

Net Asset Value And Proposed Placing

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Impact Healthcare REIT PLC
16 October 2017

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Neither this announcement nor any part of it constitutes an offer or invitation to underwrite, an offer to sell or issue, or the solicitation of an offer to buy, subscribe or acquire any Placing Shares in any jurisdiction in which any such offer or solicitation would be unlawful. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (as amended), under the securities legislation of any state of the United States or under the securities laws of Canada, Australia, New Zealand, Japan, the Republic of South Africa or any member state of the EEA (other than the United Kingdom).

16 October 2017

Impact Healthcare REIT plc
(the "Company")

NET ASSET VALUE AND

PROPOSED PLACING OF UP TO 32,034,471 ORDINARY SHARES

NET ASSET VALUE

The Board of Directors (the "**Board**") of Impact Healthcare REIT plc (ticker: IHR) announces an unaudited EPRA NAV per share as at 30 September 2017 of 99.85 pence (30 June 2017: 100.03 pence).

The NAV reflects the portfolio valuation as at 30 June 2017 and rental income earned and expenses incurred in the quarter to 30 September 2017. A full revaluation of the portfolio will be undertaken as at 31 December 2017 in connection with the Company's annual results.

PROPOSED PLACING

The Board announces that the Company proposes to raise additional capital by way of a placing of up to 32,034,471 Ordinary Shares (the "**Placing Shares**"), representing 19.99% of the Company's issued share capital and raising gross proceeds of up to approximately £32.6 million ("**Placing**"). The Placing is conditional, *inter alia*, on Shareholders' approval of resolutions, which would grant the Board the authority to allot and issue the Placing Shares on a non-pre-emptive basis, at a General Meeting on 6 November 2017.

The Placing Price is 101.75 pence per Placing Share, being equal to NAV per Ordinary Share plus the associated costs of the Placing.

The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared or paid following Admission. For the avoidance of doubt, holders of Placing Shares will be entitled to participate in the dividend for the quarter to 30 September 2017, expected to be announced later this month.

The Company has invested the majority of the net proceeds of the IPO and is therefore raising additional funds to capitalise on a strong near-term pipeline of care home investment opportunities that are potentially available on terms which would meet the Company's investment criteria.

Background to and Reasons for the Placing

Progress since IPO

In March 2017, the Company successfully completed its IPO, raising its target gross proceeds of £160 million with the net proceeds invested or committed in a portfolio of residential care homes in accordance with the Company's investment policy.

On 4 May 2017, the Company completed the acquisition of the Seed Portfolio (2,479 beds) for a total consideration of £148.8 million, reflecting an initial yield of 7.6 per cent., and on 29 June 2017, the Company completed the acquisition of Saffron Court (48 beds) for a total consideration of £3.4 million, reflecting an initial yield of 7.7 per cent.

The Company has identified a number of value enhancing opportunities within its portfolio and the Board has approved, the first phase through the investment of £7.9 million in order to add 92 new beds to three existing care homes.

The Company is targeting the payment of dividends for the first four quarters from its IPO which equate to a yield of 6 per cent. per

annum on the IPO issue price of 100 pence per share, payable in quarterly instalments⁽¹⁾. In that regard, the Company paid its maiden dividend of 1.5 pence per Ordinary Share, on a fully covered basis, in August 2017, covering the period from the date of the Company's IPO to 30 June 2017.

The Company has invested or committed all of the net proceeds of the IPO and is therefore raising additional funds to acquire further investments that would complement the Company's existing portfolio from the Investment Adviser's strong pipeline of care home acquisition opportunities.

(1) Note: This is a target only and not a profit forecast and there can be no assurance that it will be met.

Pipeline of Potential Investments

The Investment Adviser has appraised in excess of 13,000 beds in developing its pipeline of potential investments.

The Company has agreed exclusivity on one portfolio, which would add in excess of 280 beds to the existing portfolio, and has agreed heads of terms on two additional transactions (together, the "**Target Portfolios**"). These acquisitions would add three new tenants with extensive experience in operating care homes and would further diversify the Company's portfolio geographically across the UK. It is expected that the net initial yield and average lease term would be in line with the Seed Portfolio. The Target Portfolios also present a number of value enhancing opportunities which can be delivered over time. The aggregate cost of these acquisitions would be approximately £45 million.

The Investment Adviser is pursuing other potential acquisition opportunities, although all possible acquisitions remain subject to due diligence.

The net proceeds of the Placing will be used to acquire the Target Portfolios, other potential acquisition opportunities and/or invest in value enhancing opportunities within the Company's existing portfolio.

The Company is continuing to pursue debt financing options in order to increase its capacity to make acquisitions and fund capital expenditure.

Details of the Proposed Placing

- The Placing Price is 101.75 pence per Placing Share, being equal to NAV per Ordinary Share plus the associated costs of the Placing.
- The Company is proposing to offer up to 32,034,471 Ordinary Shares pursuant to the Placing, raising gross proceed of up to approximately £32.6 million.
- The Placing Shares will, when issued, rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive dividends and other distributions declared or paid following Admission. For the avoidance of doubt, holders of Placing Shares will be entitled to participate in the dividend for the quarter to 30 September 2017, expected to be announced later this month.
- The Placing is expected to close at 2.00 p.m. on 7 November 2017 and, subject to the passing of the Resolutions at the General Meeting, the results of the Placing, including the final number of Placing Shares to be issued, are expected to be announced on 8 November 2017.
- Application is expected to be made to the London Stock Exchange for the Placing Shares to be admitted to trading on the SFS. It is expected that admission of the Placing Shares to the SFS ("**Admission**") will become effective and that dealings in the Placing Shares will commence at 8.00 a.m. on 13 November 2017.

Benefits of the Placing

The Directors believe that the benefits of the Placing are expected to include:

- enabling the Company to fund new investment opportunities which the Investment Adviser identifies and which the Investment Manager and the Board determine are consistent with the Company's investment criteria;
- further diversifying the Company through the acquisition of investments in regions which complement the Company's existing portfolio;
- adding additional tenants to the Company's portfolio, being the first stage of broadening the Company's tenant base;
- enabling the Company to continue to add value to its existing assets;
- broadening the Company's investor base to enhance the size and liquidity of the Company's share capital; and
- growing the Company, thereby spreading the Company's fixed operating costs over a larger capital base and reducing the Company's ongoing charges ratio.

General Meeting

In order to implement the Placing, a General Meeting will be held at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL at 11.00 a.m. on 6 November 2017, at which the Resolutions will be proposed.

Shareholders will be sent a Circular and a form of proxy for use at the General Meeting.

A copy of the Circular and the Notice of General Meeting, and other information required by section 311A of the Companies Act 2006, can be found on the Investors section of the Company's website at <http://impactreit.uk/documents> and will shortly be made available on the National Storage Mechanism at www.morningstar.co.uk/uk/NSM.

Recommendation

The Board unanimously considers that the Placing and the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting as each of the Directors intend to do in relation to the Ordinary Shares whose votes they control.

Terms of the Placing

Your attention is drawn to the detailed Terms and Conditions of the Placing set out in the Appendix to this announcement.

Winterflood has agreed to act as sole placing agent and bookrunner in connection with the Placing.

Winterflood will determine the level of demand from potential investors for participation in the Placing. The Placing timetable, including the timing of the closing of the bookbuild, is subject to change at the discretion of the Company and Winterflood. The decision to proceed with the Placing after the bookbuild shall be at the discretion of Winterflood in consultation and agreement with the Company.

Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by Winterflood.

To bid for Placing Shares in the Placing, investors should communicate their bid by telephone to Winterflood. If the number of applications exceeds the maximum number of Placing Shares available under the Placing it will be necessary to scale back applications. In such event, Placing Shares will be allocated at the discretion of Winterflood in agreement with the Company. Winterflood may, subject to agreement with the Company, accept bids that are received after the bookbuild has closed.

By choosing to participate in the Placing and by making an oral and legally binding offer to subscribe for Placing Shares, investors will be deemed to have read and understood this announcement in its entirety and to be making such offer on the terms and subject to the conditions in this announcement, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Terms not otherwise defined in this announcement have the meanings given to them in the Circular published by the Company on 16 October 2017 in connection with the proposals, which is available to view at www.impactreit.uk/documents.

This announcement contains inside information.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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

NOTES:

The Company is a real estate investment trust ("REIT") which aims to 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, in particular residential care homes. The Company's investment policy is to acquire, 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 is targeting a fully covered aggregate dividend of 6.0p per share for the first 12 months from IPO which equates to a yield of 6 per cent. per annum on the IPO issue price of 100 pence per share, on an ungeared basis and payable in quarterly instalments ⁽¹⁾. A fully covered dividend of 1.50p per share for the period from IPO to 30 June 2017 was paid on 31 August 2017.

The Company's property portfolio comprises 57 residential care homes (2,527 beds), with leases of 20 years (with no tenant break right), subject to annual upward only, Retail Price Index-linked rent reviews (with a floor and cap at 2% p.a. and 4% p.a., respectively). The portfolio has an annualised rent roll of £11.6 million.

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.

The Company's IPO in March 2017 raised gross proceeds of £160 million. The Company's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, in the Specialist Fund Segment on 7 March 2017.

(1) Note: This is a target only and not a profit forecast and there can be no assurance that it will be met.

Dealing codes

Ticker	IHR
ISIN for the Placing Shares	GB00BYXVMJ0
SEDOL for the Placing Shares	BYXVMJ0

Important Information

Market soundings (as defined in EU Regulation 596/2014 ("**MAR**")) were taken in respect of the Placing with the result that certain persons became aware of inside information (as defined in MAR), as permitted by MAR. This inside information is set out in this announcement. Therefore, those persons that received inside information in a market sounding are no longer in possession of such inside information relating to the Company and its securities.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, by any means or media, in or into the United States, Canada, Australia, New Zealand, Japan, the Republic of South Africa, any member state of the European Economic Area ("**EEA**") (other than the United Kingdom) or any other jurisdiction where it would be unlawful to do so (the "**Excluded Territories**"), save where expressly permitted by the Company.

This announcement does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of or issue, or any solicitation of any offer to sell, otherwise dispose of, issue, purchase, otherwise acquire or subscribe for, any security in the capital of the Company in any jurisdiction.

This announcement and any materials distributed in connection with this announcement are not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any Excluded Territory where such distribution, publication, availability or use would be contrary to law or regulation or would require any registration or licensing within such jurisdiction.

This announcement is not an offer of securities or an invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities in any Excluded Territory. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws of any state or other jurisdiction of the United States and, may not be offered, sold, pledged, re-sold, taken up, delivered, distributed or otherwise transferred, directly or indirectly, within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. There will be no public offer of the securities in the United States.

Members of the public are not eligible to take part in the Placing. This announcement and the information contained herein are for information purposes only and are directed only at: (a) persons in member states of the EEA who are qualified investors as defined in section 86(7) of the Financial Services and Markets Act 2000, as amended, ("**Qualified Investors**") being persons falling within the meaning of Article 2(1)(e) of the EU Prospectus Directive (which means Directive 2003/71/EC and includes any relevant implementing directive measure in any member state) (the "**Prospectus Directive**"); (b) in the United Kingdom, to Qualified Investors who are persons who (i) have professional experience in matters relating to investments falling within Article 19(1) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) are persons falling within Article 49(2)(a) to (d) ("**high net worth companies, unincorporated associations, etc**") of the Order; or (iii) are persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as "**Relevant Persons**"). Any investment or investment activity in connection with the Placing will only be available to, and will only be engaged with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or any of its contents.

This announcement is not being distributed by, nor has it been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**") by, a person authorised under FSMA. This announcement is being distributed and communicated to persons in the United Kingdom only in circumstances in which section 21(1) of FSMA does not apply.

This announcement has been issued by, and is the sole responsibility, of the Company. No prospectus will be made available in connection with the matters contained in this announcement and no such prospectus is required to be published (in accordance with either the Prospectus Directive or Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC). Persons needing advice should consult an independent financial adviser.

This announcement should not be considered a recommendation by Winterflood or any of its respective directors, officers, employees, advisers or affiliates in relation to any purchase of or subscription for securities. Neither Winterflood nor any of its directors, officers, employees, advisers or affiliates accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy, fairness, sufficiency or completeness of the information or the opinions or the beliefs contained in this announcement (or any part hereof). None of the information contained in this announcement has been independently verified or approved by Winterflood or any of its directors, officers, employees, advisers or any of their affiliates. Save in the case of fraud, no liability is accepted by Winterflood or any of its directors, officers, employees, advisers or affiliates for any errors, omissions or inaccuracies in such information or opinions or for any loss, cost or damage suffered or incurred howsoever arising, directly or indirectly, from any use of this announcement or its contents or otherwise in connection with this announcement. No person has been authorised to give any information or to make any representations other than those contained in this announcement and, if given or made, such information or representations must not be relied on as having been authorised by the Company or Winterflood. Subject to the Listing Rules (to the extent complied with on a voluntary basis by the Company from time to time), the Prospectus Rules and the Disclosure Guidance and Transparency Rules, the issue of this announcement and any subsequent announcement shall not, in any circumstances, create any implication that there has been no change in the affairs of the Company and its subsidiary undertakings (the "**Group**") since the date of this announcement or that the information in it is correct as at any subsequent date.

Winterflood is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"). Winterflood is acting exclusively for the Company and for no one else in connection with the Placing and Admission and will not regard any person (whether or not a recipient of this announcement) as a client in relation to the Placing and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to Winterflood's clients or for providing advice in relation to the Placing or Admission, the contents of this announcement and the accompanying documents or any matters or arrangements referred to herein or therein.

FORWARD LOOKING STATEMENTS

This announcement includes statements that are, or may be deemed to be "forward-looking statements". The words "believe", "anticipate", "expect", "intend", "estimate", "forecast", "project", "aim", "hope", "plan", "seek", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk", "assurance" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements. Others can be identified from the context in which they are made. These forward-looking statements include all matters that are not historical facts. An investor should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are in many cases beyond the Company's control. By their nature, forward-looking statements involve risks and uncertainties because they relate to future events and circumstances which are beyond the

control of the Company, including amongst other things, domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of governmental and regulatory authorities, the effect of competition, inflation, deflation, the timing effect and other uncertainties of future acquisitions or combinations within relevant industries, the effect of tax and other legislation and other regulations in the jurisdictions in which the Company and its respective affiliates operate, the effect of volatility in the equity, capital and credit markets on the Company's profitability and ability to access capital and credit, a decline in the Company's credit ratings; the effect of operational risks; and the loss of key personnel. The Company cautions investors that forward-looking statements are not guarantees of future performance and that its actual results of operations and financial condition, and the development of the industry in which it operates, may differ materially from those made in or suggested by the forward-looking statements contained in this announcement. The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that the Company, or persons acting on its behalf, may issue.

Forward-looking statements contained in this announcement that are based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No statement in this announcement is intended to be a profit forecast or to imply that the earnings of the Group for the current year or future years necessarily will match or exceed the historical or published earnings of the Group.

The information contained in this announcement is subject to change without notice and the Company does not undertake any responsibility or obligation nor does it intend to revise or update publicly or review any of the forward-looking statements in this announcement to reflect events or circumstances after the date of this announcement (except to the extent required by the FCA, the London Stock Exchange or by applicable law, the Listing Rules (to the extent complied with on a voluntary basis by the Company from time to time) or the Disclosure Guidance and Transparency Rules). Prospective investors should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement, as a prediction of actual results or otherwise.

In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this announcement may not occur.

The price of shares and any income expected from them may go down as well as up and an investor may not get back the full amount invested upon disposal of the shares. Past performance is no guide to future performance, and persons needing advice should consult an independent financial adviser.

The Placing Shares to be issued pursuant to the Placing will not be admitted to trading on any stock exchange other than the London Stock Exchange.

Neither the content of the Company's website nor any website accessible by hyperlinks on the Company's website is incorporated in, or forms part of, this announcement.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING IMPORTANT INFORMATION FOR INVITED PLACEES ONLY

1. Introduction

Each investor which confirms its agreement to subscribe for Placing Shares under the Placing to Winterflood (a "Placee") will be bound by these terms and conditions and will be deemed to have accepted them.

Each of the Company and/or Winterflood, as applicable, may require a Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (for the purposes of this Appendix, a "Placing Letter"). The terms of this Appendix will, where applicable, be deemed to be incorporated into that Placing Letter.

2. Agreement to Subscribe for Placing Shares

Conditional on, amongst other things: (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 14 November 2017 (or such later time and/or date as the Company and Winterflood may agree); (ii) shareholder approval being granted at the General Meeting for the issue of the Placing Shares; (iii) the Placing Agreement becoming otherwise unconditional in all respects (other than in respect of any condition regarding Admission) in relation to the Placing and not having been terminated in accordance with its terms on or before 8.00 a.m. on the date of Admission; and (iv) Winterflood confirming to the Placees their allocation of Placing Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Placing Shares allocated to it by Winterflood at the Placing Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected.

Fractions of Placing Shares will not be issued.

3. Payment for Placing Shares

Each Placee undertakes to pay in full the Placing Price for the Placing Shares issued to such Placee in the manner and by the time directed by Winterflood. In the event of any failure by a Placee to pay as so directed and/or by the time required by Winterflood, as applicable, the relevant Placee shall be deemed hereby to have irrevocably and unconditionally appointed Winterflood, as applicable, or any nominee of Winterflood as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Shares in respect of which payment shall not have been made as directed, and to indemnify Winterflood and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales.

A sale of all or any of such Placing Shares shall not release the relevant Placee from the obligation to make such payment for relevant Placing Shares to the extent that Winterflood or its nominee has failed to sell such Placing Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is equal to or exceeds the Placing Price.

4. Representations, Warranties and Undertakings

By agreeing to subscribe for Placing Shares each Placee which enters into a commitment to subscribe for Placing Shares (for the purposes

of this Appendix, a "Placing Commitment") will (for itself and for any person(s) procured by it to subscribe for Placing Shares and any nominee(s) for any such person(s) be deemed to acknowledge, understand, undertake, represent and warrant to each of the Company, the Investment Adviser, the Investment Manager and Winterflood, that:

- a) in agreeing to subscribe for Placing Shares under the Placing, it is relying solely on this announcement and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the Investment Adviser, the Investment Manager, the Placing Shares or the Placing. It agrees that none of the Company, the Investment Adviser, the Investment Manager, Winterflood, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have against any such persons in respect of any other information or representation;
- b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company, Winterflood or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- c) acknowledges that no offering document or prospectus has been prepared in connection with the Placing and that it has not received a prospectus or other offering document in connection therewith;
- d) it has carefully read and understands this announcement in its entirety and acknowledges that it is acquiring Placing Shares on the terms and subject to the conditions set out in this announcement and, as applicable, in the contract note or placing confirmation, as applicable, referred to in paragraph 4.(k) of this Appendix (for the purposes of this Appendix, the "Contract Note" or the "Placing Confirmation") and the Placing Letter (if any) and the articles of association of the Company (the "Articles") as in force at the date of Admission;
- e) it has not relied on Winterflood, or any person affiliated with Winterflood in connection with any investigation of the accuracy of any information contained in this announcement;
- f) the content of this announcement is exclusively the responsibility of the Company and neither the Investment Adviser, the Investment Manager, Winterflood nor any person acting on behalf of any of them, nor any of their respective affiliates are responsible for or shall have any liability for any information, representation or statement contained in this announcement or any information previously published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing based on any information, representation or statement contained in this announcement or otherwise;
- g) no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this announcement and, if given or made, any information or representation must not be relied upon as having been authorised by Winterflood or the Company;
- h) it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- i) the price per Placing Share is fixed at the Placing Price and is payable to Winterflood on behalf of the Company in accordance with the terms of this announcement and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any);
- j) it has the funds available to pay in full for the Placing Shares for which it has agreed to subscribe pursuant to its Placing Commitment and that it will pay the total subscription in accordance with the terms set out in this announcement and, as applicable, as set out in the Contract Note or Placing Confirmation and the Placing Letter (if any) on the due time and date;
- k) its commitment to acquire Placing Shares under the Placing will be agreed orally with Winterflood as agent for the Company and that a Contract Note or Placing Confirmation will be issued by Winterflood as soon as possible thereafter. That oral agreement will constitute an irrevocable, legally binding commitment upon that person (who at that point will become a Placee) in favour of the Company and Winterflood to subscribe for the number of Placing Shares allocated to it and comprising its Placing Commitment at the Placing Price on the terms and conditions set out in this announcement and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) and in accordance with the Articles in force as at the date of Admission. Except with the consent of Winterflood such oral commitment will not be capable of variation or revocation after the time at which it is made;
- l) its allocation of Placing Shares under the Placing will be evidenced by Contract Note or Placing Confirmation, as applicable, confirming: (i) the number of Placing Shares that such Placee has agreed to acquire; (ii) the aggregate amount that such Placee will be required to pay for such Placing Shares; and (iii) settlement instructions to pay Winterflood as agent for the Company. The terms of this announcement will be deemed to be incorporated into that Contract Note or Placing Confirmation;
- m) settlement of transactions in the Placing Shares following Admission, will take place in CREST but Winterflood reserves the right in its absolute discretion to require settlement in certificated form if, in its opinion, delivery or settlement is not possible or practicable within the CREST system within the timescales previously notified to the Placee (whether orally, in the Contract Note or Placing Confirmation, in the Placing Letter or otherwise) or would not be consistent with the regulatory requirements in any Placee's jurisdiction;
- n) none of the Placing Shares have been or will be registered under the laws of any member state of the EEA (a "Member State") (other than the United Kingdom), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law. Accordingly, the Placing Shares may not be offered, sold, issued or delivered, directly or indirectly, within any of the following: any Member State (other than the United Kingdom), the United States, Canada, Japan, Australia, the Republic of South Africa or any other jurisdiction where the extension or availability of the Placing would breach any applicable law unless an exemption from any registration requirement is available;
- o) it: (i) is entitled to subscribe for the Placing Shares under the laws of all relevant jurisdictions; (ii) has fully observed the laws

of all relevant jurisdictions; (iii) has the requisite capacity and authority and is entitled to enter into and perform its obligations as a subscriber for Placing Shares and will honour such obligations; and (iv) has obtained all necessary consents and authorities to enable it to enter into the transactions contemplated hereby and to perform its obligations in relation thereto;

- p) if it is within the United Kingdom, it is a "qualified investor" within the meaning of section 86(7) of the Financial Services and Markets Act ("FSMA") and it is a person who falls within: (i) Articles 19(1) or 19(5) (Investment Professionals); or (ii) Articles 49(2)(A) to (D) (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the Placing Shares may otherwise lawfully be offered whether under such Order or otherwise, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the Placing Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- q) in the case of any Placing Shares acquired by a Placee as a financial intermediary, the Placing Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors within the meaning of section 86(7) of FSMA resident in the United Kingdom, or in circumstances in which the prior consent of Winterflood and the Company has been given to the offer or resale;
- r) if it is outside the United Kingdom, neither this announcement nor any other offering, marketing or other material in connection with the Placing or the Placing Shares (for the purposes of this announcement, each a "**Placing Document**") constitutes an invitation, offer or promotion to, or arrangement with, it or any person for whom it is procuring to subscribe for Placing Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation, promotion or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Placing Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- s) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Placing Shares under the Placing, that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any such territory or jurisdiction and that it has not taken any action or omitted to take any action which will or might reasonably be expected to result in the Company or Winterflood, or any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing;
- t) it is not a US person and that the Placing Shares have not been, nor will they be, registered under the Securities Act and are being offered outside the United States in compliance with Regulation S under the Securities Act ("**Regulation S**") and that it is purchasing such Shares outside the United States in compliance with such regulations; (ii) the Company has not registered, and does not intend to register, as an investment company under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**") and the Placing Shares may only be transferred under circumstances which will not result in the Company being required to register under the Investment Company Act; and (iii) that in each case, it agrees to only sell, transfer, assign, pledge or otherwise dispose of the Placing Shares in offshore transactions in compliance with Regulation S (which includes, for the avoidance of doubt, any *bona fide* sale on the SFS) or in transactions that are exempt from registration under the Securities Act and do not require the Company to register under the Investment Company Act.
- u) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this announcement or any other offering materials concerning the Placing or the Placing Shares to any persons within the United States or to any US Person (as defined in Regulation S), nor will it do any of the foregoing;
- v) it does not have a registered address in, and is not a citizen, resident or national of Canada, Japan, Australia, the Republic of South Africa, any Member State (other than the United Kingdom) or any other jurisdiction in which it is unlawful to make or accept an offer of the Placing Shares and it is not acting on a non-discretionary basis for any such person;
- w) if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Placing Shares under the Placing and will not be any such person on the date that such subscription is accepted;
- x) (i) it has communicated or caused to be communicated and will communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) relating to the Placing Shares only in circumstances in which section 21(1) of the FSMA does not require approval of the communication by an authorised person; and (ii) that no offering materials concerning the Placing or the Placing Shares are being issued by Winterflood in its capacity as an authorised person under section 21 of the FSMA and any such materials may not therefore be subject to the controls which would apply if the Placing Documents were made or approved as financial promotion by an authorised person;
- y) it is aware of and acknowledges that it is required to comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the in, from or otherwise involving, the United Kingdom;
- z) it is aware of the obligations regarding insider dealing in the Criminal Justice Act 1993, MAR and the Proceeds of Crime Act 2002 and confirms that it has and will continue to comply with those obligations;
- aa) no action has been taken or will be taken in any jurisdiction other than the United Kingdom that would permit a public offering of the Placing Shares in any country or jurisdiction where action for that purpose is required;
- bb) neither Winterflood, nor any of its affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Winterflood and that Winterflood has no duties or responsibilities to it for providing the protections afforded to its clients or for providing advice in relation to the Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;
- cc) that, save in the event of fraud on the part of Winterflood, none of Winterflood, its ultimate holding companies, any direct or indirect subsidiary undertakings of such holding Company, any of its respective directors, members, partners, officers and

employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Winterflood's role as sole bookrunner, broker or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately and irrevocably waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

- dd) that, save in the event of fraud on the part of the Investment Adviser or the Investment Manager, respectively, neither of the Investment Adviser or the Investment Manager nor any of their respective directors, members, partners, officers, employees or agents shall be responsible or liable to a Placee or any of its clients for any matter arising out of the Investment Adviser's role as investment adviser to the Company or the Investment Manager's role as investment manager and alternative investment fund manager of the Company or otherwise in connection with the Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately and irrevocably waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- ee) that where it is subscribing for Placing Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Placing Shares for each such account; (ii) to make on each such account's behalf the undertakings, acknowledgements, representations, warranties and agreements set out in this announcement; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and Winterflood. It agrees that the provision of this paragraph shall survive any resale of the Placing Shares by or on behalf of any such account;
- ff) it irrevocably appoints any Director and any director or duly authorised employee or agent of Winterflood to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Placing Shares comprising its Placing Commitment in the event of its own failure to do so;
- gg) if the Placing does not proceed or the relevant conditions under the Placing Agreement are not satisfied or the Placing Shares for which valid applications are received and accepted are not admitted to trading on the SFS for any reason whatsoever then none of Winterflood or the Company and persons controlling, controlled by or under common control with any of them, and any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- hh) in connection with its participation in the Placing it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and terrorist financing under the Proceeds of Crime Act 2002, the Terrorism Act 2000 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (for the purposes of this announcement, together the "**Money Laundering Regulations**") and that its application for Placing Shares under the Placing is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied for Placing Shares. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC; or (iii) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Regulations;
- ii) due to anti-money laundering requirements, Winterflood may require proof of identity and verification of the source of the payment before the application for Placing Shares under the Placing can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Winterflood may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will hold harmless and indemnify Winterflood against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;
- jj) it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Money Laundering Regulations;
- kk) it acknowledges and agrees that information provided by it to the Company or the Company's registrar Capita Asset Services (the "**Registrar**") will be stored both on the Registrar's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection Act Legislation, the Registrar and the Placing Agent are each required to specify the purposes for which it they will hold personal data. For the purposes of this document "Data Protection Legislation" shall mean (i) prior to 25 May 2018 the UK Data Protection Act 1998 and the Data Protection Directive (95/46/EC) and (ii) on and after 25 May 2018, EU Regulation 2016/679 ("**GDPR**") or any equivalent or similar legislation implemented in the United Kingdom following the United Kingdom's withdrawal from the European Union. The Registrar and the Placing Agent will only use such information for the purposes set out below (collectively, the "**Purposes**"), being to:
 - (a) process its personal data (including sensitive personal data) as required for or in connection with the holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (b) communicate with it as necessary in connection with the proper running of its business affairs and generally in connection with the holding of Ordinary Shares;
 - (c) provide personal data to such third parties as are or shall be necessary in connection with the proper running of its business affairs and generally in connection with the holding of Ordinary Shares or as the Data Protection Act 1998 may require, including to third parties outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK);
 - (d) without limitation, provide such personal data to the Company or the Investment Manager and its respective associates for processing, notwithstanding that any such party may be outside the United Kingdom or the European Economic Area; (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and
 - (e) process its personal data for the purpose of their internal record-keeping and reporting obligations.

- ll) in providing Winterflood and the Registrar with information, it hereby represents and warrants to Winterflood and the Registrar that it has obtained any necessary consents of any data subject whose data it has provided, to Winterflood and the Registrar and their respective associates holding and using their personal data for the Purposes (including , where required, the explicit consent of the data subjects for the processing of any sensitive personal data for the Purposes set out in paragraph (kk) above) and will make the list of "Purposes" for which Winterflood and the Registrar will process the data (as set out in this appendix) available to all data subjects whose personal data may be shared by it in the performance of this Agreement. For the purposes of this document, "data subject", "data controller", "data processor", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Legislation;
- mm) the Placee, Winterflood, the Company and the Registrar are each data controllers for the purpose of the Data Protection Legislation (and the parties all agree and acknowledge that none of the Placee, Winterflood, the Company and the Registrar is or shall be a data processor for any of the others or a joint data controller with any of the others and they will each comply with their obligations under the Data Protection and the Placee will do nothing that puts Winterflood, the Company, or the Registrar in breach of their respective objections;
- nn) Winterflood is entitled to exercise any of its rights under the Placing Agreement (including, without limitation, rights of termination) or any other right in its absolute discretion without any liability whatsoever to it;
- oo) the representations, undertakings and warranties contained in this announcement and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any), are irrevocable. It acknowledges that Winterflood and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings and it agrees that if any of the representations or warranties or undertakings made or deemed to have been made by its subscription of the Placing Shares under the Placing are no longer accurate, it shall promptly notify Winterflood and the Company;
- pp) where it or any person acting on behalf of it is dealing with Winterflood any money held in an account with Winterflood on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the FCA which therefore will not require Winterflood to segregate such money, as that money will be held by Winterflood under a banking relationship and not as trustee;
- qq) any of its clients, whether or not identified to Winterflood will remain its sole responsibility and will not become clients of Winterflood for the purposes of the rules of the FCA or for the purposes of any other statutory or regulatory provision;
- rr) the allocation of Placing Shares in respect of the Placing shall be determined by Winterflood in its absolute discretion (in consultation with the Company) and that Winterflood may scale back any Placing Commitment on such basis as it may determine (which may not be the same for each Placee);
- ss) time shall be of the essence as regards its obligations to settle payment for the Placing Shares subscribed under the Placing and to comply with its other obligations under the Placing;
- tt) it authorises Winterflood to deduct from the total amount subscribed under the Placing the aggregate commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Placing Shares allocated under the Placing;
- uu) the commitment to subscribe for Placing Shares on the terms set out in this announcement and, as applicable, in the Contract Note or Placing Confirmation and the Placing Letter (if any) will continue notwithstanding any amendment that may in the future be made to the terms of the Placing and that it will have no right to be consulted or require that its consent be obtained with respect to the Company's conduct of the Placing; and
- vv) the Company reserves the right to make inquiries of any holder of the Placing Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Placing Shares or interests in accordance with the Articles (as amended from time to time).

The Company and Winterflood will rely upon the truth and accuracy of the foregoing representations, warranties, undertakings and acknowledgements. You agree to indemnify and hold each of the Company and Winterflood and their respective affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of any breach of the representations, warranties, undertakings, agreements and acknowledgements in this announcement.

5. Supply and Disclosure of Information

If Winterflood, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Placing Shares under the Placing, such Placee must promptly disclose it to them and ensure that such information is complete and accurate in all respects.

6. Miscellaneous

The rights and remedies of Winterflood and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing will be sent at the Placee's risk. They may be sent by post to such Placee at an address notified by such Placee to Winterflood.

Each Placee agrees to be bound by the Articles (as amended from time to time) once the Placing Shares which the Placee has agreed to subscribe for pursuant to the Placing have been acquired by the Placee. The contract to subscribe for Placing Shares under the Placing and the appointments and authorities mentioned in this announcement will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Winterflood, the Investment Manager, the Investment Adviser and the Company, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against a Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Placing Shares under the Placing, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Winterflood and the Company expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in this announcement, the satisfaction of the conditions contained in the Placing Agreement and to the Placing Agreement not having been terminated.

Rupert Barclay
Chairman
Impact Healthcare REIT plc
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