INVESTMENTS
WITH **PURPOSE**
FOR **PROFIT**
BY **PEOPLE**
FROM TRIPLE POINT

Triple Point
SOCIAL HOUSING
REIT PLC

Interim Report 2024

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Company Overview

At a Glance

/ WHO WE ARE

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

We believe our residents deserve a home in a community setting that offers greater independence than traditional institutional accommodation whilst meeting their specialist care needs.

We are one of the leading, and the only publicly quoted, Specialised Supported Housing investors in the UK, helping provide a secure future for people in need across the country whilst ensuring that our shareholders have an attractive, long-term income source.

/ WHAT WE DO

We seek to optimise the opportunities available to vulnerable people across the UK by offering tenancies in properties for people with specific care and support requirements. These needs often result from mental health problems, learning disabilities, or physical and sensory impairment.

Our accommodation differentiates itself by serving as a home within a community rather than the care facilities that have historically been the mainstay for vulnerable people whose care needs are similar to our residents. We also seek to provide value for money to local authorities by offering housing that is more suitable and cost-effective than institutional alternatives.

Our portfolio benefits from leases to Approved Providers, bodies that receive payment from central or local government to provide homes for people in need of housing. Through these leases, we offer our shareholders an attractive level of income that is correlated with inflation[1].

1. 5.0% of the Group's leases are capped. In addition, in 2023 the Group voluntarily capped rent increases temporarily for the year at 7%.

Key Highlights

£652.7 million[2]

PORTFOLIO VALUATION

(December 2023: £678.4 million)

As at 30 June 2024, the portfolio was independently valued at £652.7 million on an IFRS basis, representing an uplift of 13.2% against total invested funds of £576.4 million. The change in value since December 2023 is largely due to 13 assets, with an aggregate value of £21.8m, being reclassified to Assets Held for Sale and therefore being excluded from the portfolio valuation.

3,297

PORTFOLIO UNITS

(December 2023: 3,417)

As at 30 June 2024, the portfolio comprised 3,297 units (excluding 91 units contained in the properties classified as Assets Held for Sale).

49.13%

TOTAL RETURN SINCE IPO

(June 2023: 42.5%)

Total return since IPO (2017) including dividends to 30 June 2024 was 49.13%, measured against the NAV immediately following the Company's IPO.

18.71%

EPRA COST RATIO

(December 2023: 20.60%)

The EPRA cost ratio was 18.71% as at 30 June 2024 and is a ratio of total administrative and operating costs expressed as a percentage of gross rental income.

£41.2 million

CONTRACTED RENTAL INCOME

(June 2023: Contracted Rental Income £40.5 million)

As at 30 June 2024, the contracted rental income was £41.2 million per annum.

5.96%

EPRA NET INITIAL YIELD (NIY)

(December 2023: 5.57%)

The EPRA NIY was 5.96% as at 30 June 2024.

481 properties

TOTAL INVESTMENT PORTFOLIO

(December 2023: 493)

The Group commenced work on a forward funding project, but did not purchase or sell any completed properties during the six months ended 30 June 2024. During the period, 13 properties were moved to Assets Held for Sale and so are excluded.

2.73p

DIVIDEND PER ORDINARY SHARE

(June 2023: 2.73 pence)

Dividends paid or declared in respect of the six months ended 30 June 2024 totalled 2.73 pence.

- 1.365 pence per share was paid on 28 June 2024; and
- 1.365 pence per share was declared on 12 September 2024.

2. This excludes 13 assets with an aggregate value of £21.8 million that have been classified as held for sale.

100%

RENTAL UPLIFTS

Linked to either CPI or RPI, or prevailing government policy if lower[3].

(December 2023: 100%)

As at 30 June 2024, 100% of contracted rental income was linked to either the Consumer Price Index ("CPI") or Retail Price Index ("RPI"), or prevailing government policy if lower. In the period 66% of leases had their annual rent increase, and those leases had a weighted average uplift of 6.14%.

112.38p

IFRS NET ASSET VALUE AND EPRA NTA PER ORDINARY SHARE

(December 2023: 113.76 pence)

The EPRA NTA was equal to the IFRS NAV and was 112.38 pence per share as at 30 June 2024.

378

LEASES

(December 2023: 390)

As at 30 June 2024, the portfolio had 378 leases (excluding the leases associated with the properties classified as Assets Held for Sale).

2.74% and 9.1 years to maturity

100% FIXED PRICE, RATED DEBT

(December 2023: 2.74% and 9.6 years)

At 30 June 2024, the weighted average cost of debt was 2.74% which is entirely fixed, and the weighted average term to maturity was 9.1 years. The debt has an investment grade 'A' Fitch rating.

1.35p per share

IFRS EARNINGS PER SHARE

(June 2023: 3.65 pence per share)

IFRS earnings per share for the six months ended 30 June 2024 was 1.35 pence. This has decreased compared to the same period to 30 June 2023 mainly due to a fair value loss recognised in the period, as outward movements in yields were only partially offset by the positive impact of annual rent increases on the value of the Group's property portfolio.

1.00x

DIVIDEND COVER

(December 2023: 0.85x)

Dividend cover, based on adjusted earnings, for the six months ended 30 June 2024 was 1.00x.

For the year ended 31 December 2023 dividend cover, based on adjusted earnings, was 0.85x.

28

APPROVED PROVIDERS

(December 2023: 27)

As at 30 June 2024, the Group had leases with 28 Approved Providers following the addition of Golden Lane Housing.

37.2%

LTV

(December 2023: 37.0%)

As at 30 June 2024, the Group's LTV was 37.2%.

24.0 years

WAULT

(December 2023: 24.3 years)

As at 30 June 2024, the WAULT was 24.0 years (including put/call options and reversionary leases).

2.90p

EPRA EARNINGS PER SHARE

(June 2023: 2.18p)

The EPRA earnings per share for the six months ended 30 June 2024 was 2.90p up from 2.18p for the six months ended 30 June 2023. The increase was largely driven by strong rental growth.

3. 5.0% of our leases are capped (excluding the temporary rent cap at 7% applied to the Group's rent increases for the year of 2023).

Nero's story

About Pennington

/ LOCATED IN LEIGH, PENNINGTON PROVIDES SUPPORTED ACCOMMODATION FOR INDIVIDUALS WITH LEARNING DISABILITIES. WITH 12 RESIDENTS IN TOTAL, THE PROPERTY OFFERS AN INCLUSIVE LIVING ENVIRONMENT. THE GARDEN FACES THE SCENIC PENNINGTON HALL PARK, PROVIDING A PEACEFUL YET CONVENIENT SETTING.

Residents at Pennington are empowered to live independently in their own homes whilst receiving personalised care and support. Dedicated care to meet each individual tenant's requirements is provided by Imagine, Act & Succeed (IAS), whilst Partners Foundation provides the housing management services.

We spoke to Nero, a resident at Pennington, along with IAS Service Leader Sarah, and support worker Alicja, about his experience.

Meet Nero and watch his full story:

"It's brilliant living here and it's very peaceful."

A supportive home at Pennington – Nero's story

For 40-year-old Nero, his home at St Helens Road is his sanctuary.

His flat is opposite the pretty community park – Pennington Hall Park – and Nero enjoys sitting in the garden.

Reflecting on his home, Nero shares: "It's brilliant living here and it's very peaceful."

His flat provides him with a comfortable living space, allowing him to pursue his chosen hobbies and interests.

The property's convenient location – with the bus stop just a few meters away – offer's Nero the opportunity to explore his local community. He enjoys the easy access to Leigh town centre and often ventures into town to shop and enjoy the local cafes. These trips offer Nero vital independence and the ability to enjoy his leisure time as he sees fit.

Previously, Nero lived with his father in Spain before moving in with family in nearby Atherton. He moved into Pennington in August 2021.

The youngest of three, he has a brother who lives in London, a sister who lives nearby, and his spacious flat is filled with signs of someone who dearly loves, and is loved, by his family.

A huge card filled with photos of Nero and members of his family takes pride of place on a table, and an iPad displays family photos rotating on a reel - "that's my brother" he says, and "that's when I was at a wedding".

"His family come to visit him regularly," adds Sarah, IAS Service Leader. Nero oftens goes on holiday with them, with the next trip being to Turkey.

Nero is also close to his family's dogs. He shares a special bond with Rocky, his sister-in-law's beloved pet.

Holding a personalised mug with Rocky's picture, Nero adds with a big smile: "When I first met him, he never barked at me! Rocky is like a brother and sister to me. He's family."

Nero's diverse interests include everything from music ("My favourite band is Pink Floyd") to films. Nero's a big fan of different genres, ranging from classic comedy to Bollywood.

He has a passion for board games, with Scrabble, Monopoly and Cluedo just some of the games in his flat. Nero keeps a meticulous notebook detailing points for all his Scrabble games. His support worker Alicja laughs as she says: "He always beats me in Scrabble!"

Nero also enjoys playing board games at the Stepping Out group at Leigh Miners Rugby Centre, attending the group Tuesday to Thursday where different activities take place daily.

Sarah highlights Nero's enjoyment of Stepping Out. "Living here, has helped Nero to become more involved in community activities and help his social skills," she says.

"He loves his clubs and is involved in different groups through Stepping Out. On Tuesdays, Nero helps takes out the meals and drinks to people who've ordered food. On Wednesdays, he plays games and Thursdays are all about baking and cooking."

Cooking is an activity he enjoys at home too. Sarah says: "He's very good at cooking and sorting out his meals." Nero has a Hello Fresh file full of recipes. Flicking through the folder, he stops at sticky pistachio crusted salmon, exclaiming: "I loved that!".

Sarah adds: "It's great that Nero's happy living here."

"Living here, has helped Nero to become more involved in community activities and help his social skills."

Interim Report

CHRIS PHILLIPS, Chair

Chair's Statement

/ INTRODUCTION

The Group provides much needed homes to some of the most vulnerable members of society. The Board's focus is on ensuring that the Group has a positive impact on the housing crisis through providing homes in the community to adults with care and support needs while maximising value for shareholders.

The Company's portfolio has continued to demonstrate operational and financial resilience despite the uncertain political and macroeconomic backdrop in the first half of the year. The Group has benefited from strong rental growth that has increased income and largely offset any outward movement in valuation yields.

In the first six months of 2024 annual rent increases were put through in respect of 66% of the Group's leases, with the rest to follow in the second half of the year, at a weighted average rate of 6.1% (in relation to leases where rent increases were due), ensuring the Group's dividend was 1.0x covered in the six months ended 30 June 2024.

/ THE MARKET

We anticipate a move towards more supportive market conditions for real estate valuations, with inflation close to the Bank of England's 2.0% target and the resultant initial 25bps reduction in the base rate to 5.0% in August.

Alongside the onset of more supportive market conditions following the general election in July, we can look forward to a period of greater political stability, which is much needed in order for the UK to make meaningful steps to address its housing crisis. The lack of suitable accommodation in the UK reflects a critical societal challenge and we welcome the Labour government's focus on delivering social housing and their target of building 1.5 million new homes within their first five years of government. This ambition will require close collaboration with private capital and our latest construction project in Chorley, which we have developed in conjunction with Golden Lane a new Registered Provider ("RP") partner, serves as a timely reminder of the positive impact that private capital can have when working in conjunction with a leading RP in response to an identified local need.

Whilst increased political stability should be beneficial in terms of housing delivery, it is important to recognise that Specialised Supported Housing ("SSH") has always been relatively well-insulated from the risks of political change. It benefits from cross-party support as an effective means of promoting greater independence and better outcomes for individuals with care and support needs, whilst enabling them to live within their local community.

/ VALUATIONS AND RENT COLLECTION

The growing prevalence of disability in the UK continues to drive excess demand for SSH, and together with ongoing government support for residents, this underpins the resilience of the Group's portfolio valuation. The Group's property portfolio was valued at £652.7 million at 30 June 2024 compared to £678.4 million as at 31 December 2023. The difference was mainly due to £21.8 million of assets being held for sale (and therefore not being included in the portfolio valuation). In addition, rent increases largely offset limited outward yield movement, leading to a £3.2 million, or 0.5%, like-for-like reduction in the value of the Group's portfolio. Rent collection for the Group increased to 93.3% in the six months ended 30 June 2024 (up from 90.2% for the year ended 31 December 2023).

/ PORTFOLIO SALE AND CAPITAL ALLOCATION

Following the announcement in June that the Company had agreed heads of terms in relation to a portfolio sale with an aggregate value in excess of £20 million we had expected the sale to complete in September. Completion has now been moved out to November to allow for sufficient time for the acquiror's debt funder to finalise their process. The rationale behind the portfolio sale was to sell at a price that was supportive of the book value of the properties and unlock additional liquidity that would then be used to return capital to shareholders through a share buyback programme and this remains the Board's objective. The composition of the portfolio being sold is representative of the Company's wider portfolio and contains a range of both new build and adapted properties as well as self-contained and shared homes. EPC ratings of the

properties range from B to D. Below we have included a table that compares some of the portfolio's key metrics to the Company's wider portfolio.

	SALE PORTFOLIO	GROUP PORTFOLIO
EPC A TO C	69%	71%
EPC D	30%	22%
WAULT	19 years	24 years
NEW BUILD / PURPOSE BUILT[4]	25%	42%
ADAPTED[5]	75%	58%

Following the completion of the portfolio sale the Board will consider further portfolio sales in order to return additional capital to shareholders with consideration also given to leverage levels and any debt repayment obligations.

/ INVESTMENT MANAGEMENT ARRANGEMENTS

In May 2024, the Board initiated a comprehensive review of the investment management arrangements (the "IMA Review") as part of its commitment to explore all avenues for delivering value to Shareholders. The Board anticipates that the IMA Review process will be concluded in the near-term, and further information will be notified to the market in due course.

4. A new build property was contracted or fully renovated as SSH in the last 10 years at the point of acquisition;
5. An adapted property is typically a residential property that has been refurbished and adapted for the specific needs of identified residents.

/ PORTFOLIO PERFORMANCE

In the Investment Manager's Report, we are pleased to include enhanced disclosures on both the performance of the Group's property portfolio and the top 10 lessees (excluding My Space and Parasol which are discussed separately). These demonstrate strong rent collection and occupancy amongst the Group's principle Registered Provider partners as well as the quality of the services provided to the properties' residents. All of this is unlocked due to the collaborative approach the Group takes to engaging with its Registered Provider and care provider partners.

Recognising the highly operational nature of its properties the Group has always focused on working closely with its partners to promote the strong operational performance of the portfolio, thereby ensuring that both financial returns and resident outcomes are optimised. This involves everything from routine property visits, to quarterly data collection across a wide range of metrics, to engaging directly with Local Authorities to address any operational issues that arise within the portfolio.

/ MY SPACE AND PARASOL

The Group has made progress with both My Space and Parasol, the only two RPs within the Group's portfolio with material arrears. On 19 August 2024, post period end, the Group successfully completed the transfer of the Group's leases away from Parasol to Westmoreland. This included a comprehensive tenant consultation process which ensured the needs of the residents were prioritised. Post-completion of the transfer, the Group expects to increase rent collection from the properties to between 75% to 85% of existing FRI lease rent during an initial stabilisation period (expected to last approximately 12 months), and thereafter up to at least 90% of existing FRI lease rent. An increase in rent collection, combined with JLL's favourable view of Westmoreland, should result in an increase in value of the properties post the transfer. Further information on the transfer is included in the Investment Manager's Report, demonstrating that leases can be moved away from underperforming Registered Providers in a way that preserves the delivery of good homes to residents as well as shareholder value.

Following the successful transfer of leases away from Parasol we are engaging with My Space on how best to transfer some or all of the Group's leases to alternative Registered Providers, a full update is provided in the Investment Manager's Report.

/ FINANCIAL RESULTS

The Group has continued to demonstrate strong financial resilience. EPRA earnings increased by 31% to £11.4 million from £8.7 million in the comparative period. This is a result of index linked rental uplifts during the period, and managing our cost base to mitigate the challenges posed by relatively high levels of inflation. These two factors have also helped ensure a lower EPRA cost ratio, and crucially, that the dividend was covered on an Adjusted Earnings basis. There was a slight fall in the EPRA NTA from 113.76 pence at 31 December 2023 to 112.38 pence at 30 June 2024. In August, Fitch Ratings Ltd reaffirmed the Company's existing Investment Grade, long-term Issuer Default Rating (IDR) of 'A-' and a senior secured rating of 'A' for the Group's existing loan notes, for the third consecutive time. I am pleased to report that we continue to pay dividends in line with our annual targets, as we have done consistently since IPO. For the six months ended 30 June 2024, dividend cover, based on adjusted earnings, was 1.0x.

Overall, we are proud of another set of resilient financial results which build on our performance to date and the encouraging operational progress made during the period. This would not have been possible without the support of our stakeholders, all of whom played an important role in helping deliver on our investment strategy. You can read more about our financial performance during the period in our Key Highlights section, along with a more in-depth review in the Investment Manager's Report.

/ SOCIAL IMPACT

Social Impact continues to be of central importance to the Board when making decisions and is integral to our business model. This set of results once again demonstrates our conviction that financial performance and social impact are mutually reinforcing. The independent Impact Report prepared by The Good Economy identifies that our properties have delivered £3.08 of Total Social Value for every £1.00 invested in the six months ending 30 June 2024. You can read more on the social value and impact that our properties create in the Impact Report prepared by the Good Economy, available separately on our website.

/ OUTLOOK

We look forward to building on the progress made in the first half of the year particularly in relation to the increase in rent collection and the corresponding increase in dividend cover which ensured that dividend was fully covered on an adjusted earnings basis for the six months ending 30 June 2024. The Group will continue to benefit from having exclusively long term fixed priced debt which leverages the positive impact of recent strong rental growth. Now that the Group's 38 properties previously leased to Parasol have been moved to Westmoreland, we expect to generate additional rental income, which combined with the cost savings expected to be unlocked through the new investment management arrangements, should continue to support strong dividend cover.

We will therefore focus on working with Westmoreland to ensure that the post transfer stabilisation period is a success and rent collection increases in-line with expectations. Now that we have successfully concluded the Parasol lease transfer process, a key objective for the next 6 months is to work with My Space to determine how best to transfer the Group's leases to alternative providers with a focus on prioritising the interests of residents and increasing rent collection.

It is important to recognise that the vast majority of the Group's lessees continue to perform well, as demonstrated in the Portfolio Performance section of the Investment Manager's Report. We will work closely with our Registered Provider partners to ensure that we continue to monitor the performance of the Group's portfolio at a granular level and help to promote its ongoing strong performance. This routine monitoring and engagement will be complemented by a focus on delivering on key strategic initiatives which over the next six months will include finalising the roll-out of the new risk sharing clause into the Group's existing leases, and commencing the wider rollout of the Group's Eco-Retrofit project with a focus on reducing fuel consumption and positively impacting the cost of utilities to both our Registered Providers and their residents.

We expect to conclude the portfolio sale in the coming months which will enable us to return capital to shareholders. The Board remains committed to addressing the performance of the Group's share price, and working to narrow the share price discount to EPRA NTA whilst preserving the long-term performance and fundamentals of the Group. The Board will continue to engage with shareholders around actions for the benefit of the Group overall.

On behalf of the Board, I would like to thank all of our advisers for their continued hard work and dedication to our investment strategy. Most importantly, I would like to thank our shareholders and other stakeholders for their continued support as we work to evolve and execute our strategy to deliver good homes and long-term sustainable returns.

Chris Phillips
Chair

12 September 2024

MAX SHENKMAN, Head of Investment

Investment Manager's Report

/ SPECIALISED SUPPORTED HOUSING MARKET

Labour's commitment to deliver 1.5 million new homes over the next five years with priority given to social housing and brownfield sites is both ambitious – it represents a 50% increase relative to the previous government – and welcome, given the acute shortage of social housing in the UK. However, it is unlikely that much of the grant funding made available to help meet this target will find its way to Specialised Supported Housing ("SSH"). Therefore, it will be largely down to Registered Providers and private capital to provide additional specialist homes that enable people with care and support needs to live independently within their local communities. As has been the case since we first started investing in the sector, demand continues to increase for SSH, driven by an increase in the prevalence of disability and a desire to promote independent living where possible. Given that the previous government estimated an additional 125,000 supported housing homes were required by 2030, private capital will need to play a critical role in delivery as demand continues to outstrip supply.

The reduction in the rate of inflation has led to a return of a more normal operating environment for our care provider and Registered Provider partners. After the operational obstacles of COVID, followed by the challenges of managing increasing costs in the ensuing high inflation period, it is reassuring that the Group's operating partners successfully overcame these challenges and should now find conditions more supportive. Demand for SSH continues to underpin the performance of our portfolio and we are grateful to our Registered Provider and care provider partners for the services they provide to residents. It is their work and our active approach to asset management that enables us to demonstrate the strong operational and financial performance of the Group's properties as detailed in the Portfolio Performance section of our report.

The government has not renewed its temporary 7% cap on social housing rent levels that was put in place for twelve months from 1 April 2023. There is, therefore, no intention to cap the rent increases in the Group's leases as we did last year, and they will revert to increasing in line with inflation (CPI in most cases). Registered Providers should also find it easier to agree the annual increases in the service and maintenance charges they reclaim through housing benefit now that forward-looking cost projections are less impacted by unusually high inflation.

The Regulator of Social Housing ("Regulator") has not issued any new judgements or notices about the Group's lessees since April 2023. In the intervening period we have seen those Registered Providers who have been subject to regulatory notices continue to respond positively and seek to move their organisations towards compliance with the Regulator's standards. These efforts need to be driven by their respective boards of directors and require consideration of a broad range of factors, including: the quality of the intensive housing management services provided, risk management and stress-testing the organisation's business plan in a range of different scenarios. The Group aims to progress the sector, as such, we are focused on supporting the boards of our Registered Provider partners in these endeavours, as evidenced by the continued roll-out of our risk-sharing clause, which we cover later in this report.

This supportive operating environment coupled with our Registered Providers' desire to move forward and respond positively to observations made by the Regulator have together helped to ensure that the Group is able to demonstrate another period of strong financial performance. Rent collection has increased to 93.3% of rent due (up from 90.2% for the year ended 31 December 2023) and the Group continues to benefit from exclusively long-term fixed priced debt which has a weighted average fixed cost of 2.74%. This, in conjunction with strong rental growth and a reduced cost base, ensured that the dividend was fully covered on an adjusted earnings basis in the six months ended 30 June 2024. The Group's portfolio has reduced in value from £678.4 million on 31 December 2023 to £652.7 million on 30 June 2024, mainly as a result of 13 assets, with an aggregate value of £21.8 million, being held for sale at the period end and therefore being excluded from the portfolio valuation. There was a 0.5%, or £3.2 million, reduction in the like-for-like portfolio value (representing the net impact of strong rental growth being offset by limited outward yield movement). Finally, on 1 August 2024, Fitch renewed their A- investment grade issuer rating of the Group for the third time in a row.

/ DEBT FINANCING

All of the Group's debt is fixed-price and long-term with the earliest debt maturity occurring in mid-2028, providing strong protection from higher interest rates. As at 30 June 2024, the Group's debt structure comprised two facilities with a combined value of £263.5 million. Both facilities are fixed price (with a weighted average coupon of 2.74%), long-term (with a weighted average maturity of 9.1 years) and fully drawn. The Group continues to maintain significant covenant headroom across both facilities while also having additional liquidity in the form of cash and £72.2 million of unencumbered properties as at 30 June 2024.

Financial Review

We are pleased to present resilient financial results for the six months ended 30 June 2024, as highlighted earlier on pages 6 to 7. The Group's financial performance is underpinned by increases in annualised rental income from its CPI and RPI-linked leases[6]. The dividend was fully covered in the period, and we expect dividend cover to continue to increase during the second half of the year now that leases have been moved away from Parasol to Westmoreland.

/ TOUCHING ON SOME OF THE KEY HIGHLIGHTS:

RENTAL INCOME

£41.2m

The annualised contracted rental income of the Group was £41.2 million as at 30 June 2024, compared to £41.0 million on 31 December 2023.

EPRA NIY

5.96%

The EPRA NIY has increased from 5.57% at 31 December 2023 to 5.96% at 30 June 2024 following the rental uplifts in the period.

EPRA EPS

2.90 pence per share

The EPRA Earnings per Share ("EPRA EPS") excludes the fair value movement on investment properties and is measured on the weighted average number of shares in issue during the period. EPRA EPS was 2.90 pence for the period compared to 2.18 pence for the same period in 2023, the increase was driven by strong rental growth.

EPRA NTA

112.38 pence per share

The EPRA NTA per share at 30 June 2024 was 112.38 pence per share, the same as the IFRS NAV per share, compared to 113.76 pence as at 31 December 2023.

CASH AND CASH EQUIVALENTS

£29.3m

The Group held cash and cash equivalents of £29.3 million as at 30 June 2024 of which £0.4 million was restricted or ring-fenced, compared to £29.5 million as at 31 December 2023, of which £0.4 million was restricted or ring fenced, leaving available cash of £28.9 million as at 30 June 2024.

PORTFOLIO VALUATION – IFRS

£652.7m

At the period end, the portfolio was valued at £652.7 million on an IFRS basis compared to £678.4 million at 31 December 2023. The reduction in value was mainly due to 13 assets, with a value of £21.8 million, being held for sale resulting in them being excluded from the portfolio valuation. There was a like-for like reduction in portfolio value of £3.2 million resulting from the net impact of strong rental growth being offset by limited outward yield movement. The portfolio value of £652.7 million reflects a valuation uplift of 13.2% against the portfolio's aggregate purchase price (including acquisition costs).

EPRA RATIO

18.71%

The EPRA cost ratio is calculated as the total administrative and operating costs expressed as a percentage of the gross rental income. The EPRA cost ratio for the period was 18.71% compared to 20.60% for the year ended 31 December 2023.

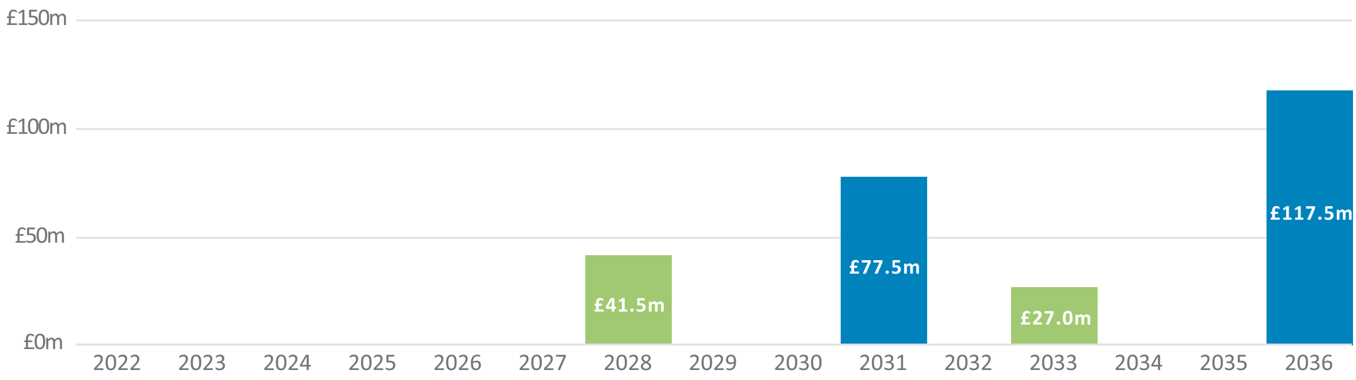
ADJUSTED EARNINGS

2.74 pence per share

The Adjusted Earnings per Share ("Adjusted EPS") includes adjustment for non-cash items and is measured on the weighted average number of shares in issue during the year. Adjusted EPS was 2.74 pence per share for the six months ended 30 June 2024, compared to 2.10 pence[7] for the same period in 2023, again this increase was driven by strong rental growth.

6. 5.0% of our leases are capped.
7. Restated to adjust for the movement in lease incentive debtor.

DRAWN DEBT MATURITY PROFILE



/ PORTFOLIO PERFORMANCE

The financial performance detailed in the previous section is underpinned by the strong performance of the Group's portfolio. Through the enhanced disclosures in this report, we have sought to further demonstrate the operational and financial performance of the Group's properties. These disclosures are made possible through the proactive approach we take to asset management. We conduct routine property inspections, and focus on quarterly data collection on the operational, financial and governance performance of our partners and properties. We also emphasise close engagement between our asset management team and key stakeholders throughout the organisational hierarchy of the Registered Providers we work with (this ensures engagement with housing managers through to Managing Directors and Boards). It is through these comprehensive inspections and dedicated engagement that we are able to ensure we have the qualitative and quantitative data we need to have a granular understanding of the performance of the Group's portfolio. It also allows us to take action to support performance if and when required. In the tables below, we have organised the data between general operational updates and additional disclosures on the Group's top 10 lessees by rent roll (excluding My Space and Parasol who are covered in a separate section).

TOP 10 RPS	YEAR FOUNDED	TOTAL UNITS UNDER MANAGEMENT	% RENT ROLL 30-JUN-24	% RENT COLLECTION JAN-JUN 2024	% OCCUPANCY 30-JUN-24
INCLUSION	2007	4,192	31.2%	100%	88%
FALCON	2008	996	9.0%	100%	89%
CHRYSALIS	2003	451	5.7%	100%	90%
BEST[8]	2010	1,454	5.3%	94%	89%
HILLDALE	2009	943	5.2%	100%	94%
AUCKLAND	2010	975	4.8%	100%	93%
BLUE SQUARE	2012	280	3.9%	100%	90%
CARE HA	2003	445	3.9%	100%	86%
HIGHSTONE	2012	286	3.6%	100%	96%
SUNNYVALE	2012	89	1.6%	100%	90%

8. We are engaging with BeST around their proposed merger with Westmoreland (as reported in the Company's 2023 Annual Report). BeST have not allowed for their most recent rent increases in their H1 rent payments to the Company which has caused rent collection to reduce to 94%. We expect to resolve this issue in H2 of 2024 and as such do not expect there to be rent arrears going forward.

/ OPERATIONAL PERFORMANCE

Percentage of homes with EPC rating C+	71%
CQC ratings of partner care providers who have been inspected of good or outstanding	84%
Renewal rate of RP/CP SLA contracts	96%
Residents receiving over 20 hours of care and support a week	77%
Residents receiving over 50 hours of care and support a week	47%
Resident satisfaction scores from latest The Good Economy Survey	
Residents satisfied with their level of physical health in their current home	87%
Residents in contact with their family or friends at least two to three times per week	62%
Residents satisfied that when they need help in their current home, there are people there to support	93%
Residents satisfied with their level of confidence in their current home	91%
Residents satisfied with their level of independence in their current home	90%

SSH typically provides long term homes to vulnerable residents and is bespoke to their care and support needs. Demand for SSH is therefore specific and there is a rigorous process to follow when a resident is nominated into a new home. This takes time and requires input and consultation with a wide range of stakeholders to ensure both the suitability of the home and the success of the move in process. We would therefore expect occupancy for a mature portfolio of SSH properties to be around 90%, which is in line with the occupancy levels demonstrated by the Group's top Registered Provider partners by rent roll as show in the first table above.

Occupancy is supported by the quality of services being provided to residents and it is critical that residents in SSH receive the care and support on which they rely. Over 77% of residents living in properties owned by the Company receive over 20 hours of care and support a week, with 47% receiving over 50 hours of care and support. Every year The Good Economy (a leading, independent advisory firm with expertise in impact measurement and management) undertakes a survey of some of the residents living in properties owned by the Group. The results of the latest survey, published in March 2024, stated that over 90% of residents surveyed were satisfied with their level of confidence, their independence and the level of support they receive in their home.

Care is typically provided by a care provider (independent of the Registered Provider lessee) regulated by the Care Quality Commission ("CQC"). Of the Group's partner care providers which have been inspected, 84% have been rated good or outstanding by the CQC. Care is typically contracted with, and paid for by, the Local Authority often on 5 to 10 year agreements, with a corresponding 5 to 10 year Service Level Agreement between the care provider and the Registered Provider. Under the Service Level Agreement, amongst other things, the care provider has the right to nominate residents into the property and typically undertakes to cover the cost of void units. Since the Company's IPO in August 2017, there has been a high renewal rate of Service Level Agreements in the Group's portfolio. Where the initial term has expired 96% have been renewed. Where the Service Level Agreement has not been renewed in most cases a new care provider has been contracted with by the Local Authority in order to ensure continuity of care and support to residents.

/ FORWARD FUNDING UPDATE

In June we commenced construction on a market leading project in conjunction with leading SSH Registered Provider, Golden Lane Housing. The development which will see us deliver 12 new individual apartments for people who have learning disabilities, autism requirements and/or mental health needs. The project received commissioner support from the Head of Service for Learning Disabilities, Autism and Mental Health at Lancashire County Council and it was noted that the location of the site, close to the centre of Chorley, is ideal for enabling residents to integrate into the community. It will also be our first development to target a 10% net biodiversity gain.

/ MY SPACE AND PARASOL UPDATE

On 19 August 2024 the Group successfully completed the transfer of all 38 properties leased to Parasol to Westmoreland. Prior to the transfer these properties had an aggregate value of £55.7 million and contracted rent of £4.0 million (excluding the impact of the ongoing creditor's agreement). The transfer was the culmination of a four-month process focused on prioritising the welfare of residents, enabling proactive engagement with the Regulator by both Parasol and Westmoreland, and ensuring the transfer was undertaken in a collaborative way to minimise costs and maximise rental income generated from properties going forward.

The decision to move properties was taken due to Parasol only paying the Group c.60% of rent due for c.20 months. Whilst the Parasol board and management team were strengthened over the course of 2023, the persistent nature of the arrears led to the decision to transfer all properties to Westmoreland. Westmoreland manage 950 SSH homes. The current management team was appointed in 2020 and have successfully restructured Westmoreland, delivering four years of annual surplus and growing turnover in a sustainable way to over £15 million per annum whilst steadily increasing Westmoreland's cash position.

As part of our due diligence, as well as our review of operational, financial and governance information, we engaged with the Westmoreland management team at length on the quality of services that will be provided to residents and their approach to property management and maintenance. This included visits to properties managed by Westmoreland to confirm that the level of services provided to residents meets the expected standards for the Group's homes. Following the transfer of the properties we expect rent collection to increase to between 75% to 85% of existing FRI lease rent during an initial stabilisation period (expected to last approximately 12 months), and thereafter up to at least 90% of existing FRI lease rent. For the purposes of the Group's portfolio valuation dated 30 June 2024, the properties were valued assuming the continuation of their existing Parasol leases. We have consulted with JLL about the expected impact of the completed lease transfer and expect the transfer to have a positive impact on the valuation of the 38 properties.

The Group currently has 34 properties leased to My Space representing 8.1% of rent roll. Following the successful transfer of properties away from Parasol to Westmoreland, we are engaging with My Space around how best the Group can move some or all of its My Space properties to alternative Registered Providers. Any property transfers will prioritise the interest of residents whilst looking to promote the strong operational and financial performance of the relevant properties. Further updates will be provided when lease assignments are agreed.

/ ECO-RETROFIT UPDATE

In August, the Labour Government confirmed that there will be a requirement for private rental properties to have a minimum EPC of C by 2030. Whilst this target has not been specifically confirmed for social landlords, it emphasises the importance of our Eco-retrofit project which will see all of the Group's properties that currently have an EPC rating of below a C upgraded to a C or above.

The project will ensure that the Group's portfolio remains ahead of regulation whilst also reducing fuel consumption and improving the thermal performance of the Group's properties, and reducing the relative cost of utilities for the Group's lessees and their residents. As previously reported, we have been undertaking an initial pilot project involving 11 of the Group's properties to understand which technologies work best, who our preferred suppliers are, and how to minimise any disruption to residents when the wider project is rolled out. Of the 11 properties 8 now have an EPC of C or above. Of the remaining 3 properties work is ongoing in one, one is awaiting the outcome of a new EPC rating, and one has been replaced by two additional properties where grant funding can be accessed to fund over 60% of the cost of works and where works are now ongoing.

The pilot project will come in below budget, in part because of our having been able to access grant funding. Until we have surveyed all of the properties included in the wider project it will not be possible to definitively forecast costs, but we currently estimate that, once grant funding is accounted for, the wider project should cost the Group between £2.5 million and £5.0 million to complete (subject to the ongoing availability of grant funding).

Surveys of the residents impacted by the pilot project show that 100% were satisfied with communication throughout the project and the quality of the contractors' work. We have learned a number of important lessons in the pilot project which give us the confidence that we can deliver the wider project at a manageable cost to the Group, well in advance of any regulatory deadlines, and in a way that has a positive impact on both the value of the properties and the wellbeing of residents.

/ RISK SHARING LEASE CLAUSE ROLL-OUT

In the Group's 2023 Annual Report we detailed the key terms of the Group's risk sharing clause. We want to ensure the Group is able to assist its Registered Provider partners to move forward and respond positively to the observations made by the Regulator around the risks attached to long leases. This clause, aimed at promoting the compliance of the Group's Registered Provider partners, was reviewed by the Group's valuers and lenders and shared with the Regulator before being introduced towards the end of 2023. The clause has now been included in 66% of the Group's Registered Provider leases and we are hoping to conclude the roll-out before the end of 2024.

/ PORTFOLIO SALE AND FURTHER PORTFOLIO SALES

As described in more detail in the Chairman's statement we expect to conclude the sale of a portfolio of properties in excess of £20 million in November. The portfolio is reflective of the Group's wider portfolio and the sale should allow for capital to be returned to shareholders (with consideration given to leverage levels and any debt repayment obligations).

/ PROPERTY PORTFOLIO

As at 30 June 2024, the portfolio comprised 481 properties with 3,297 units (excluding the units relating to the properties classified as assets held for sale) and represented a broad geographic diversification across the UK. The four largest concentrated areas by market value were the North West (18.4%), West Midlands (17.6%), Yorkshire (15.0%) and East Midlands (11.3%). This excludes 13 assets with an aggregate value of £21.8 million that have been classified as held for sale.

/ RENTAL INCOME

In total, the Group had 378 leases (excluding the leases associated with the properties classified as assets held for sale) which at the period end, generated total annualised contracted rental income of £41.2 million.

At the period end, the Group's three largest Approved Providers by rental income and units were Inclusion (£12.8 million and 921 units), Parasol (£4.0 million[9] and 246 units) and Falcon (£3.7 million and 304 units).

As at 30 June 2024, the portfolio had a WAULT of 24.0 years. The WAULT includes the initial lease term upon completion as well as any reversionary leases and put/call options available to the Group at expiry of the initial term. At present the Group's WAULT is anticipated to remain above 20 years. 100% of the Group's contracted income is generated under leases which are indexed against either CPI (91.9%) or RPI (8.1%), noting that for leases that now include the new risk sharing clause annual rent increases are set at the lower of the relevant inflation index and prevailing government policy in relation to social housing rent increases as it applies to SSH. Given that government has recently stated that it expects social housing rents to be able to increase annually by CPI +1% for the next ten years, these inflation linkages provide the Group and its investors with the comfort that the rental income will generally increase in line with inflation.

9. The £4.0m represents the rent due under Parasol leases before the impact of the creditor's agreement which reduced rent due by 40% and which was in place until all of the Groups properties leased to Parasol were transferred to Westmoreland in August 2024. Following the completion of the transfer of the properties to Westmoreland the Group had no remaining exposure to Parasol.

/ OUTLOOK

Looking forward, focus remains on maximising the rental income generated by the Group's properties and providing good homes to residents. The recent transfer of leases from Parasol to Westmoreland has enabled us to deliver on both of these objectives and our focus is now on working closely with Westmoreland to ensure that the stabilisation period is successful and rent collection increases in-line with expectations. Similarly, we continue to engage with My Space to ensure that rental income generated from the Group's 34 properties leased to My Space is maximised, and this will involve moving properties to alternative Registered Providers. As always when properties are transferred the welfare of residents will be prioritised.

We expect the Group to continue to benefit from strong rental growth in the latter half of the year with 50.4% of the Group's remaining annual lease rent increases for 2024 being linked to the September 2023 CPI figure of 6.7%. This will increase rental income and should help ensure a high level of dividend cover in the latter half of the year.

One of the Group's key strategic projects is the wider roll-out of the Eco-Retrofit project, and invaluable learnings have been gained during the pilot phase which will enable the Group to continue to improve the energy efficiency of its portfolio. In turn, this positively impacts the utility costs of our Registered Provider partners and their residents and such improvements can then be applied to the Group's remaining properties with an EPC of C or below. This combined with the roll-out of the risk sharing clause and the market leading forward funding project, developed in conjunction with Golden Lane, will help to ensure that the Group remains at the forefront of an evolving sector.

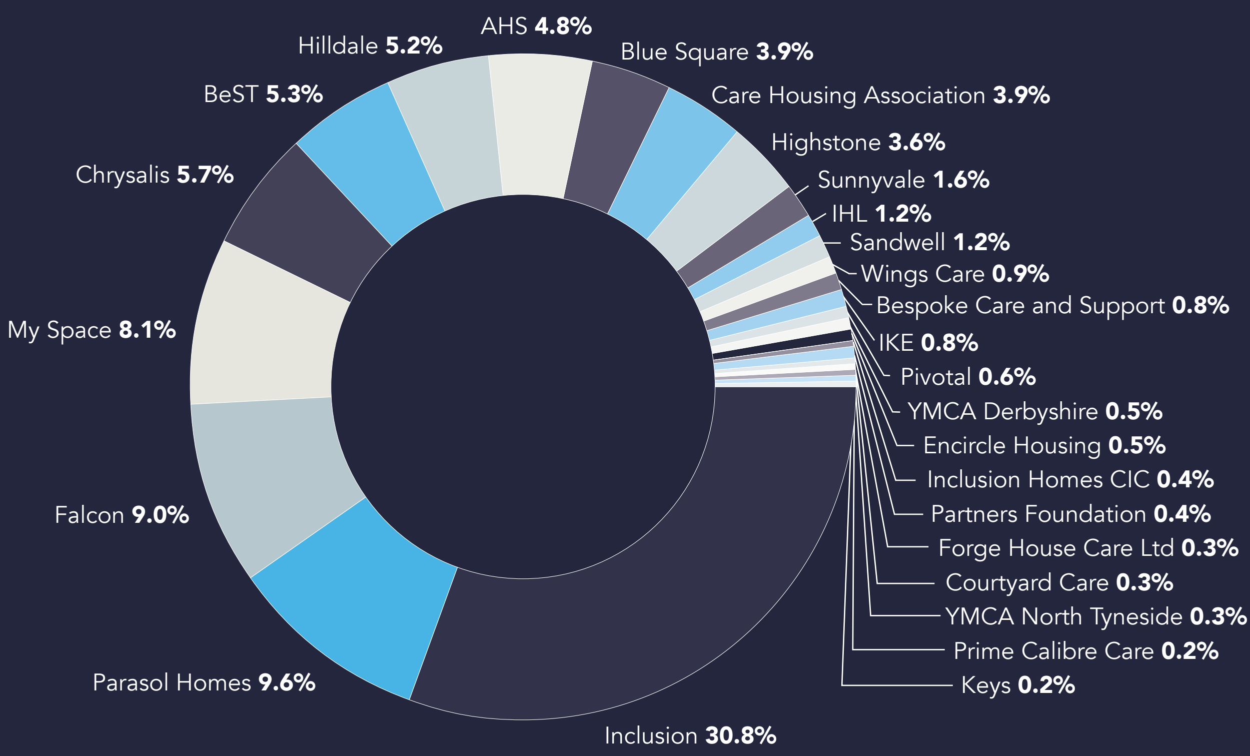
We will continue to work with all of our Registered Provider and care provider partners to promote the strong performance of the Group's portfolio. Following the recent decline in inflation, the return to a more supportive operating environment is welcome, and we expect the vast majority of the Group's lessees to continue to perform inline with expectations. We also hope that ongoing constructive engagement with the Regulator and the positive impact of the new risk sharing clause will help ensure that the Registered Providers we work with will continue to make progress in terms of addressing historic observations from the Regulator, and compliance with the Regulator's standards.

The Group benefits from a compelling capital structure with all debt being long term and fixed price with a blended cost of 2.74%. This combined with the recent increases in rent collection, and strong rental growth delivered through annual rent increases ensured that the dividend was covered for the six months ending 30 June 2024. We expect these factors to continue to support the strong financial performance of the Group in the latter half of the year and beyond. Financial performance is underpinned by ongoing excess demand for SSH and the proactive approach we take to engaging with our Registered Provide and care provider partners. This will continue to be the bedrock of stable operational performance going forward, and will allow the Group to focus on its aim of providing good homes to people with care and support needs whilst maximising value for shareholders.

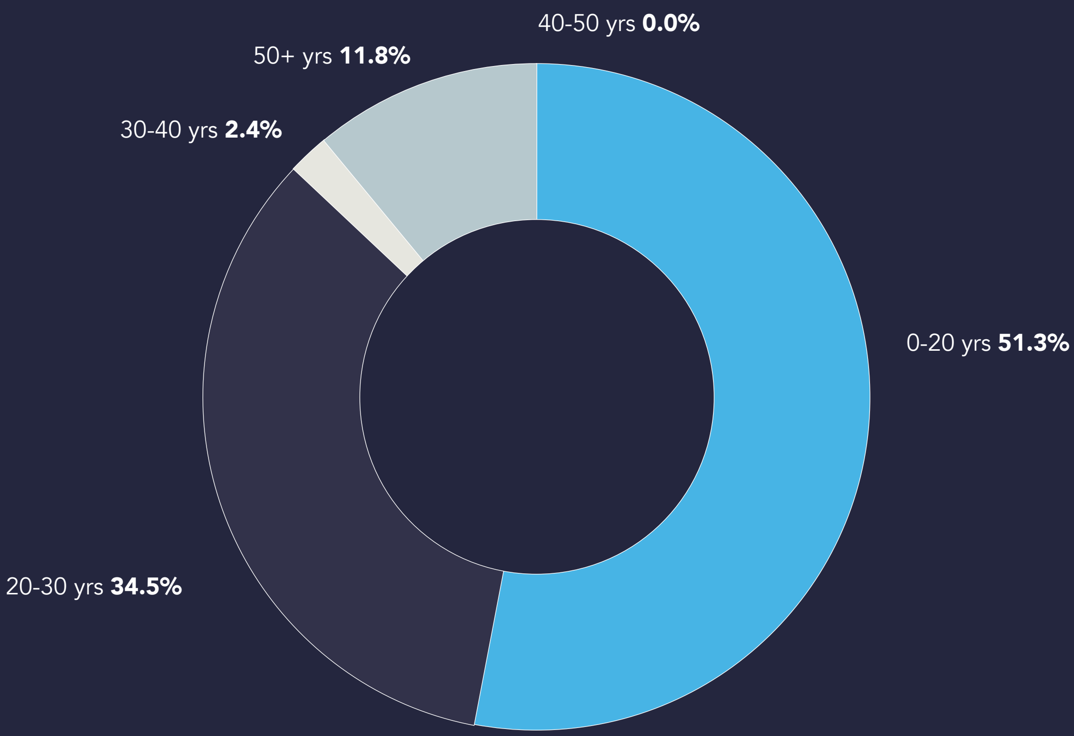
Max Shenkman
Head of Investment

12 September 2024

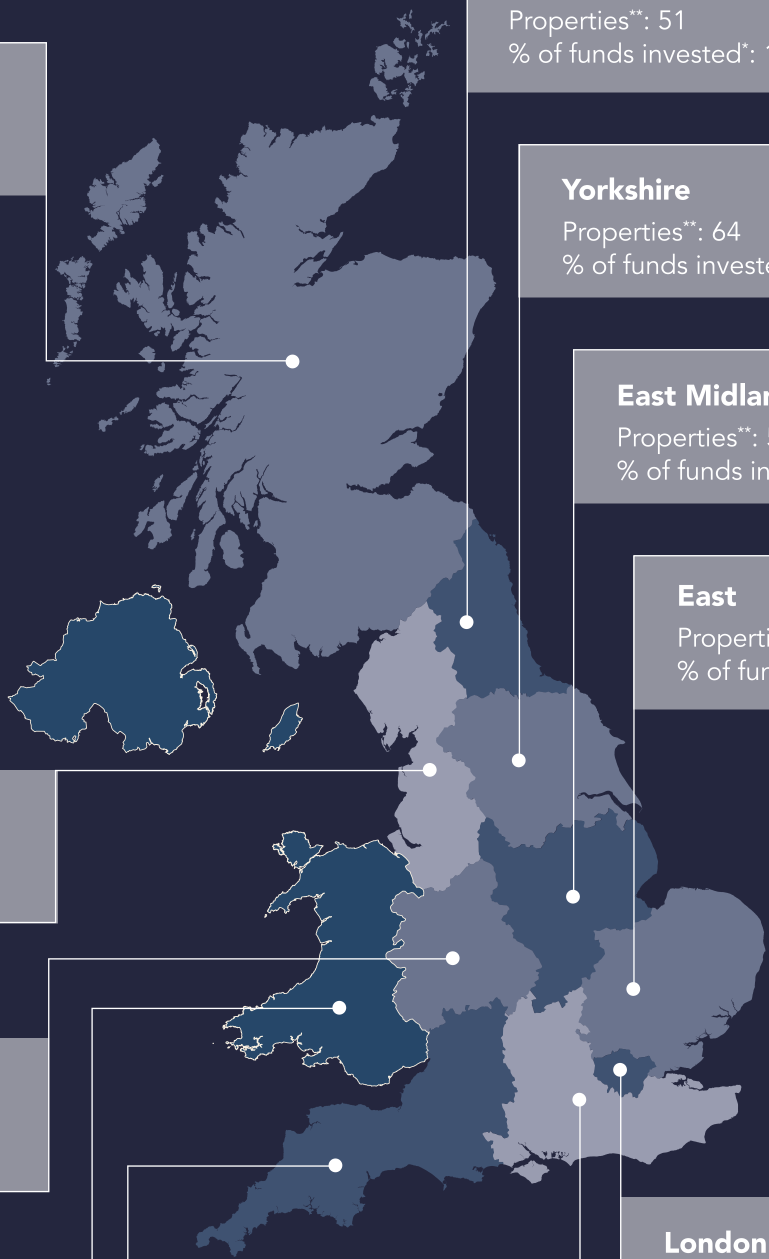
RENTAL INCOME BY APPROVED PROVIDER



RENTAL INCOME BY LEASE LENGTH



/ PORTFOLIO SUMMARY BY LOCATION



North East
Properties**: 51
% of funds invested*: 10.2

Scotland
Properties**: 2
% of funds invested*: 1.1

Yorkshire
Properties**: 64
% of funds invested*: 15.2

East Midlands
Properties**: 53
% of funds invested*: 11.3

East
Properties**: 21
% of funds invested*: 4.3

North West
Properties**: 94
% of funds invested*: 18.2

West Midlands
Properties**: 81
% of funds invested*: 16.7

London
Properties**: 27
% of funds invested*: 8.9

Wales
Properties**: 1
% of funds invested*: 0.1

South West
Properties**: 30
% of funds invested*: 5.1

South East
Properties**: 57
% of funds invested*: 8.9

* calculated excluding acquisition costs
** excluding assets held for sale

Key Performance Indicators

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

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
1. DIVIDEND			
Dividends paid to shareholders and declared during the year. Further information is set out in note 17.	The dividend reflects the Company's ability to deliver a low risk but growing income stream from the portfolio.	Total dividends of 2.73 pence per share were paid or declared in respect of the six months ended 30 June 2024. (30 June 2023: 2.73 pence)	The Company has declared a dividend of 1.365 pence per Ordinary share in respect of the period 1 April 2024 to 30 June 2024, which will be payable on or around 4 October 2024. Total dividends paid and declared for the period are in line with the Company's target.
2. EPRA NET TANGIBLE ASSETS (NTA)			
The EPRA NTA is equal to IFRS NAV as there are no deferred tax liabilities or other adjustments applicable to the Group under the REIT regime. Further information is set out in the Unaudited Performance Measures.	EPRA NTA measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.	112.38 pence per share as at 30 June 2024. (31 December 2023: 113.76 pence per share)	The EPRA NTA (equivalent to IFRS NAV) per share at IPO was 98 pence. This represents an increase of 14.7% since IPO driven primarily by yield compression at acquisition and subsequent annual rental uplifts.
3. LOAN TO VALUE (LTV)			
A proportion of our portfolio is funded through borrowings. Our medium to long-term target LTV is 35% to 40% with a maximum of 50%. Further information is set out in note 15.	The Company uses gearing to enhance equity returns.	37.2% LTV as at 30 June 2024. (31 December 2023: 37.0% LTV)	Borrowings comprise two private placements of loan notes totalling £263.5 million provided by MetLife Investment Management and Barings.
4. EPRA EARNINGS PER SHARE			
EPRA Earnings per share (EPRA EPS) excludes gains or losses from fair value adjustment on investment property that are included in the IFRS calculation for Earnings per share. Further information is set out in note 22.	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	2.90 pence per share for the six months ended 30 June 2024, based on earnings excluding the fair value loss on properties calculated on the weighted average number of shares in issue during the period. (30 June 2023: 2.18 pence)	EPRA EPS increased compared to the comparative period due to the increase in rental income driven by rental uplifts.

KPI AND DEFINITION	RELEVANCE TO STRATEGY	PERFORMANCE	COMMENT
5. ADJUSTED EARNINGS PER SHARE			
Adjusted earnings per share includes adjustment for non-cash items. The calculation is shown in note 22.	A key measure which reflects actual cash flows supporting dividend payments.	2.74 pence per share for the six months ended 30 June 2024, based on earnings after adjusting for any fair value movement on investment properties, amortisation of loan arrangement fees, and the movement in lease incentive debtor; calculated on the weighted average number of shares in issue during the year. (30 June 2023: 2.10 pence per share[10])	This demonstrates the Company's ability to meet dividend payments from net cash inflows. It represents a dividend cover for the six months ended 30 June 2024 of 1.0x.
6. WEIGHTED AVERAGE UNEXPIRED LEASE TERM (WAULT)			
The average unexpired lease term of the investment portfolio, weighted by annual passing rents. Further information is set out in the Investment Manager's Report.	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security of our income stream.	24.0 years as at 30 June 2024 (includes put and call options). (31 December 2023: 24.3 years)	As at 30 June 2024, the portfolio's WAULT stood at 24.0 years.
7. EXPOSURE TO LARGEST APPROVED PROVIDER			
The percentage of the Group's gross assets that are leased to the single largest Approved Provider.	The exposure to the largest Approved Provider must be monitored to ensure that we are not overly exposed to one Approved Provider in the event of a default scenario.	30.1% of Gross Asset Value as at 30 June 2024. (31 December 2023: 29.5%)	Our maximum exposure limit is 30% of GAV. This represents the Group's aggregate exposure to both Inclusion Housing CIC and Inclusion Homes CIC which is expected to reduce below the 30% limit following the realisation of the remaining rental uplifts due for the portfolio this year.
8. TOTAL RETURN			
Change in EPRA NTA plus total dividends paid during the period.	The Total Return measure highlights the gross return to investors including dividends paid since the prior year.	EPRA NTA per share was 112.38 pence as at 30 June 2024. (30 June 2023: 111.31 pence) Total dividends paid for the six months ended 30 June 2024 were 2.73 pence per share. Total return was 1.18% for the six months ended 30 June 2024. (30 June 2023: 4.57%)	The EPRA NTA per share at 30 June 2024 was 112.38 pence. Adding back dividends paid during the period of 2.73 pence per Ordinary Share to the EPRA NTA per share at 30 June 2024 results in an increase of 1.2%. The Total Return since IPO is 49.13% at 30 June 2024.

10. Restated to adjust for the movement in lease incentive debtor.

EPRA Performance Measures

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

Full reconciliations of EPRA Earnings and NAV performance measures are included in Notes 22 and 23 of the condensed Group interim financial statements and Notes 1 and 3 of the Unaudited Performance Measures, respectively. A full reconciliation of the other EPRA performance measures is included in the Unaudited Performance Measures section.

KPI AND DEFINITION	PURPOSE	PERFORMANCE
1. EPRA EARNINGS PER SHARE		
EPRA Earnings per share excludes gains or losses from fair value adjustment on investment properties that are included in the IFRS calculation for Earnings per share.	A measure of a Group's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	2.90 pence per share for the six months ended 30 June 2024. (30 June 2023: 2.18 pence)
2. EPRA NET REINSTATEMENT VALUE (NRV) PER SHARE		
The EPRA NRV adds back the purchasers' costs deducted from the IFRS valuation.	A measure that highlights the value of net assets on a long-term basis.	£483.9 million / 122.99 pence per share as at 30 June 2024. £489.6 million / 124.43 pence per share as at 31 December 2023.
3. EPRA NET TANGIBLE ASSETS (NTA) PER SHARE		
The EPRA NTA is equal to IFRS NAV as there are no deferred tax liabilities or other adjustments applicable to the Group under the REIT regime.	A measure that assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability.	£442.2 million / 112.38 pence per share as at 30 June 2024. £447.6 million / 113.76 pence per share as at 31 December 2023.
4. EPRA NET DISPOSAL VALUE (NDV)		
The EPRA NDV provides a scenario where deferred tax, financial instruments, and certain other adjustments are calculated as to the full extent of their liability.	A measure that shows the shareholder value if assets and liabilities are not held until maturity.	£504.6 million / 128.23 pence per share as at 30 June 2024. £503.7 million / 128.02 pence per share as at 31 December 2023.
5. EPRA NET INITIAL YIELD (NIY)		
Annualised rental income based on the cash rents passing at the statement of financial position date, less non-recoverable property operating expenses, divided by the market value of the property, increased with (estimated) purchasers' costs.	A comparable measure for portfolio valuations. This measure should make it easier for investors to judge for themselves how the valuation of a portfolio compares with others.	5.96% at 30 June 2024. 5.57% at 31 December 2023.
6. EPRA "TOPPED-UP" NIY		
This measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	The topped-up net initial yield is useful in that it allows investors to see the yield based on the full rent that is contracted at 30 June 2024.	5.99% at 30 June 2024. 5.72% at 31 December 2023.
7. EPRA VACANCY RATE		
Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.	A "pure" percentage measure of investment property space that is vacant, based on ERV.	0.32% at 30 June 2024. 0.33% at 31 December 2023.
8. EPRA COST RATIO		
Administrative and operating costs (including and excluding costs of direct vacancy) divided by gross rental income.	A key measure to enable meaningful measurement of the changes in a Group's operating costs.	18.71% at 30 June 2024. 20.60% at 31 December 2023.

Principal Risks and Uncertainties

The Audit Committee, which assists the Board with its responsibilities for managing risk, considers that the principal risks and uncertainties as presented on pages 75 to 79 of our 2023 Annual Report were unchanged during the period and will remain unchanged for the remaining six months of the financial year ending 31 December 2024.

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

The risks are summarised below:

Financial Risks:

- Default of one or more approved provider lessees
- Non-payment of voids cover by care providers
- Property valuations may be subject to change over time
- Higher than projected levels of inflation may impact approved providers' ability to pay rent due under the group's leases
- Unable to operate within debt covenants

Regulatory Risks:

- Risk of an approved provider being deemed non-compliant with the governance and viability standard by the regulator
- Risk of changes to the social housing regulatory regime and changes to government policy in relation to social housing and housing benefit
- Risk of poor or inadequate housing management (including compliance) or poor provision of care services by the group's approved providers lessees and care providers respectively

Strategic Risks:

- Reliance on the Investment Manager
- The potential impact of climate change on the valuation of the group's properties

Directors' Responsibilities Statement

The Directors confirm that to the best of their knowledge this unaudited condensed set of financial statements has been prepared in accordance with UK-adopted International Accounting Standard (IAS) 34 'Interim Financial Reporting' and that the operating and financial review above includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority namely:

- an indication of important events that have occurred during the six months ended 30 June 2024 and their impact on the condensed financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the six months ended 30 June 2024 as disclosed in note 19 and any material changes in the related party transactions disclosed in the 2023 Annual Report.

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

/ APPROVAL

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

Chris Phillips
Chair

12 September 2024

Independent Review Report

/ TO THE MEMBERS OF TRIPLE POINT SOCIAL HOUSING REIT PLC

/ CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2024 which comprises the Condensed Group Statement of Comprehensive Income, the Condensed Group Statement of Financial Position, the Condensed Group Statement of Changes in Equity, the Condensed Group Statement of Cash Flows and the Notes to the Condensed Group Interim Financial Statements.

/ BASIS FOR CONCLUSION

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

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

/ CONCLUSIONS RELATING TO GOING CONCERN

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

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

/ RESPONSIBILITIES OF DIRECTORS

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

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

/ AUDITOR'S RESPONSIBILITIES FOR THE REVIEW OF THE FINANCIAL INFORMATION

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

/ USE OF OUR REPORT

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

BDO LLP
Chartered Accountants
London, UK

12 September 2024

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

Financials

Condensed Group Statement of Comprehensive Income

For the six months ended 30 June 2024

	Note	For the six months ended 30 June 2024 (unaudited) £'000	For the six months ended 30 June 2023 (unaudited) £'000	For the year ended 31 December 2023 (audited) £'000
Income				
Rental income	4	**20,540**	19,576	39,839
Expected credit loss	4	**(1,436)**	(3,157)	(4,593)
Other income		**3**	–	–
Total income		**19,107**	16,419	35,246
Expenses				
Directors' remuneration		**(150)**	(156)	(312)
General and administrative expenses		**(1,344)**	(1,446)	(3,245)
Management fees	5	**(2,349)**	(2,339)	(4,651)
Total expenses		**(3,843)**	(3,941)	(8,208)
(Loss)/gain from fair value adjustment on investment properties	8	**(6,122)**	5,886	15,477
Operating profit		**9,142**	18,364	42,515
Finance income		**22**	29	52
Finance costs	6	**(3,864)**	(3,777)	(7,578)
Profit before tax from continuing operations		**5,300**	14,616	34,989
Taxation	7	**–**	–	–
Profit and total comprehensive income from continuing operations		**5,300**	14,616	34,989
Profit and total comprehensive income		**5,300**	14,616	34,989
IFRS earnings per share – basic and diluted	22	**1.35p**	3.65p	8.81p

The accompanying notes on pages 46 to 56 form an integral part of these Group Financial Statements.

Condensed Group Statement of Financial Position

as at 30 June 2024

	Note	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Assets				
Non-current assets				
Investment properties	8	**648,848**	665,422	675,497
Trade and other receivables	10	**5,036**	3,042	4,233
Total non-current assets		**653,884**	668,464	679,730
Current assets				
Assets held for sale	9	**21,755**	7,871	–
Trade and other receivables	11	**3,054**	3,063	3,864
Cash, cash equivalents and restricted cash	12	**29,260**	23,843	29,452
Total current assets		**54,069**	34,777	33,316
Total assets		**707,953**	703,241	713,046
Liabilities				
Current liabilities				
Trade and other payables	13	**3,153**	2,556	2,722
Total current liabilities		**3,153**	2,556	2,722
Non-current liabilities				
Other payables	14	**1,304**	1,522	1,524
Bank and other borrowings	15	**261,320**	261,178	261,183
Total non-current liabilities		**262,624**	262,700	262,707
Total liabilities		**265,777**	265,256	265,429
Total net assets		**442,176**	437,985	447,617
Equity				
Share capital		**3,940**	3,940	3,940
Share premium reserve		**203,753**	203,753	203,753
Treasury shares reserve		**(378)**	(378)	(378)
Capital redemption reserve	16	**93**	93	93
Capital reduction reserve	16	**155,359**	155,359	155,359
Retained earnings		**79,409**	75,218	84,850
Total Equity		**442,176**	437,985	447,617
IFRS net asset value per share – basic and diluted	23	**112.38p**	111.31p	113.76p

The Condensed Group Interim Financial Statements were approved and authorised for issue by the Board on 12 September 2024 and signed on its behalf by:

Chris Phillips
Chair
12 September 2024

The accompanying notes on pages 46 to 56 form an integral part of these Group Financial Statements.

Condensed Group Statement of Changes in Equity

as at 30 June 2024

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

For the six months ended 30 June 2023 (unaudited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		4,033	203,753	(378)	–	160,394	71,483	439,285
Profit and total comprehensive income for the period		–	–	–	–	–	14,616	14,616
Transactions with owners								
Dividends paid	17	–	–	–	–	–	(10,881)	(10,881)
Shares repurchased	16	(93)	–	–	93	(5,035)	–	(5,035)
Balance at 30 June 2023 (unaudited)		3,940	203,753	(378)	93	155,359	75,218	437,985

For the year ended 31 December 2023 (audited)	Note	Share capital £'000	Share premium reserve £'000	Treasury shares reserve £'000	Capital redemption reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2023		4,033	203,753	(378)	–	160,394	71,483	439,285
Profit and total comprehensive income for the year		–	–	–	–	–	34,989	34,989
Transactions with owners								
Dividends paid	17	–	–	–	–	–	(21,622)	(21,622)
Shares repurchased	16	(93)	–	–	93	(5,035)	–	(5,035)
Balance at 31 December 2023 (audited)		3,940	203,753	(378)	93	155,359	84,850	447,617

The accompanying notes on pages 46 to 56 form an integral part of these Group Financial Statements.

Condensed Group Statement of Cash Flows

For the six months ended 30 June 2024

	Note	For the six months ended 30 June 2024 (unaudited) £'000	For the six months ended 30 June 2023 (unaudited) £'000	For the year ended 31 December 2023 (audited) £'000
Cash flows from operating activities				
Profit before income tax		**5,300**	14,616	34,989
Adjustments for:				
Expected credit loss		**1,436**	3,157	4,593
Loss/(gain) from fair value adjustment on investment properties	8	**6,122**	(5,886)	(15,477)
Finance income		**(22)**	(29)	(52)
Finance costs	6	**3,864**	3,777	7,578
Operating results before working capital changes		**16,700**	15,635	31,631
Increase in trade and other receivables		**(1,429)**	(2,101)	(5,528)
Increase/(decrease) in trade and other payables		**96**	(402)	(240)
Net cash generated from operating activities		**15,367**	13,132	25,863
Cash flows from investing activities				
Purchase of/additions to investment properties		**(1,113)**	147	67
Disposal proceeds from sale of assets		**–**	–	7,472
Restricted cash – paid		**65**	–	5
Interest received		**–**	7	8
Net cash (used in)/generated from investing activities		**(1,048)**	154	7,552
Cash flows from financing activities				
Ordinary shares repurchased		**–**	(5,035)	(5,035)
Loan arrangement fees paid		**–**	(52)	(212)
Dividends paid	17	**(10,741)**	(10,881)	(21,622)
Interest paid		**(3,705)**	(3,614)	(7,228)
Net cash used in financing activities		**(14,446)**	(19,582)	(34,097)
Net decrease in cash and cash equivalents		**(127)**	(6,296)	(682)
Cash and cash equivalents at the beginning of the period		**29,014**	29,696	29,696
Cash and cash equivalents at the end of the period	12	**28,887**	23,400	29,014

The accompanying notes on pages 46 to 56 form an integral part of these Group Financial Statements.

Notes to the Condensed Group Interim Financial Statements (unaudited)

For the six months ended 30 June 2024

1. CORPORATE INFORMATION

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

The principal activity of the Company is to act as the ultimate parent company of Triple Point Social Housing REIT plc and its subsidiaries (the "Group") and to provide shareholders with an attractive level of income, together with the potential for capital growth from investing in a portfolio of social homes.

2. BASIS OF PREPARATION

These condensed Group interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and also in accordance with the measurement and recognition principles of UK-adopted international accounting standards. They do not include all of the disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2023 Annual Report.

The comparative figures for the financial year ended 31 December 2023 presented herein do not constitute the full statutory accounts within the meaning of section 434 of the Companies Act 2006. Those accounts have been reported on by the Group's auditors and delivered to the registrar of companies. The report of the auditor (i) was unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006.

The condensed Group interim financial statements for the six months ended 30 June 2024 have been reviewed by the Company's Auditor, BDO LLP, in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. The condensed Group interim financial statements are unaudited and do not constitute statutory accounts for the purposes of the Companies Act 2006.

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

The Group has applied the same accounting policies and method of computation in these condensed Group interim financial statements as in its 2023 annual financial statements and are expected to be consistently applied during the year ending 31 December 2024. At the date of authorisation of these financial statements, there were a number of standards and interpretations which were in issue but not yet effective. The Group has assessed the impact of these amendments and has determined that the application of these amendments and interpretations in current and future periods will not have a significant impact on the financial statements.

2.1. GOING CONCERN

The Group benefits from a secure income stream from long leases which are not overly reliant on any one tenant and present a well-diversified risk. The Directors have reviewed the Group's forecast which shows the expected annualised rental income exceeds the expected operating costs of the Group. 93.3% of rental income due and payable for the six months ended 30 June 2024 has been collected, rent arrears are predominantly attributable to two Approved Providers, My Space Housing Solutions and Parasol Homes.

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

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

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

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

	Norland Estates Limited	TP REIT Propco 2 Limited
Asset Cover Ratio (ACR)		
Asset Cover Ratio Covenant	**x2.00**	x1.67
Asset Cover Ratio at 30 June 2024	**x2.73**	x1.93
Blended Net initial yield	**5.98%**	6.24%
Headroom (yield movement)	**201bps**	90bps
Interest Cover Ratio (ICR)		
Interest Cover Ratio Covenant	**1.75x**	1.75x
Interest Cover Ratio at 30 June 2024	**4.81x**	4.62x
Headroom (rental income movement)	**64%**	59%

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

The Group has no short or medium-term refinancing risk given the 9.1 year average maturity of its long-term debt facilities with MetLife and Barings, the first of which expires in June 2028, and which are fully fixed at an all-in weighted average rate of 2.74%.

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

2.2. REPORTING PERIOD

These condensed Group interim financial statements have been prepared for the six months ended 30 June 2024. The comparative periods are the six months ended 30 June 2023 and the year ended 31 December 2023.

2.3. CURRENCY

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

2.4. ASSETS HELD FOR SALE

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. In the Directors' view, there have been no significant changes since the annual report for the year ended 31 December 2023, to the extent of estimation uncertainty, key assumptions or valuation techniques relating to investment properties as a result of the current macroeconomic environment. Further details can be found in note 8.

3.1. EXPECTED CREDIT LOSSES (ECL)

The Group recognised an additional ECL provision of £1.4 million in the current period (30 June 2023: £3.2 million, 31 Dec 2023: £4.6 million) resulting in a total ECL provision of £8.1 million as at 30 June 2024 (30 June 2023: £5.2 million, 31 Dec 2023: £6.7 million) which relates to arrears for two of the Group's Approved Providers. A default probability for each of the Approved Providers, representing the estimated percentage likelihood of them paying arrears due at 30 June 2024, was determined based on their latest known financial position and any repayment plans that had been agreed or discussed. For each Approved Provider the estimated percentage probability of receiving arrears has been multiplied by the arrears as at the statement of financial position date. These figures have been aggregated to arrive at the ECL provision as at the reporting date.

3.2. LEASE INCENTIVE DEBTOR

The lease incentive debtor recognised from rent smoothing adjustments are not considered to be financial assets as the amounts are not yet contractually due. As such, the requirements of IFRS 9 (including the expected credit loss method) are not applied to those balances. The credit risk associated with the tenant is considered in the determination of the fair value of the related property. In the current period, the income recognised in respect of such rent smoothing amounted to £763,000 (30 June 2023: £453,000).

Notes to the Condensed Group Interim Financial Statements (unaudited)

For the six months ended 30 June 2024

4. RENTAL INCOME

	For the six months ended 30 June 2024 (unaudited) £'000	For the six months ended 30 June 2023 (unaudited) £'000	For the year ended 31 December 2023 (audited) £'000
Rental income – freehold assets	**19,290**	18,415	37,473
Rental income – leasehold assets	**1,250**	1,161	2,366
	20,540	19,576	39,839
Expected credit loss	**(1,436)**	(3,157)	4,593

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

All rental income arose within the United Kingdom.

The Group's credit losses started to occur during the year ended 31 December 2022 for the first time since IPO. The expected loss rates are adjusted for current and forward-looking information affecting the Group's tenants. The ECL provision recognised during the period was £1.4 million which mostly relates to a single tenant.

5. MANAGEMENT FEES

	For the six months ended 30 June 2024 (unaudited) £'000	For the six months ended 30 June 2023 (unaudited) £'000	For the year ended 31 December 2023 (audited) £'000
Management fees	**2,349**	2,339	4,651
	2,349	2,339	4,651

On 20 July 2017 Triple Point Investment Management LLP ("TPIM") was appointed as the delegated investment manager of the Company by entering into the property management services and delegated portfolio management agreement. Under this agreement the delegated investment manager will advise the Company and provide certain management services in respect of the property portfolio. A Deed of Variation was signed on 23 August 2018. This defined cash balances in the Net Asset Value calculation in respect of the management fee as "positive uncommitted cash balances after deducting any borrowings".

The management fee is an annual management fee which is calculated quarterly in arrears based upon a percentage of the last published Net Asset Value of the Group (not taking into account uncommitted cash balances after deducting borrowings) as at 31 March, 30 June, 30 September and 31 December in each year on the following basis with effect from Admission:

(a) on that part of the Net Asset Value up to and including £250 million, an amount equal to 1% of such part of the Net Asset Value;

(b) on that part of the Net Asset Value over £250 million and up to and including £500 million, an amount equal to 0.9% of such part of the Net Asset Value;

(c) on that part of the Net Asset Value over £500 million and up to and including £1 billion, an amount equal to 0.8% of such part of the Net Asset Value; and

(d) on that part of the Net Asset Value over £1 billion, an amount equal to 0.7% of such part of the Net Asset Value.

Management fees of £2,349,000 were chargeable by TPIM during the six months ended 30 June 2024 (six months ended 30 June 2023: £2,339,000, year ended 31 December 2023: £4,651,000). At the period end, £1,166,000 was due to TPIM (30 June 2023: £1,156,000, 31 December 2023: £1,180,000).

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

6. FINANCE COSTS

	For the six months ended 30 June 2024 (unaudited) £'000	For the six months ended 30 June 2023 (unaudited) £'000	For the year ended 31 December 2023 (audited) £'000
Interest payable on bank borrowings	**3,609**	3,609	7,217
Amortisation of loan arrangement fees	**137**	141	307
Lender property valuation fees	**91**	–	–
Head lease interest expense	**22**	22	44
Total finance cost for financial liabilities not held at fair value through profit or loss	**3,859**	3,772	7,568
Bank charges	**5**	5	10
Total finance costs	**3,864**	3,777	7,578

Lender property valuation fees were previously included as loan arrangement fees and amortised.

7. TAXATION

As a UK REIT, the Group is exempt from corporation tax on the profits and gains from its property investment business, provided it meets certain conditions as set out in the UK REIT regulations. For the six months ended 30 June 2024, the Group did not have any non-qualifying profits and accordingly there is no tax charge in the period. If there were any non-qualifying profits and gains, these would be subject to corporation tax.

It is assumed that the Group will continue to be a group UK REIT for the foreseeable future, such that deferred tax has not been recognised on temporary differences relating to the property rental business.

8. INVESTMENT PROPERTIES

	Operational assets £'000
As at 1 January 2024	**675,497**
Acquisitions and additions*	1,226
Fair value adjustment**	(6,122)
Movement in head lease ground rent liability	2
Reclassified to assets held for sale***	(21,755)
As at 30 June 2024 (unaudited)	**648,848**

	Operational assets £'000
As at 1 January 2023	667,713
Acquisitions and additions*	(308)
Fair value adjustment**	5,886
Movement in head lease ground rent liability	2
Reclassified to assets held for sale***	(7,871)
As at 30 June 2023 (unaudited)	665,422

	Operational assets £'000
As at 1 January 2023	667,713
Acquisitions and additions*	(224)
Fair value adjustment**	15,875
Movement in head lease ground rent liability	4
Disposals	(7,871)
As at 31 December 2023 (audited)	675,497

*Additions in the table above differs to the total investment cost of new properties in the period in the front end due to improvement works in relation to the Eco-Retrofit project being included here as well as retentions no longer payable which were credited to Investment Property additions.

**(Loss)/gain from fair value adjustment on investment properties in the condensed Group statement of comprehensive income include loss on disposal of assets of £nil (six months ended 30 June 2023: £nil, year ended 31 December 2023: loss of £0.11 million) and loss from fair value adjustments on assets held for sale of £nil (six months ended 30 June 2023: £nil; year ended 31 December 2023: £0.28 million).

***13 assets with fair value of £21.5 million have been reclassified as assets held for sale during the period (30 June 2023: 4 assets with fair value of £7.9 million). See note 9 for further details.

Reconciliation to independent valuation:

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Investment property valuation	**652,689**	667,237	678,358
Fair value adjustment – head lease ground rent	**1,243**	1,462	1,463
Fair value adjustment – lease incentive debtor*	**(5,084)**	(3,277)	(4,324)
	648,848	665,422	675,497

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

The carrying value of leasehold properties at 30 June 2024 was £28.9 million (30 June 2023: £40.8 million, 31 December 2023: £41.1 million). The investment property valuation above excludes the fair value of the assets held for sale at the end of each reporting period.

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

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

% KEY STATISTICS

Portfolio metrics	30 June 2024	30 June 2023	31 December 2023
Capital Deployed (£'000)*	**556,473**	581,735	574,827
Number of Properties***	**481**	497	493
Number of Tenancies	**378**	394	390
Number of Approved Providers	**28**	27	27
Number of Local Authorities	**148**	153	153
Number of Care Providers	**109**	123	116
Average Net Initial Yield**	**5.97%**	5.69%	5.71%

* calculated excluding acquisition costs

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

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

Notes to the Condensed Group Interim Financial Statements (unaudited)

For the six months ended 30 June 2024

REGIONAL EXPOSURE

Region	30 June 2024** *Cost £'000	30 June 2024** % of funds invested	30 June 2023 *Cost £'000	30 June 2023 % of funds invested	31 December 2023 *Cost £'000	31 December 2023 % of funds invested
North West	**101,466**	**18.2**	£115,063	19.8	£109,880	19.1
West Midlands	**92,993**	**16.7**	£94,760	16.3	£93,635	16.3
Yorkshire	**84,498**	**15.2**	£86,293	14.8	£87,148	15.2
East Midlands	**62,853**	**11.3**	£69,429	11.9	£63,979	11.1
North East	**56,653**	**10.2**	£51,986	9.0	£56,653	9.9
London	**49,626**	**8.9**	£49,626	8.5	£49,626	8.6
South East	**49,490**	**8.9**	£54,848	9.4	£53,674	9.3
South West	**28,108**	**5.1**	£27,466	4.7	£27,466	4.8
East	**24,206**	**4.3**	£23,704	4.1	£24,206	4.2
Scotland	**5,900**	**1.1**	£5,900	1.0	£5,900	1.0
Wales	**680**	**0.1**	£2,660	0.5	£2,660	0.5
Total	**556,473**	**100.0**	£581,735	100.0	£574,827	100.0

* excluding acquisition costs.

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

FAIR VALUE HIERARCHY

	Date of valuation	Total £'000	Quoted prices in active markets (Level 1) £'000	Significant observable inputs (Level 2) £'000	Significant unobservable inputs (Level 3) £'000
Assets measured at fair value:					
Investment properties	30 June 2024	648,848	–	–	648,848
Investment properties	30 June 2023	665,422	–	–	665,422
Investment properties	31 December 2023	675,497	–	–	675,497

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

The valuations have been prepared in accordance with the RICS Valuation – Professional Standards (incorporating the International Valuation Standards) by JLL, one of the leading professional firms engaged in the social housing sector.

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

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

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

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

VALUATION TECHNIQUES: DISCOUNTED CASH FLOWS

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

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

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

Key factors in determining the discount rates to assess the level of uncertainty applied include the performance of the regulated social housing sector and demand for each specialist supported housing property owned by the Group, costs of acquisition and refurbishment of each property, the anticipated future underlying cash flows for each property, benchmarking of each underlying rent for each property (passing rent), and the fact that all of the Group's properties have the benefit of full repairing and insuring leases entered into by a Housing Association.

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

SENSITIVITIES OF MEASUREMENT OF SIGNIFICANT UNOBSERVABLE INPUTS

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

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

KEY UNOBSERVABLE INPUTS – DISCOUNT RATE AND INFLATION:

The average discount rate used in the Group's property portfolio valuation is 7.4% (30 June 2023: 7.2%, 31 December 2023: 7.3%).

The range of discount rates used in the Group's property portfolio valuation is from 6.6% to 10.5%. (30 June 2023: 6.5% to 9.8%, 31 December 2023: 6.5% to 10.0%).

For the purposes of the valuation, CPI and RPI is assumed to increase by 2% per annum and 2.5% per annum respectively over the term of the relevant leases.

	-0.5% change in Discount Rate £'000	+0.5% change in Discount Rate £'000	+0.25% change in CPI £'000	-0.25% change in CPI £'000
Changes in the IFRS fair value of investment properties as at 30 June 2023	39,438	(35,994)	20,296	(19,425)
Changes in the IFRS fair value of investment properties as at 31 December 2023	38,653	(35,403)	19,143	(18,377)

	-1% change in Discount Rate £'000	+1% change in Discount Rate £'000	+0.5% change in CPI £'000	-0.5% change in CPI £'000
Changes in the IFRS fair value of investment properties as at 30 June 2024	**76,400**	**(64,140)**	**38,033**	**(35,170)**

Assumptions used in December 2023 and June 2023 (+/- 0.5% DCR, +/-0.25% CPI) have been increased to +/-1% DCR and +/- 0.5% CPI.

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

9. ASSETS HELD FOR SALE

Management considers 13 of the Group's properties (30 June 2023: 4; 31 December 2023: nil) to meet the conditions relating to assets held for sale, as per IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The properties are expected to be disposed of during the next 12 months. Assets held for sale are disclosed at their fair value.

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

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Assets held for sale	**21,755**	7,871	–
	21,755	7,871	–

Notes to the Condensed Group Interim Financial Statements (unaudited)

For the six months ended 30 June 2024

10. TRADE AND OTHER RECEIVABLES (NON-CURRENT)

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Lease incentive debtor	**4,881**	2,876	4,072
Other receivables	**155**	166	161
	5,036	3,042	4,233

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

11. TRADE AND OTHER RECEIVABLES (CURRENT)

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Rent receivable	**2,273**	2,184	2,436
Lease incentive debtor	**207**	401	252
Prepayments	**209**	117	189
Other receivables	**365**	361	987
	3,054	3,063	3,864

The Directors consider that the carrying value of trade and other receivables approximate their fair value. All amounts are due to be received within one year from the reporting date. Rent receivable and other receivables are presented net of ECL provision of £8.1 million as at 30 June 2024 (30 June 2023: £5.2 million and 31 December 2023: £6.7 million).

The Group applies the general approach in providing for expected credit losses under IFRS 9 for other receivables. Where the credit loss relates to revenue already recognised in the statement of comprehensive income, the expected credit loss allowance is recognised in the Statement of Comprehensive Income. Expected credit losses totalling £1.4 million (30 June 2023: £3.2 million, 31 December 2023: £4.6 million) were charged to the Statement of Comprehensive Income in the period.

12. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Cash at bank	**28,878**	23,370	29,014
Restricted cash	**373**	443	438
Cash held by lawyers	**9**	30	–
	29,260	23,843	29,452

Cash held by lawyers is money held in a client account in relation to the forward funding deal completed in June 2024. Since 30 June 2024 the funds have been returned to the Group. These funds are available immediately on demand.

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

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Total cash, cash equivalents and restricted cash	**29,260**	23,843	29,452
Restricted cash	**(373)**	(443)	(438)
Cash reported on Group statement of cash flows	**28,887**	23,400	29,014

13. TRADE AND OTHER PAYABLES

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Trade payables	**103**	36	–
Accruals	**2,262**	1,982	2,270
Head lease ground rent	**40**	40	40
Assets held for sale liability	**222**	–	–
Other creditors	**526**	498	412
	3,153	2,556	2,722

The Other Creditors balance consists of retentions due on completion of outstanding works and accrued acquisition costs. The Directors consider that the carrying value of trade and other payables approximate their fair value. All amounts are due for payment within one year from the reporting date.

14. OTHER PAYABLES

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Head lease ground rent	**1,204**	1,422	1,424
Rent deposit	**100**	100	100
	1,304	1,522	1,524

15. BANK AND OTHER BORROWINGS

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Bank and other borrowings drawn at period end	**263,500**	263,500	263,500
Unamortised costs at beginning of period	**(2,317)**	(2,411)	(2,412)
Less: loan issue costs incurred	**–**	(52)	(212)
Add: loan issue costs amortised	**137**	141	307
Unamortised costs at period end	**(2,180)**	(2,322)	(2,317)
Balance at period end	**261,320**	261,178	261,183

At 30 June 2024 there were no undrawn bank borrowings (30 June 2023: £nil, 31 December 2023: £nil).

As at 30 June 2024, the Group's borrowings comprised two debt facilities:

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

LOAN NOTES

The Loan Notes of £68.5 million are secured against a portfolio of specialist supported housing assets throughout the UK, worth approximately £186.9 million (30 June 2023: £187.8 million, 31 December 2023: £192.5 million). The Loan Notes represented a loan-to-value of 40% of the value of the secured pool of assets on inception of the Loan Notes and are split into two tranches: Tranche-A, is an amount of £41.5 million, has a term of 10 years from utilisation and is priced at an all-in coupon of 2.924% pa; and Tranche-B, is an amount of £27.0 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 3.215% pa. On a blended basis, the weighted average term is 12 years carrying a weighted average fixed rate coupon of 3.04% pa. At 30 June 2024, the Loan Notes have been independently valued at £58.1 million (30 June 2023: £54.1 million, 31 December 2023: £59.3 million) which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 4.026% 2028 Gilt (Tranche A) and Treasury 4.039% 2033 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

In August 2021, the Group put in place Loan Notes of £195.0 million which enabled the Group to refinance the full £130.0 million previously drawn under its £160.0 million RCF with Lloyds and NatWest. The Loan Notes are secured against a portfolio of specialist supported housing assets throughout the UK, worth approximately £375.9 million (June 2023: £397.5 million, 31 December 2023: £392.6 million). The Loan Notes represented a loan-to-value of 40% of the value of the secured pool of assets on inception of the Loan Notes and are split into two tranches: Tranche-A, is an amount of £77.5 million, has a term of 10 years from utilisation and is priced at an all-in coupon of 2.403% pa; and Tranche-B, is an amount of £117.5 million, has a term of 15 years from utilisation and is priced at an all-in coupon of 2.786% pa. On a blended basis, the weighted average term is 13 years carrying a weighted average fixed rate coupon of 2.634% pa. At 30 June 2024, the Loan Notes have been independently valued at £140.9 million (30 June 2023: £130.5 million, 31 December 2023: £145.7 million) which has been used to calculate the Group's EPRA Net Disposal Value in note 2 of the Unaudited Performance Measures. The fair value is determined by comparing the discounted future cash flows using the contracted yields with the reference gilts plus the margin implied. The reference gilts used were the Treasury 4.006% 2031 Gilt (Tranche A) and Treasury 4.232% 2036 Gilt (Tranche B), with an implied margin that is unchanged since the date of fixing.

The valuation of these loans are considered to be a Level 2 fair value measurement for the purposes of the EPRA Net Disposal Value.

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

16. CAPITAL REDUCTION RESERVE

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Balance at beginning of period	**155,359**	160,394	160,394
Share buybacks	**–**	(5,035)	(5,035)
Balance at end of period	**155,359**	155,359	155,359

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

No shares were repurchased in the current period.

Notes to the Condensed Group Interim Financial Statements (unaudited)

For the six months ended 30 June 2024

CAPITAL REDEMPTION RESERVE

	30 June 2024 (unaudited) £'000	30 June 2023 (unaudited) £'000	31 December 2023 (audited) £'000
Balance at beginning of period	**93**	–	–
Original shares repurchased & cancelled	**–**	93	93
Balance at end of period	**93**	93	93

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

17. DIVIDENDS

	For the six months ended 30 June 2024 (unaudited) £'000	For the six months ended 30 June 2023 (unaudited) £'000	For the year ended 31 December 2023 (audited) £'000
1.365p for the 3 months to 31 December 2022 paid on 29 March 2023	**–**	5,498	5.498
1.365p for the 3 months to 31 March 2023 paid on 28 June 2023	**–**	5,383	5,382
1.365p for the 3 months to 30 June 2023 paid on 29 September 2023	**–**	–	5,371
1.365p for the 3 months to 30 September 2023 paid on 15 December 2023	**–**	–	5,371
1.365p for the 3 months to 31 December 2023 paid on 22 March 2024	**5,371**	–	–
1.365p for the 3 months to 31 March 2024 paid on 14 June 2024	**5,370**	–	–
	10,741	10,881	21,662

On 12 September 2024 the Company declared an interim dividend of 1.365 pence per Ordinary Share for the period 1 April 2024 to 30 June 2024. The total dividend of £5,370,000 will be paid on 4 October 2024 to Ordinary shareholders on the register on 20 September 2024.

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

18. SEGMENTAL INFORMATION

All of the Group's properties are engaged in a single segment business with all revenue, assets and liabilities arising in the UK, therefore, no geographical segmental analysis is required by IFRS 8 for the reasons provided in the 31 December 2023 Annual Report.

19. RELATED PARTY DISCLOSURE

DIRECTORS

Directors are remunerated for their services at such rate as the Directors shall from time to time determine. The Chairman receives a director's fee of £75,000 per annum (30 June 2023: £75,000, 31 December 2023: £75,000), and the other Directors of the Board receive a fee of £50,000 (30 June 2023: £50,000, 31 December 2023: £50,000) per annum. The Directors are also entitled to an additional fee of £7,500 in connection with the production of every prospectus by the Company. No prospectus was produced in the year ended 31 December 2023 nor in the current period.

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

Chris Phillips: £1,498
(30 June 2023: £1,498, 31 December 2023: £2,995)

Peter Coward: £2,186
(30 June 2023: £2,186, 31 December 2023: £4,372)

Paul Oliver: £nil
(30 June 2023: £2,129, 31 December 2023: £2,128)
(Resigned on 30 June 2023)

Tracey Fletcher-Ray: £1,030
(30 June 2023: £1,030, 31 December 2023: £2,060)

No shares were held by Cecily Davis & Ian Reeves as at 30 June 2024 (31 December 2023 and 30 June 2023: nil).

INVESTMENT MANAGER

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

20. POST BALANCE SHEET EVENTS

DIVIDENDS

On 12 September 2024, the Company declared an interim dividend of 1.365 pence per Ordinary Share for the period 1 April 2024 to 30 June 2024. The total dividend of £5,370,000 million will be paid on on 4 October 2024 to Ordinary shareholders on the register on 20 September 2024.

PARASOL LEASE TRANSFER

On 19 August 2024, all 38 properties previously leased to Parasol Homes Ltd were transferred to Westmoreland Housing Association. Up to the point of transfer, Parasol continued to pay rent in accordance with the existing creditor's agreement, being 60% of full lease rent. The transfer does not give rise to an adjustment of the valuation of investment properties at 30 June 2024.

21. CAPITAL COMMITMENTS

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

22. EARNINGS PER SHARE

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

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

Calculation of Basic Earnings per share	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)	For the year ended 31 December 2023 (audited)
Net profit attributable to ordinary shareholders (£'000)	5,300	14,616	34,989
Weighted average number of ordinary shares (including treasury shares)	393,466,490	400,608,159	397,007,975
IFRS Earnings per share – basic and diluted	**1.35p**	3.65p	8.81p

Notes to the Condensed Group Interim Financial Statements (unaudited)

For the six months ended 30 June 2024

Calculation of EPRA Earnings per share	For the six months ended 30 June 2024 (unaudited)	For the six months ended 30 June 2023 (unaudited)	For the year ended 31 December 2023 (audited)
Net profit attributable to ordinary shareholders (£'000)	5,300	14,616	34,989
Changes in value of fair value of investment properties (£'000)	6,122	(5,886)	(15,477)
EPRA earnings (£'000)	**11,422**	8,730	19,512
Non cash adjustments to include:			
Movement in Lease Incentive Debtor (£'000)	(763)	(453)	(1,500)
Amortisation of loan arrangement fees (£'000)	137	141	307
Adjusted earnings (£'000)	**10,796**	8,418	18,319
Weighted average number of ordinary shares (including treasury shares)	393,466,490	400,608,159	397,007,975
EPRA earnings per share – basic and diluted	**2.90p**	2.18p	4.92p
Adjusted earnings per share – basic and diluted	**2.74p**	2.10p*	4.61p

* restated to adjust for the movement in lease incentive debtor

Adjusted earnings is a performance measure used by the Board to assess the Group's dividend payments. The metric adjusts EPRA earnings for non cash items, including amortisation of ongoing loan arrangement fees and the movement in the lease incentive debtor. In prior years the movement in lease incentive debtor has not been reflected in the calculation of adjusted earnings as it was not material. The comparative for the six months ended 30 June 2023 has been restated for consistency. The Board sees these adjustments as a reflection of actual cashflows which are supportive of dividend payments. The Board compares the Adjusted earnings to the available distributable reserves when considering the level of dividend to pay.

For this EPRA measure and proceeding EPRA measures, please refer to explanations and definitions of the EPRA performance measures that can be found on pages 57 to 58.

23. NET ASSET VALUE PER SHARE

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

Net asset values have been calculated as follows:

	30 June 2024 (unaudited)	30 June 2023 (unaudited)	31 December 2023 (audited)
Net assets at end of period (£'000)	442,176	437,985	447,617
Shares in issue at end of period (excluding shares held in treasury)	393,466,490	393,466,490	393,466,490
IFRS NAV per share – basic and dilutive	**112.38p**	111.31p	113.76p

Unaudited Performance Measures

For the six months ended 30 June 2024

1. EPRA NET REINSTATEMENT VALUE

	30 June 2024	30 June 2023	31 December 2023
IFRS NAV/EPRA NAV (£'000)	**442,176**	437,985	447,617
Include:			
Real Estate Transfer Tax* (£'000)	**41,754**	41,638	41,962
EPRA Net Reinstatement Value (£'000)	**483,930**	479,623	489,579
Fully diluted number of shares	**393,466,490**	393,466,490	393,446,490
EPRA Net Reinstatement value per share	**122.99p**	121.90p	124.43p

* Purchaser's costs

2. EPRA NET DISPOSAL VALUE

	30 June 2024	30 June 2023	31 December 2023
IFRS NAV/EPRA NAV (£'000)	**442,176**	437,985	447,617
Include:			
Fair value of debt* (£'000)	**62,385**	76,635	56,106
EPRA Net Disposal Value (£'000)	**504,561**	514,620	503,723
Fully diluted number of shares	**393,466,490**	393,466,490	393,446,490
EPRA Net Disposal Value per share**	**128.23p**	130.79p	128.02p

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

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

3. EPRA NET TANGIBLE ASSETS

	30 June 2024	30 June 2023	31 December 2023
IFRS NAV/EPRA NAV (£'000)	**442,176**	437,985	447,617
EPRA NTA (£'000)	**442,176**	437,985	447,617
Fully diluted number of shares	**393,466,490**	393,466,490	393,446,490
EPRA NTA per share*	**112.38p**	111.31p	113.76p

* Equal to IFRS NAV and previous EPRA NAV metric as none of the EPRA Net Tangible Asset adjustments are applicable as at 30 June 2023, 31 December 2023 or 30 June 2024.

Unaudited Performance Measures

For the six months ended 30 June 2024

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

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Investment Property – wholly-owned (excluding head lease ground rents)	**647,605**	663,960	674,033
Assets held for sale	**21,755**	7,871	–
Completed property portfolio	**669,360**	671,831	674,033
Allowance for estimated purchasers' costs	**41,754**	41,638	41,962
Gross up completed property portfolio valuation	**711,114**	713,469	715,995
Annualised passing rental income	**42,362**	40,299	39,912
Annualised net rents	**42,362**	40,299	39,912
Contractual increases for lease incentives	**256**	244	1,059
Topped up annualised net rents	**42,618**	40,543	40,971
EPRA NIY	**5.96%**	5.65%	5.57%
EPRA Topped Up NIY	**5.99%**	5.68%	5.72%

5. ONGOING CHARGES RATIO

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Annualised ongoing charges	**6,797**	7,151	7,242
Average undiluted net assets	**444,896**	438,635	443,451
Ongoing charges	**1.53%**	1.63%	1.63%

6. EPRA VACANCY RATE

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Estimated Market Rental Value (ERV) of vacant spaces	**138**	138	138
Estimated Market Rental Value (ERV) of whole portfolio	**42,756**	40,680	40,971
EPRA Vacancy Rate	**0.32%**	0.34%	0.33%

7. EPRA COST RATIO

	30 June 2024 £'000	30 June 2023 £'000	31 December 2023 £'000
Total administrative and operating costs	**3,843**	3,941	8,208
Gross rental income	**20,540**	19,576	39,839
EPRA cost ratio	**18.71%**	20.13%	20.60%

Glossary and Definitions

"AIC CODE"	AIC Code of Corporate Governance produced by the Association of Investment Companies.
"AIC GUIDE"	AIC Corporate Governance Guide for Investment Companies produced by the Association of Investment Companies.
"AIFM"	the alternative investment fund manager of the Company being Triple Point Investment Management LLP.
"AIFMD"	the EU Alternative Investment Fund Managers Directive 2011/61/EU.
"APPROVED PROVIDER"	a housing association, Local Authority or other regulated organisation in receipt of direct payment from local government including a care provider.
"BASIC NAV"	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time to time.
"BOARD"	the Directors of the Company from time to time.
"COMPANY"	Triple Point Social Housing REIT plc (company number 10814022).
"DTR"	the Disclosure Guidance and Transparency Rules sourcebook containing the Disclosure Guidance, Transparency Rules, corporate governance rules and the rules relating to primary information providers.
"EPRA"	the European Public Real Estate Association.
"GAV"	the gross assets of the Company in accordance with applicable accounting rules from time to time.
"GROUP"	the Company and any subsidiary undertakings from time to time.
"INVESTMENT MANAGER"	Triple Point Investment Management LLP (partnership number OC321250).
"IPO"	the admission by the Company of 200 million Ordinary Shares to trading on the Specialist Fund Segment of the Main Market, which were the subject of the Company's initial public offering on 8 August 2017.
"NAV"	the net assets of the Company in accordance with applicable accounting rules from time to time.
"NIY"	net initial yield, being the annual rent generated under a lease in respect of a property divided by the combined total of that property's acquisition price and acquisition costs.
"ORDINARY SHARES"	ordinary shares of £0.01 each in the capital of the Company.

Glossary and Definitions

"REGISTERED PROVIDER" a housing association or Local Authority.

"REGULATOR OF SOCIAL HOUSING" The Regulator of Social Housing is an executive non-departmental public body, sponsored by the Ministry of Housing, Communities and Local Government (formerly "Department for Levelling Up, Housing and Communities") responsible for promoting a viable, efficient and well-governed social housing sector.

"REIT" means a qualifying real estate investment trust in accordance with the UK REIT Regime introduced by the UK Finance Act 2006 and subsequently re-written into Part 12 of the Corporation Tax Act 2010.

"SUPPORTED HOUSING" accommodation that is suitable, or adapted, for residents with special needs, which may (but does not necessarily): (a) include some form of personal care provided by a supported housing care provider; and/or (b) that enable those tenants to live independently in the community.

"SPECIALISED SUPPORTED HOUSING" accommodation which is designed, structurally altered, refurbished or designated for occupation by, and made available to, residents who require specialised services or support in order to enable them to live, or to adjust to living, independently within the community.

"TOTAL RETURN" the percentage increase in net asset value plus dividends paid since IPO.

"WAULT" the weighted average unexpired lease term certain across the portfolio, weighted by contracted rental income. We have included all parts of the term certain, including additional leases which are triggered by landlords' put options, but not those triggered by lessees' call options unless the options were mutual.

Shareholder Information

NON-EXECUTIVE DIRECTORS
Chris Phillips
Tracey Fletcher-Ray
Peter Coward
Ian Reeves CBE
Cecily Davis

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INVESTMENTS
WITH **PURPOSE**
FOR **PROFIT**
BY **PEOPLE**
FROM TRIPLE POINT

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