

This document comprises a supplementary prospectus relating to Target Healthcare REIT PLC (the "Company") prepared in accordance with the prospectus regulation rules (the "Prospectus Rules") and listing rules of the Financial Conduct Authority made under section 73A of the Financial Services and Markets Act 2000 (the "Supplementary Prospectus"). This document has been approved by the Financial Conduct Authority under Regulation (EU) 2017/1129. This document will be made available to the public in accordance with the Prospectus Rules by being made available at www.targethealthcarereit.co.uk

This Supplementary Prospectus is supplemental to, and should be read in conjunction with, the prospectus published by the Company on 21 June 2019 relating to the recommended proposals to introduce a new parent company to the Group by means of a scheme of arrangement and placing programme of up to 125 million New Shares (the "Prospectus"). Except as expressly stated herein, or unless the context otherwise requires, the definitions used or referred to in the Prospectus also apply in this Supplementary Prospectus.

The Directors of the Company and the Company each accept responsibility for the information contained in this Supplementary Prospectus and the Prospectus. The Directors and the Company believe having taken all reasonable care to ensure that such is the case, the information contained in this Supplementary Prospectus and the Prospectus is, to the best of the knowledge of the Directors and the Company, in accordance with the facts and does not omit anything likely to affect the import of such information.

TARGET HEALTHCARE REIT PLC

(a company incorporated in England and Wales with registered number 11990238 and registered as an investment company under section 833 of the Companies Act 2006)

RECOMMENDED PROPOSALS TO INTRODUCE A NEW PARENT COMPANY TO THE GROUP BY MEANS OF A SCHEME OF ARRANGEMENT

and

PLACING PROGRAMME OF UP TO 125 MILLION NEW SHARES

This Supplementary Prospectus and the Prospectus do not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Supplementary Prospectus and the Prospectus and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Supplementary Prospectus and/or the Prospectus comes are required to inform themselves about and to observe such restrictions. The New Shares have not been, and will not be, registered under the United States Securities Act of 1933 (as amended) or under any of the relevant securities laws of Canada, Australia or Japan. Accordingly, the New Shares may not (unless an exemption from such Act or such laws is available) be offered, sold or delivered, directly or indirectly, in or into the USA, Canada, Australia or Japan. The Company will not be registered under the United States Investment Company Act of 1940 (as amended) and investors will not be entitled to the benefits of such Act.

Dickson Minto W.S., which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is the sponsor to the Company. Dickson Minto W.S. is not acting for any other person in connection with the Placing Programme. Apart from the responsibilities and liabilities, if any, which may be imposed on Dickson Minto W.S. by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Dickson Minto W.S. will not be responsible to anyone other than the Company for providing the protections afforded to clients of Dickson Minto W.S. and is not advising any other person in relation

to any transaction contemplated in or by this document.

Stifel Nicolaus Europe Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and is not acting for any other person in connection with the Placing Programme. Apart from the responsibilities and liabilities, if any, which may be imposed on Stifel Nicolaus Europe Limited by the Financial Services and Markets Act 2000 or the regulatory regime established thereunder, Stifel Nicolaus Europe Limited will not be responsible to anyone other than the Company for providing the protections afforded to clients of Stifel Nicolaus Europe Limited and is not advising any other person in relation to any transaction contemplated in or by this document.

Potential investors should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser before investing in the Company. Potential investors should also consider the risk factors relating to the Company set out in the Prospectus.

18 September 2019

Events arising since publication of the Prospectus

This Supplementary Prospectus is being published in relation to the Company's current Placing Programme. The Scheme, as described in the Prospectus, became effective on 7 August 2019 and the Company has become the ultimate parent company of the Group. Since the publication of the Prospectus, the Group has completed the acquisition of three further properties at Nottingham, Stourport and Ripon for a total value of £26.2 million and has sold two care homes in Surrey and Essex at a price that was more than five per cent. above their combined 30 June 2019 value. The properties disposed of equated to less than three per cent. of the fair value of the Group's investment property portfolio. As at 13 September 2019, the Company has approximately £35 million of uncommitted capital which can be used for investment in new assets.

The Company has identified a near-term investment pipeline of approximately £92 million consisting of ten assets which it expects to commit to acquiring by the end of 2019. On 5 September 2019, the Company announced a Placing under the Placing Programme to raise gross proceeds of approximately £50 million.

This Supplementary Prospectus is a regulatory requirement under the Prospectus Rules following the publication of the Group's annual report and financial statements for the financial year ended 30 June 2019. This Supplementary Prospectus is supplemental to the Prospectus and has been approved for publication by the Financial Conduct Authority.

Significant new factor

Annual report and financial statements for the financial year ended 30 June 2019

The Group has published its annual report and financial statements for the financial year ended 30 June 2019 (the "**Annual Report**"). By virtue of this document, the relevant sections of the Annual Report are incorporated into, and form part of, the Prospectus. The other non-incorporated parts of the Annual Report are either not relevant or are covered elsewhere in this Supplementary Prospectus. A summary of the key changes to the Prospectus, in addition to the financial information, which are set out in the Annual Report is provided below.

Supplements to the summary

As a result of the completion of the Scheme and the release of the Annual Report, the summary document which forms part of the Prospectus is hereby supplemented as follows:

B.7	Key financial information	Selected historical information relating to the Company which summarises the financial condition of the Group for the financial year to 30 June 2019 is set out below: <table data-bbox="970 1794 1394 1906"><thead><tr><th data-bbox="970 1794 1166 1906"><i>Financial Year ended 30 June 2019</i></th><th data-bbox="1203 1794 1394 1906"><i>Financial Year ended 30 June 2018</i></th></tr></thead><tbody><tr><td data-bbox="480 1944 679 1977">Net asset value</td><td></td></tr></tbody></table>	<i>Financial Year ended 30 June 2019</i>	<i>Financial Year ended 30 June 2018</i>	Net asset value	
<i>Financial Year ended 30 June 2019</i>	<i>Financial Year ended 30 June 2018</i>					
Net asset value						

		Net assets (£'000)	413,089	358,607
		Equity shareholders' funds (£'000)	413,089	358,607
		Net asset value per THRL Share (p)	107.3	105.7
		Consolidated income statement		
		Total revenue (£'000)	34,277	28,366
		Total return/(loss) per THRL Share (p)	8.10	9.77
		Portfolio summary		
		Shareholders' funds (£'000)	413,089	358,607
		<p>There has been no significant change in the financial condition or operating results of the Group during or subsequent to the period covered by the historical information set out above and since 30 June 2019 (being the end of the last financial period of the Group for which financial information has been published) except that the Group has acquired two further assets for a total value of £18.6 million and sold two assets which equated to less than three per cent. of the fair value of the Group's investment property portfolio.</p>		
B.45		<p>Portfolio</p> <p>The Scheme became effective on 7 August 2019. The Company became the sole shareholder of THRL and the ultimate parent company of the Group. The Existing Portfolio currently comprises 63 modern purpose built care homes which are let to 26 different tenants. The aggregate rent for the portfolio at 30 June 2019 was approximately £32.2 million. The weighted average unexpired lease term of the Existing Portfolio is 29.1 years. The rents payable under the majority of leases are subject to an annual (RPI or fixed) rental uplift and there is one lease where the rent is partially determined by reference to the EBITDA of the care home operation.</p>		
B.46		<p>Net Asset Value</p> <p>As at 30 June 2019 the NAV per THRL Share was 107.3 pence and the EPRA NAV per THRL Share was 107.5 pence.</p>		
C.3		<p>Number of securities in issue</p> <p>As at the date of this document the Company has 385,089,449 Ordinary Shares and 50,000 Redeemable Preference Shares in issue, all of which are fully paid.</p>		

C.4	<p>Admission</p> <p>Application will be made to the FCA for the Ordinary Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the London Stock Exchange's Main Market.</p> <p><i>The Scheme</i></p> <p>The Scheme became effective on 7 August 2019 and dealing in the New Shares issued pursuant to the Scheme commenced at 8.00 a.m. on 7 August 2019.</p> <p><i>The Placing Programme</i></p> <p>The Company announced its first Placing under the Placing Programme on 5 September 2019. This Placing is expected to close at 11 a.m. on 25 September 2019 and admission is expected to occur at 8 a.m. on 30 September 2019.</p>
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The Placing Programme

The Company announced its first Placing under the Placing Programme on 5 September 2019. This Placing will target gross proceeds of approximately £50 million and the relevant Placing Programme Price is 110.5 pence per Ordinary Share. This Placing is expected to close at 11 a.m. on 25 September 2019 and admission is expected to occur at 8 a.m. on 30 September 2019.

In accordance with section 87Q(4) of the Financial Services and Markets Act 2000, where a supplementary prospectus has been published and, prior to the publication, a person has agreed to buy or subscribe for transferable securities to which the supplementary prospectus relates, he may withdraw his acceptance before the end of the period of two working days beginning with the first working day after the date on which the supplementary prospectus is published.

Investors have until 0.01 a.m. on 23 September 2019 to withdraw or amend their applications for New Shares to be issued pursuant to the Placing. An application not withdrawn in its entirety by this time and in this way will remain valid and binding.

Historical financial information

Historical financial information relating to the Group on the matters referred to below is included in the Annual Report as set out in the table below and is expressly incorporated by reference into this document and the Prospectus. The Annual Report (which includes this incorporated historical financial information) can be obtained from the Company's website (www.targethealthcarereit.co.uk). The non-incorporated parts of the Annual Report are either not relevant to investors or covered elsewhere in the Prospectus.

Nature of information

***Accounts for the Financial Year
ended 30 June 2019***

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Selected financial information

The information in this section is information regarding the Group that has been prepared by the Group and has been extracted directly from the historical financial information referred to in the above section. Selected unaudited historical financial information relating to the Group which summarises the financial condition of the Group for the financial year ended 30 June 2019 is set out in the following table:

Accounts for the Financial Year ended 30 June 2019

Net asset value

Net assets (£'000)	413,089
Equity shareholders' funds (£'000)	413,089
Net asset value per Ordinary Share (p)	107.3

Consolidated Statement of Comprehensive Income

Total revenue	34,277
Total comprehensive income for the year (£'000)	29,292
Earnings per Ordinary Share (p)	8.10

Operating and financial review

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Performance Highlights",

"Chairman's Statement", and "Investment Manager's Report" in the Annual Report as follows:

**Accounts for the financial
year ended 30 June 2019**

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Nature of information

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Significant change

As a result of the release of the Annual Report, paragraph 5 of Part 8 of the Prospectus is amended as follows:

There has been no significant change in the financial or trading position of the Group since 30 June 2019 (being the end of the last financial period of the Group for which financial information has been published) except that the Group has acquired two further assets for a total value of £18.6 million and sold two assets which equated to less than three per cent. of the fair value of the Group's investment property portfolio.

Documents available for inspection

Full copies of the Annual Report are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW until 20 June 2020. Full copies of the Annual Report are also available on the Company's website (www.targethealthcarereit.co.uk).

Copies of this Supplementary Prospectus are available for inspection at <http://www.morningstar.co.uk/uk/NSM> and, until 20 June 2020, copies are available for collection, free of charge, from the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW. Copies of this Supplementary Prospectus are also available on the Company's website (www.targethealthcarereit.co.uk).

General

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

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

18 September 2019