

01 December 2025

## **Target Healthcare REIT plc and its subsidiaries** **("Target Healthcare" or "the Group")**

### **Acquisition of three operational care homes and the forward commitment of a fourth for £45 million, partially redeploying proceeds from recent disposal**

Target Healthcare (LSE: THRL), the UK listed specialist investor in modern, purpose-built care homes, has completed the acquisition of a portfolio of three strongly performing modern operational care homes, and contracted on a forward commitment to acquire a fourth, all in prime Central Scotland locations.

The total investment across the two transactions of £45 million, including costs (i) reflects a blended acquisition net initial yield in excess of 6%; (ii) equates to a reinvestment of more than 50% of the recent disposal proceeds; and (iii) is immediately earnings accretive.

The three existing operational care homes, acquired via sale and leaseback from an experienced operator with an unparalleled knowledge of its local market, feature 100 per cent en suite wet-room provision and have delivered consistently strong rent cover generation greater than 2x. Serving a private-pay client base and underpinned by compelling local demographics, the properties benefit from 35-year, full repairing and insuring occupational leases with RPHlinked caps and collars. The commercial terms of each of the occupational leases are consistent with equivalent leases in place across the Group and include green provisions such as energy-usage data collection.

The development of the fourth property, a forward commitment pre-let to the same operator, is already well advanced and is expected to reach practical completion in summer 2026. It will feature 100% en suite wet-room provision, exceptional ESG standards targeting the highest certifications, and will offer net zero carbon operational capability.

In September the Company announced the disposal of nine care homes for £85.9 million, representing its largest disposal since IPO, which was transacted at a 11.6% premium to the Group's carrying value as at 30 June 2025. As planned, the disposal completed subsequent to the September quarter end.

#### **John Flannelly, Head of Investment at Target Fund Managers, commented:**

"These acquisitions for £45 million, which were part of the pipeline of assets referenced in the September disposal announcement, demonstrate our deal execution capabilities and the efficient redeployment of capital into high quality real estate at an attractive and accretive blended net initial yield.

"The strong level of profitability and rent cover generated from the three operational care homes underpins the security of long-term rental income, together with the addition of a fourth best-in-class care home during 2026. We are very pleased to be partnering with this highly-experienced operator who evidences a strong regulatory track record as well as representing a new tenant to the Group.

"We have a number of further transactions currently in due diligence and expect to be in a position to make further announcements regarding additional redeployment in due course."

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#### **Notes to editors:**

UK listed Target Healthcare REIT plc (THRL) is an externally managed FTSE 250 Real Estate Investment Trust which provides shareholders with an attractive level of income, together with the potential for capital and income growth, from investing in a diversified portfolio of modern, purpose-built care homes.

The Group's portfolio at 30 September 2025 comprised 93 assets let to 32 tenants with a total value of £948.3 million.

The Group invests in modern, purpose-built care homes that are let to high quality tenants who demonstrate strong operational capabilities and a strong care ethos. The Group builds collaborative, supportive relationships with each of its tenants as it believes working in this way helps raise standards of care and helps its tenants build sustainable businesses. In turn, that helps the Group deliver stable returns to its investors.

### **Important information**

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the Market Abuse Regulations (EU) No. 596/2014, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.

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