Quarterly Investor Report: November 2023

Quarter ended 30 September 2023

Target Healthcare REIT plc and its subsidiaries ('the Group') is a leading investor in modern purpose-built UK care homes with en suite wet rooms. The Group's objective is to provide investors with an attractive quarterly dividend, generated from a portfolio diversified by tenant, geography and end-user payment profile, through responsible investment.

Group at a glance

Properties	Beds	Tenants	Contracted rent	Property Value
98	6,781*	32	£57.1m	£890.3m



Overview	
Launch date	March 2013**
ISIN	GB00BJGTLF51
SEDOL	BJGTLF5
Company name	Target Healthcare REIT plc
Registered number	11990238
Expected quarterly dividend	Feb/May/Aug/Nov
Financial year end	30 June
Currency	Sterling
Website	www.targethealthcarereit.co.uk
Ordinary share class as at	31/10/2023
Shares in issue	620,237,346
Share price	72.1 pence
Market capitalisation	£447.2 million
Share price discount to EPRA NTA	31.7%

Key ratios & financials	
Investment properties	£890.3 million
Drawn debt	£243.0 million
EPRA NTA	£655.0 million
EPRA NTA per share	105.6 pence
Quarterly NAV total return (including dividend)	2.5%
Quarterly Group specific adjusted EPRA earnings per share	1.54 pence
Quarterly dividend per share	1.428 pence
Dividend yield (31/10/2023)	7.9%
Loan-to-Value ('LTV')***	27.3% (gross); 25.0% (net)
Management fee rate	1.05% up to £500m NAV 0.95% of £500m - £750m NAV 0.85% of £750m - £1,000m NAV 0.75% of £1,000m - £1,500m NAV 0.65% of £1,500m + NAV
WAULT	26.3 years

* Including planned beds in development sites
** Originally launched as Target Healthcare REIT Limited (Jersey registered: 112287)
*** Gross LTV calculated as total gross debt as a proportion of gross property value. Net LTV calculated as total gross debt less cash, as a proportion of gross property value

Recent news

It is encouraging to see our tenants enjoy better trading, as underlying performance across the portfolio continues to improve. Our tenants' home profitability, as measured by rent cover, has exceeded the level experienced pre-pandemic and this is despite occupancy yet having recovered to these levels. Modern care homes with wetrooms often have a higher proportion of private pay and are achieving great fee increases, as well as being more efficient in their operations. As a diversified group of businesses, they serve their residents with their caring ethos, operational and commercial abilities, and share our views on what constitutes appropriate care home real estate in 2023.

This is underpinning rental growth and overall earnings stability. We are also seeing our investment thesis being validated in the wider care home market, where transactions continue to be focused on portfolios of modern, high-quality homes.

Performance

The portfolio value increased by 2.5% over the quarter, comprising an increase in the like-for-like uplift in the operational portfolio (+0.8%), reflecting inflation-linked rent reviews, and a further investment into the portfolio, primarily associated with the development properties (+1.7%).

Contractual rent increased by 1.0%, largely due to inflation-linked rent reviews in the quarter (+0.7%).

Asset Management and Investment Activity

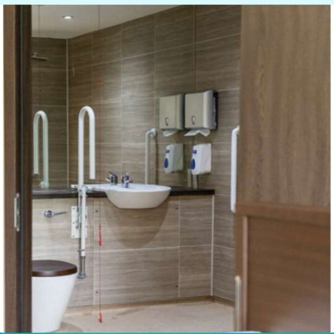
As previously reported, the Group acquired a site subject to a forward funding agreement to construct a 66-bed care home in Weston-super-Mare, which is pre-let to a new tenant.

Additionally, during the period there have been further enhancements made to several homes in our portfolio. Including the addition of 18 bedrooms at an existing property, with 10 of these complete by 30 September 2023. Separately, a further 15 full en-suite wet rooms were completed as part of ongoing renovation works at another home; this increased the percentage of wetrooms in the portfolio to 98%.

During the quarter, we had the opportunity to insert "green lease" provisions within a number of our existing leases. The number of homes with EPC ratings A or B has also improved from 94% to 97%.

Outlook

We have four further sites where pre-let care homes are being built which will deliver a pipeline of much-needed fit-for-purpose modern real estate to the sector.

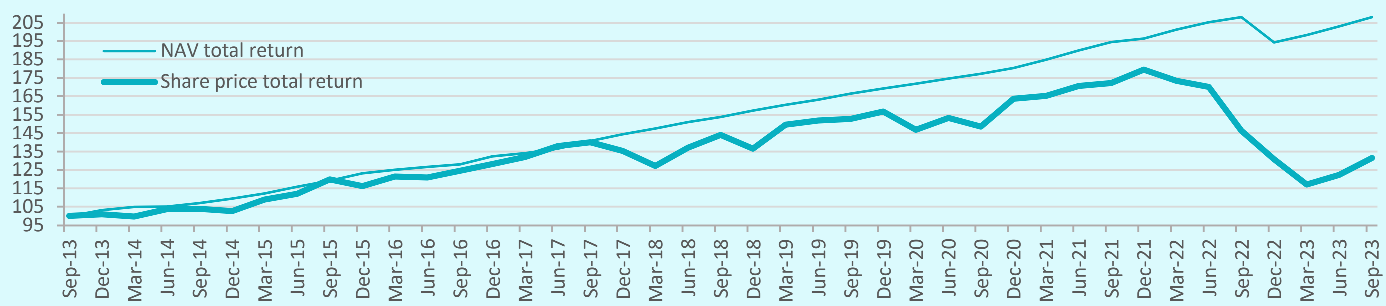


Summary balance sheet

£m	September-23	June-23
Property portfolio*	890.3	868.7
Cash	20.2	15.4
Net current assets/(liabilities)	(12.5)	(6.2)
Bank loans	(243.0)	(230.0)
Net assets	655.0	647.9
EPRA NTA per share (pence)	105.6	104.5

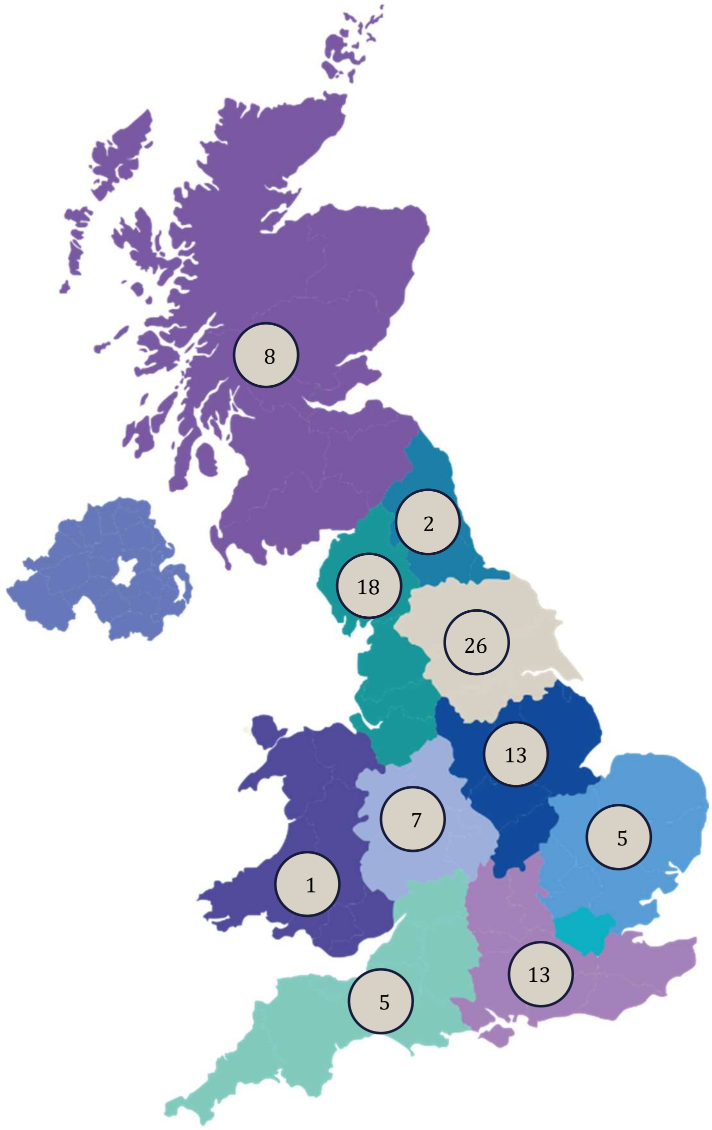
* Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2023 for full details.

Ten Year Performance – NAV and share price total return (rebased to 100 at Sep-2013)

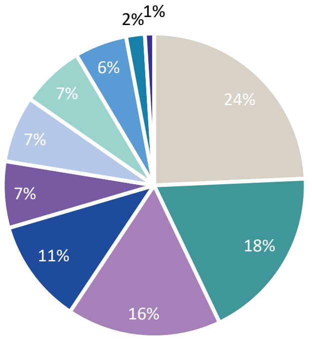


Portfolio summary at 30 September 2023

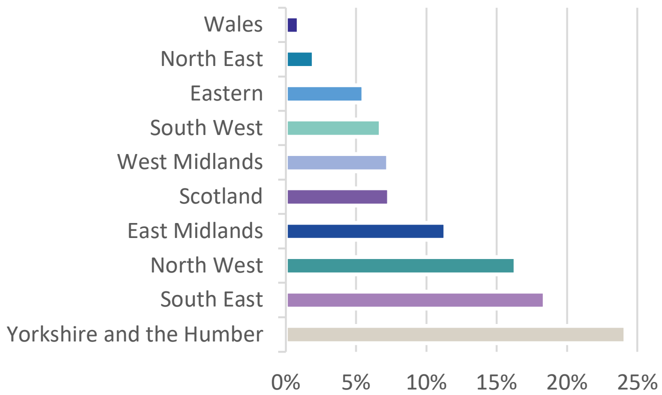
Number of properties by geographic region



Contracted rent by geographic region



Valuation by geographic region (including developments)



Directors
Alison Fyfe (Chair)
Michael Brodtman
Richard Cotton
Vince Niblett
Dr Amanda Thompsell

Investment Manager
Target Fund Managers Ltd.
Kenneth MacKenzie,
Gordon Bland
+44 (0) 1786 845 912
targetfundmanagers.com

Advisers

Administrator	Target Fund Managers Ltd.
Depositary	IQ EQ Depositary Company (UK) Ltd.
Broker	Stifel Nicolaus Europe Ltd.
Legal	Dickson Minto W.S.
Auditors	Ernst & Young LLP