

Acquisition

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Impact Healthcare REIT PLC
13 August 2019

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Impact Healthcare REIT plc

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

ACQUISITION

The board of Directors (the "**Board**") 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 two care homes and added a high-quality new tenant. The net purchase price is £12.9 million. The initial rent will be £950,000.

Baylham Care Centre is a 55-bed purpose-built care home, which is currently rated Outstanding by the Care Quality Commission (CQC). Barham Care Centre is a 43-bed care home, which is rated Good by CQC. Both homes are near Ipswich.

The homes will be leased to a new operator for the Group, Optima Care ("**Optima**"), our ninth tenant¹. Optima is a specialist health and social care provider with experience in operating residential dementia care homes for the elderly. Founded in 2004, Optima has built an excellent reputation for providing high quality specialist care, support and services. The two new leases are on Impact's standard terms, with a fixed term of 25 years and rent subject to annual upward-only reviews linked to the Retail Prices Index, with a floor of 2% p.a. and a cap of 4% p.a. Optima has committed to a minimum annual expenditure on the maintenance of the homes.

Barham was extended in 2017, when 17 bedrooms were added. There is a further asset management opportunity to extend the home through building 21 new bedrooms with full bathrooms, while removing 11 bedrooms in an existing single storey extension, adding a net 10 bedrooms to the home.

This investment comprises one of the six target transactions that the Company included in its announcement on 15 April 2019.

The acquisition is in line with the Group's investment criteria and returns profile.

The Group has agreed exclusivity on a number of further acquisitions and continues to evaluate a strong pipeline of potential investment opportunities and expects to announce further acquisitions shortly.

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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 Company's intention is to pay a target dividend of 6.17 pence per share for the year to 31 December 2019².

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 segment, on 8 February 2019. The Company is a constituent of the FTSE EPRA/NAREIT index.

¹ Minster and Croftwood (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance, Welford, Maria Mallaband Countrywide Group, NHS Cumbria and Optima.

² 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.

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