



SECURE FUTURES **FOR PEOPLE IN NEED**

Social Housing REIT plc
(the “Company”, “SOHO” or, together with its subsidiaries, the “Group”)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

The Board of Social Housing REIT plc, the real estate investment trust investing in Specialised Supported Housing (“SSH”) across the UK, is pleased to announce its unaudited results for the six months ended 30 June 2025. The results demonstrate continued progress in repositioning the Company under a new management team, driving operational momentum and improved financial performance.

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

“We continue to make clear strides in improving transparency, increasing rental income and reducing costs for the benefit of our shareholders. Since Atrato’s appointment as Investment Manager in January, they have approached the business with a clear goal to improve earnings and ensure the operational performance of the portfolio remains strong.

The SSH sector is underpinned by strong fundamentals: a critical societal need, chronic undersupply and long-term inflation-linked income supported by public funding. We were pleased to increase our dividend by 3% – the first rise since 2022. Our increased dividend is fully covered by earnings and has the potential for further growth. Proactive portfolio management within the sector is key and Atrato are implementing this to build long-term portfolio resilience.

Demand for SSH property in the UK is acute – with around 30,000 additional SSH homes required over the next decade. SOHO is well placed to deliver much-needed socially impactful housing, while providing our shareholders with attractive, sustainable returns.”

Highlights for the Six Months Ended 30 June 2025

- **Adjusted earnings per share rose 21.9% to 3.34p (H1 2024: 2.74p)**
The increased earnings resulted in a significant improvement in adjusted dividend cover to 1.21x (HY 2024: 1.01x; FY 2024: 0.99x).
- **Net rental income increased by 18.9% to £19.79 million compared to H2 2024 (£16.64 million)**
Underpinned by rent collection of 91.4% in H1 2025 (87.6% as at FY 2024; 90.8% at HY 2024).
- **Dividend target raised by 3%**
Dividends of 2.811 pence per share were declared, in line with the announced annual target of 5.622 pence. The increase was possible due to successful lease assignment progress, reduced costs, index-linked rental growth and our highly attractive, long-term, low cost of debt.
- **Substantial cost savings delivered with further savings targeted**
EPRA cost ratio improved to 16.5% (HY 2024: 18.7%; FY 2024: 29.9%¹) following the full transition to a market capitalisation-based fee and a detailed cost reduction programme initiated by the Investment Manager.

- **Highly attractive debt profile with an average cost of 2.74%**

The Company has £263.5 million of fixed-rate debt, with a weighted average maturity of 8.1 years and no near-term refinancing requirements.

- **Fitch 'A-' investment grade rating reaffirmed**

Reflecting the sustainable income generated by the portfolio, improving rent collection and low, long-term cost of debt.

- **Asset valuation at a Net Initial Yield of 6.42%**

The portfolio was valued at £611.8 million reflecting a Net Initial Yield of 6.42% (FY 2024: £626.4 million, 6.22%).

Financial and Operational Summary

	Six months to 30 June 2025	Six months to 30 June 2024	Year ended 31 December 2024
Adjusted Earnings per Share ²	3.34p	2.74p	5.40p
Dividends per Share (declared)	2.81p	2.73p	5.46p
Adjusted Dividend Cover ³	1.21x	1.01x	0.99x
EPRA Cost Ratio	16.5%	18.7%	29.9%
Rent Collection	91.4%	90.8%	87.6%
	As at 30 June 2025	As at 30 June 2024	As at 31 December 2024
IFRS & EPRA Net Tangible Assets per share	95.56p	112.38p	99.05p
Net Loan to Value ⁴	39.0%	36.0%	37.7%
Number of properties ⁵	492	481	494
Number of homes ⁴	3,412	3,297	3,424

Operational Highlights

- **Stable resident occupancy and rent collection**

Resident occupancy was stable at 86%, with rent collection of contracted income of 91.4% at 30 June 2025.

- **Proactive tenant engagement delivering rent collection increases ahead of plan**

The 38 properties assigned from Parasol to Westmoreland have achieved 75% rent collection during H1 2025, following the successful transfer in August 2024 - in line with the target set. The stabilised portfolio is expected to achieve c.90% of the previously contracted rent. Following the My Space CVA in March 2025, 31% of contracted rent has been received with the assignment to Inclusion Group progressing well, with the first eight properties targeted to transfer in H2 2025.

- **100% of leases inflation-linked⁵**

All contracted rent is indexed to CPI or RPI and reviewed annually, with 86% of uplifts uncapped. For properties that had a rent review during H1 2025, the average rental uplift amount was 2.0%. This resulted in an overall portfolio-level rental increase during the period of 1.4%.

Outlook

SOHO is entering the second half of the year with improved earnings, enhanced tenant oversight and a more resilient platform. Atrato's focus remains on continuing to grow earnings, portfolio optimisation and maintaining cost discipline. SOHO's diverse residential property portfolio benefits from secure, inflation-linked income ultimately funded by the Government, a growing dividend and tangible operational progress under the new Investment Manager. We believe the Company is well placed to continue delivering much-needed socially impactful housing while providing our shareholders with attractive, sustainable returns.

Notes:

- 1 The EPRA cost ratio of 29.9% for FY24 includes termination fees paid to the previous Investment Manager. Excluding these fees, the ratio would have been 21.3%.
- 2 EPRA adjusted earnings basis removes the impact of non-cash items and the termination payments to the previous investment manager from IFRS profit.
- 3 Calculated as EPRA adjusted earnings divided by dividends paid during the period.
- 4 Net LTV is calculated as balance sheet borrowings less cash and cash equivalents divided by investment property.
- 5 As at 30 June 2024, 13 assets with an aggregate value of £21.8 million were classified as held for sale but not subsequently sold.
- 6 14% of leases are capped at 4%, with one additional lease capped at 5%.

Results Presentation – Today

A presentation for analysts will be hosted by SOHO's Investment Manager today at 08.30am. Those wishing to attend should contact Lauder Teacher on the details below.

The Company's Interim Results and accompanying presentation will be available via the SOHO website at www.socialhousingreit.com.

FOR FURTHER INFORMATION ON THE COMPANY, PLEASE CONTACT:

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The Company's LEI is 213800BERVBS2HFTBC58.

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

IMPORTANT INFORMATION

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014, as it forms part of UK Domestic Law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented ("**UK MAR**") and is disclosed in accordance with the Company's obligations under UK MAR. Upon the publication of this announcement, this inside information will be considered to be in the public domain.

NOTES

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

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

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

Atrato Partners Limited is the Company's Investment Manager.

CHAIR'S STATEMENT

Introduction

I am pleased to present Social Housing REIT plc's (the "**Company's**") interim results for the six months ended 30 June 2025.

In the first half of 2025, the Company's Portfolio has improved across many metrics, with consistently high levels of resident occupancy, growing rent collection and progress in resolving tenant challenges. Our homes remain critical in supporting the independence and wellbeing of thousands of vulnerable adults. The Company's commitment to this social purpose underpins every aspect of our strategy.

We have seen material progress in both operational discipline and transparency since the Company's last results. The new Investment Manager has taken decisive steps to address legacy tenant issues, improve risk oversight and actively engage with the wider market. This enhanced governance and increased visibility have already translated into positive momentum – evidenced by share price appreciation and a narrowing of the Company's discount to Net Tangible Assets ("**NTA**") per share.

We were pleased to have been able to increase our target dividend by 3% to 5.622 pence per share, as announced in May 2025. This is the first dividend increase since 2022 and reflects our confidence in the earnings generated by the portfolio.

Work is also progressing on a broader legal and operational strategy to strengthen the security over the public sector funding streams that support SSH. Enhancing the Company's security of these cash flows would materially reduce counterparty risk and, we believe, provide the basis for a significant re-rating of the sector once completed.

Sentiment across the broader UK listed investment trust market remains mixed and the Company continues to trade at a discount to NTA, however the share price has responded well under the new management. We remain confident that, as confidence in the SSH sector and operational delivery improves, the discount should narrow further. The Board continues to focus on capital discipline and is keeping options for deploying excess funds under constant review.

Macroeconomic backdrop

Despite ongoing macroeconomic uncertainty in the first half of the year, including geopolitical tensions and policy announcements such as US tariffs, the UK equity market has remained relatively resilient, benefitting in part from global risk aversion.

While refinancing rates remain elevated, the Company benefits from its attractively priced, long-term debt. All of SOHO's borrowings are fixed rate, with a weighted average term of 8.1 years and a low average all-in cost of debt of 2.74%. There are no short-term refinancing requirements.

Sector tailwinds

The UK residential sector continues to face a significant imbalance between supply and demand. The announcement of a £39 billion, ten-year funding programme by the Labour Government in June 2025 has provided a welcome boost to confidence for the affordable housing sector. However, supply-side responses in the built environment are inherently complex and subject to long lead times. It will take time for this to translate into a meaningful increase in development starts and new home additions.

In the meantime, demand in our sector of SSH continues to rise, with a requirement for nearly 30,000 additional homes projected over the next decade. This structural demand for SSH will continue to support high levels of occupancy within the Company's portfolio.

Central and local Government funding continues to support individuals requiring housing and care. The strong sector demand profile, combined with inflation-linked rental growth, is expected to underpin a positive valuation outlook once the tenant-related matters detailed below are resolved.

Operational performance

Rent collection improved in the six months to 30 June 2025, under Atrato's proactive management, with 99% of contracted rent collected (excluding My Space). When accounting for the passthrough arrangements agreed with My Space post-CVA and Westmoreland, this equates to 91.4% of the overall contracted rent, comprising the passthrough rent compared to the former My Space and Westmoreland contractual rent levels.

The assignment of the Parasol leases to Westmoreland resulted in 75% of the contracted amount collected for these 38 properties during H1 2025 in line with the plan set out by the Company. We remain confident that Atrato can facilitate the assignment of the My Space leases during the second half of the year, having already agreed terms, commenced legal work and undertaken necessary property inspections and assessments. The successful completion of these assignments is expected to further improve occupancy and enhance rent collection from these properties.

The Company's homes are well maintained and well utilised by residents in need of our specialist, adapted properties. Our EPC Upgrade Programme is now underway, aimed at improving the energy efficiency of the estate and bringing the portfolio in-line with anticipated regulatory minimum standards ahead of currently proposed legislative deadlines.

Our new development scheme in Chorley – a 12-bed purpose-built property, leased to a new Approved Provider for the Company, Golden Lane Housing – recently reached practical completion in August 2025 and residents are already moving in.

Occupancy remained stable at 86% at 30 June 2025, above the 80% occupancy level typically considered as the profitability threshold for Approved Providers, with the majority of void units concentrated within properties originally leased to Parasol and My Space. It is encouraging to see resident occupancy remaining resilient, with further improvement expected as the My Space properties are assigned in the coming months.

Atrato has now completed its initial review of the entire property portfolio and identified a small number of properties which are either unsuitable for SSH use or do not meet the Company's required standard. These properties will be disposed of over the coming months. Two properties in Devon were sold at book value during the first half of the year, initiating this process and the remainder will be progressed as soon as practically possible over the coming months.

Outlook

The Board welcomes the passing of all resolutions at the recent Annual General Meeting. However, we acknowledge that three resolutions, each relating to the re-election of a Director, received substantial votes against, with opposition totalling 30% of the total votes validly cast. In accordance with paragraph 5.2.4 of the AIC Code of Corporate Governance, the Board initiated a formal consultation process to understand the concerns raised by Shareholders.

To facilitate this, Deutsche Numis, our corporate broker, was instructed by the Board to lead a Shareholder consultation. They have contacted a significant proportion of the Shareholder register and conducted a detailed outreach exercise to gather feedback.

Two key themes that emerged from this consultation were:

1. The requirement for Board rotation in the ordinary course of business to introduce fresh perspectives; and
2. Enhanced communication and disclosure to shareholders.

These insights have been carefully considered by the Board and have informed our subsequent actions and adjustments to the Company's governance and strategic approach. The Board has already made meaningful steps to improve disclosure and transparency.

In addition, following eight years of service on the Board of Social Housing REIT and as announced at the AGM, I have taken the decision to step down as Chair. My successor is currently being sought and will be a new addition to the Board, who will be announced in due course, with a period of transition to ensure continuity and stability. It has been a privilege to serve on the Board and to contribute to the growth and impact of the Company and I am confident a suitable candidate will be chosen to take this Company forward.

Following the appointment of my replacement, they will work with the rest of the Board to appoint a new Audit Chair to replace Peter Coward, after 8 years of service to SOHO. We expect the new Audit Chair to be in place such that an orderly handover and a shadowing of the audit process can take place. I would like to thank Peter for his service and commitment to SOHO over his tenure. It has been a pleasure to work alongside Peter and I wish him well on his next endeavour.



Chris Phillips

Chair

9 September 2025

INVESTMENT MANAGER'S REPORT

Introduction

Following our appointment as Investment Manager in January 2025, we have moved swiftly to take decisive steps to put SOHO on a stronger footing. Our strategy has focused on strengthening the portfolio's fundamentals, enhancing income and moving to restore investor confidence in the SSH sector.

Demonstrating Sector Value and Restoring Investor Confidence

SSH houses vulnerable adults with care and/or support needs, who may have learning difficulties, mental health issues, physical disabilities or a combination of diagnoses. Their homes are, in most cases, specially adapted to ensure their comfort and safety, enabling them to live independently whilst receiving appropriate assistance. SSH is an essential component of UK social infrastructure, providing beneficial individual outcomes whilst delivering a significant saving to the public purse. SOHO's portfolio is estimated to save the public purse £71.6 million each year¹. This is a particular benefit in an era of strained public budgets, at both local and national levels.

In recent years, well-publicised challenges in other listed housing strategies have overshadowed the clear social and financial benefits that both the sector and the homes provided by SOHO can deliver for residents and shareholders. Since our appointment, we have been focused on restoring confidence in the SSH sector and on demonstrating the strength, quality and long-term value of SOHO's portfolio.

SOHO benefits from fit-for-purpose specially adapted homes, long-term residents and a stable, needs-based demand profile. A key part of our role is to ensure the market understands exactly how SOHO differs – in terms of quality, strategy and execution – from both the previous management and other previously listed peers. Rebuilding investor confidence starts with this differentiation and is reinforced by evidencing and enhancing the portfolio's performance and dependable income profile. In line with Atrato's investment management philosophy, we continue to operate transparently with respect to SOHO's property portfolio, its financials and the social impact that is being delivered through our homes.

Leveraging our expertise in finance and real estate alongside our deep sector knowledge, we have begun the process to implement structural changes to tenant arrangements that will further strengthen the security of SOHO's public-sector cashflows. Alongside this, our proactive monitoring and early intervention strategy ensures that, even where individual Approved Providers face challenges, the wider portfolio remains resilient. By example, through proactive engagement with Pivotal, who were subsequently served an enforcement notice by the Regulator of Social Housing, we have been able to move swiftly, identify an assignee and have already commenced the transition of those two properties. The ability to proactively assign properties relies on strong counterparty monitoring and engagement (to act early and decisively), robust property fundamentals (in this case, well-occupied properties with rents in payment) and leveraging our sector knowledge and networks. In this instance, the assignments should see no impact for residents and no credit losses for shareholders.

We are confident that, over time, our actions will continue to strengthen market understanding of SOHO's distinct investment case and narrow SOHO's discount to NTA. Our ambition is clear: provided it delivers the most accretive long-term returns to shareholders, we will seek to grow the portfolio in a disciplined way, deploying capital into high-quality assets that deliver secure, long-term cash flows while providing essential homes for vulnerable adults.

¹ SOHO Impact Report 2024, The Good Economy
Interim Results 2025

Financial Review

In the period, the portfolio generated net rental income of £19.79 million – an increase of £3.2m (19%) compared with the previous six-month period to 31 December 2024. The Group's improved financial performance has been underpinned by annual inflation-linked rental increases, continued progress with property assignments, the recommencement of rent collection by the Company from My Space and a reduction in costs.

As a direct result of the initiatives we have undertaken since taking on the management of SOHO, we were able to recommend an increased dividend target to the Board and will keep this under review as the portfolio strengthens further. The Company has seen adjusted dividend cover increase to 1.21x (FY 2024: 0.99x) and an Adjusted EPS of 3.34 pence per share (H1 2024: 2.74p), which represents an increase of 21.9%. This progress reinforces our confidence in the Company's ability to deliver attractive, sustainable income for shareholders over the long term.

The portfolio Net Initial Yield ("NIY") widened from 6.22% at 31 December 2024 to 6.42% at 30 June 2025. As at 30 June 2025, the portfolio was valued at £611.8 million, compared to £626.4 million at 31 December 2024. This represents a 2.3% like-for-like reduction in portfolio value of £14.6 million, reflecting current market sentiment recognised by the valuer. The valuation assumptions also reflect some properties that have been identified as not appropriate for SSH – principally within the My Space portfolio – and are therefore being considered for sale. This is consistent with our broader objective to improve portfolio quality over time through disciplined asset management and redeployment into better-quality assets let to stronger, compliant Approved Providers.

To save costs, to align the Company with standard investment trust market practice and reflecting the lack of material activity within the portfolio, the Company has adopted a bi-annual valuation frequency.

Debt Financing

In this period of prolonged higher interest rates, the Group's debt is a valuable asset. All £263.5 million of the Group's debt is fixed rate with a very low weighted average fixed coupon of 2.74% and a weighted average maturity of 8.1 years. The earliest debt maturity will occur in mid-2028, providing a strong platform for the Company's renewed progressive dividend policy.

In June 2025, we were pleased that Fitch Ratings re-affirmed the Group's existing long-term Issuer Default Rating of 'A-' and senior secured ratings of 'A' in respect of both debt facilities. Further information on the Group's debt facilities is set out in Note 15 of the financial statements.

Asset Management

As at 30 June 2025, the portfolio comprised 492 properties, offering homes for up to 3,412 vulnerable adults. The properties are geographically diversified across the UK and leased to 28 Approved Providers.

Tenants in the Company's portfolio do not have strong covenants. We do not see this as an issue, provided that they deliver strong operational performance, possess good management skills and personnel and maintain adequate liquidity.

We plan for tenant defaults, but we are confident that we should be able to avoid further material credit losses, such as those suffered due to the Parasol and My Space defaults detailed below.

With the increased tenant oversight that we bring to the portfolio, we are confident that any significant tenant issues can be identified early, allowing appropriate decisive action to be taken to assign properties to alternative Approved Providers. The assignment of two properties away from Pivotal to another Approved Provider within the portfolio evidences this. When acting early and decisively, and when underlying asset quality is good, assignments can be effected without impacting residents or shareholders.

As noted earlier, we believe that we can further de-risk the portfolio by:

- Making structural changes to our relationship with tenants to improve the Company's security over underlying cashflows; and
- Taking advantage of opportunities to rotate capital to introduce stronger tenants to the Portfolio.

Parasol and My Space

When we took over the management of SOHO, there were two long-standing portfolio challenges. We are delivering solutions for these two tenants, both of which are progressing well and are expected to result in long-term, sustainable solutions for the Company.

Parasol to Westmoreland Assignment

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

As part of the transfer process, all 38 properties (7.7% of the gross asset value as at 30 June 2025) previously leased to Parasol moved to an initial stabilisation period where the Company receives rent on an agreed pass-through basis. This allows Westmoreland to assess the condition and operating costs of each property and evaluate the rent levels before they revert to fully repairing and insuring ("**FRI**") lease terms. The target was to collect above 75% of the original contracted rent for this initial period prior to leases reverting to FRI terms.

We are pleased with the progress that Westmoreland is making and the level of engagement Atrato's operational team have had in this process. Up to 30 June 2025, we have collected 75% of the contracted rent in H1 2025, in line with target set, resulting from proactive tenant engagement and portfolio oversight.

We continue to actively work with Westmoreland to transfer the properties back to an FRI basis. As a result of the progress made to date, we are now forecasting a higher stabilised rent level for the former Parasol portfolio, equating to c.90% of the previously contracted lease rent, once all properties return to FRI terms.

My Space to Inclusion Assignment

The Company has 34 properties leased to My Space Housing Solutions ("**My Space**"), representing 3.5% of the gross asset value as at 30 June 2025. Following a period of non-payment dating back to June 2024, My Space entered into a Company Voluntary Arrangement ("**CVA**") in March 2025. Under the terms of the CVA, until assignment, leases were varied such that rents due for the properties moved to a passthrough basis (being the balance of gross rental income, net of costs).

We are pleased to note that rental income by the Company has recommenced, with 31% of contractual rent received from My Space from the date of the CVA to 30 June 2025. This exceeds our rent collection assumptions for this transitional period, whilst the assignment of the properties is implemented.

Legal work has commenced to assign 8 of the 34 properties to an existing Approved Provider in our portfolio, Inclusion Group, who with their nationwide platform will be able to operate the geographically dispersed portfolio. This will be completed under the terms of the option agreement negotiated by Atrato for the Company, which permits the assignment of SOHO's properties at a point of our choosing within 12-months of the end of the CVA challenge period. It is anticipated the first tranche of properties will transfer in H2 2025, with the remainder transferring shortly thereafter.

During Atrato's extensive review of the My Space properties, we have identified nine properties where it is more viable to sell the properties. We expect to be able to sell these properties at, or around, book value and will provide further updates as this process is completed.

Pivotal Housing Association

As noted earlier, due to an enforcement notice being served on Pivotal, SOHO have the express right to assign the leases to an alternative Approved Provider. This is being progressed, with legal work and due diligence already commenced. Whilst there are only two properties leased to Pivotal, which will both be assigned. Both properties are well occupied and in full rental payment. The assignment process evidences the ability to transfer properties to alternative Approved Providers where property fundamentals are strong, without impacting residents or shareholders. Our work to optimise the portfolio is therefore important to ensure that, if any future tenant challenges arise, we can act swiftly to transfer properties with limited impact.

Counterparty Exposure and Portfolio Optimisation

Since taking on management of SOHO, we have implemented enhanced monitoring of our counterparty exposures to better identify potential risks to our portfolio, the cashflows derived from them and to the vulnerable residents housed in them. We will continue to evolve and adapt this process to better assess risks as the sector and our counterparties themselves grow and develop.

We are also assessing potential options to strengthen the security over the public sector funding streams that support our homes. Enhancing the security of these cash flows would materially reduce counterparty risk and, we believe, lead to a significant re-rating of the sector. To date, we have engaged with the Regulator of Social Housing, received legal advice regarding potential solutions and are working with two of our Approved Provider lessees to establish what can be achieved in this regard. As this important workstream progresses, we will provide further updates to shareholders.

Continued progress on Sustainability Initiatives

Following the publication of the Company's most recent Sustainability Report and TCFD disclosures within the 2024 Annual Report, we have conducted a review of the Company's sustainability strategy to assess how its approach to sustainability and associated reporting can be enhanced going forward.

As a result, we have initiated a materiality assessment for the Company, with support from specialist sustainability-advisers CEN-ESG, to identify and understand the relative importance of key sustainability issues to the business and its stakeholders. The outputs of this assessment will provide a framework for prioritising the Company's efforts, both now and in the future, with the launch of the refreshed sustainability strategy due to be released within the next Annual Report. The materiality assessment findings will also be integrated into the Company's risk management processes.

In tandem with the materiality assessment project, we have completed a review of the Company's existing near-term emissions reduction target. Through this review, we evaluated the target baseline, scope and coverage finding that, given the recent enhancements made to the Company's emissions data and calculation processes within the Company's first full GHG Inventory published in the 2024 Annual Report, the 2024 full year baseline is a more accurate and complete baseline for an emissions reduction target. The Company has chosen to utilise this new baseline and enhance its emissions reduction ambitions by developing a target in line with the Science Based Target initiative's ("**SBTi**") Building Guidance. The Company is committed to reducing its value chain emissions in line with 1.5°C. This commitment will be supported by the Company's new SBTi-aligned near and long-term targets, which it began preparing post-period end. The Company plans to submit these targets to the SBTi for validation and approval during the next reporting period.

In line with the Company's dual commitment to improving the energy efficiency of the portfolio and reducing emissions, the portfolio-wide phase of the Company's EPC Upgrade Programme has now commenced. A phased approach will see all required upgrade works completed ahead of the anticipated legislative EPC and MEES standards and timetable. Further details on the programme are set out below.

Along with the Company's Board, we remain committed to transparent, decision-useful sustainability reporting to improve accountability to stakeholders. As a result, we have prepared and submitted the Company's first disclosures to the Global Real Estate Sustainability Benchmark ("**GRESB**") in June 2025. We continue to monitor the evolution of ESG-related regulation relevant to the Company, specifically the implementation of the Financial Conduct Authority's UK Sustainability Disclosure Requirements ("**SDR**"). As the Company's sustainability characteristics, disclosures and policies and procedures remain under review as part of the materiality assessment project, a sustainable investment label has not yet been adopted by the Company. Following completion of this review, we will complete an assessment of the requirements for adoption of the most suitable sustainable investment label by the Company.

The Company continues to support the responsible investment commitments of Atrato, including as a signatory to the United Nations Principles for Responsible Investment ("**UN PRI**"), with Atrato's UN PRI reporting submitted in July 2025. The Company remains committed to further enhancing its sustainability and impact reporting and will provide a more comprehensive update on progress within its next annual Sustainability Report.

EPC Upgrade Programme

As part of our commitment to future-proofing the portfolio and maintaining sector leadership in sustainability, the Company has expanded its EPC Upgrade Programme beyond a successful pilot phase to the remaining targeted homes. The pilot project saw 11 properties (comprising 30 homes) upgraded in collaboration with Approved Providers. These properties now benefit from compliant EPC ratings (the majority being re-rated with EPCs of A or B) and are already showing significant reductions in occupational energy consumption.

Whilst there are ongoing consultations regarding the structure of Energy Performance Certificates ("**EPCs**") and the implementation of Minimum Energy Efficiency Standards ("**MEES**") for social housing, it is expected that all properties will need to meet an EPC rating of C or above (or an equivalent standard), when the anticipated legislative MEES deadline of 2030 is implemented.

With 74% of the Company's properties already meeting the minimum EPC level of C, the portfolio is already materially ahead of the UK housing sector's average EPC of D. However, the Company is committed to improving the quality of the portfolio further and being a sector leader when it comes to reducing emissions.

We believe that this is not only the right thing to do for the environment and our residents but also underpins the long-term attractiveness of the Company's properties as homes for vulnerable residents. This will support the long-term sustainability of the portfolio's income and enhance liquidity of portfolio assets if any sales are required or pursued.

We expect approximately 60% of the projected EPC Upgrade Programme costs will be covered by UK ECO4 grant funding. The remaining expenditure will be funded by the Company, but this is anticipated to be more than offset by corresponding increases in property valuations, ultimately resulting in no material change in NTA with the potential for some upside.

The EPC Upgrade Programme is expected to run through to 2028, improving the thermal efficiency and environmental credentials of SOHO's homes, meeting legislative targets and enhancing value for shareholders, whilst benefiting both the environment and our residents.

Lessee Update

It remains important to note that, whilst the SSH sector has often historically been described as one which offers Government-backed income, the reality of the sector and its lease counterparts is more nuanced. Robust contractual arrangements in the form of long-term FRI leases are in place. However, as noted above, although the Company's lessees are highly specialist organisations which deliver social good to society's most vulnerable people and provide access to public sector cashflows, they themselves are not institutional-grade covenants.

It is key to understand that SSH comprises operational residential properties and relies on three key elements:

- The property fundamentals of location, structural quality and functional utility;
- An appropriate rent basis; and
- The operational efficacy of the lessees.

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

Top 10 Lessees	Lessee Type	Number of Properties	Annual Rent Roll	% Rent Roll	% 2025 Rent Collection	% Resident Occupancy
Inclusion	RP	124	£12,906,682	30.0%	100%	88%
Westmoreland*	RP	38	£3,982,242	9.2%	100%*	79%
Hilldale	RP	30	£3,629,032	8.4%	100%	91%
Falcon	RP	60	£3,605,699	8.4%	100%	86%
My Space**	RP	34	£3,410,789	7.9%	100%**	58%
Chrysalis	RP	27	£2,382,530	5.5%	100%	90%
BeST	RP	41	£2,097,499	4.9%	99.4%	89%
Auckland	RP	30	£1,973,462	4.6%	100%	90%
Blue Square	RP	12	£1,643,561	3.8%	100%	90%
Care Housing Association	RP	11	£1,618,323	3.8%	100%	94%
Top 10 Totals		407	£37,249,819	86.5%		

* Following the assignment of leases away from Parasol, Westmoreland have moved to a passthrough lease basis during the stabilisation phase. Up to 30 June 2025, this has reflected improved rent collection of an aggregate 75% against the pre-assignment contracted rent level (H1 2025: 75.4%).

** My Space leases, until they are assigned, were varied by their CVA to a passthrough basis. After entering into the CVA in March 2025, rent collection has recommenced with 31% of the pre-CVA contractual rent received from the date of the CVA to 30 June 2025 (H1 2025: 21.0%).

WAULT

As at 30 June 2025, the portfolio had a Weighted Average Unexpired Lease Term (“**WAULT**”) of 23.0 years (31 December 2024: 23.4 years). This WAULT includes the initial lease term, as well as any reversionary leases and put/call options available to the Group at expiry of the initial term.

The SSH sector operating model continues to evolve, with investors and valuers appreciating that strong property fundamentals, sustainable rental levels and established operational performance are of equivalent or greater value than long-term lease arrangements alone. Whilst the SOHO portfolio benefits from many long-term FRI lease arrangements (20 years and above), a history of strong operational performance and high levels of established occupancy are of equal or greater importance and we continue to focus on those metrics.

Indexation

100% of the Group's contracted income is generated under leases which benefit from annual rent reviews indexed on the basis of either CPI (92.1%) or RPI (7.9%).

In the six months ended 30 June 2025, 74% of the Company's leases benefitted from an annual index-linked rent review with an average rental uplift amount was 2.0%. This resulted in an overall portfolio-level rental increase during the period of 1.4%.

The vast majority of annual inflation uplifts (86%) are uncapped contractually. However, we have sought to mitigate the risk to our tenants' financial viability, should Government policy change, through the adoption of a risk-sharing clause. The clause enables the Boards of the Approved Providers we work with to demonstrate an improved risk management strategy to help address a historical concern of the Regulator of Social Housing.

As part of this clause, annual rent increases are set at the lower of the relevant inflation index and prevailing Government policy in relation to social housing rent increases, as it applies to SSH. Given that the Government has recently confirmed an extended ten-year rent settlement at CPI+1% for social housing rents (from April 2026), this ensures the Company's rental income will be increased with inflation for the foreseeable future.

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

Outlook

We are proud of the progress made across the portfolio since taking on the Investment Manager role at the start of the year, summarising our activity to date as follows:

- **Revenue up, costs down**
We have increase rental income through a combination of inflation-linked rent reviews, continued progress with the assignment to Westmoreland and the recommencement of My Space rent collection post-CVA. Cost savings have been delivered by re-basing of the management fee to market capitalisation, locking in alignment with shareholders, and through reviewing all third-party service provider arrangements as part of a Company-wide, line-by-line analysis of costs. The combined effect underpinned in our confidence to increase our dividend and adopt a progressive, inflation-aligned approach going forwards.
- **Continued strengthening of portfolio quality and resilience**
Focusing initially on proactively managing existing assets, we are exiting those which are not sustainable or suitable. We are, at the same time, sourcing new opportunities for deployment, where asset quality and economic outcomes will be accretive to the portfolio. We have also commenced the process with a number of Approved Providers and the Regulator of Social Housing to seek to better secure the public-sector backed cashflows derived from our properties.
- **Resolving tenant challenges quickly and successfully**
We are proving, through the Pivotal assignments which are underway, that well-executed asset transfers are able to be completed swiftly, maintaining cashflows and without disrupting residents. By removing a small number of unsuitable properties from the portfolio over the coming months, optimising our portfolio of assets, we can have further confidence in the long-term utility and financial benefits of the homes we own.

We look forward to resolving the identified challenges within the portfolio during the second half of the year. In doing so, we aim to demonstrate the resilience of SOHO's assets and income streams and to restore investor confidence in the role of Specialised Supported Housing as a vital and investible part of the UK's social infrastructure.

Adrian D'Enrico

Fund Manager

9 September 2025

KEY PERFORMANCE INDICATORS

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

KPI	Definition	Performance (as at 30 June 2025)
1. IFRS & EPRA NTA per share	The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to Shareholders and calculated in accordance with EPRA guidelines. Further information is set out in Note 3 of the Unaudited Performance Measures.	95.56p pence per share (31 December 2024: 99.05p)
2. Total Accounting Return	Total accounting return is measured by reference to the growth in the Group's share price over a period, plus dividends declared for that period.	(0.7)% for the six months to 30 June 2025 (31 December 2024: (8.1)%) The total accounting return since IPO is 37.6%
3. Adjusted EPS	EPRA earnings adjusted for company specific items to reflect the underlying profitability of the business, calculated on the weighted average number of shares in issue during the year.	3.34p pence per share for the six months to 30 June 2025 (30 June 2024: 2.74p)
4. Adjusted Dividend Cover	Dividends paid or declared in respect of the year ended 31 December 2025, with dividend cover based on adjusted earnings.	The dividend was 1.21x covered for the six-month period to 30 June 2025 (31 December 2024: 0.99x)
5. Net Loan to Value ("LTV")	The Group's medium to long-term target LTV is 35% to 40% with a maximum of 50%, calculated as balance sheet borrowings divided by gross asset value.	39.0% (31 December 2024: 37.7%)
6. Rent Collection	Rent collection is one of the Group's principal measures of performance, measured against total contracted rent due. Material rent arrears during the year was mainly attributable to one Approved Provider, My Space Housing Solutions.	91.4% collected for the six months to 30 June 2025 (31 December 2024: 87.6%)
7. Ongoing Charges Ratio	A measure of all operating costs incurred, calculated as a percentage of average net assets in that year.	1.44% (31 December 2024: 1.64%)
8. EPRA Cost Ratio	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	16.47% (31 December 2024: 29.89%)
9. Exposure to Largest Approved Provider	The percentage of the Group's gross assets that are leased to the single largest Approved Provider.	31.3% (31 December 2024: 30.9%)

EPRA PERFORMANCE MEASURES

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

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

Measure	Definition	Performance (as at 30 June 2025)
1. EPRA EPS	A measure of EPS designed by EPRA to present underlying earnings from core operating activities.	3.24 pence per share for the six-months to 30 June 2025 (30 June 2024: 2.90p)
2. EPRA Net Reinstatement Value (“NRV”) per share	An EPRA NAV per share metric which assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	104.99 pence per share (31 December 2024: 108.86p)
3. EPRA Net Tangible Assets (“NTA”) per share	An EPRA NAV per share metric which assumes entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	95.56 pence per share (31 December 2024: 99.05p)
4. EPRA Net Disposal Value (“NDV”) per share	An EPRA NAV per share metric which represents the Shareholders’ value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	108.97 pence per share (31 December 2024: 113.95p)
5. EPRA Net Initial Yield (“NIY”)	Annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers’ costs.	6.68% (31 December 2024: 6.44%)
6. EPRA “Topped-Up” Net Initial Yield	This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	6.68% (31 December 2024: 6.45%)
7. EPRA Vacancy Rate	Estimated Market Rental Value (“ERV”) of vacant space divided by ERV of the whole portfolio.	1.49% (31 December 2024: 0.32%)
8. EPRA Cost Ratio	Administrative & operating costs (including costs of direct vacancy) divided by gross rental income.	16.47% (31 December 2024: 29.89%)
9. EPRA LTV	Net debt divided by total property portfolio and other eligible assets.	38.8% (31 December 2024: 37.7%)

10. EPRA Like-for-like Rental Growth	Changes in net rental income for those properties held for the duration of both the current and comparative reporting period.	Rental increase of 1.59% (31 December 2024: 4.16%)
11. EPRA Capital Expenditure	Amounts spent for the purchase and development of investment properties (including any capitalised transaction costs).	£1.2 million for the year (31 December 2024: £2.2 million)

PRINCIPAL RISKS AND UNCERTAINTIES

The Audit Committee, which assists the Board with its responsibilities for managing risk, considers that the principal risks and uncertainties as presented on pages 80 to 83 of our 2024 Annual Report were unchanged during the six-month period to 30 June 2025.

The Board undertakes a formal risk review, with the assistance of the Audit Committee twice a year to assess the principal risks and uncertainties. The Investment Manager on an ongoing basis has responsibility for identifying potential risks and escalating these in accordance with the risk management procedures.

The risks are summarised below:

- Approved Provider Default
- Non-payment of Voids by Care Providers
- Potential Impact of Climate Change
- Volatile Trading Market
- Regulatory Change Impacting the Sector
- Non-compliance with Regulatory Standards
- Property Valuation Volatility
- Poor or Inadequate Housing Management
- Debt Covenant Breaches
- Health and Safety Non-compliance

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that to the best of their knowledge this unaudited condensed set of financial statements has been prepared in accordance with UK-adopted International Accounting Standard ("IAS") 34 'Interim Financial Reporting' and that the operating and financial review above 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 six months ended 30 June 2025 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 six months ended 30 June 2025 as disclosed in Note 19 and any material changes in the related party transactions disclosed in the 2024 Annual Report.

Shareholder information is as disclosed on the Social Housing REIT plc website, which can be found at www.socialhousingreit.com.

Approval

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



Chris Phillips

Chair

9 September 2025

INDEPENDENT REVIEW REPORT TO SOCIAL HOUSING REIT PLC

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 2025 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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 2025 which comprises the Condensed Group Statement of Comprehensive Income, the Condensed Group Statement of Financial Position, the Condensed Group Statement of Changes in Equity, the Condensed Group Statement of Cash Flows and the Notes to the Condensed Group Interim Financial Statements.

Basis for conclusion

We conducted our review in accordance with the International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410"). 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.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting."

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410, however future events or conditions may cause the Group to cease to continue as a going concern.

Responsibilities of 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.


In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report.

Use of our report

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of 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.

DocuSigned by:

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BDO LLP
Chartered Accountants
London, UK
9 September 2025

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

GROUP FINANCIAL STATEMENTS

CONDENSED GROUP STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

		For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)	For the year ended 31 December 2024 (audited)
	Note	£'000	£'000	£'000
Income				
Rental income	4	20,415	20,540	39,072
Expected credit loss	4	(623)	(1,436)	(3,329)
Insurance charge income	4	324	-	713
Insurance charge expense	4	(324)	-	(713)
Other income		24	3	106
Total income		19,816	19,107	35,849
Expenses				
Directors' remuneration		(174)	(150)	(307)
General and administrative expenses		(1,611)	(1,344)	(3,556)
Management fees	5	(1,576)	(2,349)	(7,814)
Total expenses		(3,361)	(3,843)	(11,677)
Loss from fair value adjustment on investment properties	8	(15,590)	(6,122)	(53,030)
Operating profit/(loss)		865	9,142	(28,858)
Finance income		105	22	148
Finance costs	6	(3,833)	(3,864)	(7,679)
(Loss)/profit before tax		(2,863)	5,300	(36,389)
Taxation	7	-	-	-
(Loss)/profit and total comprehensive income		(2,863)	5,300	(36,389)
IFRS Earnings per share – basic and diluted	22	(0.73)p	1.35p	(9.25)p

CONDENSED GROUP STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Note	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Assets				
Non-current assets				
Investment properties	8	610,193	624,695	648,848
Trade and other receivables	10	2,997	3,306	5,036
Total non-current assets		613,190	628,001	653,884
Current assets				
Assets held for sale	9	-	-	21,755
Trade and other receivables	11	3,885	3,315	3,054
Cash, cash equivalents and restricted cash	12	25,145	27,492	29,260
Total current assets		29,030	30,807	54,069
Total assets		642,220	658,808	707,953
Liabilities				
Current liabilities				
Trade and other payables	13	3,132	6,095	3,153
Total current liabilities		3,132	6,095	3,153
Non-current liabilities				
Other payables	14	1,530	1,528	1,304
Bank and other borrowings	15	261,578	261,441	261,320
Total non-current liabilities		263,108	262,969	262,624
Total liabilities		266,240	269,064	265,777
Total net assets		375,980	389,744	442,176
Equity				
Share capital		3,940	3,940	3,940
Share premium reserve		203,753	203,753	203,753
Treasury shares reserve		(378)	(378)	(378)
Capital redemption reserve	16	93	93	93
Capital reduction reserve	16	155,359	155,359	155,359
Retained earnings		13,213	26,977	79,409
Total equity		375,980	389,744	442,176
IFRS Net asset value per share – basic and diluted	23	95.56p	99.05p	112.38p

The Condensed Group Interim Financial Statements were approved and authorised for issue by the Board on 9 September 2025 and signed on its behalf by:

Chris Phillips

Chair

9 September 2025



CONDENSED GROUP STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

For the six months ended 30 June 2025 (unaudited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2025		3,940	203,753	(378)	93	155,359	26,977	389,744
Loss and total comprehensive income for the period		-	-	-	-	-	(2,863)	(2,863)
Transactions with owners								
Dividends paid	17	-	-	-	-	-	(10,901)	(10,901)
Balance at 30 June 2025 (unaudited)		3,940	203,753	(378)	93	155,359	13,213	375,980

For the year ended 31 December 2024 (audited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		3,940	203,753	(378)	93	155,359	84,850	447,617
Loss and total comprehensive income for the year		-	-	-	-	-	(36,389)	(36,389)
Transactions with owners								
Dividends paid	17	-	-	-	-	-	(21,484)	(21,484)
Balance at 31 December 2024 (audited)		3,940	203,753	(378)	93	155,359	26,977	389,744

For the six months ended 30 June 2024 (unaudited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2024		3,940	203,753	(378)	93	155,359	84,850	447,617
Profit and total comprehensive income for the period		-	-	-	-	-	5,300	5,300
Transactions with owners								
Dividends paid	17	-	-	-	-	-	(10,741)	(10,741)
Balance at 30 June 2024 (unaudited)		3,940	203,753	(378)	93	155,359	79,409	442,176

CONDENSED GROUP STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

		For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)	For the year ended 31 December 2024 (audited)
	Note	£'000	£'000	£'000
Cash flows from operating activities				
(Loss)/profit before income tax		(2,863)	5,300	(36,389)
Adjustments for:				
Expected credit loss		623	1,436	3,329
Loss from fair value adjustment on investment properties	8	15,590	6,122	53,030
Finance income		(105)	(22)	(148)
Finance costs	6	3,833	3,864	7,679
Operating results before working capital changes		17,078	16,700	27,501
Increase in trade and other receivables		(1,148)	(1,429)	(1,853)
(Decrease)/increase in trade and other payables		(2,981)	96	3,421
Net cash generated from operating activities		12,949	15,367	29,069
Cash flows from investing activities				
Capital expenditure on investment properties		(1,155)	(1,113)	(2,271)
Proceeds from sale of assets		350	-	-
Restricted cash movement		-	65	(155)
Interest received		84	-	103
Net cash used in investing activities		(721)	(1,048)	(2,323)
Cash flows from financing activities				
Loan arrangement fees paid		-	-	(29)
Dividends paid	17	(10,901)	(10,741)	(21,484)
Interest paid		(3,674)	(3,705)	(7,348)
Net cash used in financing activities		(14,575)	(14,446)	(28,861)
Net decrease in cash and cash equivalents		(2,347)	(127)	(2,115)
Cash and cash equivalents at the beginning of the period		26,899	29,014	29,014
Cash and cash equivalents at the end of the period	12	24,552	28,887	26,899

NOTES TO THE CONDENSED GROUP INTERIM FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2025

1. CORPORATE INFORMATION

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

The principal activity of the Company is to act as the ultimate parent company of 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

These condensed Group interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IAS 34 “Interim Financial Reporting” and also in accordance with the measurement and recognition principles of UK-adopted international accounting standards. They do not include all of the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2024 Annual Report.

The comparative figures for the financial year ended 31 December 2024 presented herein do not constitute the full statutory accounts within the meaning of section 434 of the Companies Act 2006. Those accounts have been reported on by the Group’s auditors and delivered to the registrar of companies. The report of the auditor (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed Group interim financial statements for the six months ended 30 June 2025 have been reviewed by the Company’s Auditor, BDO LLP, in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The condensed Group interim financial statements are unaudited and do not constitute statutory accounts for the purposes of the Companies Act 2006.

The condensed Group interim 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 and method of computation in these condensed Group interim financial statements as in its 2024 annual financial statements and are expected to be consistently applied during the year ending 31 December 2025. At the date of authorisation of these financial statements, there were a number of standards and interpretations which were in issue but not yet effective. The Group has assessed the impact of these amendments and has determined that the application of these amendments and interpretations in current and future periods will not have a significant impact on the financial statements.

2.1. Going concern

The Group benefits from a secure income stream from long leases which are not overly reliant on any one tenant and present a well-diversified risk. The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 91.4% of rental income due and payable for the six months ended 30 June 2025 has been collected, rent arrears are predominantly attributable to two Approved Providers, My Space Housing Solutions and Westmoreland Supported Housing Ltd.

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

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

The Directors have also considered the financing provided to the Group. Norland Estates Limited and TP REIT Propco 2 Limited have bank facilities with MetLife and MetLife and Barings respectively. The loans secured by Norland Estates Limited and TP REIT Propco 2 Limited are subject to asset cover ratio covenants and interest cover ratio covenants which can be found in the table below. The Directors have also considered reverse stress testing and the circumstances that would lead to a covenant breach. Given the level of headroom, the Directors are of the view that the risk of scenarios materialising that would lead to a breach of the covenants is remote.

	Norland Estates Limited	TP REIT Propco 2 Limited
<u>Asset Cover Ratio (ACR)</u>		
Asset Cover Ratio Covenant	x2.00	x1.67
Asset Cover Ratio at 30 June 2025	x2.42	X1.96
Blended Net initial yield	6.85%	6.40%
Headroom (yield movement)	135bps	104bps
<u>Interest Cover Ratio (ICR)</u>		
Interest Cover Ratio Covenant	1.75x	1.75x
Interest Cover Ratio at 30 June 2025	4.78x	4.40x
Headroom (rental income movement)	63%	58%

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

The Group has no short or medium-term refinancing risk given the 8.1 year average maturity of its long-term debt facilities with MetLife and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

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

2.2. Reporting period

These condensed Group interim financial statements have been prepared for the six months ended 30 June 2025. The comparative periods are the six months ended 30 June 2024 and the year ended 31 December 2024.

2.3. Currency

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

2.4 Assets held for sale

An asset is classified as held for sale in line with IFRS 5 'Non-Current Assets Held for Sale and Discontinued Operations' if its carrying value is expected to be recovered through a sale transaction rather than continuing use. Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An asset will be classified in this way only when a sale is highly probable, management are committed to selling the asset at the year-end date, the asset is available for immediate sale in its current condition and the asset is expected to be disposed of within 12 months after the date of the statement of financial position. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

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. In the Directors' view, there have been no significant changes since the annual report for the year ended 31 December 2024, to the extent of estimation uncertainty, key assumptions or valuation techniques relating to investment properties as a result of the current macroeconomic environment. Further details can be found in note 8.

3.1 Expected Credit Losses (ECL)

The previous balance at 31 December 2024 related solely to one Approved Provider, My Space. A default probability for each of the Approved Providers, representing the estimated percentage likelihood of them paying arrears due at 30 June 2025, was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. For each Approved Provider the estimated percentage probability of receiving arrears has been multiplied by the arrears as at the statement of financial position date. The Group recognised an additional ECL provision of £0.6 million in the current period in relation to rental income charged to My Space Housing Solutions Limited 'My Space' (30 June 2024: £1.4 million, 31 Dec 2024: £3.3 million). The provision was subsequently fully written off after My Space entered into a CVA during March 2025 resulting in a total ECL provision of nil as at 30 June 2025 (30 June 2024: £8.1 million, 31 Dec 2024: £8.0 million). The expected credit loss for the current period relates wholly to one tenant (30 June 2024: two tenants, 31 December 2024: one tenant).

3.2 Lease incentive debtor

The lease incentive debtor recognised from rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances. The credit risk associated with the tenant is considered in the determination of the fair value of the related property. In the current period, the expense recognised in respect of such rent smoothing amounted to £32,000 (30 June 2024: £763,000 income), which is primarily driven by the lower number of properties in current rent-free periods compared to the prior year.

4. RENTAL INCOME

	For the six months ended 30 June 2025 (unaudited) £'000	For the six months ended 30 June 2024 (unaudited) £'000	For the year ended 31 December 2024 (audited) £'000
Rental income – freehold assets	19,290	19,290	36,709
Rental income – leasehold assets	1,125	1,250	2,363
	20,415	20,540	39,072
Expected credit loss	(623)	(1,436)	(3,329)
Insurance charge income	324	-	713
Insurance charge expense	(324)	-	(713)
Other income	24	3	106
	19,816	19,107	35,849

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

All rental income arose within the United Kingdom.

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

	For the six months ended 30 June 2025 (unaudited) £'000	For the six months ended 30 June 2024 (unaudited) £'000	For the year ended 31 December 2024 (audited) £'000
Opening expected credit loss provision	8,021	6,666	6,666
Increase in provision for My Space Housing	623	1,436	3,329
Write off of Parasol debtor	-	-	(1,974)
Write off of My Space Housing debtor	(8,644)	-	-
Closing expected credit loss provision	-	8,102	8,021

5. MANAGEMENT FEES

	For the six months ended 30 June 2025 (unaudited) £'000	For the six months ended 30 June 2024 (unaudited) £'000	For the year ended 31 December 2024 (audited) £'000
Management fees	1,576	2,349	4,651
Termination fees	-	-	3,163
	1,576	2,349	7,814

On 1 January 2025 Atrato Partners Limited ("Atrato") was appointed as the Investment Manager of the Company by entering into the Investment Management agreement. Under this agreement the Investment Manager will advise the Company and provide certain management services in respect of the property portfolio.

The management fee is calculated quarterly, in arrears, as a percentage of the Company's average market capitalisation at the end of each quarter. The Management Fee will be calculated using the following fee thresholds and rates:

Market capitalization threshold	Relevant fee rate (per annum)
Up to and include £150 million	1.25% per annum (equivalent to 0.3125% per quarter)
Above £150 million, up to and including £300 million	1.00% per annum (equivalent to 0.25% per quarter)
Above £300 million	0.7% per annum (equivalent to 0.175% per quarter)

Management fees of £1.6 million were chargeable during the six months ended 30 June 2025 (six months ended 30 June 2024: £2.3 million, year ended 31 December 2024: £4.7 million).

6. FINANCE COSTS

	For the six months ended 30 June 2025 (unaudited) £'000	For the six months ended 30 June 2024 (unaudited) £'000	For the year ended 31 December 2024 (audited) £'000
Interest payable on bank borrowings	3,609	3,609	7,217
Amortisation of loan arrangement fees	137	137	287
Lender property valuation fees	60	91	121
Head lease interest expense	22	22	44
Total finance cost for financial liabilities not held at fair value through profit or loss	3,828	3,859	7,669
Bank charges	5	5	10
Total finance costs	3,833	3,864	7,679

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

7. 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 six months ended 30 June 2025, 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.

8. INVESTMENT PROPERTIES

	Operational assets £'000
As at 1 January 2025	624,695
Acquisitions and additions*	1,172
Disposals	(350)
Fair value adjustment***	(15,326)
Movement in head lease ground rent liability	2
As at 30 June 2025 (unaudited)	610,193
As at 1 January 2024	675,497
Acquisitions and additions*	2,221
Fair value adjustment	(53,027)
Movement in head lease ground rent liability	4
As at 31 December 2024 (audited)	624,695
As at 1 January 2024	675,497
Acquisitions and additions*	1,226
Fair value adjustment	(6,122)
Movement in head lease ground rent liability	2
Reclassified to assets held for sale**	(21,755)
As at 30 June 2024 (unaudited)	648,848

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

**13 assets with fair value of £21.8 million were reclassified to assets held for sale during the six months period ended 30 June 2024. See note 9 for further details.

***The difference between the loss from fair value adjustment on investment properties presented in the Statement of Comprehensive Income and Statement of Cash Flows compared to note 8 is £264k. This relates to the lease incentive balances associated with 36 Oxford Grove and 38 Oxford Grove, which were sold during the period.

Reconciliation to independent valuation:

	30 June 2025 £'000	31 December 2024 £'000	30 June 2024 £'000
Investment property valuation	611,786	626,351	652,689
Fair value adjustment – head lease ground rent	1,470	1,468	1,243
Fair value adjustment – lease incentive debtor*	(3,063)	(3,124)	(5,084)
	610,193	624,695	648,848

*Excluding lease incentive debtors related to the properties reclassified as assets held for sale as at 30 June 2024.

The carrying value of leasehold properties at 30 June 2025 was £35.3 million (30 June 2024: £28.9 million, 31 December 2024: £35.9 million). The investment property valuation above excludes the fair value of the assets held for sale at the end of each reporting period.

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. JLL provide their fair value of the Group’s investment property portfolio every six months.

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

% Key Statistics

Portfolio Metrics	30 June 2025	31 December 2024	30 June 2024
Capital Deployed (£'000)*	575,181	576,804	556,473
Number of Properties***	492	494	481
Number of Tenancies	389	391	378
Number of Registered Providers	28	28	28
Number of Local Authorities	151	148	148
Number of Care Providers	116	109	109
Average Net Initial Yield**	6.42%	6.22%	5.97%

* calculated excluding acquisition costs

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

*** excluding 13 properties that have been classified as assets held for sale at 30 June 2024

Regional exposure

Region	30 June 2025		31 December 2024**		30 June 2024	
	*Cost £'000	% of funds invested	*Cost £'000	% of funds invested	*Cost £'000	% of funds invested
North West	111,206	19.3	111,206	19.3	101,466	18.2
West Midlands	93,006	16.2	93,006	16.1	92,993	16.7
Yorkshire	81,781	14.2	87,103	15.1	84,498	15.2
East Midlands	69,276	12.0	63,979	11.1	62,853	11.3
North East	56,678	9.9	56,653	9.8	56,653	10.2
London	49,626	8.6	54,366	9.4	49,626	8.9
South East	54,869	9.6	49,626	8.6	49,490	8.9
South West	26,476	4.6	28,099	4.9	28,108	5.1
East	23,703	4.1	24,206	4.2	24,206	4.3
Scotland	5,900	1.0	5,900	1.0	5,900	1.1
Wales	2,660	0.5	2,660	0.5	680	0.1
Total	575,181	100	576,804	100	556,473	100.0

* excluding acquisition costs

** excluding 13 properties that have been classified as assets held for sale at 30 June 2024

Fair value hierarchy

			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Date of valuation	Total			
		£'000	£'000	£'000	£'000
Assets measured at fair value:					
Investment properties	30 June 2025	610,193	-	-	610,193
Investment properties	31 December 2024	624,695	-	-	624,695
Investment properties	30 June 2024	648,848	-	-	648,848

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 – Global Standards (commonly known as the “Red Book”) by JLL, one of the leading professional firms engaged in the social housing sector.

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

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

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

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

Valuation techniques: Discounted cash flows

The discounted cash flows model considers the present value of net cash flows to be generated from the properties, 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 properties:

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

Key factors in determining the discount rates to assess the level of uncertainty applied include the performance of the regulated social housing sector and demand for each 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. A decrease in ERV would decrease the fair value. A decrease in discount rate would increase the fair value. The fair value measurement is based on the above items, highest and best use, which does not differ from their actual use. The valuer also considers the resulting net initial yield for each property for appropriateness.

Sensitivities of measurement of significant unobservable inputs

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:

Key unobservable inputs – discount rate and inflation:

	30 June 2025		31 December 2024		30 June 2024
Range of discount rates	6.3%-10.2%		6.4%-10.4%		6.6%-10.5%
Average discount rate	7.7%		7.6%		7.4%
Range of Rental values (passing rents or ERV as relevant) of Group's Investment Properties	£0.07m-£0.56m		£0.07m-£0.55m		£0.07m-£0.55m
Average of Rentals values (passing rents or ERV as relevant) of Group's Investment Properties	£0.1m		£0.1m		£0.1m
CPI/RPI increases over the term of the relevant leases	2/2.5%		2/2.5%		2/2.5%

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

	-1% change in Discount Rate £'000	+1% change in Discount Rate £'000	+0.5% change in CPI £'000	-0.5% change in CPI £'000
Changes in the IFRS fair value of investment properties as at 30 June 2025	66,935	(56,797)	33,781	(31,219)
Changes in the IFRS fair value of investment properties as at 31 December 2024	70,645	(59,690)	36,318	(33,639)
Changes in the IFRS fair value of investment properties as at 30 June 2024	76,400	(64,140)	38,033	(35,170)

Valuations have weakened generally, reflecting:

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

9. ASSETS HELD FOR SALE

Management considers none of the Group's properties (30 June 2024: 13; 31 December 2024: nil) to meet the conditions relating to assets held for sale, as per IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Assets held for sale are disclosed at their fair value.

The fair value of these properties, and its comparative value, is disclosed in the table below along with associated assets and liabilities:

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Assets held for sale	-	-	21,755
	<u>-</u>	<u>-</u>	<u>21,755</u>

10. TRADE AND OTHER RECEIVABLES (non-current)

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Lease incentive debtor	2,852	3,156	4,881
Other receivables	145	150	155
	<u>2,997</u>	<u>3,306</u>	<u>5,036</u>

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

11. TRADE AND OTHER RECEIVABLES (current)

	30 June 2025 (unaudited) £'000	31 December 2024 (unaudited) £'000	30 June 2024 (audited) £'000
Rent receivable	3,533	2,667	2,273
Lease incentive debtor	211	202	207
Prepayments	120	164	209
Other receivables	21	282	365
	<u>3,885</u>	<u>3,315</u>	<u>3,054</u>

The Directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date. Rent receivable and other receivables are presented net of ECL provision of nil as at 30 June 2025 (30 June 2024: £8.1 million and 31 December 2024: £8.0 million). The change in the ECL balance is attributable to the full write-off of the debt and the related provision as a result of the CVA with My Space entered in March 2025.

The Group applies the general approach in providing for expected credit losses under IFRS 9 for rent and other receivables. Where the credit loss relates to revenue already recognised in the statement of comprehensive income, the expected credit loss allowance is recognised in the Statement of Comprehensive Income. Expected credit losses totalling £0.6 million (30 June 2024: £1.4 million, 31 December 2024: £3.3 million) were charged to the Statement of Comprehensive Income in the period. The expected credit loss in the period relates entirely to the unpaid rent from My Space up to the date of the CVA.

12. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Cash at bank	16,511	26,899	28,878
Restricted cash	593	593	373
Cash held by lawyers	41	-	9
Liquidity funds	8,000	-	-
	25,145	27,492	29,260

Cash held by lawyers is money held in a client account in relation to the upcoming assignment of My Space Housing Solutions properties. These funds are available immediately on demand.

Restricted cash represents monies held in escrow in relation to the transfer of leases during 2020.

Liquidity funds represent surplus cash deposited with Treasury Spring across multiple accounts with varying maturities. This arrangement was implemented to achieve improved interest returns on available cash.

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Total cash, cash equivalents and restricted cash	25,145	27,492	29,260
Restricted cash	(593)	(593)	(373)
Cash reported on Group statement of cash flows	24,552	26,899	28,887

13. TRADE AND OTHER PAYABLES

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Trade payables	1,047	139	103
Accruals	1,235	5,522	2,262
Head lease ground rent	40	40	40
Assets held for sale liability	-	-	222
Other creditors	810	394	526
	3,132	6,095	3,153

The Other Creditors balance consists of retentions due on completion of outstanding works, accrued acquisition costs and reclassification of negative rent receivable balances as at 30 June 2025. 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.

14. OTHER PAYABLES

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Head lease ground rent	1,430	1,428	1,204
Rent deposit	100	100	100
	1,530	1,528	1,304

15. BANK AND OTHER BORROWINGS

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Bank and other borrowings drawn at period end	263,500	263,500	263,500
Unamortised costs at beginning of period	(2,059)	(2,317)	(2,317)
Less: loan issue costs incurred	-	(29)	-
Add: loan issue costs amortised	137	287	137
Unamortised costs at period end	(1,922)	(2,059)	(2,180)
Balance at period end	261,578	261,441	261,320

At 30 June 2025 there were no undrawn bank borrowings (30 June 2024: £nil, 31 December 2024: £nil).

As at 30 June 2025, the Group's borrowings comprised two debt facilities:

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

Loan Notes

The Loan Notes of £68.5 million are secured against a portfolio of specialist supported housing assets throughout the UK, worth approximately £166.0 million (30 June 2024: £186.9 million, 31 December 2024: £170.0 million). The details of the notes are set out in the table below. At 30 June 2025, the Loan Notes have been independently valued at £60.8 million (30 June 2024: £58.1 million, 31 December 2024: £59.0 million) which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 3.666% 2028 Gilt (Tranche A) and Treasury 4.090% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

Loan Note	Principal	LTV	Term	Repayment date	All in rate	Independent Valuation
Tranche A	£41.5 million	40%	10 years	30 June 2028	2.924%	£38.5 million
Tranche B	£27.0 million	40%	15 years	30 June 2033	3.215%	£22.3 million
Blended Tranche A & B	£68.5million	40%	12 years		3.039%	£60.8 million

In August 2021, the Group put in place Loan Notes of £195.0 million. The Loan Notes are secured against a portfolio of specialist supported housing assets throughout the UK, worth approximately £382.6 million (30 June 2024: £375.9 million, 31 December 2024: £392.0 million). The details of the notes are set out in the table below. At 30 June 2025, the Loan Notes have been independently valued at £148.0 million (30 June 2024: £140.9 million, 31 December 2024: £143.8 million) which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 3.886% 2031 Gilt (Tranche A) and Treasury 4.490% 2036 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

Loan Note	Principal	LTV	Term	Repayment date	All in rate	Independent Valuation
Tranche A	£77.5 million	40%	10 years	26 August 2031	2.403%	£64.0 million
Tranche B	£117.5 million	40%	15 years	26 August 2036	2.786%	£84.0 million
Blended Tranche A & B	£195.0 million	40%	13 years		2.634%	£148.0 million

The Group's loan to value at 30 June 2025 was 41.0% (30 June 2024: 37.2%; 31 December 2024: 40.0%). The loans are considered a Level 2 fair value measurement.

The Group has complied with all the financial covenants related to the above loans throughout the period.

Effect of covenants

All of the Group's non-current loans and borrowings contain covenants, which, if not met, would result in the borrowings becoming repayable on demand. These borrowings are otherwise repayable more than 12 months after the end of the reporting period. As at 30 June 2025, the Group complied with all the covenants that were required to be met on or before 30 June 2025. The covenants that are required to be complied with after the end of the current period do not affect the classification of the related borrowings as current or non-current at the statement of financial position date. Therefore, all these borrowings remain classified as non-current liabilities.

16. CAPITAL REDUCTION RESERVE

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Balance at beginning of period	155,359	155,359	155,359
Balance at end of period	<u>155,359</u>	<u>155,359</u>	<u>155,359</u>

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

No shares were repurchased in the current period.

CAPITAL REDEMPTION RESERVE

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000	30 June 2024 (unaudited) £'000
Balance at beginning of period	93	93	93
Balance at end of period	93	93	93

The Capital Redemption Reserve is the nominal value of the shares cancelled from the share buybacks in 2023.

17. DIVIDENDS

	For the six months ended 30 June 2025 (unaudited) £'000	For the year ended 31 December 2024 (audited) £'000	For the six months ended 30 June 2024 (unaudited) £'000
1.365p for the 3 months to 31 December 2023 paid on 28 March 2024	-	5,371	5,371
1.365p for the 3 months to 31 March 2024 paid on 28 June 2024	-	5,371	5,370
1.365p for the 3 months to 30 June 2024 paid on 4 October 2024	-	5,371	-
1.365p for the 3 months to 30 September 2024 paid on 13 December 2024	-	5,371	-
1.365p for the 3 months to 31 December 2024 paid on 11 April 2025	5,371	-	-
1.4055p for the 3 months to 31 March 2025 paid on 27 June 2025	5,530	-	-
	10,901	21,484	10,741

On 9 September 2025 the Company declared an interim dividend of 1.4055 pence per Ordinary Share for the period 1 April 2025 to 30 June 2025. The total dividend of £5,530,172 will be paid on or around 3 October 2025 to Ordinary shareholders on the register on 18 September 2025.

The Company intends to pay dividends to shareholders on a quarterly basis and in accordance with the requirements of the REIT regime. Dividends are not payable in respect of the Treasury shares held by the Company.

18. SEGMENTAL INFORMATION

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 for the reasons provided in the 31 December 2024 Annual Report.

19. 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 2024: £75,000, 31 December 2024: £75,000), and the other Directors of the Board receive a fee of £50,000 (30 June 2024: £50,000, 31 December 2024: £50,000) per annum. The Directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company. No prospectus was produced in the year ended 31 December 2024 nor in the current period.

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

Chris Phillips:	£1,520 (30 June 2024: £1,498, 31 December 2024: £2,995)
Peter Coward:	£2,219 (30 June 2024: £2,186, 31 December 2024: £4,372)
Tracey Fletcher-Ray:	£1,045 (30 June 2024: £1,030, 31 December 2024: £2,060)

No shares were held by Cecily Davis & Bryan Sherriff as at 30 June 2025 (31 December 2024 and 30 June 2024: nil).

Ian Reeves resigned as director effective 19 May 2025.

Investment Manager

The Company considers Atrato Partners Limited (the 'Investment Manager') as a key management personnel and therefore a related party. Further details of the investment management contract and transactions with the Investment Manager are disclosed in note 5.

20. POST BALANCE SHEET EVENTS

Dividends

On 9 September 2025, the Company declared an interim dividend of 1.4055 pence per Ordinary Share for the period 1 April 2025 to 30 June 2025. The total dividend of £5,530,172 will be paid on or around 3 October 2025 to Ordinary shareholders on the register on 19 September 2025.

21. CAPITAL COMMITMENTS

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

22. 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.

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

	For the six months ended 30 June 2025 (unaudited)	For the six months ended 30 June 2024 (unaudited)	For the year ended 31 December 2024 (audited)
Calculation of Earnings per share			
Net (loss)/profit attributable to ordinary shareholders (£'000)	(2,863)	5,300	(36,389)
Weighted average number of ordinary shares (excluding treasury shares)	393,466,490	393,466,490	393,466,490
IFRS Earnings per share – basic and diluted	(0.73)p	1.35p	(9.25)p

Calculation of EPRA Earnings per share

	For the six months ended 30 June 2025 (unaudited) £'000	For the six months ended 30 June 2024 (unaudited) £'000	For the year ended 31 December 2024 (audited) £'000
Net (loss)/profit attributable to ordinary shareholders (£'000)	(2,863)	5,300	(36,389)
Loss from fair value adjustment on investment properties (£'000)	15,590	6,122	53,030
Termination fees (£'000)	-	-	3,343
EPRA earnings (£'000)	12,727	11,422	19,984
<u>Non-cash adjustments to include:</u>			
Movement in lease incentive debtor	296	(763)	965
Amortisation of loan arrangement fees (£'000)	137	137	287
Adjusted earnings (£'000)	13,160	10,796	21,236
Weighted average number of ordinary shares (excluding treasury shares)	393,466,490	393,466,490	393,466,490
EPRA Earnings per share – basic and diluted	3.24p	2.90p	5.08p
Adjusted earnings per share – basic and diluted	3.34p	2.74p	5.40p

EPRA released revised Best Practice Reporting guidelines during September 2024 which are effective for reporting periods beginning on or after 1 October 2024. The Company has early adopted these guidelines for the year ended 31 December 2024. The revised guidelines permit adjustments in respect of non-operating or exceptional items within EPRA earnings as they are unusual in nature and very unlikely to reoccur in the foreseeable future.

The termination payments of £3.3 million in respect of the change in Investment manager are considered to be exceptional items and have been added back in arriving at EPRA earnings. There is no impact in respect of previous periods as there were no items that fall within this category.

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

For this EPRA measure and proceeding EPRA measures, please refer to explanations and definitions of the EPRA performance measures that can be found below.

23. NET ASSET VALUE PER SHARE

Basic 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 Company by the number of Ordinary Shares outstanding at the end of the period. Although there are no dilutive instruments outstanding, both basic and diluted NAV per share are disclosed below.

Net asset values have been calculated as follows:

	30 June 2025 (unaudited)	31 December 2024 (audited)	30 June 2024 (unaudited)
Net assets at end of period (£'000)	375,980	389,744	442,176
Shares in issue at end of period (excluding shares held in treasury)	393,466,490	393,466,490	393,466,490
IFRS NAV per share – basic and dilutive	95.56p	99.05p	112.38p

UNAUDITED PERFORMANCE MEASURES**1. EPRA Net Reinstatement Value**

	30 June 2025	30 June 2024	31 December 2024
IFRS NAV/EPRA NAV (£'000)	375,980	442,176	389,744
Include:			
Real Estate Transfer Tax* (£'000)	37,118	41,754	38,594
EPRA Net Reinstatement Value (£'000)	413,098	483,930	428,338
Fully diluted number of shares	393,466,490	393,466,490	393,446,490
EPRA Net Reinstatement value per share	104.99p	122.99p	108.86p

* Purchaser's costs

2. EPRA Net Disposal Value

	30 June 2025	30 June 2024	31 December 2024
IFRS NAV/EPRA NAV (£'000)	375,980	442,176	389,744
Include:			
Fair value of debt* (£'000)	52,799	62,385	58,605
EPRA Net Disposal Value (£'000)	428,779	504,561	448,349
Fully diluted number of shares	393,466,490	393,466,490	393,446,490
EPRA Net Disposal Value per share**	108.97p	128.23p	113.95p

* Difference between interest-bearing loans and borrowings included in Condensed Group statement of financial position at amortised cost, and the fair value of interest-bearing loans and borrowings.

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

3. EPRA Net Tangible Assets

	30 June 2025	30 June 2024	31 December 2024
IFRS NAV/EPRA NAV (£'000)	375,980	442,176	389,744
EPRA NTA (£'000)	375,980	442,176	389,744
Fully diluted number of shares	393,466,490	393,466,490	393,446,490
EPRA NTA per share *	95.56p	112.38p	99.05p

*Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 30 June 2025, 30 June 2024 or 31 December 2024.

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

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Investment Properties – wholly owned (excluding head lease ground rents)	608,723	647,605	623,227
Assets held for sale	-	21,755	-
Completed property portfolio	608,723	669,360	623,227
Allowance for estimated purchasers' costs	37,118	41,754	38,594
Gross up completed property portfolio valuation	645,841	711,114	661,821
Annualised passing rental income	43,141	42,362	42,606
Annualised net rents	43,141	42,362	42,606
Contractual increases for lease incentives	18	256	83
Topped up annualised net rents	43,159	42,618	42,689
EPRA NIY	6.68%	5.96%	6.44%
EPRA Topped Up NIY	6.68%	5.99%	6.45%

5. Ongoing Charges Ratio

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Annualised ongoing charges	5,521	6,797	6,885
Average undiluted net assets	382,862	444,896	418,681
Ongoing charges	1.44%	1.53%	1.64%

6. EPRA Vacancy Rate

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Estimated Market Rental Value (ERV) of vacant spaces	655	138	138
Estimated Market Rental Value (ERV) of whole portfolio	43,814	42,756	42,826
EPRA Vacancy Rate	1.49%	0.32%	0.32%

7. EPRA Cost Ratio

	30 June 2025 £'000	30 June 2024 £'000	31 December 2024 £'000
Total administrative and operating costs	3,361	3,843	11,677
Gross rental income	20,415	20,540	39,072
EPRA cost ratio	16.47%	18.71%	29.89%

SHAREHOLDER INFORMATION

NON-EXECUTIVE DIRECTORS

Chris Phillips
Peter Coward
Tracey Fletcher-Ray
Cecily Davis
Bryan Sherriff

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