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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION

FOR IMMEDIATE RELEASE

11 October 2024

**Home REIT plc
("Home REIT" or the "Company")**

2022 Annual Report and Accounts

Home REIT's Annual Report and Accounts for the year to 31 August 2022 is today being made available to shareholders and published on its website at <https://www.homereituk.com/>. The Report has also been submitted to the Financial Conduct Authority's National Storage mechanism and will be available shortly for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Michael O'Donnell, Chair of Home REIT, said:

"Whilst the Board is pleased to finally be in a position to publish the Report and Accounts we share shareholders' frustrations about the progress of the Company.

"Despite substantial efforts to stabilise the business, the Company continues to face extensive financial and operational challenges. Against this backdrop and reflecting the expected reduced size of the Company's portfolio, the Board concluded that the best course of action to optimise remaining shareholder value is the Managed Wind-Down.

"Our priority now is to optimise the value of the portfolio and maximise returns to shareholders, while keeping any disruption to residents to an absolute minimum. Despite the challenges faced by the Company, the work undertaken over the past 12 months by AEW, including asset management initiatives to enhance value, regaining control of most properties and rolling out a re-tenanting programme, has created a portfolio that, while subscale to continue as a standalone quoted entity, represents an attractive investment opportunity for investors seeking to enter the supported living and private rented sectors.

"It should be noted however that the fees incurred in defending the Company against threatened litigation from a group of current and past shareholders will directly reduce the amount of capital ultimately returned to all shareholders and may impact the timing of any distribution to shareholders.

"I also would again like to thank shareholders for their ongoing patience and support as we strive to address, and seek redress for, the issues facing the Company."

In summary as previously announced, the Group has faced unprecedented challenges including:

- investigations into allegations of wrongdoing;
- substantial tenant arrears;
- tenant liquidations;
- the termination of Alvarium Home REIT Advisors Limited ("AHRA") as the Company's Investment Adviser and Alvarium Fund Management Limited ("Alvarium FM") as the Company's alternative investment fund manager ("AIFM");
- suspension of its shares;
- a potential threatened group litigation action against the Company and the directors in office at the time that the shares were suspended;
- the demand by the Company's lender, Scottish Widows, for the repayment of its loans;
- the appointment of a new valuer;
- a comprehensive property inspection programme;
- the commencement of an FCA investigation into the Company; and
- substantial delays to the publication of the Group's annual reports.

Financial results

With regards to the Annual Report and Accounts for the financial year ending 31 August 2022 ("FY22") the Company has restated the 2021 comparative period in the 2022 Annual Report and Accounts. The 2022 Annual Report and Accounts reflect a substantial loss and decrease in NAV for the period, the principal causes of which are outlined in the post-balance sheet activities and findings in the relevant sections of the Annual Report:

- Net asset value (NAV) increased from £247.9 million (restated as at 31 August 2021) to £345.9 million as at 31 August 2022. However, once the net proceeds from the share issuance during the period of £601.2 million are considered, NAV decreased by £503.2 million from the restated August 2021 NAV
- NAV per share reduced by 57.5% to 43.76 pence (2021 restated: 103.03 pence)
- This resulted in a loss before tax of £474.8 million (restated period to 31 August 2021: £16.1 million profit before tax)

Background to the publication of the results

As non-executive directors of an externally managed investment company, the Board relies upon information reported to it by its investment adviser, AIFM and other external parties including information regarding the quality of the Group's assets and tenants. During the financial period ending 31 August 2021 ("FY21") and FY22, AHRA was the appointed investment adviser and Alvarium FM was the appointed AIFM. Subsequent to the period end, material information came to light which was in contradiction to the reporting provided to the Board during the FY22 period. The Directors have provided as much detail as they are able to within the Annual Report in order to provide a true and fair view of the financial statements. However, in preparing the financial statements, a number of judgements/assumptions have had to be made by the Directors, further detail on which is provided in the notes to the Consolidated Financial Statements.

The FY22 audited accounts were initially delayed, following the publication of a report and allegations from third parties, to allow the Group's auditor, BDO LLP ("BDO"), to undertake additional audit procedures in respect of FY22, and for the Board to instruct Alvarez & Marsal Disputes and Investigations LLP ("A&M") to conduct an investigation into allegations of wrongdoing. Without waiver of legal privilege, the key findings of the investigation were that arrangements for refurbishment of properties, settlement of rent arrears and arrangements with tenants had not been brought to the Board's attention by AHRA. Following initial challenge from BDO resulting from their standard audit procedures and having considered the findings of the A&M report on the investigation, the Board took the decision to review the accounting treatment for acquisitions and revenue recognition and determined that revised accounting policies were required to appropriately account for the substance of historical acquisitions and lease contracts.

The Board determined it was necessary to apply the revised accounting policies back to inception, review all historical acquisition and lease documentation; instruct third parties to undertake an internal inspection programme to determine the condition of the properties; and appoint Jones Lang LaSalle Limited ("JLL") to undertake valuations of the Group's entire property portfolio, on the basis of fair value as at 31 August 2022. The application of revised accounting policies back to inception has resulted in the restatement of the 2021 comparatives in the accounts.

The Company intends to bring legal proceedings against those parties it considers responsible for wrongdoing. The Company issued pre-action letters of claim to Alvarium FM and AltI RE Limited on 12 April 2024 and to AHRA on 29 May 2024.

A pre-action letter of claim has been sent to the Company by Marcus Parker Limited on behalf of a group of current and former shareholders of the Company. No legal proceedings have been issued at this stage. The Company has issued a comprehensive response to this pre-action letter and correspondence is continuing between the parties. The Company intends vigorously to defend itself in respect of the threatened litigation and has denied the allegations made against it.

Legal fees associated with the company's challenges currently stand at approximately £5.0 million, a significant proportion of which has been incurred to defend the threatened litigation. All fees incurred as a result of defending the Company against this claim will reduce the end amount returned to shareholders.

Managed wind-down

The Company's lender, Scottish Widows, previously notified the Company that its objective is for full repayment of its £250 million loan balance by 31 December 2024, which now stands at £72.0 million (30 September 2024) after repayment following property sales. As previously announced, the Company was unable to secure a refinancing of this debt facility on terms it could recommend to shareholders and following a review of options available, the Board proposed changes to the Company's investment policy in order to implement a managed wind-down strategy. Overwhelmingly approved by shareholders on 16 September 2024, this strategy is intended to allow the Company to realise all the assets in its property portfolio in an orderly manner with a view to repaying borrowings and making timely returns of capital to shareholders whilst aiming to optimise the value of the Company's assets. However, as previously disclosed, the ability of the Company to make distributions to shareholders may be constrained whilst the Company faces shareholder litigation and an FCA investigation.

Financial Results subsequent periods

The audited results for the year ended 31 August 2023, along with the interim results for the periods to 28 February 2023 and 29 February 2024 respectively, have been prepared in parallel (the "Historical Accounts"). The Group intends to publish Historical Accounts before the end of 2024 and the audited annual results for the year ended 31 August 2024 will follow as soon as is practicable thereafter.

Shareholder webcast

The Company will host a live webcast for shareholders on the 2022 Annual Report and Accounts on Monday 28 October at 10.00am GMT. For details of how to register and to submit questions in advance, please contact HomeREITEvents@fticonsulting.com by 12 noon on Thursday 24 October.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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For more information, please visit the Company's website: www.homereituk.com

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