

Quarterly Investor Report:

May 2022

Quarter ended 31 March 2022

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
99



Beds
6,835*



Tenants
33



Contracted rent
£54.1m



Property Value
£886.8m



| Overview | | Key ratios & financials | |
|----------------------------------|--|---|---|
| Launch date | March 2013** | Investment properties | £886.8 million |
| ISIN | GB00BJGTLF51 | Drawn debt | £222.8 million |
| SEDOL | BJGTLF5 | EPRA NTA | £693.4 million |
| Company name | Target Healthcare REIT plc | EPRA NTA per share | 111.8 pence |
| Registered number | 11990238 | Quarterly NAV total return (including dividend) | 2.5% |
| Expected quarterly dividend | Feb/May/Aug/Nov | Quarterly Group specific adjusted EPRA earnings per share | 1.44 pence |
| Financial year end | 30 June | Quarterly dividend per share | 1.69 pence |
| Currency | Sterling | Dividend yield (04/05/2022) | 6.2% |
| Website | www.targethealthcarereit.co.uk | Loan-to-Value ('LTV')*** | 25.1% (gross); 20.3% (net) |
| Ordinary share class as at | 04/05/2022 | 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 |
| Shares in issue | 620,237,346 | WAULT | 27.3 years |
| Share price | 109.2 pence | | |
| Market cap | £677.3 million | | |
| Share price discount to EPRA NTA | 2.3% | | |

* 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

As we start to exit the Omicron wave, the Group is noting a renewed sense of optimism from care home operators. The lifting of COVID19 restrictions has enabled care homes to resume their local community engagement and more fully welcome visitors into the care setting, offering residents increased social interaction. Resident occupancy across the portfolio is increasing and tenants report strong demand from potential new residents as well as some easing of staffing challenges. We expect these positive factors to provide momentum to occupancy growth.

Performance

The portfolio value increased by 1.9% over the quarter as a result of acquisitions (0.8%), a like-for-like uplift in the operational portfolio value (1.1%) and a net neutral impact from investment into the development portfolio, capital expenditure and the re-tenanting impact on existing assets. Contractual rent increased by 1.2% due to acquisitions, asset management initiatives and inflation-linked rent reviews in the quarter. The portfolio's weighted average unexpired lease term was 27.3 years (31 December 2021: 27.5 years).

Asset Management and Acquisitions

During the quarter the Group acquired a 55-bed operational care home in Westhoughton, let to Harbour Healthcare, a new tenant to the Group. Post quarter end, the Group acquired a development site in Dartford. This, the Group's one hundredth asset, will add a further 71 en suite wet-rooms by September 2023. The re-tenanting of four care homes in Northern Ireland completed in the quarter, moving from a large, national operator to a smaller operator more focussed in that local market. The re-tenanting created a positive net financial effect and adds an established regional operator to the tenant base. Furthermore, the re-tenanting of homes from two tenants whose resilience has been stretched during the recent Omicron wave is progressing and these comprehensive asset management initiatives will help to alleviate the impact on recent rent collection, which is currently 92% for the quarter.

Pipeline

The Investment Manager is in the process of diligence on an identified pipeline of investment opportunities which, along with the development portfolio coming on stream, will support the Group's progression towards a covered dividend.

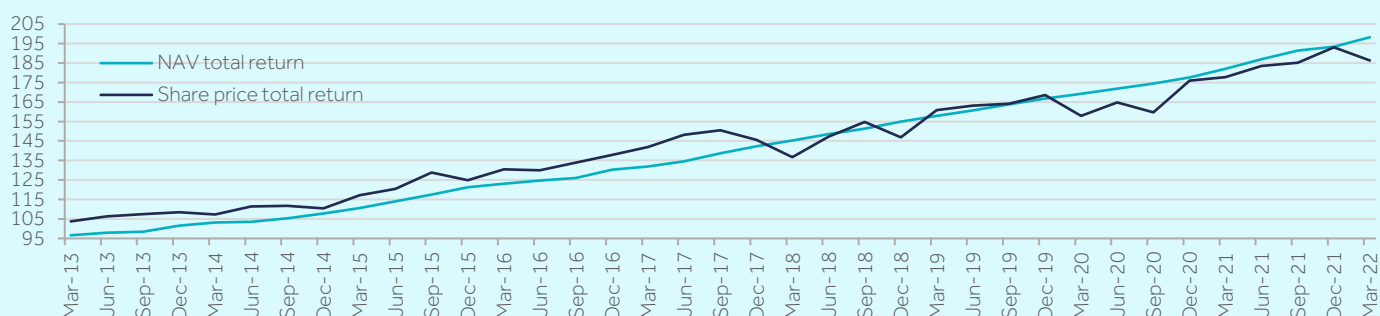


Summary balance sheet

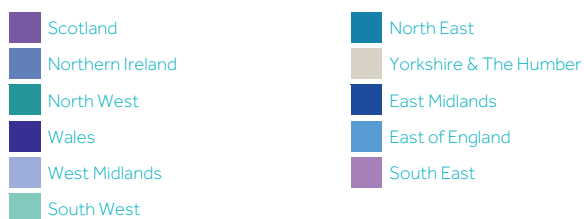
| £m | Mar-22 | Dec-21 |
|----------------------------------|--------------|--------------|
| Property Portfolio**** | 886.8 | 870.5 |
| Cash | 42.8 | 49.0 |
| Net current assets/(liabilities) | (13.4) | (9.6) |
| Bank Loans | (222.8) | (222.8) |
| Net assets | 693.4 | 687.1 |
| EPRA NTA per share (pence) | 111.8 | 110.8 |

**** Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2021 for full details.

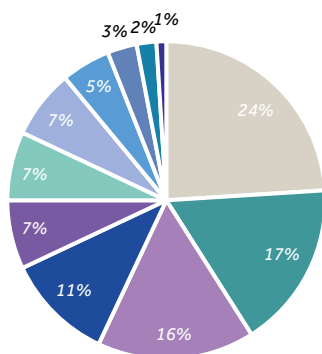
Performance – NAV and share price total return



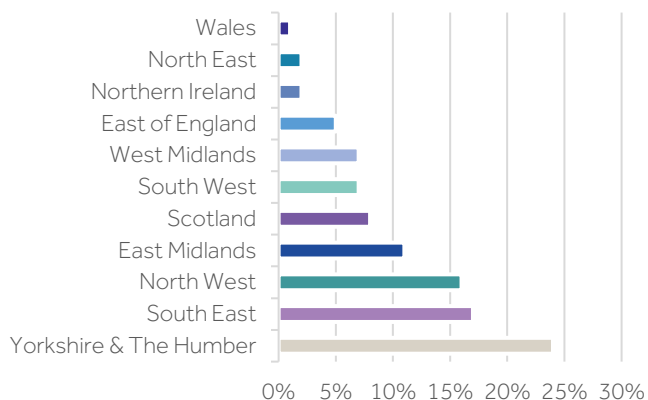
Portfolio summary at 31 March 2022



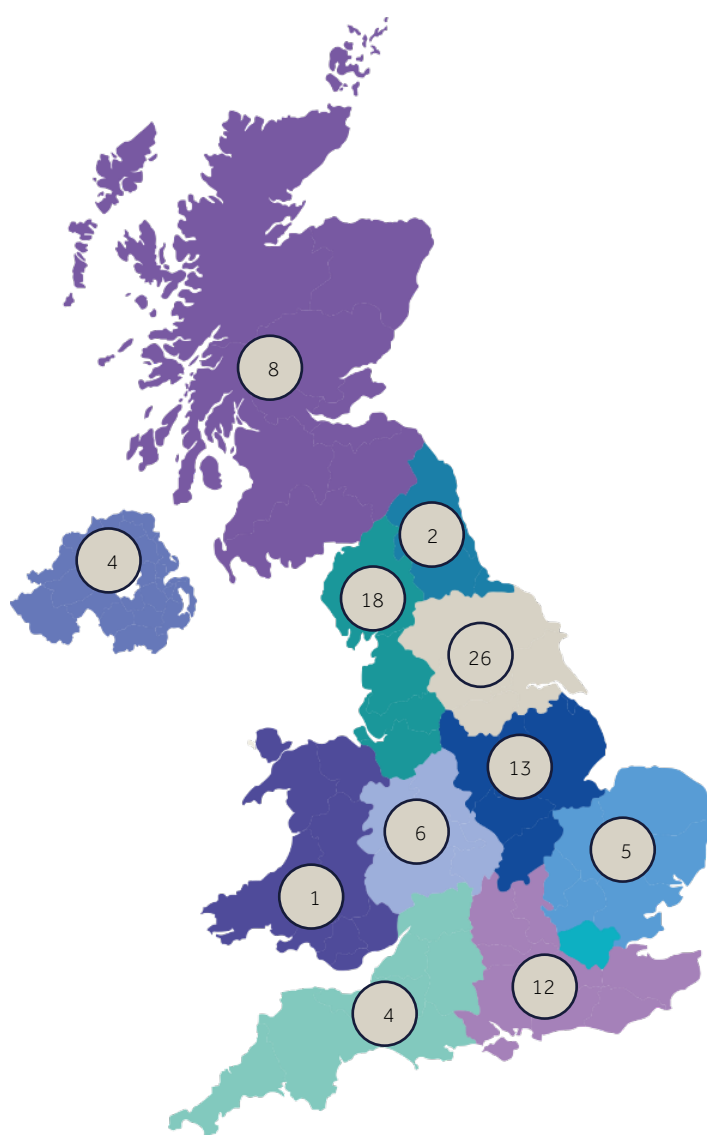
Contracted rent by geographic region



Valuation by geographic region (including developments)



Number of properties by geographic region



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| Broker | Stifel Nicolaus Europe Ltd. |
| Legal | Dickson Minto W.S. |
| Auditors | Ernst & Young LLP |

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