



Target | Healthcare
REIT

Investing in care. Delivering returns.

Interim Report and Financial Statements 2025



➤ Who we are

We are Target Healthcare

Responsible investment with a clear purpose – delivering returns and improving the UK's care home real estate.



➤ Key financial metrics for the period to, or as at, 31 December 2025

EPRA NTA per share (pence)¹

119.4 ▲ +4.0%

at 31 Dec 2025 119.4
at 30 Jun 2025 114.8

Total accounting return (%)²

6.8%

to 31 Dec 2025 6.8%
to 31 Dec 2024 4.5%

Dividend per share (pence)

3.02 ▲ +2.5%

to 31 Dec 2025 3.02
to 31 Dec 2024 2.94

1 Alternative performance measure. See note 6 to the condensed consolidated financial statements for details.
2 Based on EPRA NTA movement and dividends paid, see the alternative performance measures on page 23.
3 Alternative performance measure. See page 22 for details.



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Adjusted EPRA earnings per share (pence)¹

3.40 ▲ +8.5%

to 31 Dec 2025 **3.40**
to 31 Dec 2024 3.13

Dividend cover (%)³

113%

to 31 Dec 2025 **113%**
to 31 Dec 2024 107%

IFRS profit (£ million)

47.0 ▲ +57.0%

to 31 Dec 2025 **47.0**
to 31 Dec 2024 30.0

At a Glance

➤ Highlights

- Principled investment exclusively in well-designed, purpose-built care homes
- Resilient capital values from the diversified portfolio, supported by inflation linked rental uplifts and disposals above holding values, with improved rent collection and stable rent covers
- Supportive demographics underpinning demand for modern real estate
- £150m long-term loan facilities at low fixed-rate; shorter-term bank facilities refinanced providing certainty over capital availability and fixing interest rates on majority of drawn debt

➤ Portfolio at 31 December 2025

High quality real estate

Homes

86

Portfolio

£895m

market value

£59.5m

contracted rent

En-suite wet rooms

100%

Diversified Income

Tenants

32

Fee sources¹

77%

private

23%

public

Beds

5,885

Long-term focus

WAULT

26.3 years

Upwards only rent reviews²

100%

inflation-linked

Net loan-to-value

15.2%

1 49% privately paid, 28% topped up privately paid and 23% publicly funded.

2 Lease agreements which allow for regular increases in the contractual rental level in line with inflation, within a cap and a collar.

➤ European Public Real Estate Association ('EPRA') Summary¹

	At 31 Dec 2025	At 30 June 2025		Six months to 31 Dec 2025	Six months to 31 Dec 2024
EPRA NTA per share	119.4p	114.8p	Adjusted EPRA EPS	3.40p	3.13p
EPRA NDV per share	123.5p	119.4p	EPRA EPS	4.22p	3.94p
EPRA 'topped-up' Net Initial Yield	6.23%	6.22%	Adjusted EPRA Cost Ratio	15.4%	18.7%
EPRA Net Initial Yield	6.17%	6.04%	EPRA Cost Ratio	12.7%	16.1%

1 See note 6 to the condensed consolidated financial statements and the alternative performance measures on pages 22 and 23 for further details.

Key Performance Indicators ('KPIs') and Corporate Activity For the six months ended 31 December 2025

► Our Strategic Pillars



Build high-quality portfolio

Acquire high-quality real estate via a mix of new developments, recently completed builds, and modern assets at mature trading.

Activity & KPIs for the period

- Disposal of ten properties at a premium to holding value, providing capital for redeployment into earnings accretive and portfolio enhancing acquisitions
- £45 million invested to acquire three modern operational care homes and a forward commitment to acquire a fourth, all in prime Central Scotland locations
- Like-for-like portfolio valuation increase of +3.1% being:
 - +1.6% from inflation-linked rental uplifts;
 - +1.0% from gains on disposal;
 - +0.3% from re-tenanting and asset management;
 - +0.2% from net initial yield tightening
- Overall portfolio valuation decrease of -3.8% being:
 - +3.1% from like-for like movement (as above);
 - +3.3% from acquisitions and capital expenditure;
 - -10.2% from disposals
- Contractual rent decrease of £1.7 million (2.7%), including a like-for-like increase of 1.8%
- Diversified portfolio with 32 tenants across 86 properties



Deliver returns

Convert portfolio income and capital returns into sustainable returns to shareholders through disciplined financial and risk management.

Activity & KPIs for the period

- Total Accounting Return¹ of +6.8% (2024: +4.5%)
- Earnings per share²: adjusted EPRA EPS 3.40 pence, EPRA EPS 4.22 pence
- Dividends declared of 3.016 pence per share in respect of the period (2024: 2.942 pence), an increase of 2.5%
- Cost control³: EPRA cost ratio 12.7%
- Dividend cover³
 - 113% on adjusted EPRA earnings
 - 140% on EPRA earnings
- Refinanced £130 million of bank facilities, confirming debt availability until at least September 2028
- Financial strength: Average cost of drawn debt 3.92%, average term to maturity 5.6 years, net LTV 15.2%, with interest rates hedged on 98% of drawn debt until expiry



Trusted landlord

Manage assets and tenants commercially yet fairly, recognising the value of long-term relationships and our influence within a complex sector.

Activity & KPIs for the period

- Portfolio total return on standing assets of +6.5% (2024: +4.5%)
- Like-for-like movement
 - Market valuation +3.1%
 - Contractual rent +1.8%
- Retenanted five homes resulting in the recovery of £1.9 million of historical rent arrears, the receipt of a surrender premium of £1.4 million and progress towards full rent collection by the period end
- Portfolio occupancy of 100%
- Rent collection of 99%
- Mature home resident spot occupancy of 86%
- Mature home rent cover of 1.9 times



Social purpose

To adhere to our responsible investment fundamentals, delivering positive social impact allied with a firm commitment to environmental sustainability and good governance.

Activity & KPIs for the period

- Selective development investment supporting high standard new-build care homes; one home reached practical completion during the period and a forward commitment was entered into in relation to another
- EPC ratings: 100% A or B rated, and therefore the entire portfolio is already currently compliant with the minimum energy efficiency standards anticipated to apply from 2030
- Wet-rooms 100% of portfolio, relative to national average of just 36%
- Facilitated the installation of photovoltaic panels at a further three homes, bringing the overall portfolio to 20%
- Homes provide generous space at an average of 48m² per resident compared with sector average of 40m²

1 Based on EPRA NTA movement and dividends paid, see the alternative performance measures on page 23.

2 For details of EPRA earnings and adjusted EPRA earnings refer to note 6 to the condensed consolidated financial statements.

3 See the alternative performance measures on page 22.

Investing in care. Delivering returns.

➤ **Alison Fyfe, Chair**



Dear Shareholder,

I am pleased to provide this update following six months of successful investment and asset management activity, which has continued to strengthen and enhance our property portfolio. The Group has also benefitted from its robust business model delivering consistent property and financial performance, underpinned by secure, long-duration, inflation-linked rental income; a portfolio of modern, purpose-built assets; compelling demographic tailwinds; and a resilient and efficient debt management structure. These positive dynamics, supplemented by selective property disposals at attractive pricing, have enabled the Group to deliver a healthy total accounting return of 6.8% for the period.

Care homes remain critical in meeting the growing social care needs of an increasingly elderly UK population which is the key demand driver for our properties. Our portfolio is comprised of high-quality care home real estate, attractive to operators and desirable for the residents given the modern design that facilitates a pleasant living and working environment, and efficient and effective care provision.

1. Market Overview

The UK real estate market as a whole has been slow to recover from its recent lows, with stubborn inflation slowing the anticipated reduction in UK interest rates and persistent concerns remaining around the state of the UK economy. However, the care home market has seen an increase in deal volumes, with Savills reporting a record £12 billion of capital deployed into UK healthcare real estate during 2025. Whilst the usual players remain active, transactional activity continues to be dominated by WholeCo deals, predominantly driven by overseas capital attracted by the UK's elderly care demographics. We view these dynamics as being positive for the sector and the Group, underpinning our portfolio valuation. Notwithstanding this competitive landscape, we remain confident in our Investment Manager's ability to identify, and execute on, attractive opportunities.

2. Portfolio Performance

The portfolio delivered another year of outperformance of the MSCI UK Annual Healthcare Property Index, with a calendar year total return of 11.1% for standing assets relative to the index's 7.5%. We have maintained our top quartile ranking over ten years and continued our consistent record of outperforming the Index every year since the Group's IPO.

The six months to 31 December 2025 marked a period of significant investment and asset management activity, with the disposal of ten assets for £94 million, representing an average premium to their holding value at 30 June 2025 of 11.7% and an implied net initial yield of 5.3%. As explained in more detail in the previous Annual Report, these disposals facilitated a reduction in the Group's exposure to its largest tenant group, whilst adding 1.6 pence per share to the EPRA NTA and providing capital for redeployment into earnings accretive and portfolio enhancing acquisitions. In line with the timetable previously indicated, in November 2025 the Group redeployed almost half of the disposal proceeds with the acquisition of three modern, operational care homes in Central Scotland, a region with compelling underlying demographics, alongside a forward commitment to

acquire a fourth home with the same tenant operator. The total investment of £45 million across these two transactions reflected a net initial yield in excess of 6%.

The Group has remaining committed capital available of c.£100 million for deployment into an attractive and growing pipeline. Outline terms have been agreed and formal due diligence commenced, subject to final Board approval, on assets in excess of this amount. This pipeline consists of earnings-enhancing modern, purpose-built assets across a diverse range of geographies with an indicative blended net initial yield in excess of 6%. This pipeline also comprises a mix of standing assets and forward fund developments let to both existing and new operators to the Group. The investment of the committed capital available would take the Group's net LTV to c.25%. The additional deployment of our uncommitted debt accordion facilities into a wider pipeline of assets on which offers have been made would potentially increase the net LTV to nearer 30%, should investment conditions be considered appropriate.

In addition to the enhanced returns generated by investment activity, the underlying performance of the core portfolio has also remained robust. Combining the impact of investment activity with contracted rental growth; the completion of asset management initiatives; and a marginal tightening in the portfolio's net initial yield, resulted in an ungeared capital return from standing assets of 3.1%, and a total return of 6.5%, over the half year. Further details on the completed asset management initiatives which contributed towards this robust return are contained in the Investment Manager's Report.

This continued focus on asset management activity, without recourse to tenant incentives, has also improved the overall portfolio position, with rent collection improving to 99% for the six month period. Those tenants responsible for the majority of the shortfall in rent collection in the prior year have now been replaced, facilitated by strong demand from both operators and residents for our best-in-class purpose-built care home real estate with 100% en suite wet-room provision in attractive geographical locations. Our trusted landlord status also makes the Group an appealing partner for established, quality operators.

Rent covers remain strong at 1.9x, close to the highest level achieved since IPO. This again demonstrates the underlying value of a portfolio of modern, purpose-built care homes, and supports the Group's preference for operators deliberately biased towards private pay residents (77%). This enables tenant operators to absorb cost pressures more easily, including recent increases to both the national minimum wage and employer national insurance contributions. In turn, these operator profitability levels support rental payments and financial resilience.

The Group's portfolio remains best in class, with 97% of homes built or significantly redeveloped since 2000, 100% en suite wet-room provision, and generous, sector leading space per resident.

3. Financial Performance

As noted previously, the Group delivered a total accounting return of 6.8% for the six month period following an EPRA NTA increase of 4.0% to 119.4 pence (from 114.8 pence) and dividends paid in the period.

Following an increase in operating costs over the previous six months, primarily driven by the one-off costs of placing a tenant into administration, the Group's Adjusted EPRA cost ratio for the six months to 31 December 2025 has reduced to 15.4% - albeit that this would have been 18.6% excluding the recovery of historical rent arrears.

Adjusted EPRA earnings per share increased by 8.5% to 3.40 pence. This included the non-recurring recovery of historical arrears equating to 0.18 pence per share which is covered in more detail in the Investment Manager's Report. This improvement in EPRA earnings represents a robust performance from the underlying portfolio at a time when the Group is focused on re-investing the disposal proceeds. Although the full benefit of the recent disposals will not be seen until the available capital is fully redeployed, this base level of recurring earnings is anticipated to improve over the medium term as the Group redeploys its available capital into the attractive pipeline of assets at an anticipated blended net initial yield in excess of c.6%.

The Group has increased its quarterly dividend by 2.5% to 1.508 pence per share. This is well covered by underlying earnings for the period and demonstrates the stability and consistency of our business model.

4. Debt Facilities

In September 2025, the Group refinanced its short-term banking facilities on attractive terms with the incumbent lenders. The existing £170 million facilities were replaced with £130 million of new committed facilities, consisting of £50 million of term loans and £80 million of revolving credit facilities. These new facilities are for a minimum term of three years, with the option of two further one-year extensions, subject to lender consent. In addition, the facilities allow for accordion elements which may provide up to a further £70 million of uncommitted debt funding. This borrowing structure minimises commitment fees whilst providing flexibility as the Group reinvests the proceeds of recent disposals.

Leverage at 31 December was 15.2%, below the long-term target of the Group. Given the capital available, we expect to increase the Group's LTV to c.25% through further investment as identified in the current pipeline.

5. Investment Manager Alignment

As highlighted in the previous Annual Report, the Board remains keen to further strengthen the alignment between the interests of the investment company (and its shareholders as a whole) and those of its external manager. In this regard, the Board has reached agreement in principle with the Investment Manager that, over a period of up to three years, the Investment Manager, including senior members of the management team and their connected parties, will invest the equivalent of 25% of the annual management fee in acquiring shares in the Company. Such acquisitions are expected to be undertaken on an ad hoc basis through the secondary market and will, of course, remain subject to applicable law and regulations.

6. Outlook

Whilst cognisant of the impact that the current geopolitical events could have on inflation, interest rates and investor sentiment, we remain committed to the Group's investment strategy of investing in modern, purpose-built care home assets with sustainable and inflation-linked rental streams. Our tenants' focus on private-pay residents facilitates the absorption of continuing inflation, as demonstrated by operator rent covers remaining robust. This, combined with the resolution of historical portfolio concerns through the recent re-tenantings, leaves the Group well placed to deliver near full rent collection on a fully let portfolio, whilst continuing to benefit from contractual, inflation-linked, annual rental increases.

The recent disposals, all at above book value, continue to demonstrate the attractiveness of both the Group's investment strategy and the resulting portfolio, whilst providing the Group with capital for redeployment in order to further enhance and modernise the portfolio. With almost half of the disposal proceeds already committed, and a growing pipeline of earnings-accretive properties at a blended indicative net initial yield in excess of 6% under consideration, we believe the Group is well placed to further enhance shareholder value.

We continue to believe our model delivers shareholder value and is an attractive, disciplined and proven approach to investing in UK care home real estate.

Alison Fyfe, Chair

17 March 2026

We believe in taking a long-term view

Portfolio performance

Our purpose remains to accelerate improvements in physical standards of UK care homes through long term, responsible investment in modern real estate that delivers attractive returns to shareholders. This has been achieved in the period through active portfolio management, value-accretive disposals, redeployment of proceeds into modern fit-for-purpose assets and the development of a pipeline of near-term attractive assets in line with the Group’s established investment criteria.

This activity has supported a strong total accounting return for the period of 6.8%, like-for-like rental growth of 1.8% and a like-for-like portfolio valuation increase of 3.1%.

Asset management

Active investment management continued in the period, with the disposal of ten homes, across two transactions, all above carrying value, resulting in total proceeds of £93.9 million and an improvement in the portfolio’s tenant diversification.

Almost half of the disposal proceeds were subsequently redeployed into the acquisition of three operational care homes and one forward commitment, further improving the modernity and ESG credentials of the Group’s portfolio. The Investment Manager has developed a strong and growing pipeline of attractive investment opportunities.

The Investment Manager also successfully delivered a number of asset management initiatives, improving both rent collection and portfolio metrics. These initiatives included:

- The Group’s remaining development property reaching practical completion and being leased, on pre-agreed terms, to an existing tenant, thereby adding £0.6 million to the Group’s contractual rental income.
- One asset, where the operator had not been paying rent and which the Group had placed into administration, being re-tenanted in July 2025 to an existing tenant of the Group at an improved rental level. The cumulative valuation uplift of over £1.0 million since the completion of the re-tenanting has covered the cost of placing the tenant into administration, and there is

the potential for further yield tightening as the operating performance of the home also recovers. More important, however, was securing the future stability of the care home for both staff and residents.

- Re-tenanting three properties leased to a single tenant, where the operator was not paying the rent in full, in September 2025 at an unchanged rental level to two existing tenants of the Group. All agreed rent arrears, totalling £1.9 million, were subsequently recovered from the previous tenant, resulting in a non-recurring contribution of 0.18p per share to the Group’s adjusted EPRA EPS over the six-month period.
- Re-tenanting one asset at an unchanged rental level with no tenant incentives being granted, thereby supporting a tenant who had taken the strategic decision to exit the elderly care sector and extending the new lease term to 35 years. The completion of the re-tenanting crystallised the payment of a surrender premium of £1.4 million, equivalent to 0.23p per share, with no change in the property value to compensate for the proceeds received.

These portfolio management activities drove an improvement across the portfolio, as evidenced in the key portfolio metrics which are reflective of the investment grade characteristics of our modern care home portfolio. Rent collection has now returned towards 100% on a fully let portfolio primarily as a result of the re-tenantings.

Rental income, underpinned by long term, inflation-linked contractual agreements, increased by 1.8% on a like-for-like basis, with 38 rental reviews in the period completed at an average increase of 3.8%. This rental income is supported by a diversified tenant base with the Group’s care homes being let to 32 operators, the largest of which accounts for 8.7% of contracted rental income and the top five accounting for c.40%.

Our tenants continue to generate sustainable earnings with average rent covers of 1.9x at the period end. Underpinning this performance is the underlying resident demand for places in our modern, purpose-built homes and our tenants’ commercial

EPRA NTA per share (pence)



proposition being geared towards private-pay. The underlying mature occupancy remained high and sustainable at 86% with operators continuing to focus on accepting new residents at fee levels commensurate with the services provided rather than filling to capacity at uneconomic fees.

The overall portfolio metrics remain positive and attractive. Whilst contractual rent decreased 2.7% to £59.5 million (June 2025: £61.2 million), driven by the asset disposals, the redeployment of the disposal proceeds will increase this back towards historical levels in the current financial year. Over the six-month period, the portfolio WAULT increased to 26.3 years from 25.9 years, driven by a combination of the disposal of properties with shorter lease terms, re-tenanting activities, the practical completion and leasing of the Group's remaining development and the acquisition of three operational care homes on new 35-year lease terms.

The portfolio like-for-like valuation growth in the period of 3.1% was primarily driven by inflation-linked rent reviews (1.6%) and gains on disposal (1.0%). A further 0.3% resulted from re-tenanting and other asset management initiatives, with the marginal tightening of the portfolio's weighted average net initial yield contributing the final 0.2%. The latter was primarily driven by matters relating to individual properties within the Group's portfolio, with overall market yields having remained relatively static over the period.

Debt facilities

The Group's refinanced banking facilities, combined with the Group's existing £150 million of long-term fixed-rate debt, results in total committed debt facilities of £280 million. This comprises £200 million on which the interest rate has been fixed or hedged until at least September 2030 at a weighted average rate of 3.9%, and £80 million of revolving credit facilities. It is anticipated that the Group will hedge the interest rate on these revolving credit facilities, through the use of interest rate caps, as monies are redeployed.

Investment market

The current high level of investment activity within the healthcare market is expected to continue for the foreseeable future, particularly for prime care home real estate with the characteristics favoured by our investment approach. However, we anticipate that our knowledge of the sector, performance record and reputation will ensure we are able to continue to develop a pipeline of appropriate investment opportunities for the Group, whilst remaining cognisant of any asset management opportunities that may present themselves within a highly competitive market.

Health and social care update Social care reform

The Social Care sector awaits the initial findings of the Casey Commission on Adult Social Care, led by Baroness Louise Casey. These findings and recommendations are expected mid-2026, with the full report due to be published in 2028. While organisations look forward to a spotlight being shone upon

the long-standing frustrations they face, it is likely that the costs associated with ballooning older-age demographics will be the biggest challenge in implementing change.

Frustrations also exist between hospitals and community services, and the Government introduced the 2025 'ten-year health plan' to streamline services. Operators continue to highlight their availability to relieve pressure in the system, particularly by way of respite and rehabilitation type 'step-down' from acute settings (as well as longer term care), but are often underutilised or restricted by lack of coordination and/or budget squeeze within Local Authorities and other statutory bodies. The ten-year plan also emphasises the place for technology in elder care. Our care homes are all fully-equipped with fast Wi-Fi to allow the implementation of technology-based solutions by our tenants.

The Government's ultimate vision of all the above is the creation of a National Care Service ('NCS') for social care, to mirror the National Health Service ('NHS'), but this goal may prove to be elusive, with Scotland dropping its pursuit of an NCS in 2025.

Autumn Budget and ADASS survey

Operators and their various associations reacted with disappointment to the budget in late November 2025, which was felt to hold little for the sector. Care England, expressing its concern, stated "the NHS cannot deliver its ten-year plan without a stable and well-funded social care system alongside it". National Care Forum linked their disappointment to the earlier ADASS annual survey, in which the President stated – "The underfunding of adult social care is forcing councils to make impossible choices – trying to balance financial sustainability with doing the right thing for those who rely on us." The budget noted 2026 increases in the national living wage (see below) as well as proposing an apprenticeship scheme for social care, which were both welcome, but lack of any further announcements on an overall workforce strategy for the sector were also a disappointment.

Staffing

Staffing and recruitment continue to be relatively stable across the sector as well as within the Group's homes, albeit there is widespread dismay at the decision to end the licence scheme for all new (sector) overseas workers ('OW'). Many operators, however, were pleased to note that licence renewals for OW's were generally taking place smoothly. Increased scrutiny on operators who use the licence scheme comes with the recent creation of a new 'Sponsor Assurance Team', set up by UK Visas and Immigration. With the 'Skills for Care' organisation expecting a need for 430,000 new care workers by 2035, this policy will likely be another interesting question for the Casey Commission to address.

Also concentrating minds within the sector is the proposed Fair Pay Agreement ('FPA') which is due to come into force in 2028. The first stage of this, the Employment Rights Act 2025, achieved Royal Assent during December 2025. With this legislation will



come a raft of improvements to pay and conditions (welcome if funded), as well as the establishment of the Adult Social Care Negotiating Body. The Government has committed an initial £500 million towards the FPA. Changes to Statutory Sick Pay in April 2026 flag the first of several proposed changes.

Costs and Fees

Care home fees are generally reviewed in April, coinciding with Local Authorities' budget renewal and fee setting of publicly funded residents. Latterly, particularly where homes had a higher ratio of private fee payers, operators who were experiencing challenging inflationary cost pressures were also implementing an autumn review, resulting in four years of particularly high private fee increases - often close to, if not into, double figures in percentage terms. The principal of a leading client-facing sector website recently stated, "paying privately has become the norm, not the exception". Operators this year are keeping a close eye on the aforementioned FPA proposals and, as the national living wage itself rises by 4.1% in April 2026 (2025: 6.7%), we expect fee inflation will be in the mid-to-high single digits. Public fees will likely again struggle to keep pace, putting some pressure on older homes where operators are less likely to attract private fee payers. Continued cost inflation, particularly of food and energy, will add to the pressures.

Regulatory

The English Care Regulator (the 'CQC'), continues to find progress challenging, after losing both its CEO (Sir Julian Hartley) and its Chair (Professor Sir Mike Richards) in the last six months. Despite stepping back from a failed IT system in 2025 to a more simplified, even traditional approach, the organisation continues to face headwinds both with the timely processing of registration requests by operators, as well as routine inspections of care homes, despite otherwise good progress made on these during the year.

Target Fund Managers Limited 17 March 2026

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 December 2025

	Notes	Six months ended 31 December 2025 (unaudited)			Six months ended 31 December 2024 (unaudited)		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Revenue							
Rental income		30,287	5,222	35,509	29,770	5,487	35,257
Other rental income		–	1,435	1,435	–	–	–
Other income		4	–	4	7	–	7
Total revenue		30,291	6,657	36,948	29,777	5,487	35,264
Income							
Gain on revaluation of investment properties	8	–	10,258	10,258	–	5,908	5,908
Gain on investment properties realised	8	–	9,456	9,456	–	–	–
Total income		30,291	26,371	56,662	29,777	11,395	41,172
Expenditure							
Investment management fee	2	(4,040)	–	(4,040)	(3,909)	–	(3,909)
Credit loss allowance and bad debts	3	949	–	949	(180)	–	(180)
Other expenses	3	(1,607)	–	(1,607)	(1,581)	–	(1,581)
Total expenditure		(4,698)	–	(4,698)	(5,670)	–	(5,670)
Profit before finance costs and taxation		25,593	26,371	51,964	24,107	11,395	35,502
Net finance costs							
Interest income		305	–	305	225	–	225
Finance costs	4	(4,943)	(280)	(5,223)	(5,362)	(403)	(5,765)
Net finance costs		(4,638)	(280)	(4,918)	(5,137)	(403)	(5,540)
Profit before taxation		20,955	26,091	47,046	18,970	10,992	29,962
Taxation	5	–	–	–	–	–	–
Profit for the period		20,955	26,091	47,046	18,970	10,992	29,962
Other comprehensive income:							
Items that are or may be reclassified subsequently to profit or loss							
Movement in fair value of interest rate derivatives designated as cash flow hedges		–	(745)	(745)	–	(796)	(796)
Total comprehensive income for the period		20,955	25,346	46,301	18,970	10,196	29,166
Earnings per share (pence)	6	3.38	4.21	7.59	3.06	1.77	4.83

The total column of this statement represents the Group's Condensed Consolidated Statement of Comprehensive Income, prepared in accordance with UK adopted IAS 34 'Interim Financial Reporting'. The supplementary revenue return and capital return columns are both prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement are derived from continuing operations.

No operations were discontinued in the period.

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	As at 31 December 2025 (unaudited) £'000	As at 30 June 2025 (audited) £'000
Non-current assets			
Investment properties	8	809,696	840,432
Trade and other receivables	9	97,351	101,861
		907,047	942,293
Current assets			
Trade and other receivables	9	2,286	3,682
Interest rate derivatives	12	–	572
Cash and cash equivalents	11	67,173	39,639
		69,459	43,893
Total assets		976,506	986,186
Non-current liabilities			
Loans	12	(200,939)	(148,439)
Interest rate derivatives	12	(454)	–
Trade and other payables	13	(12,818)	(12,695)
		(214,211)	(161,134)
Current liabilities			
Loans	12	–	(91,852)
Trade and other payables	13	(22,011)	(20,740)
		(22,011)	(112,592)
Total liabilities		(236,222)	(273,726)
Net assets		740,284	712,460
Share capital and reserves			
Share capital	14	6,202	6,202
Share premium		256,633	256,633
Merger reserve		47,751	47,751
Distributable reserve		142,054	160,531
Hedging reserve		(454)	291
Capital reserve		127,590	101,499
Revenue reserve		160,508	139,553
Equity shareholders' funds		740,284	712,460
Net asset value per ordinary share (pence)	6	119.4	114.9

Company number: 11990238.

The condensed consolidated financial statements on pages 8 to 19 were approved by the Board of Directors on 17 March 2026 and were signed on its behalf by:

Alison Fyfe
Chair

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 December 2025 (unaudited)

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Distributable reserve £'000	Hedging reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 June 2025		6,202	256,633	47,751	160,531	291	101,499	139,553	712,460
Profit for the period		–	–	–	–	–	26,091	20,955	47,046
Other comprehensive income		–	–	–	–	(745)	–	–	(745)
Total comprehensive income		–	–	–	–	(745)	26,091	20,955	46,301
Transactions with owners recognised in equity:									
Dividends paid	7	–	–	–	(18,477)	–	–	–	(18,477)
At 31 December 2025		6,202	256,633	47,751	142,054	(454)	127,590	160,508	740,284

For the six months ended 31 December 2024 (unaudited)

	Note	Share capital £'000	Share premium £'000	Merger reserve £'000	Distributable reserve £'000	Hedging reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 30 June 2024		6,202	256,633	47,751	170,347	1,741	77,668	128,951	689,293
Profit for the period		–	–	–	–	–	10,992	18,970	29,962
Other comprehensive income		–	–	–	–	(796)	–	–	(796)
Total comprehensive income		–	–	–	–	(796)	10,992	18,970	29,166
Transactions with owners recognised in equity:									
Dividends paid	7	–	–	–	–	–	–	(17,981)	(17,981)
At 31 December 2024		6,202	256,633	47,751	170,347	945	88,660	129,940	700,478

The accompanying notes are an integral part of these financial statements.

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 December 2025

	Notes	Six months ended 31 December 2025 (unaudited) £'000	Six months ended 31 December 2024 (unaudited) £'000
Cash flows from operating activities			
Profit before tax		47,046	29,962
Adjustments for:			
Interest income		(305)	(225)
Finance costs		5,223	5,765
Revaluation gain on investment properties and movements in lease incentives, net of acquisition costs written off	8	(15,480)	(11,395)
Gain on investment properties realised	8	(9,456)	–
Decrease in trade and other receivables		248	1,832
Increase in trade and other payables		1,565	676
		28,841	26,615
Interest paid		(4,969)	(5,049)
Interest received		305	225
		(4,664)	(4,824)
Net cash inflow from operating activities		24,177	21,791
Cash flows from investing activities			
Purchase of investment properties, including acquisition costs		(32,028)	(9,805)
Disposal of investment properties, net of lease incentives		93,531	–
Net cash inflow/(outflow) from investing activities		61,503	(9,805)
Cash flows from financing activities			
Drawdown of bank loan facilities		21,575	10,000
Repayment of bank loan facilities		(60,075)	(5,000)
Cost of refinancing of bank loan facilities		(1,205)	–
Dividends paid		(18,441)	(17,952)
Net cash outflow from financing activities		(58,146)	(12,952)
Net increase/(decrease) in cash and cash equivalents		27,534	(966)
Opening cash and cash equivalents		39,639	38,884
Closing cash and cash equivalents*	11	67,173	37,918
Transactions which do not require the use of cash			
Movement in fixed or guaranteed rent reviews	8	5,222	5,487
Movement in lease incentives	8	383	(119)
Fixed or guaranteed rent reviews derecognised on disposal or re-tenanting	8	(10,194)	–
Total		(4,589)	5,368

*The closing cash and cash equivalents balance at 31 December 2025 includes £50,187,000 (31 December 2024: £23,208,000) which is restricted cash held in secured accounts related to the Group's loan facilities. See note 11 for further details.

The accompanying notes are an integral part of these financial statements.

Notes to the Condensed Consolidated Financial Statements

1. Basis of Preparation

The condensed consolidated financial statements have been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting' and the accounting policies set out in the statutory financial statements of the Group for the year ended 30 June 2025.

The condensed consolidated financial statements do not include all of the information required for a complete set of IFRS financial statements and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2025, which were prepared under full UK-adopted International Financial Reporting Standards ('IFRS') requirements.

These are not full statutory accounts in terms of Section 434 of the Companies Act 2006 and are unaudited. Statutory accounts for the Company for the year ended 30 June 2025, which received an unqualified audit report and which did not contain a statement under Section 498 of the Companies Act 2006, have been lodged with the Registrar of Companies. No full statutory accounts, for either the Company or Group, in respect of any period after 30 June 2025 have been reported on by the Company's auditor or delivered to the Registrar of Companies.

The Interim Report and Condensed Consolidated Financial Statements for the six months ended 31 December 2025 will be posted to shareholders and made available on the website: www.targethealthcarereit.co.uk. Copies may also be obtained from the Company Secretary, Target Fund Managers Limited, 1st Floor, Glendevon House, Castle Business Park, Stirling FK9 4TZ.

Going concern

The condensed consolidated financial statements have been prepared on the going concern basis. In assessing the going concern basis of accounting the Directors have had regard to the guidance issued by the Financial Reporting Council. The Directors have continued to place a particular focus on the appropriateness of adopting the going concern basis in preparing the financial statements for the period ended 31 December 2025.

The Group's going concern assessment particularly considered that:

- The value of the Group's portfolio of assets significantly exceeds the value of its liabilities;
- The Group is contractually entitled to receive rental income which significantly exceeds its forecast expenses and loan interest; and
- The Group remains within its loan covenants, with a weighted average term to maturity of 5.6 years at 31 December 2025 and an earliest repayment date of September 2028.

The Group has a significant balance of cash and undrawn debt available and the Group's current policy is to prudently retain a proportion of this to ensure it can continue to pay the Group's expenses and loan interest in the unlikely scenario that the level of rental income received deteriorates significantly. The proportion retained will be kept under review dependent on portfolio performance and market conditions.

Based on these considerations, the Directors consider that the Group has adequate resources to continue in operational existence for the foreseeable future and at least the next twelve months from the date of issuance of this report. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2. Investment Management Fee

	For the six month period ended 31 December 2025 £'000	For the six month period ended 31 December 2024 £'000
Investment management fee	4,040	3,909

The Group's Investment Manager and Alternative Investment Fund Manager ('AIFM') is Target Fund Managers Limited. The Investment Manager is entitled to an annual management fee on a tiered basis based on the net assets of the Group as set out below. Where applicable, VAT is payable in addition.

Net assets of the Group	Management fee percentage
Up to and including £500 million	1.05
Above £500 million and up to and including £750 million	0.95
Above £750 million and up to and including £1 billion	0.85
Above £1 billion and up to and including £1.5 billion	0.75
Above £1.5 billion	0.65

The Investment Management Agreement can be terminated by either party on 24 months' written notice. Should the Company terminate the Investment Management Agreement earlier then compensation in lieu of notice will be payable to the Investment Manager. The Investment Management Agreement may be terminated immediately upon the occurrence of certain events, including the insolvency of either party or if the Investment Manager becomes legally prohibited from carrying on investment business or performing its duties under the Investment Management Agreement.

3. Other expenses

	For the six month period ended 31 December 2025 £'000	For the six month period ended 31 December 2024 £'000
Total movement in credit loss allowance	(1,454)	180
Bad debts written off	505	–
Credit loss allowance (credit)/charge	(949)	180
Valuation and other professional fees	901	969
Secretarial and administration fees	116	109
Directors' fees	122	114
Other	468	389
Total other expenses	1,607	1,581

4. Finance costs

	For the six month period ended 31 December 2025 £'000	For the six month period ended 31 December 2024 £'000
Interest paid on loans	4,585	5,050
Amortisation of loan costs	358	312
Finance and transaction costs relating to the interest rate cap	280	403
Total	5,223	5,765

5. Taxation

The Directors intend to conduct the Group's affairs such that management and control is exercised in the United Kingdom and so that the Group carries on any trade in the United Kingdom.

The Group has entered the REIT regime for the purposes of UK taxation. Subject to continuing relevant UK-REIT criteria being met, the profits from the Group's property rental business, arising from both income and capital gains, are exempt from corporation tax.

6. Earnings per share and Net Asset Value per share

Earnings per share

	For the six month period ended 31 December 2025		For the six month period ended 31 December 2024	
	£'000	Pence per share	£'000	Pence per share
Revenue earnings	20,955	3.38	18,970	3.06
Capital earnings	26,091	4.21	10,992	1.77
Total earnings	47,046	7.59	29,962	4.83
Average number of shares in issue	620,237,346		620,237,346	

The European Public Real Estate Association ('EPRA') is an industry body which issues best practice reporting guidelines for financial disclosures by public real estate companies and the Group reports an EPRA NAV quarterly. EPRA has issued best practice recommendations for the calculation of certain figures which are included below and on the following page.

The EPRA earnings are arrived at by adjusting for the revaluation movements on investment properties and other items of a capital nature and represents the revenue earned by the Group.

The Group's specific adjusted EPRA earnings adjusts the EPRA earnings for rental income arising from recognising guaranteed rental review uplifts and for development interest received from developers in relation to monies advanced under forward fund agreements which, in the Group's IFRS financial statements, is required to be offset against the book cost of the property under development. The Board believes that the Group's specific adjusted EPRA earnings represents the underlying performance measure appropriate for the Group's business model as it illustrates the underlying revenue stream and costs generated by the Group's property portfolio. The reconciliations are provided in the table on the following page.

Notes to the Condensed Consolidated Financial Statements continued

6. Earnings per share and Net Asset Value per share continued

	For the six month period ended 31 December 2025 £'000	For the six month period ended 31 December 2024 £'000
Earnings per IFRS Consolidated Statement of Comprehensive Income	47,046	29,962
Adjusted for gains on investment properties realised	(9,456)	–
Adjusted for revaluations of investment properties	(10,258)	(5,908)
Adjusted for finance and transaction costs on the interest rate cap	280	403
Adjusted for other capital items	(1,435)	–
EPRA earnings	26,177	24,457
Adjusted for rental income arising from recognising guaranteed rent review uplifts	(5,222)	(5,487)
Adjusted for development interest under forward fund agreements	130	469
Group specific adjusted EPRA earnings	21,085	19,439
Earnings per share ('EPS') (pence per share)		
EPS per IFRS Consolidated Statement of Comprehensive Income	7.59	4.83
EPRA EPS	4.22	3.94
Group specific adjusted EPRA EPS	3.40	3.13

Earnings for the period ended 31 December 2025 should not be taken as a guide to the results for the year to 30 June 2026.

Net Asset Value per share

The Group's net asset value per ordinary share of 119.4 pence (30 June 2025: 114.9 pence) is based on equity shareholders' funds of £740,284,000 (30 June 2025: £712,460,000) and on 620,237,346 (30 June 2025: 620,237,346) ordinary shares, being the number of shares in issue at the period end.

The three EPRA NAV metrics are shown below. Further details are included in the glossary on page 24.

	As at 31 December 2025			As at 30 June 2025		
	EPRA NRV £'000	EPRA NTA £'000	EPRA NDV £'000	EPRA NRV £'000	EPRA NTA £'000	EPRA NDV £'000
IFRS NAV per financial statements	740,284	740,284	740,284	712,460	712,460	712,460
Fair value of interest rate derivatives	454	454	–	(572)	(572)	–
Fair value adjustment to loans	–	–	25,493	–	–	27,929
Estimated purchasers' costs	60,219	–	–	62,175	–	–
EPRA net assets	800,957	740,738	765,777	774,063	711,888	740,389
EPRA net assets (pence per share)	129.1	119.4	123.5	124.8	114.8	119.4

7. Dividends

Amounts paid as distributions to equity holders during the period.

	For the six month period ended 31 December 2025		For the six month period ended 31 December 2024	
	Pence	£'000	Pence	£'000
Fourth interim dividend for the prior year	1.471	9,124	1.428	8,857
First interim dividend	1.508	9,353	1.471	9,124
Total	2.979	18,477	2.899	17,981

A second interim dividend in respect of the year to 30 June 2026, of 1.508 pence per share, was paid on 27 February 2026 to shareholders on the register on 13 February 2026 and amounted to £9,353,000.

8. Investment properties

	As at 31 December 2025 £'000
Freehold and leasehold properties	
Opening market value	929,940
Opening fixed or guaranteed rent reviews	(79,138)
Opening lease incentives	(10,370)
Opening carrying value	840,432
Disposals – proceeds	(93,531)
– gain on sale	25,203
Purchases and capital expenditure	32,200
Acquisition costs capitalised	687
Acquisition costs written off	(687)
Unrealised gains realised during the period	(15,747)
Revaluation movement – gains	18,550
Revaluation movement – losses	(2,000)
Movement in market value	(35,325)
Fixed or guaranteed rent reviews derecognised on disposal	10,194
Movement in fixed or guaranteed rent reviews	(5,222)
Movement in lease incentives	(383)
Movement in carrying value	(30,736)
Closing market value	894,615
Closing fixed or guaranteed rent reviews	(74,166)
Closing lease incentives	(10,753)
Closing carrying value	809,696

The investment properties can be analysed as follows:

	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Standing assets	894,615	921,080
Developments under forward fund agreements	–	8,860
Closing market value	894,615	929,940

Changes in the valuation of investment properties

	For the six month period ended 31 December 2025 £'000	For the six month period ended 31 December 2024 £'000
Gain on sale of investment properties	25,203	–
Unrealised gain realised during the period	(15,747)	–
Gain on investment properties realised	9,456	–
Revaluation movement	16,550	11,281
Acquisition costs written off	(687)	(5)
Movement in lease incentives	(383)	119
Movement in fixed or guaranteed rent reviews	(5,222)	(5,487)
Gain on revaluation of investment properties	10,258	5,908

At 31 December 2025, the investment properties were valued at £894,615,000 (30 June 2025: £929,940,000) by CBRE Limited ('CBRE'), in their capacity as external valuers. The valuation was undertaken in accordance with the RICS Valuation – Global Standards, issued by the Royal Institution of Chartered Surveyors ('RICS') on the basis of Market Value, supported by reference to market evidence of transaction prices for similar properties. CBRE has recent experience in the location and category of the investment properties being valued.

The fair value of the properties after adjusting for the movement in the fixed or guaranteed rent reviews and lease incentives was £809,696,000 (30 June 2025: £840,432,000). The adjustment consisted of £74,166,000 (30 June 2025: £79,138,000) relating to fixed or guaranteed rent reviews and £10,753,000 (30 June 2025: £10,370,000) of accrued income relating to the recognition of rental income over rent free periods subsequently amortised over the life of the lease, which are both separately recorded in the financial statements as non-current and current assets within 'trade and other receivables' (see note 9).

Notes to the Condensed Consolidated Financial Statements continued

8. Investment properties continued

The Group is required to classify fair value measurements of its investment properties using a fair value hierarchy, in accordance with IFRS 13 'Fair Value Measurement'. This hierarchy reflects the subjectivity of the inputs used, and has the following levels:

- Level 1: unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: observable inputs other than quoted prices included within level 1;
- Level 3: use of inputs that are not based on observable market data.

The Group's investment properties are valued by CBRE on a quarterly basis. The valuation methodology used is the yield model, which is a consistent basis for the valuation of investment properties within the healthcare industry. This model has regard to the current investment market and evidence of investor interest in properties with income streams secured on healthcare businesses. On an asset-specific basis, the valuer makes an assessment of: the quality of the asset; recent and current performance of the asset; and the financial position and performance of the tenant operator. This asset specific information is used alongside a review of comparable transactions in the market and an investment yield is applied to the asset which, along with the contracted rental level, is used to derive a market value.

In determining what level of the fair value hierarchy to classify the Group's investments within, the Directors have considered the content and conclusion of the position paper on IFRS 13 prepared by the European Public Real Estate Association ('EPRA'), the representative body of the publicly listed real estate industry in Europe. This paper concludes that, even in the most transparent and liquid markets, it is likely that valuers of investment property will use one or more significant unobservable inputs or make at least one significant adjustment to an observable input, resulting in the vast majority of investment properties being classified as level 3.

Observable market data is considered to be that which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. In arriving at the valuation the external valuers make adjustments to observable data of similar properties and transactions to determine the fair value of a property and this involves the use of judgement. Considering the Group's specific valuation process, industry guidance, and the level of judgement required in the valuation process, the Directors believe it appropriate to classify the Group's investment properties within level 3 of the fair value hierarchy.

The key unobservable inputs made in determining the fair values are:

- Contracted rental level: the rent payable under the lease agreement at the date of valuation or, where applicable, on expiry of the rent free period; and
- Yield: the yield is defined as the initial net income from a property at the date of valuation, expressed as a percentage of the gross purchase price including the costs of purchase.

The contracted rental level and yield are not directly correlated although they may be influenced by similar factors. Rent is set at a long-term, supportable level and is likely to be influenced by property-specific matters. The yield also reflects market sentiment and the strength of the covenant provided by the tenant, with a stronger covenant attracting a lower yield.

The Group's investment properties, which are all care homes, are considered to be a single class of assets. The weighted average net initial yield ('NIY') on these assets, as measured by the EPRA Topped-up Net Initial Yield, is 6.2 per cent (30 June 2025: 6.2 per cent). The yield on the majority of the individual assets ranges from 5.6 per cent to 8.9 per cent (30 June 2025: 5.6 per cent to 8.9 per cent). The average annual contracted rent per bed is £10,111 (30 June 2025: £9,696) with the annual contracted rent per bed on individual assets ranging between £5,296 and £21,874 (30 June 2025: between £5,093 and £21,033). There have been no changes to the valuation technique used through the period, nor have there been any transfers between levels.

The lease agreements on the properties held within the Group's property portfolio generally allow for annual increases in the contracted rental level in line with inflation, within a cap and a collar. An increase of 1.0 per cent in the contracted rental level will increase the fair value of the portfolio, and consequently the Group's reported income from unrealised gains on investments, by £8,946,000 (30 June 2025: £9,299,000); an equal and opposite movement would have decreased net assets and decreased the Group's income by the same amount.

A decrease of 0.25 per cent in the net initial yield applied to the property portfolio will increase the fair value of the portfolio by £37,139,000 (30 June 2025: £38,690,000), and consequently increase the Group's reported income from unrealised gains on investments. An increase of 0.25 per cent in the net initial yield will decrease the fair value of the portfolio by £34,292,000 (30 June 2025: £35,718,000) and reduce the Group's income.

9. Trade and other receivables

	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Non-current trade and other receivables		
Fixed rent reviews	74,166	79,138
Rental deposits held in escrow for tenants	12,818	12,695
Lease incentives	10,367	10,028
Total	97,351	101,861
Current trade and other receivables		
Lease incentives	386	342
VAT recoverable	32	47
Accrued income - net rent receivable	311	1,089
Accrued development interest under forward fund agreements	–	809
Other debtors and prepayments	1,557	1,395
Total	2,286	3,682

10. Investment in subsidiary undertakings

The Group included 55 subsidiary companies as at 31 December 2025 (30 June 2025: 50). All subsidiary companies were wholly owned, either directly or indirectly, by the Company and, from the date of acquisition onwards, the principal activity of each company within the Group was to act as an investment and property company. Other than one subsidiary incorporated in Jersey, two subsidiaries incorporated in Gibraltar and two subsidiaries incorporated in Luxembourg, all subsidiaries are incorporated within the United Kingdom.

11. Cash and cash equivalents

All cash balances at the period-end were held in cash, current accounts or deposit accounts.

	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Cash at bank and in hand	16,762	11,302
Short-term deposits	224	111
Short-term deposits held in secured accounts related to loan facilities	50,187	28,226
Total	67,173	39,639

At 31 December 2025, the Group held £50,187,000 (30 June 2025: £28,226,000) in secured accounts in relation to the loan from Phoenix Group following the property disposals made by the Group. The use of this cash is restricted until the Group either partially repays the loan or pledges replacement assets as security. As at 31 December 2025, the Group had sufficient unencumbered assets which could be pledged as additional security in order to release these funds.

12. Loans

	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Non-current loans		
Principal amount outstanding	203,500	150,000
Set-up costs	(3,624)	(2,413)
Amortisation of set-up costs	1,063	852
Total	200,939	148,439
Current loans		
Principal amount outstanding	–	92,000
Set-up costs	–	(2,107)
Amortisation of set-up costs	–	1,959
Total	–	91,852

On 23 September 2025, the Group entered into a £20,000,000 committed term loan and £30,000,000 revolving credit facility with the Royal Bank of Scotland plc ('RBS') which is repayable in September 2028, with the option of two one-year extensions thereafter subject to the consent of RBS. The facility also includes an accordion option that, subject to the consent of RBS, would increase the total quantum of the facility to £80,000,000. Interest accrues on the drawn element of the bank loan at a variable rate, based on SONIA plus margin and mandatory lending costs, and is payable quarterly. The margin on the facility is 1.50 per cent per annum for the duration of the loan. A non-utilisation fee of 0.75 per cent per annum is payable on any undrawn element of the facility. As at 31 December 2025, the Group had drawn £23,500,000 under this facility (30 June 2025: £42,000,000).

On 23 September 2025, the Group entered into a £30,000,000 committed term loan and £50,000,000 revolving credit facility with HSBC Bank plc ('HSBC') which is repayable in September 2028, with the option of two one-year extensions thereafter subject to the consent of HSBC. The facility also includes an accordion option that, subject to the consent of HSBC, would increase the total quantum of the facility to £120,000,000. Interest accrues on the drawn element of the bank loan at a variable rate, based on SONIA plus margin and mandatory lending costs, and is payable quarterly. The margin on the facility is 1.50 per cent per annum for the duration of the loan. A non-utilisation fee of 0.60 per cent per annum is payable on any undrawn element of the facility. As at 31 December 2025, the Group had drawn £30,000,000 under this facility (30 June 2025: £50,000,000).

In January 2020 and November 2021, the Group entered into committed term loan facilities with Phoenix Group of £50,000,000 and £37,250,000, respectively. Both these facilities are repayable on 12 January 2032. The Group has a further committed term loan facility with Phoenix Group of £62,750,000 which is repayable on 12 January 2037. Interest accrues on these three loans at aggregate annual fixed rates of interest of 3.28 per cent, 3.13 per cent and 3.14 per cent, respectively and is payable quarterly. As at 31 December 2025, the Group had drawn £150,000,000 under these facilities (30 June 2025: £150,000,000).

The following interest rate derivatives were in place during the period ended 31 December 2025:

Notional Value	Starting Date	Ending Date	Interest paid	Interest received	Counterparty
30,000,000	5 November 2020	5 November 2025*	0.30%	Daily compounded SONIA (floor at -0.08%)	RBS
50,000,000	1 November 2022	5 November 2025	nil	Daily compounded SONIA above 3.0% cap	HSBC
20,000,000	24 September 2025	23 September 2030	3.76%	Daily compounded SONIA	RBS
30,000,000	24 September 2025	23 September 2030	3.82%	Daily compounded SONIA	HSBC

* Terminated early on 24 September 2025.

Notes to the Condensed Consolidated Financial Statements continued

12. Loans continued

At 31 December 2025, inclusive of the interest rate derivatives, the interest rate on £200,000,000 of the Group's borrowings has been hedged, including the amortisation of loan arrangement costs, at an all-in rate of 3.89 per cent per annum until at least 23 September 2030. The remaining £80,000,000 of debt, of which £3,500,000 was drawn at 31 December 2025, would, if fully drawn, carry interest at a variable rate equal to daily compounded SONIA plus a weighted average lending margin, including the amortisation of loan arrangement costs, of 1.81 per cent per annum.

The aggregate fair value of the interest rate derivatives held at 31 December 2025 was a liability of £454,000 (30 June 2025: asset of £572,000). The Group categorises all interest rate derivatives as level 2 in the fair value hierarchy as they are valued with reference to published interest rates (see Note 8 for further explanation of the fair value hierarchy).

At 31 December 2025, the nominal value of the Group's loans equated to £203,500,000 (30 June 2025: £242,000,000). Excluding the interest rate derivatives referred to above, the fair value of these loans, based on a discounted cashflow using the market rate on the relevant treasuries plus an estimated margin based on market conditions at 31 December 2025, totalled, in aggregate, £178,007,000 (30 June 2025: £214,071,000). The loans are categorised as level 3 in the fair value hierarchy given the estimated margin is not observable market data.

The fixed rate loans are repayable at the higher of their par value of £150,000,000 (30 June 2025: £150,000,000), or a calculation based on a Modified Spens clause. At 31 December 2025, the par value was higher than the Modified Spens calculation and therefore the repayment cost would have been £150,000,000 (30 June 2025: £150,000,000). In relation to the bank facilities of £130,000,000 (30 June 2025: £170,000,000), an early repayment charge will apply if any proportion of the facilities are cancelled or prepaid. At 31 December 2025, this potential early repayment charge, which would have been in addition to the par value of the drawn bank loans of £53,500,000 (30 June 2025: £92,000,000) and any early termination costs that may have arisen as a result of breaking or reducing the interest rate swaps, equated to a maximum aggregate sum of £1,550,000 (30 June 2025: £nil) and will decline over the remaining term of the bank facilities.

The RBS loan is secured by way of a fixed and floating charge over the majority of the assets of the THR Number One plc Group ('THR1 Group') which consists of THR1 and its five subsidiaries. The Phoenix Group loans of £50,000,000 and £37,250,000 are secured by way of a fixed and floating charge over the majority of the assets of the THR Number 12 plc Group ('THR12 Group') which consists of THR12 and its eight subsidiaries. The Phoenix Group loan of £62,750,000 is secured by way of a fixed and floating charge over the majority of the directly held assets of THR Number 43 plc ('THR43'). The HSBC loan is secured by way of a fixed and floating charge over the majority of the assets of the THR Number 15 plc Group ('THR15 Group') which consists of THR15 and its 18 subsidiaries. In aggregate, the Group has granted a fixed charge over properties with a market value of £685,470,000 as at 31 December 2025 (30 June 2025: £754,390,000).

Under the covenants related to the loans, which are tested quarterly, the Group is to ensure that:

- the loan to value percentage for each of THR1 Group and THR15 Group does not exceed 50 per cent (30 June 2025: 50 per cent);
- the loan to value percentage for THR12 Group and THR43 does not exceed 60 per cent (30 June 2025: 60 per cent);
- the interest cover for THR1 Group is greater than 200 per cent on any calculation date (30 June 2025: 225 per cent);
- the interest cover for THR15 Group is greater than 165 per cent on any calculation date (30 June 2025: 200 per cent); and
- the debt yield for each of THR12 Group and THR43 is greater than 10 per cent on any calculation date (30 June 2025: 10 per cent).

All loan covenants have been complied with during the period.

13. Trade and other payables

	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Non-current trade and other payables		
Rental deposits	12,818	12,695
Total	12,818	12,695
	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Current trade and other payables		
Rental income received in advance	11,588	10,463
Property acquisition and development costs accrued	3,267	3,218
Interest payable	1,841	2,225
Investment Manager's fees payable	2,017	1,979
Other payables	3,298	2,855
Total	22,011	20,740

The Group's payment policy is to ensure settlement of supplier invoices in accordance with stated terms.

14. Share capital

	Number of shares	£'000
Allotted, called-up and fully paid ordinary shares of £0.01 each		
Balance as at 30 June 2025 and 31 December 2025	620,237,346	6,202

During the period to 31 December 2025, the Company did not issue any ordinary shares (period to 31 December 2024: nil). The Company did not buyback or resell any ordinary shares (period to 31 December 2024: nil). At 31 December 2025, the Company did not hold any shares in treasury (30 June 2025: nil).

15. Capital commitments

The Group had capital commitments as follows:

	As at 31 December 2025 £'000	As at 30 June 2025 £'000
Amounts due to complete forward fund developments	–	912
Other capital expenditure commitments	1,049	1,113
Total	1,049	2,025

The Group also has a forward commitment to acquire a property company for £13.4 million, including acquisition costs, following practical completion of the property which the acquiree is currently developing. The development, which is pre-let to an existing tenant of the Group, is well advanced and is expected to reach practical completion in summer 2026.

16. Contingent assets and liabilities

As at 31 December 2025, one property (30 June 2025: one property) within the Group's investment property portfolio contained a performance payment clause which provided that, subject to contracted performance conditions being met, a further capital payment of £1,785,000 (30 June 2025: £1,785,000) may be payable by the Group to the vendor/tenant of the property. The potential timing of this payment is also conditional on the date(s) at which the contracted performance conditions are met and is therefore uncertain.

It is highlighted that any performance payments subsequently paid will result in an increase in the rental income due from the tenant of the relevant property. As the net initial yield used to calculate the additional rental which would be payable is not significantly different from the investment yield used to arrive at the valuation of the properties, any performance payment made would be expected to result in a commensurate increase in the value of the Group's investment property portfolio.

Having assessed the clause, the Group has determined that the contracted performance conditions had not been met in relation to the property and therefore at 31 December 2025 no liability was recognised (30 June 2025: Nil). Had a liability been recognised, an equal but opposite amount would have been recognised as an asset in 'investment properties' in Note 8 to reflect the increase in the investment property value that would be expected to arise from the payment of the performance payment(s) and the resulting increase in the contracted rental income.

17. Related parties and transactions with the Investment Manager

The Board of Directors is considered to be a related party. No Director has an interest in any transactions which are, or were, unusual in their nature or significant to the nature of the Group.

The Directors of the Group received fees for their services. Total fees for the period were £122,000 (period ended 31 December 2024: £114,000) of which Nil (31 December 2024: Nil) remained payable at the period end.

The Investment Manager received £4,040,000 (inclusive of irrecoverable VAT) in management fees in relation to the period ended 31 December 2025 (period ended 31 December 2024: £3,909,000). Of this amount £2,017,000 remained payable at the period end (31 December 2024: £1,957,000). The Investment Manager received a further £101,000 (inclusive of irrecoverable VAT) during the period ended 31 December 2025 (period ended 31 December 2024: £96,000) in relation to its appointment as Company Secretary and Administrator, of which £50,000 (31 December 2024: £48,000) remained payable at the period end.

Certain employees of the Investment Manager are directors of some of the Group's subsidiaries. Neither they nor the Investment Manager receive any additional remuneration in relation to fulfilling this role.

There were related party transactions within the Group and its wholly-owned subsidiaries which are eliminated upon consolidation.

18. Operating segments

The Board has considered the requirements of IFRS 8 'Operating Segments'. The Board is of the view that the Group is engaged in a single segment of business, being healthcare property investment, and in one geographical area, the United Kingdom, and that therefore the Group has only a single operating segment. The Board of Directors, as a whole, has been identified as constituting the chief operating decision maker of the Group. The key measure of performance used by the Board to assess the Group's performance is the EPRA NTA. The reconciliation between the NAV, as calculated under IFRS, and the EPRA NTA is detailed in Note 6.

The view that the Group is engaged in a single segment of business is based on the following considerations:

- One of the key financial indicators received and reviewed by the Board is the total return from the property portfolio taken as a whole;
- There is no active allocation of resources to particular types or groups of properties in order to try to match the asset allocation of the benchmark; and
- The management of the portfolio is ultimately delegated to a single property manager, Target.

Directors' Statement of Principal Risks and Uncertainties

The risks, and the way in which they are managed, are described in more detail in the Strategic Report within the Annual Report and Financial Statements for the year to 30 June 2025. Other than as disclosed in the Chair's Statement and Investment Manager's Report, the Group's principal risks and uncertainties have not changed materially since the date of the report and are not expected to change materially for the remainder of the Group's financial year.



Statement of Directors' Responsibilities in Respect of the Interim Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 'Interim Financial Reporting' and gives a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Chair's Statement and Investment Manager's Report (together constituting the Interim Management Report) include a fair review of the information required by the Disclosure Guidance and Transparency Rules ('DTR') 4.2.7R, being an indication of important events that have occurred during the period and their impact on the financial statements;
- the Statement of Principal Risks and Uncertainties referred to above is a fair review of the information required by DTR 4.2.7R; and
- the condensed set of financial statements includes a fair review of the information required by DTR 4.2.8R, being related party transactions that have taken place in the period and that have materially affected the financial position or performance of the Group during the period.

On behalf of the Board

Alison Fyfe

Chair

17 March 2026

Independent Review Report to Target Healthcare REIT plc

Conclusion

We have been engaged by Target Healthcare REIT plc ('the Company') to review the consolidated set of financial statements in the Interim Report and Financial Statements for the six months ended 31 December 2025 which comprises the Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and the related notes 1 to 18 to the Condensed Consolidated Financial Statements. We have read the other information contained in the Interim Report and Financial Statements and considered whether it contains any apparent misstatements or material inconsistencies with the information in the consolidated set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated set of financial statements in the Interim Report and Financial Statements for the six months ended 31 December 2025 are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The consolidated set of financial statements included in this Interim Report and Financial Statements has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the Directors

The Directors are responsible for preparing the Interim Report and Financial Statements in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the Interim Report and Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Review of the Financial Information

In reviewing the Interim Report and Financial Statements, we are responsible for expressing to the Company a conclusion on the consolidated set of financial statements in the Interim Report and Financial Statements. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our Report

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London
17 March 2026

Alternative Performance Measures

The Company uses Alternative Performance Measures ('APMs'). APMs do not have a standard meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. The definitions of all APMs used by the Company are highlighted in the glossary on page 24, with detailed calculations, including reconciliation to the IFRS figures where appropriate, being set out below.

Discount or Premium – the share price of an Investment Company is derived from buyers and sellers trading their shares on the stock market. This price is not identical to the NAV. If the share price is lower than the NAV per share, the shares are trading at a discount and, if the share price is higher than the NAV per share, are said to be at a premium. The figure is calculated at a point in time and, unless stated otherwise, the Company measures its discount or premium relative to the EPRA NTA per share.

		31 December 2025 pence	30 June 2025 pence
EPRA Net Tangible Assets per share (see note 6)	(a)	119.4	114.8
Share price	(b)	97.6	104.2
Discount	= (b-a)/a	(18.3)%	(9.2)%

Dividend Cover – the percentage by which earnings for the period cover the dividend paid.

		Period ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
EPRA earnings for the period (see note 6)	(a)	26,177	24,457
Group-specific adjusted EPRA earnings for the period (see note 6)	(b)	21,085	19,439
First interim dividend		9,353	9,124
Second interim dividend		9,353	9,124
Dividends paid in relation to the period	(c)	18,706	18,248
Dividend cover based on EPRA earnings	= (a/c)	140%	134%
Dividend cover based on Group-specific adjusted EPRA earnings	= (b/c)	113%	107%

EPRA Cost Ratio – the EPRA cost ratios are produced using EPRA methodology, which aims to provide a consistent base-line from which companies can provide additional information, and include all property expenses and management fees. The Group did not have any vacant properties during the periods and therefore separate measures excluding direct vacancy costs are not presented. Consistent with the Group specific adjusted EPRA earnings detailed in note 6 to the Condensed Consolidated Financial Statements, similar adjustments have been made to also present the adjusted Cost Ratio which is thought more appropriate for the Group's business model.

		Period ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Investment management fee		4,040	3,909
Credit loss allowance and bad debts written off		(949)	180
Other expenses		1,607	1,581
EPRA costs (including direct vacancy costs)	(a)	4,698	5,670
Specific cost adjustments, if applicable		–	–
Group specific adjusted EPRA costs (including direct vacancy costs)	(b)	4,698	5,670
Gross rental income per IFRS	(c)	36,948	35,264
Adjusted for rental income arising from recognising guaranteed rent review uplifts		(5,222)	(5,487)
Adjusted for surrender premiums recognised in capital		(1,435)	–
Adjusted for development interest under forward fund arrangements		130	469
Group specific adjusted gross rental income	(d)	30,421	30,246
EPRA Cost Ratio (including direct vacancy costs)	= (a/c)	12.7%	16.1%
EPRA Group specific adjusted Cost Ratio (including direct vacancy costs)	= (b/d)	15.4%	18.7%

Net Debt to EBITDA Ratio – a leverage ratio that measures the net earnings available to address debt obligations.

		Period ended 31 December 2025 £'000	Period ended 31 December 2024 £'000
Net debt (see page 23)	(a)	156,438	227,809
Group-specific adjusted EPRA earnings for the period (see note 6)		21,085	19,439
Net finance costs		4,638	5,137
EBITDA	(b)	25,723	24,576
Net debt to EBITDA ratio	= a/(b*2)	3.0 times	4.6 times

EPRA Loan-to-Value ('LTV') – A shareholder-gearing measure to determine the percentage of debt comparing to the appraised value of the properties. EPRA LTV is calculated as total gross debt (adding net trade payables and less cash) as a proportion of gross property value.

		31 December 2025 £'000	30 June 2025 £'000
Borrowings		203,500	242,000
Net payables		20,111	17,400
Cash and cash equivalents		(67,173)	(39,639)
Net debt	(a)	156,438	219,761
Investment properties at market value		894,615	929,940
Total property value	(b)	894,615	929,940
EPRA Loan-to-Value	= (a/b)	17.5%	23.6%

EPRA Net Initial Yield and EPRA Topped-up Net Initial Yield – EPRA Net Initial Yield is calculated as annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. The EPRA Topped-up Net Initial Yield incorporates an adjustment in respect of the expiration of rent-free periods (or other unexpired lease incentives).

		31 December 2025 £'000	30 June 2025 £'000
Annualised passing rental income based on cash rents	(a)	58,896	59,369
Notional rent expiration of rent-free periods or other lease incentives		605	1,800
Topped-up net annualised rent	(b)	59,501	61,169
Standing property assets (see note 8)		894,615	921,080
Allowance for estimated purchasers' costs		60,219	62,175
Grossed-up completed property portfolio valuation	(c)	954,834	983,255
EPRA Net Initial Yield	= (a/c)	6.17%	6.04%
EPRA Topped-up Net Initial Yield	= (b/c)	6.23%	6.22%

Total Return – the return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.

		Period ended 31 December 2025			Period ended 31 December 2024		
		EPRA NTA (pence)	IFRS NAV (pence)	Share price (pence)	EPRA NTA (pence)	IFRS NAV (pence)	Share price (pence)
Value at start of period	(a)	114.8	114.9	104.2	110.7	111.1	78.5
Value at end of period	(b)	119.4	119.4	97.6	112.7	112.9	84.0
Change in value during the period (b-a)	(c)	4.6	4.5	(6.6)	2.0	1.8	5.5
Dividends paid	(d)	3.0	3.0	3.0	2.9	2.9	2.9
Additional impact of dividend reinvestment	(e)	0.2	0.1	–	0.1	0.1	(0.1)
Total gain in period (c+d+e)	(f)	7.8	7.6	(3.6)	5.0	4.8	8.3
Total return for the period	= (f/a)	6.8%	6.6%	(3.4)%	4.5%	4.3%	10.6%

Important Information

Past performance is not necessarily a guide to future performance. The value of investments and income from them may go down as well as up and are not guaranteed. Net asset value performance is not linked to share price performance and shareholders may realise returns that are lower or higher in performance.

If you have sold or otherwise transferred all of your ordinary shares in Target Healthcare REIT plc, please forward this document as soon as possible to the purchaser or transferee, or to the stockholder, bank or other agent through whom the sale or transfer was, or is being, effected, for delivery to the purchaser or transferee.

Certain statements in this report are forward looking statements. By their nature, forward looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or event to differ materially from those expressed or implied by those statements. Statements regarding past trends or activities should not be taken as representation that such trends or activities will continue in the future. Accordingly, undue reliance should not be placed on forward looking statements.

Glossary of Terms and Definitions

Contractual Rent	The annual rental income receivable on a property as at the balance sheet date, adjusted for the inclusion of rent currently subject to a rent free period.
Discount/Premium*	The amount by which the market price per share of a Closed-end Investment Company is lower or higher than the net asset value per share. The discount or premium is expressed as a percentage of the net asset value per share.
Dividend Cover*	The absolute value of Group specific adjusted EPRA Earnings, or EPRA earnings, divided by the absolute value of dividends relating to the period of calculation.
Dividend Yield*	The annual Dividend expressed as a percentage of the share price at the date of calculation.
Earnings Yield*	The annualised Group specific adjusted EPRA Earnings per Share for the period expressed as a percentage of the share price at the end of the relevant period.
Energy Performance Certificate ('EPC')	An Energy Performance Certificate (EPC) rates how energy efficient a building is using grades from A to G (with 'A' the most efficient grade). All commercial properties leased to a tenant must have an EPC. All EPCs are valid for 10 years.
EPRA Cost Ratio*	Reflects the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administration expenses (excluding exceptional items) as a percentage of gross rental income.
EPRA Group specific adjusted Cost Ratio*	The EPRA Cost Ratio adjusted for items thought appropriate for the Group's specific business model. The adjustments made are consistent with those made to the Group specific adjusted EPRA earnings as detailed in note 6.
EPRA Earnings per Share*	Recurring earnings from core operational activities. A key measure of a company's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. A reconciliation of the earnings per IFRS and the EPRA earnings, including any items specific to the Group, is contained in note 6.
EPRA Net Disposal Value ('NDV')*	A measure of Net Asset Value which represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.
EPRA Net Reinstatement Value ('NRV')*	A measure of Net Asset Value which assumes that entities never sell assets and aims to represent the value required to rebuild the entity. The objective is to highlight the value of net assets on a long-term basis. Assets and liabilities that are not expected to crystallise in normal circumstances, such as the fair value movements on financial derivatives, are excluded and the costs of recreating the Group through investment markets, such as property acquisition costs and taxes, are included.
EPRA Net Tangible Assets ('NTA')*	A measure of Net Asset Value which assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.
EPRA Net Initial Yield*	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs. EPRA's purpose is to provide a comparable measure around Europe for portfolio valuations.
EPRA Topped-up Net Initial Yield*	Incorporates an adjustment to the EPRA Net Initial Yield in respect of the expiration of rent-free periods (or other unexpired lease incentives).
Loan-to-Value ('LTV')*	A measure of the Group's Gearing level. Gross LTV is calculated as total gross debt as a proportion of gross property value. Net LTV is calculated as total gross debt less cash (including any cash held as security in relation to the debt facilities) as a proportion of gross property value.
Mature Homes	Care homes which have been in operation for more than three years. Homes which do not meet this definition are referred to as 'immature'.
Portfolio or Passing Rent*	The annual rental income currently receivable on a property as at the balance sheet date, excluding rental income where a rent free period is in operation. The gross rent payable by a tenant at a point in time.
Rent Cover*	A measure of a tenant's ability to meet its rental liability from the profit generated by their underlying operations. Generally calculated as the tenant's EBITDARM (earnings before interest, taxes, depreciation, amortisation, rent and management fees) divided by the contracted rent.
Total Return*	The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the Share Price or NAV. The dividends are assumed to have been reinvested in the form of Ordinary Shares or Net Assets.
Total Accounting Return*	The return to shareholders calculated on a per share basis by adding dividends paid in the period to the increase or decrease in the EPRA NTA. The dividends are assumed to have been reinvested at the prevailing net asset value per share at the date of the dividend payment.
WAULT*	Weighted average unexpired lease term. The average lease term remaining to expiry across the portfolio weighted by contracted rental income.

Corporate Information

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