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If you have sold or otherwise transferred all your Ordinary Shares, please send this Circular, together with the accompanying documents (but not any personalised Form of Proxy), at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted in or into any Restricted Jurisdiction.

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IMPACT HEALTHCARE REIT PLC

(incorporated and registered in England and Wales
under company number 10464966 and registered as an investment company
under section 833 of the Companies Act 2006)

Proposed placing programme of up to 200 million New Ordinary Shares and Notice of General Meeting

Notice of a General Meeting of the Company to be held at the offices of Impact Health Partners LLP, Heddon House, 149-151 Regent Street, London, W1B 4JD on 5 March 2019 at 10.30 a.m. is set out at the end of this Circular. A Form of Proxy for use at the General Meeting is enclosed with this Circular. Whether or not you propose to attend the General Meeting, please complete and submit a Form of Proxy in accordance with the instructions printed on the enclosed form. To be valid, the Form of Proxy must be received by the Company’s registrars at Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU, not less than 48 hours (not counting any part of a day that is not part of a Business Day) before the time of the holding of the General Meeting, together with any power of attorney under which it is executed. Completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting, should you so wish.

The distribution of this Circular in jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and, therefore, persons into whose possession this Circular comes should inform themselves about and observe such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. This Circular does not constitute an offer or an invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this Circular or otherwise in any jurisdiction in which such offer or solicitation is unlawful.

This Circular may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into or any province or territory of any member state of the European Economic Area (“**EEA**”) (other than the United Kingdom, the Republic of Ireland and the Netherlands), the United States, Canada, Australia, the Republic of South Africa or Japan.

This Circular does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any province or territory of any member state of the EEA (other than the United Kingdom, the Republic of Ireland or the Netherlands), Australia, Canada, Japan, New Zealand or the Republic of South Africa. Securities may not be offered or sold in the United States absent (i) registration under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”) or (ii) an available exemption from registration under the Securities Act. The securities mentioned herein have not been, and will not be, registered under the Securities Act and will not be offered to the public in the United States, or in any province or territory of any member state of the EEA (other than the United Kingdom, the Republic of Ireland or the Netherlands), Australia, Canada, Japan, New Zealand or the Republic of South Africa.

No person has been authorised to make any representation on behalf of the Company concerning the Issue or the General Meeting which is inconsistent with the statements contained in this Circular and any such representation, if made, may not be relied upon as having been so authorised. Shareholders should not construe the contents of this Circular as legal, accounting, tax or financial advice and should consult with their own advisers as to the matters described in this Circular.

Certain statements contained in this Circular are or may constitute “forward-looking statements”. Such forward-looking statements involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among others: general economic and business conditions, changes in government policy, legislative or regulatory changes, changes in transaction regimes or development planning regimes, the Company’s ability to invest its cash and any net proceeds of the Placing Programme in suitable investments on a timely basis and the availability and cost of capital for future investments. These forward-looking statements are made at the date of this Circular. Except as required by law or regulation, the Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company’s expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Copies of this Circular will be available on the “Investors” section of the Company’s website at www.impactreit.uk and are also available for collection free of charge during normal business hours on any weekday (except Saturdays and public holidays) on any Business Day up until close of the General Meeting at the offices of the Company, 7th Floor, 9 Berkeley Street, London W1J 8DW.

Your attention is drawn to the section headed “Action to be taken” on page 14 of this Circular.

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EXPECTED TIMETABLE OF EVENTS

Publication of this Circular	5 February 2019
Publication of the Prospectus	On or around 11 February 2019
Latest time and date for receipt of forms of proxy	10.30 a.m. on 1 March 2019
Record Date	Close of business on 1 March 2019
Time and date of General Meeting	10.30 a.m. on 5 March 2019
Admission and commencement in dealings in New Ordinary Shares to be issued pursuant to the Placing Programme	8.00 a.m. on each day that New Ordinary Shares are issued pursuant to the Placing Programme
CREST accounts credited in respect of New Ordinary Shares issued pursuant to the Placing Programme in uncertificated form	As soon as possible after each day that New Ordinary Shares are issued pursuant to the Placing Programme
Despatch of definitive share certificates in respect of New Ordinary Shares to be issued in certificated form	Approximately one week after the date of the relevant Programme Admission
Latest date for New Ordinary Shares to be issued pursuant to the Placing Programme	On or around 10 February 2020

Notes:

1. References to time in this Circular are to London time.
2. If any of the above times or dates should change, the revised times and/or dates will be notified to Shareholders by an announcement on the Regulatory News Service of the London Stock Exchange.
3. If the General Meeting is adjourned, the Record Date of the adjourned General Meeting will be 48 hours before the time fixed for such adjourned General Meeting (not including any part of any day which is not a Business Day).
4. All events relating to the Placing Programme in the above timetable following the General Meeting are conditional upon approval by Shareholders of Resolutions 1 and 3 to be proposed at the General Meeting.

DEFINITIONS

The following definitions apply throughout this Circular unless the context otherwise requires:

Articles	the Company's articles of association;
Board or Directors	the board of directors of the Company as constituted from time to time;
Business Day	any day other than a Saturday, Sunday or bank holiday in England;
Careport	Careport Advisory Services Limited (and the subsidiaries within its group, including Mariposa Care Group Limited, and the associated brands used by the group), being a care home operator group to which certain Existing Portfolio assets are leased;
certificated or in certificated form	an Ordinary Share which is not in uncertificated form;
Circular	this document, including the Notice of General Meeting;
Company	Impact Healthcare REIT plc or, as the context may require, the Group;
CQC	the Care Quality Commission, the independent regulator of health and social care in England;
Credit Facility	the £50 million debt facility provided to the Company's indirect subsidiary, Impact Finance 1 Limited, pursuant to the Metro Bank Facility Agreement;
CREST	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
CREST member	a person who has been admitted by Euroclear as a system-member (as defined in the CREST Regulations);
CREST Regulations	Uncertificated Securities Regulations 2001 (SI 2001 No. 3755);
CREST sponsor	a CREST participant admitted to CREST as a CREST sponsor;
CREST sponsored member	a CREST member admitted to CREST as a sponsored member;
Croftwood	Croftwood Care Limited, a care home operator to which certain Existing Portfolio assets are leased;
Disclosure Guidance and Transparency Rules	the disclosure guidance and transparency rules made by the FCA under Part VI of the Financial Services and Markets Act 2000, as amended from time to time;
Euroclear	Euroclear UK & Ireland Limited;
Existing Portfolio	the portfolio of 73 care homes currently owned by the Group;
FCA	the Financial Conduct Authority;
Form of Proxy	the form of proxy enclosed with this Circular for use by Shareholders in connection with the General Meeting;
Framework Agreements	the framework agreements entered into between the Company and each of the Tenants (other than Welford, which is shortly expected to enter into such an agreement);
FSMA	the Financial Services and Markets Act 2000, as amended from time to time;
General Meeting	the general meeting of the Company to be held at 10.30 a.m. on 5 March 2019, or any adjournment thereof;
Group	the Company and each of its subsidiary undertakings from time to time;

Healthcare Real Estate Assets	care homes, assisted-living accommodation, occupational health and physiotherapy practices, pharmacies, dentists' and doctors' surgeries, medical facilities, hospitals, special care schools and other real estate assets predominantly leased to providers of healthcare services or supplies;
Investment Adviser	Impact Health Partners LLP;
Investment Manager	Carne Global AIFM Solutions (C.I.) Limited;
IPO	the initial public offering of Ordinary Shares, which completed on 7 March 2017;
Link Asset Services	a trading name of Link Market Services Limited;
London Stock Exchange	London Stock Exchange plc;
Main Market	the main market of the London Stock Exchange;
Metro Bank Facility Agreement	the facility agreement dated 15 June 2018 and made between (among others) Impact Finance 1 Limited and Metro Bank plc, as amended on 19 October 2018;
Minster	Minster Care Management Limited, a care home operator to which certain Existing Portfolio assets are leased;
Minster Topco	Minster Care Group Limited, the holding Company of Minster and Croftwood;
NAV or Net Asset Value	the net asset value of the Company;
New Ordinary Shares	the new Ordinary Shares to be issued in connection with the Placing Programme;
Official List	the official list of the FCA;
Ordinary Shares	the issued ordinary shares of £0.01 each in the capital of the Company;
Placing	a placing of New Ordinary Shares at the applicable Placing Programme Price pursuant to the Placing Programme;
Placing Agreement	the agreement to be dated on or around the date of the Prospectus between the Company, the Investment Adviser, Winterflood and RBC Capital Markets relating to the Placing Programme, details of which are set out in Section 5 of Part I of this Circular;
Placing Programme	the proposed programme of placings of up to 200 million New Ordinary Shares;
Placing Programme End Date	the date which is 12 months after the date of publication of the Prospectus or such earlier date as the Placing Programme may be terminated;
Placing Programme Price	the applicable price at which New Ordinary Shares will be issued under the Placing Programme, determined in accordance with Section 5 of Part I of this Circular;
Prestige	Prestige Care Group Holdings Limited, a care home operator to which certain Existing Portfolio assets are leased;
Programme Admission	each admission of New Ordinary Shares issued pursuant to a Placing to trading on the Main Market;
Prospectus	the prospectus to be published by the Company relating to the Placing Programme (including the appendix thereto);
Prospectus Rules	the prospectus rules made by the FCA under Part VI of the FSMA;
RBC Capital Markets	a trading name of RBC Europe Limited;
Record Date	the time by which Shareholders must be named on the Register to be entitled to attend or vote at the General Meeting;

Register	the Company's register of members;
Registrar	Link Market Services Limited;
Renaissance Care	Renaissance Care (Scotland) Limited, a care home operator to which certain Existing Portfolio assets are leased;
Restricted Jurisdiction	each of the member states of the EEA (other than the United Kingdom, the Republic of Ireland and the Netherlands), Australia, Canada, Japan, New Zealand, the Republic of South Africa, the United States and any other jurisdiction where the mailing of this Circular or accompanying documents or the Placing and/or Offer for Subscription into or inside such jurisdiction would constitute a violation of the laws of such jurisdiction;
Resolutions	the resolutions set out in the notice of the General Meeting set out in Part II of this Circular;
Seed Portfolio	the properties which were acquired by the Group on 4 May 2017 and Saffron Court, which was acquired by the Group on 29 June 2017;
Specialist Fund Segment	the Specialist Fund Segment of the London Stock Exchange's Main Market;
Shareholder	a holder of Ordinary Shares;
Tenant	any operator of, or service provider to Healthcare Real Estate Assets to which any assets which form part of the Existing Portfolio are leased;
uncertificated or in uncertificated form	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
United States or US	the United States of America, its territories and possessions;
Welford	Welford Healthcare Limited (which is a subsidiary of Linksmax Limited) and a care home operator to which certain Existing Portfolio assets are leased; and
Winterflood	Winterflood Securities Limited.

PART I
LETTER FROM THE CHAIRMAN
IMPACT HEALTHCARE REIT PLC
(Incorporated and registered in England No. 10464966)

Directors:

Rupert Barclay (Independent non-executive Chairman)
Rosemary Boot (Senior independent non-executive Director)
Philip Hall (Independent non-executive Director)
Paul Craig (Non-executive Director)

Registered and Head Office:

7th Floor
9 Berkeley Street
London
W1J 8DW

5 February 2019

Dear Shareholder

Notice of General Meeting and proposed placing programme of up to 200 million New Ordinary Shares

1. INTRODUCTION

The Board has today announced that:

- (i) it proposes to raise additional capital over the next twelve months pursuant to a Placing Programme; and
- (ii) the Company has applied to be admitted to the premium segment of the Official List and for the Ordinary Shares to be admitted to trading on the premium segment of the Main Market.

The Prospectus in connection with the Placing Programme is expected to be published shortly and the Company's investment policy, to which certain non-material amendments have been made in connection with the Company's admission to the Official List, is now available on the Company's website, www.impactreit.uk.

The Placing Programme is conditional on Shareholders' approval of Resolutions 1 and 3, which would (in addition to the existing authorities granted at the Company's last annual general meeting) grant the Board the authority to allot and issue up to 200 million New Ordinary Shares pursuant to the Placing Programme on a non-pre-emptive basis. New Ordinary Shares issued pursuant to the Placing Programme will only be issued at a premium to the prevailing NAV per Ordinary Share.

Each Placing under the Placing Programme will also be conditional on:

- (i) the applicable Placing Programme Price being determined by the Directors, Winterflood and RBC Capital Markets;
- (ii) Programme Admission occurring in respect of the relevant Placing; and
- (iii) to the extent required under the Prospectus Rules and the FSMA, a valid supplementary prospectus being published by the Company.

It is intended that the net proceeds of each Placing will be used to acquire additional properties in accordance with the Company's investment policy (which may include the acquisition of the pipeline assets described in paragraph 3 of this Circular) and to invest in organic growth opportunities in the Existing Portfolio (as described in paragraph 4 of this Circular).

The purpose of this Circular is to provide Shareholders with information about the background to and the reasons for the Placing Programme, and to explain why the Board considers the Placing Programme to be in the best interests of the Company and its Shareholders as a whole.

As well as seeking the authorities required in connection with the Placing Programme, the Resolutions to be proposed at the General Meeting will also seek Shareholders' consent to the use of electronic communications by the Company. Although the Company is permitted to use electronic communications pursuant to its Articles, it is also required to seek the consent of Shareholders pursuant to rule 6.1.8 of the Disclosure Guidance and Transparency Rules.

Further details of the Placing Programme and the Resolutions which will be proposed at the General Meeting are set out below.

2. COMPANY UPDATE

The Company was admitted to the Specialist Fund Segment on 7 March 2017 following its successful initial public offering raising its target gross process of £160 million. A subsequent 20 per cent. 'tap issue' in November 2017 raised £32.6 million in a significantly oversubscribed issue.

The net proceeds from these fundraisings have been used, alongside the Credit Facility, to acquire a portfolio of 73 care homes with a market value of £226.6 million and an annual contracted rent of £17.8 million, which, after deferred funding and capital commitments, reflects a contracted rental yield of 7.42 per cent. The Existing Portfolio is let to six Tenants¹, all of which are experienced care home operators.

The Company has also invested in its portfolio since launch, having approved investment of £15.4 million of improvements to add 188 beds to the Existing Portfolio, increasing the contracted rent by £1.3 million. To date, 96 of those beds have been completed.

The Company's unaudited Net Asset Value as at 31 December 2018 was £198.3 million reflecting 103.18 pence per share. The increase from 98 pence per share at launch has primarily been driven by increases in rent received as a result of uplifts in the Retail Prices Index and receivable from asset management activities. The Company has also delivered on its initial 6 pence per Ordinary Share annual dividend target, having paid or declared seven quarterly dividends of 1.5 pence per Ordinary Share since launch. The total EPRA NAV return since launch has been 14.2 per cent. to 31 December 2018 (7.9 per cent. annualised).

The Company has now invested or committed the majority of the net £240 million of equity and debt capital raised since its IPO in March 2017.

3. PIPELINE OPPORTUNITIES

The Investment Adviser, acting on behalf of the Company, is pursuing further potential investment opportunities that meet the Company's investment objective and policy, including both individual care homes and larger portfolios of Healthcare Real Estate Assets and including off-market assets identified through the Investment Adviser's extensive network of industry relationships. The Investment Adviser is currently engaged in various stages of negotiations on potential acquisitions with a total value in excess of £400 million.

The Investment Adviser is currently reviewing and consulting with the Board in respect of twelve potential near-term transactions, ranging from single care homes to a portfolio of 61 care homes. Solicitors have been instructed on four of these transactions, two of which could potentially exchange shortly after the first Programme Admission under the Placing Programme.

For the avoidance of doubt, there can be no guarantee the Company will pursue any or all of the potential investments currently under review. Further, there can be no assurance that these investments will remain available for purchase at the time the Company has net proceeds of any Placing to deploy. There may also be instances where alternative investments become available, which the Investment Adviser considers to offer a better combination of risk and return to the Group. The acquisition of any potential investments is subject, among other things, to: the approval of the AIFM; the Investment Adviser having completed due diligence to the Board's satisfaction; and to agreement having been reached with the relevant counterparty as to the terms of such acquisitions.

¹ The current Tenants are Careport, Croftwood, Minster, Prestige Renaissance Care and Welford. Croftwood and Minster are both subsidiaries of Minster Topco.

Potential pipeline opportunities

The negotiations referred to above relate to eleven smaller transactions, ranging from one home to thirteen homes, with an approximate aggregate transaction value of £280 million. If completed, these transactions would add 59 homes to the Existing Portfolio and nine new Tenants.

Transaction	Number of Homes	Location	New Tenant
A	1	South-West	No (Welford)
B	1 (plus two additional units which are Healthcare Real Estate Assets other than care homes)	North-West	Careport + new Tenant
C	4	North-East	Yes
D	2	South-East	Yes
E	9	North-West and North-East	Yes
F	3	National	Yes
G	7	National	Yes
H	10	National	Yes
I	13	South-East	Yes
J	8	South-East	Yes
K	1	North-East	No (Welford)

In addition, and as announced by the Company on 24 October 2018, the Investment Adviser conducted significant due diligence on behalf of the Company on, and held detailed negotiations relating to a share purchase agreement that was proposed to be entered into in connection with the potential acquisition of, a large portfolio of homes offering over 2,500 beds. This Transaction would only be implemented if the Company raised significant additional finance.

The total annual rent on this portfolio would be close to £12 million under the existing leases and its potential acquisition would be in-line with the Company's strategy of identifying portfolios that can provide both a strong level of income to support the Company's dividend and scope for asset management opportunities that are expected to create value. Based on the agreed acquisition price, the net initial yield for the portfolio would be in excess of 8 per cent.

4. ORGANIC GROWTH OPPORTUNITIES

The Company's investment objective is to seek 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 Assets. A key element of the Investment Adviser's strategy to deliver that objective is to identify assets with growth opportunities through asset management activities. The Investment Adviser has undertaken an assessment of the Existing Portfolio to determine where existing buildings can be converted, reconfigured or enhanced and where extensions can be made to existing properties, in each case, to add additional beds to the Existing Portfolio and/or improve the property. Opportunities have been identified to add over 500 beds to the Existing Portfolio where planning permission has been approved or is in progress, 63 of which are intended to be added to properties acquired after the Seed Portfolio.

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 a rental uplift of at least £1.3 million once these beds are operational. To date, 96 of these beds have been completed.

Home	Tenant	Capex (£m)	Beds added	Status	Description
Turnpike	Croftwood	0.92	25	Completed	Conversion of a closed supported living wing to new ensuite bedrooms
Littleport	Minster	2.17	21	Completed	Development of a new dementia unit
Ingersley	Croftwood	0.20	12	Completed	Conversion of a closed supported living wing to new ensuite bedrooms
Amberley, Craigend, Duncote Hall and Falcon	Minster	0.69	0	Ready to start	Enhancement of existing day space and ensuite facilities
Parkville II	Prestige	2.17 (estimated deferred payment)	38	Completed	Conversion of a closed building to a new dementia unit
Garswood	Croftwood	1.10	11	In development	Reconfiguration and extension of the property
Freeland	Minster	4.85	46	In development	Development of a new dementia unit
Diamond House	Minster	2.65	30	In development	Development of a new dementia unit
Loxley	Croftwood	0.60	5	Ready to start	Reconfiguration and extension of the property

The Investment Adviser is working closely with the Tenants to progress these identified opportunities for organic growth and to explore new asset management opportunities that will enhance the environment for residents and improve returns for both the Company and the relevant Tenant.

The asset management funding is provided either under formal forward funding arrangements set out in the Framework Agreement with the relevant Tenant or through deferred payment agreements:

- most of the existing leases within the Group are subject to a framework agreement which allows the Group to forward fund items of capital expenditure in return for an increased rent;
- under the forward funding arrangements, any amounts advanced to the relevant Tenant in connection with the capital expenditure programme will (subject to any rent-free period granted by the Group) be reflected in the increased rent payable on the property from an agreed effective date following completion of the works. The increased rent is calculated at 8 per cent. of the total capital improvement funding (adjusted upwards to compensate for the period between advance of funds and the effective date) as at the date of completion of the works;
- under the deferred payment arrangements, the relevant Tenant may serve notice on the Group for a suspension of rent payments for a specified period while it carries out the works. The suspended rent forms part of the total capital funding cost. The cost of such

capital funding is used to calculate an increase in the rent payable by the Tenant on completion of the Works based on a return of circa 8 per cent. per annum on the total capital funding costs.

5. DETAILS OF THE PLACING PROGRAMME

Number of New Ordinary Shares

The Company will issue up to 200 million New Ordinary Shares pursuant to the Placing Programme. The total number of New Ordinary Shares issued under the Placing Programme will be determined by the Company, Winterflood, RBC Capital Markets, the Investment Manager and the Investment Adviser after taking into account demand for the New Ordinary Shares.

The number of New Ordinary Shares available under the Placing Programme is intended to provide flexibility and should not be taken as an indication of the number of Shares to be issued. Any issues of New Ordinary Shares under the Placing Programme will be notified by the Company through an RNS announcement prior to each Programme Admission.

Placing Programme Price

The Placing Programme Price for each Placing will be determined by the Directors, Winterflood and RBC Capital Markets by reference to the prevailing market conditions at the time of each Placing at a premium to the prevailing NAV per Ordinary Share at that time.

Effect of the Placing Programme on existing share capital

If 200 million New Ordinary Shares are issued pursuant to the Placing Programme, and existing Shareholders do not subscribe for Shares in the Placing Programme, there would be a dilution of approximately 51 per cent. in the voting control of existing Shareholders immediately following the end of the Placing Programme.

The Placing Programme is not being underwritten. The Company does not currently hold any Ordinary Shares in treasury.

The Placing Agreement

Pursuant to the terms of the Placing Agreement, Winterflood and RBC Capital Markets have each conditionally agreed to use their respective reasonable endeavours, as agent for the Company, to place the New Ordinary Shares at the applicable Placing Programme Price for each Placing with certain institutional and other investors. The Placing Agreement is conditional upon, *inter alia*, Resolution 1 and 3 being duly passed at the General Meeting.

The Placing Agreement contains warranties from the Company and the Investment Adviser in favour of Winterflood and RBC Capital Markets in relation to, *inter alia*, the accuracy of the information contained in the Prospectus. In addition, the Company has agreed to indemnify each of Winterflood and RBC Capital Markets in relation to certain liabilities they incur in respect of the Placing Programme. Each of Winterflood and RBC Capital Markets has the right to terminate the Placing Agreement in certain circumstances prior to the Placing Programme End Date, in particular, for *force majeure* (for example, a material change in national or international financial, political, economic or stock market conditions) or in the event of a material breach of the warranties set out in the Placing Agreement.

General

The Placing Programme will be non-pre-emptive and launched immediately following publication of the Prospectus (although no New Ordinary Shares will be issued in the event that Resolutions 1 and 3 are not passed at the General Meeting).

The Placing Programme timetable, including timing of the closing of each Placing, is subject to change at the discretion of the Company, Winterflood and RBC Capital Markets.

The New Ordinary Shares will, when issued, be subject to the Company's Articles. They will be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares in issue in the capital of the Company, including the right to receive all future dividends and distributions declared, made or paid on or in respect of such Ordinary Shares where the record date falls after the date of issue of the New Ordinary Shares.

New Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST following the relevant Programme Admission. Prior to the despatch of definitive share certificates in respect of any New Ordinary Shares which are held in certificated form, transfers of those New Ordinary Shares will be certified against the register of members of the Company. No temporary documents of title will be issued.

Admission

Following the Company's announcement earlier today in respect of the Company's proposed admission to the Official List and the admission of the Ordinary Shares to listing on the premium segment of the Official List and to trading on the Main Market, application will be made for the New Ordinary Shares to be admitted to trading on the Main Market. The New Ordinary Shares are not listed or traded on, and no application has been made, or will be made, for the admission of the New Ordinary Shares to listing or trading on, any other stock exchange or securities market.

6. RISKS ASSOCIATED WITH THE PLACING PROGRAMME

The risks associated with an investment in the Company and its investment strategy will be set out in full in the Prospectus.

For existing Shareholders however, there are particular risks associated with the authorities sought by the Company as outlined in this Circular. These are as follows:

The Company intends to issue New Ordinary Shares on a non-pre-emptive basis, which will dilute Shareholders' equity

If Resolutions 1 and 3 are passed, the Company expects to issue New Ordinary Shares on a non-pre-emptive basis. Existing holders of Ordinary Shares will, if they are not able to participate in the relevant issue *pro rata* to their existing holdings or at all, have the percentage of voting and economic rights they hold in the Company diluted.

Market conditions may delay or prevent the Company from making appropriate investments that generate attractive returns

The Company's investment objective requires it to invest in a portfolio of Healthcare Real Estate Assets, which (other than the Existing Portfolio) may not be available on the terms required to generate target returns (including the Company's annual dividend target), or at all. Market conditions may also restrict availability and have a generally negative impact on the Company's ability to identify and execute investments in suitable assets that might generate acceptable returns.

To the extent that there is a delay in making investments while the Company has capital available to deploy (including the net proceeds of any placing under the Placing Programme), the Company's returns will be reduced.

The market price of the Ordinary Shares may fluctuate widely in response to different factors, including the issue of New Ordinary Shares under the Placing Programme and there can be no assurance that the Ordinary Shares will be repurchased by the Company even if they trade at a price materially below their Net Asset Value

The market price of the Ordinary Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, amongst other things, additional issuances or future sales of the Company's shares or other securities exchangeable for, or convertible into, its Ordinary Shares in the future, the addition or departure of Board members or key individuals at the Investment Adviser, the operational or financial performance and/or creditworthiness of underlying Tenants, sanctions imposed on Tenants by the CQC (or its equivalents in Wales or Scotland) or any local authority, availability of local authority funding, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the Company or any of its assets or the healthcare real estate sector, a perception that other market sectors may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes affecting real estate investment trusts or investments in Healthcare Real Estate Assets and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and

this, in addition to general economic, political and other conditions, may materially adversely affect the market price for the Ordinary Shares. The market value of the Ordinary Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Ordinary Shares.

The Company has authority to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue as at 26 March 2018, being 28,811,804 Ordinary Shares (and the Directors intend to seek annual (or, if required, more frequent) renewal of this authority from Shareholders) and subject to the requirements of the Companies Act, the Articles and other applicable legislation, the Company may thus purchase Ordinary Shares in the market at a price below Net Asset Value per Ordinary Share with the intention of, amongst other things, enhancing the Net Asset Value per Ordinary Share. The Company may decide to make any such purchases (and the timing of such purchases), however, at the absolute discretion of the Directors. There can be no assurance that any purchases will take place or that any purchases will have the effect of narrowing any discount to Net Asset Value at which the Ordinary Shares may trade.

7. THE GENERAL MEETING

In order to implement the Placing Programme, the General Meeting will be held at the offices of Impact Health Partners LLP, Heddon House, 149-151 Regent Street, London, W1B 4JD, at 10.30 a.m. on 5 March 2019, at which the Resolutions will be proposed.

Resolution 1

Resolution 1 will, if passed, grant the Directors the authority to allot up to 200 million Ordinary Shares in connection with the Placing Programme. The authority granted by this Resolution is in addition to the Directors' existing authority to allot (in aggregate) up to 38,441,366 Ordinary Shares (which was granted at the Company's last annual general meeting) and will lapse on the Placing Programme End Date.

Resolution 1 is an ordinary resolution. This means that, for Resolution 1 to be passed, a majority of the votes cast in person or by proxy must be in favour.

Resolution 2

Resolution 2 seeks to allow the Company to take advantage of the electronic communications rules in the Companies Act 2006 and the Disclosure Guidance and Transparency Rules.

If passed, Resolution 2 would allow the Company to use electronic communications with shareholders as the default position, by placing documents such as its annual report on a website rather than having to send it in hard copy. The Company will notify Shareholders, by post or email if they have provided an email address, that a document is available on the website. Shareholders will be entitled, however, to request a hard copy document at any time.

In anticipation of Resolution 2 being passed, enclosed with this circular is a letter requesting the consent of individual Shareholders to receive communications via the website, or other electronic means. The request applies to all documents published or sent by the Company, including annual reports, notices of general meetings and any documents required to be sent to Shareholders pursuant to the Articles. A Shareholder who does not respond to this letter within 28 days of receipt will be deemed to have consented to the use of the website and receiving documents via electronic means.

If Resolution 2 is passed, the new arrangements will result in administrative, printing and postage savings for the Company, while nevertheless preserving Shareholders' rights to receive hard copy documents if they wish.

Resolution 2 is an ordinary resolution. This means that, for Resolution 2 to be passed, a majority of the votes cast in person or by proxy must be in favour.

Resolution 3

Resolution 3 will, if passed, grant the Directors the authority to allot the New Ordinary Shares, over which they were granted authority pursuant to Resolution 1, for cash on a non-pre-emptive basis. Resolution 3 is conditional on Resolution 1 being passed and is in addition to

the Directors' existing authority to allot (in aggregate) up to 38,441,366 Ordinary Shares for cash on a non-pre-emptive basis (which was granted at the Company's last annual general meeting).

The Directors do not intend to exercise any authority granted by Resolution 3 to issue Ordinary Shares at an issue price below the Company's last published NAV.

Resolution 3 is a special resolution. This means that, for Resolution 3 to be passed, at least three-quarters of the votes cast in person or by proxy must be in favour.

Record date and time

Each Shareholder registered on the Register at close of business on 1 March 2019 is entitled to vote on the Resolutions.

Notice and Form of Proxy

Notice of the General Meeting is set out at the end of this Circular. A Form of Proxy for use at the General Meeting is enclosed with this Circular.

8. ACTION TO BE TAKEN

Action to be taken in respect of the General Meeting

Shareholders will find enclosed with this Circular a Form of Proxy for use in connection with the General Meeting. Whether or not you intend to be present at the General Meeting, you are requested to complete and return the Form of Proxy (together with any power of attorney under which it is executed) in accordance with the instructions printed on the Form of Proxy, so as to reach the Company's registrars, Link Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU as soon as possible and in any event not later than 10.30 a.m. on 1 March 2019.

Completion and return of a Form of Proxy will not, however, prevent you from attending the General Meeting and voting in person if you should wish to do so.

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. In order to be valid, the message must be transmitted so as to be received by the issuer's agent (ID RA10) by 10.30 a.m. on 1 March 2019. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

9. RECOMMENDATION

The Board unanimously considers that the Placing Programme 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.

If you are in any doubt as to the action you should take, you are recommended to seek your own independent advice.

Yours faithfully

Rupert Barclay
Chairman

PART II
NOTICE OF GENERAL MEETING
IMPACT HEALTHCARE REIT PLC

Incorporated and registered in England and Wales under number 10464966 (the “Company”)

NOTICE IS HEREBY GIVEN that a General Meeting of the Company will be held at the offices of Impact Health Partners LLP, Heddon House, 149-151 Regent Street, London, W1B 4JD at 10.30 a.m. on 5 March 2019. You will be asked to consider and, if thought fit, to pass the following resolutions. Resolutions 1 and 2 will be proposed as ordinary resolutions and Resolution 3 will be proposed as a special resolution.

Ordinary Resolutions:

1. THAT, in addition to all existing authorities, the Directors of the Company be and are hereby generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “**Act**”) to exercise all the powers of the Company to allot new ordinary shares in the Company and to grant rights to subscribe for, or to convert any security into, ordinary shares in the capital of the Company pursuant to the placing programme (the “**Placing Programme**”) described in the circular to shareholders of the Company dated 5 February 2019 (the “**Circular**”) (the “**New Ordinary Shares**”), up to an aggregate nominal value of £2 million provided that this authority shall expire on the date falling twelve months after publication by the Company of the prospectus described in the Circular (the “**Prospectus**”), or, if earlier, on the date on which the Placing Programme is terminated, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require the New Ordinary Shares to be allotted after the expiry of such authority; and the Directors may allot New Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.
2. THAT the Company be authorised, subject to and in accordance with the provisions of the Act, to send, convey or supply all types of notices, documents or information to Shareholders by electronic means, including making such notices, documents or information available on a website.

Special Resolution:

3. THAT, subject to the passing of Resolution 1 above, the Directors be and are hereby generally unconditionally authorised in accordance with sections 570 to 573 of the Act to allot the New Ordinary Shares for cash pursuant to the authority referred to in Resolution 1 above as if section 561 of the Act did not apply to any such allotment provided that this authority shall (i) be limited to the allotment for cash of New Ordinary Shares equal to a maximum nominal value of an aggregate nominal value of £2 million; and (ii) expire on the date falling twelve months after publication by the Company of the Prospectus, or, if earlier, on the date on which the Placing Programme is terminated, save that the Company may, prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Shares to be allotted after the expiry of such authority; and the Directors may allot New Ordinary Shares in pursuance of such an offer or agreement as if such authority had not expired.

BY ORDER OF THE BOARD

Date: 5 February 2019

Company Secretary: JTC (UK) Limited

Registered Office: 7th Floor, 9 Berkeley Street, London WC1N 8DW

EXPLANATORY NOTES

Rights to appoint a proxy

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the General Meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company.
2. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact Link Asset Services on +44 (0)371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

Procedure for appointing a proxy

3. To be valid, the Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand to Link Asset Services at PXS, 34 Beckenham Road, Beckenham, BR3 4TU no later than 10.30 a.m. on 1 March 2019. It should be accompanied by the power of attorney or other authority (if any) under which it is signed or a copy certified by a notary of such power or authority.
4. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 12 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.

Changing or revoking proxy instructions

5. To change your proxy instructions, simply submit a new Form of Proxy. Any amended Form of Proxy must be received no later than the time referred to in Note 3 above.
6. If you have appointed a proxy using the hard copy Form of Proxy and would like to change the instructions using another hard-copy Form of Proxy, please contact Link Asset Services on +44 (0)371 664 0300. Calls cost 12p per minute plus your phone company's access charge. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9 a.m. – 5.30 p.m., Monday to Friday excluding public holidays in England and Wales. Please note that Link Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.
7. If you submit more than one valid Form of Proxy in respect of the same share for the purposes of the same meeting, the Form of Proxy last delivered or received shall prevail in conferring authority on the person named in it to attend the General Meeting and speak and vote.
8. In order to revoke a proxy instruction you will need to inform the Company by sending notice in writing clearly stating your intention to revoke your proxy appointment to the address referred to in Note 3 (accompanied by the power of attorney or other authority (if any) under which the revocation notice is signed or a copy certified by a notary of such power or authority). The revocation notice must be received no later than 10.30 a.m. on 1 March 2019.
9. In the case of a shareholder which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.
10. If you attempt to revoke your proxy appointment but the revocation is received after the time specified above then your proxy appointment will remain valid.

CREST proxy appointments

11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
12. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer’s agent (ID RA10) by 10.30 a.m. on 1 March 2019. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer’s agent is able to retrieve the message by enquiry to Euroclear in the manner prescribed by Euroclear. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
13. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The CREST Manual can be reviewed at www.euroclear.com/CREST.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Corporate representatives

15. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.

Nominated persons

16. Any person to whom this notice is sent who is a person nominated under section 146 of the Act to enjoy information rights (a “**Nominated Person**”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
17. The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1, 2 and 11 above does not apply to Nominated Persons. The rights described in those Notes can only be exercised by shareholders of the Company.

Record Date

18. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company at close of business on 1 March 2019. If the General Meeting is adjourned, the time by which a person must be entered on the register of members of the Company in order to have the right to attend and vote at the adjourned General Meeting is 48 hours (not counting any part of a day that is not a Business Day)

before the time fixed for the adjourned General Meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the General Meeting.

Total Voting Rights

19. As at 4 February 2019 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 192,206,831 ordinary shares of one pence each, carrying one vote each. Therefore, the total voting rights in the Company as at 4 February 2019 were 192,206,831. As at 4 February 2019, the Company held no Ordinary Shares in treasury.

Publication on website

20. A copy of this notice, 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>.

Other rights of shareholders

21. Any shareholder attending the General Meeting has the right to ask questions. The Company must cause to be answered any such questions relating to the business being dealt with at the General Meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the General Meeting or involve the disclosure of confidential information, (ii) the answer has already been given on the website in the form of an answer to a question, or (iii) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered.

Communications

22. Except as provided above, members who have general enquiries about the General Meeting should telephone Link Asset Services on 0871 664 0300. Calls cost 12p per minute plus your phone company's access charge. If you are outside of the United Kingdom, please call +44 371 664 0300. Calls outside the United Kingdom will be charged at the applicable international rate. We are open between 9.00 a.m. and 5.30 p.m., Monday to Friday, excluding public holidays in England and Wales. No other methods of communication will be accepted.
23. You may not use any electronic address provided in this notice of General Meeting, or in any related documents (including the Circular and proxy form) for communicating with the Company for any purposes other than those expressly stated.

