

Acquisition

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Impact Healthcare REIT PLC
02 May 2019

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2 May 2019

Impact Healthcare REIT plc

("Impact" or 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 residential care homes, is pleased to announce that the Group has acquired four care homes and added a high-quality new tenant. The net purchase price is £21.0 million, reflecting a net initial yield of 7.4%.

The four homes are being acquired from subsidiaries of the Maria Mallaband and Countrywide Group ("MMCG") in a sale and leaseback transaction. MMCG will continue to operate the homes after completion. The four homes have a combined total of 296 elderly care beds, of which 270 are currently in operation. MMCG is a top-10 operator of care homes across the UK, with the group comprising 82 homes.

One home, Belmont House, is located in Harrogate. Opening in 2007, it has 100 beds, all of which have en suite bathrooms. The other three homes are in Scotland. Wallace View in Stirling opened in 2004 and has 60 beds, while Parksprings in Motherwell opened in 1997. It currently operates 70 beds and is bringing a further 26 beds into operation this year. All of the bedrooms in each home are en suite. Thorntree Mews is an attractive converted period building in Falkirk with a modern extension offering a total of 40 beds, over two thirds of which are en suite.

There is a potential asset management opportunity at Parksprings to convert a unit formerly leased to the NHS, which is currently mothballed, into a complex care unit.

The homes are now on new leases that have fixed 25-year terms with no break clauses and will be operated as part of MMCG's Countrywide portfolio. The rents receivable under the leases will be subject to annual upward-only rent reviews linked to the Retail Prices Index, with a floor of 2% p.a. and a cap of 4% p.a. MMCG has committed to a minimum annual expenditure on the maintenance of the homes.

This investment comprises one of the six target transactions that the Company included in its announcement on 15 April 2019 and will be funded from the Group's current debt facilities.

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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 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 eight quarterly dividends of 1.50 pence per share or greater 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.

The Group's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, premium fund segment, on 8 February 2019.

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