

Impact Healthcare REIT PLC
(Company registration number 10464966)

Initial Financial Information
For the period from 7 November 2016 (incorporation date) to 30 April 2017

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Impact Healthcare REIT PLC

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Impact Healthcare REIT PLC

General information

Directors

Rupert Barclay - Chairman (appointed: 16 January 2017)
Rosemary Boot (appointed: 16 January 2017)
David Brooks (appointed: 16 January 2017)
Philip Hall (appointed: 16 January 2017)
Paul Craig (appointed: 30 June 2017)

John Alflatt (appointed: 7 November 2016; resigned 16 January 2017)
Andrew Cowley (appointed: 7 November 2016; resigned 16 January 2017)

Registered office

7th Floor 9 Berkeley Street
London
W1J 8DW
Telephone: +44(0)207 409 0181

Investment Manager and AIFM

Carne Global AIFM Solutions (C.I.) Limited
Channel House
Green Street
St Helier
JE2 4UH

Investment Advisor

Impact Health Partners LLP
149-151 Regent Street
London
W1B 4JD

Independent Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Administrator & Secretary

JTC (UK) Limited
7th Floor 9 Berkeley Street
London
W1J 8DW

Registrar

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent
BR3 4TU

Legal Advisers

Travers Smith LLP
10 Snow Hill
London
EC1A 2AL

Placing agent and Broker

Winterflood Securities Limited
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2G

Impact Healthcare REIT PLC

Directors' Report

For the period from 7 November 2016 (incorporation date) to 30 April 2017

Initial Financial Information

The Directors present their initial financial information for the period from 7 November 2016 (incorporation date) to 30 April 2017 in accordance with S839(4) of the Companies Act 2006. This is the first set of financial information prepared by Impact Healthcare REIT PLC (the "Company") and therefore no comparatives are provided.

Incorporation

The Company was registered as a public company, limited by shares, on 7 November 2016 with registered number 10464966 under the Companies Act 2006. The Company's registered office is in England and Wales.

Principal Activity

The Company's investment policy is to acquire, own, lease, renovate, extend and redevelop high quality, healthcare real estate assets in the UK and lease those assets, under full repairing and insuring leases, primarily to healthcare operators providing residential healthcare services. On 7 March 2017, the Company's Ordinary Shares were admitted and commenced dealings on the specialist fund segment of the main market of the London Stock Exchange ("Admission").

Subsequent to period end, on 4 May 2017 the Company announced that it had completed the acquisition of the seed portfolio of 56 assets for a total consideration of £148,754,000. Following completion, 14,000,000 Ordinary Shares were admitted to trading on the Specialist Fund Segment of main market of the London Stock Exchange in connection with the Vendor Issue as described in the Prospectus published by the Company on 24 January 2017. This increased the total number of Ordinary Shares in the Company in issue immediately following Admission to 160,172,360, each with equal voting rights. The full detail of the subsequent events is set out in note 9 of the initial financial information.

Following the acquisition of the seed portfolio the Directors are operating the business as a Real Estate Investment Trust for the purposes of Chapter 12 of the CTA 2010.

Results

The results of the Company for the period are disclosed on page 6.

Dividends

During the period under review the Company made no dividend payments.

Impact Healthcare REIT PLC

Directors' Report (continued)

For the period from 7 November 2016 (incorporation date) to 30 April 2017

Directors

The directors who served during the period and to the date of this report are:

Rupert Barclay - Chairman (appointed: 16 January 2017)
Rosemary Boot (appointed: 16 January 2017)
David Brooks (appointed: 16 January 2017)
Philip Hall (appointed: 16 January 2017)
Paul Craig (appointed: 30 June 2017)
John Afflatt (appointed: 7 November 2016; resigned 16 January 2017)
Andrew Cowley (appointed: 7 November 2016; resigned 16 January 2017)

The interests (all of which are or will be beneficial unless otherwise stated) of the Directors in the ordinary share capital of the Company are as follows:

Name of Director	Number of Ordinary Shares
Rupert Barclay	100,000*
Rosemary Boot	30,000*
David Brooks	30,000
Philip Hall	30,000
Paul Craig	34,500,000**

* Both Rupert Barclay and Rosemary Boot have invested through their Self-invested Personal Pensions

** Paul Craig is a portfolio manager at Old Mutual Global Investors, which has an interest in the Company through funds under management.

Administration and Secretary

The Company's administrator and secretary is JTC (UK) Limited.

Independent Auditors

BDO LLP was appointed as the Company's independent auditor and have indicated their willingness to continue in office.

Impact Healthcare REIT PLC

Directors' Report (continued)

For the period from 7 November 2016 (incorporation date) to 30 April 2017

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the initial financial information in accordance with applicable law and regulations. They are required to be properly prepared within the meaning of S839(4) of the Companies Act 2006.

Under the law the Directors have elected to prepare the initial financial information in accordance with International Financial Reporting Standards ("IFRS") and applicable law.

In preparing the initial financial information, the Directors are required to:


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the initial financial information; and
- prepare the initial financial information on the going concern basis unless it is inappropriate to presume that the company will continue the business.

The Directors confirm they have complied with all the above requirements in preparing the initial financial information.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the initial financial information complies with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Board on 20 July 2017 and signed on its behalf by:


Director - Rupert Barclay

Independent Auditors' Report to the Directors of Impact Healthcare REIT PLC

Report of the independent auditor to the directors of Impact Healthcare REIT Plc under section 839(5) of the Companies Act 2006

We have examined the initial accounts of Impact Healthcare REIT Plc for the period from 7 November 2016 to 30 April 2017, which comprise the statement of comprehensive income, the statement of financial position, statement of changes in equity, statement of cash flows, and the related notes. The initial financial information has been prepared under the accounting policies set out therein.

This report is made solely to the company's directors, as a body, in accordance with section 839(5) of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's directors as a body, for our audit work, for this report, or for the opinions we have formed.

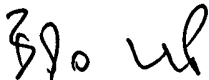
Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the directors are responsible for the preparation of the initial financial information in accordance with applicable law and the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our responsibility is to report to you our opinion as to whether the initial accounts have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.

Opinion

In our opinion the initial accounts for the period from 7 November 2016 to 30 April 2017 have been properly prepared within the meaning of section 839(4) of the Companies Act 2006.



.....
Richard Levy (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
United Kingdom

20 JUL 2017
.....

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Impact Healthcare REIT PLC

Statement of Comprehensive Income For the period from 7 November 2016 (incorporation date) to 30 April 2017

		7 November 2016 to 30 April 2017
	Notes	£
REVENUE		
Investment income		-
EXPENDITURE		
Investment advisory fees	9(c)	(256,955)
Audit fees		(9,945)
Directors remuneration	9(a)	(22,292)
Other fees	9(a)	(65,899)
LOSS BEFORE FINANCE COSTS AND TAX		(355,091)
NET FINANCE COSTS		
Interest income		-
Interest expense		-
LOSS BEFORE TAX		(355,091)
Taxation	7	-
LOSS FOR THE PERIOD		(355,091)

There is no other comprehensive income for the period.

All the items dealt with in arriving at the loss for the period relate to continuing operations.

The notes on pages 10 to 18 form an integral part of the initial financial information.


Impact Healthcare REIT PLC

Statement of Financial Position As at 30 April 2017

Company number 10464966

	Notes	As at 30 April 2017 £
NON-CURRENT ASSETS		
Investment in subsidiaries	6	-
TOTAL NON-CURRENT ASSETS		-
CURRENT ASSETS		
Trade and other receivables	3	566,266
Cash and cash equivalents		142,757,177
TOTAL CURRENT ASSETS		143,323,443
TOTAL ASSETS		143,323,443
CURRENT LIABILITIES		
Trade and other payables	4	423,713
TOTAL CURRENT LIABILITIES		423,713
TOTAL NET ASSETS		142,899,730
EQUITY		
Share capital	5	1,461,724
Share premium	5	94,941,389
Capital reduction reserve	5	46,851,708
Accumulated losses		(355,091)
TOTAL EQUITY		142,899,730

The initial financial information was approved and authorised for issue by the Board of Directors on 20 July 2017 and are signed on its behalf by:


Director - Rupert Barclay

The notes on pages 10 to 18 form an integral part of the initial financial information.

Impact Healthcare REIT PLC

Statement of Changes in Equity For the period from 7 November 2016 (incorporation date) to 30 April 2017

	Note	Share Capital	Share Premium	Capital Reduction Reserve	Profit and Loss Account	Total Equity
		£	£	£	£	£
Balance as at 7 November 2016		-	-	-	-	-
Total Comprehensive loss for the period		-	-	-	(355,091)	(355,091)
Shares issued	5	1,461,724	141,793,097	-	-	143,254,821
Transferred to Capital Reduction Reserve	5	-	(46,851,708)	46,851,708	-	-
Balance as at 30 April 2017		<u>1,461,724</u>	<u>94,941,389</u>	<u>46,851,708</u>	<u>(355,091)</u>	<u>142,899,730</u>

The notes on pages 10 to 18 form an integral part of the initial financial information.

Impact Healthcare REIT PLC

Statement of Cash Flows For the period from 7 November 2016 (incorporation date) to 30 April 2017

	7 November 2016 to 30 April 2017 £
Cash flows from operating activities	
Operating loss	<u>(355,091)</u>
Increase in receivables	(566,266)
Increase in payables	<u>423,713</u>
Net cash outflow from operating activities	(142,553)
Financing activities	
Proceeds from issue of share capital	146,172,362
Less share issue costs	<u>(2,917,541)</u>
Net cash from financing activities	143,254,821
Net increase in cash and cash equivalents	142,757,177
Cash and cash equivalents at beginning of the period	<u>-</u>
Cash and cash equivalents at end of the period	<u>142,757,177</u>

The notes on pages 10 to 18 form an integral part of the initial financial information.

Impact Healthcare REIT PLC

Notes to the initial financial information For the period from 7 November 2016 (incorporation date) to 30 April 2017

1 General Information

Impact Healthcare REIT PLC (the "Company") was incorporated in the United Kingdom on 7 November 2016 with registered number 10464966. The registered office of the Company is 7th Floor, 9 Berkeley Street, London, W1J 8DW. Its share capital is denominated in Pound Sterling (GBP) and consists of one class of ordinary shares. The Company's principal activity is to acquire, own, lease, renovate, extend and redevelop high quality, healthcare real estate assets in the UK and lease those assets, under full repairing and insuring leases, primarily to healthcare operators providing residential healthcare services.

2 Accounting Policies

a) Statement of Compliance

The initial financial information has been prepared in accordance with the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB"). The principal accounting policies of the Company are set out below.

b) Standards and Interpretations

The following Standards or Interpretations, which are expected to affect the Company, have been issued but not yet adopted by the Company. Other Standards or Interpretations issued by the IASB are not expected to affect the Company.

IFRS 9 Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition, effective for accounting periods commencing on or after 1 January 2018.

IAS 7 Statement of Cash Flows - amendments resulting from the disclosure initiative effective for annual periods beginning on or after 1 January 2017.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the Company.

The Directors believe that the standards and amendments listed above, that have been issued but are not yet effective, will not have a material impact on the Company.

c) Functional and presentation currency

The currency of the primary economic environment in which the Company operates (the functional currency) is Pound Sterling ("GBP or £") which is also the presentation currency.

Transactions denominated in foreign currencies are translated into GBP at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income. All transactions during the current period are denominated in GBP, thus no foreign exchange differences arose.

d) Income and expenses

Income and expenses are accounted for on an accruals basis. The Company's income and expenses are charged through the Statement of Comprehensive Income.

Impact Healthcare REIT PLC

Notes to the initial financial information For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

2 Accounting Policies (continued)

e) Taxation

Taxation on the profit or loss for the period (not exempt under UK-REIT regulations after the Company qualifies as Real Estate Investment Trust for the purposes of Chapter 12 of the CTA 2010) comprises current and deferred tax. Taxation is recognised in the profit and loss account except to the extent that it relates to items recognised as direct movements in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to the tax payable in respect of previous years.

f) Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value with directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest method less any impairment losses. The effective interest method calculates the amortised cost of non-derivative financial instruments and allocates the interest over the period of the instrument.

g) Investment in subsidiaries

Investment in subsidiary undertakings are stated at cost less, where applicable, any provision for impairment.

h) Cash and cash equivalents

Cash and cash equivalents include cash at bank.

i) Trade and other receivables

Trade and other receivables are recognised initially at cost and subsequently stated at amortised cost.

j) Trade and other payables

Trade and other payables are recognised initially at cost and subsequently stated at amortised cost.

k) Dividends

Subject to the provision of the Company Law, the Company may by resolution declare dividends in accordance with the respective rights of the Members, but no dividend shall exceed the amount recommended by the directors. No dividends have been declared and paid in respect of the period ended 30 April 2017.

l) Share capital

Share capital consists of ordinary shares and is classified as equity.

Share Premium

The surplus of net proceeds received from the issuance of new shares over their par value is credited to this account and the related issue costs are deducted from this account. The reserve is non-distributable.

Impact Healthcare REIT PLC

Notes to the initial financial information

For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

2 Accounting Policies (continued)

l) Share capital (continued)

Profit and Loss Reserve

The net profit/(loss) arising in the Statement of Comprehensive Income is added to or deducted from this reserve which is a distributable reserve.

Capital Reduction Reserve

On 12 April 2017, an application to the High Court was successfully made for the reduction of £0.30 per share of the share premium account plus £3,000,000 which allowed the transfer of £46,851,708 to the capital reduction reserve (refer to note 5). This is a distributable reserve.

Capital Management

The Company's capital is represented by the Ordinary Shares, Share Premium, Profit and Loss Reserve and Capital Reduction Reserve. The Company is not subject to any externally-imposed capital requirements.

The capital of the Company is managed in accordance with its investment policy, in pursuit of its investment objective. Capital management activities may include the allotment of new share and the buy back or re-issuance of shares from treasury.

m) Going concern

In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. After making enquiries, and bearing in mind the nature of the Company's business and assets, the Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the initial financial information.

3 Trade and other receivables

	30 April 2017
	£
Unpaid issued capital	2
Prepaid property acquisition costs	276,000
Prepaid investment advisory fees	290,264
	<u>566,266</u>

4 Trade and other payables

	30 April 2017
	£
Share issue expenses	332,243
Other expense accruals	91,470
	<u>423,713</u>

Impact Healthcare REIT PLC

Notes to the initial financial information For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

5 Share capital, share premium and capital reduction reserve

	Share Capital	Share Premium	Capital Reduction Reserve	Total
	£	£	£	£
Allotted and issued share capital				
50,000 Management Shares at £1.00 each	50,000	-	-	50,000
Cancellation of Management Shares	(50,000)	-	-	(50,000)
2 Ordinary Shares at £0.01 each	-	2	-	2
146,172,360 Ordinary Shares at £1.00 each	1,461,724	144,710,636	-	146,172,360
Less: share issue costs on the 146,172,360 Ordinary Shares	-	(2,917,541)	-	(2,917,541)
	1,461,724	141,793,097	-	143,254,821
Transfer to Capital Reduction Reserve	-	(46,851,708)	46,851,708	-
	1,461,724	94,941,389	46,851,708	143,254,821

On 7 November 2016, the Company issued 2 Ordinary shares of £0.01 each with the consideration increased to £1 each following the issue, to ensure that all shareholders would be considered to have subscribed on equal terms for their Ordinary Shares. This was unpaid at the period end (refer to note 3). On the same date 50,000 Management Shares of £1 each were issued to Impact Health Partners LLP. The management shares were cancelled on 7 March 2017.

Ordinary shareholders are entitled to all dividends declared by the Company and to all of the Company's assets after repayment of its borrowings and ordinary creditors. Ordinary shareholders have the right to vote at meetings of the Company. All Ordinary Shares carry equal voting rights.

On 16 January 2017, the Board approved the proposed placing (the "Placing"), offer for subscription ("OFS") and private placement to certain seed portfolio sellers (the "Seed Portfolio Sellers") (the "Vendor Issue") (and together, the "Issue") of up to 200 million ordinary shares of £0.01 each in the capital of the Company (the "Ordinary Shares") at a price of £1.00 per Ordinary Share (the "Issue Price"). It was intended that the entire issued and to be issued share capital of the Company would be admitted to trading on the Specialist Fund Segment of the London Stock Exchange ("Admission").

On 8 March 2017, the Company issued 146,172,360 Ordinary Shares at a price of 100 pence per Ordinary Share raising gross proceeds of £146,172,360.

The consideration received in excess of the par value of shares issued (net of total expenses of issue) of £141,793,095, was credited to the share premium account.

On 12 April 2017, an application to the High Court by Special Resolution was successfully made for the capital of the Company to be reduced by the reduction of the share premium account by an amount equal to £0.30 multiplied by the number of Ordinary Shares in issue immediately following Admission plus £3,000,000. This was affected by a transfer to the Capital Reduction Reserve.

Subsequent to period end, on 5 May 2017, the Company issued a further 14,000,000 Ordinary Shares at a price of 100 pence per Ordinary Share raising gross proceeds of £14,000,000. This increased the total number of Ordinary Shares in the Company in issue to 160,172,360.

6 Investment in subsidiaries

On 10 April 2017, the Board ratified the incorporation of, and the Company's subscription for ordinary shares of £0.01 each in, Impact Property 1 Limited (Propco 1) and Impact Property 2 Limited (Propco 2). On 15 March 2017 the Company subscribed for 2 ordinary shares of £0.01 each in the share capital of Propco 1 and for 2 ordinary shares of £0.01 each in the share capital of Propco 2.

Impact Healthcare REIT PLC

Notes to the initial financial information

For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

7

Taxation

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	30 April 2017 £
Current tax:	
UK corporation tax	-
Tax on profit on ordinary activities	-

The standard rate of corporation tax in the UK for the period ended 30 April 2017 is 19% (20% up to 31 March 2017).

	30 April 2017 £
Loss before tax	(355,091)
Taxable loss for the period	(355,091)

As at the period end the company had taxable losses of £355,091 available to carry forward and set off against future taxable profits. However because the company converted to a Real Estate Investment Trust on 8 May 2017, no deferred tax asset has been recognised in these accounts as it is not anticipated that these losses will be utilised in the foreseeable future.

8

Financial Instruments

a) Classification of financial instruments

The following tables analyse the carrying amount of financial instruments by category as defined in IAS 39 "Financial Instruments: Recognition and Measurement" and by heading in the statement of financial position.

30 April 2017	Note	Loans and Receivables £	Other Financial Liabilities £	Total £
Financial Assets				
Trade and other receivables	3	2	-	2
Cash and cash equivalents		142,757,177	-	142,757,177
		<u>142,757,179</u>	<u>-</u>	<u>142,757,179</u>
Financial Liabilities				
Trade and other payables	4	-	423,713	423,713
		<u>-</u>	<u>423,713</u>	<u>423,713</u>

The Company's financial assets and liabilities as summarised above are expected to be realised within 12 months from the reporting date.

b) Financial risk management

Financial risk factors

The Company's exposure to credit, market and liquidity risk arises in the normal course of the Company's business. This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risk.

Impact Healthcare REIT PLC

Notes to the initial financial information

For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

8 Financial Instruments (continued)

b) Financial risk management (continued)

Risk management factors

The management of risks is performed by the Directors of the Company.

c) Credit risk

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract. The Company has no significant credit exposure.

Credit risk arises from cash and cash equivalents and other receivables. Appropriate credit checks are required to be made on all counterparties to the Company. Cash is held in accounts with Natwest, which has a credit rating given by Moody's of A3.

d) Liquidity risk

The objective of liquidity management is to ensure that all commitments which are required to be funded can be met out of readily available and secure sources of funding.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's trade and other payables at the reporting date are the contractual undiscounted cash flows excluding interest. Balances are due on demand and equal their carrying balances as the impact of discounting is not significant.

d) Market risk

Market risk is the risk that changes in the market prices, such as interest rates and equity prices will affect the Company's Statement of Comprehensive Income, or the value of its holdings of financial instruments. The objective is to minimise market risk through managing and controlling the risk to acceptable parameters, while optimising the return on risk.

The Company uses financial instruments in the ordinary course of business, and also incurs financial liabilities, in order to manage market risks. The Company does not have any financial instruments nor incurred any financial liability which is exposed to market risk.

Interest rate risk

Interest risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. At the reporting date the Company did not have any interest-bearing financial instruments.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. All transactions during the current period are denominated in GBP, thus no foreign exchange differences arose.

Impact Healthcare REIT PLC

Notes to the initial financial information

For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

8 Financial Instruments (continued)

e) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to its shareholder through the optimisation of the debt and equity balance. The Company is not subject to any externally imposed capital requirements.

Equity includes all capital and reserves of the Company that are managed as capital.

9 Related parties

Following Admission of the Ordinary Shares (refer to note 5), the Company and the Directors are not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company. The Company does not have an ultimate controlling party.

a) Accounting, secretarial and directors

JTC (UK) Limited has been appointed to act as secretary and administrator for the Company through the Administration Agreement entered into on 16 January 2017.

JTC (UK) Limited is currently the secretary and administrator of the Company.

Rupert Barclay being the Chairman, is paid director's remuneration of £40,000 per annum and each of the other directors are paid directors' remuneration of £30,000 per annum. Director's remuneration of £22,292 was incurred during the period. Refer to the Statement of Comprehensive Income on page 6. £22,292 was outstanding at the period end and is incorporated into other expense accruals in note 4 on page 12.

During the period, expenses incurred with JTC (UK) Limited totalled £19,890 and is incorporated into other expenses in the Statement of Comprehensive Income on page 6. £13,384 was outstanding at period end is incorporated into other accruals in note 4 on page 12.

b) Shareholders

Subsequent to the period end, and following completion of the acquisition of the seed portfolio, Mahesh Patel owns (through a wholly-owned company) 6.25 per cent. of the total issued ordinary share capital of the Company. In addition, at the period end Mr. Patel was a beneficial owner of the seed portfolio so he became entitled to a share of the total consideration payable by the Company on the acquisition of the seed portfolio. He is also a principal of the Investment Adviser and (directly or indirectly) holds a majority stake in Minster Care Management Limited, the company which was established to be the holding company of each of the initial tenants to which the Company leased the seed portfolio upon completion of the acquisition of the seed portfolio. As a principal of the Investment Adviser, he is also entitled to a share of any distributions generated by the Investment Adviser through the payment of the advisory fee by the Company.

In addition, Mr. Cowley (who is a shareholder and principal of the Investment Adviser) holds an interest in Minster Care Management Limited and owns 0.37 per cent. of the total issued share capital of the Company.

A lock-in agreement dated 24 January 2017 was entered into between the Company, Winterflood Investment Trusts and Mahesh Patel, pursuant to which Mr. Patel has agreed, for a period of 12 months following the date of Admission not to offer, sell, contract to sell, grant options over or otherwise dispose of, directly or indirectly any Ordinary Shares issued to him (or any vehicle owned by him) pursuant to the Vendor Issue (being the private placement of Ordinary Shares at the Issue Price to certain of the seed portfolio sellers in accordance with the terms of the transaction agreement entered into between the Company and the seed portfolio sellers).

For further information in relation to the acquisition of the seed portfolio, please refer to note 10.

Impact Healthcare REIT PLC

Notes to the initial financial information For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

9 Related parties (continued)

c) Investment advisory fees

The Company's investment advisor is Impact Health Partners LLP. In terms of the Investment Advisory Agreement, the Advisory Fee of 1% of Net Asset Value per annum is payable quarterly in advance with effect from Admission and is an amount equal to:

- One quarter of one per cent, of the Net Asset Value to the extent that the Net Asset Value is less than or equal to £500 million; or
- £1,250,000 plus one quarter of 0.7 per cent, of the amount by which Net Asset Value exceeds £500 million to the extent that Net Asset Value is more than £500 million.

During the period, the investment advisory fee expense in the Company is £256,955. £290,264 was prepaid at the period end. Refer to the Statement of Comprehensive Income on page 6 and Note 3 on page 12.

10 Subsequent events

Subsequent to period end, on 4 May 2017 the Company announced that it had completed the acquisition of the seed portfolio of 56 properties for a total consideration of £148,754,000. Following completion, 14,000,000 Ordinary Shares were admitted to trading on the Specialist Fund Segment of main market of the London Stock Exchange in connection with the Vendor Issue as described in the Prospectus published by the Company on 24 January 2017. This increased the total number of Ordinary Shares in the Company in issue immediately following Admission to 160,172,360, each with equal voting rights.

The Company made an unsecured, interest-free, intra-group loan of £100,722,142 to its subsidiary Impact Property 1 Limited (Propco 1), and an unsecured, interest-free, intra-group loan of £60,717,077 to its subsidiary Impact Property 2 Limited (Propco 2), both repayable on demand.

The Company will conduct its business as a REIT with effect from the second business day (8 May 2017) after the acquisition of the seed portfolio, being the first whole business day on which the Company will satisfy all of the REIT Conditions.

Subsequent to the period end, the Company entered into non-binding heads of terms to acquire the property, Saffron Court (which is to be added to the seed portfolio), for its market value of £3,394,000 and an initial annual rent of £262,000. This completed on 28 June 2017 and was funded by a further loaning of funds to Propco 1 as an unsecured, interest free, intragroup loan.

Rupert Barclay, Rosemary Boot, David Brooks and Philip Hall, were appointed as directors of Propco 1 and Propco 2 with effect from Completion on 4 May 2017 and Mahesh Patel resigned as a director on the same date.

On 30 June 2017, Paul Craig was appointed as an additional non-executive Director of the Company. Paul Craig is a portfolio manager at Old Mutual Global Investors, which has an interest in the Company through funds under management.

For further related party information in relation to events after the period end, please refer to note 9(b).

Impact Healthcare REIT PLC

Notes to the initial financial information For the period from 7 November 2016 (incorporation date) to 30 April 2017 (continued)

10 Subsequent events (continued)

No other significant events have occurred between the Statement of Financial Position date and the date when the initial financial information has been authorised by the directors, which would require adjustments to, or disclosure in, the interim financial information.