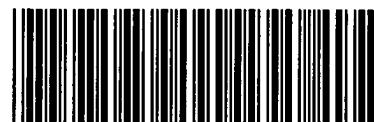


The **PRS REIT** plc
Annual Report
& Financial Statements
For the year ended 30 June 2025



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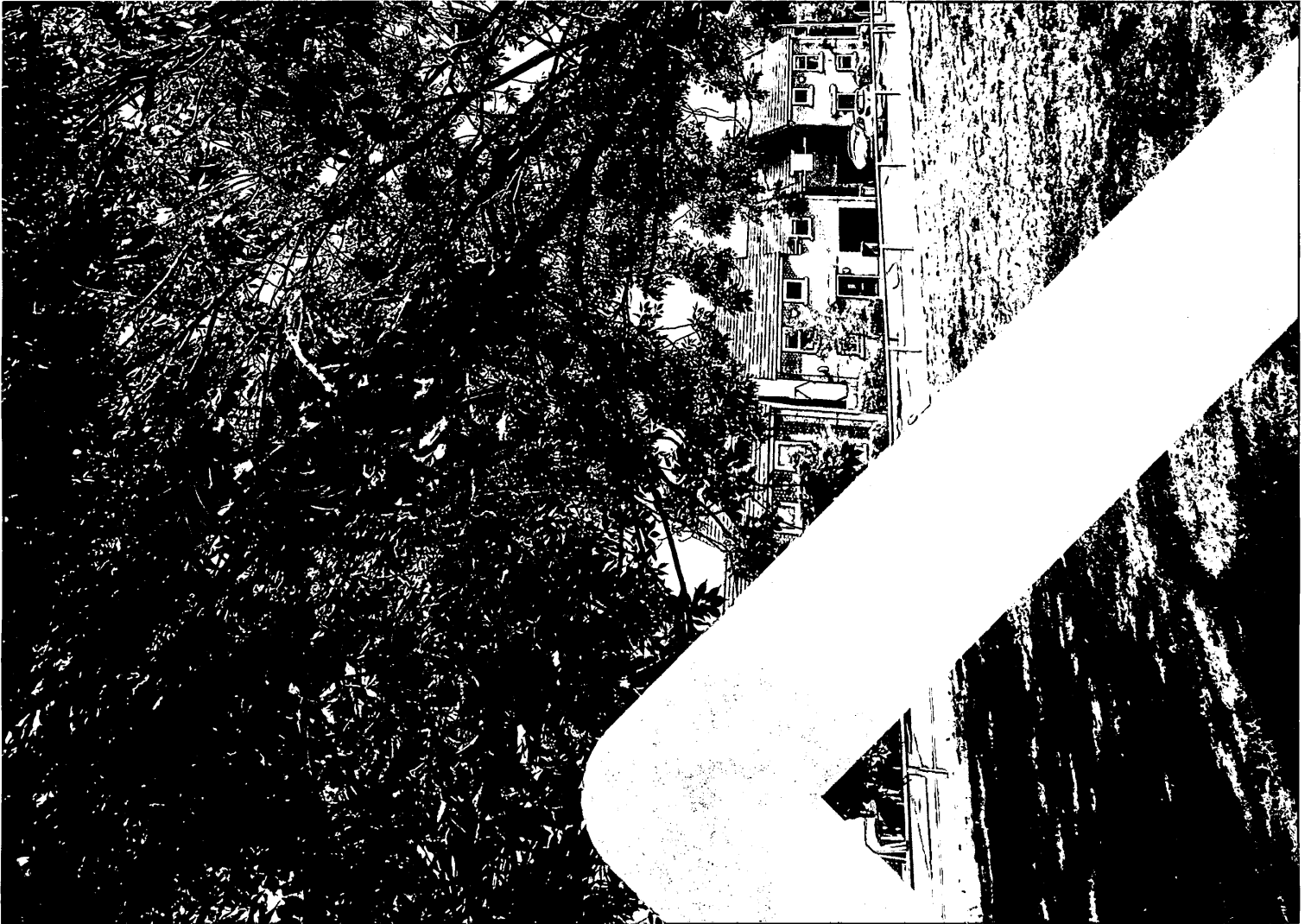
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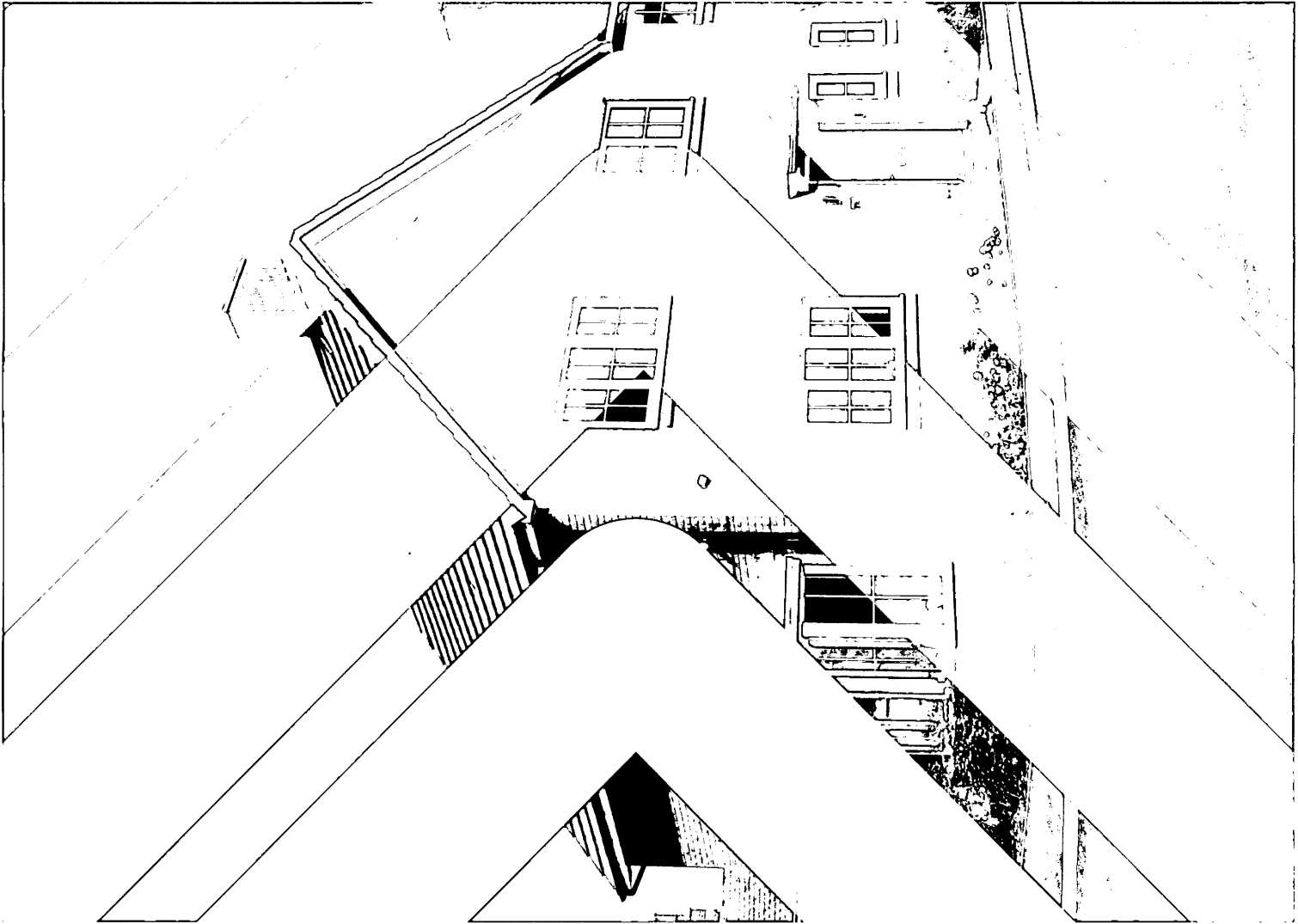
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4 Highlights

HIGHLIGHTS





HIGHLIGHTS

HIGHLIGHTS

Portfolio of properties successfully completed in the financial year

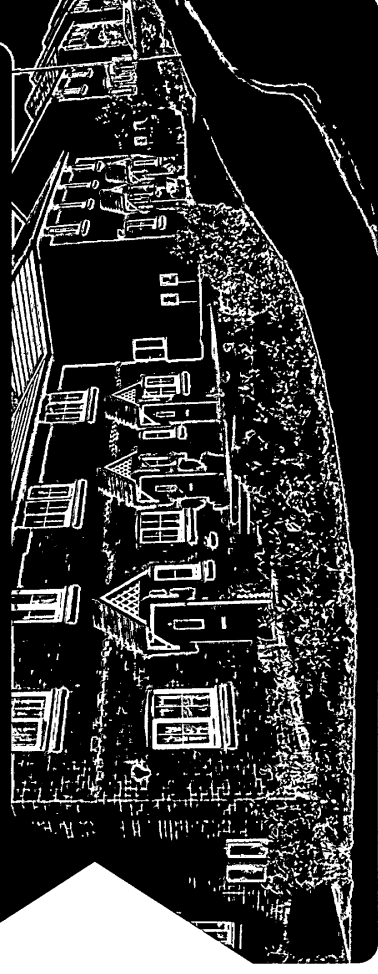
5,478 NEW HOMES BUILT

Asset performance is excellent, and rental demand remains strong.

The Company has generated another very strong performance, with rental income materially higher year-on-year. Other measures of the portfolio's performance, including occupancy and rent collection were also extremely encouraging and its strong performance has continued into the new financial year. Our housing delivery programme was completed in June 2025, marking a significant milestone, and the latest estimated rental value of the completed portfolio at the end of September 2025 is £73.4m per annum.

We are at non-binding heads of terms stage for a potential sale of the Company's assets and will make a further announcement on this in due course. First and foremost, I would like to thank our shareholders for their support and their invaluable feedback throughout the Strategic Review. I would also like to thank all our partners, including our lenders, and in particular Sigma Capital, who managed the delivery of our portfolio as well as its very successful performance to date. High-quality, new rental homes remain undersupplied in the UK and we expect our portfolio to continue to perform very well.

Geeta Nanda, Chairwoman
The PPS REIT plc



KEY POINTS

Financial

	Year to 30 June 2025	Year to 30 June 2024	Change
Revenue	£66.5m	£58.2m	+14%
Net rental income	£53.3m	£47.3m	+13%
Operating profit	£97.4m	£111.7m	-13%
Profit after tax	£77.0m	£93.7m	-18%
Basic earnings per share	14.0p	17.1p	-18%
Adjusted EPRA earnings per share ¹	4.4p	3.7p	+19%
Net assets at 30 June	£785m	£731m	+7%
IFRS NAV and EPRA NTA per share ²	143.0p	133.2p	+7%

1 A full reconciliation between IFRS profit and Adjusted EPRA earnings can be found in note 16 of the Financial Statements

2 A reconciliation of IFRS NAV to EPRA NTA can be found in note 29 of the Financial Statements

Operational

	At 30 Sept 2025	At 30 June 2025	At 30 June 2024**	Year-on- year change
Number of completed homes	5,478	5,478	5,396	+2%
Estimated rental value ("ERV") per annum	£73.4m	£72.0m	£65.1m	+11%
Number of contracted homes	–	–	82	–
ERV per annum	–	–	£0.4m	–
Completed and contracted sites	71	71	71	–
ERV per annum of completed and contracted sites*	£73.4m	£72.0m	£65.5m	+10%
Rent collected (as a percentage of total rent invoiced for the period)	99%	100%	99%	+1%

* based on all completed units being occupied/income producing

** restated to exclude a 98-unit site, with a total ERV of £1.0m, following the Board's decision not to exercise an option to purchase it after net returns were considered

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Financial

Earnings in line with Board's expectations

Adjusted EPRA earnings per share

▲ 19% to 4.4p

(2024: 3.7p)

driven by increased rental income and ongoing strong cost control

Operating profit

£97.4m

(2024: £111.7m)

reflecting lower gains from fair value adjustments on investment property of £53.6m compared to the prior year (2024: £73.4m). The gains are non-cash items

- > Continued ERV growth partially offset slightly softer net investment yields of 4.66% compared to 4.59% in the prior year (2024: yields softened to 4.59% from 4.47%)

Profit after tax

£77.0m

(2024: £93.7m)

Net asset value

▲ 7% to £785m

(30 June 2024: £731m)

Net asset value at financial year end driven by strong ERV growth

- > ERV was c.£4.7m higher than passing rent as at 30 June 2025 (2024: £5.4m higher), another indicator of strong fundamentals of the Private Rental Sector ("PRS")
- > IFRS NAV and EPRA NTA increased by 7% to 143.0p per share (2024: 133.2p per share)

Portfolio delivery completed

82 new homes

The remaining balance of 82 new homes was delivered as planned, completing the construction phase and taking the portfolio to 5,478 completed homes at 30 June 2025 (2024: 316 new homes added; 5,396 completed homes)

- > ERV of the 5,478 homes at 30 June 2025 was £72.0m p.a. (30 June 2024: 5,396 homes with ERV of £65.1m p.a.)

Another year of excellent portfolio performance

Rent collection almost 100%

Occupancy 96%

- > Rent collection³ was almost 100% for the year to 30 June 2025 (2024: 99%)
- > Occupancy was 96% at 30 June 2025 (2024: 96%). Including homes where prospective tenants had passed referencing and paid rental deposits but not moved in by 30 June 2025, occupancy was 97% (2024: 98%)
- > Gross arrears were £1.9m at 30 June 2025 (2024: £1.7m)
- > Like-for-like rental growth⁴ over the year was c.9% on stabilised sites (2024: c.12%)
- > Affordability (average rent as a proportion of gross household income) was strong at 24% as at 30 June 2025 (2024: 23%)
- > Gross to net ratio (being non-recoverable property costs as a percentage of revenue) was 19.8% (2024: 18.8%), with the change mainly reflecting increased maintenance partly due to the age of the portfolio and slightly higher costs compared with the prior year
- > Average net investment yield on the portfolio softened slightly to 4.66% (2024: 4.59%)

³ Measured as rent collected relative to rent invoiced in a given period

⁴ Like-for-like rental growth on investment property stabilised sites is defined as the annual rental growth on sites where all units have been completed and either all, or nearly all, have been let at the end of the comparative period

Debt

EPRA loan to value

35%

(2024: 36%)

EPRA loan to value ('LTV') on portfolio reduced slightly to 35% (2024: 36%)

Investment debt is fixed

Approx. **81%** of the current **£434m** of investment debt is fixed at an average interest rate of **3.8%** over an average term of **14 years**, which compares favourably with the average net investment yield of 4.66%

Dividends

Total dividends declared

▲ 4.3p per share

(2024: 4.0p)

increased to 4.3p per share, with dividends declared fully covered on an EPRA EPS run-rate basis since March 2024

Dividend target for FY26 is a minimum of

4.5p per share⁵

Strategic Review

Strategic Review and Formal Sale Process

- > Non-binding heads of terms agreed for Proposed Sale of the Company's assets as announced on 17 September 2025, with proposed buyer being a vehicle wholly owned by a fund being advised by Waypoint Asset Management Limited; underlying investors comprise leading UK local government pension funds;
- > proceeds to the Company, net of transaction expenses and corporation tax, are expected to be approximately £633.2 million.
- > targeting end of November 2025 for completion, which is subject to shareholder approval. Subject to completion, the Board intends to seek further shareholder approval for the voluntary liquidation of the Company with a view to distributing the Company's net assets to shareholders as soon as reasonably practicable.

Q1 FY26 and Outlook

Trading in July – September 2025, the first quarter of the new financial year, remained strong:

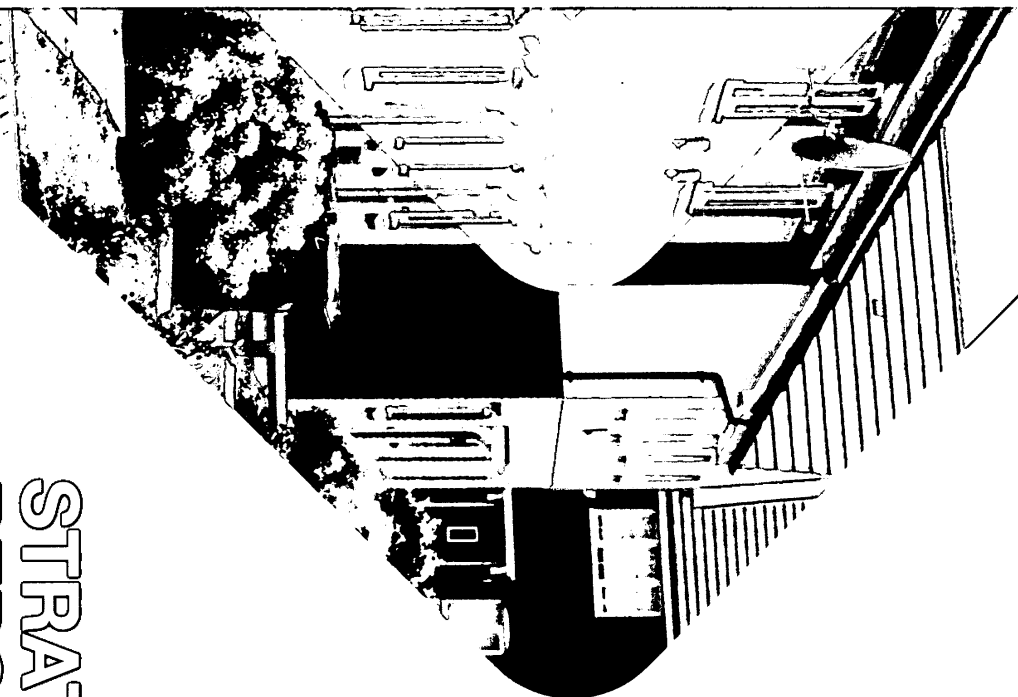
- > ERV of portfolio 5,478 completed homes was £73.4m p.a. at 30 September 2025
- > occupancy high at 96%
- > rent collection strong at 99%
- > like-for-like rental growth on stabilised sites over the year to 30 September 2025 of c.5%
- > affordability (average rent as a proportion of gross household income) very healthy at 23%

Prospects remain very positive and an update on the Strategic Review and Formal Sale Process will be made in due course

⁵ This is a target only and there can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company or assume that the company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.



STRATEGIC REPORT



CHAIRWOMAN'S STATEMENT



Introduction

I am pleased to present The PRS REIT plc's (the "PRS REIT", or the "Company" or the "Group") audited financial results for the year ended 30 June 2025. As planned, the Company's portfolio of rental homes was successfully completed by the end of the financial year, taking its total number of homes to 5,478, with an estimated rental value ("ERV") of £72.0 million p.a. at the financial year end. This landmark point was achieved alongside continued very strong asset performance, and I am also pleased to note the Company's entry into the FTSE 250 Index on 30 September 2024.

Largest portfolio of single-family rental homes in the UK

Over the financial year, the final tranche of 82 homes was completed and added to the portfolio, taking it to 5,478 completed homes at 30 June 2025 (30 June 2024: 5,396 completed homes). We believe it remains the largest portfolio of single-family rental homes in the UK.

The ERV of the 5,478 completed homes was £72.0 million per annum at 30 June 2025 (2024: £65.1 million per annum on 5,396 completed homes), an 11% rise year-on-year. This increase was mainly driven by strong rental growth over the period.

The Company's homes are spread across 71 sites (2024: 71 sites), which are predominantly located in the major regions of England; the North-West, North-East, Yorkshire, the Midlands, the South-East (excluding London) and East of England. We have a single site in North Wales and another in Central Scotland.

Strong asset performance

Our assets continued to perform strongly. Both occupancy and rent collection (measured as rent collected relative to rent invoiced in a given period) over the financial year remained very high. Rent collection was almost 100% (2024: 99%) and occupancy was 96% at 30 June 2025 (30 June 2024: 96%), with 5,252 homes physically occupied out of 5,478 completed homes. Including those homes where a letting had been agreed, referencing passed and a rental deposit paid but where occupancy had not commenced by 30 June 2025, occupancy was 97% (2024: 98%).

Like-for-like rental growth over the financial year on stabilised sites was c.9% (2024: c.12%). A stabilised site is one where all units were completed and let (or nearly all let) at the end of the prior period. The c.9% increase reflected a blended growth rate on re-lets to new tenants and renewals with existing tenants. It is worth noting the closing gap between passing rent and ERV, with rental increases for re-lets slightly less than the rental increase for renewals. Gross rent arrears continued to be modest, despite the increase in let homes, standing at £1.9 million at 30 June 2025 (30 June 2024: £1.7 million).

The affordability ratio, which is measured as average rent as a proportion of gross household income remains another key statistic. The ratio was healthy at 24% at the financial year end (2024: 23%) reflecting the strong tenant base and wage increases. It is also well within the Office of National Statistics' guidance that rent should be less than 30% of a tenant's gross household income.

Net rental income over the financial year grew by 13% to £53.3 million (2024: £47.3 million). The rise was driven by a combination of three factors: a full year's rental contribution from properties that had been completed and let part-way through the prior financial year; increased unit numbers; and rental growth.

The portfolio's strong performance to date demonstrates the continuing need for high-quality family rental homes. While rental housing supply rose over the year to June 2025, supply has still not yet reached pre-2020 levels and remains an estimated 20% below pre-pandemic levels, with significant regional variation. Demand for rented homes is more than 60% above pre-pandemic levels.

In its Housing Insight Report, published on 2 September 2025, Propertymark (a leading property organisation), stated that demand continued to outpace supply. It reported that the average number of applicants per member branch was just over six people for each available property in July 2025, and that while rental inflation had softened in 2025, the average UK rent in July 2025 was 5.9% higher than in July 2024. The Report commented, "The market remains competitive ... and many renters continue to stay put in their current homes in fear of being unable to find somewhere else. If this trend continues and landlords continue to pull their homes from the market, this is only likely to worsen."

Zoopla, a leading UK property website, highlighted the slower pace of rental inflation in its mid-September 2025 Rental Market Report, and stated that rental inflation remains on track to be 3% over 2025. Its Report emphasised the unaffordability of home ownership, which is "trapping people in private renting and keeping rental demand above pre-pandemic levels". It states "We don't expect a surge of new investment activity by landlords to accelerate the supply of homes for rental" and concludes that "encouraging new investment and growing the supply of homes for rent is the only long-term solution to easing the pressure on renters across Britain".

Financial results

Revenue, which is generated wholly from rental income, increased by 14% year-on-year to £66.5 million (2024: £58.2 million). The rise reflects rental growth, a full year's rental income from homes let part-way through the prior financial year, and the increase in completed homes. Non-recoverable property costs as a percentage of revenue increased slightly to 19.8% of revenue (2024: 18.8%), reflecting the ageing of the portfolio with additional homes coming out of warranty and slightly higher costs. Net rental income for the financial year rose by 13% to £53.3 million (2024: £47.3 million).

Expenses in the year increased to £9.6 million (2024: £9.2 million). Expenses include £0.8 million of non-recurring costs relating to the Requisition Event, Strategic Review and Formal Sale Process (2024: £nil), further details of which are given on pages 12 to 13. The £0.8 million is not included in the calculation of EPRA EPS, but treated as an adjusting item due to the one-off nature of these costs. Expenses also reflect the reduction in the Investment Advisory fee, which took effect from the beginning of the financial year.

The gain from the fair value adjustment on investment property was £53.6 million (2024: £73.4 million). It reflected a combination of strong but slower growth in ERV in the year, partially offset by a softening in average net investment yields.

The independent valuer's assessment of ERV on completed and let properties at 30 June 2025 was approximately £4.7 million higher than passing rent (2024: £5.4 million higher), which demonstrates strong reversionary rents for the Company's assets. The fair value of investment property is based on the valuer's estimate of ERV with a capital deduction from investment value where appropriate to reflect the difference between the passing rent and ERV.

Operating profit decreased by 13% to £97.4 million (2024: £111.7 million), which mainly reflected lower gains from fair value adjustments on investment property. These gains are non-cash items.

Finance costs were higher, as expected, at £20.7 million (2024: £18.2 million). This was in line with the increase in debt drawn, in particular the use of the short-term, variable-rate loan facilities, which have higher interest rates than the longer-term, fixed-rate investment debt facilities, despite the decrease in reference rates in the year. Finance income from short-term deposits increased to £236,000 (2024: £188,000), reflecting the higher levels of cash held.

Profit after taxation was £77.0 million (2024: £93.7 million) while basic and diluted earnings per share decreased by 18% to 14.0p (2024: 17.1p) on an IFRS basis.

The Group's IFRS net asset value ("**NAV**") per share and EPRA net tangible asset ("**NTA**") per share at 30 June 2025, both increased to 143.0p (31 December 2024: 139.6p, and 30 June 2024: 133.2p). This is a 7% increase over the prior year and a 2% increase over the prior six months.

In line with the process followed since IPO, the NAV of the Company is calculated by reference to the aggregate valuation of each separate property asset. These individual property valuations have been arrived at in accordance with the requirements of IFRS 13 and the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards, incorporating the IVSC International Valuation Standards effective from 31 January 2025, together, where applicable, with the UK National Supplement effective 14 January 2019, (together the "RICS Red Book"). These valuations include a number of unobservable inputs and other valuation assumptions. The key unobservable inputs are: ERV; gross to net assumption; and investment yield. Other Special Assumptions applied in addition to the key unobservable inputs, and used since inception include:

- > all individual site valuations have been treated assuming part of a larger portfolio (in excess of £50 million); and
- > an indirect purchase of a special purpose vehicle holding title to the asset, so stamp duty is assessed on a share purchase basis rather than as property.

Net assets at 30 June 2025 rose by 7% to £785 million (30 June 2024: £731 million). This was after paying dividends of £23.1 million in the year (2024: £22.0 million).

Debt facilities

As at the financial year-end on 30 June 2025, the Company had £467 million of committed debt facilities available for utilisation, of which nearly £429 million was drawn. These facilities comprised £434 million of investment debt facilities and £33 million of development debt facilities. The latter has since been repaid and the facility closed in September 2025 following the completion of the delivery programme.

Our lending partners are: Scottish Widows (£250 million – investment debt); Legal and General Investment Management (£102 million – investment debt); The Royal Bank of Scotland plc ("**RBS**") (£82.5 million – investment debt); and Barclays Bank PLC (£33 million – development debt).

The PRS REIT has fixed long-term debt facilities totalling £352 million, with an average blended interest rate of 3.8% and an average term of 14 years, which compares favourably with the average net investment yield of 4.66% as at 30 June 2025. These long-term debt facilities account for approximately 81% of the Company's total investment debt of £434 million.

The portfolio's gearing reduced slightly to 35% EPRA LTV (2024: 36%), and the debt facilities are below the maximum gearing ratio of 45% of gross asset value, in line with the Company's Investment Policy.

Environmental, Social and Governance ("ESG") practices

The PRS REIT is a member of the UK Association of Investment Companies and adheres to its Code of Corporate Governance to ensure best practice in governance.

The Board is responsible for determining the Company's investment objectives and policy, and has overall responsibility for the Company's activities. This includes the review of investment activity and portfolio performance. The day-to-day management of ESG matters is delegated to the Investment Adviser, Sigma PRS, a signatory and participant of the United Nations Global Compact.

As a landlord of a substantial portfolio of residential properties across the United Kingdom, the Board recognises the significant potential impact the Company can have on both individuals and communities. With this in mind, in creating the portfolio, our primary objectives were to establish developments offering high-quality, energy-efficient and well-located homes, and to provide residents with high customer service levels. Environmental considerations were also important and remain so. In addition, we place a strong emphasis on promoting a sense of community within our developments and actively facilitate and support the development of strong community links.

This ethos underpins the Group's Environmental, Social and Governance activities and policies. Further details are provided in the Investment Adviser's Report. They illustrate our ongoing initiatives to maintain a high standard of customer care, foster a sense of community, and promote environmental sustainability. We believe that the regular social activities that we organise across developments, as well as the partnerships formed with charities, sports clubs and other beneficiary organisations, help to promote both individual well-being and social cohesion. Feedback from residents and other beneficiaries indicate the tangible benefits that are delivered, and we are pleased to highlight the specific examples included in the Investment Adviser's Report.

Requisition event, Board changes, and Strategic Review and Formal Sale Process

As previously reported, a Requisition Notice was received on 29 August 2024, which set in motion a consultation process with major shareholders and Requisitioning Shareholders. The outcome of this process was the withdrawal of the Requisition Notice and the implementation of a number of Board changes. On 8 October 2024, Robert Naylor and Christopher Mills were appointed to the Board as Non-executive Directors, and on 3 December 2024, at the Company's AGM, Geeta Nanda, previously the Senior Independent Director, assumed the role of independent, Non-executive Chairwoman, with Chairman Steve Smith stepping down. Karima Fahmy became Senior Independent Director. On 1 September 2025, after Karima retired from the Board to take up a position overseas, Steffan Francis took up the role. The Board takes this opportunity to thank Steve and Karima for their contribution to the Company during their tenure.

As previously announced on 23 October 2024, a strategic review formally commenced to consider the future of the Company and to explore all the various strategic options available to enhance value for shareholders, including a potential sale of the Company ("**Strategic Review and Formal Sale Process**").

On 17 September 2025, the Company entered into non-binding heads of terms for the proposed sale (the "**Proposed Sale**") of The PRS REIT Holding Company Limited, the Company's operating subsidiary that holds the entirety of the Company's portfolio of property assets, to a vehicle ("**Bidco**") wholly owned by a fund being advised by Waypoint Asset Management Limited ("**Waypoint**") as investment adviser. The cash consideration receivable in respect of the Proposed Sale is expected to be approximately £646.2 million. Proceeds to the Company of the Proposed Sale, net of transaction expenses and corporation tax, are expected to be approximately £633.2 million.

This Proposed Sale is conditional on, inter alia: satisfactory completion of confirmatory due diligence by Waypoint; the Company and Bidco agreeing and entering into a sale and purchase agreement in respect of the Proposed Sale; and approval of the Proposed Sale by the Company's shareholders at a general meeting by way of a special resolution. The Company and Waypoint are working together with a view to completing the Proposed Sale by 30 November 2025.

Subject to completion of the Proposed Sale, the Board intends to seek further shareholder approval for the voluntary liquidation of the Company, with a view to distributing the Company's net assets to shareholders as soon as reasonably practicable. Details of the net assets to be distributed to shareholders will be announced in due course.

The Strategic Review and Formal Sale process, conducted in conjunction with the Board's advisers, has been thorough, and multiple, non-binding expressions of interest were received from a wide range of parties. However, the Company has not received any written proposals on superior terms to the Proposed Sale, or received an equivalent proposal that is not conditional on securing further funding. The Board has noted the disparity between the pricing presented in these indications of interest and the Company's NAV which has highlighted that due to the size of the Company, amongst other things, the current realisable value of the Company or its assets as a whole, may be materially different from the aggregate of the estimate of each property's value. Accordingly, the Board believes that the Proposed Sale provides the greatest certainty and cash return to shareholders of any of the proposals received.

Subject to the outcome of the Strategic Review and Formal Sale Process, the Board intends to consider and develop a succession plan in respect of Board members in early 2026. This is particularly relevant for the tenures of Steffan Francis and Rod MacRae, which are both coming up to nine years of service in April 2026. Succession planning, will be conducted in accordance with the AIC Code of Corporate Governance.

Investment Advisory Agreement

In November 2024, the Company's Investment Advisory Agreement (the "**Agreement**") with Sigma PRS Management Ltd ("**Sigma PRS**") was amended to include a change of control provision such that both parties have the right to serve notice to terminate the Agreement on 12 months' notice in the event of a change of control of the Company. This change was designed to add further flexibility as to how any potential sale of the Company could be implemented.

Summary and outlook

The completion of the Company's portfolio of new, high-quality, single family rental homes in June 2025 marked a significant milestone and we believe it remains the largest of its kind in the UK. The portfolio's performance measures have been excellent and we expect it to continue to perform very well, supported by effective asset management as well as market fundamentals.

Over the first quarter of the new financial year, the ERV of the completed portfolio increased to £73.4 million per annum as at 30 September 2025 (30 June 2025: 5,478 completed homes with an ERV of £72.0 million per annum and 30 September 2024: 5,425 completed homes with an ERV of £67.5 million per annum). Asset performance over the quarter has been very strong. Rent collection in the first quarter was 99% (30 September 2024: 100%) and total occupancy at

30 September was at 96% (30 September 2024: 98%), with 5,251 homes occupied out of the total of 5,478. At that point, including those 83 homes reserved for applicants who had passed referencing and paid rental deposits but not taken occupancy by 30 September 2025, total occupancy was 97%. Total arrears at 30 September 2025 stood at £2.1 million (2024: £1.6 million). The like-for-like rental growth on stabilised sites over the year to 30 September 2025 was c.5% (2024: c.12%).

We increased the total dividend in the financial year under review and it has been fully covered on a run rate EPRA EPS basis since March 2024. The dividend target for the new financial year is a minimum of 4.5 per share*, and we expect to declare the interim dividend for the first quarter of the new financial year in November 2025.

The Company's debt position is very robust with approximately 81% of long-term debt fixed at an average weighted cost of 3.8% over an average term of 14 years. Current market forecasts suggest that interest rates are expected to reduce further this year, providing an opportunity to either extend the existing or agree another fixed-rate, long-term investment debt facility to replace the short-term RBS variable rate facility.

Geeta Nanda
Chairwoman
6 October 2025

* This is a target only and there can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, potential investors should not place any reliance on this target in deciding whether or not to invest in the Company or assume that the company will make any distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.

IFRS AND EPRA PERFORMANCE MEASURES

Under the European Real Estate Association ("EPRA") Best Practice Recommendations for financial disclosures by public real estate companies, three measures for reporting net asset value are available, EPRA Net Tangible Assets ("NTA"), EPRA Net Reinstatement Value ("NRV"), and EPRA Net Disposal Value ("NDV").

The Group considers EPRA NTA to be the most relevant measure for its operating activities and has adopted this as the Group's primary measure of net asset value.

EPRA NRV is not considered an appropriate disclosure measure for the PRS REIT as the Group has acquired, constructed and developed the vast majority of assets and this would therefore equate to adjusted historic construction cost.

The valuation of the Group's assets is undertaken in accordance with RICS guidance. However, this does not include any adjustment to reflect the size and scale of the Group's overall portfolio of assets. In the absence of comparable market evidence for such a portfolio, EPRA NDV is not considered an appropriate measure.

KPI	Explanation	Performance	
		Year to 30 June 2025	Year to 30 June 2024
IFRS NAV (see note 29)	Unadjusted net asset value.	143.0p per share	133.2p per share
EPRA NTA (see note 29)	EPRA Net Tangible Asset is net asset value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term property business model.	143.0p per share	133.2p per share
IFRS EPS (see note 16)	Unadjusted earnings per share.	14.0p per share	17.1p per share
EPRA EPS (see note 16)	Earnings per share excluding investment property revaluations, gains and losses on disposals, changes in the fair value of financial instruments and associated close-out costs and their related taxation.	4.4p per share	3.7p per share
Adjusted EPRA Earnings (see note 16)	EPRA Earnings is a measure of operational performance and represents the net income generated from the operational activities excluding changes in value of investment properties.	£'000 24,241	£'000 20,263
EPRA Net Initial Yield ("NIY") (see supplementary information, page 147)	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 excluding any deduction for (estimated) purchasers' costs.	4.4%	4.2%
EPRA Cost Ratio including direct vacancy costs (see supplementary information, page 146)	Administrative and operating costs (including costs of direct vacancy) divided by gross rental income.	33.0%	34.6%
EPRA Loan to Value ("LTV") (see supplementary information, page 147)	The Group's net debt expressed as a percentage of the investment property portfolio.	34.5%	35.7%

MARKET DYNAMICS

The UK build-to-rent sector ("**BTR**") has been growing robustly over the past decade although it is still significantly behind the mature markets of Germany and the United States. It has also established itself as an important component in the delivery of new housing in general, including for sale and affordable homes. The sector has become closely integrated into house builders' delivery strategies, with partnerships between house builders and institutional investors providing significant benefits for both parties. House builders are able to reduce their reliance on their own sources of capital and debt, and improve their cash flows, thereby enabling them to deliver more homes in total while BTR specialists have been able to tap into an established supply chain.

According to the British Property Federation's Q2 BTR Report, at the end of June 2025, a total of 293,096 BTR homes were either completed, under construction or in planning in the UK. Some 132,296 homes were completed at that point, up 12% year-on-year, while 51,216 homes were under construction and 109,583 in the planning pipeline. The number of homes under construction was down 11% year-on-year and the number in planning up 5% up over the year to 30 June 2025, which may constrain longer term supply. Approximately, 87% of the 293,096 BTR homes completed, under construction or in planning were Multifamily (BTR flats) with only 13% Single Family (BTR houses). Over the last six years or so, the number of BTR homes being delivered outside London, has been growing and the split between BTR homes in the regions and London is now 62%: 38%. These percentages include all BTR homes, completed, under construction or in planning.

The key driver of the growth in the BTR sector has been the structural shortage of properties in the UK, for both the owner-occupied and rental sectors. The former has been impacted by affordability issues, which have increased demand in the rental sector, while rental supply has been adversely affected by private landlords leaving the private rented sector. Since 2010, several policy changes have adversely impacted private landlords, disincentivising them from participating in the market. These include tax changes, changes to Stamp Duty Land Tax, tighter lending criteria on Buy-to-Let mortgages and, more recently, government plans to reform the private rented sector with the Renters' Rights Bill. Higher interest rates and rising costs have also hit private landlords. Savills reported that approximately 290,000 rental properties, making up 6% of the rental stock in England and Wales, were sold between April 2021 and October 2024. According to the English Private Landlord Survey 2024, more private landlords reported that they were planning to decrease the size of their portfolio than in 2021 and 2018.

The significant imbalance between supply and demand in the UK housing market has put considerable pressure on the rental market. The shortage of rental properties was highlighted in a report from TwentyCI and TwentyFA, which stated that the supply of new properties to rent in Q1 2025 reduced by 1% in the quarter compared to the same period in

the previous year and was 22% lower than the corresponding period in the pre-pandemic year of 2019. In addition, the volume of all properties to let in the quarter reached an all-time low and was 18% less than in Q1 2024. In its Rental Market Report March 2025, Hometrack stated that each rental property was receiving on average around 12 enquiries. Although this is lower than 2022-24 levels, it remains higher than pre-pandemic levels.

The high rental growth of the past few years has moderated more recently, principally driven by affordability issues. The Office of National Statistics has estimated that average UK monthly private rents increased by 6.7% in the 12 months to June 2025, compared to 7.0% in the twelve months to June 2024.

Fundamentally, the rental market needs more supply, however it seems likely that forthcoming rental reforms and other proposed policy changes will limit new investment and supply growth, at least from private landlords.

Given the potential for further departures from the market by private landlords at a time of continuing strong demand, especially for high-quality, well-managed rental properties, the outlook for the BTR sector appears strong.

Private Rented Sector Reform

The Renters' Rights Bill is the most significant reform of the private rented sector since the Housing Act 1988, and has wide-ranging implications for landlords, tenants and letting agents. First introduced to Parliament in September 2024, it is currently expected to come into force later this year or in early 2026 and will apply to all tenancies in England.

A key proposal of the new legislation is the reform of the grounds for repossession. The abolition of Section 21 "no fault" evictions will remove a landlord's ability to evict tenants without a specific, legally defined reason. Other proposals include the replacement of fixed-term assured tenancies and assured shorthold tenancies with periodic tenancies, typically rolling monthly, with tenants able to end their tenancy at any time with two months' notice. Private rented properties will have to meet the Decent Homes Standard, with a strengthening of timeframes in which landlords are required to investigate and fix reported health hazards. There will also be a requirement for rental properties to have an EPC rating of C or above by 2030. These proposals are likely to put further pressure on private landlords to exit the sector.

As a professional landlord, the PRS REIT is in the market for the long-term and is in favour of proposals that support the rights of tenants to a decent home while also supporting responsible landlords. All of the Company's homes have an EPC rating of C or above, with 88% of the portfolio rated as A and B.

PORTFOLIO ANALYSIS

As at 30 June 2025, the value of the Group's completed property portfolio was c.£1.2 billion (2024: c.£1.1 billion). These are independent, third-party property valuations determined by Savills, the global real estate services provider.

Since May 2017, Savills has undertaken separate property valuations of each asset as they were acquired by and developed by the PRS REIT. In addition, a valuation has been prepared by Savills on a biannual basis since 2018. The property valuations have been arrived at predominantly by reference to market evidence of ERV, net investment yield, and open market value for comparable properties in accordance with the requirements of IFRS 13 and the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards, incorporating the IVSC International Valuation Standards effective from 31 January 2025, together, where applicable, with the UK National Supplement effective 14 January 2019, (together the "RICS Red Book"). Every property is reviewed individually and visited at least once a year by a member of the Savills valuation team.

Regional split of the portfolio by investment value – at 30 June 2025

The portfolio is geographically diversified and at 30 June 2025, the regional split by investment value was as follows:

Region	2025	2024
North West	51%	52%
West Midlands	22%	21%
South East	11%	11%
Yorkshire	11%	11%
North East	2%	2%
Wales	2%	2%
Scotland	1%	1%

Other key metrics – at 30 June 2025

- > Gross-to-net: the deduction from gross rent to net rent across the portfolio for the year ended 30 June 2025 was 19.8% (2024: 18.8%) largely reflecting increased maintenance expenses, partly due to the age of the portfolio, as well as slightly higher costs.
- > Rent roll: the rent roll at 30 June 2025 was £68.6 million (2024: £61.9 million) and the average rent increased to £13,151 per annum or £1,096 per month (2024: £12,060 per annum or £1,005 per month).
- > Average size of site: the average size of site was 77 housing units (2024: 77 housing units).
- > Properties by bedroom number: the split between 1, 2, 3 and 4-bedroom properties was unchanged at 3%, 26%, 62% and 9% respectively (2024: 3%, 26%, 62% and 9% respectively).
- > Bad debt: bad debt expense for the year was £0.3 million (2024: £0.3 million) and the bad debt provision at the year-end was £0.9 million (2024: £0.7 million) reflecting a prudent approach in the current economic climate.



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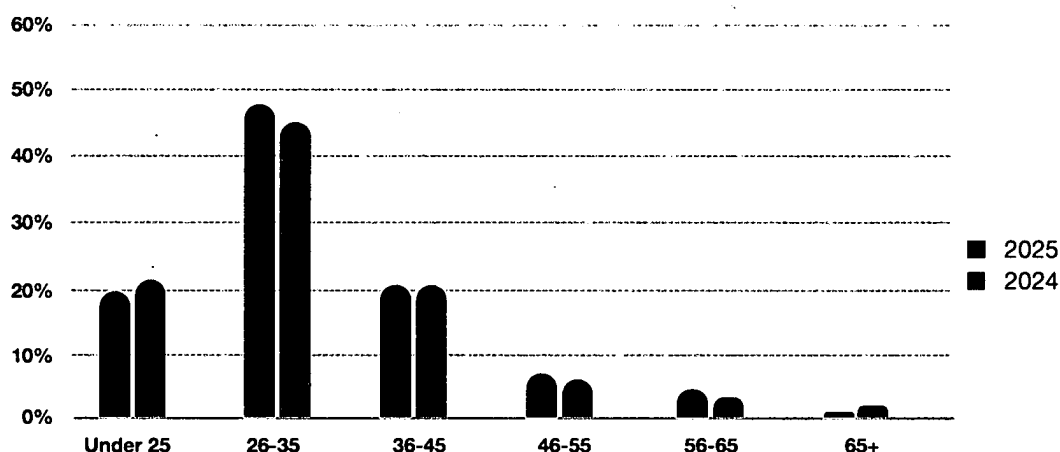
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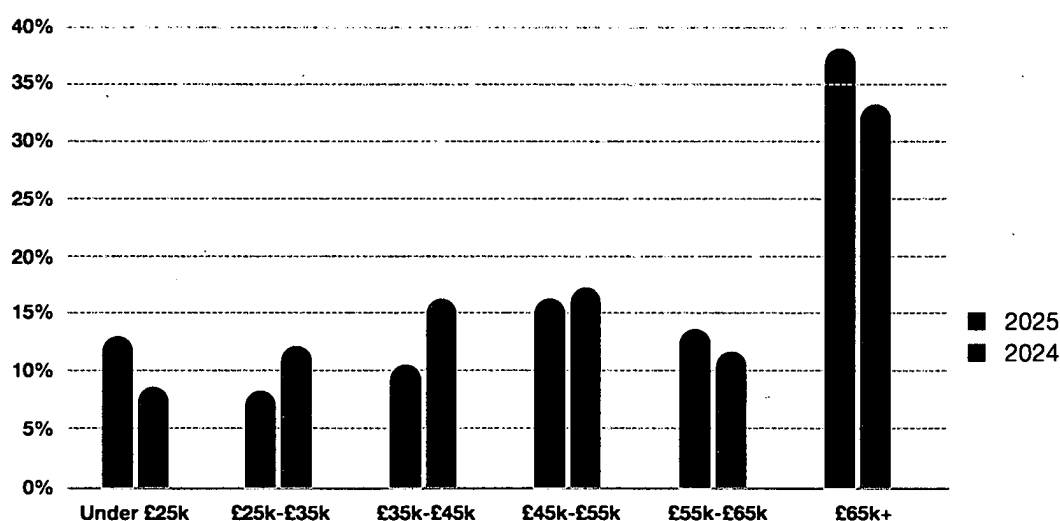
Age groupings

The largest age grouping across the customer base at the time of sampling on 30 June 2025 was 26-35 years, with this age group increasing to c.48% of the total customer base from c.46% in the prior year. The under 25 and over 65 age groups also changed slightly year-on-year, with both age groups reducing slightly as a proportion of the total customer base. Other age groupings remained largely unchanged on 2024.



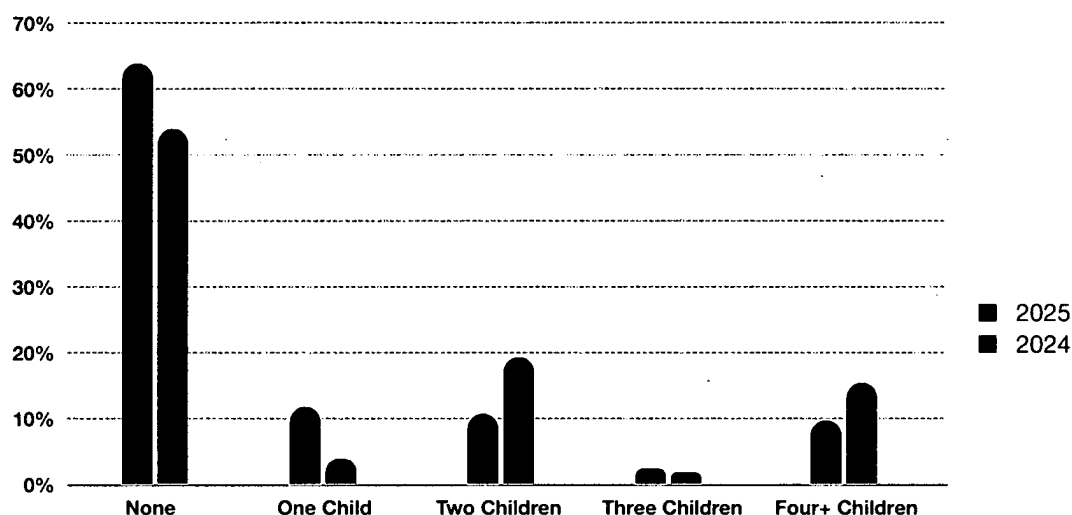
Household income bracket

The average income across the portfolio has moved higher compared to the prior year, driven by increases in the two highest household income brackets (together now c.52% of the total, up from c.45% in the prior year). There was little change in the third highest income bracket (£45,000-£55,000) and reductions in the lower income ranges, with the exception of the 'under £25,000' household income range, which increased year-on-year.



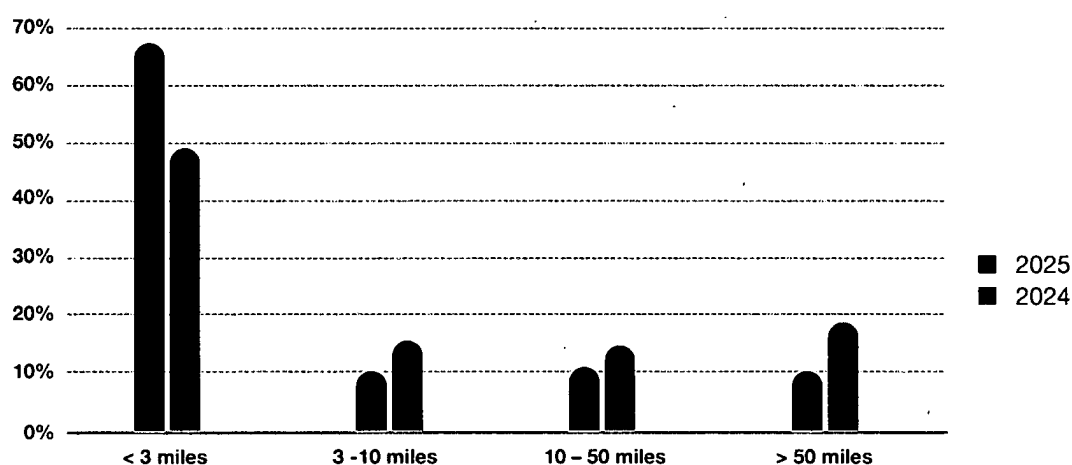
Tenancies with children

Households with children reduced markedly year-on-year to c.37% of total households against c.45% in the prior year. The change may indicate a tendency to defer, or abandon, family formation. A second marked change was the number of households with four children or over, which decreased significantly. Households with two children also reduced sharply, while single-child households went up year-on-year.



Distance travelled

We record the distance travelled by tenants from their previous address to their new 'Simple Life' home. The largest category by far is those travelling 'under three miles', which has also increased significantly against the prior year. As the brand is nationwide, we believe that this shows increasing brand awareness and that our model of site selection in and around major conurbations is capturing residents moving for employment reasons.



The data for both years are based on new applicant, regional data collected.

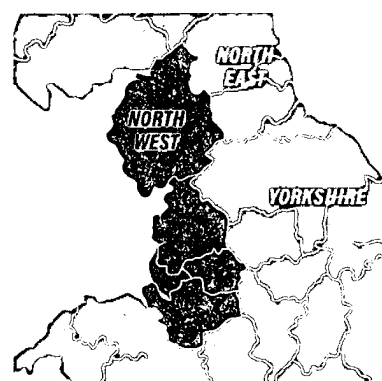
Property portfolio – North West

2,969

Number of units

51%

of portfolio by investment value



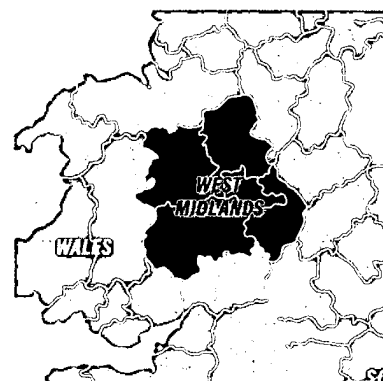
Address	Units	Assets completed over three years ago	Debt pool
Empyrean (Lower Broughton 5), Salford M7 1GA	299	Y	LGIM
Reynolds Place (Eaton Works), Worsley M28 3GJ	148	Y	LGIM
Canalside (Whitworth Way), Wigan WN6 7NN	145	Y	SWII
Prescot Park (Carr Lane), Prescot L34 1BA	140	Y	SW
Coppenhall Place (Bombardier), Crewe CW1 3JB	131	Y	–
Beehive Mill, Bolton BL3 2GD	127	Y	SWII
Holyoake Road, Walkden M28 3DL	123	Y	SWII
Baytree Lane, Middleton M24 2EL	110	Y	SW
Hilton Park (Chadwick Street), Leigh WN7 1RL	103	Y	SWII
Brookside Grange (Roch Street), Rochdale OL16 2NB	100	Y	SWII
Earle Street, Newton-le-Willows WA12 9DS	97	Y	SW
Highfield Place (Tower Hill 3), Kirkby L33 1XD	96	Y	LGIM
Abbotsfield (Reginald Road), St Helens WA9 4HZ	92	Y	SWII
Shrewsbury Close (Tintern Avenue), Middleton M24 6BZ	88	Y	SW
Brookfield Vale Phase 1, Blackburn BB2 3TZ	85	N	RBS
Havenswood (Newhaven Business Park), Eccles M30 0YR	84	Y	SWII
Hollystone Bank (Riverside College), Runcorn WA7 4BD	83	Y	SWII
Durban Mill, Oldham OL8 4NH	80	Y	SW
Our Lady's (Our Lady's School), Little Hulton M28 0HF	73	Y	SW
Norwich Green (Norwich Street), Rochdale OL11 1LP	70	Y	SWII
Coral Mill, Newhey, Rochdale OL16 3FR	69	Y	SW
Brookfield Vale Phase 2, Blackburn BB2 3TZ	69	N	RBS
Queen Victoria Place (Queen Victoria Street), Blackburn BB2 2QZ	68	Y	SWII
Hamilton Square (Howe Bridge Mill), Atherton M46 0TU	59	Y	SW
Juniper Grove (Leach Lane), St Helens WA9 4YS	55	Y	SW
Woodford Grange (Woodford Lodge Phase 1&2), Winsford CW7 1GR	54	Y	SW
Rochwood Rise (Entwisle Road), Rochdale OL16 2LJ	54	Y	SWII
Woodbine Road (Mackets Lane), Halewood, Liverpool L25 9AA	50	Y	SW
Belmont Place (Owens Farm), Hindley Green WN2 4XS	50	Y	SW
Ribblesdale Place, Accrington BB5 5BQ	47	N	RBS
Highfield Green (Tower Hill 2), Kirkby L33 1AH	42	Y	SW
Chase Park, Ellesmere Port CH65 5FA	40	Y	SW
Harewood Close (Durham Street), Rochdale OL11 1JZ	38	Y	SWII

Property portfolio – West Midlands

1,168 Number of units

22%

of portfolio by investment value



Address	Units	Assets completed over three years ago	Debt pool
James Mill Way (Cable Street), Wolverhampton WV2 2JG	164	Y	SWII
Dracan Village at Drakelow Park Phase 1, Burton-on-Trent DE15 9UA	154	N	BB*
Sutherland Grange (Sutherland School), Trench, Telford TF2 7JR	123	Y	SWII
Stonefield Edge (Bilston Urban Village), Wolverhampton WV14 0RT	123	Y	SWII
Ward's Keep (Heathfield Lane Phases 1&2), Darlaston WS10 8QY	109	Y	SWII
Silkin Green, Hinkshay Road, Telford TF4 3FY	78	Y	SW
Galton Lock (Mafeking Road), Smethwick B66 1BA	63	Y	SW
Stanley Park (Stanley Potteries), Stoke ST6 3PP	63	N	LGIM
Baberton Grange, Plough Hill Road, Nuneaton CV10 9NZ	50	Y	LGIM
Dracan Village at Drakelow Park Phase 2, Burton-on-Trent DE15 9UA	41	N	-
Kingmakers View, Wolvey, Hinkley, LE10 3JF	32	N	BB*
Bluebell Manor (Dawley Road), Telford TF1 2NA	31	Y	RBS
Lea Hall Gardens, Handsworth B20 2AP	31	Y	SWII
Spirit Quarters, Monkswood Crescent, Coventry CV2 1BL	29	Y	SW
Brickkiln Place (Brickkiln Ph1&2), Wolverhampton WV3 0BY	24	Y	SWII
Spirit Quarters, Milverton Crescent, Coventry CV2 1GL	20	Y	SW
Ashbank Heights, Werrington, Stoke, ST9 0JR	16	N	RBS
Brickkiln Place (Brickkiln Ph3), Wolverhampton WV3 0BY	7	Y	SWII
Charlton Gardens, Phase 1, Telford, TF1 6DA	7	N	RBS
Charlton Gardens, Phase 2, Telford, TF1 6DA	3	N	RBS

* Transferred into RBS facility in July 2025

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Property portfolio – Yorkshire

626

Number of units

11%

of portfolio by investment value



Address	Units	Assets completed over three years ago	Debt pool
Prince's Gardens (Manor Top Phase 2), Sheffield S2 1EU	85	Y	SWII
Prince's Gardens (Manor Top Phase 1), Sheffield S2 1EU	78	Y	SW
Ashfield Park, Station Road, Normanton WF6 2NE	72	Y	LGIM
Pullman Green (Hexthorpe Phase 1), Doncaster DN4 0BE	69	N	RBS
East Hill Gardens (East Bank Road), Sheffield S2 3PS	58	Y	SWII
Yew Gardens, Granby Road, Doncaster DN12 1EJ	53	Y	SW
Pullman Green (Hexthorpe Phase 3), Doncaster DN4 0BE	52	N	RBS
Pullman Green (Hexthorpe Phase 2), Doncaster DN4 0BE	49	N	RBS
Holybrook (Romanby Shaw), Bradford BD10 0FQ	47	Y	SW
Pullman Green (Hexthorpe Phase 4), Doncaster DN4 0BE	39	N	BB**
Park Grange House (Norfolk Park), Sheffield S2 3DB	24	Y	SW

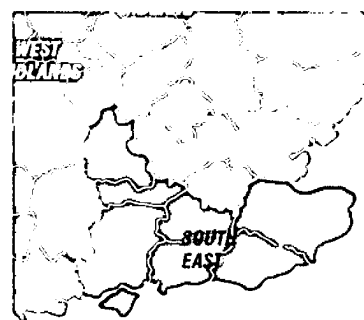
** Transferred into RBS facility in September 2025



Property portfolio – South East

381 Number of units

11%
of portfolio by investment value



Address	Units	Assets completed over three years ago	Debt pool
Milard Grange (Houghton Regis Parcel 6), Houghton Regis LU5 6JQ	129	N	LGIM
Coppice Hill (Houghton Regis Parcel 8), Houghton Regis LU5 6SF	113	N	RBS
Base at Newhall (Harlow Phase 2), Harlow CM17 9LS	74	N	LGIM
Base at Newhall (Harlow Phase 1a), Harlow CM17 9TN	28	N	SWII
Fornham Place at Marham Park (Marham Park Parcel C), Bury St Edmunds IP32 6NG	21	Y	SWII
Fornham Place at Marham Park (Marham Park Parcel D), Bury St Edmunds IP32 6NG	16	Y	SWII



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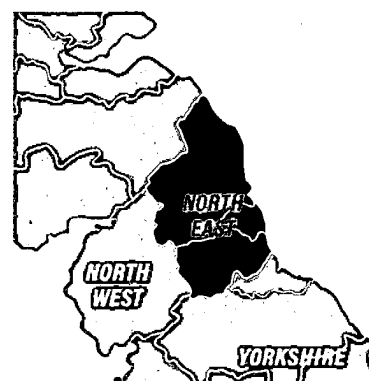
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Property portfolio – North East

160 Number of units

2%
of portfolio by investment value

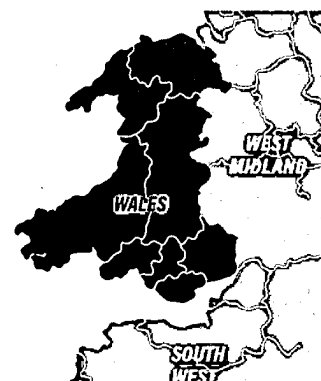


Address	Units	Assets completed over three years ago	Debt pool
Bracken Grange (Brackenhoe), Middlesbrough TS4 3AE	80	Y	LGIM
Kirkleatham Green, Redcar TS10 4GB	80	Y	RBS

Property portfolio – Wales

99 Number of units

2%
of portfolio by investment value



Address	Units	Assets completed over three years ago	Debt pool
Dutton Fields (Airfields), Deeside CH5 2RD	99	Y	LGIM

Property portfolio – Scotland

75 Number of units

1% of portfolio by investment value



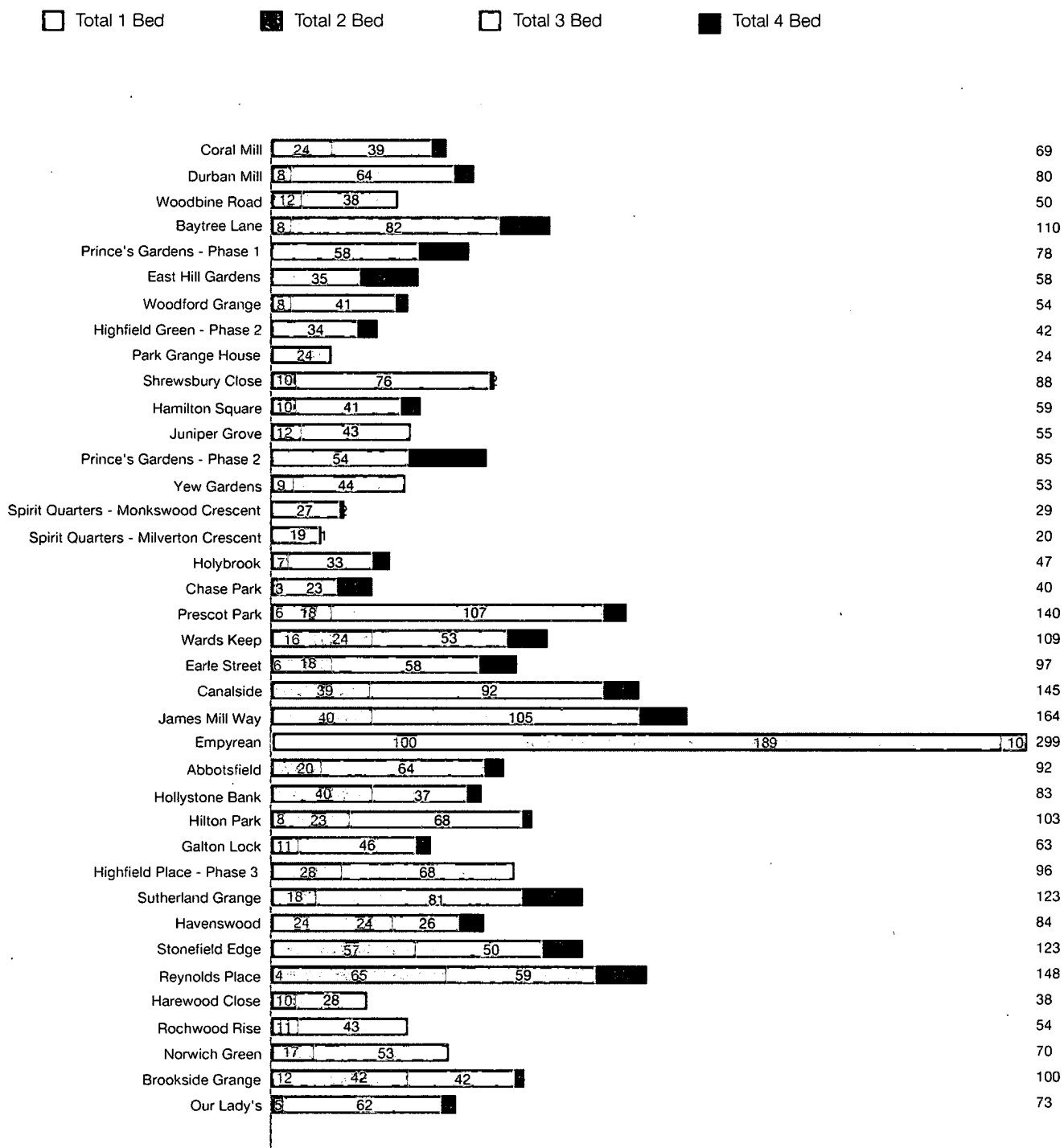
Address	Units	Assets completed over three years ago	Debt pool
Bertha Park, Perth PH1 3JE	75	N	SWII

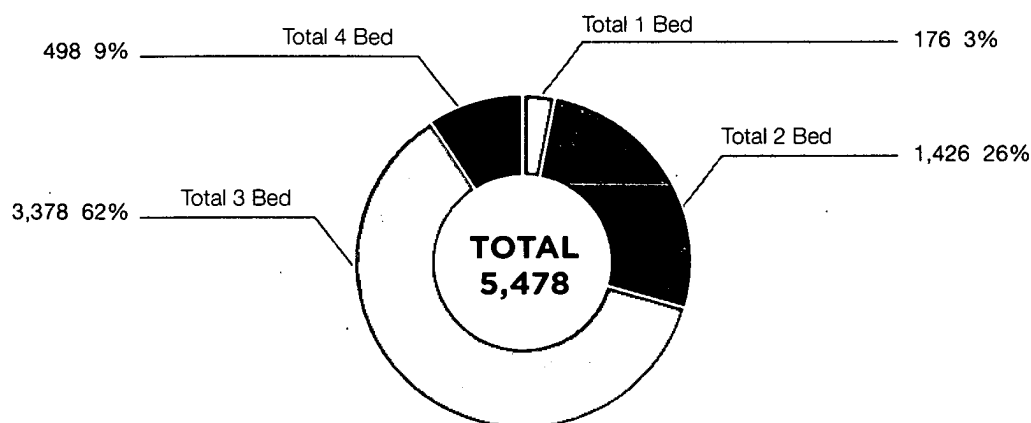
Debt pool:
SW: Scottish Widows – £100m long-term investment debt fixed rate facility
SWII: Scottish Widows – £150m long-term investment debt fixed rate facility
LGIM: Legal and General Investment Management – £102m long-term investment debt fixed rate facility
RBS: Royal Bank of Scotland – £82.5m short-term investment debt variable rate facility
BB: Barclays Bank – short-term £33m development debt variable rate facility (facility repaid and closed in September 2025)



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Property portfolio – mix by property size





Coppenhall Place	24	93	131
Beehive Mill	38	82	127
Silkin Green	11	59	78
Queen Victoria Place	17	47	68
Base at Newhall - Phase 2	14	49	74
Milard Grange - Parcel 6	6	108	129
Dutton Fields	32	61	99
Belmont Place	6	33	50
Ashfield Park	26	46	72
Stanley Park	18	45	63
Bracken Grange	39	41	80
Kirkleatham Green	40	40	80
Coppice Hill - Parcel 8	25	88	113
Brickkiln Place - Phase 1 & 2	10	10	24
Brickkiln Place - Phase 3	6	1	7
Bluebell Manor	17	14	31
Fornham Place at Marham Park - Parcel C	8	13	21
Lea Hall Gardens	28		31
Pullman Green - Phase 1	23	42	69
Pullman Green - Phase 2	14	35	49
Holyoake Road	60	52	123
Ribblesdale Avenue	12	33	47
Base at Newhall - Phase 1a	9		28
Fornham Place at Marham Park - Parcel D	8	8	16
Dracan Village at Drakelow Park Phase 1	37	109	154
Dracan Village at Drakelow Park Phase 2	13	26	41
Brookfield Vale Phase 1	28	51	85
Brookfield Vale Phase 2	12	53	69
Bertha Park	22	49	75
Baberton Grange, Plough Hill	10	36	50
Pullman Green - Phase 4	27		39
Kingmakers View, Wolvey, Hinkley	32		32
Charlton Gardens, Phase 1, Telford Phase 1	2	5	7
Charlton Gardens, Phase 2, Telford Phase 2	3		3
Ashbank Heights, Werrington, Stoke	2	12	16
Pullman Green - Phase 3	18	30	52

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INVESTMENT STRATEGY AND BUSINESS MODEL

Awards

We are very pleased to report that our developments and model continued to be recognised by our industry in award shortlists. We are delighted to highlight the following commendations and achievements:

- > Insider NE Property Awards – Residential Development of the Year 2024 (Kirkleatham Green) – WINNER
- > Love To Rent Awards – Best BTR Marketing Campaign 2024 (Go-Get) – HIGHLY COMMENDED
- > Property Week RESI Awards – BTR Operator of the Year (over 1,000 units) 2025 (Sigma) – FINALIST
- > Insider NW Residential Property Awards – Residential Operator of the Year 2025 (Simple Life Homes) – SHORTLISTED
- > Citywire Investment Trust Awards – Best Property Specialist Trust Award 2024 (The PRS REIT plc) – SHORTLISTED
- > Love To Rent Awards – Best BTR Single Family Housing Development Awards 2024 (Brookfield Vale) – SHORTLISTED
- > Love To Rent Awards – BTR Sustainability Award 2024 – SHORTLISTED
- > Love To Rent Awards – Social Value in BTR Award 2024 – SHORTLISTED

Business activities

The PRS REIT plc is a public limited company that was incorporated in England on 24 February 2017. Together with its subsidiaries, it is the only quoted Real Estate Investment Trust ("REIT") to focus purely on the Private Rented Sector ("PRS").

Investment objective, policy and business model

The PRS REIT is seeking to provide investors with an attractive level of income, together with the prospect of income and capital growth. This financial year it completed its aim to establish a large-scale portfolio of newly-constructed residential rental homes for private rental, in or near UK towns and cities, excluding London. Housing delivery was completed using the Investment Adviser's PRS property delivery and management platform (the "**Platform**"), which continues to provide asset management.

The portfolio of homes is designed for the single family homes ("**SFH**") market, i.e. homes for single family use – mainly houses. This segment is the largest within the private rented sector. The Company has concentrated on traditional housing with broad appeal, and the portfolio comprises differing house types, built to standardised specifications. They cater for most stages of life, including smaller houses for young couples and retirees, and larger houses for growing families. The Company has also invested in some low-rise flats to broaden its rental offering.

The Company's homes are located across multiple sites in the UK, all outside London, with the largest number being in the Midlands and the North. All locations have been carefully chosen for their accessibility to main road and rail links, good primary schooling, and proximity to centres of economic activity. The new-build nature of the assets means that they benefit from a 10-year building warranty, typically from the NHBC (National House Building Council), and manufacturers' warranties. Homes are let on Assured Shorthold Tenancies (as defined in the Housing Act 1988) to qualifying tenants. Asset sourcing was undertaken by Sigma PRS, and the Company has built its portfolio in two ways.

- > In the first instance, on suitable development sites, selected by Sigma PRS, with Sigma PRS obtaining detailed planning permission, agreeing fixed-price design & build contracts with its construction partners, and managing the delivery process on behalf of the Company.

The benefit of this approach is that assets are acquired with detailed planning consent and fixed-price design & build contracts thereby reducing the Company's exposure to development risk. Construction risk is further mitigated by liquidated damages clauses for non-performance, financial retentions for one year after completion, and a parent company guarantee ensuring the satisfactory performance by the contractor and an indemnity for losses incurred. Over 80% of the Company's assets have been sourced this way.

- > In the second instance, assets were acquired by entering into forward purchase agreements with Sigma Capital Group Limited ("**Sigma**"), the holding company of Sigma PRS. However, the assets were only acquired once completed and fully let. Typically, they have been constructed by the same construction partners and supply chain as other assets whose development is described above, thereby ensuring homogeneity of the Company's housing stock. One completed and stabilised development constructed by an approved construction partner was purchased from another third-party.

In both instances, assets were acquired at a valuation provided by an independent valuer. The PRS REIT retains the right-of-first-refusal to acquire and develop any sites sourced by Sigma PRS that meet the Company's investment objective and policy subject to the availability of funding.

Achieving scale and reducing risk

The Sigma PRS Platform

The Investment Adviser utilised Sigma's PRS property delivery and management platform to scale the PRS REIT's portfolio and to minimise development and operational risks. During the delivery process, dedicated Sigma teams managed the legal due diligence, corporate debt provision, site identification, and development management. They also managed accounting and financial reporting, brand representation, and leasing and property management. With portfolio delivery now completed, their focus continues to be on asset management.

The Platform's efficacy is well established and its scale brings significant financial and operational benefits. These include the award-winning 'Simple Life' lettings brand, which has widespread consumer recognition, and the Platform's third-party relationships, which support income growth and cost control.

Dedicated finance team

Sigma's dedicated PRS REIT accounting and financial reporting team cover all aspects of the Company's finances. This includes: site acquisition (during the delivery phase), funding, board management and statutory reporting, performance monitoring, forecasting, debt covenant compliance, and taxation.

Debt and Legal teams

The debt and legal teams at Sigma use their extensive knowledge of the PRS REIT and their longstanding relationships with funders within the sector to secure bespoke, competitively-priced debt facilities. These are used to ensure sufficient ongoing support for the assets throughout their lifecycles. The legal teams have also built-up strong

relationships with funders' advisers and this helps to ensure a streamlined and efficient legal process when transferring assets across debt pools, driving optimum use of capital within the business.

Development team

Sigma has well-established relationships with construction partners, central government, and local authorities. Key construction partners include: Vistry Group, including Countryside Partnerships; Kellen Homes; Springfield Properties; Lovell; Telford Homes; and Persimmon. Homes England, an executive non-departmental public body sponsored by the Department for Levelling Up, Housing and Communities, works closely with Sigma towards the common goal of accelerating new housing delivery in England.

Marketing team

The PRS REIT's homes are marketed under Sigma's 'Simple Life' brand, which is widely recognised as a leader in the single family rental sector. The number of enquires received from Simple Life's marketing channels during the process of renting out vacant properties is now consistently greater than those received from traditional property portals.

Lettings management team

A specialist Sigma team of leasing and property management professionals manage the pricing and the release of new homes and oversee the customer experience across all properties. Sigma has also developed a bespoke, award-winning tenant app to support high customer service levels. It continues to be enhanced with new functionality on an ongoing basis.



Asset management team

The asset management team is responsible for detailed reviews of tenancies, and income and asset management, which are undertaken on a weekly basis. This underpins the orderly management of tenancy renewals and new lettings, supporting income predictability and cash generation. The large size of Sigma's operations, including those outside the PRS REIT, means that the Platform benefits from significant economies of scale. This includes considerable purchasing power, which reduces costs and provides greater long-term visibility of costs.

Geographic diversification

The PRS REIT's concentration risk has been reduced by creating assets across multiple locations and in different regions. Certain locations demonstrate higher yielding profiles (predominantly those in the North of England) while others provide greater potential for capital appreciation (often in the South of England). Proximity to good primary schools has been a key requirement in site selection, reflecting the Company's focus on the single family rental sector.

In addition, no investment has been made in any single completed PRS site or PRS development site that exceeded 10% of the aggregate value of the total assets of the Company at the time of commitment.

'Simple Life' brand

The PRS REIT's rental homes are marketed under the 'Simple Life' brand. The brand has created an identity for the PRS REIT's product, and it aims to represent a 'gold standard' in the private rented sector, with its high-quality, sensibly-priced rental homes, supported by high customer service standards.

The PRS REIT's long-term approach to the ownership of its assets also provides important reassurance to residents that their tenancies offer longevity. The Company also fosters initiatives that help to create a sense of community within the Group's developments.

Investment restrictions

The Group has observed the following restrictions when making investments:

- > in order to further manage risk in the portfolio, no investment by the Group in any completed PRS site or PRS development site exceeded 10% of the aggregate value of the gross asset value of the Group at the time of commitment); and
- > the Group did not invest in other alternative investment funds or closed-end investment companies.

Equity and debt financing

As previously outlined, the PRS REIT obtained funding via equity raises from the capital markets and Homes England and utilises gearing to enhance equity returns. The level of borrowing, raised from banks and other institutions, is prudent for the asset class, whilst maintaining flexibility in the underlying security requirements and the structure of both the portfolio and the Group. The Company's Investment Policy requires the aggregate borrowings of the Group to be subject to an absolute maximum, calculated at the time of drawdown of the relevant borrowings, of not more than 45% of the gross asset value. As the portfolio has now reached stabilisation, the Investment Adviser expects gearing to settle to around one-third of gross asset value. Further detail of the Company's debt facilities can be found in the Investment Adviser's Report.

Derivatives

The PRS REIT uses derivatives for efficient portfolio management. In particular, the Company may engage in full or partial interest rate hedging or otherwise seek to mitigate the risk of interest rate increases on borrowings incurred, in accordance with the Company's gearing limits as part of the management of the portfolio.

REIT status

The Company will conduct its affairs so as to enable it to remain qualified as a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder).

INVESTMENT ADVISER'S REPORT

*Sigma PRS Management Ltd ("**Sigma PRS**"), a wholly-owned subsidiary of Sigma Capital Group Limited, is the Company's Investment Adviser. It is pleased to provide a report on the PRS REIT's activities and progress for the year ended 30 June 2025 and to outline the portfolio's performance in the first quarter of the new financial year ending 30 June 2026.*

Operational review

Development activity

We completed the delivery of the balance of 82 homes that remained in the pipeline by the financial year end. These 82 new homes (2024: 316 new homes) took the total number of completed homes in the portfolio to 5,478, a 2% increase on the same point last year (2024: 5,396). At this stage, there are no further homes to be acquired or developed.

The combined estimated rental value ("**ERV**") of the completed homes in the portfolio increased by approximately 11% year-on-year to £72.0 million per annum (30 June 2024: £65.1 million per annum). The majority of these homes are in six of the eight major regions of England, with the remainder being one site in Wales and another site in Central Scotland.

There is a difference between ERV, which is used for valuation, and the rent being paid by tenants (the passing rent). ERV is what a property could achieve if let at the current market conditions. It is calculated for a specific date and determined based on the assumption of an open market letting, meaning a willing landlord and a willing tenant, with no special circumstances affecting the rent. It therefore reflects the market conditions at the time of calculation.

As at 30 June 2025, ERV was estimated to be c.£4.7 million higher than passing rent (2024: c.£5.4 million higher), which reflects the strong fundamentals of the private rented sector. The fair value of the Company's properties as at 30 June 2025 is based on ERV with a capital deduction from investment value where appropriate to reflect the difference between the passing rent and ERV. All calculations of ERV are conducted independently for the Investment Adviser by a third-party, being Savills.

The table below provides further information on development activity over the financial year, as well as comparative data for the prior financial year and data for the first quarter of the new financial year ending 30 June 2026.

	At 30 September 2025	At 30 June 2025	At 30 June 2024*
Number of completed homes	5,478	5,478	5,396
ERV per annum of completed homes	£73.4m	£72.0m	£65.1m
Completed sites	71	71	68
Contracted sites	–	–	3
Number of contracted homes	–	–	82
ERV per annum of contracted homes	–	–	£0.4m

* Restated to exclude 98 units with ERV of £1.0m, see note below for further details

It should be noted that during the year under review, the Board decided against exercising its option to purchase a completed site of 98 units and an ERV of £1.0m, after considering net returns to the Company. As a result, the total number of contracted and completed sites reduced by one to 71, as at 30 June 2025, from 72 as at 30 June 2024, with the total ERV and number of homes decreasing by £1.0m of ERV and 98 units respectively.

Financial results

Income statement

The Group's revenue (which is wholly derived from rental income) increased by 14% over the year to £66.5 million (2024: £58.2 million). After deducting non-recoverable property costs, the net rental income was £53.3 million (2024: £47.3 million). Administration expenses were slightly higher at £9.6 million (2024: £9.2 million) reflecting advisory costs relating to the Shareholder Requisition Event and Strategic Review and Formal Sale Process, which amounted in total to £0.8 million, including VAT. The rise in administration expenses was partly offset by the reduction in the Investment Adviser's fee, which took effect from 1 July 2024.

The gain from the fair value adjustment on investment property was £53.6 million. This gain is a non-cash item and was 27% lower than last year's gain (2024: £73.4 million). It reflected a combination of strong but slower growth in ERV in the year, which was partially offset by a softening in average net investment yields. Operating profit decreased to £97.4 million (2024: £111.7 million).

As expected, finance costs for the year were higher than the prior year at £20.7 million (2024: £18.2 million). The rise resulted from increased debt utilisation as the portfolio was completed, which offset the slight reduction in reference rates over the year. Finance income from short-term deposits increased to £236,000 (2024: £188,000) reflecting the higher levels of cash held. The profit after taxation decreased to £77.0 million (2024: £93.7 million) largely as a result of the lower revaluation uplift.

The basic and fully diluted earnings per share on an IFRS basis for the year decreased by 18% to 14.0p (2024: 17.1p).

Dividends

The total dividend declared for the financial year under review amounted to 4.3p (2024: 4.0p) per ordinary share. Dividends were declared and paid quarterly as follows:

- > on 7 November 2024, the Company declared a dividend of 1.0 pence per Ordinary Share in respect of the first financial quarter (1 July 2024 to 30 September 2024). It was paid on 29 November 2024 to shareholders on the register as at 15 November 2024;
- > on 11 February 2025, the Company declared a dividend of 1.1 pence per Ordinary Share in respect of the second financial quarter (1 October 2024 to 31 December 2024). It was paid on 7 March 2025 to shareholders on the register as at 21 February 2025;
- > on 6 May 2025, the Company declared a dividend of 1.1 pence per Ordinary Share in respect of the third financial quarter (1 January 2025 to 31 March 2025). It was paid on 6 June 2025 to shareholders on the register as at 16 May 2025; and
- > on 4 August 2025, the Company declared a dividend of 1.1 pence per Ordinary Share in respect of fourth financial quarter (1 April 2025 to 30 June 2025). It was paid on 29 August 2025 to shareholders on the register as at 15 August 2025.

Balance sheet

The principal items on the balance sheet as at 30 June 2025 were investment property of £1.2 billion (2024: £1.1 billion), cash and cash equivalents of £21.6 million (2024: £18.1 million), long-term loans of £410.2 million (2024: £385.1 million), short term loans of £17.9 million (2024: £31.8 million) together with trade and other payables, accruals and deferred income of £14.8 million (2024: £16.3 million).

With new home delivery completed by 30 June 2025, investment property at that date solely comprised completed assets at fair value.

Debt financing

At 30 June 2025, the PRS REIT's debt facilities comprised:

- > £100 million term loan of 15 years with Scottish Widows, fully drawn as at 30 June 2025 (2024: fully drawn) and maturing in June 2033. Interest is fixed at 3.1% and the loan is secured over assets allocated to Scottish Widows;
- > £150 million term loan of 25 years with Scottish Widows, fully drawn as at 30 June 2025 (2024: fully drawn) and maturing in June 2044. Interest is fixed at 2.8% and the loan is secured over assets allocated to Scottish Widows;
- > £102 million term loan of 15 years with Legal and General Investment Management, fully drawn as at 30 June 2025 (2024: fully drawn) and maturing in July 2038. Interest is fixed at 6.0% and the loan is secured over assets allocated to Legal and General Investment Management;
- > £82.5 million revolving credit facility ("RCF") with The Royal Bank of Scotland plc ("RBS") to mid-July 2026. As at 30 June 2024, this was a £75 million two year facility to July 2025. This facility was increased and extended in March 2025. Interest is based on three-month Sterling Overnight Interbank Average Rate ("SONIA") plus applicable margin and the loan was secured over assets allocated to Lloyds Banking Group. As at 30 June 2025, £59.2 million had been drawn (2024: £34.3 million drawn); and
- > £33 million (2024: £33 million) development debt facility with Barclays Bank PLC, which matured in September 2025. Interest was based on three-month SONIA plus applicable margin and the loan was secured over assets allocated to Barclays Bank PLC. As at 30 June 2025, £18.2 million had been drawn (2024: £32.6 million drawn). In September 2025, the Barclays Bank PLC development debt facility was fully repaid and closed.

EPRA loan to value ("LTV") on the portfolio was 35% (2024: 36%). Approximately 81% of the £434 million of investment debt is now fixed rate at an average of 3.8%, which compares favourably against the average net investment yield for valuation purposes of 4.7%.

The PRS REIT's aggregate borrowings will always be subject to an absolute maximum, calculated at the time of drawdown of the relevant borrowings, of not more than 45% of the value of the assets.

Key performance indicators

The Company's performance is tracked and the major key performance indicators ("KPIs") are shown below:

KPI	June 2025	June 2024	Change
Rental income (gross)	£66.5m	£58.2m	+14%
Average rent per month per tenant	£1,096	£1,005	+9%
Number of properties available to rent	5,478	5,396	+2%
Average net investment yield	4.7%	4.6%	+2%
Non-recoverable property costs as a percentage of gross rent (gross to net)	19.8%	18.8%	+5%
Fair value uplift on investment property	£53.6m	£73.4m	-27%
Operating profit	£97.4m	£111.7m	-13%
Earnings per share ('EPS')	14.0p	17.1p	-18%
EPRA EPS	4.4p	3.7p	+19%
Dividends declared per share in relation to the period	4.3p	4.0p	+8%
Dividends paid during the period	4.2p	4.0p	+5%

All the KPIs are in line with management expectations. Rental income increases, non-recoverable property costs, operating profit, and the number of properties available to rent reflect the increase in the size of the portfolio and the progression of development sites.



The valuation of the Group's property assets is based on three key drivers:

- > ERV;
- > gross to net income deductions; and
- > yield.

Valuation of development sites was previously also driven by land purchase costs and build costs.

Rental income, being passing rent (i.e. the rent a tenant is paying rather than ERV) and gross to net income deductions or operating costs, are the key factors in determining net income. Small variations in these can have a material impact on the valuation of property or the net income levels. These drivers therefore form the basis of the key performance indicators measured and monitored by the Company. Other Special Assumptions are applied in addition to the key drivers. They have been applied consistently since the portfolio's inception and include the following, all individual sites are valued on the basis that they are part of a larger portfolio (in excess of £50 million) and stamp duty is assessed on a share purchase basis (rather than on a property basis) because special purpose vehicles hold title to the assets.

As all the property assets were completed by 30 June 2025, our primary focus is now on rental income performance, operating expenses and average net investment yield. Rental income is dependent on occupancy and annual rent levels.

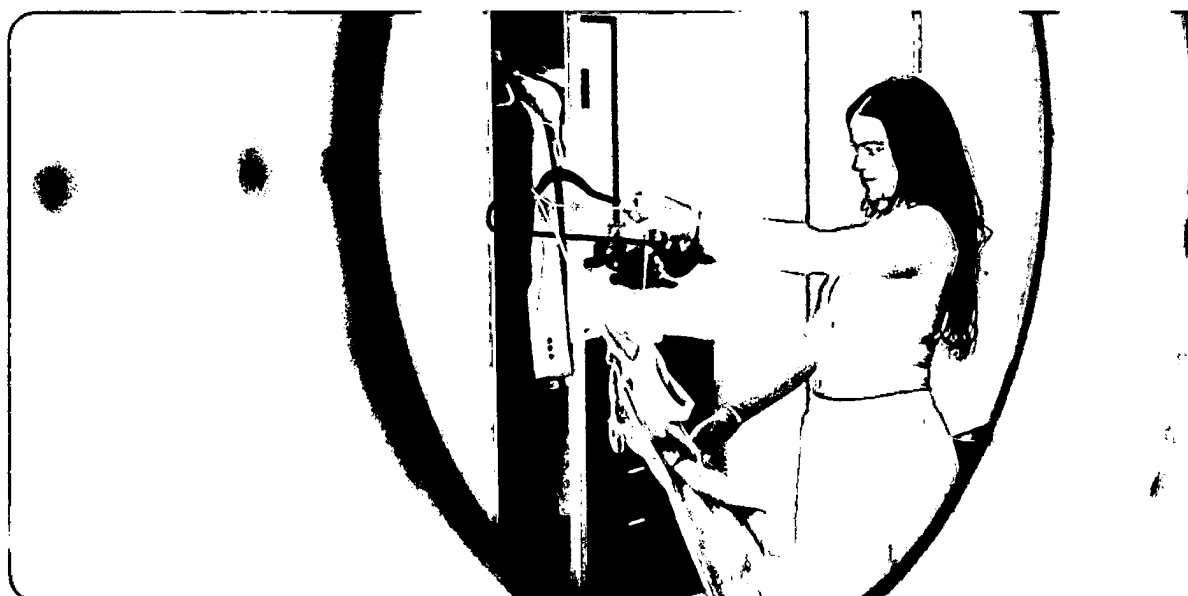
The number of completed homes at the end of June 2025 was 5,478, up by 82 homes (2%) from 5,396 at the same point in 2024. The delivery of these last 82 homes marked the completion of the portfolio and, at this stage, no further homes are planned to be acquired or developed. Annual rent is set at the initial letting and subsequently at renewals with existing tenants or re-lets to new tenants. The portfolio's average rent at 30 June 2025 was £1,096 per calendar month, which reflects year-on-year growth during the financial year of 9% (2024: £1,005 per calendar month) and is consistent with the like-for-like blended rental growth on stabilised sites of c.9% (2024: c.12%).

Operating expenses impact how much of the gross rental income is converted into net rental income. This, in turn, determines the underlying profitability of the Group. In addition, the independent valuers utilise industry-standard assumptions on long-term, sustainable operating expenses when they perform their valuation work. Monitoring real-life operating expense levels against the industry-standard assumptions is therefore key in assessing overall asset performance and validating the assumptions used by independent valuers. The Company's prevailing level of operating expenditure is 19.8% (2024: 18.8%), which is lower than the long-term industry assumption of 22.5% for single family homes. This reflects the relatively young age of the assets in the portfolio.

The valuation of the Group's property assets (which is determined independently) represents the largest component of the balance sheet. Understanding the valuation movements between balance sheet dates is essential given the impact of the valuation on profitability in the income statement and on asset strength in the statement of financial position.

The valuation uplift during the year reflects a combination of the development surplus, recognised on assets under construction, together with the impact of the revaluation of the portfolio at the financial year end. The valuation uplift of £53.6 million (2024: £73.4 million) is the result of the combined impact of ERV and average net investment yield movements. By the financial year end, the ERV of completed homes had grown to £72.0 million from £65.1 million at 30 June 2024, an 11% uplift. Unit numbers accounted for only 2% of this rise, while the average net investment yield had softened from 4.59% to 4.66%. As asset values move inversely to yield, the ERV growth has more than offset the increase in net investment yield.

The portfolio's average affordability ratio (measured as rent paid as a proportion of gross household income) is healthy at 24% in 2025 (2024: 23%). This is after like-for-like rental growth on stabilised sites of c.9% over the financial year (2024: c.12%). The like-for-like rental growth on stabilised sites is the annual rental growth on sites where all units have been completed and let, or nearly all let, and includes re-lets and renewals.



Resident feedback

Understanding how happy residents are with their homes and with customer service is extremely important and we obtain and track resident feedback regularly. All tenants are sent a tenant satisfaction survey about one week into their tenancy and then again six months later. This helps us to understand tenants' experience from the outset and then once settled into their tenancies. We also ask tenants to complete a feedback survey when renewing their tenancies.

The following table provides a summary of our surveys conducted in the 12-months to 30 June 2025 and to 30 June 2024.

	Percentage of tenants who responded that:	July 2024 – June 2025	July 2023 – June 2024
Welcome survey	the team made it easy to apply	97%	96%
	they were kept well-informed during the application process	90%	91%
	they received all the information they required	91%	89%
	the quality of their home met with their expectations	92%	87%
	they would recommend 'Simple Life'	97%	96%
	they were still happy with their home	96%	94%
	they were happy with the service provided	87%	90%
Six-month survey	they felt they had been kept well-informed	81%	86%
	they felt that the Simple Life team has been responsive and are satisfied with the service provided	82%	90%
	the communal areas were well maintained	89%	88%
	they feel part of a community	88%	89%
	they felt their maintenance requests were fixed in a timely manner	77%	81%
	they would recommend 'Simple Life'	91%	94%
	they were happy with their 'Simple Life' experience so far	97%	97%
Tenancy renewal survey	they renewed their tenancy because they love the property	41%	54%
	they renewed their tenancy because they love the area	21%	28%
	they renewed their tenancy because of the rent (value for money)	13%	4%
	they renewed their tenancy because 'Simple Life' offers a better service than a 'one-off' landlord	16%	15%
	they see themselves staying with 'Simple Life' for four years or more	60%	62%
	they see themselves staying for three years or more	73%	78%
	they would recommend 'Simple Life'	93%	94%

All results are based on responses on a range from "neutral" to "strongly agree" across the entire Simple Life regional portfolio. Tenants are given the option to respond on a range from "disagree" to "strongly disagree". These responses are not included in the results reported above. The total number of respondents to the three surveys for the 12 months ended June 2025 was as follows: 'Welcome' survey – 299 (2024: 287); Six-month survey – 244 (2024: 246); and Renewal survey – 505 (2024: 660).

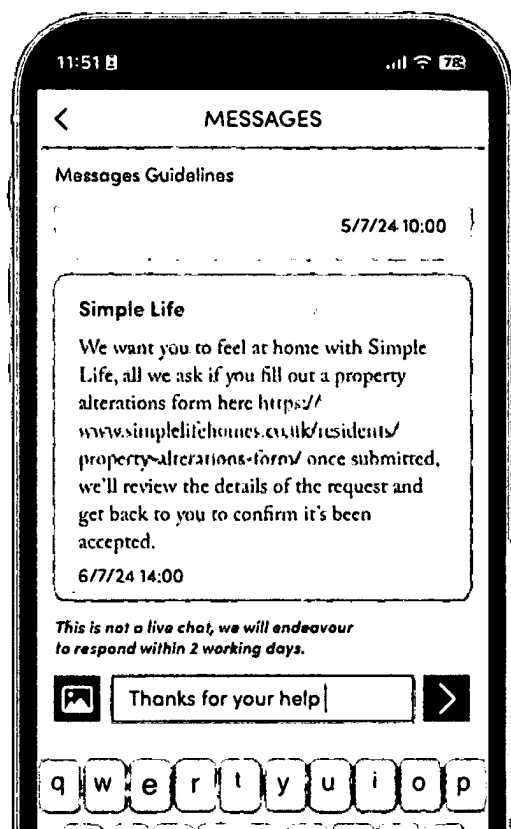
The results presented demonstrate a strong level of consistency in tenant satisfaction between the two years.

In the Welcome survey, there was a notable year-on-year increase in tenants stating that the quality of their home met with their expectations. This figure rose to 92% from 87% in the prior year. It was also encouraging to see that, across the three surveys, the proportion of tenants who stated that they would recommend Simple Life remained very high at 97%, 93% and 91%.

The strength of the Simple Life brand has continued to grow.

- > Between January and December 2024, the Simple Life website received over 30,000 enquiry submissions.
- > The main drivers to the Simple Life website for information on newly-launched developments are online searches (21%), portal listings (16%), site signage (11%) and social media (11%).
- > The main drivers to the Simple Life website for information on all developments are online search (23%), portal listings (17%), adverts on another website (12%) and social media (11%).
- > Simple Life's following on social media platforms as at 30 June 2025 were: Facebook – 6,300+; Instagram – 6,300 +; and YouTube – 1,400+. TikTok is the newest social media platform for the brand, which is reflected in its following of 370+ as at 30 June 2025.
- > Approximately 74% of the Company's households have signed up to the Simple Life mobile app as at 30 June 2025.

my SIMPLE LIFE



Tenant initiatives

Affordability and energy calculator

As reported previously, an affordability calculator, based on the Investment Adviser's referencing criteria, is built into the Simple Life website. It is designed to assist prospective tenants determine how much monthly rent they can afford relative to their earnings and outgoings.

Following the energy efficiency modelling that Sigma undertook in 2022, the Simple Life website now offers an energy efficiency calculator for our most common property types. Existing and prospective tenants are able to input their usage habits and property details to obtain an estimate of their energy bill.

Rental availability

The Simple Life website lists the availability of rental homes in real-time. As well as giving potential renters a better service, it also facilitates more efficient uptake of homes. The website now has an 'all available properties' search function, which better mirrors the user experience on portal listings, searching by an area and setting criteria to refine searches.

'My Simple Life' mobile app

The resident mobile app, 'My Simple Life', which is bespoke and available on Google and Apple devices, provides a convenient 'one-stop shop' for residents'. It offers access to:

- > all important documents, including tenancy agreements, inventories, energy performance certificates, gas certificates and electrical installation condition reports;
- > information on homes, including floorplans and measurements;
- > information on home appliances, including manuals;
- > statements of account, with certain payments enabled via the app;
- > meter-readings, including 'push' notifications when a new reading is ready to view;
- > an open forum, enabling residents on the same development to engage with each other;
- > easy reporting of maintenance problems;
- > exclusive affiliate offers and discounts;
- > a dedicated health and wellbeing section;
- > latest news;
- > information on the local area;
- > a tenant feedback section; and
- > a diary function to highlight events and competitions.

During the year, the app was moved to a new upgraded platform, which also allows for improved usage auditing. At the same time, the app was updated with new functionality and services, including:

- > an in-app messaging system, enabling easy communication between the Simple Life team and customers;
- > end-of-tenancy notifications (including important memos for customers such as a cleaning check list in the lead up to a tenancy ending); and
- > resident-to-resident business offers.

There are plans to enhance the app over the new financial year.

Affiliate offers

The app offers tenants access to a range of affiliate offers. These include discounts from Hello Fresh, Furniture Box, Blinds Direct, byMATTER, Oddbox, Sky, Argos, Dunelm, Wayfair, AO, Pretty Little Thing, Appleyard London Florists, The Modern Milkman, ESPA, Virgin Wines, Smol and many more.

Podcast

The 'Simple Life Chat' podcast, presented by radio personality, Russ Morris, explores topics of interest to residents, with experts and residents participating in discussions. Later this year, we plan to refresh the podcast's output.

Online reviews

Simple Life is registered with Trustpilot, the review platform, and tenants are routinely invited to leave reviews. This helps the Investment Adviser to identify any areas that need improvement. There are over 1,590 reviews on Trustpilot, and Simple Life achieved an overall rating of 4.2 stars out of 5.0. This compares to an average rating of 2.7 for the 'Property Rental Agency' business category. All reviews are monitored and responses provided, as appropriate.

Simple Life developments also feature on 'Home Views', a dedicated review website for housing developments. They have gained an average overall score of 4.28 out of 5.00 from approximately 952 resident reviews (with the Build-to-Rent benchmark at 4.28).

Summary and outlook

The remaining homes in the delivery pipeline were completed by the financial year end, reaching an important milestone and taking the portfolio to 5,478 build-to-rent homes. The portfolio has continued to perform strongly and first quarter figures for the new financial year reflect a continuation of this trend. Occupancy and rent collection are excellent and affordability remains healthy. This is an important ratio since it measures average rent as a proportion of gross household income and we track it against guidance provided by the Office of National Statistics.

While rental growth has eased slightly and continues to do so, most commentators expect rental growth to continue over the next 12 months albeit at lower levels, and this is our expectation too. Demand and supply dynamics remain out of kilter, and general economic uncertainty typically bolsters the rental market.

We are confident about future prospects and will continue to focus on providing a high standard of customer care to tenants and to maintain all the developments as attractive and neighbourly places in which to live.



Customer testimonies

A selection of customer testimonies is below.

“

“Great community, lots to offer and fantastic community events. Help and support is offered from all residents and people higher up. Nice spacious homes that are easy to navigate. Beautiful gardens that are private. You can really make a house a home living here.”

*Chloe (Wards Keep Resident),
Home Views*

“

“Simple Life homes are well designed nice and warm and our energy hardly cost anything but the best thing was the large garden that we spent a lot of time in.”

*Fran (Bertha Park Resident),
Home Views*

“

“House is beautiful! Appliances are great, and the design is lovely. Rent is very good considering what's included and with it being a new build. Neighbours are friendly, and it's fairly quiet on the estate. Management is very prompt & helpful.”

Danielle (Dracan Village, Drakelow Park Resident), Home Views



“

“The design is perfect I absolutely love it. It is so nice; modern, clean and just a lovely, cozy vibe. The house is exactly how I would design it myself. Absolutely stunning. I couldn't ask for a nicer home. I am very happy and satisfied with the house and when I report a repair they are quick to reply to me which is great.”

*Frankie (Ash Bank Heights Resident),
Home Views*

“

“The design of the houses is modern and lives up to the expectations for the average family. The development's landlords are great to deal with if we have any issues with the building or area.”

Chad (Havenswood Resident), Home Views

“

“Simple Life Homes, the BEST homes – Simple Life offers a dedicated app and 24/7 maintenance, ensuring prompt handling of issues. Across locations like Blackburn and Darwen, tenants praise the fast and reliable maintenance response. Moving into our new build home has been one of the best decisions we’ve made as a family. From day one, it felt like a fresh start, everything is clean, modern, and untouched. There’s something deeply satisfying about being the first to live in a space where there are no wear and tears, no surprises behind walls or floors.”

Rice, Trustpilot

“

“Have been living in their house for nearly five years. I consider it as home. The problems are solved quickly. For me it is more secure tenancy than renting from a moody and/or hostile landlord who does not care about the law which is my experience before Simple Life. The estate is safe and clean. Simple Life introduced us to Outward Bound Trust and sponsor our cricket club. This is very appreciated engagement.”

Aleksandra, Trustpilot

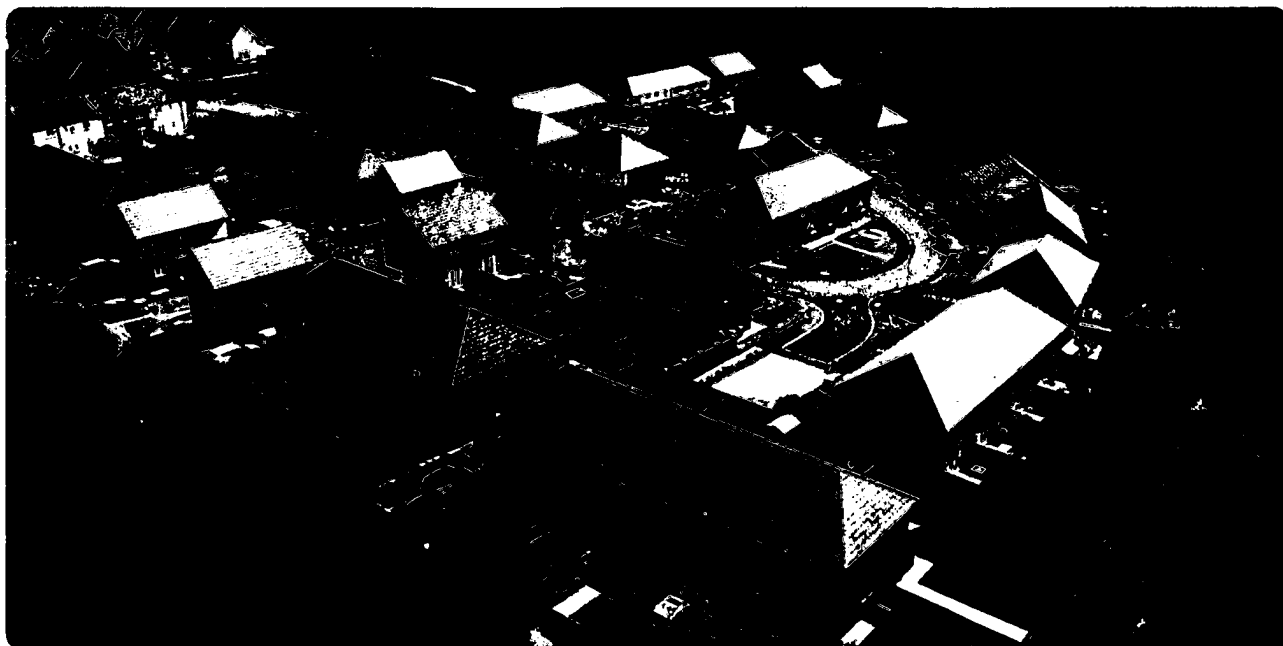
“

“We have been renting with Simple Life for two years now and have had a great experience. Everything from the welcome package to the contact app and the helpful team has made our experience as good as it has been.”

Joe, Trustpilot



ENVIRONMENTAL, SOCIAL AND GOVERNANCE



ESG statement

The Company's Investment Adviser ("IA"), Sigma PRS, undertakes the day-to-day management of the PRS REIT's ESG strategy and priorities at both a Company and asset level. All the Company's assets are managed under the 'Simple Life' brand, which is operated by Sigma PRS. The Board receives reports on ESG matters on a quarterly basis, and there are regular meetings with Sigma PRS on all matters of ESG strategy, planning and direction.

Approach

ESG activities and priorities focus on the Company's developments, its residents and the wider communities and settings in which our homes are situated. Our overall aims are for positive social impact and sustainability, and to minimise negative impacts where possible.

The IA engages with leading industry bodies that seek to promote high ESG standards and best practice, and has committed to the United Nations Global Compact ("**UN Global Compact**") and the UN's Sustainable Development Goals ("**SDG**") and SDG Ambition, which guides the UN's goals.

The UN Global Compact is the world's largest corporate sustainability initiative and a special initiative of the United Nations Secretary-General. It is designed to encourage business leaders to implement universal sustainability principles, in particular, the UN Global Compact's Ten Principles and thereby help to deliver the UN's SDG. The Ten Principles are derived from the Universal Declaration of Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention Against Corruption.

SDG Ambition is focused on the UN's target of Land Degradation Neutrality ("**LDN**") and its LDN principles. Objectives include zero deforestation and enhanced biodiversity through tree and wildflower planting programmes.

The PRS REIT is a member of EPRA, a not-for-profit association that represents the publicly-traded European real estate sector. EPRA's mission is to promote, develop and represent the European public real estate sector by, amongst other things, providing better information to investors and stakeholders, actively engaging in public and political debate, and promoting best practices.

The Investment Adviser regularly monitors the changing legislative and reporting landscape, including the EU Sustainable Finance Disclosure Regulation, the UN Principles of Responsible Investment, the Task Force on Climate-Related Financial Disclosures, the Taskforce on Nature-related Financial Disclosures, the EU's Corporate Sustainability Reporting Directive, and the Taskforce on Inequality and Social-related Financial Disclosures, as well as national and city-level regulations.

National Government initiatives on energy and biodiversity, including Biodiversity Net Gain, are closely monitored and Sigma PRS has incorporated these and other ESG factors into investment advisory processes and operations. A summary of Sigma PRS's policy approaches in key areas is outlined below:

Opportunity review

- > ESG risks are assessed, reviewed and monitored, and strategies are established, based on recognised frameworks such as climate change and social needs.

Investment advice

- > ESG issues are listed and addressed in a summary investment paper, which informs decision-making at the Investment Adviser's Investment Committee approval stage.
- > ESG costs, including those related to ongoing community involvement, are determined and factored into investment decision-making processes.

Asset management

- > Appropriate governance structures are established.
- > Relevant laws and regulations are adhered to.
- > ESG issues are monitored and managed.
- > Impacts on the natural habitat surrounding PRS assets are managed.
- > Local community engagement and support plans are established, reviewed and developed.
- > Due diligence is performed on third parties e.g. service providers.
- > Policy reviews and updates are ongoing.
- > Good practice is established.
- > Carbon reduction opportunities are regularly researched and reviewed.
- > Investment restrictions are screened to ensure ongoing compliance.
- > The ability of investments to comply with ESG standards is assessed.

Processes and strategies

The PRS REIT recognises its responsibilities regarding the environment and also public priorities.

In the real estate sector, there is a continuing need for action in areas such as energy and water consumption, non-fossil fuel heating provision and biodiversity. In developing the Company's ESG agenda, Sigma PRS has embedded best practices, and worked closely with supply chain and construction partners to ensure that their policies and activities comply with the PRS REIT's commitment to legislative requirements and best practice.

The Investment Adviser has aimed to create residential environments that promote societal and individual well-being through the provision of:

- > high-quality, well-designed, energy efficient homes;
- > long-term tenancies;
- > well-located developments which offer ready access to centres of employment, good local primary education, public transport and retail centres;
- > professional repair and maintenance;
- > high levels of customer service
- > regular community events; and
- > active engagement and support for local charities, schools, clubs and groups.

Environmental impact and data

Please refer to the Company's EPRA sustainability performance measures reporting on pages 141 to 142.



Social engagement and impact

The Company places great importance on engaging with the communities in which its developments are situated. Over the last twelve months, the Company has supported over 20 charities, 40 schools and 11 clubs across the country, either financially or practically, through work undertaken by Sigma PRS. Residents are regularly involved in selecting good causes to support. Please see further information reported under the EPRA sustainability performance measures on pages 142 to 144.

We have been pleased to support a wide range of organisations and social initiatives, ranging from local clubs to national charities. Examples include: Smart Works, which operates in Edinburgh, Manchester, and Birmingham and assists women in securing employment and improving the trajectory of their lives; Embassy Village, based in Manchester, which aims to improve the lives of the homeless; Speed of Sight, a charity which offers people with disabilities of all ages the challenge and thrill of driving; Zoe's Place Baby Hospice Middlesbrough, which offers care for babies and children with life-limiting and life-threatening conditions; and The Joshua Tree, which provides support programmes to improve the emotional health and wellbeing of families affected by childhood cancers across North West England and North Wales. We outline below some of the feedback we have received from these charities.



"We're incredibly grateful to Simple Life Homes for their generous support of The Joshua Tree. As the demand for our services continues to grow, partnerships like this are vital in helping us support more families affected by childhood cancers. From actively championing our fundraising events to taking the time to truly understand our mission, this partnership is a great example of how companies can really help charities. The support not only raises essential funds but also significantly increases awareness of the critical work we do."

Rich Driffield, CEO
The Joshua Tree Charity



"...the value you've created for us... has been much bigger than either of us could have expected ... Salford council has been so impressed [by us] that they are giving us a plot of land to build more homes for women. An exciting prospect! We've also agreed to a ... lease on 8 apartments in a little, new-build block. Because of what you've allowed us to prove, we are being taken seriously by the local authority and they've agreed the housing benefits we need to run the building and take 9 more women from the street."

Sid Williams, Co-founder & Director,
Embassy Village, Manchester



"Simple Life's generous donations via the 'Big Give' match funding campaigns are incredible and make a huge difference. Last year our Centre was one room which was home to a wardrobe, dressing rooms, office desks, the lot! We made it work but as we saw more and more women needing support it was becoming unsustainable, and we always want to remain giving the highest standard of care and respect towards the women we support. Moving to a new Centre with double the number of dressing rooms and coaching rooms was a wow moment."

Lilly Clements, Birmingham Fundraising & Partnerships Manager, Smart Works



"On behalf of everyone at Smart Works GM, we want to express our gratitude for your generous financial support. Your contribution has helped us to expand our services and support even more women on their path to financial independence and renewed confidence. Beyond the tangible benefits, your support sends a powerful message of belief and encouragement to our community. It reminds us, and those we aim to uplift, that positive change is possible when people come together for a shared purpose."

Please know that your contributions are transforming lives. Once again, thank you for enabling us to deliver our services to the unemployed women throughout Greater Manchester, permitting us to make a meaningful difference in the lives of women and their families, and our wider community."

Victoria Cronquist, Head of Smart Works Greater Manchester

The PRS REIT aims to build long-term productive relationships with its charity partners and good causes and to involve tenants as much as possible.

Large-scale engagements during the year included the Simple Life Schools and Communities Biodiversity Project, in partnership with Green the UK; Minds on a Mission's Schools Project; and sponsored track days with the Speed of Sight charity. The 'Simple Life Schools and Communities Biodiversity Project' is a countrywide project, which involves communities and schools engaging in nature-related activities, including tree planting, vegetable cultivation, and wildflower cultivation. During the year, nine schools and 243 children benefited from nature-based activities and workshops. The Minds on a Mission took Escape Room-themed workshops to over 1,380 pupils, aged 8-11 years, in 23 schools across Greater Manchester. Workshop content was based on local needs and focused on antisocial behaviour and its consequences. The Speed of Sight track days that we sponsored were enjoyed by over 148 individuals. They participated in an activity that might otherwise have been unavailable to them and gained an insight into what can be achieved when boundaries are pushed.

Examples of the feedback we have received from our social and charitable efforts are below.



"My aim with all my escape rooms is to educate children on their decisions...and [the] consequences of their decisions. The reason I have picked an Escape Room is to make it 100% inclusive to any child with additional needs whether that is physical or neurodivergent. It is completely hands on, the children read information that is 100% factual and listen to recordings of victims. At the end of the session we will have a knowledge check and conversation around different information they have taken in."

Sophie Wolfendale, Founder Minds on a Mission, Greater Manchester



"Simple Life Homes' support and financial contribution across the last twelve months has enabled Speed of Sight to consolidate its reputation as an organisation that provides high quality specialist driving opportunities for people living with complex disabilities. The collaboration that Simple Life Homes has provided, means that we have been able to travel widely around the UK. Working with many individuals and other charitable organisations Speed of Sight with partners like Simple Life Homes continues to make a significant contribution to peoples well-being and self-worth."

Mike Newman BEM, CEO Speed of Sight



"Our partnership with Simple Life has continued to be a total joy, they're not just sponsors or donors, we've built a true friendship and they're a huge part of Zoe's Place family."

What makes this partnership so special is that it's not just about the donations. It's the energy, heart, and genuine connection the team brings to everything they do with us. They get stuck in, they care deeply, and they help us reach more families who need our care – all while making the journey feel uplifting and full of heart.

We're so grateful for everything we've achieved together this year and can't wait for what's to come!"

Ashleigh Ennion, Senior Corporate & Major Donor Fundraiser, Zoe's Place, Middlesbrough



"Thanks to the generous sponsorship from Simple Life Homes, supporting a range of events for us this year, allowing raised proceeds to go directly towards providing essential support for families. Funds raised will help deliver counselling sessions, therapies, family fun days, and specialised services tailored to the unique needs of those affected by childhood cancers."

The Joshua Tree is incredibly grateful to Simple Life Homes for their commitment to making a real difference in the lives of these families."

Debbie Wilkinson, Corporate Partnership Officer, The Joshua Tree Charity, Cheshire

"Thank you to Minds on a Mission for coming to deliver the Anti-social Behaviour on Buses Escape Room [event] at New Park Academy. The day was very well organised and the staff that delivered the workshop were knowledgeable and supportive. It was certainly beneficial to all of the pupils who accessed it showing the wider consequences that your actions can have. Plus, all pupils engaged well with the task, which isn't easy given the needs of our pupils. We would love to be involved with any future workshops that you offer."

Teacher, New Park Academy, Eccles (secondary school for pupils assessed with special needs) commenting on the Minds on a Mission schools initiative

"It was really good, it helped with teamwork and the talk at the end was really good as it helped us see exactly what our actions can lead to."

Year 6 Pupil Christ the King RC Primary School, Worsley, Manchester (commenting on the Minds on a Mission schools workshop)

"The Environment is something our children are really passionate about – so to have someone talk to us about the importance of biodiversity – particularly the 'bugs' which get overlooked but are crucially important."

The session linked really closely to the Science we had been doing in class. This meant children could link what we had already learnt to the things being discussed. It was great to have an 'expert' in the room with us – it helped children to see future career opportunities as well as bringing Science to life."

Teacher, Newby Primary School, Bradford (commenting on the Simple Life Schools and Communities Biodiversity Project, in partnership with Green the UK)

"The session sparked genuine curiosity and excitement about the vital role pollinators play in our ecosystems. The interactive learning, combined with the hands-on experience of planting wildflower seeds and bulbs, helped our students truly connect with nature and understand how even small actions can make a big difference for wildlife. Thanks to the generous provision of wildflower seeds and bulbs, we've now created a beautiful wildflower garden that not only enhances our school environment but also provides a valuable habitat for bees, butterflies, and other pollinators. This has linked heavily with our new Eco-Council and our work to develop our current school grounds and looking forward to further extending."

Teacher, Christ Church Primary, Shipley, Bradford (commenting on the Simple Life Schools and Communities Biodiversity Project, in partnership with Green the UK)

"I would love for Simple Life to carry on this journey with Sundon Park. Obviously, this will come at a small cost as the sponsorship will cover new kits. Thank you so much for helping out, makes it so much easier for boys to be able to play as their parents not having to pay for kits on-top-of yearly signing on fees."

**Ryan Doherty, Sundon Park Rangers
U12 Football coach**

"Our team has grown this season alone from about 15 ladies last year and only a softball team to 28 women and girls this year. We range from ages 15 to 60+ and all very much love getting together. Your sponsorship has helped us more than you will ever know. We wouldn't be as progressed as we are today without it. From kitting us out with the equipment we very much needed to get started in hardball and then helping us to look the absolute part while we take to the field!. It has allowed us to gain confidence and involve more people to give it a try. We honestly can't thank you enough and appreciate your sponsorship to us immensely."

**Michelle Bryan – Team Treasurer and Hardball
Vice-captain, Runcorn Cricket Club, Cheshire**

"Eternally grateful for the support Simple Life have given to the Runcorn Rebels Cricket team. Thanks to them we all turn up looking professional, with our pitch and equipment looking professional. I genuinely believe this has helped our success this season.

Personally, I've been in women's sports for decades and getting any sponsorship is always a struggle. Simple Life have shown our worth and are wonderful!"

Sam Marsh – Hardball Team member, Runcorn CC

"As a member of the club for 30 years I can remember what the ground looked like before your Earle Street development. It has transformed our ground from being almost on the edge of Earlestown to being in the centre, surrounded by homes and a bustling community, not to mention the new members we have gained from the estate.

Add to that the sponsorship and it's safe to say that Simple Life has had a huge impact on our club. We hope to continue our partnership for many years to come."

Karl Allan, Earlestown Cricket Club, Lancashire



Resident focused initiatives

Our resident-focused initiatives are designed to create specific opportunities for residents to engage with each other and generate educational, social and other benefits. Feedback from two initiatives are highlighted below.

Community Events

Throughout the year the Investment Adviser arranges resident events as an opportunity for neighbours to get to know one another. These include 'roadshow' events taking place on-site at developments, for example a visit from Santa and his brass band of elves at Christmas, and regional events with limited tickets available on a first come, first served basis. These events have included hiring out an Everyman Cinema for a private screening of a new release, hiring out one of the 'Big Bakes' locations and trips to Alton Towers. As Empyrean has the benefit of its own private resident garden, residents can expect a development specific event each year, for example, Summer games, food and drink and outdoor cinema evenings. All events are free for residents.



Friendsgiving – Community Get-Together

Residents were invited to apply for donations to support community get-togethers during the winter months. This included neighbourhood dinners and other gestures of community spirit.

"I believe in community spirit. On Saturday our neighbour and her daughter came to dinner, and yesterday another 6 neighbours joined us. They are from Hong Kong so I made special Hong Kong style egg tarts. Both visits were very nice and friendly, and our neighbours were grateful to hear who had sponsored the evenings. We were speaking a lot, getting to know one another and I do hope for all of us it was a great time."

Aleksandra, a Simple Life resident

12 Days of Christmas, December 2024

In our 2024 '12 Days of Christmas' campaign, residents were invited to nominate a local charity close to their hearts to receive a £1,000 donation over the 12 days of Christmas. We are delighted to highlight below some of the feedback both from charities and tenants following the campaign.

"This year our pantomime was attended by over 1,500 audience members across seven performances, this included two free school performances which we were able to provide the opportunity to local schools to attend the pantomime free of charge due to generous donations like yours. Some of these children that attended had never seen a live performance before and it was really beneficial for them. This year's pantomime benefitted 8 youth members, alongside around 25 adult members in a range of different roles from front of house, backstage, performing, prop making, carpentry, fundraising all aspects of bringing a production together."

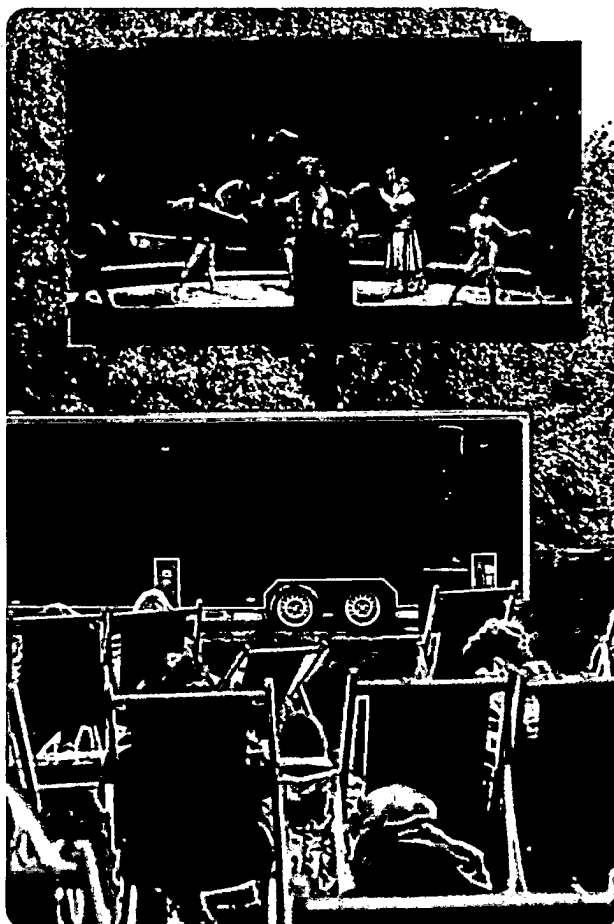
Matthew Flavin, Secretary, 'Showtime Community Productions CIO', West Bromwich

"Wow wow wow! Thank you so much. As a registered non-profit community interest company, it's donations like this that make a real difference to our communities."

Leah Moran – Fundraising Officer, Mental Health Charter Team, Nantwich

"This will make a big difference to our work helping babies with congenital heart disease, their families, and the health professionals who look after them. We can't thank you and all those involved in the nomination and selection process enough! We're all delighted with the donation – thank you once again and have a wonderful Christmas!"

Jon Arnold, Chief Executive, Tiny Tickers, Leeds



Human Rights

The obligations under the Modern Slavery Act 2015 (the "Act") are not applicable to the Company given its size. However, to the best of its knowledge, the Group is satisfied that its principal suppliers and advisors comply with the provisions of the Act.

The Company operates a zero-tolerance approach to bribery, corruption and fraud.

Health and safety

In order to maintain high standards of health and safety for those working on sites, monthly checks by independent project monitoring surveyors are commissioned to ensure that all potential risks have been identified and mitigated. These checks supplement those undertaken by construction and development partners. The data is reported to the Board on a quarterly basis in the event of a nil return, and immediately in the event of an incident. There were no reportable incidents over the year (2024: none).

Governance

Strong governance is essential to ensuring that risks are identified and managed, and that accountability, responsibility, fairness and transparency are maintained at all times.

The Company is subject to statutory reporting requirements and to rules and responsibilities prescribed by the London Stock Exchange and the Financial Conduct Authority. The Board has a balanced range of complementary skills and experience, with independent Non-executive Directors who provide oversight, and challenge decisions and policies as they see fit. The Board believe in robust and effective corporate governance structures and are committed to maintaining high standards and applying the principles of best practice.

Employee diversity – gender and ethnicity

This is reported within the EPRA sustainability performance measures information on pages 143 to 144.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board is responsible for determining the nature and extent of the principal risks that the Group is willing to take in achieving its objectives and has carried out a robust assessment of the principal risks facing the Group, including those that would threaten the business model, future performance, solvency or liquidity. The Board recognises that its ability to manage risk effectively throughout the organisation is central to the Company's success.

The Board continually consider emerging risks and during the year under review, the weakening macroeconomic environment in the UK, changing fiscal and tax policy including higher interest rates for longer, ongoing inflationary pressures and the risk of recession, together with global conflicts in Ukraine and the Middle East, were identified.

Risk management and risk appetite

The Group's assets are made up of Build to Rent ("BTR") properties located in the UK. Its principal risks are therefore related to the UK BTR market in general and also to the particular circumstances of the individual properties and the tenants within the properties. Taking this into account, the Group's risk appetite policies and procedures, alongside the appropriate controls and financial reporting are regularly reviewed and updated to ensure they remain in line with regulation and corporate governance.

The Company applies the 'Three Lines of Defence' model for effective risk management and control:

- > The first line of defence is performed by the management team of the Investment Adviser who are responsible and accountable for identifying and managing risk as part of their objectives. As part of this the Investment Adviser produces a risk register that it provides to the Audit Committee for review and consideration at least twice per year.
- > The second line of defence comprises the policies, frameworks and challenge provided to ensure that the Investment Adviser is effectively managing risk. This is performed by the Board and reported on by the Audit Committee.
- > The third line of defence is independent assurance provided by the external auditor.

The below list sets out the current identifiable principal risks and uncertainties which the Board are monitoring.

Valuation risk – investment property

The valuation of the Group's property assets is primarily based on three key drivers being, estimated rental income, gross to net income deductions, and yield. Valuation of development sites was previously also driven by land purchase costs and build costs. Small variations in these can have a material impact on the valuation of property. Other Special Assumptions applied in addition to the key drivers, and used since inception include: all individual site valuations are assumed to be part of a larger

portfolio (in excess of £50 million); and an indirect purchase of a special purpose vehicle holding title to the asset, so stamp duty is assessed on a share purchase basis rather than as property.

Valuation risk is mitigated by a combination of factors including the detailed site selection and appraisal process, fixed price building contracts at competitive rates to control costs, quality product from house builders, project monitoring and review by the Investment Adviser, tenant selection and management by Lettings Agents, geographic spread of sites / assets, mixture of asset size and portfolio spread. The sector is considered attractive to investors and debt providers with some defensive attributes in relation to recessionary risk. Notwithstanding the above mitigating factors, the Board constantly monitors risk around these factors in conjunction with the Investment Adviser.

The Company appoints an external valuer on a three-year basis to provide continuity and consistency, whilst also representing a natural point for review and consideration. In addition, the use of a separate independent valuer by the providers of debt, and expert review by further independent valuer appointed by the Group's auditors, RSM, ensures that there are a number of views and opinions on valuation being considered and taken into account at any point. Savills have been retained due to their knowledge of the Company's asset base, in particular taking into account that 55 of the 71 sites were developed in the PRSR with only 16 sites acquired in a completed and stabilised state. This has ensured a consistent approach during the period of development and stabilisation of the portfolio.

Site selection

As discussed under Valuation Risk, the principal drivers for the valuation of the PRS REIT's property assets are: land purchase, cost to build, rental income, gross to net income deductions and yield. Selection of sites which match the investment criteria in terms of cost to purchase and build, ERV, gross to net income deductions and yield are therefore critical to the success of individual developments.

Site selection risk is mitigated by performing detailed appraisal and assessment of all aspects of a site, including location, access to transport links, education, amenities and employment which are necessary to formalise a view on the likely viability and profitability as a build to rent development. This process also involves expert third party guidance from valuers, house builders, and lettings agents. The process is particularly important given the prevailing background of cost inflation outpacing rental growth. The Investment Adviser's process on site assessment and appraisal necessarily involves a number of individuals with different skill sets to ensure a balance of views and full consideration of all factors.

The portfolio approach including broad geographic spread adopted by the Investment Adviser also helps to mitigate the associated risks.

Subject to availability of capital, the Company seeks to obtain and maintain a pipeline of potential PRS properties and PRS development sites with partners for future development. There is no certainty that viable, commercially justifiable sites,

with planning permission, can continue to be sourced on acceptable terms. The availability of viable, commercially justifiable sites with planning permission may therefore adversely affect the ability of the PRS REIT to continue to pursue further growth which could, in turn, have a material adverse impact on the overall level of returns for Shareholders.

The Board and the Investment Adviser manage this risk through a number of long-term partnerships, including different local councils and a variety of house builders, to maintain a wide range of opportunities that are geographically spread.

Whilst the Company signed Forward Purchase Agreements ("FPA") in respect of the sites acquired from the Sigma Group, it did not commit to acquiring these sites. The FPA is conditional on:

- > Practical completion of all units;
- > Confirmation of good and marketable title;
- > Tenant occupation and rent stabilisation; and
- > Availability of funding.

As a result, the Board considers that the Company has always retained a high degree of flexibility in relation to the timing of site acquisitions, and therefore the Company's funding requirements.

Risks relating to the Company's reliance on the Investment Adviser

The Company has the benefit of access to the Sigma PRS platform through the Investment Adviser. If the Investment Advisory Agreement is terminated it is likely that the Company will cease to have access to the platform and to the relationships and contractual frameworks with Approved Contractors, Local Authorities, and the Approved Letting Agents, together with the favourable terms and economies of scale derived from these that have taken years to establish. The Company would also need to identify replacement sources of PRS Development Sites and Completed PRS Sites.

In accordance with the Investment Advisory Agreement, the Investment Adviser is responsible for providing certain asset management and investment advisory services to the Company. Accordingly, the Company will be reliant upon, and its success will depend on, the Investment Adviser and its key personnel, services and resources.

Consequently, the future ability of the Company to successfully pursue its investment objective and investment policy may, among other things, depend on the ability of the Investment Adviser to retain its existing staff and/or to recruit individuals of similar experience and calibre. Whilst the Investment Adviser has endeavoured to ensure that the principal members of its management team are suitably incentivised, the retention of key members of the team cannot be guaranteed. Furthermore, in the event of a departure of a key employee of the Investment Adviser, there is no guarantee that the Investment Adviser

would be able to recruit a suitable replacement or that any delay in so doing would not adversely affect the performance of the Company. Events impacting the Investment Adviser but not entirely within the Investment Adviser's control, such as its financial performance, it being acquired or making acquisitions or changes to its internal policies and structures, could in turn affect its ability to retain key personnel.

Under the terms of the Investment Advisory Agreement, the Investment Adviser is required to devote such time and have all necessary competent personnel and equipment as may be required to enable the Investment Adviser to carry out its obligations properly and efficiently. However, if the Investment Adviser fails to allocate the appropriate time or resources to the Company's investments, the Company may be unable to achieve its investment objectives. In addition, although the Investment Advisory Agreement requires the Investment Adviser to dedicate competent personnel to the Company's business, they may not be able to do so.

The Board mitigates these risks by holding regular Board meetings (at least four times per financial period), which are attended by the Investment Adviser, whilst also having regular informal meetings with the key members of the Investment Adviser on a more regular basis. The Board's Management Engagement Committee also meets at least once a year to consider the performance of the Investment Adviser and the other outsourced professional firms and advisers engaged by the Company. The Board actively engages with key personnel of the Investment Adviser and assesses its key risks to ensure that it is adequately staffed with suitably qualified personnel and that succession planning is in place.

Risks relating to the REIT status of the Group

There is a risk that the Company may fail to remain qualified as a REIT and therefore its rental income and capital gains will be subject to UK corporation tax. Any change in the tax status of the Company or a change in tax legislation could adversely affect the investment return of the Company.

The Company has been structured to be REIT compliant and the Board will continue to monitor the tax status using professional taxation advisers.

Risks relating to compliance

The Group has a wider variety of compliance risks ranging from factors including status as a Real Estate Investment Trust on the Premium Segment of the London Stock Exchange, scale and complexity of the Group structure, Companies House requirements, HMRC obligations, planning requirements, Health & Safety, statutes and legislation.

Compliance risks are mitigated by the Board and the Investment Adviser utilising and employing qualified professionals and professional advisers to ensure compliance with current legislation and requirements including auditors, tax advisors, Nominated Advisor, recognised house builder partners and legal advisers.



Emerging risks

As well as the principal risks, the Directors identify any emerging risks which are considered as part of the formal risk review. Emerging risks encompass those that are rapidly evolving, for which the probability or severity are not yet fully understood. As a result, any appropriate mitigations are also still evolving; however, these emerging risks are not considered to pose a material threat to the Company in the short term. This could, however, change depending on how these risks evolve over time. Senior members of the Investment Adviser are responsible for day-to-day matters and have a breadth of experience across all corporate areas; they consider emerging risks and any appropriate mitigation measures required. These emerging risks are then raised as part of the risk assessment where it is considered whether these emerging risks have the potential to have a materially adverse effect on the Group.

During the year the Requisitioning Event and subsequent Strategic Review and Formal Sale Process along with the weakened macroeconomic environment in the UK, and the new Labour government were all identified by the Board as key emerging risks.

The Board commenced the Strategic Review and Formal Sale Process during the year and there is no guarantee that this will result in a transaction. In the event that no offer is accepted, the Board could consider alternative courses of action, in accordance with the wishes of the majority of shareholders, including the sale of individual portfolios of assets, the repayment of debt and the return of capital to shareholders. The Company has engaged a variety of professional advisers to ensure that any regulatory risks throughout the process are mitigated. There may also be reputational damage suffered by the Company.

The risk of interest rates remaining at a higher level for longer than previously forecast affecting the Group's financial performance and banking covenants was of particular focus. The higher interest rates charged on the variable investment and development debt facilities were partially offset by the increase in rental growth experienced in the private rental sector and there were no covenant breaches. The Group has 81% of its investment debt facilities as long-term, fixed rate arrangements. The Group's remaining variable rate investment debt has been retained to provide an opportunity to ensure that the best interest rates can be obtained.

With regards to continuing inflationary pressures, the Company has completed the current development phase and is now only exposed to this with regards to increased costs to maintain the high standard of the Company's assets, while offsetting this has been the continued strong demand for Build to Rent assets. The market for such assets remains strong and is reflected in rising rents which have more than offset the slight softening of yield which is included in the valuation of our existing properties. The risk of recession has also been considered, particularly in relation to possible increased tenant default and the subsequent impact on financial returns. This risk continues to be closely monitored and is mitigated by a geographically diverse portfolio, the use of rental insurance contracts where considered appropriate, and a continued focus on identifying at an early stage where there could be potential issues.

The UK economy is expected to experience modest growth during the rest of calendar years 2025 and 2026, with forecasts ranging from 1.0% to 1.2% for 2025 and 1.0% to 1.9% for 2026. The change of UK government in July 2024, has brought in several new policies; there are presently no specific policy changes that are seen as providing additional material risks to the PRSR Group.

In relation to the conflicts in Ukraine and the Middle East, this has not had a direct impact on the Group but are continually monitored in terms of contributing to higher inflation and interest rate environments.

The Board continues to monitor closely the market volatility to ensure that all risks to the Company and Group are identified and addressed where possible to reduce the potential negative effects.

The Company's Section 172 statement is included on pages 52 to 59.

HIGHLIGHTS

STRATEGIC REPORT

CORPORATE GOVERNANCE

INDEPENDENT
AUDITOR'S REPORT

FINANCIAL STATEMENTS

SUPPLEMENTARY
INFORMATION

STAKEHOLDER ENGAGEMENT AND SECTION 172 STATEMENT



Stakeholder engagement

The PRS REIT is focused on delivering new homes for private rental across the UK, with family homes its key target market. The Group's PRS activities bring together a network of formal and informal relationships which include: construction partners; central government; local authorities; customers; and communities. As a sustainable business, the Company provides an innovative build-to-rent solution to address a national, market, and societal demand for quality family homes.

Across the UK, the PRS REIT engages with a range of interest groups and ensures that it listens, understands and responds appropriately to the interests and concerns of all stakeholders, as well as seeking to deliver sustainable value for them.

Effective engagement with stakeholders at Board level, and throughout the Group's business, is crucial to fulfilling the PRS REIT's goal to deliver family PRS homes across the UK.

The Company continues to be collaborative with all stakeholder groups, including customers, partners, house builders, suppliers, local authorities, regulators, funders and investors. This approach necessarily involves listening to and taking account of their views and feedback, while also being open to change.

Section 172 statement

The following serves as the Company's section 172 statement and should be read in conjunction with the Strategic Report on pages 52 to 59. Section 172(1) of the Companies Act 2006, requires Directors to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. The Directors should have regard to:

- > the likely consequences of any decision in the long term,
- > the need to foster the company's business relationships with suppliers, customers, and others,
- > the impact of the company's operations on the community and the environment,
- > the desirability of the company maintaining a reputation for high standards of business conduct, and
- > the need to act fairly as between members of the company.

The Company does not have any employees and therefore S172(1)(b) is not applicable.

During the year, the Directors, supported by the Company's Broker and Investment Advisor, have engaged with the Company's key stakeholders in order to ensure that stakeholder interests are clearly understood and that they inform Board decisions.

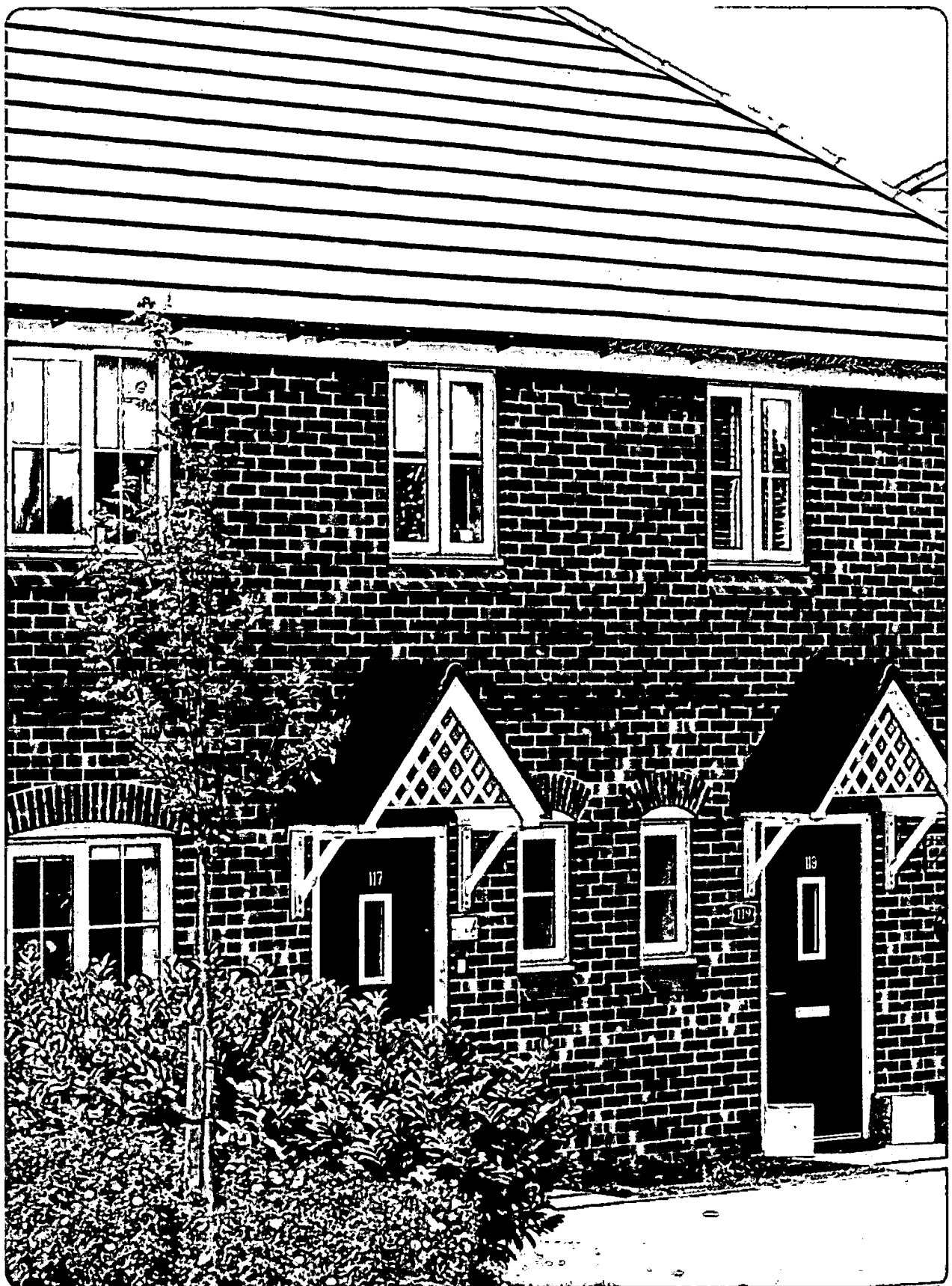
Our stakeholders

	Our customers	Our local communities and environment	Our investors and funders
Who are they?	Our tenants and their families.	Communities who live in and around our properties as well as local organisations and enterprises, including the natural surroundings of our properties.	The entities, institutions and individuals who own shares in the Company together with the lenders who provide debt finance.
Why are they important to us?	> Customer service is at the heart of our business. Our tenants provide us with rental income, so it is essential that we serve their needs.	> Given the Company develops real estate, and therefore its assets have an impact on the surrounding communities and natural environment, the Board places an ever-increasing emphasis on the importance of ESG factors. > The Board and the Investment Adviser are fully committed to managing the business and implementing the investment strategy responsibly.	> Continued shareholder and lender support is critical to the sustainability of the Company and delivery of the Company's long-term business growth strategy.
What matters to them?	> Affordable, high quality, well maintained, homes at market prices that suit their needs. > Provision of accommodation in areas of strong employment with good infrastructure, transport links and local education. > Community environment which enhances wellbeing.	> Places which foster social connections and enhance wellbeing. > Our Community Fund. > Support for local organisations, such as schools and charitable institutions. > Minimising carbon emissions during construction and after completion when tenants occupy properties. > Minimising waste and conserving water during construction and after completion when tenants occupy properties. > Promoting environmental responsibility. > Preserving and enhancing biodiversity.	> Attractive returns on their respective equity and debt investments. > Delivery of strategy and financial performance. > Execution of investment objective. > Effective communication of the Company's progress and ongoing strategy.

	Our customers	Our local communities and environment	Our investors and funders
Ways we are engaging with them	> Customer satisfaction surveys. > Utilisation of an in-house mobile app which provides communication and information between tenant and landlord on a variety of topics. The app includes a community forum which is monitored. > A resident engagement survey is carried out once a year to gain feedback in relation to brand activity and customer engagement. > Review platforms such as Trust Pilot and Home Views are monitored. All reviews within the last 12-month period have been responded to and feedback circulated. > Residents give star ratings for sub-contractors following maintenance completions. > Further information on how we engage with our customers can be found on pages 53 to 56.	> Ensuring that engagement with shareholders provides an opportunity to discuss ESG matters. > Fostering networks which connect our occupiers with local communities and organisations, providing an opportunity for feedback. > For further information on the Group's ESG policies and performance please see pages 40 to 47, and the full report on the Company's website, www.theprsreit.com	> Through a combination of Annual and Interim Reports, presentation of financial results and announcements to the market. > Provision of financial information and covenant compliance certificates to debt funders. > The Company encourages shareholder attendance and queries at its Annual General Meeting. > During the year, the Company has specifically engaged with its largest shareholders regarding the options available to the Company under the Strategic Review. > Communication through the Company's appointed Broker. > Returns-focused strategy with clear targets set. > Meetings held with substantial shareholders, debt providers and potential investors. > Regular formal and informal communication with both equity and debt providers. > Provision of information on the Company's website. > Further information as to how the Company has engaged with its shareholders can be found on pages 52 to 56.

	Our customers	Our local communities and environment	Our investors and funders
Impact of engagement on key decisions	> Any areas for improvement identified and new processes put in place. > Feedback themes for house specification identified, influencing specification alterations to future developments. > Sub-contractor star ratings allows for the monitoring of the performance of partners, ensuring that sub-contractors meet the Group's standards of customer care. > Seasonal events and marketing activities, such as summer ice cream dashes, cinema nights, pizza events and Christmas parades. > Key developments and new functions to the mobile app. > Delivering properties that target strong environmental certifications and energy efficiency. > Facilitation of resident nominated charity support.	> Promoting the mitigation of carbon emissions on existing properties including installation of PV panels, EV charging points, utilisation of modern methods of construction and reduction of waste. > Identifying opportunities to increase biodiversity on and around properties. > Recycling activities, including installation of clothes banks on sites. > Support for local schools and charities through donations for projects. > Garden maintenance and provision of open green spaces.	> The Board's proposal on the final total dividend for the 2025 financial year of 4.3p per share (2024: 4.0p) reflects the Board's confidence in the Company's long-term financial health and growth prospects. > The Board signed new terms for the Investment Advisory and Development Management Agreements, as announced on 9 July 2024. A further amendment to the Investment Advisory Agreement was made in November 2024, by adding a 'change of control' provision. Under the terms of the amendment, in the event of a change of control of the Company, both the Company and the Investment Adviser have the right to service notice to terminate the Investment Advisory Agreement on 12 months' notice > The Board listened to shareholder feedback and undertook a Strategic Review to consider the future of the Company and to explore all the various strategic options available to enhance value for shareholders. Throughout the process, the Board has remained engaged with shareholders and continues to pursue a Formal Sale Process as part of the Strategic Review.

	Our partners and suppliers	Our Investment Adviser
Who are they?	Construction partners, local authorities, Letting Agent, AIFM, Broker, Company Secretary, other suppliers and all other organisations we have a direct relationship with including those set out on page 65.	Sigma PRS Management Ltd.
Why are they important to us?	> As an externally managed REIT, the Company outsources all its administrative functions to external service providers, who are critical to the administration and running of the business.	> Performance of the Investment Adviser is critical for the Company to successfully deliver its investment strategy and meet its performance targets. > The Investment Adviser must be able to demonstrate a track record of success and be in alignment with the Company's values and success criteria.
What matters to them	> Reliability and dependability of the PRS REIT. > Reputation of the Company and maintaining high standards of business conduct. > Customer recommendations, enabling them to win new/additional business. > Contributing to the success of the PRS REIT. > Collaboration and long-term partnerships.	> Provision of support and clear direction from the Board in terms of overall strategy and policy.
Ways we are engaging with them	> Maintaining an open and active dialogue both through formal Board meetings and regular interaction outside of meetings. > Annual evaluation of key service providers. > Developing long term relationships with suppliers. > Payment of suppliers in accordance with credit terms which are typically less than 30 days.	> The Board and Sigma PRS work together closely. The Investment Adviser attends the quarterly Board meetings and reports to the Board on progress and performance. > The Management Engagement Committee of the Board reviews the performance of the Investment Adviser annually. > Regular informal and formal discussions between members of the Board and the Investment Adviser, together with members of the Audit Committee and the Investment Adviser. > Further information as to how the Company has engaged with the Investment Adviser can be found on page 56.
Impact of engagement on key decisions	> Through the Management Engagement Committee process, the Board continues to provide transparent and actionable feedback to the Company's service providers, which has resulted in service providers continually looking to improve processes and ensure that they are aligned with the high standards of business conduct expected by the Board.	> Strategic oversight and clear direction by the Board has been crucial in ensuring that the Investment Adviser has been able to execute the Company's investment strategy effectively. This was specifically enhanced through the process and outcome of the extension of the Investment Advisory and Development Management Agreements, which provides Sigma additional certainty to deliver the investment strategy for the long-term. > The renegotiation of the terms of the Investment Advisor's engagement in November 2024, to include appropriate change of control arrangements, supported the alignment of interests between the Company, the Investment Advisor and the Company's shareholders.



HIGHLIGHTS

STRATEGIC REPORT

CORPORATE GOVERNANCE

INDEPENDENT
AUDITOR'S REPORT

FINANCIAL STATEMENTS

SUPPLEMENTARY
INFORMATION

Principal decisions

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

Dividend and dividend policy

The Board made the decision to target a dividend of 4.3 pence per ordinary share in respect of the year ended 30 June 2025, and this target has been met.

The Board provides shareholders with the opportunity to vote on the dividend policy of the Company at the Annual General Meeting.

Amendment of Investment Advisory Agreement

The Board signed new terms for the Investment Advisory and Development Management Agreements (the "**Agreements**"), as announced on 9 July 2024. The previous Agreements took effect from 1 January 2021 and provided for a minimum contracted term of five years to 31 December 2026 (inclusive of a one-year notice period). In connection with a reduction in the Investment Adviser and Development Management fees, the contracted term of the Agreements was extended by 2.5 years, to 30 June 2029 (inclusive of a one-year notice period). The Investment Adviser fee was revised with effect from 1 July 2024 as follows and remains payable monthly in arrears:

- (a) (i) 0.90 per cent. (previously 1.00%) per annum of the Adjusted Net Asset Value up to, and including, £250 million;
- (ii) 0.85 per cent. (previously 0.90%) per annum of the Adjusted Net Asset Value in excess of £250 million and up to, and including, £500 million;
- (iii) 0.70 per cent. (previously 0.75%) per annum of the Adjusted Net Asset Value in excess of £500 million and up to, and including, £1 billion;
- (iv) 0.40 per cent. (previously 0.50%) per annum of the Adjusted Net Asset Value in excess of £1 billion and up to, and including, £2 billion; and
- (v) 0.30 per cent. (previously 0.40%) per annum of the Adjusted Net Asset Value in excess of £2 billion.
- (b) The Development Management fee was reduced with effect from 1 July 2024 to 3% on land and to 3.5% on construction (previously 4% on both land and construction) components of the Development Cost. The fee remains payable monthly in arrears, with 50% of the fee used to subscribe for ordinary shares in the Company bi-annually as previously.

Further amendment to the Investment Advisory Agreement was made in November 2024, by adding a 'change of control' provision (the "Amendment"). Under the terms of the Amendment, in the event of a change of control of the Company, both the Company and the Investment Adviser have the right to service notice to terminate the Investment Advisory Agreement on 12 months' notice.

Having consulted with the Company's shareholders, the Board believed that the amendments to the Agreements were in the best interests of shareholders. They resulted in immediate cost savings for the Company as well as providing additional certainty regarding the Company's arrangements with its Investment Adviser. Further, the last amendment minimises potential contractual limitations, thereby supporting the Strategic Review, including a Formal Sale Process.

The Board believes that the Investment Adviser is singularly well-placed to support the delivery of the Company's strategy and investment objectives, and that this relationship has been effective and remains central to the ongoing successful management of the existing portfolio and to unlocking further attractive investment opportunities in the future.

Requisition Event

The Board received a letter dated 29 August 2024 (the "Requisition Notice") from Harwood Capital Management Limited, Waverton Investment Management Limited, CCLA Investment Management Limited, Alder Investment Management Limited, CG Asset Management Limited (the "**Requisitioning Shareholders**"). The equity holdings of the Requisitioning Investors together accounted for c.17.3% of the Company's total issued share capital. Ruffer LLP and Asset Value Investors Limited, representing in aggregate c.1.6% of the issued share capital, also gave irrevocable undertakings to vote in favour of the resolutions to be proposed by the Requisitioning Shareholders.

The letter requested that, at a general meeting, shareholders of the Company consider and vote on ordinary resolutions to remove two of the five existing independent non-executive Directors, the Chair, Steve Smith and Steffan Francis. The letter also requested shareholders vote to approve the appointment of Robert Naylor as non-executive Chair and Christopher Mills of Harwood Capital Management as a Director. Harwood Capital Management held 1.1% of the share capital of the Company.

On 13 September 2024, the Board announced that an agreement had been reached with the Requisitioning Shareholders, such that the Requisitioning Shareholders agreed that the Requisition Notice be withdrawn.

Change of Directors

As announced on 13 September 2024, Christopher Mills and Robert Naylor were appointed to the Board as Non-Executive Directors, with effect from 8 October 2024 and proposed for election at the Company's AGM on 3 December 2024.

With effect from the conclusion of the AGM on 3 December 2024:

- > Steve Smith stepped down as the non-executive Chair and as a Director of the Company;
- > Geeta Nanda was appointed as non-executive Chairwoman of the Company and Chair of the Management Engagement Committee. Geeta stepped down as a member of the Audit Committee;
- > Karima Fahmy was appointed as Senior Independent Director, replacing Geeta Nanda and also Chair of the Nomination and Remuneration Committee; and
- > Robert Naylor was appointed as a member of the Audit Committee.

Following the Board's decision to proceed with the Strategic Review, the recruitment process to identify a permanent non-executive Chair, as announced on 13 September 2024, was postponed.

Following the year ended 30 June 2025, Karima Fahmy stepped down from her roles as Senior Independent Director and Chair of the Nomination & Remuneration Committee and resigned as a Director with effect from 1 September 2025. Steffan Francis will succeed her as Senior Independent Director and Chair of the Nomination & Remuneration Committee. There are no current plans to recruit an additional non-executive director while the Strategic Review and Formal Sale Process remain under way.

Strategic Review, including a Formal Sale Process

On 23 October 2024, the Board announced that it was undertaking a Strategic Review to consider the future of the Company and to explore all the various strategic options available to enhance value for shareholders which may include a potential sale of the Company (the "**Strategic Review**").

The Board received feedback from a number of shareholders regarding the options available to the Company to maximise value for shareholders. Following such feedback, the Board wished to explore these options.

Formal Sale Process & Takeover Code Considerations

The Strategic Review was undertaken under the mechanism referred to in the Takeover Code as a "Formal Sale Process", which enabled conversations with parties interested in making a proposal to take place on a confidential basis.

Any party interested in submitting any form of proposal for consideration in connection with the Formal Sale Process would enter into a non-disclosure agreement and standstill

arrangement with the Company on terms satisfactory to the Board and on the same terms, in all material respects, as other interested parties before being permitted to participate in the process. The Company then provided such interested parties with certain information on its business, following which interested parties were invited to submit their proposals.

The Takeover Panel granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Takeover Code such that any party participating in the Formal Sale Process was not required to be publicly identified under Rules 2.4(a) or (b) and was not subject to the 28 day deadline referred to in Rule 2.6(a) of the Takeover Code for so long as it is participating in the process. Following the announcement on 23 October 2024, the Company was considered to be in an "offer period" as defined in the Takeover Code, and the dealing disclosure requirements applied.

On 4 November 2024, the Board announced that the Company had appointed Singer Capital Markets Advisory LLP to act as financial adviser in connection with the Strategic Review, including a Formal Sale Process.

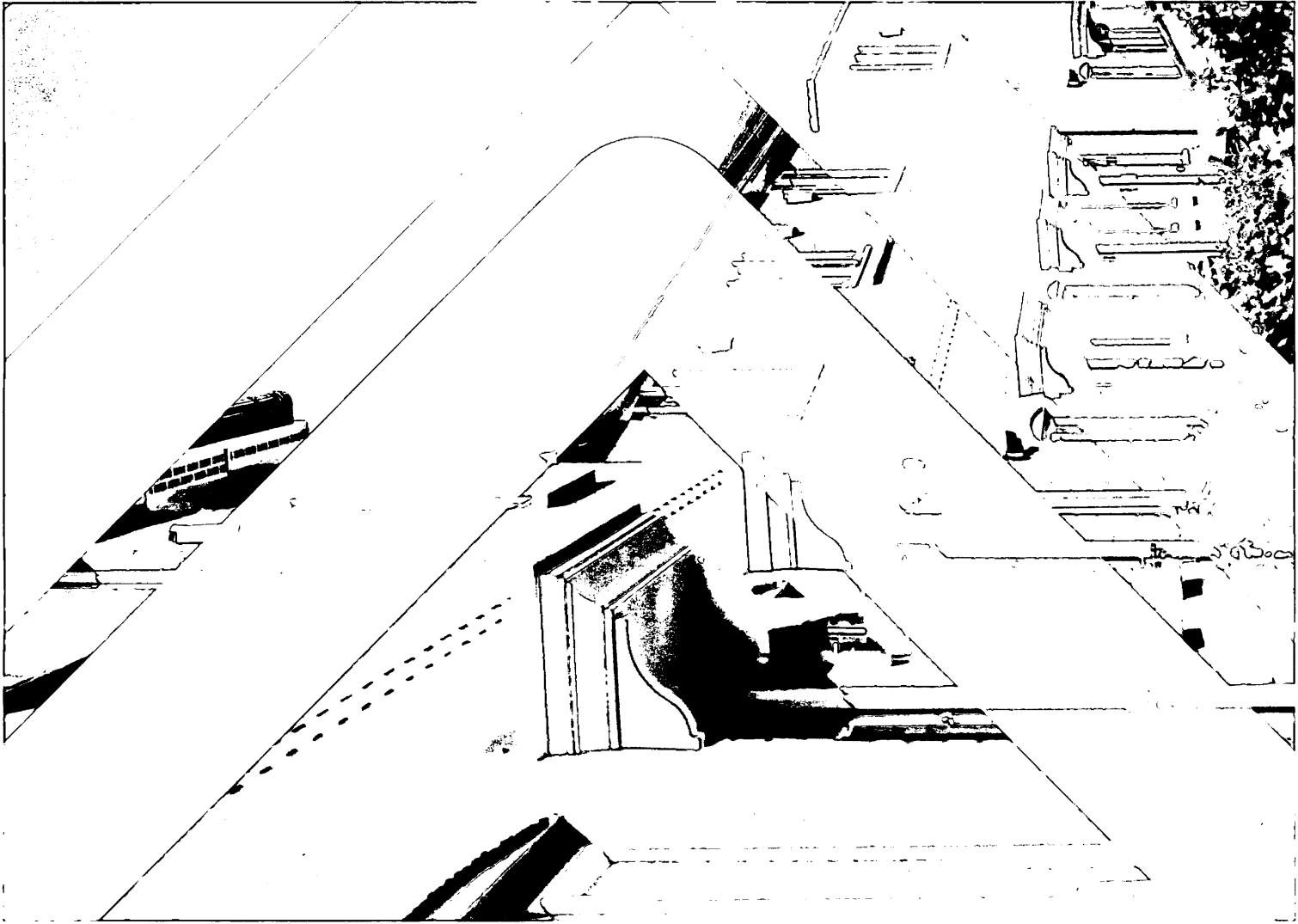
The Company's advisers engaged with a wide range of interested parties in relation to a potential sale of the Company. The Company received several non-binding proposals in connection with the acquisition of the Company. On 11 June 2025, the Board announced that it had received a non-binding proposal regarding a possible offer for the entire issued and to be issued share capital of the Company, pursuant to the Strategic Review, including a Formal Sale Process. As of 30 June 2025, all other non-binding proposals had been withdrawn.

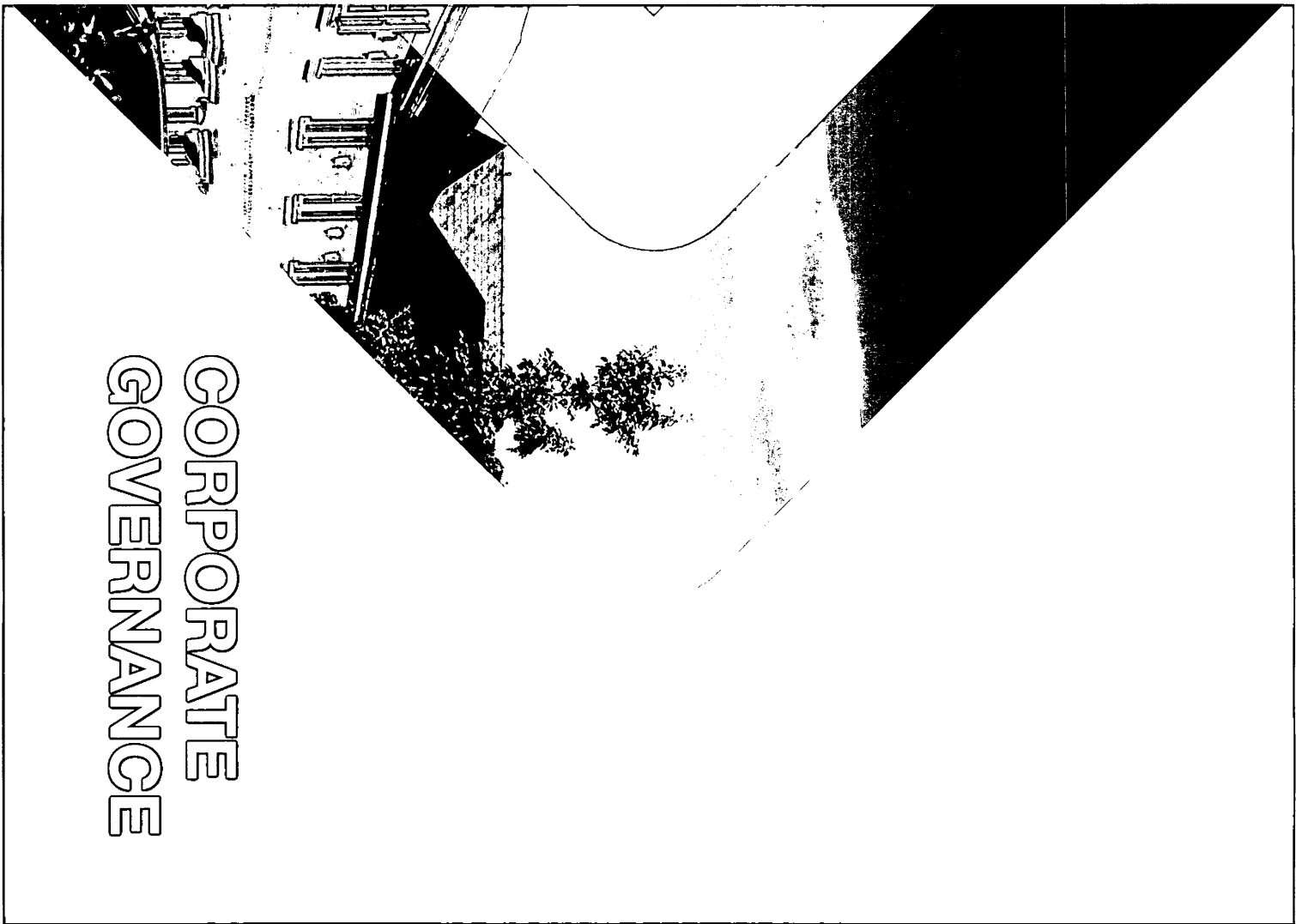
During July 2025, the Board engaged with shareholders and, based on their feedback, resolved to continue to progress with its Formal Sale Process and engage with potentially interested parties. Whilst the Formal Sale Process is ongoing, there can be no certainty that an offer will be made, nor as to the terms of any offer if made. The Board will also continue to evaluate other options available to it pursuant to the wider Strategic Review, with a view to maximising value for the Company's shareholders.

By order of the Board



Geeta Nanda
Chairwoman
6 October 2025





CORPORATE GOVERNANCE

CHAIR'S INTRODUCTION

Dear Shareholders,

I am pleased to introduce the Corporate Governance Report, which covers the year ended 30 June 2025. The Board recognises that a strong corporate governance framework helps provide the foundation for an environment of trust, transparency, and accountability, which is vital to the achievement of the Company's objectives.

During the period, the Board continued to work together effectively, facilitating an environment of collaborative decision-making that promotes the long-term success of the Company, on behalf of our shareholders. I was re-appointed as a non-executive Director at the Company's last AGM in December 2024 and assumed the role of Chairwoman, following the resignation of Steve Smith at the AGM. As announced on 13 September 2024, Robert Naylor and Christopher Mills were appointed to the Board as non-executive Directors and proposed for election at the AGM in December 2024.

The following Corporate Governance Report sets out the corporate governance principles that the Board has adopted, how these have been applied and highlights the key governance events that have taken place during the period.

STATEMENT OF COMPLIANCE

The Board of The PRS REIT plc is committed to maintaining high standards of corporate governance and considers that reporting against the Principles and Provisions of the AIC Code of Corporate Governance issued in February 2019 (the "**AIC Code**"), provides better information to shareholders as it addresses the Principles and Provisions set out in the 2018 UK Corporate Governance Code (the "**UK Code**"), as well as setting out additional Provisions on issues that are of specific relevance to the Company, and is endorsed by the Financial Reporting Council (the "**FRC**").

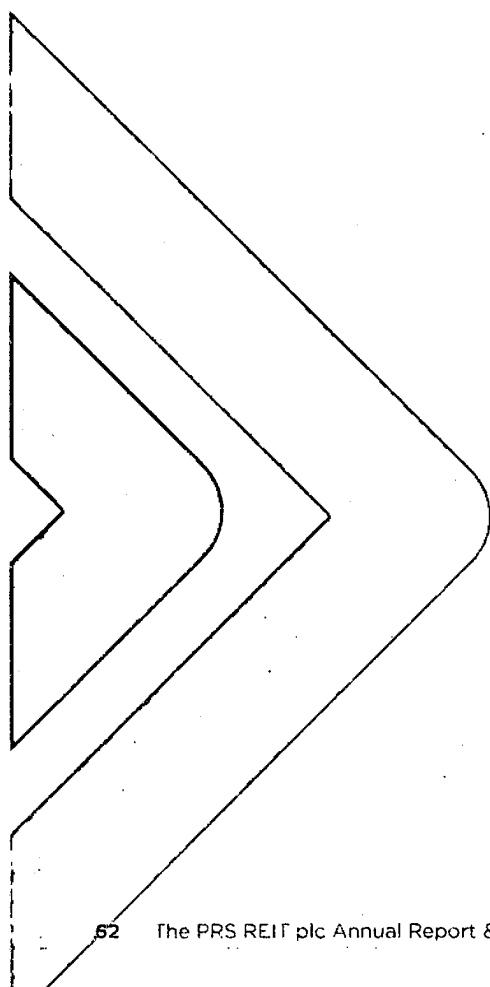
The AIC Code is available from the AIC website at <https://www.theaic.co.uk/> and includes an explanation of how the AIC Code adapts the Principles and Provisions set out in the UK Code to make them relevant for investment companies. A copy of the UK Code can be obtained at frc.org.uk.

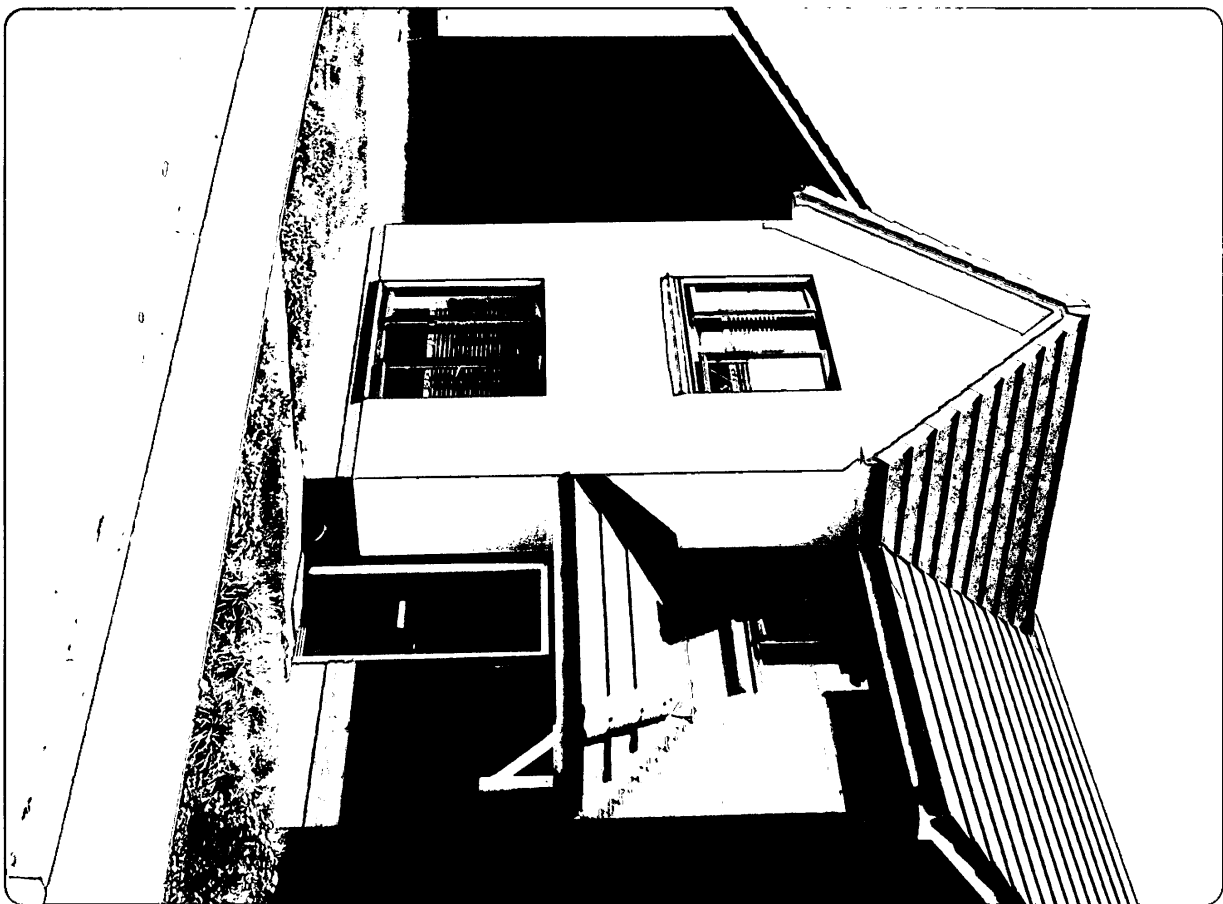
The Company has complied with the Principles and Provisions of the AIC Code throughout the period.

The UK Code includes provisions relating to:

- > the role of the chief executive; and
- > executive directors' remuneration.

For the reasons set out in the AIC Code, the Board considers these provisions not relevant to the position of the Company, being an externally managed REIT. In particular, the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.





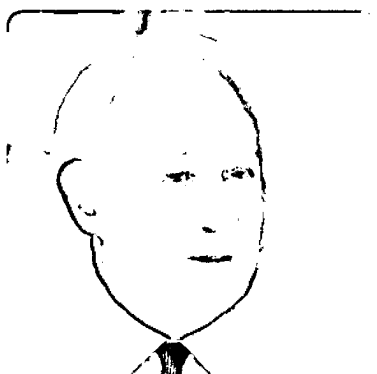
DIRECTORS AND ADVISERS



Geeta Nanda, OBE, Chairwoman

(Age 60) appointed 24 March 2021

Geeta has over 35 years' experience working in the property sector. Until recently, she was Chief Executive Officer of Metropolitan Thames Valley Housing Association ("MTVH"), having previously led its creation in 2017 with the merger of Metropolitan Housing Trust and Thames Valley Housing Association Ltd, where she was Chief Executive Officer for over 9 years. At MTVH, Geeta was responsible for the management of around 60,000 homes, with 120,000 residents, and an ongoing new-build programme of over 1,000 homes a year. She also has significant experience of PRS, having established 'Fizzy Living', the London PRS subsidiary of Thames Valley Housing Association Ltd in 2012. She is currently a Non-Executive Director of Barratt Redrow Plc, Chair of Lloyds Living Pathways Limited, a trustee of Crisis UK and an advisory board member of Lauder Teacher Associates. Geeta was previously a member of the Homes for Londoners mayoral Board, and a Board member of The National Housing Federation, the industry body representing providers of housing. She was also Chair of G15, the group of London's largest housing associations. She was previously a Non-executive Director of McCarthy & Stone plc, the retirement communities' developer and manager, from 2015 until its acquisition in early 2021, and Vice Chair of SCOPE, the national disability charity.



Steffan Francis, Senior Independent Director

(Age 70) appointed 24 April 2017

Steffan has more than 40 years of experience in the real estate industry. Until his retirement, Steffan was a Director at M&G Real Estate where he was responsible for the £6 billion "Long Income" business. Previously he had been responsible for the institutional funds at M&G Real Estate and at Prudential Property Investment Managers. He was also an independent adviser to the British Steel Pension Trustees. Currently, Steffan is a non-executive Director of M&G (Guernsey) Limited. He is a Fellow of the Royal Institution of Chartered Surveyors and a member of the Investment Property Forum.



Roderick MacRae, Non-executive Director

(Age 61) appointed 24 April 2017

Roderick ("Rod") has over 30 years' experience in the financial services sector. Latterly, he was an Executive Director at Aberdeen plc (previously Aberdeen Asset Management PLC) as the Group Head of Risk with responsibility for UK and Global operational risk and regulatory compliance. He was also chairman of the Abridn group executive risk management committee, the senior risk oversight function of the group. He has extensive involvement in corporate activity including transformational acquisitions and defence strategies. Prior to that, Rod was Chief Operating Officer at Edinburgh Fund Managers, which he joined in 1991 and was acquired by Aberdeen in 2003. Rod is a member of the Institute of Chartered Accountants of Scotland, having qualified with Coopers & Lybrand (now part of PWC) and is the Chair of the PRS REIT Audit Committee.



Christopher Mills, Non-executive Director

(Age 72) appointed 8 October 2024

Christopher founded Harwood Capital Management in 2011, a successor to its former parent company JO Hambro Capital Management, which he co-founded in 1993 and was formerly the Chief Investment Officer. He is currently the Chief Executive Officer and Investment Manager of North Atlantic Smaller Companies Investment Trust plc, a UK listed investment trust, and a Non-Executive Director of several companies including AssetCo plc, Bigblu Broadband plc, Catalyst Media Group plc, EKF Diagnostics Holdings plc, Frenkel Topping Group plc, MJ Gleeson plc, Oryx International Growth Fund Limited and Renalytix plc.



Robert Naylor, Non-executive Director

(Age 50) appointed 8 October 2024

Robert is currently the lead fund manager at Achilles Investment Company Limited, which focuses on maximising portfolio value through a strategy of constructive engagement. Robert also holds two other non-executive directorships; NIOX Group PLC, which is dedicated to improving asthma diagnosis and management; and Renalytix PLC, the developer of the only FDA-approved and Medicare-reimbursed prognostic test for early-stage risk assessment of chronic kidney disease.

Previously, Robert was the CEO and co-founder of Intuitive Investments Group plc, an investment company offering exposure to high-growth technology and life sciences businesses. He was also Chairman of both Hipgnosis Songs Fund Limited, a FTSE 250 company, and oversaw its sale to funds advised by Blackstone Inc and Round Hill Music Royalty Fund Limited and oversaw its sale to Concord. Earlier in his career, Robert held positions at JPMorgan Asset Management, Panmure Gordon, and Cenkos Securities. He began his career at Ernst & Young qualifying as a Chartered Accountant.

Registered Office

Floor 3, 1 St. Ann Street
Manchester
M2 7LR

Company Secretary

Hanway Advisory Limited
The Scalpel, 18th Floor
52 Lime Street
London
EC3M 7AF

Auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Financial Adviser and Broker

Singer Capital Markets Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

Legal and Tax Adviser

Dentons UK and Middle East LLP
One Fleet Place
London
EC4M 7WS

Financial PR

KTZ Communications
No. 1 Cornhill
London
EC3V 3ND

AIFM

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4th Floor, 3 More London Riverside
London
SE1 2AQ

Investment Adviser

Sigma PRS Management Ltd
Floor 3, 1 St. Ann Street
Manchester
M2 7LR

Valuers

Savills (UK) Limited
33 Margaret Street
London
W1G 0JD

Depository

Gen II Fund Services
8 Sackville Street
London
W1S 3DG

Registrar

Computershare Investor Services PLC
The Pavilions
Bridgewater Road
Bristol
BS13 8AE

REPORT OF THE DIRECTORS



The Directors are pleased to present the Annual Report, together with the audited financial statements, for the year ended 30 June 2025. The information that fulfils the requirements of the Corporate Governance statement in accordance with rule 7.2 of the DTR can be found in this Report of the Directors and in the Corporate Governance section on pages 73 to 80, all of which is incorporated into this Report of the Directors by reference.

Principal activity

The Company is a closed-ended investment company and is a Real Estate Investment Trust. The principal activity of the Company is the investment in, and management of, new build PRS residential housing which is primarily located in various regions of England. The Directors do not anticipate any change in the principal activity of the Company in the foreseeable future.

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 London Stock Exchange's Main Market. On 30 September 2024, PRS REIT entered the FTSE 250 Index.

Results and dividends

The financial results for the year can be found in the Consolidated Statement of Comprehensive Income on page 106. The Company declared the following interim dividends in respect of the year to 30 June 2025, amounting to a total of 4.3p per share:

Relevant period	Dividend per share (p)	Ex-dividend date	Record date	Payment date
1 July 2024 to 30 September 2024	1.0	14 November 2024	15 November 2024	29 November 2024
1 October 2024 to 31 December 2024	1.1	20 February 2025	21 February 2025	7 March 2025
1 January 2025 to 31 March 2025	1.1	15 May 2025	16 May 2025	6 June 2025
1 April 2025 to 30 June 2025	1.1	14 August 2025	15 August 2025	29 August 2025

Review of the business and future developments

The Directors are required to present an extended business review reporting on the development and performance of the Group and the Company, their positions at the end of the period, and an indication of the likely future developments in the Group's business. This requirement is met by the Strategic Report on pages 10 to 13.

Articles of Association (the "Articles")

The Company's Articles may only be amended with shareholders' approval by special resolution at a general meeting of shareholders.

Directors

The current Directors of the Company are listed on pages 64 to 65, all of whom held office throughout the year, except Christopher Mills and Robert Naylor who were appointed as a Non-Executive Directors with effect from 8 October 2024, Steve Smith who stepped down from his role as a Non-Executive Director with effect from the conclusion of the Annual General Meeting on 3 December 2024. The Board consists solely of Non-Executive Directors, each of whom is independent of the Investment Adviser and the Company. The Company therefore has no executive Directors or employees (2024: none). In accordance with the Articles, every person appointed as a Director during the period must stand for re-election at the next Annual General Meeting ("AGM"). The Board follows the revised AIC Code of Corporate Governance that applies to financial periods commencing after 1 January 2019 and requires that all Directors will stand for re-election annually. The appointment and replacement of Directors is governed by the Company's Articles, the AIC Code, the Companies Act 2006 and any related legislation. The details of the Directors' remuneration along with the Director's beneficial interest in securities of the Company are given in the Directors' Remuneration Report on pages 90 to 93.

Following the year ended 30 June 2025, Karima Fahmy stepped down from her role as Senior Independent Director and left the Company with effect from 1 September 2025. In addition, Steffan Francis assumed the role of Senior Independent Director and Chair of the Nomination & Remuneration Committee with effect from 1 September 2025.

Powers of Directors

The Directors' powers are determined by the Companies Act 2006 and the Company's Articles. The Articles may be amended by a special resolution of the shareholders. The Directors may exercise all the powers of the Company provided that the applicable legislation and Articles do not stipulate that any such powers must be exercised by the shareholders.

Directors' interests in shares

The Directors' interests in the Company's shares are disclosed in the Directors' Remuneration Report on pages 90 to 93.

Directors' indemnity insurance

Subject to the provisions of any relevant legislation, the Company has agreed to indemnify each Director against all liabilities which any Director may suffer or incur arising out of or in connection with any claim made, or proceedings taken against him/her, or any application made by him/her, on the grounds of his/her negligence, default, breach of duty or breach of trust in relation to the Company or any associated Company.

This policy remained in force during the financial period and also at the date of approval of the financial statements.

The Company maintains appropriate Directors' and Officers' liability insurance in respect of legal action against its Directors on an ongoing basis.

Share capital

At the AGM held on 3 December 2024, the Directors were authorised to:

- > issue securities up to an aggregate nominal amount of £1,830,838 representing approximately 33.33% of the Company's issued share capital at the time of the annual general meeting;
- > dis-apply pre-emption rights in respect of securities and to issue securities for cash up to an aggregate nominal amount equal to £549,251 which represented 10% of the Company's issued share capital at that time; and
- > allow the PRS REIT to buy back up to 14.99% of the issued share capital of the Company at that time, provided the Directors believed it to be in the best interests of shareholders where to do so would likely result in an increase in earnings per share.

As at 30 June 2025, the Company had 549,251,458 ordinary shares in issue (2024: 549,251,458), none of which were held in treasury (2024: none).

Substantial shareholdings

As at 30 June 2025, the Company is aware of the following substantial shareholdings, which were directly or indirectly interested in 3% or more of the total voting rights in the Company's issued share capital.

Investor	Number of ordinary shares	% holding of issued share capital
Invesco High Income Fund	49,089,585	8.94
Aquila Life UK Equity Index Fund	30,667,275	5.58
Homes & Communities Agency	29,878,047	5.44
Invesco UK Equity Income Fund	21,877,700	3.98
Smithfield Alternative Investment Fund	19,371,799	3.53

As at 30 September 2025 the following substantial shareholdings were held:

Investor	Number of ordinary shares	% holding of issued share capital
Invesco High Income Fund	49,089,585	8.94
Homes & Communities Agency	29,878,047	5.44
Aquila Life UK Equity Index Fund	29,831,286	5.43
Invesco UK Equity Income Fund	21,877,700	3.98
Smithfield Alternative Investment Fund	19,371,799	3.53

In accordance with DTR 5, the Company was advised of the following significant direct and indirect interests in the issued ordinary share capital of the Company as at 30 June 2025:

Investor	Interests in ordinary shares	% holding Disclosed*	Date of notification
Homes and Communities Agency	24,999,999	9.99	31 May 2017
Janus Henderson Group plc	15,099,100	6.04	1 June 2017
Columbia Threadneedle	Not disclosed	Below 5	22 December 2020
AXA Investment Managers S.A.	26,917,000	4.90	19 July 2022
Standard Life Aberdeen plc affiliated investment management entities	23,345,700	4.71	24 June 2020
CCLA Investment Management Ltd	25,830,640	4.70	28 September 2022
Liontrust Investment Partners LLP	27,444,097	4.997	9 November 2023
Invesco Ltd	71,224,439	12.967547	23 April 2024
Aviva PLC	49,420,295	9.00	1 October 2024
Waverton Investment Management Limited	31,469,972	5.72	12 February 2025
BlackRock Inc	31,902,097	5.80	23 June 2025

The Company was not notified of any updates to the significant direct and indirect interests in the issued ordinary share capital of the Company between 1 July 2025 and 6 October 2025.

* The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules.

Information provided to the Company pursuant to DTR 5 is available via the Regulatory News section on the Group's website.

Related party transactions

Related party transactions during the period to 30 June 2025 can be found in note 33 of the financial statements.

Research and development

No expenditure on research and development was made during the year (2024: Nil).

Donations and contributions

In December 2022, the Company established the PRS REIT Community Fund and made a commitment for the financial year 2024/25 to donate up to £250,000 towards charitable organisations, activities and events, in support of the residents and wider community. During the year to 30 June 2025, the PRS REIT Community Fund has made donations totalling £246,000 to a range of charities, groups, activities and events that either directly support the Company's residents and wider community, or charities and groups that have been nominated by the residents, in conjunction with the Investment Adviser (2024: £204,000). No political donations were made during the year (2024: Nil).

Restrictions on the transfer of shares

There are no restrictions on the transfer of securities in the Company, except as a result of:

- > the FCA's Listing Rules, which require certain individuals to have approval to deal in the Company's shares; and
- > the Company's Articles, which allow the Board to decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company or Investment Adviser breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on transferring securities in the Company.

Greenhouse gas emissions reporting

The Board has considered the requirement to disclose the Company's measured carbon sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

During the year ended 30 June 2025:

- > any emissions from the Group's development of investment properties have been the contractors' responsibility rather than the Group's so the principle of operational control has been applied;
- > any emissions from the Group's completed assets have been the tenants' responsibility rather than the Group's so the principle of operational control has been applied;

- > any emissions from the Company's registered office or from offices used to provide administrative support are deemed to fall under the Investment Adviser's responsibility; and
- > the Group does not lease or own any vehicles which fall under the requirements of Mandatory Emissions reporting.

Work to measure and understand the emissions from the two phases of business, being construction and lettings, is under ongoing review. The Investment Adviser is investing time and resources in this area in order to endeavour to capture aggregated data which can be utilised to further understand and measure the impact of the Company's assets on emissions. This information is not presently available to the Investment Adviser as it is not under its control and it does not have the ability to compel third parties to provide.

As such, the Board believes that the Company had no reportable emissions for the periods ended 30 June 2025 and 30 June 2024.

Management arrangements

Please refer to the Management Engagement Committee Report on pages 86 to 87 for details on the Company's management arrangements and service providers.

Financial risk management

The principal risks and uncertainties faced by the Company and the Group are set out on pages 48 to 51. Information on the financial risk management objectives and policies relating to market risk, credit risk and liquidity risk is provided in note 5 to the financial statements.

Treasury activities and financial instruments

The Group's financial instruments comprise cash and cash equivalents, plus other items such as trade and other receivables, trade and other payables and borrowings that arise directly from its operations. At 30 June 2025, the Group had positive cash balances of £22 million (2024: £18 million).

The Group's policy is to keep surplus funds on short-term and instant access deposit to earn the prevailing market rate of interest. At 30 June 2025, the Group had borrowings of £250 million with Scottish Widows, £102 million with Legal and General Investment Management and a £82.5 million facility with RBS plc of which £59.2 million was drawn. In addition, the Group had a £33 million revolving credit facility with Barclays Bank PLC of which £18.2 million was drawn, this facility was fully repaid and closed in September 2025. Further information with regard to the Group's cash and cash equivalents is provided in note 21 of the financial statements and borrowings in note 24.

Going concern

The Company's current financial position is set out in the Strategic Report and financial statements. The Board regularly reviews the position of the Company and its ability to continue as a going concern throughout the year.

The Board confirms that it has a reasonable expectation that the Company and the Group have adequate resources to manage their business risks successfully and allow them to continue in operational existence for the foreseeable future. However, the Board believes that there is a material uncertainty in relation to the Group's and Company's ability to continue for a period of at least 12 months from the date of this report as a result of the proposed sale of the Company.

Material uncertainty related to going concern

On 17 September 2025, the Board announced that it has entered into non-binding heads of terms for the proposed sale (the "Proposed Sale") of The PRS REIT Holding Company Limited, the Company's operating subsidiary that holds the entirety of the Company's portfolio of property assets, to a vehicle ("Bidco") wholly owned by a fund being advised by Waypoint Asset Management Limited ("Waypoint") as investment adviser. The cash consideration receivable in respect of the Proposed Sale is expected to be approximately £646.2 million. Proceeds to the Company of the Proposed Sale, net of transaction expenses and corporation tax, are expected to be approximately £633.2 million. The Proposed Sale is conditional on, inter alia, satisfactory completion of confirmatory due diligence by Waypoint, the Company and Bidco agreeing and entering into a sale and purchase agreement in respect of the Proposed Sale (the "SPA"), and approval of the Proposed Sale by The PRS REIT shareholders at a general meeting by way of a special resolution. The Company and Waypoint are working together with a view to completing the Proposed Sale by 30 November 2025. Subject to completion of the Proposed Sale, the Board intends to seek further shareholder approval for the voluntary liquidation of the Company with a view to distributing the Company's net assets to shareholders as soon as reasonably practicable.

The Proposed Sale therefore represents a material uncertainty regarding the going concern status of the Company. Notwithstanding the Proposed Sale, which remains conditional at this stage, the Board considers that it remains appropriate for the financial statements to be prepared on a going concern basis. Please see note 3 of the financial statements for more information.

Viability statement

In accordance with Provision 36 of the AIC Code, the Directors have assessed the prospects of the Group and Company and future viability over a three-year period, being the period for which the Board regularly reviews forecasts. The Board considers the future performance of the Group beyond three years, but less certainty exists over the forecasting assumptions beyond this period.

The Directors considered a number of other factors when assessing the viability of the Group and Company:

- > strong rent collection rates maintained, cash collections from tenants during the year matched almost 100% of all rent invoiced during the year;
- > continued strong rental demand;
- > continued increases in estimated rental value;
- > Group EPRA loan to value ratio of 35% as at 30 June 2025;
- > Group cash of £22 million at 30 June 2025, of which £17 million was immediately available;
- > access to approximately £23 million of undrawn debt facilities; and
- > 81% of the Group's investment debt facilities are fixed interest facilities with a weighted average debt maturity of 14 years and an average weighted cost of 3.8%.

In assessing the Company's viability, the Board has carried out a robust assessment of the principal risks and uncertainties facing the Group, as set out on pages 48 to 51.

The Board believes that the three-year period selected is an appropriate period over which to assess the viability of the Company. The assumptions underpinning the forecasting model reflect that all investment property developments have been completed and rent stabilisation achieved. Sensitivity analysis has been undertaken to consider the potential impacts of the Group's significant risks on the cashflows and covenant compliance, in particular modelling the impact of decreased rental income and increased costs. No downside scenarios resulted in forecast breach of covenants.

The Board's expectation is further underpinned by regular dialogue with the Investment Adviser regarding market conditions, the availability of investment opportunities, principal risks and uncertainties and any change in the regulatory framework. The Group's principal and emerging risks and uncertainties continue to be monitored closely by the Board. Based on the results of this analysis, the Directors have a reasonable expectation that the Group and Company will be able to continue in operation and meet its liabilities as they fall due for the next three years.

Environmental, Social and Governance

The Board's Environmental, Social and Governance report is on pages 40 to 47.

Corporate Governance Statement

The corporate governance statement is set out on pages 73 to 80.

Stakeholder engagement and Section 172 statement

The Group's stakeholder engagement and Section 172 statement are set out on pages 52 to 59.

Auditor

A resolution to reappoint RSM UK Audit LLP as Auditor will be proposed at the next Annual General Meeting.

Audit information

The Directors who held office at the date of approval of this Report of the Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware and each Director has taken all the steps that they ought to have taken as a Director to make himself / herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Post balance sheet events

Details of any significant post balance sheet events are included on pages 139 to 140 of these financial statements.

By order of the Board



Geeta Nanda
Chairwoman
6 October 2025



STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, the Corporate Governance Statement and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors have elected and are required under the UK Listing Rules of the Financial Conduct Authority to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards. The Directors have elected under company law to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and the Company and the financial performance of the Group; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company financial statements, the Directors are required to:

- > select suitable accounting policies and then apply them consistently;
- > make judgements and accounting estimates that are reasonable and prudent;
- > state whether they have been prepared in accordance with UK-adopted International Accounting Standards;
- > prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 64 to 65 confirm that, to the best of each person's knowledge:

- > the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company and the undertakings included in the consolidation taken as a whole; and
- > the Strategic Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the www.theprsreit.com website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Approval

This Statement of Directors' Responsibilities was approved by the Board and signed on its behalf by:



Geeta Nanda
Chairwoman

6 October 2025

CORPORATE GOVERNANCE STATEMENT

Responsibilities

The Board is collectively responsible for the sustainable long-term success of the Group and for delivering value for shareholders. The Board does not routinely involve itself in day-to-day business decisions. It provides overall leadership and sets the strategic direction of the Group and has oversight over the management and conduct of the Group's business, strategy and development. The Board determines the Group's Investment Policy and risk appetite and ensures compliance with the Group's Investment Policy.

The Board is also responsible for the control and supervision of the Alternative Investment Fund Manager ('AIFM') and the Investment Adviser and compliance with the principles and recommendations of the AIC Code. The Board ensures the maintenance of a sound system of internal controls and risk management (including financial, operational and compliance controls) and reviews the overall effectiveness of the systems in place throughout the year. The Board is responsible for approval of any changes to the capital, corporate and/or management structure of the Group.

The AIFM is responsible for overall portfolio management (including compliance with the Group's investment policy) and risk management of the Group, including the implementation and review of adequate risk management systems.

The Investment Adviser is responsible for the asset management of the Group's portfolio, including arranging for the acquisition of PRS development sites and liaising with third parties providing services to the Group. The Investment Adviser also provides certain development management services to the Group, in connection with the construction and delivery of new PRS units.

The Directors have adopted a formal schedule of matters reserved for decision by the Board. These include the following:

- > Board membership and powers including the appointment and removal of Board members taking account of recommendations from the Nomination & Remuneration Committee;
- > establishing the overall control framework;
- > Stock Exchange related matters, including the approval of communications to the Stock Exchange, and communications with shareholders, other than announcements of a routine nature;
- > appointment, termination, and regular assessment of the performance of the principal advisers, including the AIFM, Investment Adviser, legal and tax advisers, administrator, valuer, financial adviser and broker, registrar and Auditor;
- > approval of acquisitions from Sigma Capital Group Limited and subsidiary undertakings;

- > approval of annual and half yearly financial reports, to 30 June and 31 December respectively, dividends, accounting policies and significant changes in accounting practices;
- > review of the adequacy of corporate governance procedures;
- > review of the risk management systems and the effectiveness of internal controls;
- > alterations to and approval of the Group's capital structure, dividend policy, treasury policy, borrowing facilities and any banking relationships;
- > approval of any related party transactions subject to further regulatory requirements; and
- > oversight of the Group's operations, ensuring compliance with statutory and regulatory obligations.

The Board has carried out a robust assessment of the emerging principal risks affecting the business, including those which would threaten its business model, future performance, solvency or liquidity. Details of these risks and their management are set out in this report on pages 48 to 51.

The Board has reviewed the effectiveness of the AIFM and Investment Adviser's compliance and control systems in operation insofar as they relate to the affairs of the Group and further reviews the arrangements with the Depositary to ensure the safeguarding of the Company's assets and security of the shareholders' investment is being maintained.

As the Company principally invests in property assets, the Board does not consider that there is any need to determine a separate remit for the Investment Adviser regarding voting and corporate governance issues in respect of investee companies. While the Company has a number of subsidiary undertakings these are all special purpose vehicles set up for the purposes of holding property assets and are all wholly owned and controlled by the Company.

Internal control review

The Board is responsible for the systems of internal controls relating to the Company and Group, including the reliability of the financial reporting process, and for reviewing the systems' effectiveness. The Directors have reviewed and considered the guidance supplied by the FRC on risk management, internal control and related finance and business reporting and an ongoing process is in place for identifying, evaluating and managing the principal and emerging risks faced by the Company and Group. This process, together with key procedures established with a view to providing effective financial control, was in place during the year under review and at the date of this report.

The internal control systems are designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable, and that the assets of the Company and Group are safeguarded.

The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Company's objectives. It should be recognised that such systems can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Directors have carried out a review of the effectiveness of the systems of internal control as they have operated over the period and up to the date of approval of the annual report and financial statements. There were no matters arising from this review that required further investigation and no significant failings or weaknesses were identified. The internal control systems do not eliminate risk and can only provide reasonable assurance against misstatement or loss.

Internal control assessment process

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective.

The following are the key internal controls which the Company has in place:

- > a risk register which identifies key and emerging risks and the controls in place to mitigate those risks (this register is maintained by the Investment Adviser subject to oversight of the Audit Committee);

- > a procedure to monitor the compliance status of the Company to ensure that it can continue to be approved as a REIT;
- > the Investment Adviser and the Administrator prepare forecasts and management accounts which allow the Board to assess performance;
- > the controls employed by the Investment Adviser and other third-party service providers are periodically reviewed by the Audit Committee; and there are agreed and defined investment criteria, specified levels of authority and exposure limits in relation to investments, leverage and payments; and
- > the Audit Committee reviews the internal control recommendations made by the external auditors, including the results of periodic testing of key controls as part of their audit work.

The risks of any failure of internal controls and impact of such risks are identified in the risk register, which is regularly reviewed by the Board, through the Audit Committee. Taking into account the review of the Group's principal and emerging risks, and its knowledge of the business, the Audit Committee has reviewed and approved any statements included in the annual report concerning internal controls (including the financial reporting process for the entities included in the consolidation as a whole) and risk management and has determined that the effectiveness of the internal controls was satisfactory. The principal and emerging risks and uncertainties identified from the risk register can be found on pages 48 to 51.



Investment Adviser

The Company and the AIFM appointed Sigma PRS Management Ltd ("**Sigma PRS**") as the Investment Adviser in March 2017. Sigma PRS is responsible for the physical management of the assets of the Company and advising the Company and the AIFM on a day-to-day basis in respect of the Company's Investment Policy. The Investment Adviser is part of the Sigma Capital Group, a leading provider and manager of PRS properties in the UK. As a wholly owned subsidiary of Sigma, the Investment Adviser benefits from the extensive experience and expertise of the Sigma team with access to its PRS property platform to source investment opportunities that meet the investment objectives of the Company, management of all properties within the portfolio, and providing marketing and investor relations services to the Company.

The Company announced on 9 July 2024 that it had extended its existing Investment Advisory Agreement with Sigma PRS and agreed a reduced fee structure. The Development Management Agreement was also extended, on a reduced fee structure. The contract changes applied from 1 July 2024 and the agreement is terminable on not less than 12 months' notice by either party, such notice not to expire earlier than 30 June 2029. The performance of the Investment Adviser has been reviewed on an ongoing basis throughout the period by the Board at its quarterly meetings. The Board considers a number of factors including investment performance, the skills and experience of key staff and the capability and resources of the Investment Adviser to deliver satisfactory performance for the Company in accordance with its Investment Objective. The Board is satisfied with the performance of the Investment Adviser and considers its continued appointment on the new terms agreed to be in the best interests of the Company and its shareholders as a whole.

In November 2024, an agreement to amend the Investment Advisory Agreement was put in place (the "Agreement") by adding a 'change of control' provision (the "Amendment"). Under the terms of the Amendment, in the event of a change of control of the Company, both the Company and the Investment Adviser have the right to serve notice to terminate the Agreement on 12 months' notice. The Amendment was agreed following the Board's decision to commence a Strategic Review, as announced on 23 October 2024, to consider the future of the Company and explore strategic options to enhance value for shareholders, including a potential sale of the Company. While the Amendment is not considered to be a necessary change, it adds further flexibility as to how any potential sale of the Company may be implemented.

Board membership and meeting attendance

During the year to 30 June 2025, the number of scheduled Board meetings attended by each Director was as follows:

Director	Attendance*	Date of Appointment	Length of Service at 30 June 2025
Steffan Francis	4/4	24 April 2017	8 years
Rod MacRae	4/4	24 April 2017	8 years
Geeta Nanda	4/4	24 March 2021	4 years
Karima Fahmy**	4/4	10 October 2023	1 year 8 months
Christopher Mills***	3/3	8 October 2024	8 months
Robert Naylor***	3/3	8 October 2024	8 months
Steve Smith****	0/1	24 April 2017	-

* Number of scheduled meetings attended/maximum number of meetings that the Director could have attended.

** Retired with effect from 1 September 2025.

*** Appointed with effect from 8 October 2024.

**** Retired with effect from the conclusion of the Annual General Meeting on 3 December 2024.

The Board also held numerous ad-hoc meetings in relation to the Strategic Review, including a Formal Sale Process during the year.

Composition

The Board consists of a Non-Executive Chairwoman and four other Non-Executive Directors, including a Senior Independent Director, all of whom were considered independent on and since their appointment. All the Directors are independent of the Investment Adviser and the AIFM.

Geeta Nanda is the Chairwoman of the Company, appointed at the 3 December 2024 AGM, and is responsible for leadership and oversight of the Board to ensure that it functions effectively. The Chairwoman, in conjunction with the Company Secretary, ensures that accurate, timely and clear information is received, and sufficient time is given in meetings to review all agenda items thoroughly. They promote constructive debate and facilitate a supportive, co-operative and open environment between the Investment Adviser and the Directors. They are also responsible for ensuring that the Company's obligations to its shareholders are understood and met. The Chair is deemed by her fellow independent Board members to be independent in character and judgement and free of any conflicts of interest. She considers herself to have sufficient time to spend on the affairs of the Company. The Chairwoman has no significant commitments other than those disclosed in her biography on page 64.

The Company appointed Karima Fahmy as Senior Independent Director, with effect from 3 December 2024. The Senior Independent Director acts as a sounding board and intermediary for the other Directors and for shareholders.

The Non-Executive Directors hold, or have held, senior positions in industry and commerce and contribute a wide range of skills, experience and objective perspective to the Board. Through the Board Committees, the Non-Executive Directors bring focus and independence to strategy, governance, internal controls and risk management.

During the year, the Board was satisfied that all Directors were able to commit sufficient time to discharge their responsibilities effectively having given due consideration to the Directors' external appointments. The Directors were advised on appointment of the expected time required to fulfil their roles and have confirmed that they remain able to make that commitment. All material changes in any Director's commitments outside the Group are required to be, and have been, disclosed prior to the acceptance of any such appointment.

In accordance with the Articles of Association, every person appointed as a Director during the period must stand for re-election at the next Annual General Meeting ("**AGM**"). The Board follows the revised AIC Code of Corporate Governance that applies to financial periods commencing after 1 January 2019 and requires that all Directors will stand for re-election annually.

Karima Fahmy stepped down from her role as Director with effect from 1 September 2025, there are no current plans to recruit an additional non-executive director whilst the Strategic Review, including a Formal Sale Process remains underway. Steffan Francis will succeed Karima as Senior Independent Director and Chair of the Nomination & Remuneration Committee.

The Board has considered and developed a succession plan both for the long-term and short-term in the event of any unforeseen change in circumstances in respect of the individual board members. With Steffan Francis and Rod MacRae's tenure coming up to nine years of service in April 2026, the Board remains focused on the long-term succession plan and it will be conducted in accordance with the AIC Code of Corporate Governance, subject to the outcome of the Strategic Review and Formal Sale Process.

Board committees

The Board has established a Management Engagement Committee, an Audit Committee, and a Nomination & Remuneration Committee.

The Management Engagement Committee meets at least once a year and keeps the terms of engagement with the AIFM and Investment Adviser under review and examines the performance of the AIFM, Investment Adviser, Administrator, Depositary, Company Secretary, valuer and other service providers. The Management Engagement Committee comprises four of the Non-Executive Directors given the size of the Board, with each member independent of the AIFM and the Investment Adviser. The Management Engagement Committee receives reports and analysis from each of the Investment Adviser and AIFM and reviews these, making recommendations for change or requests for additional information where appropriate to ensure ongoing performance under the terms of their respective contractual arrangements. Geeta Nanda is the Chair of the Management Engagement Committee. Further details about the Management Engagement Committee can be found on pages 86 to 87.

The Audit Committee meets at least three times a year and reviews the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external Auditors, including the provision of non-audit services. The Audit Committee also examines the effectiveness of the Company's internal control systems. The Audit Committee comprises four of the Non-Executive Directors given the size of the Board and to benefit from the broad range of financial, commercial and property sector experience which enables them to provide better oversight of financial and risk matters. Rod MacRae is Chair of the Audit Committee. Further details about the Audit Committee can be found on pages 81 to 83.

The Nomination & Remuneration Committee comprises of three of the Non-Executive Directors. It meets at least once a year and as otherwise required. The Nomination & Remuneration Committee assists the Board by reviewing the size, structure and skills of the Board and considering whether any changes are required, or new appointments necessary. It leads the recruitment process for candidates for the Board, and ensures that plans are in place for orderly succession to the Board, whilst overseeing the development of a diverse pipeline. The Nomination & Remuneration Committee also reviews any proposed changes to the remuneration of the Directors of the Company for recommendation to, and discussion with, the wider Board.

The Committees' delegated responsibilities are clearly defined in formal terms of reference, which are available on the Company's website.

Board meetings

During a full financial period, the Board meets formally on at least a quarterly basis with additional meetings arranged as necessary. During the current period, there were four quarterly meetings and numerous ad-hoc meetings in relation to the Strategic Review, including a Formal Sale Process:

At each Board meeting, the Directors follow a formal agenda which is set by the Chair, and the Board papers are circulated in advance of the meeting by the Company Secretary to ensure that the Directors receive accurate, clear and timely information to help them to discharge their duties. For this purpose, the Board receives periodic reports from the AIFM and the Investment Adviser detailing the performance of the Group. The primary focus at board meetings is a review of investment opportunities, investment performance and associated matters such as financial returns, profitability, gearing, asset allocation, level of the share price discount or premium, marketing and investor relations and industry issues.

Discussions of the Board

During the year, the Board considered the following key matters:

- > The Strategic Review, including a Formal Sale Process;
- > Review of health and safety matters, including the potential impact of the Fire Safety Act 2021 and Building Safety Act 2022 on the Company's portfolio;
- > Review of the Investment Adviser's processes with regards to advising on asset allocation;
- > The appointments of Christopher Mills and Robert Naylor to the Board as a Non-Executive Directors, following receipt of the Requisition Notice and engagement with shareholders;

- > Review and approval of the reappointment of the Company's Valuer;
- > Proposed extension of the Company's £75 million floating-rate debt for a further year and increase to £82.5 million, provided by RBS;
- > The amendment to the Investment Adviser Agreement to include a change of control clause;
- > The wider macro-economic conditions and the market sentiment towards the UK REIT sector, and the challenges this presented towards the Company's share price;
- > Review and approval of the Company's 2024 Annual Report and interim results;
- > Discussion regarding the implementation of an ESG framework and signing off a Company-specific budget for ESG activities;
- > The Group's corporate structure;
- > The key performance indicators by which the Group measures success;
- > Updates on relevant government or regulatory developments;
- > Review of quarterly management accounts;
- > Review of the Company's share price rating, performance and trading and the Group's NAV performance;
- > Declaration of the Company's interim dividends;
- > The Company's compliance with the REIT conditions;
- > Review and update of the Company's Risk Register;
- > Analysis of the Company's shareholder register;
- > Review of corporate governance compliance, Group subsidiary activity and Depositary report; and
- > Review and approval of the Board's emergency and long-term succession plans.

The Investment Adviser attends a portion of the quarterly Board meetings. Representatives from the AIFM and the Company's other advisers are also invited to attend elements of the quarterly Board meetings from time to time.

Performance evaluation

The Directors recognise that the evaluation process is a significant opportunity to review the practices and performance of the Board, its Committees and its individual Directors, and to implement actions to improve the Board's focus and effectiveness which contribute to the Group's success.

The Board conducts a formal annual evaluation process and, recognising the importance of this process, intends to conduct an externally facilitated evaluation once every three years. The last externally facilitated evaluation was undertaken in respect of the year ending 30 June 2022. With the recent appointments of Robert Naylor and Christopher Mills to the Board and the Board dedicating their time to the Strategic Review, including a Formal Sale Process, the Board agreed to undertake an internally facilitated evaluation in 2025 and the next externally facilitated evaluation will be undertaken in 2026.

The Board has undertaken an internal performance evaluation in respect of the year ending 30 June 2025 designed to assess the strengths and effectiveness of the Board and its Committees. The Directors were asked to complete a questionnaire, that considered, amongst other things, the composition of the Board and its Committees, leadership, the efficiency of Board processes, and stakeholder engagement.

Having conducted the evaluation, the Board considers that it has performed effectively and that it has the appropriate mix of skills, experience and knowledge. The Directors believe that they work effectively together both inside and outside of formal Board meetings. The Board is also satisfied that the Chairwoman remains independent of the Investment Adviser and the AIFM and has exhibited a good leadership style, promoting effective decision-making, constructive debate and ensuring the Board functions well as a unit. The Board believes that each individual Director has been effective and demonstrated commitment to the role. The Board discussed the challenges and opportunities identified through the evaluation and agreed that the recommendations will be monitored at the quarterly Board meetings to ensure progress has been made.

Challenges and opportunities	2025 Development Points
Board Collaboration	It is recommended that additional time be dedicated to Board-only sessions, including discussion of strategy and site visits to existing properties to enhance Board collaboration.
Professional Development	It is recommended that the Board dedicate more time to the professional development of the Directors, to ensure continuous improvement of knowledge and skills.
Service Providers	It is recommended that an enhanced review of the Company's services providers is completed to ensure that the scope and cost of providers remains appropriate from the time of initial appointment.

Diversity policy

The Board believes that a diverse and inclusive culture is essential to the long-term success of the Company allowing us to respond to our diverse customer base. At the Board we set the tone for diversity and inclusion and our culture, and treat everyone with dignity, respect and fairness, regardless of protected characteristics such as disability, religion or belief, sexual orientation or any other factors.

The Board supports the recommendations of the Hampton-Alexander and Parker Reviews and believes that diversity of gender, social and ethnic backgrounds, cognitive and personal attributes, contribute to a more effective and objective decision-making process in the boardroom.

The Board agrees with the principles of the UK Listing Rules 6.6.6R(9) and 11.4.23R. At the date of this report, the Board has fulfilled two of the three targets: to have at least one member from a minority ethnic background; and for at least one of the senior Board positions to be held by a woman. The Board monitors the balance of skills, knowledge, experience and diversity on the Board and leads succession planning.

It is the Board's intention that all future appointments will be made on merit and take into consideration the recognised benefits of all types of diversity, and that the principles of the UK Listing Rules 6.6.6R and 11.4.23R are taken in account in any further recruitment processes and Board changes.

Tenure policy

In accordance with best practice, the Board considers that the length of time each Director, including the Chair, serves on the Board should be limited to a maximum of nine years. To facilitate the development of an effective succession pipeline and a diverse board, this period can be extended for a limited time if necessary.

Continuity, self-examination and ability to do the job are the relevant criteria on which the Board assesses a Director's independence. Length of service of current Directors, succession planning and independence will be reviewed each year as part of the Board evaluation process.

Culture

The Directors are aware that establishing and maintaining a healthy culture amongst the Board and in its interaction with the Investment Adviser, other service providers, shareholders and other stakeholders will support the delivery of its purpose, values and investment strategy. The Board seeks to promote a culture of openness, transparency and integrity through ongoing dialogue and engagement with its stakeholders.

The Group has a number of policies and procedures in place to assist with maintaining a culture of good governance including those relating to diversity, Directors' conflicts of interest and Directors' dealings in the Company's shares. The Board assesses and monitors compliance with these policies as well as the general culture of the Board regularly through Board meetings and in particular during the annual evaluation process. These policies and behaviours are designed to align the culture with the long-term strategy of the Group. The Board seeks to appoint the best possible service providers and evaluates their service on a regular basis.

The Board considers the culture of the Investment Adviser and other service providers, including their policies, practices and behaviour, through regular reporting from these stakeholders and in particular during the annual review of the performance and continuing appointment of all service providers.

Conflicts of interest

The Group operates a conflicts of interest policy that has been approved by the Board and sets out the approach to be adopted and procedures to be followed where a Director, or such other persons to whom the Board has determined the policy applies, has an interest which conflicts, or potentially may conflict, with the interests of the Group. Under the policy and the Company's Articles of Association, the Board may authorise potential conflicts that may arise, subject to imposing limits or conditions when giving authorisation if this is appropriate.

The Group reserves the right to withhold information relating to or relevant to a conflict matter from the Director concerned, and/or to exclude the Director from any Board information, discussions or decisions which may or will relate to that matter of conflict, or where the Chair considers that it would be inappropriate for a Director to take part in such discussion or decision, or receive such information. Procedures have been established to monitor actual and potential conflicts of interest on a regular basis and the Board is satisfied that these procedures are working effectively.

The AIFM and Investment Adviser maintain a policy to avoid and manage any conflicts of interest that may arise between themselves and the Group. The Investment Adviser has established a clear and robust framework to ensure that any conflicts of interest are appropriately governed that includes:

- > the Investment Adviser's obligation to provide the Group with a right of first refusal on every investment opportunity meeting the Group's investment policy and, subject to availability of funding, with the intention that the Group undertakes not less than two-thirds of all such opportunities with the balance being developed by the Investment Adviser and forward sold to the Group;
- > the Investment Adviser's obligation to sell all stabilised investment assets to the Group on pre-agreed terms at a price equal to the market value determined by an independent valuation expert; and
- > other conflict matters, in particular regarding the value, quality or other terms relating to the acquisition of assets by the Group.

Professional development

All Directors received a comprehensive and robust induction programme on appointment to the Board that covered the Investment Adviser's investment approach, the role and responsibilities of a Director and guidance on corporate governance and the applicable regulatory and legislative landscape. The Chair regularly reviews and discusses the development needs with each Director. Each Director is fully aware that they should take responsibility for their own individual development needs and take the necessary steps to ensure they are wholly informed of regulatory and business developments.

During the period, the Directors received periodic guidance on regulatory and compliance changes at quarterly Board meetings.

Succession planning

The Board has given full consideration to succession planning to ensure progressive refreshing of the Board, taking into account the challenges and opportunities facing the Board and the balance of skills and expertise, factoring in the benefits of a diverse Board that are required in the future.

The Board has considered emergency and long-term succession planning arrangements and a formal succession plan has been agreed. The succession plan for Steffan Francis and Rod MacRae, with their tenure coming up to nine years of service in April 2026, will be conducted in accordance with the AIC Code of Corporate Governance and will be kept under review by the Nomination & Remuneration Committee.

Health and safety

Health and safety is of prime importance to the Group and is considered equally with all other business management activities to ensure protection of stakeholders be they tenants, advisers, suppliers, visitors or others. The Board regularly discusses health and safety issues with the Investment Adviser. The Group is committed to fostering the highest standards in health and safety as it believes that all unsafe acts and unsafe conditions are preventable. All our stakeholders have a responsibility to support the aim of ensuring a secure and safe environment, and all our stakeholders are tasked with responsibility for achieving this commitment.

Anti-bribery policy

PRS REIT has a zero-tolerance policy towards bribery and is committed to carrying out its business fairly, honestly, and openly. The anti-bribery policies and procedures apply to all its officers and to those representing the PRS REIT.

Transparency

The Company aims to be transparent, and to ensure that it communicates with its shareholders and other stakeholders in a manner that enhances their understanding of its business. The Company engages Sigma PRS to maintain accounting documentation that clearly identifies the true nature of all business transactions, assets and liabilities, in line with the relevant regulatory, reporting, accounting, and legal requirements. No record or entry is knowingly false, distorted, incomplete, or suppressed. All reporting is fair, reasonable, complete and in compliance in all material respects with stated accounting policies and procedures.

The Company does not knowingly misstate or misrepresent management information for any reason, and the Company expects the same to apply to its suppliers. The Company may be required to make statements or provide reports to regulatory bodies, government agencies or other government departments, as well as to the media. The Company ensures that such statements or reports are correct, timely, and not misleading, and that they are delivered through the appropriate channels. Through its website the Company provides its Annual Report, other statements and any appropriate information to enable shareholders and stakeholders to assess the performance of its business. The Company complies with the applicable laws and regulations concerning the disclosure of information relating to the Company.

Shareholder engagement

The Board recognises the importance of maintaining strong relationships with shareholders, and the Directors place a great deal of importance on understanding shareholder sentiment.

The Investment Adviser and the Group's financial advisers regularly meet and receive calls from shareholders and analysts in order to understand their views, and the Group's broker speaks to shareholders regularly, ensuring shareholder views are communicated to the Board. The Board takes responsibility for, and has a direct involvement in, the content of communications regarding major corporate issues.

The Company's next Annual General Meeting will be held on 2 December 2025. Shareholders are encouraged to attend and vote, along with any other shareholder meetings, so they can discuss governance and strategy and the Board can enhance its understanding of shareholder views. The Board attends the Company's shareholder meetings to answer any shareholder questions and the Chairwoman makes himself available, as necessary, outside of these meetings to speak to shareholders.

Regarding the risks and rewards to which shareholders are exposed by holding shares in the Company, the publication of the Key Information Document on the Company's website, which is prepared by the AIFM in conjunction with the Investment Adviser, provides details of the nature and key risks of the Company to shareholders. The Board is committed to providing investors with regular announcements of significant events affecting the Group and all investor documentation is available on the Group's website www.thepsrreit.com.

AUDIT COMMITTEE REPORT

The following pages set out the Audit Committee report of The PRS REIT plc for the financial year ended 30 June 2025.

The Audit Committee, which reports to the Board, has governance responsibilities to oversee the Company's financial reporting processes, which include the risk management and internal financial controls of the Investment Adviser.

Committee membership

The Audit Committee comprises of three Non-Executive Directors, Rod MacRae as Chair, Steffan Francis and Robert Naylor (appointed to the Audit Committee with effect from 3 December 2024), who all have a broad range of financial, commercial and property sector expertise which enables them to provide oversight of both financial and risk matters. The Board is satisfied that the combined knowledge and experience of its members is such that the Audit Committee discharges its responsibilities in an effective manner and has competence relevant to the sector in which it operates.

In addition, the Board is satisfied that two members of the Audit Committee have recent and relevant financial experience. Rod MacRae is a Chartered Accountant and has more than 30 years of experience in the financial services sector. Robert Naylor is also a Chartered Accountant and has more than 25 years of experience in capital markets specialising in investment companies.

Meetings

There are at least three scheduled Audit Committee meetings per any financial period and its quorum is two members. During the year to 30 June 2025, the Committee has met three times. The attendance at these meetings was as follows:

Director	Attendance*
Rod MacRae (Chair)	3/3
Steffan Francis	3/3
Karima Fahmy**	2/3
Robert Naylor***	1/1
Geeta Nanda****	2/2

* Number of scheduled meetings attended/maximum number of meetings that the Director could have attended.

** Retired with effect from 1 September 2025.

*** Appointed with effect from 3 December 2024.

**** Retired with effect from 3 December 2024 when appointed as Chairwoman of the Company.

Role of the Audit Committee

The principal duties of the Audit Committee are:

Financial reporting

- > consider the integrity of the interim and full year financial statements and any formal announcements relating to the financial results;
- > report to the Board on any significant financial reporting issues and judgments having regard to any matters communicated to it by the Auditor; and
- > as requested by the Board, to review the contents of the annual report and financial statements and advise the Board on whether the report and financial statements as a whole are considered fair, balanced and understandable and provide a true and fair view of the Company's financial position as at 30 June 2025 and further provides shareholders with sufficient information to assess the financial position of the Company and Group, and the Group's performance, investment strategy and investment objectives.

Risk management and control

- > review the adequacy of the internal controls and risk management systems of the Company's Investment Adviser; and
- > report to the Board on the Company's procedures for detecting fraud.

External audit

- > manage the relationship with the Company's external Auditor, including reviewing the Auditor's remuneration, independence and performance and making recommendations to the Board as appropriate;
- > review the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- > review the policy on the engagement of the Auditor (including provision of non audit-services); and
- > safeguard the Auditor's independence and objectivity.

External property valuation

- > review the quality and appropriateness of the half-yearly and full year external valuations of the Group's property portfolio.

Other

- > review the Committee's terms of reference and performance effectiveness.

The Audit Committee reports and makes recommendations to the Board, after each meeting.

Matters considered by the Audit Committee

At its meetings during the year under review, the Audit Committee has:

- > reviewed the internal controls and risk management systems of the Company;
- > reviewed the Company's half-year and full-year financial results;
- > agreed the audit plan with the Auditor, including the agreement of the audit fee;
- > reviewed the need to establish an Internal Audit function;
- > reviewed the adequacy of the Company's arrangements as they relate to compliance, whistleblowing and fraud;
- > reviewed the annual valuation reports from the independent valuation expert, Savills (UK) Limited;
- > reviewed the provision of non-audit services by the Auditor;
- > reviewed the independence of the Auditor;
- > made recommendations to the Board to put to shareholders for their approval at the AGM regarding the re-appointment of the external Auditor and approval of the remuneration and terms of engagement of the external Auditor;
- > reviewed the Audit Findings Report and discussed findings from the audit with the Auditor; and
- > reviewed the Group's financial statements and advised the Board accordingly.

The Company's principal risks can be found on pages 48 to 51. The Administrator and the Investment Adviser update the Audit Committee on changes to accounting policies, risk, legislation and areas of significant judgement by the Investment Adviser.

Significant matters considered by the Audit Committee in the year

Property portfolio valuation

Investment property is held in the financial statements at fair value. There are independent valuations which are carried out by a qualified independent valuation expert. The valuations depend on some data provided by the Investment Adviser and the independent valuation expert makes decisions and assumptions on criteria, some of which are subjective. As the valuation of the properties within the Group's portfolio is central to the Company's business the Directors consider that the value of investment properties is a significant issue due to the magnitude of the total amount, the potential impact of the movement in value on the reported results and the subjectivity of the valuation process.

The investment properties are independently valued by an external valuation expert, Savills (UK) Limited. The valuations are prepared in accordance with the RICS Valuation - Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2025, together, where applicable, with the UK National Supplement effective 14 January 2019, together the "Red Book". The Investment Adviser and Audit Committee and Board have held open discussions with the valuers throughout the period on the valuation process to discuss various elements of the property valuations and the Auditor also has direct access to them as part of the audit process. Given the audit risks related to the valuation of the property portfolio, the Auditor engaged its own independent valuation expert to review the Group's valuation. Since the year-end, the Audit Committee has reviewed the valuation reports and has discussed these reports with the valuer, the Investment Adviser and the Auditor. The Audit Committee was satisfied with the valuation reports. In addition, since the year-end, members of the Audit Committee have met independently with the valuer.

Maintenance of REIT status

The UK REIT regime enables the Group to benefit from favourable tax treatment. The Audit Committee and Board monitors the PRS REIT's compliance status throughout the year and considers requirements for the maintenance of the Company's REIT status.

External audit process

Before the commencement of the audit, the Audit Committee met with the Auditor, to discuss the scope of the audit plan. Before completion of the external audit, the Audit Committee met again with the Auditor to discuss the findings of the external audit and consider and evaluate any findings.

True and fair view

After the consideration of the above matters and detailed review, the Audit Committee was of the opinion that the annual report and financial statements represent a true and fair view of the Group and Company as a whole and in addition provides the information necessary for shareholders to assess the Company's performance, strategy and investment objectives.

Audit fees and non-audit services

An audit fee of £155,000 has been agreed in respect of the audit of the Company for the year ended 30 June 2025 (2024: £150,000). The audit fees of the Group for the period ended 30 June 2025 totalled £330,000 (2024: £320,000).

The cost of non-audit services provided by the Auditor to the Company for the financial period ended 30 June 2025 was £26,000 (2024: £25,000) of which £26,000 related to the agreed upon procedures on the interim financial statements (2024: £25,000). To safeguard the external Auditor's independence and objectivity there was prior approval of a detailed scope of work and no additional safeguards were considered necessary due to the nature of procedures involved.

Following a tender process undertaken during the prior year, Grant Thornton UK LLP have been engaged to advise on taxation compliance matters.

Independence and objectivity of the Auditor

RSM UK Audit LLP ("RSM") were appointed as Auditor to the Company on 25 April 2017. In accordance with the rules around audit partner rotation, Mr Graham Ricketts, Partner at RSM, has been appointed since the year ended 30 June 2023 as the responsible individual on the audit. No tender for the audit of the Company has been undertaken.

In evaluating RSM's performance, the Audit Committee considered the effectiveness of the audit process, quality of delivery, staff expertise, audit fees and the Auditor's independence, along with matters raised during the audit. The Audit Committee received confirmation from RSM that they maintain appropriate internal safeguards in line with applicable professional standards. In accordance with new requirements relating to the appointment of Auditors, the Company will need to conduct an audit tender no later than for the accounting period beginning 1 July 2026. Having considered the Auditor's independence in respect of the year ended 30 June 2025, the Audit Committee is satisfied with the Auditor's performance, objectivity and independence.

Review of Auditor appointment

Following consideration of the performance of the Auditor, the service provided during the year and a review of their independence and objectivity, the Audit Committee has recommended to the Board the continued appointment of RSM UK Audit LLP as the Company's external independent Auditor.

Internal audit

The Audit Committee has determined that there is not presently a need for establishing an Internal Audit function, taking into account the size and complexity of the Company and its business. In coming to this conclusion, the Audit Committee noted that the external auditors check the operation of certain internal controls on a sample basis as part of their audit.

The Audit Committee will continue to review this position on an annual basis and make recommendations to the Board as appropriate.

Performance evaluation

Refer to the above Corporate Governance Statement on pages 73 to 80, for further details on the performance evaluation.



Rod MacRae
Audit Committee Chair
6 October 2025

NOMINATION & REMUNERATION COMMITTEE REPORT

The following pages set out the Nomination & Remuneration Committee report of The PRS REIT plc for the financial year ended 30 June 2025.

The Nomination & Remuneration Committee was established with effect from 28 November 2022.

Committee membership

The Nomination & Remuneration Committee comprises of two Non-Executive Directors, Steffan Francis as Chair (appointed with effect from 1 September 2025) and Geeta Nanda.

Meetings

There is at least one scheduled meeting per financial year and its quorum is two members. During the year to 30 June 2025, the Committee met once. The attendance at this meeting was as follows:

Director	Attendance*
Steffan Francis (Chair)	1/1
Geeta Nanda**	1/1
Karima Fahmy***	1/1
Steve Smith****	0/0

* Number of scheduled meetings attended/maximum number of meetings that the Director could have attended.

** Appointed with effect from 3 December 2024.

*** Retired with effect from 1 September 2025.

**** Retired with effect from 3 December 2024.

Role of the Nomination & Remuneration Committee

The Nomination & Remuneration Committee's main function is to evaluate the performance of the Board, ensure the Board composition, skills and experience are optimal, lead the process for appointments to the Board and oversee an orderly succession plan to the Board, ensuring the development of a diverse pipeline for succession. The Nomination & Remuneration Committee also reviews any proposed changes to the remuneration of the Directors of the Company for recommendation to, and discussion with, the wider Board.

Matters considered by the Nomination & Remuneration Committee

The Nomination & Remuneration Committee discussed matters including, but not limited to: tenure policy, diversity policy, Board composition, Board skills, Board experience, succession planning, time commitments, remuneration, and the UK Listing Rule requirements on Board diversity.

Succession planning and recruitment

A key focus of the Nomination & Remuneration Committee during the year was the continued implementation of a long-term succession plan for the Board. Under its Terms of Reference, once a decision is made to recruit an additional Director, the Nomination & Remuneration Committee has the responsibility for identifying and leading that process on behalf of the Board. A formal role description is created, which is based upon requirements identified from a review of the current balance of experience and skills, as well as due regard to the benefits of diversity of gender, social and ethnic backgrounds, cognitive and personal strengths. The Nomination & Remuneration Committee is responsible for identifying suitable candidates, and engaging with an independent external consultant to facilitate the search through an open and transparent process, in order to identify appropriate candidates, including those from different social and ethnic backgrounds.

Further to the Requisition Notice received on 29 August 2024, as announced on 13 September 2024, an agreement was reached with the requisitioning shareholders such that Robert Naylor and Christopher Mills were appointed to the Board as non-executive directors with effect from 8 October 2024. As such, an external search consultancy was not used in respect to their appointments. Steve Smith stepped down from the Board with effect from the conclusion of the Annual General Meeting on 3 December 2024.

A key focus for the remainder of 2025 and 2026 will be the succession plan for Steffan Francis as Senior Independent Director and Rod MacRae as Audit Chair.

Performance evaluation

Refer to the above Corporate Governance Statement on page 78, for further details on the performance evaluation.

Re-election of Directors

All Directors submit themselves for election or re-election on an annual basis. All Directors in office as at the date of this report are to be proposed for re-election at the 2025 AGM.

Tenure policy and diversity policy

Refer to the above Corporate Governance Statement on pages 78 to 79, for further details on the Tenure and Diversity Policies.

Remuneration

Further details can be found in the Directors' Remuneration Report on pages 90 to 93.

Diversity

FCA Listing Rule diversity targets

The FCA's Listing Rules require that the Company reports on whether the following targets have been met: at least 40% of individuals on the Board are women; at least one of the senior Board positions is held by a woman; and at least one individual on its Board is from a minority ethnic background.

The following table sets out the gender and ethnic diversity of the Board as at 30 June 2025 in accordance with the Listing Rules:

Gender Diversity	Number of Board members	Percentage of the Board %	Number of senior positions on the Board*
Men	4	67	0
Women	2	33	2
Not specified / prefer not to say	–	–	–

Ethnic Diversity	Number of Board members	Percentage of the Board %	Number of senior positions on the Board*
White British or other White (including minority white groups)	4	67	0
Mixed / Multiple Ethnic Groups	1	16.5	1
Asian / Asian British	1	16.5	1
Black / African / Caribbean / Black British	–	–	–
Other ethnic group, including Arab	–	–	–
Not specified / prefer not to say	–	–	–

* Senior positions include Chair and Senior Independent Director

Following the Board changes on 8 October 2024, regarding the appointment of Robert Naylor and Christopher Mills, Steve Smith stepping down with effect from 3 December 2024, and Karima Fahmy stepping down with effect from 1 September 2025, the Board is compliant with two of the three targets. The Board does not currently meet the target of at least 40% of individuals on the Board are women. However, the Board remains committed to maintaining diversity in the boardroom.

As an investment company with solely independent, Non-Executive Directors, the Company does not have a Chief Executive or Chief Financial Officer and has no employees. Accordingly, no disclosures regarding executive management positions have been included.



Steffan Francis
Nomination & Remuneration Committee Chair
 6 October 2025

MANAGEMENT ENGAGEMENT COMMITTEE REPORT

The following pages set out the Management Engagement Committee report of The PRS REIT plc for the financial year ended 30 June 2025.

The Management Engagement Committee, which reports to the Board, has governance responsibilities to review the Company's continuing appointment of the AIFM and Investment Adviser.

Committee membership

The Management Engagement Committee comprises Geeta Nanda as Chair, Steffan Francis and Rod MacRae.

Meetings

There is at least one scheduled meeting per any financial year and its quorum is two members. During the year to 30 June 2025, the Committee met once. The attendance at this meeting was as follows:

Director	Attendance*
Geeta Nanda (Chairwoman)	1/1
Steffan Francis	1/1
Rod MacRae	1/1
Karima Fahmy**	1/1
Steve Smith***	1/1

* Number of scheduled meetings attended/maximum number of meetings that the Director could have attended.

** Retired with effect from 1 September 2025.

*** Retired with effect from the conclusion of the Annual General Meeting on 3 December 2024.

Role of the Management Engagement Committee

The Management Engagement Committee is primarily responsible for reviewing the appropriateness of the continuing appointment of the AIFM and Investment Adviser, ensuring that the appointments continue to be in the best interests of shareholders and that the terms of the AIFM Agreement and Investment Advisory Agreement remain competitive and sensible for shareholders.

The Management Engagement Committee also monitors and evaluates the performance of other key service providers to the Company.

Matters considered by the Management Engagement Committee

At its meeting during the year under review, the Management Engagement Committee has:

- > reviewed the performance of the AIFM and Investment Adviser and reviewed the Agreements with the AIFM and Investment Adviser; and
- > reviewed the performance of other third-party service providers and made recommendations to the Board regarding these.

Performance evaluation

Refer to the above Corporate Governance Statement on page 78, for further details on the performance evaluation.

Management arrangements

Investment Adviser

The Company and the AIFM have appointed Sigma PRS Management Ltd ("**Sigma PRS**") as the Investment Adviser. Sigma PRS is responsible for the physical management of the assets of the Company and advising the Company and the AIFM on a day-to-day basis in respect of the Company's Investment Policy. The original Investment Advisory Agreement (the "**Agreement**") was signed on 3 May 2017 and provided for an initial minimum contracted term of five years to 31 May 2023, being the fifth anniversary of the initial admission of the Company's shares to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange, with a one-year notice period thereafter. The Agreement was first extended, with effect from, 1 January 2021, to 31 December 2025, with a one-year notice period thereafter. As announced on 9 July 2024, the Agreement was extended again with effect from, 1 July 2024, to 30 June 2029, inclusive of a one-year notice period. The Investment Adviser fee arrangement in respect of Sigma PRS is detailed in note 11 of the financial statements in respect of the years ended 30 June 2025 and 30 June 2024. In addition, with effect from 1 July 2024, the Investment Adviser was entitled to a development management fee of 3.0% of gross development spend on land and 3.5% of gross development spend on construction. This was a reduction from the previous rate of a development management fee of 4.0% of gross development spend on land and gross development spend on construction.

In November 2024, the Agreement was amended by adding a 'change of control' provision. Under the terms of the amendment, in the event of a change of control of the Company, both the Company and the Investment Adviser have the right to serve notice to terminate the Agreement on 12 months' notice. The amendment was agreed following

the Board's decision to commence a Strategic Review, as previously announced on 23 October 2024, to consider the future of the Company and explore strategic options to enhance value for shareholders, including a potential sale of the Company. While the amendment was not considered to be a necessary change, it adds further flexibility as to how any potential sale of the Company may be implemented.

As previously, the Agreement may still be terminated by the Company and the Company's AIFM immediately if the Investment Adviser is in material breach of the Agreement or is the subject of insolvency proceedings.

AIFM

G10 Capital Limited (part of the IQ-EQ Group) has been appointed as the Company's AIFM. Subject to the overall supervision of the Directors, the AIFM is responsible for overall portfolio management and risk management of the Company, ensuring compliance with the Company's investment policy and the requirements of the UK AIFM Regime and EU Alternative Investment Fund Managers Directive ("AIFMD") that apply to the Company. The AIFM manages the PRS REIT's investments in accordance with the policies laid down by the Board and in accordance with the investment restrictions referred to in the AIFM Agreement. The AIFM Agreement provides that the Company will pay to the AIFM the following fees, excluding the initial one-off fee of £12,000 which has already been paid:

- (a) a monthly fee of £8,260 (June 2024: £8,019 per month);
- (b) a PRIIPS Monthly Maintenance Fee of £1,377 (June 2024: £1,337 per month);
- (c) a 5% disbursement charge;
- (d) £1,000 per investment committee meeting; and
- (e) ad-hoc work as required.

The AIFM Agreement is terminable by any of the parties to it on six months' written notice. The AIFM Agreement may be terminated by the Company immediately if the AIFM ceases to maintain its alternative investment fund manager permission; fails to notify the Company of a regulatory investigation which is relevant to the AIFM's ongoing appointment as alternative investment fund manager; is in material breach of the agreement; or is the subject of insolvency proceedings. The AIFM Agreement may be terminated immediately if a member of Sigma, the parent company of Sigma PRS, is directly appointed as alternative investment fund manager of the Company.

Depositary

Gen II Fund Services are the appointed Company's depositary for the purposes of the AIFMD. Under the terms of the Depositary Agreement, the Depositary was paid an initial one-off fee of £5,000. Provided that the assets under management

of the Company exceed £100 million, the Company shall also pay the Depositary an annual fee. The annual fee starts at £20,000 per annum with an additional fee of 0.667 basis points of any increase above £100 million, subject always to a maximum fee of £40,000 per annum. A 6% increase to the total fee was applied from October 2022. The Company's assets under management are reviewed quarterly. The Depositary is entitled to be reimbursed by the Company for all costs and expenses properly and reasonably incurred in the performance of duties under the Depositary Agreement.

Administration services

Sigma Capital Property Ltd, also a subsidiary of Sigma, has been appointed as the Company's Administrator to provide day-to-day administration of the Company, and provide development and production of statutory annual accounts, interim accounts and reports to shareholders of the Company in accordance with IFRS and EPRA. The Administrator is also responsible for calculating the Net Asset Value of the Ordinary Shares based on information provided to the Administrator by Sigma PRS. The Administration Agreement provides that the Company will pay the Administrator an annual fee of £70,000 plus VAT, payable monthly in arrears.

Company secretarial

Hanway Advisory Limited, an independent third party acquired by the JTC Group on 1 July 2024, was appointed Company Secretary to the Company with effect from 31 March 2022. The Company pays annual fees of £57,000 plus VAT, payable quarterly in arrears.

Review of service providers

The Management Engagement Committee reviews the ongoing performance and continuing appointment of the Company's key service providers on an annual basis. The Management Engagement Committee also considers any variation to the terms of key service providers' agreements and reports its findings to the Board.

Continuing appointment of the AIFM and Investment Adviser

The Management Engagement Committee has reviewed the continuing appointment of the AIFM and Investment Adviser and is satisfied that their appointment remains in the best interests of shareholders.



Geeta Nanda
Management Engagement Committee Chair
 6 October 2025

DIRECTORS' REMUNERATION POLICY

The Directors' Remuneration Policy of the Company is set by the Board and was last approved by shareholders at the Annual General Meeting held on 3 December 2024 and became effective from the conclusion of that meeting. In accordance with section 439A of the Companies Act 2006, the Board will seek shareholder approval of this Directors' Remuneration Policy at the Annual General Meeting to be held on 2 December 2025. If approved, the Directors' Remuneration Policy will take effect from the conclusion of the Annual General Meeting until the policy is next put to shareholders for renewal of that approval, which must be at intervals of not more than three years, or earlier if proposals are made to vary the policy. The policy provisions are set out below.

Changes to the remuneration policy

The Directors' remuneration components table below has been refreshed for clarity and to demonstrate the operation of each component of remuneration and how this links to the Company's strategy. In practice, there is no change to operation or structure of the remuneration, and nor is there a current intention to change the fees of the Non-Executive Directors. The Directors' Remuneration Policy is binding and sets the parameters within which Directors' remuneration may be set.

The Directors' Remuneration Policy of the Company is to pay its Non-Executive Directors fees that are appropriate for the role and the amount of time spent in discharging their duties, that are broadly in line with those of comparable real estate investment companies and that are sufficient to attract and retain suitably qualified and experienced individuals which therefore supports the long-term strategic objectives of the Group.

The fees paid will be reviewed on an annual basis and may also be reviewed when new Non-Executive Directors are recruited to the Board. The Directors of the Company are entitled to such rates of annual fees as the Board, at its discretion, shall from time to time determine. The Chair of the Board and the Audit Committee Chair are entitled to receive fees at a higher level than those of the other Directors, reflecting their additional duties and responsibilities. Annual fees are pro-rated where a change takes place during the financial year.

In addition to the annual fee, under the Company's Articles of Association, if any Director is requested to perform any special duties or services outside his or her ordinary duties as a Director, he or she may be paid such reasonable additional remuneration as the Board may from time to time determine.

Directors' remuneration components

Component	Operation	Link to strategy
Annual Fee	Each Non-Executive Director receives a basic fee. The total aggregate fees that can be paid to the Non-Executive Chair and Directors in any given financial year will be calculated in accordance with the Company's Articles of Association.	The level of the annual fee has been set to attract and retain high calibre Non-Executive Directors with the skills and experience necessary for the role.
Additional Fee	A Non-Executive Director may be given an additional fee to perform any duties outside the scope of the ordinary duties of the Non-Executive Director.	The additional fee for services outside of the scope of ordinary duties offers flexibilities for a Director to be awarded additional remuneration to adequately compensate a Director where this is considered appropriate for the effective functioning of, or in furtherance of, the Company's aims.
Expenses	Article 84 of the Company's Articles of Association permits for any Non-Executive Director to be repaid expenses incurred in attending and returning from Board, Committee or general meetings of the Company or otherwise properly and reasonably incurred by a Non-Executive Directors in connection with the business of the Company.	In line with market practice, the Company will reimburse the Directors for expenses to ensure that they are able to carry out their duties effectively.

Directors and Officers liability insurance cover is maintained by the Company on behalf of the Directors.

Directors are entitled to be paid all expenses properly incurred in attending Board or shareholder meetings or otherwise in or with a view to the performance of their duties.

As all Directors are Non-Executive and there are no employees, the Company does not operate any share option or other long-term incentive schemes and the Directors' fees are not subject to any performance criteria. No pension or other retirement benefits schemes are operated by the Company for any of its Directors.

Letters of appointment

No Director has a service contract with the Company. The Directors are appointed under letters of appointment. Their appointment and any subsequent termination or retirement is subject to the Articles of Association. The Directors' letters of appointment provide that, upon the termination of a Director's appointment, that Director must resign in writing and all records remain the property of the Company. A Director's appointment can be terminated in accordance with the Articles of Association and without compensation. There is no notice period specified in the Articles of Association for the removal of Directors and all Directors are subject to re-election by shareholders every year from the date they were last re-elected. The letters of appointment are available for inspection at the Company's registered office.

Approach to recruitment remuneration

The remuneration package for any new Chair or Non-Executive Director will be the same as the prevailing rates determined on the bases set out above. The Board will not pay any introductory fee or incentive to any person to encourage them to become a Director but may pay the fees of search and recruitment specialists in connection with the appointment of any new Non-Executive Director.

Views of shareholders

Any views expressed by shareholders on the fees being paid to Directors are taken into consideration by the Board when reviewing levels of remuneration. No views have been expressed to date.

Voting at the AGM

The Directors' Remuneration Report for the year ended 30 June 2024 (excluding the Directors' Remuneration Policy) was approved by shareholders at the AGM held on 3 December 2024. The results taken on a poll were as follows:

Directors' Remuneration Report

For – number of votes cast	389,327,803	96.32%
Against – number of votes cast	14,854,851	3.68%
Total votes cast	404,182,654	
Number of votes withheld	105,784	

The Directors' Remuneration Policy was approved by shareholders at the AGM held on 3 December 2024, and the results take on a poll were as follows:

Directors' Remuneration Policy

For – number of votes cast	403,392,362	99.80%
Against – number of votes cast	790,292	0.20%
Total votes cast	404,182,654	
Number of votes withheld	105,784	

DIRECTORS' REMUNERATION REPORT

The Board presents its Directors' Remuneration Report in respect of the year ended 30 June 2025. The Board has prepared this report in accordance with the Large and Medium-Sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008 (as amended).

The law requires the Company's Auditor to audit certain disclosures. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included in the Auditor's Report on pages 96 to 103.

Annual Statement from the Chairwoman

I am pleased to present the Directors' Remuneration Report for the financial year ended 30 June 2025.

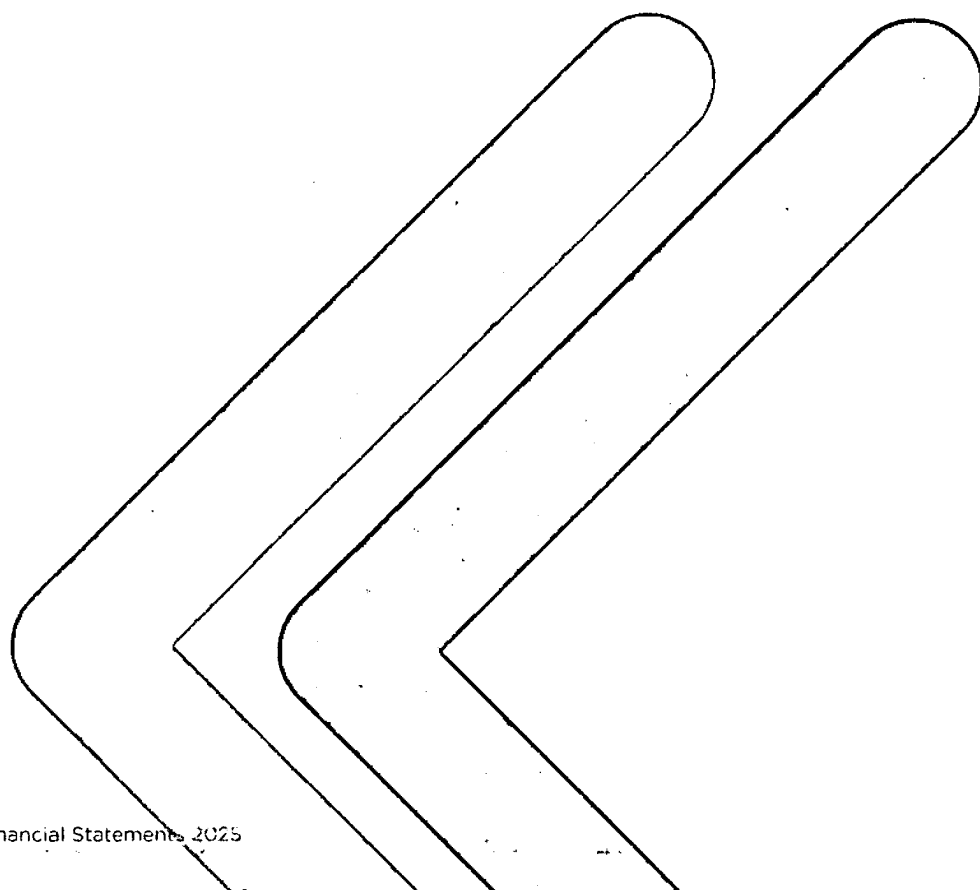
The Board has established a separate Nomination & Remuneration Committee which has responsibility for decisions regarding remuneration. The Board consists entirely of Non-Executive Directors and the Company has no employees.

Companies are required to seek shareholder approval of the Remuneration Report each year and of the Directors' Remuneration Policy on at least a three-yearly basis. The vote on the Directors' Remuneration Report is an advisory vote. Resolutions to approve the Directors' Remuneration Report and the Directors' Remuneration Policy were put before shareholders at the last AGM of the Company on 3 December 2024. During the next financial year, it is expected that there will be no significant change in the implementation of the Directors' Remuneration Policy. The table of remuneration components has been refreshed for clarity and to demonstrate the operation of each component of remuneration and how this links to the Company's strategy, set out above.

The Directors are remunerated for their services at such rate as the Board shall from time to time determine. The Board will typically pay a higher fee for the Chair of the Board, and an additional fee for the Non-Executive Director who chairs the Audit Committee, in addition to the base fee of the Non-Executive Directors. Fees are reviewed annually in accordance with the Directors' Remuneration Policy. The fee for any new Director appointed will be determined on the same basis.

For the year to 30 June 2025, the Directors' fees were set at a rate of £52,500 per annum in respect of the Chair and £37,500 per annum in respect of the other Directors, with an additional £5,000 to the Chair of the Audit Committee. The fees were increased in the year ended 30 June 2023, following a remuneration benchmarking exercise and independent advice, to ensure that the fees were sufficient to attract and retain Directors of suitable calibre and with the skills, knowledge and experience necessary for the role having regards to the expected time commitment.

There were no other payments for extra services in the period ended 30 June 2025 (2024: £nil).



Single total figure (audited)

The Directors who served during the year and prior period received the following total fixed fee remuneration:

Non-Executive Director	Annual Fee (£'000)	Additional Fee (£'000)	Other taxable benefits (£'000)	Total for year ended 30 June 2025 (£'000)	Y.E. 2024		Y.E. 2023		Y.E. 2022		Y.E. 2021	
					Total (£'000)	% Annual Change	Total (£'000)	% Annual Change	Total (£'000)	% Annual Change	Total (£'000)	% Annual Change
Geeta Nanda (Chairwoman) ¹	46.2	–	–	46.2	37.5	+23	31.9	+18	30.0	N/A	8.2	N/A
Steffan Francis	37.5	–	–	37.5	37.5	–	31.9	+18	30.0	–	30.0	–
Rod MacRae (Audit Committee Chair)	42.5	–	–	42.5	42.5	–	36.9	+15	35.0	–	35.0	–
Karima Fahmy ²	37.5	–	–	37.5	27.3	+37	–	N/A	–	–	–	–
Christopher Mills ³	27.6	–	–	27.6	–	N/A	–	–	–	–	–	–
Robert Naylor ³	27.6	–	–	27.6	–	N/A	–	–	–	–	–	–
Former Non-Executive Director												
Steve Smith ⁴	22.2	–	–	22.2	52.5	–58	46.9	+12	45.0	–	45.0	–
Jim Prower ⁵	–	–	–	–	16.0	N/A	31.9	+6	30.0	–	30.0	–
Total	241.1	–	–	241.1	213.3	+13	179.5	+19	170.0	+15	148.2	+6

¹ Geeta Nanda was appointed to the Board with effect from 23 March 2021, and appointed as Chairwoman on 3 December 2024.

² Appointed to the Board with effect from 10 October 2023 and retired from the Board with effect from 1 September 2025.

³ Appointed to the Board with effect from 8 October 2024.

⁴ Steve Smith retired from the Board as Chairman with effect from 3 December 2024.

⁵ Retired from the Board with effect from 4 December 2023.

During the year and prior year, no taxable benefits were received by any of the Directors.

The amounts paid to the Directors were for services as Non-Executive Directors.

Under the Company's Articles of Association, the total aggregate remuneration and benefits in kind of the Directors of the Company is subject to a maximum of £300,000 in any financial year. Any change to this would require shareholder approval.

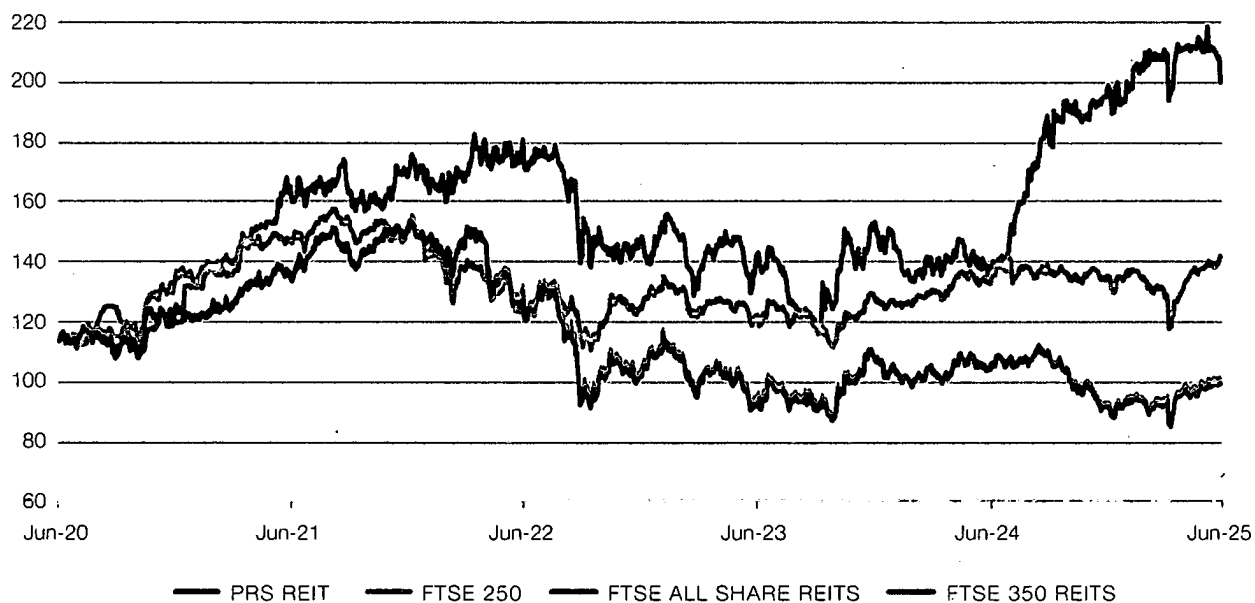
Relative importance of spending on pay

	Year ended 30 June 2025 £'000	Year ended 30 June 2024 £'000
Directors' aggregate remuneration	241	213
Dividends paid to all shareholders*	23,069	21,970

* includes all dividends paid in relation to the year ended 30 June 2025 and year ended 30 June 2024

Total shareholder return

The graph below shows the total shareholder return (as required by company law) of the Company's Ordinary Shares relative to a return on a hypothetical holding over the same 5 year period in the FTSE 250, FTSE All Share REITS and FTSE 350 REITS. The Company chose these comparators as they are considered to be most appropriate. Total shareholder return is the measure of returns provided by a Company to shareholders reflecting share price movements and assuming reinvestment of dividends.



Loss of office

The Directors do not have service contracts with the Company but are engaged under letters of appointment under which there is no entitlement to compensation for loss of office.

Directors' interests (Audited)

There is no requirement under the Company's Articles of Association or the terms of their appointment for Directors to hold shares in the Company.

As at 30 June 2025, the following Directors (including their connected persons) had beneficial interests in the following number of shares in the Company:

	Ordinary Shares 2025	Ordinary Shares 2024
Steve Smith*	N/A	446,577
Geeta Nanda** (Chairwoman)	-	-
Steffan Francis (Senior Independent Director)	125,000	125,000
Rod MacRae (Audit Committee Chair)	125,000	125,000
Karima Fahmy***	-	-
Christopher Mills****	6,016,500	-
Robert Naylor	-	-

* Retired as Chairman on 3 December 2024.

** Appointed as Chairwoman on 3 December 2024.

*** Retired with effect from 1 September 2025.

**** Shares held by connected party Harwood Capital LLP.

There have been no changes to Directors' share interests between 30 June 2025 and the date of this report.

The Board considered and determined Christopher Mills independent according to the provisions of the FRC Code and the AIC Code. The Board continue to review the Directors independence on an ongoing basis.

Statement of voting at general meetings

The Company is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the Company will seek the reasons for any such vote and will detail any resulting actions in an announcement.

The Company's forthcoming AGM will be an opportunity for shareholders to vote on the Directors' Remuneration Report.

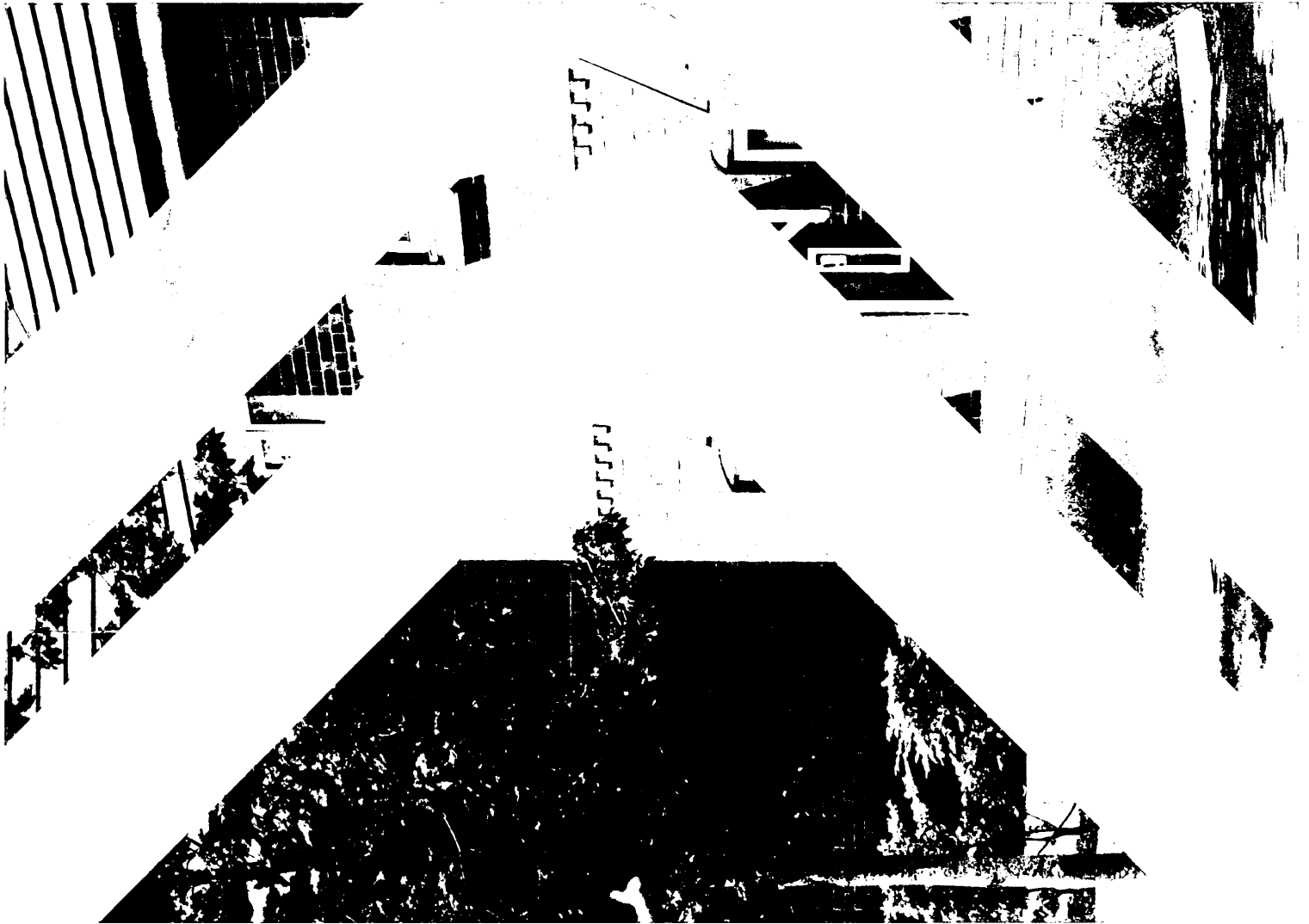
Approval

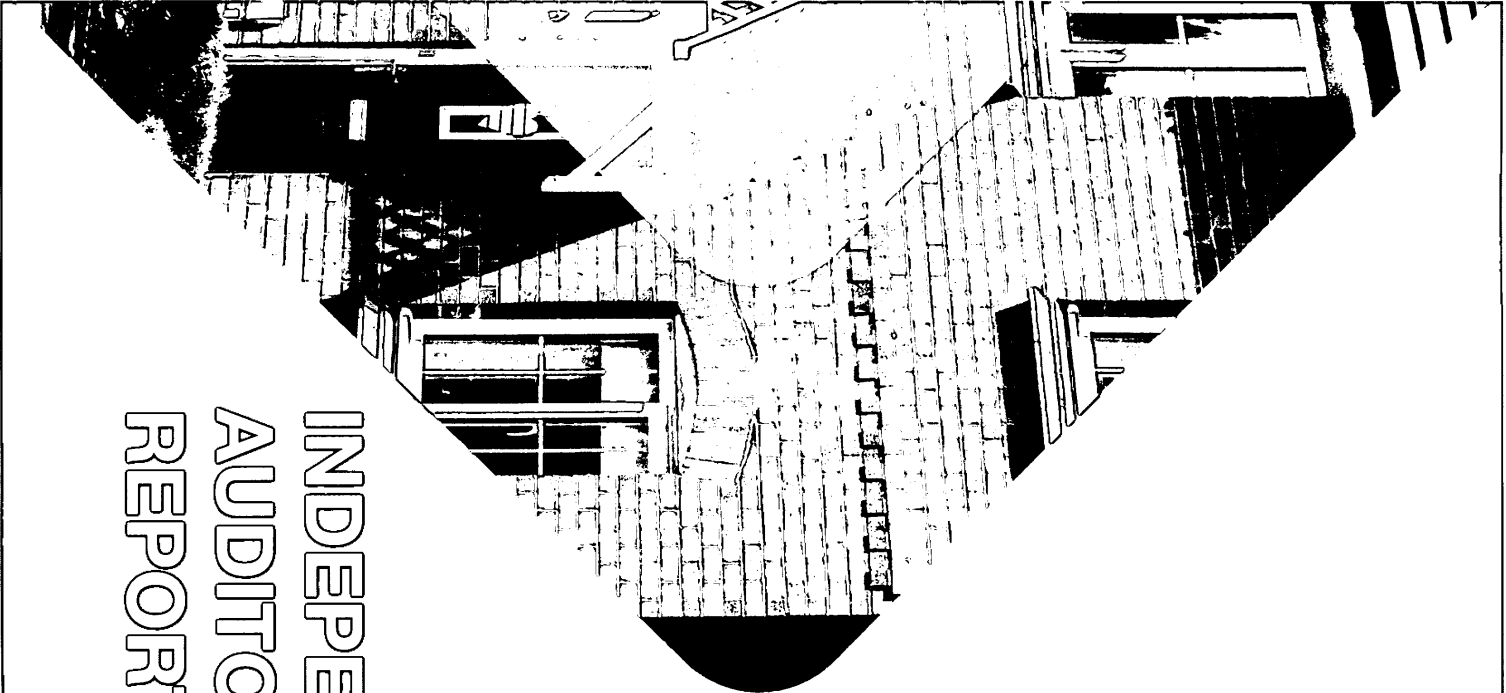
The Directors' Remuneration Report was approved by the Board on 6 October 2025.

On behalf of the Board.



Geeta Nanda
Chairwoman





INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE PRS REIT PLC

Opinion

We have audited the financial statements of The PRS REIT plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2025 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK-adopted International Accounting Standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and UK-adopted International Accounting Standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- > the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2025 and of the group's profit for the year then ended;
- > the group financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards;
- > the parent company financial statements have been properly prepared in accordance with UK-adopted International Accounting Standards and as applied in accordance with the Companies Act 2006; and
- > the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to note 3 in the financial statements which states that on 17 September 2025, the Board announced that it has entered into non-binding heads of terms for the proposed sale (the "Proposed Sale") of The PRS REIT Holding Company Limited ("PRS Holdco"), the Company's operating subsidiary that holds the entirety of the Company's portfolio of property assets, to a vehicle ("Bidco") wholly owned by a fund being advised by Waypoint Asset Management Limited ("Waypoint") as investment adviser. The Proposed Sale is conditional on, inter alia, satisfactory completion of confirmatory due diligence by Waypoint, the Company and Bidco agreeing and entering into a sale and purchase agreement in respect of the Proposed Sale (the "SPA"), and approval of the Proposed Sale by The PRS REIT shareholders at a general meeting by way of a special resolution. The Company and Waypoint are working together with a view to completing the Proposed Sale by 30 November 2025. Subject to completion of the Proposed Sale, the Board intends to seek further shareholder approval for the voluntary liquidation of the Company with a view to distributing the Company's net assets to shareholders as soon as reasonably practicable.

As a result, the Board considered that the Proposed Sale represents a material uncertainty regarding the going concern status of the Company. Notwithstanding the Proposed Sale, which remains conditional at this stage, the Board considers that it remains appropriate for the financial statements to be prepared on a going concern basis.

These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- > Reviewing management's going concern assessment paper covering the 12-month period from date of approval of the financial statements;
- > Checking the mathematical accuracy of the underlying financial model;

- > Assessing the information used in the going concern assessment for consistency with management's plans and information obtained through our other audit work;
- > Challenging the major assumptions in management's forecasts, being the level of rents receivable, expenses, capital expenditure, dividends and finance costs;
- > Assessing management's sensitivity analysis, including considering the impact on bank loan covenants;
- > Reviewing the appropriateness of going concern disclosures within the financial statements.

In relation to the entity reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter – proposed sale of the Group and Company's portfolio of property assets

We draw attention to note 18 of the financial statements which describes how, during the financial year ended 30 June 2025, the Board and its advisers have engaged with a number of parties in connection with the proposed sale of the Company or its assets pursuant to the Strategic Review and Formal Sale Process. The Board has noted the disparity between the pricing presented in these indications of interest and the Group's NAV, which highlighted that due to the size of the Group, amongst other things, the current realisable value of the Group, or its assets as a whole, may be materially different from the aggregate of the estimate of each property's value.

As described in note 35 of the financial statements, the Company has entered into non-binding heads of terms for the proposed sale (the "Proposed Sale") of The PRS REIT Holding Company Limited, the Company's operating subsidiary that holds the entirety of the Company's portfolio of property assets, to a vehicle ("Bidco") wholly owned by a fund being advised by Waypoint Asset Management Limited ("Waypoint") as investment adviser. The current expected cash consideration from the Proposed Sale is approximately £646.2 million, compared to the Net Asset Value (see note 29) at 30 June 2025 of £785.4 million.

The ultimate outcome of the Proposed Sale cannot presently be determined, and no adjustment to the valuation of the portfolio of property assets that may result has been made in the financial statements. Our opinion is not modified in respect of this matter.

Summary of our audit approach

Key audit matters	Group
	> Valuation of investment property
	Parent Company
	> No key audit matters
Materiality	Group
	> Overall materiality: £12,300,000 (2024: £11,600,000)
	> Performance materiality: £9,220,000 (2024: £8,700,000)
	Parent Company
	> Overall materiality: £6,040,000 (2024: £6,040,000)
	> Performance materiality: £4,530,000 (2024: £4,530,000)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of profit before tax.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the group and parent company financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the group and parent company financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment property

Key audit matter description

The Group owns a portfolio of residential investment properties. The total value of the portfolio at 30 June 2025 was £1,200.1m (2024: £1,139.8m). The portfolio comprises entirely of completed sites as at 30 June 2025. All investment property assets are held at fair value.

The Directors' assessment of the value of the investment properties at year end date is considered a key audit matter due to the magnitude of the total amount, the potential impact of a movement in value on the reported results, and the subjectivity and complexity of the valuation process. The valuation is carried out by external valuers, Savills, in line with the methodology set out in note 18 on pages 127 to 128.

Further information is disclosed in the Audit Committee report on pages 81 to 82; the significant accounting judgements and estimates on pages 118 to 119; significant accounting policies on pages 115 to 119.

How the matter was addressed in the audit

Our audit work included the following:

- > We assessed the external valuer's qualifications and expertise and considered their terms of engagement; we also considered their objectivity and any other existing relationships with the Group.
- > We engaged a property valuation specialist as our auditor expert to assist in the audit of the valuations.
- > We selected a sample of 22 sites, and requested the auditor's expert review the valuation at the year end date and comment on whether the value is within a reasonable range and whether the overall valuation is based on appropriate judgments and market data. Our sample was selected using auditor judgement and included sites where the rent or yield movements were higher or lower than expected from our overall review of the portfolio, where the year on year valuation movement was not in line with the average of the portfolio, and other material sites which were included to obtain coverage, in terms of value and location.
- > We discussed with the Investment Adviser and the external valuer the overall movement in property values and any properties where the fair value was not consistent with overall movements of the entire portfolio, to gain an understanding of why these exceptions were reasonable.
- > We obtained an understanding of the methodology and key assumptions used in the valuation. We challenged the appropriateness of these through consulting with an auditor's expert and reviewing market data, and used this to inform our challenge of the Investment Adviser and the external valuer.
- > We tested inputs provided by the Investment Adviser to the external valuer to check these reflected the key observable inputs for each property. For a sample of properties, we requested explanations and evidence of how the external valuer has determined the market rent used in the valuations.
- > We audited the disclosures in the financial statements relating to the valuation of investment property, including those relating to estimates and the key valuation assumptions disclosed in note 18.

Key observations

Based on our audit work, we are satisfied that the judgements and assumptions used in arriving at the fair value of the Group's property portfolio are appropriate and supported by the evidence obtained during the audit.

We have determined that there are no key audit matters to communicate in our report in relation to the parent company.

Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	Group	Parent company
Overall materiality	£12,300,000 (2024: £11,600,000)	£6,040,000 (2024: £6,040,000)
Basis for determining overall materiality	1% of total assets	1.3% of total assets
Rationale for benchmark applied	Total assets used as a benchmark as we assessed that the shareholders will be primarily interested in the value of investment property, which forms the majority of total assets.	Total assets used as a benchmark as we assessed that the shareholders will be primarily interested in the value of investment property, represented by the investment held by the Parent Company in its property holding subsidiaries, which forms the majority of total assets.
Performance materiality	£9,220,000 (2024: £8,700,000)	£4,530,000 (2024: £4,530,000)
Basis for determining performance materiality	75% of overall materiality	75% of overall materiality
Reporting materiality levels for transactions where materiality levels are lower than overall materiality	The income statement was tested to a lower specific materiality figure of £2.7m (2024: £2.4m) to reflect that the income statement values are significantly lower than those in the Statement of Financial Position.	The income statement was tested to a lower specific materiality figure of £2.7m (2024: £2.4m) to reflect that the income statement values are significantly lower than those in the Statement of Financial Position.
Reporting of misstatements to the Audit Committee	Misstatements in excess of £50,000 (or £10,000 for related party transactions) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds have been reported to the Audit Committee.	Misstatements in excess of £50,000 (or £10,000 for related party transactions) and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds have been reported to the Audit Committee.

An overview of the scope of our audit

The group consists of 114 entities, all of which are based in the UK. The group is managed as one component and has therefore been treated as a single component on which full scope audit procedures have been performed.

The impact of climate change on the audit

In planning our audit, we considered the potential impact of the possible risks arising from climate change on the Group's and the Company's financial statements and obtained an understanding of how management identifies and responds to climate-related risks. Further information on management's risk assessment, progress and commitments is provided in the Group's ESG statement on pages 40 to 41 of the annual report.

We performed risk assessment procedures including making enquiries of management, reading board minutes and applying our knowledge of the Group and the sector within which it operates, to assess the potential impact on the financial statements.

Taking account of the nature of the business, the extent of the headroom in impairment testing, and insensitivity of warranty provisions, and useful economic lives of tangible/intangible assets to changing regulation, weather patterns or business activities, we have not assessed climate-related risk to be significant to our audit. There was also no impact on our key audit matters.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- > the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- > the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- > adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- > the parent company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- > certain disclosures of directors' remuneration specified by law are not made; or
- > we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the parent company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- > Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 70;
- > Directors' explanation as to their assessment of the group's prospects, the period this assessment covers and why the period is appropriate set out on page 70;
- > Director's statement on whether it has a reasonable expectation that the group will be able to continue in operation and meets its liabilities set out on page 70;
- > Directors' statement on fair, balanced and understandable set out on page 72;
- > Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 48 to 51;
- > Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 73 to 74; and,
- > Section describing the work of the audit committee set out on pages 81 to 83.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 72, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- > obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- > inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- > discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the overall control environment.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the Group audit engagement team included:
UK adopted IAS and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; Completion of disclosure checklists to identify areas of non-compliance.
REIT legislation	Review of the REIT status assessment prepared by management; Inspection of advice received from external tax advisors; Input from a REIT specialist was obtained regarding compliance with REIT legislation.

In addition to the valuation of investment property which is included above as a key audit matter, the areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 25 April 2017 to audit the financial statements for the year ending 30 June 2018 and subsequent financial periods.

The period of total uninterrupted consecutive appointments is eight years, covering the years ending 30 June 2018 to 30 June 2025.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee in accordance with ISAs (UK).

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rules, these financial statements will form part of the Annual Financial Report prepared in Extensible Hypertext Markup Language (XHTML) format and filed on the National Storage Mechanism of the UK FCA. This auditor's report provides no assurance over whether the annual financial report has been prepared in XHTML format.

RSM UK Audit LLP

Graham Ricketts (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

6 October 2025



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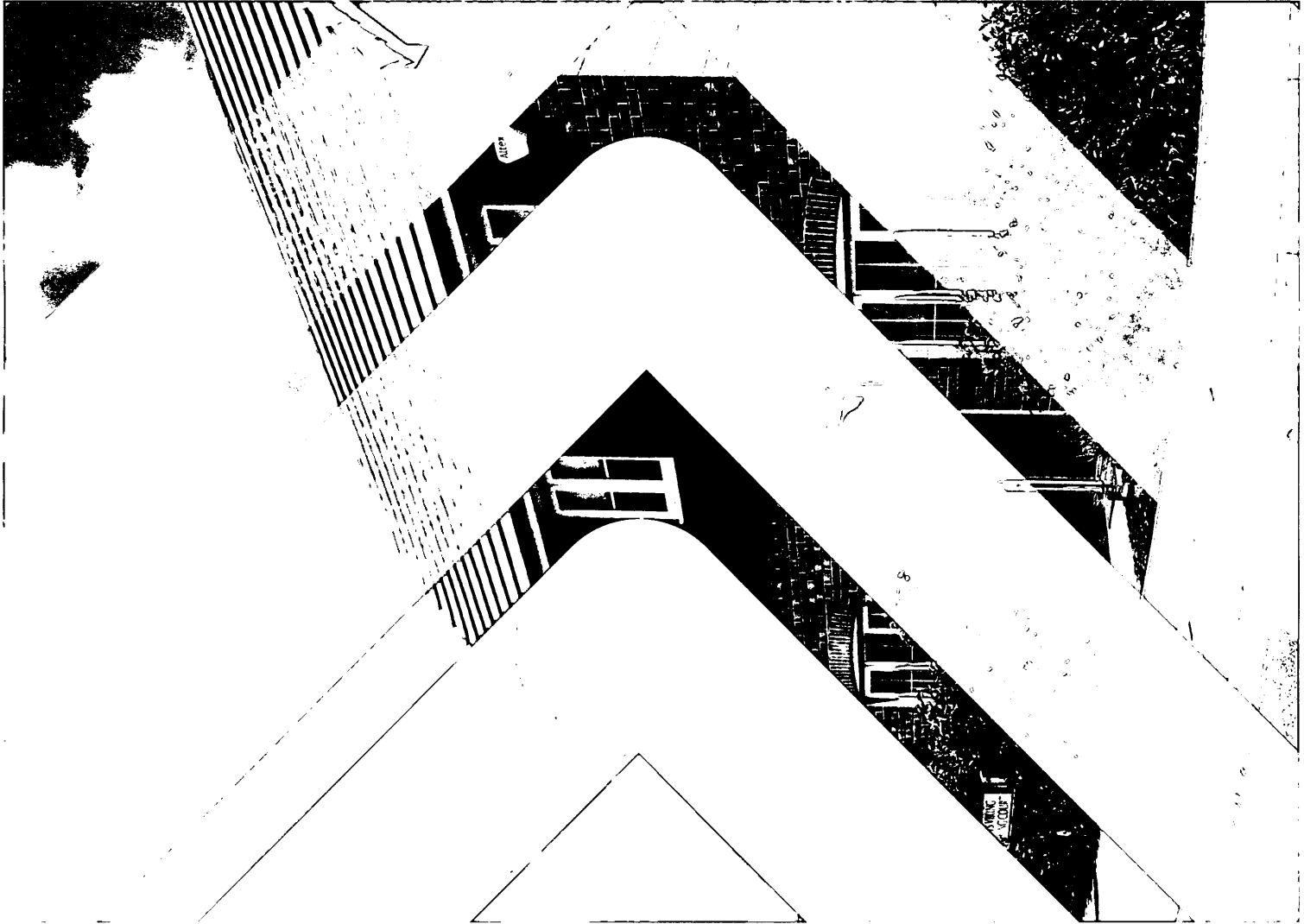
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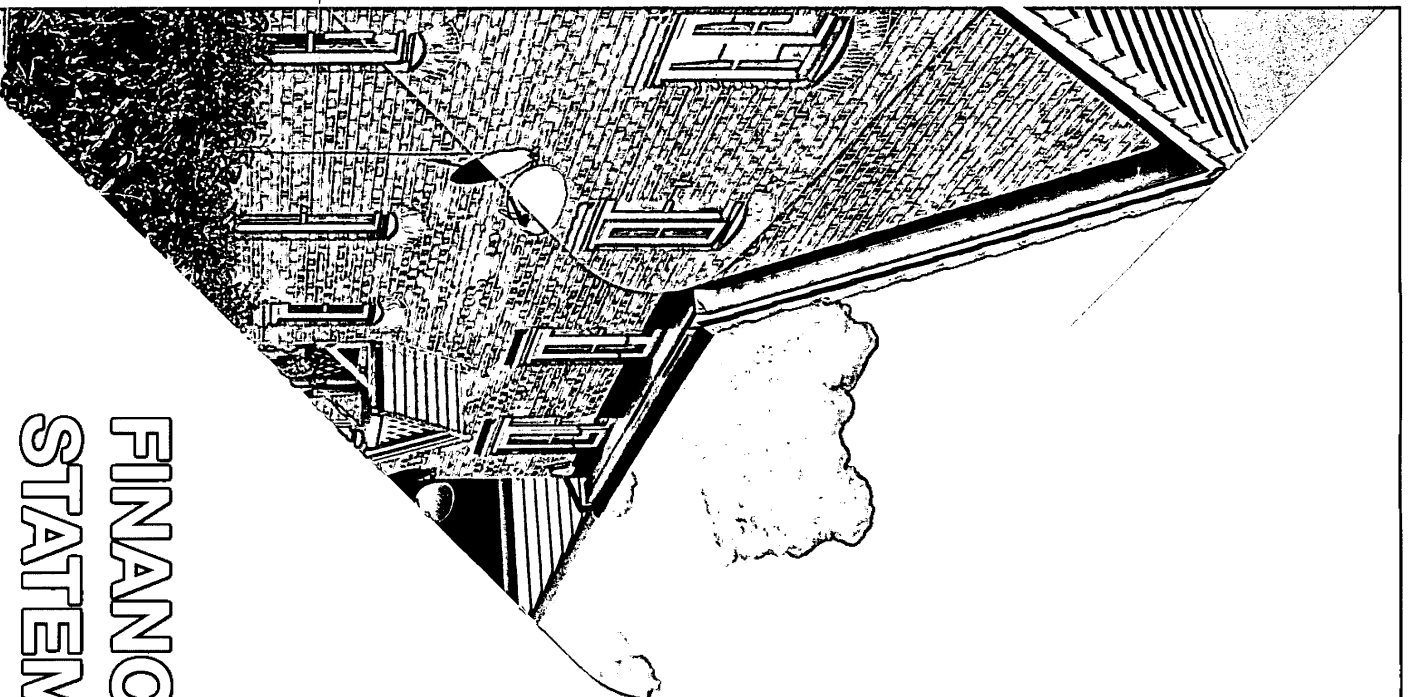
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 £'000	30 June 2024 £'000
Rental income	6	66,476	58,231
Non-recoverable property costs	7	(13,167)	(10,940)
Net rental income		53,309	47,291
Other income	8	101	194
Administrative expenses			
Directors' remuneration	9	(241)	(213)
Investment advisory fee	11	(6,151)	(6,051)
Other administrative expenses	12	(3,201)	(2,921)
Total administrative expenses		(9,593)	(9,185)
Gain from fair value adjustment on investment property	18	53,626	73,412
Operating profit		97,443	111,712
Finance income	13	236	188
Finance cost	14	(20,650)	(18,225)
Profit before taxation		77,029	93,675
Taxation	15	-	-
Profit after tax and Total comprehensive income for the year attributable to the equity holders of the Company		77,029	93,675
Earnings per share attributable to the equity holders of the Company:			
IFRS earnings per share (basic and diluted)	16	14.0p	17.1p

All of the Group activities are classed as continuing and there were no comprehensive gains or losses in the period other than those included in the statement of comprehensive income.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

COMPANY NO. 10638461

	Note	30 June 2025 £'000	30 June 2024 £'000
ASSETS			
Non-current assets			
Investment property	18	1,200,092	1,139,823
		1,200,092	1,139,823
Current assets			
Trade and other receivables	20	6,637	6,817
Cash and cash equivalents	21	21,600	18,053
		28,237	24,870
Total assets		1,228,329	1,164,693
LIABILITIES			
Non-current liabilities			
Accruals and deferred income	22	-	1,073
Interest bearing loans and borrowings	24	410,208	385,003
		410,208	386,076
Current liabilities			
Trade and other payables	22	14,851	15,182
Provisions	23	-	77
Interest bearing loans and borrowings	24	17,885	31,933
		32,736	47,192
Total liabilities		442,944	433,268
Net assets		785,385	731,425
EQUITY			
Called up share capital	26	5,493	5,493
Share premium account	27	298,974	298,974
Capital reduction reserve	28	113,092	113,092
Retained earnings		367,826	313,866
Total equity attributable to the equity holders of the Company		785,385	731,425
IFRS net asset value per share (basic and diluted)	29	143.0p	133.2p

As at 30 June 2025, there is no difference between IFRS NAV per share and the EPRA NTA per share.

These consolidated group financial statements were approved by the Board of Directors and authorised for issue on 6 October 2025 and signed on its behalf by:

Geeta Nanda

Geeta Nanda
Chairwoman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

Attributable to equity holders of the Company

	Share capital £'000	Share premium account £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
At 30 June 2023	5,493	298,974	118,584	236,669	659,720
Comprehensive income					
Profit for the year	-	-	-	93,675	93,675
Transactions with owners					
Dividends paid	-	-	(5,492)	(16,478)	(21,970)
At 30 June 2024	5,493	298,974	113,092	313,866	731,425
Comprehensive income					
Profit for the year	-	-	-	77,029	77,029
Transactions with owners					
Dividends paid	-	-	-	(23,069)	(23,069)
At 30 June 2025	5,493	298,974	113,092	367,826	785,385

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 £'000	30 June 2024 £'000
Cash flows from operating activities			
Profit before tax		77,029	93,675
Finance income	13	(236)	(188)
Finance costs	14	20,650	18,225
Fair value adjustment on investment property	18	(53,626)	(73,412)
Cash generated by operations		43,817	38,300
Increase in trade and other receivables		(1,201)	(8)
Decrease in trade and other payables		(1,457)	(3,117)
Net cash generated from operating activities		41,159	35,175
Cash flows from investing activities			
Purchase of investment property		–	(9,100)
Development expenditure on investment properties*		(6,647)	(22,084)
Finance income		236	188
Net cash used in investing activities		(6,411)	(30,996)
Cash flows from financing activities			
Bank and other loans advanced	24	25,957	151,957
Bank and other loans repaid	24	(15,431)	(110,229)
Finance costs		(18,658)	(19,082)
Dividends paid	17	(23,069)	(21,970)
Net cash (used in) / generated from financing activities		(31,201)	676
Net increase in cash and cash equivalents		3,547	4,855
Cash and cash equivalents at beginning of year		18,053	13,198
Cash and cash equivalents at end of year	21	21,600	18,053
Restricted cash		4,551	4,185

* Includes capitalised interest of £0.6 million (2024: £1.9 million).

The accompanying notes are an integral part of this cash flow statement.

Total interest paid in the year was £17.7 million (2024: £16.6 million).

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COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

COMPANY NO. 10638461

	Note	30 June 2025 £'000	30 June 2024 £'000
ASSETS			
Non-current assets			
Investment in subsidiaries	19	75,425	75,425
Other receivables	20	336,170	334,513
		411,595	409,938
Current assets			
Other receivables	20	103	112
Cash and cash equivalents	21	16,919	13,623
		17,022	13,735
Total assets		428,617	423,673
Current liabilities			
Trade and other payables	22	1,653	2,090
Total liabilities		1,653	2,090
Net assets		426,964	421,583
EQUITY			
Called up share capital	26	5,493	5,493
Share premium account	27	298,974	298,974
Capital reduction reserve	28	113,092	113,092
Retained earnings		9,405	4,024
Total equity attributable to the equity holders of the Company		426,964	421,583

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own income statement in these financial statements. The profit attributable to the Parent Company for the year ended 30 June 2025 amounted to £28.5 million (2024: profit of £14.9 million).

These financial statements were approved by the Board of Directors on 6 October 2025 and signed on its behalf by:



Geeta Nanda
Chairwoman

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Share capital £'000	Share premium account £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
At 30 June 2023	5,493	298,974	118,584	5,566	428,617
Comprehensive income					
Profit for the year	-	-	-	14,936	14,936
Transactions with owners					
Dividends paid	-	-	(5,492)	(16,478)	(21,970)
At 30 June 2024	5,493	298,974	113,092	4,024	421,583
Comprehensive income					
Profit for the year	-	-	-	28,450	28,450
Transactions with owners					
Dividends paid	-	-	-	(23,069)	(23,069)
At 30 June 2025	5,493	298,974	113,092	9,405	426,964

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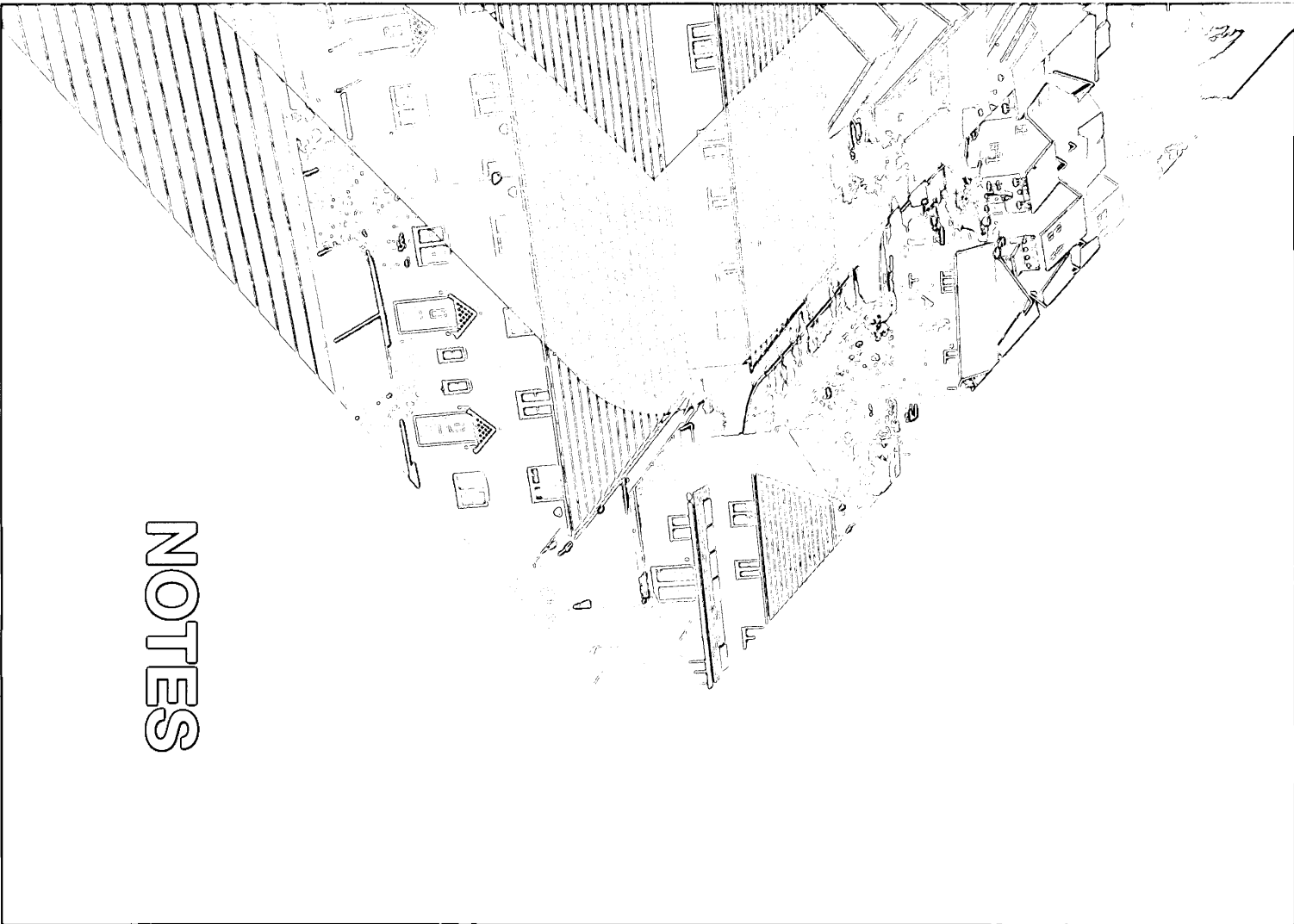
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COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Note	30 June 2025 £'000	30 June 2024 £'000
Cash flows from operating activities			
Profit before tax		28,450	14,935
Dividends received from subsidiary undertakings		(37,650)	(23,700)
Finance income		(215)	(153)
Cash used in operations		(9,415)	(8,918)
Decrease in other receivables		9	151
(Decrease) / Increase in trade and other payables		(437)	434
Net cash used in operating activities		(9,843)	(8,333)
Cash flows from investing activities			
Decrease in other receivables from group undertakings		35,993	35,729
Finance income		215	153
Net cash generated from investing activities		36,208	35,882
Cash flows from financing activities			
Dividends paid	17	(23,069)	(21,970)
Net cash used in financing activities		(23,069)	(21,970)
Net increase in cash and cash equivalents		3,296	5,579
Cash and cash equivalents at beginning of year		13,623	8,044
Cash and cash equivalents at end of year	21	16,919	13,623



NOTES TO THE FINANCIAL STATEMENTS

AS AT 30 JUNE 2025

1. General information

The PRS REIT plc (the **"PRS REIT"**, the **"Company"** or the **"Group"**) is a public limited company incorporated on 24 February 2017 in England and having its registered office at Floor 3, 1 St. Ann Street, Manchester, M2 7LR with Company Number 10638461. The Company did not commence trading until 31 May 2017 when the IPO was completed. The Company is quoted on the Main Market of the London Stock Exchange and entered into the FTSE 250 Index on 30 September 2024. The nature of the Group's operations and its principal activities are set out in the Chair's statement.

2. Basis of preparation

The financial statements of the Group and Company have been prepared in accordance with UK-adopted International Accounting Standards and the applicable legal requirements of the Companies Act 2006 (**"IFRS"**).

The financial statements are prepared on the historical cost basis, except where IFRS requires or permits an alternative treatment. The principal variations from historical cost relate to investment properties (IAS40) which are measured as fair value through profit or loss.

The financial statements are presented in Pounds Sterling, which is also the functional currency, and all values are rounded to the nearest thousand pounds except where otherwise stated.

3. Going concern

The consolidated and Company financial statements have been prepared on a going concern basis. The Directors have reviewed the current and projected financial position of the Group, making reasonable assumptions about future trading performance with sensitivity testing undertaken to replicate plausible downside scenarios related to the principal risks and uncertainties associated with the business. Therefore, the Directors believe the Group and Company are well placed to manage their business risks successfully. However, there is a material uncertainty in relation to the Group's and Company's ability to continue for a period of at least 12 months from the date of this report as a result of the proposed sale of the Company.

As interest rate exposure has largely been mitigated with 81% of the investment debt in the portfolio at fixed rates for relatively long periods averaging 14 years, the Directors paid particular attention to the risk of a deterioration in the forecast rental growth over the review period which would have a negative impact on both forecast valuations and cashflows. Increased costs were also modelled in these forecasts. The outcome of this stress testing indicated that covenants on existing facilities would not be breached. As part of the review, the Group has considered its cash balances, and its debt maturity profile, including undrawn facilities. The Group had net current liabilities of £4.5 million as at 30 June 2025 (2024: net current liabilities £22.3 million). The decrease in net current liabilities is as a result of the repayment of the remaining Barclays development loan ahead of maturity in September 2025 and increasing use of the RBS investment debt facility, repayable in July 2026. The opportunity to secure an additional long term fixed rate investment debt facility continues to be reviewed. As at 30 June 2025, the total loan amount drawn on the Barclays facility was £18.2 million (2024: £32.6 million).

The Group's cash balances at 30 June 2025 were £21.6 million (2024: £18.1 million), of which £4.6 million was restricted but released within 3 months. The Group had debt borrowing as at 30 June 2025 of £426.4 million (2024: £415.3 million).

There were no capital commitments outstanding as at 30 June 2025 (2024: £6.4 million). The Group's current ERV as at 30 June 2025, was £72.0 million from 5,478 homes and has increased to £73.4 million as at 30 September 2025. This has increased the Company's recurring income which at this level is more than sufficient to cover monthly cash costs. Based on the prevailing run-rate of monthly cash costs and average rent levels, approximately 2,600 homes are required to generate income to cover monthly cash outlays.

The current market volatility is being monitored by the Board however, the strong income performance and high proportion of fixed rate debt puts the Group in a good position.

In line with the process followed since IPO, the NAV of the Company is calculated by reference to the aggregate valuation of each separate property asset. These individual property valuations have been arrived at in accordance with the requirements of IFRS 13 and the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards, incorporating the IVSC International Valuation Standards effective from 31 January 2025, together, where applicable, with the UK National Supplement effective 14 January 2019, (together the "RICS Red Book"). These valuations include a number of unobservable inputs and other valuation assumptions. Please see note 18 for further details.

During the financial year ended 30 June 2025, the Board and its advisers have engaged with a number of parties in connection with the proposed sale of the Company or its assets pursuant to the Strategic Review and Formal Sale Process. This has been an extensive and thorough process with engagement from a wide range of parties with multiple non-binding expression of interest received. The Board has noted the disparity between the pricing presented in these indications of interest and the Company's NAV of £785.4 million at 30 June 2025, which highlighted that due to the size of the Company, amongst other things, the current realisable value of the Company or its assets as a whole, may be materially different from the aggregate of the estimate of each property's value.

Material uncertainty related to going concern

On 17 September 2025, the Board announced that it has entered into non-binding heads of terms for the proposed sale (the "**Proposed Sale**") of The PRS REIT Holding Company Limited, the Company's operating subsidiary that holds the entirety of the Company's portfolio of property assets, to a vehicle ("**Bidco**") wholly owned by a fund being advised by Waypoint Asset Management Limited ("**Waypoint**") as investment adviser. The cash consideration receivable in respect of the Proposed Sale is expected to be approximately £646.2 million. Proceeds to the Company of the Proposed Sale, net of transaction expenses and corporation tax, are expected to be approximately £633.2 million. The Proposed Sale is conditional on, inter alia, satisfactory completion of confirmatory due diligence by Waypoint, the Company and Bidco agreeing and entering into a sale and purchase agreement in respect of the Proposed Sale (the "**SPA**"), and approval of the Proposed Sale by The PRS REIT shareholders at a general meeting by way of a special resolution. The Company and Waypoint are working together with a view to completing the Proposed Sale by 30 November 2025. Subject to completion of the Proposed Sale, the Board intends to seek further shareholder approval for the voluntary liquidation of the Company with a view to distributing the Company's net assets to shareholders as soon as reasonably practicable.

The Proposed Sale therefore represents a material uncertainty regarding the going concern status of the Company. Notwithstanding the Proposed Sale, which remains conditional at this stage, the Board considers that it remains appropriate for the financial statements to be prepared on a going concern basis.

4. Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements comprise of the financial statements of The PRS REIT plc and its subsidiary undertakings. Subsidiaries are all entities over which the Group has control. The results of subsidiaries are included in the consolidated financial statements from the date that control commences. All intra group transactions are eliminated on consolidation.

Segmental reporting

For the current year and prior year, the Directors regard the Group as having just one reportable segment, Property, and the business only operates in the United Kingdom. Segmental information is not therefore disclosed in these financial statements.

Business combinations

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

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

Subsidiaries

Investments in subsidiaries are stated at cost less any provision for permanent diminution in value. A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, in which case an impairment provision is recognised and charged to the Income Statement. The results of subsidiaries acquired or disposed of during the year are included from the effective date of acquisition or up to the effective date of disposal. All intra group transactions, balances, income and expenses are eliminated on consolidation.

Investment property

Property that is held for long-term rental yields or for capital appreciation or both is classified as investment property under IAS 40. Investment property is measured initially at its cost, being the initial purchase cost and subsequent development expenditure, including related transaction costs. After initial recognition, investment property is carried at fair value. Investment properties under construction are initially recognised at cost including related transaction costs. Subsequently, the assets are re-measured at fair value at each reporting date where:

- > Fair value (at the date of valuation) = total development cost plus expected final uplift in valuation multiplied by % of site development completed; where
- > Expected final uplift = Expected investment value on completion less gross development cost

The investment properties are externally valued by Savills. Savills are qualified external valuers who hold a recognised and relevant professional qualification. Gains or losses arising from changes in the fair value of the Group's investment properties are included in profit from operations in the income statement of the period in which they arise. Investment property falls within level 3 of the fair value hierarchy as defined by IFRS 13. Further details are provided in note 18.

Financial instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently carried at amortised cost less provision for impairment. Where the time value of money is material, receivables are carried at amortised cost using the effective interest method. Impairment provisions are recognised based on the expected credit loss model detailed within IFRS 9. The expected credit losses ("ECL") on financial assets are estimated on a lifetime basis on the Group's historical credit loss experience adjusted for factors that are specific to the debtors, including general and, where material, local economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date.

We have engaged with tenants who have encountered financial difficulties, and entered into payment plans where appropriate. Rent and legal insurance policies are in place for certain tenants and we currently consider the risk of bad debts to be immaterial, although the situation remains under constant review. As at 30 June 2025 the Group's loss allowance for expected credit losses on trade receivables was £0.9 million (2024: £0.7 million).

The receivables due to the Company from subsidiaries are non-interest bearing loans, repayable on demand. These are stated at cost less any allowance for ECL. The Company measures the loss allowance for intra-Group receivables over lifetime ECL, this was immaterial in the current year and prior year.

Cash

Cash and cash equivalents comprise cash in hand, cash at bank, cash held in treasury deposits and restricted cash. Restricted cash is funds held in rent accounts which are released to free cash once certain loan conditions are met including servicing of interest. Further details are provided in note 21.

Trade and other payables

Trade and other payables are not interest bearing and are initially recognised at fair value and subsequently measured at their amortised cost.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently at amortised cost.

Leases

As a lessor

The Group leases residential property to individual qualifying tenants on assured short-hold tenancies which are no longer than twelve months. The tenancy agreements do not contain any non-lease elements such as insurance or common area maintenance.

As a lessee

The Group has entered into ground leases on some of its sites. At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable and variable lease payments that depend on an index or a rate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, lease payments are allocated between the liability and finance cost with the amount of the lease liability being increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, change in the lease term or change in the in-substance fixed lease payments.

Right-of-use ("ROU") assets

A right-of-use asset is recognised at the commencement date of a lease. The ROU asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are subsequently measured at fair value and classified within investment properties.

Impairment of assets

At each balance sheet date, the Directors review the carrying amounts of the Company's non-current assets, which aren't measured at fair value, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset in its current condition is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less cost to sell and value in use.

Provisions

Onerous contracts - A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract.

Taxation

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

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised.

Deferred tax is calculated at the rates that are substantively enacted at the reporting date. Deferred tax is charged or credited in the consolidated statement of comprehensive income, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Revenue recognition

Rental income arises from assured shorthold tenancies on investment properties with a period no longer than 12 months and is accounted for on an accruals basis and is recognised over the contractual period which does not exceed 12 months.

Expenses

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

Finance income

Finance income is recognised as it accrues on cash balances and treasury deposits held by the Group.

Finance costs

Interest is accrued using the effective interest rate method on bank loans held by the Group.

Capitalised interest

During the development phase where funds from a development loan facility are drawn down to fund an asset, the interest payable is capitalised as a cost of development of that asset. The amount capitalised in the year to 30 June 2025 was £0.6 million (2024: £1.9 million). The weighted capitalisation rate for the year to 30 June 2025 was 8.0% (2024: 8.5%), and is determined by the margin rate plus compounded SONIA reference rate, per the Barclays development debt facility.

Costs of borrowing

Borrowing costs, including legal and professional fees, are recognised in the income statement over the period of the borrowings using the effective interest method.

Dividends

Dividends on equity shares are recognised when they become legally payable.

Share issue costs

The costs of issuing equity instruments are accounted for as a deduction from equity.

Significant accounting estimates and assumptions

The preparation of the Group's financial statements requires the Directors to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates

In the process of applying the Group's accounting policies, the Directors have made the following estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Fair value of investment property

The fair value of any property, including investment property under construction, is determined by an independent property valuation expert to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. The valuation experts use recognised valuation techniques applying principles of both IAS40 and IFRS13.

The Group values its investment properties using the investment approach to valuation. Principal assumptions and management's underlying estimations that are used in the fair value assessment of completed assets relate to estimated rental value, net investment yield and gross to net deductions. Principal assumptions and management's underlying estimations that are used in the fair value assessment of assets under construction are investment value on completion and gross development costs, taking into account construction costs spent and forecast costs to completion. There are inter-relationships between the valuation inputs and they are primarily determined by market conditions. The effect of an increase in more than one input could be to magnify the impact on the valuation. However, the impact on the valuation could be offset by the inter-relationship of two inputs moving in opposite directions. Other Special Assumptions applied in addition to the key unobservable inputs identified above, and used since inception include: all individual site valuations have been treated assuming part of a larger portfolio (in excess of £50 million); and an indirect purchase of a special purpose vehicle holding title to the asset, so stamp duty is assessed on a share purchase basis rather than as property. Further details on the valuation of the investment properties, including sensitivities, are disclosed in note 18.

In line with the process followed since IPO, the NAV of the Company is calculated by reference to the aggregate valuation of each separate property asset. These individual property valuations have been arrived at in accordance with the requirements of IFRS 13 and the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards, incorporating the IVSC International Valuation Standards effective from 31 January 2025, together, where applicable, with the UK National Supplement effective 14 January 2019, (together the "RICS Red Book"). These valuations include a number of unobservable inputs and other valuation assumptions.

During the financial year ended 30 June 2025, the Board and its advisers have engaged with a number of parties in connection with the proposed sale of the Company or its assets pursuant to the Strategic Review and Formal Sale Process. This has been an extensive and thorough process with engagement from a wide range of parties with multiple non-binding expression of interest received. The Board has noted the disparity between the pricing presented in these indications of interest and the Company's NAV which highlighted that due to the size of the Company, amongst other things, the current realisable value of the Company or its assets as a whole, may be materially different from the aggregate of the estimate of each property's value.

Non-GAAP financial information

The Directors have identified certain measures that they believe will assist the understanding of the performance of the business. The measures are not defined under IFRS and they may not be comparable with other companies' adjusted measures. The non-GAAP measures are not intended to be a substitute for, or superior to, any IFRS measures of performance but they have been included as the Directors consider them to be important comparable and key measures used within the business for assessing performance. The key non-GAAP measures identified by the Group are set out on pages 145 to 147.

Adoption of new and revised standards

Other than as disclosed below, the accounting policies applied are the same as those applied in the financial statements for the year ended 30 June 2024.

A number of new standards and amendments to standards and interpretations have been issued for the current accounting year. The Group has adopted the following new standards and amendments for the first time for the year ended 30 June 2025, none of which have had a material impact on the Group.

- > IAS 1 'Presentation of Financial Statements' on the classification of liabilities and non-current liabilities with covenants;
- > IFRS 16 'Leases' on sale and leaseback arrangements; and
- > IFRS 8 'Operating Segments' Agenda Decision.

Standards and interpretations in issue but not yet effective

The following standards and interpretations which have been issued but are not yet effective include:

- > IFRS 18 'Presentation and Disclosure in Financial Statements'; and
- > amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' in respect of the classification and measurement of financial instruments.

With the exception of IFRS 18, these amendments to standards that are not yet effective are not expected to have a material impact on the Group's results. These have not yet been adopted by the Group.

5. Financial risk management

The Group's business activities are set out in the Strategic Report on pages 10 to 13. These activities expose the Group and Company to a number of financial risks. The following describes the Group's and Company's objectives, policies and processes for managing these risks and the methods used to measure them. The Board of Directors oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks that are summarised below. The Group only operates in the UK and transacts in sterling. It is therefore not directly exposed to any foreign currency exchange risk.

Capital risk management

The capital of the Group is managed in accordance with its investment policy. The Group's and Company's objectives for managing capital are to safeguard the Group's and Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to manage the cost of capital. The capital structure of the Group and Company consists of equity and debt. The Group and Company meet their objectives by aiming to achieve a steady growth by mitigating risk, which will generate regular and increasing returns to the shareholders. The Group and Company also seeks to minimise the cost of capital and optimise its capital structure. At 30 June 2025 the Group had short term debt of £18.2 million (2024: £32.6 million) and cash at bank of £21.6 million (2024: £18.1 million). At 30 June 2025 the Company had no short term debt (2024: £nil) and cash at bank of £16.9 million (2024: £13.6 million). There were no changes in the Group's and Company's approach to capital management during the year.

The Group's capital is represented by the Ordinary Shares, share premium, capital reduction reserve and retained earnings reserve. The Group is not subject to any externally-imposed capital requirements except for the requirement as a REIT to distribute at least 90% of its tax-exempt rental business profits.

Financial instruments

The Group's financial assets and liabilities include those that arise directly from its operations: trade and other receivables, trade and other payables and cash and cash equivalents. The Group's other financial liabilities are loans and borrowings, the main purpose of which is to finance the acquisition and development of the Group's investment property portfolio.

Group	Amortised cost	
	2025 £'000	2024 £'000
<i>Financial assets</i>		
Trade and other receivables	3,211	2,150
Cash and other cash equivalents	21,601	18,053
Total financial assets	24,812	20,203
<i>Financial liabilities</i>		
Trade and other payables	14,848	16,332
Interest bearing loans and borrowings	428,093	416,935
Total financial liabilities	442,941	433,267

The Company's principal financial assets and liabilities are those that arise directly from its activities as a holding company: trade and other receivables, trade and other payables and cash and cash equivalents.

Company	Amortised cost	
	2025 £'000	2024 £'000
<i>Financial assets</i>		
Trade and other receivables	336,170	334,513
Cash and other cash equivalents	16,919	13,623
Total financial assets	353,089	348,136
<i>Financial liabilities</i>		
Trade and other payables	1,653	2,090
Total financial liabilities	1,653	2,090

Market risk

Risk relating to investment property

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

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

The risk is mitigated by using Savills (UK) Limited, an accredited External Valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued, to prepare valuations of all of the Company's investment properties.

The Company holds no investment property directly (2024: nil).

Interest rate risk

The Group has mitigated interest rate risk on its investment and development loans due to the majority of long-term loan facilities being fixed rate and therefore not subject to variation. Derivatives may be used when considered appropriate to mitigate interest rate risk. Based on the debt profile at the year-end, a 1% change in variable interest rates would result in an income statement adjustment of £0.8 million (2024: £0.7 million).

Lender	Balance as at 30 June 2025	Loan period	Interest rate (all in)	Loan Type	Maturity
Scottish Widows	£100.0 million	15 years	3.14%	Fixed	June 2033
Scottish Widows	£150.0 million	25 years	2.76%	Fixed	June 2044
Legal and General Investment Management	£101.9 million	15 years	6.04%	Fixed	July 2038
RBS	£59.2 million	2 years	6.00%	Variable	July 2026
Barclays Bank PLC*	£18.2 million	3 years	7.56%	Variable	September 2025

* Facility repaid and closed in September 2025.

From time to time, certain of the Group's cash resources are placed on short-term fixed deposits or on short-term notice accounts to take advantage of preferential rates, otherwise cash resources are held in current, floating rate accounts.

The Company had no external loans as at 30 June 2025 (2024: nil).

Credit risk

Credit risk is that a counterparty will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk both from its property activities and financing activities.

Credit risk relating to property activities

The Group receives property rental income from its investments in PRS assets. Risk is mitigated as PRS assets consist of residential family housing with multiple tenants in multiple locations. Rental income is paid monthly in advance. Gross rental income outstanding and due to the Group as at 30 June 2025 amounted to £1.9 million (2024: £1.7 million).

As at 30 June 2025 the Group's loss allowance for expected credit losses on these trade receivables was £0.9 million (2024: £0.7 million). The Group's loss allowance is assessed based on the ageing of individual debts, as well as current occupancy of each individual property. Amounts are only written off when there is no expectation of recovery. As at 30 June 2025, net trade receivables were 1.4% (2024: 1.6%), and total arrears over 30 days were 1.8% (2024: 1.4%) of the ERV of the portfolio.

Credit risk arising related to financial instruments including cash deposits

Risk arises as a result of the cash deposits with banks and financial institutions. The Board of Directors believe the credit risk on short-term deposits and current account balances is limited as they are held with banks with high credit ratings. As at 30 June 2025, short-term deposits and current account balances were held with the following banks:

Royal Bank of Scotland plc
Barclays Bank PLC
Lloyds Banking Group plc

Company credit risk relating to amounts due from Group undertakings

All balances are considered to be recoverable and are not past due. The total ECL provision relating to loans and receivables for the Company is £nil (2024: £nil).

Liquidity risk

The Group and Company seeks to manage liquidity risk to ensure sufficient liquidity is available to meet the requirements of the business and to invest cash assets safely and profitably. The Board reviews regularly available cash to ensure that there are sufficient resources for capital expenditure and working capital requirements.

As at 30 June 2025, the Group had net current liabilities of £4.5 million (2024: net current liabilities of £22.3 million). The table below summarises the undiscounted maturities of the Group's non-derivative financial liabilities as at 30 June 2025 and 30 June 2024:

Group	On demand £'000	< 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	> 5 years £'000	Total £'000
2025						
Trade and other payables	-	1,034	13,814	-	-	14,848
Loans and borrowings	-	22,642	12,723	112,966	468,807	617,138
	-	23,676	26,537	112,966	468,807	631,986
2024						
Trade and other payables	-	2,001	13,258	1,073	-	16,332
Loans and borrowings	-	30,375	14,716	64,145	489,487	598,723
	-	32,376	27,974	65,218	489,487	615,055

For the majority of borrowings, the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Material differences are identified only for the following borrowings:

	2025 Carrying amount £'000	2025 Fair value £'000	2024 Carrying amount £'000	2024 Fair value £'000
Bank loans (long-term, fixed interest)	352,000	297,950	352,000	282,477

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate.

As at 30 June 2025, the Company had net current assets of £15.4 million (2024: £11.6 million). The table below summarises the maturities of the Company's non-derivative financial liabilities as at 30 June 2025 and 30 June 2024:

Company	On demand £'000	< 3 months £'000	3 to 12 months £'000	1 to 5 years £'000	> 5 years £'000	Total £'000
2025						
Trade and other payables	-	1,653	-	-	-	1,653
	-	1,653	-	-	-	1,653
2024						
Trade and other payables	-	2,090	-	-	-	2,090
	-	2,090	-	-	-	2,090

6. Rental income

	2025 £'000	2024 £'000
Gross rental income from investment property	66,476	58,231

The Group's investment property consists of residential housing for the private rented sector and therefore has multiple tenants across multiple sites. As a result, it does not have any individually significant customers.

7. Non-recoverable property costs

	2025 £'000	2024 £'000
Property expenses and irrecoverable costs	13,167	10,940

Non-recoverable property costs represent direct operating expenses in relation to rental income arising on investment properties. The impairment charge to the income statement in relation to trade receivables was £271,000 (2024: £313,000).

8. Other income

	2025 £'000	2024 £'000
Other income	101	194

Other income represents amounts payable by partners in respect of later than expected delivery of assets where the delay is attributable to the partner.

9. Directors' remuneration

	2025 £'000	2024 £'000
Directors' emoluments	241	213

The Directors are remunerated for their services at such rate as the Board shall from time to time determine. Further details of the Directors' remuneration are disclosed on pages 90 to 93.

10. Particulars of employees

The Group had no employees during the year or prior year other than the Directors.

11. Asset management fees

	2025 £'000	2024 £'000
Asset management fee	6,151	6,051

Sigma PRS Management Ltd is appointed as the Investment Adviser of the Company.

The Asset Management Fee payable to the Investment Adviser is payable monthly in arrears, and the rates used to calculate the Asset Management Fee are as follows:

- (i) 0.90 per cent. (2024: 1.00%) per annum of the Adjusted Net Asset Value up to, and including, £250 million;
- (ii) 0.85 per cent. (2024: 0.90%) per annum of the Adjusted Net Asset Value in excess of £250 million and up to, and including, £500 million;
- (iii) 0.70 per cent. (2024: 0.75%) per annum of the Adjusted Net Asset Value in excess of £500 million and up to, and including, £1 billion;
- (iv) 0.40 per cent. (2024: 0.50%) per annum of the Adjusted Net Asset Value in excess of £1 billion and up to, and including, £2 billion; and
- (v) 0.30 per cent. (2024: 0.40%) per annum of the Adjusted Net Asset Value in excess of £2 billion.

* Adjusted Net Asset Value: the Net Asset Value, less an amount equal to the Development Cost incurred in relation to the PRS Development Sites under construction at the relevant time by the Company and its subsidiaries, calculated in accordance with the Investment Advisory Agreement.

The appointment of the Investment Adviser shall continue in force unless and until terminated by either party giving to the other not less than 12 months' written notice, such notice not to expire earlier than 30 June 2029.

In November 2024, the Company's Investment Advisory Agreement (the "**Agreement**") with Sigma PRS was amended to include a change of control provision such that both parties have the right to serve notice to terminate the Agreement on 12 months' notice in the event of a change of control of the Company. This change was designed to add further flexibility as to how any potential sale of the Company could be implemented.

12. Administrative expenses

	2025 £'000	2024 £'000
Legal and professional fees*	151	553
Administration and secretarial fees	173	162
Audit, accounting, and tax fees	481	467
Valuation fees	307	337
Depositary fees	43	45
Financial adviser and broker fees	218	204
Insurance	46	53
Public relations	157	246
Regulatory fees	187	212
Subscriptions and donations	274	234
Disallowed VAT	326	408
Non-recurring costs**	838	—
	3,201	2,921

* 2024 included a one-off incentive payment of £0.4 million (net) to the lettings management agent in respect of substantial rental growth. This incentive was removed moving forward.

** costs associated with the Requisition Event and Strategic Review and Formal Sale Process (gross) (2024: £nil).

Services provided by the Group's Auditor and its associates

The Group has obtained the following services from its Auditor and its associates:

	2025 £'000	2024 £'000
Audit of the Group financial statements	155	150
Audit of the subsidiary financial statements	175	170
Agreed upon procedures on the half year report	26	25
	356	345

13. Finance income

	2025 £'000	2024 £'000
Interest on short term deposits	236	188

14. Finance cost

	2025 £'000	2024 £'000
Amortisation of debt legal costs and arrangement fees	2,826	2,817
Interest on bank loans	17,824	15,408
	20,650	18,225

15. 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 current year and prior year, 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 UK REIT for the foreseeable future, such that deferred tax has not been recognised on temporary differences relating to the property rental business. No deferred tax asset has been recognised in respect of the unutilised residual current period losses from non-qualifying activities as it is not anticipated that sufficient residual profits will be generated from these in the future.

	2025 £'000	2024 £'000
Current and deferred tax		
Corporation tax charge/(credit) for the period	-	-
Total current income tax charge/(credit) in the income statement	-	-

The tax charge for the period is less than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below.

	2025 £'000	2024 £'000
Profit before tax	77,029	93,675
Tax at UK corporation tax standard rate of 25%	19,257	23,419
Change in value of exempt investment properties	(13,407)	(18,353)
Exempt REIT income	(6,267)	(5,507)
Amounts not deductible for tax purposes	44	110
Unutilised residual current period tax losses not recognised in deferred tax	487	862
Exempt expense not deductible for tax purposes	84	-
Capital allowances claimed against exempt REIT income	(36)	(49)
Capitalised interest claimed against exempt REIT income	(162)	(482)
	-	-

From 1 April 2023 the standard rate of corporation tax in the UK was 25%.

REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of CTA 2010. The total amount of tax assets not recognised as a deferred tax asset as at 30 June 2025 was £5.3 million (2024: £4.8 million).

16. 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, basic and diluted earnings per share are the same for both the current and prior periods.

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

	2025 £'000	2024 £'000
Earnings per IFRS income statement	77,029	93,675
Adjustments to calculate EPRA Earnings:		
Changes in value of investment properties (Note 18)	(53,626)	(73,412)
Adjustments related to non-operating and exceptional items*	838	–
Adjusted EPRA Earnings	24,241	20,263
Weighted average number of ordinary shares (Note 26)	549,251,458	549,251,458
IFRS EPS (pence)	14.0	17.1
Adjusted EPRA EPS (pence)	4.4	3.7

* The costs incurred in relation to the Requisition Event, Strategic Review and Formal Sale Process have been excluded in calculating the EPRA Earnings because they are considered to be unusual in nature and one-off. These expenses consist of professional advisers' fees incurred during the financial year and have been adjusted for at the gross value inclusive of VAT.

Further details of the EPRA performance measure are given on page 145.

17. Dividends

The following dividends were paid during the current year and prior year:

	2025 £'000	2024 £'000
Dividends on ordinary shares declared and paid:		
Dividend of 1.0p for the 3 months to 30 June 2023	–	5,492
Dividend of 1.0p for the 3 months to 30 September 2023	–	5,493
Dividend of 1.0p for the 3 months to 31 December 2023	–	5,493
Dividend of 1.0p for the 3 months to 31 March 2024	–	5,492
Dividend of 1.0p for the 3 months to 30 June 2024	5,492	–
Dividend of 1.0p for the 3 months to 30 September 2024	5,493	–
Dividend of 1.1p for the 3 months to 31 December 2024	6,042	–
Dividend of 1.1p for the 3 months to 31 March 2025	6,042	–
	23,069	21,970
Proposed dividends on ordinary shares:		
3 months to 30 June 2024: 1.0p per share	–	5,493
3 months to 30 June 2025: 1.1p per share	6,042	–
	6,042	5,493

18. Investment property

The freehold/heritable, leasehold and part freehold / part leasehold interests in the properties held within the PRS REIT were independently valued as at 30 June 2025 by Savills (UK) Limited, acting in the capacity of External Valuers as defined in the RICS Red Book (but not for the avoidance of doubt as an External Valuer of the PRS REIT as defined by the Alternative Investment Fund Managers Regulations 2013). The valuations accord with the requirements of IFRS 13 and the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Global Standards, incorporating the IVSC International Valuation Standards effective from 31 January 2025, together, where applicable, with the UK National Supplement effective 14 January 2019, (together the "RICS Red Book"). The valuations were arrived at predominantly by reference to market evidence for comparable property.

Savills (UK) Limited are an accredited External Valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment property being valued.

The valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuation are reviewed by the Board.

In line with the process followed since IPO, the NAV of the Company is calculated by reference to the aggregate valuation of each separate property asset. As noted above, these individual property valuations have been arrived at in accordance with the RICS Red Book. These valuations include a number of unobservable inputs and other valuation assumptions as described below.

During the financial year ended 30 June 2025, the Board and its advisers have engaged with a number of parties in connection with the proposed sale of the Company or its assets pursuant to the Strategic Review and Formal Sale Process. This has been an extensive and thorough process with engagement from a wide range of parties with multiple non-binding expression of interest received. The Board has noted the disparity between the pricing presented in these indications of interest and the Company's NAV which has highlighted that due to the size of the Company, amongst other things, the current realisable value of the Company or its assets as a whole, may be materially different from the aggregate of the estimate of each property's value.

	Completed Assets £'000	Assets under Construction £'000	Total £'000
At 30 June 2023	947,727	87,005	1,034,732
Properties acquired on acquisition of subsidiaries	9,100	–	9,100
Property additions - subsequent expenditure	–	22,083	22,083
Right of use asset movement during the year	496	–	496
Change in fair value	68,095	5,317	73,412
Transfers to completed assets	58,660	(58,660)	–
At 30 June 2024	1,084,078	55,745	1,139,823
Property additions - subsequent expenditure	–	6,647	6,647
Right of use asset movement during the year	(4)	–	(4)
Change in fair value	47,698	5,928	53,626
Transfers to completed assets	68,320	(68,320)	–
At 30 June 2025	1,200,092	–	1,200,092

The historic cost of completed assets and assets under construction as at 30 June 2025 was £870.8 million (2024: £863.8 million).

The carrying amount of investment property pledged as security as at 30 June 2025 was £1.2 billion (2024: £1.1 billion).

The Group has recognised a right-of-use ("ROU") asset within investment property in relation to ground rents payable on certain investment property sites. The net book value of the ROU asset was £1.5 million as at 30 June 2025 (2024: £1.5 million).

In the prior year we identified that there was a planning consent dispute on one of our sites. As expected, the dispute has now been satisfactorily resolved between the housebuilder and the Council.

Fair Values

IFRS 13 sets out a three-tier hierarchy for assets and liabilities valued at fair value. These are as follows:

Level 1 quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 unobservable inputs for the asset or liability.

Investment property falls within Level 3.

The investment valuations provided by the external valuation expert are based on RICS Professional Valuation Standards but include a number of unobservable inputs and other valuation assumptions. The significant unobservable inputs and the range of values used are:

Type	Range 2025	Average 2025	Range 2024	Average 2024
ERV per unit	£11k - £24k	£13k	£11k - £23k	£13k
Investment yield	4.25% to 5.50%	4.66%	4.25% to 5.25%	4.59%
Gross to net assumption	22.5% to 25.0%	22.9%	22.5% to 25.0%	22.9%

The following descriptions and definitions relate to key unobservable inputs made in determining fair values:

- > ERV (Estimated Rental Value) per unit: the estimated annual market rental value that could be earned on a unit basis;
- > Gross to net assumption: the non-recoverable property costs expected to be incurred on a rental property as a percentage of rental income; and
- > Investment yield: the net income earned as a percentage of the investment value.

Other Special Assumptions applied in addition to the key unobservable inputs identified above, and used since inception include:

- > All individual site valuations have been treated assuming part of a larger portfolio (in excess of £50 million); and
- > An indirect purchase of a special purpose vehicle holding title to the asset, so stamp duty is assessed on a share purchase basis rather than as property.

The impact of changes to the significant unobservable inputs for completed and development assets are:

	2025 Impact on statement of comprehensive income £'000	2025 Impact on statement of financial position £'000	2024 Impact on statement of comprehensive income £'000	2024 Impact on statement of financial position £'000
Improvement in ERV by 5%	60,204	60,204	57,821	57,821
Worsening in ERV by 5%	(60,188)	(60,188)	(56,595)	(56,595)
Improvement in yield by 0.125%	33,421	33,421	32,232	32,232
Worsening in yield by 0.125%	(31,641)	(31,641)	(30,560)	(30,560)
Improvement in gross to net by 1%	16,252	16,252	15,486	15,486
Worsening in gross to net by 1%	(14,929)	(14,929)	(14,153)	(14,153)

The rates of sensitivity reflected in the above table have been selected as being reflective of movements experienced in ERV, yields and gross to net expenses.

The downside stress testing performed showed that covenants would not be breached.

19. Investment in subsidiaries

Company

	2025 £'000	2024 £'000
Cost at the start of the year	75,425	75,425
Cost at the end of the year	75,425	75,425

The Group comprises a number of companies, all subsidiaries included within these financial statements are noted below:

Directly held:

Name of Entity	Company number	Principal Activity	Country of Incorporation	% ownership
The PRS REIT Holding Company Limited	10695914	Investment Holding Company	England	100%

Indirectly held:

Name of Entity	Company number	Principal Activity	Country of Incorporation	% ownership
*The PRS REIT Development Company Limited	10721759	Property Investment	England	100%
The PRS REIT Development Company II Limited	12298358	Property Investment	England	100%
The PRS REIT Property Investments Limited	12309160	Property Investment	England	100%
*The PRS REIT Investments LLP	OC418251	Property Investment	England	100%
The PRS REIT Investments II LLP	OC429585	Property Investment	England	100%
*The PRS REIT Memberco Limited	10854481	Property Investment	England	100%
The PRS REIT Memberco II Limited	12298381	Investment Holding Company	England	100%
The PRS REIT (LBG) Borrower Limited	11392913	Property Investment	England	100%
The PRS REIT (LBG) Holding Company Limited	11385652	Investment Holding Company	England	100%
The PRS REIT (LBG) Investments LLP	OC422964	Property Investment	England	100%
The PRS REIT (LBG) Memberco Limited	11409586	Investment Holding Company	England	100%
*The PRS REIT (SW) Borrower Limited	11393311	Property Investment	England	100%
The PRS REIT (SW) Holding Company Limited	11385650	Investment Holding Company	England	100%
*The PRS REIT (SW) Investments LLP	OC422966	Property Investment	England	100%
*The PRS REIT (SW) Memberco Limited	11409522	Investment Holding Company	England	100%
The PRS REIT (SW II) Holding Company Limited	12046818	Investment Holding Company	England	100%
*The PRS REIT (SW II) Borrower Limited	12049318	Property Investment	England	100%
*The PRS REIT (SW II) Investments LLP	OC427782	Property Investment	England	100%
*The PRS REIT (SW II) Memberco Limited	12052213	Investment Holding Company	England	100%
The PRS REIT (Bluebird) Memberco Limited	12616572	Investment Holding Company	England	100%

Name of Entity	Company number	Principal Activity	Country of Incorporation	% ownership
The PRS REIT (Bluebird) Holding Company Limited	12598004	Investment Holding Company	England	100%
The PRS REIT (Bluebird) Borrower Limited	12599502	Property Investment	England	100%
The PRS REIT (Bluebird) Investments LLP	OC432893	Property Investment	England	100%
*The PRS REIT (LGIM) Memberco Limited	14903396	Investment Holding Company	England	100%
The PRS REIT (LGIM) Holding Company Limited	14903127	Investment Holding Company	England	100%
*The PRS REIT (LGIM) Borrower Limited	14903337	Property Investment	England	100%
*The PRS REIT (LGIM) Investments LLP	OC447554	Property Investment	England	100%
*Sigma PRS Investments I Limited	SC522680	Property Investment	Scotland	100%
*Sigma PRS Investments II Limited	10128422	Property Investment	England	100%
*Sigma PRS Investments VI Limited	10467369	Property Investment	England	100%
*Sigma PRS Investments IV Limited	10383849	Property Investment	England	100%
*Sigma PRS Investments VIII Limited	10571586	Property Investment	England	100%
*Sigma PRS Investments (Brackenhoe) Limited	12026470	Property Investment	England	100%
*Sigma PRS Investments (Bury St Edmunds) Limited	11721278	Property Investment	England	100%
Sigma PRS Investments (Dawley Road II) Limited	12064750	Property Investment	England	100%
*Sigma PRS Investments (Our Lady's) Limited	10684675	Property Investment	England	100%
*Sigma PRS Investments (Owens Farm) Limited	11207716	Property Investment	England	100%
*Sigma PRS Investments (Houghton Regis) Limited	11673725	Property Investment	England	100%
*Sigma PRS Investments (Houghton Regis II) Limited	11676096	Property Investment	England	100%
Sigma PRS Investments (Houghton Regis Parcel 8II) Limited	11892855	Property Investment	England	100%
Sigma PRS Investments (Houghton Regis Parcel 8A II) Limited	12169553	Property Investment	England	100%
*Sigma PRS Investments (Lea Hall) Limited	11723562	Property Investment	England	100%
*Sigma PRS Investments (Newhall) Limited	11521411	Property Investment	England	100%
*Sigma PRS Investments (Bury St Edmunds Parcel D) Limited	11934752	Property Investment	England	100%
The PRS REIT (Drakelow Park) Limited	13572147	Property Investment	England	100%
The PRS REIT (Drakelow Park Phase 2) Limited	13985378	Property Investment	England	100%
*Sigma PRS Northern (Bertha Park) Limited	12323666	Property Investment	England	100%
*Sigma PRS Investments (Plough Hill Road) Limited	11362082	Property Investment	England	100%
Sigma PRS Investments (Fishmoor Parcel 1) Limited	13522429	Property Investment	England	100%
Sigma PRS Investments (Fishmoor Parcel 2) Limited	13522386	Property Investment	England	100%
Sigma PRS Investments (Hexthorpe Phase 3) Limited	13490582	Property Investment	England	100%
Sigma PRS Investments (Hexthorpe Phase 3 II) Limited	13496367	Property Investment	England	100%
The PRS REIT (Accrington) Limited	12936087	Property Investment	England	100%

Name of Entity	Company number	Principal Activity	Country of Incorporation	% ownership
*The PRS REIT (Airfields) Limited	12225418	Property Investment	England	100%
*The PRS REIT (Beehive) Limited	12299354	Property Investment	England	100%
*The PRS REIT (Bilston Urban Village) Limited	12299875	Property Investment	England	100%
The PRS REIT (Bombardier) Limited	12269588	Property Investment	England	100%
*The PRS REIT (Brickkiln Place) Limited	12342184	Property Investment	England	100%
*The PRS REIT (Cable Street) Limited	12300415	Property Investment	England	100%
*The PRS REIT (Durham Street) Limited	12299887	Property Investment	England	100%
*The PRS REIT (East Hill) Limited	12299857	Property Investment	England	100%
*The PRS REIT (Eaton Works) Limited	12299949	Property Investment	England	100%
*The PRS REIT (Entwistle Road) Limited	12300010	Property Investment	England	100%
*The PRS REIT (Harlow Phase II) Limited	12303917	Property Investment	England	100%
*The PRS REIT (Heathfield Lane) Limited	12300254	Property Investment	England	100%
The PRS REIT (Hexthorpe Phase A) Limited	12340014	Property Investment	England	100%
The PRS REIT (Hexthorpe Phase B) Limited	12340826	Property Investment	England	100%
*The PRS REIT (Hilton Park) Limited	12300173	Property Investment	England	100%
*The PRS REIT (Holyoake Memberco) Limited	12888895	Investment Holding Company	England	100%
*The PRS REIT (Holyoake) Limited	12882087	Property Investment	England	100%
*The PRS REIT (LB 5) Limited	12300657	Property Investment	England	100%
*The PRS REIT (Manor Boot) Limited	12300405	Property Investment	England	100%
*The PRS REIT (Newhaven) Limited	12301039	Property Investment	England	100%
*The PRS REIT (Norwich Street) Limited	12301118	Property Investment	England	100%
*The PRS REIT (Potteries) Limited	12279694	Property Investment	England	100%
*The PRS REIT (QVS) Limited	12303609	Property Investment	England	100%
The PRS REIT (Redcar) Limited	12338568	Property Investment	England	100%
*The PRS REIT (Reginald Road) Limited	12301641	Property Investment	England	100%
*The PRS REIT (Riverside College) Limited	12301225	Property Investment	England	100%
*The PRS REIT (Roch Street) Limited	12301230	Property Investment	England	100%
*The PRS REIT (Romanby Shaw) Limited	12301554	Property Investment	England	100%
*The PRS REIT (Station Road) Limited	12279470	Property Investment	England	100%
*The PRS REIT (Sutherland School) Limited	12301839	Property Investment	England	100%
*The PRS REIT (Tower Hill 3) Limited	12303826	Property Investment	England	100%
*The PRS REIT (Whitworth Way) Limited	12301879	Property Investment	England	100%
*The PRS REIT Holyoake General Partner Ltd	10809976	Property Investment	England	100%
The PRS REIT (Wolvey Campus) Limited	14188354	Property Investment	England	100%
The PRS REIT (Charlton Gardens) Limited	14229875	Property Investment	England	100%
The PRS REIT (Werrington) Limited	14231085	Property Investment	England	100%

Name of Entity	Company number	Principal Activity	Country of Incorporation	% ownership
The PRS REIT (Hexthorpe Phase 4) Limited	14230128	Property Investment	England	100%
Sigma PRS Investments (Cable Street II) Limited	11086887	Dormant	England	100%
Sigma PRS Investments (Carr Lane II) Limited	11054232	Dormant	England	100%
Sigma PRS Investments (Dawley Road) Limited	12026449	Dormant	England	100%
Sigma PRS Investments (Darlaston II) Limited	11028091	Dormant	England	100%
Sigma PRS Investments (Darlaston Phase 2 II) Limited	11159344	Dormant	England	100%
Sigma PRS Investments (Newton Le Willows II) Limited	11009678	Dormant	England	100%
Sigma PRS Investments (Owens Farm II) Limited	11241786	Dormant	England	100%
Sigma PRS Investments (Sutherland School II) Limited	11382818	Dormant	England	100%
Sigma PRS Investments (Whitworth Way II) Limited	11086856	Dormant	England	100%
Sigma PRS Investments III Limited	10140376	Dormant	England	100%
Sigma PRS Investments V Limited	10385618	Dormant	England	100%
Sigma PRS Investments VII Limited	10462287	Dormant	England	100%
Sigma PRS Investments IX Limited	10573603	Dormant	England	100%
*Sigma PRS Investments (Bury St Edmunds II) Limited	11723358	Dormant	England	100%
Sigma PRS Investments (Lea Hall II) Limited	11726223	Dormant	England	100%
Sigma PRS Investments (Newhall II) Limited	11523248	Dormant	England	100%
Sigma PRS Investments (Bury St Edmunds Parcel D II) Limited	11939076	Dormant	England	100%
Sigma PRS Investments (Plough Hill Road II) Limited	11365306	Dormant	England	100%
The PRS REIT Investments Holding Company Limited	12302557	Dormant	England	100%
The PRS REIT (Airfields II) Limited	12227845	Dormant	England	100%

* Exempt from the requirement of the Companies Act 2006 relating to the audit of individual financial statements by virtue of section 479A of the Act.

The following wholly owned subsidiaries were struck off during the year:

Sigma PRS Investments (Houghton Regis Parcel 8) Limited	11875798	Dormant	England	100%
Sigma PRS Investments (Houghton Regis Parcel 8A) Limited	12168751	Dormant	England	100%

The registered office for the subsidiaries across the Group is: Floor 3, 1 St. Ann Street, Manchester, M2 7LR, except for Sigma PRS Investments I Limited whose registered office is: 18 Alva Street, Edinburgh, EH2 4QG. Investments I Limited whose registered office is: 18 Alva Street, Edinburgh, EH2 4QG.

20. Trade and other receivables

Current	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Trade receivables	994	–	1,015	–
Accrued income	1,605	–	1,018	–
Social security and other taxes	–	–	39	–
Prepayments and other receivables	4,038	103	4,745	112
	6,637	103	6,817	112

Non-Current – Company	2025 £'000	2024 £'000
Receivables from group undertakings	336,170	334,513
	336,170	334,513

Movements in the loss allowance of trade receivables are as follows:

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Gross receivables being financial assets	4,105	336,170	2,841	334,513
Provisions for receivables impairment	(894)	–	(691)	–
Net receivables being financial assets	3,211	336,170	2,150	334,513
Receivables written-off during the year as uncollectable	68	–	85	–

The provision is calculated as an expected credit loss on trade and other receivables in accordance with IFRS 9. Trade receivables are written off when there is no reasonable expectation of recovery, based on historical loss experience and a forward-looking assessment.

Receivables from group undertakings have been issued without terms and are interest free. These have been considered for impairment using the 12 months expected credit loss model because there have been no changes in credit risk since initial recognition. The expected credit losses on amounts owed by Group companies is insignificant (2024: insignificant). The individual companies comprising this balance hold sufficient net assets which could be used to repay the amount owed.

The Directors consider that the carrying amount of trade and other receivables approximates to their fair value. The Group's maximum exposure on credit risk is the carrying value of trade and other receivables as presented above. As at 30 June 2025, £0.3 million of trade receivables are more than thirty days old and not provided for (2024: £0.2 million).

21. Cash and cash equivalents

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Restricted cash	4,551	-	4,185	-
Cash at bank	17,049	16,919	13,868	13,623
	21,600	16,919	18,053	13,623

Restricted cash comprises £4.6 million (2024: £4.2 million) in funds held in rent accounts which are released to free cash once certain loan conditions are met including servicing of interest.

22. Trade and other payables

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Current liabilities				
Trade payables	1,035	604	1,988	1,026
Accruals and deferred income	13,808	1,039	13,187	1,057
Social security and other taxes	8	10	7	7
	14,851	1,653	15,182	2,090
Non-current liabilities				
Accruals and deferred income	-	-	1,073	-
	-	-	16,255	2,090

Accruals and deferred income are principally comprised of financial retentions with house builders, generally held for one year after completion of a full site. These totalled £5.9 million as at 30 June 2025 (2024: £7.5 million).

The fair values approximate the carrying values.

23. Provisions

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Current liabilities				
Provision brought forward	77	-	934	-
Provision in the year	-	-	-	-
Provision released in the year	(77)	-	(857)	-
As at 30 June	-	-	77	-

A provision for onerous contracts on three development sites was made during the year ended 30 June 2023. This reflected the increase in yields over the year, with investment values moving inversely in relation to yields. These provisions have been released over the following financial years as the development sites are completed.

24. Interest bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

	Group 2025 £'000	Company 2025 £'000	Group 2024 £'000	Company 2024 £'000
Current liabilities				
Bank loans at 1 July	31,901	-	126,713	-
Loans advanced in the year	1,045	-	28,859	-
Loans repaid in the year	(15,431)	-	(110,225)	-
Loan term extended	-	-	(13,101)	-
Capitalised loan costs	350	-	(345)	-
Bank loans at 30 June	17,865	-	31,901	-
Lease liability (Note 25)	20	-	32	-
Total loans and borrowings	17,885	-	31,933	-
Non-current liabilities				
Bank loans at 1 July	383,358	-	247,432	-
Loans advanced in the year	24,912	-	123,098	-
Loan term extended	-	-	13,101	-
Capitalised loan costs	258	-	(273)	-
Bank loans at 30 June	408,528	-	383,358	-
Lease liability (Note 25)	1,680	-	1,645	-
Total loans and borrowings	410,208	-	385,003	-

The fair value of loans and borrowings at year end totalled £377.3 million (2024: £349.7 million).

Bank loans

Through its subsidiaries the Company has granted fixed and floating charges over certain investment property assets to secure the loans.

The Group's borrowing facilities are with Scottish Widows, Legal and General Investment Management, RBS plc and Barclays Bank PLC. At 30 June 2025, these comprised the following:

Lender	Loan facility	Balance drawn 30 June 2025	Loan period	Interest rate (all in)	Loan Type	Maturity
Scottish Widows	£100 million	£100 million	15 years	3.14%	Fixed	June 2033
Scottish Widows	£150 million	£150 million	25 years	2.76%	Fixed	June 2044
Legal and General Investment Management	£102 million	£102 million	15 years	6.04%	Fixed	July 2038
RBS	£82.5 million	£59.2 million	2 years	6.00%	Variable	July 2026
Barclays Bank PLC*	£33.0 million	£18.2 million	3 years	7.56%	Variable	September 2025

* Facility repaid and closed in September 2025

As determined by the Company's Investment Policy, the Group's maximum loan to value ratio can be no more than 45%. As at 30 June 2025 the Group's EPRA loan to value was 35% (2024: 36%).

Reconciliation of movements of borrowings to cash flows arising from financing activities:

	2025 £'000	2024 £'000
Balance as at 1 July	415,258	374,145
Cash movements		
Proceeds from borrowings	25,957	151,957
Borrowings repaid	(15,431)	(110,225)
Interest paid	(17,720)	(16,640)
Non-utilisation fees paid	(309)	(439)
Arrangement and commitment fees paid	(180)	(3,529)
Non-Cash movements		
Finance costs	18,817	19,989
Balance as at 30 June	426,392	415,258

25. Leases

Lease liabilities as lessee

The lease liabilities recognised are shown in the table below, the Group has no other leases.

	Group 2025 £'000	Group 2024 £'000
Lease liabilities	1,700	1,677
Amounts recognised in the income statement in non-recoverable property costs	27	140

Lease receivables as lessor

The future minimum lease payments receivable under non-cancellable operating leases in respect of the Group's property portfolio are as follows:

	Group 2025 £'000	Group 2024 £'000
Receivable within 1 year	13,628	19,149

The Group's receivable leases are assured shorthold tenancies usually for periods for up to one year.

The Company had no leases in either the current or prior period.

26. Share capital

Share capital represents the nominal value of consideration received by the Company for the issue of 1p Ordinary Shares.

Group and Company	2025 No. of shares	2025 Share capital £'000	2024 No. of shares	2024 Share capital £'000
Balance at the beginning of year	549,251,458	5,493	549,251,458	5,493
Balance at end of year	549,251,458	5,493	549,251,458	5,493

27. Share premium reserve

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

Group and Company	2025 £'000	2024 £'000
Balance at beginning of year	298,974	298,974
Balance at end of year	298,974	298,974

28. Capital reduction reserve

The capital reduction reserve is a distributable reserve to which the value of share premium, as a result of the IPO, has been transferred. Dividends can be paid from this reserve.

	2025 £'000	2024 £'000
Balance at beginning of year	113,092	118,584
Final dividend paid of 1.0p per share for the year ended 30 June 2023	–	(5,492)
Balance at end of year	113,092	113,092

29. Net Asset Value

EPRA NTA is considered to be the most relevant measure for the Group. The underlying assumption behind the EPRA NTA calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. Due to the PRS REIT's tax status, deferred tax is not applicable and therefore there is no difference between IFRS NAV and EPRA NTA.

Basic IFRS NAV per share is calculated by dividing net assets in the Statement of Financial Position attributable to ordinary equity holders of the parent by the number of Ordinary Shares outstanding at the end of the year. As there are no dilutive instruments, only basic NAV per share is quoted below.

Net asset values have been calculated as follows:

	2025	2024
IFRS Net assets at 30 June (£'000)	785,385	731,425
EPRA adjustments to NTA	-	-
EPRA NTA at 30 June	785,385	731,425
Shares in issue at end of year	549,251,458	549,251,458
Basic IFRS NAV per share (pence)	143.0	133.2
EPRA NTA per share (pence)	143.0	133.2

The NTA per share calculated on an EPRA basis is the same as the IFRS NAV per share for the year ended 30 June 2025 and the year ended 30 June 2024.

30. Controlling parties

As at 30 June 2025 and 30 June 2024, there was no ultimate controlling party.

31. Consolidated entities

The Group consists of a parent company, The PRS REIT plc, incorporated in the UK and a number of subsidiaries held directly and indirectly by The PRS REIT plc, which operate and are incorporated in the UK.

The Group owns 100% of the equity shares of all subsidiaries as listed in note 19 and has the power to appoint and remove the Board of Directors of those subsidiaries. The relevant activities of the subsidiaries are determined by the Board of Directors based on simple majority votes. Therefore the Directors of the Group concluded that the Group has control over all these entities and all these entities have been consolidated within the financial statements.

32. Capital commitments

The Group has entered into contracts with unrelated parties for the construction of residential housing with a total value of £712.5 million (2024: £712.5 million). As at 30 June 2025, £nil (2024: £6.4 million) of such commitments remained outstanding.

33. Related party disclosure

The number of shares owned by the Directors of the Company as at 30 June 2025 along with dividends they received during the period is as follows:

Company Director	No. of shares held		Dividends received	
	2025	2024	2025	2024
Rod MacRae	125,000	125,000	£5,250	£4,750
Steffan Francis	125,000	125,000	£5,250	£4,800
Steve Smith*	N/A	446,577	£8,932	£13,832
Geeta Nanda	-	-	-	-
Karima Fahmy	-	-	-	-
Christopher Mills**	-	-	-	-
Robert Naylor***	-	-	-	-

* Resigned 3 December 2024.

** Appointed 8 October 2024 and holds an interest in 6,016,500 shares via Harwood Capital LLP.

*** Appointed 8 October 2024.

The Group and the Company have no key management personnel, other than the Non-Executive Directors. For the current financial year, Directors' fees of £241,000 (2024: £213,000) were incurred.

34. Transactions with Investment Adviser

On 31 March 2017, Sigma PRS was appointed the Investment Adviser of the Company. A new Investment Adviser Agreement with Sigma PRS was signed in July 2024.

For the year ended 30 June 2025, fees of £6.2 million (2024: £6.1 million) were incurred and payable to Sigma PRS in respect of asset management fees. At 30 June 2025, £0.5 million (2024: £0.5 million) remained unpaid.

For the year ended 30 June 2025, development management fees of £0.2 million (2024: £0.8 million) were incurred and payable to Sigma PRS. At 30 June 2025, £nil (2024: £30,000) remained unpaid. Development management fees were capitalised as development costs during the year and prior year.

For the year ended 30 June 2025, administration and secretarial services of £70,000 (2024: £70,000) were incurred and payable to Sigma Capital Property Ltd, a fellow subsidiary of the ultimate holding company of the Investment Adviser. At 30 June 2025, £18,000 (2024: £18,000) remained unpaid.

Sigma PRS's shareholding as at 30 June 2025 was 5,889,852 (2024: 5,889,852), which represents 1.07% (2024: 1.07%) of the issued share capital in the Company. All the shares acquired were in accordance with the Development Management Agreement between the Company and Sigma PRS.

For the year ended 30 June 2025, Sigma PRS received dividends from the Company of £247,000 (2024: £236,000).

35. Post balance sheet events

Dividends

On 4 August 2025, the Company declared a dividend of 1.1p per ordinary share in respect of the fourth quarter of the current financial year. The dividend was paid on 29 August 2025, to shareholders on the register as at 15 August 2025.

Board changes

Karima Fahmy stepped down from her role as Non-executive Director and Senior Independent Director with effect from 1 September 2025. In addition, on this date, Non-executive Director, Steffan Francis assumed the role of Senior Independent Director and chair the Nomination & Remuneration Committee.

Development debt facility

In September the Barclays Bank development debt facility was repaid and closed.

Strategic Review and Formal Sale Process

On 17 September 2025, the Company entered into non-binding heads of terms for the proposed sale (the "Proposed Sale") of The PRS REIT Holding Company Limited, the Company's operating subsidiary that holds the entirety of the Company's portfolio of property assets, to a vehicle ("Bidco") wholly owned by a fund being advised by Waypoint Asset Management Limited ("Waypoint") as Investment Adviser. The current expected cash consideration from the Proposed Sale is approximately £646.2 million, compared to the Net Asset Value (see note 29) at 30 June 2025 of £785.4 million.

This Proposed Sale is conditional on, inter alia: satisfactory completion of confirmatory due diligence by Waypoint; the Company and Bidco agreeing and entering into a sale and purchase agreement in respect of the Proposed Sale; and approval of the Proposed Sale by the Company's shareholders at a general meeting by way of a special resolution. The Company and Waypoint are working together with a view to completing the Proposed Sale by 30 November 2025.

Subject to completion of the Proposed Sale, the Board intends to seek further shareholder approval for the voluntary liquidation of the Company, with a view to distributing the Company's net assets to shareholders as soon as reasonably practicable. Details of the net assets to be distributed to shareholders will be announced in due course.

SUPPLEMENTARY INFORMATION

EPRA SUSTAINABILITY PERFORMANCE MEASURES

This report covers EPRA Sustainability Performance Measures based on the fourth version of the EPRA Sustainability Best Practices Recommendations ("sBPR") Guidelines (April 2024). The EPRA sBPR compliance tables below provide an overview of the EPRA sustainability performance measures that the PRS REIT is able to report on, and an explanation of where data cannot be reported.

We describe our assessment of materiality in the "Our Material Impacts" section below.

Our reporting response has been split into three sections:

- > overarching recommendations;
- > environmental performance measures; and
- > social and governance performance measures.

Material impacts

The Company is aware of the impact that its activities may have on the environment and remains highly motivated about taking action to minimise and mitigate any negative aspects where possible.

Solar photovoltaic panels ("PV") have been fitted across some houses and electric vehicle ("EV") charging facilities installed where possible. In 2024, Sigma PRS initiated an energy and carbon emissions study with ARBNCO Ltd. ARBNCO Ltd assists businesses in the assessment, measurement and improvement of their ESG performance and captures 'real life' operational data. The study is on 500 homes in the portfolio and its results will help to establish energy and carbon calculations for the wider portfolio. We expect the study's findings and conclusions to come through in the first half of the new financial year.

Scope 1 and 2 emissions are those owned or controlled by a company. Scope 3 emissions are a result of the activities of the company, but occur from sources not owned or controlled by a company. Examples of Scope 1 include direct emissions from fuel combustion, including from boilers and fleet vehicles. Scope 2 emissions relate to indirect emissions generated from purchased energy such as electricity, and Scope 3 emissions relate to emissions created by the products we buy from suppliers and that our customers use.

Additional information on the PRS REIT's environmental, social and governance activities can be found within the Sigma ESG Report 2024, which is available on the following link at: www.sigmacapital.co.uk/sustainability/.

EPRA overarching recommendations

Organisational boundaries

Our EPRA reporting covers all of the homes owned by the Group, which at 30 June 2025, was a portfolio of 5,478 rental homes (2024: 5,396 rental homes).

The PRS REIT has no direct employees and is externally managed by Sigma PRSM as Investment Adviser. The investment advisory team received instructions from the Board of the PRS REIT to establish and implement policies including for ESG issues.

Coverage

We state the data for all of our homes.

Segmental analysis – by property type and geography

The PRS REIT operates in a single geographical and business segment. The portfolio is located entirely in the United Kingdom, and the property classification used in financial reporting defines our investment portfolio as private rental homes. For this reason, additional analysis by geography and property type is not applicable.

Disclosure on own offices

PRS REIT is an externally managed REIT, managed by Sigma PRS, and, therefore, does not have a Head Office or direct employees.

Reporting period

The reporting period is from 1 July 2024 to 30 June 2025, referred to as "2025". Like-for-like performance measures are reported for the previous year that we are able to collect data (2024).

Environmental sustainability performance measures

EPC ratings by band

The below table provides an overview of the Energy Performance Certificate ("EPC") ratings of the portfolio. All reporting is based on lodged and valid ratings. The portfolio includes 75 homes located in Scotland which are all included in the below table as EPC rating B as at 30 June 2025 (2024: 75 homes EPC rating B).

Impact area: Certifications						
EPRA code	Indicator	Units of measure	2025		2024	
Cert-Tot	Number of mandatory certified assets, Energy Performance Certificates ("EPC")	Number of rental units	A	65	A	47
			B	4,735	B	4,671
			C	678	C	678
			Total	5,478		5,396
	% of portfolio		A	1%	A	1%
			B	87%	B	86%
			C	12%	C	13%
			Total	100%		100%

Narrative on performance

The energy efficiency of the portfolio's homes is an important consideration. All the new homes added during the financial year ended 30 June 2025 achieved an EPC rating of at least a 'B' and, across the Company's portfolio, 88% of homes are rated 'A' or 'B'. The balance, mostly flatted developments, have an EPC rating of 'C'.

Social and governance performance measures

PRS REIT considers good governance to be fundamental to its business and so discloses here with the aim of providing transparency on its specific processes.

The PRS REIT does not have direct employees and does not have the ability to control the operating policies of the Investment Adviser. We therefore report solely on the Non-Executive Directors of the Company who constitute the Board.

Community engagement

We ensure that key decisions relating to the portfolio consider our impact on local communities. This involves meeting Health & Safety requirements, conducting assessments and undertaking wider consultations as part of the process of gaining planning approval for new developments, and continuing to maintain the environments for all of our sites once completed. Communities are consulted at 100% of our sites. For further information on our stakeholder engagement see pages 52 to 56 of our Annual Report.

Social performance measures

Impact area: Diversity						
EPRA code	Indicator	Units of measure	2025		2024	
			Male	Female	Male	Female
Diversity-Emp	Gender diversity of the Board	% of male and female	67%	33%	60%	40%
	Board members by age range	Number over 50 years old	4		4	
		Number 30 - 50 years old	2		1	
	Ethnic diversity of the Board	White British or other White (including minority white groups)	67%		60%	
		Mixed/Multiple Ethnic Groups	16.5%		20%	
		Asian/Asian British	16.5%		20%	
Diversity-Pay	Gender pay ratio of the Board	Pay ratio (male to female)	65:35		70:30	

Impact area: Community				
EPRA code	Indicator	Units of measure	2025	2024
Comty-Eng	Community engagement, impact assessments and development programmes	% of assets	100%	100%

Governance performance measures

Impact area: Board						
EPRA code	Indicator	Units of measure	2025		2024	
			Male	Female	Male	Female
Diversity-Emp	Composition of the highest governance body	Total number of non-executive Board members	4	2	3	2
		Average tenure in years	4.5		5.0	
Gov-Selec	Process for nominating and selecting the highest governance body	See details of the process in the Nomination & Remuneration Committee Report on pages 84 to 85.				

Impact area: Conflicts of interest		
EPRA code	Indicator	
Gov-Col	Process for managing conflicts of interest	See details of the process in the Corporate Governance Statement, 'Conflicts of interest' on page 79.

Narrative on performance

Changes to the composition of the Board during the year under review (the appointments of Rob Naylor and Christopher Mills) and following the year-end (the resignation of Karima Fahmy) have negatively impacted the Board's gender diversity metrics. As at the date of this report, the Board comprises five non-executive directors, four male and one female, below the targets that the Company seeks to achieve. While, Geeta Nanda, holds a senior Board role as Chairwoman, the Board recognises the need to address the diversity imbalance on the Board. However, given the Company's current circumstances and mandate from shareholders to continue to pursue the Formal Sale Process, including a Strategic Review, no immediate steps are being taken by the Board to redress the Board's current diversity position.

The Board, supported by the Nomination & Remuneration Committee, has, however, reviewed and confirmed the Company's existing Diversity Policy that sets out the Company's commitment to promoting diversity, including gender diversity. The Nomination & Remuneration Committee also reviewed the Board's longer term succession plan, as outlined in the Nomination & Remuneration Committee report on pages 84 to 85, and will continue to seek to promote diversity through the implementation of this plan and as the Company's recruitment needs develop.

I. EPRA Performance Measures Summary

	Notes	2025	2024
Adjusted EPRA earnings per share	II	4.4p	3.7p
EPRA net tangible asset value (EPRA NTA)	III	143.0p	133.2p
EPRA cost ratio (including vacant property costs)	IV	33.0%	34.6%
EPRA cost ratio (excluding vacant property costs)	IV	32.7%	34.4%
EPRA Net Initial Yield	V	4.4%	4.2%
EPRA loan to value	VI	34.5%	35.7%

The Group considers EPRA NTA to be the most relevant measure for its operating activities and has therefore adopted this as the Group's primary measure of net asset value.

II. Income Statement

	2025 £'000	2024 £'000
Rental income	66,476	58,231
Non-recoverable property costs	(13,167)	(10,940)
Net rental income	53,309	47,291
Other income	101	194
Administrative expenses	(9,593)	(9,185)
Operating profit before interest and tax	43,817	38,300
Net finance costs	(20,414)	(18,037)
Profit before taxation	23,403	20,263
Taxation on EPRA earnings	-	-
Adjustments to calculate EPRA Earnings:		
Adjustments related to non-operating and exceptional items*	838	-
Adjusted EPRA earnings	24,241	20,263
Weighted average number of Ordinary Shares	549,251,458	549,251,458
Adjusted EPRA earnings per share	4.4p	3.7p

* The costs incurred in relation to the Requisition Event, Strategic Review and Formal Sale Process have been adjusted for to calculate the EPRA Earnings because they are considered to be unusual in nature and non-recurring in nature and very unlikely to reoccur in the future. These expenses consist of professional advisers fees incurred during the financial year and have been adjusted for at the gross value inclusive of VAT.

III. Statement of Financial Position

	2025 £'000	2024 £'000
Investment properties	1,200,092	1,139,823
Other net assets	13,386	8,538
Net borrowings	(428,093)	(416,936)
Total shareholders' equity	785,385	731,425
Adjustments to calculate EPRA NTA:		
	-	-
EPRA net tangible assets	785,385	731,425
Ordinary Shares in issue at year end	549,251,458	549,251,458
EPRA NTA per share	143.0p	133.2p

IV. EPRA Cost Ratio

	2025 £'000	2024 £'000
Property operating expenses	13,168	10,940
Administrative expenses	9,593	9,185
Less: Non-recurring costs	(838)	-
EPRA costs (including vacant property expenses) (A)	21,923	20,125
Vacant property costs	(187)	(102)
EPRA costs (excluding vacant property expenses) (B)	21,736	20,023
Gross Rental income (C)	66,476	58,231
EPRA Cost Ratio (including vacant property expenses) (A/C)	33.0%	34.6%
EPRA Cost Ratio (excluding vacant property expenses) (B/C)	32.7%	34.4%

V. EPRA Net Initial Yield ("NIY")

	2025 £'000	2024 £'000
Total investment property	1,200,092	1,139,823
Less: development properties	–	(55,745)
Less: right of use asset	(1,532)	(1,536)
Completed property portfolio	1,198,560	1,082,542
Allowance for estimated purchasers' costs	27,574	24,898
Gross up completed property portfolio valuation (B)	1,226,134	1,107,440
Annualised cash passing rental income	69,403	60,644
Property outgoings	(15,616)	(13,645)
Annualised net rents (A)	53,787	46,999
Add: notional rent expiration of rent free periods or other lease incentives	–	–
Topped-up net annualised rent (C)	53,787	46,999
EPRA NIY (A/B)	4.4%	4.2%
EPRA 'topped up' NIY* (C/B)	4.4%	4.2%

* 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) of which there were none (2024: nil).

VI. EPRA Loan to Value ("LTV")

	2025 £'000	2024 £'000
Borrowings (net)	426,393	415,259
Net payables	8,212	9,515
Less: Cash and cash equivalents	(21,600)	(18,053)
Net Debt (a)	413,005	406,721
Investment properties at fair value	1,200,092	1,139,823
Right of use asset	(1,532)	(1,536)
Total Property Value (b)	1,198,560	1,138,287
EPRA LTV (a/b)	34.5%	35.7%

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