

Proposed Placing Of Ordinary Shares

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Impact Healthcare REIT PLC

06 April 2021

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This Announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014. Upon the publication of this Announcement, this inside information is now considered to be in the public domain.

6 April 2021

IMPACT HEALTHCARE REIT PLC

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

Proposed Placing of Ordinary Shares

The board of Directors of Impact Healthcare REIT plc (ticker: IHR) (the "**Board**"), the real estate investment trust which provides investors with exposure to a diversified portfolio of UK healthcare real estate assets, in particular care homes, today announces its intention to raise targeted gross proceeds of approximately £50 million by way of a placing (the "**Placing**") of new ordinary shares ("**New Ordinary Shares**" or "**Shares**" or the "**Issue**").

Key Highlights

- The price of the Issue will be 111.5 pence per Share (the "**Issue Price**"), which represents a discount of 2.5% to the closing price per Share of 114.4 pence on 1 April 2021 (being the last business day prior to the date of this announcement).
- The Issue Price represents a premium of 1.8% to the net asset value ("**NAV**") per Share of 109.58 pence as at 31 December 2020.
- The net proceeds of the Placing will enable the Company to repay amounts drawn under its revolving credit facilities and to fund new investments in line with its investment policy, which are expected to deliver further value for its shareholders.
- The immediate use of proceeds will be to reduce drawn down debt. Assuming the Placing raises £50 million, the loan to value ratio ("**LTV**") of the Group would be reduced to circa 10%, from 17.8% (as at 31 December 2020). The Group would then have £100 million of cash and undrawn debt facilities to finance acquisitions and asset management opportunities.
- The Investment Manager, on behalf of the Company, has identified a near-term pipeline of potential investments, which total approximately £200 million including expected costs and a longer term pipeline in excess of £150 million. The target investments are managed by high-quality operators, are well-maintained and offer the Company attractive levels of rent cover and a blended net initial yield in line with previous acquisitions the Company has made. The near-term pipeline comprises 52 homes and could potentially add four new tenants to the Group.
- Each of these transactions, which would be subject to Board approval, would further diversify the Company's portfolio and tenant mix and enhance value to shareholders.
- The leases to be put in place on all potential new acquisitions will be consistent with those on the Company's existing portfolio, with fixed terms of not less than 20 years and an annual, upwards-only inflation adjustment at RPI. The new leases will include a requirement for the tenants to implement an energy management system and monitor energy usage as part of the Company's requirement for environmental performance measures that form part of the Company's ESG policy.
- By mid-February 2021, residents at 100% of the Group's care homes had been offered the first dose of a COVID-19 vaccination, and as at 25 March 2021 residents at 80% of the Group's care homes had been offered their second dose. The Group received 100% of its rent due in 2020 on time. This level of rent collection has continued into Q1 2021. The average weekly fees charged by the Group's tenants have grown each quarter throughout 2020 and the tenants' average rent cover was 1.77 times in 2020, down slightly from 1.82 times in 2019.
- The Group works closely with all its tenants as they continue to provide an essential service to the communities in which they operate. The Company remains a business focused on the longer term and its healthcare real estate portfolio continues to provide crucial social care infrastructure supporting vulnerable elderly people across the UK. The Board remains confident that, despite the short-term uncertainty produced by the pandemic, the fundamental drivers of the Group's market and business remain strong and sustainable over the long term. Further details about the Group's operational and financial performance and the impact of the COVID-19 pandemic can be found in the Group's Annual Report for 2020 published on 29 March 2021.
- The target total dividend for the year ending 31 December 2021 is 6.41 pence per share¹, a 1.91% increase over the 6.29 pence in dividends paid per Ordinary Share for the year ended 31 December 2020.
- The Placing is available to qualifying new and existing investors and will be launched immediately following the release of this announcement.
- The Placing is expected to close at 2.00 p.m. on 29 April 2021 and the results of the Placing are expected to be announced on 30 April 2021.

- The New Ordinary Shares will rank *pari passu* with the existing Ordinary Shares in the capital of the Company and will be eligible to receive all future dividends and distributions declared, made or paid after the closing date of the Placing.
- Winterflood Securities Limited ("**Winterflood**") and RBC Capital Markets ("**RBC**") are acting for the Company in relation to the Placing.
- The Board reserves the right to increase the size of the Placing, subject to, *inter alia*, investor demand, the near-term availability of attractive investment opportunities and the projected financial position of the Company after the fundraising. The maximum number of New Ordinary Shares to be issued is 63,790,772. It may be necessary to scale back applications under the Placing if the number of applications exceeds the number of Shares available under the Placing. In such event, Placing Shares will be allocated at the discretion of the Company (in consultation with Winterflood and RBC).

Rupert Barclay, Chairman of Impact Healthcare REIT plc, commented:

"The Board is pleased that substantially all of our care homes' residents have received the first dose of a COVID-19 vaccination, and residents at 80% of the Group's care homes had been offered their second dose. On average our tenants sustained their underlying financial performance during 2020 and are hopeful that their occupancy will start to recover during 2021. We achieved 100% rent collection for 2020, which has continued through Q1 2021, underlining the critical nature of the Company's assets and the high-quality care that our tenants continue to provide for their residents during these challenging times.

The Placing will enable the Company to capitalise on its pipeline of attractive, near-term opportunities, which are expected to deliver further value for our shareholders at the same time as maintaining a strong balance sheet."

Applications will be made to the Financial Conduct Authority for admission of the New Ordinary Shares to the premium segment of the Official List and to the London Stock Exchange for admission to trading of the New Ordinary Shares on its main market for listed securities ("**Admission**"). It is expected that Admission will become effective on 6 May 2021 and that dealings in the New Ordinary Shares will commence at that time.

Background to, and reasons for, the Placing

In March 2020, as the first wave of the pandemic began, the Group suspended new acquisition activity. From September 2020, the Investment Manager re-engaged, on a selective and disciplined basis, with potential acquisitions which are in line with the Group's investment criteria, and which have demonstrated a high level of resilience during the first and current wave of the pandemic.

Since IPO in March 2017, the Company has built a diversified portfolio of 109 healthcare properties across the UK, of which 107 are care homes let to 11 tenants² on fixed-term leases of 20 to 25 years (no break clauses), subject to annual upward-only Retail Price Index-linked rent reviews (with a floor and cap at 2% p.a. and 4% p.a., respectively on 98 leases, and 1% p.a. and 5% p.a. on nine). In addition, the Group owns two healthcare facilities leased to the NHS. In total, the Group today has 12 tenants² across its portfolio.

Rent cover across the portfolio for 2020 was 1.77 times, almost the same level as 2019 as our tenants benefited from strong like-for-like fee increases as well as government support measures. The Company remained in a strong financial position at the year end with £8 million of cash as at 31 December 2020 and £76.4 million of borrowings. It has since drawn a further £20 million and currently has in excess of £20 million of cash on its balance sheet.

The Group's rent roll has continued to grow sustainably. Cash rent received in 2019 was £19.1 million. That grew to £25.9 million in 2020, with 79% paid quarterly in advance and the rest paid monthly in advance.

At 31 March 2021, the portfolio had an annualised contracted rent roll of £31.7 million and a weighted average unexpired lease term of 20.0 years. 100% of the Group's leases are inflation linked. During the year to 31 December 2020, the Group received a total increase in rent from RPI uplifts of £483,826.

At the beginning of 2019, the Company introduced a progressive dividend policy under which it seeks to grow its 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 2021 is 6.41 pence per Share¹, a 1.91% increase over the 6.29 pence in dividends paid per Share for the year ended 31 December 2020.

NAV total return for the year ended 31 December 2020 was 8.46%, composed of dividends paid in the year and 2.77 pence per share growth in NAV. The Company continues to target an average NAV total return of 9% per annum over the medium and longer term¹.

The net proceeds of the Placing will enable the Company to repay amounts drawn under its revolving credit facilities and to fund new investments in line with its investment policy, which are expected to deliver further value for its shareholders. Assuming the Placing raises £50 million and proceeds are initially used to reduce drawn debt, the Group's LTV would be reduced to approximately 10% from 17.8% (as at 31 December 2020).

The Investment Manager, on behalf of the Company, has identified a near-term pipeline of potential investments, which total approximately £200 million including expected costs, and are managed by high-quality operators. Each of these acquisitions, which would be subject to Board approval, would diversify further the Group's portfolio and tenant mix and further enhance value to shareholders.

The leases to be put in place on all potential new acquisitions will be consistent with those on the Company's existing portfolio, with fixed terms of not less than 20 years and an annual, upwards-only inflation adjustment at RPI. The new leases will include a requirement for the tenants to implement an energy management system and monitor energy usage as part of the Company's requirement for environmental performance measures that form part of the Company's ESG policy.

The Company has established a good track record of sourcing high-quality assets in advance of its fund raises and efficiently executing acquisitions afterwards.

Benefits of the Placing

The Directors believe that the continued growth of the Group's asset portfolio facilitated by the proceeds of the Placing will:

- allow the Company to make selective acquisitions from its extensive pipeline in an attractive market;
- be accretive to the Company's earnings once the net proceeds are fully invested;
- further enhance the quality of the portfolio and increase the level of income diversification;
- present more opportunities for active asset management;
- improve operational efficiency and cost ratios;
- enable the Company to maintain a strong balance sheet; and
- potentially broaden the investor base and increase liquidity in the Shares.

Further information on the Placing

The New Ordinary Shares are being offered to investors pursuant to the authority granted at the Company's annual general meeting held on 18 June 2020. The Issue Price per New Ordinary Share under the Placing will be 111.5 pence, which represents a discount of 2.5% to the closing price per Share on 1 April 2021 (being the last business day prior to this announcement) and a premium of 1.8% to the NAV per Share of 109.58 pence as at 31 December 2020.

The Placing is available to qualifying new and existing investors and will be launched immediately following the release of this announcement (being together with the appendix, the "**Announcement**"), in accordance with the terms and conditions set out in the appendix to this Announcement (the "**Appendix**").

The Company is targeting an Issue to raise of approximately £50 million, however, the Board reserves the right to increase the size of the Placing, subject to, *inter alia*, investor demand, the near-term availability of attractive investment opportunities and the projected financial position of the Company after the fundraising. It may be necessary to scale back applications under the Placing if the number of applications exceeds the number of Shares available under the Placing. In such event, Placing Shares will be allocated at the discretion of the Company (in consultation with Winterflood and RBC).

The Placing is expected to close at 2.00 p.m. on 29 April 2021 and the results of the Placing are expected to be announced on 30 April 2021.

Applications will be made to the Financial Conduct Authority for admission of the New Ordinary Shares to the premium segment of the Official List and to the London Stock Exchange for admission to trading of the New Ordinary Shares on its main market for listed securities ("**Admission**"). It is expected that Admission will become effective on 6 May 2021 and that dealings in the New Ordinary Shares will commence at that time.

The New Ordinary Shares will, when issued, be credited as fully paid and rank *pari passu* with the existing Ordinary Shares in the capital of the Company, including the right to receive all future dividends and distributions declared, made or paid after Admission.

The Placing is conditional upon, *inter alia*, Admission becoming effective not later than 8.00 a.m. (London time) on 6 May 2021 (or such later time and/or date as Winterflood and RBC may agree with the Company) and the Placing Agreement dated 6 April 2021 between the Company, Winterflood and RBC (the "**Placing Agreement**") not being terminated in accordance with its terms.

By choosing to participate in the Placing and by making an oral and legally binding offer to subscribe for Placing Shares, investors will be deemed to have read and understood this Announcement (including the Appendix), in its entirety and to be making such offer on the terms and subject to the conditions in this Announcement, and to be providing the representations, warranties and acknowledgements contained in the Appendix.

Your attention is drawn to the detailed Terms and Conditions of the Placing set out in the Appendix (which forms part of this Announcement).

Notes:

1 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.

2 Minster and Croftwood (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance, Welford, Maria Mallaband Countrywide Group, NHS Cumbria, Optima, Holmes Care, Silverline and Electus Healthcare.

FOR FURTHER INFORMATION PLEASE CONTACT:

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The Company's LEI is: 213800AX3FHPMJL4IJ53.

A copy of this announcement will be available on the Company's website at <https://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 care homes for the elderly. 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 has a progressive dividend policy with a target to grow its annual aggregate 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.

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 Placing and Admission described in this announcement.

Winterflood, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, and RBC, which is authorised by the Prudential Regulation Authority and authorised and regulated in the United Kingdom by the Financial Conduct Authority, are each acting exclusively for the Company and for no one else in relation to the matters described in this Announcement. Persons receiving this Announcement should note that neither Winterflood nor RBC will be responsible to anyone other than the Company for providing the protections afforded to its customers, or for advising any other person on the arrangements described in this Announcement.

Neither Winterflood nor RBC have authorised the contents of, or any part of, this Announcement and no liability whatsoever is accepted by either Winterflood or RBC for the accuracy of any information or opinions contained in this Announcement or for the omission of any information. No representation or warranty, express or implied, is made by either Winterflood or RBC as to the accuracy, completeness or verification of the information set out in this Announcement, and nothing contained in this Announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. Neither Winterflood nor RBC assume any responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of this Announcement or any such statement.

If you are in any doubt about the contents of this Announcement you should consult your accountant, legal or professional adviser or financial adviser. It should be remembered that the price of securities and the income from them can go up as well as down. The Placing will, subject to the discretion of the Company and to the extent permitted by applicable law and regulation, only be available to investors who are resident in the United Kingdom. In the United Kingdom, members of the public are not invited to participate in and are not eligible to take part in the Placing. Participation in the Placing is limited at all times to persons who are: (i) investment professionals within the meaning of paragraph (5) of Article 19, certified high net worth individuals within the meaning of paragraph (2) of Article 48 or high net worth companies or unincorporated associations within the meaning of paragraph (2) of Article 49, of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (SI 2005/1529); and (ii) qualified investors within the meaning of the UK version of Regulation (EU) 2017/1129 as amended from time to time (the "**EU Prospectus Regulation**") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Prospective Regulation**") and the EU Prospectus Regulation (all such persons together being referred to as "relevant persons"). Any person who is not a relevant person should not act or rely on this Announcement or any of its contents.

Any investment, or investment activity to which this Announcement relates, is available in the United Kingdom to relevant persons only and will be engaged in only with relevant persons. By receiving this Announcement, you are deemed to warrant to the Company, Winterflood and RBC that you fall within the categories of person described above. No ordinary shares in the capital of the Company have been offered or sold or will be offered or sold to persons in the United Kingdom prior to publication of this Announcement except in circumstances which have not resulted in an offer to the public in the United Kingdom within the meaning of section 102B of the Financial Services and Markets Act 2000, as amended.

This Announcement must not be acted on or relied upon by any person in any member state of the EEA.

This Announcement has been prepared on the basis that all offers of New Ordinary Shares will be made pursuant to any exemption under the UK Prospectus Regulation and/or the EU Prospectus Regulation (as applicable) from the requirement to produce a prospectus for offers of New Ordinary Shares. Accordingly, any person making or intending to make any offer within the United Kingdom or the EEA of or for ordinary shares in the capital of the Company which are not the subject of the Placing contemplated in this Announcement should only do so in circumstances in which no obligation arises for the Company, Winterflood or RBC to produce a prospectus. Neither the Company, Winterflood nor RBC have authorised, nor do they authorise, the making of any offer of ordinary shares through any financial intermediary, other than offers made by Winterflood or RBC which constitute the final placement of New Ordinary Shares contemplated in this Announcement.

In the case of any New Ordinary Shares being offered to a financial intermediary as that term is used and defined in the UK Prospectus Regulation and/or EU Prospectus Regulation (as applicable), such financial intermediary will also be deemed to have represented, acknowledged and agreed that the New Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances

which may give rise to an offer of any New Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company, Winterflood and RBC has been obtained to each such proposed offer or resale. Each of the Company, Winterflood and RBC and their respective affiliates will rely on the truth and accuracy of the foregoing representation, acknowledgement and agreement.

This Announcement may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States. This Announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The securities mentioned herein have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and will not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US person (as defined under Regulation S under the US Securities Act). The Company has not been, and will not be, registered under the U.S. Investment Company Act of 1940, as amended.

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, 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 does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any New Ordinary Shares (i) in any member state of the European Economic Area, Canada, Australia, Japan or the Republic of South Africa or any other jurisdiction in which such offer, invitation or solicitation is not authorised; (ii) in any jurisdiction in which the person making such offer, invitation or solicitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer, invitation or solicitation. The distribution of this Announcement and the offer of the New Ordinary Shares may be restricted by law. Persons into whose possession this Announcement comes must therefore inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The New Ordinary Shares have not been, and will not be, registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, transferred or delivered, directly or indirectly, in or into the United States or to, or for the account or benefit of, any US Person, except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with the securities laws of any state or other jurisdiction of the United States. Any person within the United States and any US Person who obtains a copy of this Announcement must disregard it. No public offering of the New Ordinary Shares is being made in any jurisdiction. No action has been or will be taken by the Company, Winterflood or RBC that would permit the offer of the New Ordinary Shares or possession or distribution of this Announcement in any jurisdiction where action for that purpose is required.

All statements in this Announcement other than statements of historical fact are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements may be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Announcement and include statements regarding the intentions, beliefs or current expectations of the Company and/or its directors concerning, among other things, the performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, result of operations, financial condition, liquidity and dividend policy may differ materially from the impression created by the forward-looking statements contained in this Announcement. In addition, even if the performance, results of statements contained in this Announcement, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally; changes in interest rates and currency fluctuations; impairments in the value of the Company's assets; legislative/regulatory changes; changes in taxation regimes; the availability and cost of capital for future expenditure; the availability of suitable financing. Prospective investors should specifically consider the factors identified in this Announcement which could cause actual results to differ before making an investment decision.

APPENDIX

TERMS AND CONDITIONS OF THE PLACING

IMPORTANT INFORMATION FOR INVITED PLACEEES (AS DEFINED BELOW) ONLY REGARDING THE PLACING

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING (AS DEFINED BELOW). THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN (TOGETHER, THIS "**ANNOUNCEMENT**") ARE FOR INFORMATION PURPOSES ONLY AND ARE DIRECTED ONLY AT: (A) PERSONS IN THE UNITED KINGDOM (1) WHO ARE QUALIFIED INVESTORS (AS DEFINED IN THE UK VERSION OF REGULATION (EU) 2017/1129 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 14 JUNE 2017 ON THE PROSPECTUS TO BE PUBLISHED WHEN SECURITIES ARE OFFERED TO THE PUBLIC OR ADMITTED TO TRADING ON A REGULATED MARKET, AND REPEALING DIRECTIVE 2003/71/EC, WHICH IS PART OF UK LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018, AS AMENDED BY THE PROSPECTUS (AMENDMENT, ETC) (EU EXIT) REGULATIONS 2019 (THE "**PROSPECTUS REGULATION**") ("QUALIFIED INVESTORS"), (2) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS WHO FALL WITHIN THE DEFINITION OF "INVESTMENT PROFESSIONALS" IN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "**ORDER**"), OR ARE HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS OR PARTNERSHIPS OR TRUSTEES OF HIGH VALUE TRUSTS AS DESCRIBED IN ARTICLE 49(2)(A) TO (D) OF THE ORDER AND (B) OTHERWISE, PERSONS TO WHOM IT MAY OTHERWISE BE LAWFUL TO COMMUNICATE IT TO (EACH SUCH PERSON IN (A) AND (B), A "**RELEVANT PERSON**"). NO OTHER PERSON SHOULD ACT OR RELY ON THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND PERSONS DISTRIBUTING THIS ANNOUNCEMENT MUST SATISFY THEMSELVES THAT IT IS LAWFUL TO DO SO. BY ACCEPTING THE TERMS OF THIS ANNOUNCEMENT YOU REPRESENT AND AGREE THAT YOU ARE A RELEVANT PERSON. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATE IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS ANNOUNCEMENT (INCLUDING THIS APPENDIX) DOES NOT ITSELF CONSTITUTE AN OFFER TO SELL OR ISSUE OR THE SOLICITATION OF AN OFFER TO BUY OR ACQUIRE SECURITIES IN THE COMPANY (AS DEFINED BELOW).

THE INFORMATION CONTAINED HEREIN IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES (INCLUDING ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES AND THE DISTRICT OF COLUMBIA (COLLECTIVELY, THE "UNITED STATES")), ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA (the "EEA") (OTHER THAN THE NETHERLANDS AND THE REPUBLIC OF IRELAND AND THEN ONLY TO PROFESSIONAL INVESTORS IN THOSE MEMBER STATES)), AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA OR JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH RELEASE, PUBLICATION OR DISTRIBUTION WOULD BE UNLAWFUL OR REQUIRE A PROSPECTUS OR SIMILAR DOCUMENT TO BE FILED. THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN DO NOT CONSTITUTE AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES, ANY MEMBER STATE OF THE EEA (OTHER THAN THE NETHERLANDS AND THE REPUBLIC OF IRELAND AND THEN ONLY TO PROFESSIONAL INVESTORS IN THOSE MEMBER STATES) AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR IN ANY OTHER JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

THE PLACING SHARES (AS DEFINED BELOW) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR UNDER THE APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND MAY NOT BE OFFERED, SOLD, TAKEN UP, RESOLD, TRANSFERRED OR DELIVERED, DIRECTLY OR INDIRECTLY WITHIN, INTO OR IN THE UNITED STATES, EXCEPT PURSUANT TO AN APPLICABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE SECURITIES LAWS OF ANY RELEVANT STATE OR OTHER JURISDICTION OF THE UNITED STATES. THERE WILL BE NO PUBLIC OFFER OF THE PLACING SHARES IN THE UNITED STATES, THE UNITED KINGDOM OR ELSEWHERE.

EACH PLACEE SHOULD CONSULT ITS OWN ADVISERS AS TO LEGAL, BUSINESS, FINANCIAL, TAX AND RELATED ASPECTS OF ACQUIRING THE PLACING SHARES.

Terms used but not otherwise defined in this Appendix to the Announcement have the meaning attributed to them in the Announcement (including the "Important Notices" section of the Announcement) unless the context otherwise requires.

Persons who are invited to and who choose to participate in the placing (the "Placing") of the Placing Shares by making an oral or written offer to acquire Placing Shares (including any individuals, funds or others on whose behalf a commitment to acquire Placing Shares is given) ("Placees") will be deemed to have read and understood this Announcement in its entirety and to be making such offer on the terms and conditions, and to be providing (and shall only be permitted to participate in the Placing on the basis that they have provided) the representations, warranties, indemnities, acknowledgements, undertakings and agreements, contained in this Appendix. In particular, each such Placee represents, warrants, acknowledges and agrees to each of Impact Healthcare REIT plc (the "Company") Impact Health Partners LLP (the "Investment Manager"), Winterflood Securities Limited ("Winterflood") and RBC Europe Limited ("RBC" and together with Winterflood, the "Joint Bookrunners") that:

1. it is a Relevant Person and undertakes that it will acquire, hold, manage or dispose of any Placing Shares that are allocated to it for the purposes of its business;
2. if the Placee is a natural person, such Placee is not under the age of majority (18 years of age in the United Kingdom) on the date of such Placee's agreement to subscribe for Placing Shares under a Placing and will not be any such person on the date any such agreement to subscribe under the Placing is accepted;
3. it is acquiring the Placing Shares for its own account or is acquiring the Placing Shares for an account with respect to which it exercises sole investment discretion and has the authority to make and does make the representations, warranties, indemnities, acknowledgements, undertakings and agreements contained in this Announcement;
4. it understands (or if acting for the account of another person, such person has confirmed that such person understands) the resale and transfer restrictions set out in this Announcement (including this Appendix);
5. it understands that the Placing Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or transferred, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S of the Securities Act ("Regulation S")) except pursuant to an exemption from the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States;
6. it and the person(s), if any, for whose account or benefit it is acquiring the Placing Shares are (a)(i) outside the United States and will be outside the United States at the time the Placing Shares are acquired by it and (ii) not a US Person and are acquiring the Placing Shares in an "offshore transaction" within the meaning of Regulation S and are not acquiring the Placing Shares for the account or benefit of a US Person; and
7. unless the Company expressly consents otherwise in writing, no portion of the assets used to purchase, and no portion of the assets used to hold, the Placing Shares or any beneficial interest therein constitutes or will constitute the assets of: (a) an "employee benefit plan" as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA") that is subject to Title I of ERISA; (b) a "plan" as defined in Section 4975 of the US Internal Revenue Code of 1986, as amended (the "US Tax Code"), including an individual retirement account or other arrangement that is subject to Section 4975 of the US Tax Code; or (c) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the US Tax Code. In addition, if a Placee is a governmental, church, non-US or other employee benefit plan that is subject to any federal, state, local or non-US law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the US Tax Code, its purchase, holding, and disposition of the Placing Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
8. if in the future the Placee decides to offer, sell, transfer, assign or otherwise dispose of its Placing Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the US Investment Company Act of 1940 (as amended) (the "US Investment Company Act"). It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the articles of association of the Company;
9. it is purchasing the Placing Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Placing Shares in any manner that would violate the Securities Act, the US Investment Company Act or any other applicable securities laws;
10. it acknowledges that the Company reserves the right to make inquiries of any holder of the Placing Shares or interests therein at any time as to such person's status under US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under US securities laws to transfer such Placing Shares or interests in accordance with the articles of association of the Company;
11. it acknowledges and understands that the Company is required to comply with UK law and regulation implementing various intergovernmental agreements relating to the automatic exchange of information for international tax compliance ("Exchange of Information Requirements"). It agrees to furnish any information and documents, which the Company may from time to time request for the purpose of compliance with the Exchange of Information Requirements and it further consents to allowing and authorising the Company to disclose and supply any information, forms or documentation to HM Revenue & Customs (who may, if required, in turn pass it on to the tax authorities of any other relevant jurisdiction) and, to the extent relevant it shall procure that the beneficial owner of the Placing Shares provides such consent and authorisation to the Company in respect of any such information forms or documents relating to it; and

12. the Company, Winterflood and RBC will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

The Placing Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the Placing or the accuracy or adequacy of this Announcement. Any representation to the contrary is a criminal offence in the United States.

No representation is made by the Company, Winterflood or RBC to any Placees regarding an investment in the Placing Shares.

Details of the Placing Agreement and of the Placing Shares

The Company has today entered into an agreement (the "**Placing Agreement**") with the Investment Manager, and the Joint Bookrunners under which, subject to the conditions set out therein, each of the Joint Bookrunners has agreed, subject to the terms set out in such agreement, severally, and not jointly or jointly and severally, as agent for and on behalf of the Company, to use its reasonable endeavours to procure Placees for new ordinary shares of one penny each in the capital of the Company (the "**Ordinary Shares**") (the "**Placing Shares**") representing up to 20 per cent. of the Company's existing issued share capital at a price of 111.5 pence per Placing Share (the "**Issue Price**").

The Placing Shares will, when issued, be credited as fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue of the Placing Shares.

Applications for listing and admission to trading

Applications will be made to the Financial Conduct Authority (the "**FCA**") for admission of the Placing Shares to listing on the premium listing segment of the Official List of the FCA (the "**Official List**") and to London Stock Exchange plc (the "**London Stock Exchange**") for admission of the Placing Shares to trading on the premium segment of the main market for listed securities of the London Stock Exchange (the "**Main Market**") (together, "**Admission**").

It is expected that Admission will become effective at or around 8.00 a.m. on 6 May 2021 and that dealings in the Placing Shares will commence at that time.

Participation in, and principal terms of, the Placing

1. The Joint Bookrunners are acting as joint bookrunners and agents of the Company in connection with the Placing.
2. Participation in the Placing will only be available to persons who may lawfully be, and are, invited to participate by the Joint Bookrunners. Each of the Joint Bookrunners and their respective agents and affiliates are each entitled to participate in the Placing as principal.
3. The final number of Placing Shares to be allocated to each Placee will be determined by the Joint Bookrunners (but after consultation with the Company). The number of Placing Shares will be announced on a regulatory information service (a "**Regulatory Information Service**") following the completion of the Placing.
4. Participation in the Placing will be made on the terms and subject to the conditions in this Appendix and will be legally binding on the Placee on behalf of which it is made and, except with the Joint Bookrunners' consent, will not be capable of variation or revocation after the time at which it is submitted. Each Placee's obligations will be owed to the Company and the Joint Bookrunners. Each Placee will also have an immediate, separate, irrevocable and binding obligation, owed to each of the Joint Bookrunners as agent of the Company, to pay in cleared funds immediately on the settlement date, in accordance with the registration and settlement requirements set out below, an amount equal to the product of the Issue Price and the number of Placing Shares such Placee has agreed to subscribe for and the Company has agreed to allot to them.
5. The Placing is expected to close at 2.00 p.m. on 29 April 2021, but may be closed earlier or later at the absolute discretion of the Joint Bookrunners. The Joint Bookrunners may, in agreement with the Company, accept subscriptions that are received after the Placing has closed.
6. Each prospective Placee's allocation will be agreed between the Joint Bookrunners in their absolute discretion (but after consultation with the Company) and will be confirmed orally or in writing by either of the Joint Bookrunners (each as agent of the Company) following the close of the Placing. This confirmation to such Placee will constitute an irrevocable legally binding commitment upon that person (who will at that point become a Placee) in favour of the Joint Bookrunners and the Company to subscribe for the number of Placing Shares allocated to it at the Issue Price on the terms and conditions set out in this Appendix and in accordance with the Company's articles of association and each Placee will be deemed to have read and understood this Announcement (including this Appendix) in its entirety.
7. All obligations under the Placing will be subject to fulfilment or, where applicable, waiver of the conditions referred to below under "Conditions of the Placing" and to the Placing not being terminated on the basis referred to below under "Right to terminate under the Placing Agreement".
8. By participating in the Placing, each Placee will agree that its rights and obligations in respect of the Placing will terminate only in the circumstances described below and will not be capable of rescission or termination by the Placee.
9. Each prospective Placee's allocation and commitment will be evidenced by a contract note or trade confirmation issued to such Placee by either of the Joint Bookrunners. The terms of this Appendix will be deemed incorporated by reference therein.
10. The Company reserves the right (upon agreement with the Joint Bookrunners) to reduce or seek to increase the amount to be raised pursuant to the Placing.
11. Except as required by law or regulation, no press release or other announcement will be made by the Joint Bookrunners or the Company using the name of any Placee (or its agent), in its capacity as Placee (or agent), other than with such Placee's prior written consent.
12. Irrespective of the time at which a Placee's allocation pursuant to the Placing is confirmed, settlement for all Placing Shares to be subscribed for pursuant to the Placing will be required to be made at the same time, on the basis explained below under "Registration and settlement".
13. To the fullest extent permissible by law, neither the Joint Bookrunners nor the Company or any of their respective affiliates or any of their respective agents, directors, officers, employees or advisers (collectively, "**Representatives**") shall have any responsibility or liability to Placees (or to any other person whether acting on behalf of a Placee or otherwise). In particular, none of the Joint Bookrunners, the Company, or any of their respective affiliates or any of their respective Representatives shall have any responsibility or liability (including to the fullest extent permissible by law, any fiduciary duties) in respect of the conduct of the Placing or of such alternative method of effecting the Placing as the Joint Bookrunners and the Company may agree.

Conditions of the Placing

The Placing is conditional upon the Placing Agreement becoming unconditional and not having been terminated in accordance with its terms. The obligations of the Joint Bookrunners under the Placing Agreement in respect of the Placing Shares are conditional on, inter alia:

1. certain obligations in respect of announcements being met by the Company by the times and dates specified in the Placing Agreement;
2. Admission occurring not later than 8.00 a.m. on 6 May 2021 (or such later date and time as may be agreed between the Company and the Joint Bookrunners, not being longer than 31 July 2021);
3. each of the Company and the Investment Manager complying with its obligations under the Placing Agreement and under the terms and conditions of the Placing, to the extent that the same fall to be performed prior to Admission;
4. none of the warranties given by the Company and the Investment Manager to the Joint Bookrunners in the Placing Agreement (the "Warranties") being untrue or inaccurate or misleading at the date of the Placing Agreement or becoming untrue or inaccurate or misleading at any time from the date of the Placing Agreement up to and including Admission by reference to the facts and circumstances from time to time subsisting;
5. the Company allotting, subject only to Admission, the Placing Shares in accordance with the terms of the Placing Agreement; and
6. no Company Material Adverse Change (as defined in the Placing Agreement) having occurred prior to the date of Admission.

The Joint Bookrunners have discretion to waive compliance with certain of the conditions and/or agree an extension in time for their satisfaction. Any such extension or waiver will not affect Placees' commitments as set out in this Announcement.

If (a) any of the conditions contained in the Placing Agreement, including those described above, are not fulfilled (or, where permitted, waived or extended by the Joint Bookrunners) or become incapable of fulfilment on or before the date or time specified for the fulfilment thereof (or such later date and/or time as the Joint Bookrunners may agree); or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will not proceed and the Placees' rights and obligations hereunder in relation to the Placing Shares shall cease and terminate at such time and each Placee agrees that no claim can be made by the Placee in respect thereof.

Neither the Joint Bookrunners nor any of their respective affiliates nor any of their respective Representatives shall have any responsibility or liability to any Placee (or to any other person whether acting on behalf of a Placee or otherwise) in respect of any decision they may make as to whether or not to waive or to extend the time and/or the date for the satisfaction of any condition to the Placing nor for any decision they may make as to the satisfaction of any condition or in respect of the Placing generally, and by participating in the Placing each Placee agrees that any such decision is in the absolute discretion of the Joint Bookrunners.

Right to terminate under the Placing Agreement

By participating in the Placing, Placees agree that the exercise by either Joint Bookrunner of any right of termination or other discretion under the Placing Agreement shall be within the absolute discretion of the respective Joint Bookrunners, and that they do not need to make any reference to, consult with, or seek consent from, Placees and that the Joint Bookrunners shall have no liability to Placees whatsoever in connection with any such exercise or failure so to exercise.

No prospectus

No offering document or prospectus has been or will be prepared or submitted to be approved by the FCA or submitted to the London Stock Exchange or in any other jurisdiction in relation to the Placing and no such prospectus is required (in accordance with the Prospectus Regulation) to be published. Placees' commitments will be made solely on the basis of their own assessment of the Company, the Placing and the Placing Shares based on information contained in this Announcement (including this Appendix) released by the Company today and any information publicly announced to a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement, and subject to the further terms set forth in the contract note or trade confirmation to be provided to individual prospective Placees. Each Placee, by accepting a participation in the Placing, agrees that the content of this Announcement and all other publicly available information previously and simultaneously released by or on behalf of the Company is exclusively the responsibility of the Company and has not been independently verified by either of the Joint Bookrunners. Each Placee, by accepting a participation in the Placing, further confirms that it has neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company, the Joint Bookrunners or any other person and neither the Joint Bookrunners nor the Company nor any of their respective affiliates nor any of their respective Representatives will be liable for any Placee's decision to participate in the Placing based on any other information, representation, warranty or statement which the Placee may have obtained or received. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude or limit the liability of any person for fraud or fraudulent misrepresentation by that person.

Registration and settlement

Settlement of transactions in the Placing Shares (ISIN: GB00BYXVMJ03) following Admission will take place within the CREST system, subject to certain exceptions. The Joint Bookrunners and the Company reserve the right to require settlement for and delivery of the Placing Shares (or a portion thereof) to Placees in certificated form or by such other means that they deem necessary if delivery or settlement is not possible or practicable within the CREST system or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

Following the close of the Placing, each Placee allocated Placing Shares in the Placing will be sent a contract note or trade confirmation stating the number of Placing Shares to be allocated to it at the Issue Price and settlement instructions. It is expected that any such contract note will be despatched on or around 4 May 2021 and that this will also be the trade date.

Each Placee agrees that it will do all things necessary to ensure that delivery and payment is completed in accordance with the standing CREST or certificated settlement instructions that it has in place with the relevant Joint Bookrunner.

The Company will deliver the Placing Shares to a CREST account operated by the relevant Joint Bookrunner as agent for the Company and the relevant Joint Bookrunner will enter its delivery instruction into the CREST system. The input to CREST by a Placee of a matching or acceptance instruction will then allow delivery of the relevant Placing Shares to that Placee against payment.

It is expected that settlement will be on 6 May 2021 on a T+2 basis and on a delivery versus payment basis in accordance with the instructions given to the Joint Bookrunners.

Interest is chargeable daily on payments not received from Placees on the due date in accordance with the arrangements set out above at the rate of two percentage points above LIBOR as determined by the Joint Bookrunners.

Each Placee is deemed to agree that, if it does not comply with these obligations, the Joint Bookrunners may sell any or all of the Placing Shares allocated to that Placee on such Placee's behalf and retain from the proceeds, for the account and benefit of each of the Joint Bookrunners, an amount equal to the aggregate amount owed by the Placee plus any interest due. The relevant Placee will, however, remain liable for any shortfall below the aggregate amount owed by it and may be required to bear any stamp duty or stamp duty reserve tax or other similar taxes (together with any interest or penalties thereon) imposed in any jurisdiction which may arise upon the sale of such Placing Shares on such Placee's behalf. By participating in the Placing, each Placee confers on each of the Joint Bookrunners all such authorities and powers necessary to carry out any such transaction and agrees to ratify and confirm all actions which the Joint Bookrunners lawfully takes on such Placee's behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, Placees should ensure that the contract note or trade confirmation is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in a Placee's name or that of its nominee or in the name of any person for whom a Placee is contracting as agent or that of a nominee for such person, such Placing Shares should, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. If there are any other circumstances in which any stamp duty or stamp duty reserve tax or other similar taxes (and/or any interest, fines or penalties relating thereto) is payable in respect of the allocation, allotment, issue or delivery of the Placing Shares (or for the avoidance of doubt if any stamp duty or stamp duty reserve tax is payable in connection with any subsequent transfer of or agreement to transfer Placing Shares), neither the Joint Bookrunners nor the Company shall be responsible for the payment thereof.

Placees will not be entitled to receive any fee or commission in connection with the Placing.

Representations and warranties

By participating in the Placing, each prospective Placee (and any person acting on such Placee's behalf) irrevocably acknowledges, confirms, undertakes, represents, warrants and agrees (as the case may be) with the Joint Bookrunners, the Company and the Investment Manager, in each case as a fundamental term of its application for Placing Shares, that:

1. it has read and understood this Announcement (including this Appendix) in its entirety and that its participation in the Placing and its acquisition of Placing Shares is subject to and based upon all the terms, conditions, representations, warranties, indemnities, acknowledgements, agreements and undertakings and other information contained herein and it undertakes not to redistribute or duplicate this Announcement and that it has not relied on, and will not rely on, any information given or any representations, warranties or statements made at any time by any person in connection with Admission, the Placing, the Company, the Placing Shares or otherwise;
2. no offering document or prospectus has been or will be prepared in connection with the Placing or is required under the Prospectus Regulation and it has not received and will not receive a prospectus or other offering document in connection with Admission, the Placing, the Company or the Placing Shares;
3. the Placing does not constitute a recommendation or financial product advice and the Joint Bookrunners have not had regard to its particular objectives, financial situation and needs;
4. it has neither received nor relied on any "inside information" as defined in the UK version of Regulation (EU) No 596/2014 of the European Parliament and of the Council on 16 April 2014 on market abuse, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 ("**MAR**") concerning the Company or its shares or other securities or related financial instruments in accepting its invitation to participate in the Placing;
5. it has the power and authority to carry on the activities in which it is engaged, to subscribe and/or acquire Placing Shares and to execute and deliver all documents necessary for such subscription and/or acquisition;
6. (i) it has made its own assessment of the Company, the Placing Shares and the terms of the Placing based on this Announcement and any information publicly announced to a Regulatory Information Service by or on behalf of the Company on or prior to the date of this Announcement (the "**Publicly Available Information**"); (ii) the Ordinary Shares are admitted to listing on the Official List and admitted to trading on the Main Market and the Company is therefore required to publish certain business and financial information in accordance with the rules of the FCA and the rules and practices of the London Stock Exchange and relevant regulatory authorities (the "**Exchange Information**"), which includes a description of the nature of the Company's business, most recent balance sheet and profit and loss account, and similar statements for preceding years, and it has reviewed such Exchange Information as it has deemed necessary or that it is able to obtain or access the Exchange Information without undue difficulty; and (iii) it has had access to such financial and other information (including the business, financial condition, prospects, creditworthiness, status and affairs of the Company, the Placing and the Placing Shares, as well as the opportunity to ask questions) concerning the Company, the Placing and the Placing Shares as it has deemed necessary in connection with its own investment decision to acquire any of the Placing Shares and has satisfied itself that the information is still current and relied on that investigation for the purposes of its decision to participate in the Placing;
7. (i) neither the Company nor the Joint Bookrunners nor any of their respective affiliates has made any warranties or representations to it, express or implied, with respect to the Company, the Placing and the Placing Shares or the accuracy, completeness or adequacy of the Publicly Available Information or the Exchange Information, and each of them expressly disclaims any liability in respect thereof; and (ii) it will not hold the Joint Bookrunners or any of their respective affiliates responsible for any misstatements in or omissions from any Publicly Available Information or any Exchange Information. Nothing in this paragraph or otherwise in this Announcement excludes the liability of any person for fraudulent misrepresentation made by that person;
8. the content of this Announcement is exclusively the responsibility of the Company and that none of the Joint Bookrunners, the Investment Manager nor any of their respective affiliates nor any of their respective Representatives nor any person acting on their behalf has or shall have any responsibility or liability for any information, representation or statement contained in this Announcement or any information previously or subsequently published by or on behalf of the Company and will not be liable for any Placee's decision to participate in the Placing based on any information, representation or statement contained in this Announcement or any information previously published by or on behalf of the Company or otherwise. Each Placee further represents, warrants and agrees that the only information on which it is entitled to rely and on which such Placee has relied in committing itself to acquire the Placing Shares is contained in this Announcement and any Publicly Available Information including (without limitation) the Exchange Information, such information being all that it deems necessary and/or appropriate to make an investment decision in respect of the Placing Shares and that it has neither received nor relied on any other information given, investigation made or representations, warranties or statements made by either of the Joint Bookrunners, the Company or the Investment Manager or any of their respective affiliates or any of their respective Representatives or any person acting on their behalf and none of the Joint Bookrunners, the Company or the Investment Manager nor any of their respective affiliates nor any of their respective Representatives will be liable for any Placee's decision to accept an invitation to participate in the Placing based on any other information, representation, warranty or statement;
9. in making any decision to take up Placing Shares, it has such knowledge and experience in financial, business and international investment matters as is required to evaluate the merits and risks of taking up the Placing Shares. It further confirms that it is experienced in investing in securities of a similar nature to the Ordinary Shares and in the sector in which the Company operates and is aware that it may be required to bear, and is able to bear, the economic risk of participating in, and is able to sustain a complete loss in connection with, the Placing. It further confirms that it relied on its own examination and due diligence of the Company and its associates taken as a whole, and the terms of the Placing, including the merits and risks involved, and not upon any view expressed or information provided by or on behalf of the Joint Bookrunners;
10. (i) it and each account it represents is not and, at the time the Placing Shares are acquired, will not be, a resident of any member state of the EEA (other than the Netherlands or the Republic of Ireland), Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Shares, and it and each account it represents is either (a) outside the United States and will be outside the United States at the time the Placing Shares are acquired by it and (b) acquiring the Placing Shares in an "offshore transaction" within the meaning of Regulation S; (ii) it is not acquiring any of the Placing Shares as a result of any form of "directed selling efforts" within the meaning of Regulation S or as a result of any form of "general solicitation" or "general advertising" within the meaning of Rule 502(c) under the Securities Act;

11. it understands, and each account it represents has been advised, that the Placing Shares have not been and will not be registered or qualified for distribution by way of a prospectus under the securities legislation of the United States, any member state of the EEA, Australia, Canada, the Republic of South Africa, Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced, distributed or delivered or transferred, directly or indirectly, within or into those jurisdictions;
12. it understands, and each account it represents has been advised that, (i) the Placing Shares have not been and will not be registered under the Securities Act or with any regulatory authority of any other state or other jurisdiction of the United States; (ii) the Placing Shares are being offered and sold only in "offshore transactions" within the meaning of and pursuant to Regulation S under the Securities Act; and (iii) the Placing Shares may only be reoffered or resold in transactions exempt from, or not subject to, the registration requirements of the Securities Act and no representation has been made as to the availability of any exemption under the Securities Act or any relevant state or other jurisdiction's securities laws for the reoffer, resale, pledge or transfer of the Placing Shares;
13. it will not distribute, forward, transfer or otherwise transmit this Announcement or any other materials concerning the Placing (including any electronic copies thereof), directly or indirectly, whether in whole or in part, in or into the United States, any member state of the EEA (other than the Netherlands or the Republic of Ireland), Australia, Canada the Republic of South Africa or Japan;
14. if it is a pension fund or investment company, its acquisition of Placing Shares is in full compliance with applicable laws and regulations;
15. neither it, nor the person specified by it for registration as holder of Placing Shares is, or is acting as nominee or agent for, and the Placing Shares will not be allotted to, a person who is or may be liable to stamp duty or stamp duty reserve tax under any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
16. it has complied with its obligations under the Criminal Justice Act 1993, MAR and any delegating acts, implementing acts, technical standards and guidelines thereunder, and in connection with money laundering and terrorist financing, under the Proceeds of Crime Act 2002 (as amended), the Terrorism Act 2000 (as amended), the Terrorism Act 2006 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended) (the "**Regulations**") and the Money Laundering Sourcebook of the FCA and, if making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by it to verify the identity of the third party as required by the Regulations;
17. if it is a financial intermediary, as that term is used in the Prospectus Regulation: (a) any Placing Shares acquired by it in the Placing will not be acquired on a non-discretionary basis on behalf of, nor will they be acquired with a view to their offer or resale to, persons in any member state of the EEA or persons in the United Kingdom other than Relevant Persons, or in circumstances in which the prior consent of the Joint Bookrunners has been given to each such proposed offer or resale; or (b) where Placing Shares will be acquired by it on behalf of persons in any member state of the EEA or persons in the United Kingdom other than Relevant Persons, the offer of those Placing Shares will not be treated under the Prospectus Regulation as having been made to such persons;
18. if it is in the United Kingdom, it and any person acting on its behalf is (a) a Qualified Investor and (b) falls within Article 19(5) and/or Article 49(2)(a) to (d) of the Order and undertakes that it will acquire, hold, manage and (if applicable) dispose of any Placing Shares that are allocated to it for the purposes of its business only;
19. it has not offered or sold and will not offer or sell any Placing Shares to the public in the United Kingdom except in circumstances which do not result in any requirement for the publication of a prospectus pursuant to the Prospectus Regulation;
20. it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended ("**FSMA**")) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;
21. it has complied and will comply with all applicable laws (including all relevant provisions of FSMA) with respect to anything done by it in relation to the Placing Shares in, from or otherwise involving, the United Kingdom;
22. that no action has been or will be taken by either the Company or the Joint Bookrunners or any person acting on behalf of the Company or the Joint Bookrunners that would, or is intended to, permit a public offer of the Placing Shares in any country or jurisdiction where any such action for that purpose is required;
23. it is acting as principal only in respect of the Placing or, if it is acting for any other person: (i) it is duly authorised to do so and has full power to make the acknowledgments, undertakings, representations and agreements and give the indemnities herein on behalf of each such person; and (ii) it is and will remain liable to the Company and/or the Joint Bookrunners for the performance of all its obligations as a Placee in respect of the Placing (regardless of the fact that it is acting for another person). Each Placee agrees that the provisions of this paragraph shall survive the resale of the Placing Shares by or on behalf of any person for whom it is acting;
24. it and any person acting on its behalf is entitled to acquire the Placing Shares under the laws of all relevant jurisdictions which apply to it and it has fully observed such laws and obtained all such governmental and other guarantees, permits, authorisations, approvals and consents which may be required thereunder and complied with all necessary formalities and that it has not taken any action or omitted to take any action which will or may result in the Joint Bookrunners the Company, the Investment Manager or any of their respective affiliates or any of their respective Representatives acting in breach of the legal or regulatory requirements of any jurisdiction in connection with the Placing;
25. it (and any person acting on its behalf) has the funds available to pay for, and has all necessary capacity and has obtained all necessary consents and authorities to enable it to commit to its participation in the Placing and to perform its obligations in relation thereto (including, without limitation, in the case of any person on whose behalf it is acting, all necessary consents and authorities to agree to the terms set out or referred to in this Announcement) and will honour such obligations;
26. it (and any person acting on its behalf) will make payment for the Placing Shares allocated to it in accordance with the terms and conditions of this Announcement (including this Appendix) on the due time and date set out herein, failing which the relevant Placing Shares may be placed with other persons or sold as the Joint Bookrunners may in their absolute discretion determine and without liability to such Placee, and it will remain liable for any amount by which the net proceeds of such sale falls short of the product of the Issue Price and the number of Placing Shares allocated to it and may be required to bear any stamp duty or stamp duty reserve tax or other similar taxes (together with any interest or penalties due pursuant to the terms set out or referred to in this Announcement) which may arise upon the sale of such Placee's Placing Shares on its behalf;
27. its allocation (if any) of Placing Shares will represent a maximum number of Placing Shares which it will be entitled, and required, to acquire, and that the Joint Bookrunners or the Company may call upon it to acquire a lower number of Placing Shares (if any), but in no event in aggregate more than the aforementioned maximum;

28. neither the Joint Bookrunners nor any of their respective affiliates nor any of their respective Representatives nor any person acting on behalf of any of them, are making any recommendations to it or advising it regarding the suitability of any transactions it may enter into in connection with the Placing and participation in the Placing is on the basis that it is not and will not be a client of the Joint Bookrunners and the Joint Bookrunners have no duties or responsibilities to it for providing the protections afforded to their respective clients or customers or for giving advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement nor for the exercise or performance of any of their rights and obligations thereunder including any rights to waive or vary any conditions or exercise any termination right;
29. the person whom it specifies for registration as holder of the Placing Shares will be, (i) itself; or (ii) its nominee, as the case may be. Neither the Joint Bookrunners nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax or other similar taxes resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of such Placee agrees to indemnify on an after-tax basis and hold harmless the Company, the Investment Manager each of the Joint Bookrunners and their respective affiliates and each of their respective Representatives in respect of the same on an after-tax basis on the basis that the Placing Shares will be allotted to the CREST stock account of the Joint Bookrunners (or any one of them) who will hold them as nominee on behalf of such Placee until settlement in accordance with its standing settlement instructions;
30. it will indemnify, on an after-tax basis, and hold harmless the Company, the Investment Manager, the Joint Bookrunners and their respective affiliates and their respective Representatives from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising, directly or indirectly, out of or in connection with any breach by it of the representations, warranties, acknowledgements, agreements and undertakings in this Appendix and further agrees that the provisions of this Appendix shall survive after completion of the Placing;
31. in connection with the Placing, the Joint Bookrunners and any of their respective affiliates acting as an investor for their own account may acquire Placing Shares and in that capacity may acquire, retain, purchase or sell for their own account such Ordinary Shares in the Company and any securities of the Company or related investments and may offer or sell such securities or other investments otherwise than in connection with the Placing. Accordingly, references in this Announcement to shares being issued, offered or placed should be read as including any issue, offering or placement of such shares to the Joint Bookrunners and their respective affiliates in such capacity. In addition, the Joint Bookrunners may enter into financing arrangements and swaps with investors in connection with which the Joint Bookrunners may from time to time acquire, hold or dispose of such securities of the Company, including the Placing Shares. The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so;
32. its commitment to acquire Placing Shares on the terms set out in this Announcement (including this Appendix) and in the contract note or trade confirmation will continue notwithstanding any amendment that may in the future be made to the terms and conditions of the Placing and that Placees will have no right to be consulted or require that their consent be obtained with respect to the Company's or the Joint Bookrunners' conduct of the Placing;
33. none of the Company, the Investment Manager or the Joint Bookrunners owe any fiduciary or other duties to any Placee in respect of any acknowledgements, confirmations, representations, warranties, undertakings or indemnities in the Placing Agreement;
34. time shall be of the essence as regards its obligations to settle payment for the Placing Shares and to comply with its other obligations under a Placing;
35. these terms and conditions and any agreements entered into by it pursuant to these terms and conditions (including any non-contractual obligations arising out of or in connection with such agreements) shall be governed by and construed in accordance with the laws of England and it submits (on behalf of itself and on behalf of any person on whose behalf it is acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such agreements and such non-contractual obligations, except that enforcement proceedings in respect of the obligation to make payment for the Placing Shares (together with any interest chargeable thereon) may be taken by the Joint Bookrunners in any jurisdiction in which the relevant Placee is incorporated or in which any of its securities have a quotation on a recognised stock exchange; and
36. the Company, the Investment Manager the Joint Bookrunners and their respective affiliates and their respective Representatives and others will rely upon the truth and accuracy of the acknowledgements, representations, warranties, indemnities, undertakings and agreements set forth herein and which are given to the Joint Bookrunners on their own behalf and on behalf of the Company and are irrevocable and it irrevocably authorises the Company, the Investment Manager and the Joint Bookrunners to produce this Announcement, pursuant to, in connection with, or as may be required by any applicable law or regulation, administrative or legal proceeding or official inquiry with respect to the matters set forth herein. It agrees that if any of the acknowledgements, representations, warranties, undertakings and agreements made in connection with its subscribing and/or acquiring of Placing Shares is no longer accurate, it shall promptly notify the Company and the Joint Bookrunners.

The agreement to allot and issue Placing Shares to Placees (or the persons for whom Placees are contracting as agent) free of stamp duty and stamp duty reserve tax relates only to their allotment and issue to Placees, or such persons as they nominate as their agents, direct from the Company for the Placing Shares in question. Such agreement is subject to the representations, warranties and further terms above and assumes, and is based on the warranty and representation from each Placee, that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to issue or transfer the Placing Shares into a clearance service. If there are any such arrangements, or the settlement relates to any other dealing in the Placing Shares, stamp duty or stamp duty reserve tax or other similar taxes may be payable, for which neither the Company nor the Joint Bookrunners will be responsible and each Placee shall indemnify on an after-tax basis and hold harmless the Company, the Joint Bookrunners and their respective affiliates and their respective Representatives for any stamp duty or stamp duty reserve tax or other similar tax paid by them in respect of any such arrangements or dealings. If this is the case, each Placee should seek its own advice and notify the Joint Bookrunners accordingly.

Each Placee should seek its own advice as to whether any of the above tax liabilities arise and notify the Joint Bookrunners accordingly.

Each Placee, and any person acting on behalf of each Placee, acknowledges and agrees that the Joint Bookrunners and/or any of their respective affiliates may, at their absolute discretion, agree to become a Placee in respect of some or all of the Placing Shares. Each Placee acknowledges and is aware that the Joint Bookrunners are receiving a fee in connection with their role in respect of the Placing as detailed in the Placing Agreement. When a Placee or person acting on behalf of the Placee is dealing with either of the Joint Bookrunners any money held in an account with the relevant Joint Bookrunner on behalf of the Placee and/or any person acting on behalf of the Placee will not be treated as client money within the meaning of the rules and regulations of the FCA made under FSMA. The Placee acknowledges that the money will not be subject to the protections conferred by the client money rules; as a consequence, this money will not be segregated from the relevant Joint Bookrunner's money in accordance with the client money rules and will be used by the relevant Joint Bookrunner in the course of its own business; and the Placee will rank only as a general creditor of the relevant Joint Bookrunner.

The rights and remedies of the Joint Bookrunners, the Company and the Investment Manager under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

All times and dates in this Announcement may be subject to amendment by the Joint Bookrunners (in their absolute discretion). The Joint Bookrunners shall notify the Placees and any persons acting on behalf of the Placees of any changes.

In the case of a joint agreement to subscribe for Placing Shares under a Placing, references to a "Placee" in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

In this Announcement, "after-tax basis" means in relation to any payment made to the Company, the Investment Manager, the Joint Bookrunners or their respective affiliates, agents, directors, officers and employees pursuant to this Announcement where the payment (or any part thereof) is chargeable to any tax, a basis such that the amount so payable shall be increased so as to ensure that after taking into account any tax chargeable (or which would be chargeable but for the availability of any relief unrelated to the loss, damage, cost, charge, expense or liability against which the indemnity is given on such amount (including on the increased amount)) there shall remain a sum equal to the amount that would otherwise have been so payable.

Rupert Barclay
Chairman
Impact Healthcare REIT plc

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