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This document comprises a supplementary prospectus (the "**Supplementary Prospectus**") relating to Impact Healthcare REIT plc (the "**Company**") in connection with the issue of New Ordinary Shares, prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of FSMA. This Prospectus has been approved by the Financial Conduct Authority and has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The Company and each of the Directors, whose names appear on page 2 of the First Supplementary Prospectus, accept responsibility for the information contained in this Supplementary Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Supplementary Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

IMPACT HEALTHCARE REIT PLC

(Incorporated in England and Wales with company number 10464966 and registered as an investment company under section 833 of the Companies Act 2006)

SUPPLEMENTARY PROSPECTUS

Placing Programme of up to 200 million New Ordinary Shares of one penny each

and

Admission of New Ordinary Shares to the premium segment of the Official List of the Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange

Investment Manager

IMPACT HEALTH PARTNERS LLP

Sponsor, Joint Bookrunner and Financial Adviser

WINTERFLOOD SECURITIES LIMITED

Joint Bookrunner

RBC CAPITAL MARKETS

This document is supplementary to, and should be read in conjunction with, the prospectus published by the Company on 11 February 2019, as supplemented by the First Supplementary Prospectus dated 13 March 2019 (together the "Prospectus"). The definitions adopted in the Prospectus apply in this Supplementary Prospectus, save where the terms are defined in the section of this Supplementary Prospectus entitled "Definitions" or where the context requires otherwise.

Winterflood Securities Limited ("**Winterflood**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, and RBC Europe Limited (trading as "**RBC Capital Markets**") which is authorised by the Prudential Regulation Authority and authorised and regulated in the United Kingdom by the Financial Conduct Authority and the Prudential Regulation Authority, are each acting exclusively for the Company and for no one else in relation to the Placing Programme, any Programme Admission and the other arrangements referred to in the Prospectus and this Supplementary Prospectus. Neither Winterflood nor RBC Capital Markets will regard any other person (whether or not a recipient of this Supplementary Prospectus) as its client in relation to the arrangements referred to in the Prospectus or this Supplementary Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing any advice in relation to the contents of the Prospectus or this Supplementary Prospectus or any transaction or arrangement referred to herein. Accordingly, apart from the responsibilities and liabilities, if any, which may be imposed on Winterflood by the FSMA or the regulatory regime established thereunder, neither Winterflood nor RBC Capital Markets makes any representation, express or implied in relation to, nor accepts any responsibility whatsoever for, the contents

of the Prospectus, this Supplementary Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the New Ordinary Shares, the Placing Programme, any Programme Admission and/or the arrangements referred to in the Prospectus or this Supplementary Prospectus. Each of Winterflood and RBC Capital Markets (and their respective affiliates) accordingly, to the fullest extent permitted by law, disclaims any and all responsibility or liability whether arising in tort, contract or otherwise which it might otherwise be found to have in respect of the Prospectus or this Supplementary Prospectus or any such statement made or purported to be made by it or on its behalf in connection with the Company, the New Ordinary Shares, the Placing Programme, any Programme Admission and/or the other arrangements referred to in the Prospectus or this Supplementary Prospectus.

This Supplementary Prospectus does not constitute an offer to sell or an invitation to subscribe for, or a solicitation of any offer to subscribe for or buy, any securities in the Company to any person in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company, the Investment Adviser, Winterflood or RBC Capital Markets. This Supplementary Prospectus should not be distributed, published, reproduced or otherwise made available in whole or in part or disclosed by recipients to any other person and, in particular, should not be distributed to persons with addresses in any member state of the EEA (other than the United Kingdom (or, for so long as the United Kingdom remains a member state of the European Union, the Republic of Ireland and the Netherlands)), Canada, Australia, Japan, South Africa or in any other country outside the United Kingdom where such distribution may lead to a breach of any law or regulatory requirements. No securities commission or similar authority in any member state of the EEA (other than the United Kingdom (or, for so long as the United Kingdom remains a member state of the European Union, the Republic of Ireland and the Netherlands)), Canada, Australia, Japan, South Africa, or in any other country outside the United Kingdom has in any way passed on the merits of the securities offered hereunder and any representation to the contrary is an offence.

The New Ordinary Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "**Securities Act**"), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the New Ordinary Shares may not be offered or sold within the United States or to, or for the account or benefit of, US persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. The New Ordinary Shares are being offered and sold outside the United States to non-US-persons in reliance on Regulation S. The Company has not been, and will not be, registered under the Investment Company Act, and investors will not be entitled to the benefit of that Act. No offer, purchase, sale or transfer of the New Ordinary Shares may be made except under circumstances which will not result in the Company being required to register as an investment company under the Investment Company Act.

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

This Supplementary Prospectus is dated 18 April 2019.

PART I – INTRODUCTION AND SUPPLEMENTS TO THE SUMMARY

1. INTRODUCTION

The publication of this Supplementary Prospectus is a regulatory requirement under the Prospectus Rules and section 87G of FSMA following the publication by the Company of its Annual Report. This document contains further details of this significant new factor and is supplemental to, and should be read in conjunction with, the Prospectus.

2. SUMMARY

In accordance with Prospectus Rule 3.4.2, the following Element B.7 of the Summary is hereby supplemented as follows:

B.7	Key financial information	<p>The key audited figures that summarise the Group’s financial condition in respect of the year ended 31 December 2018, which have been extracted without material adjustment from the financial statements of the Company, are set out in the following table:</p> <p><i>Consolidated statement of financial position</i></p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">31 December 2018 £'000</th> <th style="text-align: right;">Period from 7 November 2016 to 31 December 2017 £'000</th> </tr> </thead> <tbody> <tr> <td colspan="3">Non-current assets</td> </tr> <tr> <td>Investment property</td> <td style="text-align: right;">220,463</td> <td style="text-align: right;">156,226</td> </tr> <tr> <td>Interest rate derivatives</td> <td style="text-align: right;">477</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Trade and other receivables</td> <td style="text-align: right;">5,248</td> <td style="text-align: right;">1,651</td> </tr> <tr> <td>Total non-current assets</td> <td style="text-align: right;">226,188</td> <td style="text-align: right;">157,877</td> </tr> <tr> <td colspan="3">Current assets</td> </tr> <tr> <td>Trade and other receivables</td> <td style="text-align: right;">587</td> <td style="text-align: right;">119</td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">1,470</td> <td style="text-align: right;">38,387</td> </tr> <tr> <td>Total current assets</td> <td style="text-align: right;">2,057</td> <td style="text-align: right;">38,506</td> </tr> <tr> <td>Total assets</td> <td style="text-align: right;">228,245</td> <td style="text-align: right;">196,383</td> </tr> <tr> <td colspan="3">Current liabilities</td> </tr> <tr> <td>Trade and other payables</td> <td style="text-align: right;">(3,333)</td> <td style="text-align: right;">(1,221)</td> </tr> <tr> <td>Total current liabilities</td> <td style="text-align: right;">(3,333)</td> <td style="text-align: right;">(1,221)</td> </tr> <tr> <td colspan="3">Non-current liabilities</td> </tr> <tr> <td>Bank borrowings</td> <td style="text-align: right;">(24,709)</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Trade and other payables</td> <td style="text-align: right;">(1,866)</td> <td style="text-align: right;">(1,712)</td> </tr> <tr> <td>Total non-current liabilities</td> <td style="text-align: right;">(26,575)</td> <td style="text-align: right;">(1,712)</td> </tr> <tr> <td>Total liabilities</td> <td style="text-align: right;">(29,908)</td> <td style="text-align: right;">(2,993)</td> </tr> <tr> <td>Total net assets</td> <td style="text-align: right;">198,337</td> <td style="text-align: right;">193,450</td> </tr> <tr> <td colspan="3">Equity</td> </tr> <tr> <td>Share capital</td> <td style="text-align: right;">1,922</td> <td style="text-align: right;">1,922</td> </tr> <tr> <td>Share premium reserve</td> <td style="text-align: right;">140,452</td> <td style="text-align: right;">140,505</td> </tr> <tr> <td>Capital reduction reserve</td> <td style="text-align: right;">35,800</td> <td style="text-align: right;">41,566</td> </tr> <tr> <td>Retained earnings</td> <td style="text-align: right;">20,163</td> <td style="text-align: right;">9,457</td> </tr> <tr> <td>Total equity</td> <td style="text-align: right;">198,337</td> <td style="text-align: right;">193,450</td> </tr> <tr> <td>Net Asset Value per Ordinary Share (pence)</td> <td style="text-align: right;">103.18p</td> <td style="text-align: right;">100.65p</td> </tr> </tbody> </table>		31 December 2018 £'000	Period from 7 November 2016 to 31 December 2017 £'000	Non-current assets			Investment property	220,463	156,226	Interest rate derivatives	477	-	Trade and other receivables	5,248	1,651	Total non-current assets	226,188	157,877	Current assets			Trade and other receivables	587	119	Cash and cash equivalents	1,470	38,387	Total current assets	2,057	38,506	Total assets	228,245	196,383	Current liabilities			Trade and other payables	(3,333)	(1,221)	Total current liabilities	(3,333)	(1,221)	Non-current liabilities			Bank borrowings	(24,709)	-	Trade and other payables	(1,866)	(1,712)	Total non-current liabilities	(26,575)	(1,712)	Total liabilities	(29,908)	(2,993)	Total net assets	198,337	193,450	Equity			Share capital	1,922	1,922	Share premium reserve	140,452	140,505	Capital reduction reserve	35,800	41,566	Retained earnings	20,163	9,457	Total equity	198,337	193,450	Net Asset Value per Ordinary Share (pence)	103.18p	100.65p
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Consolidated statement of comprehensive income

	31 December 2018 £'000	Period from 7 November 2016 to 31 December 2017 £'000
Gross rental income	17,309	9,392
Insurance/service charge income	155	57
Insurance/service charge expense	(158)	(57)
Net rental income	17,306	9,392
Administrative and other expenses	(4,270)	(2,318)
Operating profit before changes in fair value of investment properties	13,036	7,074
Changes in fair value of investment properties	4,134	2,378
Operating profit	17,170	9,452
Finance income	39	6
Finance expense	(737)	–
Profit before tax	16,472	9,458
Tax charge on profit for the year	–	(1)
Profit and total comprehensive income (attributable to shareholders)	16,472	9,457
Earnings per share – basic and diluted (pence)	8.57p	5.82p

The key audited figures that summarise the Company's financial condition in respect of the year ended 31 December 2018, which have been extracted without material adjustment from the financial statements of the Company, are set out in the following table:

Company statement of financial position

	31 December 2018 £'000	Period from 7 November 2016 to 31 December 2017 £'000
Non-current assets		
Investment in subsidiaries	188,223	153,338
Total non-current assets	188,223	153,338
Current assets		
Trade and other receivables	39,963	91
Cash and cash equivalents	41	38,387
Total current assets	40,004	38,478
Total assets	228,227	191,816
Current liabilities		
Trade and other payables	(37,404)	(10,136)
Total liabilities	(37,404)	(10,136)
Total net assets	190,823	181,680
Equity	1,922	1,922
Share capital	140,452	140,505
Share premium reserve	35,800	41,566
Capital reduction reserve	12,649	(2,313)
Retained earnings	190,823	181,860
Total equity	99.28p	94.52p
Net Asset Value per Ordinary Share (pence)	1,922	1,922

		<p>Save as set out below, there have been no significant changes to the financial condition or operating results of the Company during or subsequent to the periods covered by the historical information set out above and since 31 December 2018 (being the end of the last financial period of the Company for which financial information has been published):</p> <p>(a) On 21 January 2019, the Group completed the acquisition of the Yew Tree Care Centre. This acquisition, which was originally announced on 21 September 2018, had been subject to receiving CQC consent. The home has 76 beds and the consideration was £2.8 million of which £2.6 million remained payable at the year end. This was funded from the Group's revolving credit facilities.</p> <p>(b) Rent reviews took place in the period between year end and the date of this Supplementary Prospectus as follows:</p> <ul style="list-style-type: none"> • On 7 March 2019 in relation to the portfolio of assets acquired in May 2017 in relation to the IPO, let to Minster and Croftwood. • On 16 March 2019 in relation to a single asset let to Prestige. • On 23 March 2019 in relation to a single asset let to Welford. <p>All rent reviews were linked to the annual RPI over the 12 months up to the rent review date with a floor of 2 per cent. and a cap of 4 per cent.</p> <p>(c) On 7 March 2019, the Company announced that it had agreed a further £25 million revolving credit facility with Clydesdale Bank. This five-year facility is secured against 14 of the Group's homes and has a margin of between 225 and 250 basis points over three-month LIBOR.</p>
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PART II – SUPPLEMENTS TO THE PROSPECTUS

1. FINANCIAL INFORMATION

1.1 FINANCIAL INFORMATION INCORPORATED BY REFERENCE

Audited financial statements for the year ended 31 December 2018

The Annual Report was prepared in accordance with International Financial Reporting Standards as adopted by the European Union, the requirements of the Companies Act applicable to companies reporting under IFRS and the Listing Rules.

The Annual Report was audited by the Auditors whose report was unqualified and did not contain any statements under sub-sections 498(2) and 298(3) of the Companies Act or any reference to any matters required pursuant to sub-section 495(4)(b) of the sub-Companies Act.

Selected financial information set out in paragraph (c) below from the Annual Report is incorporated by reference into this document and the Prospectus. Information in the Annual Report that is not incorporated by reference is either not relevant to investors or covered elsewhere in this document.

(a) Selected financial information of the Group

Key figures that summarise the Group's financial condition in respect of the year ended 31 December 2018 which have been extracted without material adjustment from the Annual Report are set out in the table below.

Consolidated statement of financial position

	31 December 2018 £'000	Period from 7 November 2016 to 31 December 2017 £'000
Non-current assets		
Investment property	220,463	156,226
Interest rate derivatives	477	-
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Retained earnings	20,163	9,457
Total equity	198,337	193,450
Net Asset Value per Ordinary Share (pence)	103.18p	100.65p

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Net rental income	17,306	9,392
Administrative and other expenses	(4,270)	(2,318)
Operating profit before changes in fair value of investment properties	13,036	7,074
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Operating profit	17,170	9,452
Finance income	39	6
Finance expense	(737)	–
Profit before tax	16,472	9,458
Tax charge on profit for the year	–	(1)
Profit and total comprehensive income (attributable to shareholders)	16,472	9,457
Earnings per share – basic and diluted (pence)	8.57p	5.82p

(b) Selected financial information of the Company

Key figures that summarise the Company's financial condition in respect of the year ended 31 December 2018 which have been extracted without material adjustment from the Annual Report are set out in the table below:

Company statement of financial position

	31 December 2018 £'000	Period from 7 November 2016 to 31 December 2017 £'000
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Retained earnings	12,649	(2,313)
Total equity	190,823	181,860
Net Asset Value per ordinary share (pence)	99.28p	94.52p

(c) Information incorporated by reference

The information set out below and relating to the Company is incorporated by reference and is available online at www.impactreit.uk and www.morningstar.co.uk/uk/nsm and is also available for inspection at the address referred to in paragraph 16 of Part XIII of the Prospectus.

<i>Information incorporated by reference</i>	<i>Page references in the Annual Report</i>
Financial highlights	1
Chairman's statement	4-5
Strategic report	1-31
Investment Adviser's report	16-18
Corporate governance report	34-57
Nomination committee report	45
Audit committee report	49-51
Management engagement committee report	52-53
Directors' remuneration committee report	55-57
Directors' report	58-60
Statements of responsibilities	60
Independent auditor's report	61-65
Consolidated statement of comprehensive income	68
Consolidated statement of financial position	69
Consolidated statement of cash flows	70
Consolidated statement of changes in equity	71
Notes to the consolidated financial statements	72-95
Company statement of financial position	96
Company statement of changes in equity	97
Notes to the Company financial statements	98-102
EPRA performance measures	104
Notes to the EPRA performance measures (unaudited)	105-106
AIFM statement (unaudited)	107-108
Corporate information	110

1.2 NO SIGNIFICANT CHANGE

Save as set out below, there has been no significant change to the financial or trading position of the Company since 31 December 2018, being the end of the last financial period of the Company for which financial information has been published:

- (a) On 21 January 2019, the Group completed the acquisition of the Yew Tree Care Centre. This acquisition, which was originally announced on 21 September 2018, had been subject to receiving CQC consent. The home has 76 beds and the consideration was £2.8 million of which £2.6 million remained payable at the year end. This was funded from the Group's revolving credit facilities.

(b) Rent reviews took place in the period between year end and the date of this Supplementary Prospectus as follows:

- On 7 March 2019 in relation to the portfolio of assets acquired in May 2017 in relation to the IPO, let to Minster and Croftwood.
- On 16 March 2019 in relation to a single asset let to Prestige.
- On 23 March 2019 in relation to a single asset let to Welford.

All rent reviews were linked to the annual RPI over the 12 months up to the rent review date with a floor of 2 per cent. and a cap of 4 per cent.

(c) On 7 March 2019, the Company announced that it had agreed a further £25 million revolving credit facility with Clydesdale Bank. This five-year facility is secured against 14 of the Group's homes and has a margin of between 225 and 250 basis points over three-month LIBOR.

PART III - ADDITIONAL INFORMATION

1. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this Supplementary Prospectus and the Annual Report are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Travers Smith LLP, 10 Snow Hill, London EC1A 2AL up to and including 10 February 2019.

2. GENERAL

To the extent that there is any inconsistency between any statement in or incorporated by reference in this document and any other statement in or incorporated by reference in the Prospectus, the statements in or incorporated by reference in this document will prevail.

3. SIGNIFICANT CHANGES

Save as disclosed in this document, no significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus has arisen or been noted since the publication of the Prospectus.

DEFINITIONS

Save as set out below, the definitions adopted in the Prospectus apply in this Supplementary Prospectus. The following definitions apply throughout this Supplementary Prospectus, unless the context requires otherwise:

"Annual Report"	the audited financial results of the Company for the year ended 31 December 2018.
"Auditors"	BDO LLP.
"First Supplementary Prospectus"	the supplementary prospectus published by the Company on 13 March 2019.
"IASB"	the International Accounting Standards Board.
"IFRC"	the International Financial Reporting Interpretations Committee of the IASB.
"IFRS" or "International Financial Reporting Standards"	the International Financial Reporting Standards adopted by the IASB and interpretations issued by the IFRC.