



Triple Point  
Social Housing REIT plc

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# INTERIM REPORT

FOR THE PERIOD ENDED 30 JUNE

# 2020





Sadler Road, Winsford



# CONTENTS

## Company Overview

- 7** At a Glance
- 8** Six Months in Brief
- 10** Key Highlights

## Interim Report

- 16** Chairman's Statement
- 20** The Investment Manager
- 22** Investment Manager's Report
- 30** Portfolio Summary
- 32** Key Performance Indicators
- 34** EPRA Performance Measures
- 36** Principal Risks and Uncertainties
- 40** Directors' Responsibility Statement
- 41** Independent Review Report

## Financial Statements

- 44** Condensed Group Statement of Comprehensive Income
- 45** Condensed Group Statement of Financial Position
- 46** Condensed Group Statement of Changes in Equity
- 47** Condensed Group Statement of Cash Flows
- 48** Notes to the Group Condensed Interim Financial Statements

## Other Information

- 59** Unaudited Performance Measures
- 62** Glossary and Definitions
- 63** Shareholder Information



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## Company Overview



# THE VALUE OF HOME

## AT A GLANCE

### Who We Are

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

We believe our residents deserve a home that offers greater independence than traditional 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 ethical, attractive, long-term income source.

### 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 people 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 care facilities that have historically been the 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.

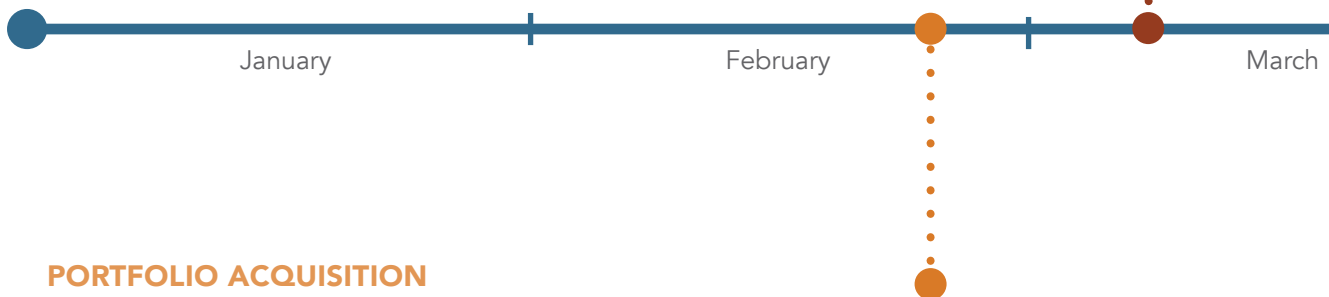
Our ability to forward fund the development of custom-built properties allows us to bring high-quality new housing stock to market, unlocking new homes for vulnerable adults and enabling local authorities to reduce their social housing waiting lists.

Our portfolio benefits from long-term leases to Approved Providers, who 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.

## SIX MONTHS IN BRIEF

The Company declared an interim dividend of 1.285 pence per Ordinary Share for the period from 1 October to 31 December 2019.

### INTERIM DIVIDEND



### PORTFOLIO ACQUISITION

The Group completed on the acquisition of a portfolio of four Supported Housing properties, comprising an aggregate 69 units in Yorkshire and the West Midlands for £15.2 million (including acquisition costs).



Stourside



Riding Hill Gardens



Oak House



Riding Hill View



Completed the lease on a Forward Funding asset in Scunthorpe, comprising an aggregate 20 units



Under Construction Feb 2020



Completed May 2020

### FORWARD FUNDING COMPLETION

The Company declared an interim dividend of 1.295 pence per Ordinary Share for the period from 1 January to 31 March 2020.

### INTERIM DIVIDEND

April

May

June

### BROKER APPOINTMENT

The Board announced it has appointed Stifel Nicolaus Europe Limited as sole corporate broker and joint financial adviser alongside Akur Limited.

### POST PERIOD EVENTS

Notwithstanding the Covid-19 pandemic, the Company continued to be paid rent in a timely manner. 100% of rent due for the six months to 30 June 2020 was received and this has continued into Q3 with 100% of the rent due for the quarter having been received as at 31 August 2020.

Since the period end the Group has acquired a further 30 Supported Housing properties comprising an aggregate 122 units, for £19.8 million.

On 26 August 2020, the Company declared an interim dividend of 1.295 pence per Ordinary Share for the period from 1 April to 30 June 2020.

## KEY HIGHLIGHTS

### Dividend Per Ordinary Share

# 2.59p

Dividends paid or declared in respect of the period ending 30 June 2020 totalled 2.59 pence.

- 1.295 pence was paid on 26 June 2020; and
- 1.295 pence was paid on 25 September 2020.

### IFRS NAV Per Ordinary Share

# 105.34p

(December 2019: 105.37 pence)

The IFRS NAV per Ordinary Share as at 30 June 2020 was 105.34 pence, a 0.03% decrease from 31 December 2019 to 30 June 2020. This is discussed further on page 25 of the Investment Manager's Report.

### IFRS Valuation

# £510.3m

(December 2019: £471.6 million)

As at 30 June 2020 the portfolio was independently valued at £510.3 million on an IFRS basis, an uplift of 7.2% against total invested funds of £476.1 million.

The Group's properties were valued at £548.5 million on a portfolio valuation basis, reflecting a portfolio premium of 7.5% or a £38.2 million uplift against the IFRS valuation.

### Ongoing Charges Ratio

# 1.61%

(December 2019: 1.63%; June 2019 1.59%)

The ongoing charges ratio was 1.61% as at 30 June 2020 and is a ratio of annualised ongoing charges expressed as a percentage of average net asset value throughout the year.

### Committed Capital

# £13.9m

(December 2019: £24.3 million)

The Group had outstanding commitments totalling £13.9 million (including transaction costs) as at 30 June 2020.

### Market Capitalisation

# £343.9m

(December 2019: £315.8 million)

As at 30 June 2020, the market capitalisation of the Company was £343.9 million, being a 9% increase from 31 December 2019 to 30 June 2020 due to the increase in the share price. This is discussed further on page 18 of the Chairman's Statement.

### New EPRA NAV Measures

For reporting periods starting from 1 January 2020 EPRA NAV and EPRA NNNNAV have been replaced with three new measures. The new measure most comparable to EPRA NAV is:

- EPRA Net Tangible Assets: 105.34 pence per share as at 30 June 2020.



Providing a safe, stable and supportive place to live can be the key to unlocking better outcomes for vulnerable people.



Lammus Road, Sutton-in-Ashfield

**Total Investment Portfolio**

(December 2019: 388)

**404**

During the period, the Group purchased 16 properties with an aggregate purchase price of £29.9 million bringing the total investment portfolio to 404 properties.

**Contracted Rental Income**

(December 2019: £25.4 million)

**£28.0m**

As at 30 June 2020, the contracted rental income was £28.0 million per annum.

**WAULT**

(December 2019: 25.7 years)

**25.4****years**

As at 30 June 2020, the WAULT was 25.4 years (including put/call options and reversionary leases).

**Inflation Measure**

(December 2019: 100%)

**100%****Index Linked**

As at 30 June 2020, 100% of contracted rental income was either CPI or RPI linked.

**Leases**

(December 2019: 300)

**316**

As at 30 June 2020, the portfolio had 316 leases.

**Yield Compression**

(December 2019: 64 basis points)

**61****basis points**

As at 30 June 2020, the portfolio's blended average net initial yield at purchase was 5.91% compared to the blended valuation net initial yield of 5.30%, reflecting our ability to buy good properties at off-market prices.

**FORWARD FUNDING****Agreements**

(December 2019: 22)

**22**

As at 30 June 2020, the Group had entered into 22 Forward Funding Agreements.

**Commitments****£9.3m**

As at 30 June 2020, the Group had entered into 22 forward funding transactions with an aggregate maximum commitment of £56.2 million.

**Completions****15**

As at 30 June 2020, 15 forward funding schemes had achieved practical completion.





Units

2,872

(December 2019: 2,728)

As at 30 June 2020, the portfolio comprised 2,872 units.

Approved Providers

18

(December 2019: 16)

As at 30 June 2020, the Group had leases with 18 Approved Providers.



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# Interim Report

## CHAIRMAN'S STATEMENT



Chris Phillips, Chairman

“Our high-quality properties generate sustainable, long-term rental incomes because they meet the social and financial needs identified by local health Commissioners across the length and breadth of the country.”

This year has been one of the most extraordinary years in recent history. Our world has changed forever. Across society, Covid-19 has affected almost every person and every business. But the impact has been uneven. As with all crises, some have benefited from the upheaval, though, sadly, most have seen their fortunes reverse. The property market has been no different. The impact of the virus on human behaviour has caused unprecedented, and possibly long-term, disruption to our world of physical assets. Some property sectors – notably hospitality, retail and commercial offices – have been hit particularly hard. But other sectors, and often those with a positive social impact, have fared better. The purpose of this report is to update our stakeholders and show that, despite this backdrop, we have continued to enjoy strong performance in the first half of 2020.

Covid-19 has highlighted the resilience of our investment strategy and our company. During the first half of 2020, we received 100% of rent due, and paid all dividends in full. We continued to receive all rent due despite our economy receiving arguably the greatest shock in at least a generation – a shock which affected large swathes of the wider property market. In this context, our success needs explaining. We believe our success is down to the fundamentals of our investment strategy, which we have stuck to rigorously since we launched just over three years ago.

By investing in desperately needed new housing across the country, we are ensuring that our properties remain in need, irrespective of the state of the economy. Indeed, investments that meet a social need are often the most resilient precisely because they provide the services that our society cannot live without. Central government is unlikely to stop funding the housing and care of the most vulnerable people in society simply because there has been a reversal in economic circumstances. In this way, the financial success of our investments is intrinsically linked to the value we add to society, both through improving the welfare of people with long-term health needs, and through saving the government money in caring for them. Our high-quality properties generate sustainable, long-term rental incomes because they meet the social and financial needs identified by local health Commissioners across the length and breadth of the country.

Covid-19 has also brought about changes that could benefit our investment model in both the short-term



and the longer-term. As we will see below, Covid-19 did cause some delays in our deployment of funds and our construction projects. But, politically, the importance of social care seems to have emerged from under the shadow of the NHS. Our investments are almost exclusively in specialised supported housing rather than care homes, which means we have fortunately avoided the tragically high rates of infections in care homes widely reported in the press. But our investments are nonetheless part of the same social care system which has seen renewed political support amid greater calls to strengthen the social care system as a way of easing the burden on the NHS. In fact, during the crisis, many Commissioners around the country sought to accelerate the transfer of hospital patients to supported housing schemes precisely because the crisis brought into greater focus the way that the social care system can relieve pressure on hospitals. We hope that post-Covid-19, better integration of the two great components of our country's healthcare system will continue for the benefit of all stakeholders.

A discussion of Covid-19 cannot ignore the human impact that the crisis has had on our country. The general horrors and personal tragedies are sadly all too familiar. As a socially -aware property owner we continue to monitor the well-being of our residents. We have tried to help where we can by remaining in regular contact with our Approved Providers and care providers to understand the operational challenges that they have been facing and assist where possible, with much-needed personal protective equipment and hand-creams donated to front-line care workers. More generally, we believe we can best contribute to society by continuing to invest in much-needed new housing and ensuring that a high level of housing provision is maintained for the vulnerable residents living in the properties that we own.

Turning to our general operational performance, during the first half of 2020 we finished deploying the first £38.3 million tranche of debt that we drew from the extended revolving credit facility in November 2019. We then drew a second £16.0 million tranche in May 2020, which has been fully deployed since the period end. The security pool for the final draw has now been filled, with the final tranche expected to be drawn at the beginning of October. Using these funds, in the six-month period we bought 16 new properties at a total cost of £29.9 million. All acquisitions were subjected to our continually-evolving due diligence process, and further diversified our

portfolio's geographic and counterparty exposure. Two new Approved Providers joined our portfolio during the period. Of our 22 forward funding schemes, four more completed, bringing the total to 15 successfully completed projects. Since 31 December 2019, our IFRS NAV stayed more or less flat, with a very small decrease of 0.03%. Since IPO, and while we have been deploying the proceeds of equity and debt raises, a portion of the dividend paid to investors has not been covered by income. Historically, the resultant negative impact on NAV has been more than offset by increases in the value of the Group's property portfolio. In this period, a fair value gain of £1.5 million was recognised on the revaluation of the Group's properties. Relatively this is less than in previous periods which in part reflects slower than usual deployment resulting from the national lockdown, and a reduction in the CPI and RPI assumptions in the valuation models of our valuer, JLL. The Group now has look-through dividend cover of over 100%, as measured on an EPRA earnings run-rate basis.

I want to finish my introduction by noting that in May we appointed Stifel Nicolaus Europe Limited as our new sole corporate broker and joint financial adviser, alongside Akur Limited. We are delighted to be able to draw upon the expertise of such a highly-regarded broker, and have already started working with them to publicise the nature and success of our business to our existing investor base as well as more widely. I have included below further detail on what we have been doing together already.

## Deployment

The national lockdown that began in March 2020 presented an unprecedented challenge to our ability to deploy funds. Approved Providers hesitated before signing leases without certainty that Commissioners would refer residents into properties at a time of social distancing. Commissioners, distracted by events, could be difficult to contact to confirm their support for new schemes. Care providers were busy protecting the health of residents and frontline carers while surveyors and valuers were unable to visit properties for fear of spreading infection. The cumulative impact was to delay schemes and, in turn, our ability to deploy our funds to generate income.

Despite all these challenges, we did not stop deploying funds during lockdown. In the first half of this year, we acquired 16 properties, comprising 144 units, for a total investment cost of £29.9 million. Of these, we acquired seven properties, comprising 40 units, since lockdown

## CHAIRMAN'S STATEMENT (Continued)

began in March, at a total investment cost of £7.9 million. This enabled us to put our capital to work and generate further income from the portfolio.

Our ability to keep deploying capital was possible in part because of the resourcefulness of the various stakeholders involved in launching a new scheme. But, as mentioned above, it was also the result of the continuing need for this type of housing, which remains as urgent as ever despite the disruptions of the virus. Indeed, in some ways the need for our housing has been enhanced by the effects of Covid-19. In areas with significant numbers of people kept inappropriately in hospitals, Commissioners reached out to care providers and Approved Providers to find homes to house people who should not be living in hospitals – thereby enabling the NHS to free up space for Covid-19 patients. In this way, the virus has accelerated moving people out of hospitals into more appropriate community-based settings, a trend which we hope and believe will continue even after the virus recedes.

Covid-19 also affected the timing of some of our construction projects. Social distancing stopped or slowed a number of projects because of staff absences. Similarly, disrupted supply chains created shortages of materials. But due to the due diligence undertaken on our developers and building contractors, we have not suffered from any major construction issues. Contractually, the risk of cost overruns and delays are placed with our developers and contractors, and so the repercussions of these delays on us have been minimal. In the first half of 2020, four projects (with a maximum commitment of £10.6 million) reached practical completion. Three of these (maximum commitment: £8.0 million) completed since lockdown began. Seven projects (maximum commitment: £24.0 million) are still in progress, all but one of which are due to complete during 2020. As at 30 June 2020, we had only three exchanged properties (total commitments: £4.6 million), all of which completed in July shortly after the end of the period.

As a result of all this activity, at the period end we owned 404 properties (31 December 2019: 388), providing accommodation for 2,872 residents (31 December 2019: 2,728), having deployed since IPO an aggregate £476.1 million. A map showing where our properties are can be found on page 30. As illustrated in the Investment Manager's report below, this deployment has further enhanced our geographic and counterparty diversification. In the period, we started leasing to two new Approved Providers (bringing the total to 18), one new care provider

(bringing the total to 93) and working in four new local authorities (bringing the total to 153). The portfolio's weighted average unexpired lease term (including put/call options and reversionary leases) is 25.4 years (31 December 2019: 25.7 years).

### Share Price

In the early weeks of 2020, our share price sat between 90 pence and 100 pence. It remained in this range until Covid-19 caused markets around the world to decline markedly. Our share price dropped sharply from around 12 March onwards, reaching a floor of 68 pence on 18 March, but recovered back up above 90 pence by the end of that month. Since then, the share price has been on an upwards trajectory, ending the period at close to 100 pence per share and consistently rising to a level above 100 pence after the period-end. The Company's net asset value on 30 June 2020 was 105.34 pence per share.

Overall, our share price rose during the period despite the backdrop of economic turbulence. During the period and into Q3, we continued to engage proactively with shareholders and the wider investment community. We believe that, following a knee jerk reaction in early March, investors were able to distinguish the resilience of our income-streams and therefore the value of the Group's properties, noting that the rent paid to our residents is ultimately funded by central government, as reflected in our full rent receipt and dividends and as described in a number of our trading updates. We hope that the share price will continue to rise sustainably, stabilising above the net asset value.

### Debt

Our last debt agreement was signed in October 2019 when we extended our existing £70 million revolving credit facility with Lloyds by a further £60 million through including NatWest in the facility. We drew the first £38.3 million from this enlarged £130 million facility in November 2019, before drawing another £16.0 million in May 2020, in the midst of the lockdown, to meet continuing demand for our property class. As mentioned, we have now acquired enough properties to fill the security pool required to draw the entire £130 million facility. Once the lenders complete their due diligence on the properties to be added to the security pool, we expect to draw the final portion of debt at the beginning of October 2020. We then expect to deploy those proceeds by the end of 2020, helping us achieve full dividend cover by the end of 2020. Our group-wide LTV will be in the region of 35% once the facility is fully drawn.

## Financial Results

As at 30 June 2020, our property portfolio was independently valued at £510.3 million on an IFRS basis. This reflects a valuation uplift of £34.2 million, or 7.2%, over our total investment cost (including acquisition costs). The valuation of £510.3 million equates to a blended valuation yield of 5.30%, an improvement over the portfolio's blended net initial yield of 5.91%. This yield compression of 61 basis points reflects our ability to buy high-quality properties at discounted prices off-market by taking advantage of our network of trusted contacts in the sector, as well as our ability to select the best-value properties through rigorous due diligence.

As at 30 June 2020, our portfolio was valued at £548.5 million on a portfolio valuation basis. This assumes a single sale of the property-holding SPVs to a third-party on an arm's length basis, with purchasers' costs of 2.3%. The portfolio valuation reflects a portfolio premium of £38.2 million, or 7.5%, against the IFRS valuation.

On 2 June 2020, the RICS published revised guidance for the use of material uncertainty clauses for valuations of specialised supported housing. The Group's independent valuer, Jones Lang LaSalle Limited, no longer considers that there is material uncertainty when valuing specialised supported housing of any type on the basis of Market Value. The removal of the material uncertainty clause reflects the continued timely receipt of rents in line with pre-Covid-19 levels and the level of activity within the sector which remains consistent.

IFRS earnings per share in the year was 2.55 pence and EPRA earnings per share was 2.12 pence. The audited IFRS NAV per share was 105.34 pence, a decrease since 31 December 2019 of 0.02%.

## Dividends

On 14 May 2020, we declared our first dividend for the 2020 financial year of 1.295 pence per share for the period from 1 January 2020 to 31 March 2020. This dividend was paid on 26 June 2020. A second dividend, of 1.295 pence per share for the period from 1 April 2020 to 30 June 2020, was declared on 26 August 2020 and was paid on 25 September 2020. We are targeting an aggregate dividend of 5.18 pence per share in respect of the financial year ending 31 December 2020<sup>1</sup>. This is an increase of 1.7% over 2019's aggregate dividend, reflecting the CPI-based rent reviews typically contained in our leases.

Full dividend cover on a look-through EPRA earnings run-rate basis was achieved in August 2020 and is now 102%. Full dividend cover by EPRA earnings, on a non-look-through basis, is expected by the end of 2020 once debt funds are fully deployed. The slight delay in full dividend cover results from slow deployment caused by lockdown measures, as I have described above.

## Outlook

As I hope I have made clear above, for all the disruption caused by Covid-19, the fundamentals of this sector remain as strong as ever – perhaps stronger than ever before. Despite some short-term delays in deployment and construction, the damage caused by Covid-19 appears to be elevating the relevance of our socially-focused investments, while the fundamental need for this type of housing continues to grow. Commissioners continue to call for new schemes, and our existing schemes continue to operate well. For all the challenges that lie ahead – both for our economy and our business – our performance in the first half of this year allows us to look to the future with optimism.

Much of our continued success is thanks to the Investment Manager's hard work and strong relationships in the market. Through its work, we have been able to withstand an unprecedented economic shock without endangering our residents or cutting our dividends, and are now well placed to move forward into the future.

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



**Chris Phillips**

Chairman

29 September 2020

<sup>1</sup> The target dividend is a target only and not a forecast. There can be no assurance that the target will be met and it should not be taken as an indication of the Company's expected or actual future results.



## 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 £400 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 and 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 Director

Freddie is an Investment Director in the Property Investment Team at Triple Point. He works exclusively on social and affordable housing, with responsibility for origination, execution and general operations. He began his career as a solicitor, qualifying at Mishcon de Reya where he worked in the property department. Since joining Triple Point in 2015, Freddie has worked on a number of investments, including the firm's first investment into a construction company, and he has overseen the investment of over £150 million into social housing. 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

“From inception, the Group’s investment strategy has pursued ESG objectives. This is because the financial performance of the Group’s investments are inherently linked to the extent to which they meet ESG objectives.”

## Review of the Business

When 2020 began, our goal was simple: to keep doing more of the same, building on our success in 2019 and each year before that. We wanted to continue to deliver strong, consistent financial performance from a portfolio of critically needed specialised supported housing properties and invest in new projects that respond to identified local demand and address the current housing crisis. Above all, we wanted to continue to provide high quality accommodation to vulnerable individuals, offering them a safe, secure place to call home for as long as they need it.

But, like everyone else, soon after 2020 began, we had to adapt our plans. 2020 has not been a normal year. As the national significance of Covid-19 became undisputable, it became clear that making sure that the most vulnerable members of society were well housed and cared for would be integral to the UK’s response. Slowly but surely the social care sector emerged out of the shadow of the NHS and began to receive the political and public recognition that the work of those involved so deserve. Our main priority was ensuring a good level of housing provision and care was maintained for the individuals living in our properties. We moved quickly to speak to all our Approved Providers, understanding how the virus was affecting them, what policies they had in place, and to see what, if any, help we could offer. We reached out to our care providers, talking to them about the effect of the virus and the implementation of their infectious disease policies. We wanted to make certain that our counterparties had access to PPE and continued to receive the government funding that allows them to perform their services to their usual high standards.

We have been impressed by how well everyone adapted to the unprecedented circumstances we found ourselves in. Approved Providers focused on essential maintenance and repairs as a way of ensuring residents remained safe and secure without unnecessarily risking the transmission of the virus. Care providers, well-versed in managing complex staffing schedules and dealing with infectious diseases, swiftly adopted measures to keep staff levels high (despite self-isolating) and residents free from infection. Throughout, the government has remained supportive, with routine regulatory obligations postponed, rents remaining in payment, and continual engagement from social workers. As lockdown has eased, Approved Providers have started to catch up on non-essential repairs while care providers have made sure that residents whose social contact has been limited receive the full engagement they need.

Despite these unprecedented challenges, the business has been resilient. The Group received 100% of rent due in the first half of 2020 and all dividends have been paid in full. In fact, within a relatively short time it became clear that valuations had not been impacted by the pandemic and the Group's schemes and counterparties were coping with the virus sufficiently well that the Group could continue investing funds into the sector to the benefit of all stakeholders. In May, the Group drew another £16.0 million from the extended revolving credit facility and continued to invest funds into new schemes – schemes which, in some ways, were needed more than ever before to ease pressure on a healthcare system straining under the weight of the pandemic.

As investment manager for the Group, we will never be complacent, and will always keep a careful eye on unfolding events and the delayed effects of the virus. But, so far, we are pleased by how our stakeholders rose to the challenge of Covid-19. This, in turn, has allowed us to remain focused on our original goal for the year: continued, steady operational success, buying the best properties possible and optimising the performance of the Group's existing portfolio. Below are some of the Group's operational highlights from 2020.

As mentioned in our Chairman's Statement above, over the course of 2020 the Group bought 16 new schemes for a total investment cost (i.e. including acquisition costs) of £29.9 million. These schemes provide 144 new units of accommodation for the most vulnerable people in society in areas of proven demand. These purchases were funded by the £70 million extension of the revolving credit facility that we agreed in October last year, specifically the £38.3 million draw in November 2019, and the £16.0 million draw in May 2020. With deployment continuing since then, we expect to draw the final portion of the facility at the beginning of October 2020. At the end of June, the Group had 404 properties, containing 2,872 units of accommodation, leased to 18 Approved Providers, operating in 153 Local Authorities, with care provided by 93 different care providers.

Since inception, the Group has started or completed 22 forward funding projects. These provide the Group with some of the highest-quality and best valued properties in its portfolio. The specifications are agreed in close coordination with local Commissioners to provide safe and secure housing in the community for the long-term. By the end of the period, 15 of the projects had completed, with another six due to complete by the end of 2020 and a

further scheme expected to complete by the end of April 2021. Some were delayed by Covid-19, which led to staff shortages and a lack of building materials. But all projects are forecast to complete within the allowable time-periods, adding new housing stock to the country and high-quality schemes to the Group's portfolio.

Our operational performance is built on due diligence processes, and our due diligence processes are built on the principle that they can always be better. We learn from every transaction. The market is always changing. We continue to evolve our market-leading due diligence processes to ensure that each and every opportunity is analysed as forensically as possible. We think it says something that, since inception, more opportunities have been rejected than acquired. In fact, in our view good due diligence drives a virtuous circle of investment. If the Group buys a high-quality, environmentally efficient property that is close to amenities and is in an area of identified local need, that property is likely to be in demand and occupied. Good levels of occupancy in turn achieve positive health outcomes for our residents, and save the government significant amounts of money. That in turn secures the rental income of the Group, which drives the Group's financial performance, and allows further investment.

Our ability to complete good diligence stems from our set-up as an investment manager. Triple Point Investment Management LLP was founded in 2004 to invest in long-term, high-impact infrastructure and property-related investments with high-quality counterparties. Its investments succeed financially only where they meet a social need, whether it is leasing an ambulance to the NHS, or funding the rollout of carbon-efficient heat networks around the UK. We forward fund new schemes precisely because of our focus on social impact. Triple Point's long history has provided it with the network to source high-quality schemes at off-market prices. To improve controls and ensure high-standards of governance, many of Triple Point's business functions are kept in-house, including finance, marketing, asset management and company secretarial. These controls have been vital in enabling us to develop our sector-leading due diligence processes and are reflected in 25% of our fees being paid in shares in the Company, creating alignment of interests. Triple Point Investment Management LLP has also recently been authorised by the Financial Conduct Authority as a full scope Alternative Investment Fund Manager ("AIFM") and was appointed as the Company's AIFM, taking over the Group's risk and portfolio management from 1 July 2020, with the Board

## INVESTMENT MANAGER'S REPORT (Continued)

continuing to provide oversight and ensure the Group acts within the Company's Investment Policy.

Since the start of 2020, we have pro-actively taken steps to optimise the Group's portfolio. It is important to us that the right properties are being looked after by the right Approved Providers, taking into account location and operational capacity. To that end, we have been working to transfer the Group's leases with Westmoreland to alternative Approved Provider as part of Westmoreland's stock rationalisation programme. 12 of the Group's 15 leases to Westmoreland transferred shortly after the period end, and the Group hopes to lease a further two properties managed by Westmoreland to the same Approved Provider shortly. As part of the transfer process one two-bedroom property with a value of less than £200,000 is in the process of being sold. As a responsible landlord with a long-term interest in the sector, we will continue to engage in a fair, pro-active manner to optimise the portfolio for the benefit of all stakeholders.

### Market Review

During the first half of this year, the market was dominated by responses to Covid-19, as described above. There are, nonetheless, other aspects of the market that deserve comment. During the period, the Regulator of Social Housing did not publish regulatory judgements or notices on Approved Providers that the Group leases to. We believe that, in part, this reflects the general growth and performance of the Group's lessees. However, the Regulator stated that it would pause its usual regulatory engagement during the worst of the lockdown to allow focus on day-to-day operations, and has in fact since stated that it intends to re-start engagement with lease-based providers of specialised supported housing as the lockdown eases. In September the Regulator announced that it was placing My Space under review. To date, the Regulator has issued judgements or notices in respect of four Registered Providers with which the Group has one or more leases in place.

We welcome the continued engagement of the Regulator with Registered Providers that use leases to grow their housing stock. While increased Regulatory oversight has tempered the growth of some Registered Providers, governance and viability standards continue to rise. There are always further improvements that Registered Providers can make and legacy issues to work through, both of which Regulatory engagement helps towards. Although the Group is not regulated by the Regulator, as a long-term investor in the sector we have continued to speak to the Regulator to understand its evolving

view of the model and how any concerns the Regulator has can best be accommodated. To that end, there are continuing discussions on what further changes can be made to the structure and balance of the leases that we enter into with Registered Providers.

More generally, the market for specialised supported housing remains buoyant. Demand remains strong. Commissioners continue to push for new schemes. The shortfall of units is forecast to be 46,771 in the next four to five years.<sup>2</sup> The scale of this demand is reflected in our pipeline of over £150 million. In fact, as the Chairman's letter makes clear, demand for specialised supported housing seems to be increasing as a result of the pandemic. The benefits of proper integration between the NHS and the social care system have been highlighted by the strain that the NHS was placed under. Meanwhile, the high incidence of the virus in care homes (which are not the focus of the Group's investments) energised political support for a system that is sometimes under-appreciated compared to the NHS.

Demand for this type of housing continues to be driven by its real-world impact. According to the most recent evidence, every person living in specialised supported housing saves the government about £200 per week compared to them being in a care home, and about £2,000 per week compared to them being in a hospital.<sup>3</sup> At the same time, the independence that comes with living in a community improves the health and well-being of our residents.<sup>4</sup>

A related theme in the market is the rise and rise of Environmental, Social and Governance considerations for investors. This is a sea-change we wholeheartedly endorse, and we remain committed to driving up standards of ESG investing. From inception, the Group's investment strategy has pursued ESG objectives. This is because the financial performance of the Group's investments are inherently linked to the extent to which they meet ESG objectives. The Group's rental income is secured by its properties being in areas of identified social need which in turn leads to properties becoming occupied, and housing benefit paid to Approved Providers. The Group's schemes are more likely to be leased by Approved Providers, and more likely to be in demand by local Commissioners, where they meet the ever-increasing environmental efficiency standards which reduce running costs and, to that end, we are actively seeking ways to improve the energy efficiency of buildings within our portfolio. Finally, the Group's

<sup>2</sup> National Housing Federation, Supported housing: Understanding need and supply (2015)

<sup>3</sup> Mencap, Funding supported housing for all (2018)

<sup>4</sup> Mencap, Funding supported housing for all (2018)



schemes are more likely to be well-maintained and to receive high-quality care where the governance standards of its counterparties are high and keep getting better. Every pound of private capital invested by the Group in social housing is invested in pursuit of the ESG objectives that are vital for improving our society.

## Financial Review

The annualised rental income of the Group was £28.0 million as at 30 June 2020. Excluding forward funding transactions, the rental income of the Group for the first half of 2020 was £13.4 million, compared to £9.3 million in the same six months in 2019. The Group is a UK REIT for tax purposes and is exempt from corporation tax on its property rental business.

A fair value gain of £1.5 million was recognised during the period on the revaluation of the Group's properties.

Earnings per share was 2.55 pence for the period, compared to 6.75 pence for the year ending 31 December 2019 and 2.82 pence for the period to 30 June 2019. EPS includes the fair value gain on investment property which was lower this year compared to last year due to slower deployment and a reduction in the inflation rate from 2% to 1.7% assumed by the valuers.

The EPRA earnings per share excludes the fair value gain on investment property and was 2.12 pence for the period, compared to 3.39 pence for the year ending 31 December 2019 and 1.53 pence for the period to 30 June 2019. Adjusted earnings per share were 13.42 pence for the period, where post-tax earnings were adjusted for a valuation on a portfolio basis (as opposed to individual property IFRS basis).

The audited IFRS NAV per share was 105.34 pence, a 0.03% drop from 105.37 pence as at 31 December 2019. As described in the Chairman's Statement, this small reduction reflects the fact that the Group is still deploying the proceeds of its latest debt raise and so the dividend payments made during the quarter were partially uncovered. In previous quarters, any negative impact on the Group's NAV has been more than offset by increases in the value of the Group's property portfolio. In this period, and as reported above, the Group recognised a fair value gain but this was smaller than in previous periods (in part due to deployment being slowed due to the national lockdown). Full dividend cover on a look-through EPRA earnings run-rate basis was achieved in August 2020. With deployment and construction projects slowed by Covid-19, the Group expects to achieve full dividend cover in the fourth quarter of 2020.

For reporting periods starting on 1 January 2020 the EPRA NAV has been replaced by three EPRA NAV metrics which are shown in the financial statements on page 60. The one most comparable to the previously reported EPRA NAV measure is EPRA Net Tangible Asset (NTA), which, therefore, the Company has adopted as its primary reporting metric. The EPRA NTA per share as at the period end is the same as the IFRS NAV per share. The IFRS NAV adjusted for the portfolio valuation (including portfolio premium) was £407.8 million, which equates to a Portfolio NAV of 116.2 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 1.61% compared to 1.63% at 31 December 2019.

At the period end, the portfolio was independently valued at £510.3 million on an IFRS basis, reflecting a valuation uplift of 7.20% against the portfolio's aggregate purchase price (including acquisition costs). The valuation reflects a portfolio yield of 5.30%, against the portfolio's blended net initial yield of 5.91% 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 £548.5 million on a portfolio valuation basis, reflecting a portfolio premium of 7.51%, or £38.2 million, 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 October 2019, the Group agreed a £60 million extension to the revolving credit facility of £70 million agreed with Lloyds Bank in December 2018. The new £130 million facility is a joint facility with NatWest Bank. The combined facility has an initial term of four years expiring on 20 December 2022 which may be extended by a further year to 20 December 2023. The interest rate for drawn funds is 1.85% per annum over 3-month LIBOR. For undrawn funds, the Group pays a commitment fee of 40% of the margin.

In November 2019, the Group drew £38.3 million from the extended facility. This meant that 77% of the overall facility had been drawn. Based on continued demand in the market, in May 2020 the Group drew another £16.0 million from the facility, meaning that 90% of the facility had been drawn. We expect to draw the final £13.4 million at the

## INVESTMENT MANAGER'S REPORT (Continued)

beginning of October now that the security pool has been filled. As at 30 June 2020, 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 revolving credit 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/NatWest facility have been drawn, both facilities combined will represent an initial loan-to-value of 40% of the value of secured assets in the defined portfolios and the aggregate value of the Group's borrowings will be in the

region of 35% of its gross asset value and below the target of 40% set in the Group's investment policy.

The MetLife facility requires the Group to maintain an asset cover ratio of 2.25x and an interest cover ratio of 1.75x. 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 2.75x. At all times, the Group has complied with the debt covenants on both credit facilities.

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

### Strategic Alignment and Asset Selection

Despite the challenges presented by Covid-19, in the first half of 2020 the Group continued to execute its investment strategy, delivering inflation-protected income underpinned by a careful selection of secure, long-let

and index-linked properties. During this period, the Group bought 16 properties for a total investment cost of £29.9 million (including acquisition costs).

	30 June 2020	30 June 2019	31 Dec 2019
# of Assets	404	318	388
# of Leases	316	229	300
# of Units	2,872	2,306	2,728
# of APs	18	16	16
# of FFAs	22	21	22
WAULT (years)	25.4	26.2	25.7

In addition, as at 30 June 2020 the Group had outstanding commitments of £13.9 million (including acquisition costs), comprising £4.6 million for contracts exchanged on three properties, and £9.3 million for undrawn forward funding commitments.

Committed Capital	Total Funds (£m)
Total invested since IPO	£476.1
Exchanges	£4.6
Forward Funding Commitments	£9.3
<b>Total Invested and Committed Capital</b>	<b>£490.0</b>

## Property Portfolio

As at 30 June 2020, the portfolio comprised 404 properties with 2,872 units and showed a broad geographic diversification across the UK. The four largest concentrated areas by market value were the North West (21.0%), West Midlands (16.8%), East Midlands (13.6%) and London (10.5%). The IFRS value of the portfolio at 30 June 2020 was £510.3 million.

During the first half of 2020, the Group did not enter into any new forward funding transactions, but construction on its existing projects continued despite some Covid-19-related delays. As at 30 June 2020, the Group had entered a total of 22 forward funding projects with 15 schemes having reached practical completion and seven schemes still under construction.

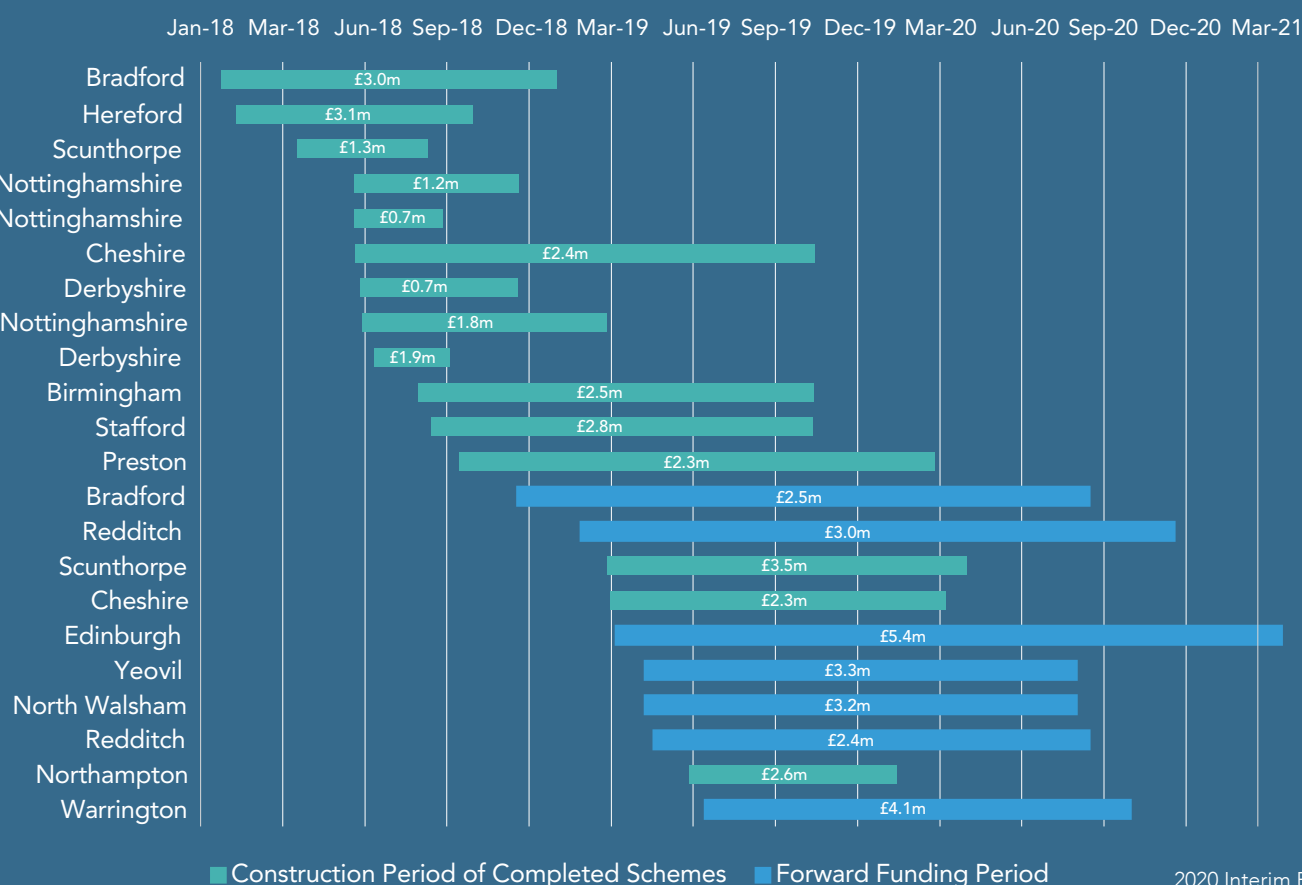
## Rental Income

In total, the Group had 316 fully repairing and insuring leases (excluding agreement for leases on forward funding transactions). The Group had a total annualised rental income of £28.0 million on its standing investments.

During the first half of 2020, the Group entered into leases with another two Approved Providers, increasing its total to 18. This enhanced the Group's counterparty diversification. The Group's three largest Approved Providers by rental income were Inclusion Housing (24.8%), Falcon (12.4%) and Parasol Homes (12.3%).

The Group's three largest Approved Providers by units were Inclusion Housing (713), Falcon (366) and Hilldale (328).

As at 30 June 2020, the portfolio had a WAULT of 25.4 years (well in excess of the Group's minimum term of at least 15 years), with 99.5% of the portfolio's rental income showing an unexpired lease term above 21 years. Compared with 31 December 2019, the WAULT has shortened slightly by 0.3 years as most additions in the last six months have had a lease term of c.25 years (compared to some of the Group's 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 of the initial term.



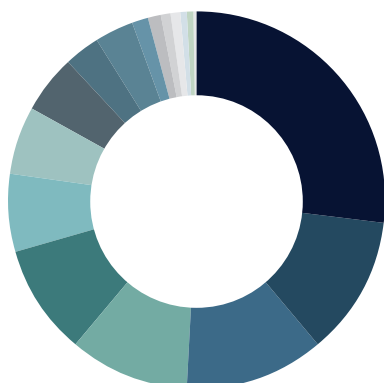
# INVESTMENT MANAGER'S REPORT (Continued)

Rents under the leases are indexed against either CPI (94.6%) or RPI (5.4%), 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 5.7% of the Group's leases. For the purposes of the portfolio valuation, JLL assumed CPI and RPI to increase at 1.7% per annum and 2.2% per annum respectively over the term of the relevant leases.

## Pipeline and Outlook

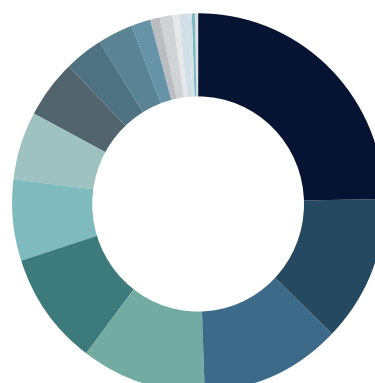
Covid-19 presented unique challenges to the Group's business, its counterparties and, above all, its residents, but across the board the response has exemplified resilience. Essential repairs continued to be provided. Care continued to be delivered. Funding continued to flow. As a result of this, market activity soon resumed, in many cases encouraged by Commissioners looking to ease the burden on the NHS. The specialised supported housing sector was in fact one of the first sectors to have its "material uncertainty" clause removed by JLL from valuations. In light of all this, it is not surprising that our pipeline remains strong, with over £150 million of high-quality deals available to complete.

## Market Value by Approved Provider



Inclusion 27.0%	Parasol Homes 11.9%	Falcon 11.9%
Hilldale 10.3%	My Space 9.5%	BeST 6.6%
AHS 5.8%	Chrysalis 5.0%	Care Housing Association 3.2%
Westmoreland 3.2%	Sunnyvale 1.5%	Wings Care 1.0%
IKE 0.9%	Lifeways 0.8%	Encircle Housing 0.6%
Blue Square 0.5%	Keys 0.2%	Partners Foundation 0.0%

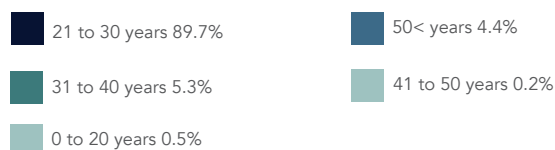
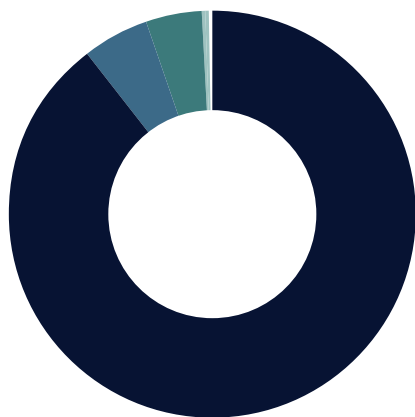
## Rental Income by Approved Provider



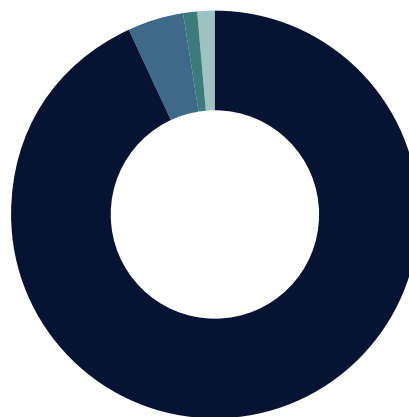
Inclusion 24.8%	Falcon 12.4%	Parasol Homes 12.3%
Hilldale 10.8%	My Space 9.7%	BeST 6.8%
AHS 6.0%	Chrysalis 4.9%	Westmoreland 3.5%
Care Housing Association 2.9%	Sunnyvale 1.6%	Wings Care 1.0%
IKE 0.9%	Lifeways 0.8%	Encircle Housing 0.6%
Blue Square 0.5%	Keys 0.2%	Partners Foundation 0.1%



## Rental Income by Lease Length



## Rental Income by Index



As the second half of 2020 progresses, we will continue to monitor the performance of our counterparties, particularly in the event of a second wave, but remain comforted by the sector's performance so far and its strong fundamentals. High-quality properties which house residents whose rent is ultimately paid by central government are likely to remain resilient in the face of future challenges. As we deploy the Group's remaining funds, we will explore the possibility of raising further funds that can be invested to the benefit of residents, taxpayers and investors.

**Max Shenkman**

Head of Investment  
29 September 2020

# PORTFOLIO SUMMARY



## North East



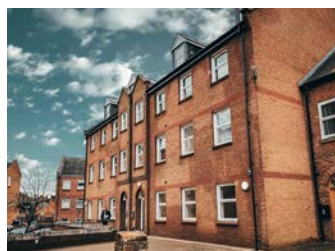
Princes Street, Bishop Auckland



Hexham, Northumberland



## East Midlands



St Peter's Gardens, Northampton



## West Midlands



Park View Apartments, Wolverhampton



## Yorkshire



Delph Crescent, Bradford



## PORTFOLIO SUMMARY

Key	Region	Properties	% of Funds Invested*
1	North West	91	21.1
2	West Midlands	60	16.3
3	East Midlands	53	13.5
4	London	26	10.9
5	North East	44	9.9
6	South East	51	9.7
7	Yorkshire	32	8.9
8	South West	27	5.1
9	East	16	3.3
10	Scotland	2	0.7
11	Wales	2	0.6
Total		404	100.0

\* calculated excluding acquisition costs



Delph Court, Bradford

# KEY PERFORMANCE INDICATORS

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

## 1. Dividend

KPI and 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 2.59 pence per share were paid or declared in respect of the period 1 January 2020 to 30 June 2020.  (30 June 2019: 2.54 pence)	The Company paid a dividend of 1.295 pence per Ordinary share in respect of the period 1 March 2020 to 30 June 2020 on 25 September 2020. Total dividends paid and declared for the period are in line with the Company's target.

## 2. IFRS NAV per Share

KPI and 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.	105.34 pence at 30 June 2020  (31 December 2019: 105.37 pence)	The IFRS NAV per share at IPO was 98.0 pence.  This is an increase of 7.5% since IPO driven by growth in the underlying asset value of the investment properties.

## 3. Loan to GAV

KPI and 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.	33.1% Loan to GAV at 30 June 2020.  (31 December 2019: 31.1%)	As at 30 June 2020: £68.5 million private placement of loan notes with MetLife; and a £130 million secured revolving credit facility with Lloyds/NatWest of which £117 million was drawn at 30 June 2020.

## 4. Earnings per Share

KPI and 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.	2.55 pence per share for the period ended 30 June 2020, based on earnings excluding the fair value gain on properties, calculated on the weighted average number of shares in issue during the year.  (30 June 2019: 2.82 pence)	EPS decreased by 9.5% due to the Group recognising a smaller fair value gain on the revaluation of the Group's properties relative to the previous period. This was as a result of slower than usual deployment resulting from the national lockdown and a reduction in the CPI and RPI assumptions in the valuation models of the Group's Valuer.  The outlook remains positive and we continue to invest to generate an attractive total return.

## 5. Adjusted Earnings per Share

KPI and Definition	Relevance to Strategy	Performance	Comment
Adjusted earnings per share includes adjustments for non-cash items. The calculation is shown in Note 21.	A key measure which is a reflection of actual cashflows supporting dividend payments.	2.25 pence per share for the period ended 30 June 2020, based on earnings excluding the fair value gain on properties, amortisation of loan arrangement fees; calculated on the weighted average number of shares in issue during the year.  (30 June 2019: 1.55 pence)	This demonstrates the Group's ability to meet dividend payments from net cash inflows. It represents a dividend cover for the period to 30 June 2020 of 86.9%.



## 6. Weighted Average Unexpired Lease Term (WAULT)

KPI and 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.	25.4 years at 30 June 2020 (includes put and call options). (31 December 2019: 25.7 years)	As at 30 June 2020, the portfolio's WAULT stood at 25.4 years and remains well ahead of the Group's minimum term of 15 years.

## 7. Adjusted Portfolio Earnings per Share

KPI and Definition	Relevance to Strategy	Performance	Comment
The post-tax earnings adjusted for the market portfolio valuation including portfolio premium.	The Adjusted Portfolio 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.	13.42 pence per share for the period ended 30 June 2020, as shown on page 59. (30 June 2019: 9.29 pence)	The Adjusted Portfolio EPS shows the value per share on a long-term basis.  The increase in the Adjusted Portfolio EPS from the previous period is reflective of the larger portfolio size.

## 8. Portfolio NAV

KPI and 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 under the special assumption of a hypothetical sale of the underlying property investment portfolio in one single transaction.	The Portfolio NAV of £407.8 million equates to a Portfolio NAV of 116.21 pence per Ordinary Share, as shown on page 59. (31 December 2019: Portfolio NAV £401.9 million equated to 114.53 pence per ordinary share)	The Portfolio NAV per share shows a good market growth in the underlying asset value of the investment properties.

## 9. Exposure to Largest Approved Provider

KPI and 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.	24.6% at 30 June 2020. (31 December 2019: 20.6%)	Our maximum exposure limit is 30%. We are below our maximum exposure limit with our largest Approved Provider, Inclusion Housing.

## 10. Total Return

KPI and Definition	Relevance to Strategy	Performance	Comment
IFRS NAV plus total dividends paid during the year.	The total return measure highlights the gross return to investors including dividends paid since the prior year.	IFRS NAV 105.34 pence at 30 June 2020. Total dividends paid during the period ended 30 June 2020 were 2.59 pence.  Total return was 2.42% for the period to 30 June 2020. (30 June 2019: 2.73%)	The IFRS NAV per share at 30 June 2020 was 105.34 pence. Adding back dividends paid during the period of 2.58 pence per Ordinary Share to the IFRS NAV at 30 June 2020 results in an increase of 2.42%.

## 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 Earnings and NAV performance measures are included in Notes 21 and 22 of the consolidated 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

KPI and 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.	2.12 pence per share for the period to 30 June 2020. (30 June 2019: 1.53 pence) The Group is currently in ramp up phase and undertaking forward funding developments resulting in a lag in the Company's ability to fully cover dividends. Our priority remains to achieve a fully covered dividend from operations. We expect this to be achieved by Q4 2020.

### 2. EPRA Net Reinstatement Value (NRV) per share

KPI and Definition	Purpose	Performance
The EPRA NRV adds back the purchasers' costs deducted from the IFRS valuation.	A measure that highlights the value of net assets on a long-term basis.	£399.7 million/113.91 pence per share as at 30 June 2020. £397.2 million/113.20 pence per share as at 31 December 2019.

### 3. EPRA Net Tangible Assets (NTA) per share

KPI and Definition	Purpose	Performance
The EPRA NTA is equal to IFRS NAV as there are no deferred tax liabilities or other adjustments applicable to the Group under the REIT regime.	A measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.	£369.6 million/105.34 pence per share as at 30 June 2020. £369.7 million/105.37 pence per share as at 31 December 2019.

### 4. EPRA Net Disposal Value (NDV)

KPI and Definition	Purpose	Performance
The EPRA NDV provides a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability.	A measure that shows the shareholder value if assets and liabilities are not held until maturity.	£365.2 million/104.07 pence per share as at 30 June 2020. £364.7 million/103.93 pence per share as at 31 December 2019.

## 5. EPRA Net Initial Yield (NIY)

KPI and 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.	5.33% at 30 June 2020. 5.29% at 31 December 2019.

## 6. EPRA 'Topped-Up' NIY

KPI and 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 2020.	5.34% at 30 June 2020. 5.29% at 31 December 2019.

## 7. EPRA Vacancy Rate

KPI and 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 2020. 0.00% as at 31 December 2019.

## 8. EPRA Cost Ratio

KPI and Definition	Purpose	Performance
Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a Group's operating costs.	23.22% as at 30 June 2020. 28.35% as at 31 December 2019.

# 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 outlined below will remain unchanged for the remaining six months of the financial year.




## 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	Impact
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 to ensure that we have a level of protection in the event of adverse fund-raising conditions.	
		Likelihood
		
		Change in Year
		 STABLE

## 2. RISK CATEGORY – FINANCIAL

**Floating rate debt exposes the business to underlying interest rate movements**

Risk Impact	Risk Mitigation	Impact
The Group's Revolving Credit Facility is currently non-hedged and therefore interest is payable based on a margin over 3M Libor. Any adverse movements in the 3M Libor forward curve 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. In addition the Board regularly reviews potential hedging arrangements which can be put in place at any time during the duration of the Revolving Credit Facility. The Group's 10-year and 15-year MetLife tranches have a fixed rate coupon.	
		Likelihood
		
		Change in Year
		 STABLE






### 3. RISK CATEGORY – FINANCIAL

#### Unable to operate within debt covenants

Risk Impact	Risk Mitigation	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.	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 remedy period during which it can cure the covenant breach by either injecting cash collateral or equity funded assets in order to restore covenant compliance.	
		Likelihood 
		Change in Year  STABLE




### 4. RISK CATEGORY – PROPERTY

#### Default of one or more Approved Provider lessees

Risk Impact	Risk Mitigation	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 negotiate the lease, meaning a sustained reduction in revenues while a replacement is found.	Under the terms of our Investment Policy and restrictions, no more than 30% of the Group's gross asset value may be exposed to one lessee, meaning the risk of significant rent loss is low. Were a lessee to default or were the Group to believe it likely that a lessee would default the Group would look to move the affected properties to another Approved Provider with whom the Group have a good relationship to ensure that both the provision of housing to vulnerable individuals and the income stream associated with the properties were preserved. In addition, 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 look to ensure that the vulnerable residents did not have to be rehoused.	
		Likelihood 
	The Investment Manager has continued to monitor the implications of the pandemic and maintains a specific Covid-19 related risk register with regards to the Group's Registered Providers and Care Providers. The Investment Manager has remained in regular communication with counterparties and monitored occupancy and referrals closely. Details regarding the extent of the impact of Covid-19 on the Group's counterparties is detailed on pages 22 to 29.	Change in Year  STABLE




### 5. RISK CATEGORY – PROPERTY

#### Forward funding properties involves a higher degree of risk than that associated with completed investments

Risk Impact	Risk Mitigation	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.	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 typically defer development profit until work has been completed and audited by a chartered surveyor. Further, less than 2.5% 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.	
		Likelihood 
		Change in Year  STABLE




## 6. RISK CATEGORY – REGULATORY

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

Risk Impact	Risk Mitigation	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 the 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.	<p>As part of the Group's acquisition process, the Investment Manager conducts a thorough due diligence process on all Registered Providers with which the Company enters into lease agreements that takes account of their financial strength and governance procedures.</p> <p>The Investment Manager has established relationships with the Approved Providers with whom it works. The Approved Providers keep the Investment Manager informed of developments surrounding the regulatory notices.</p> <p>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.</p> <p>More detail on this risk can be found on page 24.</p>	  Change in Year  STABLE

## 7. RISK CATEGORY – REGULATORY

### Risk of changes to the social housing regulatory regime

Risk Impact	Risk Mitigation	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.	As demand for social housing remains high relative to supply, the Board and the Investment Manager is 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.	  Change in Year  STABLE




## 8. RISK CATEGORY – REGULATORY

### Risk of not being qualified as REIT

Risk Impact	Risk Mitigation	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.	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.	  Change in Year  STABLE




## 9. RISK CATEGORY – CORPORATE

### Reliance on the Investment Manager

Risk Impact	Risk Mitigation	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.	Unless there is a default, either party may terminate the Investment Management Agreement by giving not less than 12 months' written notice. 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.	
		Likelihood
		
		Change in Year
		 STABLE

## 10. RISK CATEGORY – FINANCIAL

### Property valuations may be subject to change over time

Risk Impact	Risk Mitigation	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.	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.	
		Likelihood
		
		Change in Year
		 STABLE

## Emerging Risks

### *The United Kingdom's Withdrawal from the European Union*

The Board has continued to monitor the potential risks associated with Brexit. As discussions continue to develop with the UK's trading relationship with the EU, it still remains unclear as to the extent or precise nature of the impact of Brexit on the Company and its stakeholder base. Nevertheless, the strong Conservative majority achieved in December 2019 is likely to lead to a period of greater political stability, and with care, housing and social care, being UK based, the Group remains relatively insulated from the impact of Brexit.

The Board will continue to monitor the developing relationship between the UK and the EU and the wider potential impact of Brexit on the Group and its stakeholder base.

### *Covid-19 Pandemic*

The outbreak of Covid-19 in early 2020 has negatively impacted economic conditions globally and is having an adverse and disruptive effect on the UK economy (triggering a technical recession after the second quarter of 2020). The Group's financial performance has proven to be resilient to the effects of Covid-19 thus far, however, its way of operating has adapted and is likely to need to continue to adapt in the near term in response to the developments relating to the Covid-19 outbreak. The Board have considered the potential significant and wide-ranging adverse effect on the Group, including a reduction in portfolio valuations, an increase in bad debts, void rates and costs, an adverse impact on existing banking covenants and health risks to the Group's employees and residents. The directors have performed an assessment of the ability of the Company to continue as a going concern, which includes the impact of Covid-19 further details of which can be found in Note 2.1.

The Board will continue to monitor economic conditions and implement appropriate controls and processes in order to mitigate the potential impact of the pandemic on the Group.

# 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 22 to 39 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 18 and any material changes in the related party transactions disclosed in the 2019 Annual Report.

A list of the Directors is shown on page 63.

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  
29 September 2020



# 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 2020 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 2020 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  
29 September 2020  
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



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# Financial Statements

## FINANCIAL STATEMENTS

## Condensed Group Statement of Comprehensive Income

For the period from 1 January 2020 to 30 June 2020

	Note	Period from 1 January 2020 to 30 June 2020 (unaudited) £'000	Period from 1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
<b>Income</b>				
Rental income	4	13,372	9,348	21,112
<b>Total income</b>		<b>13,372</b>	<b>9,348</b>	<b>21,112</b>
<b>Expenses</b>				
Directors' remuneration		(151)	(151)	(307)
General and administrative expenses		(979)	(891)	(1,809)
Management fees	5	(1,975)	(1,859)	(3,869)
<b>Total expenses</b>		<b>(3,105)</b>	<b>(2,901)</b>	<b>(5,985)</b>
Gain from fair value adjustment on investment property	9	1,533	4,551	11,809
Loss from fair value adjustment on assets held for sale		(43)	–	–
<b>Operating profit</b>		<b>11,757</b>	<b>10,998</b>	<b>26,936</b>
Finance income	6	74	149	229
Finance expense	7	(2,866)	(1,232)	(3,448)
<b>Profit before tax</b>		<b>8,965</b>	<b>9,915</b>	<b>23,717</b>
Taxation	8	–	–	–
<b>Profit and total comprehensive income attributable to shareholders</b>		<b>8,965</b>	<b>9,915</b>	<b>23,717</b>
<b>IFRS Earnings per share – basic and diluted</b>	21	<b>2.55p</b>	<b>2.82p</b>	<b>6.75p</b>

## FINANCIAL STATEMENTS

## Condensed Group Statement of Financial Position

As at 30 June 2020

Company Number: 10814022

	Note	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investment properties	9	511,016	396,567	472,349
<b>Total non-current assets</b>		<b>511,016</b>	<b>396,567</b>	<b>472,349</b>
<b>Current assets</b>				
Assets held for sale		130	–	–
Trade and other receivables	10	4,158	2,271	4,287
Cash, cash equivalents and restricted cash	11	43,527	74,824	67,711
<b>Total current assets</b>		<b>47,815</b>	<b>77,095</b>	<b>71,998</b>
<b>Total assets</b>		<b>558,831</b>	<b>473,662</b>	<b>544,347</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	12	(6,435)	(10,021)	(8,145)
<b>Total current liabilities</b>		<b>(6,435)</b>	<b>(10,021)</b>	<b>(8,145)</b>
<b>Non-current liabilities</b>				
Other payables	13	(1,509)	(1,505)	(1,514)
Bank and other borrowings	14	(181,242)	(97,082)	(164,955)
<b>Total non-current liabilities</b>		<b>(182,751)</b>	<b>(98,587)</b>	<b>(166,469)</b>
<b>Total liabilities</b>		<b>(189,186)</b>	<b>(108,608)</b>	<b>(174,614)</b>
<b>Total net assets</b>		<b>369,645</b>	<b>365,054</b>	<b>369,733</b>
<b>Equity</b>				
Share capital		3,514	3,514	3,514
Share premium reserve		151,157	151,157	151,157
Treasury shares reserve		(378)	(167)	(378)
Capital reduction reserve	15	166,154	175,066	166,154
Retained earnings		49,198	35,484	49,286
<b>Total Equity</b>		<b>369,645</b>	<b>365,054</b>	<b>369,733</b>
<b>IFRS Net asset value per share – basic and diluted</b>	22	<b>105.34p</b>	103.96p	105.37p

The Condensed Group Financial Statements were approved and authorised for issue by the Board on 29 September 2020 and signed on its behalf by:



Chris Phillips

Chairman

29 September 2020



## FINANCIAL STATEMENTS

## Condensed Group Statement of Changes in Equity

For the period from 1 January 2020 to 30 June 2020

Period from 1 January 2020 to 30 June 2020 (unaudited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2020</b>		<b>3,514</b>	<b>151,157</b>	<b>(378)</b>	<b>166,154</b>	<b>49,286</b>	<b>369,733</b>
<b>Profit and total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,965</b>	<b>8,965</b>
<i>Transactions with owners</i>							
Dividends paid	16	-	-	-	-	(9,053)	(9,053)
<b>Balance at 30 June 2020 (unaudited)</b>		<b>3,514</b>	<b>151,157</b>	<b>(378)</b>	<b>166,154</b>	<b>49,198</b>	<b>369,645</b>

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
<b>Balance at 1 January 2019</b>		<b>3,514</b>	<b>151,157</b>	<b>-</b>	<b>183,921</b>	<b>25,569</b>	<b>364,161</b>
<b>Profit and total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,915</b>	<b>9,915</b>
<i>Transactions with owners</i>							
Own shares repurchased		-	-	(167)	-	-	(167)
Dividends paid	16	-	-	-	(8,855)	-	(8,855)
<b>Balance at 30 June 2019 (unaudited)</b>		<b>3,514</b>	<b>151,157</b>	<b>(167)</b>	<b>175,066</b>	<b>35,484</b>	<b>365,054</b>

Year ended 31 December 2019 (audited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1 January 2019</b>		<b>3,514</b>	<b>151,157</b>	<b>-</b>	<b>183,921</b>	<b>25,569</b>	<b>364,161</b>
<b>Profit and total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,717</b>	<b>23,717</b>
<i>Transactions with owners</i>							
Own shares repurchased		-	-	(378)	-	-	(378)
Dividends paid	16	-	-	-	(17,767)	-	(17,767)
<b>Balance at 31 December 2019 (audited)</b>		<b>3,514</b>	<b>151,157</b>	<b>(378)</b>	<b>166,154</b>	<b>49,286</b>	<b>369,733</b>

## FINANCIAL STATEMENTS

## Condensed Group Statement of Cash Flows

For the period from 1 January 2020 to 30 June 2020

	Note	From 1 January 2020 to 30 June 2020 (unaudited) £'000	From 1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
<b>Cash flows from operating activities</b>				
Profit before income tax		8,965	9,915	23,717
Adjustments for:				
Gain from fair value adjustment on investment property	9	(1,533)	(4,551)	(11,809)
Loss on fair value adjustment on assets held for sale		43	–	–
Finance income	6	(74)	(149)	(229)
Finance costs	7	2,866	1,232	3,448
<b>Operating results before working capital changes</b>		<b>10,267</b>	<b>6,447</b>	<b>15,127</b>
Decrease/(increase) in trade and other receivables		104	935	(11)
Increase/(decrease) in trade and other payables		74	(244)	1,188
<b>Net cash flow generated from operating activities</b>		<b>10,445</b>	<b>7,138</b>	<b>16,304</b>
<b>Cash flows from investing activities</b>				
Purchase of investment properties		(39,108)	(66,805)	(137,724)
Prepaid acquisition costs refunded/(paid)		25	208	(884)
Restricted cash – released		2,825	4,119	11,348
Restricted cash – paid		(239)	(4,992)	(8,375)
Interest received		58	120	163
<b>Net cash flow used in investing activities</b>		<b>(36,439)</b>	<b>(67,350)</b>	<b>(135,472)</b>
<b>Cash flows from financing activities</b>				
Own shares repurchased		–	(167)	(378)
Bank borrowings drawn	14	16,034	31,264	100,592
Restricted bank borrowings	14	–	10,460	10,460
Loan arrangement fees paid	14	(254)	(1,623)	(3,455)
Dividends paid	16	(9,053)	(8,855)	(17,767)
Interest paid		(2,308)	(1,041)	(2,898)
<b>Net cash flow generated from financing activities</b>		<b>4,419</b>	<b>30,038</b>	<b>86,554</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(21,575)</b>	<b>(30,174)</b>	<b>(32,614)</b>
Unrestricted cash and cash equivalents at the beginning of the period		64,732	97,346	97,346
<b>Unrestricted cash and cash equivalents at the end of the period</b>	11	<b>43,157</b>	<b>67,172</b>	<b>64,732</b>

## FINANCIAL STATEMENTS

### Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2020 to 30 June 2020

#### 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 2020 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 2020 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 29 September 2020. 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 year ended 31 December 2019 in this interim report does not constitute statutory accounts for that year. The Group's annual report and accounts for the year to 31 December 2019 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 2019 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 2020. The new standards and amendments impacting the Group are:

- Definition of a Business (Amendments to IFRS 3);
- Definitions of material (Amendments to IAS 1 and IAS 8); and
- Amendments to references to the Conceptual Framework in IFRS Standards.

The Directors have given due consideration to the impact on the financial statements of the amendments as follows:

#### Definition of a Business (Amendments to IFRS 3)

Under these amendments, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. An optional concentration test has also been added. This allows the acquirer to assess whether substantially all of the fair value of the gross assets acquired is concentrated in a single asset or group of similar assets. If such a concentration exists, the transaction is not viewed as an acquisition of a business and no further assessment of the business combination guidance is required. The optional concentration test has been performed and the Directors have concluded that at present, the adoption of the amendment and interpretation does not have a material impact on the financial statements in the period of initial application. In previous reporting periods, subsidiaries acquired by the Group were all treated as the acquisition of a group of assets rather than a business as there was not an integrated set of activities acquired in addition to the property. In the current reporting period, the optional concentration test has been performed which has determined that the fair value of the gross asset acquired is concentrated into a single asset, investment property and therefore is not a business combination. The Group has not purchased and does not intend to purchase any subsidiaries which incorporate any assets other than investment property.

#### Definitions of material amendments to IAS 1 and IAS 8

"Definition of Material (Amendments to IAS 1 and IAS 8)" has been issued to clarify the definition of "material" and to align the definition used in the Conceptual Framework and the standards themselves. The changes all relate to a revised definition of "material" which is quoted as follows:

"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The Directors are satisfied this amendment will not have a significant impact on the Group due to sufficient controls already well established which prevent omission, misstatement and obscuration.

### Amendments to references to the Conceptual Framework in IFRS Standards

The above provides amendments to various standards, however, some revisions are only with regards to references and quotes so that they refer to the revised Conceptual Framework. The standards that have had proper updates that will affect the Group are IFRS 3, IAS 1 and IAS 8 which have all been discussed above.

#### 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.

To date, Covid-19 has not impacted the Group's ability to continue as a going concern for reasons discussed below.

As a result, the Directors believe that the Group is still well placed to manage its financing and other business risks and that the Group will remain viable, continuing to operate and meet its liabilities as they fall due despite the risk of Covid-19.

The Directors have performed an assessment of the ability of the Company to continue as a going concern, which includes the impact of Covid-19, for a period of at least 12 months from the date of signing these financial statements. The Directors have considered the expected obligations of the Company and its subsidiaries for the next 12 months and are confident that all will be met.

In considering the ability of the Group to continue as a going concern, the Directors also considered the impact of Covid-19 on their tenants. Tenants of the Group are Registered Providers who receive their housing benefit from Local Authorities, before it is passed to subsidiaries in the form of rental income. Local Authorities have confirmed they will not stop helping vulnerable people or paying for essential services during this time, and therefore the Directors do not foresee any issues in rent collection, however in the event of a downturn in revenue, variable costs would be reduced to enable the Group to meet its future liabilities. 100% of rental income due and payable for the period ended 30 June 2020 has been collected. 100% of all rent due and payable at the 31 August 2020 has been collected.

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and Lloyds Bank respectively. The loan secured by Norland Estates Limited with MetLife is subject to an asset cover ratio covenant of x2.25. The latest external valuation was carried out at 30 June 2020 and at that point the asset cover ratio was x2.68. The loan is also subject to an interest cover ratio. The

covenant ratio is not less than x1.75 and at 30 June 2020 the interest cover ratio was x4.99.

The loan secured by TP REIT Propco 2 Limited with Lloyds Bank is subject to a loan to value covenant of <50%. As at the 30 June 2020, the loan to value was 40%. The loan is also subject to an interest cover ratio. The covenant ratio is not less than x2.75 and at 30 June 2020 the interest cover ratio was x5.57. The loan 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 Directors have also considered the circumstances that would lead to a covenant breach. For Norland Estates Limited, the property portfolio valuation at 30 June 2020 is based on a blended net initial yield of 5.25%. Yields would have to move by 139 bps before valuations fell to a level at which the asset cover ratio covenant was breached.

The interest cover ratio would need rental income collection to fall from its current level of 100% to 49% before the covenant is breached.

And for TP REIT Propco 2 Limited, as at 30 June 2020, its property portfolio valuation would need to fall by 25.6% before valuations fell to a level at which the loan to value covenant was breached. The interest cover ratio would need rental income collection to fall from its current level of 100% to 35% before the covenant is breached.

The Group has no short or medium term refinancing risk given the 10-year average maturity of its long term debt facilities with MetLife, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 3.04%.

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

Under the downside model the forecasts have been stressed to show the effect if Care Providers were unable to cover the voids and the time taken to fill voids is 2 years. It assumes that the Registered Provider (the tenant) will not be able to pay the voids. Under the downside model the Company and its subsidiaries will be able to settle its liabilities for a period of at least 12 months from the date of signing these financial statements.

The Directors believe 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

## FINANCIAL STATEMENTS

### Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2020 to 30 June 2020

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 2020. The comparative periods are the six-month period ended 30 June 2019 and the year ended 31 December 2019.

#### 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, 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 are unchanged from the annual report for the year to 31 December 2019. In the Directors' view, there have been no significant changes to the extent of estimation uncertainty, key assumptions or valuation techniques relating to investment properties arising as a result of Covid-19.

### 4. RENTAL INCOME

	<b>1 January 2020 to 30 June 2020 (unaudited) £'000</b>	1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Rental income	<b>12,368</b>	8,432	19,205
– freehold assets			
Rental income	<b>1,004</b>	916	1,907
– leasehold assets			
	<b>13,372</b>	9,348	21,112

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.

### 5. MANAGEMENT FEES

	<b>1 January 2020 to 30 June 2020 (unaudited) £'000</b>	1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Management fees	<b>1,975</b>	1,859	3,869
	<b>1,975</b>	1,859	3,869



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. This defined cash balances in the Net Asset Value calculation in respect of the management fee as "positive uncommitted cash balances after deducting any borrowings".

The management fee is an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published Net Asset Value of the Group (not taking into account uncommitted cash balances after deducting borrowings) as 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 £1,974,945 were chargeable by TPIM during the period to 30 June 2020 (30 June 2019 – £1,858,883, 31 December 2019 – £3,869,000). At the period end, £986,062 was due to TPIM (30 June 2019 – £979,880, 31 December 2019 – £986,000).

## 6. FINANCE INCOME

	1 January 2020 to 30 June 2020 (unaudited) £'000	1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Head lease interest income	16	20	50
Interest on liquidity funds	58	129	179
	<b>74</b>	<b>149</b>	<b>229</b>

## 7. FINANCE COSTS

	1 January 2020 to 30 June 2020 (unaudited) £'000	1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
Interest payable on bank borrowings	2,375	1,127	2,992
Borrowing costs capitalised (note 9)	(81)	–	(60)
Amortisation loan arrangement fees	542	80	457
Head lease interest expense	16	21	50
Bank charges	14	4	9
	<b>2,866</b>	<b>1,232</b>	<b>3,448</b>
Total finance cost for financial liabilities held at amortised cost	<b>2,852</b>	<b>1,228</b>	<b>3,439</b>

## 8. 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 2020, 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.

## 9. INVESTMENT PROPERTY

	Operational assets £'000	Properties under development £'000	Total £'000
As at 1 January 2020	454,400	17,949	472,349
Acquisitions and additions	29,479	7,751	37,230
Fair value adjustment	1,225	308	1,533
Changes to head lease right-of-use assets	(4)	–	(4)
Borrowing costs capitalised (note 7)	–	81	81
Transfer of completed properties	10,111	(10,111)	–
Reclassified to assets held for sale	(173)	–	(173)
<b>As at 30 June 2020 (unaudited)</b>	<b>495,038</b>	<b>15,978</b>	<b>511,016</b>

## FINANCIAL STATEMENTS

## Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2020 to 30 June 2020

	Operational assets £'000	Properties under development £'000	Total £'000
As at 1 January 2019	316,117	7,952	324,069
Acquisitions and additions	56,413	11,394	67,807
Fair value adjustment	4,420	131	4,551
Changes to head lease right-of-use assets	140	–	140
Transfer of completed properties	1,780	(1,780)	–
As at 30 June 2019 (unaudited)	378,870	17,697	396,567

	Operational assets £'000	Properties under development £'000	Total £'000
As at 1 January 2019	316,117	7,952	324,069
Acquisitions and additions	114,835	21,428	136,263
Fair value adjustment	11,134	675	11,809
Changes to head lease right-of-use assets	148	–	148
Borrowing costs capitalised (note 7)	–	60	60
Transfer of completed properties	12,166	(12,166)	–
As at 31 December 2019 (audited)	454,400	17,949	472,349

Reconciliation to independent valuation:

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Investment property valuation	510,329	395,870	471,635
Fair value adjustment – headlease ground rent	1,449	1,445	1,453
Fair value adjustment – lease incentive debtor	(762)	(748)	(739)
	511,016	396,567	472,349

Properties under development represent contracts for the development of a pre-let property under a forward funding agreement. Where the development period is expected to be a substantial period, the borrowing costs that can be directly attributed to getting the asset ready for use are capitalised as part of the investment property value.

The carrying value of leasehold properties at 30 June 2020 was £34.9 million (30 June 2019 – £34.8 million, 31 December 2019 – £35.3 million).

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

JLL were appointed as external valuers by the Board on 11 December 2017. JLL has provided valuations services to the Group. The proportion of the total fees payable by the Company to JLL's total fee income is minimal. Additionally, JLL has a rotation policy in place whereby the signatories on the valuations rotate after 7 years.

## % Key Statistics

The metrics below are in relation to the total investment property portfolio held as at 30 June 2020.

Portfolio metrics	30 June 2020	30 June 2019	31 December 2019
Capital Deployed (£'000)*	459,858	359,272	424,266
Number of Properties	404	318	388
Number of Tenancies***	316	229	300
Number of Registered Providers***	18	16	16
Number of Local Authorities***	153	127	149
Number of Care Providers***	93	73	88
Average NIY**	5.30%	5.28%	5.27%

\*calculated excluding acquisition costs

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

\*\*\*calculated excluding forward funding acquisitions

## Regional exposure

Region	30 June 2020		30 June 2019		31 December 2019	
	'Cost £'000	% of funds invested	'Cost £'000	% of funds invested	'Cost £'000	% of funds invested
North West	97,516	21.2	86,099	24.0	93,451	22.0
West Midlands	75,253	16.4	47,073	13.1	65,189	15.4
East Midlands	61,896	13.5	54,156	15.1	59,929	14.1
London	49,906	10.9	50,347	14.0	49,906	11.8
North East	45,450	9.9	40,009	11.1	43,691	10.3
South East	44,646	9.7	37,245	10.4	43,697	10.3
Yorkshire	40,799	8.9	20,164	5.6	30,245	7.1
South West	23,528	5.0	16,867	4.7	21,547	5.1
East of England	15,049	3.3	3,562	1.0	11,514	2.7
Scotland	3,155	0.7	887	0.2	2,437	0.6
South Wales	2,660	0.6	2,863	0.8	2,660	0.6
<b>Total</b>	<b>459,858</b>	<b>100</b>	<b>359,272</b>	<b>100</b>	<b>424,266</b>	<b>100</b>

\*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 2020	511,016	–	–	511,016
Investment properties	30 June 2019	396,567	–	–	396,567
Investment properties	31 December 2019	472,349	–	–	472,349

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

1. The rate of inflation as measured by CPI; it should be noted that all leases benefit from either CPI or RPI indexation;
2. The discount rate applied to the rental flows; and
3. Underlying passing rents.

Key factors in determining the discount rates applied include the performance of the regulated social housing sector and demand for

## FINANCIAL STATEMENTS

### Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2020 to 30 June 2020

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

The Group's property portfolio valuation is open to judgements and is inherently subjective by nature. The estimates and associated assumptions have a significant risk of causing a material adjustment to the carrying amounts of investment properties. The valuation is based upon assumptions including future rental income (with growth in relation to inflation) and the appropriate discount rate.

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 6.61% (30 June 2019 – 6.62%, 31 December 2019 – 6.60%).

The range of discount rates used in the Group's property portfolio valuation is from 6.3% to 7.2%. (30 June 2019 – 6.3-7.1%, 31 December 2019 – 6.3-7.1%).

	-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
<b>Changes in the IFRS fair value of investment properties as at 30 June 2020</b>	<b>31,135</b>	<b>(28,355)</b>	<b>15,974</b>	<b>(15,287)</b>
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 31 December 2019	28,803	(26,203)	14,911	(14,257)

Given that the factors on which the valuations are based have not been adversely affected by Covid-19, there has been no direct impact to the investment property valuation as a result of Covid-19.

#### 10. TRADE AND OTHER RECEIVABLES

	<b>30 June 2020 (unaudited) £'000</b>	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
Prepayments	<b>1,957</b>	414	1,528
Other receivables	<b>782</b>	792	1,282
Rent receivable	<b>1,419</b>	1,065	1,477
	<b>4,158</b>	2,271	4,287

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.

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 are immaterial. The Group does not hold any collateral as security.

The Group applies the general approach to providing for expected credit losses under IFRS 9 for other receivables. Both the expected credit loss and the incurred loss provision in the current and prior year are immaterial.

**11. CASH, CASH EQUIVALENTS AND RESTRICTED CASH**

	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
Cash held by lawyers	3,390	1,182	771
Liquidity funds	–	20,000	50,000
Restricted cash	370	7,652	2,979
Cash at bank	39,767	45,990	13,961
	<b>43,527</b>	<b>74,824</b>	<b>67,711</b>

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.

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. The restricted cash is either held with the solicitors or ring fenced by the Group.

	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
Total cash and cash equivalents	43,527	74,824	67,711
Restricted cash	(370)	(7,652)	(2,979)
Cash reported on Statement of Cash Flows	<b>43,157</b>	<b>67,172</b>	<b>64,732</b>

**12. TRADE AND OTHER PAYABLES**

	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
<b>Current liabilities</b>			
Other creditors	3,824	7,653	5,521
Accruals	2,513	2,210	1,913
Trade payables	39	118	672
Head lease ground rent	40	40	39
Deferred income	19	–	–
	<b>6,435</b>	<b>10,021</b>	<b>8,145</b>

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.

**13. OTHER PAYABLES**

	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
<b>Non-current liabilities</b>			
Head lease ground rent	1,409	1,405	1,414
Rent deposit	100	100	100
	<b>1,509</b>	<b>1,505</b>	<b>1,514</b>

**14. BANK AND OTHER BORROWINGS**

	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
Bank and other borrowings drawn at period end	185,126	99,764	169,092
Less: loan issue costs incurred	(4,426)	(2,763)	(4,594)
Add: loan issue costs amortised	542	81	457
Unamortised costs at end of the year	(3,884)	(2,682)	(4,137)
Balance at year end	<b>181,242</b>	<b>97,082</b>	<b>164,955</b>

At 30 June 2020 there were undrawn bank borrowings of £13.4 million. (30 June 2019 – £38.7 million, 31 December 2019 – £29.4 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 £183 million (30 June 2019 – £172 million, 31 December 2019 – £181 million). As at 30 June 2020, £68.5 million was utilised (30 June 2019 – £68.5 million, 31 December 2019 – £68.5 million). 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



## FINANCIAL STATEMENTS

### Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2020 to 30 June 2020

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.

On 29 October 2019 the Group secured a £60 million extension to the existing Revolving Credit Facility. As part of the extension, National Westminster Bank plc provide debt alongside Lloyds Bank plc and on identical terms. The Group now has the ability to draw a total of up to £130 million under the RCF. The initial four-year term of the RCF remains unchanged and expires on 20 December 2022 and, subject to lender approval, may be extended by a further two years to 20 December 2024. The interest rate in respect of drawn amounts under the RCF is 1.85% per annum over 3-month LIBOR and for undrawn loan amounts the Company pays a commitment fee in the amount of 40% of the margin.

As at 30 June 2020 £116.6 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 of the Group's specialist supported housing assets.

All financing arrangements are 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 2020	13,374	–	–	13,374	–
At 30 June 2019	38,736	–	–	38,736	–
At 31 December 2019	29,408	–	–	29,408	–

## 15. CAPITAL REDUCTION RESERVE

	30 June 2020 (unaudited) £'000	30 June 2019 (unaudited) £'000	31 December 2019 (audited) £'000
Balance at beginning of period	166,154	183,921	183,921
Transfer from share premium reserve	–	–	–
Dividends paid	–	(8,855)	(17,767)
Balance at end of period	166,154	175,066	166,154

The capital reduction reserve relates to the distributable reserve established on cancellation of the share premium reserve. Dividends were paid through retained earnings in the period to 30 June 2020.

## 16. DIVIDENDS

	1 January to 30 June 2020 (unaudited) £'000	1 January to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
1.25p for the 3 months to 31 December 2018 paid on 29 March 2019	–	4,392	4,392
1.27p for the 3 months to 31 March 2019 paid on 28 June 2019	–	4,463	4,463
1.27p for the 3 months to 30 June 2019 paid on 27 September 2019	–	–	4,456
1.27p for the 3 months to 30 September 2019 paid on 20 December 2019	–	–	4,456
1.285p for the 3 months to 31 December 2019 paid on 27 March 2020	4,509	–	–
1.295p for the 3 months to 31 March 2020 paid on 26 June 2020	4,544	–	–
	<b>9,053</b>	8,855	17,767

On 26 August 2020, the Company declared an interim dividend of 1.295 pence per Ordinary Share for the period 1 April 2020 to 30 June 2020. The total dividend of £4.54 million was paid on 25 September 2020 to Ordinary shareholders on the register on 4 September 2020.

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.

## 17. 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 Advisor 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 404 (30 June 2019 – 318, 31 December 2019 – 388) Social Housing properties as at 30 June 2020 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 arose in the UK, therefore, no geographical segmental analysis is required by IFRS 8.

## 18. 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 2019 – £75,000, 31 December 2019 – £75,000), and the other Directors of the Board receive a fee of £50,000 (30 June 2019 – £50,000, 31 December 2019 – £50,000) per annum. The Directors are also entitled to an additional fee of £7,500 (30 June 2019 – £7,500, 31 December 2019 – £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 period:

Chris Philips: £1,415 (30 June 2019 – £1,382, 31 December 2019 – £2,776)

Peter Coward: £1,965 (30 June 2019 – £1,896, 31 December 2019 – £3,823)

Paul Oliver: £2,012 (30 June 2019 – £1,965, 31 December 2019 – £3,945)

No shares were held by Ian Reeves or Tracey Fletcher-Ray as at 30 June 2020. (30 June 2019: nil, 31 December 2019: nil).

## 19. POST BALANCE SHEET EVENTS

### Property acquisitions

Subsequent to the end of the period, the Group has acquired portfolios of 30 supported Social Housing properties deploying £19.8 million (including acquisition costs).

### Debt financing

On 21 December 2018 the Group signed a secured £70 million Revolving Credit Facility with Lloyds Bank. On 29 October 2019 the Group secured a £60 million extension to the existing Revolving Credit Facility. As at 30 June 2020 £116.6 million had been drawn under the revolving credit facility.

### Dividends

On 26 August 2020, the Company declared an interim dividend of 1.295 pence per Ordinary Share for the period 1 April 2020 to 30 June 2020. The total dividend of £4.54 million was paid on 25 September 2020 to Ordinary shareholders on the register on 4 September 2020.

## 20. CAPITAL COMMITMENTS

The Group has capital commitments of £13.9 million (30 June 2019 – £37 million, 31 December 2019 – £24.3 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 2020.

## 21. 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. As there are no dilutive instruments outstanding, both basic and diluted earnings per share are the same.

## FINANCIAL STATEMENTS

### Notes to the Group Condensed Interim Financial Statements (unaudited)

For the period from 1 January 2020 to 30 June 2020

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

	1 January 2020 to 30 June 2020 (unaudited) £'000	1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
<b>Calculation of Basic Earnings per share</b>			
Net profit attributable to ordinary shareholders (£'000)	<b>8,965</b>	9,915	23,717
Weighted average number of ordinary shares (including treasury shares)	<b>350,902,210</b>	351,348,895	351,124,401
<b>IFRS Earnings per share – basic and diluted</b>	<b>2.55p</b>	2.82p	6.75p

	1 January 2020 to 30 June 2020 (unaudited) £'000	1 January 2019 to 30 June 2019 (unaudited) £'000	Year ended 31 December 2019 (audited) £'000
<b>EPRA Earnings per share</b>			
Net profit attributable to ordinary shareholders (£'000)	<b>8,965</b>	9,915	23,717
Changes in value of fair value of investment property (£'000)	<b>(1,533)</b>	(4,551)	(11,809)
<b>EPRA earnings (£'000)</b>	<b>7,432</b>	5,364	11,908
Non cash adjustments to include:			
Interest capitalised on forward funded developments	<b>(81)</b>	–	(60)
Amortisation of loan arrangement fees	<b>542</b>	80	457
<b>Adjusted EPRA earnings (£'000)</b>	<b>7,893</b>	5,444	12,305
Weighted average number of ordinary shares (including treasury shares)	<b>350,902,210</b>	351,348,895	351,124,401
<b>EPRA – Earnings per share</b>	<b>2.12p</b>	1.53p	3.39p
<b>Adjusted EPRA earnings per share</b>	<b>2.25p</b>	1.55p	3.50p

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric adjusts EPRA earnings for interest paid to service debt that was capitalised, and the amortisation of loan arrangement fees. The Board sees these adjustments as a reflection of actual cashflows which are supportive of dividend payments. The Board compares the adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

## 22. 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 2020 (unaudited)	30 June 2019 (unaudited)	31 December 2019 (audited)
Net assets at end of period (£'000)	<b>369,645</b>	365,054	369,733
Shares in issue at end of period (excluding shares held in treasury)	<b>350,902,210</b>	351,152,210	350,902,210
Dilutive shares in issue	–	–	–
<b>Total</b>	<b>350,902,210</b>	351,152,210	350,902,210
<b>IFRS NAV per share – basic and dilutive</b>	<b>105.34p</b>	103.96p	105.37p

## OTHER INFORMATION

### Unaudited Performance Measures

for the period from 1 January 2020 to 30 June 2020

#### 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:

- 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; and
- The hypothetical sale will take place in the form of a single portfolio disposal.

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Net asset value per the consolidated financial statements	369,645	365,054	369,733
Value of Asset pools	369,645	365,054	369,733
Effects of the adoption to the assumed, hypothetical sale of properties as a portfolio and on the basis of sale of a corporate vehicle	38,138	27,290	32,165
<b>Portfolio Net Asset Value</b>	<b>407,783</b>	392,344	401,898

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

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Opening reserves	401,898	384,342	384,342
Own shares repurchased	–	(167)	(378)
Operating profits	10,267	6,447	15,127
Capital appreciation	7,506	11,660	23,793
Loss on fair value adjustment on assets held for sale	(43)	–	–
Finance income	74	149	229
Finance costs	(2,866)	(1,232)	(3,448)
Dividends paid	(9,053)	(8,855)	(17,767)
<b>Portfolio Net Assets</b>	<b>407,783</b>	392,344	401,898
<b>Number of shares in issue at the period end</b>	<b>350,902,210</b>	351,152,210	350,902,210
<b>Portfolio net asset value per share</b>	<b>116.21p</b>	111.73p	114.53p

#### 2. ADJUSTED EARNINGS PER SHARE – PORTFOLIO NAV BASIS

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Net rental income	13,372	9,348	21,112
Expenses	(3,104)	(2,901)	(5,985)
Fair value gains on investment property	39,671	27,289	43,974
Loss on fair value adjustment on assets held for sale	(43)	–	–
Finance income	74	149	229
Finance costs	(2,866)	(1,232)	(3,448)
<b>Value of each pool</b>	<b>47,104</b>	32,653	55,882
<b>Weighted average number of shares (excluding treasury shares)</b>	<b>350,902,210</b>	351,348,895	351,124,401
<b>Adjusted earnings per share – basic</b>	<b>13.42p</b>	9.29p	15.92p

## OTHER INFORMATION

### Unaudited Performance Measures

for the period from 1 January 2020 to 30 June 2020

#### 3. EPRA NET REINSTATEMENT VALUE

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
IFRS NAV/EPRA NAV (£'000)	369,645	365,054	369,733
Include:			
Real Estate Transfer Tax* (£'000)	30,069	23,461	27,493
<b>EPRA Net Reinstatement Value (£'000)</b>	<b>399,714</b>	388,515	397,226
Fully diluted number of shares	350,902,210	351,152,210	350,902,210
<b>EPRA Net Reinstatement value per share</b>	<b>113.91p</b>	110.64p	113.20p

\*Purchaser's costs

#### 4. EPRA NET DISPOSAL VALUE

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
IFRS NAV/EPRA NAV (£'000)	369,645	365,054	369,733
Include:			
Fair value of debt* (£'000)	(4,478)	(2,858)	(5,030)
<b>EPRA Net Disposal Value (£'000)</b>	<b>365,167</b>	362,196	364,703
Fully diluted number of shares	350,902,210	351,152,210	350,902,210
<b>EPRA Net Disposal Value**</b>	<b>104.07p</b>	103.15p	103.93p

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

\*\*equal to the EPRA NNNNAV disclosed in previous reporting periods

#### 5. EPRA NET TANGIBLE ASSETS

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
IFRS NAV/EPRA NAV (£'000)	369,645	365,054	369,733
<b>EPRA Net Tangible Assets (£'000)</b>	<b>369,645</b>	365,054	369,733
Fully diluted number of shares	350,902,210	351,152,210	350,902,210
<b>EPRA Net Tangible Assets*</b>	<b>105.34p</b>	103.96p	105.37p

\*equal to IFRS NAV and previous EPRA NAV metric



## OTHER INFORMATION

### Unaudited Performance Measures

for the period from 1 January 2020 to 30 June 2020

#### 6. EPRA NET INITIAL YIELD (NIY) AND EPRA "TOPPED UP" NIY

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Investment Property – wholly owned	509,567	395,871	470,895
Less: development properties	(15,918)	(17,697)	(17,949)
<b>Completed property portfolio</b>	<b>493,649</b>	<b>378,174</b>	<b>452,946</b>
Allowance for estimated purchasers' costs	30,069	23,461	27,493
<b>Gross up completed property portfolio valuation</b>	<b>523,718</b>	<b>401,635</b>	<b>480,439</b>
Annualised passing rental income	27,900	21,066	25,431
Property outgoings	–	–	–
<b>Annualised net rents</b>	<b>27,900</b>	<b>21,066</b>	<b>25,431</b>
Contractual increases for lease incentives	76	–	–
<b>Topped up annualised net rents</b>	<b>27,976</b>	<b>21,066</b>	<b>25,431</b>
<b>EPRA NIY</b>	<b>5.33%</b>	<b>5.25%</b>	<b>5.29%</b>
<b>EPRA Topped Up NIY</b>	<b>5.34%</b>	<b>5.25%</b>	<b>5.29%</b>

#### 7. ONGOING CHARGES RATIO

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Annualised ongoing charges	5,953	5,802	5,985
Average undiluted net assets	369,689	364,608	366,947
<b>Ongoing charges</b>	<b>1.61%</b>	<b>1.59%</b>	<b>1.63%</b>

#### 8. EPRA VACANCY RATE

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Estimated Market Rental Value (ERV) of vacant spaces	–	–	–
Estimated Market Rental Value (ERV) of whole portfolio	27,976	21,066	25,460
<b>EPRA Vacancy Rate</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

#### 9. EPRA COST RATIO

	30 June 2020 £'000	30 June 2019 £'000	31 December 2019 £'000
Total administrative and operating costs	3,105	2,901	5,985
Gross rental income	13,372	9,348	21,112
<b>EPRA cost ratio</b>	<b>23.22%</b>	<b>31.03%</b>	<b>28.35%</b>

## OTHER INFORMATION

### Glossary and Definitions

<b>"AIC Code"</b>	AIC Code of Corporate Governance produced by the Association of Investment Companies;
<b>"AIC Guide"</b>	AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies;
<b>"AIFM"</b>	the alternative investment fund manager of the Company being Triple Point Investment Management LLP;
<b>"AIFMD"</b>	the EU Alternative Investment Fund Managers Directive 2011/61/EU;
<b>"Approved Provider"</b>	a housing association, Local Authority or other regulated organisation in receipt of direct payment from local government including a care provider;
<b>"Basic NAV"</b>	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;
<b>"Board"</b>	the Directors of the Company from time to time;
<b>"Company"</b>	Triple Point Social Housing REIT plc (company number 10814022);
<b>"C Shares"</b>	C non-voting preference shares of 1.25 pence each in the capital of the Company;
<b>"DTR"</b>	the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers;
<b>"EPRA"</b>	the European Public Real Estate Association;
<b>"GAV"</b>	the gross assets of the Company in accordance with applicable accounting rules from time to time;
<b>"Group"</b>	the Company and any subsidiary undertakings from time to time;
<b>"Investment Manager"</b>	Triple Point Investment Management LLP (partnership number OC321250);
<b>"IPO"</b>	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;
<b>"NAV"</b>	the net assets of the Company in accordance with applicable accounting rules from time to time;
<b>"NIY"</b>	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;
<b>"Ordinary Shares"</b>	ordinary shares of £0.01 each in the capital of the Company;
<b>"Registered Provider"</b>	a housing association or Local Authority;
<b>"REIT"</b>	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;
<b>"Supported Housing"</b>	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;
<b>"TPSHIL"</b>	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
<b>"WAULT"</b>	the weighted 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

### Shareholder Information

#### Non-executive Directors

Chris Phillips  
Ian Reeves CBE  
Peter Coward  
Paul Oliver  
Tracey Fletcher-Ray

#### Registered Office

1 King William Street  
London  
EC4N 7AF

#### Alternative Investment Fund Manager ("Investment Manager")

Triple Point Investment Management LLP  
1 King William Street  
London  
EC4N 7AF

#### Joint Financial Adviser

Akur Limited  
66 St James's Street  
London  
SW1A 1NE

#### Joint Financial Adviser and Corporate Broker

Stifel Nicolaus Europe Limited  
150 Cheapside  
London  
EC2V 6ET

#### Legal Adviser

Taylor Wessing LLP  
5 New Street Square  
London  
EC4A 3TW

#### Tax Adviser

Deloitte LLP  
1 New Street Square  
London  
EC4A 3BZ

#### Depository

INDOS Financial Limited  
54 Fenchurch Street  
London  
EC3M 3JY

#### Administrator and Company Secretary

Hanway Advisory Limited  
1 King William Street  
London  
EC4N 7AF

#### Registrar

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS99 6ZZ

#### Auditor

BDO LLP  
55 Baker Street  
London  
W1U 7EU

#### Valuer

Jones Lang LaSalle Limited  
30 Warwick Street  
London  
W1B 5NH













REPORT FOR THE MONTH OF NOVEMBER 2020

2020 REPORT FOR THE MONTH OF NOVEMBER 2020

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