Interim Results Presentation

Half year ended 30 June 2023

IMPACT Healthcare

Contents

01

Overview of H1 2023

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**


Lomond View

The Market

60% Increase in 85+ UK population by 2036[1]

Limited new supply

Long term and **index-linked income**

Highly fragmented market


Merlin Manor

Delivering the strategy

Progressive dividend policy

Covered dividend

Robust balance sheet

Long-term WAULT 21 years


Old Prebendal House

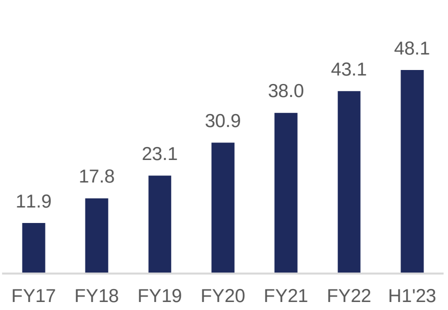
[1] Langbuisson / ONS

H1 2023 financial highlights

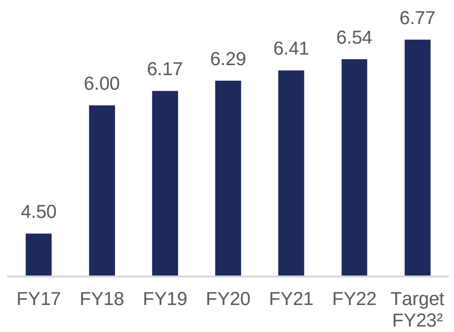
Robust performance through a challenging year

- Leases are long-term and **100% are inflation-linked** (with caps and collars).
- H1 2023 **dividends fully covered** by EPRA earnings per share (122%) and adjusted earnings per share (109%).
- **Progressive dividend policy** targeting 2023 dividend to increase to 6.77 pence per share, up from 6.54 pence per share paid for 2022 (3.5% increase)[2].
- Delivered a **total accounting return of 6.17% for H1 2023,** through dividends of 3.33p paid and NAV increase of 3.47p.
- 2.4% **increase in like-for-like value of property portfolio** recognised in H1 2023 driven largely by rent reviews. EPRA net initial yield moved down 3 basis points, from 6.98%, to 6.95%.
- **Strong balance sheet** with LTV at 30 June 23 of 28.5% on a gross debt basis.

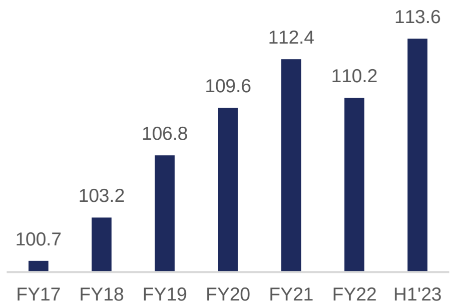
Contracted income[1] (£m)



Dividends (pence per share)



NAV per share (pence)



H1 2023 financial highlights

Period ended 30 Jun 23

£48.1m (+11.6% on Dec 22)
Contracted income[1]

£27.6m (+1.1% on H1'22)
Profit before tax

4.15p / 3.69p
(-1.7% / +0.8% on H1'22)
EPRA EPS / Adjusted EPS

3.39p (+3.5% on H1'22)
Dividends declared per share

122% / 109%
EPRA EPS / Adjusted EPS dividend cover

113.64p (+3.2% on Dec 22)
NAV per share

[1] Contracted income 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.

02
Financial results

11.0% growth in adjusted (cash) earnings

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£'000	H1'23	H1'22	
Rental income - cash income	19,785	16,931	+16.9%
Interest income from loaned portfolio investments	3,646	1,831	
Bad debts written off	(350)	-	
Cash income from portfolio	**23,081**	**18,762**	**+23.0%**
Administrative expenses	(3,681)	(3,181)	+15.7%
Loss on disposal	(16)	-	
Cash profit before bank financing	**19,384**	**15,581**	**+24.4%**
Net cash finance expenses	(4,116)	(1,831)	
Adjusted earnings	**15,268**	**13,750**	**+11.0%**
Adjusted earnings per share	***3.69p***	***3.66p***	***+0.8%***
EPRA cost ratio	**16.0%**	**16.2%**	
Adjusted cost ratio[1]	*14.0%*	*14.8%*	
Dividend declared for the period	3.39p	3.27p	+3.5%
Adjusted earnings dividend cover	**109%**	**112%**	

Adjusted earnings growth

+11.0%

Adjusted earnings dividend cover

109%

H1'22: 112%

EPRA cost ratio

16.0%

H1'22: 16.2%

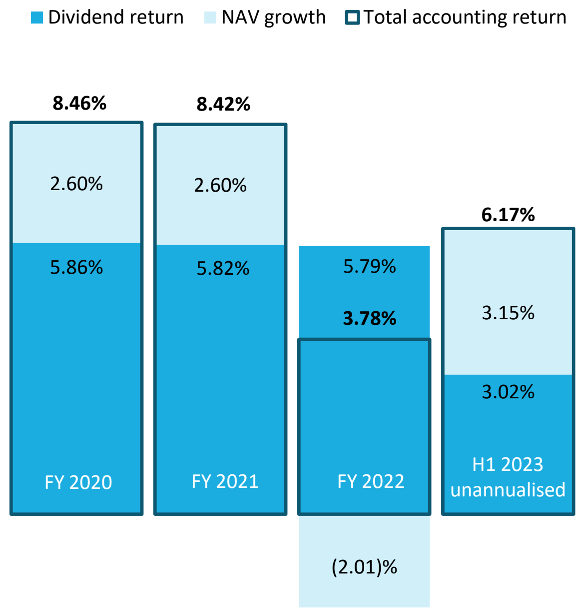
On an adjusted basis[1] our cost ratio is 14.0% for H1'23 v 14.8% for H1'22

[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 and to exclude one off costs in relation to rent write offs.

Stable operational performance supported by valuation growth

£'000	H1'23	H1'22	
Net rental income	22,713	19,648	+15.6%
Administrative expenses	(3,681)	(3,181)	+15.7%
Loss on disposal	(16)	-	
Operating profit before changes in fair value	**19,016**	**16,467**	**+15.5%**
Loss on disposal	16	-	
Finance income	3,656	1,831	
Finance expense (excl. fair value movement of derivative)	(5,511)	(2,424)	
EPRA Earnings	**17,177**	**15,874**	**+8.2%**
Loss on disposal	(16)	-	
Changes in fair value of investment properties	9,340	11,173[1]	
Change in fair value of derivatives	1,088	248	
Profit and total comprehensive income	**27,589**	**27,295**	**+1.1%**
EPRA earnings per share	4.15p	4.22p	-1.7%
Earnings per share	6.66p	7.26p	-8.2%
Total accounting return	6.17%	6.21%	

Total accounting return



[1] Includes fair value movement on the Group's option in relation to a portfolio of properties invested in via a loan to an operator, where the group has an option to acquire the properties.

Growth in NAV from rent reviews and stable property yields

	NAV p/share	EPRA Earnings p/share	Adjusted Earnings p/share
31 Dec 22	**110.17**		
Cash revenue	4.69	4.69	4.69
Net rent smoothing revenue	0.79	0.79	
Net revenue	**5.48**	**5.48**	**4.69**
Interest income on portfolio investment loans	0.88	0.88	0.88
Operating costs	-0.89	-0.89	-0.89
Net finance costs	-1.07	-1.32	-0.99
Dividend paid in year	-3.33		
Property investments value movement	3.05		
Rent smoothing – value movement	-0.79		
Share issue	0.14		
30 Jun 23	**113.64**	**4.15**	**3.69**

H1’23 Dividend Cover (Dividends declared of 3.39p)		**122%**	**109%**

Valuation growth from acquisitions and rent reviews

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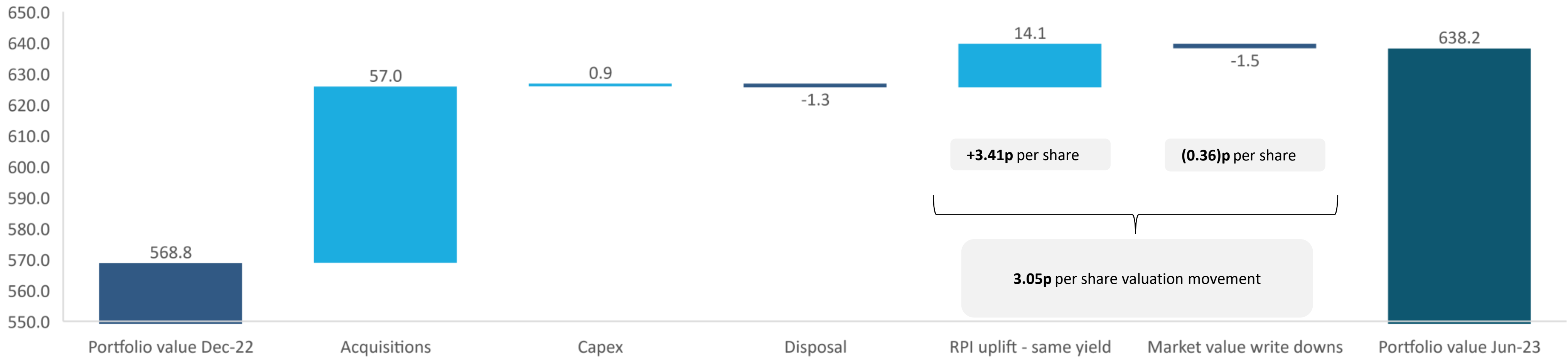
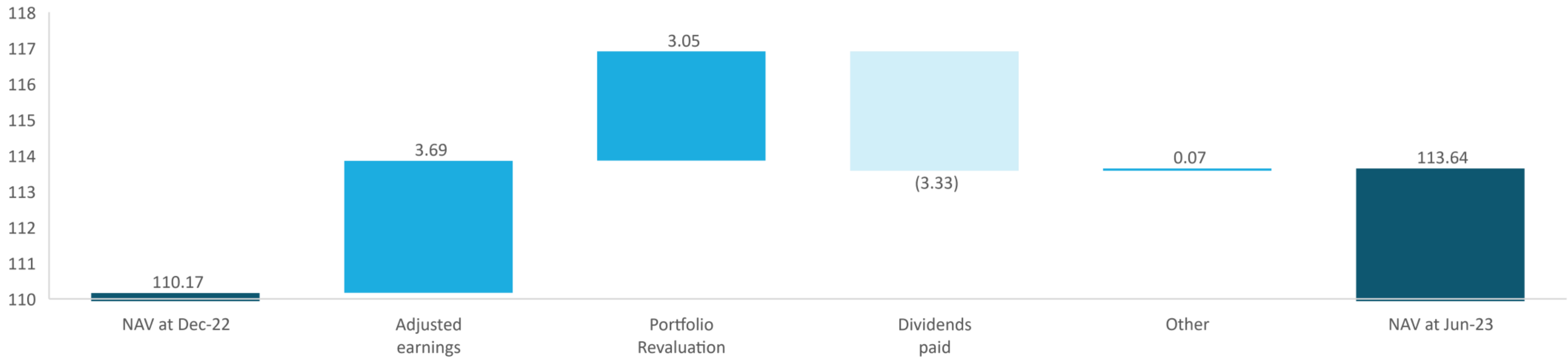
Portfolio value movement (£'m)



NAV per share (pence)

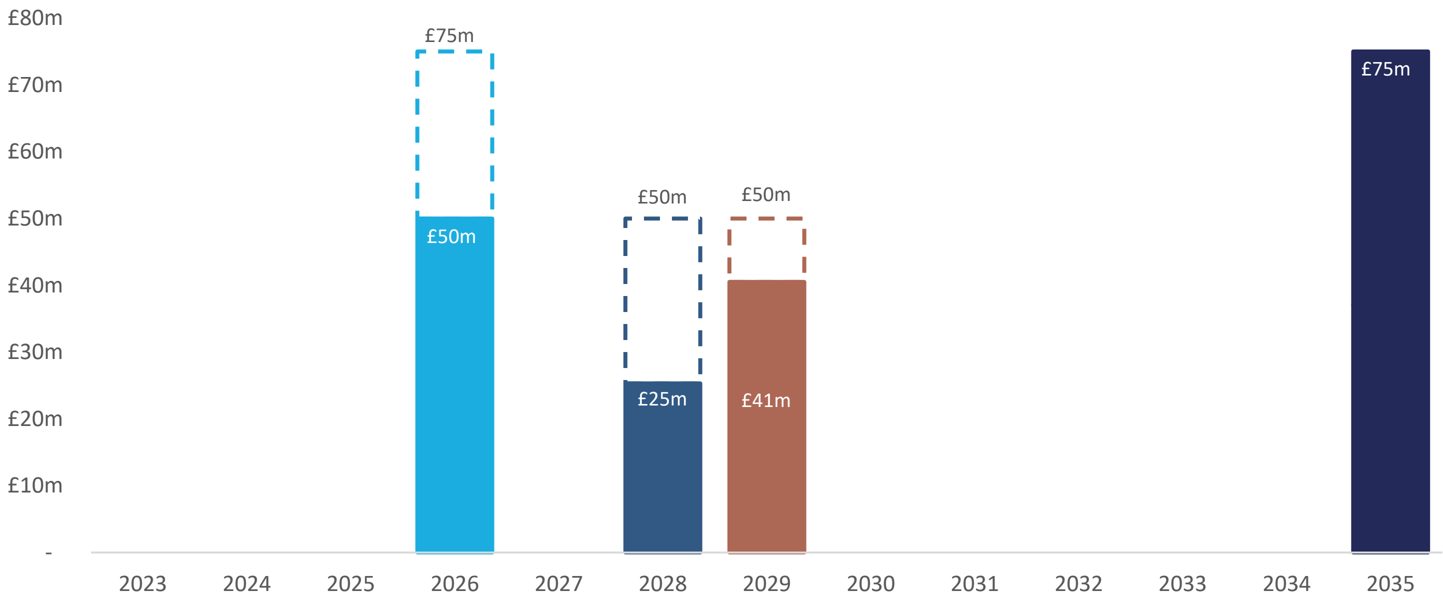


Improved debt facilities

In the period we:

- Increased the debt facility with NatWest from £26 million to **£50 million,** extended the term to 5 years with a small increase in margin to 200bps and a reduction in interest cover covenant to 200%**.**
- Paid down the remaining **£15 million** term facility with Metro which expired in June 2023.
- Obtained approval for the one-year extension of the HSBC facility along with a reduction in interest cover covenant to 200%.

Debt maturities (excluding extension options)



New financing

£24m

FY22: £88 million

Debt maturity

(excluding extensions)[1]

6.8 years

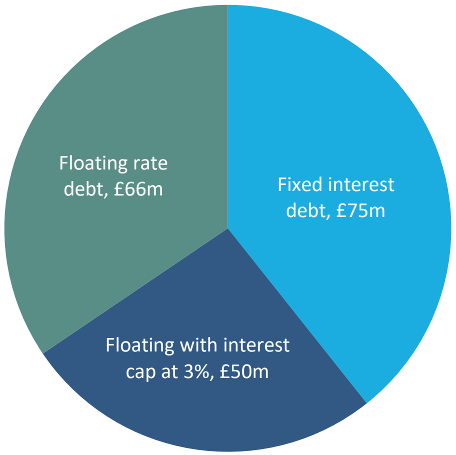
FY22: 6.3 years

[1] As at 30 June 2023, this assumes the extensions of the NatWest facility have not been exercised, including these the weighted average term of debt facilities would be 7.2 years.

Financial returns supported by our hedged debt

- **£191 million** of £250 million (76%) debt facilities are drawn, with £59m available.
- **£125 million** of debt was either fixed or capped at the period end, 66% of drawn debt.
- A £50 million two-year interest rate cap at 3% against SONIA purchased in January 2023.
- Current drawn debt is **£191 million**, reflecting a Gross LTV of 28.5%, **66%** of which is hedged.

Current hedging (Jun 23) – of drawn debt



Cost of debt[2]

Monthly cash cost of debt in H1'23
£680k

In the period SONIA increased from 2.8% to 4.9%

In August SONIA has risen to 5.4%

Gross LTV

28.5%

FY22: 23.9%

Weighted average cost of drawn debt[1]

4.85%

FY22: 3.6%

Effect of 50bp increase in SONIA on cost of debt

+17bps

Increase in weighted average cost of drawn debt

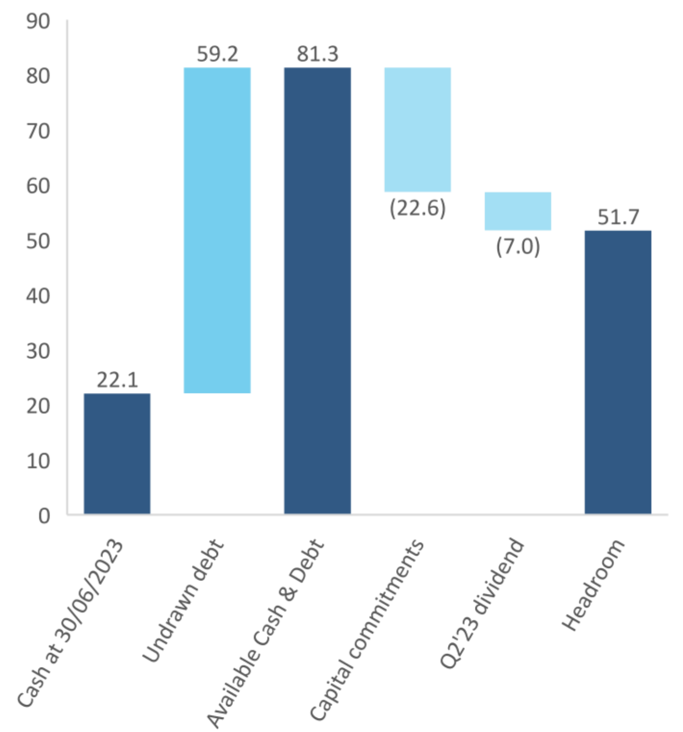
[1] Weighted average cost of debt drawn as at 30 June 2023, excluding arrangement fees.
[2] The cost of debt relates to the cash cost after the effects of hedging arrangements that are already in place.

Strong liquidity with *c.*£52m of headroom available

Consolidated statement of financial position

	As at 30 Jun 23 £'000	As at 31 Dec 22 £'000	
Investment property[1]	638,157	532,479	+19.8%
Market value of property portfolio invested via a loan	-	36,360	
Cash and cash equivalents	22,053	22,531	
Other assets	5,625	873	
Bank borrowings	(190,760)	(137,196)	
Other liabilities	(4,185)	(9,127)	
Net assets	**470,890**	**445,920**	+5.6%
Net asset value per share	113.64p	110.17p	+3.2%
Loan to value	28.55%	23.85%	

Liquidity bridge



***c.*£52m of liquidity headroom**

[1] Independent market value undertaken by Cushman & Wakefield.

03

Market update

Overview of the market

Market dynamics support a knowledgeable and disciplined investment strategy

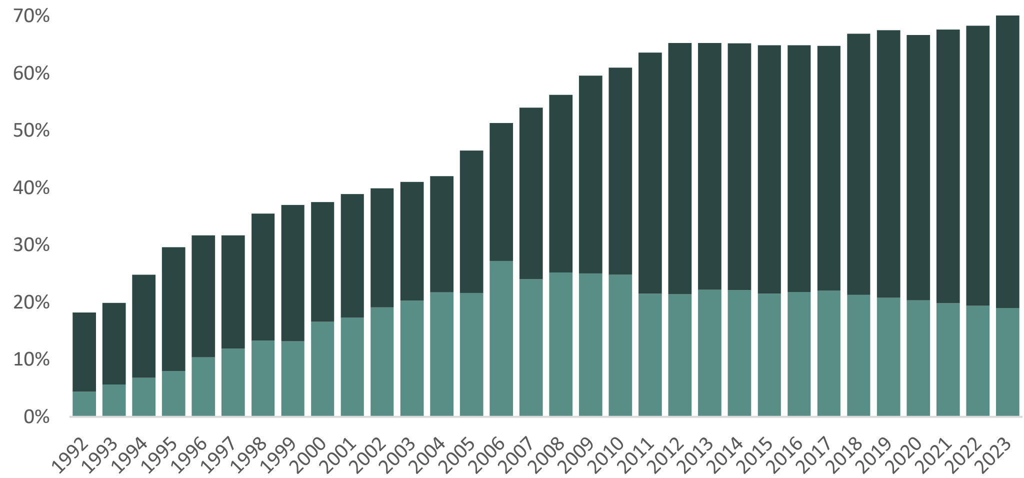
Institutional Investment	Total value of UK elderly care market circa £40 billion. Institutional investment in 2022 £1.7 billion[1]
Fragmented market	**480,000 beds** **12,046 registered care homes[2]**
Ageing stock	Over **50% of registered care homes** over 20 years old, presenting significant value-add opportunity[2]
Growth in the elderly population	Over 85's population forecast to grow 60% by 2036
Rising acuity of care needs	Alzheimer's Society forecasts need for **245,000+ new specialist dementia beds** by 2050[3]
Rate of modernisation	**Between 1% and 2%** - several decades for sector to be fully 'modernised'[2]

Highly fragmented market

Market becoming increasingly fragmented:

Market share of mid-market care providers with 3-80 homes

Market share of 10 largest UK elderly care providers



Mid-market care providers represent a growing market share

Source: [1] CBRE Research Q1 2023 (excluding small, privately held investments) [2] Langbuisson 2022 [3] Alzheimer's Research UK 2022

A supply constrained, growth market

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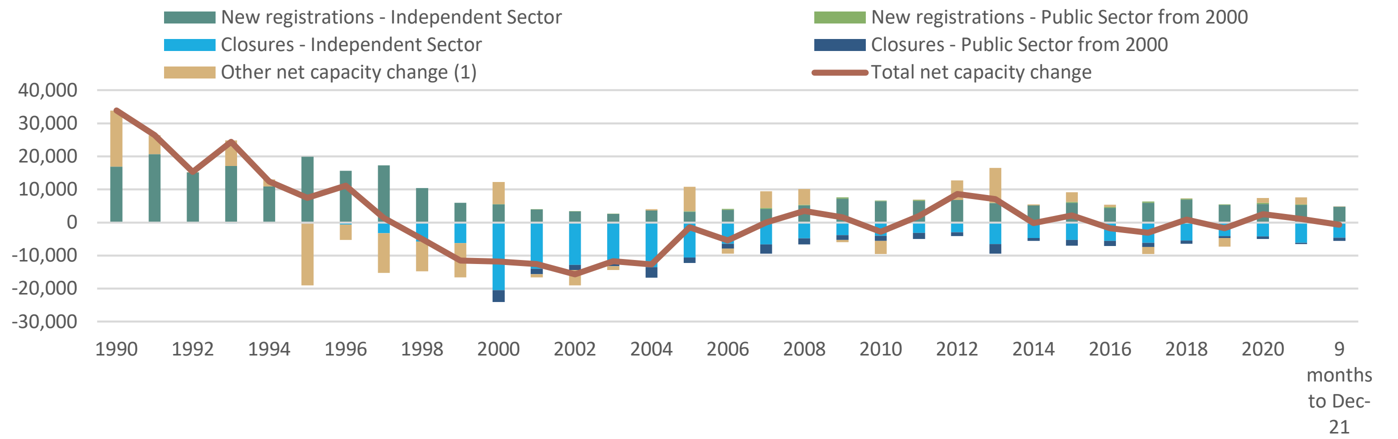
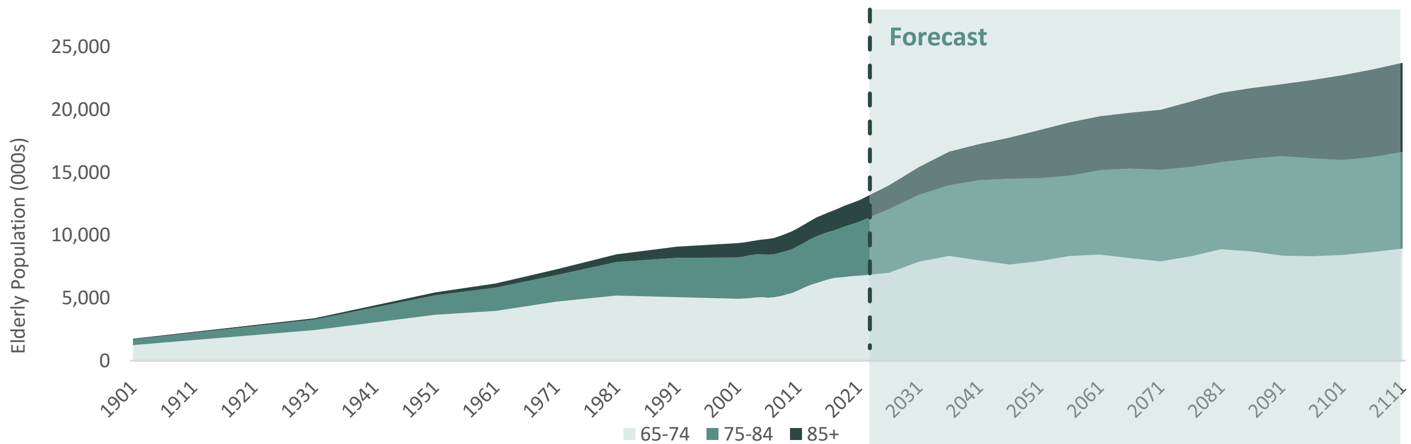
Bed supply is failing to keep pace with rapidly growing demand

Supply: Net bed capacity change



Demand: UK elderly population growth, 65yrs +



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.

Ageing Population

Over 85's population forecast to grow 60% from 1.7 million in 2020 to 2.7 million in 2036[1].

Bed-Blocking

Pressure on NHS to discharge elderly patients from hospitals into environments better suited to provide long-term care – a UK wide strategy.

Source: CBRE, LaingBuisson. [1] ONS/LaingBuisson.

04

Impact's portfolio

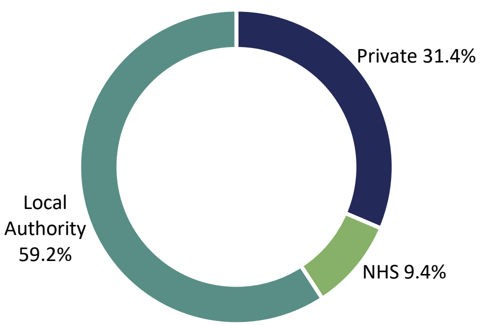
A diversified portfolio

Property evolution

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

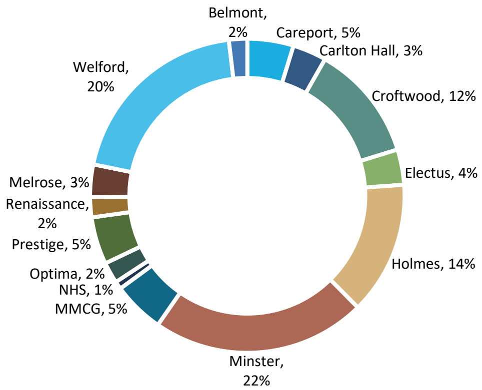
Source of tenant income (%)

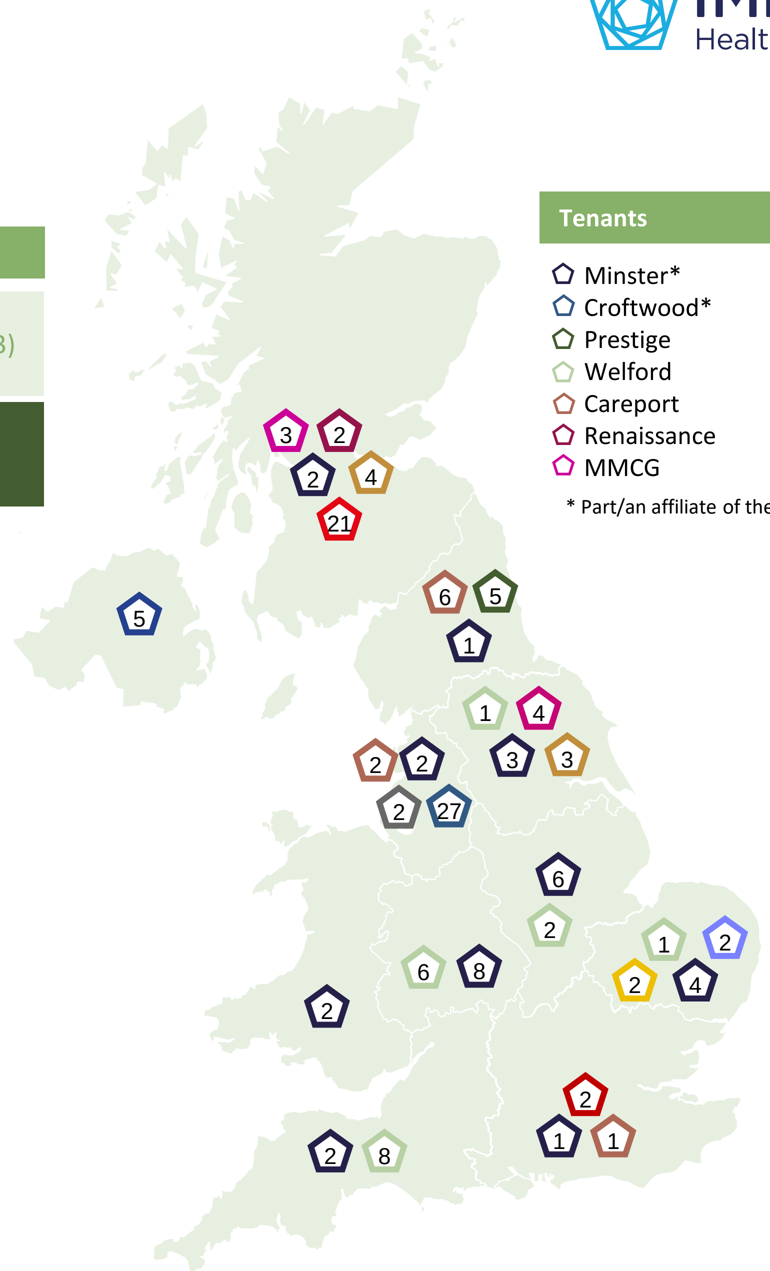
Based on % revenue



Diverse tenant base

Based on % of contracted income[1] at Jun 2023





Tenants

- Minster*
- Croftwood*
- Prestige
- Welford
- Careport
- Renaissance
- MMCG
- NHS
- Optima
- Holmes
- Electus
- Carlton Hall
- Belmont
- Melrose*

* Part/an affiliate of the Minster Care Group

Disciplined track record of capital deployment

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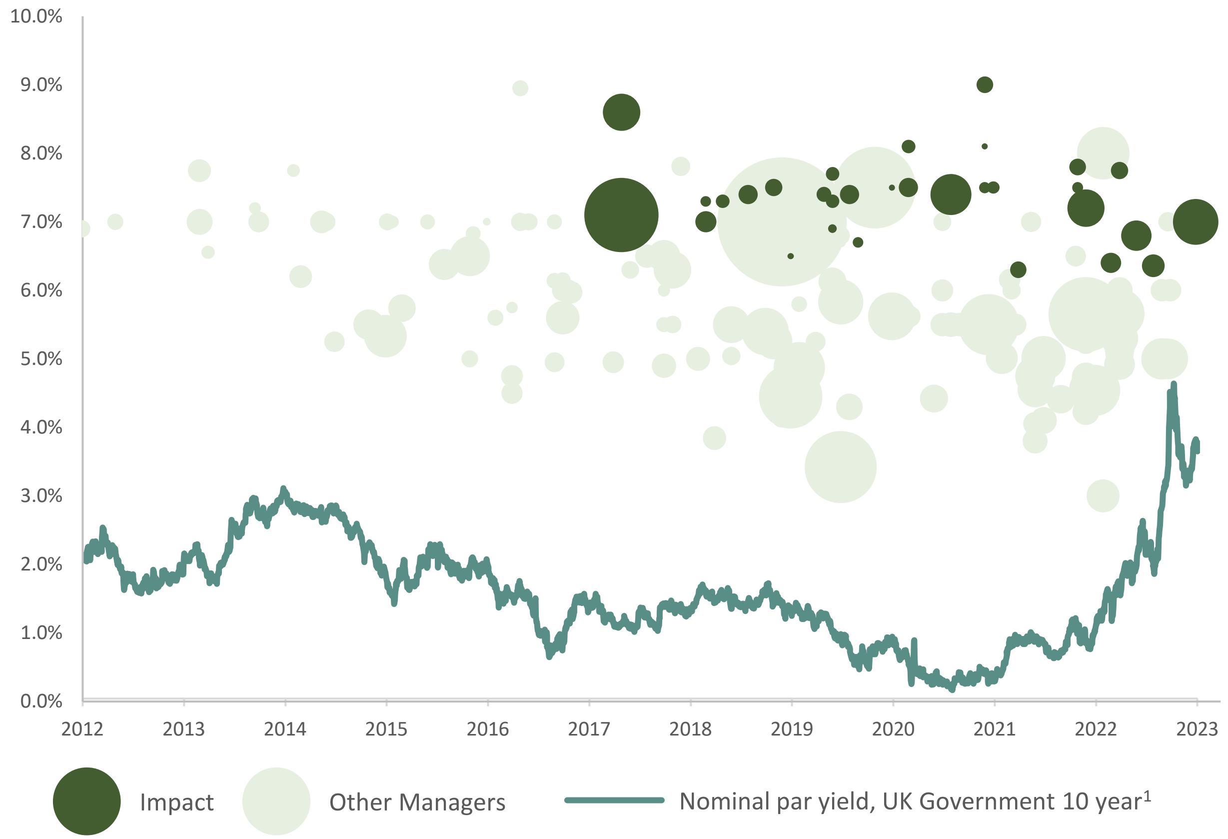
Delivering consistent yields during years of yield contraction

Elderly care transactions (bubble size: sale price)



Active in a less competitive space

Investor in proven operational assets with trading history

Ability to source the right assets

Achieve lower entry prices through portfolio acquisitions

Source: MSCI, CBRE Analysis

[1] Bank of England Database 2023: Nominal par yield, UK Government 10 year

Disciplined Acquisitions Generating Value

A focussed approach to asset acquisitions underpins value creation and highly resilient cash flows

Impact Portfolio – at 30 June 2023

Valuation	Rent Cover	Occupancy	AWF	Agency Usage	EBITDARM Margin
£638.2m	1.82x	88%	£1,033	9%	22%

Project Nightingale – at 30 June 2023

Valuation	Rent Cover	Occupancy	AWF	Agency Usage	EBITDARM Margin
£57.2m	2.37x	90%	£1,462	6%	30%

Isle Court, exterior

Radbrook, interior

Stretton Hall, exterior

Net zero strategy

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A fully integrated approach to achieving net zero targets

- Used industry leading software to model baseline carbon emissions of the portfolio.
- Reviewed carbon reduction pathways to achieve ‘net zero’ status.
- Net zero targeted in 2045 with interim milestone reductions.
- Pathway aligned with Paris climate treaty 1.5° trajectory.

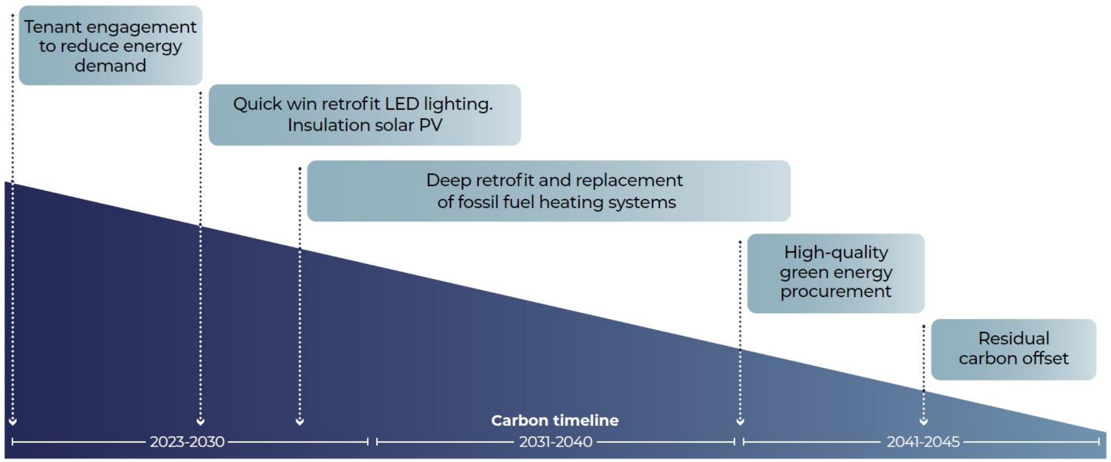
CRREM

Net zero strategy targets

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

* Residual emissions to be off-set using accredited schemes

Impacts’ net zero pathway



A transparent approach

TCFD reporting for 2022 started on a voluntary basis ahead of mandatory requirement.

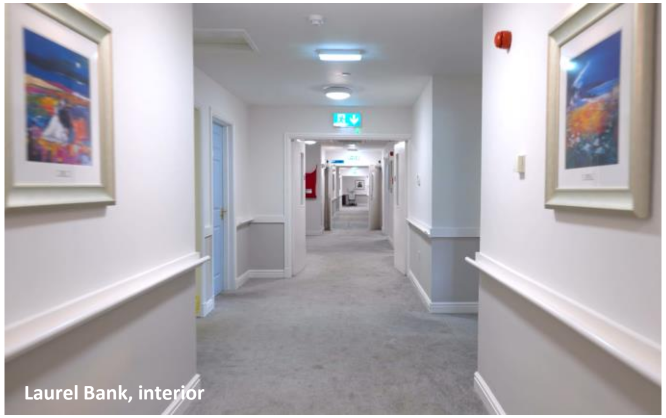
TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Silverline Transfer

Rapid response to non-payment of rent by an underperforming tenant in January 2023, providing improved security for residents and staff within the homes

- Enabled the solvent transfer of all seven homes let to the Silverline Group to an affiliate of Minster, an existing Group tenant, which has operated the seven homes since 1 June 2023.
- Provided a £1.6m loan facility to support the continued investment in, and turnaround of, the homes, accruing interest at 8.0% per annum.
- Recovered £0.4m from the Silverline rent deposit. The net reduction in rental receipts after the Silverline default versus the Company's original budget for 2023 is expected to amount to around £1m.
- Initial performance of the homes after the first month of the transfer was slightly ahead of expectations. We will continue to work with the new operator to secure the long-term future of these homes.


Bailliéston, main entrance


Laurel Bank, interior


Willow Bank, bedroom


Springhill, main entrance

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05
Tenant performance

Apart from Silverline, Impact's other tenants performed well in H1 2023

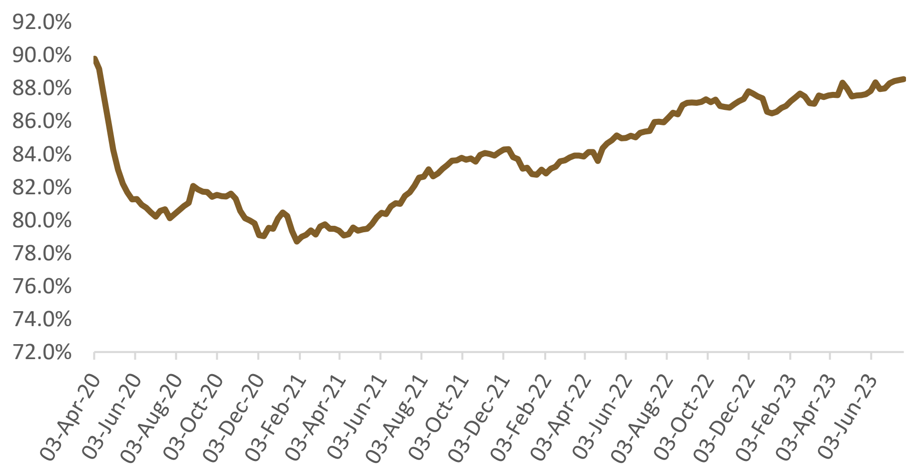
Occupancy recovery	Strong underlying fee growth	Staff costs	Rent cover
88% at 30 June 2023[2]	**15% p.a. fee growth**	**Agency use 9% at 30 June 2023**	**1.8x rent cover[1]**
Tenant occupancy risen from 86.6% on 31 December 2022 and a COVID low point of 79% in January 2021. Increased further to 89% in late July 2023.	Underlying average weekly fee growth over the LTM to 30 June 2023, up from 13% over the LTM to 31 December 2022.	Agency use as a percentage of overall staff costs fell from 14% at 31 December 2022.	Rent cover for 12 months to 30 June 2023.
Continued steady recovery in occupancy and tenants could achieve pre-COVID occupancy rates by year-end if no more lockdowns.	High fee growth will help tenants maintain profitability despite high wage and cost inflation.	Despite this, tenant staff costs per occupied bed increased 12% over the LTM to 30 June 2023, demonstrating wage growth for an increasingly stable staff base.	High and stable rent cover which may benefit from further increases in occupancy and provides a level of protection against persistent inflationary pressures.

[1] Rent cover excludes seven turnaround homes which were re-tenanted in June 2023 and one new home in build-up stage. The adjustments are consistent with reporting in previous periods.
[2] Excludes one new home in build-up and three turn-around assets which have not reached maturity.

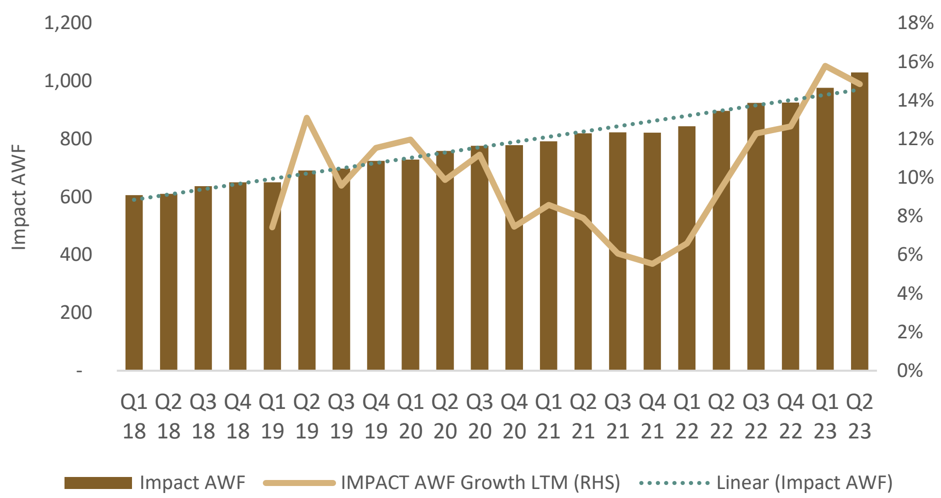
Continued operational resilience despite challenging economic environment

Material decline in agency staff use, down to 9% of staff costs in Q2 2023 from 16% in Q4 2021

Impact group average adjusted occupancy[1]

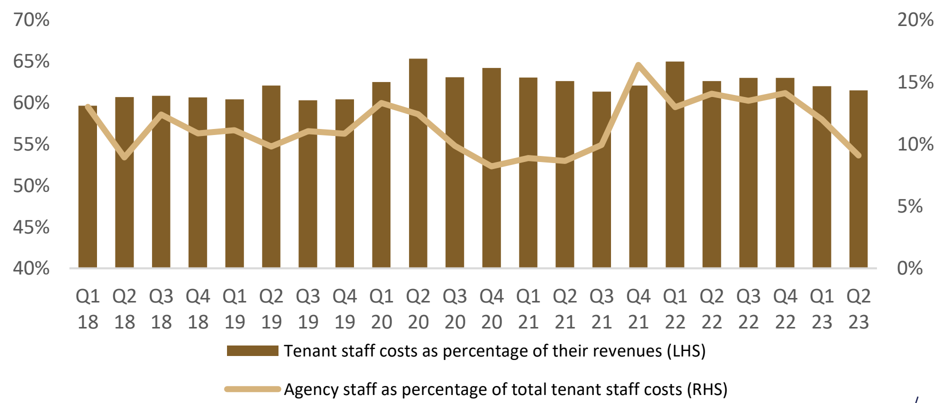


Impact portfolio demonstrates significant AWF growth



Eastleigh, Minehead

Impact group tenant staff cost



[1] Excludes one new home in build-up and three turn-around assets which have not reached maturity.

Continued financial resilience despite challenging economic environment

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Tenants display resilience and are performing well, despite challenges resulting from COVID and the current economic environment

Closer Relationships with Tenants

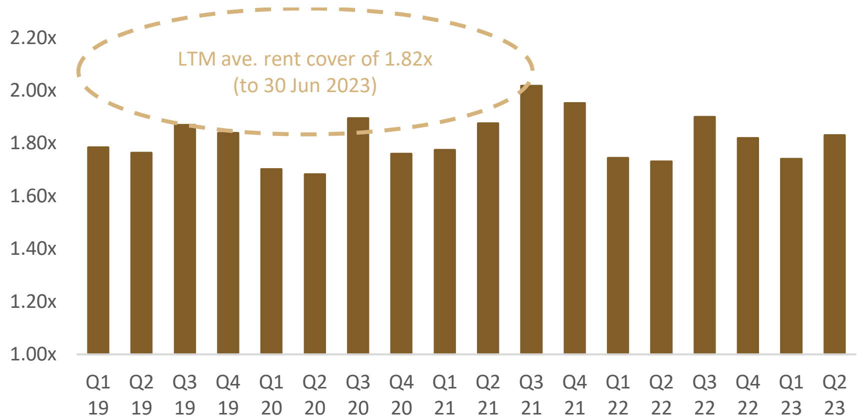
Voluntary Reporting Increased

98% Rent Collection
H1’23

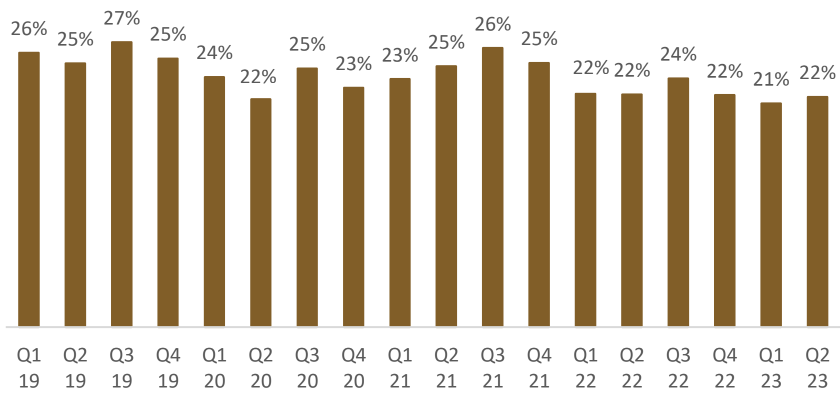
Zero Voids

Communication and sharing of best practice ensures operations and performance is maintained, whilst forming long-term partnerships with high-quality tenants to deliver vital social care infrastructure for vulnerable elderly people

Impact group rent cover[1]



Tenant average EBITDARM margin

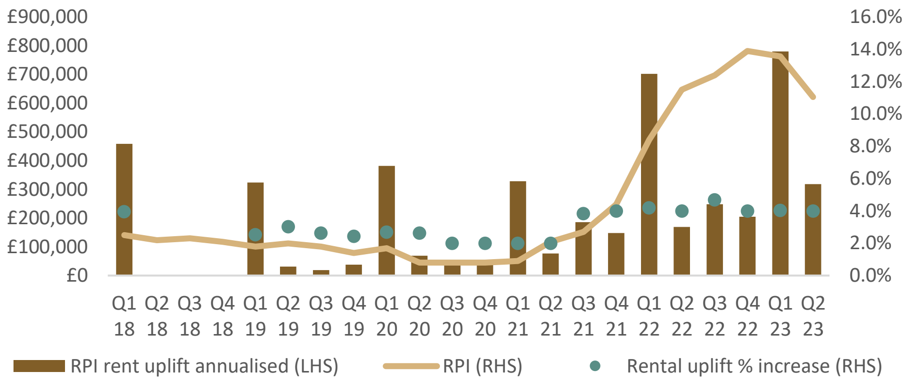


[1] Rent cover excludes seven turnaround homes which were re-tenanted in June 2023 and one new home in build-up stage. The adjustments are consistent with reporting in previous periods.

Double layer of inflation protection

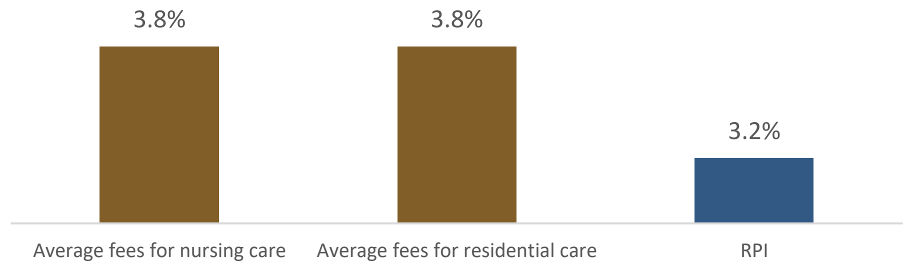
1) 100% of leases inflation linked

Inflation-linked rent increases received



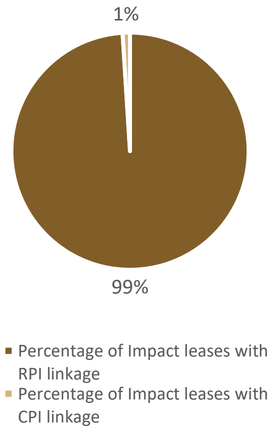
2) UK care providers have a track record of increasing fees in line with inflation

Average annual fee increase 1998 – 2022

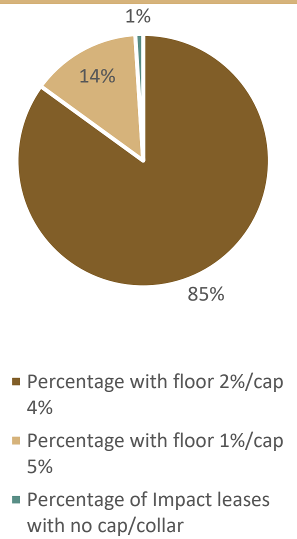


Source: LaingBuisson

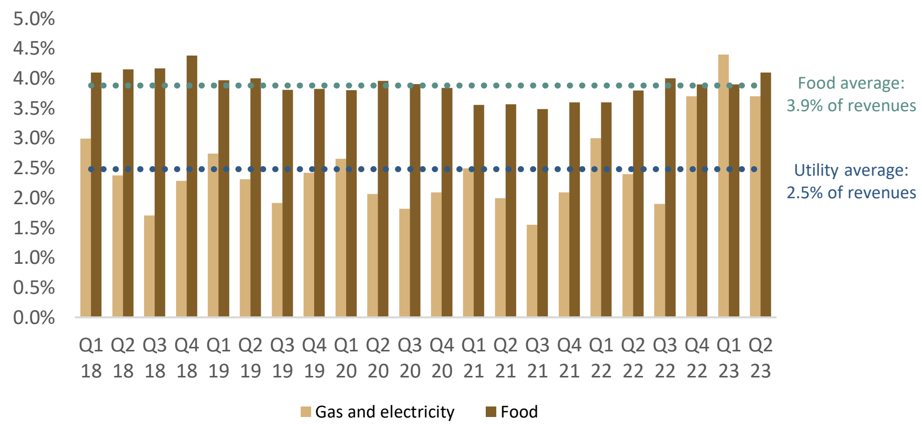
Impact leases inflation linkage



Impact leases caps and collars



Impact tenant spending on utilities and foods as a % of revenues



06

Asset management

Engaged asset management and development

Selected capex and development projects underway and ready to welcome residents

Merlin Manor and Fairview Link Building – Before


Merlin Manor under construction


Fairview link building under construction

Merlin Manor and Fairview Link Building – After

Merlin Manor construction complete


Fairview link construction complete

Engaged asset management and development

IMPACT Healthcare

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

- Working closely with tenants we invest in value accretive asset management opportunities throughout the portfolio.
- £10m committed to 4 new projects during the period, adding new bedrooms (70 new beds), improved day spaces for residents and ensuring our properties are EPC B or better.
- Projects incorporate environmental improvements. Typically, 12% of capex spend is directly targeted at enhancing the energy efficiency of our properties.
- Merlin Manor, which opened in December 2022, is proving highly attractive to prospective residents and stabilising well.
- Immediate pipeline of 12 projects (planning granted or pending).
- Capital deployed remains accretive to both earnings and value, whilst importantly creating significantly improved living and working spaces for the residents and staff of our homes.

Mavern House extension

Merlin Manor bedroom

Number of projects

24

o/w 5 under construction

Pipeline capex[1]

£35m

Unlevered yield on cost

8.5% ave.

Forward funding

1 project with planning consent

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

07 Summary

Summary

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A resilient portfolio well positioned for continued income growth

Portfolio resilience	Tenant resilience	Covered dividend	Strong balance sheet	Active investment
98% rent collection for the year, zero voids.	Strong rent cover and underlying fee growth.	Progressive dividend fully covered.	28.55% gross LTV and extended debt maturities.	Active asset management and development, with a good pipeline of projects.

- ✓ 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; targeting progressive dividends fully covered by income and attractive capital growth opportunities, combined with delivering a positive contribution to the communities in which we invest.
- ✓ Material opportunity to drive value and improve environmental performance within existing portfolio through targeted investment.
- ✓ 100% inflation-linked income (with caps and collars).
- ✓ Target dividend for 2023 up 3.5% on 2022[1].
- ✓ Higher healthcare yields are attractive compared to alternative real estate sectors.

[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 6.77 pence per share for 2023[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: Mahesh Patel and Andrew Cowley
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.

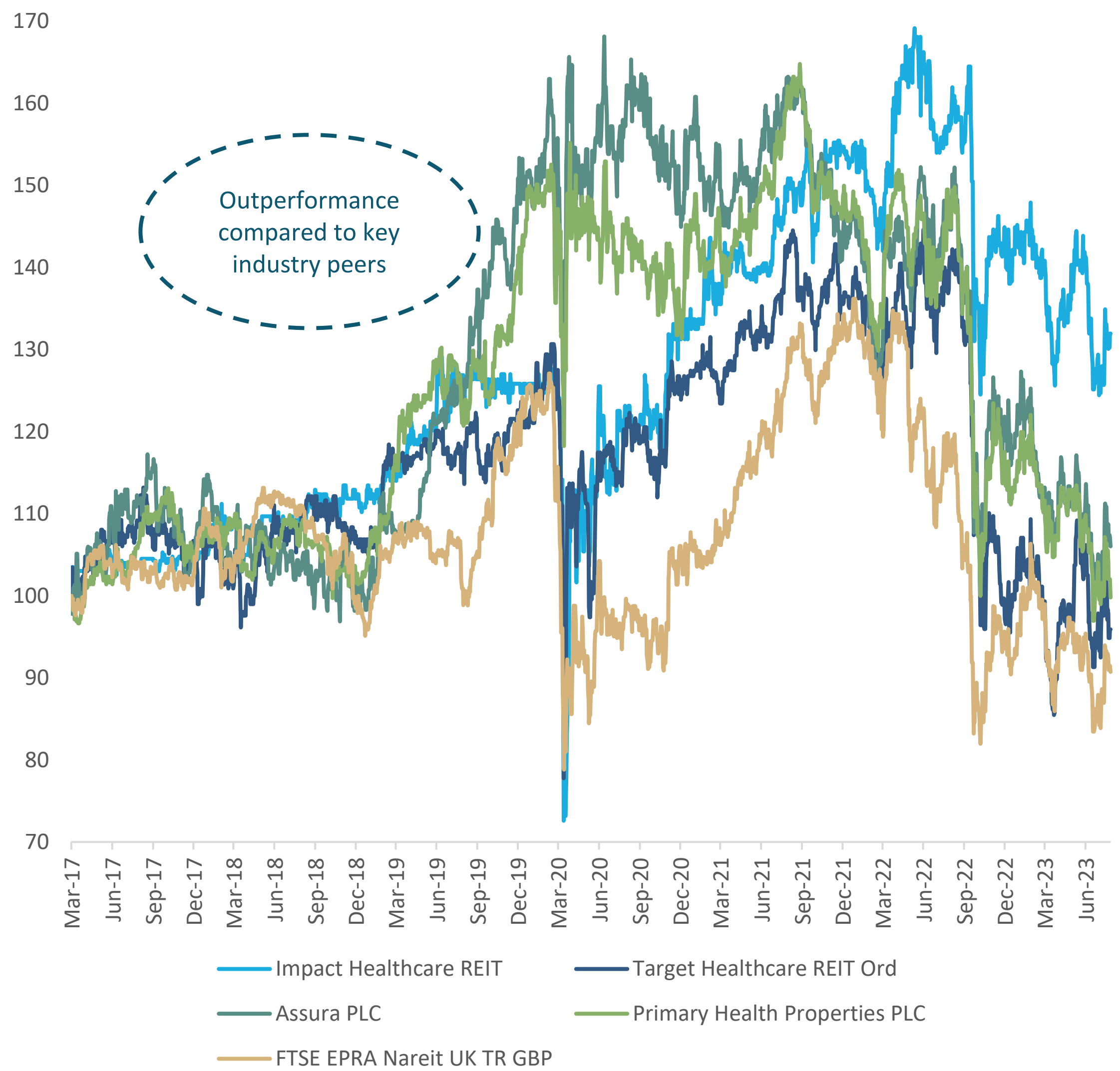
Performance track record

	FY17	FY18	FY19	FY20	FY21	FY22	H1'23
Contracted rental income[1]	£11.9m	£17.8m	£23.1m	£30.9m	£38.0m	£43.1m	£48.1m
EPRA Cost ratio	24.7%	24.7%	19.2%	17.1%	15.8%	16.6%	16.0%
EPS	5.82p	8.57p	10.37p	9.02p	9.41p	4.33p	6.66p
Adjusted EPS	4.39p	5.07p	5.26p	5.93p	6.68p	7.11p	3.69p
EPRA EPS	4.35p	6.47p	6.95p	7.25p	8.05p	8.37p	4.15p
Dividend per share	4.50p	6.00p	6.17p	6.29p	6.41p	6.54p	3.39p
Adjusted earnings dividend cover	98%	84%	85%	95%	104%	109%	109%
EPRA earnings dividend cover	97%	108%	113%	115%	126%	128%	122%
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	£638.2m
EPRA Topped-up NIY	7.02%	6.97%	6.66%	6.71%	6.71%	6.98%	6.95%
WAULT	19.2yrs	19.5yrs	19.7yrs	20.0yrs	19.2yrs	19.7yrs	21.2yrs
Gross LTV	0%	11.62%	6.81%	17.77%	22.26%	23.85%	28.55%
NAV	£193.5m	£198.3m	£340.7m	£349.5m	£394.2m	£445.9m	£470.9m
NAV per share	100.65p	103.18p	106.81p	109.58p	112.43p	110.17p	113.64p
Total accounting return	7.19%	8.47%	9.46%	8.46%	8.42%	3.78%	6.17%

[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.
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: 4.4%

AGR: 0.9%

PHP: -%

THR: (0.7)%

FTSE EPRA Nareit: (1.5)%

Active value creation strategies

Selective partnerships with tenants combined with solid rent cover underpins revenues.

Active asset management strategies tactically deployed to enhance asset value and improve social outcomes.

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.

Impact board

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

Chairman: Simon Laffin (independent non-executive)

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 and Triple Point Energy Transition plc. She is a trustee of Green Alliance and a co-founder and director of Chapter Zero.

Cambridge MA.

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.

Director: Amanda Aldridge (independent non-executive)

Former audit and advisory partner at KPMG LLP. Currently non-executive director of The Brunner Investment Trust, Staffline Group PLC and Low Carbon Contracts Company.

Extensive audit and advisory experience.

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.

Experienced and tenured team

A specialist, multi-disciplinary team

Managing Partner: Andrew Cowley (MA(Oxon))

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.

Managing Partner: Mahesh Patel (ACA)

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.

Finance Director: David Yaldron (FCA)

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.

Managing Director: Martin Robb (MRICS)

Martin is a chartered surveyor with more than 28 years' experience, recently having held senior roles in a listed healthcare investment business and Cushman & Wakefield where Martin was Head of Alternatives and Specialist Markets Valuations.

Investment Director: Killian Currey-Lewis (CA)

Killian is a chartered accountant with over 13 years' experience, previously a portfolio manager of a pan-European value-add real estate equity fund series at PGIM Real Estate. Prior to this he worked in the Ernst & Young Real Estate Corporate Finance team.

Development Director: Simon Gould (MRICS)

Simon is a chartered surveyor with over 25 years' experience in property development. He previously worked as Head of Sustainability and Head of Development at Assura plc.

Experienced and tenured team

A specialist, multi-disciplinary team

Investment Manager: Sam Josland (CFA, ACA)

Sam is a CFA® Charterholder, CFA Institute and chartered accountant. He previously worked as an Executive in Transaction Advisory Services at Smith and Williamson.

Investment Manager: Charlotte Finch

Charlotte has over 13 years' experience in the healthcare property sector, including management for a well-established care home operator, as an asset manager and more recently an Associate Director in Avison Young's Healthcare team.

Finance Manager: Sophie Shrestha (ACCA)

Sophie is a chartered accountant with over 12 years' experience of finance in the healthcare sector. She previously worked as a Finance Manager at Westgate Healthcare.

Accountant: Chris Nicholson (GCMA)

Chris is a chartered global management accountant with 5 years' experience. Previously he held management accountant positions in financial services and logistics businesses.

Property Manager

Shola is a Chartered Surveyor with over 7 years in Commercial Property Management. Previously an Associate Director of a global Commercial Real Estate Consultant, Shola has a wealth of experience in the management of various asset classes.

Office Manager: Alison Hayward

Alison is a modern foreign language graduate and previously worked as a Project Manager at Imperial Clinical Research Support.

Investing in The Right Care Homes

Deep sector expertise and broad industry network allows quick and disciplined identification of mis-priced assets

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 focussed 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

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

Utilising embedded carbon through extensive investment into existing care homes

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

88% of care homes in England and Wales have an EPC rating of C or above

THE GOOD ECONOMY

75%
of current beds occupied are publicly-funded[1]

£30.8 MILLION
Spent since inception on improving stock, expansions of care homes and new-build homes

87%
Of tenants describe their working relationship with Impact as 'very good'

64% of beds are in the 40% most deprived areas of the country by local authority according to health outcomes

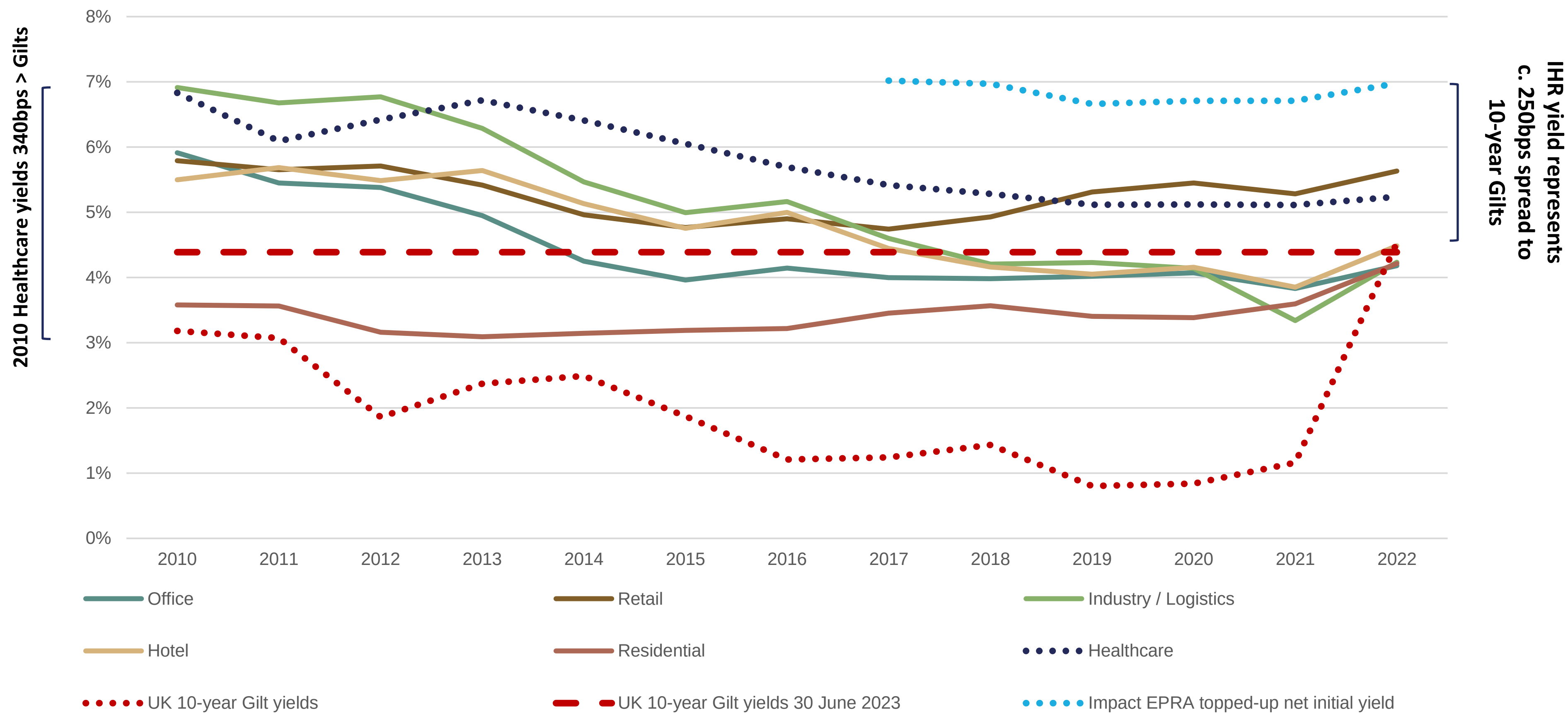
Source: The Good Economy as of December 2022

[1] When based on income source, rather than occupied beds, 69% of funding comes from public sources, whilst 31% comes from private payers.

Healthcare real estate yields offer greater margin of safety as interest rates rise

IMPACT Healthcare

Real estate yields



Source: MSCI

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
Rate	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%	200%	250%	250%
Propco LTV covenant	50%	55%	50%	55%	55%

Consolidated statement of comprehensive income

IMPACT Healthcare

Consolidated statement of comprehensive income			
For the period ended	30 Jun 2023 £'000	30 Jun 2022 £'000	
Cash net rental income	19,435	16,931	14.8%
Accounting / rent smoothing net income	3,278	2,717	
Net rental income	**22,713**	**19,648**	**15.6%**
Administration and other expenses	(3,681)	(3,181)	15.7%
Profit on disposal of investment properties	(16)	-	
Operating profit before changes in fair value	**19,016**	**16,467**	**15.5%**
Changes in fair value of call option	-	527	
Changes in fair value of investment properties	9,340	10,646	
Operating profit	**28,356**	**27,640**	**2.6%**
Finance income	3,656	1,831	
Finance expense	(4,423)	(2,176)	103.3%
Profit before taxation	**27,589**	**27,295**	**1.1%**
Earnings per share	6.66p	7.26p	(8.2)%
EPRA earnings per share	4.15p	4.22p	(1.7)%
Adjusted earnings per share	3.69p	3.66p	0.8%
Dividend declared for the year	3.39p	3.27p	3.5%
Total expense ratio	1.61%	1.51%	
Adjusted cost ratio[1]	13.97%	14.82%	

[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 and to exclude one off costs in relation to rent write offs.

Consolidated statement of financial position

IMPACT Healthcare

Consolidated statement of financial position	As at 30 Jun 23 £'000	As at 31 Dec 22 £'000	
Investment property[1]	638,157	532,479	
Market value of property portfolio invested in via a loan to operator where the Group has an option to acquire	-	36,360	
Total property investments	**638,157**	**568,839**	**+12.2%**
Cash and cash equivalents	22,053	22,531	
Other assets	5,625	873	
Bank borrowings	(190,760)	(137,196)	
Other liabilities	(4,185)	(9,127)	
Net assets	**470,890**	**445,920**	**+5.6%**
Net asset value per share	113.64p	110.17p	+3.2%
Gross Loan to value	28.55%	23.85%	

[1] Independent market value undertaken by Cushman & Wakefield.