

THIS ANNOUNCEMENT HAS BEEN DETERMINED TO CONTAIN INSIDE INFORMATION FOR THE PURPOSES OF THE MARKET ABUSE REGULATION (EU) NO. 596/2014.

24 March 2025

Social Housing REIT plc

(the "**Company**" or "**SOHO**" or, together with its subsidiaries, the "**Group**")

RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors of Social Housing REIT plc (ON: SOHO) the real estate investment trust investing in specialised supported housing across the UK, is pleased to announce the Group's audited results for the year ended 31 December 2024.

Chris Phillips, Chair of Social Housing REIT plc, commented:

"We are pleased to present another resilient set of results for the year. The portfolio continues to perform operationally, with high levels of resident occupancy and tenant satisfaction.

Our newly appointed Investment Manager, Atrato, is in post and is already progressing key strategic improvements for SOHO. Its initial focus has been on successfully completing the Westmoreland transfer and resolving the My Space issue, where we have entered into an option agreement which provides us with control over the solution.

This proactive step, led by Atrato, will help improve rent collection and resident occupancy. With the dividend for last year being effectively covered (0.99x), top line growth has the potential to drive earnings and valuation upside going forwards, particularly when coupled with our long term, low cost debt and the cost savings resulting from the switch to market capitalisation management fee under Atrato's appointment.

Looking ahead, we are excited to take SOHO forwards with Atrato building on our track record of providing much needed homes for vulnerable residents, allowing them to live independent and happy lives whilst delivering long-term, growing income for shareholders."

	31 December 2024	31 December 2023
IFRS & EPRA Net Tangible Assets per share	99.05p	113.76p
Total Accounting Return	(8.1)%	9.32%
Adjusted Earnings per Share	5.40p	4.61p
Adjusted Dividend Cover	0.99x	0.85x
Loan to Value ¹ : Gross Net	40.0% 37.7%	37.0% 34.5%
Rent Collection	92.6%	90.2%
Ongoing Charges Ratio	1.64%	1.63%
EPRA Cost Ratio	29.89%	20.60%
Exposure to Largest Approved Provider	30.9%	29.5%

Financial summary

- Annualised contracted rental income increased to £42.6 million (2023: £41.0 million).
- Dividends paid with final quarter declared totalling 5.46 pence per Ordinary Share, in line with the Company's target for the year.
- Dividend 0.99x covered by EPRA adjusted earnings² despite the issues with Parasol and My Space.
- Portfolio valuation of £626.4 million (2023: £678.4 million) reflecting recently achieved pricing for comparable transactions in the wider market, together with a softening of valuation assumptions relating to properties within the portfolio leased to My Space.
- EPRA Net Tangible Assets per share of 99.05 pence (2023: 113.76 pence).
- No refinancing risk with £263.5 million of fixed-rate debt with a weighted average coupon of 2.74% and a weighted average maturity of 8.6 years.
- EPRA cost ratio of 29.89% includes the impact of termination fee and before the benefit of the reduced management fee.
- Reduction in costs, attractive debt profile and increasing rental income provide platform for earnings and dividend growth.

Operational highlights

- Total investment portfolio of 494 properties (2023: 493) with 3,424 units (2023: 3,417 units).
- 100% of contracted rental income is either CPI or RPI-linked with annual uplifts.³
- In 2024, the Company's weighted average annual rental uplift was 4.3%.
- 92.6% rent collection with My Space accounting for 100% of arrears. Pass-through rent collection has increased to 72% of contracted rent in respect of the properties previously leased to Parasol and now transferred to Westmoreland.
- 86% resident occupancy, with My Space and former Parasol properties accounting for over 50% of the voids.

Post Balance Sheet Activity

- On 1 January 2025, the appointment of Atrato Partners Limited as the Company's new Investment Manager with a reduction in management fees expected to deliver a £1.9m per annum saving.
- On 10 February 2025, Shareholders approved a change in the Company's Investment Policy to increase the maximum exposure to any one Approved Provider to 35% (from 30%) of the Group's gross asset value, with the maximum aggregate exposure to the top two Approved Providers not to exceed 55% (previously not restricted).
- My Space entered into a company voluntary arrangement on 7 March 2025. The Investment Manager negotiated an option agreement for the Company permitting the assignment of SOHO's 34 properties leased to My Space. The Investment Manager has agreed heads of terms with anationwide Approved Provider to assign all My Space leases and expects rent collection to re-commence and resident occupancy to increase during 2025.

Notes:

- 1 Gross LTV is calculated as balance sheet borrowings divided by gross asset value. Net LTV is calculated as balance sheet borrowings less cash and cash equivalents divided by investment property.
- 2 The Company reports dividend cover on an EPRA adjusted earnings basis which removes the impact of non-cash items and the termination payments to the previous investment manager from IFRS profit. Dividend cover on a contracted run-rate basis for the year ended 31 December 2024 was 0.83x (2023: 0.85x) which, when all rent is being paid, is equivalent to EPRA adjusted earnings dividend cover.
- 3 13.5% of leases are capped at 4%, with one additional lease capped at 5%.

Live Webcast

A live webcast of the presentation including Q&A will be held today at 8.30 am for investors and analysts and will be available via our website at www.socialhousingreit.com or on https://brrmedia.news/SOHO_FY_2024. The webcast will be available for playback after the event.

FOR FURTHER INFORMATION ON THE COMPANY, PLEASE CONTACT:

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The Company's LEI is 213800BERVBS2HFTBC58.

Further information on the Company can be found on its website at www.socialhousingreit.com.

NOTES:

The Company primarily invests in social housing assets in the UK, with a particular focus on specialised supported housing (SSH). SSH is accommodation for vulnerable adults requiring support to live independently, including those with learning difficulties, mental health problems and physical disabilities. These properties are specially designed or adapted to meet residents' needs and are managed by Approved Providers who are predominantly regulated by the Regulator of Social Housing. Approved Providers consist of Housing Associations and Local Authorities, or other regulated organisations in receipt of direct payment from local government.

These operational residential properties deliver sustainable, long-term, growing income for shareholders, improved outcomes for residents and savings to the taxpayer.

The Company is listed on the Closed-ended investment funds category of the FCA's Official List and its Ordinary Shares are traded on the LSE's Main Market.

Atrato Partners Limited is the Company's Investment Manager.

CHAIR'S STATEMENT

I am pleased to present my Chair's statement for the newly renamed Social Housing REIT plc, the first with Atrato Partners Limited ("**Atrato**") as the newly appointed Investment Manager after an extensive selection process.

Throughout 2024, the Company's Portfolio continued to perform operationally, with high levels of resident occupancy and tenant satisfaction. Our homes are key facilitators of independence for those vulnerable adults who live in our Specialised Supported Housing ("**SSH**") properties. For the management of our homes, we rely exclusively on registered providers of social housing ("**Approved Providers**") who maintain our properties and collect the rent paid for our residents through housing benefit. Unfortunately, challenges with two of the Approved Providers, Parasol and My Space, have impacted the level of rent received by the Company during the year.

Following its appointment, Atrato is working to resolve these current challenges, completing the stabilisation of properties transferred from Parasol to Westmoreland during the year and delivering a solution to the properties currently leased to My Space in the year ahead.

Atrato are committed to taking a more proactive approach to resolving any future issues with Approved Providers, before they escalate to the extent we have experienced with Parasol and My Space. Alongside this, Atrato is already exploring options to develop long-term solutions to mitigate counterparty risk through structuring solutions which would enhance the security of the Company's claim to rents owed in respect of its properties.

Outside of our portfolio, broader investment market conditions remained challenging, particularly in the investment trust sector. The Company's share price continued to trade at a material discount to Net Asset Value ("NAV"), despite the reduction in NAV resulting from the valuation falls recognised during the year.

Review of Investment Management Arrangements

In May 2024, after careful consideration, the Board decided to conduct an independent review of the investment management arrangements for the Company, inviting proposals from both Triple Point Investment Management LLP ("**Triple Point**") and alternative investment managers. The Board was impressed by both the number and the quality of the proposals submitted, which ultimately resulted in the Board appointing Atrato in September 2024, succeeding Triple Point from 1 January 2025.

Atrato was selected due to its deep sector knowledge, investment trust experience and strategic vision for SOHO and the broader supported housing sector. I believe the new investment management team at Atrato will bring a fresh perspective and a renewed focus to the Company, leveraging their experience and ambition for the sector to proactively manage the portfolio, restore investor confidence and ultimately help to narrow the discount to NAV.

The Board set a target of 1 January 2025 for the completion of the transfer of investment manager, which included the transfer of the outgoing manager's operational team, data and systems. We would like to thank Atrato, Triple Point and all advisers involved for their input in ensuring a swift and very smooth transition.

Atrato has been a market leader in moving its investment management fees to a market capitalisation basis, ensuring alignment with the interests of shareholders. The new fee basis delivers a significant annual saving to the Company. The Board has also asked the new Investment Manager to conduct a thorough line-by-line review of the Group's cost base to ensure the Group is getting best value for money from all of its service providers and that its costs are appropriate for the size of the Group and in line with the wider sector.

Macroeconomic backdrop

The macroeconomic environment remained challenging throughout the year. Concerns that interest rates would remain 'higher for longer' put sustained pressure on property valuations. Nonetheless, the general decline in inflation (despite a modest uptick in the final quarter) is providing some relief and we are optimistic that UK interest rates will continue to decline further during 2025 which should be positive for property sector valuations.

The Company benefits from a very attractive long-term cost of debt. The Company's debt is fixed rate, with a weighted average term of 8.6 years and at a weighted average fixed rate of 2.74%.

Sector tailwinds

The UK residential sector continues to face a major imbalance between supply and demand. The new Labour government has set out its ambitions to facilitate a much-needed increase in the delivery of new homes, albeit with a target supply level remaining unchanged at 300,000 homes per year. However, supply responses in the built environment are complex and will take time to deliver. The demand for SSH continues to rise, resulting in high levels of occupancy across the SSH sector and the Company's portfolio.

Central and local Government continue to provide financial support for individuals who require housing and care. This strong demand dynamic, combined with inflation-linked rental growth, has helped offset some of

the broader valuation declines of the Group's property portfolio over the last 12 months.

Operational performance

Across the portfolio, outside of the Parasol and My Space issues noted above, rent collection remained strong with 100% collection. The homes within the portfolio are well maintained and well utilised by residents in need of our properties. We look forward to both extending our upgrade programme to improve building efficiency and completing the development of our new scheme in Chorley later in the year. The void units are largely attributable to the homes originally leased to Parasol and My Space and these are the immediate focus of the new investment manager.

Atrato is assessing the current portfolio and has identified that there are a small number of units which are not suitable for SSH or do not otherwise meet our required standards. It has been determined that these properties will be disposed of over the coming months. The proposed, larger portfolio sale identified in early 2024 did not progress, due to the inability of the counterparty to secure the necessary funding.

Post-year end, the Company received overwhelming shareholder approval to amend its Investment Policy, permitting a maximum exposure of 35% to any one Approved Provider, where it was previously restricted to 30%. This additional flexibility ensures that we have the fullest range of solutions to move the properties away from My Space. We are confident that we will deliver a successful assignment of the My Space leases during the first half of the year, leading to both improved occupancy and the resumption of rent collection.

2025 Outlook

Following the completion of these initiatives, the portfolio will be well positioned and we are confident about the future of the Company. We expect our improving rent collection and resident occupancy will contribute to narrowing the discount to NAV. We also believe a proactive, transparent approach will be key to restoring investor confidence in the Company and the sector.

Financially, the dividend for the year was effectively covered (0.99x) and the transition of the management fee basis will reduce costs going forwards. Atrato are also undertaking a line-by-line review of costs across the Company to identify any further savings which can be made. From this position, the completion of the Westmoreland transfer and recommencement of rent collection for the properties leased to My Space will drive top line growth in 2025, providing earnings and valuation upside.

Atrato will also look to continue to roll out its EPC Upgrade Programme across the portfolio, building on the results of the pilot project to meet legislative targets and deliver operational efficiencies for residents in our homes. It will also oversee the completion of our first new development for some time, with 12 new homes being delivered into our portfolio later in the year.

As we look forward to these positive changes and the year ahead, I would like to thank our advisers and shareholders for their continued support. I would also like to thank the Triple Point team for their dedication to the Company in the seven years since its IPO and their efforts in building a substantial, diversified portfolio.

We are excited to take SOHO forwards with Atrato, building on our track record of providing much needed homes for vulnerable residents, allowing them to live independent and happy lives whilst delivering long-term, growing income for shareholders

Chris Phillips

Chair

21 March 2025

We set out below our key performance indicators for the Company.

KPI	Definition	Performance (as at 31 December 2024)
1. IFRS & EPRA NTA per share	The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to Shareholders and calculated in accordance with EPRA guidelines. Further information is set out in Note 3 of the Unaudited Performance Measures.	99.05 pence per share (31 December 2023: 113.76p)
2. Total Accounting Return	Total accounting return is measured by reference to the growth in the Group's share price over a period, plus dividends declared for that period.	(8.1)% for the year. (31 December 2023: 9.32%). The total accounting return since IPO is 38.3%.
3. Adjusted EPS	EPRA earnings adjusted for company specific items to reflect the underlying profitability of the business, calculated on the weighted average number of shares in issue during the year.	5.40 pence per share for the year (31 December 2023: 4.61p)
4. Adjusted Dividend Cover	Dividends paid or declared in respect of the year ended 31 December 2024 totalled 5.46 pence, with dividend cover based on adjusted earnings.	The dividend was 0.99x covered for the year (31 December 2023: 0.85x)
5. Loan to Value ("LTV")	The Group's medium to long-term target LTV is 35% to 40% with a maximum of 50%, calculated as balance sheet borrowings divided by gross asset value.	40.0% (31 December 2023: 37.0%)
6. Rent Collection	Rent collection is one of the Group's principal measures of performance, measured against total contracted rent due. Material rent arrears during the year was mainly attributable to one Approved Provider, My Space Housing Solutions.	92.6% collected for the year (31 December 2023: 90.2%)
7. Ongoing Charges Ratio	A measure of all operating costs incurred, calculated as a percentage of average net assets in that year.	1.64% (31 December 2023: 1.63%)
8. EPRA Cost Ratio	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	29.89% (31 December 2023: 20.60%)
9. Exposure to Largest Approved Provider	The percentage of the Group's gross assets that are leased to the single largest Approved Provider.	30.9% (31 December 2023: 29.5%)

Adjusted earnings is a performance measure used by the Board to assess the Group's financial performance and dividend payments. The metric adjusts EPRA earnings for non-cash items such as the amortisation of finance costs and the movement in lease incentive debtor. Adjusted earnings is considered a better reflection of the measure over which the Board assesses the Group's trading performance and dividend cover.

Adjusted EPS reflects the adjusted earnings defined above attributable to each share.

The Group uses alternative performance measures including the European Public Real Estate ("EPRA") Best Practice Recommendations ("BPR") to supplement its IFRS measures as the Board considers that these measures give users of the financial statements the best understanding of the underlying performance of the Group's property portfolio. The EPRA measures are widely recognised and used by public real estate companies and investors and seek to improve transparency, comparability and relevance of published results in the sector.

The EPRA cost ratio does not exclude the impact of non-operational or exceptional items.

Reconciliations between EPRA measures and the IFRS financial statements can be found in the unaudited performance measures section.

EPRA PERFORMANCE MEASURES

The table below shows additional performance measures, calculated in accordance with the Best Practices Recommendations of the European Public Real Estate Association ("EPRA"). We provide these measures to aid comparison with other European real estate businesses.

For a full reconciliation of all EPRA performance indicators, please see the Notes to EPRA measures within the supplementary section of the financial statements.

Measure	Definition	Performance (as at 31 December 2024)
1. EPRA EPS	A measure of EPS designed by EPRA to present underlying earnings from core operating activities.	5.08 pence per share for the year (31 December 2023: 4.92p)
2. EPRA Net Reinstatement Value ("NRV") per share	An EPRA NAV per share metric which assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	108.86 pence per share (31 December 2023: 124.43p)
3. EPRA Net Tangible Assets ("NTA") per share	An EPRA NAV per share metric which assumes entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	99.05 pence per share (31 December 2023: 113.76p)
4. EPRA Net Disposal Value ("NDV") per share	An EPRA NAV per share metric 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.	113.95 pence per share (31 December 2023: 128.02p)
5. EPRA Net Initial Yield ("NIY")	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.	6.44% (31 December 2023: 5.57%)
6. EPRA "Topped-Up" Net Initial Yield	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	6.45% (31 December 2023: 5.72%)
7. EPRA Vacancy Rate	Estimated Market Rental Value ("ERV") of vacant space divided by ERV of the whole portfolio.	0.32% (31 December 2023: 0.33%)
8. EPRA Cost Ratio	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	29.89% (31 December 2023: 20.60%)
9. EPRA LTV	Net debt divided by total property portfolio and other eligible assets.	37.7% (31 December 2023: 34.3%)
10. EPRA Like-for-like Rental Growth	Changes in net rental income for those properties held for the duration of both the current and comparative reporting period.	Rental increase of 4.16% for the year (31 December 2023: 5.98%)
11. EPRA Capital Expenditure	Amounts spent for the purchase and development of investment properties (including any capitalised transaction costs).	£2.2 million for the year (31 December 2023: £(0.2) million)

Introduction

This is Atrato's first report as Investment Manager of the renamed Social Housing REIT plc ("SOHO"). We would firstly like to thank the Board for selecting Atrato and believing in our strategic vision for the Company. We believe that Specialised Supported Housing ("SSH") is a key component of the UK residential property market, delivering vital homes to help vulnerable residents live independently.

Tom Still and Michael Carey are sector specialists and former colleagues who have been leading Atrato's social housing strategy. I joined them in October 2024 and Michael is working alongside me on SOHO, heading up the asset management and operations initiatives, whilst Tom leads on growing Atrato's wider social housing platform. We are strong advocates for the sector and the dual benefits that it can deliver - robust, income-driven financial returns for investors and a genuine, positive social impact for residents. Delivering improved outcomes for shareholders and residents is our key focus for SOHO and comes at an important time, as we seek to reinvigorate the sector and evidence its attractiveness as a private sector asset class.

A consistent challenge in the SSH sector has been the financial weakness of many of the Approved Provider lessees. This contrasts with the Government backing of the underlying cashflows, paid by local authorities for housing vulnerable adults in appropriately adapted properties. We believe that we can reduce the historical issues around Approved Provider failures that have arisen in the SSH sector, through a combination of enhanced monitoring, taking early proactive action and better cashflow structuring. We have already commenced work on these initiatives for SOHO.

As part of the Company's management transition, we onboarded key members of the team from Triple Point. Their detailed understanding of the portfolio builds on our knowledge and long-standing, trusted relationships with Approved Providers and developers. At its core, SSH is simply operational residential real estate. It is essential to have a knowledgeable, hands-on operations team who understand the intricacies of the portfolio, can develop and maintain strong relationships with its lessees and ensure the properties are safe and well maintained.

In common with the broader SSH sector, the SOHO portfolio is, of course, not without its challenges. Our primary focus is on delivering a solution to improve resident occupancy and restore our rent collection for the properties currently leased to My Space Housing Solutions ("My Space"). To facilitate that, near-unanimous shareholder approval was received in February 2025 to increase the Company's tenant counterparty exposure limit from 30% to 35%, broadening the range of potential Approved Providers who might take assignments. At the same time, we progressed negotiations and secured an Option Agreement to facilitate the transfer of those properties. More details are provided below.

The immediacy of these actions is representative of our proactive approach to portfolio and asset management, which will characterise the next phase of SOHO under our tenure. We will combine this with an open and transparent approach to disclosure, ensuring shareholders are fully aware of our actions and intentions for the Company as we work to restore investor confidence in the sector and narrow the discount to NAV.

Demonstrating Sector Value and Restoring Investor Confidence

SSH are homes for vulnerable adults with care and/or support needs, who may have learning difficulties, mental health issues, physical disabilities or a combination of diagnoses. Their homes are, in most cases, specially adapted to ensure their comfort and safety, living independently whilst receiving appropriate assistance. SSH is vital in providing beneficial individual outcomes whilst delivering a significant saving to the public purse. This is a particular benefit in an era of strained public budgets, at both local and national levels.

Unfortunately, over the seven years since SOHO's IPO, well-publicised challenges in other listed housing strategies have overshadowed the clear social and financial benefits that SSH can deliver for residents and shareholders.

These other poor performing strategies did not benefit from the same quality of homes and residents with long-term housing needs. SOHO is operating in a different subsector with a very different investment strategy, philosophy and management team. We view a key component of our role, as a new manager, is to

communicate effectively to the market why SOHO is different and why our approach differs from the former investment manager. In line with Atrato's investment management philosophy, we intend to operate with far greater transparency with respect to the property portfolio, its financials and the social impact that is being delivered.

Leveraging our real estate, banking, legal and structuring expertise, as Investment Manager we are also seeking to implement structural changes to SOHO's arrangements with its tenants to enhance the security of its cashflows. Together with a more proactive approach to tenant monitoring and resolution, the Investment Manager believes that it will be possible to materially reduce the potential financial impact of situations like Parasol and My Space.

We believe that over time this will help re-establish confidence in the investment case and the operating model and will ultimately narrow SOHO's discount to NAV. Our medium-term ambition is to move to a position of being able to grow the SOHO portfolio, delivering additional, much-needed homes for vulnerable adults.

Financial Review

We are pleased to present the financial results for the year ended 31 December 2024.

In the year the portfolio generated net rental income of £35.8 million (31 December 2023: £35.2 million). The Group's financial performance is underpinned by increases in annualised rental income from its inflation-linked leases, partially offset by the impact of the variations in the lease terms on the transfer from Parasol to Westmoreland.

The annualised contracted rental income of the Group increased to £42.6 million as at 31 December 2024, compared to £41.0 million at 31 December 2023.

The dividend was 0.99x (2023: 0.85x) covered on an adjusted basis for the year. This measure is based upon adjusted earnings, which removes the impact of non-cash items and the termination payments to the previous investment manager from IFRS profit.

The Adjusted Earnings per Share ("Adjusted EPS") is determined on the same basis, measured on the weighted average number of shares in issue during the year. Adjusted EPS was 5.40 pence per share for the year ended 31 December 2024, compared to 4.61 pence for the year ended 31 December 2023.

The EPRA Net Initial Yield ("NIY") has increased from 5.57% at 31 December 2023 to 6.44% at 31 December 2024 following the rental uplifts which occurred during the year.

The EPRA Earnings per Share ("EPRA EPS") excludes the fair value movement on investment properties and non-recurring termination payments to the previous Investment Manager. It is measured on the weighted average number of shares in issue during the year. EPRA EPS was 5.08 pence for the year ended 31 December 2024, compared to 4.92 pence for the year ended 31 December 2023.

The EPRA Net Tangible Assets ("EPRA NTA") per share at 31 December 2024 was 99.05 pence per share, the same as the IFRS NAV per share, compared to 113.76 pence as at 31 December 2023.

At the year end, the portfolio was valued at £626.4 million on an IFRS basis, compared to £678.4 million at 31 December 2023. There was a like-for-like reduction in portfolio value of £53.0 million. The valuation falls reflect recently achieved pricing for comparable transactions in the wider market, together with a softening of valuation assumptions relating to properties within the portfolio leased to My Space.

Debt Financing

With the volatility around interest rates over the last two years, the Group's debt continues to be a valuable asset. All £263.5 million of the Group's debt is fixed-rate (with a weighted average coupon of 2.74%) with a large proportion of it being long-term (with a weighted average maturity of 8.6 years). The earliest debt maturity will occur in mid-2028, providing strong protection from current elevated interest rates.

A summary of the Group's debt structure is outlined below:

- Short-term debt (<2 years to maturity): £nil
- Medium-term debt (2-5 years to maturity): £41.5 million
- Long-term debt (>5 years to maturity): £222.0 million

In July 2018, the Group secured a £68.5 million long-term, fixed-rate, interest-only facility with MetLife Investment Management secured against a defined portfolio of the Group's properties at an initial loan-to-value of 40%. The facility comprises two tranches of £41.5 million and £27.0 million, with maturities in 2028 and 2033, respectively. Across both tranches the weighted average coupon is 3.039%.

In August 2021, the Group secured a £195.0 million long-term, fixed-rate, interest-only, sustainability-linked facility with Barings and MetLife Investment Management clients secured against a defined portfolio of the Group's properties at an initial loan-to-value of 50%. The facility comprises two tranches of £77.5 million and £117.5 million, with maturities in 2031 and 2036, respectively. Across both tranches the weighted average coupon is 2.634%.

In August 2024, Fitch Ratings re-affirmed the Group's existing long-term Issuer Default Rating of 'A-' and senior secured ratings of 'A' in respect of both debt facilities. Fitch published its first rating on the Company in August 2021 with the same Investment Grade distinctions. Further information on the Group's debt facilities is set out in Note 20 of the financial statements.

EPC Upgrade Programme

The Company is actively working to upgrade its portfolio so that all properties have an Energy Performance Certificate ("EPC") rating of C or above, to meet the current legislative deadline of 2030.

71% of the Company's properties already meet this target. Whilst this is materially better than the Social Housing sector average of 43%, the Company is committed to improving the quality of the portfolio and being a sector leader when it comes to reducing emissions. The pilot project has already seen 11 homes upgraded in collaboration with Approved Providers, delivering compliant EPC ratings and already showing reductions in occupational energy consumption.

Atrato are reviewing the outcomes of the improvements delivered within the pilot, applying learnings and best practice to shape and plan the next phase of upgrades. The EPC Upgrade Programme will improve the environmental credentials of SOHO's homes, meet legislative targets and also maintain value for shareholders.

The process will be managed by SOHO's operations team, working closely with Atrato's Head of ESG, Isabelle Smith.

Asset Management

Parasol to Westmoreland Assignment

In August 2024, the Parasol Homes ("**Parasol**") leases were assigned to Westmoreland.

As part of the transfer process, all 38 properties (7.9% of the gross asset value as at 31 December 2024) previously leased to Parasol moved to an initial stabilisation period where the Company receives rent on an agreed passthrough basis. This allows Westmoreland to assess the condition of each property and evaluate the individual rent levels to ensure they comply with market testing. We expect this period to last for approximately 12 months from the initial date of transfer and, once a property has been deemed sustainable, it will return to the previous long-term fully repairing and insuring ("**FRI**") basis.

We are pleased with the progress that Westmoreland has made to date and the level of engagement SOHO's operational team have had in this process. This has enabled an increase in rent collection from the 60% of contracted rent previously received by the Group from Parasol to 72% on a pass-through basis from the date of transfer to the end of February 2025 by Westmoreland. This is in line with expectations and the Group forecasts a further increase in rent collection to between 75% to 85% by the end of August 2025.

My Space Housing Solutions

The principal portfolio challenge facing the Company relates to the My Space Housing Solutions ('My Space') portfolio. My Space has not paid the Company any rent since June 2024, as it continues to face significant financial difficulties, despite the efforts of a new My Space management team. During the investment management transition, Atrato has been in regular dialogue with the new senior team at My Space. While their commitment and determination to resolve the challenges they face is commendable, the Company feels that the assignment of SOHO properties leased to My Space to one or more other Approved Providers is in the best interests of shareholders.

On 31 January 2025, My Space and its appointed insolvency specialist, Begbies Traynor issued a proposal for a company voluntary arrangement ("CVA") to remedy structural challenges in their business and avoid an administration or liquidation process. The proposal was passed by a creditor vote on 7 March 2025. Prior to the vote, the Investment Manager negotiated an option agreement for the Company, which permits the assignment of SOHO's properties within 12-months of the end of the CVA challenge period.

The Company has 34 properties leased to My Space (6.9% of the portfolio), of which 22 are used for Supported Housing, which commands a lower level of care or support. In My Space's case, that care is provided directly by My Space as opposed to a third-party Care Provider (which would be the case for SSH). As a result, when seeking a wholesale solution for the My Space portfolio, Atrato has sought an alternative lessee (or lessees) with (a) the expertise to provide both housing and support, (b) operate across a broad geographical area (including the Midlands, North West and North East of England) and (c) a track record in honouring the financial commitments.

The Investment Manager has agreed heads of terms with a nationwide Approved Provider about transferring the My Space leases, who have both the capacity and proven ability to operate the My Space properties. The Company is now working with them, My Space and relevant regulatory bodies to facilitate the transfer over the coming months.

We expect rent collection to re-commence and resident occupancy to increase during 2025, which will have a positive valuation impact on this part of the portfolio. Given that My Space has not paid rent since June 2024, there is material upside for the Company in terms of rent collection and, subsequently, dividend cover.

The Investment Manager is working with its advisers to monitor counterparty exposures within the wider SOHO portfolio, whilst also assessing potential structural enhancements to cashflows to help mitigate counterparty exposures. We are also assessing options to reduce exposures over time (potentially through asset sales or lessee buybacks), though only if the outcome is beneficial for both residents and shareholders.

Proactive Asset Management

Our approach to asset management is to be rigorous, responsive and proactive, leveraging operational data and a deep understanding of our properties and lessees. By adopting this approach, we will seek to address tenant issues such as those experienced with Parasol and My Space in a more expeditious manner than has been achieved historically.

As part of our appointment, we are undertaking a full review of the portfolio to identify operational issues that may reasonably be expected before they result in any loss of rent or reduction in quality of service. Using a detailed, diligent approach with frequent lessee engagement and property inspections, Atrato will proactively work with lessees to minimise the occurrence of operational risks and, should they arise, remedy any issues swiftly. If required, as Investment Manager we will not hesitate to assign leases to more appropriate Approved Providers or find alternative solutions for properties.

Lessee Update

It is important to note that whilst the SSH sector has often historically been described as one which offers government-backed income, the reality of the sector and its lease counterparts is more nuanced. Robust contractual arrangements in the form of long-term fully repairing and insuring ("FRI") leases are in place.

However, although the Company's lessees are highly specialist organisations which deliver social good to society's most vulnerable people, they are not institutional grade covenants.

As noted earlier, it is key to understand that SSH comprises operational residential properties and relies on two key elements:

- The property fundamentals of location, structural quality and appropriate functionality with an appropriate rent basis; and
- The operational efficacy of the lessees.

The Group's lessees are instrumental in delivering day-to-day operational performance. The properties are typically specialised or adapted to house people often with a variety of complex needs. The lessees' staff are trained individuals who are passionate about improving people's lives. The properties require both intensive housing management and to be kept to a high standard, requiring specific levels of adaption that is suitable for residents. These requirements are far beyond what one would expect to see in the Private Rental Sector which makes the lessees' expertise vital.

Top 10 Lessees	Number of Properties	Annual Rent Roll	% Rent Roll	% 2024 Rent Collection	% Resident Occupancy
Inclusion	124	£12,667,000	29.8%	100%	89%
Westmoreland	38	£3,972,000	9.3%	100%*	80%
Hilldale	30	£3,597,000	8.5%	100%	90%
Falcon	62	£3,550,000	8.3%	100%	86%
My Space	34	£3,391,000	8.0%	13.0%	59%
Chrysalis	27	£2,345,000	5.5%	100%	90%
BeST	41	£2,063,000	4.8%	100%	88%
Auckland	30	£1,980,000	4.7%	100%	92%
Blue Square	12	£1,632,000	3.8%	100%	90%
Care Housing	11	£1,592,000	3.7%	100%	94%
	409	£36,789,000	86.4%		

* Following the assignment of leases away from Parasol, Westmoreland have moved to a pass-through lease basis during the stabilisation phase. Up to the year end, this has reflected improved rent collection of 72% against the pre-assignment contracted rent level.

Property Portfolio

As at 31 December 2024, the portfolio comprised 494 properties offering homes for 3,424 individuals which are geographically diversified across the UK. The table below shows the portfolio split by region.

Valuation

Market pricing certainty has, for some time, been hampered by a limited volume of transactional activity. Atrato has been liaising with the Company's third-party valuer, Jones Lang LaSalle, to identify a greater number of completed and potential transactions over this period, with which to support the portfolio's latest valuation. There has been a softening of the portfolio NIY to 6.22% at year-end (reflecting an EPRA NIY of 6.44%), which we believe is more reflective of current market sentiment.

The portfolio value as at 31 December 2024 was £626.4 million compared to £678.4 million at 31 December 2023, representing a decline of 7.7% during the year.

Rental Income

In total, the Company has 391 leases with a total annualised contracted rental income of £42.6 million as at 31 December 2024. Over the past 12 months, the Company has collected 92.6% of the contracted rental income with no arrears (noting that prior to the assignment of the Parasol properties to Westmoreland, a creditors agreement saw rents on those leases reduced to 60% of initial contracted rent).

Of the £2.9 million contracted rent due, but uncollected, My Space accounts for 100% of this. As noted above, recommencing the collection of rent across these homes is a key focus for Atrato and we are progressing a solution to restore rent collection and improve occupancy in the homes concerned.

WAULT

As at 31 December 2024, the portfolio had a Weighted Average Unexpired Lease Term ("**WAULT**") of 23.4 years (2023: 24.3 years). This WAULT includes the initial lease term, as well as any reversionary leases and put/call options available to the Group at expiry of the initial term.

Successful SSH schemes require two key components - strong property fundamentals and a counterparty with operational efficacy. When these are in place, residents are referred into properties, generating inflation-linked rents paid by local authorities. As the sector has evolved, this has brought into question the value of longer-term lease arrangements, given that Approved Providers are typically nascent, thinly capitalised counterparties.

The SSH sector operating model is evolving in this regard. Whilst the SOHO portfolio benefits from many long-term FRI lease arrangements of 20 years and above, increasingly new schemes have shorter-term arrangements of 5 to 10 years which is usually coterminous with the Service Level Agreement ("**SLA**").

Given the strong operational performance of the Group's portfolio and the specialist nature of its Approved Providers, the Investment Manager does not believe additional lease length beyond the SLA term is accretive to value and as part of its appointment, will work with the Group's valuers to determine this position.

Indexation

100% of the Group's contracted income is generated under leases which are indexed against either CPI (91.9%) or RPI (8.1%). In 2024, the Company's weighted average annual rental uplift was 4.3%.

The majority of annual inflation uplifts are uncapped contractually. However, we have sought to mitigate the risk to our tenants' financial viability should Government policy change through the adoption of a risk-sharing clause. The clause enables the Boards of the Approved Providers we work with to demonstrate an improved risk management strategy to help address a historical concern of the Regulator of Social Housing.

67% of the Group's leases now include the Company's risk-sharing clause, which was rolled out to re-balance the apportionment of risk between landlords and tenants in the context of a long lease model. Negotiations are ongoing with respect to the remainder of the Group's leases.

As part of this clause, annual rent increases are set at the lower of the relevant inflation index and prevailing Government policy in relation to social housing rent increases, as it applies to SSH. Given that the Government has recently stated that it expects social housing rents to be able to increase annually by CPI +1% for the next ten years, these inflation linkages provide the Group and its investors with the comfort that the rental income will be aligned with inflation.

The clause also aligns annual rental uplifts to April (which is consistent with rent setting across the broader Social Housing sector) and enables our Approved Provider lessees to accurately calculate housing benefit submissions ahead of the annual uplift.

For April 2025 rent reviews, the September 2024 reference CPI figure used as the basis to determine the uplift is 1.7%, whilst the RPI basis is 2.7%.

Outlook

Throughout the onboarding process as SOHO's new investment manager, Atrato has been evaluating the portfolio, strategy and team. We remain convinced that the outlook for SOHO is positive. We have three key, but manageable, challenges in the short to medium-term:

- Drive the Parasol to Westmoreland transfer to a successful conclusion and commence a similar process for the My Space portfolio, improving occupancy and restoring rent collection;
- Proactively manage the whole portfolio, working with current and future Approved Providers to maintain operational performance and deliver positive resident outcomes; and
- Improve transparency for shareholders and enhance both shareholder and market engagement, helping to restore investor confidence in the SSH model by evidencing its attractive financial returns and genuine social impact.

We have already commenced these activities, working with our new team and specialist third-party advisers to deliver on each. By doing so, we will improve the operational performance of the business, begin restoring investor confidence and contribute to narrowing the discount to NAV - all whilst delivering much needed homes for vulnerable people.

We look forward to the challenge and the year ahead.

Adrian D'Enrico

Fund Manager

21 March 2025

PORTFOLIO BY LOCATION

Region	Properties	% of funds invested*
North West	98	19.3
West Midlands	81	16.1
Yorkshire	66	15.1
East Midlands	55	11.1
North East	51	9.8
South East	61	9.4
London	27	8.6
South West	30	4.9
East	21	4.2
Scotland	2	1.0
Wales	2	0.5
Total	494	100.0

* calculated excluding acquisition costs

SUSTAINABILITY REPORT

Message from the Sustainability & Impact Committee Chair

Dear Shareholder,

I am pleased to present Social Housing REIT plc's Sustainability Report and Task Force on Climate-related Financial Disclosures ("TCFD") aligned climate-related disclosures for FY24.

In this report we provide an overview of our sustainability and climate-related performance and progress over the last year, as well as setting out our priorities moving forward.

Providing better social outcomes for vulnerable people remains at the heart of everything SOHO does. Our focus on sustainability continues to be grounded in our commitment to responsible investment and good stewardship, with the aim of delivering long-term value for our stakeholders. This year, we have continued to deliver on our impact measurement and management ("IMM") framework and the results of this have again been independently assessed by social impact advisory firm, The Good Economy. Full details of our impact goals and real-world outcomes can be found in our annual Impact Report on our website.

The appointment of Atrato Partners Limited ("Atrato") as the new Investment Manager for SOHO provides us with an opportunity to take stock of sustainability performance to date and assess how our approach to sustainability could be enhanced going forwards. Atrato have already identified a number of sustainability priorities for the next year, including conducting a materiality assessment to underpin a refreshed sustainability strategy, expanding on our collection and monitoring of Environmental, Social and Governance ("ESG") data and reviewing our targets to better enable tracking of, and transparent reporting on, our sustainability performance.

In tandem with these strategic review priorities, working with Atrato we are committed to expanding our

focus on the environmental performance of our portfolio in addition to our social impact priorities, with particular attention to energy efficiency measures, emissions reduction opportunities and addressing climate-related risks.

Immediate enhancements that have already been made, as part of the onboarding of SOHO by Atrato, include the enhanced Greenhouse Gas ("GHG") disclosures we have made in this Sustainability Report, an expansion of our Scope 3 reporting to cover for the first time all relevant Scope 3 emissions categories and making our first full disclosures against the EPRA Sustainability Best Practices Recommendations ("sBPR") framework.

The progress we have achieved to date, and shared within this report, highlights how investing responsibly for long-term value creation remains core to our business model. Looking forward to the year ahead, we are excited to refresh and expand on our sustainability approach to build on the material positive social and environmental impact we have delivered to date.

Professor Ian Reeves CBE

Chair of the Sustainability & Impact Committee

21 March 2025

SOHO and Sustainability

The Company believes that by embedding ESG factors within investment and asset management processes, it can not only deliver broader positive outcomes for residents, society and the environment but better manage financial risks and returns over the long-term.

The Company's approach to sustainability is underpinned by the Board's commitment to good stewardship and creating long-term shareholder value. To support the integration of ESG priorities into the execution of the investment strategy, the Board established a dedicated 'Sustainability & Impact Committee' in May 2023.

Both the Company's Board and its new Investment Manager recognise the importance of transparent, decision-useful sustainability reporting to improve accountability to stakeholders. As a result, the Company has committed to publishing an annual Sustainability Report and TCFD disclosures.

Our Impact Measurement and Management Framework

The Company's impact goal is to increase the provision of Specialised Supported Housing ("SSH") that delivers positive outcomes for vulnerable adults with care and support needs.

Under this overarching impact goal, the Company has established the following set of impact objectives and target outcomes.

Impact objectives - the primary areas under the Company's direct control or influence.

- 1) Deliver homes which meet social need
- 2) Fund high-quality sustainable developments
- 3) Provide quality services and partnerships
- 4) Increase supply

Target outcomes - the primary outcomes for people and planet; these depend on many factors, one of which may be the Company's activities.

- 1) Improve wellbeing
- 2) Deliver value for money

Further information about the Company's impact objectives and real-world outcomes can be found in our annual Impact Report on the Company's website (www.socialhousingreit.com).

FY25 Priorities

The Company's Investment Manager, Atrato, is responsible for the day-to-day delivery of the sustainability

strategy approved by the Board and associated stakeholder engagement on behalf of the Company.

Atrato has initiated a review of the Company's sustainability strategy to assess how the Company's approach to sustainability could be enhanced going forward. As a result, a number of key sustainability priorities for the next reporting period have been identified, including:

- 1) Conducting a materiality assessment and UN Sustainable Development Goals ('UN SDG') alignment review to underpin a refreshed sustainability strategy;
- 2) Evaluating options to improve collection and monitoring of ESG data; and
- 3) Reviewing and refreshing the Company's ESG targets.

In tandem with these strategic review priorities, the Company is committed to expanding its focus on the environmental performance of its portfolio in addition to its social impact priorities. This includes enhancing sustainability activities related to energy efficiency measures, emission reduction opportunities and addressing climate-related risks.

Responsible Investment and ESG Integration

The Company's new Investment Manager, Atrato, has a Responsible Investment Policy developed in line with the Principles of Responsible Investment ("PRI"). This Policy, which has been endorsed by the Board, outlines how ESG factors are incorporated into investment policies, practices and processes.

The responsible investment process aims to avoid, mitigate and manage potential ESG-related asset risks and optimise the ESG potential of investments at all stages of the investment cycle. These aims are achieved through both ESG incorporation and stewardship activities.

FY24 Sustainability Performance

The Company has used the metrics below to monitor and track sustainability performance during the reporting year. The Company is currently reviewing its sustainability metrics and targets - see FY25 Priorities section above for more details

Metric	FY24	FY23	FY22
Portfolio EPC ratings	A-C: 71.2% A: 0.4% B: 30.8% C: 40.0% D: 21.9% E: 6.7% F: 0.2%	A-C: 71.04%^[1] A: 0.41% B: 30.80% C: 39.83% D: 21.99% E: 6.81% F: 0.12%	A-C: 70.87%^[2] A: 0.40% B: 31.15% C: 39.31% D: 22.02% E: 6.95% F: 0.12%
Emissions	See GHG Inventory in TCFD Report below.		

Metric	FY24			FY23			FY22		
Number of properties and location	Region	Assets	Units	Region	Assets	Units	Region	Assets	Units
	East	21	128	East	21	128	East	20	125
	East Midlands	55	412	East Midlands	55	412	East Midlands	58	442
	London	27	191	London	27	191	London	27	192
	North East	51	398	North East	51	400	North East	50	377
	North West	98	715	North West	97	705	North West	99	732
	Scotland	2	29	Scotland	2	29	Scotland	2	29
	South East	61	272	South East	61	272	South East	62	276
	South West	30	171	South West	29	167	South West	29	167
	Wales	2	20	Wales	2	20	Wales	2	20
	West Midlands	81	539	West Midlands	82	545	West Midlands	84	554
	Yorkshire	66	549	Yorkshire	66	548	Yorkshire	64	542
		494	3424		493	3417		497	3456
Percentage	90%^[3]			91%			91%		

of residents satisfied with the quality of their home			
Quality rating of care providers (Care Quality Commission) % at outstanding / good ^[4]	85%	84% ^[5]	85%
SOHO Governance	Governance metrics including in relation to Board composition can be found in the following appendix to the Sustainability Report: Appendix: EPRA sBPR Index		

Net Zero Update

The Company is committed to measuring and reducing its carbon emissions across its portfolio. Safe, comfortable and efficient homes provide better outcomes for the environment and for residents.

In January 2024, the Board adopted this near-term science aligned net zero pathway for the Company: *reduce social housing portfolio emissions by 75% per m² by 2035 from a baseline year of 2021.*

The 2021 baseline for this target utilised 100% estimated data sources and included only Scope 3: Category 13 emissions (comprising electricity and natural gas only). The Company has engaged the services of a specialist data provider to extract actual metered emissions data from its properties and has, for the first time, calculated a complete GHG inventory covering all relevant Scope 3 emissions categories (see GHG Inventory Table below). In addition, the Company's near-term target was developed before the Science Based Target Initiatives ("SBTi") published its criteria and guidance for the buildings sector in August 2024.

With the new Investment Manager appointment, the Company has initiated a review of its near-term emissions reduction target. Through this review, the Company is evaluating its baseline emissions, given recent enhancements to its emissions data and calculation process, and is assessing options to refresh the target. This will ensure alignment with best practice target setting methodology and facilitate setting ambitious yet achievable decarbonisation targets for the Company.

The Company will provide an update on this target setting review within its interim results reporting.

Energy Efficiency

The UK Government has confirmed its ambition to have all rented properties achieving a minimum EPC rating of 'C' by 2030, as part of broad efforts to reduce carbon emissions and improve the energy efficiency of housing across the country.

The current SOHO portfolio of 494 properties has an average EPC of C with the breakdown shown below in Table 6. To place this in context, the average residential EPC rating for the UK is currently D.

For every property that the Company acquires, the Investment Manager targets a minimum EPC rating of C for renovated properties and B for new-build properties, notwithstanding the legal requirement for any privately rented properties to have a minimum rating of E.

During 2023 and 2024, the Company implemented a pilot programme focused on enhancing the energy efficiency of 11 properties (eight directly and twenty two in conjunction with Approved Providers securing grant) with the intention of scoping the cost, technologies and preferred suppliers to implement a portfolio-wide EPC Upgrade Programme (in the first instance focusing on properties which do not currently align with the 2030 minimum EPC target). The primary objectives include aligning with EPC regulation changes, reducing energy costs for tenants and minimising portfolio-wide emissions. The retrofit pilot was successfully completed in the year, implementing a range of upgrades to the 11 properties, as well as improving the building fabric.

The pilot phase was strategically designed to gain a deeper understanding of the practicalities associated with retrofitting Specialised Supported Housing and the Group's ability to access grant funding. The execution of a

... wider EPC Upgrade Programme will require careful and considerate planning, especially with regard to the impact on residents whilst works are carried out and the ongoing ease of use of all technology that is implemented. The Company's Investment Manager, Atrato, expects to announce the details and costings of the EPC Upgrade Programme during the first half of 2025, setting out a phased approach to complete upgrade works in line with the required EPC standards and timetable.

Modern Slavery Statement

The Company is within the scope of the Modern Slavery Act 2015 and is therefore obliged to make a slavery and human trafficking statement. The Company's Modern Slavery Act statement can be found on the Company's website (www.socialhousingreit.com).

EPRA sBPR Report

This year, the Company has made full sustainability disclosures against the European Public Real Estate Association ("EPRA") Sustainability Best Practices Recommendations (sBPR) framework for the first time. Please see the following appendix to the Sustainability Report for more details: **Appendix: EPRA sBPR Index**.

Taskforce On Climate-Related Financial Disclosures ("TCFD") REPORT

The TCFD recommendations provide a framework for organisations to more effectively take account of and disclose climate-related risks and opportunities. The TCFD Report for the Company, included below, contains voluntary climate-related financial disclosures for the reporting period 1 January 2024 - 31 December 2024 in relation to governance, strategy, risk management and metrics and targets^[6]. It addresses all four core elements and 11 TCFD Recommended Disclosures as detailed in "Recommendations of the Task Force on Climate-Related Financial Disclosures"^[7].

Recommendation	Recommended Disclosures
Governance Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities.
	b. Describe management's role in assessing and managing climate-related risks and opportunities.
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term.
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks.
	b. Describe the organisation's processes for managing climate-related risks.
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ("GHG") emissions and the related risks.
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

Governance

- **Describe the board's oversight of climate-related risks and opportunities.**

The Board is responsible for setting the Company's sustainability strategy and overseeing the Company's approach to climate-related risks and opportunities affecting its business.

The Board established its 'Sustainability & Impact Committee' in May 2023, ensuring that sustainability issues, including climate change, are discussed in sufficient detail and given appropriate focus. The Sustainability & Impact Committee, Chaired by Professor Ian Reeves CBE, meets not less than once a year (and more frequently as required) and has responsibility for overseeing the delivery of the Company's Sustainability Strategy, including identification and management of climate-related risks. The Board is primarily informed of climate-related risks and opportunities by the Investment Manager through the meetings of the Sustainability & Impact Committee.

Climate-related risks are assessed as part of the standard due diligence process when acquiring or funding the development of new properties. Identified climate risks are presented in the materials provided to the Investment Committee and, where relevant, will be discussed during committee meetings to assess the potential impact of these risks on the property or development and to determine (a) the time frame over which they might materialise and (b) the potential impacts they may have both operationally and in terms of asset value.

The Board is invested in enhancing the Company's understanding of climate risks and opportunities and, as part of this, has approved budget allocation for ongoing climate-related activities for the next reporting year. This facilitates forward planning and preparation of ESG matters targeted for the next reporting year.

- **Describe management's role in assessing and managing climate-related risks and opportunities.**

The Investment Manager is responsible for the day-to-day delivery of the sustainability strategy as approved on behalf of the Company by the Board, including the assessment, management and reporting of climate-related risks and opportunities.

At the Investment Manager level, assessment and management of climate-related risks and opportunities is shared across the Social Housing Team and the wider business of the Investment Manager.

The Company's new Investment Manager, Atrato, has a dedicated Managing Director, ESG, who is responsible for the operational delivery of climate-related risks and opportunities measures within the Investment Manager's operations and leads the provision of climate risk advice to the Company.

Strategy

- **Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.**

Investing in real assets exposes the Company to both physical and transition risks associated with climate change. The Company's properties may require additional work to bolster their resiliency against increasingly extreme weather events or require efficiency upgrades to meet ever-stricter efficiency standards, as the Government seeks to mitigate emissions from the building sector, one of the largest sources of emissions in the UK.

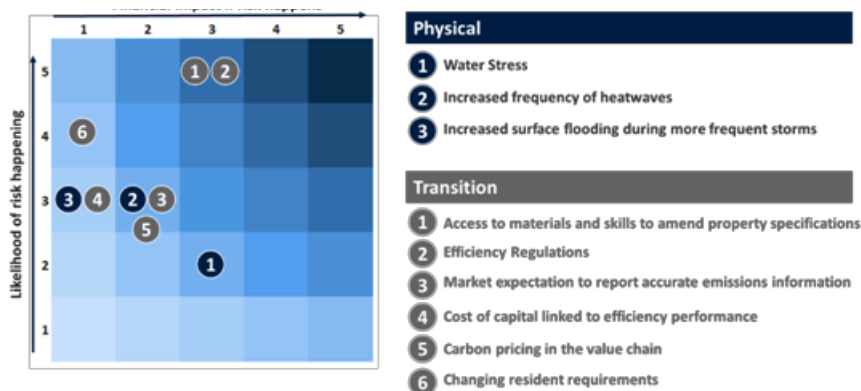
In FY23, the Company engaged an external provider Climate X, to analyse and quantify the physical risk to its assets resulting from climate change. Climate X maintains a realistic digital twin of the earth, utilising data from remote sensing. This digital twin is combined with the latest, high-resolution climate modelling to determine the future risks from a wide range of hazards, under a range of climate scenarios.

Hazards assessed by the Climate X model:

River Flooding	Subsidence	Heat Stress
Coastal Flooding	Landslides	Storm
Surface Flooding	Coastal Erosion	Droughts & Wildfires

Climate X simulates the effect of future chronic and acute weather events at the asset level, to model the vulnerability of the asset itself, which is then used to calculate the asset-specific risk from each individual hazard, and estimate future value-at-risk, expressed as expected losses per annum, as a percentage of the total building reinstatement cost for each property.

The main risks to the fund, which were first disclosed in the Company's FY23 TCFD Report, are shown below.



The Company considered undertaking another assessment of the portfolio through Climate X in FY24 but determined this was unnecessary given there have been no material changes to the portfolio during the reporting period.

- **Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.**

In the Company's FY23 TCFD Report, the impact of climate-related risks and opportunities on the Company's businesses, strategy and financial planning was disclosed. See below risk and opportunity impact summary tables for details.

Over the next reporting period the Company plans to review its risk mitigation opportunities with the aim to improve the Company's resiliency to these identified risks and opportunities moving forward.

Physical Risks

Risk	1. Water stress	2. Increased frequency of heatwaves	3. Increased surface flooding during more frequent storms
Description	Particularly for properties in the South East of England, an increased frequency of droughts may cause water shortages and also lead to subsidence issues in certain properties.	Given the vulnerable nature of many of the Company's tenants, overheating of the Company's properties is an undesirable risk.	Increasing frequency of storms may lead to an increased frequency of surface flooding, if current drainage options prove to be insufficient.
Potential Financial Impacts	Increased utility bills for Approved Providers. May require installation of more water-efficient appliances. Subsidence may affect property values and require repair work.	Capital expenditure may be required to add additional insulation and ventilation to properties to prevent overheating. Frequent overheating of buildings can cause wear and tear and potentially lower building values.	Potential damage to properties as a result of flooding, requiring repairs and affecting property value. Properties may need to be upgraded to include more comprehensive drainage systems.
Likelihood	Low to Moderate	Moderate	Moderate
Impact	Moderate	Low to Moderate	Low
Time Horizon	Medium term	Short term	Short to medium term

Transition Risks

Risk	1. Access to materials and skills to amend property specifications	2. Efficiency regulations	3. Market expectation to report accurate emissions information	4. Cost of capital linked to efficiency performance	5. Carbon pricing in the value chain	6. Changing resident requirements
Description	Properties will require intervention to protect from the impacts of climate change and to reduce energy consumption. Such work requires high quality and knowledgeable contractors.	Government may introduce legislation to mandate all social housing properties to a certain level of energy efficiency and this will require upgrade works to be undertaken. The design specification of properties are	Currently, the Company follows market practice in reporting estimated emissions for its portfolio due to difficulties in accessing actual energy consumption data for its properties. In future, market expectations may shift to	Increasing expectations and requirements linked to housing efficiency performance. Running and maintaining high	Construction activities and manufacturing of materials is carbon intensive, causing high exposure to any potential future	As part of the energy transition, home requirements may change, and will need to be factored into planning and design standards. Facilities such as secure bicycle parking,

	Activity to date has found sourcing and securing quality contractors with access to resources at reasonable prices presents difficulties.	agreed well ahead of completion. If regulations develop particularly quickly, even newly completed properties may have to be retrofitted.	collecting real data. Without this data, the fund may be less competitive in the market-place, as investors are less able to gauge the risk.	quality and efficient homes is becoming more expensive.	carbon pricing measures.	electric vehicle charging points and public transport accessibility will become more important.
Potential Financial Impacts	To implement required works at a point in time required may incur unexpectedly high costs if the ability to secure contractors is limited.	Properties that do not meet standards may become stranded assets, require retrofitting, or face a 'brown tax', with a lower valuation and less liquidity.	Without transparency on necessary asset data there may be an increased difficulty accessing funding, resulting in a higher cost of capital.	Failure to manage this challenge may result in the reduction of value in the property portfolio.	Carbon pricing in the supply chain of materials may be passed on to the developers, increasing property prices.	Including these features in property designs may increase costs.
Likelihood	High	High	Moderate	Moderate	Moderate	Moderate to High
Impact	Moderate	Moderate	Low to Moderate	Low	Low to Moderate	Low
Time Horizon	Short term	Medium term	Medium term	Short term	Long term	Short term

Opportunities

Opportunity Type	1. Increased value of energy efficient homes	2. Opportunities for on-site renewable energy generation	3. Improving property quality, efficiency and value
	Markets	Energy Source	Resource Efficiency
Description	As efficiency regulations increase, the value of existing efficient homes will increase, with a 'green premium' attached to housing stock with good efficiency credentials.	Although not formally assessed, the geographical spread of the Company's properties means that opportunities are likely to exist for on-site renewable energy generation. Energy generated could be provided to tenants in the first instance, to reduce energy bills, with the excess being sold to the grid by the Company.	In improving the energy efficiency and resiliency of a property it should serve residents more effectively, making them more desirable residences and increasing willingness for stakeholder engagement. Costs to run should be improved. The property should be more comfortable as it will respond more effectively to temperature and weather changes.
Financial Impact	Increased Net Asset Value for the Company.	Additional income stream for the Company, through selling excess electricity resulting in an increased value of properties.	Increased property value
Likelihood	High	High	High
Magnitude	High	Low	Medium
Time Horizon	Medium term	Long term	Medium to long term

- Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

In FY23, the Company performed partial, qualitative scenario analysis to understand the impact of each of the most significant risks to its portfolio under different climate outcomes.

The most prominent risks to the Company were assessed, and the overall resiliency of the strategy was assessed under the following two scenarios:

- Net Zero:** in which warming is limited to 1.5°C by 2050, limiting physical risks but creating high transitional risk due to the introduction of strict climate policies and rapid technology change; and
- Hot House World:** in which warming reaches 4°C, as no new climate policies are introduced and technological progress is slow, limiting transitional risks but presenting significant physical risks.



Quantitative scenario analysis was conducted for the portfolio utilising climate modelling from Climate X (described in the Risk Management section).

The findings from the FY23 Climate X assessment showed the Company's assets have a low vulnerability to physical climate risks and the portfolio is more efficient than average.

As noted above, the Company did not repeat the Climate X assessment given there were no material changes to the portfolio during the reporting period. Over the next reporting period the Company plans to conduct further analysis over the outputs from this assessment and will assess the benefit of refreshing this assessment in FY25.

Risk Management

- **Describe the organisation's processes for identifying and assessing climate-related risks.**
- **Describe the organisation's processes for managing climate-related risks.**
- **Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management**

The Company's approach to risk assessment is as set out in the Our Principal Risks and Uncertainties Section. The new Investment Manager, Atrato, has overall responsibility for the Company's risk management and internal controls, with the Audit and Risk Committee reviewing the effectiveness of the Board's risk management processes on its behalf. The Sustainability & Impact Committee is responsible under the delegated authority of the Board for the identification and monitoring of climate-related risks which are incorporated into the risk management process.

The Sustainability & Impact Committee considers both physical and transition climate-related risks, including existing and emerging regulatory requirements related to climate change.

The method used to evaluate the importance of each climate risk that the Company is exposed to is aligned to the Company's general risk management structure. It involves a matrix with a 5-point rating system for both the likelihood and consequence of each risk.

- Likelihood: low, moderate, high; and
- Impact: low, moderate, high.

The alignment to the Company's general risk management structure allows for the climate-related risks to be incorporated into broader risk management and mitigation procedures. These risks are added to the risk register of the strategy, which is reviewed regularly with the Board of the Company. This meeting brings together the SOHO team, sustainability and risk teams, with the resulting risk register being approved by the Board and evaluated and approved by the Risk Committee. The period over which each risk first becomes material is defined as:

- Short-term: 0-2 years;
- Medium-term: 2-5 years; and
- Long-term: over 5 years

These time scales are aligned to the Company's overall risk management framework, considering the nature of the Company's assets and liabilities.

Metrics and Targets

- **Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.**

The Company recognises the need for continuous improvement of data collection and monitoring to accurately assess climate risks and opportunities in line with its strategy and risk management process.

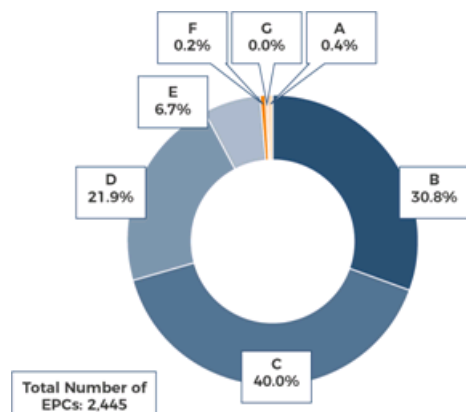
The Company measures and monitors the following key climate-related metrics:

- 1) **EPC ratings:** see above for breakdown and YoY comparison;
- 2) **Energy consumption:** see details of energy consumption data provided below; and
- 3) **GHG Emissions:** see GHG Inventory below

EPC Ratings

The EPC ratings of each property are monitored on an ongoing basis. Currently, 71.2% of the portfolio is rated at C or above. The chart below shows the EPC breakdown of properties as at 31 December 2024

at C or above. The chart below shows the EPC breakdown of properties as at 31 December 2024.



Energy Consumption Data

The Company has engaged the data provider, Perse, to enable access to actual energy consumption through direct APIs to every property's meter. This data is utilised in the preparation of the Company's GHG Inventory.

The energy consumption data from Perse not only improves the completeness and accuracy of the Company's GHG Inventory but will also support improved emissions reductions modelling to improve decision making in relation to available decarbonisation levers.

- **Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.**

GHG Inventory

The Company engaged external consultants, Anthesis, to prepare its GHG Inventory for FY24 in line with the GHG Protocol methodology. The Company does not have any Scope 1 and 2 emissions but has reported all relevant categories of Scope 3 emissions.^[8]

The Company's GHG Inventory is disclosed below in Table A (see the following appendix to the Sustainability Report for further details of the GHG Inventory methodology: **Appendix: GHG Inventory Methodology**).

Table A - GHG Inventory^[9]

Emissions	FY24		FY23
	Location-based tCO ₂ e	Market-based tCO ₂ e	Location-based tCO ₂ e
Scope 1 and 2 Total	N/A	N/A	N/A
1: Purchased Goods and Services	1,216	1,216	Not measured in FY23
6: Business Travel	3	3	Not measured in FY23
13: Downstream Leased Assets ("DLA")	6,044	7,570	4,763 ^[10]
Scope 3 Total	7,263	8,789	Not measured in FY23 ^[11]

- **Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.**

Climate-related Targets

In January 2024, the Board adopted the following near-term science aligned net zero pathway for the Company: *reduce social housing portfolio emissions by 75% per m² by 2035 from a baseline year of 2021*. However, this target is currently under review. See Net Zero Update for more details.

The Company and its Investment Manager intend to asset manage the portfolio to ensure all properties have an EPC rating of C or above by 2030 to ensure compliance with current legislative targets and that the homes it provides for residents are environmentally and economically efficient.

APPENDIX: GHG INVENTORY METHODOLOGY

Emissions were calculated using the Anthesis 'Route Zero' software tool, in alignment with the GHG Protocol.

For lessees, 7% of emissions were estimated by Anthesis, 22% were based on estimated consumption of SOHO and 70% of emissions were calculated based on actual data provided. 75% of electricity emissions and 76% of natural gas emissions were calculated based on actual data.

Purchased Goods & Services

The Environmentally Extended Input Output ("EEIO") method, which estimates emissions from expenditure, was used to calculate the emissions from this category. The SOHO team provided spend for the reporting year split by supplier. The suppliers were mapped against the DEFRA Input/Output ("IO") categories, which are based on SIC codes and have an associated emission factor. The DEFRA IO emission factors were multiplied by the spend to calculate the emissions. Exclusions include service charge costs and costs that are recharged to tenant in full.

Business travel

This includes the upstream well-to-tank emissions of business travel activities.

Downstream leased assets

Where actual fuel and electricity consumption data was provided, this was used. For any gap-filling and estimations, methodology notes are included below:

Electricity estimates:

Electricity consumption is estimated using actual data from sites with recorded usage. First, electricity consumption and floor area data are collected from sites with available records. This helps calculate electricity intensity, which serves as a benchmark. The benchmark intensity is calculated by dividing electricity consumption by floor area (kWh/m²). This value represents typical electricity usage per square meter. For sites without actual data, the benchmark intensity is multiplied by their floor area to estimate electricity consumption.

Natural Gas estimates:

Natural gas consumption is estimated using actual data from sites with recorded usage. Natural gas consumption and floor area data are collected from sites with available records. This helps calculate electricity intensity, which serves as a benchmark. The benchmark intensity is calculated by dividing natural gas consumption by floor area (kWh/m²). This value represents typical electricity usage per square meter. For sites without actual data, the benchmark intensity is multiplied by their floor area to estimate natural gas consumption.

Waste estimates:

Waste consumption is estimated using UK Government data on household waste, utilising the number of households and an average floor area of dwellings. This data was used to create a benchmark, estimating average tonnes of waste per m². This benchmark was multiplied by property floor area, estimating total waste per lessee.

Water estimates:

Water consumption is estimated using GRESB benchmarks. The benchmarks consider cubic meters of water per meter squared of floor area (m³/m²). The benchmarks were multiplied by property floor area, to estimate total water usage per lessee.

APPENDIX: EPRA SBPR INDEX

Introduction

This report contains Social Housing REIT plc's (LSE:SOHO) EPRA Sustainability Performance Measures and Overarching Recommendations ("sBPR") disclosures for the reporting period 1 January 2024 to 31 December 2024.

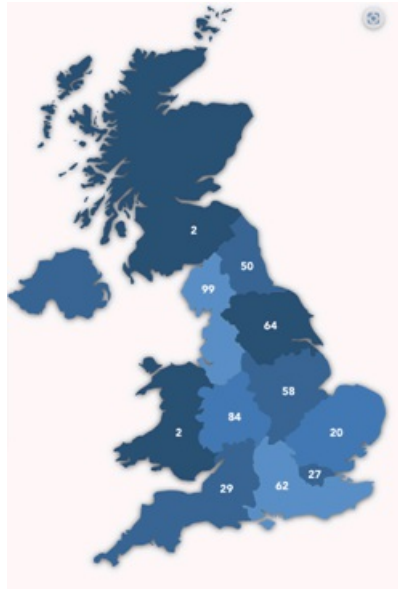
About us

SOHO seeks to address the ongoing UK social housing sector demand-supply imbalance, providing sustainable high-quality homes which have been adapted for vulnerable adults with long-term care and support needs including mental health issues, learning disabilities, or physical and sensory impairments or a combination of

diagnoses.

Our portfolio

SOHO has built a unique portfolio of Supported Housing properties, diversified by geography and leased to a variety of Approved Providers across the UK. The below map shows SOHO's property exposure across the UK (as at 31 December 2024).



Overarching recommendations

The table below highlights how SOHO has made a focused effort to implement the overarching sBPR recommendations into its reporting.

Table 1: How SOHO has addressed the overarching recommendations.

Overarching recommendations	How SOHO integrate these recommendations
Organisational boundaries	SOHO's approach to organisational boundaries is based on the Operational Control approach (as defined by the Greenhouse Gas (GHG) Protocol ^[12]). 100% of SOHO's portfolio is represented within this organisational boundary.
Coverage	SOHO are currently able to report electricity for 100% of their portfolio, with 24% estimated; fuels for 100%, with 24% estimated; and water for 100%, with 100% estimated. SOHO aim to improve data coverage and completeness overtime through engagement with data providers and improving data collection processes.
Estimation of landlord-obtained utility consumption	24% of landlord-obtained electricity consumption was estimated; 24% of landlord-obtained natural gas was estimated.
Third party assurance	SOHO has not sought third-party assurance for this reporting year.
Boundaries	All available tenant data is reported. Estimations were used to gap-fill data so that 100% of consumption is reported.
Normalisation	MWh / m ² is used to measure intensity.
Segmental analysis	This report covers the property assets within SOHO's portfolio for the financial year 1 January 2024 to 31 December 2024. During the financial year, SOHO engaged in a single segment business, namely, investment in the United Kingdom in social housing assets.
Disclosure on own offices	SOHO is an externally managed real estate investment trust (REIT) and therefore does not have any employees or office premises in operation.
Narrative performance on	An overview is provided for each topic in this report and further sources are highlighted where required.
Location of EPRA Sustainability Performance Measures	EPRA Sustainability Performance Measures are included in the tables on the following pages.
Reporting period	Financial year 1 January 2024 to 31 December 2024.
Materiality	When considering ESG within the investment process, a materiality approach is taken to ensure focus is given to those issues most likely to negatively impact or positively strengthen the homes SOHO are investing in. SOHO intends to conduct a refreshed materiality assessment as part of the refinement of its Sustainability Strategy in FY25.

Environmental performance

The environmental data on which SOHO's emissions are calculated comes from electricity and natural gas. There is no consumption of district heating and cooling at SOHO sites. Waste and water data were estimated based on GRESB 2020 Benchmarks^[13] and Defra waste statistics^[14], and are not included in the assessment of GHG emissions.

Below is a breakdown of environmental data and a more in-depth analysis by topic, including Energy, GHG emissions, Waste and Water and Sustainably certified assets.

Any reference to 'N/A' for Scope 1 and 2 emissions is due to the nature of SOHO's organisation. SOHO does not have any offices and therefore does not have any direct emissions. Like-for-like comparisons have also been excluded within this report. For reporting year 1 January 2024 to 31 December 2024, SOHO has calculated a complete GHG inventory, where this has not been completed previously. Changes in methodology also means that like-for-like comparisons will not be an accurate representation of SOHO's emissions.

Table 2: SOHO's environmental performance measures

Impact Area	EPRA code	Environmental performance measures	Performance
Energy	Elec-Abs	Total electricity consumption	9,167 MWh
	Elec-Lfl	Like-for-like total electricity consumption	N/A
	DH&C-Abs	Total district heating and cooling consumption	N/A
	DH&C-Lfl	Like-for-like total district heating and cooling consumption	N/A
	Fuels-Abs	Total fuel consumption	14,655 MWh
	Fuels-Lfl	Like-for-like total fuel consumption	N/A
	Energy-Int	Building energy intensity	0.15 MWh/m ²
GHG emissions	GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions	N/A
	GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions	7,262 tCO ₂ e*
	GHG-Int	GHG emissions intensity from building energy consumption	See breakdown below
Water & Waste	Water-Abs	Total water consumption	325,212 m ³
	Water-Lfl	Like-for-like total water consumption	N/A
	Water-Int	Building water intensity	2.01 m ³ /m ²
	Waste-Abs	Total weight of waste by disposal route	See breakdown below
	Waste-Lfl	Like-for-like total weight of waste by disposal route	See breakdown below
Sustainably certified assets	Cert-Tot	Type and number of sustainably certified assets	See breakdown below

*FERA emissions are included in Scope 3 Category 13: Downstream Leased Assets. Emissions are reported on a location-basis.

Energy and GHG emissions

Between 1 January and 31 December 2024, SOHO calculated Scope 3 GHG emissions.

Scope 3 emissions reported include:

1. Category 1: Purchased Goods and Services;
2. Category 6: Business Travel; and
3. Category 13: Downstream Leased Assets.

This is the first complete GHG inventory SOHO has developed, where previously only emissions relating to category

13: Downstream Leased Assets have been captured.

The tables below provide energy consumption and GHG emissions for SOHO's assets for the reporting year 1 January to 31 December 2024. Emissions and associated consumption data reported below include both a location-based and market-based approach.

In relation to floor area coverage, 100% of floor area of properties is tenant managed and included in Scope 3 downstream leased assets.

Table 3: SOHO's Energy impact area performance

EPRA code	Indicator	Metric	1 January 2024 to 31 December 2024
Elec-Abs	Electricity	Total electricity consumption - landlord obtained	N/A
		% of floor coverage	N/A
		Total electricity consumption - tenant obtained	9167.4 MWh
		% of floor coverage	100%
		% of landlord-obtained electricity from renewable sources	N/A
		% of tenant-obtained electricity from renewable sources	0%
		Total electricity consumption	9167.4 MWh
		% of floor coverage	100%
		% of electricity estimated	24%
DH&C-Abs	District Heating & Cooling	Total heating & cooling - landlord obtained	N/A
		Total heating & cooling - tenant obtained	N/A
		% of heating & cooling from renewable sources - landlord	N/A
		% of heating & cooling from renewable sources - tenant obtained	N/A
Fuels-Abs	Fuels	Total fuels - landlord obtained	N/A
		% of floor coverage	N/A
		Total fuels - tenant obtained	14,654 MWh
		% of floor coverage	100%
		% of landlord obtained fuels from renewable sources	N/A
		% of tenant obtained from renewable sources	0%
		Total fuel consumption	14,654 MWh
		% of floor coverage	100%
		% of fuels estimated	24%
Fuels-LfL	Fuels	Like-for-like total fuel consumption	N/A
Energy-Int	Energy intensity	Energy intensity per m2	0.15 MWh / m2

Table 4: SOHO's GHG emissions impact area performance

EPRA code	Indicator	Metric	Location-based: 1 January to 31 December 2024	Market-based*: 1 January and 31 December 2024
GHG-Dir-Abs	Direct	Scope 1	N/A	N/A
		% of floor area coverage	N/A	N/A

GHG-Indir-Abs	Indirect	Scope 2	N/A	N/A
		% of floor area coverage	N/A	N/A
		Scope 3	7,262 tCO ₂ e	8,788 tCO ₂ e
		% of floor area coverage	100%	100%
GHG-Int	GHG emissions intensity	N/A	N/A	N/A
		Scope 3	0.045 tCO ₂ e/m ²	0.054 tCO ₂ e/m ²

Water and waste

The table below provides water and waste consumption values for SOHO's assets for the reporting year 1 January 2024 to 31 December 2024.

Water and waste were estimated this year using GRESB 2020 Benchmarks² and Defra waste statistics³.

Table 5: SOHO's Water and Waste impact area performance

EPRA code	Indicator	Metric	1 January to 31 December 2024
Water-Abs	Water consumption	Total water consumption	325,212 m ³
		% of floor area coverage	100%
		% of water estimated	100%
Water-LfL	Water consumption	Like-for-like total water consumption	N/A
Water-Int	Water Intensity	Building water intensity	2.01 m ³ / m ²
Waste-Abs	Total waste	Total waste sent to landfill	593 t
		Total waste diverted from landfill	753 t
		% of floor area coverage	100%
		% of waste estimated	100%
Waste LfL	Proportion of waste	Proportion of waste sent to landfill	N/A
		Proportion of waste diverted from landfill	N/A

Sustainably certified assets

The table below provides a breakdown of the EPC ratings for SOHO's assets for the reporting year: 1 January 2024 - 31 December 2024.

Table 6: SOHO's EPC certifications by percentage of the portfolio's total units

EPRA code	Metric	1 January to 31 December 2024
Cert-Tot	No. of units with an EPC Rating Certification	2,445
	A	0.4%
	B	30.8%
	C	40.0%
	D	21.9%
	E	6.7%
	F	0.2%
	G	0%
	A-C	71.2%

Social performance

Below is an overview of SOHO's social performance data and a more in-depth analysis by topic, including Diversity, Employees^[15], Health & Safety and Community Engagement.

Table 7: An overview of SOHO's social performance.

EPRA code	Indicator	Metric	1 January 2024 to 31 December 2024
Diversity-Emp	Employee gender diversity	Percentage of male & female employees	N/A: SOHO does not have any employees.
Diversity-Pay	Gender pay ratio	Pay ratio	1.125
Emp-Training	Employee training and development	Average number of hours	N/A: SOHO does not have any employees.
Emp-Dev	Employee performance appraisals	Percentage of total workforce	
Emp-Turnover	New hires and turnover	Total number and rate of new employee hires and turnover	
H&S-Emp	Employee health and safety	Injury rate, lost day rate, absentee rate and work-related fatalities	N/A: SOHO does not have any employees.
H&S-Asset	Asset health and safety assessments	Percentage of assets	0% N/A: All the property leases in the SOHO portfolio are FRI leases. As a result, the asset health and safety assessments fall under the responsibility of the tenants.
H&S-Comp	Asset health and safety compliance	Number of incidents	N/A: As above.
Comty-Eng	Community engagement, impact assessments, development programmes	Percentage of assets	100% of assets are included in SOHO's annual independent impact assessment which assess impacts of the portfolio of assets including on inhabitants and the local economy.

Table 8: A detailed breakdown of SOHO's Diversity social performance.

EPRA code	Indicator	Unit	1 January 2024 to 31 December 2024
Diversity-Emp	Governance body (SOHO Board of Directors)	% male	60%
		% female	40%
	Directors	% male	N/A: SOHO does not have any employees.
		% female	
	Line managers	% male	
		% female	
	Other employees	% male	
		% female	

Table 9: A detailed breakdown of SOHO's Employees social performance.

EPRA code	Indicator	Unit	1 January 2024 to 31 December 2024
Emp-Training	Employee training and development	Average hours of training per male employee	
		Average hours of training per female employee	
Emp-Dev	Employee	Percentage of male employees	

	performance appraisals	with regular performance review	N/A: SOHO does not have any employees.
		Percentage of female employees with a regular performance review	
Emp-Turnover	New hires and turnover: males	Total number of employee hires	N/A: SOHO does not have any employees.
		Rate of employee hires	
		Total number of employee turnover	
		Rate of employee turnover	
	New hires and turnover: females	Total number of employee hires	
		Rate of employee hires	
		Total number of employee turnover	
		Rate of employee turnover	

Table 10: A detailed breakdown of SOHO's Health and Safety social performance.

EPRA code	Indicator	Unit	1 January 2024 to 31 December 2024
H&S-Emp	Employee health and safety	Rate of employee turnover	N/A: SOHO does not have any employees.
		Injury Rate	
		Lost day rate	
		Absentee rate	
H&S-Asset	Asset health and safety assessments	Percentage of assets of which H&S impacts are assessed or reviewed	0% N/A: All the property leases in the SOHO portfolio are FRI leases. As a result, the asset health and safety assessments fall under the responsibility of the tenants.
H&S-Comp	Asset health and safety compliance	Number of incidents of non-compliance	N/A: As above.

Table 11: A detailed breakdown of SOHO's Community Engagement performance.

EPRA code	Indicator	Unit	1 January 2024 to 31 December 2024
Comty-Eng	Community engagement, impact assessments, development programmes	Percentage of assets	The Company is committed to a relationship-driven partnership approach with the Registered Providers and Care Providers. 100% of assets are included in SOHO's annual independent impact assessment which assess impacts of the portfolio of assets including on inhabitants and the local economy.

Governance performance

Below is an overview of SOHO's governance performance data.

Table 12: An overview of SOHO's Governance.

EPRA code	Performance measures	1 January 2024 to 31 December 2024
Gov-Board	Composition of highest governance body	The Board is composed of five non-executive Directors. Gender diversity: three male and two female Board members. Minority Ethnic diversity: one Board member is from an ethnic minority. Average tenure on governance body: 6 years Number of independent/non-executive board members with competencies relating to environmental and social topics: see Board of Directors section for Board member biographies detailing the competencies and experiences of each member.
Gov-Select	Nominating and selecting	The recruitment process followed in relation to Board

	the highest governance body	<p>appointments is designed to be independent and transparent.</p> <p>The Board has established and maintains a formal written diversity policy. The Board's objective is to maintain effective decision-making, including the impact of succession planning. The Board recognises the benefits of all types of diversity and supports the recommendations of the Hampton-Alexander Review and the Parker Review. All Board appointments will be made on merit, and promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, ensuring that such appointment will develop and enhance the operation of the Board to best serve the Company's strategy.</p> <p>The Nomination Committee's main function is to lead the process for appointments, ensuring plans are in place for orderly succession to the Board, overseeing the development of a diverse pipeline for succession and any other matters as specified under the Committee's Terms of Reference. This includes ensuring that any appointments and succession plans are based on merit and objective criteria, and, within this context, promoting diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Nomination Committee's Terms of Reference can be found on the Company's website.</p> <p>In line with the Company's succession plan, when undertaking the appointment of a new Director, the Nomination Committee will instruct an external search consultancy to undertake an open and transparent process that includes potential candidates from different social and ethnic backgrounds.</p> <p>The Board, with the support of the Nomination Committee, undertook a formal recruitment process, with the assistance of an independent search consultancy, for the appointment of a new Board member in 2024. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board. The Board was pleased to announce the appointment of Bryan Sherriff as an Independent Non-Executive Director on 24 December 2024, effective from 1 January 2025.</p>
Gov-Process for managing conflicts of interest	Process for managing conflicts of interest	<p>The Company operates a conflicts of interest policy that has been approved by the Board and sets out the approach to be adopted and procedures to be followed where a Director, or such other persons to whom the Board has determined the policy applies, has an interest which conflicts, or potentially may conflict, with the interests of the Company. Under the policy and the Company's Articles of Association, the Board may authorise potential matters of conflict that may arise, subject to imposing limits or conditions when giving authorisation, if this is appropriate.</p> <p>The Company reserves the right to withhold information relating to or relevant to a conflict matter from the Director concerned and/or to exclude the Director from any Board information, discussions or decisions which may or will relate to that matter of conflict or where the Chair considers that it would be inappropriate for such Director to take part in the discussion or decision or to receive such information. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis and the Board is satisfied that these procedures are working effectively.</p> <p>The Investment Manager maintains conflicts of interest policies to avoid and manage any conflicts of interest that may arise between themselves and the Company.</p>

STAKEHOLDER ENGAGEMENT

This section describes how the Board engages with its key stakeholders, how it considers their interests and the outcome of the engagement when making its decisions, the likely consequences of any decision in the long-term, and further ensures that it maintains a reputation for high standards of business conduct. The Group is committed to continual stakeholder engagement and implements a cycle of constant engagement at all stages of the Group's investment lifecycle.

Section 172(1) Statement

Stakeholder	Why is it important to engage?	How have the Investment Manager/Directors engaged?	What were the key topics of engagement?	What was the feedback obtained and the outcome of the engagement?
Shareholders	Investment from our shareholders plays an important role by providing capital to	The way in which we engage with our shareholders is set out in our Corporate	Financial and operational performance.	The Board and the Investment Manager considered further share buybacks and a portfolio

	<p>providing capital to ensure we can deliver additional housing into the Specialised Supported Housing sector.</p> <p>Through the investment of private capital into an under-funded sector, we can achieve a positive social impact whilst ensuring our shareholders receive a long-term inflation-linked return.</p>	<p>out in our Corporate Governance Report.</p>	<p>Share price discount to NAV and potential rectification action.</p> <p>The share price, potential share buybacks and the sale of a portfolio.</p> <p>The regulatory environment of the Supported Housing sector.</p> <p>Environmental, social and governance considerations.</p> <p>Understanding the underlying concerns of shareholders that resulted in votes against resolutions 4, 5, 6, 7 and 14, at the Company's 2024 Annual General Meeting.</p> <p>The Company's key service provider appointments, including the Investment Manager and broker arrangements.</p>	<p>buybacks and a portfolio sale to address investor feedback regarding the Company's share price.</p> <p>The Board and the Investment Manager undertook and completed the transfer of the 38 properties previously leased to Parasol to Westmoreland.</p> <p>The Board and Investment Manager consider shareholder concerns when speaking to the Regulator of Social Housing and agreed to keep shareholders updated of any developments. We understand the importance of, and are committed to, working with Approved Providers to address the concerns of the Regulator. Refer to the Investment Manager's Report.</p> <p>The Investment Manager has enhanced environmental, social and governance considerations within its investment process, and within its own business. Refer to the Investment Manager's Report, and the Sustainability Report.</p> <p>The Board and Investment Manager had previously consulted with a number of the Company's shareholders in accordance with Provision 5.2.4 of the AIC Code of Corporate Governance in relation to the pre-emption rights resolution at the previous AGM, following which it was acknowledged that active consideration is required regarding alleviation of the persistent discount to EPRA NTA.</p> <p>Atrato was appointed as the Company's new Investment Manager from 1 January 2025.</p>
Residents	<p>Our strategy is centred on providing Specialised Supported Housing for our Approved Provider lessees to home vulnerable adults. We remain focused on providing homes which offer the vulnerable adult residents greater independence than institutional accommodation.</p>	<p>The Investment Manager monitors resident welfare through engagement with Approved Providers to assess the quality of the service they deliver to residents. The Investment Manager receives quarterly reports from Approved Providers to ensure compliance with health and safety standards. We do not generally engage with residents directly</p>	<p>We provide oversight of resident welfare by undertaking due diligence on properties before residents move in. We then monitor our Approved Provider lessees' compliance with health and safety standards to ensure that residents are looked after by the Group's counterparties; we request updates on any health and safety issues every quarter.</p>	<p>Resident issues raised as a result of engagement through care providers were addressed with the relevant Approved Provider.</p> <p>Any compliance issues are remedied with any associated works undertaken.</p> <p>The Group's investment decisions are informed by the long-term needs of the Approved Provider lessees and their residents.</p> <p>The Group completed on the pilot phase of its</p>

		<p>residents directly. Instead, day-to-day engagement is done by care providers and, to a lesser extent, Approved Providers.</p>		<p>the process of its building upgrade program, which has provided more efficient homes for our Approved Providers to house vulnerable adults safely and efficiently.</p>
Investment Manager	<p>The Investment Manager is responsible for executing the Investment Objective within the Investment Policy of the Company.</p>	<p>The Board maintains regular and open dialogue with the Investment Manager at Board meetings and has regular contact on operational and investment matters outside of meetings.</p>	<p>In addition to all matters related to the execution of the Company's Investment Objective, the Board engaged with the Investment Manager on developments in the market and updates from the Regulator.</p> <p>The change of Investment Manager from Triple Point to Atrato.</p>	<p>The Investment Manager produces reports to the Board every quarter on various governance and operational matters at the Board's request. Capital allocation is also considered with regard to the views of the Board.</p> <p>The Board closely monitored the transition process from Triple Point to Atrato to ensure that it was effective and minimised disruption to the Group's stakeholders.</p> <p>The collaboration between the Board, Triple Point and Atrato ensured that the welfare of the residents of the Group's properties was prioritised, operational performance was preserved and that progress continued with corporate initiatives.</p>
Approved Providers	<p>Our relationship with Approved Providers is integral to ensuring rent is paid to the Group and that properties are managed appropriately.</p> <p>The Group's leases with Approved Providers are fully repairing and insuring - meaning that Approved Providers are responsible for management, repair and maintenance, in addition to tenanting the properties.</p>	<p>The Investment Manager looks to maintain strong relationships with Approved Providers, having formal meetings with senior management at least every six months as well as engaging more frequently on an ad hoc basis on a variety of matters. Quarterly operational surveys and biannual compliance surveys are provided to the Investment Manager.</p>	<p>The Investment Manager discussed a number of topics with Approved Providers including that properties are managed in accordance with their leases; financial reporting and governance; and specific property-related issues such as occupancy, health and safety issues, rent levels, management accounts and governance.</p> <p>During the year, the Investment Manager had significant engagement with My Space and Parasol regarding lease transfers to alternative Approved Providers, and further detail is set out in the Investment Manager's Report.</p>	<p>Refer to the Investment Manager's Report.</p> <p>Further detail on the outcome of the transfer of leases from Parasol to Westmoreland and the planned assignment from MySpace is set out in the Investment Manager's Report.</p>
Care Providers	<p>Our Approved Providers house residents who receive care from care providers. It is important to ensure that these vulnerable residents receive the best possible care. In addition, the care providers often cover the rental cost of void units so we engage with care providers to ensure our Approved Providers are able to pay our rent in the event of empty units.</p> <p>Therefore, whilst we have no contractual</p>	<p>The Investment Manager engages with care providers as part of its due diligence process and regularly meets and engages with our provider representatives when inspecting the Group's portfolio, when reviewing quarterly data and on an ad hoc basis.</p>	<p>The Investment Manager engages with care providers on: the specific care and support requirements of residents including health and safety compliance (refer to Investment Manager's Report); property management by Approved Providers; financial and operational capacity for new schemes; occupancy levels; and financial performance.</p>	<p>The Investment Manager will not consider deals where care providers do not meet the care or governance standards expected or where care providers are unable to demonstrate the financial strength to meet their obligations under a service level agreement.</p> <p>Following engagement, scopes of work was agreed with care providers to ensure properties facilitate the specific care needs of residents.</p>

	relationship with the care providers operating in our portfolio, they play an essential role in the occupancy levels of our properties and strong engagement with the Group ensures the best possible outcomes for our Approved Provider lessees and their residents.			Whilst done at the relevant Local Authorities' discretion, care providers have been changed where expectations around the standard of care were not met or where engagement identified care providers in financial difficulties.
Local Authorities	<p>Local Authorities are responsible for identifying appropriate housing and care for the individuals who live in the Group's properties.</p> <p>New acquisitions are assessed to ensure that they meet the expectations of the relevant Local Authority in order to ensure that referrals are made as efficiently and safely as possible.</p>	When looking at a new acquisition, the Investment Manager engages with, or receives feedback from, various departments within Local Authorities including Commissioners and Housing Benefit officers. The Investment Manager will look to engage with a Local Authority in relation to an existing scheme if required (for example, if a new care provider is needed).	<p>The aim of the engagement is, as much as possible, to ensure that the properties acquired by the Group are consistent with the requirements of the relevant Local Authority.</p> <p>Where necessary, Local Authorities will be engaged with directly post-acquisition of a property to access ongoing demand levels and any changes in commissioning strategy.</p>	<p>The Investment Manager will listen to feedback from local authorities and, where possible, will work with Approved Providers to improve and upgrade properties to ensure that they meet ongoing commissioning requirements.</p> <p>The Group completed the pilot phase of its building efficiency upgrade programme across 11 properties. Refer to the Investment Manager's Report for more detail.</p>
The Regulator	The Regulator of Social Housing ("RSH") regulates Registered Providers of social housing to ensure providers are financially viable and properly governed. It is important to ensure that, as much as possible, the Group reflects observations made by the RSH in its investment structures and its engagement with its lessees.	The Investment Manager is in contact with the RSH in order to understand the key concerns and priorities for the Specialised Supported Housing Sector.	Discussions with the RSH are focused on ensuring the market evolves in line with its observations, and Registered Providers can best focus on addressing the RSH's observations.	The Investment Manager continues to work with the Boards of its lessees to understand how best we can help them meet the standards of the RSH. Refer to the Investment Manager's Report for more detail.
Lenders	<p>The Group's investments in social housing assets are partly funded by debt. Prudent debt financing is required to achieve the Group's return targets.</p> <p>All secured debt is long-term and so it is important for the Group and the Investment Manager to form a good relationship with our debt provider partners and provide them with all information and commentary required.</p>	<p>The Investment Manager engages with its lenders mainly via the reporting of financial and information covenants under the existing loan agreements on a quarterly basis.</p> <p>In addition, there are regular ad-hoc engagements in relation to general topics relating to the social housing sector as well as specific topics arising from the financial and operational performance of the Group's activities and future opportunities, and any other general matters affecting the relationship between the Group and the lenders.</p>	The Group engaged on the following topics: financial and information covenant reporting and active asset management activities undertaken by the Group e.g. any other asset management activity that requires lenders' consent.	<p>The Group is fully compliant with its debt covenants.</p> <p>The Investment Manager's pro-active engagement with the Group's lenders is welcomed by them and, to date, no concerns in relation to the performance of its loans have been raised by the lenders.</p> <p>The Board continues to monitor compliance with debt covenants and keeps liquidity under constant review to make certain the Group has sufficient headroom in its debt facilities.</p> <p>In August 2024, Fitch Ratings Limited reaffirmed the Group's existing Investment Grade, long-term Issuer Default Rating (IDR) of 'A-' and a senior secured rating of 'A' for the Group's existing loan notes.</p>

Principal Decisions

Principal decisions have been defined as those that have a material impact on the Group and its key stakeholders. In taking these decisions, the Directors considered their duties under section 172 of the Act.

Appointment of New Investment Manager

During the year, the Board made the decision to undertake an independent review of the investment management arrangements. This was conducted by Akur Limited and included the benchmarking of market precedents and engagement with other market participants. After careful consideration, the Board appointed Atrato Partners Limited as the Company's new Investment Manager with effect from 1 January 2025. Further detail on this can be found in the Chair's Statement. The Board believes that the appointment of Atrato Partners Limited will result in closer alignment with shareholders' interests and material cost savings for the Company in the long term, underpinned by a management fee calculated on the basis of market capitalisation and also a renewed focus, with a strategy to improve the quality and security of rental income via proactive asset management.

Lease Transfer

The Board decided to transfer all 38 properties previously leased to Parasol Homes Limited (representing 8.1% of the Group's Gross Asset Value and 9.70% of the rent roll as at 31 December 2023) to Westmoreland Housing Association. The transfer completed on the 19 August 2024.

Dividend target to remain flat

In May 2024, the Board decided to keep the target dividend flat for the year ended 31 December 2024. The Board believed that the decision was in the best interests of the Company's shareholders, in order to preserve dividend cover for the current financial year, whilst the Investment Manager concluded the transfer of the 38 properties from Parasol to Westmoreland and were intending to proceed with the proposed sale of a portfolio of properties, which ultimately did not take place. Further detail can be found in the Investment Manager's Report.

Appointment of New Non-Executive Director

During the year, the Company undertook a formal recruitment process led by the Nomination Committee, with the support of an independent search consultancy, for the appointment of a new Board member. This process actively encouraged a diverse pool of candidates who could contribute specific skills and experience identified by the Board. The Board were pleased to announce the appointment of Bryan Sherriff as an Independent Non-Executive Director with effect from 1 January 2025.

It was also announced that, as part of the Succession Plan for the Board, Ian Reeves will step down from his role as an Independent Non-Executive Director at the 2025 Annual General Meeting following an orderly handover.

RISK MANAGEMENT

The Board recognises that effective risk management is key to the Group's success and that a proactive approach is critical to ensuring the sustainable growth and resilience of the Group.

By way of background, the Group focuses on a single sub-sector of the UK real estate market with the aim of delivering an attractive, growing and secure income for shareholders. The Company has a specific investment policy, as outlined in this announcement, which is adhered to and for which the Board has overall responsibility. In February 2025, the Company received shareholder approval to amend its investment policy, which will now allow for a maximum exposure of 35% to any one Approved Provider, where it was previously restricted to 30%.

Following the appointment of Atrato as the Company's new investment manager effective from 1 January 2025, a comprehensive review of the current risk framework was undertaken resulting in various enhancements to the existing risk management methodology being made. The changes to approach are more reflective of the individual nature of the risks being considered and will enable the Board to view the risks on a more granular level.

In the Group's 2024 Interim Report, it was reported that the principal risks and uncertainties remained unchanged during the period. Following the comprehensive review undertaken by the Investment Manager, two existing principal risks have now been determined to be non-material and two risks that were previously deemed non-material have now been re-classified as principal risks. More information on the changes can be found in the Principal Risks and Uncertainties table.

As an externally managed investment company, the Company outsources key services to the Investment Manager and other service providers and relies on their systems and controls. The Board undertakes a formal review of the risks identified by the Investment Manager, with the assistance of the audit committee, twice a year to assess and challenge the effectiveness of the Company's risk management and internal control systems. The Board regularly reviews the control reports of the key service providers and the external auditors note any deficiencies in internal controls and processes that have been identified during the course of the audit. A description of the key internal controls of the Group can be found in the Audit Committee Report.

The Investment Manager has responsibility for identifying potential risks at an early stage, escalating risks or changes to risk, and relevant considerations and implementing appropriate mitigations which are recorded in the Group's risk register. Where relevant the financial model is stress tested to assess the potential impact of certain risks against the likelihood of occurrence. The Board regularly reviews the risk register to ensure gradings and mitigating actions remain appropriate.

The Group's risk management process is designed to identify, evaluate and mitigate (rather than eliminate) the significant and emerging risks the Group faces and continues to evolve to reflect changes in the Group's business and operating environment. The process can therefore only provide reasonable, and not absolute, assurance. It does however ensure a defined approach to decision making that decreases uncertainty surrounding anticipated outcomes, balanced against the objective of creating value for shareholders.

During the year, the Board has not identified or been advised of any failings or weaknesses in the Group's risk management and internal control systems.

Principal Risks and Uncertainties

The table below sets out what we, the Board, believe to be the principal risks and uncertainties facing the Group. The table does not cover all of the risks that the Group may face. Additional risks and uncertainties not presently known to management or deemed to be less material at the date of this report may also have an adverse effect on the Group.

Having conducted a full review of the Group's existing risk register, the Investment Manager has reclassified the previous Principal Risks of "Inflation" and "Reliance on Investment Manager" as non-material and also assessed that "Volatile trading market" and "Health and safety standards" should be captured within the Group's Principal Risks.

Risk Category	Presentational Name	Risk Description	Mitigating Actions	Likelihood	Potential Impact
Credit	Approved Provider Default	<p>The default of one or more of the Group's Approved Provider lessees could impact the rental income received from the relevant assets. If the Approved Provider cannot remedy the default, the Group may have to forfeit, assign or regear the relevant lease. This could lead to a temporary or sustained reduction in rental income.</p>	<p>Under the terms of the Group's Investment Policy and restrictions, no more than 35% of the Group's Gross Asset Value may be exposed to one lessee, with no two lessees representing more than 55% of exposure. This restriction is in place to mitigate against the risk of significant rent loss in the event of an Approved Provider default.</p> <p>When a lessee defaults or when the Group believes it likely that a lessee would default on its lease obligations, the Group will look to move the impacted properties to another Approved Provider. The intention is to ensure both ongoing provision of services to residents, and, as much as possible, to preserve the income stream associated with the relevant properties.</p> <p>The Group is currently looking to restructure the agreements it has with Approved Providers to improve the security of the income it receives from them, subject to agreement with the relevant Approved Provider and the consideration of the Regulator of Social Housing.</p>	Possible	High
Credit	Non-payment of Voids by Care Providers	<p>The Group has leases with Approved Providers under which they are responsible for paying rent irrespective of resident occupancy of the underlying property. The Approved Provider will usually mitigate this risk by entering into a Service Level Agreement ("SLA") with a Care Provider under which the Care Provider agrees to cover the rent in relation to any voids in the property (the Approved Provider being unable to claim Housing Benefit for void units).</p> <p>If a Care Provider enters financial difficulty and is unable to meet the terms of the SLA (specifically paying the contracted voids cover to an Approved Provider), this could have a negative impact on the financial performance of the Approved Provider, impinging its ability to pay the Group its rent. This risk is compounded if there is low occupancy or persistent voids in a property.</p>	<p>Whilst the Group does not have a contractual relationship with Care Providers, it monitors and engages with them to ensure, as far as reasonably possible, that they are financially viable and operationally robust. Should a Care Provider experience a deterioration in financial performance, the Group works with a wide range of alternative Care Providers who would be invited to step in to provide care services and maintain void cover arrangements.</p> <p>Resident occupancy is also closely monitored by the Group, who proactively engages with Approved Providers and Care Providers to optimise occupancy throughout the portfolio.</p>	Possible	Moderate
ESG	Potential Impact of Climate Change	<p>Changing weather patterns under projected climate change scenarios could physically damage the properties owned by the Group, reducing their value and impacting their operational viability.</p> <p>New regulatory standards (e.g. minimum EPC standards) could require capital expenditure works to improve efficiency or result in a reduction in the economic utility of properties and their valuations if not undertaken.</p>	<p>The Investment Manager's sustainability team has been working with the operations team to assess the risk that climate change poses to the Group's properties and ensuring that protections (or plans to implement protections) are put in place for any properties that are deemed to be at high risk of material adverse impacts resulting from climate change.</p> <p>The key transition risks to the portfolio have been identified and qualitatively assessed. Physical risks to the portfolio have been assessed using analytical software and the outputs of this analysis are demonstrated in the Group's TCFD reporting.</p>	Possible	Moderate

		<p>The impact of the most prominent climate-related risks to the portfolio is assessed in detail in the Group's Task Force on Climate-related Financial Disclosures ("TCFD") reporting.</p>	<p>The Group believes that its reporting on climate change meets regulatory requirements and is reviewed on an ongoing basis to ensure continued compliance, in conjunction with the Sustainability Committee.</p> <p>The Group is actively working to upgrade the portfolio so that all properties meet the current legislative target (for England and Wales) of having an EPC rating of C or above from 2030.</p>		
Economic	Volatile Trading Market	<p>A volatile trading market for the Group's shares could inhibit its growth. Shareholders may also not be able to realise their shares at a price above or the same as they paid for the shares or at all. The Company's shares have continued to be traded at a discount to Net Tangible Assets ("NTA"), which is limiting the ability to raise additional capital and thereby grow the fund.</p>	<p>The Investment Manager and the Board review share performance on an ongoing basis. Normal share market pricing management may be utilised by the Board, including share buybacks, enhanced reporting and investor engagement, within the regulated framework.</p>	Possible	Moderate
Legal, Tax & Regulatory	Regulatory Changes Impacting the Sector	<p>Risk of changes to the social housing regulatory regime and changes to government policy in relation to social housing and Housing Benefit policy.</p>	<p>It is important that the Group works with its Approved Provider lessees to ensure that they engage with the Regulator and respond proactively to any changes in regulation or policy. It is also important that the Group understands what, if any, impact it will have on their organisation and the properties leased to them.</p> <p>The Group frequently engages directly with the Regulator of Social Housing ("RSH") to gain insight into any proposed regulatory changes reasonably expected to be implemented. The social housing regulatory regime, in which most of the Group's lessees operate, provides a high degree of accountability and transparency.</p> <p>The Group has rolled out a risk sharing clause with 67% of its Approved Providers to re-balance the apportionment of risk between the parties, including mitigating changes in central government policy relating to Specialised Supported Housing ("SSH").</p>	Unlikely	High
Legal, Tax & Regulatory	Non-compliance with Regulatory Standards	<p>Should an Approved Provider lessee of the Group be deemed non-compliant by the RSH, in particular in relation to financial viability, depending on the further actions of the RSH it is possible that there may be a negative impact on the market value of the relevant leased properties.</p> <p>Depending on the exposure of the Group to such an Approved Provider(s), this in turn may have a material adverse effect on the Group's NTA unless the matter is resolved through an improvement in the relevant Approved Provider's rating or the transfer of leases to an alternative Approved Provider.</p>	<p>The Investment Manager has established relationships with the Approved Providers with whom it works. The Approved Providers keep the Investment Manager informed of developments surrounding regulatory notices and interactions with the RSH.</p> <p>Where Approved Providers have been deemed non-compliant, the Group seeks to work with them to help address issues identified by the RSH. The Group has leases in place with 10 Registered Providers that have been deemed non-compliant by the Regulator and is working with them in the manner set out above.</p>	Likely	Low
		<p>Property valuations are inherently subjective and</p>	<p>All of the Group's property assets are independently valued on a quarterly basis by a third-party valuer (currently Jones Lang LaSalle, a specialist property valuation firm), who are provided with regular updates on portfolio</p>		

Economic	Property Valuation Volatility	<p>uncertain, particularly when market liquidity and transactional evidence is low. Market conditions, which may impact the creditworthiness of Approved Provider lessees, may adversely affect valuations.</p> <p>The Group portfolio is valued on a Market Value (investment) basis, which takes into account the expected rental income to be received under the leases in the future. This valuation methodology provides a significantly higher valuation than the vacant possession value of a property. In the event of an unremedied default of an Approved Provider lessee, the value of those assets in the portfolio may be negatively affected.</p> <p>Any changes could affect the Group's NTA and the share price of the Group.</p>	<p>regular aspects of portfolio activity by the Investment Manager. The valuer inspects a proportion of the portfolio annually to ensure that desktop based valuations are appropriate.</p> <p>The Investment Manager and Audit Committee meet with the external valuers to discuss the basis of their valuations and their quality control processes.</p> <p>Default risk of Approved Providers is mitigated in accordance with the "Approved Provider default" principal risk explanation provided above.</p> <p>In order to protect against loss in value, the Investment Manager's operational team seeks routinely to visit each property in the portfolio, and works closely with the Group's lessees to ensure, to the extent reasonably possible, their ongoing financial strength viability and that governance procedures remain robust through the duration of the relevant lease.</p>	Likely	Low
Service Provider	Poor or Inadequate Housing Management	<p>Approved Providers and care providers may face a number of operational challenges (e.g. rising costs and labour shortages) heightening the risk of poor or inadequate housing management of the Group's properties.</p> <p>Poor property management services being provided to the individuals in the Group's properties could undermine the benefits of SSH and cause reputational damage to the Group which could negatively impact the Group's performance and/or the price of the Company's shares. Individual cases of poor housing management at a property or Approved Provider portfolio level may also reduce the referral demand for those properties, impacting the ability of Approved Provider to pay rent to the Group.</p>	<p>The Investment Manager undertakes proactive property inspections to review the physical condition of the Group's properties, ensure lessee compliance with lease obligations and to observe the quality of services being provided to the Group's residents. In addition, there is frequent engagement with the Group's Approved Providers and Care Providers, along with quarterly operational and compliance surveys, to collect data on the performance of the Group's lessees and properties.</p> <p>A key part of the Investment Manager's due diligence pre-acquisition is to ensure sure that - whilst the Group has no contractual relationship with them and no responsible for the care they provide -the Care Provider attached to a project is capable to deliver the quality of care provided and financially robust to meet its void obligations.</p> <p>Most Care Providers are regulated by the Care Quality Commission ("CQC"), offering an additional layer of regulation and oversight. The Investment Manager operations team monitor the Care Providers on an ongoing basis. The team engage with Care Provider staff when carrying out property inspections, hold regular calls with Care Providers to which the Group has the largest exposure, monitor CQC ratings for those Care Providers relevant to the Group and track these ratings using an internal CQC register that the team updates on an ongoing basis.</p>	Unlikely	High
		<p>The borrowings the Group currently has and which the Group uses in the future may contain loan to value and interest covenants ratios, alongside sustainability targets. If property valuations and rental income significantly decrease, such covenants could</p>	<p>The Investment Manager monitors relevant debt covenants on an ongoing basis. In the unlikely event that an event of default occurs</p>		

Financial Performance	Debt Covenant Breaches	be breached. The impact of such an event could result in an increase in borrowing costs, a requirement for additional cash or property collateral, payment of a fee to the lender, a sale of an asset or assets and / or the forfeiture of an asset(s) to a lender. Any of the above could result in a material decrease to the Group's NTA.	that an event of default occurs under these covenants, the Group has a remedy period during which it can potentially cure the covenant breach by either injecting cash collateral or utilising unencumbered property assets in order to restore covenant compliance.	Unlikely	High
Legal, Tax & Regulatory	Health and Safety Non-compliance	Any non-compliance with Health and Safety ("H&S") standards by an Approved Provider(s) of the Group could lead to H&S issues for the individuals living in the properties owned by the Group. This could have serious moral, reputational and financial implications for the Group.	The contractual responsibility for making sure that the property is compliant sits with the Approved Provider and not the Group. However, to mitigate the risk of non-compliance, the Investment Manager's operations team assess Health and Safety compliance by conducting property visits, issuing bi-annual compliance surveys sent to all Approved Providers and by engaging regularly with the senior teams at each Approved Provider. Compliance of the Group's properties is also tracked on the internal REIT Risk Register, managed by the Investment Manager's operations team.	Unlikely	High

GOING CONCERN AND VIABILITY

Going Concern

The Strategic Report and financial statements have set out the current financial position of the Group and Parent Company. The Board has regularly reviewed the position of the Group and its ability to continue as a going concern in Board meetings throughout the year.

The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 92.6% of rental income due and payable for the year ended 31 December 2024 has been collected, rent arrears are predominantly attributable to one Approved Provider, My Space Housing Solutions.

The Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due. During the year, Fitch Ratings Limited assigned the Company an investment Long-Term Issuer Default Rating of 'A-' with a stable outlook.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, for a period of at least 12 months from the date of signing these financial statements. The Directors have considered the expected obligations of the Group during this period and are confident that all will be met.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and Metlife and Barings respectively.

The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio

covenants and interest cover ratio covenants which can be found in the table on the right. The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. Given the level of headroom, the Directors are of the view that the risk of scenarios materialising that would lead to a breach of the covenants is remote.

	Norland Estates Limited	TP REIT Propco 2 Limited
Asset Cover Ratio (ACR)		
ACR Covenant	x2.00	x1.67
ACR 31 December 2024	x2.49	x2.01
Blended Net initial yield	6.59%	6.23%
Headroom (yield movement)	149bps	119bps
Interest Cover Ratio (ICR)		
ICR Covenant	1.75x	1.75x
ICR 31 December 2024	4.78x	4.28x
Headroom (rental income movement)	63%	56%

Under the downside model the forecasts have been stressed to show the effect of some Care Providers ceasing to pay their voids liability, and as a result this causes Approved Providers to default under some of the Group leases. Under the downside model the Group will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements. As a result of the above, the Directors are of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

The Group has no short term refinancing risk given the 8.6 year weighted average maturity of its debt facilities with MetLife and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

Based on the forecasts prepared and the intentions of the Parent Company, the Directors consider that the Group will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements and therefore have prepared these financial statements on the going concern basis.

Viability Statement

In accordance with Principle 21 of the AIC Code, the Board has assessed the prospects of the Group over a period longer than 12 months required by the relevant 'Going Concern' provisions. The Board has considered the nature of the Group's assets and liabilities, and associated cash flows, and has determined that five years, up to 31 December 2029, is the maximum timescale over which the performance of the Group can be forecast with a material degree of accuracy and therefore is the appropriate period over which to consider the viability.

In determining this timescale, the Board has considered the following:

- The length of the service level agreements between Approved Providers and care providers.
- The future growth of its investment portfolio of properties is achieved through long-term, inflation linked, fully repairing and insuring leases.
- The Group's property portfolio has a WAULT of 23.4 years to expiry, representing a long-term income stream for the period under consideration.
- The Group's Loan Notes have a weighted average term of 8.6 years.

In assessing the Company's viability, the Board has carried out a robust assessment of the emerging risks and principal risks facing the Group, including those that would threaten its business model, future performance, solvency, liquidity and dividend cover for a five-year period.

The Directors' assessment has been made with reference to the principal risks and uncertainties and emerging risks summarised in this announcement and how they could impact the prospects of the Group and Company both individually and in aggregate. The following risks in particular have been addressed in the assessment:

1. Approved Provider default (taking into account that two of the Group's lessees have built up arrears since 2022)
2. Non-payment of voids cover by Care Providers

The business model was subject to a sensitivity analysis, which involved flexing a number of key assumptions underlying the forecasts. The sensitivities performed were designed to provide the Directors with an understanding of the Group's performance in the event of a severe but plausible downturn scenario, taking full account of mitigating actions that could be taken to avoid or reduce the impact or occurrence of the underlying risks outlined below:

- **Rental income:** It is assumed that some care providers do not meet their void payment obligations, and this causes Approved Providers to default under some of the Group's leases; and rental receipts from two Approved Providers are lower than the previously contracted rent levels.
- **Property valuations:** It is assumed that where there are void units Approved Providers will default on their leases, and those units will be valued significantly below their vacant possession value. We believe this represents a severe reduction in value.
- **Inflation:** No inflation uplift on rental income but costs increase in line with inflation.

The outcome in the downturn scenario on the Group's covenant testing is that there are no breaches, and the Group can maintain a covenant headroom on existing facilities.

In the downturn scenario mitigating actions to reduce variable costs would be required to enable the Group to meet its future liabilities.

The remaining principal risks and uncertainties, whilst having an impact on the Group's business, are not considered by the Directors to have a reasonable likelihood of impacting the Group's viability over the five-year period.

Based on the results of this analysis, the Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due during the period up to 31 December 2029.

BOARD APPROVAL OF THE STRATEGIC REPORT

The Strategic Report was approved by the Board and signed on its behalf by:

Chris Phillips
Chair
21 March 2025

GROUP FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2024

Year ended

Year ended

	Note	31 December 2024 £'000	31 December 2023 £'000
Income			
Rental income	5	39,072	39,839
Expected credit loss	5	(3,329)	(4,593)
Insurance charge income	5	713	-
Insurance charge expense	5	(713)	-
Other income	5	106	-
Total income		35,849	35,246
Expenses			
Directors' remuneration	6	(307)	(312)
General and administrative expenses	9	(3,556)	(3,245)
Management fees	8	(7,814)	(4,651)
Total expenses		(11,677)	(8,208)
(Loss)/Gain from fair value adjustment on investment properties	14	(53,030)	15,477
Operating (loss)/profit		(28,858)	42,515
Finance income	11	148	52
Finance costs	12	(7,679)	(7,578)
(Loss)/Profit for the year before tax		(36,389)	34,989
Taxation	13	-	-
(Loss)/Profit and total comprehensive income for the year		(36,389)	34,989
IFRS earnings per share - basic and diluted	36	(9.25)p	8.81p

The accompanying notes form an integral part of these Group Financial Statements.

GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	31 December 2024 £'000	31 December 2023 £'000
Assets			
Non-current assets			
Investment properties	14	624,695	675,497
Trade and other receivables	15	3,306	4,233
Total non-current assets		628,001	679,730
Current assets			
Trade and other receivables	16	3,315	3,864
Cash, cash equivalents and restricted cash	17	27,492	29,452
Total current assets		30,807	33,316
Total assets		658,808	713,046
Liabilities			
Current liabilities			
Trade and other payables	18	6,095	2,722
Total current liabilities		6,095	2,722
Non-current liabilities			
Other payables	19	1,528	1,524
Bank and other borrowings	20	261,441	261,183
Total non-current liabilities		262,969	262,707
Total liabilities		269,064	265,429
Total net assets		389,744	447,617
Equity			

Share capital	22	3,940	3,940
Share premium reserve	23	203,753	203,753
Treasury shares reserve	24	(378)	(378)
Capital redemption reserve	25	93	93
Capital reduction reserve	25	155,359	155,359
Retained earnings	26	26,977	84,850
Total equity		389,744	447,617
IFRS net asset value per share - basic and diluted	37	99.05p	113.76p

The Group Financial Statements were approved and authorised for issue by the Board on 21 March 2025 and signed on its behalf by:

Chris Phillips

Chair

21 March 2025

The accompanying notes form an integral part of these Group Financial Statements.

GROUP STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

		Share capital	Share premium reserve	Treasury shares reserve	Capital redemption reserve	Capital reduction reserve	Retained earnings	Total equity
Year ended	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000
31 December 2024								
Balance at 1 January 2024		3,940	203,753	(378)	93	155,359	84,850	447,617
Loss and total comprehensive income for the year		-	-	-	-	-	(36,389)	(36,389)
Transactions with owners								
Dividends paid	27	-	-	-	-	-	(21,484)	(21,484)
Balance at 31 December 2024		3,940	203,753	(378)	93	155,359	26,977	389,744

		Share capital	Share premium reserve	Treasury shares reserve	Capital redemption reserve	Capital reduction reserve	Retained earnings	Total equity
Year ended	Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000
31 December 2023								
Balance at 1 January 2023		4,033	203,753	(378)	-	160,394	71,483	439,285
Profit and total comprehensive income for the year		-	-	-	-	-	34,989	34,989
Transactions with owners								
Dividends paid	27	-	-	-	-	-	(21,622)	(21,622)
Shares repurchased	25	(93)	-	-	93	(5,035)	-	(5,035)
Balance at 31 December 2023		3,940	203,753	(378)	93	155,359	84,850	447,617

The accompanying notes form an integral part of these Group Financial Statements.

GROUP STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Cash flows from operating activities			
(Loss)/profit before income tax		(36,389)	34,989
Adjustments for:			
Expected credit loss		3,329	4,593
Loss/(gain) from fair value adjustment on investment properties		53,030	(15,477)
Finance income		(148)	(52)
Finance costs		7,679	7,578
Operating results before working capital changes		27,501	31,631
Increase in trade and other receivables		(1,853)	(5,528)
Increase/(decrease) in trade and other payables		3,421	(240)
Net cash flow generated from operating activities		29,069	25,863
Cash flows from investing activities			
Capital expenditure on investment properties		(2,271)	67
Disposal proceeds from sale of assets (net of transaction costs)		-	7,472
Restricted cash movement		(155)	5
Interest received		103	8
Net cash (used in)/generated from investing activities		(2,323)	7,552
Cash flows from financing activities			
Interest paid		(7,348)	(7,228)
Shares repurchased (including transaction costs)	25	-	(5,035)
Loan arrangement fees paid	21	(29)	(212)
Dividends paid	27	(21,484)	(21,622)
Net cash used in financing activities		(28,861)	(34,097)
Net decrease in cash and cash equivalents		(2,115)	(682)
Cash and cash equivalents at the beginning of the year		29,014	29,696
Cash and cash equivalents at the end of the year	17	26,899	29,014

The accompanying notes form an integral part of these Group Financial Statements.

NOTES TO THE GROUP FINANCIAL STATEMENTS

For the year ended 31 December 2024

1. CORPORATE INFORMATION

Social Housing REIT plc (the "Company") is a Real Estate Investment Trust ("REIT") incorporated in England and Wales under the Companies Act 2006 as a public company limited by shares on 12 June 2017. The address of the registered office is The Scalpel 18th Floor, 52 Lime Street, United Kingdom, EC3M 7AF. The Company is registered as an investment company under section 833 of the Companies Act 2006 and is domiciled in the United Kingdom.

The Company was formerly known as Triple Point Social Housing REIT plc, its name was changed to Social Housing REIT plc on 24 December 2024.

The principal activity of the Company and its subsidiaries (the "Group") is to provide shareholders with an attractive level of income, together with the potential for capital growth from investing in a portfolio of social

homes.

2. BASIS OF PREPARATION

The financial statements of the Group have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. All accounting policies have been applied consistently.

The Group's Financial Statements have been prepared on a historical cost basis, as modified for the Group's investment properties, which have been measured at fair value. Gains or losses arising from changes in fair values are included in profit or loss.

The preparation of financial statements in compliance with UK-adopted International Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies. The areas where significant judgements and estimates have been made in preparing these financial statements and their effect are disclosed in note 3.

2.1. Going concern

The Group benefits from a secure income stream from long leases which are not overly reliant on any one tenant and present a well-diversified risk. The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 92.6% of rental income due and payable for the year ended 31 December 2024 has been collected, rent arrears are predominantly attributable to one Approved Provider, My Space Housing Solutions.

The Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due.

The Directors have performed an assessment of the ability of the Group to continue as a going concern, for the period up to 30 June 2026. The Directors have considered the expected obligations of the Group during this period and are confident that all will be met.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and MetLife and Barings respectively.

The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio covenants and interest cover ratio covenants which can be found in the table below. The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. Given the level of headroom, the Directors are of the view that the risk of scenarios materialising that would lead to a breach of the covenants is remote. The Group has adhered to all these covenants throughout the year and is also expected to comfortably meet these covenants over the next twelve months.

	Norland Estates Limited	TP REIT Propco 2 Limited
Asset Cover		
Asset Cover Ratio Covenant	x2.00	x1.67
Asset Cover Ratio 31 December 2024	x2.49	x2.01
Blended Net initial yield	6.59%	6.23%
Headroom (yield movement)	149bps	119bps
Interest Cover		
Interest Cover Ratio Covenant	1.75x	1.75x
Interest Cover Ratio 31 December 2024	4.78x	4.28x
Headroom (rental income movement)	63%	56%

Under the downside model the forecasts have been stressed to show the effect of some lessees ceasing to pay their voids liability, and as a result this causes Approved Providers to default under some of the Group leases. The assumptions for the amount of rent paid by two Approved Providers have been sensitised, one of whom has built up significant arrears and one to whom leases were transferred during 2024. Under the downside model the Group will be able to settle its liabilities for the period to 30 June 2026. As a result of the above, the Directors are of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

The Group has no short or medium-term refinancing risk given the 8.6-year weighted average maturity of its long-term debt facilities with MetLife and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

Having reviewed and considered the forecasts prepared, the Directors consider that the Group has adequate resources in place and will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements and have therefore adopted the going concern basis of accounting in preparing these financial statements.

2.2. Currency

The Group financial information is presented in Sterling which is also the Group's functional currency.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, which are described in note 4, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of related assets and liabilities within the next financial year are outlined below:

Estimates:

3.1. Investment properties

The Group uses the valuation carried out by its independent valuers as the fair value of its property portfolio. The valuation is based upon assumptions including future rental income and the appropriate discount rate. The valuers also refer to market evidence of transaction prices for similar properties. Further information is provided in note 14.

The Group's properties have been independently valued by Jones Lang LaSalle Limited ("JLL" or the "Valuer") in accordance with the definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation - Global Standards (commonly known as the "Red Book"). JLL is one of the most recognised professional firms within social housing valuation and has sufficient current local and national knowledge of both social housing in general and Specialist Supported Housing and has the skills and understanding to undertake the valuations competently.

With respect to the Group's Financial Statements, investment properties are valued at their fair value at each Statement of Financial Position date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Given the bespoke nature of each of the Group's investments, all of the Group's investment properties are included in Level 3 with the inputs included in note 14.

Level 1 - Unadjusted, quoted prices for identical assets and liabilities in active (typically quoted) markets;

Level 2 - Quoted prices for similar assets and liabilities in active markets; and

Level 3 - External inputs are "unobservable". Value is the Director's best estimate, based on advice from relevant knowledgeable experts, use of recognised valuation techniques and a determination of which assumptions should be applied in valuing such assets and with particular focus on the specific attributes of the investments themselves.

3.2. Expected Credit Losses

The Group recognised an additional ECL provision of £3.3 million in the current year (2023: £4.6 million) resulting in a total ECL provision of £8.0 million as at 31 December 2024 (31 Dec 2023 £6.7 million) which entirely relates to rental and recharge arrears for one of the Group's Approved Providers (2023: entire rental arrears for two of the Group's Approved Providers). The £6.7 million ECL provision as at 31 December 2023 included an amount of £2.0 million in respect of rents due from Parasol. This was fully written off in the current year, when the leases were reassigned to Westmoreland. A default probability for each of the

Approved Providers, representing the estimated percentage likelihood of them paying outstanding rent due at year end, was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. For each provider the estimated probability percentage of receiving unpaid rent has been multiplied by the rental and recharge arrears as at the statement of financial position date. The figure has been aggregated to arrive at the ECL provision. The expected credit loss for the current year relates wholly to one tenant (2023: two tenants).

Judgements:

3.3. Leases incentive debtor

The lease incentive debtor recognised from rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances. The credit risk associated with each tenant is considered in the determination of the fair value of the related property. In the current year, the income recognised in respect of such rent smoothing amounted to £1,018,000 (2023: £1,500,000), this amount is stated before the impact of the £1,984,000 that has been written off in respect of the Parasol leases which were reassigned during the year.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost, being the fair value of the consideration given, including expenditure that is directly attributable to the acquisition of the investment property. The Group recognises asset acquisitions on legal completion. After initial recognition, investment property is stated at its fair value at the Statement of Financial Position date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the Statement of Comprehensive Income. Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected to be obtained from the disposal. Any gain or loss arising on de-recognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recorded in profit or loss in the period in which the property is derecognised.

Significant accounting judgements, estimates and assumptions made for the valuation of investment properties are discussed in note 3.

4.2 Leases

Lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group has determined that it retains all the significant risks and rewards of ownership of the properties it has acquired to date and accounts for the contracts as operating leases.

Properties leased out under operating leases are included in investment properties in the Statement of Financial Position. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant leases. Tenant lease incentives are not subject to expected credit loss provision under IFRS 9 as the Group does not have unconditional right to collect cash flows relating to these assets but do impact the carrying amounts of the related investment properties as at the statement of financial position date. Therefore, a lease incentive debtor is recognised based on the smoothing of rent-free periods granted such that the rental income from operating leases is recognised on a straight-line basis over the lease term. The lease incentive debtor recognised from such rent smoothing adjustments are not considered to be financial

assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances, although the credit risk is considered in the determination of the fair value of the related property.

Lessee

As a lessee the Group recognises a right-of-use asset within investment properties and a lease liability for all leases, which is included within other payables (notes 18 and 19). The lease liabilities are measured at the present value of the remaining lease payments, discounted using an appropriate discount rate at inception of the lease or on initial recognition. The discount rate applied by the Group is the incremental borrowing rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

As leasehold properties meet the definition of investment property, the right-of-use assets are presented within investment properties (note 14), and after initial recognition are subsequently measured at fair value.

Sub-leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the underlying property asset to the lessee. Sub-leases of leasehold properties are classified with reference to the right-of-use asset arising from the head lease. All other leases are classified as operating leases.

4.3 Rent and other receivables

Rent and other receivables are amounts due in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets.

Rent receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost, less provision for impairment.

Impairment provisions for current and non-current rent receivables are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the rent receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the rent receivables. Rent receivables are reported net of the ECL provision and the movement in the provision is recognised in the Group statement of comprehensive income. On confirmation that the rent receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for all other receivables are recognised based on a forward-looking expected credit loss model using the general approach. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those where credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

4.4 Bank and other borrowings

Bank borrowings and the Group's loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

4.5 Taxation

Taxation on the element of the profit or loss for the period that is not exempt under UK REIT regulations would be comprised of current and deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised as direct movement in equity, in which case it is recognised as a direct movement in equity. Current tax is the expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous periods.

4.6 Dividends payable to shareholders

Dividends are recognised when they become legally payable. Interim dividends are recognised when paid. In the case of final dividends, this is when approved by the shareholders at the Annual General Meeting.

4.7 Rental income

Rental income from investment property is recognised on a straight-line basis over the term of ongoing leases and is shown gross of any UK income tax. A rental adjustment is recognised from the rent review date in relation to unsettled rent reviews, where the Directors are reasonably certain that the rental uplift will be agreed.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease and are not subjected to an expected credit loss provision under IFRS 9. These are recognised within trade and other receivables on the Statement of Financial Position.

When the Group enters into a forward funded transaction, the future tenant signs an agreement for lease. No rental income is recognised under the agreement for lease, but once the practical completion has taken place the formal lease is signed at which point rental income commences to be recognised in the Statement of Comprehensive Income.

4.8 Finance income and finance costs

Finance income is recognised as interest accrues on cash balances held by the Group. Finance costs consist of interest and other costs that the Group incurs in connection with bank and other borrowings. These costs are expensed in the period in which they occur. Borrowing costs are capitalised, net of interest received on cash drawn down yet to be expended when they are directly attributable to the acquisition, contribution or production of an asset that necessarily takes a substantial period of time to get ready for its intended use.

4.9 Investment management fees

Investment advisory fees are recognised in the Statement of Comprehensive Income on an accruals basis.

4.10 Treasury shares

Consideration paid or received for the purchase or sale of treasury shares is recognised directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury share reserve"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

5. RENTAL AND OTHER INCOME

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Rental income - freehold assets	36,709	37,473
Rental income - leasehold assets	2,363	2,366
	39,072	39,839
Expected credit loss	(3,329)	(4,593)
Insurance charge income	713	-
Insurance charge expense	(713)	-
Other income	106	-

The lease agreements between the Group and the Approved Providers are fully repairing and insuring leases. The Approved Providers are responsible for the settlement of all present and future rates, taxes, costs and other impositions payable in respect of the properties. As a result, no direct property expenses were incurred.

All rental income arose within the United Kingdom.

The expected loss rates are based on the Group's credit losses which started to occur during the year ended 31 December 2022 for the first time since IPO. The expected loss rates are then adjusted for current and forward-looking information affecting the Group's tenants. The expected credit loss for the current year relates wholly to one tenant (2023: two tenants).

The movement in the expected credit loss provision during the year has been set out below:

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Opening expected credit loss provision	(6,666)	(2,073)
Increase in provision for My Space Housing	(3,329)	(2,962)
Increase in provision for Parasol	-	(1,631)
Write off of Parasol debtor	1,974	-
Closing expected credit loss provision	<u>(8,021)</u>	<u>(6,666)</u>

6. DIRECTORS' REMUNERATION

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Directors' fees	275	280
Employer's National Insurance Contributions	32	32
	<u>307</u>	<u>312</u>

The Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum (2023: £75,000), and the other Directors of the Board receive a fee of £50,000 per annum (2023: £50,000). The Directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company. Each Director was paid this additional fee in 2020 following the publication of the prospectus, but no additional fees were paid during 2024 or 2023. A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006, is set out in the Directors' Remuneration Report within the Corporate Governance Report. None of the Directors received any advances or credits from any group entity during the year.

7. PARTICULARS OF EMPLOYEES

The Group and Company had no employees during the year other than the Directors (2023: none).

8. MANAGEMENT FEES

Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
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Management fees	4,651	4,651
Termination fees	3,163	-
	7,814	4,651

On 20 July 2017 Triple Point Investment Management LLP ("TPIM") was appointed as the delegated investment manager of the Company by entering into the property management services and delegated portfolio management agreement. Under this agreement the delegated investment manager will advise the Company and provide certain management services in respect of the property portfolio. A Deed of Variation was signed on 23 August 2018. This defined cash balances in the Net Asset Value calculation in respect of the management fee as "positive uncommitted cash balances after deducting any borrowings". The management fee is an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published Net Asset Value of the Group (not taking into account uncommitted cash balances after deducting borrowings as described above) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis with effect from Admission:

- on that part of the Net Asset Value up to and including £250 million, an amount equal to 1% of such part of the Net Asset Value;
- on that part of the Net Asset Value over £250 million and up to and including £500 million, an amount equal to 0.9% of such part of the Net Asset Value;
- on that part of the Net Asset Value over £500 million and up to and including £1 billion, an amount equal to 0.8% of such part of the Net Asset Value; and
- on that part of the Net Asset Value over £1 billion, an amount equal to 0.7% of such part of the Net Asset Value.

Management fees of £4,651,000 (2023: £4,651,000) were chargeable by TPIM during the year. At the year-end £1,151,000 (2023: £1,180,000) was due to TPIM, the amount was settled in early January 2025.

By two agreements dated 30 June 2020, the Company appointed TPIM as its Alternative Investment Fund Manager ('AIFM') by entering into an Alternative Investment Fund Management Agreement and (separately) documented TPIM's continued appointment as the provider of portfolio and property management services by entering into an Investment Management Agreement.

The terms of both the Investment Management Agreement and the AIFM Agreement between the Company and TPIM provided for a termination period of 12 months. An agreement was reached to terminate both the contracts with effect from 31 December 2024 and to pay early termination fees. These fees totalled £3.343 million (£3.163 million in respect of Investment Management and £0.18 million in respect of the AIFM) and was structured in two tranches. This was in addition to the regular quarterly fees.

The AIFM termination fee of £0.18 million is included within General and Administrative expenses as set out in note 9.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Legal and professional fees	1,356	972
Marketing costs	471	466
Audit fees	429	400
AIFM fees	233	216
AIFM termination fees	180	-
Administration and secretarial fees	319	318
Lease transfer costs	271	11
Property costs	148	579
Other administrative expenses	149	283
	3,556	3,245

On 1 October 2019, Hanway Advisory Limited, which was associated with Triple Point Investment Management LLP ("TPIM"), the delegated investment manager at the time, was appointed to provide Administration and Company Secretarial Services to the Group. Within Administration Fees is an amount of

£319,000 (2023: £318,000) for Administration and Company Secretarial Services chargeable by Hanway Advisory Limited. Hanway Advisory Limited was sold to JTC (UK) Limited on 1 July 2024 and ceased to be associated with TPIM from that date.

The audit fees in the table above are inclusive of VAT, and therefore differ to the fees in note 10 which are reported net of VAT.

On 30 June 2020, TPIM was appointed as the fund's Alternative Investment Fund Manager ("AIFM") to perform certain functions for the Group. During the year, AIFM services of £233,000 (2023: £216,000) were chargeable by TPIM, £180,000 of this amount relates to termination fees. At the year-end £238,000 (2023: £53,000) was due to TPIM. As described in note 8, as part of the change in investment manager, an early termination fee of £180,000 was agreed between the Company and TPIM in addition to the usual quarterly AIFM fees.

10. AUDIT FEES

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Group audit fees - current year	280	259
Subsidiary audit fees	34	33
	314	292

Non audit fees paid to BDO LLP included £42,500 (2023: £40,000) in relation to the half year interim review.

The audit fee for the following subsidiaries has been borne by the Company:

- TP REIT Super Holdco Limited
- TP REIT Holdco 1 Limited
- TP REIT Holdco 2 Limited
- TP REIT Holdco 3 Limited
- TP REIT Holdco 4 Limited
- TP REIT Holdco 5 Limited
- Norland Estates Limited
- TP REIT Propco 2 Limited
- TP REIT Propco 3 Limited
- TP REIT Propco 4 Limited
- TP REIT Propco 5 Limited

11. FINANCE INCOME

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Other interest income	148	52
	148	52

12. FINANCE COSTS

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Interest payable on bank borrowings	7,217	7,217
Amortisation of loan arrangement fees	287	307
Lender valuation fees	121	-
Head lease interest expense	44	44
Bank charges	10	10
	7.679	7.578

	2024	2023
Total finance cost for financial liabilities not measured at fair value through profit or loss	7,669	7,568

Under the terms of the debt facilities the lenders require an annual independent valuation to be undertaken at the Company's expense. The cost of these valuations is set out above.

13. TAXATION

As a UK REIT, the Group is exempt from corporation tax on the profits and gains from its property investment business, provided it meets certain conditions as set out in the UK REIT regulations. For the year ended 31 December 2024, the Group did not have any non-qualifying profits and accordingly there is no tax charge in the period. If there were any non-qualifying profits and gains, these would be subject to corporation tax. It is assumed that the Group will continue to be a group UK REIT for the foreseeable future, such that deferred tax has not been recognised on temporary differences relating to the property rental business.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
Current tax		
Corporation tax charge for the year	-	-
Total current income tax charge in the profit or loss	-	-

The tax charge for the year is less than the standard rate of corporation tax in the UK of 25% (2023: 25%). The differences are explained below.

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
(Loss)/profit for the year before tax	(36,389)	34,989
Tax at UK corporation tax standard rate of 25%	(9,098)	8,747
Change in value of investment properties	13,258	(3,969)
Disposal of investment property	-	100
Exempt REIT income	(5,194)	(5,707)
Amounts not deductible for tax purposes	35	49
Unutilised residual current year tax losses	999	780
	-	-

UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of CTA 2010.

14. INVESTMENT PROPERTY

	Operational assets £'000
As at 1 January 2024	675,497
Acquisitions and additions*	2,221
Fair value adjustment	(53,027)
Movement in head lease ground rent liability	4
As at 31 December 2024	624,695
As at 1 January 2023	667,713
Acquisitions and additions*	(224)
Fair value adjustment	15,875
Movement in head lease ground rent liability	4
Transferred to Assets Held for Sale before disposal	(7,871)

As at 31 December 2023

675,497

*Additions in the table above differs to the total capital expenditure amount in the Group statement of cash flows due to retentions no longer payable which were credited to Investment Property additions.

Reconciliation to the Group Statement of	31 December 2024	31 December 2023
Comprehensive Income ("SOI"):	£'000	£'000
Fair value adjustment in note 14	(53,027)	15,875
Loss from fair value adjustments on assets held for sale	(3)	(284)
Loss on disposal	-	(114)
(Loss)/gain from fair value adjustments in SOI	<u>(53,030)</u>	<u>15,477</u>

Reconciliation to independent valuation:	31 December 2024	31 December 2023
	£'000	£'000
Investment property valuation	626,351	678,358
Fair value adjustment - headlease ground rent	1,468	1,463
Fair value adjustment - lease incentive debtor	(3,124)	(4,324)
	<u>624,695</u>	<u>675,497</u>

The carrying value of leasehold properties at 31 December 2024 was £35.9 million (2023: £41.1 million). In accordance with "IAS 40: Investment Property", the Group's investment properties have been independently valued at fair value by Jones Lang LaSalle Limited ("JLL"), an accredited external valuer with recognised and relevant professional qualifications. The independent valuers provide their fair value of the Group's investment property portfolio every three months.

JLL were appointed as external valuers by the Board on 11 December 2017. JLL has provided valuations services to the Group. The proportion of the total fees payable by the Company to JLL's total fee income is minimal. Additionally, JLL has a rotation policy in place whereby the signatories on the valuations rotate after five years.

% Key Statistic

The metrics below are in relation to the total investment property portfolio held as at 31 December 2024.

Portfolio metrics	31 December 2024	31 December 2023
Capital Deployed (£'000) *	576,804	574,827
Number of Properties	494	493
Number of Tenancies***	391	390
Number of Registered Providers***	28	27
Number of Local Authorities***	148	153
Number of Care Providers***	109	116
Valuation Net Initial Yield**	6.22%	5.71%

*calculated excluding acquisition costs

**calculated using IAS 40 valuations (excluding forward funding acquisitions)

***calculated excluding forward funding acquisitions

	31 December 2024		31 December 2023	
Region	*Cost £'000	% of funds invested	*Cost £'000	% of funds invested
North West	111,206	19.3	109,880	19.1
West Midlands	93,006	16.1	93,635	16.3
Yorkshire	87,103	15.1	87,148	15.2
East Midlands	63,979	11.1	63,979	11.1
North East	56,653	9.8	56,653	9.9
South East	54,366	9.4	53,674	9.3
London	49,626	8.6	49,626	8.6
South West	28,099	4.9	27,466	4.8
East	24,206	4.2	24,206	4.2

Scotland	5,900	1.0	5,900	1.0
Wales	2,660	0.5	2,660	0.5
Total	576,804	100.0	574,827	100

**excluding acquisition costs*

Fair value hierarchy

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
		£'000	£'000	£'000	£'000
Assets measured at fair value:					
Investment properties	31 December 2024	624,695	-	-	624,695
Investment properties	31 December 2023	675,497	-	-	675,497

There have been no transfers between Level 1 and Level 2 during the year, nor have there been any transfers between Level 2 and Level 3 during the year.

The valuations have been prepared in accordance with the RICS Valuation - Global Standards (commonly known as the "Red Book") by JLL, one of the leading professional firms engaged in the social housing sector.

As noted previously, all of the Group's investment properties are reported as Level 3 in accordance with IFRS 13 where external inputs are "unobservable" and value is the Directors' best estimate, based upon advice from relevant knowledgeable experts.

In this instance, the determination of the fair value of an investment property requires an examination of the specific merits of each property that are in turn considered pertinent to the valuation.

These include i) the regulated social housing sector and demand for the facilities offered by each Specialised Supported Housing property owned by the Group; ii) the particular structure of the Group's transactions where lessees at their own expense, meet the majority of the refurbishment costs of each property and certain purchase costs; iii) detailed financial analysis with discount rates supporting the carrying value of each property; iv) underlying rents for each property being subject to independent benchmarking and adjustment where the Group considers them too high (resulting in a price reduction for the purchase or withdrawal from the transaction); and v) a full repairing and insuring lease with annual indexation based on CPI or CPI+1% and effectively 25 years outstanding, in most cases with a Registered Provider itself regulated by the Regulator of Social Housing.

Descriptions and definitions relating to valuation techniques and key unobservable inputs made in determining fair values are as follows:

Valuation techniques: Discounted cash flows

The discounted cash flows model considers the present value of net cash flows to be generated from the property, taking into account the expected rental growth rate and lease incentive costs such as rent-free periods. The expected net cash flows are then discounted using risk-adjusted discount rates.

There are three main unobservable inputs that determine the fair value of the Group's investment property:

1. the rate of inflation as measured by CPI; it should be noted that all leases benefit from either CPI or RPI indexation;
2. the estimated rental value ('ERV') based on market conditions prevailing at the valuation date and
3. the discount rate applied to the rental flows.

Key factors in determining the discount rates to assess the level of uncertainty applied include: the

performance of the regulated social housing sector and demand for each Specialised Supported Housing property owned by the Group; costs of acquisition and refurbishment of each property; the anticipated future underlying cash flows for each property; benchmarking of each underlying rent for each property (passing rent); and the fact that all of the Group's properties have the benefit of full repairing and insuring leases entered into by a Housing Association.

All the properties within the Group's portfolio benefit from leases with annual indexation based upon CPI or RPI. A decrease in ERV would decrease the fair value. A decrease in discount rate would increase the fair value. The fair value measurement is based on the above items highest and best use, which does not differ from their actual use. The valuer also considers the resulting net initial yield for each property for appropriateness.

Sensitivities of measurement of significant unobservable inputs

As set out within the significant accounting estimates and judgements in note 3, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature.

As a result, the following sensitivity analysis has been prepared:

Average discount rate, rental values and range:

	2024	2023
Range of discount rates	6.4%-10.4%	6.5%-10.0%
Average discount rate	7.6%	7.3%
Range of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	£0.07m - £0.55m	£0.07m - £0.50m
Average of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	£0.1m	£0.1m
CPI/RPI increase over the term of the relevant leases	2.0%/2.5%	2.0%/2.5%

The tables below analyse the sensitivity on the fair value of investment properties for changes in discount rates and inflation rates. As a result of the indexation within the leases the inflation sensitivity captures the impact of changes to rental values.

	-1.0% change in Discount Rate £'000	+1.0% change in Discount Rate £'000	+0.5% change in CPI £'000	-0.5% change in CPI £'000
Changes in the IFRS fair value of investment properties				
As at 31 December 2024	70,645	(59,690)	36,318	(33,639)
	-0.5% change in Discount Rate £'000	+0.5% change in Discount Rate £'000	+0.25% change in CPI £'000	-0.25% change in CPI £'000
Changes in the IFRS fair value of investment properties				
As at 31 December 2023	38,653	(35,403)	19,143	(18,377)

The valuations have not been influenced by climate related factors due to there being little measurable impact on inputs at present.

Valuations have weakened generally, reflecting:

1. achieved market pricing for transactions which have occurred or are reasonably expected to occur for opportunities currently being marketed.
2. while the average ERV across the portfolio is consistent with the prior year, there is a softening of valuation assumptions relating to properties with challenging lessee situations within the portfolio (including My Space in particular), reflecting updated expectations on rent collection and longer-term achievable rent levels.
3. softening of discount rates

3. shortening or discount rates.
4. adjustment of expectations regarding a number of properties, moving towards vacant possession value.

15. TRADE AND OTHER RECEIVABLES (non-current)

	31 December 2024 £'000	31 December 2023 £'000
Lease incentive debtor	3,156	4,072
Other receivables	150	161
	<u>3,306</u>	<u>4,233</u>

The Directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received in more than one year from the reporting date.

16. TRADE AND OTHER RECEIVABLES (current)

	31 December 2024 £'000	31 December 2023 £'000
Rent receivable	2,667	2,436
Lease incentive debtor	202	252
Prepayments	164	189
Other receivables	282	987
	<u>3,315</u>	<u>3,864</u>

The Directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date.

The Group applies the general approach to providing for expected credit losses under IFRS 9 for rent and other receivables. Where the credit loss relates to revenue already recognised in the Statement of Comprehensive Income, the expected credit loss allowance is recognised in the Statement of Comprehensive Income. The Expected credit losses included trade and other receivables at 31st December 2024 is £8,021,000 (2023: £6,666,000) of which £3,329,000 (2023: £4,593,000) were charged to the Statement of Comprehensive Income in the year. An amount of £1,974,000 due from Parasol, which was fully impaired in the prior year, was written off in the current year (2023: nil). The net movement in the provision for expected credit loss in the current year is £1,355,000.

17. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	31 December 2024 £'000	31 December 2023 £'000
Cash at bank	26,899	29,014
Restricted cash	593	438
	<u>27,492</u>	<u>29,452</u>

Restricted cash represents monies held in escrow in relation to the transfer of leases to be used for future costs.

	31 December 2024 £'000	31 December 2023 £'000
Total Cash, cash equivalents and restricted cash	27,492	29,452
Restricted cash	(593)	(438)
Cash reported on Statement of Cash Flows	<u>26,899</u>	<u>29,014</u>

18. TRADE AND OTHER PAYABLES

Current liabilities

	31 December 2024	31 December 2023
	£'000	£'000
Trade payables	139	-
Accruals	5,522	2,270
Head lease ground rent (note 28)	40	40
Other creditors	394	412
	6,095	2,722

The Other Creditors balance consists of retentions due on completion of outstanding works and outstanding accrued acquisition costs. The Directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are due for payment within one year from the reporting date. The £5.5 million accruals fees include £3.3 million of the termination fees payable to TPIM as set out in note 8. £2.9 million of these fees have been paid post year end.

19. OTHER PAYABLES

Non-current liabilities	31 December 2024	31 December 2023
	£'000	£'000
Head lease ground rent (note 28)	1,428	1,424
Rent deposit	100	100
	1,528	1,524

20. BANK AND OTHER BORROWINGS

Non-current liabilities

	31 December 2024	31 December 2023
	£'000	£'000
Bank and other borrowings drawn at year end	263,500	263,500
Unamortised costs at beginning of the year	(2,317)	(2,412)
Less: loan issue costs incurred	(29)	(212)
Add: loan issue costs amortised	287	307
Unamortised costs at end of the year	(2,059)	(2,317)
Balance at year end	261,441	261,183

At 31 December 2024 there were undrawn bank facilities of £NIL (2023: £NIL).

As at 31 December 2024, the Group's borrowings comprised two debt facilities:

- a long dated, fixed rate, interest only financing arrangement in the form of a private placement of loan notes in an amount of £68.5 million with MetLife Investment Management (and affiliated funds); and
- £195.0 million long dated, fixed rate, interest only sustainability-linked loan notes through a private placement with MetLife Investment Management clients and Barings.

Loan Notes

The Loan Notes of £68.5 million are secured against a portfolio of Specialised Supported Housing assets throughout the UK, worth approximately £170.0 million (2023: £192.0 million). The details of the notes are set out in the table below. At 31 December 2024, the Loan Notes have been independently valued at £59.0 million which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 4.170% 2028 Gilt (Tranche A) and Treasury 4.370% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

Loan Note	Principal	LTV	Term	Repayment date	All rate in	Independent Valuation
Tranche A	£41.5 million	40%	10 years	30 June 2028	2.924%	£37.4 million
Tranche B	£27.0 million	40%	15 years	30 June 2033	3.215%	£21.6 million

Blended Tranche A & B	£68.5 million	40%	12 years		3.039%	£59.0 million
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In August 2021, the Group put in place Loan Notes of £195.0 million which enabled the Group to refinance the full £130.0 million previously drawn under its £160.0 million RCF with Lloyds and NatWest. The Loan Notes are secured against a portfolio of Specialised Supported Housing assets throughout the UK, worth approximately £392.0 million. The details of these notes is set out in the table below. At 31 December 2024, the Loan Notes have been independently valued at £143.8 million which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 4.290% 2031 Gilt (Tranche A) and Treasury 4.590% 2036 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

Loan Note	Principal	LTV	Term	Repayment date	All in rate	Independent Valuation
Tranche A	£77.5 million	40%	10 years	26 August 2031	2.403%	£61.6 million
Tranche B	£117.5 million	40%	15 years	26 August 2036	2.786%	£82.2 million
Blended Tranche A & B	£195.0 million	40%	13 years		2.634%	£143.8 million

The Groups loan to value at the year-end was 40.0% (2023: 37.0%).

The loans are considered a Level 2 fair value measurement.

The Group has met all compliance with its financial covenants on the above loans throughout the year.

Effect of covenants

All of the Group's non-current loans and borrowings contain covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than 12 months after the end of the reporting period. As at 31 December 2024, the Group complied with all the covenants that were required to be met on or before 31 December 2024. The covenants that are required to be complied with after the end of the current interim period do not affect the classification of the related borrowings as current or non-current at the statement of financial position date. Therefore, all these borrowings remain classified as non-current liabilities.

21. NOTES SUPPORTING STATEMENT OF CASH FLOWS

Reconciliation of liabilities to cash flows from financing activities:

	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2024	261,183	1,464	262,647
Cashflows:			
Loan arrangement fees paid	(29)	-	(29)
Non-cash flows:			
-Amortisation of principal on head lease liabilities	-	(40)	(40)
-Amortisation of loan arrangement fees	287	-	287
-Accrued interest on head lease liabilities	-	44	44
At 31 December 2024	261,441	1,468	262,909
	Bank borrowings £'000 (note 20)	Head lease £'000 (note 18,19)	Total £'000
At 1 January 2023	261,088	1,460	262,548
Cashflows:			
Loan arrangement fees paid	(212)	-	(212)
Non-cash flows:			
-Amortisation of principal on head	-	(40)	(40)

-Amortisation of premium on head lease liabilities		(19)	(19)
-Amortisation of loan arrangement fees	307	-	307
-Accrued interest on head lease liabilities	-	44	44
At 31 December 2023	261,183	1,464	262,647

22. SHARE CAPITAL

	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2024	393,916,490	3,940
Shares cancelled in the year	-	-
At 31 December 2024	393,916,490	3,940
	Issued and fully paid Number	Issued and fully paid £'000
At 1 January 2023	403,239,002	4,033
Shares cancelled in the year	(9,322,512)	(93)
At 31 December 2023	393,916,490	3,940

The Company achieved admission to the specialist fund segment of the main market of the London Stock Exchange on 8 August 2017, raising £200 million. As a result of the IPO, at 8 August 2017, 200,000,000 shares at one pence each were issued and fully paid. The Company was admitted to the premium segment of the Official List of the Financial Conduct Authority and migrated to trading on the premium segment of the Main Market on 27 March 2018.

Since then, there were three public offers up to 21 October 2020 with a further 193,916,490 Ordinary Shares of one pence each being issued and fully paid.

Rights, preferences and restrictions on shares: All Ordinary Shares carry equal rights, and no privileges are attached to any shares in the Company. All the shares are freely transferable, except as otherwise provided by law. The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regards to the Company's residual assets.

The table above includes 450,000 treasury shares (note 24). Treasury shares do not hold any voting rights.

Between 19 April 2023 and 12 June 2023, the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share, the shares were subsequently cancelled.

23. SHARE PREMIUM RESERVE

The share premium reserve relates to amounts subscribed for share capital in excess of nominal value.

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	203,753	203,753
Balance at end of year	203,753	203,753

24. TREASURY SHARES RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	(378)	(378)
Balance at end of year	(378)	(378)

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. No treasury shares were purchased during the current or prior year. During the year ended 31 December 2019, the Company purchased 450,000 of its own 1p Ordinary Shares at a total gross cost of £377,706 (£374,668 cost of shares and £3,038 associated costs). As at 31 December 2024 and 31 December 2023, 450,000 1p Ordinary Shares were held by the Company.

25. CAPITAL REDUCTION RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	155,359	160,394
Share buybacks and cancellation	-	(5,035)
Balance at end of year	<u>155,359</u>	<u>155,359</u>

The capital reduction reserve is a distributable reserve that was created on the cancellation of share premium.

Between 19 April 2023 and 12 June 2023, the Company repurchased 9,322,512 shares at an average price of 52.6 pence per share. The shares were subsequently cancelled.

CAPITAL REDEMPTION RESERVE

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	93	-
Original shares repurchased & cancelled	-	93
Balance at end of year	<u>93</u>	<u>93</u>

The Capital Redemption Reserve is the nominal value of the shares cancelled from the share buybacks.

26. RETAINED EARNINGS

	31 December 2024 £'000	31 December 2023 £'000
Balance at beginning of year	84,850	71,483
Total comprehensive income for the year	(36,389)	34,989
Dividends paid	(21,484)	(21,622)
Balance at end of year	<u>26,977</u>	<u>84,850</u>

27. DIVIDENDS

	Year ended 31 December 2024 £'000	Year ended 31 December 2023 £'000
1.365p for the 3 months to 31 December 2022 paid on 29 March 2023	-	5,498
1.365p for the 3 months to 31 March 2023 paid on 28 June 2023	-	5,382
1.365p for the 3 months to 30 June 2023 paid on 29 September 2023	-	5,371
1.365p for the 3 months to 30 September 2023 paid on 15 December 2023	-	5,371
1.365p for the 3 months to 31 December 2023 paid on 28 March 2024	5,371	-
1.365p for the 3 months to 31 March 2024 paid on 28 June 2024	5,371	-
1.365p for the 3 months to 30 June 2024 paid on 4 October 2024	5,371	-
1.365p for the 3 months to 30 September 2024 paid on 13 December 2024	5,371	-
	<u>21,484</u>	<u>21,622</u>

On 20 March 2025, the Company declared an interim dividend of 1.365 pence per Ordinary Share for the period

On 20 March 2023, the Company declared an interim dividend of 1.565 pence per Ordinary Share for the period 1 October 2024 to 31 December 2024, the total dividend of £5,370,818 will be paid on or around 11 April 2025 to Ordinary shareholders on the register on 28 March 2025.

The Company intends to pay dividends to shareholders on a quarterly basis and in accordance with the REIT regime.

Dividends are not payable in respect of the Treasury shares held by the Company.

28. LEASES

A. Leases as lessee

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date:

	< 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	> 5 years £'000	Total £'000
Lease payables							
31 December 2024	40	40	40	40	40	7,158	7,358
31 December 2023	40	40	40	40	40	7,197	7,397

	31 December 2024 £'000	31 December 2023 £'000
Current liabilities (note 18)	40	40
Non-current liabilities (note 19)	1,428	1,424
Balance at end of year	1,468	1,464

The above is in respect of properties held by the Group under leasehold. There are 23 properties (2023: 23) held under leasehold with lease terms which range from 125 years to 999 years. The Group's leasing arrangements with lessors are headlease arrangements on land and buildings that have been sub-let under the Group's normal leasing arrangements (see above) to tenants. The Group carries its interest in these headlease arrangements as long leasehold investment property (note 14).

B. Leases as lessor

The Group leases out its investment properties (see note 14).

The undiscounted future minimum lease payments receivable by the Group under non-cancellable operating leases are as follows:

	< 1 year £'000	1-2 years £'000	2-3 years £'000	3-4 years £'000	4-5 years £'000	> 5 years £'000	Total £'000
Lease receivables							
31 December 2024	42,689	42,689	42,689	42,689	42,689	469,767	683,212
31 December 2023	40,971	40,971	40,971	40,971	40,971	451,354	656,209

Leases are direct-let agreements with Registered Providers for a term of at least 15 years and usually between 20 to 25 years with rental uplifts linked to CPI or RPI. All leases are full repairing and insuring (FRI) leases, the tenants are therefore obliged to repair, maintain and renew the properties back to the original conditions.

The following table gives details of the percentage of annual rental income per Registered Provider with 10% or more than 10% share in any year presented:

31 December 2024

31 December 2023

Registered Provider	% of total annual rent	% of total annual rent
Inclusion Housing CIC	30	29
Parasol Homes (previously 28A Supported Living)	-	10

Other disclosures about leases are provided in notes 5, 14, 16, 19 and 33.

29. CONTROLLING PARTIES

As at 31 December 2024 there is no ultimate controlling party of the Company.

30. SEGMENTAL INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified based on internal financial reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker (which in the Group's case is delegated to the Delegated Investment Adviser TPIM for the year covered by these financial statements). From 1 January 2025 this will be Atrato Partners Limited, which was appointed as the AIFM for the Company with effect from this date, as set out in note 34.

The internal financial reports received by TPIM contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the financial statements.

The Group's property portfolio comprised 494 Social Housing properties as of 31 December 2024 (2023: 493) in England, Wales and Scotland. The Directors consider that these properties represent a coherent and diversified portfolio with similar economic characteristics and, as a result, these individual properties have been aggregated into a single operating segment. In the view of the Directors there is accordingly one reportable segment under the provisions of IFRS 8. All the Group's properties are engaged in a single segment business with all revenue, assets and liabilities arising in the UK, therefore, no geographical segmental analysis is required by IFRS 8.

31. RELATED PARTY DISCLOSURE

Directors

Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum (2023: £75,000), and the other directors of the Board receive a fee of £50,000 per annum (2023: £50,000). The Directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company (including the Issue). This was received by the Directors in 2020 but not in the current year as no prospectus was produced.

Dividends of the following amounts were paid to the Directors during the year:

Chris Phillips: £2,995 (2023: £2,995)
Peter Coward: £4,372 (2023: £4,372)
Tracey Fletcher-Ray: £2,060 (2023: £2,060)

No shares were held by Ian Reeves and Cecily Davis as of 31 December 2024 (31 December 2023: nil).

Investment Manager

As at 31 December 2024, the Company considered Triple Point Investment Management LLP ("TPIM") as providing the key management personnel and, therefore, a related party. Further details of the investment management contract and transactions with TPIM are disclosed in Note 8 and 9. With effect from 1 January 2025, Atrato Partners Limited has been appointed as the Company's Investment Manager, further details of which are provided in note 34.

32. CONSOLIDATED ENTITIES

The Group consists of a parent Company, Social Housing REIT plc, incorporated in the UK and a number of subsidiaries held directly by the Company which operate and are incorporated in the UK. The principal lease

subsidiaries held directly by the Company, which operate and are incorporated in the UK. The principal place of business of each subsidiary is the same as their place of incorporation.

The Group owns 100% of the equity shares of all subsidiaries listed below and has the power to appoint and remove the majority of the Board of those subsidiaries. The relevant activities of the below subsidiaries are determined by the Board based on simple majority votes. Therefore, the Directors of the Company concluded that the Company has control over all these entities and all these entities have been consolidated within these financial statements. The principal activity of all the subsidiaries relates to property investment.

The subsidiaries listed below were held as at 31 December 2024:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
TP REIT Super HoldCo Limited*	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT HoldCo 1 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT HoldCo 2 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT HoldCo 3 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT HoldCo 4 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT HoldCo 5 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT PropCo 2 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT PropCo 3 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT PropCo 4 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
TP REIT PropCo 5 Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%
Norland Estates Limited	The Scalpel 18 th Floor, 52 Lime Street London, EC3M 7AF	UK	100%

* indicates entity is a direct subsidiary of Social Housing REIT plc.

33. FINANCIAL RISK MANAGEMENT

The Group is exposed to market risk, interest rate risk, credit risk and liquidity risk in the current and future periods. The Board oversees the management of these risks. The Board's policies for managing each of these risks are summarised below.

33.1 Market risk

The Group's activities will expose it primarily to the market risks associated with changes in property values.

Risk relating to investment in property

Investment in property is subject to varying degrees of risk. Some factors that affect the value of the investment in property include:

- changes in the general economic climate;
- competition for available properties;
- obsolescence; and
- Government regulations, including planning, environmental and tax laws.

Variations in the above factors can affect the valuation of assets held by the Group and as a result can influence the financial performance of the Group.

The factors mentioned above have not had a material impact on the valuations of the investment properties as at 31 December 2024, and are not expected to in the immediate future, but will continue to be monitored closely.

There was no impact on the valuations in the year ended 31 December 2024 from climate change factors,

given that there is little measurable impact on inputs at present.

33.2. Interest rate risk

The Group's debt at 31 December 2024 does not have any exposure to interest rate risk.

33.3 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from both its leasing activities and financing activities, including deposits with banks and other institutions as detailed in notes 17 and 20.

Credit risk related to financial instruments and cash deposits

One of the principal credit risks the Group faces arises with the funds it holds with banks and other institutions. At 31 December 2024 the Group has £27.5 million in current accounts held at banks, see note 17. The Board believes that the credit risk on short-term deposits and current account cash balances is limited because the counterparties are banks and institutions with high credit ratings.

In August 2024, Fitch has assigned the Company an Investment Grade Long-Term Issuer Default Rating of 'A-' and a senior secured rating of 'A' for the Group's existing loan notes, for the third consecutive time, see note 20.

All financial assets are regularly monitored. The maximum exposure to credit risk at the reporting date is the carrying value of financial assets disclosed in notes 15 and 16.

Credit risk related to leasing activities

In respect of property investments, in the event of a default by a tenant, the Group will suffer a rental shortfall and additional costs concerning re-letting the property to another Social Housing Registered Provider. Credit risk is primarily managed by testing the strength of covenant of a tenant prior to acquisition and on an ongoing basis. The Investment Manager also monitors the rent collection in order to anticipate and minimise the impact of defaults by occupational tenants. Outstanding rent receivables are regularly monitored, the balance of outstanding rent relating to 31 December 2024 was nil as at 28 February 2025, after a provision for the expected credit loss.

The Group has leases in place with ten Registered Providers that have been deemed non-compliant by the Regulator of Social Housing ('RSH') as at 31 December 2024 (2023: ten). We continue to conduct ongoing due diligence on all Registered Providers and all rents payable under these leases have been paid. We continue to monitor and maintain a dialogue with the Registered Providers as they work with advisers and the RSH to implement a financial and governance improvement action plan in order to address the RSH's concerns. The Board believes that the credit risk associated with the non-compliant rating is limited.

Rent receivable and insurance debtor are the Group's only financial assets that is subjected to the expected credit loss model. While the Group has other financial assets that are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

33.4 Liquidity risk

The Group manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Group to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of customers to settle obligations within normal terms of credit. The Group ensures, through forecasting of capital requirements, that adequate cash is available to fund the Group's operating activities on a weekly basis. Upcoming cash requirements are compared to existing cash reserves available, followed by discussions around optimal cash management opportunities in order to best manage liquidity risk.

The following table details the Group's liquidity analysis:

31 December 2024	< 3 months	3-12	1-5	> 5	Total
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	months		Years	years	
	£'000	£'000	£'000	£'000	£'000
Headleases (note 28)	10	30	160	7,158	7,358
Trade and other payables (note 18)	6,055	-	-	-	6,055
Bank and other borrowings (note 20):					
- Fixed interest rate	-	-	41,500	222,000	263,500
- Variable interest rate	-	-	-	-	-
Interest payable on bank and other borrowings:					
- Fixed interest rate	1,804	5,413	27,049	27,909	62,175
- Variable interest rate	-	-	-	-	-
Total	7,869	5,443	68,709	257,067	339,088

	< 3 months	3-12 months	1-5 Years	> 5 years	Total
31 December 2023	£'000	£'000	£'000	£'000	£'000
Headleases (note 28)	10	30	160	7,197	7,397
Trade and other payables (note 18)	2,487	195	-	-	2,682
Bank and other borrowings (note 20):					
- Fixed interest rate	-	-	41,500	222,000	263,500
- Variable interest rate	-	-	-	-	-
Interest payable on bank and other borrowings:					
- Fixed interest rate	1,804	5,413	28,263	33,913	69,393
- Variable interest rate	-	-	-	-	-
Total	4,301	5,638	69,923	263,110	342,972

33.5 Financial instruments

The Group's principal financial assets and liabilities, which are all held at amortised cost, are those that arise directly from its operation: trade and other receivables, trade and other payables, headleases, borrowings and cash, cash equivalents and restricted cash.

Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are included in the financial statements:

	Book value 31 December 2024 £'000	Fair value 31 December 2024 £'000	Book value 31 December 2023 £'000	Fair value 31 December 2023 £'000
Financial liabilities:				
Borrowings	261,441	202,836	261,183	205,078

34. POST BALANCE SHEET EVENTS

Investment Manager

With effect from 1 January 2025 Atrato Partners Limited ('Atrato') was appointed as the Investment Manager, taking over from TPIM. As part of the change of investment manager a new Investment Management Agreement was entered into between the Company and Atrato.

Under the new Investment Management Agreement the management fee, payable by the Company on a quarterly basis, will be based on a percentage of the Company's market capitalisation at the end of each

quarter (the "Management Fee"), ensuring alignment with shareholders. The Management Fee will be calculated using the following fee thresholds and rates:

<i>Market capitalisation threshold</i>	<i>Relevant fee rate (per annum)</i>
Up to and including £150m	1.25 per cent.
Above £150m and up to and including £300m	1.00 per cent.
Above £300m	0.70 per cent.

The Investment Manager, or any connected person nominated, undertakes to invest in and hold an amount of shares in the Company equal to 25% of the Management Fee (after making an allowance for tax payable by the Investment Manager). The Investment Manager has agreed, subject to certain exceptions, not to dispose of such shares for a period of 12 months from the date of their acquisition.

Success Fee

If Atrato arranges and effects the sale of any properties at the direction of the Company, and the Company elects to return such value to shareholders, the Company shall pay to Atrato a fee equal to 0.5% of the gross sale price of the relevant properties.

Notice

The new Investment Management Agreement with Atrato may be terminated by the Company on 12 months' written notice at any time.

My Space

My Space has not paid the Company any rent since June 2024, as it continues to face significant financial difficulties. During the investment management transition, Atrato has been in regular dialogue with the new senior team at My Space.

On 31 January 2025, My Space and its appointed insolvency specialist, Begbies Traynor, issued a proposal for a company voluntary arrangement ("CVA") to remedy structural challenges in their business and avoid an administration or liquidation process. The proposal was passed by a creditor vote on 7 March 2025. Prior to the vote, Atrato negotiated an option agreement for the Company, which permits the assignment of the Group's properties within 12-months of the end of the CVA challenge period.

The Company has 34 properties leased to My Space, of which 22 are used for Supported Housing. Atrato has agreed heads of terms with a nationwide Approved Provider about transferring the My Space leases and is now working with them, My Space and relevant regulatory bodies to facilitate the transfer over the coming months. We expect rent collection to re-commence and resident occupancy to increase post-transfer.

Dividend

On 20 March 2025, the Company declared an interim dividend of 1.365 pence per Ordinary share for the period 1 October 2024 to 31 December 2024. The total dividend of £5,370,818 will be paid on or around 11 April 2025 to Ordinary shareholders on the register on 28 March 2025.

35. CAPITAL COMMITMENTS

The Group does not have capital commitments in both the prior year and the current year.

36. EARNINGS PER SHARE

Earnings per share ("EPS") amounts are calculated by dividing profit for the year attributable to ordinary shareholders of the Company by the weighted average number of Ordinary Shares in issue during the period. As there are no dilutive instruments outstanding, both basic and diluted earnings per share are the same.

The calculation of basic and diluted earnings per share is based on the following:

Year ended	Year ended
31 December 2024	31 December 2023

Calculation of Basic Earnings per share

Net profit attributable to Ordinary Shareholders (£'000)	(36,389)	34,989
Weighted average number of Ordinary Shares (excluding treasury shares)	393,466,490	397,007,975
IFRS Earnings per share - basic and diluted	(9.25)	8.81p

Calculation of EPRA Earnings per share

Net (loss)/profit attributable to Ordinary Shareholders (£'000)	(36,389)	34,989
Loss/(gain) from fair value adjustment on investment properties (£'000)	53,030	(15,477)
Termination fees	3,343	-
EPRA earnings (£'000)	19,984	19,512
<u>Non-cash adjustments to include:</u>		
Amortisation of loan arrangement fees (£'000)	287	307
Movement in Lease Incentive Debtor (£'000)	965	(1,500)
Adjusted earnings (£'000)	21,236	18,319
Weighted average number of Ordinary Shares (excluding treasury shares)	393,466,490	397,007,975
EPRA earnings per share - basic and diluted	5.08p	4.92p
Adjusted earnings per share - basic and diluted	5.40p	4.61p

EPRA released revised Best Practice Reporting guidelines during September 2024 which are effective for reporting periods beginning on or after 1 October 2024. The Company has early adopted these guidelines for the current reporting period. The revised guidelines permit adjustments in respect of non-operating or exceptional items within EPRA earnings as they are unusual in nature and very unlikely to reoccur in the foreseeable future. The termination payments of £3.3 million in respect of the change in Investment manager are considered to be exceptional items and have been added back in arriving at EPRA earnings. There is no impact in respect of the prior year as there were no items that fall within this category.

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric adjusts EPRA earnings for non-cash items, including amortisation of ongoing loan arrangement fees and the movement in the lease incentive debtor. In the current year, an amount of £1,984,000 (2023: nil) was written off in respect of a lease incentive debtor relating to Parasol when the leases were transferred to Westmoreland as this is not reflective of the actual cashflows. The Board sees these adjustments as a reflection of actual cashflows which are supportive of dividend payments. The Board compares adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

37. NET ASSET VALUE PER SHARE

Basic Net Asset Value ("NAV") per share is calculated by dividing net assets in the Group Statement of Financial Position attributable to Ordinary Shareholders of the Company by the number of Ordinary Shares outstanding at the end of the period. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

	31 December 2024	31 December 2023
Net assets at the end of the year (£'000)	389,744	447,617
Shares in issue at end of the year (excluding treasury shares)	393,466,490	393,466,490
Dilutive shares in issue	-	-
IFRS NAV per share - basic and dilutive	99.05p	113.76p

38. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to minimise the cost of capital.

The Group considers proceeds from share issuance, bank and other borrowings and retained earnings as capital.

Until the Group is fully invested and pending re-investment or distribution of cash receipts, the Group will invest in cash equivalents, near cash instruments and money market instruments.

The level of borrowing will be on a prudent basis for the asset class and will seek to achieve a low cost of funds, whilst maintaining the flexibility in the underlying security requirements and the structure of both the investment property portfolio and the Group.

The Directors currently intend that the Group should target a level of aggregate borrowings over the medium term equal to approximately 40% of the Group's Gross Asset Value. The aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown, of 50% of the Gross Asset Value.

The initial fixed rate facility with MetLife requires an asset cover ratio of x2.00 (amended from previous covenant of x2.25 in August 2021 to bring more in line with the ACR covenant in the new Note Purchase Agreement with MetLife and Barings) and an interest cover ratio of x1.75. At 31 December 2024, the Group was fully compliant with both covenants with an asset cover ratio of x2.49 (2023: x2.81) and an interest cover ratio of x4.78 (2023: x4.63).

The subsequent facility with MetLife and Barings requires an asset cover ratio of x1.67 and an interest cover ratio of x1.75. At 31 December 2024, the Group was fully compliant with both covenants with an asset cover ratio of x2.01 (2023: x2.01) and an interest cover ratio of x4.28 (2023: x4.26).

UNAUDITED PERFORMANCE MEASURES

For the year ended 31 December 2024

1. EPRA Net Reinstatement Value

	31 December 2024 £'000	31 December 2023 £'000
IFRS NAV/EPRA NAV (£'000)	389,744	447,617
Include:		
Real Estate Transfer Tax* (£'000)	38,594	41,962
EPRA Net Reinstatement Value (£'000)	428,338	489,579
Fully diluted number of shares	393,446,490	393,446,490
EPRA Net Reinstatement value per share	108.86p	124.43p

* Purchaser's costs

2. EPRA Net Disposal Value

	31 December 2024 £'000	31 December 2023 £'000
IFRS NAV/EPRA NAV (£'000)	389,744	447,617
Include:		
Fair value of debt* (£'000)	58,605	56,106
EPRA Net Disposal Value (£'000)	448,349	503,723
Fully diluted number of shares	393,446,490	393,446,490
EPRA Net Disposal Value per share**	113.95p	128.02p

* Difference between interest-bearing loans and borrowings included in Group Statement of Financial Position at amortised cost, and the fair value of interest-bearing loans and borrowings.

**Equal to the EPRA NNNAV disclosed in previous reporting periods.

3. EPRA Net Tangible Assets

	31 December 2024 £'000	31 December 2023 £'000
IFRS NAV/EPRA NAV (£'000)	389,744	447,617
EPRA Net Tangible Assets (£'000)	389,744	447,617
Fully diluted number of shares	393,446,490	393,446,490
EPRA Net Tangible Assets per share*	99.05p	113.76p

* Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 31 December 2024 or 31 December 2023.

4. EPRA net initial yield (NIY) and EPRA "topped up" NIY

	31 December 2024 £'000	31 December 2023 £'000
Investment Property - wholly-owned (excluding head lease ground rents)	623,227	674,034
Less: development properties	-	-
Completed property portfolio	623,227	674,034
Allowance for estimated purchasers' costs	38,594	41,962
Gross up completed property portfolio valuation	661,821	715,996
Annualised passing rental income	42,606	39,912
Property outgoings	-	-
Annualised net rents	42,606	39,912
Contractual increases for lease incentives	83	1,059
Topped up annualised net rents	42,689	40,971
EPRA NIY	6.44%	5.57%
EPRA Topped Up NIY	6.45%	5.72%

5. ONGOING CHARGES RATIO

	31 December 2024 £'000	31 December 2023 £'000
Annualised ongoing charges	6,885	7,242
Average undiluted net assets	418,681	443,451
Ongoing charges	1.64%	1.63%

6. EPRA VACANCY RATE

	31 December 2024 £'000	31 December 2023 £'000
Estimated Market Rental Value (ERV) of vacant spaces	138	138
Estimated Market Rental Value (ERV) of whole portfolio	42,826	40,971
EPRA Vacancy Rate	0.32%	0.33%

7. EPRA COST RATIO

	31 December 2024 £'000	31 December 2023 £'000
Total administrative and operating costs	11,677	8,208
Gross rental income	39,072	39,839
EPRA cost ratio	29.89%	20.60%

[1] During FY23, 42 individual units with EPC ratings left the portfolio (due to the sale of four properties), the majority of which were rated either EPC B or C, while five were rated D and E. In the same period, nine properties received improved EPC ratings, moving from either E to C, D to B, D or C, while other EPCs were re-affirmed. Overall, there has been a very minor increase in the portfolio wide EPC A-C rating (70.87% to 71.04%).

[2] As above.

[3] Based on 118 responses from residents in the Fund's homes, representing around 3% of residents in occupied units. The survey was conducted between January and February 2025.

[4] CQC, [The state of health care and adult social care in England 2023/24](#).

[5] Figure restated. Corrected previous statement of 83% in FY23 Report.

[6] The Company is not in scope of the UK's Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 or the FCA listing rules TCFD reporting requirements (ESG 2.1) as yet, but the Company has decided to produce this TCFD report ahead of FCA expectations to demonstrate its support for the disclosures.

[7] Task Force on Climate-related Financial Disclosures, "Final Report: Recommendations of the Task Force on Climate-related Financial Disclosures" (June 2017).

[8] The Company is an externally managed business and does not have any employees or office space.

[9] FERA emissions associated with tenant activities under Scope 3 downstream leased assets are not included in the figures reported.

[10] The FY23 emissions data incorporated over 90% of the Group's electricity and gas meters, with the remaining portfolio meters unable to be matched within the reporting period and excluded. In FY24, any gaps in actual data were filled with either Perse or Anthesis estimated data.

[11] The emission data calculated in FY23 used property gas and electricity consumption only, and therefore was not a complete Scope 3 figure.

[12] Organisational boundaries for asset level performance measures as defined by the GHG Protocol include Operational Control, Financial Control and Equity-share.

[13] GRESB (2020) Environmental performance data, [Asset Portal guide - GRESB](#)

[14] Defra (2023) Local Authority Collected Waste Statistics - Local Authority data [UK statistics on waste - GOV.UK \(www.gov.uk\)](#)

[15] SOHO is an externally managed REIT and does not have any employees. Therefore, the employee related performance measures are not applicable.

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