 20+ years


Isle Court


Sandbanks

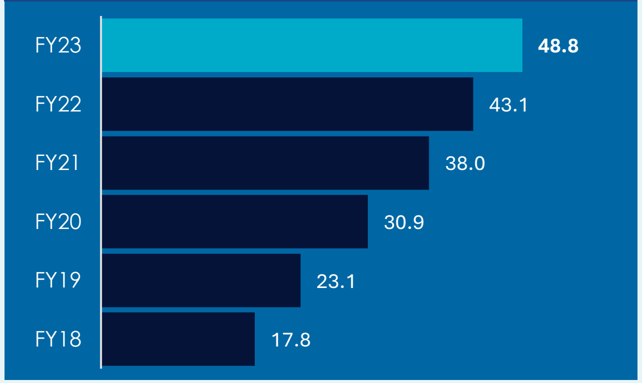

Old Prebendal

1. Langbuisson / ONS

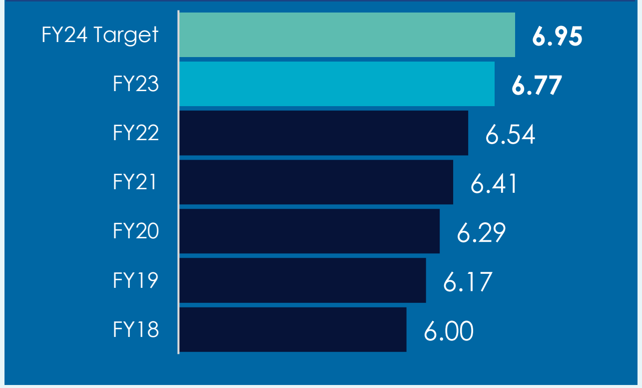
2023 Financial Highlights

Consistent and robust performance through a challenging period

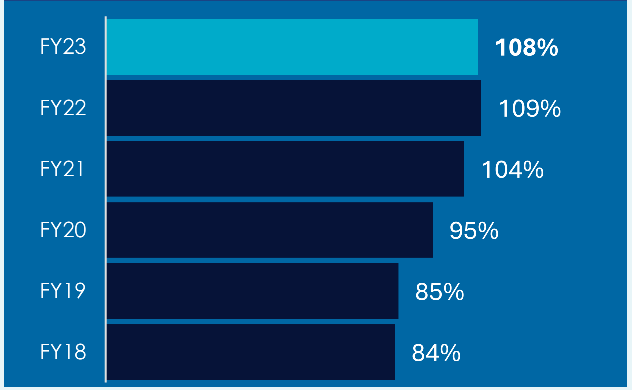
Contracted rent[1] (£m)
£48.8m (+13.2%)



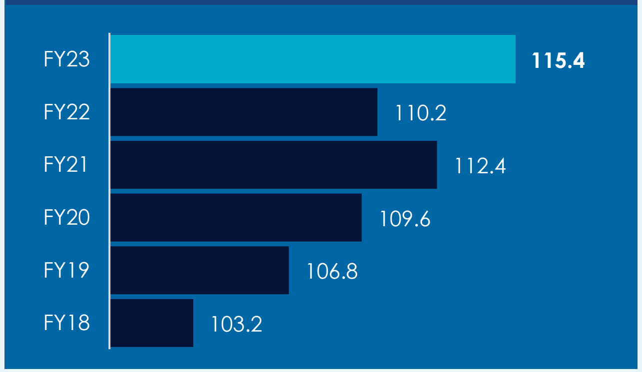
Dividends[2] (pence per share)
6.95p (+2.7%)



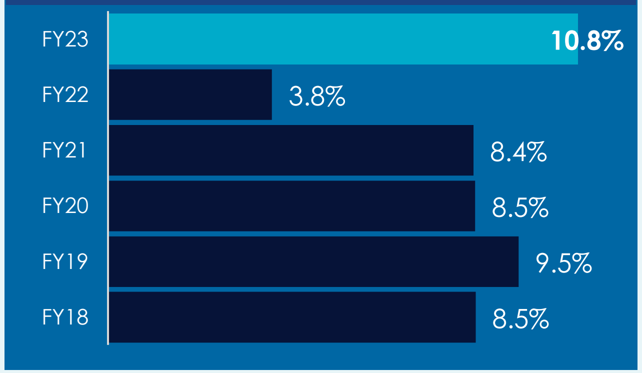
Strong adjusted earnings dividend cover
108%



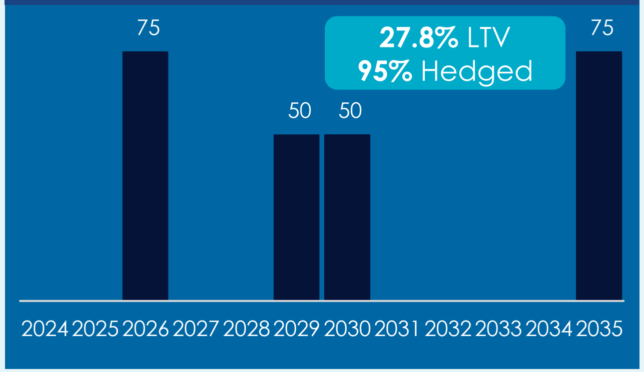
NAV per share (pence)
115.4p (+4.7%)



NAV total return ahead of target
10.8%



Debt maturity (£m)
Average: **6.3 years**



1. Contracted rent includes all post tax income from investment in properties, whether generated from rental income or post tax interest income.
2. 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.

Five themes for today

Growing the business to provide much-needed care home beds

Working with our tenants

Our focus on quality

Our focus on affordability

Increasing our sustainability

02 Financial highlights

Growing income, supporting dividend cover

£'000	FY23	FY22	
Rental income cash received	**42,278**	35,889	+17.8%
Interest income from loaned portfolio investments	**3,706**	3,192	
Cash income from portfolio	**45,984**	39,081	+17.7%
Operating profit	**57,058**	**19,096**	+299%
Adjusted earnings per share	**7.28p**	7.11p	+2.4%
Dividend per share	**6.77p**	6.54p	+3.5%
Adjusted earnings dividend cover	**108%**	109%	

Contracted rent
£48.8m
(FY22: £43.1m)
+13.2%

EPRA cost ratio
14.4%
(FY22: 16.6%)
(2.2)pts

Adjusted EPRA cost ratio
13.4%
(FY22: 15.4%)
(2.1)pts

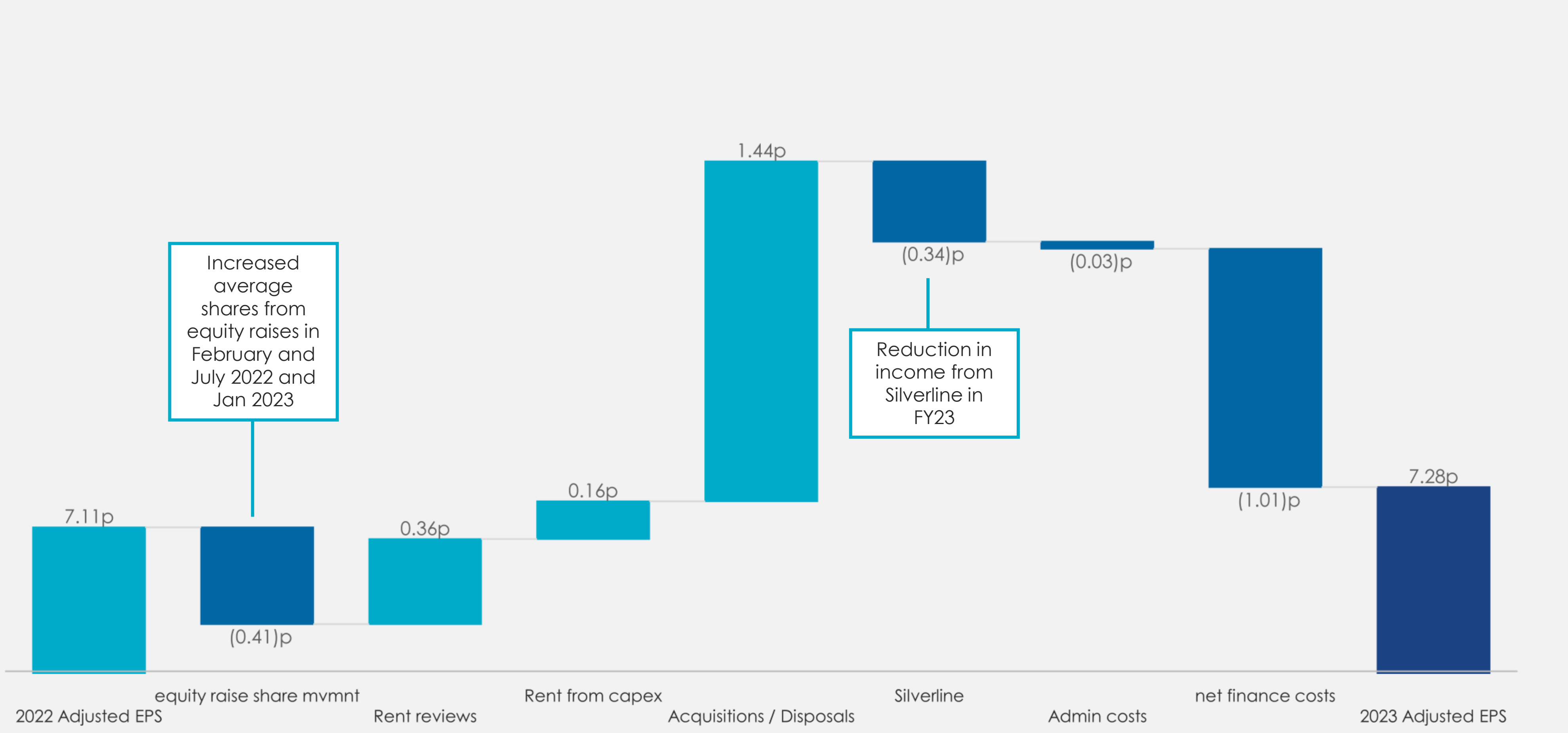
Adjusted to include interest income from investment properties, that were held by way of a loan.

1. EPRA cost ratio adjusted to include the income on loans to operators for the purchase of property portfolios where the Group has an option to acquire.

Growth in adjusted earnings of 2.4%

Rent reviews in the year alongside acquisitions and capital expenditure, have delivered accretive growth to adjusted earnings

Adjusted earnings (pence)



Adjusted earnings are supported by a robust balance sheet

£'000	**FY23**	FY22	
Portfolio value[1]	**651,313**	568,839	+14.5%
Net debt	**181,380**	128,346	+41.1%
EPRA (Net) LTV	**27.8%**	24.1%	+3.7pts
Net Asset Value (NAV)	**478,107**	445,920	+7.2%
NAV per share	**115.38p**	110.17p	+4.7%

EPRA "Topped up" Net Initial Yield (NIY)

6.92%

(FY22: 6.98%)

(6)pts

Weighted average cost of debt

4.6%

(FY22: 3.6%)

+100pts

Total Accounting Return

10.82%

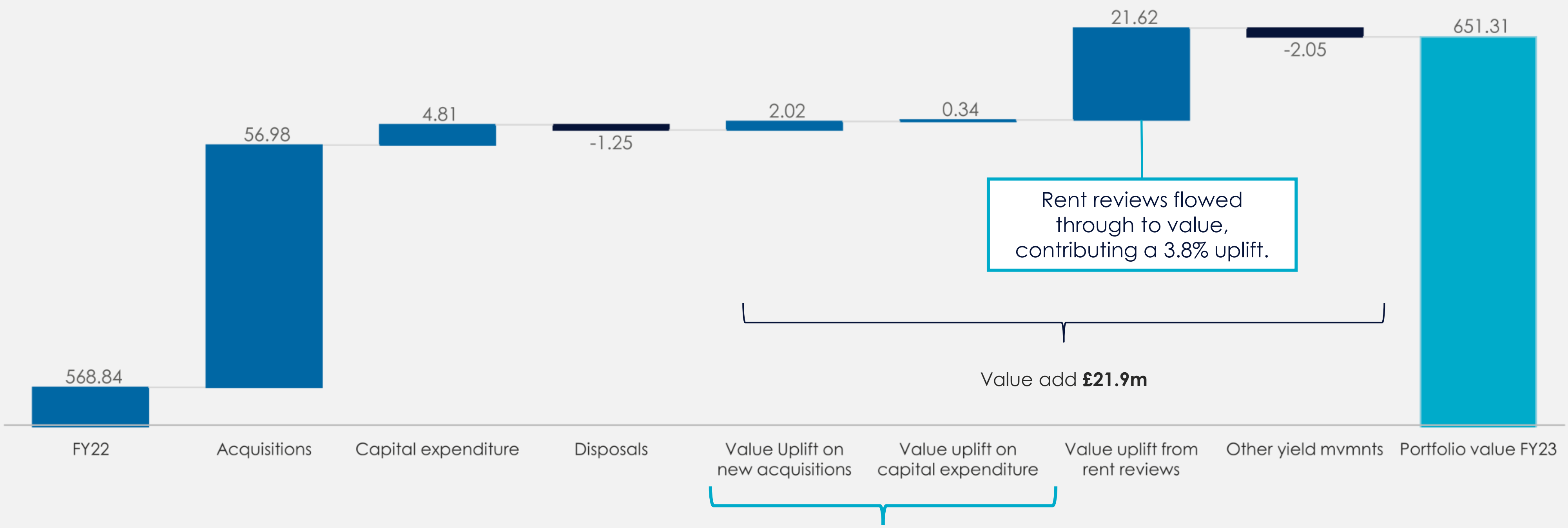
(FY22: 3.78%)

+704pts

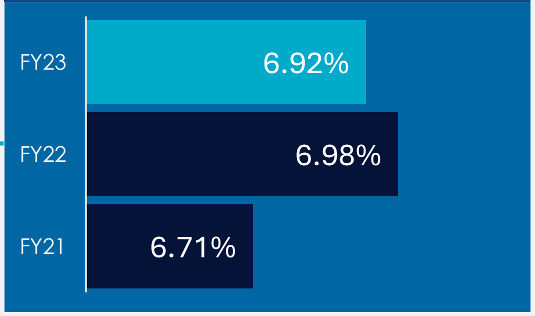
1. FY22 portfolio value includes assets held by way of loans. The options to acquire these properties have now been exercised and fully reflected in Investment properties in FY23

Returning to portfolio value growth

Portfolio value movement (£'m)

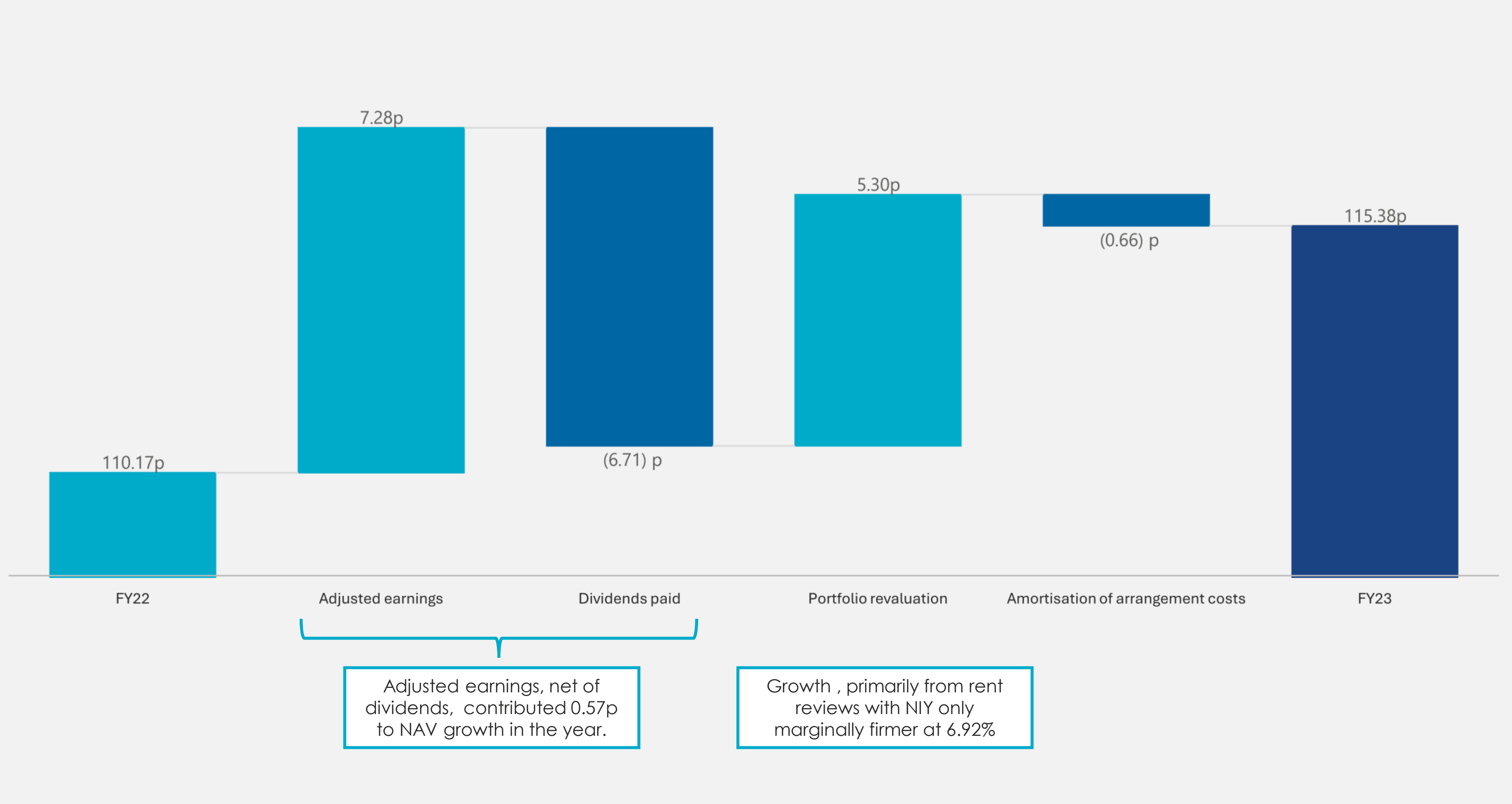


EPRA 'Topped-up' NIY



NAV grew 4.7% per share in the year

NAV per share (pence)



Improved debt facilities

In the year we:

- Increased the debt facility with NatWest from £26 million to £50 million. Extended its maturity from 2024 to 2028 (with two one-year extension options to 2030) and reduced the interest cover covenant from 250bps to 175bps[2]
- Agreed a one-year extension of the debt facility with HSBC to April 2026 while reducing the interest cover covenant from 250bps to 200bps
- Cancelled the £15 million term facility with Metro which was expiring in June 2023

New financing in 2023

£24m

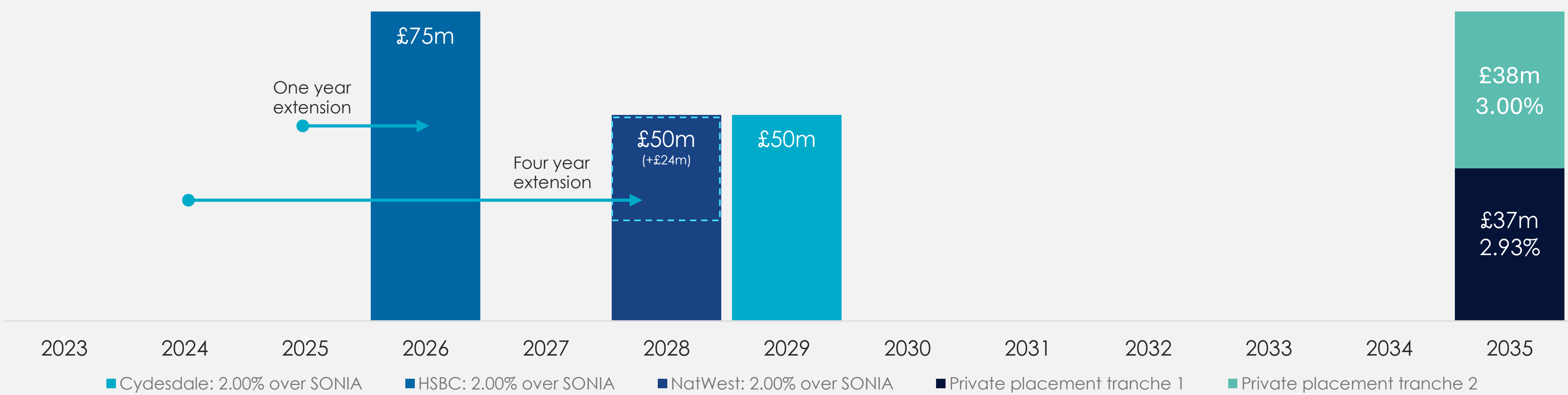
(FY22: £88m)

Debt maturity (excluding extensions)[1]

6.3 years

(FY22: 6.3years)

Debt maturities

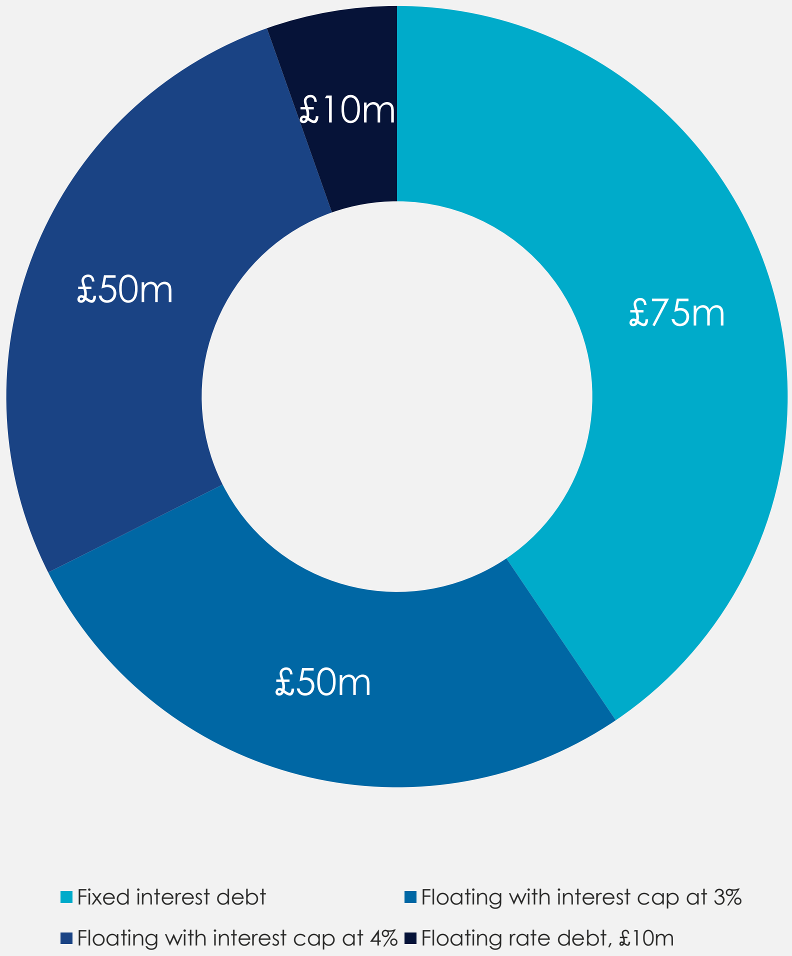


1. As at December 2023, this excludes the exercise of the extensions on the NatWest facility. If included this would be 6.7 years
2. For the first two years, increasing to 200bps for the remainder of the term.

Increase in facility size

Robust balance sheet with good liquidity

Current hedging (Dec 23)[1]



Rental income would have to fall by over 40% before we reached our debt facility interest cover covenants

£175m of debt is fixed or hedged.

95% of drawn debt is fixed or hedged at year end

EPRA (net) LTV
27.8%
(FY22: 24.1%)

Interest cover[2]
3.5x

Available liquidity
£74.6m

Weighted average cost of drawn debt[1]
4.6%
(FY22: 3.6%)

Effect of 25bps increase or decrease in SONIA on cost of debt
2bps
Increase in weighted average cost of drawn debt

1. Both interest rate caps expire in 2025.
2. Interest cover ratio is calculated as operating profit before changes in fair value and other adjustments divided by finance expenses

Continuing to deliver a strong track record

	FY17[3]	FY18	FY19	FY20	FY21	**FY22**	**FY23**
Contracted rental income[1]	£11.9m	£17.8m	£23.1m	£30.9m	£38.0m	£43.1m	**£48.8m**
EPRA Cost ratio	24.7%	24.7%	19.2%	17.1%	15.8%	16.6%	**14.4%**
EPS	5.82p	8.57p	10.37p	9.02p	9.41p	4.33p	**11.79p**
Adjusted EPS	4.39p	5.07p	5.26p	5.93p	6.68p	7.11p	**7.28p**
EPRA EPS	4.35p	6.47p	6.95p	7.25p	8.05p	8.37p	**8.33p**
Dividend per share	4.50p	6.00p	6.17p	6.29p	6.41p	6.54p	**6.77p**
Adjusted earnings dividend cover	98%	84%	85%	95%	104%	109%	**108%**
EPRA earnings dividend cover	97%	108%	113%	115%	126%	128%	**123%**
Property investments[2]	£156.2m	£223.8m	£318.8m	£418.8m	£497.6m	£568.8m	**£651.3m**
EPRA Topped-up NIY	7.02%	6.97%	6.66%	6.71%	6.71%	6.98%	**6.92%**
Gross LTV	0%	11.62%	6.81%	17.77%	22.26%	23.85%	**27.69%**
NAV	£193.5m	£198.3m	£340.7m	£349.5m	£394.2m	£445.9m	**£478.1m**
NAV per share	100.65p	103.18p	106.81p	109.58p	112.43p	110.17p	**115.38p**
Total accounting return	7.19%	8.47%	9.46%	8.46%	8.42%	3.78%	**10.82%**

1. Contracted rent includes all income from investments in properties, whether generated from rental income or post-tax interest income.
2. Property investments includes portfolio valuation along with loans to operators for acquisition of property portfolio, with an option to acquire.
3. Note 2017 figures are for the period form IPO on 7 March 2017 to 31 December 2017, except for Total accounting return where this figure has been annualised.

03 Property review

A diversified portfolio

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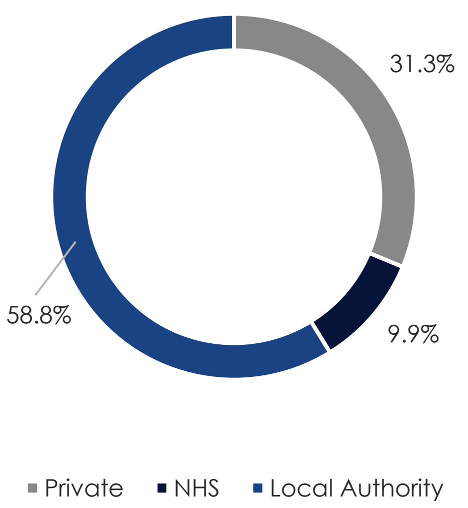
Property evolution

Properties (Dec 22)	FY23 Acquisitions	FY23 Disposals	Properties (Dec 23)
135	+6	(1)	140

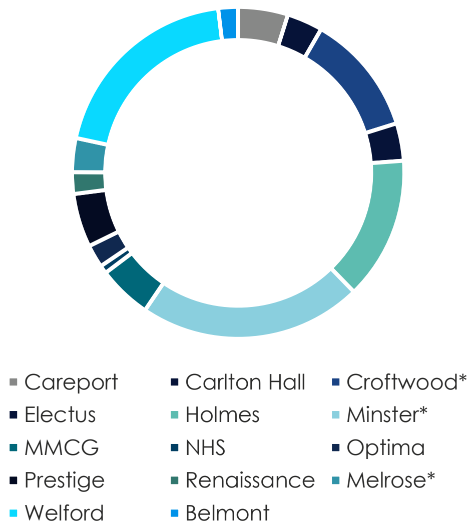
Sources of tenant income

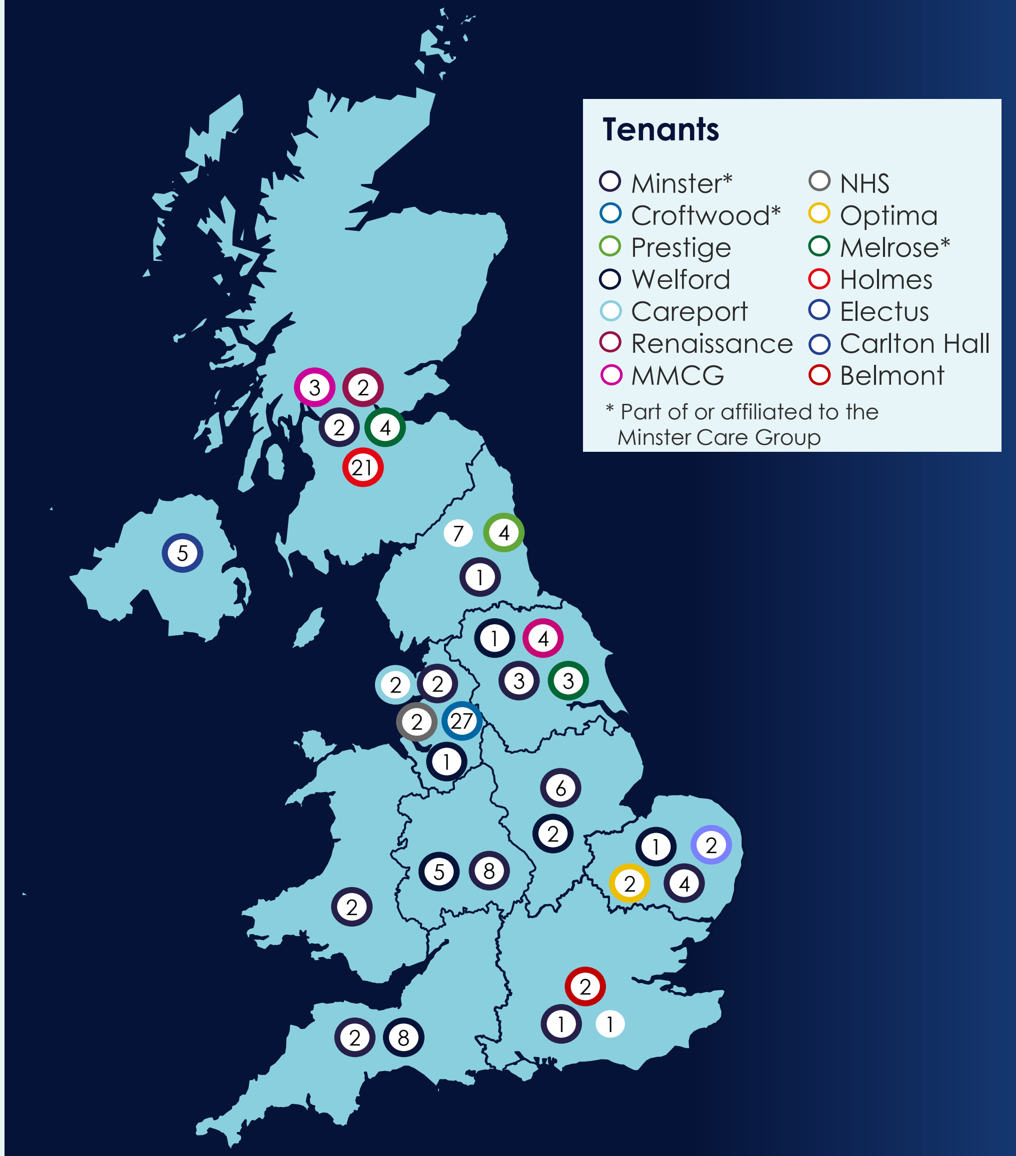
Based on % revenue, for the quarter to 31 December 2023, to care home tenants



Tenant base

Based on % of contracted income[1] at 31 December 2023





A resilient and growing rent roll

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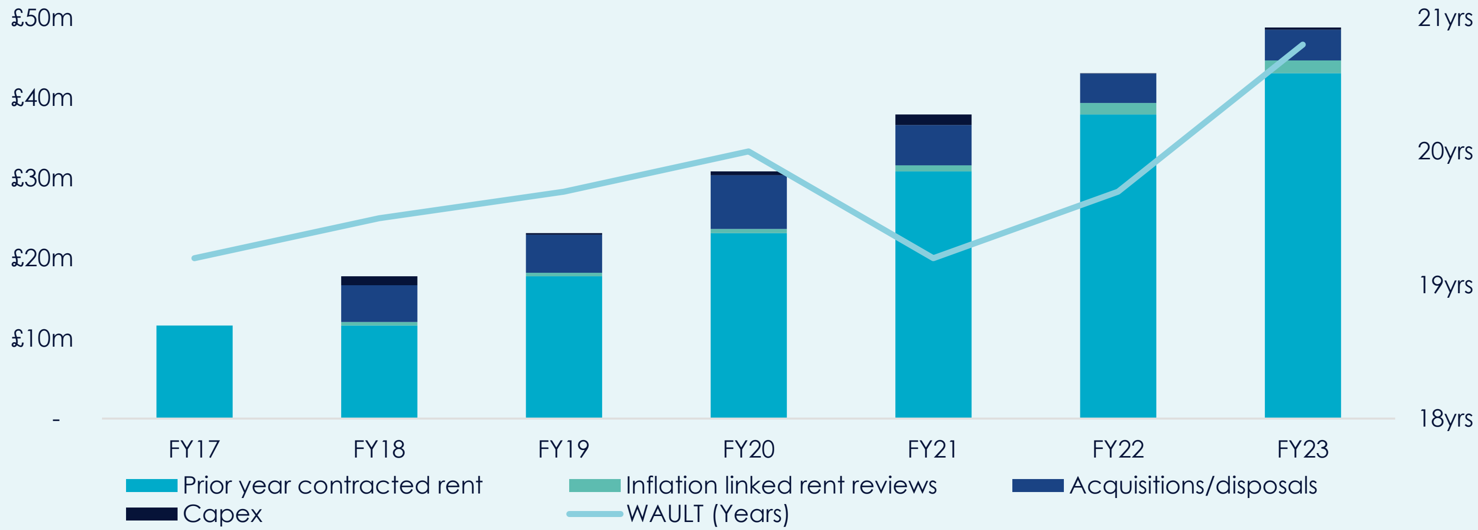
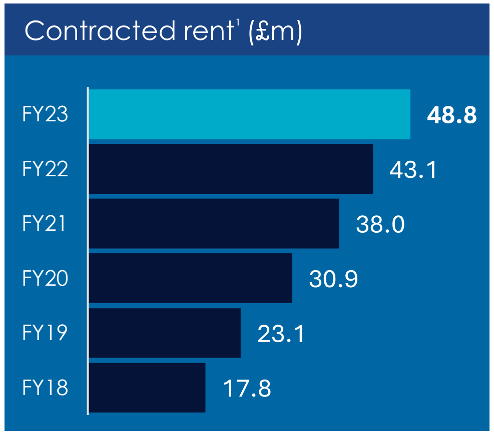
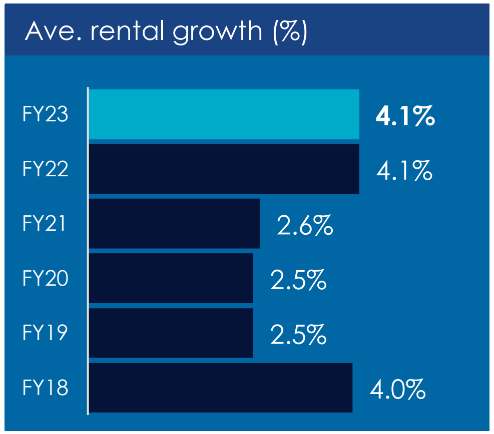
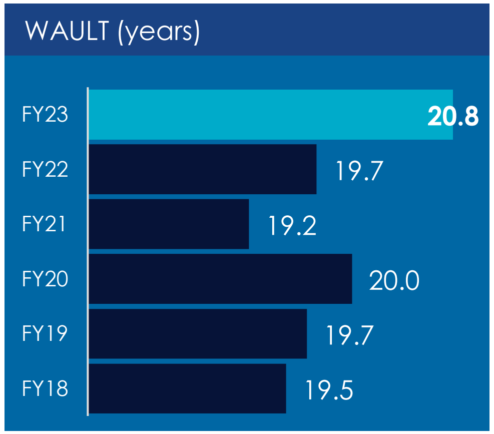
– Post year end, strong rental growth achieved in Q1 2024 average uplift of 4% from 66 annual rent reviews, increasing contracted rent to £50.1m







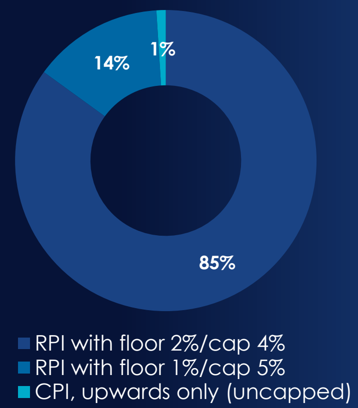


£48.8m
(Dec 22: £43.1m)
Contracted rent[1]

99%
(FY22: 100%)
Rent collection

£1.238bn
(FY22: £972m)
Total rent receivable over remaining life of leases

100% leases inflation-linked

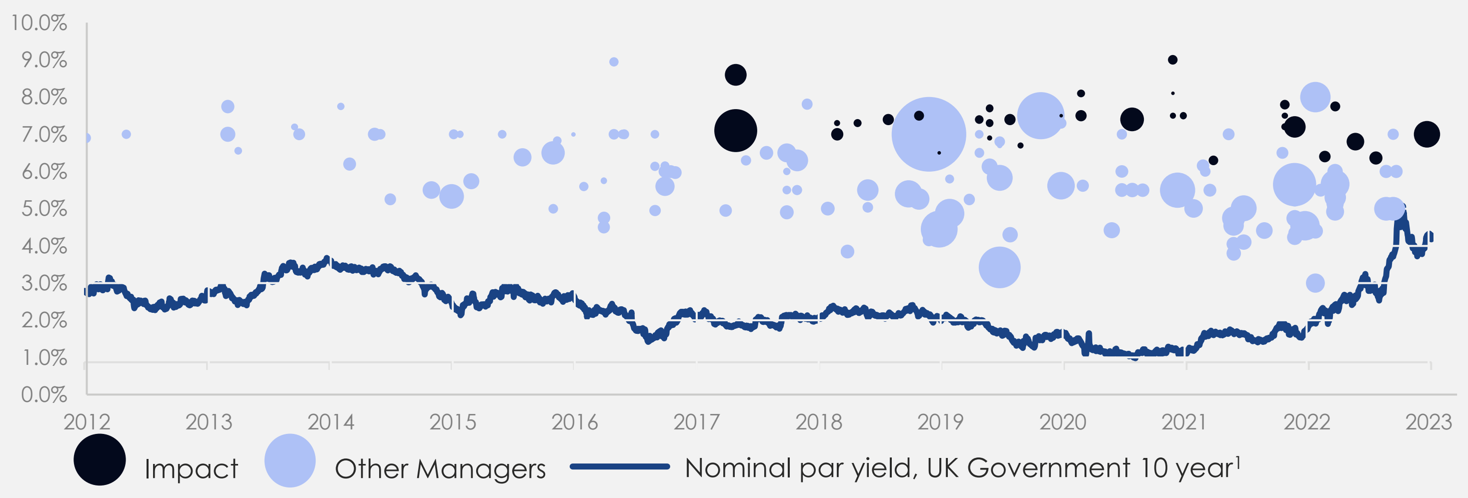


• [1] The annualised rent adjusting for: rent due following rent-free periods; underlying contractual rent on temporarily varied leases (including rent due from Melrose); rent due on capex projects or profit-related deferred payments where the Group recognises a capital commitment; and post-tax income from interest received from property investments made via loans to operators for the acquisition of property portfolios.

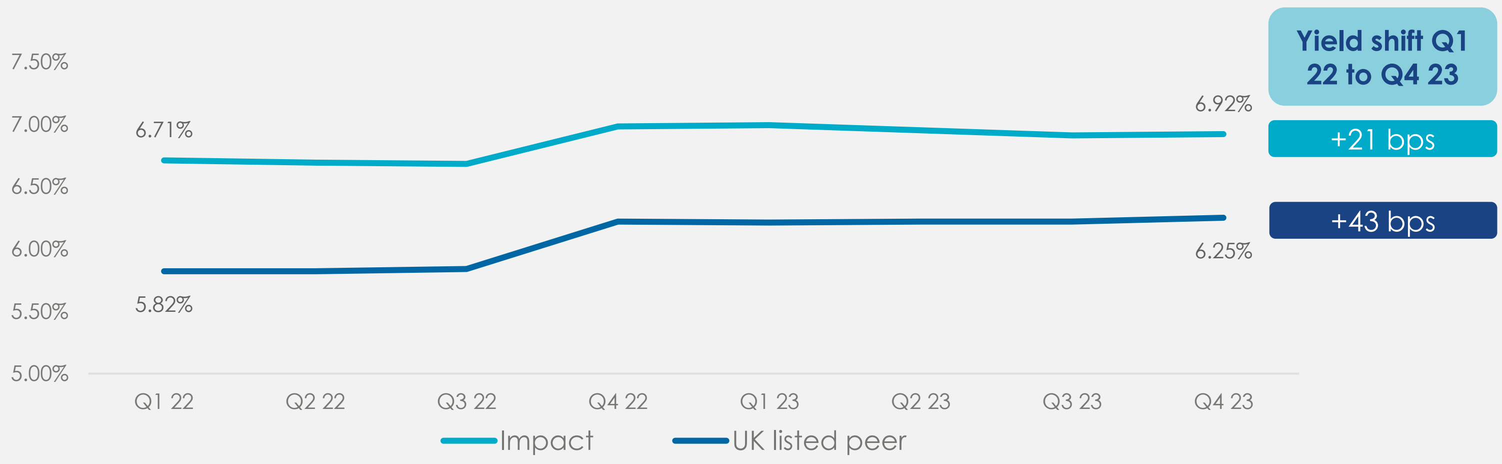
Disciplined track record of capital deployment

Delivering consistent and defensive yields

Prime elderly care transactions (bubble size: transaction size)



Portfolio EPRA topped-up net initial yield



Active in a less competitive space

Investor in proven operational assets with trading history

Ability to source the right assets

Defensive assets have less yield expansion

Source: MSCI, CBRE Analysis
1. Bank of England Database 2023: Nominal par yield, UK Government 10 year

An accretive portfolio acquisition

One portfolio acquisition made in 2023, confirming very disciplined approach to new investments

Project Nightingale - £56 million acquisition

Homes provide nursing care and complex dementia care	**Strong regional reputation in Shropshire**	**7.0% Day 1 NIY 2.1x forecast rent cover**	**6 asset portfolio**	**1.5% purchase costs**	**21% discount to replacement cost**

An accretive acquisition that continues to outperform

Latest valuation £59m (+6% capital appreciation)	**Positive contribution to 2023 earnings per share**	**2.7x actual rent cover in 2023**	**£1,490 AWF**	**1.0% agency costs**	**37% EBITDARM margin**


Isle Court, exterior


Radbrook, interior


Stretton Hall, exterior

Creating better environmental and social outcomes

Through investing in existing care homes and creation of additional capacity

Care homes are the cornerstone of social infrastructure for an ageing population

Improving environments for residents and staff through asset management projects

Enabling tenants to provide value for money care to public and privately funded residents

Investing in existing assets

Comprehensive environmental due diligence undertaken on all new acquisitions and capex projects

Reduce operational carbon

Net zero carbon strategy to improve energy efficiency and use of renewable energy supplies

Increasing all EPC ratings to at least a B by 2030

57% of homes rated EPC B or better[1] ahead of 2025 interim target

12 EPCs

Improved during 2023, of which 8 moved up the higher band.

54kg CO_2e per m^2

Increased from 2022. Sustainability improvements take time to take to deliver carbon reduction.

£32 million

Spent since inception on improving stock, expansions of care homes and new-build homes

80.6%

of homes rated Good or Outstanding

69%

of our tenants' revenues from local authority or NHS commissioners.

1. Assumes English equivalent EPC rating

Environmental Sustainability

Reducing energy and carbon for long term sustainability

Year	Carbon Reduction (like for like)	Proportion of assets with EPC B or above
2025	15%	50%
2030	50%	100%
2045	90%	100%

- Improving our existing assets is inherently more sustainable than new build by extending their lifespan.
- We have continued to progress work on our net zero plan by modelling carbon emissions using the science-based and industry recognised CRREM tool.
- We have done desktop reviews of all assets in the portfolio, supplemented by detailed surveys on selected homes.
- As a result we have a home-by-home plan for what needs doing to reduce energy and carbon, on an affordable basis for ourselves and our tenants.
- On asset management projects, typically 15% of the budget is spent on sustainability.
- We received the EPRA sBPR Gold award for fourth consecutive year for our environmental disclosures.
- The Investment Manager achieved UNPRI signatory status.

Engaged asset management and development

A dedicated asset management team focused on delivering value for tenants and investors

- Working closely with tenants we invest in value accretive asset management opportunities throughout the portfolio.
- Total spend since inception to £34m.
- Capital investment is de-risked through involvement of existing tenants on existing assets.
- Capital typically deployed at an unlevered yield on cost in excess of 8%.
- Projects include measures to enhance the environmental performance and social impact of the portfolio.

Yew Tree, Redcar

Mavern, Wiltshire

Number of projects

4

Completed in year

Capital spend approved in 2023

£11.7m

Further pipeline of 18 projects with estimated capex of

£24m

1. Includes capital committed to identified projects with planning permission that are either in progress or planned.

Asset management at Freeland

- A case study of a successful asset management project four years on
- We delivered a new, 44-bed specialist dementia unit at Freeland in Oxfordshire in 2020
- Four years later, Freeland is providing an essential service to its local community. Occupancy in the dementia unit was 94% in Q4 2023
- NHS/Local Authority fees in the dementia unit are higher than private fees, reflecting the essential nature of its service

Acquisition cost 2017: £11.4m	**Day 1 rent: £686,000**	**Total capex on dementia unit: £5.2m**	**Current rent[1]: £1,339,000 (+95%)**	**CQC rating: Good**	**New jobs created**	**December 2023 valuation: £19.1m**

Freeland House and Lodge before extension

Freeland House and Lodge with dementia unit

[1] Rent increase includes annual inflation linkages and capex rentalised at 8%

04 Tenant performance

In 2023 tenants delivered on average a strong performance

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Occupancy recovery	Strong underlying fee growth	Staff costs	Rent cover
89% at 1 March 2024	**13%** p.a. Fee growth	**Staff costs fell as % of tenant revenues**	**2.0x** Rent cover
Tenant occupancy risen from 87% on 31 December 2022, and a COVID low point of 78.9% in January 2021.	Underlying average weekly fee (AWF) growth over the year to 31 December 2023.	Use of agency staff back to normal levels. Average staff costs per occupied bed rose 5% during 2023, less than AWF growth.	Average cover for 12 months to 31 December 2023.

Tenant occupancy recovery and fee growth

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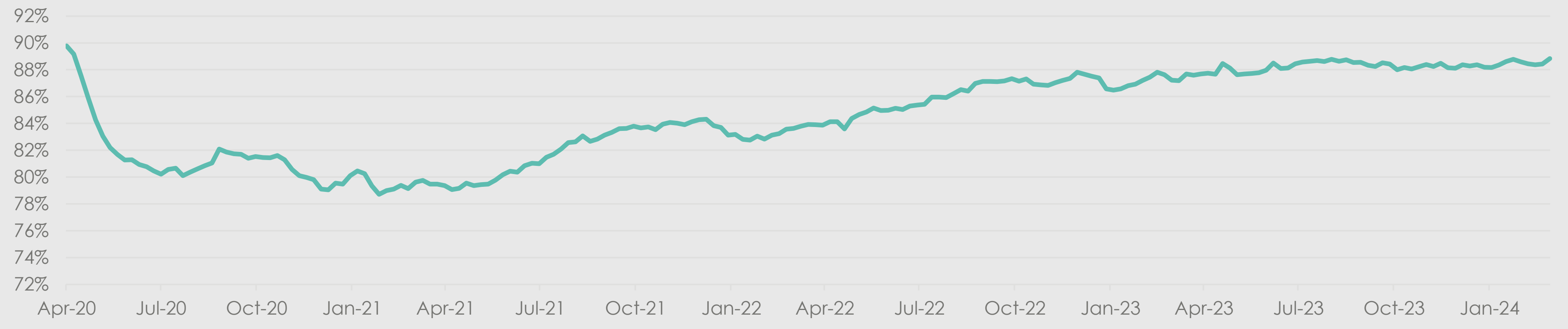
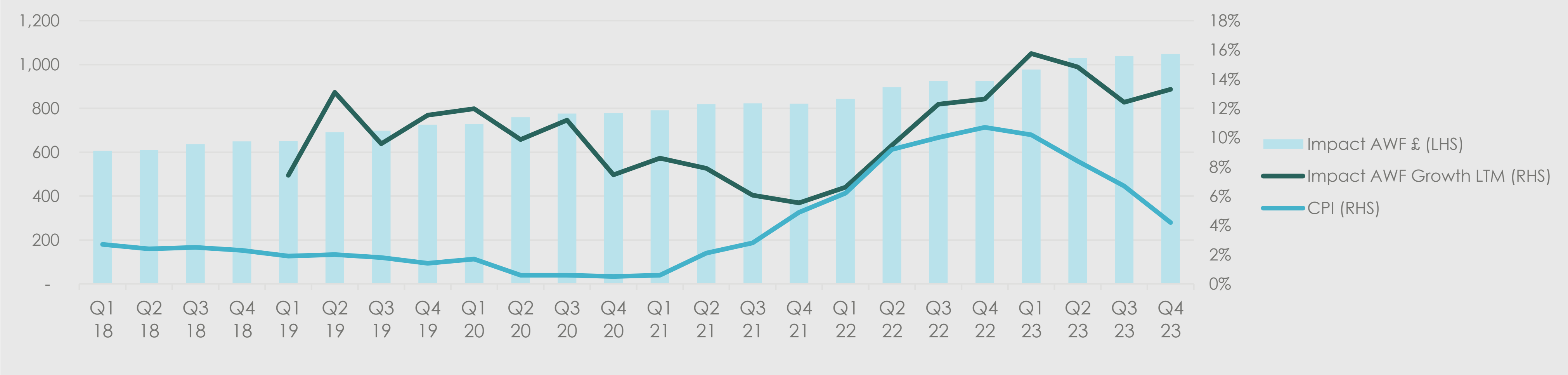
Occupancy recovery gradual in 2023 as tenants emphasised growing fees at a rate sufficient to cover cost increases. Occupancy now 1% below pre-COVID levels

Impact tenants' average bed occupancy



Impact portfolio of tenants demonstrate deliver inflation+ average weekly fee growth



Best rent cover since inception

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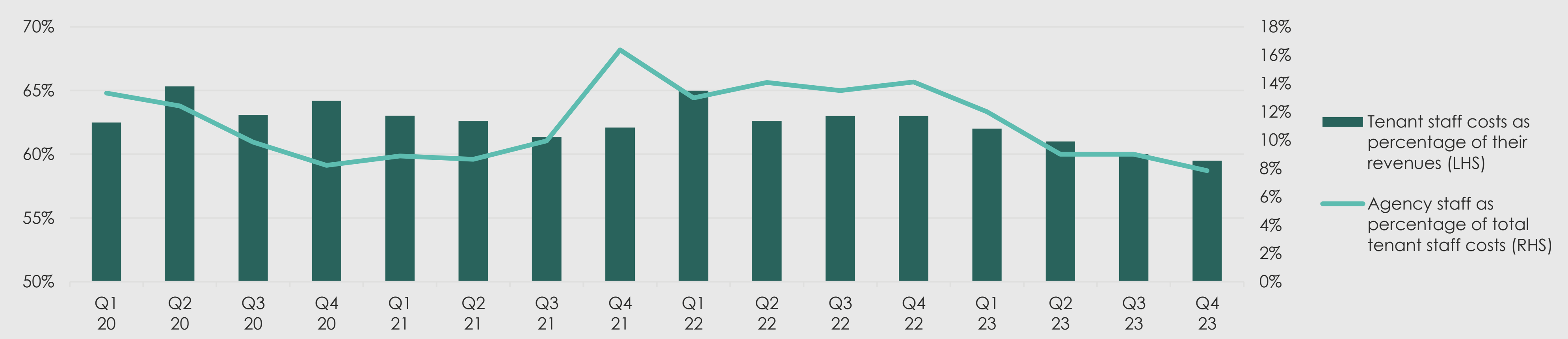
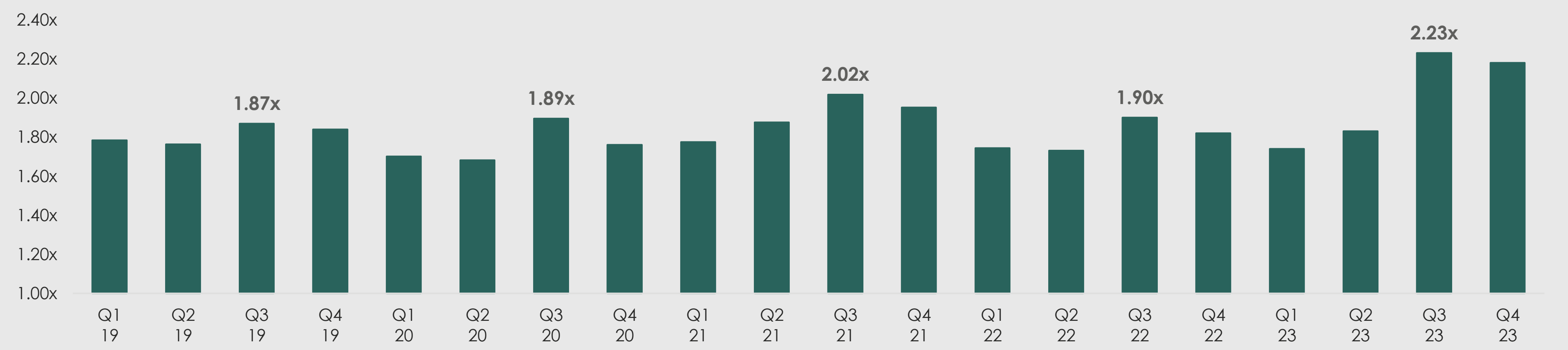
Tenants typically increase wages during Q1and fees during Q2, meaning Q3 has the highest rent cover. Average rent cover across Impact's portfolio in Q3 2023 was 2.2x's.

Impact portfolio staff costs trending down



Impact group rent cover[1]



[1] Rent cover excludes seven turnaround homes, which were previously operated by Silverline and were re-tenanted in June 2023. Those homes are excluded from previous periods to ensure reporting is on a consistent basis

To maintain strong rent cover, it is important that rent is set at an affordable level

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Tenant managing new-build home B aimed at private market charges higher fees than established home A servicing the publicly-funded market, but does not employ significantly more staff to provide care, pays almost three times more rent per bed and has less free cash to reinvest in the business

	Care Home A[1]	Care Home B[2]	Comments
KPIs			
Available beds	76	66	
Average weekly fee	£1,043	£1,450	Fees of care home B +39%
Occupancy	97%	94%	
Public/private mix	82%/18%	25%/75%	
Income	**£4,011,249**	**£4,677,816**	
Costs			
Total staff	£2,304,588	£2,338,908	But B's spending on staff +1%
Other Home costs	£640,190	£842,007	
EBITDARM	**£1,066,471**	**£1,496,901**	
EBITDARM margin	27%	32%	
EBITDARM/bed	£14,033	£22,680	B's EBITDARM/bed +62%
Rent	**£407,457**	**£935,563**	
Rent as % of income	**10%**	**20%**	
Rent/bed	£5,361	£14,175	But B's rent/bed +164%
Rent cover	2.6x	1.6x	
Tenant EBITDAM	**£659,014**	**£561,338**	Home B generates less free cash for reinvestment into the business

[1] Actual numbers for 12 months to 31 December 2023 for a care home operated by Careport in North-West England
[2] Illustrative numbers of "Typical Care Home Financials" published by a developer selling new care homes

Silverline update

Delivering a turnaround at the ex-Silverline Portfolio

- Silverline defaulted on its rent on seven homes in January 2023.
- We drew down the Silverline rent deposits and replaced them as operator of the homes in June 2023 with Melrose, an affiliate of Minster Care.
- In the three months to January 2023, the homes' annualised EBITDARM run rate was negative £344,000.
- By January 2024 Melrose had managed the first stage of the turnaound, and the homes annualised EBITDARM for the three months to January 2024 was positive £451,000.
- Long-term lease solutions are now being negotiated for the homes.
- Lessons have been learnt.

Jan. 2024 L3M EBITDARM (Ann.)

£451k

Jan. 2023: (£344k)

Ensuite wet-room provision

184/394

100% en-suite

Laurel Bank, interior

The Beeches, aerial

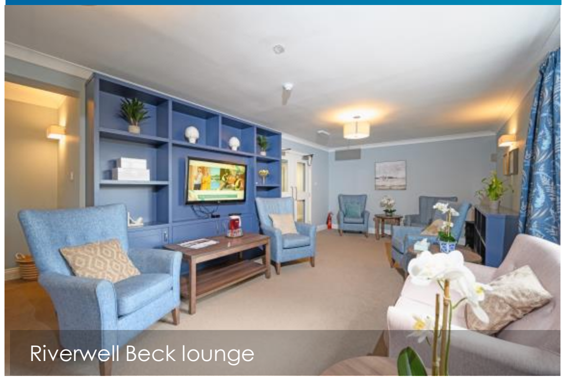
Springhill, interior

Careport: a model tenant

Careport shows that a forward-thinking operator can generate the resources required to invest for the future while primarily serving the local authority market

Strategic Business Pillars

- ✓ Aim to be dementia care provider of choice in all areas they operate
- ✓ Reliable partner for all stakeholders
- ✓ Manage well invested, desirable care homes



Riverwell Beck lounge

Real Estate Focus

- ✓ Undertake transformational investment in homes (eg, Riverwell Beck)
- ✓ Continued energy performance improvements

Strong rent cover enables Investment

- ✓ Investment in technology to improve consistency of care quality
- ✓ Focus on staff recruitment, training and career development

Old Prebendal House Cafe

Rents 9 homes from IHR

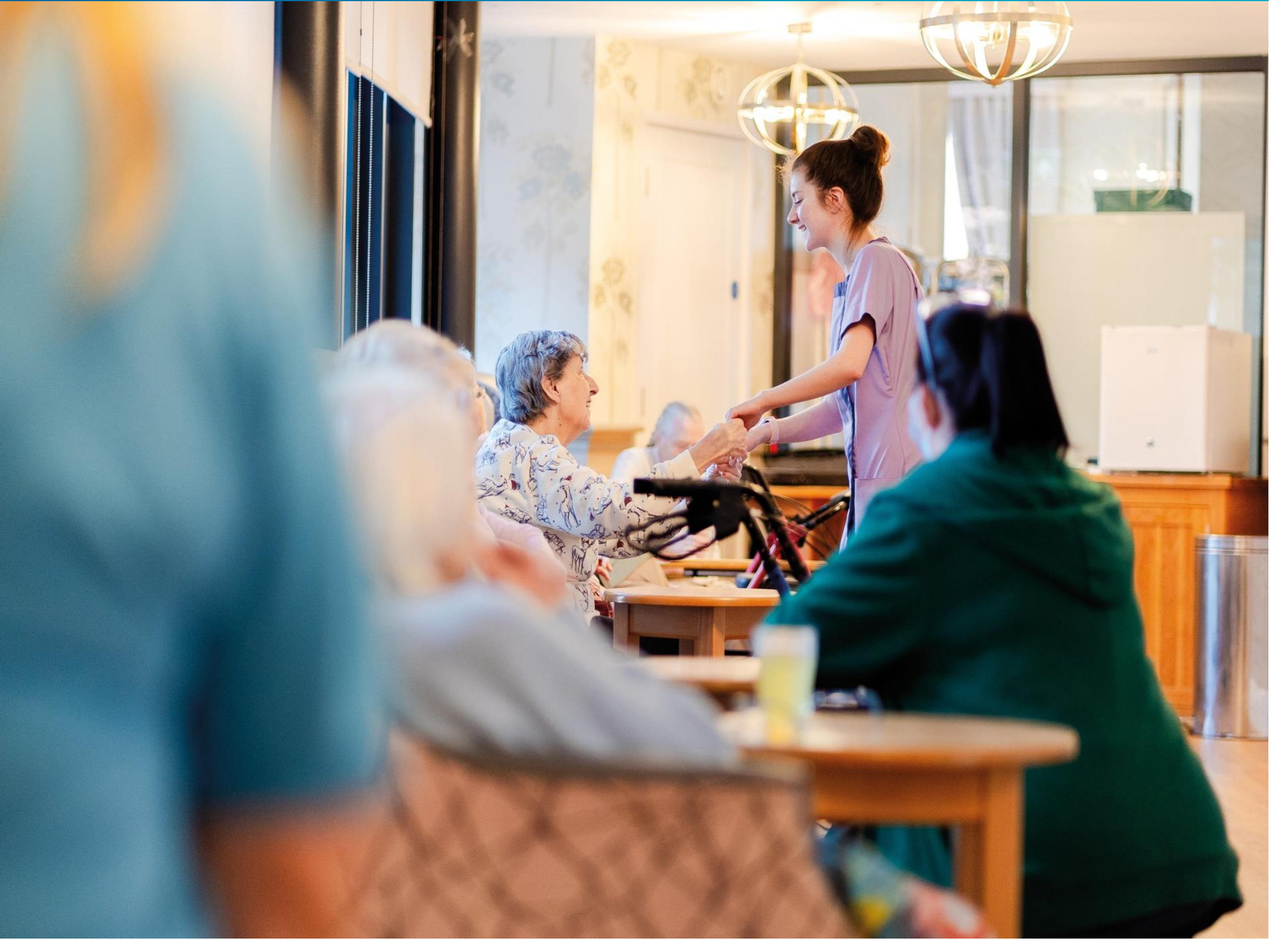
96% average occupancy

74% publicly funded residents

26% EBITDARM margin[1]

1. Average since January 2020.

05 Outlook: our market



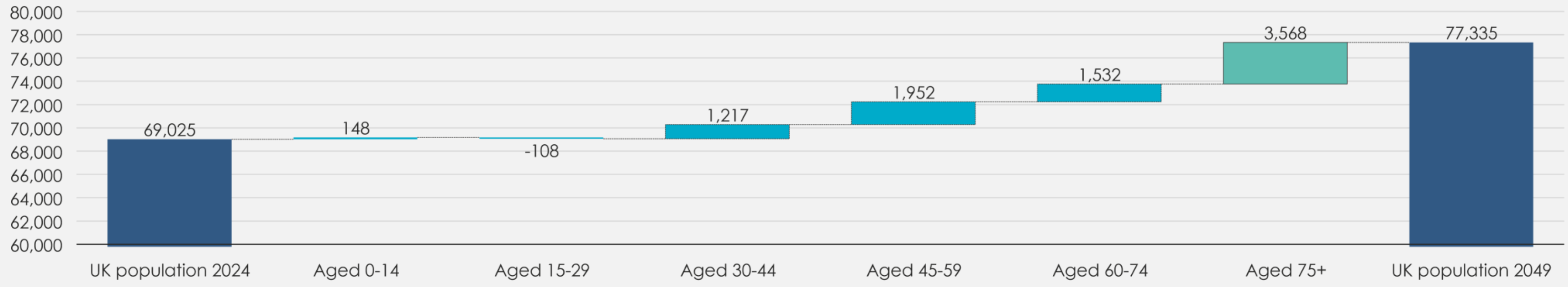
More demand from an ageing population

Impact Healthcare REIT

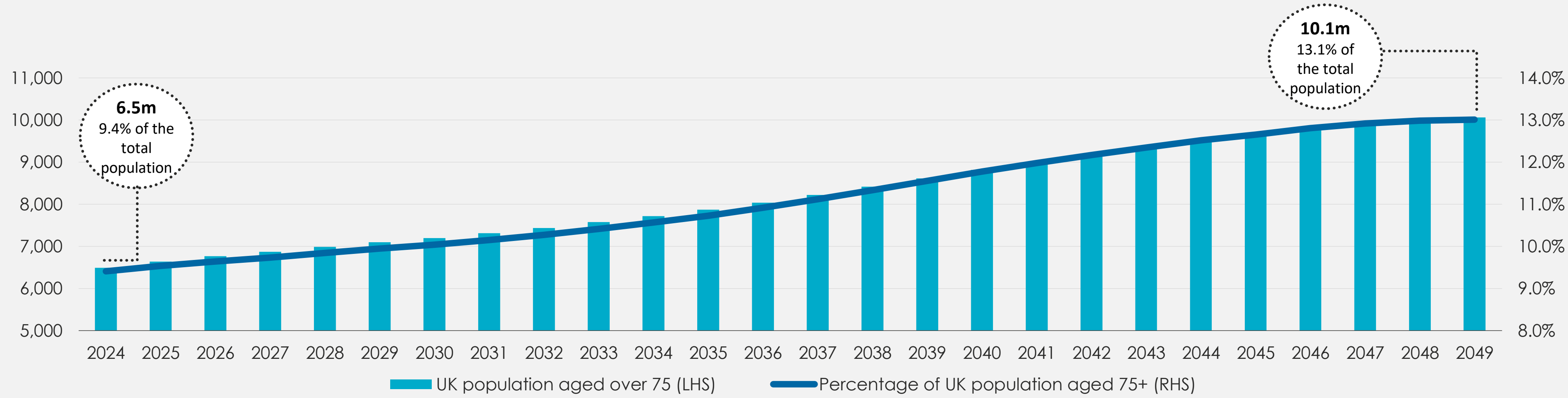
Over the next 25 years people over 75 will be fastest growing part of the UK population

Population over 75 projected to increase by 55%, from 6.5m to 10.1m

Growth in UK population by age groups (000's)



Projected UK population aged over 75 (000's)



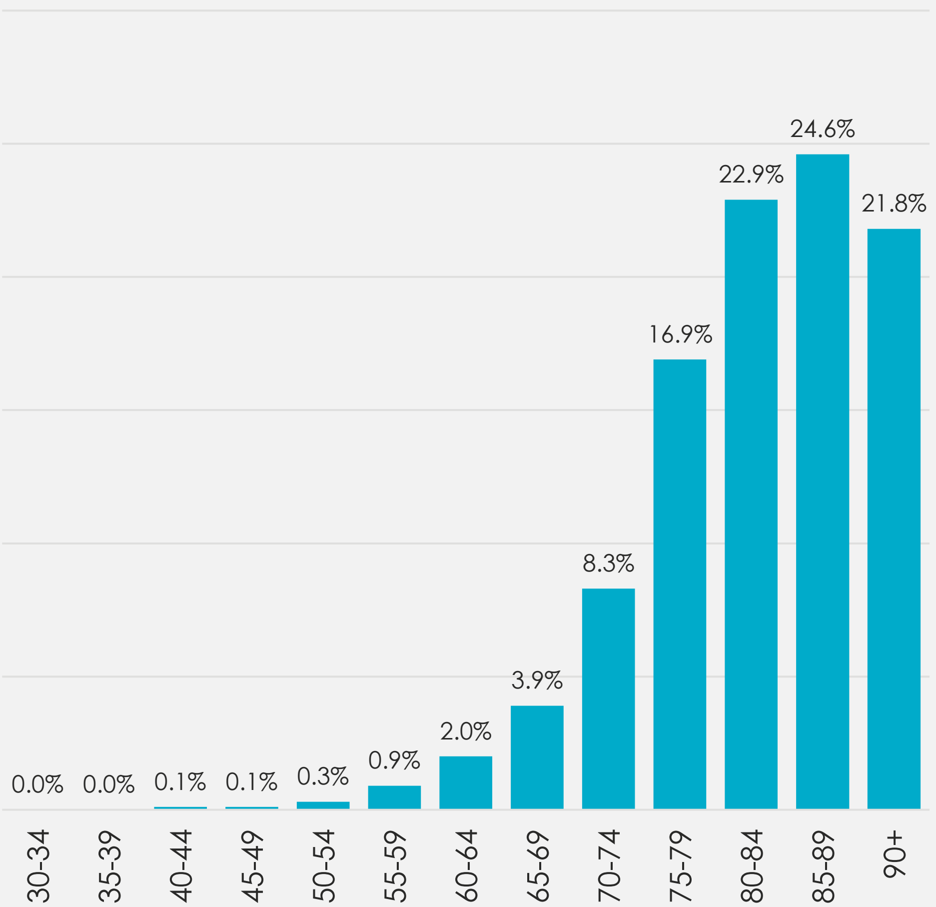
Source: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/datasets/tablea11principalprojectionuksummary

Rising acuity

70% of people living in care homes have some form of dementia

Prevalence rate of dementia by age cohort

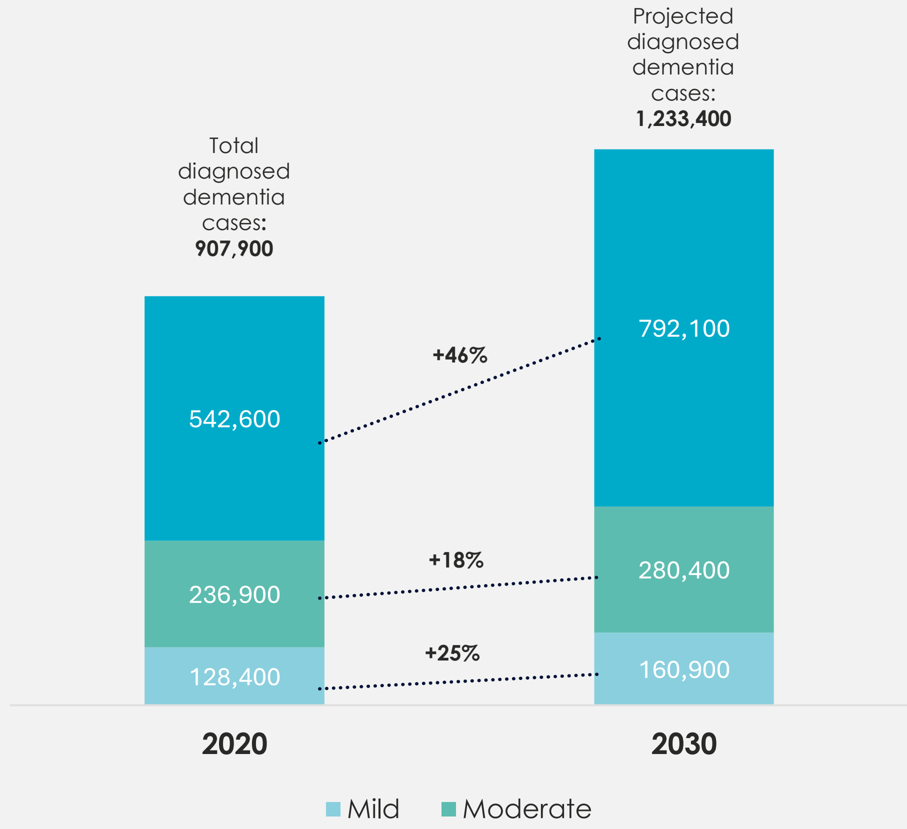
UK 2022 (percent)



Source: NHS Digital, ONS, LEK

Increase in people living with dementia in the UK

Projections by the Alzheimer's Society



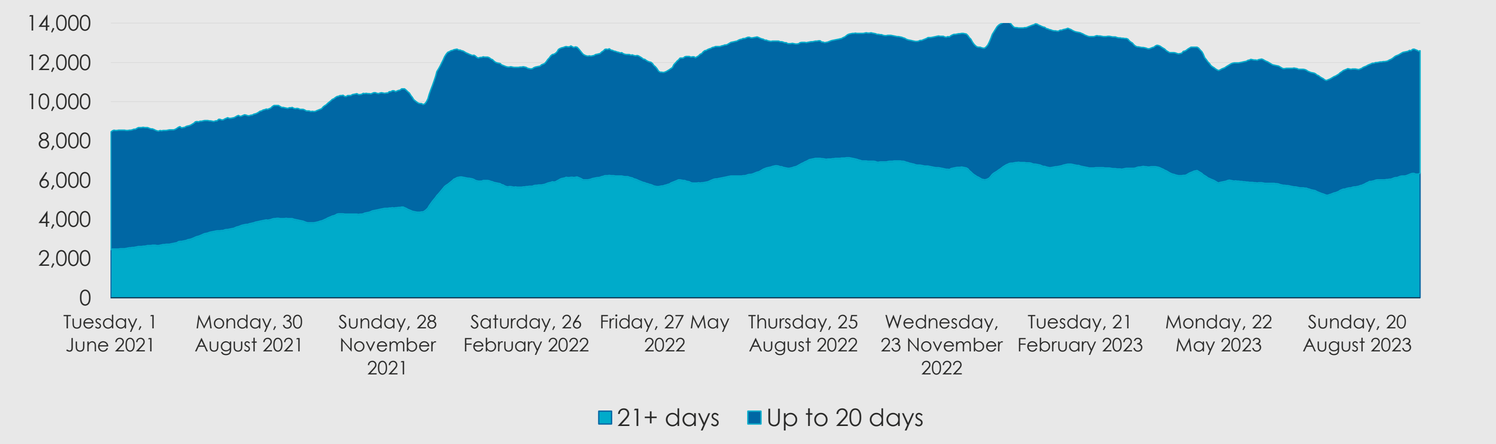
Source: https://www.alzheimers.org.uk/sites/default/files/2019-11/cpec_report_november_2019.pdf

The NHS is struggling to cope with rising demand from an ageing population

Care homes can offer a better environment for frail, elderly people than acute hospitals. They can also help the NHS to reduce waiting lists and save money

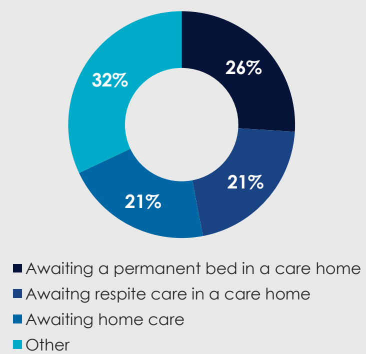
- In the first nine months of 2023 (latest available data), there were on average 12,500 people in hospital each night in England who had no clinical need to be there. That is 10% of available hospital beds.
- Over half of delayed transfers are people who have been in hospital unnecessarily for at least an extra 21 days. These are mainly elderly people.
- There are no official estimates of the costs of delayed transfers. The King's Fund estimates conservatively they cost the NHS £395 per bed per day (i.e. £5 million each day, or £1.8 billion a year).
- This estimate excludes the indirect costs of delays (e.g. cancelled elective operations). Unofficial estimates from the DHSS put the potential savings from reductions in delayed discharges to the NHS at up to £7 billion a year.

Delayed transfers of care from hospitals in England
Daily count of people with no clinical need to stay in hospital whose discharge has been delayed



Causes of transfers delayed for 21+ days

People waiting for transfer to a care home account for 46% of the longer delayed transfers



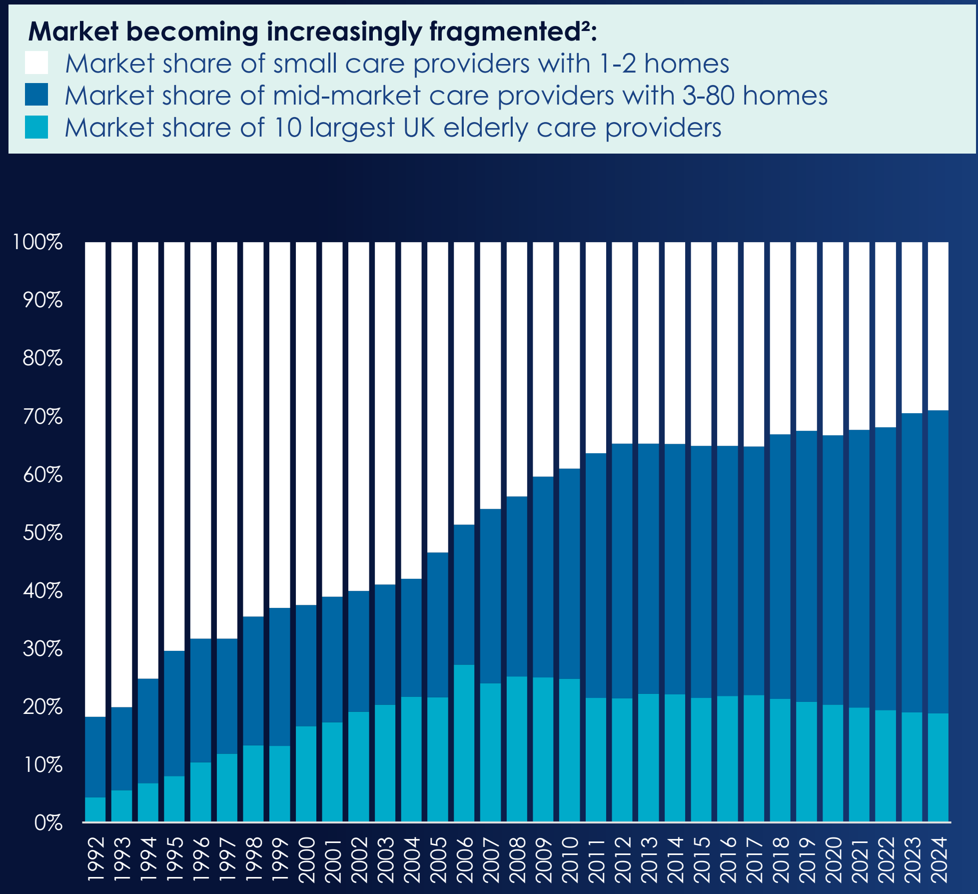
Source: Nuffield Trust

Fragmentation

Market dynamics support a knowledgeable and discipline investment strategy

Market size	Total value of UK elderly care market real estate circa £40 billion[1].
Fragmented market	**480,000 beds** **12,046 registered care homes[2]**
Market share of top-ten providers	Peaked in 2006 at 27%, and has since fallen to 19%.
Sole traders withdrawing	Care providers with one or two homes had > 80% of the market in the early 1990s. Now < 30%.
Growth in the mid-market	Midsized providers, with between thee and 80 homes, are growing. They are Impact's target tenant base.
High yields	This high level of fragmentation is one reason why it is possible to acquire care homes on high yields relative to other specialised forms of real estate.

Highly fragmented market



Growth is driven by our target tenant base in the mid-market by size

Source: [1] CBRE Research [2] Langbuisson

06 Summary

Summary

A resilient portfolio well positioned for continued income growth

Growing the business to provide much-needed care home beds

Working with our tenants

Our focus on quality

Our focus on affordability

Increasing our sustainability

- ✓ Form long-term partnerships with high-quality tenants to deliver vital social care infrastructure for vulnerable elderly people.
- ✓ Well placed to continue to deliver attractive sustainable returns from resilient, fully covered dividends and capital growth – significant positive social impact.
- ✓ 100% inflation-linked income (with caps and collars).
- ✓ Target dividend for 2024 up 2.7% on 2023[1].

[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.

A1 Appendices

Summary of company structure

Entity	Impact Healthcare REIT plc
Market	Listed on the specialist fund segment of the Main Market of London Stock Exchange on 7 March 2017, transferred to the premium segment of the Official List on 8 February 2019
Current share capital	414,368,169 ordinary shares outstanding
Target dividend	Target dividend of 6.95 pence per share for 2024[1]
Gearing	The Company utilises prudent financing with a maximum LTV of 35% of gross assets
Valuation	Quarterly valuation by Cushman & Wakefield
Independent Board	Board comprised of seven experienced Non-Executive Directors and is independent of the AIFM. At the 2023 AGM two of the Non-Executive Directors will be stepping down.
Discount control	Share buy-back authority for up to 14.99% of issued share capital.
AIFM	Impact Health Partners LLP – Principals: Andrew Cowley and Mahesh Patel
Management commitment	Mahesh Patel 11m share holding[2] in the Company. Other members of management and board hold 2m shares
Fees	Management fees: 1% of NAV payable to Impact Health Partners LLP reducing to 0.70% on NAV above £500m
Corporate brokers and other advisors	Jefferies, Winterflood Securities, Travers Smith and BDO

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.
2. Refers to share holdings Mahesh Patel owns or controls.

Impact board

Impact Healthcare REIT

The seven experienced Non-Executive directors comprising the board provide strong corporate governance and close alignment to shareholders via a significant shareholding

Chairman: Simon Laffin

Simon has 30 years of board experience including real estate, previously serving as Chairman of Assura plc, Flybe Group plc and Hozelock Group. He has also held various other non-executive director positions and was previously an adviser to CVC Capital Partners for ten years. Prior to this, he was Group Finance & Property Director of Safeway plc.

He is a qualified accountant and graduate of Cambridge University.

SID: Rosemary Boot (independent non-executive)

Former Executive Director of Circle Housing Group and Finance Director of the Carbon Trust. 16 years corporate finance experience at UBS Warburg. Currently non-executive director of Urban&Civic plc and Triple Point Energy Transition plc. She is a co-founder and director of Chapter Zero.

Cambridge MA.

Director: Chris Santer (independent non-executive)

Chris is the Portfolio Manager for Schroders Capital Real Estate Impact Fund. Prior to this, Chris was Chief Investment Officer for Primary Health Properties PLC.

MBA from Warwick Business School and member of the Royal Institute of Chartered Surveyors.

Director: Amanda Aldridge (independent non-executive)

Former audit and advisory partner at KPMG LLP. Currently non-executive director of The Brunner Investment Trust Plc, Staffline Group plc, Low Carbon Contracts Company, The Electricity Settlements Company and Helical PLC (from 1 April 2024)

Extensive audit and advisory experience.

Director: Cedi Frederick (independent non-executive)

Over his 40-year career, Cedi has held a number of senior management, chief executive and board member positions in the healthcare and housing sectors across the public, private and not-for-profit arenas.

Cedi will join the board on 1 April 2024.

Director: Philip Hall (independent non-executive)

Formerly chairman of Jones Lang LaSalle's healthcare team in the UK. 20+ years' experience in the healthcare sector internationally. In 2011 acted for landlords in the restructuring of Southern Cross.

Chartered Surveyor with further qualifications in environmental sciences and town planning.

Philip will retire from the board at the upcoming AGM.

Experienced and tenured team

A specialist, multi-disciplinary team

Mahesh Patel (ACA)
Managing Partner

Mahesh is a qualified accountant who has over 30 years' experience in healthcare-related industries and assets, including positions in finance. Prior to 2006, he built up and then sold three healthcare-related businesses.

Andrew Cowley (MA(Oxon))
Managing Partner

Andrew is an experienced fund manager, working in infrastructure and private equity investment since 2000. He was previously a senior managing director at Macquarie and deputy chief executive of the listed Macquarie Airports.

David Yaldron (FCA)
Finance Director

David is a chartered accountant with more than 20 years' experience, having held senior financial roles in real estate and investment companies. He was previously a senior director at Grosvenor, Britain & Ireland.

Alison Hayward
Office Manager

Killian Currey-Lewis (CA)
Investment Director

Shola Oso
Property Manager

Charlotte Finch
Investment Manager

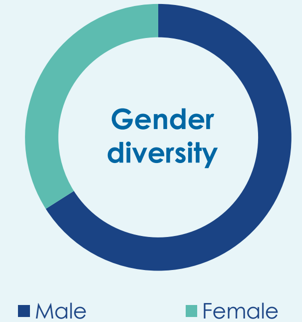
Martin Robb (FRICS)
Managing Director

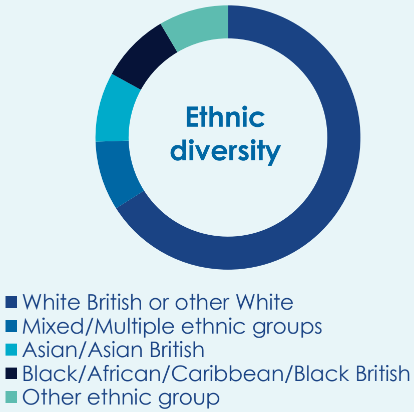
Simon Gould (MRICS)
Development Director

Chris Nicholson (CGMA)
Accountant

Sam Josland (CFA, ACA)
Director of commercial finance and reporting

Sophie Shrestha (ACCA)
Finance Manager





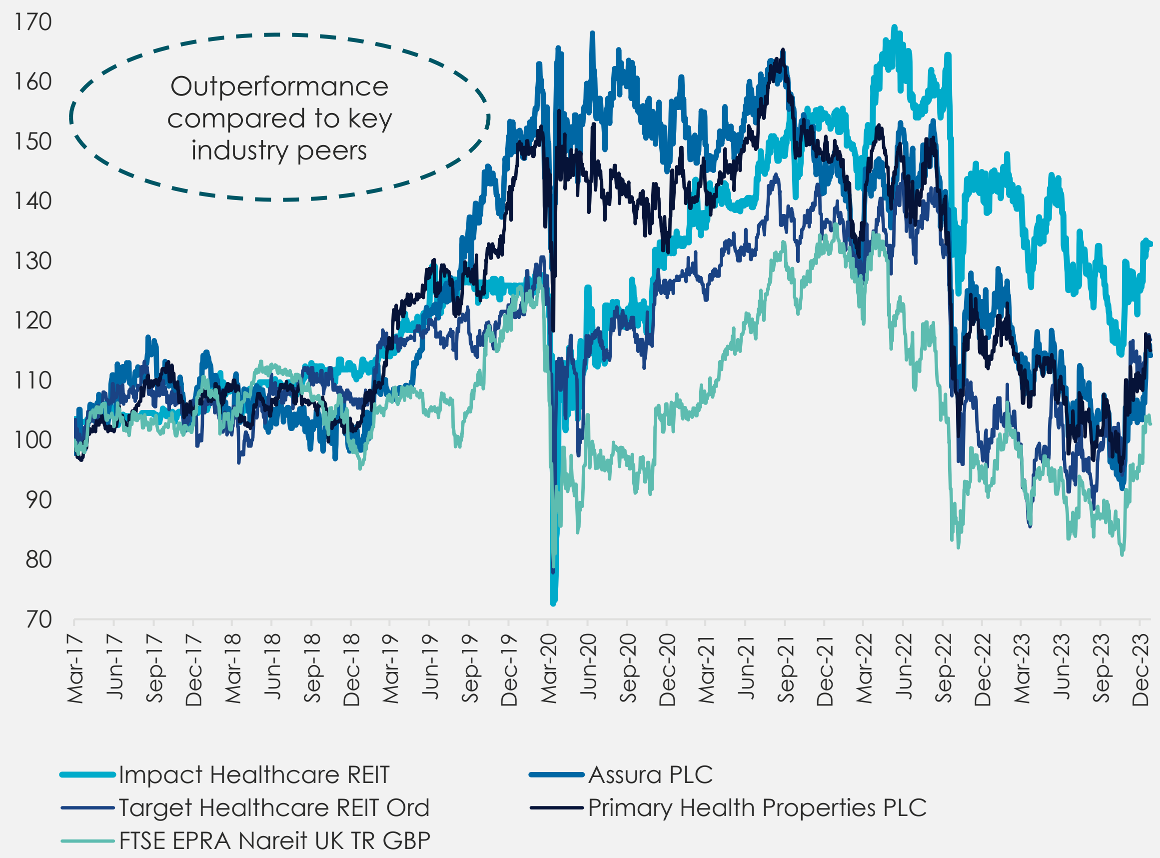
Performance track record

	FY17[4]	FY18	FY19	FY20	FY21	**FY22**	**FY23**
Contracted rental income[1]	£11.9m	£17.8m	£23.1m	£30.9m	£38.0m	£43.1m	**£48.8m**
EPRA Cost ratio	24.7%	24.7%	19.2%	17.1%	15.8%	16.6%	**14.4%**
EPS	5.82p	8.57p	10.37p	9.02p	9.41p	4.33p	**11.79p**
Adjusted EPS	4.39p	5.07p	5.26p	5.93p	6.68p	7.11p	**7.28p**
EPRA EPS	4.35p	6.47p	6.95p	7.25p	8.05p	8.37p	**8.33p**
Dividend per share	4.50p	6.00p	6.17p	6.29p	6.41p	6.54p	**6.77p**
Adjusted earnings dividend cover	98%	84%	85%	95%	104%	109%	**108%**
EPRA earnings dividend cover	97%	108%	113%	115%	126%	128%	**123%**
Number of assets[2]	57	72	86	108	124	135	**140**
Property investments[3]	£156.2m	£223.8m	£318.8m	£418.8m	£497.6m	£568.8m	**£651.3m**
EPRA Topped-up NIY	7.02%	6.97%	6.66%	6.71%	6.71%	6.98%	**6.92%**
WAULT	19.2yrs	19.5yrs	19.7yrs	20.0yrs	19.2yrs	19.7yrs	**20.8yrs**
Gross LTV	0%	11.62%	6.81%	17.77%	22.26%	23.85%	**27.69%**
NAV	£193.5m	£198.3m	£340.7m	£349.5m	£394.2m	£445.9m	**£478.1m**
NAV per share	100.65p	103.18p	106.81p	109.58p	112.43p	110.17p	**115.38p**
Total accounting return	7.19%	8.47%	9.46%	8.46%	8.42%	3.78%	**10.82%**

1. Contracted rent includes all income from investments in properties, whether generated from rental income or post-tax interest income.
2. Includes forward funded developments and properties invested in via loans to operators for acquisitions of property portfolios, with an option to acquire.
3. Property investments includes portfolio valuation along with loans to operators for acquisition of property portfolio, with an option to acquire.
4. Note 2017 figures are for the period form IPO on 7 March 2017 to 31 December 2017, except for Total accounting return where this figure has been annualised.

Shareholder returns

Total shareholder returns



Annnualised TSR since IHR IPO

IHR: 4.2%

THR: 2.3%

PHP: 2.1%

AGR: 2.0%

FTSE EPRA Nareit: 0.4%

Active value creation strategies

Selective identification of tenants with solid rent cover underpins revenues

Active asset management strategies tactically deployed to enhance asset value

Index-linked, long-term cap and collared leases generate steady revenue growth with inflation protection

Material value growth opportunities uncorrelated with wider market and economic environment

Consolidated statement of comprehensive income

For the year ended	31 Dec 2023 £'000	31 Dec 2022 £'000	
Cash net rental income	**42,277**	35,889	17.8%
Accounting / rent smoothing net income	**7,146**	6,353	
Net rental income	**49,423**	**42,242**	**17.0%**
Administration and other expenses	**(7,137)**	(7,009)	1.8%
Profit on disposal of investment properties	**(16)**	130	
Operating profit before changes in fair value	**42,270**	**35,363**	**19.5%**
Changes in fair value of call option	**-**	(1,811)	
Changes in fair value of investment properties	**14,788**	(14,456)	
Operating profit	**57,058**	**19,096**	**198.8%**
Interest income	**3,761**	3,200	
Net finance expenses	**(11,988)**	(5,408)	121.6%
Profit before taxation	**48,831**	**16,888**	**189.2%**

Earnings per share	**11.79p**	4.33p	172.3%
EPRA earnings per share	**8.33p**	8.37p	(0.5)%
Adjusted earnings per share	**7.28p**	7.11p	2.4%
Dividend declared for the year	**6.77p**	6.54p	3.5%

Total expense ratio	**1.54%**	1.67%
Adjusted cost ratio	**13.4%**	15.4%

Consolidated statement of financial position

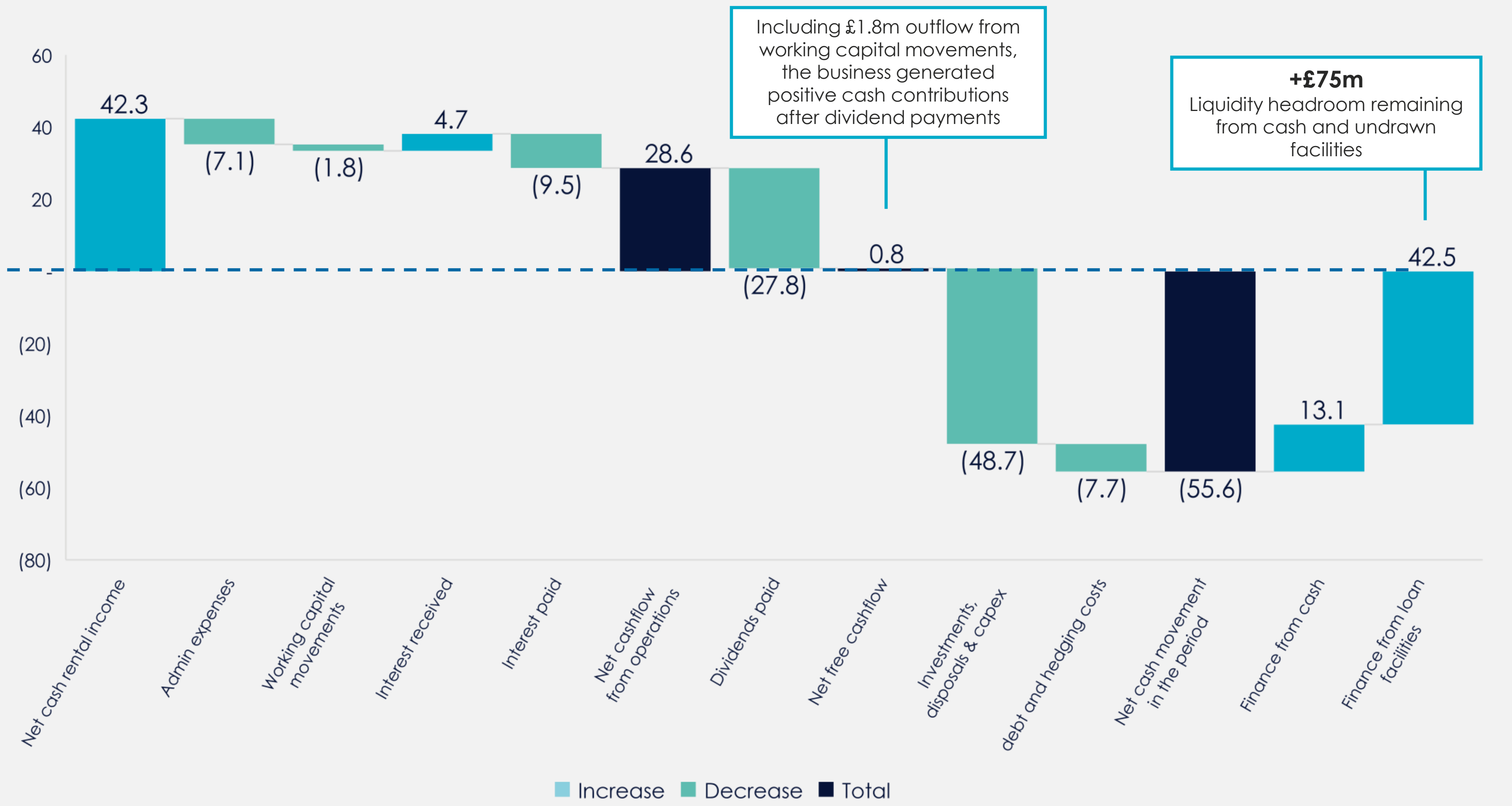
	As at 31 Dec 23 £'000	As at 31 Dec 22 £'000		
Investment property	**651,313**	532,479	+22.3%	Investment Property +14.5%
Market value of property portfolio invested in via a loan to operator where the Group has an option to acquire	**-**	36,360		
Cash and cash equivalents	**9,389**	22,531		
Other assets	**6,587**	873		
Bank borrowings	**(179,937)**	(137,196)		
Other liabilities	**(9,245)**	(9,127)		
Net assets	**478,107**	**445,920**	+7.2%	
Net asset value per share	**115.38p**	110.17p	4.7%	
Loan to value	**27.69%**	23.85%		

Secure financing

	CYBG	HSBC	NatWest	Private Placement Series A	Private Placement Series B
Facility	£50m (RCF)	£75m (RCF)	£50m (RCF)	£37m	£38m
Expiry	December 2029	April 2026	June 2028 (+ two 1-year extensions to June 2030)	Dec 2035	June 2035
Margin	200bps (+SONIA)	200bps (+SONIA)	200bp (+SONIA)	2.93% (Fixed)	3.00% (Fixed)
Security pool	Propco 3	Propco 4	Propco 7	Propco 8	Propco 8
Propco interest cover covenant	200%	200%	175%	250%	250%
Propco LTV covenant	50%	55%	50%	55%	55%

Dividends and net interest costs fully covered by operating cashflows

Cashflow bridge (£m)



Acquiring the right care homes

Track record and experience allows for quick and disciplined identification of mis-priced assets to enhance returns

Staffing Stability

- ✓ Staff loyalty
- ✓ Agency usage lower than larger organisations

Reputation

- ✓ Local home of choice
- ✓ Embedded in the care economy
- ✓ Strong healthcare commissioning relationships

Real Estate

- ✓ Under-utilised/invested assets with EPC B or better (or costed plan to get there)
- ✓ Dominant micro locations that facilitate operational out performance

Care Quality

- ✓ Well managed, safe and with good care focused on local market
- ✓ CQC ratings for five key lines of enquiry – safe, caring, well-led, responsive, effective

Operational Performance

- ✓ Potential for operational enhancement
- ✓ Rent cover: 1.75x – 2.0x+

Partnership approach with tenants

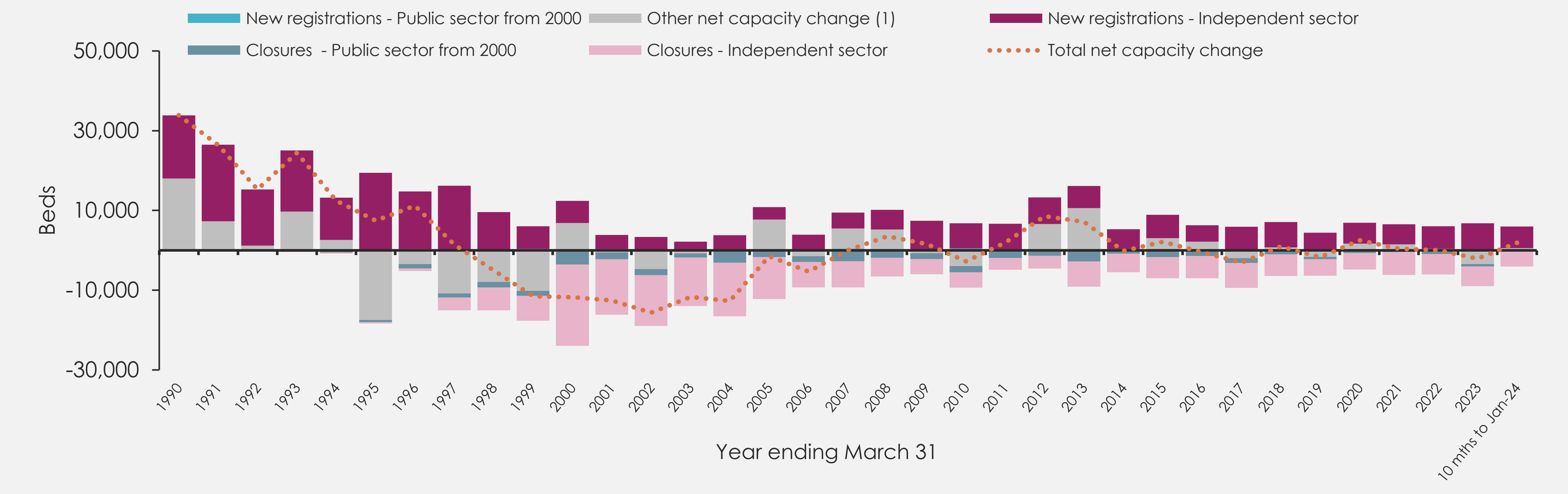
1. Source: Impact Health Partners Q1 2023

Lack of new supply

Supply failing to keep pace with potential rising demand

Static supply:

Net bed capacity change



Older Stock

Over 50% of registered care homes in the UK were first registered more than 20 years ago.

Home Closures

Closures are driven by both the regulatory regime and operational inefficiencies causing smaller operators to exit the market.

Land

The supply of development land in the UK is constrained, with multiple high value competing alternative land uses.

Source: CBRE, LaingBuisson