

## Proposed Placing And Offer For Subscription

Released : 22/06/2022 07:00

RNS Number : 7178P  
Impact Healthcare REIT PLC  
22 June 2022

22 June 2022

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, TO US PERSONS OR INTO THE UNITED STATES, ANY MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, AUSTRALIA, CANADA, JAPAN, NEW ZEALAND OR THE REPUBLIC OF SOUTH AFRICA OR INTO ANY OTHER JURISDICTION WHERE TO DO SO MIGHT CONSTITUTE A VIOLATION OR BREACH OF ANY APPLICABLE LAW. PLEASE SEE THE IMPORTANT NOTICE AT THE END OF THIS ANNOUNCEMENT.**

**THIS ANNOUNCEMENT HAS BEEN DETERMINED TO CONTAIN INSIDE INFORMATION.**

This announcement is an advertisement for the purposes of the Prospectus Regulation Rules of the UK Financial Conduct Authority (the "**FCA**") and not a prospectus and not an offer of securities for sale in any jurisdiction. Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors in the Placing (as defined below) should not purchase or subscribe for any shares referred to in this announcement except on the basis of information in the documents comprising the Prospectus (as defined below). The documents comprising the Prospectus (as defined below) are available from the Company's website ([www.impactreit.uk/investors/reporting-centre/prospectus](http://www.impactreit.uk/investors/reporting-centre/prospectus)). Recipients of this announcement who are considering acquiring New Ordinary Shares by participating in the Offer for Subscription are reminded that any such acquisition must be made only on the basis of information published by the Company in accordance with the FCA's Disclosure Guidance and Transparency Rules, the Company's pre-investment disclosure document prepared for the purposes of complying with regulation 59(2)(b) of the Alternative Investment Fund Managers Regulations 2013, as amended, and the key information document (the "**KID**") relating to the Ordinary Shares (the "**Regulatory Information**").

**Impact Healthcare REIT plc**

(the "**Company**")

### **Proposed Placing and Offer for Subscription**

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 issue new equity in order to acquire an identified pipeline of care homes.

The Company will raise new equity through a placing (the "**Placing**") of New Ordinary Shares under the Company's existing Placing Programme as detailed in the prospectus published by the Company on 27 January 2022 and supplemented by a supplementary prospectus dated 30 March 2022 (together the "**Prospectus**"). In addition, the Company is proposing to raise up to the Sterling equivalent of €8 million pursuant to an offer for subscription (the "**Offer for Subscription**" and together with the Placing, the "**Issue**").

### **Highlights**

- An issue of New Ordinary Shares at 117.0 pence per New Ordinary Share (the "**Issue Price**")
- The Issue Price represents a discount of 4.6 per cent to the closing price per Ordinary Share of 122.6 pence on 21 June 2022 (being the last business day prior to the date of this announcement) and a premium of 1.8 per cent. to the Company's unaudited Net Asset Value ("**NAV**") per Ordinary Share of 114.93 pence as at 31 March 2022.
- The Company is in advanced negotiations to acquire six portfolios, consisting of 27 separate care homes, for a total value of approximately £169 million (the "**Pipeline**"). Whilst some of these homes can be acquired from the Company's existing resources, including available debt headroom (after accounting for upcoming capital commitments) of £70 million, as well as new debt to be put in place alongside the acquisitions, the

Company will require new equity in order to complete on all the potential opportunities.

- The Company continues to perform strongly and as an owner of UK care homes is supported by several structural benefits including:
  - long term, inflation linked, lease structures with the Company benefiting from a WAULT<sup>(2)</sup> of over 19 years and 98% of its rent roll being linked to RPI (and the remaining 2% linked to CPI), subject to caps and collars;
  - a diverse portfolio of 128 different homes (which has grown to 134 properties since the quarter ended 31 March 2022) with an EPRA<sup>(3)</sup> 'topped up' Net Initial Yield at 31 March 2022 of 6.71 per cent as well as sustainable and affordable rents. This is best demonstrated by the Company's rolling annual average rent cover of 1.9x (to 31 March 2022), demonstrating strong rent protection and its experience since IPO, including during the pandemic, where it has collected 100% of the rent it was due, with no lease variations;
  - a portfolio of well-run and financially stable care homes with established care quality and financial track records and tenants who are willing to invest, sometimes alongside the Company, in ensuring high ongoing operational standards in their homes;
  - supportive demand fundamentals across the market including increasing requirements from a rapidly ageing population for high quality care and a need to reduce pressure on high-cost, medical care providers in the NHS; and
  - a sector that is largely uncorrelated with the wider economy; and
  - a disciplined approach to leverage with loan-to-value ("LTV") of 19.4% (as at 31 March 2022), with a weighted average cost of debt of 3.1% (excluding arrangement fees) and weighted average term to maturity of 6.1 years. The Company's maximum permitted LTV is 35%.
- The target total dividend for the year to 31 December 2022<sup>(1)</sup> amounts to 6.54 pence per share and is paid quarterly, which equates to a dividend yield on the Issue Price of 5.6 per cent. The Company has a history of paying covered dividends with the latest 2021 dividend fully covered by EPRA<sup>(3)</sup> Earnings Per Share ("EPS") and Adjusted EPS.
- Holders of the New Ordinary Shares being issued pursuant to the issue will be eligible to receive the interim quarterly dividend in respect of the quarter ended 30 June 2022, which is expected to be declared in August 2022.
- Between its IPO on 7 March 2017 and 21 June 2022, the Company has delivered total shareholder returns of 63.3 per cent., equating to an annualised return of 9.7 per cent.

**Rupert Barclay, Chairman of Impact Healthcare REIT plc said:**

"The portfolio continues to perform well, benefiting from the over-arching defensive characteristics of the care home market, as well our careful selection of homes and tenants with proven financial track records, sustainable rents and facilities which allow for a high quality of care.

The Investment Manager has continued to build a pipeline of investment opportunities which are consistent with the standards of our existing portfolio and allow for more portfolio diversification with some exciting asset management opportunities. Whilst equity capital market conditions remain challenging, this fundraise will allow us to secure a number of attractive investment opportunities and grow our inflation linked long leased REIT for the benefit of all stakeholders."

**Background to the Initial Issue**

The Company listed on the London Stock Exchange's Main Market on 7 March 2017 with an investment objective to provide its shareholders with attractive and sustainable returns through a diversified portfolio of Healthcare Real Estate Assets, with a focus on UK care homes. The Company's market capitalisation as at 21 June 2022 is approximately £473 million.

The combined committed investment in the portfolio is £565.7 million. This consists of the independently valued portfolio of £484.0 million as at 31 March 2022, alongside a further investment in homes via loans of £48.6 million and committed investments and acquisitions since the quarter end. The portfolio benefits from geographic and tenant diversity, fixed-term leases of typically 20 to 35 years (no break clauses), and rental income which is directly linked to inflation via contractual RPI increases, subject to floors and caps, on 98 per cent. of the leases (the remaining leases are linked to CPI).

The portfolio consists of 134 healthcare properties, of which 130 are care homes and two are NHS assets, as well as two forward funded developments. The Investment Manager has throughout the life of the Company sought to identify opportunities which, as well as offering attractive long-term prospects as standalone care home investments, also

offer growth prospects through asset management and development activities including via the refurbishment, extension and development of new beds. During 2022, four asset management projects have been completed with a further fifteen projects either in construction or planning, with a committed capital expenditure of £37 million. Capex has been deployed at an average unlevered yield on cost in excess of c.8% on these projects, which has also served to enhance the environmental and social performance of the portfolio.

The portfolio assets are let under triple net, full repairing and insuring leases, meaning that each tenant is required to pay all taxes, buildings insurance and repair and maintenance costs on the property, in addition to rent. The leases also benefit from several additional, and non-standard, landlord protection clauses which enable the Company to closely monitor each tenant's rent cover and operational care metrics, as well as empowering the Company to impose strict obligations in the event of declining standards.

The portfolio EPRA<sup>(3)</sup> 'topped up' Net Initial Yield at 31 March 2022 was 6.71 per cent. The Investment Manager is highly selective when choosing the Group's future homes and tenants, focusing on businesses which it believes are fully aligned with the Company's investment and ESG objectives and looking on acquisition to set future rents at a level, based upon detailed financial analysis of each home's historic financial track record, which is both affordable and sustainable over the longer term.

The Company also has a conservative financial approach with a borrowing policy limiting gearing to 35% of gross asset value at the time of borrowing. The Company's loan-to-value ratio as at 31 March 2022 was 19% with a weighted average cost of debt of 3.1%. With follow on investments after the quarter end, the Company's loan to value has since increased to approximately 22.8%.

The Company targets an average NAV total return of 9 per cent. per annum over the medium term. However, as a Real Estate Investment Trust, the Company has an income focus demonstrated by its progressive dividend policy under which it seeks to grow its target dividend in line with the inflation-linked rental uplifts received. The target total dividend for the year to 31 December 2022 amounts to 6.54 pence per share<sup>(1)</sup> and is paid quarterly, which equates to a dividend yield on the placing price of 5.6 per cent. The Company has a history of paying covered dividends with the 2021 dividend fully covered by EPRA<sup>(3)</sup> EPS and Adjusted EPS.

### Pipeline and Use of Proceeds

Despite a competitive acquisition environment, the Company has demonstrated that it can continue to grow its portfolio on accretive terms. Following the Company raising £40 million of new equity in February 2022, it has acquired or exchanged on 10 properties and funded further capital improvements with a combined consideration of £60 million.

The Investment Manager is currently in advanced negotiations in respect of a significant pipeline of assets which meet the Company's investment objectives, including off-market assets identified through the Investment Manager's extensive network of industry relationships.

In the near-term, terms have been agreed on six potential acquisitions, which would if completed enable the Company to acquire 27 new care homes for a total consideration of approximately £169 million. The Pipeline includes 2 new tenants with a geographic bias to the South-East of England. The Pipeline portfolios are expected to be acquired at yields and on lease terms similar to the Company's existing portfolio.

The opportunities available to the Company offer multiple near-term investment options which ensures that the Company can remain highly selective and disciplined with its ongoing growth. The portfolios also differ in size, ranging from an approximate acquisition cost of £10 million up to £60 million, which provides the Company with further acquisition optionality. However, whilst the Investment Manager is confident that the size and nature of the pipeline will provide the Company with extensive investment optionality over the next few months, no contractually binding obligations for the sale and purchase of any of these investment opportunities have yet been entered into.

The Company currently has available headroom under its existing debt facilities which, after adjusting for capital expenditure commitments in 2022, is £70 million.

Given the size of the pipeline, and the requirement for the Company to have certainty of funds in order to enter into binding acquisition agreements, the Board of Directors believe now is an appropriate time to raise new equity.

### Benefits of the Issue

The Board believes that proceeding with the Issue will have the following benefits for the Company:

- allow the Company to invest further capital in the Company's identified pipeline opportunities to enable it to further diversify its existing portfolio and tenant base, and secure value from new and organic follow-on investments;
- spread the Company's fixed running costs across a larger asset base; and
- increase the size of the Company, which the Investment Manager believes will help make the Company more attractive to: (i) a wider base of counterparties and, therefore, improve the Company's pipeline of opportunities; and (ii) a wider base of investors and, therefore, improve market liquidity in the Ordinary Shares.

### Details of the Placing

Jefferies International Limited ("**Jefferies**") and Winterflood Securities Limited ("**Winterflood**") are acting as joint global co-ordinators and joint bookrunners to the Company in connection with the Placing (the "**Joint Global Co-ordinators**").

The Placing will be made to Qualified Investors (within the meaning of Article 2(e) of the UK version of Regulation (EU) 2017/2019 which is part of UK domestic law by virtue of the EUWA, as amended) (the "**UK Prospectus Regulation**") through the Joint Global Co-ordinators subject to the terms and conditions set out in part XV of the Prospectus. By choosing to participate in the Placing and by making an oral and legally binding offer to subscribe for New Ordinary Shares, investors will be deemed to have read and understood this Announcement and the Prospectus in their entirety and to be making such offer on the terms and subject to the conditions in Part XV of the Prospectus, and to be providing the representations, warranties and acknowledgements contained therein.

The Placing is expected to close at 2pm. (London time) on 5 July 2022, but may close earlier or later at the absolute discretion of the Company, in consultation with the Joint Global Co-ordinators. The Placing is conditional, inter alia, on the New Ordinary Shares being admitted to listing on the premium listing segment of the Official List of the FCA, and to trading on the main market for listed securities of the London Stock Exchange (together, "**Admission**"). Subject to Admission becoming effective, it is expected that settlement of subscriptions in respect of the New Ordinary Shares and trading in the New Ordinary Shares will commence at 8.00 a.m. on 8 July 2022, or such later time and/or date as may be announced by the Company.

The allocation of any New Ordinary Shares to any Qualified Investor shall be at the absolute discretion of the Company (in consultation with the Joint Global Bookrunners and the Investment Manager). The Placing is not underwritten. The Company will decide the exact number of New Ordinary Shares to be issued under the Placing on 5 July 2022 taking into consideration the level of demand from investors for New Ordinary Shares and the Company's ability to invest quickly and efficiently into its existing near term pipeline. It may be necessary to scale back demand from investors for New Ordinary Shares. When doing this, it is intended that New Ordinary Shares issued will be allocated as equitably as possible, with the Directors recognising and taking into their consideration, the importance of pre-emption rights to Ordinary Shareholders. However, for the avoidance of doubt, the Placing is not being conducted on a formal statutory pre-emptive basis and accordingly there can be no guarantee that existing Shareholders wishing to participate in the Placing will receive all of the New Ordinary Shares for which they have applied.

The documents comprising the Prospectus are available for inspection at: <https://www.fca.org.uk/markets/primary-markets/regulatory-disclosures/national-storage-mechanism> as well as on the Company's website at [www.impactreit.uk/investors/reporting-centre/prospectus](http://www.impactreit.uk/investors/reporting-centre/prospectus)

### Details of the Offer for Subscription

The Board believes it is important to ensure that existing and new retail investors have the opportunity to participate in the Issue and is therefore launching the Offer for Subscription to provide retail investors with the ability to subscribe for New Ordinary Shares in the Issue.

There is a minimum subscription amount of 1,000 New Ordinary Shares at the Issue Price per applicant under the terms of the Offer for Subscription. The Company reserves the right to scale back any order at its absolute discretion, following consultation with the Joint Global Co-ordinators and the Investment Manager. The Company also reserves the right to reject any application for subscription under the Offer for Subscription without giving any reason for such rejection.

The Offer for Subscription is being made under an exemption against the need for an approved prospectus provided for under the Financial Services and Markets Act 2000. As such, no prospectus or offering document has been or will be published pursuant to the UK Prospectus Regulation in connection with the Offer for Subscription, nor will any such prospectus be submitted to be approved by the Financial Conduct Authority.

The Offer for Subscription is only being made in the United Kingdom.

The quantum of the Offer for Subscription shall not exceed the Sterling equivalent of €8.0 million.

The Offer for Subscription is conditional upon Admission of the New Ordinary Shares becoming effective and the Placing Agreement becoming unconditional in all respects in relation to the Placing and not having been terminated on or before Admission.

To participate in the Offer for Subscription, investors should complete the Offer for Subscription form ("**Application Form**"), which can be found on the Company's website at <https://www.impactreit.uk/investors/reporting-centre/aifmdl/>, and return it, by post to Computershare Investor Services PLC, Corporate Actions Projects, The Pavilions, Bridgwater Road, Bristol, BS99 6AH (or for applications which are to be paid only by DvP in CREST or by electronic CHAPS bank transfer the Application Form can be sent by PDF by email to [impacthealthcare@computershare.co.uk](mailto:impacthealthcare@computershare.co.uk) (applications for payments to be made by cheque cannot be accepted by email, as the physical cheque payment needs to accompany the Application Form)), so as to be received by the Receiving Agent by no later than 11 a.m. on 4 July 2022, together in each case with payment in full in respect of the subscription.

The Offer for Subscription is being made on the terms and subject to the conditions set out in the Appendix to this Announcement.

Subject to Admission becoming effective, it is expected that settlement of subscriptions in respect of the New Ordinary Shares and trading in the New Ordinary Shares will commence at 8.00 a.m. on 8 July 2022, or such later time and/or date as may be announced by the Company.

Investors that wish to subscribe for New Ordinary Shares via their broker or platform may do so by requesting their broker or platform subscribe for New Ordinary Shares on their behalf, subject to the terms and conditions between the investor and their broker or platform.

By making an application to subscribe for New Ordinary Shares under the Offer for Subscription, investors will be deemed to have accepted the terms and conditions set out below in the Appendix to this Announcement. An investor that has made an application to subscribe for New Ordinary Shares under the Offer for Subscription accepts that such application shall be irrevocable without the consent of the Board. Upon being notified of its allocation of New Ordinary Shares in the Offer for Subscription, an investor shall be contractually committed to acquire the number of New Ordinary Shares allocated to it at the Issue Price per New Ordinary Share.

### Dividend

The New Ordinary Shares issued pursuant to the Issue will, following Admission, rank *pari passu* in all respects with the existing Ordinary Shares and will carry the right to receive all dividends and distributions declared, made or paid in respect of the Ordinary Shares by reference to a record date after Admission. For the avoidance of doubt, holders of the New Ordinary Shares being issued pursuant to the Issue will be eligible to receive the interim quarterly dividend, in respect of the quarter ended 30 June 2022, which is expected to be declared in August 2022.

### Expected Timetable

Placing and Offer for Subscription Open	22 June 2022
Latest time and date for receipt of commitments under the Offer for Subscription	11 a.m. on 4 July 2022
Latest time and date for receipt of commitments under the Placing	2 p.m. on 5 July 2022
RNS announcement of the results of the Issue	6 July 2022

Issue of New Ordinary Shares, admission to the premium listing of the Official List and commencement of dealings in the New Ordinary Shares on the London Stock Exchange's Main Market	8 July 2022
--	-------------

*The dates and times specified above are subject to change. In particular, the Directors may (with the prior approval of Jefferies and Winterflood) bring forward or postpone the closing time and date for the Issue. In the event that a date or time is changed, the Company will notify persons who have applied for Ordinary Shares by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.*

#### Dealing Codes

ISIN of Ordinary Shares	GB00BYXVMJ03
SEDOL of Ordinary Shares	BYXVMJ0
Ticker	IHR

Unless otherwise defined, capitalised terms used in this Announcement shall have the same meaning as set out in the Prospectus published on 27 January 2022 as amended.

#### 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) WAULT: Weighted Average Unexpired Lease Term
- (3) EPRA: European Public Real Estate Association

#### FOR FURTHER INFORMATION, PLEASE CONTACT

<b>Impact Health Partners LLP</b> Andrew Cowley Mahesh Patel David Yaldron	via Maitland/AMO
<b>Jefferies International Limited</b> Tom Yeadon Andrew Morris Ollie Nott	+44 (0) 20 7029 8000
<b>Winterflood Securities</b> Darren Willis Neil Langford	020 3100 0000
<b>Maitland/AMO (Communications Adviser)</b> James Benjamin	07747 113 930 <a href="mailto:impacthealth-maitland@maitland.co.uk">impacthealth-maitland@maitland.co.uk</a>

#### Important Information

This Announcement which has been prepared by, and is the sole responsibility of, Impact Healthcare REIT Plc has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 ("FSMA") by Winterflood Securities Limited, which is authorised and regulated by the Financial Conduct Authority.

**Shareholders' capital is at risk and the value of shares and the income from them is not guaranteed and can fall as well as rise due to the performance of the Company and stock market movements. When you sell your investment you may get back less than you originally invested. Past performance is not a reliable indicator of future results. Investors should carefully consider the risks attaching to an investment in the Company, including the risks set out in the 'Risk Factors' section below.**

This Announcement is an advertisement and does not constitute a prospectus relating to the Company and does not constitute, or form part of, any offer or invitation to sell or issue, or any solicitation of any offer to subscribe for, any shares in the Company in any jurisdiction nor shall it, or any part of it, or the fact of its distribution, form the basis of, or be relied on in connection with or act as any inducement to enter into, any contract therefor.

Recipients of this announcement who are considering acquiring new ordinary shares in the Company ("New Ordinary Shares") by participating in the Placing are reminded that any such acquisition must be made only on the basis of the information contained in the Prospectus which may be different from the information contained in this announcement. The documents comprising the Prospectus are available on the Company's website at <https://www.impactreit.uk/investors/reporting-centre/prospectus>.

Recipients of this announcement who are considering acquiring New Ordinary Shares by participating in the Offer for Subscription are reminded that any such acquisition must be made only on the basis of the Regulatory Information.

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 New Ordinary Shares 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 the New Ordinary Shares may not be offered or sold, directly or indirectly, within the United States except pursuant to an exemption from the registration requirements of the US Securities Act. There will be no public offer of the New Ordinary Shares in the United States. The New Ordinary Shares are being offered and sold: (i) outside the United States in "offshore transactions" as defined in and in reliance on Regulation S (as defined under the US Securities Act); and (ii) within the United States only to persons reasonably believed to be QIBs, as defined in Rule 144A under the US Securities Act, and that deliver to the Company and the Joint Bookrunners a signed Investor Representation Letter.

Neither this Announcement nor any copy of it may be 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. Any failure to comply with these restrictions may constitute a violation of 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 Announcement comes should inform themselves about, and observe, any such restrictions.

Jefferies International Limited ("**Jefferies**") and Winterflood Securities Limited ("**Winterflood**"), each of which is authorised and regulated by the FCA in the United Kingdom, is acting only for the Company in connection with the matters described in this announcement and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protection afforded to clients of either Jefferies or Winterflood or advice to any other person in relation to the matters contained herein. None of Jefferies, Winterflood, Impact Health Partners LLP (the "Investment Manager"), nor any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for this announcement, its contents or otherwise in connection with it or any other information relating to the Company, whether written, oral or in a visual or electronic format.

This Announcement includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements relate to matters that are not historical facts regarding the Company's investment strategy, financing strategies, investment performance, results of operations, financial condition, prospects and dividend policies of the Company and the assets in which it may invest. 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. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to, changes in general market conditions, legislative or regulatory changes, changes in taxation regimes or development planning regimes, the Company's ability to invest its cash in suitable investments on a timely basis and the availability and cost of capital for future investments.

The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements contained herein to reflect actual results or any change in the assumptions, conditions or circumstances on which any such statements are based unless required to do so by the Financial Conduct Authority, the FSMA, the Listing Rules and the Prospectus Regulation Rules made under Part VI of FSMA, the UK version of the Market Abuse Regulation (2014/596/EU) or other applicable laws, regulations or rules.

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.

## **Risk Factors**

Prior to investing in the New Ordinary Shares, prospective investors should consider the associated risks.

The key risks specific to the Company which are known to the Directors are detailed below:

- The effects of COVID-19 over the past two years saw occupancy decline at the Group's care homes, with the majority of this decline taking place in the first three months of the COVID-19 outbreak, before testing and full levels of personal protective equipment were available to the Group's care homes. Similar outbreaks of other infectious diseases in the future or further outbreaks of COVID-19, including new variants of COVID-19 could lead to declining occupancy rates at the Group's care homes and place pressure on the availability of staff. These could in turn have a negative effect on the Group's results of operations and the Company's results of operations and financial performance.
- Government may change policy or introduce legislation that affects the UK care sector. The heightened focus on adult social care, and in particular care homes, as a result of COVID-19, has increased the probability of changes to future government policy and a demand for increased funding. Any changes to the legislation applicable to, or the regulatory status of, the Company, the Group's tenants ("**Tenants**") or the Company's underlying investments, could affect the net incomes received by the Tenants and/or the Company's ability to provide returns to holders of Ordinary Shares in the Company ("**Shareholders**").
- Adverse economic conditions in general are expected to heighten as unemployment levels rise and the government implements measures to reduce the unprecedented level of debt that has been required to manage the immediate economic implications of the COVID-19 pandemic. Adverse market conditions in the healthcare sector in particular, and their impact on the Tenants, may have a material adverse effect on the Tenants' covenant strength and ability to meet their rent payment obligations resulting in an increase in the portfolio default rate, received yield on investment and, therefore, cash flows.
- A weakening of the UK care market could materially affect Tenants' covenant strength and their ability to pay rent, resulting in a reduction in the value of the care home and a higher risk of default, which in turn may impact on the yields received from the Portfolio and, in turn, on the timing of distributions paid to Shareholders.
- The default of one or more Tenants, or failing to act quickly and decisively when confronted with a failing Tenant, would affect the value of the Group's homes and both the Company's ability to pay dividends and to meet its financing obligations.

- If a Tenant fails to adequately repair and maintain the properties it leases, in accordance with the agreed annual repair and maintenance budget, the effect on the quality and reputation of the affected care home could result in negative business prospects for that care home, leading to reduced bed occupancy and/or increased future maintenance costs. This could materially adversely affect the Company's financial position, results of operations and business prospects.
- Tightening environmental regulations may increase the need for investment or redevelopment of the portfolio of properties held directly or indirectly by the Company from time to time ("**Portfolio**") and restrict Tenants' ability to provide care and earn revenue. Failure to consider the effects of climate change could accelerate the obsolescence of the Group's care homes (both physical and low carbon transition risks) with corresponding implications to value and long-term income generation.
- There is no guarantee that any borrowings of the Company or any subsidiary of it that has incurred or incurs borrowings, if applicable, will be able to be refinanced on their maturity either on terms that are acceptable to the Company or at all. If the Group is unable to operate within its debt covenants, this could lead to a default and the Group's debt funding being recalled.
- The Company relies on key individuals at the Investment Manager to identify and select investment opportunities, however, there can be no assurance as to these individuals' continued service. The death or departure of any of these individuals without adequate replacement may have a material adverse effect on the Company's business prospects and results of operations.
- The Company's investment objective requires it to invest in a portfolio of healthcare real estate assets; new assets may not be available on the terms required to generate the Target Dividend and Target Total Return, or at all. Market conditions may restrict availability and have a generally negative impact on the Company's ability to identify and execute future investments in suitable assets that might generate acceptable returns. To the extent that there is a delay in making investments while the Company has capital available to deploy, there is greater likelihood that the Group's growth in underlying earnings will be limited and the Company's ability to make distributions to Shareholders will be adversely affected.
- The Company may be faced with competition in securing assets. To the extent that the Company does not utilise the net proceeds of the Initial Issue or a subsequent placing under the Placing Programme to repay debt, this could result in the Company taking longer than anticipated to invest the proceeds of the Initial Issue or future placing under the Placing Programme. Delay in deployment into investments may also result in the price of certain assets increasing. As such, competition in securing assets may have an adverse impact on the amounts that are able to be returned to shareholders by way of a dividend as well as the net asset value of the Company.

The key risks associated with an investment in the New Ordinary Shares which are known to the Directors are detailed below:

- The value of the New Ordinary Shares and the income derived from those shares (if any) can fluctuate and may go down as well as up. The New Ordinary Shares may trade at a discount to their net asset value.
- It may be difficult for Shareholders to realise their investment and there may not be a liquid market in the New Ordinary Shares.
- If the Directors decide to issue further shares (including pursuant to the Placing Programme), the proportions of the voting rights held by Shareholders who do not participate in such share issues pro rata to their prior shareholdings will be diluted.

#### **Information to Distributors - Product Governance**

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any manufacturer (for the purposes of the UK Product Governance Requirements and/or any equivalent requirements elsewhere to the extent determined to be applicable) may otherwise have with respect thereto, the New Ordinary Shares the subject of the Issue have been subject to a product approval process, which has determined that such New Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure Placeses who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

#### **UK PRIIPs Regulation**

In accordance with the UK version of Regulation (EU) No. 1286/2014 on key information documents for packaged retail and insurance-based investment products, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK PRIIPs Regulation**") a key information document ("**KID**") in respect of an investment in Ordinary Shares has been prepared by the Company and is available to investors at <https://www.impactreit.uk/investors/reporting-centre/aifmdl/>.

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

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

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

## APPENDIX

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION

References in these terms and conditions of application under the Offer for Subscription (the "**Terms and Conditions of Application**") to the Announcement are to the announcement dated 22 June 2022 published by the Company relating, *inter alia*, to the Offer for Subscription (the "**Announcement**").

Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as used in the Announcement.

#### No prospectus

The Offer for Subscription (as defined in the Announcement) is being made under the exemption against the need for an approved prospectus provided for under section 86(1) of FSMA. As such, no prospectus or offering document has been or will be published pursuant to the UK Prospectus Regulation in connection with the Offer for Subscription, nor will any such prospectus be submitted to be approved by the FCA.

Accordingly, all applications will be made solely on the basis of information published by the Company in accordance with the FCA's Disclosure Guidance and Transparency Rules, the Company's pre-investment disclosure document prepared for the purposes of complying with regulation 59(2)(b) of the Alternative Investment Fund Managers Regulations 2013, as amended, and the key information document (the "**KID**") relating to the Ordinary Shares (the "**Regulatory Information**").

#### 1. Introduction

The New Ordinary Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in New Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

In the case of a joint application, references to you in these Terms and Conditions of Application are to each of you, and your liability is joint and several. Please ensure that you read these Terms and Conditions of Application in full before completing the Application Form.

If you apply for New Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company, Computershare Investor Services PLC (the "**Registrar**" and/or the "**Receiving Agent**" (as the context requires)) to the Terms and Conditions of Application set out below.

The Offer for Subscription Application Form referred to in these Terms and Conditions of Application is available from the Company's website at <https://www.impactreit.uk/investors/reporting-centre/aifmd/>.

If you apply for New Ordinary Shares under the Offer for Subscription, you will be agreeing with the Company, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

#### 2. Offer to acquire New Ordinary Shares

Your application must be made on the Offer for Subscription Application Form or as may be otherwise published by the Company. By completing and delivering an Offer for Subscription Application Form, you, as the applicant, and, if you sign the Offer for Subscription Application Form on behalf of another person or a corporation, that person or corporation:

- (a) offer to subscribe for such number of New Ordinary Shares at 117 pence per New Ordinary Share as may be purchased by the subscription amount specified in Box 1 on your Offer for Subscription Application Form (being a minimum of 1,000 New Ordinary Shares) or any smaller number for which such application is accepted at the Issue Price on the terms, and subject to the conditions, set out in this Announcement, including these Terms and Conditions of Application and the articles of association of the Company (the "**Articles**");
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of admission of the New Ordinary Shares to premium listing of the Official List and to trading on the London Stock Exchange's Main Market ("**Admission**"), offer for subscription any New Ordinary Shares to any person other than by means of the procedures referred to in the Announcement, your application may not be revoked otherwise than in accordance with your statutory rights under Article 23(2) of the UK Prospectus Regulation and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to the Receiving Agent of your Offer for Subscription Application Form;
- (c) undertake to pay the amount specified in Box 1 on your Offer for Subscription Application Form in full on application and warrant that the remittance accompanying your Offer for Subscription Application Form will

be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive the share certificates for the New Ordinary Shares applied for in certificated form or be entitled to commence dealing in the New Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such New Ordinary Shares unless and until you make payment in cleared funds for such New Ordinary Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the New Ordinary Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Offer for Subscription Application Form, without interest);

- (d) agree that where on your Offer for Subscription Application Form a request is made for New Ordinary Shares to be deposited into an account in the name of the relevant holder in CREST (a "**CREST Account**"): (i) the Receiving Agent may in its absolute discretion amend the Offer for Subscription Application Form so that such New Ordinary Shares may be issued in certificated form registered in the name(s) of the holders specified in your Offer for Subscription Application Form (and you acknowledge that the Receiving Agent will so amend the Offer for Subscription Application Form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent or the Company may authorise your financial adviser or whomever he may direct to send a document of title for or credit your CREST Account in respect of the number of New Ordinary Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your Offer for Subscription Application Form;
- (e) agree, in respect of applications for New Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2(d) above to issue New Ordinary Shares in certificated form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Offer for Subscription Application Form may become entitled or pursuant to paragraph 2(d) above (and any monies returnable to you) may be retained by the Receiving Agent:
- (i) pending clearance of your remittance;
- (ii) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of Application; or
- (iii) pending any verification of identity (to the satisfaction of the Company and its agents, including as may concern the manner in which its identification documents are to be certified) which is, or which the Company and its agents consider may be, required for the purposes of compliance with the prevailing anti-money laundering, anti-terrorism and contributing to the financing of criminal activities legislation, regulations and procedures in force from time to time in the United Kingdom (the "**CDD Rules**"); and
- (iv) any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- (g) agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefore, the Company or the Receiving Agent may terminate the agreement with you to allot New Ordinary Shares and, in such case, the New Ordinary Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- (h) warrant and confirm that:
- (i) you are not a person engaged in money laundering;
- (ii) none of the monies or assets transferred or to be transferred to (or for the account of) the Company and its agents for the purposes of the subscription are or will be the proceeds of criminal activities or activities that would be criminal if carried out in the United Kingdom; and
- (iii) you are not a prohibited individual or entity or resident in a prohibited country or territory listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and that you are not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes;
- (i) represent and warrant to the Company that, where you are acting as a nominee on behalf of a retail investor based in the UK you have delivered a hard copy of the KID to each retail investor on whose behalf you are accepting the Offer for Subscription prior to receipt of each such investor's instruction to accept the Offer for Subscription;
- (j) undertake to ensure that, in the case of an Offer for Subscription Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Offer for Subscription Application Form together with full identity documents

- for the person so signing;
- (k) undertake to pay interest at the rate described in paragraph 3(c) below if the remittance accompanying your Offer for Subscription Application Form is not honoured on first presentation;
  - (l) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of New Ordinary Shares for which your application is accepted or if you have completed Box 7 on your Offer for Subscription Application Form, but subject to paragraph 2(d) above, to deliver the number of New Ordinary Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
  - (m) confirm that you have read and complied with paragraph 8 of these Terms and Conditions of Application;
  - (n) agree that all subscription cheques and payments will be processed through a bank account (the "**Acceptance Account**") in the name of "CIS PLC RE: IMPACT HEALTHCARE A/C " opened with the Receiving Agent;
  - (o) acknowledge that any personal data supplied by an Offer for Subscription Applicant or on his behalf, shall be processed in accordance with the data collection notice which is set out at the end of these Terms and Conditions of Application; and
  - (p) agree that your Offer for Subscription Application Form is addressed to the Company and the Receiving Agent.

Any application may be rejected in whole or in part at the sole discretion of the Company.

### **3. Acceptance of your Offer**

- (a) The Company may accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying acceptance to the Receiving Agent, or the Receiving Agent may accept your offer on behalf of the Company.
- (b) The basis of allocation will be determined by the Joint Global Co-ordinators in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Offer for Subscription Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Offer for Subscription Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company and Receiving Agent reserve the right (but shall not be obliged) to accept Offer for Subscription Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.
- (c) The Receiving Agent will present all cheques and banker's drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful Offer for Subscription applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- (d) The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the minimum subscription of 1,000 New Ordinary Shares.

### **4. Conditions**

- (a) The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional, *inter alia*, upon:
  - (i) Admission occurring by 8.00 a.m. on 8 July 2022 (or such later date as the Company, the Investment Manager and the Joint Global Co-ordinators may agree in writing, being not later than 8.00 a.m. on 31 August 2022); and
  - (ii) the placing agreement between the Company, the Investment Manager, the Joint Global Co-ordinators and Jefferies GmbH dated 27 January 2022 becoming otherwise unconditional in all respects (save as to Admission of the New Ordinary Shares) and not having been terminated on or before Admission.
- (b) You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

### **5. Return of application monies**

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by

post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

## 6. Warranties

By completing an Offer for Subscription Application Form, you:

- (a) warrant that, if you sign the Offer for Subscription Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- (b) warrant that you are a resident of, and are located in the United Kingdom and no other jurisdiction;
- (c) warrant, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, Winterflood, Jefferies or the Receiving Agent, or any of their respective officers, agents, employees or affiliates, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer for Subscription in respect of your application;
- (d) confirm that in making an Offer for Subscription Application you are not relying on any information or representations in relation to the Company other than those contained in the Regulatory Information (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Announcement (including these Terms and Conditions of Application) or any part thereof shall have any liability for any such other information or representation;
- (e) agree that, having had the opportunity to read the Announcement (including these Terms and Conditions of Application), you shall be deemed to have had notice of all information and representations contained therein;
- (f) acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Regulatory Information and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Winterflood, Jefferies or the Receiving Agent;
- (g) warrant that you are not under the age of 18 on the date of your application;
- (h) agree that all documents and monies sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Offer for Subscription Application Form;
- (i) confirm that you have reviewed the restrictions contained in paragraph 8 of this Offer for Subscription Application Form below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;
- (j) agree that, in respect of those New Ordinary Shares for which your Offer for Subscription Application Form has been received and processed and not rejected, acceptance of your Offer for Subscription Application Form shall be constituted by the Company instructing the Registrar to enter your name on the register of members of the Company;
- (k) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription (including any non-contractual obligations arising under or in connection therewith) shall be governed by and construed in accordance with English Law and that you submit to the exclusive jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (l) irrevocably authorise the Company, or the Receiving Agent or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any New Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and/or the Receiving Agent to execute any documents required therefor and to enter your name on the register of members of the Company;
- (m) agree, on the request of the Company or any of its agents, to disclose promptly in writing to any of them such information as the Company or its agents may request in connection with your application and you agree that information relating to applications will be retained by the Receiving Agent in connection with the Offer for Subscription and may be disclosed as contemplated by the CDD Rules;
- (n) agree that the Receiving Agent is acting for the Company in connection with the Offer for Subscription and for no-one else and that it will not treat you as its customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of the New Ordinary Shares or concerning the suitability of the New Ordinary Shares for you or be responsible to you for providing the protections afforded to its customers;
- (o) unless otherwise agreed in writing with the Company, no portion of the assets used to purchase, and no portion of the assets used to hold, the New Ordinary Shares or any beneficial interest therein constitutes or

will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder ("**ERISA**") that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Internal Revenue Code**"), including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or (iii) 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 Internal Revenue Code. In addition, if a subscriber 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 Internal Revenue Code, its purchase, holding, and disposition of the New Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

- (p) warrant that you are not subscribing for the New Ordinary Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Ordinary Shares;
- (q) warrant that the information contained in your Offer for Subscription Application Form is true and accurate; and
- (r) agree that if you request that New Ordinary Shares are issued to you on a date other than the date of Admission and such New Ordinary Shares are not issued on such date that the Company and its agents and Directors will have no liability to you arising from the issue of such New Ordinary Shares on a different date.

## 7. Money laundering

- (a) You agree that, in order to ensure compliance with the CDD Rules, the Receiving Agent may at its absolute discretion require, and you will provide, evidence which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status. Without prejudice to the generality of the foregoing such evidence may be required if you either:
  - (i) tender payment by way of banker's draft or cheque or money order drawn on an account in the name of another person or persons (in which case verification of your identity may be required); or
  - (ii) appear to the Receiving Agent to be acting on behalf of some other person (in which case verification of identity of any persons on whose behalf you appear to be acting may be required).
- (b) Failure to provide the necessary evidence of identity (in a manner satisfactory to the Company and its agents, including in respect of the manner of its certification) may result in application(s) being rejected or delays in the authorisation of documents.
- (c) Without prejudice to the generality of paragraph 7(a) above, verification of the identity of applicants may be required if the total subscription price of the New Ordinary Shares applied for, whether in one or more applications, exceeds the Pounds Sterling equivalent of €15,000. If in such circumstances, you use a building society cheque, banker's draft or money order, you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and add its stamp. If in such circumstances, you use a cheque drawn by a third party, you may be requested to provide a copy of your passport or driving licence certified by a solicitor and/or a recent original bank or building society statement or utility bill in your name and showing your current address (which originals will be returned by post at the applicant's risk).
- (d) For applicants sending subscription monies by electronic bank transfer (CHAPs), payment must be made for value by 11.00 a.m. on 4 July 2022. Applicants wishing to make a CHAPs payment should contact the Receiving Agent by email at [impacth@computershare.co.uk](mailto:impacth@computershare.co.uk) for full bank details or telephone the shareholder helpline. Applicants will be provided with a unique reference number which must be used when making the payment.
- (e) The Receiving Agent cannot take responsibility for identifying payments without a unique reference nor where a payment has been received but without an accompanying Offer for Subscription Application Form.
- (f) You should endeavour to have the certificate contained in Box 8 of the Offer for Subscription Application Form signed by an appropriate firm as described in that Box.

## 8. Overseas Investors

The attention of investors who are not resident in, or who are not citizens of the United Kingdom is drawn to paragraphs 8(a) to 8(e) below:

- (a) The offer of New Ordinary Shares under the Offer for Subscription is only being made in the UK. Persons who are resident in, or citizens of, countries other than the United Kingdom ("**Overseas Investors**") who wish to subscribe for New Ordinary Shares under the Offer for Subscription may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for New Ordinary Shares under the Offer for Subscription. It is the responsibility of all Overseas Investors receiving this document and/or wishing to subscribe for the New Ordinary Shares under the Offer for Subscription to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.

- (b) No person receiving a copy of this document in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to them, unless in the relevant territory such an offer can lawfully be made to them without compliance with any further registration or other legal requirements.
- (c) None of the New Ordinary Shares have been or will be registered under the laws of Australia, Canada, Japan or the Republic of South Africa or other political subdivision of Australia, Canada, Japan, or the Republic of South Africa. Accordingly, unless an exemption under such laws is applicable, the New Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan or the Republic of South Africa (as the case may be). If you subscribe for New Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a resident of Australia, Canada, Japan or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of Australia or Canada (or any political subdivision of any of them), Japan or the Republic of South Africa and that you are not subscribing for such New Ordinary Shares for the account of any resident of Australia, Canada, Japan, or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the New Ordinary Shares in or into Australia, Canada, Japan or the Republic of South Africa or to any resident in Australia, Canada, Japan or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in Australia, Canada, Japan or the Republic of South Africa.
- (d) Persons (including, without limitation, nominees and trustees) receiving this document should not distribute or send it in or into the United States, Australia, Canada, Japan or the Republic of South Africa or their respective territories of possessions or any other jurisdictions where to do so would or might contravene local securities laws or regulations.
- (e) The Company reserves the right to treat as invalid any agreement to subscribe for New Ordinary Shares pursuant to the Offer for Subscription if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

#### **Data protection - personal data collection notice**

When an application is made to subscribe to shares in the Company, the Company and/or JTC (UK) Limited (the "**Administrator**") will collect data about the prospective shareholder in the Company (the "**Shareholder**"), such as the name of the Shareholder, their address, the number of shares they subscribe or wish to subscribe to, account details, and proof of identity, together with such other personal data as is required in connection with the administration of the prospective Shareholder's interest in the Company ("**Personal Data**"). This data will be held and processed by the Company (and any third party in the United Kingdom to whom it may delegate certain administrative functions in relation to the Company) and/or the Administrator in accordance with applicable data protection legislation and regulatory requirements of the United Kingdom. It will be stored on the Company's and/or the Administrator's or other third party processor's computer systems and manually, and will be retained for as long as is necessary in order to administer the interests in the Company and for any period thereafter which is required in order for the Company to comply with its reporting obligations.

The Company is required by law applicable from time to time relating to the collecting and/or processing of personal data and/or privacy, as in force at the date of the Announcement or as re-enacted, applied, amended, superseded, repealed or consolidated, including without limitation, the UK Data Protection Act 2018, the General Data Protection Regulation (EU) 2016/679 ("**EU GDPR**", the UK version of the EU GDPR, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as the case may be), and the Privacy and Electronic Communications (EC Directive) Regulations 2003, in each case including any legally binding regulations, directions and orders issued from time to time under or in connection with any such law ("**Data Protection Legislation**") to specify the purposes for which it will hold Personal Data. The Company and/or the Administrator (together with any third party, functionary, or agent appointed by the Company) will use and process such data for the following purposes:

- for or in connection with the holding of an interest in the Company, including processing Personal Data in connection with credit and money laundering checks on the prospective Shareholder;
- to communicate with the prospective Shareholder as necessary in connection with the proper running of the Company's business affairs and generally in connection with the holding of an interest in the Company;
- to provide Personal Data to such third parties as are or shall be necessary in connection with the proper running of the Company's business affairs and generally in connection with the holding of an interest in the Company or as Data Protection Legislation may require, including to third parties outside the United Kingdom or the European Economic Area (subject to the use of a transfer mechanism which is approved at the relevant time by the European Commission or any other regulatory body which has or acquires the right to approve methods of transfer of personal data outside the UK); and
- for the Company and/or the Administrator's internal record keeping and reporting obligations.

The legal basis for processing Personal Data for the purposes set out above is the legitimate interests of the Company and/or the Administrator in carrying out the business of the Company and administering the interests in the Company and/or (in some cases) that the processing is necessary for compliance with a legal obligation to which the Company and/or the Administrator is subject.

The Company is a data controller in respect of Personal Data and for the purpose of Data Protection Legislation. All prospective Shareholders whose Personal Data has been submitted in connection with an application for an interest in the Company have a right to:

- be told about the data that the Company and/or the Administrator hold about them and to

receive a copy of the information that constitutes Personal Data about them, on request;

- request access to and rectification or erasure of Personal Data, restriction of processing concerning the prospective Shareholder, and the right to data portability (as set up in, and subject to limits imposed by Data Protection Legislation); and
- withdraw consent to processing, to the extent that processing is based on consent; and
- lodge a complaint about processing with the UK data protection supervisory authority (the Information Commissioners Office).

If you wish to exercise any of these rights, or wish to contact the Company and/or the Administrator about your Personal Data, you should submit a written application to the Company at The Scalpel, 18th Floor, 52 Lime Street, London EC3M 7AF.

Where a third party provides Personal Data about a prospective Shareholder to the Company and/or the Administrator, the third party represents and warrants to the Company and/or the Administrator, that it has collected and transferred such data to the Company and/or the Administrator in accordance with Data Protection Legislation.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact [rns@lse.com](mailto:rns@lse.com) or visit [www.rns.com](http://www.rns.com).

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

IOEUARORUVUNUUR