Triple Point
Social Housing REIT plc

INTERIM REPORT

FOR THE PERIOD ENDED 30 JUNE

2019

Lorraine Robertson, Care Provider

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Company Overview

THE VALUE OF HOME

Michael Johnson, Resident

AT A GLANCE

Who We Are

Triple Point Social Housing REIT plc invests in UK social housing assets, focusing on homes in the Supported Housing sector which have been adapted for vulnerable adults with care and support needs.

We believe our residents deserve a home that offers greater independence than institutional accommodation, at the same time as meeting their specialist care needs.

Our ambition is to be the leading UK Supported Housing investor, helping guarantee a secure future for people in need across the country, while ensuring that our shareholders have an attractive, long-term income source with a positive social impact.

What We Do

We seek to optimise the opportunities and stability for vulnerable people across the UK. The properties we invest in provide sustainable, high-quality accommodation for adults with specific care and support requirements. These needs often result from mental health problems, learning disabilities, or physical and sensory impairment.

Our accommodation differentiates itself by being a home within a community rather than the institutional care facilities that have historically been a mainstay for vulnerable people with care needs similar to our residents. We also seek to provide value-for-money to Local Authorities by offering housing that is both more suitable and cost-effective than traditional alternatives.

Our ability to forward fund the development of custom-built properties allows us to bring high-quality, high occupancy new housing stock to market to the benefit of wider society.

Our portfolio assets benefit from long-term leases to Approved Providers, which are bodies that receive their funding from central or local government to provide long-term homes for people in need of housing. Through these leases we offer our shareholders an attractive level of inflation-linked income.

A SUSTAINABLE INVESTMENT CASE

5

There are five compelling reasons to invest in Triple Point Social Housing REIT plc

ROBUST INCOME STREAM

Our investors receive a long-term, inflation-linked income stream which derives its strength from its social impact. The Group leases its newly-developed properties to Approved Providers which typically receive housing benefit directly from Local Authorities. Local Authorities and commissioners continue to fund this type of housing precisely because it gives residents better outcomes at the same time as saving the government money.

BETTER OUTCOMES FOR RESIDENTS

Evidence shows that taking people out of ageing institutions and putting them into new, adapted homes for life in the community gives them a better quality of life and reduces their care needs.[1] Where possible Local Authorities are obliged to move people with health needs into community settings under the 2015 Transforming Care programme.[2]

1 Mencap, Funding supported housing for all (2018)
2 https://www.england.nhs.uk/learning-disabilities/natplan/

SAVING THE GOVERNMENT MONEY

Residents living in specialised Supported Housing cost the government about £200 less per week than being in a residential care home and nearly £2,000 less per week than remaining in in-patient care.[3] Multiplied across the 2,306 residents in the portfolio, the Group is saving the government significant amounts of money, underpinning the security of the Group's income stream.

BRINGING NEW STOCK TO MARKET

Investing private capital into a sector with limited access to grant funding has helped to bridge the funding gap and facilitate the development of new housing stock. Encouraging private investment into social housing is in fact one of the objectives of the Regulator of Social Housing. The Group currently owns 318 properties, 27% of which are new-build. These properties are then leased to Approved Providers to allow them to provide additional housing services for the benefit of both residents and the taxpayer.

INVESTMENT MANAGER TRACK RECORD

The Group's Investment Manager has been investing in social housing since 2015, and currently manages over £395 million of social housing assets. The Investment Manager was founded in 2004 and since then has predominantly invested private capital into long-term social impact infrastructure and property assets, such as renewable energy projects and social housing, as well as leasing critical assets like ambulances and electric street-sweepers to the NHS and Local Authorities. In 2018, the Investment Manager was mandated to invest £320 million of government funds to roll out carbon-efficient heat networks around the UK.[4]

3 Mencap, Funding supported housing for all (2018)
4 https://www.triplepoint.co.uk/news/department-for-business-energy-and-industrial-strategy-appoints-triple-point-as-delivery-partner-for-its-320m-heat-network-investment-project/bp108/

SIX MONTHS IN BRIEF

During the first half of 2019, the Group deployed a further £67.8 million into UK Supported Housing, acquiring an average of seven properties and sites each month including our first scheme in Scotland. In the period the Group entered into eight new forward funding agreements and four ongoing projects had their works certified as completed.

Tracey Fletcher-Ray was appointed as a member of the Company's Audit Committee and Management Engagement Committee.

January

February

March

The Group acquired its first scheme in Scotland, entering into a forward funding agreement to develop the site in Edinburgh.

West Bowling Green

- Adaptations: wet rooms, a warden call system and a 13-person lift configured to allow for wheelchairs and stretchers.

Maximum Commitment	£5.4 million
Build Period	17 months
Lease	35 years +10 year tenant extension option, CPI-linked

The Company declared an interim dividend of 1.25 pence per Ordinary Share for the period from 1 October to 31 December 2018.

The Board announced that it would consider buybacks for investment purposes alongside the acquisition of new Supported Housing assets when establishing how best to deploy capital. The Company undertook its first buyback, acquiring 200,000 Ordinary Shares at a price of 83 pence per Ordinary Share for treasury.

The Company declared an interim dividend of 1.27 pence per Ordinary Share for the period from 1 January to 31 March 2019.

The Company purchased 250,000 Ordinary Shares in the market at a price of 83.3 pence per Ordinary Share for treasury.

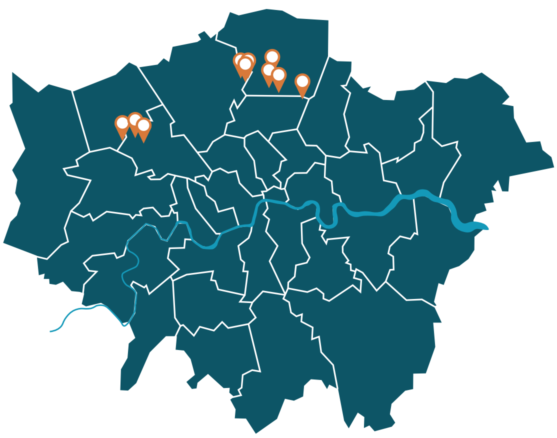
April

May

June

London Portfolio

The Group completed on the acquisition of a portfolio of 10 Supported Housing properties, comprising an aggregate 82 units in London for £23.0 million.



Post Period Events

Since the period end the Group has acquired a further 8 Supported Housing properties and entered into 1 forward funding arrangement, comprising an aggregate 81 units, for £13.6 million.[5]

On the 29 August 2019 the Company declared an interim dividend of 1.27 pence per Ordinary Share for the period from 1 April to 30 June 2019.

5 Including acquisition costs and total project costs of the forward funding scheme

KEY HIGHLIGHTS

Dividend Per Ordinary Share

2.54p

Dividends paid or declared in respect of the period ending 30 June 2019 were 2.54 pence comprising:

- 1.27 pence was paid on 28 June 2019 for the quarter ended 31 March 2019; and
- 1.27 pence was declared on 29 August 2019 and will be paid on 27 September 2019 for the quarter ended 30 June 2019.

Market Capitalisation

£290m

(December 2018: £349.9 million)

As at 30 June 2019, the market capitalisation of the Company was £290 million.

IFRS Valuation

£395.9m

(December 2018: £323.5 million)

As at 30 June 2019 the portfolio was independently valued at £395.9 million on an IFRS basis, an uplift of 6.87% against total invested funds of £370.4 million.[6]

The Group's properties were valued at £423.2 million on a portfolio valuation basis, reflecting a portfolio premium of 6.89% or a £27.3 million uplift against the IFRS valuation.

Ongoing Charges Ratio

1.59%

(December 2018: 1.58%) (June 2018: 1.85%)

The ongoing charges ratio was 1.59% as at 30 June 2019. This is a ratio of annualised ongoing charges expressed as a percentage of average net asset value throughout the period.

IFRS NAV and EPRA NAV Per Ordinary Share

103.96p

(December 2018: 103.65 pence)

The IFRS NAV and EPRA NAV per Ordinary Share for the period was 103.96 pence, a 0.3% increase from 31 December 2018 to 30 June 2019.

Committed Capital

£37.2m

(December 2018: £21.0 million)

The Group had outstanding commitments totalling £37.2 million (including transaction costs) as at 30 June 2019.

6 Including acquisition costs

Total Investment Portfolio

318

(December 2018: 272)

During the period, the Group purchased 46 properties with an aggregate purchase price of £67.8 million bringing the total investment portfolio to 318 properties.

Portfolio

100% let or pre-let

(December 2018: 100%)

Throughout the period 100% of the portfolio was fully let and income producing, or pre-let.

WAULT

26.2 years

(December 2018: 27.2 years)

As at 30 June 2019, the weighted average unexpired lease term was 26.2 years (including put/call options and reversionary leases).

Units

2,306

(December 2018: 1,893)

As at 30 June 2019, the portfolio comprised 2,306 units.

Leases

229

(December 2018: 189)

As at 30 June 2019, the portfolio had 229 leases.

Approved Providers

16

(December 2018: 16)

As at 30 June 2019, the Group had leases with 16 Approved Providers.

Inflation Measure

100% index linked

(December 2018: 100%)

As at 30 June 2019, 100% of contracted rental income was either CPI or RPI linked.

Contracted Rental Income

£21.1m[7]

(December 2018: £17.4 million)

As at 30 June 2019, the contracted rental income was £21.1 million per annum.

Valuation NIY

5.28%

(December 2018: 5.25%)

As at 30 June 2019, the blended portfolio yield based on the portfolio valuation (including assumed purchased costs) was 5.28%.

Forward Funding Agreements

21

(December 2018: 13)

As at 30 June 2019, the Group had entered into 21 Forward Funding Agreements.

Forward Funding Commitments

£25.7m

In the period, the Group entered into a further 8 forward funding transactions with an aggregate maximum commitment of £25.7 million.

Forward Funding Completions

8

As at 30 June 2019, 8 forward funding schemes had achieved practical completion.

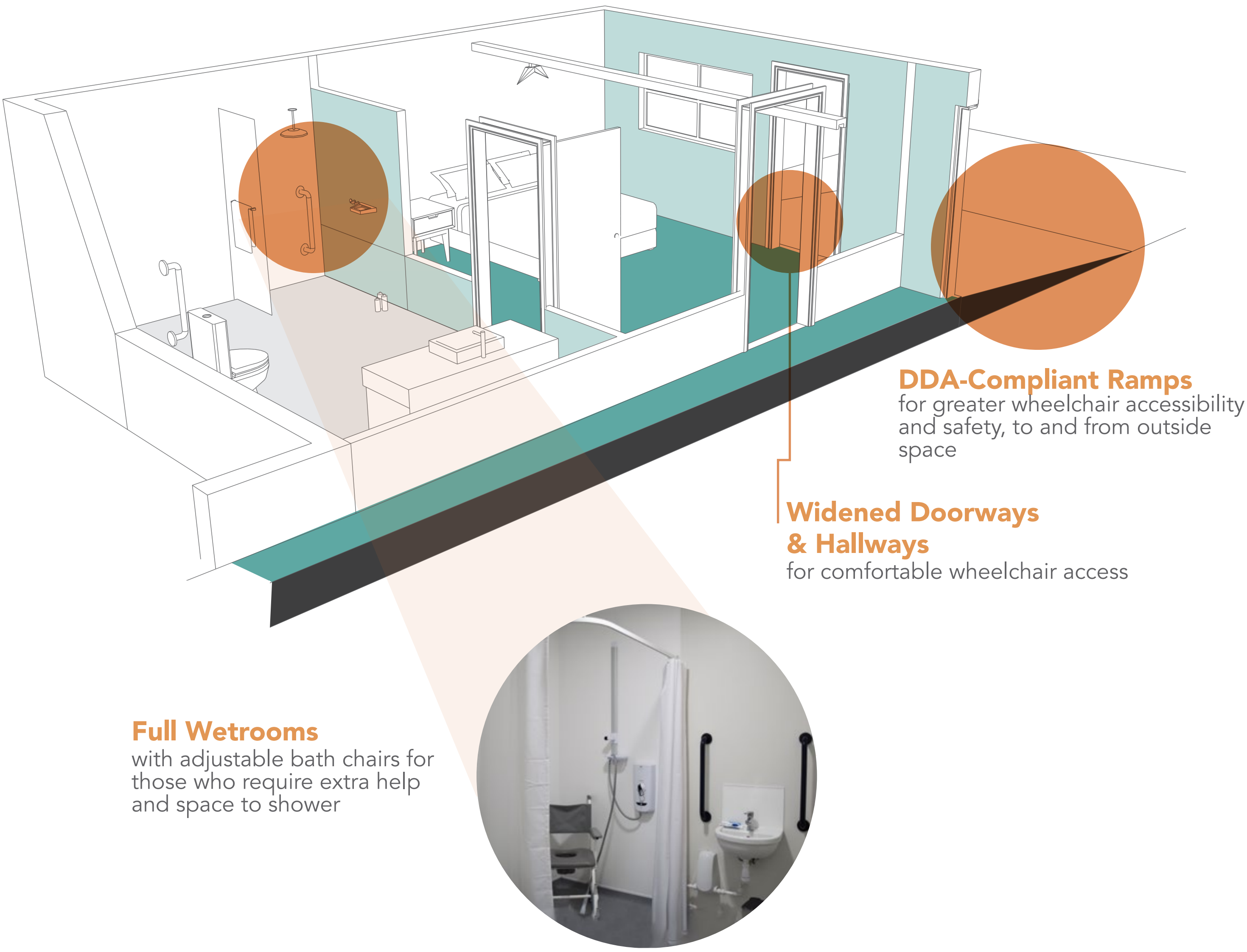
7 Excluding ongoing forward funded schemes that are under an agreement for lease

ADAPTED FOR RESIDENTS' NEEDS

The vast majority of properties in the Group's portfolio have been newly-built or newly-refurbished to provide long-term accommodation for some of the most vulnerable people in society. The people living in the Group's properties have acute health needs such as learning disabilities, mental health issues, autism and physical and/or sensory impairments.

To meet these health needs, high-quality specialist adaptations are installed in the Group's properties to ensure the safety and comfort of residents.

These adaptations – which are agreed with commissioners, care providers and Approved Providers – range from non-slip flooring, widened door-frames and grab handles, to more complex adaptations like alarm systems, wet-rooms and lifts.



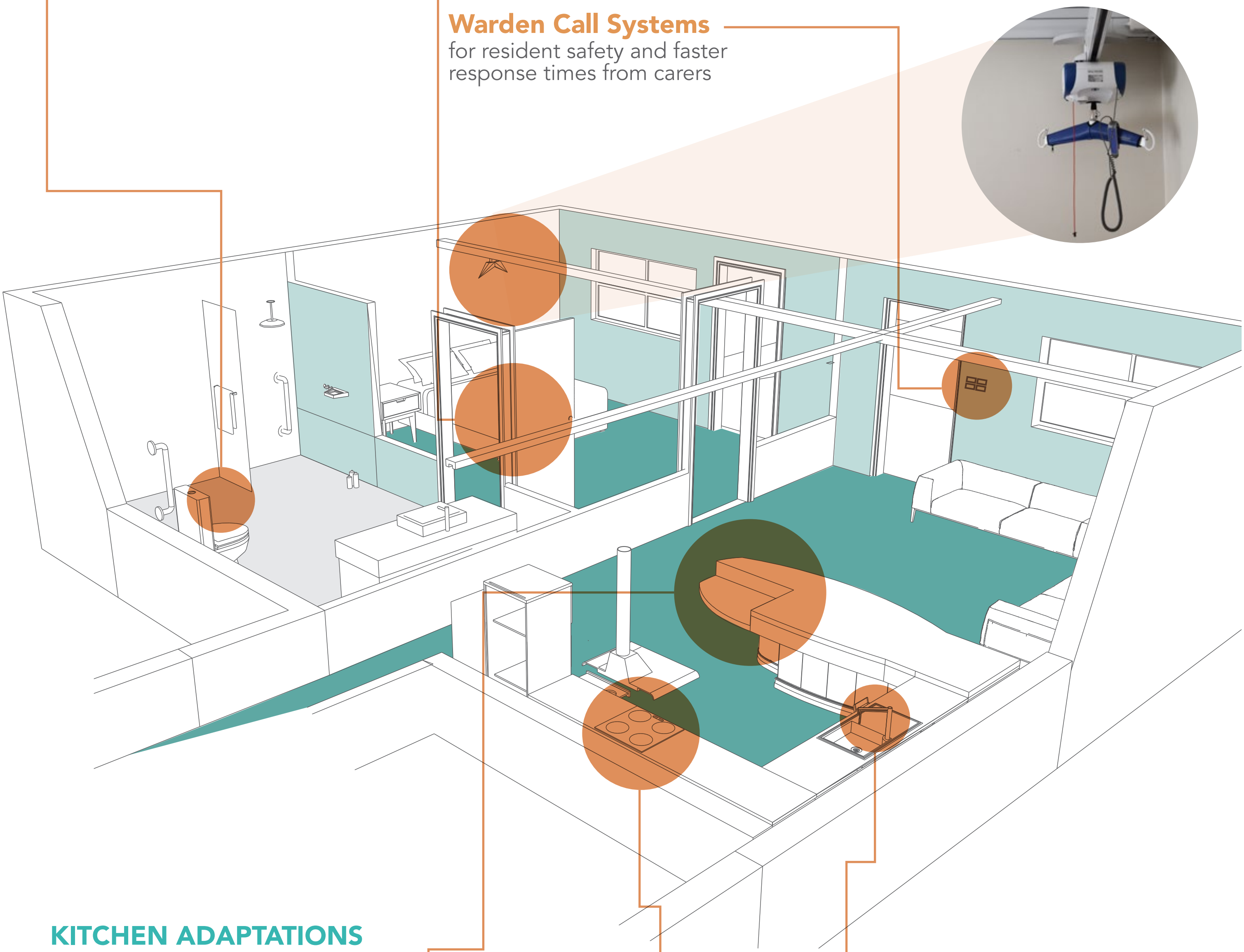
APARTMENT ADAPTATIONS

Non-Slip Flooring
for a reduced likelihood of slip-and-fall accidents

Reverse Hinges On Doors
for carer access in the event of assistance being required

Hoist Systems
for dignified access and movement for a resident in and out of bed

Warden Call Systems
for resident safety and faster response times from carers



KITCHEN ADAPTATIONS

Height-Adjustable Countertops
for greater usability and independence in day-to-day living

Induction Hobs
for safer cooking as there is no flame or element to ignite fumes or cause burns and will automatically turn off when a pan is not detected

Thermostatic Mixing Valves
for constant water temperatures, preventing scalding

Interim Report

CHAIRMAN'S STATEMENT

Chris Phillips, Chairman

Local Authorities and commissioners around the UK continue to push for Supported Housing precisely because it gives some of the most vulnerable people in our society, adapted, community-based homes for life that are shown to provide better health and social outcomes.

Introduction

After a good 2018, we have had a strong start to 2019. In the first half of this year, we successfully deployed the proceeds of our October 2018 equity raise and drew down the first tranche of debt from the revolving credit facility that the Group entered into at the end of last year. These funds have been deployed in the purchase of 46 new assets at a total cost of £67.8 million, with £25.7 million newly-committed to eight forward funded properties. All acquisitions benefited from our continually-evolving due diligence process and are diversified around the UK and by counterparty. Our portfolio has produced an IFRS NAV uplift of 0.3% since 31 December 2018. In doing all this, we have ensured that we have delivered on our commitment to shareholders of acquiring high-quality assets in areas of high demand.

Alongside this financial performance, our investments continue to have a powerful social impact. By using our investors' funds to acquire specialist properties in areas of known demand, we are enabling the Approved Providers that lease these properties to bring to market new Supported Housing units that unlock the social benefits of this type of accommodation. Local Authorities and commissioners around the UK continue to push for Supported Housing precisely because it gives some of the most vulnerable people in our society – people with lifelong learning disabilities, autism, mental health issues and physical and/or sensory impairments – adapted, community-based homes for life that are shown to provide better health and social outcomes.[8] As a research paper by Mencap has said, central to the concerns of people with learning disabilities is "whether they will be able to find a home that meets their needs and enables them to live an independent life".[9] Beyond this, our housing has a material benefit on the government purse, with each resident in our housing saving the government about £200 a week compared to residential care and nearly £2,000 a week compared to in-patient care.[10] Every one of the 2,306 units in our portfolio therefore contributes to society through improving the lives of residents while costing the government less. For these reasons, demand for this type of housing shows no sign of abating, with an annual shortfall of 29,053 units of Supported Housing in 2019/20, a figure expected to rise to 46,771 by 2024/25 if current trends continue.[11]

In the first half of 2019 we bought more of the same high-quality assets. In February, for example, we bought Park Street, two adjacent Grade II listed assets leased to Sunnyvale Supported Accommodation with care provided by East Cheshire Housing Consortium. In March we acquired the site at East Common Lane, a forward funding development in Scunthorpe that will be leased to Care Housing Association and which is being developed at the request of commissioners based on the need to place specific residents. In April we acquired Ty Coedwig, a recently adapted

8 Mencap, Funding supported housing for all (2018)
9 Mencap, Funding supported housing for all (2018), p.2
10 Mencap, Funding supported housing for all (2018)
11 National Housing Federation, Supported housing: Understanding need and supply (2015)

asset in Newport, Wales that is leased to Hilldale Housing Association. Our strict due diligence criteria continue to be applied and updated, allowing us to acquire best-in-class assets diversified around the UK and across counterparties.

Forward funding remains a key part of our offering. Bringing high-quality new housing stock to market is important for us, because of both the superior new housing it provides residents and the financial benefit it delivers our shareholders through valuation uplifts. The first half of this year saw us continue to deploy funds into forward funded assets, entering into commitments to forward fund eight new assets for a total value of £25.7 million. As at 30 June 2019, we had entered into an aggregate of 21 forward funding commitments, with an aggregate value of £52 million, since IPO. As at 30 June 2019, eight of these had reached practical completion, with the remaining 13 assets expected to complete later this year and early next year. We always need to balance our exposure to forward funding commitments with our exposure to assets that generate income immediately, but wherever possible we will continue to pursue forward funding projects because of the benefits they deliver our residents, our shareholders and wider society. We look forward to investing in more forward funding schemes in the months and years to come.

The theme of growing regulation for the smaller Registered Providers that permeate the Supported Housing sector, which was reported on in our 2018 Annual Report, has continued into 2019. As discussed in more detail in the Investment Manager's report (see pages 25 to 26 below), the first half of this year saw the Regulator of Social Housing publish three further non-compliant ratings for lease-based Registered Providers, as well as an addendum to its 2018 Sector Risk Profile looking at leased-based providers of specialised Supported Housing. These publications reflect the concerns of the Regulator regarding the standards of governance and financial viability of some Registered Providers operating in this sector which have not kept pace with the speed of their growth. Nonetheless, the Regulator has acknowledged both the important role played by private capital in this sector (which the Regulator has a mandate to encourage) and the improvements already made by the Registered Providers in this sector.[12]

We are working with these few Registered Providers with which we have leases while assessing what changes can be made to our investment model in order to address some of the issues highlighted by the Regulator. We look forward to working with all stakeholders – including the Regulator – to accelerate the further development of this sector in order to deliver the much-needed new stock, leased to Registered Providers, that saves the government money at the same time as improving resident outcomes.[13]

Deployment

In the first half of 2019, we acquired 46 assets, providing accommodation for 414 residents, for a total investment cost of £67.8 million.[14] As at 30 June 2019, we had outstanding commitments of £37.2 million relating to seven properties on which we had exchanged and 13 forward funded properties which had yet to complete construction. These new assets are diversified across the UK and are high-quality new-build or refurbished properties with adaptations for the needs of the residents. We have also completed our first investment into Scotland: a flagship forward-funded development in the centre of Edinburgh developed in conjunction with Edinburgh City Council.

As a result of this activity, we owned (as at 30 June 2019) 318 assets (31 December 2018: 272), providing accommodation for 2,306 residents (31 December 2018: 1,893), having deployed since IPO an aggregate £370.4 million. A map showing where our assets are can be found on page 34.

During this period, we began working with 10 new care providers and 18 new Local Authorities. We now have leases with 16 Approved Providers (31 December 2018: 16), and own schemes on which 72 care providers operate (31 December 2018: 62) and where the housing benefit is paid by 127 different Local Authorities (31 December 2018: 109). Our portfolio's weighted average unexpired lease term (including put/call options and reversionary leases) is 26.2 years (31 December 2018: 27.2 years).

Deployment over the period has been slower than in the previous six months, reflecting developments in the sector resulting from the Regulator's reviews. Registered Providers have slowed the speed at which they sign new leases to ensure that they improve their financial strength and that their governance supports the pace of their growth. Boards have grown, asset bases have expanded through the acquisition of freehold property, new reporting software has been rolled out, financial analysis and reporting has improved, and time has been dedicated to maximising the performance of existing portfolios. These improvements should benefit the sector in the long-term but the short-term effect has been to slow down the pace of development of new Supported Housing properties and consequently the pace of deployment for the Group.

Share Price

Until April 2019, the Company's share price was generally trading at a premium to the Company's net asset value, reflecting the strong performance of our portfolio underpinned by compelling fundamentals. However, on 4 April 2019 the Regulator published a report on lease-based Registered Providers, setting out its views on some operators in this sector (as discussed in more detail on pages 25 to 26 below). The day before the report was published, the Company's share price was 103 pence. Two weeks after the report was published the share price had dropped to 93.4 pence. The share price reached a low of 74.8 pence on 6 August 2019. Since then, the share price has steadily increased to its current level of 85.4 pence, a trend we hope to continue as investors distinguish between Regulatory pronouncements regarding a small number of Registered Providers, and the operational performance and robustness of the Group's portfolio and income stream. Increasing the Company's share price relative to net asset value is a key goal of both the Investment Manager and the Board.

Share Buybacks

After the Company's Ordinary Shares began trading at a significant discount to net asset value from April 2019 onwards, we decided to consider share buybacks alongside the acquisition of new assets, noting that share buybacks for investment purposes are particularly attractive when the

12 https://www.gov.uk/government/organisations/regulator-of-social-housing/about, https://www.gov.uk/government/publications/lease-based-providers-of-specialist-supported-housing
13 Mencap, Funding supported housing for all (2018)
14 Including acquisition costs

CHAIRMAN'S STATEMENT (Continued)

discount to net asset value is wide given the accretion of value to ongoing shareholders. During the period under review, the Company bought a total of 450,000 Ordinary Shares at a price of between 83 and 83.3 pence per share. These are currently held in treasury. Further buybacks will be considered, taking into account the terms of the Group's debt facilities, the impact of shrinkage on secondary market liquidity and the Company's ongoing charges ratio, as well as general market conditions.

Equity and Debt Raising

As set out in our 2018 Annual Report, in October 2018 we put in place a placing programme under which we raised £108.2 million of equity (giving us net proceeds of £106 million), and in December 2018 we secured a £70 million revolving credit facility with Lloyds Bank. These have served us well for the six months under review, with the proceeds of the equity raise now spent and the first tranche of the revolving credit facility drawn down before 30 June 2019 to fund investment opportunities and the second tranche having been drawn down since then. We are now exploring putting in place a further debt facility which will enable us to continue to take advantage of developments in the market and achieve dividend cover. As at 30 June 2019, our current LTV was 25.2% on drawn funds.

As we have no need for further equity before the placing programme's final closing date of 18 September 2019, the Board has decided to close the placing programme with immediate effect.

Financial Results

As at 30 June 2019, our portfolio was independently valued at £395.9 million on an IFRS basis. This reflects a valuation uplift of £25.4 million, or 6.88%, over our total investment cost (i.e. including transaction costs). The valuation reflects a blended valuation net initial yield of 5.28%, which is better than the portfolio's blended average net initial yield at purchase of 5.89%. This equates to a yield compression of 61 basis points, reflecting the quality of the Group's asset selection and off-market acquisition process.

Beyond this, as at 30 June 2019 our assets were valued at £423.2 million on a portfolio valuation basis (i.e. assuming a single sale of the property holding SPVs to a third-party on an arm's length basis with purchaser's costs of 2.30%). The portfolio valuation reflects a portfolio premium of £27.3 million against the IFRS valuation.

EPRA earnings per share in the first half of 2019 was 1.53 pence. The audited IFRS NAV per share and the EPRA NAV per share were both 103.96 pence, an increase since IPO of 6.1%.

Dividends

On 23 May 2019, we declared our first dividend for the 2019 financial year of 1.27 pence per share for the period from 1 January 2019 to 31 March 2019. This dividend was paid on 28 June 2019. A second dividend, of 1.27 pence per share for the period from 1 April 2019 to 30 June 2019, was declared on 29 August 2019 and will be paid on or around 27 September 2019. We are targeting an aggregate dividend of 5.095 pence per share for the whole year, which is an increase of 1.9% over 2018's aggregate dividend, in line with inflation reflecting the CPI-based rent reviews typically contained in the leases of the assets within the portfolio.

Achieving a fully covered dividend remains a key priority for the Board. Currently, EPRA earnings cover 60% of dividends. Full dividend cover by EPRA earnings is expected at the end of Q2 2020 once debt funds are deployed. The delay in full dividend cover is a result of slow deployment caused by Approved Providers engaging with the Regulator as described above. However, on an annualised basis, if all completed assets were income generating the dividend cover would be 67%; and if income on all exchanged and forward funded assets were included, dividend cover would be 84%.

Outlook

Looking back over the past six months, and forward over the next six months, there is much to be pleased about. As expected, our existing portfolio has performed well and we have continued to deploy funds into high-quality assets leased to Approved Providers which continue to strengthen as a result of ongoing regulatory engagement. Commissioners continue to call for new housing, as reflected in our pipeline of close to £400 million. We continue to refine and evolve our due diligence processes and we have never failed to receive rental payments in full under our leases. For all these reasons, and despite movements in the Company's share price, our continued operational performance makes us look to the future with optimism.

Much of our success can be attributed to the Investment Manager's due diligence and strong network of counterparties. Through its work, we have been able to source most of our properties off-market and at attractive yields.

I would like to take this opportunity to thank shareholders for your continued support, and our Investment Manager and my fellow Board members for their support and commitment in the first half of the year.

Chris Phillips
Chairman
5 September 2019

Evidence shows that our homes provide residents with a better quality of life than in alternatives like care homes and hospitals.

Dianne Brown, Resident

THE INVESTMENT MANAGER

Pictured above: Max Shenkman, James Cranmer, Ben Beaton, Freddie Cowper-Coles, Ralph Weichelt, Isobel Gunn-Brown and Justin Hubble

Ben Beaton, Managing Partner

Ben joined the Investment Manager in 2007 to lead the sourcing and execution of a broad spectrum of investments including renewable energy, long leased infrastructure and property bridge lending. He has spent his career building innovative products for investors and offering attractive and flexible funding solutions to a range of businesses, both in the public and private sector. Ben has a BSc (Hons) in Biological Sciences from the University of Edinburgh. He became co-Managing Partner in 2016.

James Cranmer, Managing Partner

James joined the Investment Manager in 2006 to establish its flagship leasing business, Triple Point Lease Partners, which has grown to be one of the UK's most active providers of operating lease finance into Local Authorities and NHS Trust Hospitals. James has over 20 years' experience in structured, asset and vendor finance, and has been responsible for in excess of £1 billion of funding into UK Local Authorities, NHS Hospital Trusts, FTSE 100 and small and medium-sized companies. James is a graduate of St. Andrews University. He became co-Managing Partner in 2016.

Max Shenkman, Partner & Head of Investment

Max joined the Investment Manager in 2011 and has led investments across the product range. He has arranged both debt and equity funding for a number of property backed transactions in the social housing, infrastructure and agricultural sectors. Max has led over £150 million of investment into Supporting Housing assets for the Group. Prior to joining the Investment Manager, Max was an Associate in the Debt Capital Markets team at Lazard where he advised private equity clients on both the buy and sell side. Max graduated from the University of Edinburgh.

Isobel Gunn-Brown, Partner & REIT CFO

Isobel joined the Investment Manager in 2010 and acts as Finance Director to the Group leading the financial reporting responsibilities of the Group in conjunction with the AIFM. At the Investment Manager Isobel is head of the Fund Management Services department. Isobel is ACCA qualified with over 30 years' experience in the financial services sector. Her experience is wide-ranging and includes managing the financial reporting for eight listed venture capital trusts, managing the Investment Manager's FCA regulation and reporting requirements and monitoring investee company compliance with HMRC regulation.

Justin Hubble, Partner & General Counsel

Justin joined the Investment Manager in 2017 as General Counsel. He began his legal career as a barrister in New Zealand before moving to the UK where he worked as a private practice lawyer at City firm Ashurst during the dot-com era. On leaving private practice he pursued in-house roles as the General Counsel of several high growth, disruptive tech businesses from start-up to float. Justin is qualified as a barrister & solicitor in New Zealand and as a solicitor in the UK. He is a graduate of Otago University, New Zealand and holds a Master of Laws degree from University College London.

Ralph Weichelt, Investment Director

Ralph joined the Investment Manager in 2017 as a member of the Investment Team. Prior to joining the Investment Manager, Ralph was a partner in Chalkhill Partners LLP, a debt advisory firm focusing on commercial real estate debt origination via institutions and debt capital markets. Prior to this, he held a number of positions in pan-European real estate entities spanning fund management, transactional work (sourcing/underwriting/execution) and advisory. His experience of over 20 years spans across all investment strategies, ranging from core, value added to opportunistic. Ralph is also a qualified Chartered Surveyor.

Freddie Cowper-Coles, Investment Manager

Freddie joined the Investment Manager in 2015. He is an Investment Manager in the Investment Team working exclusively for the Group, with a range of responsibilities related to origination and execution. He began his career as a solicitor, qualifying at Mishcon de Reya where he worked in the property department. Since joining Triple Point, Freddie has worked on a number of investments, including the firm's first investment into a construction company, and he has directly overseen the investment of over £80 million into social housing assets. Freddie has degrees in history from the University of Edinburgh and King's College, London, and holds the Investment Management Certificate and the Corporate Finance Certificate.

INVESTMENT MANAGER'S REPORT

Max Shenkman, Head of Investment

It is only through investing private capital in this under-funded sector that we can enable Registered Providers to bring new stock to market in order to achieve the rare benefit of improving government finances at the same time as improving the lives of some of the most vulnerable people in our society.

Review of the Business

Our goal in 2019 has been to build on the Group's success in 2018. Operationally, we have achieved that, deploying the proceeds of the Group's October 2018 equity raise and part of the Group's revolving credit facility in acquiring 46 new high-quality assets providing accommodation for 414 residents, diversified across the country and by counterparty. As at 30 June 2019, the Group leased properties to 16 Approved Providers and had schemes with 72 care providers and 127 Local Authorities. One highlight of the last six months has been the Group starting its first forward funding project in Scotland, where the need for this type of housing is at least as great as in England but where the specialist supported model has progressed less. The Group acquired a flagship site in the heart of Edinburgh that was specifically commissioned by the City Council, and which, once completed, will provide state-of-the-art housing for 24 vulnerable residents to the benefit of both the residents, and the government. In the context of regulatory engagement, deployment has been slower over the last six months than during the previous six months, but the year has nonetheless got off to a strong start.

Our due diligence processes improve with every transaction, as evidenced by the quality of the Group's portfolio, which has received all its rental payments to date. Numerous transactions have been rejected for failing to meet our due diligence criteria and the Group's Investment Policy. All the Group's properties benefit from long-term, inflation-linked, fully repairing and insuring leases to Approved Providers specialising in providing housing services to vulnerable residents. Before the Group funds any new development, we verify the physical quality of the asset, the demand for its units, the suitability of its rent level, and the financial and governance strength of the counterparties, ensuring the robustness of the long-term income stream. To safeguard the wellbeing of residents and the financial viability of the scheme, it is important for us to check that all counterparties understand the nature of the scheme and their contractual responsibilities, and that the scheme makes financial sense to them. The high-quality of the Group's portfolio, most of which has been acquired off-market, has resulted in the portfolio being independently valued at £395.9 million on an IFRS basis, an uplift of 6.87% against total invested funds of £370.4 million.

Market Review

A significant theme of the last six months has been the series of regulatory notices and judgements published by the Regulator of Social Housing. In February, the Regulator published its Regulatory Judgement on Inclusion Housing C.I.C., an Approved Provider that as at 30 June 2019 the Group had 75 assets leased to (21.1% of the Group's contracted rental income), giving it a non-compliant G3, V3 rating. In April, Encircle Housing, which the Group had two assets leased to (as at 30 June 2019), received a non-compliant rating, and in May, Bespoke Supportive Tenancies Limited, which the Group had five assets leased to (as at 30 June 2019), likewise received a non-compliant rating. Because Encircle and Bespoke Supportive Tenancies had fewer than 1,000 units under management at the time of the Regulator's investigations, neither received a formal governance or viability rating though they were deemed non-compliant. The reasons for these non-compliant judgements varied, but they centre on the under-developed governance functions and relatively small balance sheets of these Registered Providers. The Regulator has pointed to specific issues for Encircle and BeST, primarily based around risk management. Westmoreland's judgement, published on 30 November 2018, likewise highlighted specific issues with its reporting processes, property maintenance and reliance on third-parties. By contrast, Inclusion's judgement focused on the general implications of the lease model rather than anything specific to its operations.

Beyond these specific regulatory judgements in April 2019, the Regulator published an addendum to its 2018 Sector Risk Profile. The addendum looked at providers of specialised Supported Housing which have a model of leasing, rather than owning, properties which are owned by public or private funds. The addendum acknowledges the important role played by private investment in supporting much-needed growth and sustainable development in this sector as well as identifying the risks that should be borne in mind by both Registered Providers and investors into the sector. The report highlighted the fact that in some of the small Supported Housing Registered Providers there had been material governance shortcomings and that Registered Providers should not enter into long-term leases without first analysing, understanding and reporting on the financial implications of, and risks associated with, long-term financial commitments. The addendum states that the boards of Registered Providers have strengthened over time, but that the Regulator intends to work with them to discuss the leasing model and how its concerns can be addressed.

Taken together, these publications make clear that the Regulator is serious about improving the governance and financial positions of lease-based Registered Providers. The Regulator has rightly identified shortcomings that need to be remedied to avoid operational difficulties and, as Investment Manager for the Group, we support what the Regulator is seeking to achieve. Like all fast-growing sectors, this one is undergoing growing pains that need to be worked through promptly and efficiently. It is important that Registered Providers have the infrastructure to provide cyclical and responsive housing services to the vulnerable residents in properties in different geographical areas. It is vital Registered Providers manage their financial positions prudently as they take advantage of this financing structure. Above all, Registered Providers must have strong, independent boards whose governance will help them to understand the nature of the leases they enter and to prevent any risks to health and safety, or financial viability. Although we do not fall under the jurisdiction of the Regulator, as a stakeholder in this model we are committed to working with the Regulator and all other market participants to ensure that any Registered Providers using leases to grow are doing so in a considered, risk-averse manner that safeguards their residents and their financial position through the development of proper governance functions.

Nonetheless it is important to remember that this sector has grown fast for good reason: the fundamentals are strong. Beyond the housing crisis in the general residential market, the demand for new Supported Housing remains as compelling as ever – something reflected by our pipeline of close to £400 million. As we deploy the Group's funds on the ground, we hear, on an almost daily basis, commissioners in all parts of the UK calling for more Supported Housing. It is perhaps no coincidence that during the last six months the Group invested for the first time in Scotland, forward funding the new-build scheme in Edinburgh strongly supported by the City Council described above. It is likewise important to note that the Regulatory commentary and judgements has had no impact on the valuation of the Group's assets, which have in fact continued to appreciate in value in line with market dynamics.

INVESTMENT MANAGER'S REPORT (Continued)

Indeed, commissioners continue to push for this type of housing because the proportion of people with high needs is growing as a percentage of the population and the government continues its policy of moving people out of institutions and into community-based homes set in motion by the 2015 Transforming Care programme.[15] The government chose the policy of pursuing Supported Housing because it has been shown to not only provide better social and health outcomes for residents by giving them the dignity of a home and the independence that comes with that,[16] but also because it saves the government considerable amounts of money. Research demonstrates that someone in specialised Supported Housing saves the government around £200 a week compared to them being in residential care and around £2,000 a week compared to them being in a hospital.[17] Multiplied across all the units in the market – or the 2,306 units in the Group's portfolio as at 30 June 2019 – it is clear that the financial benefits are considerable, particularly at a time when government grant funding is limited and Local Authorities struggle with rising costs.[18]

It is in the knowledge of specialised Supported Housing's dual-benefit – of improving the lives of some of the most vulnerable people in society at the same time as saving the government money – that we continue to support the efforts of the Regulator to ensure that their concerns around Registered Providers are addressed. Only by continuing to improve the quality of Registered Providers operating in this sector can we unlock the full benefits of the Supported Housing sector by enabling these providers to take on the management of new Supported Housing assets thereby bringing new social housing stock to market. Every one of the 2,306 units leased by Registered Providers in the Group's portfolio is helping achieve the government's policy of giving more people the opportunity to move out of expensive, often-ageing institutional care properties into newly-refurbished or purpose-built homes for life in the community, with all that this entails for resident outcomes and the government purse.

To continue achieving these benefits, we need to ensure that the risks associated with this sector continue to reduce and standards continue to rise. We have already started to roll out a change in law clause that gives Registered Providers the opportunity to re-negotiate leases in the unlikely event that changes in national rent regulations cause a material drop in the amount of housing benefit that Registered Providers can receive. Similarly, we have been introducing to our leases a call option that allows Registered Providers to extend the term of their leases, giving them more control of their housing stock and addressing the Regulator's concern over social housing not remaining social housing in perpetuity.

More generally, we have seen the growth strategies of smaller Registered Providers begin to mature as intended. Beyond general improvements in their financial position, Registered Providers are beginning to use surpluses to not only invest in new staff and reporting software, but also to diversify into freehold stock (rather than simply leasing all properties), creating fixed asset bases for them to draw upon. Governance has improved at the same time. More process policies are being designed and implemented, and new members are being appointed to boards of directors. Since the start of 2018, 31 new board members – with backgrounds in housing, care, finance and law – have been appointed to the boards of the Group's lessees. This is all part of the wider process of high-quality operators in this sector squeezing out operators who cannot meet the rising standards of the Supported Housing sector as it matures.

In light of all this, it is clear that regulatory scrutiny has been successful in helping the Regulator achieve one of its objectives, which is proper standards of governance and financial viability for Registered Providers. We welcome this engagement and will continue our ongoing dialogue with the Regulator and other stakeholders to continue the process of improvement. Over time, however, we hope the cumulative impact of these improvements will allow the Regulator to achieve its other, important objective of encouraging the investment of private finance into social housing.[19] Because it is only through investing private capital in this under-funded sector that we can facilitate Registered Providers bringing new stock to market in order to achieve the benefit of improving government finances at the same time as improving the lives of some of the most vulnerable people in our society.

Financial Review

The annualised rental income of the Group was £21.1 million as at 30 June 2019 and £9.3 million for the period, compared to £4.7 million for the period 30 June 2018 (excluding forward funding transactions). The Group is a UK REIT for tax purposes and is exempt from corporation tax on its property rental business.

15 https://www.england.nhs.uk/learning-disabilities/natplan/
16 Mencap, Funding supported housing for all (2018)
17 Mencap, Funding supported housing for all (2018)
18 Institute for Fiscal Studies, Social Rent Policy: Choices and Trade-Offs (2015)
19 https://www.gov.uk/government/organisations/regulator-of-social-housing/about

Ongoing regulatory engagement is providing a welcome opportunity for all stakeholders in this sector to improve due diligence processes, financial positions and governance arrangements.

Eldon Lodge, Bradford

INVESTMENT MANAGER'S REPORT (Continued)

A fair value gain of £4.6 million was recognised during the period on the revaluation of the Group's properties.

Earnings per share was 2.82 pence for the period, compared to 8.37 pence for the year ending 31 December 2018 and 3.02 pence for the period to 30 June 2018. The EPRA earnings per share was 1.53 pence for the period, compared to 2.27 pence for the year ending 31 December 2018 and 1.39 pence for the period to 30 June 2018.

Slower than expected deployment, resulting from the engagement of Registered Providers with the Regulator, has delayed when the Group will achieve full dividend cover. Our priority remains to achieve a fully covered dividend from operations, which we expect to be achieved by Q2 2020. Earnings per share and EPRA earnings per share are calculated on the weighted average number of shares in issue during the period. Adjusted earnings per share were 9.29 pence for the period, where post-tax earnings were adjusted for a valuation on a portfolio basis (as opposed to individual asset IFRS basis).

The audited IFRS NAV per share was 103.96 pence, a marginal increase from 103.65 pence as at 31 December 2018. The Group's EPRA NAV per share is the same as the IFRS NAV at 103.96 pence. The IFRS NAV adjusted for the portfolio valuation (including portfolio premium) was £392 million, which equates to a Portfolio NAV of 111.73 pence per share.

The ongoing charges ratio is calculated as a percentage of the average net asset value for the period under review. The ongoing charges ratio for the period was 1.59% compared to 1.58% at 31 December 2018.

At the period end, the portfolio was independently valued at £395.9 million on an IFRS basis, reflecting a valuation uplift of 6.87% against the portfolio's aggregate purchase price (including transaction costs). The valuation reflects a portfolio yield of 5.28%, against the portfolio's blended net initial yield of 5.89% at the point of acquisition. This equates to a yield compression of 61 basis points, reflecting the quality of the Group's asset selection and off-market acquisition process.

The Group's properties were valued at £423.2 million on a portfolio valuation basis, reflecting a portfolio premium of 6.89% or a £27.3 million uplift against the IFRS valuation. The portfolio valuation assumes a single sale of the property holding SPVs to a third-party on an arm's length basis with purchaser's costs of 2.30%.

Debt Financing

In December 2018, just before the start of the period, the Group entered into a £70 million revolving credit facility with Lloyds Bank. The facilities has an initial term of four years expiring on 20 December 2022 which may be extended by a further two years to 20 December 2024. The interest rate for drawn funds is 1.85% pa over 3-month LIBOR. For undrawn funds, the Group pays a commitment fee of 40% of the margin.

During the period, the Group drew down £31.3 million of the Lloyds facility, equating to 45% of the debt available under the facility. All proceeds have been used by the Group to meet deployment opportunities. The Group drew further funds in August 2019, bringing the total drawn funds under the facility to 89%. As at 30 June 2019, the Lloyds facility remained unhedged. The Board regularly reviews potential hedging arrangements which can be put in place at any time during the duration of the facility.

The Lloyds facility followed the long-dated, fixed-rate, interest-only private placement of loan notes signed with MetLife in July 2018 for £68.5 million, whose proceeds were fully deployed during 2018. Once all funds under the Lloyds facility have been drawn, both facilities combined will represent a loan-to-value of 40% of the value of secured assets in the defined portfolios, in line with the Company's investment policy of a long-term level of aggregate borrowings equal to 40% of the Group's gross asset value.

The MetLife facility requires the Group to maintain an asset cover ratio of x2.25 and an interest cover ratio of x1.75. The Lloyds facility requires the Group to maintain on drawn funds a loan-to-value ratio of lower than 50% and an interest cover ratio in excess of x2.75. At all times the Group has complied with debt covenants on both facilities.

The Group will continue to monitor capital requirements and is actively exploring further facilities to ensure we take advantage of developments in the market and achieve dividend cover.

Strategic Alignment and Asset Selection

In the first half of 2019, the Group has continued to execute its investment strategy, delivering inflation-protected income underpinned by a careful asset selection of secure, long-let and index-linked properties. During this period, the Group purchased 46 assets, which included eight new funding transactions, for a total investment cost of £67.8 million (including transaction costs).

	30 June 2019	30 June 2018	31 December 2018
# of Assets	318	167	272
# of Leases	229	113	189
# of Units	2,306	1,164	1,893
# of APs	16	13	16
# of FFAs	21	8	13
WAULT	26.2 years	29.0 years	27.2 years

COMMITTED CAPITAL	TOTAL FUNDS £m
Total invested since IPO	£370.4
Exchanges	£13.5
Forward Funding Commitments	£23.7
Total Invested and Committed Capital	£407.6

In addition, as at 30 June 2019 the Group had outstanding commitments of £37.2 million (including transaction costs), comprising of £13.5 million for contracts exchanged on seven assets at the period end and £23.7 million for outstanding forward funding commitments.

Top Valley, Nottingham

INVESTMENT MANAGER'S REPORT (Continued)

Property Portfolio

As at 30 June 2019, the property portfolio comprised 318 assets with 2,306 units and showed a broad geographic diversification across the UK. The four largest concentrated areas by market value were the North West (24.0%), East Midlands (15.1%), London (14.0%) and the West Midlands (13.1%). The IFRS value of the property portfolio at 30 June 2019 was £395.9 million.

During the first half of 2019, the Group continued its forward funding programme which forms an integral part of the Group's investment strategy, adding significant value-add to the property portfolio. As at 30 June 2019, the Group had entered into a total of 21 forward funding projects with eight schemes having reached practical completion and 13 schemes still under construction.

Rental Income

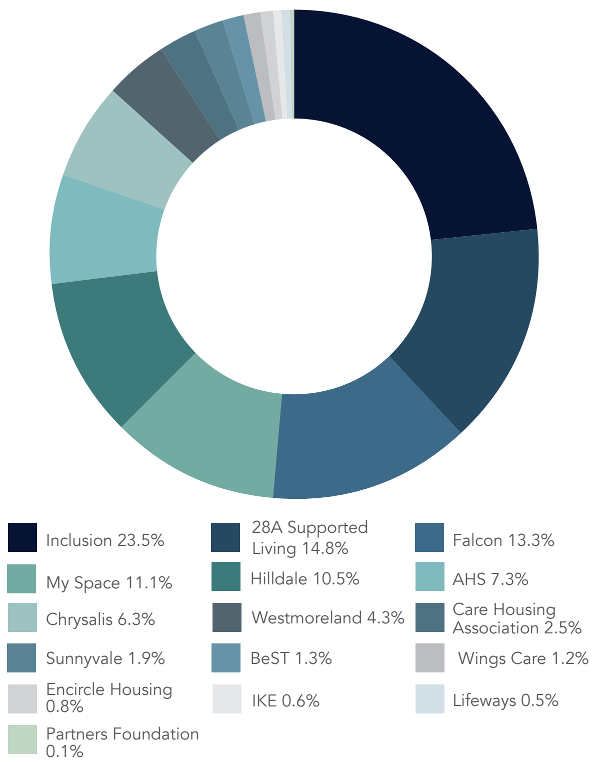
As at 30 June 2019, the property portfolio was fully let (with all assets either let or pre-let on financial close), comprising 216 fully repairing and insuring leases which excludes the agreement for leases in relation to current forward funding transactions. The total annualised rental income of £21.1 million is the aggregate rental income of the standing investments.

The Group has not expanded its tenant base of 16 Approved Providers in the period, yet it remains well diversified across the sector with some of the most specialist UK housing associations. Our three largest Approved Providers by rental income were Inclusion Housing (21.1%), 28A Supported Living (15.6%) and Falcon Housing Association (14.1%).

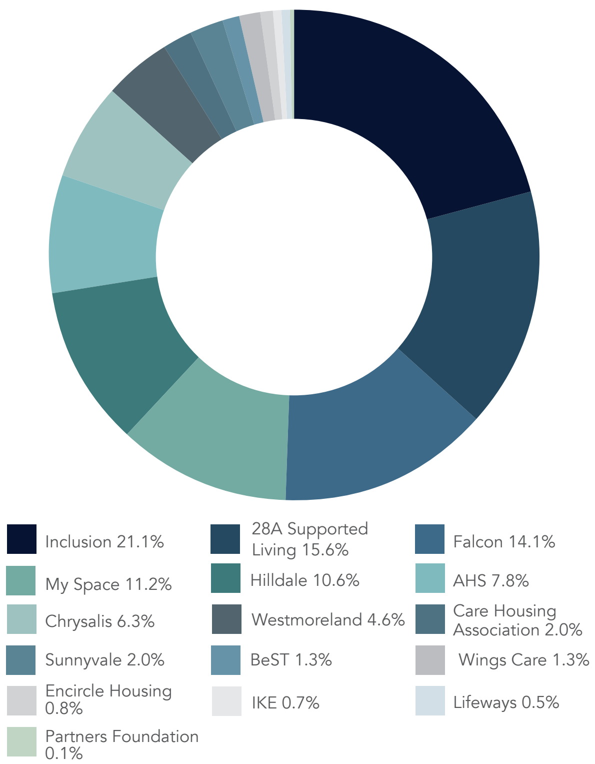
Our three largest Approved Providers by units were Inclusion Housing (527), Falcon Housing Association (324) and My Space Housing Solutions (302).

As at 30 June 2019, the property portfolio had a WAULT of 26.2 years (well in excess of the Group's minimum term of at least 15 years), with 90.5% of the portfolio's rental income showing an unexpired lease term of between 21-30 years. Compared with 31 December 2018, the WAULT has shortened slightly by 1 year as most additions in the last six months have had a lease term of c.25 years (compared to some of our first investments which had lease terms of up to 60 years). The WAULT includes the initial lease term upon completion as well as any reversionary leases and put/call options available to the Group at expiry.

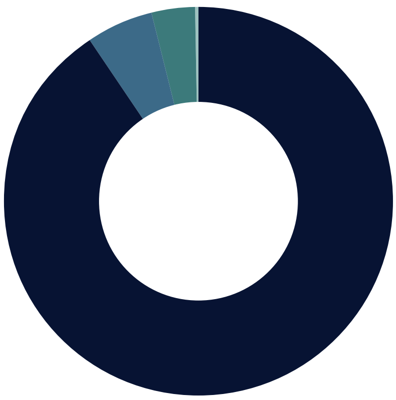
Market Value by Approved Provider



Rental Income by Approved Provider



Rental Income by Lease Length



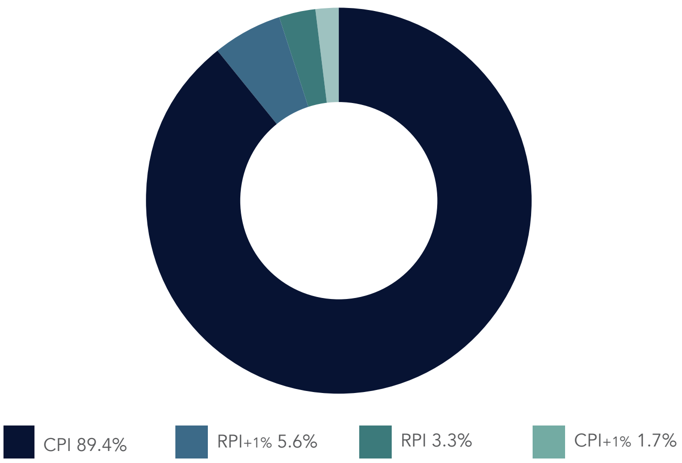
- 21 to 30 years 90.6%
- 50< years 5.6%
- 31 to 40 years 3.6%
- 41 to 50 years 0.2%
- 0 to 20 years 0.0%

Rents under the leases are indexed against either CPI (91.1%) or RPI (8.9%), which provides investors with the security that the rental income will increase in line with inflation. Some leases have an index 'premium' under which the standard rental increase is based upon CPI or RPI plus a further percentage point, reflecting top-ups by Local Authorities. These account for 7.3% of the Group's leases. For the purposes of the portfolio valuation, Jones Lang LaSalle assumed CPI and RPI to increase at 2.0% per annum and 2.5% per annum respectively over the term of the relevant leases.

Property	Maximum Commitment
Bradford	£3.0m
Hereford	£3.1m
Scunthorpe	£1.3m
Nottinghamshire	£1.2m
Nottinghamshire	£0.7m
Cheshire	£2.4m
Derbyshire	£0.7m
Nottinghamshire	£1.8m
Derbyshire	£1.9m
Birmingham	£2.5m
Stafford	£2.8m
Preston	£2.3m
Bradford	£2.5m
Redditch	£3.0m
Scunthorpe	£3.5m
Cheshire	£2.3m
Edinburgh	£5.4m
Yeovil	£3.3m
North Walsham	£3.2m
Redditch	£2.4m
Bradford	£2.6m

INVESTMENT MANAGER'S REPORT (Continued)

Rental Income by Index



As at 30 June 2019, the total rent passing was £21.1 million (excluding forward funding transactions). In this reporting period, there were 128 leases which benefited from an annual rental uplift linked to CPI/RPI, equating to a total rental value increase of approximately £0.2 million more than the initially contracted rent. The annual rent uplifts typically happen every April or on the anniversary of the lease start date.

Pipeline and Outlook

As we reach the half-way point of 2019, the Group's pipeline remains strong, with close to £400 million of properties available to be acquired. This reflects the persistently strong demand dynamics of this sector, with the pipeline spread across the country with a range of existing and new Approved Providers, care providers and Local Authorities, all of which will further enhance the Group's geographic and counterparty diversification. Based on this pipeline, we anticipate that the Group will draw down and spend the rest of the December 2018 revolving credit facility during the second half of 2019 as well as substantially deploy a third debt facility which is in the process of being put in place. The Group will look to raise further capital as and when necessary to meet investment opportunities.

As set out in our 2018 Annual Report, the Group's ability to forward fund the development of properties remains an important part of its offering. As forward funded properties provide the highest quality housing, as well as strong relationships with developers requiring development finance, the Group will, wherever possible, continue to fund these properties.

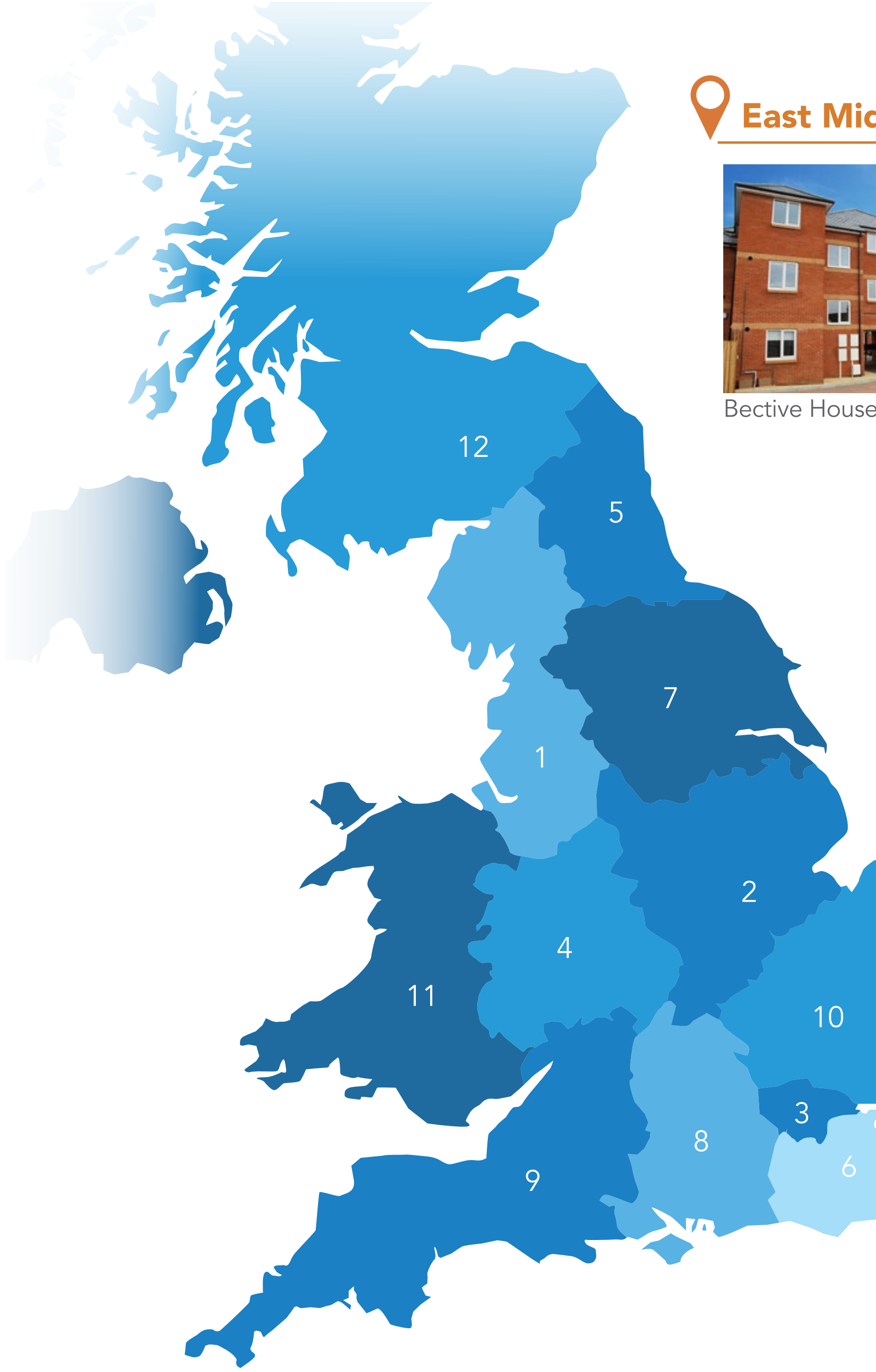
As mentioned elsewhere, ongoing regulatory engagement is providing a welcome opportunity for all stakeholders in this sector to improve due diligence processes, financial positions and governance arrangements. We anticipate that this engagement will continue through the rest of this year and into 2020 and beyond. In the meantime, we will continue to help the Group invest in high-quality assets leased to good Approved Providers, working alongside experienced care poviders, in areas of known demand – all of which will benefit our residents, our taxpayers and wider society.

Max Shenkman
Head of Investment
5 September 2019

You could have filled this place ten times over, there are limited places out there supporting people with disabilities.

Helen Anderson, Care Provider

PORTFOLIO SUMMARY



East Midlands


Bective House, Northampton


Coopers Court, Nottingham

South Wales


Ty Coedwig, Newport

North West


Clock Tower, Liverpool


Delph Court, Bradford


Eldon Lodge, Bradford


31 Park Street, Macclesfield

PORTFOLIO SUMMARY BY LOCATION

Key	County	Properties	% of Funds Invested*
1	North West	85	24.0
2	East Midlands	44	15.1
3	London	26	14.0
4	West Midlands	42	13.1
5	North East	38	11.1
6	South East	27	6.9
7	Yorkshire	18	5.6
8	South	16	4.3
9	South West	15	3.9
10	East	4	1.0
11	South Wales	2	0.8
12	South Scotland	1	0.2
Total		318	100.0

* calculated excluding acquisition costs

KEY PERFORMANCE INDICATORS

In order to track the Group's progress the following key performance indicators are monitored:

1. Dividend – Ordinary Shares

Definition	Relevance to Strategy	Performance	Comment
Dividends paid to shareholders and declared during the period.	The dividend reflects the Company's ability to deliver a low risk but growing income stream from the portfolio.	Total dividends of 2.52 pence per Ordinary Share were paid during the period 1 January 2019 to 30 June 2019. 2.25 pence per share for the period 1 January 2018 to 30 June 2018.	Total dividends paid and declared for the period are in line with the Company's target of 5.095 pence per share for year ending 31 December 2019.

2. IFRS NAV per Share

Definition	Relevance to Strategy	Performance	Comment
The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to shareholders.	The IFRS NAV reflects our ability to grow the portfolio and to add value to it throughout the life cycle of our assets.	103.96 pence at 30 June 2019. 103.65 pence at 31 December 2018.	The IFRS NAV per share at 30 June 2019 was 103.96 pence. This is an increase of 0.3% since 31 December 2018 driven by growth in the underlying asset value of the investment properties.

3. Loan to GAV

Definition	Relevance to Strategy	Performance	Comment
A proportion of our investment portfolio is funded by borrowings. Our medium to long-term target Loan to GAV is 40% with a hard cap of 50%.	The Company uses gearing to enhance equity returns.	21% Loan to GAV at 30 June 2019. 15.5% Loan to GAV at 31 December 2018.	As at 30 June 2019: £68.5 million private placement of loan notes with MetLife; and a £70 million secured revolving credit facility with Lloyds of which £31 million was drawn at 30 June 2019. A further £31 million was drawn on 5 August 2019.

4. Earnings per Share

Definition	Relevance to Strategy	Performance	Comment
The post-tax earnings generated that are attributable to shareholders.	The EPS reflects our ability to generate earnings from our portfolio including valuation increases.	2.82 pence per share for the period to 30 June 2019, calculated on the weighted average number of shares in issue during the period. 3.02 pence per share for the period to 30 June 2018.	The outlook remains positive and we continue to invest to generate an attractive total return.

5. Weighted Average Unexpired Lease Term (WAULT)

Definition	Relevance to Strategy	Performance	Comment
The average unexpired lease term of the investment portfolio, weighted by annual passing rents. Our target is a WAULT of at least 15 years.	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.	26.2 years at 30 June 2019 (includes put/call options and reversionary leases). 27.2 years at 31 December 2018 (includes put options).	As at 30 June 2019, the portfolio's WAULT stood at 26.2 years and remains significantly ahead of the Group's minimum term of 15 years.

6. Adjusted Earnings per Share

Definition	Relevance to Strategy	Performance	Comment
The post-tax earnings adjusted for the market portfolio valuation including portfolio premium.	The Adjusted EPS reflects the application of using the portfolio value and reflects the potential increase in value the Group could realise if assets are sold on a portfolio basis.	9.29 pence per share for the period to 30 June 2019, as shown in note 31 of the Financial Statements. 9.38 pence per share for the year to 30 June 2018.	The Adjusted EPS shows the value per share on a long term basis.

7. Portfolio Net Asset Value

Definition	Relevance to Strategy	Performance	Comment
The IFRS NAV adjusted for the market portfolio valuation including portfolio premium.	The Portfolio NAV measure is to highlight the fair value of net assets on an ongoing, long-term basis and reflects the potential increase in value the Group could realise if assets are sold on a portfolio basis.	The Portfolio NAV of £392 million equates to a Portfolio NAV of 111.73 pence per Ordinary Share, as shown in Note 31 to the Financial Statements. 109.39 pence per share at 31 December 2018.	The Portfolio NAV per share shows a good market growth in the underlying asset value of the investment properties.

8. Exposure to Largest Approved Provider

Definition	Relevance to Strategy	Performance	Comment
The percentage of the Group's gross assets that are leased to the single largest Approved Provider.	The exposure to the largest Approved Provider must be monitored to ensure that we are not overly exposed to one Approved Provider in the event of a default scenario.	23.50%.	We are below our maximum exposure target of 25% with our largest Approved Provider, Inclusion Housing.

9. Total Return

Definition	Relevance to Strategy	Performance	Comment
IFRS NAV plus total dividends paid during the period.	The total return measure highlights the gross return to investors including dividends paid since the prior year.	Total return was 2.73% for the period to 30 June 2019. Total return was 2.99% for the period to 30 June 2018.	The IFRS NAV per share at 30 June 2019 was 103.96 pence. Adding back dividends paid during the period of 2.52 pence per Ordinary Share to the IFRS NAV at 30 June 2019 results in an increase of 2.73%.

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.

Full reconciliations of EPRA Earning and NAV are included in Notes 29 and 30 of the condensed financial statements respectively. A full reconciliation of the other EPRA performance measures are included in the Unaudited Performance Measures section.

1. EPRA Earnings per Share

Definition	Purpose	Performance
EPRA Earnings per share excludes gains from fair value adjustment on investment property that are included in the IFRS calculation for Earnings per share.	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	1.53 pence per share for the period to 30 June 2019. Slower than expected deployment, resulting from the engagement of Registered Providers with the Regulator, has delayed when the Group will achieve full dividend cover. Our priority remains to achieve a fully covered dividend from operations. We expect this to be achieved by Q2 2020 once the third debt tranche has been deployed. 1.39 pence per share for the period to 30 June 2018.

2. EPRA NAV per Share

Definition	Purpose	Performance
EPRA NAV makes certain adjustments to IFRS NAV to exclude items not expected to crystallise in a long-term investment property business model.	Provides stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company with a long-term investment strategy.	103.96 pence per share at 30 June 2019. 103.65 pence per share at 31 December 2018. As at 30 June 2019 both the EPRA NAV and the IFRS NAV were equivalent.

3. EPRA NNNAV per Share

Definition	Purpose	Performance
EPRA NAV adjusted to include the fair values of: 1. financial instruments; 2. debt; and 3. deferred taxes.	EPRA NAV is adjusted to provide stakeholders with the most relevant information on the fair value of the assets and liabilities within a true real estate investment company.	103.15 pence per share at 30 June 2019. 103.60 pence per share at 31 December 2018.

4. EPRA Net Initial Yield (NIY)

Definition	Purpose	Performance
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.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge for themselves how the valuation of a portfolio compares with others.	5.25% at 30 June 2019. 5.13% at 31 December 2018.

5. EPRA 'Topped-Up' NIY

Definition	Purpose	Performance
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).	The topped-up net initial yield is useful in that it allows investors to see the yield based on the full rent that is contracted at 30 June 2019.	5.25% at 30 June 2019. 5.21% at 31 December 2018.

6. EPRA Vacancy Rate

Definition	Purpose	Performance
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A 'pure' percentage measure of investment property space that is vacant, based on ERV.	0.00% as at 30 June 2019. 0.00% as at 31 December 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

The table below sets out what we 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.

The Board considers that the principal risks and uncertainties as presented in detail on pages 60 to 63 of our Annual Report for the period ended 31 December 2018 were unchanged during the period.

1. RISK CATEGORY – FINANCIAL

Expensive or lack of debt finance may limit our ability to grow and achieve a fully covered dividend

Risk Impact	Risk Mitigation	
Without sufficient debt funding at sustainable rates, we will be unable to pursue suitable investments in line with our Investment Policy. This would significantly impair our ability to pay dividends to shareholders at the targeted rate.	When raising debt finance the Investment Manager adopts a flexible approach involving speaking to multiple funders offering various rates, structures and tenors. Doing this allows the Investment Manager to maintain maximum competitive tension between funders. After proceeding with a funder the Investment Manager agrees heads of terms early in the process to ensure a streamlined, transparent fund-raising process. The Board also keeps liquidity under constant review and we will always aim to have headroom in our debt facilities ensuring that we have a level of protection in the event of adverse fund-raising conditions.	Impact  Likelihood 

2. RISK CATEGORY – FINANCIAL

Floating rate debt exposes the business to underlying interest rate movements

Risk Impact	Risk Mitigation	
Interest on our debt facilities is payable based on a margin over Libor and Gilt rates. Any adverse movements in these rates could significantly impair our profitability and ability to pay dividends.	The Group considers cash flow forecasts and ensures 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. The Group's 10-year and 15-year MetLife tranches have a fixed rate coupon and the Board regularly reviews potential hedging arrangements which can be put in place at any time during the duration of the Lloyds facility.	Impact  Likelihood 

3. RISK CATEGORY – FINANCIAL
Unable to operate within debt covenants

Risk Impact
The borrowings the Group currently has and which the Group uses in the future may contain loan to value and interest covenants ratios. If property valuations and rental income decrease, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a requirement for additional cash collateral; payment of a fee to the lender; a sale of an asset or assets or a forfeit of any asset to a lender.
This may result in the Group selling assets to repay drawn loan amounts resulting in a decrease on Group's Net Asset Value.

Risk Mitigation
The Investment Manager monitors loan to value and interest covenants ratios on an ongoing basis. In the unlikely event that an event of default occurs under these covenants the Group has a sufficient remedy period to cure the covenant breach by either injecting cash collateral or equity funded assets in order to restore covenant compliance.

Impact

Likelihood


4. RISK CATEGORY – PROPERTY
Default of one or more Approved Provider lessees

Risk Impact
The default of one or more of our lessees could impact the revenue gained from relevant assets. If the lessee cannot remedy the default or no support is offered to the lessee by the Regulator of Social Housing, we may have to terminate or renegotiate the lease, meaning a sustained reduction in revenues while a replacement is found.

Risk Mitigation
Under the terms of our Investment Policy and restrictions, no more than 30% (although the Group has a target of 25%) of the Group's gross asset value may be exposed to one lessee, meaning the risk of significant rent loss is low. The lessees are predominantly regulated by the Regulator of Social Housing, meaning that, if a lessee was to suffer financial difficulty, it is likely that the Regulator of Social Housing would assist in making alternative arrangements to ensure continuity for residents who are vulnerable members of the community.

Impact

Likelihood


5. RISK CATEGORY – PROPERTY
Forward funding properties involves a higher degree of risk than that associated with completed investments

Risk Impact
Our forward funded developments are likely to involve a higher degree of risk than is associated with standing investments. This could include general construction risks, delays in the development or the development not being completed, cost overruns or developer/contractor default. If any of the risks associated with our forward funded developments materialised, this could reduce the value of these assets and our portfolio.

Risk Mitigation
Before entering into any forward funding arrangements, the Investment Manager undertakes substantial due diligence on developers and their main subcontractors, ensuring they have a strong track record. We enter into contracts on a fixed price basis and then, during the development work, we defer development profit until work has been completed and audited by a chartered surveyor. Further, less than 10% of our portfolio is forward-funded at present and we are limited by our Investment Policy which restricts us to forward funding a maximum of 20% of the Group's net asset value at any one time. Ultimately, with these mitigating factors in place, the flexibility to forward fund allows us to acquire assets and opportunities which will provide prime revenues in future years.

Impact

Likelihood


PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

6. RISK CATEGORY – REGULATORY

Risk of an Approved Provider receiving a non-compliant financial viability or governance rating by the Regulator

Risk Impact

Should an Approved Provider with which the Group has one or more leases in place receive a non-compliant rating by the Regulator, in particular in relation to viability, depending on the further actions of the Regulator, it is possible that there may be a negative impact on the market value of the relevant properties which are the subject of such lease(s). Depending on the exposure of the Group to such Approved Provider, this in turn may have a material adverse effect on Group's Net Asset Value until such time as the matter is resolved through an improvement in the relevant Approved Provider's rating or a change in Approved Provider.

Risk Mitigation

As part of the Group's acquisition process, the Investment Manager conducts a thorough due diligence process on all Registered Providers with which the Group enters into lease agreements that takes account of their financial strength and governance procedures. 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 the regulatory notices.

The Group has leases in place with four Approved Providers that have been deemed non-compliant by the Regulator. These assets did not suffer from an impairment in value as part of the Q2 valuation by the Group's independent Valuer.

Impact

Likelihood

7. RISK CATEGORY – REGULATORY

Risk of changes to the social housing regulatory regime

Risk Impact

Future governments may take a different approach to the social housing regulatory regime, resulting in changes to the law and other regulation or practices of the Government with regard to social housing.

Risk Mitigation

As demand for social housing remains high relative to supply, the Board and the Investment Manager are confident there will continue to be a viable market within which to operate, notwithstanding any future change of government. Even if government funding was to reduce, the nature of the rental agreements the Group has in place means that the Group will enjoy continued lessee rent commitment for the term of the agreed leases.

Impact

Likelihood

8. RISK CATEGORY – REGULATORY

Risk of not being qualified as REIT

Risk Impact

If the Group fails to remain in compliance with the REIT conditions, the members of the Group will be subject to UK corporation tax on some or all of their property rental income and chargeable gains on the sale of properties which would reduce the funds available to distribute to investors.

Risk Mitigation

The Group intends to continue to operate as a REIT and work within its investment objective and policy. The Group will retain legal and regulatory advisers and consult with them on a regular basis to ensure it understands and complies with the requirements. In addition, the Board oversees adherence to the REIT regime, maintaining close dialogue with the Investment Manager to ensure we remain compliant with legislation.

Impact

Likelihood

9. RISK CATEGORY – CORPORATE

Reliance on the Investment Manager

Risk Impact

We continue to rely on the Investment Manager's services and its reputation in the social housing market. As a result, our performance will, to a large extent, depend on the Investment Manager's abilities in the property market. Termination of the Investment Management Agreement would severely affect our ability to effectively manage our operations and may have a negative impact on the share price of the Company.

Risk Mitigation

Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 12 months' written notice, which may not expire before August 2020. The Board regularly reviews and monitors the Investment Manager's performance. In addition, the Board meets regularly with the Manager to ensure that we maintain a positive working relationship.

Impact

Likelihood

10. RISK CATEGORY – FINANCIAL

Property valuations may be subject to change over time

Risk Impact

Property valuations are inherently subjective and uncertain. Market conditions, which may impact the creditworthiness of lessees, may adversely affect valuations. The portfolio is valued on a Market Value basis, which takes into account the expected rental income to be received under the leases in 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 the assets in the portfolio may be negatively affected. Any changes could affect the Group's net asset value and the share price of the Company.

Risk Mitigation

All of the Group's property assets are independently valued quarterly by Jones Lang LaSalle, a specialist property valuation firm, who are provided with regular updates on portfolio activity by the Investment Manager. The Investment Manager meets with the external valuers to discuss the basis of their valuations and their quality control processes. Default risk of lessees is mitigated in accordance with the lessee default principal risk explanation provided above. In order to protect against loss in value, the Investment Manager's property management team seeks to visit each property in the portfolio once a year, and works closely with lease counterparties to ensure, to the extent reasonably possible, their financial strength and governance procedures remain robust through the duration of the relevant lease.

Impact

Likelihood

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge this condensed set of financial statements has been prepared in accordance with IAS 34 as adopted by the European Union and that the operating and financial review on pages 24 to 43 includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months of the financial year as disclosed in Note 24 and any material changes in the related party transactions disclosed in the 2018 Annual Report.

A list of the Directors is shown on page 76.

Shareholder information is as disclosed on the Triple Point Social Housing REIT plc website.

Approval

This Directors' responsibilities statement was approved by the Board of Directors and signed on its behalf by:

Chris Phillips
Chairman
5 September 2019

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 which comprises the Condensed Group Statement of Comprehensive Income, the Condensed Group Statement of Finance Position, the Condensed Group Statement of Changes in Equity, the Condensed Group Statement of Cash Flows and the Notes to the Group Condensed Interim Financial Statements.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' Responsibilities

The half-yearly financial report is the responsibility of and has been approved by the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 2, the annual financial statements of the Group are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2019 is not prepared, in all material respects, in accordance with International Accounting Standard 34, as adopted by the European Union, and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Use of Our Report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting its responsibilities in respect of half-yearly financial reporting in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP
Chartered Accountants
London, United Kingdom
5 September 2019
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Financial Statements

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Condensed Group Statement of Comprehensive Income

For the period from 1 January 2019 to 30 June 2019

	Note	Period from 1 January 2019 to 30 June 2019 (unaudited) £'000	Period from 1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Income				
Rental income	5	9,348	4,744	11,490
Total income		**9,348**	**4,744**	**11,490**
Expenses				
Directors' remuneration	6	(151)	(127)	(265)
Management fees	7	(1,859)	(868)	(2,309)
General and administrative expenses		(891)	(878)	(1,909)
Total expenses		**(2,901)**	**(1,873)**	**(4,483)**
Gain from fair value adjustment on investment property	11	4,551	3,257	14,497
Operating profit		**10,998**	**6,128**	**21,504**
Finance income	8	149	70	183
Finance expense	9	(1,232)	(24)	(1,790)
Finance expense – C Shares amortisation	9	–	(134)	–
Profit before tax		**9,915**	**6,040**	**19,897**
Taxation	10	–	–	–
Profit and total comprehensive income attributable to shareholders		**9,915**	**6,040**	**19,897**
Earnings per share – basic	29	**2.82p**	**3.02p**	**8.37p**
Earnings per share – diluted	29	**2.82p**	**2.75p**	**2.27p**

All amounts reported in the Condensed Group Statement of Comprehensive Income for the period ended 30 June 2019 relate to continuing operations.

The accompanying notes on pages 52 to 71 form an integral part of these Condensed Group Financial Statements.

FINANCIAL STATEMENTS

Condensed Group Statement of Financial Position

As at 30 June 2019

Company Number: 10814022

	Note	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Assets				
Non-current assets				
Investment properties	11	396,567	190,581	324,069
Total non-current assets		**396,567**	**190,581**	**324,069**
Current assets				
Trade and other receivables	12	2,271	2,411	3,392
Cash and cash equivalents	13	74,824	63,346	114,624
Total current assets		**77,095**	**65,757**	**118,016**
Total assets		**473,662**	**256,338**	**442,085**
Liabilities				
Current liabilities				
Trade and other payables	14	10,021	5,288	8,998
C Shares	17	–	46,684	–
Total current liabilities		**10,021**	**51,972**	**8,998**
Non-current liabilities				
Other payables	15	1,505	1,154	1,565
Bank and other borrowings	16	97,082	–	67,361
Total non-current liabilities		**98,587**	**1,154**	**68,926**
Total liabilities		**108,608**	**53,126**	**77,924**
Total net assets		**365,054**	**203,212**	**364,161**
Equity				
Share capital	18	3,514	2,000	3,514
Share premium reserve	19	151,157	–	151,157
Treasury shares reserve	20	(167)	–	–
Capital reduction reserve	21	175,066	189,533	183,921
Retained earnings		35,484	11,679	25,569
Total Equity		**365,054**	**203,212**	**364,161**
Net asset value per share – basic	30	**103.96p**	**101.61p**	**103.65p**
Net asset value per share – diluted	30	**103.96p**	**101.61p**	**103.65p**

The Condensed Group Financial Statements were approved and authorised for issue by the Board on 5 September 2019 and signed on its behalf by:

Chris Phillips
Chairman
5 September 2019

The accompanying notes on pages 52 to 71 form an integral part of these Condensed Group Financial Statements.

FINANCIAL STATEMENTS

Condensed Group Statement of Changes in Equity

For the period from 1 January 2019 to 30 June 2019

Period from 1 January 2019 to 30 June 2019 (unaudited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2019		3,514	151,157	–	183,921	25,569	**364,161**
Total comprehensive income for the period		–	–	–	–	9,915	**9,915**
Transactions with owners							
Own shares repurchased	20	–	–	(167)		–	**(167)**
Dividends paid	22	–	–	–	(8,855)	–	**(8,855)**
Balance at 30 June 2019 (unaudited)		**3,514**	**151,157**	**(167)**	**175,066**	**35,484**	**365,054**

Period from 1 January 2018 to 30 June 2018 (unaudited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018		2,000	–	–	194,000	5,672	**201,672**
Total comprehensive income for the period		–	–	–	–	6,040	**6,040**
Transactions with owners							
Dividends paid	22	–	–	–	(4,467)	(33)	**(4,500)**
Balance at 30 June 2018 (unaudited)		**2,000**	**–**	**–**	**189,533**	**11,679**	**203,212**

Year ended 31 December 2018 (audited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2018		2,000	–	–	194,000	5,672	**201,672**
Total comprehensive income for the year		–	–	–	–	19,897	**19,897**
Transactions with owners							
Ordinary Shares issued in the period at a premium	18,19	1,514	153,320	–	–	–	**154,834**
Share issue costs capitalised	19	–	(2,163)	–		–	**(2,163)**
Dividends paid	22	–	–	–	(10,079)	–	**(10,079)**
Balance at 31 December 2018 (audited)		**3,514**	**151,157**	**–**	**183,921**	**25,569**	**364,161**

The accompanying notes on pages 52 to 71 form an integral part of these Condensed Group Financial Statements.

FINANCIAL STATEMENTS

Condensed Group Statement of Cash Flows

For the period from 1 January 2019 to 30 June 2019

	Note	From 1 January 2019 to 30 June 2019 (unaudited) £'000	From 1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Cash flows from operating activities				
Profit before income tax		9,915	6,040	19,897
Adjustments for:				
Gain from fair value adjustment on investment property	11	(4,551)	(3,257)	(14,497)
Finance income	8	(149)	(70)	(183)
Finance costs	9	1,232	24	1,790
Finance costs – C Share amortisation	9	–	134	–
Operating results before working capital changes		6,447	2,871	7,007
Decrease/(increase) in trade and other receivables		935	(499)	(2,074)
(Decrease)/increase in trade and other payables		(244)	710	473
Net cash flow generated from operating activities		**7,138**	**3,082**	**5,406**
Cash flows from investing activities				
Purchase of investment properties		(66,805)	(46,077)	(163,995)
Prepaid acquisition costs refunded	12	208	6,060	6,655
Restricted cash – released		4,119	2,920	9,419
Restricted cash – (paid)		(4,992)	(2,373)	(12,809)
Interest received		120	56	150
Net cash flow used in investing activities		**(67,350)**	**(39,414)**	**(160,580)**
Cash flows from financing activities				
Proceeds from issue of Ordinary Shares at a premium		–	–	108,150
Ordinary Share issue costs capitalised		–	–	(2,150)
Proceeds from issue of C Shares	17	–	47,500	47,500
C Share issue costs capitalised	17	–	(950)	(950)
Own shares repurchased	20	(167)	–	–
Bank borrowings drawn	16	31,264	–	68,500
Restricted bank borrowings released/(paid)	16	10,460	–	(10,460)
Loan arrangement fees paid	16	(1,623)	–	(1,186)
Dividends paid	22	(8,855)	(4,500)	(10,079)
Interest paid		(1,041)	(10)	(1,563)
Net cash flow generated from financing activities		**30,038**	**42,040**	**197,762**
Net (decrease)/increase in cash and cash equivalents		**(30,174)**	**5,708**	**42,588**
Unrestricted cash and cash equivalents at the beginning of the period		97,346	54,758	54,758
Unrestricted cash and cash equivalents at the end of the period	13	**67,172**	**60,466**	**97,346**

The accompanying notes on pages 52 to 71 form an integral part of these Condensed Group Financial Statements.

FINANCIAL STATEMENTS
Notes to the Group Condensed Interim Financial Statements (unaudited)
For the period from 1 January 2019 to 30 June 2019

1. CORPORATE INFORMATION

Triple Point 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 1 King William Street, London, United Kingdom, EC4N 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 principal activity of the Company is to act as the ultimate parent company of Triple Point Social Housing REIT plc and its subsidiaries (the "Group") and 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 Condensed Group Financial Statements for the six months ended 30 June 2019 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34, Interim Financial Reporting, as adopted by the European Union. The Condensed Group Financial Statements for the six months ended 30 June 2019 have been reviewed by the Company's Auditor, BDO LLP in accordance with International Standard of Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity and were approved for issue on 5 September 2019. The Condensed Group Financial Statements are unaudited and do not constitute statutory accounts for the purposes of the Companies Act 2006.

The comparative financial information for the period ended 31 December 2018 in this interim report does not constitute statutory accounts for that year. The Group's annual report and accounts for the period to 31 December 2018 have been delivered to the Registrar of Companies. The independent auditor's report on those accounts was unqualified, did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006.

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 Group has applied the same accounting policies in these Condensed Group Financial Statements as in its 2018 annual financial statements, except for those that relate to new standards and interpretations effective for the first time for periods beginning on or after 1 January 2019. The new standard impacting the Group is:

- IFRS 16 *Leases*

IFRS 16 replaces IAS 17 Leases and introduced a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

Previously, the Group was required to classify all leases as either operating or finance leases.

The Group adopted IFRS 16 using the modified retrospective approach with recognition of any transitional adjustments being made on the date of application (1 January 2019), without restatement of comparative figures. The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Contracts entered into before the transition date that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after 1 January 2019.

The Directors have given due consideration to the impact on the financial statements of IFRS 16 and have concluded that the adoption of the standard has not had a material impact on the financial statements in the period of initial application. This is because where the Group is a lessee i.e. leasehold properties, the Group already recognises these as finance leases on the statement of financial position. Further, no changes have been identified in respect of these leases where the Group also acts as a lessor.

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 show the expected annualised rental income exceeds the expected operating costs of the Group.

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

The Directors believe that there are currently no material uncertainties in relation to the Group's ability to continue in operation for the period of at least 12 months from the date of approval of the Group's Financial Statements. The Board is, therefore, of the opinion that the going concern basis adopted in the preparation of the financial statements is appropriate.

2.2. Reporting period

The financial statements have been prepared for the period ended 30 June 2019. The comparative periods are the six-month period ended 30 June 2018 and the year ended 31 December 2018.

2.3. Currency

The Group and Company financial information is presented in Sterling which is also the Company'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 assets and liabilities within the next financial year are outlined below:

Estimates:

3.1. Investment properties (note 11)

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 make reference to market evidence of transaction prices for similar properties. Further information is provided in note 11.

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 – Professional Standards, July 2017, Global and UK Editions (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 generally and specialist supported housing ("SSH") 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. Specifically:

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 Directors' 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.

Given the bespoke nature of each of the Group's investments, all of the Group's investment properties are included in Level 3.

Judgements:

3.2. Asset acquisitions

The Group acquires subsidiaries that own investment properties. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Directors consider the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business. The Group accounts for an acquisition as a business combination where an integrated set of activities is acquired in addition to the property.

Where such acquisitions are not judged to be the acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity is allocated between the identifiable assets and liabilities of the entity based upon their relative fair values at the acquisition date. Accordingly, no goodwill or deferred tax arises.

All corporate acquisitions during the period have been treated as asset purchases rather than business combinations because no integrated set of activities were acquired.

3.3. The Group as lessor

The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of its properties and so accounts for the leases as operating leases. This evaluation involves judgement and the key factors considered include comparing the duration of the lease terms compared to the economic life of the underlying property asset, or in the case of sub-leased properties, the remaining life of the right-of-use asset arising from the headlease, and the minimum lease payments, the minimum lease payments discounted using an average cost of borrowing rate compared to the fair value of the asset at acquisition, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

FINANCIAL STATEMENTS

Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2019 to 30 June 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the financial statements are set out below.

4.1. Basis of consolidation

The financial statements comprise the financial information of the Group as at the year-end date.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. All intra-Group transactions, balances, income and expenses are eliminated on consolidation. The financial information of the subsidiaries is included in the financial statements from the date that control commences until the date that control ceases.

If an equity interest in a subsidiary is transferred but a controlling interest continues to be held after the transfer, then the change in ownership interest is accounted for as an equity transaction. Accounting policies of the subsidiaries are consistent with the policies adopted by the Company.

4.2. 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 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.

Investment properties under construction are financed by the Group where the Group enters into contracts for the development of a pre-let property under a forward funding agreement. The Group does not expose itself to any speculative development risk as the proposed property is pre-let to a tenant under an agreement for lease and the Group enters into a fixed price development agreement with the Developer. Investment properties under construction are initially recognised in line with stage payments made to the developer. The properties are revalued at fair value at each reporting date in the form of a work-in-progress value. The work-in-progress value of investment properties under construction is estimated as fair value of the completed asset less any costs still payable in order to complete, which includes the Developer's margin.

During the period between initial investment and the lease commencement date (practical completion of the works) a coupon interest due on the funds paid in the range of 6.5-6.75% per annum is payable by the Developer. The accrued coupon interest is considered as a discount on the fixed contract price. It does not result in any cash flows during the development but reduces the outstanding balance payable to the developer on practical completion. When practical completion is reached, the completed investment property is transferred to operational assets at the fair value on the date of completion.

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

4.3. 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 as discussed in note 3.

Properties leased out under operating leases are included in investment property 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.

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 creditors. The lease liabilities are measured at the present value of the remaining lease payments, discounted using an appropriate discount rate. 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.

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.

4.4. Trade and other receivables
Trade 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.

Trade 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 trade 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 trade 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 trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the consolidated statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

4.5. Cash and cash equivalents
Cash and cash equivalents include cash in hand, cash held by lawyers and liquidity funds with a term of no more than three months that are readily convertible to a known amount of cash, and which are subject to an insignificant risk of changes in value.

Cash held by lawyers is money held in escrow for expenses expected to be incurred in relation to investment properties pending completion. These funds are available immediately on demand.

Restricted Cash represents cash held in relation to retentions for repairs, maintenance and improvement works by the vendors that is committed on the acquisition of the properties; and restricted bank borrowings.

4.6. Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the Statement of Financial Position date, taking into account the risks and uncertainties surrounding the obligation.

4.7. Trade and other payables
Trade and other payables are classified as current liabilities if payment is due within one year or less from the end of the current accounting period. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method until settled.

4.8. 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.

4.9. C Shares financial liability
C Shares were convertible non-voting preference shares issued during the prior year and met the definition of a financial liability. C Shares were recognised on issue at fair value less directly attributable transaction costs. After initial recognition, C Shares were subsequently measured at amortised cost using the effective interest rate method. Amortisation is credited to or charged to finance income or finance costs in the Consolidated Statement of Comprehensive Income. Transaction costs are deducted from proceeds at the time of issue. C Shares converted into Ordinary Shares on the conversion date on the basis of their respective NAV per share at the calculation date.

4.10. 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.

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4.11. Dividends payable to shareholders
Final dividends to the Company's shareholders are recognised as a liability in the Group's Financial Statements in the period in which the dividends are approved by shareholders. In the UK, interim dividends are recognised when paid.

4.12. 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.

Rental income is invoiced in advance and any rental income that relates to a future period is deferred and appears within current liabilities on the Statement of Financial Position.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. 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.

4.13. 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.

4.14. Expenses
All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

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

4.16. Share issue costs
The costs of issuing or reacquiring equity instruments (other than in a business combination) are accounted for as a deduction from equity.

5. RENTAL INCOME

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Rental income – freehold assets	8,432	4,163	10,016
Rental income – leasehold assets	916	581	1,474
	9,348	**4,744**	**11,490**

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

All rental income arose within the United Kingdom.

6. DIRECTORS' REMUNERATION

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Directors' fees	138	112	234
Employer's National Insurance Contributions	13	15	31
	151	**127**	**265**

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, and the other Directors of the Board receive a fee of £50,000 per annum. 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 initial Issue). None of the Directors received any advances or credits from any Group entity during the period.

7. MANAGEMENT FEES

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Management fees	1,859	868	2,309
	1,859	**868**	**2,309**

On 20 July 2017 Triple Point Investment Management LLP 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.

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 at 31 March, 30 June, 30 September and 31 December in each year on the following basis with effect from Admission:

(a) 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;

(b) 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;

(c) 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

(d) 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 £1,858,883 were chargeable by TPIM during the period to 30 June 2019 (June 2018 – £867,926, December 2018 – £2,309,000). At the period end, £979,880 was due to TPIM (June 2018 – £1,313,755, December 2018 – £811,000).

8. FINANCE INCOME

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Head lease interest income	20	14	33
Interest on liquidity funds	129	56	150
	149	**70**	**183**

9. FINANCE COSTS

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Interest payable on bank borrowings	1,127	–	949
Amortisation loan arrangement fees	80	–	47
C Share amortisation expense	–	134	134
C Share interest expense	–	–	613
Head lease interest expense	21	14	33
Bank charges	4	10	14
	1,232	158	1,790
Total finance cost for financial liabilities held at amortised cost	**1,228**	**148**	**1,762**

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10. 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 interim period from 1 January to 30 June 2019, 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.

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Current tax			
Corporation tax charge for the year	–	–	–
Total current income tax charge in the profit or loss	–	–	–

The tax charge for the period is less than the standard rate of corporation tax in the UK of 19%. The differences are explained below.

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Profit before tax	9,915	6,040	19,897
Tax at UK corporation tax standard rate of 19%	1,884	1,148	3,780
Change in value of investment properties	(865)	(619)	(2,754)
Exempt REIT income	(1,377)	(625)	(1,340)
Amounts not deductible for tax purposes	23	–	145
Unutilised residual current period tax losses	335	96	169
	–	–	–

The Government has announced that the corporation tax standard rate is to be reduced from 19% to 17% with an effective date from 1 April 2020. UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of CTA 2010.

11. INVESTMENT PROPERTY

	Operational assets £'000	Properties under development £'000	Total £'000
As at 1 January 2019 (excluding head lease ground rent)	314,812	7,952	**322,764**
Acquisitions and additions	56,413	11,394	**67,807**
Fair value adjustment	4,420	131	**4,551**
Head lease ground rent	1,445	–	**1,445**
Transfer of completed properties	1,780	(1,780)	**–**
As at 30 June 2019 (unaudited)	**378,870**	**17,697**	**396,567**
As at 1 January 2018 (excluding head lease ground rent)	137,432	–	**137,432**
Acquisitions and additions	42,580	6,229	**48,809**
Fair value adjustment	3,547	(290)	**3,257**
Head lease ground rent	1,083	–	**1,083**
Transfer of completed properties	–	–	**–**
As at 30 June 2018 (unaudited)	**184,642**	**5,939**	**190,581**
As at 1 January 2018 (excluding head lease ground rent)	137,432	–	**137,432**
Acquisitions and additions	154,127	16,708	**170,835**
Fair value adjustment	14,569	(72)	**14,497**
Head lease ground rent	1,305	–	**1,305**
Transfer of completed properties	8,684	(8,684)	**–**
As at 31 December 2018 (audited)	**316,117**	**7,952**	**324,069**

Reconciliation to independent valuation:

	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Investment property valuation	395,870	189,992	323,469
Fair value adjustment – head lease ground rent	1,445	1,083	1,305
Fair value adjustment – lease incentive debtor	(748)	(494)	(705)
	396,567	**190,581**	**324,069**

Properties under development represent contracts for the development of a pre-let property under a forward funding agreement.

The carrying value of leasehold properties at 30 June 2019 was £34.8 million (June 2018 – £24.4 million, December 2018 – £26.5 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 six 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 7 years.

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% Key Statistics
The metrics below are in relation to the total investment property portfolio held as at 30 June 2019.

Portfolio Metrics	30 June 2019	30 June 2018	31 December 2018
Capital Deployed (£'000)*	359,272	175,056	293,858
Number of Properties	318	167	272
Number of Tenancies***	229	100	189
Number of Registered Providers***	16	12	16
Number of Local Authorities***	127	69	109
Number of Care Providers***	73	34	62
Average NIY**	5.28%	5.32%	5.25%

* calculated excluding acquisition costs

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

*** calculated excluding forward funding acquisitions

Regional exposure

Region	30 June 2019 *Cost £'000	30 June 2019 % of funds invested	30 June 2018 *Cost £'000	30 June 2018 % of funds invested	31 December 2018 *Cost £'000	31 December 2018 % of funds invested
North West	86,099	24.0	56,979	32.5%	73,757	25.1
North East	40,009	11.1	28,786	16.4%	39,432	13.4
West Midlands	47,073	13.1	27,657	15.8%	41,327	14.1
East Midlands	54,156	15.1	21,018	12.0%	47,412	16.1
South East	24,649	6.9	13,832	7.9%	22,053	7.5
Yorkshire	20,164	5.6	12,580	7.2%	16,869	5.7
South	15,495	4.3	8,031	4.6%	14,665	5.0
London	50,347	14.0	4,676	2.7%	25,921	8.9
East	3,562	1.0	1,234	0.7%	2,889	1.0
South West	13,968	3.9	263	0.2%	8,650	2.9
South Wales	2,863	0.8	–	–	883	0.3
South Scotland	887	0.2	–	–	–	–
Total	**359,272**	**100.00**	**175,056**	**100.00**	**293,858**	**100.00**

*excluding acquisition costs

Fair value hierarchy

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Assets measured at fair value:					
Investment properties	30 June 2019	396,567	–	–	396,567
Investment properties	30 June 2018	190,581	–	–	190,581
Investment properties	31 December 2018	324,069	–	–	324,069

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

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) 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 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 SSH property owned by the Group; ii) the particular structure of the Group's transactions where vendors, 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 Housing Association itself regulated by the Homes and Communities Agency.

The valuer treats the fair value for forward funded asset as work-in-progress value whereby the Company forward funds a development by committing a total sum, the Gross Development Value ("GDV") over the development period in order to receive the completed development at practical completion. The work-in-progress value of the asset increases during the construction period accordingly as payments are made by the Company which leads, in turn, to a pro-rata increase in the valuation in each quarter valuation assuming there are no material events affecting the GDV adversely. Interest accrued during construction as well as an estimation of future interest accrual prior to lease commencement will be deducted from the balancing payment which is the final payment to be drawn by the developer prior to the Company receiving the completed building.

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 two 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 discount rate applied to the rental flows.

Key factors in determining the discount rates applied include the performance of the regulated social housing sector and demand for each specialist 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 of the properties within the Group's portfolio benefit from leases with annual indexation based upon CPI or RPI. The fair value measurement is based on the above items highest and best use, which does not differ from their actual use.

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 and range:

The average discount rate used in the Group's property portfolio valuation is 6.62% (June 2018 – 6.9%, December 2018 – 6.66%).

The range of discount rates used in the Group's property portfolio valuation is from 6.3% to 7.1%. (June 2018 – 6.4-7.5%, December 2018 – 6.4-7.2%).

	-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 30 June 2019	24,466	(22,316)	12,470	(12,010)
Changes in the IFRS fair value of investment properties as at 30 June 2018	13,190	(11,891)	6,705	(6,388)
Changes in the IFRS fair value of investment properties as at 31 December 2018	20,362	(18,307)	10,447	(9,973)

12. TRADE AND OTHER RECEIVABLES

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Prepayments	414	1,339	1,755
Other receivables	792	556	766
Rent receivable	1,065	516	871
	2,271	**2,411**	**3,392**

Included in Prepayments are prepaid acquisition costs which include the cost of acquiring assets not completed at the year end.

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 IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for rent receivables. To measure expected credit losses on a collective basis, rent receivables are grouped based on similar credit risk and ageing.

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The expected loss rates are based on the Group's historical credit losses experienced since incorporation in 2017. The historical loss rates are then adjusted for the current and forward-looking information on macroeconomic factors affecting the Group's tenants. Both the expected credit loss provision and the incurred loss provision in the current and prior period were nil.

13. CASH AND CASH EQUIVALENTS

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Cash held by lawyers	1,182	3,312	14,352
Liquidity funds	20,000	2,868	75,000
Restricted cash	7,652	2,880	17,278
Cash at bank	45,990	54,286	7,994
	74,824	**63,346**	**114,624**

Liquidity funds refer to money placed in money market funds. These are highly liquid funds with accessibility within 24 hours and subject to insignificant risk of changes in value. Interest at market rate between 0.59% and 0.60% per annum is earned on these deposits.

Cash held by lawyers is money held in escrow for expenses expected to be incurred in relation to investment properties pending completion. These funds are available immediately on demand.

Restricted cash represents retention money in relation to repair, maintenance and improvement works by the vendors to bring the properties up to satisfactory standards for the Group and the tenants. The cash is committed on the acquisition of the properties.

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Total cash and cash equivalents	74,824	63,346	114,624
Restricted cash	(7,652)	(2,880)	(17,278)
Cash reported on Statement of Cash Flows	**67,172**	**60,466**	**97,346**

14. TRADE AND OTHER PAYABLES

Current liabilities

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Other creditors	7,653	2,880	6,818
Accruals	2,210	2,030	1,471
Trade payables	118	229	589
Head lease ground rent	40	28	36
Deferred consideration	–	121	84
	10,021	**5,288**	**8,998**

The Other Creditors balance consists of retentions due on completion of outstanding works. 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.

15. OTHER PAYABLES

Non-current liabilities

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Head lease ground rent	1,405	1,054	1,270
Deferred consideration	–	–	195
Rent deposit	100	100	100
	1,505	**1,154**	**1,565**

16. BANK AND OTHER BORROWINGS

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Bank and other borrowings drawn at year end	99,764	–	68,500
Less: loan issue costs incurred	(2,763)	–	(1,186)
Add: loan issue costs amortised	81	–	47
Unamortised costs at end of the year	(2,682)	–	(1,139)
Balance at year end	**97,082**	**–**	**67,361**

At 30 June 2019 there were undrawn bank borrowings of £38.7 million. (June 2018 – £Nil, December 2018 – £70 million).

On 20 July 2018, the Group entered into 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 and affiliated funds. The Loan Notes are secured against a portfolio of specialist supported living assets throughout the UK, worth approximately £172 million. As at 30 June 2019, £68.5 million was utilised (June 2018 – £Nil, 31 December 2018 – £58 million); £10.5 million was in a charged account until it was released on 12 February 2019.

The Loan Notes represent a loan-to-value of 40% of the value of the secured pool of assets and are split into two tranches: Tranche-A, is an amount of £41.5 million, has a term of 10 years from utilisation and is priced at an all-in coupon of 2.924% pa; and Tranche-B, is an amount of £27 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 3.215% pa. On a blended basis, the weighted average term is 12 years carrying a weighted average fixed rate coupon of 3.039% pa.

On 21 December 2018 the Group signed a secured £70 million Revolving Credit Facility with Lloyds Bank. The floating rate Revolving Credit Facility has an initial term of four years expiring on 20 December 2022. This may be extended by a further two years to 20 December 2024 if requested but is at the sole discretion of Lloyds Bank. The interest rate for amounts drawn is 1.85% per annum over 3 months LIBOR. For undrawn loan amounts the Company pays a commitment fee in the amount of 40% of the margin. As at 30 June 2019 £31.3 million had been drawn under the revolving credit facility and, when fully drawn, the revolving credit facility will represent a loan-to-value of 40% secured against a defined portfolio worth approximately £175 million of the Group's specialist supported housing assets.

Both financing arrangements, the Loan Notes under the MetLife private placement as well as the loan amounts under the Revolving Credit Facility with Lloyds Bank, are segregated and on a non-recourse basis to the Group.

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

Undrawn committed bank facilities – maturity profile

	Total £'000	< 1 year £'000	1 to 2 years £'000	3 to 5 years £'000	> 5 years £'000
At 30 June 2019	38,736	–	–	38,736	–
At 30 June 2018	–	–	–	–	–
At 31 December 2018	70,000	–	–	70,000	–

17. C SHARES

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
At beginning of period	–	–	–
Proceeds from issue of shares	–	47,500	47,500
C Share issue costs	–	(950)	(950)
Amortisation of C Share liability	–	134	134
Conversion into Ordinary Shares	–	–	(46,684)
At end of period	**–**	**46,684**	**–**

On 23 March 2018 the Company announced the issue of 47,500,000 C Shares, issued at 100 pence per share. The C Shares were convertible preference shares. The shares were listed on the London Stock Exchange and dealing commenced on 27 March 2018.

Holders of C Shares were not entitled to receive notice of, attend, speak or vote at general meetings of the Company.

On 29 June 2018 90% of the C Share funds had been invested or committed and the C Shares converted into Ordinary Shares on 30 August 2018 (conversion date). The conversion was on the basis of their respective NAV per share as at 29 June 2018 (calculation date), adjusted for dividends payable to both share classes and the fair value gain on assets acquired on which the Company had exchanged contracts but not completed until 13 July 2018. On 30 August 2018 46,352,210 Ordinary Shares were issued on conversion of the C Shares.

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18. SHARE CAPITAL

	30 June 2019 (unaudited)		30 June 2018 (audited)		31 December 2018 (audited)	
	Number	£'000	Number	£'000	Number	£'000
Balance at beginning of period	351,352,210	3,514	200,000,000	2,000	200,000,000	2,000
Issued on conversion of C Shares on 30 August 2018	–	–	–	–	46,352,210	464
Issued on public offer on 22 October 2018	–	–	–	–	105,000,000	1,050
Balance at end of period	**351,352,210***	**3,514**	**200,000,000**	**2,000**	**351,352,210**	**3,514**

* This figure excludes shares held in treasury

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.

On 30 August 2018 the Company converted 47,500,000 C Shares in accordance with the terms for the C Shares as set out in the Company's Articles of Association. For every one C Share held, 0.975836 new Ordinary Share was issued. This resulted in a further 46,352,210 Ordinary Shares being issued and fully paid. Following a third public offer, on 22 October 2018 a further 105,000,000 Ordinary Shares of one pence each were 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 regard to the Company's residual assets.

Treasury shares do not hold any voting rights.

19. SHARE PREMIUM RESERVE

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

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Balance at beginning of period	151,157	–	–
Share premium arising on the conversion of C Shares into Ordinary Shares	–	–	46,220
Share premium arising on Ordinary Shares issued in the period	–	–	107,100
Share issue costs capitalised	–	–	(2,163)
Balance at end of period	**151,157**	**–**	**151,157**

20. TREASURY SHARES RESERVE

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Balance at beginning of period	–	–	–
Own shares repurchased	167	–	–
Balance at end of period	**167**	**–**	**–**

The treasury shares reserve relates to the value of shares purchased by the Company in excess of nominal value. During the period ended 30 June 2019, the Company purchased 200,000 of its own 1p Ordinary Shares at a total gross cost of £167,163 (£166,000 cost of shares and £1,163 associated costs). As at 30 June 2019, 200,000 1p Ordinary Shares are held by the Company (30 June 2018 – nil, 31 December 2018 – nil).

21. CAPITAL REDUCTION RESERVE

	30 June 2019 (unaudited) £'000	30 June 2018 (unaudited) £'000	31 December 2018 (audited) £'000
Balance at beginning of period	183,921	194,000	194,000
Transfer from share premium reserve	–	–	–
Dividends paid	(8,855)	(4,467)	(10,079)
Balance at end of period	**175,066**	**189,533**	**183,921**

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve.

22. DIVIDENDS

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Dividend of 1p for the period 12 June to 31 December 2017	–	2,000	2,000
Dividend of 1.25p for the 3 months to 31 March 2018	–	2,500	2,500
Dividend of 1.25p for the 3 months to 30 June 2018	–	–	2,500
Dividend of 1.25p for the 3 months to 30 September 2018	–	–	3,079
Dividend of 1.25p for the 3 months to 31 December 2018	4,392	–	–
Dividend of 1.27p for the 3 months to 31 March 2019	4,463	–	–
	8,855	**4,500**	**10,079**

On 6 March 2018, the Company declared its maiden interim dividends of 1 pence per Ordinary Share for the initial period from 12 June to 31 December 2017. The total dividend of £2.0 million was paid on 26 March 2018 to Ordinary shareholders on the register on 16 March 2018.

On 14 May 2018, the Company declared an interim dividend of 1.25 pence per Ordinary Share for the period 1 January 2018 to 31 March 2018. The total dividend of £2.5 million was paid on 29 June 2018 to Ordinary shareholders on the register on 25 May 2018.

On 16 August 2018, the Company declared an interim dividend of 1.25 pence per Ordinary Share for the period 1 April 2018 to 30 June 2018. The total dividend of £2.5 million was paid on 28 September 2018 to Ordinary shareholders on the register on 24 August 2018.

On 19 September 2018, the Company declared an interim dividend of 1.25 pence per Ordinary Share for the period 1 July 2018 to 30 September 2018. The total dividend of £3.08 million was paid on 31 October 2018 to Ordinary shareholders on the register on 28 September 2018.

On 7 March 2019, the Company declared an interim dividend of 1.25 pence per Ordinary Share for the period 1 October 2018 to 31 December 2018. The total dividend of £4.39 million was paid on

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29 March 2019 to Ordinary shareholders on the register on 15 March 2019.

The Company paid dividends of 5 pence per Ordinary Share for the financial year ended 31 December 2018.

On 23 May 2019, the Company declared an interim dividend of 1.27 pence per Ordinary Share for the period 1 January 2019 to 31 March 2019. The total dividend of £4.46 million was paid on 28 June 2019 to Ordinary shareholders on the register on 6 June 2019.

On 29 August 2019, the Company declared an interim dividend of 1.27 pence per Ordinary Share for the period 1 April 2019 to 30 June 2019. The total dividend of £4.46 million will be paid on 27 September 2019 to Ordinary shareholders on the register on 6 September 2019.

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 its treasury shares held.

23. SEGMENTAL INFORMATION

IFRS 8 Operating Segments requires operating segments to be identified on the basis of 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).

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 318 (30 June 2018 – 167, 31 December 2018 – 272) Social Housing properties as at 30 June 2019 in England and Wales. 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 of 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.

24. 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 (30 June 2018 – £75,000, 31 December 2018 – £75,000), and the other Directors of the Board receive a fee of £50,000 (30 June 2018 – £50,000, 31 December 2018 – £50,000) per annum. The Directors are also entitled to an additional fee of £7,500 (30 June 2018 – £7,500, 31 December 2018 – £7,500) in connection with the production of every prospectus by the Company.

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

Chris Phillips: £1,382 (30 June 2018 – £1,125, 31 December 2018 – £2,375)

Peter Coward: £1,896 (30 June 2018 – £1,688, 31 December 2018 – £3,563)

Paul Oliver: £1,965 (30 June 2018 – £975, 31 December 2018 – £2,924)

No shares were held by Ian Reeves or Tracey Fletcher-Ray as at 30 June 2019.

Acquisition

Following shareholder approval, the Group completed the purchase of the entire issued share capital of TP Social Housing Investments Limited, a special purpose company holding a portfolio of social housing assets wholly owned by Pantechnicon Capital for a total commitment of £22.3 million on 13 July 2018. Ben Beaton, James Cranmer and Claire Ainsworth are all directors of Pantechnicon Capital Limited and they are also all partners of TPIM, the delegated investment adviser. Triple Point Investment Management LLP receives a management fee which is disclosed in note 7.

The Board reviewed the transaction and concluded it was conducted on an arm's length basis.

25. CONSOLIDATED ENTITIES

The Group consists of a parent company, Triple Point Social Housing REIT plc, incorporated in the UK and a number of subsidiaries ultimately held by the Company, which operate and are incorporated in the UK and Guernsey. 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 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 the financial statements.

The principal activity of all the subsidiaries relates to property investment.

Name of Entity	Registered Office	Country of Incorporation	Ownership %
TP REIT Super HoldCo Ltd*	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Hold Co 1 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Hold Co 2 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Hold Co 3 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Hold Co 4 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Prop Co 2 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Prop Co 3 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Prop Co 4 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP Social Housing Investments Limited*	1 King William Street, London, EC4N 7AF	UK	100%
Norland Estates Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 173 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 22 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
SIPP Holding Ltd*	Burleigh Manor, Peel Road, Douglas, Isle of Man, IM1 5EP	Isle of Man	100%
FPI Co 243 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (55) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (38) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 267 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL(43) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (51) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (45) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
PSCI Holdings III Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 152 Ltd*	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 188 Ltd*	1 King William Street, London, EC4N 7AF	UK	100%
PSCI Holdings Ltd*	1 Le Truchot, St Peter Port, GY1 1WD	Guernsey	100%
SL Heywood Ltd	1 Le Truchot, St Peter Port, GY1 1WD	Guernsey	100%
SL Bury Ltd	1 Le Truchot, St Peter Port, GY1 1WD	Guernsey	100%
FPI Co 244 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Diamond 72 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (76) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (61) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Eshwin Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Allerton SPV 7 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (48) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (53) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Allerton SPV 10 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 211 Ltd	1 King William Street, London, EC4N 7AF	UK	100%

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Name of Entity	Registered Office	Country of Incorporation	Ownership %
MSL (50) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 169 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 7 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (32) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Orchard End Ltd	1 King William Street, London, EC4N 7AF	UK	100%

* indicates entity is a direct subsidiary of Triple Point Social Housing REIT PLC

The subsidiaries listed below were acquired during the period ended 30 June 2019:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
MSL (33) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Rosewood (Albert Rd) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (49) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (84) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Global Capital Darwin Avenue SPV Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (46) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 250 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 242 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
73 Marsden Road Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 217 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 349 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Allerton SPV12 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI CO 353 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (54) Ltd	1 King William Street, London, EC4N 7AF	UK	100%

The subsidiaries listed below have been struck off since the period end:

Name of Entity	Registered Office	Country of Incorporation	Ownership %
MSL (38) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (43) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (45) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (55) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
MSL (51) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 173 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 22 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 243 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
FPI Co 267 Ltd	1 King William Street, London, EC4N 7AF	UK	100%
TP REIT Orchard End Limited	1 King William Street, London, EC4N 7AF	UK	100%
MSL (61) Limited	1 King William Street, London, EC4N 7AF	UK	100%
MSL (76) Ltd	1 King William Street, London, EC4N 7AF	UK	100%
Diamond 72 Limited	1 King William Street, London, EC4N 7AF	UK	100%

26. POST BALANCE SHEET EVENTS

Property acquisitions

Subsequent to the end of the period, the Group has acquired a further eight supported Social Housing properties deploying £13.6 million (including acquisition costs and total project costs of forward funding schemes).

Forward funding arrangements

Since 30 June 2019 the Group has entered into one forward funding agreement at a total project cost of £4.1 million. The land has been acquired by the Group and a developer has been contracted to carry out the construction. Jones Lang LaSalle Limited has been appointed as the fund monitor for both sites and will be overseeing the projects on behalf of the Group.

Debt financing

On 21 December 2018 the Group signed a secured £70 million Revolving Credit Facility with Lloyds Bank. As at 30 June 2019 £31.3 million had been drawn under the revolving credit facility. A further £31.0 million was drawn on 5 August 2019.

Dividends

On 29 August 2019, the Company declared a quarterly dividend in respect of the Ordinary Shares for the three months to 30 June 2019 of 1.27 pence per Ordinary Share. The dividend will be paid on 27 September 2019 to holders of Ordinary Shares on the register as at 6 September 2019.

Treasury shares

On 29 June 2019, the Company entered into a trade to purchase a further 250,000 Ordinary Shares of 1p each in the capital of the Company at a price of 83.3p per Ordinary Share for treasury. These shares were settled and recorded on the register on the 1 July 2019. Following the transaction, the Company has 351,352,210 Ordinary Shares in issue. The Company now holds 450,000 shares in treasury, which do not carry any voting rights. Accordingly, the total number of voting rights in the Company is 350,902,210.

27. CAPITAL COMMITMENTS

The Group has capital commitments of £37 million (June 18 – £51.5 million, December 18 – £21 million) in relation to the cost to complete its forward funded pre-let development assets and on properties exchanged but not completed at 30 June 2019.

28. CAPITAL MANAGEMENT

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 fixed rate facility with Metlife requires an asset cover ratio of x2.25 and an interest cover ratio of x1.75. At 30 June 2019, the Group was fully compliant with both covenants with an asset cover ratio of x2.62 (December 2018 – x2.57) and an interest cover ratio of x4.74 (December 2018 – x3.95). The Lloyds facility (once drawn) requires the Group to maintain an LTV loan to value of less than 50%, and an interest cover ratio in excess of x2.75. At 30 June 2019, the Group was fully compliant with both covenants with an LTV loan to value of 18.53%, and an interest cover ratio of 1,138.99%.

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29. EARNINGS PER SHARE

Earnings per share ("EPS") amounts are calculated by dividing profit for the period attributable to Ordinary equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period. Diluted EPS is calculated by dividing profit for the period attributable to both Ordinary equity holders and C preference shareholders by the weighted average number of Ordinary Shares and C Shares in issue during the period. The weighted average number of shares, for the purposes of calculating diluted earnings per share, has been calculated based on the actual number of shares issued on conversion of the C Shares in accordance with IAS 33.

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

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Calculation of Basic Earnings per share			
Net profit attributable to ordinary shareholders (£'000)	9,915	6,040	19,897
Weighted average number of Ordinary Shares (including treasury shares)	351,348,895	200,000,000	237,610,066
Earnings per share – basic	**2.82p**	**3.02p**	**8.37p**
Calculation of Diluted Earnings per share			
Net profit attributable to ordinary shareholders (£'000)	9,915	6,040	19,897
Add back finance costs associated with the C share liability (£'000)	–	134	–
Total (£'000)	**9,915**	**6,174**	**19,897**
Weighted average number of Ordinary Shares (including treasury shares)	351,348,895	200,000,000	237,610,066
Effects of dilution from C Shares	–	24,584,603	–
	351,348,895	**224,584,603**	**237,610,066**
Earnings per share – diluted	**2.82p**	**2.75p**	**8.37p**

EPRA Earnings per share

	1 January 2019 to 30 June 2019 (unaudited) £'000	1 January 2018 to 30 June 2018 (unaudited) £'000	Year ended 31 December 2018 (audited) £'000
Net profit attributable to ordinary shareholders (£'000)	9,915	6,040	19,897
Changes in value of fair value of investment property (£'000)	(4,551)	(3,257)	(14,497)
EPRA earnings (£'000)	**5,364**	**2,783**	**5,400**
Weighted average number of Ordinary Shares (including treasury shares)	351,348,895	200,000,000	237,610,066
Earnings per share – EPRA	**1.53p**	**1.39p**	**2.27p**

30. NET ASSET VALUE PER SHARE

Net Asset Value per share is calculated by dividing net assets in the Condensed Group Statement of Financial Position attributable to Ordinary equity holders of the parent 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:

	30 June 2019 (unaudited)	30 June 2018 (unaudited)	31 December 2018 (audited)
Net assets at end of period (£'000)	365,054	203,212	364,161
Adjust for the effect of the C Shares converting (£'000)	–	46,684	–
Adjusted net assets (£'000)	365,054	249,896	364,161
Shares in issue at end of period (excluding shares held in treasury)	351,152,210	200,000,000	351,352,210
Dilutive shares in issue	–	45,945,807	–
Total	**351,152,210**	**245,945,807**	**351,352,210**
Basic NAV per share	**103.96p**	**101.61p**	**103.65p**
Dilutive NAV per share	**103.96p**	**101.61p**	**103.65p**

For comparative purposes at 30 June 2018 calculating the diluted NAV the number of shares equal the shares that would have been issued if conversion of the C Shares had happened on 30 June 2018, based on the NAV of the C Share pool at that date rather than taking into account any impact on the C Share pool NAV up to the point of conversion.

OTHER INFORMATION

Unaudited Performance Measures

for the period from 1 January 2019 to 30 June 2019

1. PORTFOLIO NET ASSET VALUE

The objective of the Portfolio Net Asset Value "Portfolio NAV" measure is to highlight the fair value of the net assets on an ongoing, long-term basis, which aligns with the Group's business strategy as an ongoing REIT with a long-term investment outlook. This Portfolio NAV is made available on a quarterly basis on the Company's website and announced via RNS.

In order to arrive at Portfolio NAV, two adjustments are made to the IFRS Net Asset Value ("IFRS NAV") reported in the consolidated financial statements such that;

i. The hypothetical sale of properties will take place on the basis of a sale of a corporate vehicle rather than a sale of underlying property assets. This assumption reflects the basis upon which the Company's assets have been assembled within specific SPVs.

ii. The hypothetical sale will take place in the form of a single portfolio disposal.

	30 June 2019 £'000	30 June 2018 Ordinary Share £'000	30 June 2018 C Share £'000	30 June 2018 Total £'000	31 December 2018 £'000
Net asset value per the consolidated financial statements	365,054	203,212	–	203,212	364,161
Add back C Share liability	–	–	46,684	46,684	–
Value of Asset pools	365,054	203,212	46,684	249,896	364,161
Effects of the adoption to the assumed, hypothetical sale of properties as a portfolio and on the basis of sale of a corporate vehicle	27,290	12,722	728	13,450	20,182
Portfolio Net Asset Value	**392,344**	**215,934**	**47,412**	**263,346**	**384,343**

After reflecting these amendments, the movement in net assets is as follows:

	30 June 2019 Ordinary Share £'000	30 June 2018 Ordinary Share £'000	30 June 2018 C Share £'000	30 June 2018 Total £'000	31 December 2018 Ordinary Share £'000
Opening reserves	384,342	211,072	–	211,072	211,072
Net issue proceeds	–	–	46,550	46,550	152,671
Own shares repurchased	(167)	–	–	–	–
Operating profits/(losses)	6,447	2,988	(117)	2,871	7,008
Capital appreciation	11,660	6,329	978	7,307	25,278
Finance income	149	68	2	70	183
Finance costs	(1,232)	(24)	–	(24)	(1,790)
Dividends paid	(8,855)	(4,500)	–	(4,500)	(10,079)
Portfolio Net Assets	**392,344**	**215,933**	**47,413**	**263,346**	**384,343**
Number of shares in issue at the period end	351,152,210	200,000,000	47,500,000		351,352,210
Portfolio net asset value per share	**111.73p**	**107.97p**	**99.82p**		**109.4p**

2. ADJUSTED EARNINGS PER SHARE – PORTFOLIO NAV BASIS

	30 June 2019 Ordinary Share £'000	30 June 2018 Ordinary Share £'000	30 June 2018 C Share £'000	30 June 2018 Total £'000	31 December 2018 Ordinary Share £'000
Net rental income	9,348	4,729	15	4,744	11,490
Expenses	(2,901)	(1,741)	(132)	(1,873)	(4,482)
Fair value gains on investment property	27,289	15,729	978	16,707	25,278
Finance income	149	68	2	70	183
Finance costs	(1,232)	(24)	–	(24)	(1,790)
Value of each pool	**32,653**	**18,761**	**863**	**19,624**	**30,679**
Weighted average number of shares	**351,348,895**	**200,000,000**	**24,584,603**		**237,610,066**
Adjusted earnings per share – basic	**9.29p**	**9.38p**	**3.51p**		**12.91p**

3. EPRA NNNAV

	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
EPRA net assets (£'000)	365,054	203,212	364,161
Include:			
Fair value of debt* (£'000)	(2,858)	–	(147)
EPRA NNNAV (£'000)	**362,196**	**203,212**	**364,014**
Shares in issue	351,152,210	200,000,000	351,352,210
EPRA NNNAV per share	**103.15p**	**101.61p**	**103.60p**

* Difference between interest-bearing loans and borrowings included in balance sheet at amortised cost, and the fair value of interest-bearing loans and borrowings.

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

	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Investment Property – wholly owned	395,871	189,993	323,469
Less: development properties	(17,697)	(5,941)	(7,952)
Completed property portfolio	**378,174**	**184,052**	**315,517**
Allowance for estimated purchasers' costs	23,461	11,491	19,185
Gross up completed property portfolio valuation	**401,635**	**195,543**	**334,702**
Annualised passing rental income	21,066	10,045	17,187
Property outgoings	–	–	–
Annualised net rents	**21,066**	**10,045**	**17,187**
Contractual increases for lease incentives	–	353	242
Topped up annualised net rents	**21,066**	**10,398**	**17,429**
EPRA NIY	**5.25%**	**5.14%**	**5.13%**
EPRA Topped Up NIY	**5.25%**	**5.32%**	**5.21%**

OTHER INFORMATION

Unaudited Performance Measures

for the period from 1 January 2019 to 30 June 2019

5. ONGOING CHARGES RATIO

	30 June 2019 £'000	30 June 2018 £'000	31 December 2018 £'000
Annualised ongoing charges	5,802	3,746	4,482
Average undiluted net assets	364,608	202,442	282,917
Ongoing charges	**1.59%**	**1.85%**	**1.58%**

OTHER INFORMATION
Glossary and Definitions

"AIC Code"	AIC Code of Corporate Governance produced by the Association of Investment Companies;
"AIC Guide"	AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies;
"AIFM"	the alternative investment fund manager of the Company, Langham Hall Fund Management LLP;
"AIFMD"	the EU Alternative Investment Fund Managers Directive 2011/61/EU;
"Approved Provider"	a housing association, Local Authority or other regulated organisation in receipt of direct payment from local government including a care provider;
"Basic NAV"	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time;
"Board"	the Directors of the Company from time to time;
"Company"	Triple Point Social Housing REIT plc (company number 10814022);
"C Shares"	C non-voting preference shares of 1.25 pence each in the capital of the Company;
"DTR"	the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers;
"EPRA"	the European Public Real Estate Association;
"GAV"	the gross assets of the Company in accordance with applicable accounting rules from time to time;
"Group"	the Company and any subsidiary undertakings from time to time;
"Investment Manager"	Triple Point Investment Management LLP (partnership number OC321250);
"IPO"	the admission by the Company of 200 million Ordinary Shares to trading on the Specialist Fund Segment of the Main Market, which were the subject of the Company's initial public offering on 8 August 2017;
"NAV"	the net assets of the Company in accordance with applicable accounting rules from time to time;
"NIY"	net initial yield, being the annual rent generated under a lease in respect of a property divided by the combined total of that property's acquisition price and acquisition costs;
"Ordinary Shares"	ordinary shares of £0.01 each in the capital of the Company;
"Registered Provider"	a housing association or Local Authority;
"REIT"	means a qualifying real estate investment trust in accordance with the UK REIT Regime introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of the Corporation Tax Act 2010;
"Supported Housing"	accommodation that is suitable, or adapted, for residents with special needs, which may (but does not necessarily): (a) include some form of personal care provided by a supported housing care provider; and/or (b) that enable those tenants to live independently in the community;
"TPSHIL"	TP Social Housing Investments Limited (company number 11187363) the entire issued share capital of which was acquired by the Company as part of a related party transaction detailed in the Circular dated 22 June 2018; and
"WAULT"	the average unexpired lease term certain across the portfolio, weighted by contracted rental income. We have included all parts of the term certain, including additional leases which are triggered by landlords' put options, but not those triggered by lessees' call options unless the options were mutual.

OTHER INFORMATION
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