

Acquisition

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Impact Healthcare REIT PLC
06 November 2018

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Impact Healthcare REIT plc

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

ACQUISITION

The Board of Directors of Impact Healthcare REIT plc (ticker: IHR), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular care homes, is pleased to announce that the Group has exchanged contracts to acquire Holly Lodge Care Home ("**Holly Lodge**"), a care home with 40 beds, for a net purchase price of £1.35 million, reflecting a net initial yield of 8.7%.

Holly Lodge is located in Shildon in County Durham, 11 miles north of Durham and was purpose-built to a high standard in around 2005. All bedrooms have en suite facilities. The home is operating at full capacity, has been well maintained and is rated Good by the CQC. This investment is the second to be announced of the four target transactions that the Company included in its announcement on 24 October 2018, which together would add in excess of 450 beds.

Careport Advisory Services Limited ("**Careport**"), one of our existing tenants, currently operates this home under the Mariposa brand on behalf of the vendors, Monarch Alternative Capital LP ("**Monarch**"). Careport will continue to operate this home under a new fully repairing and insuring lease with a term of 25 years with no break clause and a tenant option to extend to 35 years at the end of year 10. The lease will be subject to annual upward-only rent reviews linked to the Retail Prices Index ("**RPI**"), with a floor of 2% p.a. and a cap of 4% p.a. Careport has agreed to commit to a minimum annual expenditure on maintenance.

Completion will take place as soon as regulatory approvals from the CQC for the reorganisation of the management arrangements have been received.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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The Company's LEI is 213800AX3FHPMJL4IJ53.

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

NOTES:

Impact Healthcare REIT plc 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 Group'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 Group has declared or paid six quarterly dividends of 6.0 pence per share since IPO on 7 March 2017, which equates to a yield of 6 per cent. per annum on the IPO Issue Price.

The Group's ordinary shares were admitted to trading on the main market of the London Stock Exchange, Specialist Fund Segment, on 7 March 2017.

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