

Acquisition Of Seed Portfolio

Released : 04/05/2017 07:00

RNS Number : 1193E
Impact Healthcare REIT PLC
04 May 2017

4 May 2017

Impact Healthcare REIT plc

(the "Company")

ACQUISITION OF SEED PORTFOLIO

Impact Healthcare REIT plc (ticker: IHR) is pleased to announce that the Company has completed the acquisition of the Core Seed Portfolio and the Mulberry Portfolio (together, the "**Seed Portfolio**") for a total consideration of £148,754,000. All outstanding lending facilities have been repaid in full and the Seed Portfolio has been acquired debt-free by the Company. The terms of the acquisition are in accordance with the prospectus published by the Company on 24 January 2017 (the "**Prospectus**").

The net initial yield on the Seed Portfolio is 7.6 per cent. with rental income accruing from admission on 7 March 2017, supporting the Company's dividend policy. The Company is targeting the payment of dividends for the first 12 months from admission which equate to a yield of 6 per cent. per annum on the Issue Price, on an ungeared basis and payable in quarterly instalments.

The Seed Portfolio comprises 56 residential care homes offering 2,479 beds which are leased to the Initial Tenants, in each case, for an initial term of 20 years with an option to extend for two further 10 year periods. The leases are subject to annual uplifts based on increases in the UK retail prices index (subject to a cap and floor).

Further to the announcement on 2 March 2017 and following completion, applications have been made for the admission of 14,000,000 Ordinary Shares to trading on the Specialist Fund Segment of main market of the London Stock Exchange ("**Admission**") in connection with the Vendor Issue. Admission is expected to occur at 8.00 a.m. on 5 May 2017.

Pursuant to the Vendor Issue, Mahesh Patel has subscribed for 10,000,000 Ordinary Shares through a wholly-owned SPV, Maal Limited. Maal Limited has entered into a lock-in deed dated 3 May 2017 on equivalent terms to the lock-in deed granted by Mr. Patel on the Company's IPO.

The total number of Ordinary Shares in issue immediately following Admission will be 160,172,360, each with equal voting rights. This total voting rights figure can be used by shareholders as the denominator for the calculations by which they will determine whether they are required to notify their interest in the Company under the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

Rupert Barclay, non-executive Chairman of Impact Healthcare REIT plc, commented:

"We are pleased to have completed the acquisition of the Seed Portfolio following the IPO in March 2017. This diversified operating portfolio of residential care homes is let to experienced operators for an initial term of 20 years, providing the Company with stable, secure cash flows from admission. This enables the Company to provide shareholders with regular, attractive, inflation-protected income with the potential for dividend and capital growth through active asset management as well as potential acquisitions.

Impact Healthcare is a well-resourced and extensively networked care home investor well placed to capitalise on the highly fragmented market with a supply/demand imbalance that is continuing to grow."

Terms used in this announcement shall, unless the context otherwise requires, bear the meanings given to them in the Prospectus.

This announcement contains inside information.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP
Mahesh Patel

via Newgate Communications

Andrew Cowley

Winterflood Securities Limited

Joe Winkley
Neil Langford

Tel: 020 3100 0000

Newgate Communications (PR Adviser)

James Benjamin
Lydia Thompson

Tel: 020 7680 6550

Email: impact@newgatecomms.com

NOTES:

The Company intends to become a real estate investment trust ("REIT") and provide shareholders with an attractive return, principally in the form of quarterly income distributions and with the potential for capital and income growth, through exposure to a diversified portfolio of healthcare real estate opportunities. The Company will acquire, own, lease, renovate, extend and redevelop high quality healthcare real estate assets in the UK and lease those assets primarily to healthcare operators providing residential healthcare services under full repairing and insuring leases.

The Company and its Investment Adviser believe that residential healthcare is a significant investment opportunity in the UK, owing to both increasing demand for various forms of care from a growing and ageing population and the current reduction in the supply of suitable assets for providing that care. A well-capitalised landlord like the Company, with an experienced investment adviser, should be well positioned to deliver attractive returns to investors, while also providing stability and a commitment to enhance homes wherever possible to their residents.

Further information on Impact Healthcare REIT is available at www.impactreit.uk

This information is provided by RNS
The company news service from the London Stock Exchange

END

ACQBRGDUSXGBGRX