

## PLACING PROGRAMME AND MIGRATION TO PREMIUM SEGMENT

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Impact Healthcare REIT PLC  
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5 February 2019

### **Impact Healthcare REIT plc**

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

### **LAUNCH OF 12 MONTH PLACING PROGRAMME**

#### **MIGRATION OF ORDINARY SHARES TO THE PREMIUM SEGMENT OF THE OFFICIAL LIST**

The Board of Directors of Impact Healthcare REIT plc (ticker: IHR) (the "**Board**"), 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 the Company's intention to launch a 12 month placing programme (the "**Placing Programme**") pursuant to which the Company will be able to issue up to 200 million new ordinary shares ("**New Ordinary Shares**").

The Company has invested or committed the majority of the £240 million of equity and debt capital raised since its IPO in March 2017, and, consequently, is implementing the Placing Programme in order to take advantage of a strong pipeline of opportunities.

#### **Pipeline of potential investments**

Impact Health Partners LLP (the "**Investment Adviser**"), acting on behalf of the Company, is pursuing a number of attractive potential investment opportunities that meet the Company's investment criteria and return profile and are expected to deliver further value for its shareholders. The Company and its Investment Adviser are continuing to exercise robust capital discipline to deliver value at the point of acquisition or investment.

The Investment Adviser is currently engaged in various stages of negotiations on potential acquisitions with a total value in excess of £400 million. There are currently twelve potential near-term transactions under review by the Investment Adviser and solicitors have been instructed on four of these transactions, two of which could potentially exchange in the near term.

In addition, the Investment Adviser has identified organic growth opportunities to add over 500 beds to the Company's existing portfolio where planning permission has been approved or is in progress. Up to 31 December 2018, capital has been committed (and in the case of Parkville II, a deferred payment mechanism employed) to add 188 beds (of the 500+ beds identified), which is expected to deliver an annual rental uplift of at least £1.3 million once these beds are operational. To date, 96 of these beds have been completed.

The net proceeds of any Placing under the Placing Programme will be used to execute on the pipeline of opportunities identified by the Investment Adviser (or other potential transactions) and/or will be invested in organic growth opportunities within the Company's existing portfolio.

#### **Circular and Notice of General Meeting**

The Company has today published a circular ("**Circular**") to convene a general meeting of shareholders to approve the issuance of New Ordinary Shares pursuant to the Placing Programme. Notice is contained within the Circular of the General Meeting to be held at the offices of Impact Health Partners LLP, 4<sup>th</sup> floor Heddon House, 149-151 Regent Street, London W1B 4JD at 10.30 a.m. on 5 March 2019 for the purpose of approving the resolutions.

A copy of the Circular will shortly be submitted to the National Storage Mechanism and will be available for inspection at [www.morningstar.co.uk/uk/NSM](http://www.morningstar.co.uk/uk/NSM). The Circular will also be available shortly on the Company's website [www.impactreit.uk](http://www.impactreit.uk).

#### **Prospectus**

A prospectus in connection with the Placing Programme is expected to be published shortly.

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

#### **Migration to the Premium Listing Segment**

Further to the announcement on 30 January 2019, the Company has submitted an application for its entire issued share capital, being 192,206,831 ordinary shares of one pence each, to be admitted to the premium listing segment of the Official List and to trading on the premium segment of the main market of the London Stock Exchange ("**Admission**"). Admission is expected to occur

with effect from 8:00 a.m. on 8 February 2019. The Company's ticker, ISIN, SEDOL and LEI will remain unchanged.

In conjunction with the application for Admission, the Company is required to make a statement as to the sufficiency of its working capital. Accordingly, the Board is of the opinion that the Company has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this announcement.

In connection with the migration, the Company has made certain non-material amendments to its investment policy. The updated investment policy is available on the Company's website at [www.impactreit.uk](http://www.impactreit.uk).

**FOR FURTHER INFORMATION PLEASE CONTACT:**

<b>Impact Health Partners LLP</b> Mahesh Patel Andrew Cowley	via Maitland/AMO	
<b>Winterflood Securities Limited</b> Joe Winkley Neil Langford	Tel: 020 3100 0000	
<b>RBC Capital Markets</b> Rupert Walford Matthew Coakes	Tel: 020 7653 4000	
<b>Maitland/AMO (Communications Adviser)</b> James Benjamin	Tel: 020 7379 5151 Email: <a href="mailto:maitland@maitland.co.uk">maitland@maitland.co.uk</a>	<a href="http://impacthealth-">impacthealth-</a>

The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Impact Healthcare REIT is available at [www.impactreit.uk](http://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 UK 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 now declared or paid seven quarterly dividends of 1.50 pence per share since IPO on 7 March 2017.

The Company will seek to grow the target dividend in line with the inflation-linked rental uplifts received by the Group under the terms of the rent review provisions contained in the Group's leases in the prior financial year. On this basis, the target total dividend for the year ending 31 December 2019 is 6.17 pence per share<sup>1</sup>.

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.

<sup>1</sup> 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.

**IMPORTANT INFORMATION:**

Neither the content of the Company's website, nor the content on any website accessible from hyperlinks on its website for any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in the Company.

This announcement has been prepared by, and is the sole responsibility of the Directors of Impact Healthcare REIT plc and has been prepared solely in relation to the Circular, Admission and the Placing Programme described in this announcement.

This announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for, any shares in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor. Copies of the prospectus will, once published, be available from the Company's website or its registered office.

Recipients of this announcement who are considering acquiring Ordinary Shares following publication of the prospectus are reminded that any such acquisition must be made only on the basis of the information contained in the prospectus which may be different from the information contained in this announcement. In addition, any subscription for Ordinary Shares is subject to specific legal or regulatory restrictions in certain jurisdictions. Persons distributing this announcement must satisfy themselves that it is lawful to do so. The Company assumes no responsibility in the event that there is a violation by any person of such restrictions.

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Neither this announcement nor any copy of it may be: (i) taken or transmitted into or distributed in any member state of the European Economic Area (other than the United Kingdom, the Republic of Ireland or the Netherlands), Canada, Australia, Japan or the Republic of South Africa or to any resident thereof, or (ii) taken or transmitted into or distributed in Japan or to any resident thereof. Any failure to comply with these restrictions may constitute a violation of the securities laws or the laws of any such jurisdiction. The distribution of this announcement in other jurisdictions may be restricted by law and the persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This announcement and any offer mentioned herein if subsequently made is directed only at: (A) persons in member states of the European Economic Area (the "EEA") who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state of the EEA) and includes any relevant implementing measure in each relevant member state of the EEA) (the "**Prospectus Directive**") ("**Qualified Investors**"); or (B) persons in the United Kingdom who are Qualified Investors and who (i) have professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); or (ii) who are high net worth companies, unincorporated associations and other persons to whom it may lawfully be communicated in accordance with Article 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may lawfully be communicated (all such persons together being referred to as "Relevant Persons"). Any 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. By accepting this communication you represent, warrant and agree that you are a Relevant Person.

This announcement may include "forward-looking statements". All statements other than statements of historical facts included in this announcement, including, without limitation, those regarding the performance of the Company's portfolio and the strategies, performance, results of operations, financial condition and prospects of the Company's tenants.

Forward-looking statements are subject to risks and uncertainties and accordingly the Company's actual future financial results and operational performance may differ materially from the results and performance expressed in, or implied by, the statements. These factors include but are not limited to those described in the Circular and those which will be described in the prospectus, once published. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Services and Markets Act 2000, the Listing Rules or Prospectus Rules of the Financial Conduct Authority or other applicable laws, regulations or rules.

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#### **Information to Distributors:**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing Programme.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

#### **PRIIPs (as defined below):**

In accordance with the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products ("**PRIIPs**") and its implementing and delegated acts (the "**PRIIPs Regulation**"), the Company has prepared a key information document (the "**KID**") in respect of the Ordinary Shares. The KID is made available by the Company to "retail investors" prior to them making an investment decision in respect of the Ordinary Shares at [www.impactreit.uk](http://www.impactreit.uk).

If you are distributing Ordinary Shares, it is your responsibility to ensure that the KID is provided to any clients that are "retail clients".

The Company is the only manufacturer of the Ordinary Shares for the purposes of the PRIIPs Regulation and none of Winterflood,

RBC Capital Markets, the Investment Adviser or Carne Global AIFM Solutions (C.I.) Limited (the "**Investment Manager**") are manufacturers for these purposes. None of Winterflood, RBC Capital Markets, the Investment Adviser or the Investment Manager makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of the KID prepared by the Company nor accepts any responsibility to update the contents of the KID in accordance with the PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID to future distributors of Ordinary Shares. Each of Winterflood, RBC Capital Markets, the Investment Adviser and the Investment Manager and their respective affiliates accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it or they might have in respect of the key information documents prepared by the Company. Investors should note that the procedure for calculating the risks, costs and potential returns in the KID are prescribed by laws. The figures in the KID may not reflect actual returns for the Company and anticipated performance returns cannot be guaranteed.

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