Home REIT plc

Annual Report — For the year ended 31 August 2025

Overview

Home REIT plc ("the Company") and its subsidiaries (together the "Group")

The board of non-executive directors of the Company (ticker: HOME) (the "Board" or the "Directors") reports its annual results for the year ended 31 August 2025 ("FY25").

At the beginning of the financial year, the Company had the investment objective in the period of stabilising the Group's financial condition through initiatives to maximise income and capital returns by investing in a portfolio of UK residential real estate (the "Amended Investment Policy"). On 16 September 2024, shareholders approved the New Investment Policy. Under the New Investment Policy, the Company has the objective of realising all existing investments in the Group's portfolio in an orderly manner, with a view to ultimately returning available cash to shareholders following the repayment of the Group's borrowings. Full details of the New Investment Policy are on page 15.

The Group, a real estate investment trust ("REIT"), is listed on the Official List of the Financial Conduct Authority and was admitted to trading on the premium segment of the main market of the London Stock Exchange on 12 October 2020. As the Group did not publish its annual financial report for the year ended 31 August 2022 ("FY22") within four months of the end of its financial year (as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 4.1.3) the listing of the Company's ordinary shares (each a "Share" and together, the "Shares") was suspended on 3 January 2023. The FY22 accounts were published on 11 October 2024, the accounts for the year ended 31 August 2023 ("FY23") were published on 14 January 2025 and the accounts for the year ended 31 August 2024 ("FY24") were published on 20 October 2025. The Company expects to publish its interim accounts for the period ended 28 February 2025 in the first quarter of 2026. The Company will apply to the FCA for a restoration of its listing and the recommencement of its trading on the London Stock Exchange following publication of its outstanding financial information.

Contents

Portfolio and Financial overview

This Annual Report covers the results for the year ended 31 August 2025 and the below sets out the background that is relevant for shareholders to review during and after the year ended 31 August 2025.

- The Group owned 853 properties as at 31 August 2025 (31 August 2024: 1,375 properties), of which 404 properties were leased to 18 different registered charities, community interest companies and other regulated organisations and 449 properties were managed by third party property managers.
- A 16% decrease in net asset value ("NAV") per Share to 20.38 pence as at 31 August 2025 (2024: 11.6% decrease to 24.25 pence) resulting from the loss for the year.
- Loss before tax for the year of £30.6 million (2024: loss of £25.2 million). See page 4 for more detail.
- The Group repaid all of its outstanding borrowings and all associated interest and the Deferred Fees of £9.0 million during the year.
- The Group held unrestricted cash balances totalling £9.6 million at 31 August 2025 (2024: £6.2 million).
- No dividends were paid in respect of FY25 (FY24: nil).
- The Group completed on the sale of 522 properties for gross proceeds of £97.0 million from 1 September 2024 to 31 August 2025, which were presented in the Consolidated Statement of Financial Position as at 31 August 2024 at £99.4 million (2024: 1,098 properties for £147.9 million). All properties which have exchanged had completed as at 31 August 2025.
- The portfolio was independently valued at £154.9 million as at 31 August 2025 (2024: £265.4 million). 69.9% of the portfolio (by number of properties, 79.5% by value) (2024: 83.1% by number of properties, 88.6% by value) was valued on a vacant possession basis ("MV-VP").The properties have been valued on an individual basis. No portfolio premium or discount has been applied.
- In addition to the sale of 522 properties, the remaining portfolio experienced a decrease of £11.0 million. The valuation represents 41.6% of the historical acquisition costs of £372.4 million (including purchase costs) (2024: increase of £7.2 million, which represents 44.7% of the historical acquisition costs of £593.6 million).
- During the year ended 31 August 2025, the Group agreed surrender deals with 10 tenants covering 343 properties (2024: 29 tenants covering 1,839 properties). On 64 of those properties, the primary lease was surrendered and the Group inherited a direct lease with the undertenant. New leases were agreed on a further 43 properties and a property manager was put into place on 236 properties which are still in place except that three of the properties managed by a property manager as at 31 August 2025 have subsequently been sold. As a result of entering those surrender deals, the Group has 18 tenants at 31 August 2025, of which 12 were considered to be financially viable. AEW continues to discuss alternatives with the remaining tenants which might include a surrender of some or all of those tenant's properties.

Potential Litigation/FCA Investigation

A pre-action letter of claim was sent to the Company by Harcus Parker Limited ("Harcus Parker") on behalf of certain shareholders of the Company in October 2023. On 5 March 2024, the Company announced that it intended to bring legal proceedings against those parties it considers are responsible for wrongdoing. It remains the Company's intention to pursue those whom it considers may be liable for the losses it has suffered, subject to a commercial assessment of the cost-benefit analysis.

On 12 April 2024, the Company issued pre-action letters of claim to Alvarium FM and AITi RE. On 29 May 2024, the Company issued a pre-action letter of claim to AHRA.

On 7 February 2024, the Company was notified by the FCA of its commencement of an investigation into the Company covering the period from 22 September 2020 to 3 January 2023.

Serious Fraud Office

As we announced on 14 January 2026, the Company understands that the Serious Fraud Office ("SFO") made arrests and raided properties on that day related to people formerly associated with the Company. The Company continues to provide all assistance that it is able to the SFO in pursuing its investigations.

A summary of key events from Regulatory News Services ("RNS") announcements is included in Appendix 1. There is a Glossary of Defined Terms in Appendix 3 on pages 107 to 111.

Strategic report

Chair's statement

Dear Shareholder,

With the publication of this 2025 Annual Report and Accounts, the Board believes it has achieved an important milestone in the Managed Wind-Down and continues to be fully focused on working through its other priorities so it can begin to return capital to Shareholders.

Financial Results

Earnings/Loss

The loss before tax of the Group for the year to 31 August 2025 was £30.6 million (year to 31 August 2024: loss of £25.2 million).

The significant items causing the loss include:

- realised losses on the disposal of investment properties of £5.9 million;
- net revenues of £14.6 million, being rental income of £20.7 million net of an impairment of the rent straight-lining asset of £0.6 million and the provision for expected credit losses of £5.5 million;
- operating expenses of £11.3 million related to properties that are under management contracts;
- general and administrative expenses of £17.9 million which includes £5.3 million related to legal fees and £5.2 million of Investment Manager fees;
- finance costs of £0.4 million; and
- a decrease in fair value of investment property of £11.0 million;

Net asset value

The NAV has decreased from £191.7 million as at 31 August 2024 to £161.1 million as at 31 August 2025.

The NAV per Share has decreased to 20.38 pence as at 31 August 2025, a decrease of 16% from 24.25 pence as at 31 August 2024.

Corporate Governance

The Company is an externally managed REIT. The non-executive Board is responsible for leading and controlling the Group and has overall authority for the management and conduct of the Group's business, strategy and development. In order to fulfil these obligations, on 21 August 2023 the Board appointed AEW UK Investment Management LLP ("AEW") to act as the Company's Alternative Investment Fund Manager ("AIFM") and Investment Manager. As non-executive directors, the Board relies upon financial and non-financial information reported to it by the AIFM and other external parties. The Directors have provided as much detail as they are able to within this Annual Report in order to provide a true and fair view of the Group's consolidated financial statements (the "Consolidated Financial Statements").

Amended Investment Policy and Stabilisation period

The Amended Investment Policy, which was effective from 21 August 2023, aimed to ensure the Group was able to continue to operate in the sector and preserve its longer-term social objective of helping to alleviate homelessness in the UK. The objective was to stabilise the Group's financial condition through initiatives to maximise income and capital returns by investing in a portfolio of UK residential real estate.

Managed Wind-Down and New Investment Policy

On 5 February 2024, the Group announced that it had commenced a re-financing process to consider alternative finance options for the Company. On 17 June 2024, the Company announced that it had been unable to secure a re-financing of its existing debt facility on terms that it could recommend to shareholders, despite extensive and advanced discussions with a potential lender. The re-financing of the debt was a key component of the continued advancement of the stabilisation strategy discussed above and as adopted in August 2023. As the re-financing had not been possible, the Company also announced that it was considering a number of options both to re-pay the outstanding debt and provide an optimised resolution for shareholders, which could include a more extensive realisation strategy. The Board and AEW continued to engage with Scottish Widows which advised that its objective was for repayment of the loan balance in the short term and no later than 31 December 2024.

Subsequent to concluding that the re-financing was no longer viable, the Board conducted a full review of the stabilisation strategy and whilst it recognised that there was an opportunity to add value to the portfolio at a property level, it concluded that this strategy faced considerable challenges. These included a high fixed corporate cost base, required due to the REIT structure and as a result of the issues being dealt with by the Company, as well as the capital expenditure required to drive an increase in rental value. In addition, the Board was aware that the size of the vehicle following the repayment of debt would be considered too small by many investors when considering its future as a listed REIT.

As a result of these factors and having carefully considered the range of options available for the Company, the Board concluded that it was in the best interests of shareholders to propose a managed wind-down strategy for the Company pursuant to which the assets of the Group would be sold with the objective of optimising remaining shareholder value and repaying the Group's loan balance (the "Managed Wind-Down"). The implementation of the proposed Managed Wind-Down required a further change to the Company's investment policy. Accordingly, on 16 September 2024, shareholders approved the New Investment Policy, which is intended to allow the Company to realise all the assets in its property portfolio in an orderly manner with the view to repaying borrowings and making timely returns of capital to shareholders whilst aiming to optimise the value of the Group's assets.

Full details of the New Investment Policy are on page 15.

Outlook and Approach to the Managed Wind-Down

After an extensive marketing campaign commenced in Q4 2024, a significant number of parties showed interest in the remaining property portfolio. Non-binding offers were received for the full portfolio in February 2025. As announced on 13 November 2025, the Company is in exclusivity with Patron Capital in respect of the disposal of approximately 700 of the Group's portfolio of assets. The remaining properties, including three properties sold in December 2025 for £270,000, have been valued at £17.6 million in the 31 August 2025 Consolidated Statement of Financial Position and are expected to be sold through the auction market during the first half of 2026. While discussions with Patron Capital are ongoing, there can be no certainty that a transaction will be agreed upon. AEW continues to undertake asset management initiatives focused on adding value to the portfolio and preparing them for sale including health & safety and compliance improvements.

FCA Investigation

The Company was notified on 7 February 2024 that the FCA had commenced an investigation into the Company. The Company, the Directors and the previous Directors in office at IPO are cooperating fully with the FCA in its work.

Potential Litigation
In line with past disclosures, I have set out below statements of fact, without waiver of legal privilege, and although this provides a true and fair view of the state of the Company and Group, I am unable to elaborate with further details as to do so may prejudice the Company's position in any potential proceedings.

Legal privilege includes confidential documents and communications between lawyers, clients, and/or third parties, which come into existence for the dominant purpose of being used in connection with actual or pending litigation or for the dominant purpose of seeking legal advice. Legal privilege creates an absolute right to protect and withhold inspection of such documents and communications.

A pre-action letter was sent to the Company by Harcus Parker on behalf of certain current and past shareholders of the Company in October 2023. No legal proceedings have been issued at this stage. The letter alleged that the Company, along with certain other parties, provided information to investors which was false, untrue and/or misleading. The Company has issued a comprehensive response to Harcus Parker and correspondence is continuing between the parties. The Company intends vigorously to defend itself in respect of the threatened litigation and has denied the allegations made against it.

The Company intends, subject to a commercial assessment of the cost-benefit analysis, to bring legal proceedings against those parties whom it considers may be liable for the losses it has suffered. To that end, the Company issued pre-action letters of claim to Alvarium FM, AITi RE and AHRA.

Shortly before issuance of the pre-action letter of claim, the Company was made aware that AHRA had appointed joint liquidators for the purpose of winding up that company. Notwithstanding this event, it remains important that all means of potential financial recovery are fully considered and that any wrongdoing is thoroughly investigated, where it is financially viable to do so. The Company also issued pre-action letters of claim to Alvarium FM (its former AIFM) and AITi RE in April 2024. However, since the issue of those letters, both Alvarium FM and AITi RE have been placed into administration. As with the liquidation of AHRA, this potentially complicates the ability of the Company to achieve financial recovery from Alvarium FM and/or AITi RE. The Company is also assessing the viability of seeking recoveries directly from AHRA, Alvarium FM and AITi RE's insurers. The Company cannot comment any further at this stage, as to do so may prejudice the Company's position in any potential proceedings.

Return of capital to shareholders
As shareholders will be aware, the Company has faced the ongoing prospect of potential group litigation for some time. That prospect has not receded. Separately, but in addition, the recent announcements of the Serious Fraud Office also serve to illustrate the complex and uncertain environment in which the Board is required to make decisions.

It remains the objective of the Board to ensure the Company can return available capital upon completion of the realisation strategy as soon as possible. However, we must remind shareholders that the ability to make distributions may be constrained by the circumstances facing the Company, including the uncertainties described above, which may result in returns of capital taking place over a longer period.

The Board continues to take professional advice on the options that would enable available capital to be returned to shareholders in a way that is transparent, cost effective and consistent with the Board's legal and fiduciary duties and obligations as directors of the Company.

We understand the uncertainty regarding the quantum and timing of the return of available capital may be a source of further disappointment to shareholders.

As we have previously disclosed, the Company also expects to retain capital to meet corporate costs and allow it to pursue legal action against those who may be liable for the losses it has suffered, subject to a commercial assessment of the cost-benefit analysis.

Financial statements and restoration of listing
The Company expects to file its 2025 interim accounts in the first quarter of 2026. The Company will apply to the FCA for a restoration of its listing and the recommencement of trading on the London Stock Exchange following publication of its outstanding financial information.

Significant Matters Impacting Annual Results and Post Balance Sheet Activities
The following is a high-level summary of significant matters within the financial year and post balance sheet events with further detail provided in the Management Report.

Portfolio Valuation

JLL has independently valued the Group's portfolio in accordance with the RICS Valuation — Professional Standards. As at 31 August 2025, the Group's portfolio had a market value of £154.9 million (2024: £265.4 million) representing 41.6% of the historical acquisition costs of £372.4 million (including purchase costs). The reduction in the property valuation is primarily a result of the sale of 522 properties during the year. The assessment of the covenant strength of tenants and the condition of the properties as at 31 August 2025 resulted in 69.9% (2024: 83.1%) (by number of properties, 79.5% (2024: 88.7%) by value) of the portfolio being valued on the basis of MV-VP for the 31 August 2025 valuation. Where a valuation has been prepared on an investment basis, limitations on the duration of the income streams have been applied to account for the covenant strengths of the tenants and the high rent levels demanded under the leases. See further detail in Note 9 to the Consolidated Financial Statements.

Dividends

On 16 February 2023, the Board announced that except for any distributions that would be required to maintain REIT status, that it would cease to pay any dividends until further notice. There were no dividends declared in respect of the financial year ended 31 August 2025 (2024: £nil).

Disposals

From 1 September 2024 to 31 August 2025, the Group exchanged on the sale of 522 properties for gross sales proceeds of £96,951,000. Together with the 1,098 properties exchanged on or prior to 31 August 2024, 1,620 properties have completed for total gross proceeds of £244,866,000. Properties sold since 31 August 2024 were presented in the Consolidated Statement of Financial Position as at 31 August 2024 at £99,350,000.

Financing

The Group had two loans with Scottish Widows Limited ("Scottish Widows" or the "Lender"). After reporting loan covenant breaches in January 2023, the Lender agreed an initial waiver letter dated 29 January 2023 and issued new waiver letters prior to the expiry of each previous waiver period. As a condition for granting those additional waiver letters, certain financial penalties (the "Deferred Fees") were imposed by Scottish Widows on the daily balance of outstanding loans. On 27 November 2024, the Group made its final payment on the loans and on 16 December 2024 paid the Deferred Fees of £9.0 million.

Extension of Investment Management Agreement

With the adoption of the New Investment Policy and to reflect the reduced size but increased complexity of the Company's property portfolio, the agreement between the Company and AEW required updated contract terms. On 22 August 2025, the Company and AEW agreed an amended Investment Management Agreement ("IMA") with immediate effect. The terms of the contract are summarised on pages 31 and 32. The revised IMA may be terminated on six months' written notice and occur no earlier than 21 August 2026.

Directors

On 14 January 2025, following the publication of the FY23 accounts, Lynne Fennah, Marlene Wood, Peter Cardwell and Simon Moore stood down as Directors with immediate effect with Rod Day succeeding Marlene Wood as Audit Committee Chair. They will continue to assist the Company, when necessary, on historic legal and regulatory matters.

Post-balance sheet matters

As we announced on 14 January 2026, the Company understands that the SFO made arrests and raided properties on that day related to people formerly associated with the Company. The Company continues to provide all assistance that it is able to the SFO in pursuing its investigations.

Any other post balance sheet events are detailed in Note 26 to the Consolidated Financial Statements.

Signed by:
Michael O'Donnell
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Michael O'Donnell
Chair

24 February 2026

Management report

Introduction

On 21 August 2023, the Board appointed AEW as Investment Manager and AIFM for the Group. The AIFM has ultimate responsibility for the management of the assets of the Group in accordance with the investment policy of the Group and the policies and directions of the Board. In its role as Investment Manager, AEW advise the Group in relation to the management, investment and re-investment of the assets of the Group.

Amended Investment Policy

Upon its adoption on 21 August 2023, the Amended Investment Policy aimed to ensure the Company was able to continue to operate in the sector and preserve its longer-term social objective of helping to alleviate homelessness. Key components include:

- a Stabilisation Period was introduced, during which time, the Company would have the objective of stabilising the Group's financial condition through initiatives to maximise income and capital returns. The Stabilisation Period was for a period of 2 years from 21 August 2023 or such later date (not being later than one year) approved by the Board;
- the permitted uses of properties were diversified to include during the Stabilisation Period any form of residential use. Post stabilisation the Company would target predominantly homeless accommodation assets and assets with any social use; and
- a new leasing model was adopted which was better aligned to the needs of Local Authorities, Charities, Registered Providers and Housing Associations and the needs of the underlying occupants of the properties.

New Investment Policy— Managed Wind-Down

On 5 February 2024, the Group announced that it had commenced a re-financing process to consider alternative finance options for the Company. On 17 June 2024, the Company announced that it had been unable to secure a re-financing of its existing debt facility on terms that it could recommend to shareholders, despite extensive and advanced discussions with a potential lender. The re-financing of the debt was a key component of the continued advancement of the stabilisation strategy discussed under Amended Investment Policy. As the re-financing had not been possible, the Company also announced that it was considering a number of options both to repay the outstanding debt and provide an optimised resolution for shareholders, which could include a more extensive realisation strategy. The Board and AEW continued to engage with Scottish Widows which advised that its objective was for repayment of the loan balance in the short term and no later than 31 December 2024.

Subsequent to concluding that the re-financing was no longer viable, the Board conducted a full review of the stabilisation strategy and whilst it recognised that there was an opportunity to add value to the portfolio at a property level, it concluded that this strategy faced considerable challenges. These included a high fixed corporate cost base, required due to the REIT structure and as a result of the issues being dealt with by the Company at the time, and the requirement for capital expenditure to drive an increase in rental value and valuation of the portfolio. In addition, the Board was aware that the size of the vehicle following the repayment of debt would be considered too small by many investors when considering its future as a listed REIT.

As a result of these factors, and having carefully considered the range of options available for the Company, the Board concluded that it was in the best interests of shareholders to propose a managed wind-down strategy for the Company pursuant to which the assets of the Company would be sold with the objectives of optimising remaining shareholder value and repaying the Company's loan balance. The implementation of the proposed Managed Wind-Down required a change to the Company's investment policy. Accordingly, on 16 September 2024, shareholders approved the New Investment Policy, which is intended to allow the Company to realise all the assets in its property portfolio in an orderly manner with the view to repaying borrowings and making returns of capital to shareholders whilst aiming to optimise value for the Company's assets.

Property disposals

Since 1 August 2023 the Group has undertaken a series of auction sales in order to repay bank debt and provide working capital. Through 31 August 2025, 1,620 properties have been sold at auction for total gross proceeds of £244.9 million all of which have completed. The proceeds from the sale of these properties represent an average of 38.4% of their purchase price and 98.2% of their August 2023 valuation.

Investment Properties

Property valuation

The Group's portfolio has been independently valued by JLL in accordance with the RICS Valuation Professional Standards. As at 31 August 2025, the Group's portfolio had a market value of £154.9 million (2024: £265.4 million) representing 41.6% of the historical acquisition costs of £372.4 million including purchase costs (2024: 44.7% and £593.6 million respectively). The reduction in the property valuation is principally the result of the sales of 522 properties in the year to 31 August 2025.

In determining the fair value as at 31 August 2025, JLL has used a combination of valuation bases, adopting an investment valuation for 20.5% of the portfolio and MV-VP value for 79.5% of the portfolio (2024: Investment valuation: 11.4% and MV-VP: 88.6%). In all cases, JLL has considered the rental value for the existing uses of the properties and Local Housing Allowance ("LHA") rates.

The security of the unexpired term for these leases differs across the portfolio depending on the covenant strength of the tenant. For tenants with a weak covenant strength or where a property was deemed unhabitable JLL disregarded the leases and valued the properties on the basis of MV-VP. All properties under the control of property managers have been valued on the basis of MV-VP.

Where a valuation has been prepared on an investment basis, limitations on the duration of the income streams have been applied to account for the covenant strength of the tenants, and the above-market rent levels demanded under the in-place leases. For most of those leases, JLL capped the unexpired lease term at 5 years due to the lack of confidence in those tenants being able to fulfil their lease obligations. For those properties which were let to a tenant with a strong covenant, JLL capitalised the lease passing rent for its remaining term of up to seven years.

The below table shows the breakdown of properties and value by valuation approach.

	31 August 2025		31 August 2024	
As at	Number *of properties*	Fair Value *£ millions*	Number *of properties*	Fair Value *£ millions*
Investment valuation approach	257	31.8	232	30.2
Market value – vacant possession approach	596	123.1	1,143	235.2
Total	853	154.9	1,375	265.4

As at 31 August 2025, 19 of the 853 properties were considered unhabitable (2024: 44 of 1,375 properties). The annual contracted rent and fair value in respect of these properties as at 31 August 2025 was £0.2 million and £4.4 million respectively (2024: £0.6 million and £9.4 million respectively). Subsequent to 31 August 2025, one property which was considered unhabitable has been sold which has completed.

Tenants

Tenant covenant strength and liquidations

As at 31 August 2025, 404 of the Group's 853 properties were let to registered charities, housing associations and community interest companies (2024: 682 of 1,375 properties). In line with the Original Investment Policy, the Group had intended to acquire assets let or pre-let to a wide range of tenants with robust financials and a proven long-term operating track record across a diverse range of homeless sub-sectors and locations. The headroom between core lease rent payable on the Group's properties and housing benefit was intended to cover the tenant's management charge and the cost of intensive housing management/buildings upkeep associated with the provision of accommodation to homeless people.

AEW has determined that the majority of tenants were poorly capitalised and lacked long-term operating track records and the benefit of local authority support. In some instances, for example single family homes, the rent burden under the original lease was unsustainable based on the location, lay-out, use and condition of the property.

AEW and the Board have determined that as at 31 August 2025, 6 of 18 tenants (2024: 12 of the 20 tenants) were of weak covenant strength representing 13.3% of properties and 26.8% of annual contracted rent (2024: 67.6% and 76.1% respectively). Two tenants were in administration as at 31 August 2025 (2024: three tenants). No further tenants (2024: three tenants) have entered into voluntary administration post period end.

During the year ended 31 August 2025, the Group agreed surrender deals with 10 tenants covering 343 properties. On 64 leases the primary lease was surrendered and Home REIT now has a direct lease with the under-tenant. New leases were agreed on a further 43 properties and a property manager was put into place on 236 properties which are still in place. Three properties which were being managed by a property manager have subsequently been sold.

Rent collection

Rent collected during the year totalled £8.8 million (2024: £6.3 million). Of the amount demanded under leases to non-occupant tenants of £8.6 million (2024: £35.1 million), £4.8 million (2024: £4.1 million) was collected. An additional £4.0 million (2024: £2.2 million) was collected from properties managed under property management agreements. Arrears at 31 August 2025 were £3.3 million, of which £0.1 million was fully provided for (2024:£52.2 million and £48.4 million respectively). The Group recognised an additional provision for expected credit losses of £5.5 million in 2025 (2024: £29.1 million) and wrote off £53.2 million of tenant receivables in 2025 (2024: £30.7 million).

Amounts collected after the period end for rent due under operating leases including arrears was £4.3 million from 1 September 2025 to 24 February 2026 compared to rent demanded of £5.0 million.

Occupancy and Social Use

AEW has undertaken a comprehensive review and data collection exercise of the property portfolio. Analysis of the underlying property condition and use was paramount as part of an exercise to determine suitability, capital expenditure requirements, and the prospects for income and capital returns prospects as AEW works to rationalise the portfolio during the Managed Wind-Down. A key focus of the Board has been to ensure health & safety compliance in all properties under the Group's control.

AEW obtained reliable data from tenants and property managers that the majority of the occupants in the portfolio has been identified as PRS rather than homeless accommodation backed by exempt rents from local authorities. PRS occupiers, however, could be at risk of homelessness and meet the criteria of broader Social Use, as defined in the Amended Investment Policy, based on the location of the properties and the type of accommodation they provide.

Debt Finance and Repayment

On 19 June 2023 Scottish Widows imposed a Deferred Fee of 0.5% of the aggregate amounts outstanding on the two loans at each of 31 August 2023 and 30 November 2023, payable on the full and final repayment of the loan. On 4 December 2023 Scottish Widows imposed a further Deferred Fee effective from 30 November 2023 being the equivalent of 5.0% per annum on the aggregate amounts outstanding on the two loans as computed on a daily basis. On 2 July 2024, the Deferred Fee was increased from 5% to 7% with effect from 1 July 2024 until the full repayment of the loan. On 27 November 2024, the Group made its final payment on the loans outstanding to Scottish Widows and on 16 December 2024 the Group paid the outstanding Deferred Fees of £9.0 million.

Expense control – general and administrative expenses

The Group has incurred significant expenses in the year to 31 August 2025. The broad categories of expenses are as follows:

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Legal fees	5,295	7,106
AEW investment management fees (Note 19)	5,200	5,000
Professional fees	4,540	4,608
Fees paid to the Group's Independent Auditor	717	846
Valuation fees	168	300
Directors' fees (Note 19)	430	362
Other administrative expenses	1,588	1,563
Total	**17,938**	**19,785**

- Legal fees incurred related to the following workstreams: 1- activities co-ordinating responses to various regulators and other the associated corporate actions of £0.4 million (2024: £0.9 million), 2- the investigation of wrongdoing, the preparation of defensive action on behalf of the Company and the pursuit of those the Company considers responsible for the wrongdoing of £3.2 million (2024: £3.2 million), 3- tenant related matters of £1.1 million (2024: £1.8 million), 4- bank loan related support for both the borrower and the lender of £0.2 million (2024: £0.7 million), 5- forensic support for all legal advisers of £0.3 million (2024: £0.3 million), and 6- other miscellaneous workstreams £0.1 million (2024: £0.2 million).
- Professional fees include costs associated with financial advisors, accounting, PR and tax support.
- AEW's fees are discussed more fully on pages 31 and 32 and in Note 19 to the Consolidated Financial Statements.

Expense control – property operating expenses

Operating expenses relating to properties under management agreements are as follows:

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Maintenance and compliance	4,921	2,301
Management fees	3,150	1,342
Utilities	1,804	788
Council tax	1,190	562
Other fees	78	166
Sub total	11,143	5,159
Irrecoverable property insurance	119	624
Property consultancy fees	–	568
Other property expenses	66	435
Total	**11,328**	**6,786**

The Group began incurring property operating expenses directly as AEW negotiated lease surrenders with non-performing tenants and inserted property managers to manage each property until stabilised, re-let or sold. This direct arrangement with the occupant places the responsibility for settling expenses associated with each property with the Group (if not directly with the tenant for such costs as utilities and council taxes). The number of properties under management by third parties has varied significantly since 1 September 2023. In some cases, property managers were appointed only for a short period to manage the property between the surrender date and the closing of the sale. In the remaining cases, a property manager have been in place since the surrender date.

The Group incurred significant maintenance and compliance costs as it took back properties to ensure that properties were safe and suitable for occupation. Properties were evaluated for sale or improvement at the surrender date and if AEW considered improvements to ensure the property was suitable for occupation were too significant, the property was auctioned to generate proceeds to reduce third-party loans. In addition to standard management fees, the Group also incurred on-boarding and vacancy fees, and improvements oversight expenses from property managers. Property consultancy fees were associated with a third party engaged by the previous Investment Advisor, who assisted with the transition to AEW in 2023 and whose contract was terminated with effect from 31 October 2023.

Approach to the Managed Wind-Down

It is expected that the Company, via AEW, will adopt a broad and managed approach to the disposal of assets, with a view to optimising value for shareholders. A proportion of the property portfolio was sold at auction before 31 December 2024 to meet the requirements of Scottish Widows and repay all outstanding debt and associated fees.

After an extensive marketing campaign commenced in Q4 2024, a significant number of parties showed interest in the remaining property portfolio. Non-binding offers were received for the full portfolio in February 2025. As announced on 13 November 2025, the Company is in exclusivity with Patron Capital in respect of the disposal of approximately 700 of the Company's portfolio of assets and due diligence is progressing. The remaining properties, including three properties sold in December 2025 for £270,000, have been valued at £17.6 million in the 31 August 2025 Consolidated Statement of Financial Position and are expected to be sold through the auction market during the first half of 2026. While discussions with Patron Capital are ongoing, there can be no certainty that a transaction will be agreed upon. AEW continues to undertake asset management initiatives focused on adding value to the portfolio and preparing them for sale.

Given the Company's originally stated objective of providing accommodation for the homeless, the realisation process will be managed in a way to minimise impact and disruption to vulnerable occupiers.

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AEW UK Investment Management LLP
24 February 2026

ESG report

This Environmental, Social and Governance Policy applies to the Company and the Group.

The Board together with AEW (together, "we" for the purposes of this ESG report only), have a responsibility to conduct the Group's investment business in a socially responsible way and recognise that our investors may have the same values.

Environmental, Social & Governance ("ESG")

The Board believes that ESG should be a key principle of AEW's approach to Responsible Property Investing ("RPI") and that a sustainable and responsible approach to real estate investment management both protects and enhances the value of assets, now and in the future.

AEW is fully aware of the impact of our activities on environmental and social issues both from our business and our investment, asset management and development activities. To this end AEW is committed to implementing a comprehensive Socially Responsible Investment (SRI) policy. By doing so AEW expect to meet our stakeholders' expectations, whether they are clients, tenants, providers, employees, or any other individual with whom we interact.

AEW's SRI policy is aligned with the international climate agreement signed in Paris in December 2015 as climate change is a major challenge for humanity that poses important risks and creates opportunities for the real estate industry. The real estate sector in Europe accounts for some 40% of total energy consumption and about 25% of greenhouse gas (GHG) emissions.

Over the coming years we believe that both occupiers and investors will increasingly focus on the way in which ESG issues are managed. In turn, this is expected to impact on building obsolescence, lettability, rates of lease renewals and ultimately the rental and capital values for individual assets if ESG issues are ignored.

However, the Board's and AEW's fiduciary duty to investors must always come first in all investment decision-making. AEW engage with clients wherever possible to educate on the importance of ESG. Where we feel it is important to do so and costs can be justified in terms of performance objectives, or are required to comply with UK legislation, we will seek to incorporate or adopt best practice.

Environmental

Minimum Energy Efficiency Standards ("MEES") apply to private rented residential and non-domestic properties in the UK. Introduced in 2018, the regulation is aimed to place restrictions on tenancies where properties have an EPC rating of F and G to encourage landlords and property owners to improve the energy efficiency of their buildings.

Under MEES, the upcoming regulatory thresholds are:

- By 2028, a minimum EPC rating of C will be required.
- By 2030, this threshold increases to a minimum of B.

As of 31st August 2025, 10.8% of the portfolio is rated F or G, has an expired EPC or EPC ratings were otherwise unavailable. As part of regular dialogue with tenants and property managers, compliance is being monitored and regularly reported to the Board.

Of the properties held as at 31 August 2025 the Group's current EPC ratings are as detailed below:

Rating	Number of Properties	%
A	–	0
B	6	0.7
C	227	26.6
D	405	47.5
E	123	14.4
F	1	0.1
G	1	0.1
Expired	85	10.0
Not available	5	0.6
Total	**853**	**100.0**

Of the properties with expired EPC ratings, 34 were being transitioned from one property manager to another and AEW have instructed the new property manager to obtain a rating. The remaining 51 expired EPC ratings are under the control of tenants who have full responsibility to obtain and maintain EPC ratings. AEW have requested the tenants to obtain EPC ratings but have no ability to force tenants to do so.

Social

We have identified the major stakeholders in the Group's business and endeavour to consider the impact of our decisions upon these.

Shareholders: As a public group listed on the London Stock Exchange, the Group is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The Listing Rules include a listing principle that a listed group must ensure that it treats all holders of the same class of shares that are in the same position equally in respect of the rights attaching to such shares. We use our best endeavours to abide by the Listing Rules at all times.

Employees: As an externally managed real estate investment trust, the Group has no full time employees only a Board comprised entirely of non-executive Directors.

Tenants: AEW performs extensive due diligence before a tenant is selected, and during the tenancy agreement we aim to maintain a constructive relationship. We take into account our tenants' changing needs and use our expertise to assist them in any way within our ability.

Occupants: In our commitment to fostering a sustainable and responsible investment strategy, we recognize that the occupiers of our properties are essential stakeholders. Their wellbeing is paramount and we take proactive measures to ensure that all our properties comply with applicable laws, including health and safety standards, thereby creating a secure living environment. We are committed to driving improvements in the quality of accommodation, recognizing that a safe and comfortable home is fundamental to the lives of occupiers. In particular, we place great emphasis on the needs of supported living tenants, who typically require additional support from third party intensive housing managers.

Service Providers: A list of the Group's key service providers can be found in the Company Information on page 112. The Group conducts all its business through its key service providers. Before the engagement of a service provider, we aim to ensure that our business outlook as well as our values are similar. The Group performs an annual evaluation of all of its key service providers to ensure inter alia that our values remain aligned.

Compliance

The Company was incorporated and registered in England and Wales as a public company limited by shares. The Group is not authorised or regulated as a collective investment scheme by the FCA, however it is subject to the Listing Rules and the Disclosure Guidance and Transparency Rules. The principal legislation under which the Group operates is the Companies Act 2006. While the Group holds income producing property assets, the Directors intend, at all times, to continue to conduct the affairs of the Group to continue to qualify as a REIT for the purposes of Part 12 of the CTA 2010 (and the regulations made thereunder).

The Group seeks to comply with the AIC Code of Corporate Governance (the "AIC Code") and will report on its compliance with the AIC Code each year in its Annual Report.

Risk Management

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

Health & Safety

As a result of the Amended Investment Policy which includes a new leasing model removing the requirement for all leases to be fully repairing and insuring (FRI), the Group is exposed to increased health and safety risk. Health & safety is a standard priority item on the Board's agenda with AEW having an established Health & Safety Committee which regularly reports material matters to the Board.

Operational Risk

AEW assesses the operational risk on a continuous basis and reports operational risk and the response thereto to the Board on a monthly basis.

Responsible investment

Ownership

The Group's Investment Manager was the owner of this policy at the reporting period end. The policy is subject to annual review.

AEW is committed to creating long-term value for shareholders and adheres to a policy of sustainable and responsible investment. AEW's SRI policy can be found within the Corporate Responsibility area on the Group's website www. homereituk.com. AEW reviews its Sustainability Policy on an annual basis, and the policy is approved by the Board of AEW.

Key performance indicators

The Group presents limited Performance Measures which are focused on key metrics specific to work streams supporting the Managed Wind-Down. The Board does not consider that reporting the full suite of EPRA key performance indicators ("KPIs") to be germane to Shareholders. The Board considers that the following KPIs appropriate for the user of this Annual Report and Accounts:

KPI and definition	Relevance to strategy	Performance 2025	Performance 2024	Results
1. NAV per Share The NAV attributable to shareholders divided by average shares outstanding during the period.	NAV per share provides shareholders with an indication of Group value.	20.38 pence	24.25 pence	Decrease of 16% resulting from the loss recognised in FY25.
2. Total expense ratio The percentage of total general and administrative expenses, including management fees and other administrative costs expressed as a percentage of the NAV.	The total expense ratio is a key measure of the Group's operational performance and can be used to measure Group performance against peer companies.	11.1%	10.3%	As described on page 10, expenses decreased by 9% but NAV decreased by 16%, resulting in the percentage ticking up slightly in FY25.
3. Loan-to-Value Ratio of gross debt as a percentage of the valuation of investment property.	LTV measures the prudence of balancing higher shareholder returns and additional portfolio diversification against the additional risk of leverage.	0%	35.3%	Group LTV decreased due to full repayment of both loans and all associated costs and fees in FY25.

Strategic overview

Purpose, business model and strategy

The Board is responsible for the overall management of the Group and, in accordance with the AIC Code, the Board establishes the Group's purpose, values and strategy, and reports to shareholders on the detail of how this is achieved.

As an investment group, the Group's purpose is expressed in its investment objective. Its investment policy describes the strategy adopted by the Group to achieve its objective. The investment objective and policy stated below should be considered in conjunction with the Chair's statement and the other disclosures within the Strategic Report which provide an in-depth review of the Group's performance and future strategy.

The Amended Investment Policy, which is summarised on page 8, was approved by Shareholders on 21 August 2023. The New Investment Policy was approved by shareholders on 16 September 2024. In accordance with the AIC Code, the current investment objective and policy, which was effective from 16 September 2024, is detailed below.

Investment objective

The Company's investment objective is to realise all existing investments in the Company's portfolio in an orderly manner, with a view to ultimately returning available cash to shareholders, following the settlement of all amounts due to the Lender.

New Investment Policy

The Company will endeavour to realise all of the Company's investments in a manner that achieves a balance between maximising the value of its investments and making timely returns to shareholders.

The Board intends that the proceeds of any asset realisations will be used to settle all amounts outstanding to the Lender before any such proceeds are distributed to shareholders.

The Company will not make any further investments. Capital expenditure will be permitted where it is deemed necessary or desirable by the Investment Manager in connection with the Managed Wind-Down, primarily where such expenditure is necessary to protect or enhance an asset's realisable value, or in order to comply with health & safety or other statutory obligations.

Diversification of Risk

The net proceeds from asset realisations to date have been used to settle all amounts outstanding to the Lender. Future net proceeds will be returned to shareholders (net of provisions for the Company's costs, expenses and potential liabilities) in such manner as the Board considers appropriate and when it is able to do so.

Excess cash will be held in sterling only and placed on deposit and/or held as cash equivalent securities, other cash equivalents, cash funds or bank cash deposits, pending its return to shareholders.

Borrowing policy

The net proceeds from realisations have been used to settle all amounts outstanding to the Lender. The Company will not take on any new borrowings.

Any material change to the Company's investment policy set out above will require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the Financial Conduct Authority. Non-material changes to the investment policy may be approved by the Board.

Approach to the Managed Wind-Down

It is expected that the Company, via AEW, will adopt a broad and managed approach to the disposal of assets, with a view to optimising value for shareholders. Sales will be structured and executed to achieve best value and to minimise disruption to the underlying occupiers of the properties. A decision on the preferred method of disposal will be determined by a number of factors, including property condition, location, tenant type and lease terms.

During the Managed Wind-Down asset management initiatives will be focused on adding value to properties and preparing them for sale to maximise liquidity. In addition, given the Company's originally stated objective of providing accommodation for the homeless, the realisation process will be managed in a way to minimise impact and disruption to underlying, vulnerable occupiers.

Return of capital to shareholders

As shareholders will be aware, the Company has faced the ongoing prospect of potential group litigation for some time. That prospect has not receded. Separately, but in addition, the recent announcements of the Serious Fraud Office also serve to illustrate the complex and uncertain environment in which the Board is required to make decisions.

It remains the objective of the Board to ensure the Company can return available capital upon completion of the realisation strategy as soon as possible. However, we must remind shareholders that the ability to make distributions may be constrained by the circumstances facing the Company, including the uncertainties described above, which may result in returns of capital taking place over a longer period.

The Board continues to take professional advice on the options that would enable available capital to be returned to shareholders in a way that is transparent, cost effective and consistent with the Board's legal and fiduciary duties and obligations as directors of the Company.

We understand the uncertainty regarding the quantum and timing of the return of available capital may be a source of further disappointment to shareholders.

As we have previously disclosed, the Company also expects to retain capital to meet corporate costs and allow it to pursue legal action against those who may be liable for the losses it has suffered, subject to a commercial assessment of the cost-benefit analysis.

Restoration of listing

The Company expects to file its 2025 interim accounts in the first quarter of 2026. The Company will apply to the FCA for a restoration of its listing and the recommencement of trading on the London Stock Exchange following publication of its outstanding financial information.

Business and status of the Company

The Company is registered as a public limited company and is an investment company within the terms of section 833 of the Companies Act 2006. The Company is a REIT for the purposes of Part 12 of the Corporation Tax Act 2010. It will be treated as a REIT so long as it continues to meet the REIT conditions in relation to any accounting period.

The Company was incorporated on 19 August 2020. Its Shares trade on the Premium Segment of the Main Market of the London Stock Exchange. The listing of the Company's ordinary shares was suspended on 3 January 2023 due to the non-publication of its annual financial report within four months after the end of its financial year for FY22, contrary to the FCA's Disclosure Guidance and Transparency Rule 4.1.3.

Employees, human rights, social and community issues

The Board recognises the requirement under Companies Act 2006 to detail information about human rights, employees and community issues, including information about any policies it has in relation to these matters and the effectiveness of these policies. These requirements, which may apply to the Group's investments, do not apply to the Company. The Company has therefore not reported further in respect of these provisions.

AEW is an equal opportunities employer who respects and seeks to empower each individual and the diverse cultures, perspective, skills and experiences within its workforce. For further information on AEW's principles in relation to people including diversity, gender pay, employee satisfaction surveys, wellbeing and retention, please refer to the ESG link within the Corporate Responsibility area at www.homereituk.com.

Modern Slavery Act 2015, Bribery Act 2010 and Criminal Finances Act 2017

The Investment Manager has in place robust policies and procedures designed to mitigate bribery, corruption, and money laundering risks in all activities conducted by it on behalf of the Company. These policies, which are reviewed and updated regularly, reflect applicable laws and regulations (including anti-bribery, anti-corruption, and anti-money laundering requirements) and are embedded in the Group's control environment through strong governance, risk assessment and ongoing monitoring.

The Company is not required to produce a statement on slavery and human trafficking pursuant to the Modern Slavery Act 2015 as it does not satisfy all the relevant triggers under that Act that requires such a statement. The Company does, however, closely monitor the policies of its suppliers to ensure that proper provisions are in place.

AEW UK Investment Management LLP, the Investment Manager to the Company, is part of the Natixis Group, whose statement on Slavery and Human Trafficking has been published in accordance with the Modern Slavery Act 2015.

http://natixis.groupebpce.com/wp-content/uploads/2022/11/Modern-Slavery-Act-statement-2024.pdf

Gender diversity

As at 31 August 2025, the Board of Directors of the Group comprised of three directors. The appointment of any new Director is made in accordance with the Company's diversity policy as detailed on page 45.

Stakeholder engagement

Stakeholders are integral to the success of the Group. The Board recognises that, both individually and collectively, its overarching duty is to act in good faith and in a way that is most likely to promote the success of the Company and the Group. As set out in section 172 of the Companies Act 2006, the Directors act for the benefit of shareholders and in the interests of stakeholders as a whole, having regard, amongst other matters, to:

- the likely consequences of any decision in the long-term;
- the need to foster the Group's business relationships with suppliers, tenants, occupants and others;
- the impact of the Group's operations on the community and the environment;
- the desirability of the Group maintaining a reputation for high standards of business conduct; and
- the need to act fairly between shareholders of the Group.

All Board discussions include consideration of the longer-term consequences of any key decisions and their implications for the relevant stakeholders.

A group's stakeholders are normally considered to comprise its shareholders, employees, tenants, occupants, suppliers as well as the wider community in which the Group operates and impacts. The Group differs as it is an externally managed investment trust that has no full-time employees and, in terms of suppliers, it receives professional services from a number of different providers, principal among them being AEW.

Through regular engagement with its stakeholders, the Board aims to gain a rounded and balanced understanding of the impact of its decisions. Feedback from stakeholders is gathered by AEW in the first instance and communicated to the Board in its regular quarterly meetings and otherwise as required.

The importance of stakeholders is taken into account at the board meetings, with discussions involving careful consideration of the longer-term consequences of any decisions and their implications for stakeholders. Details of how the Board seeks to understand the needs and priorities of the Group's stakeholders and how these are taken into account during all of its discussions and as part of its decision-making are set out below:

Shareholders

The Board welcomes shareholders' views and is committed to maintaining open channels of communications with them. The Board is responsible for the content of communication regarding corporate issues and for communicating its views to shareholders. It aims to ensure that shareholders are provided with sufficient information to understand the risk/reward balance to which they are exposed by investing in the Group. The channels of engaging with shareholders include:

Annual General Meeting

All shareholders are encouraged to attend and vote at the Annual General Meeting ("AGM") and at any general meetings of the Company, during which the Board and AEW are available to discuss issues affecting the Group and to provide an overview on the Group's performance and its future outlook. The Company values any feedback and questions it may receive from shareholders ahead of and during the AGM and takes action, as appropriate.

Meetings with shareholders

The Board, AEW and the Broker regularly meet with the Company's shareholders to provide Group updates and to foster regular dialogue. Feedback from all shareholder meetings, and shareholders' views, are discussed by the Board on a regular basis. Shareholders wishing to communicate directly with the Board should contact the Company Secretary at the registered office address. The Chair and the other Directors are available throughout the year to meet with shareholders to understand their views on the Group's performance and governance where the shareholders wish to do so.

Publications

The Annual and Half-Yearly Reports are made available on the Company's website. These reports intend to provide shareholders with a clear understanding of the Group's portfolio and financial position. In addition to the Annual and Half-Year Reports, the investor presentations provided since inception by AEW and AHRA and any prospectuses and circulars issued by the Group are also available on the website. The Company provides regular updates on portfolio acquisitions, disposals, tenant updates and any other relevant matter by way of market announcements. With the adoption of a Managed Wind-Down strategy, the Company will continue to provide updates to shareholders but this will be driven by events rather than a fixed monthly release.

Shareholder concerns
In the event that shareholders wish to raise issues or concerns with the Board or AEW, they are welcome to write to the Company at the registered office address. The Senior Independent Director and other members of the Board are also available to shareholders if they have concerns that have not been addressed through the normal channels. Shareholders can also write directly to the Chair of the Company through the Company Secretary, as detailed on the Company's website.

Tenants
AEW has been actively engaging with all tenants as it assesses their suitability and develops its tenant specific strategy for re-tenanting assets. AEW has attempted to work with tenants to rationalise portfolios and where appropriate negotiate surrenders of leases in order to take back control of the assets. AEW's Asset Management team maintains an ongoing dialogue with tenants either directly or in the case of occupiers on ASTs through its appointed property manager. AEW continues to engage with prospective tenants as part of the strategy to re-tenant the portfolio during the Managed Wind-Down.

Lenders
Regular meetings were held between the Lender, the Board and AEW to discuss and assess the Company's compliance with banking covenants and agree waivers, repayment of loan facilities and additional fees payable. The outstanding loan balances and Deferred Fees were repaid in November and December 2024, respectively.

Society and the environment
As an investor in real estate, the Group's assets have an impact on the built environment. The Group has an ESG policy which is included on pages 12 to 13 of this Annual Report.

Key decisions made during the year
Repayment of debt
On 27 November 2024, the Group made its final payment on the loans and on 16 December 2024 paid the Deferred Fees totalling £9.0 million.

Change of investment policy
The Board proposed a New Investment Policy for the Managed Wind-Down of the Group which was approved by shareholders on 16 September 2024. The New Investment Policy is intended to allow the Group to realise all the assets in its property portfolio in an orderly manner with the view to repaying borrowings and making timely returns of capital to shareholders whilst aiming to optimise the value of the Group's assets.

Principal risks and uncertainties

The Board, through delegation to the Audit Committee, has undertaken a robust assessment and review of the principal risks facing the Company and the Group, together with an exercise to identify any new risks which may have arisen during the period, including those that would threaten its business model. These risks are formalised within the Group's risk matrix, which is regularly reviewed by the Audit Committee. As part of its risk management process, the Audit Committee seeks to identify emerging risks to ensure that they are effectively managed as they develop and recorded in the risk matrix.

The principal risks and uncertainties which the Group faces under the New Investment Policy as approved by shareholders on 16 September 2024 (see page 15 for a description of the policy) are set out below.

Risk	Mitigation
Investment Objective (Managed Wind-Down)	
Ability to dispose of all assets maximising value for shareholders:	
The Company's Managed Wind-Down investment objective is to maximise the proceeds from the sale of all assets in the most time and cost-efficient manner and after repayment of loans and all liabilities, return the net proceeds to shareholders. The Company may not achieve its objective of maximising returns whilst realising assets in an orderly manner. The impact of bringing assets to market as part of a public wind-down strategy and the time required to execute disposals may also have an impact on disposal proceeds. Assets may therefore be realised at values which represent a material discount to the most recently published independent valuations. Sales of the Group's assets may take longer than anticipated. The market for residential properties is uncertain due to evolving Government policies on renters' rights and general market conditions. Further the Company has a mix of properties, including single family homes, HMOs, investment properties, as well as a mix of tenants including supported living and PRS.	It is intended sales will be structured and executed to achieve best value. The mix of property and tenant types may require the Company to sell properties in smaller lot sizes if it cannot find a single buyer for a portfolio sale, which could impact price attained and the timing and cost of completing the sales. In the event that the sale of such a diverse portfolio is not feasible, the Company will consider other forms of property sales including via auction, private treaty and individual asset sales. The Group has already met one of the key aspects of the investment objective, in that the Group has settled all amounts outstanding, including the loan facilities and the Deferred Fees. The realisation process will be carried out in a way intended to minimise impact and disruption to vulnerable occupiers. The Board regularly reviews the progress of the portfolio sale and the operation of the properties during the marketing period. The Board seeks regular advice from the independent advisers on the sale (JLL, TT&G and Allsops), including formal updates from all advisors at Board meetings and informal ad-hoc updates more frequently. In the event that the portfolio sale does not complete as expected, AEW and the Board have prepared a contingency plan to dispose of those properties through alternative avenues.
Control of Operating Expenses:	
The Group has significant operating costs including the costs of running a listed business and the costs of defending itself and taking action against those it considers responsible for the significant challenges the Company faces. The longer these workstreams continue the more that will need to be deducted from potential shareholder distributions. There is no certainty that the Group will recover meaningful sums from third parties.	The Board has forecast and will continue to assess current and future potential liabilities as it considers returning capital to shareholders. The Company intends to defend itself vigorously in respect of the threatened litigation and has denied the allegations made against it. The Board regularly engages with its advisors to consider the merits of the Company's position and to weigh the cost/benefit of bringing legal proceedings against those it considers responsible for wrongdoing. AEW updates the cashflow forecast monthly for 13 weeks and 15 months, which is reviewed in detail at least monthly with the Board.

Risk	Mitigation
Cash available to be returned to Shareholders may be reduced: The distributions that shareholders receive will be subject to deductions for, among other things, direct disposal costs, tax, management fees, professional fees and running costs throughout the remaining life of the Group. These costs may reduce the sums available for distribution to shareholders in the future.	The Company has a high fixed corporate cost base, required due to the REIT structure and as a result of the issues being dealt with by the Company, as well as the capital expenditure required to ensure compliance with health and safety regulations. During the period the Board has achieved material reductions in the remuneration of the Investment Manager. Together with the Investment Manager the Board challenges and reviews invoices from service providers to ensure they are proportionate and fair. The Management Engagement Committee considers the costs and performance of key service providers to ensure that the Company is receiving good value for money. The Company's cost burden in respect of its property portfolio is expected to reduce materially once the realisation strategy is complete.
Method and timing for returning capital The Company's ability to make distributions may be constrained whilst the Company faces potential group litigation and other contingent risks. The recent actions of the Serious Fraud Office serve to illustrate the complex and uncertain environment in which the Board is required to make decisions. The method and timing for making distributions is therefore uncertain.	It remains the objective of the Board to ensure the Company can return available capital upon completion of the realisation strategy. However, the ability to make distributions may be constrained by the circumstances facing the Company. The Board continues to take professional advice on the options that would enable available capital to be returned to shareholders in a way that is transparent, cost effective and consistent with the Board's legal and fiduciary duties and obligations as directors of the Company.
Property Leasing and Operations	
Direct letting of property As non-performing tenants are removed, a property manager is appointed to undertake the day-to-day tasks of operating the property, with occupiers contracting directly with a Group company. The direct letting model increases risks to the Company including: 1. Increased control over properties and therefore greater responsibility for health and safety and technical compliance. 2. Direct responsibility for property operating costs such as utilities, council taxes, insurance, repairs and maintenance. 3. For Supported Living properties, indirect co-ordination with the Council to obtain approval for funding and provision of adequate support to occupants. For properties not in payment, collection of rents is unlikely. 4. For HMOs, increased compliance and licensing risks. 5. Responsibility to ensure properties are occupied and rents collected and debtors chased where appropriate.	The AEW Asset Management team meets monthly with each property manager to review monthly performance. Those meetings include a review of financial results, leasing and vacancy strategy, compliance reporting and significant repairs and maintenance. All requests for capital expenditures are pre-approved and significant works are signed off by an independent third party prior to settling associated invoices. The AEW Asset Management also meet weekly with each Property Manager to review and approve actions on urgent matters and progress on key initiatives, including obtaining approval for supported living properties to be in payment.

Risk	Mitigation
Intensive Housing Managers (IHM) and Property Cost: When the Group has taken control of a property at surrender, it has appointed third party specialists including IHM and property managers, which has resulted in additional costs to the Group.	AEW has controls in place around expenditures made by the IHM and property managers in accordance with contractual agreements. AEW monitors expenditure against expectations and provides regular reporting to the Board on properties subject to IHM and property management agreements.
IHM and property managers are heavily relied upon to provide accurate information and proactively resolve issues as they arise, including in relation to health and safety, compliance, licensing, property maintenance, crisis response, administration, financial reporting and cashflow forecasting.	AEW undertakes appointments in accordance with its supplier selection and monitoring procedures including undertaking due diligence on service providers.
In some instances, property managers formerly used by non-performing tenants may be appointed by the Company due to their knowledge of the underlying properties and existing relationships with occupiers in order to facilitate rental collection. AEW may not have had previous experience or relationships with these service providers and the quality of the service may be unknown.	Where possible, AEW negotiates contracts with IHM and property managers on a flexible basis to provide stability and continuity of service that aligns with the flexibility required for sale of the properties under the Managed Wind-Down.
Property Risk Properties may suffer physical damage resulting in losses (including loss of rent) which may not be fully compensated by insurance or at all.	The Group maintains a comprehensive portfolio insurance policy. Building Declared Values have been updated in line with recent formal Reinstatement Cost Assessments (where undertaken) for typically larger properties and for locations that are yet to be inspected, the declared values have been estimated.
Liquidity risk: The impact of bringing assets to market as part of a public wind-down strategy may also result in changes in rent collection levels and the re-tenanting process due to occupiers and tenants being uncertain over who their future landlord will be. The Company is incurring high corporate costs including significant legal, audit and professional fees, and director and officer insurance. The Group's investments are generally not immediately liquid.	The liquidity risk has diminished significantly now that the Group has repaid both loan facilities and the Deferred Fees to the Lender in December 2024. The Directors have forecast expenditures over the next twelve months and are comfortable that the cash on hand plus proceeds from the sale of properties will be adequate to cover those expenses. Properties which are not included in the portfolio perimeter can be sold to raise additional cash in the event that cash is required if the portfolio sale is delayed. AEW has a procedure for the approval of significant capex and unbudgeted expenses. Surplus proceeds from remaining property sales will be placed on sterling only deposits and/or held as cash equivalent securities, other cash equivalents, cash funds or bank cash deposits, pending its return to shareholders.
Real Estate sector	
Property market – residential including Social Use and Supported Living: Performance will be subject to the condition and sentiment of property markets in the UK. A significant downturn in the underlying value of the Group's investment property would impact the return of funds to shareholders. Factors include inter alia general economic climate and market sentiment towards the sectors in which the Company operates, excess supply or fall in demand for properties, interest rates and changes in laws or government regulations.	Since appointment, AEW has undertaken a comprehensive inspection programme via third parties to assess the quality of the assets. AEW's assessment of each property including suitability, capital expenditure requirements and income and capital return prospects takes into account factors such as property location, local demand and quality operating partners and tenants. AEW reports its strategy and progress in achieving objectives for the properties and re-tenanting to the Board on a regular basis.

Risk	Mitigation
Tenant default and liquidation: Failure by tenants to comply with their rental obligations and tenant liquidations affects the Group's ability to generate cash and negatively impacts asset valuation. AEW and the Board have determined that as at 31 August 2025, 6 of 18 tenants (2024: 12 of the 20 tenants) were of weak covenant strength representing 13.3% of properties and 26.8% of annual contracted rent (2024: 67.6% and 76.1% respectively). Two tenants were in administration as at 31 August 2025 (2024: three tenants). No further tenants (2024: three tenants) have entered into voluntary administration post period end.	AEW determined that the majority of the original tenants were poorly capitalised and lacked long term operating track records. For tenants considered non-performing or unsuitable, AEW negotiated surrenders of the leases to take back control of the underlying properties to sell the associated property at auction or appoint a property manager to let directly as PRS or re-let to a housing provider for Supported Living. Material decisions in respect of lease surrenders and any write offs of arrears are approved by AEW's Investment Management Committee prior to approval by the Board. If a tenant is still performing, the leases will remain in place, although terms may be varied. AEW provides regular updates to the Board on its strategy.
Property Valuations: Property valuations are inherently subjective and uncertain and may not reflect actual sales prices realised by the Group. Realisations will vary, and it is anticipated that there will be both positive and negative variances from sales prices to valuations during the Managed Wind-Down. The reasons for such a variance are considerations such as changes in the housing market, changes in condition or occupation of the property since valuation, method of marketing and sale (portfolio, auction, private treaty), tenant, rent payment, lease structure and information availability.	The Board has appointed an experienced independent external valuer, JLL, with relevant and recent experience. JLL considers the quality and the suitability of the assets, the covenant strength of the tenant and the rental value for the existing use and LHA rates. JLL uses a combination of the investment approach and MV-VP. Where a valuation is prepared on an investment basis, limitations on the duration of the income streams are applied to account for the covenant strengths of the tenants, and the rent levels demanded under the leases. AEW and JLL use the sales evidence of recent auctions to support their estimates of MV-VP and this information is reviewed with the Board as part of the valuation sign off process.
Shares	
Restoration of trading of shares: The listing of the Shares was suspended on 3 January 2023 due to the Company not filing accounts within four months of year end. There is a risk that the Shares are permanently delisted from the London Stock Exchange. Once the Shares are relisted, there is the risk of a significant sale of Shares by investors may cause the market price of the Shares to fall.	The Company expects to publish the interim accounts for the period ended 28 February 2025 in the first quarter of 2026. The Company will apply to the FCA for a restoration of its listing and the recommencement of trading on the London Stock Exchange following publication of its outstanding financial information.
Volatility of share price during the Managed Wind-Down: The Company may experience volatility in its share price, both as a function of volatility in its net asset value and a reduction in share liquidity as capital is returned to shareholders, which may result in a continued or possibly wider discount to net asset value.	The Board, AEW and Liberum have been actively engaging with shareholders including updates and shareholder presentations. The Company will continue to provide periodic updates during the Managed Wind-Down, however, the level of disclosure included will be reviewed throughout the process in order to protect the Company's commercial interests and allow disposals to be completed in a manner that preserves shareholder value.

Risk	Mitigation
Shareholders ability to continue to hold shares: If the Company ceases to maintain REIT status the Company's shares will also cease to be 'excluded securities' under the FCA's rules on non-mainstream pooled investments which may have an impact on the ability of certain investors to continue holding the Company's shares.	AEW and the Company's specialist tax adviser monitor compliance with the REIT regime and liaise regularly with HMRC. The Company will make appropriate announcements in the event of the Company ceasing to maintain its REIT status.
Engagements with third party service providers	
Reliance on the performance of the Investment Manager and Other Key Service Providers: The Company has no full-time employees and is reliant upon the performance of AEW and other third party service providers. Failure by AEW and/or any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company. The future ability of the Company to successfully pursue its investment objective and investment policy may, among other things, depend on the ability of AEW to retain its existing staff and/or to recruit individuals of similar experience and calibre.	AEW's performance is closely monitored by the Board with regular review including key staff and general resourcing. Performance of the key service providers is monitored by the Board through its Management Engagement Committee ("MEC"). The MEC performs a formal annual review of the ongoing performance of AEW and other key service providers and makes recommendations to the Board about their continuing appointment. The Board undertakes a rigorous selection process for any new key service provider appointments.
Replacement of key service providers could disrupt the business, causing potential issues and delays in reporting.	The MEC and the Board will continue to monitor the performance of key service providers and determine whether continued engagement remains appropriate.
Business interruption: Cyber-attacks on AEW's and/or other service providers' IT systems could lead to disruption, reputational damage, regulatory (including GDPR) or financial loss to the Company.	The Company's key service providers have business continuity plans in place. AEW and other service providers' staff are capable of working remotely for an extended time period. AEW's and other service providers' IT systems are protected by anti-virus software and firewalls that are updated regularly.
Taxation	
Compliance with REIT rules: Failure to comply with the REIT rules and other regulations may have a negative impact on the Company. The Board expects that the Company will continue to fulfil the relevant conditions to qualify for UK REIT status in the short term. However, the requirements for maintaining REIT status are complex. As the Managed Wind-Down progresses, the Company cannot guarantee that it will maintain continued compliance with REIT requirements, particularly in its latter stages when the portfolio has been fully realised. The basis of taxation of any shareholder's shareholding in the Company may differ or change materially if the Company fails or ceases to maintain its REIT status.	AEW and the Company's specialist tax adviser monitor compliance with the REIT regime and liaise regularly with HMRC.

Risk	Mitigation
Potential Limitations on Methods of Returning Capital to Shareholders The Company's status as a REIT may restrict the Company's distribution opportunities to Substantial Shareholders.	AEW will monitor the position and provide regular updates to the Board.
Governance, regulatory compliance and litigation	
FCA regulations and investigation: Failure to comply with FCA regulations and adverse findings from pending investigations may have a material adverse impact on the Company's profitability (because of possible fines), the NAV and the price of the Shares.	The Board seeks regular advice from its advisers and the Board has confirmed that it will co-operate fully with the FCA investigation.
Risk of potential litigation from shareholders against the Group or a group action: As a result of the potential shareholder group litigation against the Company and the Company's Directors who were in office at IPO, the Company will continue to incur significant legal expenses and the ability of the Company to make distributions to shareholders may be constrained, in whole or in part.	The Company intends to defend itself vigorously in respect of the threatened litigation and has denied the allegations made against it. The Board regularly engages with its advisers on potential exposure to litigation.
Board – replacement, experience and succession: All of the Board members who were in office at IPO stood down on 14 January 2025 following publication of the 2023 financial results. The remaining Directors were appointed during 2024 and may lack historical knowledge of issues encountered by the Group.	Since January 2024, the Company has appointed a new Independent Non-Executive Chair, a Senior Independent Non-Executive Director (now MEC chair) and another Non-Executive Director who is now the Audit Committee Chair. In assembling the new Chair and Directors, careful consideration has been given to the appropriate skills, experience, knowledge, culture, capacity and independence of the incoming Board members. The original Directors will continue to assist the Company, when necessary, on historic legal and regulatory matters. The Board, through its Nomination Committee, will review its composition on a regular basis and will develop a succession plan at the appropriate time.
Health and Safety (H&S) risk: The Group and the Board have responsibility for certain H&S matters, including oversight over HMO planning permission and licensing. Failure to have appropriate H&S procedures and processes may result in regulatory fines and reputational risk.	H&S is a priority agenda item for Board meetings. The Board has received a summary of its responsibilities under various scenarios given the change in leasing model which now includes direct leasing to occupiers. AEW has an established a H&S Committee and reports regularly on H&S matters to the Board. AEW also notifies tenants regularly of their responsibilities and communicates any non-compliance issues identified requesting evidence of remediation. Property managers are obligated to provide regular reporting on H&S compliance. AEW undertake spot checks of compliance.

Going concern and viability statement

Going concern

The Directors, at the time of approving the financial statements, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and whether it is appropriate to prepare the financial statements on a going concern basis.

On 16 September 2024 Home REIT plc shareholders approved the New Investment Policy for the Managed Wind-Down of the Group's and the Company's operations. Part of that strategy was to sell enough properties through auctions to repay all amounts to Scottish Widows Limited ("Scottish Widows"). On 27 November 2024, the Group repaid all outstanding Group loans and in December 2024, the Group paid all other amounts due. As a result Scottish Widows released its charge over the Group's and Company's assets.

The Group is in exclusivity in respect of the sale of a majority of the remaining portfolio of investment properties in one transaction for £123.0 million with the remaining properties expected to be sold at auction over four months to avoid a significant concentration of properties from one area being sold in a single auction. There can be no certainty that the portfolio transaction will be completed. In the event that the portfolio sale does not complete as expected, AEW and the Board have prepared a contingency plan to dispose of those properties through alternative avenues which does not change the overall conclusion.

Cashflow projections for the Group and the Company have been prepared by AEW and agreed with the Board of Home REIT plc which consider:

1. Disposal of the remaining properties as described above,
2. Modest capital expenditure has been forecast through the sale period in order to ensure certain buildings are made safe for sale. Such works are under way and are required to comply with statutory obligations,
3. Revenue will continue to be collected on tenanted properties held by the Group up to the dates of sale,
4. Settlement of all amounts outstanding related to properties managed by third parties once both parties agree that invoices reflect the Group's correct liability period, and
5. Corporate expenses for those services required to maintain current operations through the wind-down of the Group.

As of the date of these financial statements, the Group has £7.1 million of free cash. The Directors have forecast expenditures over the next twelve months and are comfortable that the cash on hand plus proceeds from the sale of properties will be adequate to cover those expenses. Properties which are not included in the sale portfolio perimeter can be sold to raise additional cash in the event that cash is required before the portfolio sale is completed.

Home REIT plc has received a pre-action letter of claim which asserts that Home REIT plc provided information to investors which was false, untrue and/or misleading and as a result investors suffered losses. The Home REIT plc directors are not currently able to conclude whether or when a formal claim may be issued and if a claim is issued, what the quantum of such claim may be. Further, on 7 February 2024, Home REIT plc was notified by the FCA of its commencement of an investigation into the Company, covering the period from 22 September 2020 to 3 January 2023. Home REIT plc and its Directors are cooperating fully with the FCA in its investigation. However, The Directors are not able to assess or quantify what if any action may be taken. No allowance has been made for potential settlement of either the pre-action letter of claim or the FCA matter.

As a result of (i) the threatened litigation, (ii) the FCA investigation and (iii) the Company's Directors' expectation for an orderly wind-down of its operations, the Directors consider it appropriate to adopt a basis of accounting other than as a going concern in preparing these financial statements. No material adjustments to the accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis.

Approval of the Strategic Report

The Strategic Report was approved by the Board of Directors and signed on its behalf by:

Signed by:
Michael O'Donnell
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Michael O'Donnell
Chair

24 February 2025

Governance

The Board

All the Directors are non-executive and independent of the Investment Manager & AIFM. The Directors of the Company who were in the office at 31 August 2025 and up to the date of signing the Annual Report and Accounts were:

Michael O'Donnell
Michael O'Donnell is Chair of the Board. He is also a Non-Executive Director and Chair of the Remuneration Committee of Big Yellow Group PLC, a FTSE 250 self-storage company, and Chair of Lighthouse Funerals, a private equity backed funeral directors business. Michael has over 30 years of relevant experience, more than half of which have been dedicated to Non-Executive Director roles at a range of companies across the healthcare, real estate, residential, education and business services sectors including Helical plc (where he also chaired the Remuneration Committee), BMI Healthcare, Cygnet Healthcare, Esland Care and Dental Partners.

Michael has extensive experience in complex restructuring situations including insolvency processes and has held several creditor side board appointments. Prior to roles as a Non-Executive Director, he spent 11 years in private equity at LGV Capital (a subsidiary of Legal & General) and prior to that eight years in corporate finance at Morgan Grenfell and BZW. Michael has a Bachelor of Commerce degree from University College Dublin.

Rod Day
Rod Day is an Independent Non-Executive Director of the Board and Audit Committee Chair. A qualified accountant with an MBA from London Business School, he has over 30 years of business experience having held senior roles in strategy and finance for a number of leading international organisations. In an executive capacity his career highlights include working for Iron Mountain Inc (2008-2016), where he latterly acted as Global CFO leading strategic M&A and was instrumental in its conversion to a REIT; AOL Europe (2001-2008), where he acted as CFO in his final two years at the business, and at Kingfisher plc in various strategy and business planning roles (1994-2001). He also worked for a number of years at OC&C strategy consultants.

Since 2017 Rod has undertaken a series of business advisory and board roles. He has been interim CFO and Board member at a number of companies including RWS plc, a UK listed translation company; Cobham Group, the UK's largest aerospace and defence company where he was finance lead on various divestitures; and V Ships, a world leading shipping supplies company. He has also acted as a senior adviser to Cerberus Capital.

Peter Williams
Peter Williams is the Senior Independent Non-Executive Director of the Board and Management Engagement Committee Chair. A qualified Chartered Accountant, he has over 30 years of Board level experience achieved in both an executive and non-executive capacity. Peter is currently Chairman of ACS Clothing, the sustainable fashion enabler, a non-executive director at SGS Group, the owner of shopping and leisure centres at Lakeside, Watford and Nottingham; and is a trustee of both Somerset House in London and the Architectural Heritage Fund.

During his career he has been involved in significant corporate activity in relation to buying and selling companies, IPOs and restructuring. Peter's experience in capital reconstructions include those of JJB, Blacks, EMI and Jaeger working with both equity shareholders and debt providers. He has led or played a leading role in five IPOs including Selfridges (to which he was Chief Financial Officer and subsequently Chief Executive Officer), Cineworld, boohoo, Domino's in Turkey, and Mister Spex. His extensive non-executive experience includes Board roles at Rightmove, Superdry, Cineworld, Gcap Media, Capital Radio, U+I, Sophia Webster, Sportech, Silverstone, Erno Laszlo and Minto A/S.

Directors' report

The Directors present their report for the year ended 31 August 2025 in accordance with the Companies Act 2006 (the "Act"), the Listing Rules and the Disclosure Guidance and Transparency Rules. The Corporate Governance Statement, Directors' Remuneration Report, Reports from the Audit Committee, Nomination Committee and Management Engagement Committee, and the Statement of Directors' Responsibilities should be read in conjunction with one another, and the Strategic Report. As permitted by legislation, some of the matters normally included in the Directors' Report have instead been included in the Strategic Report, as the Board considers them to be of strategic importance. These include the below:

- Description of the business model can be found beginning on page 15.
- Likely future developments and outlook are contained within the Chair's Statement on pages 5 and 6.
- Important events affecting the Group which have occurred since the end of the financial year are set in Note 26 to the Consolidated Financial Statements.

Directors

The Directors in office at the date of this Report are as shown on page 27.

The Directors of the Company who were in the office during the period and up to the date of signing the Annual Report and Accounts were:

	Resigned
Michael O'Donnell	–
Peter Williams	–
Rod Day	–
Peter Cardwell	14 January 2025
Lynne Fennah	14 January 2025
Simon Moore	14 January 2025
Marlene Wood	14 January 2025

Details of the Directors' terms of appointment can be found in the Directors' Remuneration Report.

Corporate governance

The Corporate Governance Statement on pages 33 to 36 forms part of this Directors' Report.

Dividends

There were no dividends declared or paid in respect of the year ended 31 August 2025 (2024: £nil).

Issue of Shares

No new Shares were issued during the year.

Purchase of Shares

At the AGM held on 20 February 2025, the Directors were granted authority to purchase up to 14.99% of the Group's ordinary Share capital in issue at the date on which the Notice of AGM was published, amounting to 118,506,512 Shares. This authority will expire at the conclusion of the AGM held in 2026. As of the date of this report, the Company has not purchased any shares pursuant to this authority.

Shares bought back by the Company may be held in treasury, from where they could be reissued at or above the prevailing net asset value quickly and cost effectively. This provides the Company with additional flexibility in the management of its capital base.
As at the date of the Annual Report, the Company did not purchase any of its Shares pursuant to this authority, nor did any nominee or third-party with the Group's assistance acquire any Shares on behalf of the Company.

Current share capital

As at 31 August 2025, and at the date of this Report, the Group's issued share capital comprised 790,570,465 Shares, each of 1p nominal value. At general meetings of the Group, ordinary shareholders are entitled to one vote on a show of hands and, on a poll, to one vote for every Share held. As at 31 August 2025, and at the date of this Report, the total voting rights in the Group were 790,570,465.

Significant shareholders

As at 31 August 2025, the top 5 shareholders in the Company were:

Shareholder Name	Number of Shares	% of total voting rights
M&G Investment Management Limited	124,703,853	15.77
Weiss Asset Management LP	108,717,069	13.75
Act Finance Limited	52,105,850	6.59
Liontrust Asset Management PLC	37,840,019	4.79
Sarasin & Partners LLP	33,914,378	3.71

Since 31 August 2025 and up to the date of this Report, the Company has been informed of the following notifiable shareholdings in the share capital of the Company:

Shareholder Name	Shareholding on date of notification	Notification Date	% of total voting rights
Weiss Asset Management LP	120,717,069	26 November 2025	15.26
M&G Investment Management Limited	115,422,855	18 February 2026	14.6

Shareholder rights

The following information is disclosed in accordance with The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 and DTR 7.2.6 of the FCA's Disclosure Guidance and Transparency Rules:

- the Group's capital structure and voting rights and details of the substantial shareholders in the Group are set out in the previous page of this section;
- an amendment to the Company's articles of association (the "Articles") and the giving of powers to issue or buy back the Company's Shares requires an appropriate resolution to be passed by shareholders. Proposals to grant powers to the Board to issue and buy back Shares will be set out in the notice of the General Meeting at which accounts are laid in front of shareholders; and
- there are no restrictions concerning the transfer of securities in the Company; no restrictions on voting rights; no special rights with regard to control attached to securities; no agreements between holders of securities that may restrict their transfer or voting rights, as known to the Company; and no agreements which the Group is party to that might affect its control following a successful takeover bid.

Requirements of the Listing Rules

Listing Rule 6.6.1 requires the Company to include specified information in a single identifiable section of the Annual Report or a cross-reference table indicating where the information is set out. The information required under Listing Rule 6.6.1(6) in relation to allotments of Shares is set out on page 28. The Directors confirm that no additional disclosures are required in relation to Listing Rule 6.6.1.

Independent professional advice, insurance and indemnity

Details regarding independent professional advice, insurance and indemnity are set out in the Corporate Governance Statement beginning on page 34.

SECR

In accordance with the requirements of the Streamlined Energy and Carbon Reporting (SECR) framework, implemented through The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 (SI 2018/1155), quoted companies incorporated in the UK are required to report annual UK energy use and associated greenhouse gas (GHG) emissions, including:

- Scope 1 (direct emissions from owned or controlled sources)
- Scope 2 (indirect emissions from the generation of purchased electricity, heat, or steam)
- An intensity ratio
- A description of energy efficiency measures undertaken

However, under Regulation 15(7)(b) of the SECR Regulations, disclosure is not required where it is not practical to obtain the necessary information, provided that the reasons for non-disclosure are clearly stated.

For the year ended 31 August 2025, the Group has determined that it was not practicable to provide GHG emissions or energy usage data for the following reasons:

- The Group's property portfolio, comprising 1,375 residential assets at the beginning of the financial year and 853 as at 31 August 2025, was historically operated under long-term Full Repairing and Insuring (FRI) leases to third-party housing providers. Under this leasing structure, operational control and responsibility for energy usage, maintenance, and tenant management resided entirely with the tenants.
- The Group, as landlord, had no legal or operational right to monitor or collect energy consumption data from tenants. In practice, no data on energy usage, fuel types, or utility accounts was received during the lease terms or upon surrender.
- During FY2025, 522 properties were sold usually within 30–90 days of taking possession, with no intervening refurbishment or energy usage by the Group. Since the Group began re-taking control of properties through surrender deals, 1,620 of its original portfolio of 2,473 properties have been sold.
- The remaining 853 properties have been marketed for sale to a third party since the fourth calendar quarter of 2024 and are either under lease to a third party or with a property manager. Control over all of the properties was obtained from the original FRI tenants under irregular and non-standard conditions, without operational histories or energy records.
- No centralised operations, vehicle fleet, or corporate offices under Group control existed during the period, further limiting the relevance of Scope 1 or Scope 2 emissions.

Whilst the Group therefore makes use of the exemption provided under Regulation 15(7)(b) the Group has engaged Evora Global Ltd ("Evora") to estimate energy usage based on industry benchmarking data based on the archetypes of the properties to provide an illustrative view on the energy and carbon usage.

Methodology

EVORA estimated electricity and gas consumption data using the following processes:

1. Confirmation of portfolio composition
2. Review of industry estimations practice and benchmarks
3. Estimation of electricity and gas data
4. Calculation of carbon emissions
5. Quality review

Estimated Energy Table (kWh per annum)

Property Type	Gas (kWh)	Electricity (kWh)	Total (kWh)
Studio Apartment	3,150,000	756,000	3,906,000
Flat	1,300,642	309,618	1,610,260
House	7,077,510	1,668,546	8,746,056
House in Multiple Occupation	5,991,200	1,402,929	7,394,129
Portfolio Total	17,519,352	4,137,093	21,656,445

Estimated Greenhouse Gas Emissions (tons CO_2e)

Property Type	Scope 1 (tCO_2e)	Scope 2 (tCO_2e)	Scope 3 (tCO_2e)	Total (tCO_2e)
Studio Apartment	139.39	34.51	521.69	695.59
Flat	57.55	14.13	215.06	286.74
House	1,252.72	304.66	–	1,557.38
House in Multiple Occupation	1,060.44	256.16	–	1,316.60
Portfolio Total	2,510.10	609.46	736.75	3,856.31

IFRS

Additionally, the International Sustainability Standards Board (ISSB) issued IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures) with an effective date of 1 January 2024. However, these standards are not yet mandated in the United Kingdom.

The UK Government, via the Department for Business and Trade and the Financial Reporting Council (FRC), is currently undertaking a process to endorse the ISSB standards for UK use through the development of UK Sustainability Disclosure Standards (UK SDS). As at the date of this report, no requirement to adopt IFRS S1 or S2 has been enacted into UK regulation.

Accordingly, the Group is not required to report against IFRS S1 or S2 for the year ended 31 August 2025. The Group continues to monitor developments in UK sustainability reporting requirements and will assess future applicability of the ISSB standards once regulatory guidance and adoption timelines are finalised.

Investment Manager & AIFM

On 21 August 2023, AEW UK Investment Management LLP ("AEW") was appointed as AIFM and Investment Manager. The AIFM and Investment Manager have responsibility for the management of the assets of the Group in accordance with the investment policy of the Group and the policies and directions of the Board. AEW in its role as AIFM is regulated in the conduct of investment business by the FCA and is, for the purposes of the AIFMD and the rules of the FCA, a 'full scope' UK alternative investment fund manager with a Part 4A permission for managing AIFs, such as the Company.

From the date of their appointment, AEW is paid the following annual fee:

1. A fixed fee of £3,000,000 from the commencement of the Transition Period and as increased at each successive anniversary by the lower of CPI, RPI and 5%;
2. A variable fee for disposal of investments of £422 per bed, as defined; and
3. A variable fee of 10% of rent collected by the Company from its investments.

The maximum amount payable in any year under this agreement is £5,000,000. After the initial two year period expired on 21 August 2025, the Company was to pay a fee of 0.75% of NAV, subject to a minimum annual fee of £3,000,000, which increased annually at the lower of CPI, RPI or 5% (from the commencement of the Transition Period.) During the year ending 31 August 2025, the Group incurred fees under the agreement with AEW of £5,200,000 (2024: £5,000,000). The 2025 fee includes VAT for a portion of the fees. At 31 August 2025, £158,000 (2024: £384,000) of these fees were unpaid.

On 22 August 2025, the Company and AEW agreed a revised fee structure with immediate effect, as follows:

- A fee of £167,000 per month to expire three months after the date on which the Company holds fewer than 10 properties.
- Thereafter, £120,000 per month for a period of three months.
- Thereafter, £42,000 per month until termination of the revised IMA.
- Subject to an annual cap of £1 million, an additional 10% of gross rent collected from assets owned by the Company and 10% of rent arrears collected, including those recovered through liquidations.

The revised IMA may be terminated on six months' written notice and occur no earlier than 21 August 2026. The revised IMA includes other immaterial amendments.

Other service providers

Details of amounts incurred by the Group from its other key service provider are as follows:

Service provider	Service provided	Year ended 31 August 2025 £'000's	Year ended 31 August 2024 £'000's
APEX	Administrator, Company Secretary and Depositary	724	750
Panmure[1] Liberum	Capital Markets Adviser	1,464	552
JLL	Independent Valuer	168	300

1 During FY 2025, the Group requested additional strategic advice from PanmureLiberum for which the Company paid a separate fee of £912,000 (inc. VAT). Work of this nature is not expected to recur in the future.

Financial risk management

Information about the Group's financial risk management objectives and policies is set out in Note 14 to the Consolidated Financial Statements.

Auditor

The Directors confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and each Director has taken all the steps that ought to have been taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's Auditor, BDO, is aware of such information.

BDO LLP has expressed its willingness to continue in office as the Company's Auditor and resolutions for its re-appointment and to authorise the Audit Committee to determine its remuneration will be put to shareholders at the Annual General Meeting of the Company.

Signed by:

Michael O'Donnell

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By order of the Board

Michael O'Donnell

Chair

24 February 2026

Corporate governance statement

This Corporate Governance Statement forms part of the Directors' Report.

Introduction

In this Corporate Governance statement, the Company reports on its compliance with the AIC Code, sets out how the Board and its Committees have operated during the year and describes how the Board exercises effective stewardship over the Company's activities in the interests of shareholders. The Board is accountable to shareholders for the governance of the Company's affairs and is committed to maintaining the highest standard of corporate governance for the long-term success of the Company.

The Company reviews its standards of governance against the principles and recommendations of the AIC Code, as published in 2019. The Board considers that reporting against the principles and recommendations of the AIC Code provides better information to shareholders as it addresses all the principles set out in the UK Code of Corporate Governance (the "UK Code"), as well as setting out additional principles and recommendations on issues that are of specific relevance to investment companies and is endorsed by the Financial Reporting Council ("FRC"). The terms of the FRC's endorsement mean that AIC members who report against the AIC Code fully meet their obligations under the UK Code and the related disclosure requirements contained in the Listing Rules of the FCA. A copy of the AIC Code can be found at www.theaic.co.uk. A copy of the UK Code can be obtained at www.frc.org.uk.

Statement of compliance

Pursuant to the Listing Rules of the FCA, the Company is required to provide shareholders with a statement on how the main and supporting principles set out in the AIC Code have been applied and whether the Company has complied with the provisions of the AIC Code. The Board recognises the importance of a strong corporate governance culture and has established a framework for corporate governance which it considers to be appropriate to the business of the Company as a REIT and the Company as a whole.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

The Board considers these provisions are not relevant to the Company, being an externally managed investment company. The Company has therefore not reported further in respect of these provisions.

The Board has reviewed the principles and recommendations of the AIC Code and considers that it has complied throughout the year, except that the Chair of the Board is a member of the Audit Committee, contrary to Provision 29 of the AIC Code. The Board believes it is appropriate for the Chair of the Company to be a member of the Audit Committee as he has recent and relevant financial experience and provide a valuable contribution to the Committee's operations and its interaction with the Board.

The Board considers that it consistently met the level of oversight and governance that was required by the AIC Code. The Board has substantial real estate, financial, commercial and sector experience and has established appropriate committees (including Audit Committee and Management Engagement Committee), which met, and continue to meet, on a regular basis. As an externally managed investment company, the Company delegates key executive functions to third-party service providers. The Company and the Board is reliant upon the performance of these third-party service providers to carry out their obligations to the Company in accordance with the terms of their appointment. *Further information is provided below in* the Risk Management and Internal Control section and further detail on the Company's governance is provided in Appendix 2.

The Board

Under the leadership of the Chair, the Board is collectively responsible for the effective stewardship of the Company's affairs and the long-term success of the Group, generating value for shareholders. It establishes the purpose, values and strategic aims of the Company and satisfies itself that these and its culture are aligned. The Board ensures that the necessary resources are in place for the Company to meet its objectives and fulfil its obligations to shareholders within a framework of high standards of corporate governance and effective internal controls. The Directors are required to act with integrity, lead by example and promote this culture within the Company.

The Directors possess a wide range of business and financial expertise relevant to the direction of the Group and consider that they commit sufficient time to the affairs of the Group. All Directors act in a non-executive capacity.

Brief biographical details of the Directors, including details of their significant commitments, can be found on page 27.

Chair

Michael O'Donnell was independent of the Investment Manager at the time of his appointment and is deemed by fellow Board members to continue to be independent in character and judgement and to have no conflicting relationships. The Chair leads the Board and is responsible for its overall effectiveness in directing the Company. The Chair demonstrates objective judgement, promotes a culture of openness and debate, and facilitates effective contributions by all Directors. In liaison with the Company Secretary, the Chair ensures that the Directors receive accurate, timely and clear information to the extent possible with the limitation on the accuracy and completeness of the information provided by the Investment Manager. The Chair considers himself to have sufficient time to commit to the Company's affairs. The role and responsibilities of the Chair of the Board are clearly defined and set out in writing, a copy of which is available on the Company's website.

Senior Independent Director

Peter Williams, as the Senior Independent Director, provides a sounding board for the Chair and serves as an intermediary for the other Directors and shareholders. The Senior Independent Director also provides a channel for any shareholder concerns regarding the Chair and takes the lead in the annual evaluation of the Chair by the other Directors. The role and responsibilities of the Senior Independent Director are clearly defined and set out in writing, a copy of which is available on the Company's website.

Matters reserved for the Board

The Company's investment policy and strategy are determined by the Board. The Board is responsible for investment decisions, other than to the extent delegated to AEW, and the appointment, supervision and monitoring of the Group's key service providers. The Board establishes the Company's borrowing policy, dividend policy, approves public documents such as the annual and interim reports and financial statements, and corporate governance matters. A formal schedule of matters reserved for decision by the Board has been adopted and is available on the Company's website, with a summary in Appendix 2 on pages 104 to 106.

Independent professional advice, insurance and indemnity

The Board has formalised arrangements under which the Directors, in the furtherance of their duties, may seek independent professional advice at the expense of the Company. The Company also maintained Directors' and Officers' liability insurance during the year. The Articles provide the Directors of the Company, subject to the provisions of UK legislation, with an indemnity in respect of liabilities which they may sustain or incur in connection with their appointment. Apart from this, there are no qualifying third-party indemnity provisions in force.

Other than their letters of appointment as Directors, none of the Directors has a contract of service with the Company nor has there been any other contract or arrangement between the Company and any Director at any time during the year.

The Board has agreed a procedure for the induction and training of new Board appointees and training requirements are dealt with as required.

Information regarding the annual evaluation of the Board, its Committees, the individual Directors and the Chair; diversity policy; composition of the Board; tenure of the Directors; and the Directors' re-election is set out in the Report from the Nomination Committee on pages 44 to 45.

Board Committees

During the year, the Company had three Committees in operation, namely, the Audit Committee, the Management Engagement Committee and the Nomination Committee. Given the size of the Board, it is not considered appropriate to establish a separate remuneration committee. The functions that would normally be carried out by this committee are dealt with by the full Board.

The terms of reference of the Committees are available on the Company's website.

Audit Committee

The Group has established an Audit Committee which is chaired by Rod Day and consists of all Directors. The Board considers that the members of the Audit Committee have recent and relevant financial experience and the Committee as a whole has competence relevant to the sector in which the Company operates. The Audit Committee includes individuals with substantial experience of the financial matters of listed companies and the property sector. The Board believes it is appropriate for the Chair of the Company to be a member of the Audit Committee as he has recent and relevant financial experience and provides a valuable contribution to the Committee's operations and its interaction with the Board.

The report of the Audit Committee is set out on pages 37 to 42.

Management Engagement Committee

The Management Engagement Committee comprises all Directors and is chaired by Peter Williams. The Committee met during the period under review to consider the performance of the Investment Manager. In addition, the Management Engagement Committee reviews the performance, terms of appointment and fees payable to the other key service providers of the Company and makes recommendations to the Board regarding their continuing appointment.

The report of the Management Engagement Committee is set out on page 43.

Nomination Committee

The Company has established a Nomination Committee which is chaired by Michael O'Donnell. The Committee reviews the Board's succession plan and identifies and nominates candidates for the office of director of the Company. It also reviews the results of the annual evaluation process of the Board, its Committees, the Directors and the Chair, and makes recommendations to the Board in respect of the election/re-election of the Directors.

The report of the Nomination Committee is included on pages 44 to 45.

Meetings held during the year

The Company has four full Board meetings a year. In addition, currently, the Board is meeting every month with the Investment Manager. Additional meetings are arranged as necessary.

At each Board meeting, the Directors follow a formal agenda which is circulated in advance by the Company Secretary. The Investment Manager, the Administrator and the Company Secretary regularly provide the Board with financial information, including a monthly cash flow forecast, together with briefing notes and papers in relation to the disposal of investments, health & safety compliance and tenant and asset monitoring and updates, changes in the Company's economic and financial environment, statutory and regulatory changes and corporate governance best practice.

The number of scheduled Board, Audit Committee, Management Engagement Committee and Nomination Committee meetings that each director was entitled to attend during the year ended 31 August 2025 and the attendance of the individual Directors is shown below:

	Board	Audit Committee	Management Engagement Committee	Nomination Committee
Number of meetings attended (entitled to attend)				
Lynne Fennah	4 (4)	4 (4)	2 (2)	1(1)
Peter Cardwell	3 (4)	3 (4)	1 (2)	0(1)
Simon Moore	4 (4)	4 (4)	2 (2)	1(1)
Marlene Wood	4 (4)	4 (4)	2 (2)	1(1)
Michael O'Donnell	7 (7)	6 (6)	2 (2)	3(3)
Peter Williams	7 (7)	6 (6)	2 (2)	3(3)
Rod Day	7 (7)	6 (6)	2 (2)	3(3)

Conflicts of Interest

It is the responsibility of each individual Director to avoid an unauthorised conflict arising. Directors must request authorisation from the Board as soon as they become aware of the possibility of an interest that conflicts, or might possibly conflict, with the interests of the Company (a "situational conflict"). The Articles authorise the Board to approve such situations, where deemed appropriate.

The Board is responsible for considering Directors' requests for authorisation of conflicts and for deciding whether or not the situational conflict should be authorised. The factors to be considered will include: whether the situational conflict could prevent the Director from properly performing their duties; whether it has, or could have, any impact on the Company; and whether it could be regarded as likely to affect the judgement and/or actions of the Director in question. When the Board is deciding whether to authorise a situational conflict, only Directors who have no interest in the matter being considered are able to take the relevant decision, and in taking the decision, the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Board are able to impose limits or conditions when giving authorisation if they think this is appropriate in the circumstances. The Directors must also comply with the statutory rules requiring the Directors to declare any interest in an actual or proposed transaction or arrangement with the Company.

The Company Secretary maintains the Register of Directors' Conflicts of Interests which is reviewed at each Board meeting, to ensure that authorised conflicts remain appropriate. The Directors advise the Company Secretary and the Board as soon as they become aware of any conflicts of interest. Directors who have conflicts of interest do not take part in discussions which relate to any of their conflicts.

Risk management and internal control review

The Directors acknowledge that they have overall responsibility for the Company's risk management and internal control systems and for reviewing their effectiveness.

An ongoing process, in accordance with the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, has been implemented for identifying, evaluating and managing the principal and emerging risks faced by the Company and the Group. This process has been in place throughout the year ended 31 August 2025 and up to the date the financial statements were approved and is regularly reviewed by the Board, through the Audit Committee if scheduled or at a regular Board meeting. Key procedures established with a view to providing effective financial control have also been in place for the year under review and up to the date the financial statements were approved.

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

The Company has contractually delegated the management of the investment portfolio, the registration services, administration services and other services to third party service providers and reliance is therefore placed on the internal controls of those service providers.

The internal financial control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are taken, reports are published and the assets of the Company are safeguarded.

The key procedures include review of cash movements and a cash flow forecast, monitoring of performance of the Company and AEW at quarterly Board meetings, segregation of the administrative function from investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures. The internal controls at the service providers are reviewed by the Audit Committee.

The Board has undertaken a review of the effectiveness of the Company's risk management and internal control systems as they have operated over the year and up to the date of the approval of the Annual Report.

Robust risk assessments and reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective. The Board, through the Audit Committee, has categorised risk management controls under the following key headings: investment objective; property leasing and operations; real estate sector; risks relating to Shares; engagements with third party service providers; taxation; and governance, regulatory compliance and litigation. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in the light of the following factors:

- the nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective;
- the threat of such risks becoming reality;
- the Company's ability to reduce the incidence and impact of risk on its performance; and
- the cost to the Company and benefits related to the review of risk and associated controls of the Company.

A risk matrix is in place against which the risks identified and the controls to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk register is reviewed twice per annum by the Audit Committee and at other times as necessary by the Board.

The majority of the day-to-day management functions of the Company are sub-contracted, and the Directors therefore obtain regular assurances and information from key third party service providers regarding the internal systems and controls operating in their organisations. In addition, each of the third parties is requested to provide a copy of its report on internal controls each year, where available, which is reviewed by the Audit Committee.

Relations with shareholders

Details regarding the Group's engagement with its shareholders are set out within the Strategic Report on page 17.

Report of the Audit Committee

I present the report of the Audit Committee (the "Committee" for purposes of this Report of the Audit Committee only) for the year ended 31 August 2025.

Composition
The composition of the Committee is set out in the Corporate Governance Statement on page 34. Details of how its performance evaluation has been conducted are included on pages 44 and 45.

Meetings
The Committee met six times during the year under review. The Directors' attendance is set out on page 35 in the Corporate Governance Statement.

Role of the Audit Committee
The primary responsibilities of the Committee are:

- monitoring the integrity of the financial statements of the Company, any formal announcements relating to the Company's and the Group's financial performance, and reviewing significant financial reporting judgements contained therein;
- advising the Board on whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- consider reports from the independent valuer of the Company to value its investments;
- keep under review the effectiveness of the Company's internal financial controls and internal control and risk management systems;
- reviewing and monitoring the external auditor's independence and objectivity;
- reviewing the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements;
- conducting the tender process and making recommendations to the Board about the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; and
- developing and implementing policy on the engagement of the external auditor to provide non-audit services, ensuring there is prior approval of non-audit services, considering the impact this may have on independence, taking into account the relevant regulations and ethical guidance in this regard, and reporting to the Board on any improvement or action required.

Activities during and after the year under review
The delays in issuing the Annual Report and Accounts for the year ending 31 August 2022, 31 August 2023 and 31 August 2024 severely impacted the preparation and audit of these financial statements for the year ending 31 August 2025. The reasons for those delays are described in detail in the Report of the Audit Committee for those years.

At the meeting on 10 October 2024, the Committee considered the updated Financial Position and Prospects Procedures memorandum ("FPPP"); the updated risk register for the Managed Wind-Down; the Going Concern and viability statement; the REIT tax compliance report; JLL's valuation report for the year ended 31 August 2022; BDO's final audit report to the Committee; and reviewed the Company's draft annual consolidated financial statements for the year to 31 August 2022 and recommended these to the Board. In particular, the Committee advised the Board that taken as a whole, the 2022 Annual Report is fair and balanced and provides the information necessary for shareholders to assess the Company's performance, business model, strategy and going concern statement.

At a meeting conducted on 12 November 2024, the Audit Committee considered an updated materiality metric for the audit of the 31 August 2023 Annual Report and Accounts presented by BDO and considered the preliminary 2024 Audit Plan.

At the meeting on 13 January 2025, the Committee considered the updated Financial Position and Prospects Procedures memorandum ("FPPP"); the updated risk register for the Managed Wind-Down; the Going Concern and viability statement; the REIT tax compliance report; JLL's valuation report for the year ended 31 August 2023; BDO's final audit report to the Committee; and reviewed the Company's draft annual consolidated financial statements for the year to 31 August 2023 and recommended these to the Board. In particular, the Committee advised the Board that taken as a whole, the 2023 Annual Report is fair and balanced and provides the information necessary for shareholders to assess the Company's performance, business model, strategy and going concern statement.

On 3 April 2025, the Committee considered the updated risk register for the Managed Wind-Down; the Going Concern statement; and JLL's valuation report for the period ended 28 February 2023; and reviewed the Company's draft interim consolidated financial statements for the period to 31 August 2023 and recommended these to the Board. In particular, the Committee advised the Board that taken as a whole, the 2023 Annual Report includes important events that have occurred during the Period 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 period.

At a meeting conducted on 18 August 2025, BDO presented the final audit plan for the year ended 31 August 2024 to the Audit Committee.

Most of the Audit Committee's activities during the year ended 31 August 2025 related to the 2022, 2023 and 2024 financial years. Those activities include the following:

- conducted a review of the internal controls and risk management systems of the Company and its third-party service providers;
- conducted a review of the Company's risk register as updated by AEW;
- reviewed the annual property valuation as at 31 August 2024 and recommended this to the Board. In doing so, the Committee monitored the effectiveness of the Company's valuation policies and methods based on information regarding the condition of the properties and the financial condition of the tenants;
- reviewed the Company's draft annual consolidated financial statements for the periods to 31 August 2023 and 2022 as presented to the Committee on 13 January 2025 and 10 October 2024 and recommended these to the Board. In particular, the Committee advised the Board that taken as a whole, the Annual Reports are fair and balanced and provides the information necessary for shareholders to assess the Company's performance, business model, strategy and going concern statement;
- received and discussed with BDO the audit report on the results of the audit for the year ended 31 August 2023 and 31 August 2022 and considered the draft audit opinions and draft letters of representation as at 13 January 2025 and 10 October 2024;
- discussed and considered the Auditor's performance, objectivity and independence and the effectiveness of the external audit; and
- reviewed whether an internal audit function would be of value and concluded that this would provide minimal added comfort at considerable extra cost to the Company. The existing system of monitoring and reporting by third-party service providers remains appropriate. The Committee keeps the needs for an internal audit function under periodic review.

At the meeting on 17 October 2025, the Committee considered the updated Financial Position and Prospects Procedures memorandum ("FPPP"); the updated risk register for the Managed Wind-Down; the Going Concern and viability statement; the REIT tax compliance report; JLL's valuation report for the year ended 31 August 2024; BDO's final audit report to the Committee; and reviewed the Company's draft annual consolidated financial statements for the year to 31 August 2024 and recommended these to the Board. In particular, the Committee advised the Board that taken as a whole, the 2024 Annual Report is fair and balanced and provides the information necessary for shareholders to assess the Company's performance, business model, strategy and going concern statement.

Financial statements and significant accounting matters

The Committee has taken into account the most significant risks and issues, both operational and financial, which are likely to impact the Company's financial statements. It considered the following key issues in relation to the Company's financial statements during the year and post year end:

Valuation of investment property

The Committee considers the valuation of investment property to be a significant area of judgment which could materially impact the financial statements for the year ended 31 August 2025. JLL was appointed in July 2023 as the independent valuer to value the Group's property portfolio in accordance with the RICS requirements on a bi-annual basis.

The Group's portfolio has been independently valued by JLL in accordance with the RICS Valuation Professional Standards. As at 31 August 2025, the Group's portfolio had a market value of £154.9 million representing 41.6% of the historical acquisition costs (including purchase costs).

The reduction in the property valuation from the year ended 31 August 2024 was primarily due to the sale of 522 properties with a carrying value of £99.4 million and unrealised valuation loss of £11.0 million. JLL used the condition of the properties as determined through the external inspection of 846 properties and internal inspection of 113 properties and supported by third party condition reports on an additional 646 properties.

In determining the fair value as at 31 August 2025, JLL has used a combination of the investment approach (20.5% of the portfolio value) and MV-VP (79.5% of the portfolio value). Refer to Note 9 to the Consolidated Financial Statements for further detail.

Whilst 404 of the 853 properties within the portfolio were subject to a lease as at 31 August 2025, the security of the unexpired term for these leases differs across the portfolio depending on the covenant strength of the tenant. For tenants with a weak covenant strength, or where a property was deemed unhabitable or not fit for-purpose, JLL disregarded the leases and valued the properties on the basis of MV-VP.

Where a valuation has continued to be prepared on an investment basis, due to unproven credit profiles, JLL applied limitations on the duration of the income streams to account for the covenant strengths of the tenant, and the rent levels demanded under the leases. JLL capped the unexpired lease term at five years due to the lack of confidence in those tenants being able to fulfil their lease obligations. Furthermore, for those properties which are leased to a tenant with a strong covenant, JLL capitalised the passing rent for its remaining term (up to seven years). Where a property has a high passing rent in comparison to JLL's opinion of MV-VP, JLL capped the fair value at between 110% and 125% of MV-VP depending on the tenant (2024: between 113% and 154%). JLL also concluded that based on recent market evidence that the Group would have challenges in gaining vacant possession of supported living properties managed by an IHM and has valued 145 properties at a discount to MV-VP of between 10%-15% depending on the IHM and the location of the property.

The prospective lender for Patron requested that JLL provide a valuation at the transaction date. Given the number of properties across the breadth of England and significance of the valuation to the success of the transaction, the Directors agreed to allow this as a permissible service after JLL confirmed it could maintain its independence throughout and would not be prohibited from providing further valuations to the Group.

The Committee reviewed the detailed valuation report from JLL and the assumptions underlying the property valuations and concluded that the valuation at the Company's year-end is appropriate.

Revenue Recognition and Collectability of Tenant Related Receivables

The Committee considers revenue recognition and the collectability of tenant related receivables to be an area of significant judgment which could materially impact the financial statements for the year ended 31 August 2025. The inspection programme undertaken between August 2023 and May 2024 revealed that 198 properties had been acquired which were deemed unhabitable of which the Group still owned 19 as at 31 August 2025. The Committee considered that because the properties were unhabitable, they did not meet the criteria for revenue recognition and therefore did not recognise any revenue during the year associated with any of those properties.

The Committee also considers that any receivables outstanding to non-performing tenants should be provided for in full. Because the Group judged 6 of its 18 direct tenants were a poor financial covenant, the Committee concluded that any related receivables should be provided for as at 31 August 2025.

Significant accounting judgements and estimates

The judgements, estimates and associated assumptions that have had a material impact in the presentation of assets and liabilities in these accounts have been made in relation to valuation of investment property, the recoverability of tenant related receivables and the classification of investment property as assets held for sale. These are detailed in Note 3 to the Consolidated Financial Statements.

Qualified independent auditor's report

BDO were not able to perform complete audit procedures on lease revenue from occupants associated with properties managed by third party managers because the Group could not provide all required audit evidence to support the amounts recognised. Accordingly, BDO have qualified their audit report for this matter. Rental revenue from properties managed by third-party managers in the year to 31 August 2025 totalled £10.2 million of the total rental revenue recognised of £20.7 million.

All properties managed by property managers were previously under lease with a non-performing tenant. The Group regained control of the properties after tenants entered into lease surrender agreements. In many cases AEW received no information from the surrendering tenant at handover related to the properties or their occupants and many of the occupants did not have an in-place AST or the AST was not provided to AEW at surrender. Where possible, AEW preferred to keep the property vacant; the main reasons for this are as follows:

- The property was required to be sold. The Group was under significant pressure from Scottish Widows to repay the outstanding loans and properties which offered vacant possession were more valuable and saleable at auction than those with occupants, especially those who are in need of support. After the Group entered into the Managed Wind-Down, AEW were advised that keeping currently vacant properties as vacant provided best value and maximum buyer flexibility.
- The question of when the Renters' Rights Bill ("RRB") would be approved and/or the composition of the final terms provided further uncertainty.
- In many cases, the tenants/occupants did not fit the desired profile for the property and AEW were advised that it would be optimal for the sale to gain vacant possession and not put in place new

documentation. In light of the imminent RRB it was anticipated that it would be easier to evict a non-performing occupant without an AST than one with an in-place agreement. Accordingly, AEW instructed property managers not to pursue obtaining ASTs where one was not already in-place.

During the year ended 31 August 2025, the Group engaged six property managers to manage properties on the Group's behalf of which there were four that were considered core managers. These four were engaged to manage specific properties based on location and type of occupant.

In order to monitor the activities and fees for these four property managers, AEW receives a monthly financial package and meets with the senior team from each to review key items, including:

1. Property by property occupancy (and vacancy) and associated revenue recognised and collected;
2. Overall monthly reported results;
3. Capex and maintenance requirements;
4. Insurance matters;
5. Property health and safety and compliance updates; and
6. Computation of management fees and ensuring these are in line with the agreement and collected rents.

Monthly cash received by the Group from each property manager is reconciled to the monthly reporting pack and differences monitored and pursued to ensure only required and approved amounts have been retained by the property manager.

In addition, AEW have a weekly call with every property manager to discuss more urgent matters, including emergency and other capex, tenant issues, health and safety matters and approval of one-time expenses prior to entering contract.

While BDO could not audit the revenue associated with occupants with no AST, the Directors are comfortable that the monitoring by AEW is adequate to ensure that the reported results are in line with underlying occupancy and cash movements. Further, the Directors consider that the operating loss for the year ended 31 August 2025 would not have changed, because no further cash would be expected to be collected associated with these leases.

Going concern and viability statement

The Directors, at the time of approving the financial statements, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and whether it is appropriate to prepare the financial statements on a going concern basis.

On 16 September 2024 Home REIT plc shareholders approved the New Investment Policy for the Managed Wind-Down of the Group's and the Company's operations. Part of that strategy was to sell enough properties through auctions to repay all amounts to Scottish Widows Limited ("Scottish Widows"). On 27 November 2024, the Group repaid all outstanding Group loans and in December 2024, the Group paid all other amounts due and Scottish Widows released its charge over the Group's and Company's assets.

The Group is in exclusivity in respect of the sale of a majority of the remaining portfolio of investment properties in one transaction for £123.0 million with the remaining properties expected to be sold at auction over four months to avoid a significant concentration of properties from one area being sold in a single auction. There can be no certainty that the portfolio transaction will be completed. In the event that the portfolio sale does not complete as expected, AEW and the Board have prepared a contingency plan to dispose of those properties through alternative avenues.

Cashflow projections for the Group and the Company have been prepared by AEW and agreed with the Board of Home REIT plc which consider:

1. Disposal of the remaining properties as described above,
2. Modest capital expenditure has been forecast through the sale period in order to ensure certain buildings are made safe for sale. Such works are under way and are required to comply with statutory obligations,
3. Revenue will continue to be collected on tenanted properties held by the Group up to the dates of sale,
4. Settlement of all amounts outstanding related to properties managed by third parties once counter parties agree that invoices reflect the Group's correct liability period, and
5. Corporate expenses for those services required to maintain current operations through the wind-down of the Group.

As of the date of these financial statements, the Group has £7.1 million of free cash. The Directors have forecast expenditures over the next twelve months and are comfortable that the cash on hand plus proceeds from the sale of properties will be adequate to cover those expenses. Properties which are not included in the sale portfolio perimeter can be sold to raise additional cash in the event that cash is required before the portfolio sale is completed.

Home REIT plc has received a pre-action letter of claim which asserts that Home REIT plc provided information to investors which was false, untrue and/or misleading and as a result investors suffered losses. The Home REIT plc directors are not currently able to conclude whether or when a formal claim may be issued and if a claim is issued, what the quantum of such claim may be. Further, on 7 February 2024, Home REIT plc was notified by the FCA of its commencement of an investigation into the Company, covering the period from 22 September 2020 to 3 January 2023. Home REIT plc and its Directors are fully cooperating with the FCA in its investigation. However, they are not able to assess or quantify what if any action may be taken. No allowance has been made for potential settlement of either the pre-action letter of claim or the FCA matter.

As a result of (i) the threatened litigation, (ii) the FCA investigation and (iii) the Home REIT plc Directors' expectation for an orderly wind-down of its operations, the Directors consider it appropriate to adopt a basis of accounting other than as a going concern in preparing these financial statements. No material adjustments to accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis.

Internal controls

The Committee carefully considers the internal control systems by monitoring the services and controls of its third-party service providers. It reviewed and, where appropriate, updated the risk matrix during the year under review. This is done on a bi-annual basis or more frequently if required. The Committee received a report on internal controls during the period under review from AEW and the Company's other key service providers and no significant matters of concern were identified at the time. The Board continues to regularly review and update the risk matrix with AEW. The Board has considered the internal controls and risk matrix and determined that these were appropriate based on the information reported to the Board and all Committees at the time. The risk register has been amended to consider the types of risks the Company is exposed to and the associated impact on returning capital to investors during the Managed Wind-Down.

Auditor's remuneration

Fees paid to the Group's Independent Auditor include the following:

Service provided	Year ended 31 August 2025 £'000's	Year ended 31 August 2024 £'000's
Fees payable for the audit of the Company's annual accounts	645	772
Fees payable for the audit of the Company's subsidiaries	72	72
Fee payable for data preservation	–	2

Further details of the Auditor's remuneration are set out in Note 5 to the Consolidated Financial Statements.

Non-audit services provided by the Auditor

The Committee has a non-audit services policy in place. The supply of non-audit services provided by the Auditor is considered on a case-by-case basis and may only be provided to the Company if approved by the Committee, the provision of such services is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest which would prevent the Auditor from remaining objective and independent. BDO did not provide any non-audit services during the year ended 31 August 2025.

Effectiveness of the external audit

The Chair of the Committee met with the lead audit partner to agree the audit plan for the year ended 31 August 2025 and to discuss any issues arising from the prior year audit. The Chair of the Committee also met with the lead partner, prior to the finalisation of the audit of the Annual Report and Accounts for the year ended 31 August 2025 without AEW being present, to discuss how the external audit was carried out, the findings from such audit and whether any issues had arisen from the Auditor's interaction with the Company's various service providers.

Following its review prior to the approval of these accounts, the Audit Committee has challenged the Auditor and concluded that the Auditor has demonstrated a good understanding of the structure and operations of the Company and had identified and focused on the areas of significant financial reporting risk. The external audit process was considered to have been effective.

Independence and objectivity of the Auditor
BDO was selected as the Company's external Auditor at the time of the Company's launch in 2020 following a formal tender process and review of the Auditor's credentials. The continuing appointment of the Auditor is reviewed annually by the Committee, which gives consideration to the Auditor's fees and independence, along with the matters raised during each audit.

During the financial year, Edward Goodworth rotated as audit partner of the Group with Christopher Young appointed in his place.

The Committee has considered the independence and objectivity of the Auditor and has noted that there were no non-audit services provided during the year under audit. The Committee receives annual assurance from the Auditor that its independence is not compromised by the provision of non-audit services. The Committee is satisfied that the Auditor's objectivity and independence is not impaired by the performance of non-audit services and that the Auditor has fulfilled its obligations to the Company and its shareholders.

Re-appointment of the Auditor
In consideration of the performance of the Auditor, the services provided during the year and a review of BDO's independence and objectivity, the Committee has recommended to the Board the re-appointment of BDO for the year ended 31 August 2026.

Fair, balanced and understandable financial statements
The Committee has concluded that the Annual Report for the year ended 31 August 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's business model, strategy and performance. The Committee has reported its conclusions to the Board. It reached this conclusion through a process of review of the draft financial statements and enquiries to the various parties involved in the production of the Annual Report.

DocuSigned by:
Rod Day
A60E007E98504BB...

Rod Day
Chair of the Audit Committee

24 February 2026

Report of the Management Engagement Committee

I present the report of the Management Engagement Committee (the "Committee" for purposes of this Report of the Management Engagement Committee only) for the year ended 31 August 2025.

Composition
The composition of the Committee is set out in the Corporate Governance Statement on page 35. Details of how its performance evaluation has been conducted are included on pages 44 and 45.

Meetings
The Committee met twice during the year under review. The Directors' attendance is set out on page 35 in the Corporate Governance Statement.

Role of the Management Engagement Committee
The key responsibilities of the Committee are:

- monitoring and evaluating the Investment Manager's investment performance and its compliance with the terms of the IMA;
- reviewing, at least annually, the performance and continued retention of the Investment Manager;
- reviewing the level and method of remuneration, the basis of performance fees (if any) and the notice period of the Investment Manager to ensure that these remain in the best interests of the shareholders;
- ensuring that processes have been put in place to review the Company's risk management and internal control systems designed to safeguard shareholders' investment and the Group's assets; and
- monitoring and evaluating the performance of the other key service providers of the Company to ensure their continued competitiveness and effectiveness (noting in particular the significant challenges the Company has faced in publishing financial statements, sustained and elevated levels of professional fees and intensive property-level initiatives).

Activities during the year
The Committee has reviewed the performance of AEW from the date of its appointment and is satisfied that it has the necessary skills and experience to manage the Group's investments, in accordance initially with the Amended Investment Policy and now the New Investment Policy. The Committee considers that the continuing appointment of the Investment Manager and the terms of its remuneration are in the best interests of shareholders as a whole. The Committee is also satisfied that processes have been put in place to review the Company's risk management and internal control systems designed to safeguard shareholders' investment and the Company's assets.

The performance of the Company's other service providers was closely monitored by the Board, through the Committee and where appropriate with the support of the Investment Manager. The Committee's review of key service providers included an evaluation of their fees and the quality of their service to ensure they remained effective and competitive. This process included the adoption of a classification system to ensure that service providers were evaluated not only on their performance, but according to the importance of their role in the Company's operations. The Committee's service provider review included periodic consideration of their internal policies and procedures to ensure adequate controls are in place.

Conclusions and recommendations
With due consideration of the events that occurred prior to the periods under review, which included the failure of several key service providers to raise material matters or concerns with the Board, the Committee determined that certain services should be tendered.

The Investment Manager commenced tendering of several key service providers, however, due to the Managed Wind-Down and legacy issues facing the Company, the Board ultimately determined that it was in the Company's best interests for certain incumbent service providers to remain in place. In reaching this decision, the Board weighed carefully the risk of disruption, the commercial challenge of tendering during a wind-down versus the obvious advantages of appointing service providers it had full confidence in. The Board is nonetheless satisfied that it has judged the balance of risks correctly and believes the current service providers are best placed to assist the Company with its current objectives.

A comprehensive review of the Company's key service providers has been undertaken by the Committee during meetings on 28 November 2024 and 18 August 2025. The Committee will continue to monitor the performance of key service providers and determine whether current appointments remain appropriate.

DocuSigned by:
Peter Williams
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Peter Williams
Chair of the Management Engagement Committee

24 February 2026

Report of the Nomination Committee

I present the report of the Nomination Committee (the "Committee" for purposes of this Report of the Nomination Committee only) for the year ended 31 August 2025.

Composition

The composition of the Committee is set out in the Corporate Governance Statement on page 35. Details of how its performance evaluation has been conducted are included below.

Meetings

There have been three meetings of the Committee during the year. The Directors' attendance at these meetings is set out in the Corporate Governance Statement on page 35.

Role of the Nomination Committee

The primary responsibilities of the Committee are:

- reviewing the structure, size and composition of the Board;
- ensuring plans are in place for orderly succession to the Board and ensuring that such plans promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths;
- reviewing length of service of each Director and assessing if this impacts on their independence;
- considering the use of open advertising and/or an external search consultancy for each appointment;
- considering job specifications and whether the candidates have the necessary skills and time available to devote to the Company;
- arranging for any new Directors to be provided with training and induction;
- making recommendations to the Board regarding the Company's policy on the tenure of the Chair of the Board;
- making recommendations to the Board regarding the Company's policy on diversity and inclusion; and
- performing a formal and rigorous evaluation of the Board, its Committees, the Chair of the Board and individual Directors on at least an annual basis, including, if appropriate, considering engagement of an external evaluator to facilitate the evaluation.

Activities

During the year, the Committee:

- reviewed its terms of reference and considered whether these remained appropriate;
- considered the results of the evaluation of the Board, its Committees, the individual Directors and the Chair;
- as part of the evaluation process, considered the Board's composition with reference to the mix of skills, diversity, knowledge and experience, and how these aligned with the Group's strategic objectives and the opportunities and challenges faced by it;
- agreed the policy regarding the tenure of the Board members;
- reviewed the significant commitments of the Directors and the time dedicated by them to the affairs of the Company;
- made recommendations to the Board regarding the Directors' annual re-election by shareholders at the AGM; and
- discussed the succession plans for the Board to ensure its progressive refreshing.

Performance evaluation

A formal annual performance evaluation process is undertaken for the Board, the Committees, the individual Directors and the Chair. The Directors are aware that they continually need to monitor and improve Board performance and recognise that this can be achieved through regular Board evaluation, which provides a valuable feedback mechanism for improving Board effectiveness.

The Directors undertook an internal performance evaluation by way of completing written questionnaires, led by the Chair during the period, designed to assess the strengths and independence of the Board and the performance of its Committees, the Chair and the individual Directors.

The questionnaires are also intended to analyse the focus of Board meetings and assess whether they are appropriate, or if any additional information may be required to facilitate Board discussions. Any training needs identified as part of the evaluation process are also considered by the Board. The evaluation of the Chair was carried out by the other Directors of the Company, led by the Senior Independent Director.

The results of this Board evaluation process were reviewed and discussed by the Nomination Committee. The Committee's deliberations concluded that as a whole the Board functions effectively and the current Committee structure remained appropriate.

The Chair's evaluation was conducted by Mr Williams as the Senior Independent Director of the Company. The results of the Board evaluation process were reviewed and discussed by the Nomination Committee.

In accordance with the AIC Code and in line with good corporate governance the Group is required to have an externally facilitated Board evaluation at least every three years. It was intended that in 2023, an external agency would be engaged to conduct this process, however due to unexpected events that have arisen and the subsequent change in Board personnel this process was run internally in 2025 and the use of an external agency was not deemed to the best use of Shareholder resources at this time.

Election and Re-election of Directors

All Directors are required to stand for re-election at each Annual General Meeting. Michael O'Donnell, Rod Day and Peter Williams were re-elected as directors at the 2025 Annual General Meeting held on 25 February 2025.

Board diversity, Tenure and Succession Planning

The Board's diversity policy is based on its belief that the Board should have a diverse range of experience, skills and backgrounds. When making recommendations for new appointments to the Board and planning for Board succession, the Nomination Committee will take into consideration the recommendations of the AIC Code, the Parker Review and other guidance on boardroom diversity and inclusion.

The Board supports the recommendations of the FTSE Women Leaders Review on gender diversity to have a minimum of 40% of women on boards. The Company also supports the Parker review's recommendations to increase ethnic and cultural diversity on company boards. Whilst the Board does not consider it appropriate to use specific diversity targets given its small size, it acknowledges that diversity is important to ensure that the Company can draw on a broad range of perspectives, skills, experience, knowledge and backgrounds to effectively lead the Company.

As at 31 August 2025, the Board comprised three male Directors. All Directors are members of each of the Board Committees, therefore, the gender representation set out below is the same for the Board and its various Committees.

Through self reporting by the Directors, the following tables set out the gender and ethnic diversity of the Board as at 31 August 2025:

Gender diversity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]
Men	3	100	3
Women	–	–	–
Other	–	–	–
Not specified/ prefer not to say	–	–	–

Ethnic diversity

	Number of Board members	Percentage of the Board	Number of senior positions on the Board[1]
White British or other White (including minority-white groups)	3	100	3
Mixed/Multiple Ethnic Groups	–	–	–
Asia/Asian British	–	–	–
Black/African/ Caribbean/ Black British	–	–	–
Other ethnic groups, including Arab	–	–	–
Not specified/ prefer not to say	–	–	–

1 Senior positions include Chair of the Board, Senior Independent Director and Chair of the Audit Committee.

As an externally managed investment company with solely independent, non-executive Directors, the Company does not have a Chief Executive or a Chief Financial Officer and has no employees or internal operations. Accordingly, there are no disclosures about executive management positions to be included. The role of the Audit Committee Chair is considered to be a senior position and has been included in the above tables. The Company recognises that it is currently not meeting the target on ethnic and gender diversity. Whilst the Board understands the importance of diversity and inclusion, it is cognisant that the Company is unable to meet the diversity and inclusion targets owing to implementation of the wind-down strategy. As a result of the decision to enter the Managed Wind-Down and the change in Board personnel, further appointments are unlikely to be made.

Signed by:

Michael O'Donnell

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Michael O'Donnell

Chair of the Nomination Committee

24 February 2026

Directors' remuneration report

Annual report on Directors' remuneration

The Directors' Remuneration Report for the year ended 31 August 2025 is set out below.

Statement from the Chair of the Board

As the Board consists entirely of independent non-executive Directors, it is not considered appropriate for the Company to establish a separate remuneration committee and the remuneration of the Directors is therefore dealt with by the Board as a whole. No Director is responsible for determining their own, individual remuneration.

Michael O'Donnell is paid a base fee of £100,000 and an additional variable fee of up to £100,000, which is adjusted based on overall workload. This additional variable fee was £100,000 from inception until 31 December 2024 and decreased to an additional £75,000 from 1 January 2025 and to an additional £50,000 from 1 July 2025 and increased to an additional £100,000 with effect from 1 October 2025. Peter Williams is paid a base fee of £60,000 and an additional fee of £10,000 in his role as Senior Independent Director. Rod Day is paid a base fee of £60,000 and an additional fee of £10,000 in his role as Audit Committee Chair. Legacy directors were paid a base fee of £36,000 with an additional fee of £5,000 for the Chair of the Audit Committee and an addition fee of £15,000 for the Chair. The highest paid director received £179,000 in the year ended 31 August 2025 (2024: £124,000). During the year ended 31 August 2025, Directors' fees of £369,000 (2024: £330,000) were paid, of which none was unpaid at 31 August 2025 (2024: £nil). With the publication of the 2023 Annual Report and Accounts on 14 January 2025, Peter Cardwell, Lynne Fennah, Simon Moore and Marlene Wood stepped down from the Board.

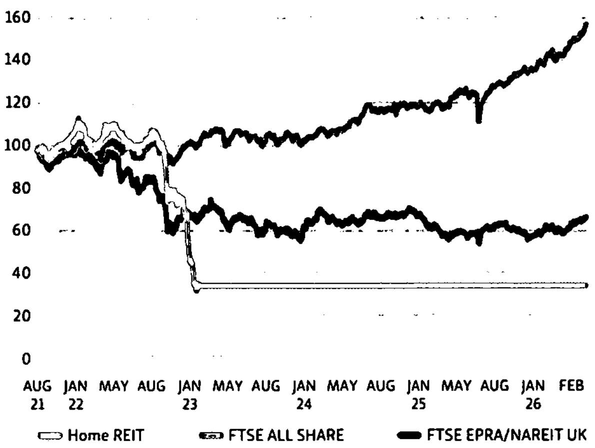
The fees payable to the Directors will be reviewed on an annual basis, as detailed in the Directors' Remuneration Policy on pages 49 and 50.

The Company is required to obtain formal approval from shareholders of the Directors' Remuneration Policy once every three years and in any year if there are any changes proposed to the policy. The Directors' Remuneration Policy which was effective during the period under review was approved by shareholders on 27 January 2022 as updated at the AGM on 20 February 2025 where 99.04% of votes were cast in favour, 0.96% votes were cast against and 116,678 votes were withheld. No significant changes were proposed to the way in which the previously approved Directors' Remuneration Policy was implemented during the financial year under review.

Shareholders are requested to approve the Directors' Remuneration Report on an annual basis. The vote on the Directors' Remuneration Policy is subject to a binding vote, while the vote on the Directors' Remuneration Report is an advisory vote.

Performance of the Company

The following graph compares, since August 2021, the total shareholder return of the Group's Shares relative to a return on a hypothetical holding over the same period in the FTSE EPRA/NAREIT UK Index and the FTSE All Share Index. These indices have been chosen by the Board as the most appropriate to compare the Group's performance. Total shareholder return is the measure of returns provided by a Group to shareholders reflecting share price movements and assuming reinvestment of dividends.



Directors' remuneration (audited)

	Fees		Expenses		Total		
	For the year ended 31 August 2025 £	For the year ended 31 August 2024 £	For the year ended 31 August 2025 £	For the year ended 31 August 2024 £	For the year ended 31 August 2025 £	For the year ended 31 August 2024 £	Percentage change in fees %
Lynne Fennah[1]	18,397	50,000	576	2,710	18,973	52,710	–
Peter Cardwell	13,246	36,000	–	–	13,246	36,000	–
Simon Moore	13,246	36,000	–	–	13,246	36,000	–
Marlene Wood	15,086	41,000	585	2,015	15,671	43,015	–
Michael O'Donnell	179,167	124,359	–	–	179,167	124,359	–
Peter Williams	70,000	29,167	–	–	70,000	29,167	–
Roderick Day	60,000	13,923	–	–	60,000	13,923	–
	369,142	330,449	1,161	4,725	370,303	335,174	12%

1 Ms. Fennah continues to advise the Board on historical matters on a part-time basis. Total consulting fees recognised in FY25 were £19,000 in addition to the fees set out above.

Other than as discussed above, there are no other variable elements in the remuneration payable to the Directors. None of the above fees was paid to third parties.

Relative importance of spend on pay

The following table sets out:

- the remuneration paid to the Directors; and
- the AIFM and investment management fees incurred by the Group.

There were no distributions made to shareholders by way of dividends in 2025 or 2024.

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000	Change %
Directors' fees*	369	330	12
AIFM/ Investment Manager's Fee	5,200	5,000	4%
Dividends	0	0	N/A

* The difference of £61,000 in FY25 and £32,000 in FY24 to the amount presented in the Consolidated Statements of Comprehensive Income is due to the employer portion of U.K. National Insurance.

Note: the items listed in the table above are as required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, with the exception of the AIFM/investment management fee, which has been included because the Directors believe it will help shareholders' understanding of the relative importance of the spend on pay. The figures for this measure are the same as those shown in Note 5 to the financial statements.

Directors' shareholdings (audited)

There is no requirement under the Articles, or the terms of their appointment, for Directors to hold Shares in the Group. The Directors in office at 31 August 2025 did not own any Shares in the Group during the year.

Directors	31 August 2025	31 August 2024
Rod Day	–	–
Michael O'Donnell	–	–
Peter Williams	–	–

There have been no changes to these interests between 31 August 2025 and the date of signing this Report. None of the Directors or any persons connected with them had a material interest in the Company's transactions, arrangements, or agreements during the year.

Voting at AGM

The Annual Report and Accounts, together with the reports of the Directors and BDO and the Directors' Remuneration Report for the period ended 31 August 2022 were presented to shareholders at the General Meeting held on 5 December 2024. The votes cast by poll were as follows:

	2022 Annual Report and Accounts		Directors' Remuneration Report	
	Number of votes	% of votes cast	Number of votes	% of votes cast
For	196,861,578	45.25	472,949,024	87.94
Against	238,233,187	54.75	64,833,524	12.06
Total votes cast	435,094,765		537,782,548	
Number of votes withheld	102,787,803		100,200	

The Board recognised that, of the 55% of the shareholders that voted, a majority of those shareholders voted against the resolution to receive the Company's Annual Report and Accounts for the year ended 31 August 2022 and also notes that a shareholder advisory consultancy (ISS) recommended that shareholders vote against the resolution, due to the delay in publishing, and qualified nature of, the accounts. After discussing with shareholders, the Board concluded that many of the votes against approving the 2022 and 2023 Annual Reports and Accounts related to the very significant delay in publishing the accounts and the qualified nature of BDO's opinion, as well as wider concerns around the historical issues at the Company. The Board acknowledges the shareholder frustration with the significant challenge of collecting and preparing information to support the issuance and audit of the annual reports. It is working with AEW to publish the outstanding financial reporting as soon as possible to support the relisting of the shares. Due to an oversight, an update on the actions taken was not made to the market within six months of the AGM in contravention of Provision 4 of the Code. The Board and AEW continue to engage regularly with shareholders on the financial reporting process and other matters.

A resolution to approve the Directors' Remuneration Report for the year ended 31 August 2023 was put to a vote of the shareholders at the General Meeting to approve the Annual Report and Accounts for the year ended 31 August 2023. This was held on 20 February 2025. The votes cast by poll were as follows:

	2023 Annual Report and Accounts		Directors' Remuneration Report	
	Number of votes	% of votes cast	Number of votes	% of votes cast
For	245,396,593	55.10	520,322,042	99.86
Against	199,942,709	44.90	706,719	0.14
Total votes cast	445,339,302		521,028,761	
Number of votes withheld	75,786,237		96,778	

The Board of the Company notes that although the resolution to receive the Company's annual report and accounts for the year ended 31 August 2023 was passed, there were a material number of votes cast against and it also notes that shareholder advisory consultants recommended that shareholders vote against the resolution. The Board would like to emphasise that the Group and Company's Statement of Financial Position for 31 August 2023 is not subject to the disclaimer of opinion issued with respect to the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Shareholders' Equity and Consolidated Statement of Cash Flows, which disclaimer was a direct result of BDO's inability to gain adequate comfort on the 31 August 2022 Statement of Financial Position. The Board understands and shares shareholders' frustrations regarding the delays experienced in publishing the Company's outstanding annual and interim accounts. Due to an oversight, an update on the actions taken was not made to the market within six months of the AGM in contravention of Provision 4 of the Code. The Board and the Investment Manager continue to work diligently with BDO to complete and issue all past due reports in order to bring the Company's reporting up to date. The Company intends to publish its interim results as soon as practicable and once issued, the Company intends that it will meet its future financial deadlines for publishing financial information.

Directors' remuneration policy

Introduction

The Directors' Remuneration Policy is put to a shareholders' vote every three years and in any year if there is to be a change in the policy. Because of the changes in Board composition and new compensation structures, a resolution to approve the updated Remuneration Policy was approved at the Company's AGM held on 20 February 2025. The resolution was passed, and the Remuneration Policy provisions set out below will apply until they are next put to shareholders for renewal of that approval. In the event of any proposed material variation to the policy, shareholder approval will be sought for the proposed new policy prior to its implementation.

Policy

Fees

The Directors' fees are determined within the limits set out in the Articles and they are not eligible for bonuses, pension benefits, share benefits, share options, long-term incentive schemes or other benefits.

The Directors' fees are paid at fixed annual rates and, other than the fee for Michael O'Donnell as set out on page 46, do not have any variable or performance related elements. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

The non-executive Directors shall be entitled to fees at such rates as determined by the Board subject to the maximum aggregate fee limit of £500,000 set out in the Articles.

The Directors shall also be entitled to be reimbursed for all expenses incurred in performance of their duties. These expenses are unlikely to be of a significant amount. Fees are payable from the date of appointment as a Director of the Company and cease on date of termination of appointment.

The Board will not pay any incentive fees to any person to encourage them to become a director of the Company. The Board may, however, pay fees to external agencies to assist the Board in the search and selection of Directors.

Current and future policy

Component	Director	Purpose of reward	Operation
Annual fee	Chair of Board	Fees for services as chair of a plc	Determined by the Board
Annual fee	Other Directors	Fees for services as non-executive directors of a plc	Determined by the Board
Additional fee	Chair of Audit Committee	For additional responsibilities and time commitment	Determined by the Board
	Senior Independent Director	For additional responsibilities and time commitment	Determined by the Board
Expenses	All Directors	Reimbursement of expenses incurred in the performance of duties	Submission of appropriate supporting documentation

No Director is involved in setting their own remuneration and the Company's conflict of interest policy and procedures (see pages 35 and 36) apply to the Board when undertaking their duties.

Statement of consideration of conditions elsewhere in the Company

During the period under review, the Company had no employees. Therefore, the process of consulting with employees on the setting of the remuneration policy during the period under review was not applicable.

Review

The Directors' remuneration will be reviewed on an annual basis by the Board and any changes are subject to approval by the Board.

The remuneration payable to the Directors will take into account a number of factors, inter alia, the experience of the Directors, the complexity of the Company and prevailing market rates for the real estate investment trust sector.

Directors' service contracts

The Directors do not have service contracts with the Company.

The Directors are not entitled to compensation on loss of office. The Directors have appointment letters which do not provide for any specific term. However, in accordance with the AIC Code, they are subject to annual re-election.

Statement of consideration of shareholders' views

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

Approval

The Directors' Remuneration Report was approved by the Board and signed on its behalf by:

Signed by:
Michael O'Donnell
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Michael O'Donnell
Chair

24 February 2026

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with UK adopted international accounting standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101, have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Group and the Company will continue in business. As stated in Note 1 to the Consolidated and Company Financial Statements the directors do not consider the Group or Company to be a going concern and have prepared the financial statements on a basis other than that of a going concern.

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

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Group's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group's website has been delegated to AEW, but the Directors' responsibility extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors, to the best of their knowledge, confirm that:

- the Group financial statements, which have been prepared in accordance with UK adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and loss of the Group;
- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company; and
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Company, together with a description of the principal risks and uncertainties that they face.

The Directors consider that the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Approval

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

Signed by:
Michael O'Donnell
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Michael O'Donnell
Chair

24 February 2026

Independent auditor's report to the members of Home REIT plc

Qualified opinion
In our opinion, except for the possible effects of the matter described in the Basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 August 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Home REIT plc ("the Company") and its subsidiaries (together the "Group") for the year ended 31 August 2025 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position, the Company Statement of Changes in Shareholders' Equity and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

Basis for qualified opinion
Included within rental income revenue of £20.7m (2024: £40.4m) is revenue from properties under management agreements of £10.2m (2024 £5.75m) (see note 4). Due to the nature of the arrangements between the Group and some of its property managers and a lack of lease documentation with the underlying occupant, we were unable to obtain sufficient appropriate audit evidence as to the accuracy and completeness of this revenue from properties under management agreements, and write-off of the related debtor balance. Accordingly, there is a limitation of the scope of our audit in respect of revenue from properties under management agreements and the write-off of the related debtor balance.

We were unable to satisfy ourselves by alternative means by using other procedures. Consequently, we were unable to determine whether any adjustment to the amounts was necessary, or whether there was any consequential adjustment to the related debtor write-off balance. In addition, were any adjustment to revenue from properties under management agreements and write-off of related debtor balances to be required, the strategic report and the directors' report would also need to be amended.

We qualified our opinion on the financial statements for the year ended 31 August 2024 for the same reason above. Our opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current year's figures for revenue from properties under management agreements, and the corresponding figures.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion. Our audit opinion is consistent with the additional report to the audit committee.

Independence
Following the recommendation of the Audit Committee, we were appointed by the directors on 17 September 2020 to audit the financial statements for the period from incorporation to 31 August 2021 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the period from 19 August 2020 to 31 August 2025. We remain independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Company.

Emphasis of matter – financial statements prepared on a basis other than going concern
We draw your attention to Note 1 to the Consolidated Financial Statements and Note 1 to the Company Financial Statements which explain that as a result of the threatened litigation, the FCA investigation and the Directors' expectation for an orderly wind-down of the Group and Parent Company's operations, the

Directors do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the Consolidated and Parent Company Financial Statements. Accordingly, these financial statements have been prepared on a basis other than going concern as described in Note 1 to the Consolidated Financial Statements and Note 1 to the Company Financial Statements. The financial statements do not include any adjustments as a result of preparing them on a basis other than going concern. Our opinion is not modified in respect of this matter.

Overview

Key audit matters

Key Audit Matter	2025	2024
Investment property valuations	✓	✓
Revenue recognition	✓	✓

Materiality

Group financial statements as a whole

£3.2m (2024: £3.8m) based on 2% of net assets (2024: 2% of net assets)

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

The Group operates in the United Kingdom in one segment, investment property, structured through a number of subsidiary entities. We determined that the Group operates as a single component and as such the audit approach included undertaking audit work on the key risks of material misstatements identified for the Group. The Group audit engagement team performed full scope audits in order to issue the Group and Company audit opinion, including undertaking all of the audit work on the risks of material misstatement identified in the key audit matters section below. As a result of our audit approach, we planned to obtain coverage of 100% of rental income and 100% of investment property valuations.

Changes from the prior year

There have been no significant changes in the Group audit scope from the prior year.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of the Investment Manager and the Group's independent property valuer to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the annual report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector and property asset class;
- Review of the minutes of Board, Audit Committee and other committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's risk assessment may affect the financial statements and our audit;
- We also assessed the consistency of management's disclosures included as 'Statutory Other Information' within the Strategic Report with our knowledge obtained from the audit.

Based on our risk assessment procedures, we did not identify there to be any Key Audit Matters materially impacted by climate-related risks.

Key audit matters

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

In addition to the matters described in the basis for qualified opinion section above, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter		**How the scope of our audit addressed the key audit matter**
Investment property valuations Refer to Notes 2 to 3 to the Consolidated Financial Statements in relation to significant judgements, estimates and accounting policies. Refer to Note 9 to the Consolidated Financial Statements in relation to investment properties.	The valuation of investment property requires significant judgement and estimation by the Directors and the independent valuer appointed by the Company and is therefore considered a key audit matter due to the subjective nature of certain assumptions inherent in each valuation. Where the valuer has deemed a property to be unhabitable or the tenant to be of very poor covenant strength, they have assumed that a hypothetical purchaser following due diligence would have disregarded the lease and valued them on the basis of Market Value – Vacant Possession ("MV-VP"). In this scenario valuations were for single family homes derived by applying a regional index for property price movements to each individual property. The regional house price index was developed by the independent valuer by identifying a sample of 'beacon' properties in each postcode district for which they formed an opinion of MV-VP using recent transactional evidence. The MV-VP movement in these beacon properties was then used, in conjunction with the regional house price indices published by HM Land Registry to create an index for the valuation movement from August 2024 to August 2025 in each location. This index was applied to the August 2024 values across the rest of the single family homes in the portfolio to calculate the MV-VP at August 2025 for each property.	Group's controls relating to the valuation of investment properties • We reviewed and evaluated the design, implementation and appropriateness of the Group's controls relating to the valuation of investment properties, including the process by which the Group ensures that complete and accurate data is provided to the external valuers. In doing so, we performed a walkthrough of the relevant controls by obtaining support for the design and implementation of the controls. Experience of the independent property valuer and relevance of its work • We obtained the valuation report prepared by the independent property valuer, Jones Lang LaSalle Limited ('JLL'), and discussed the basis of the valuations with them. We determined whether the basis of the valuations was in accordance with the requirements of accounting standards including IFRS 13 'Fair Value Measurement'. • We assessed JLL's experience, qualifications, competency, independence and basis of the valuation. • We obtained a copy of the engagement letter with JLL and reviewed for any limitations in scope. Data provided to the independent valuer ("JLL") • We checked the underlying data provided to JLL by the Directors. This data included inputs such as current rent and lease term, and we agreed a sample to the executed lease agreements as part of our audit work. • JLL inspected a sample of properties internally and externally as part of a rolling inspection programme, but relied on the Directors' assessment of the physical condition of the properties across the portfolio. The Directors engaged their own expert, Vibrant Energy Solutions Ltd ("Vibrant"), to review the internal and external physical condition of certain of the Group's properties (see Note 9 to the Consolidated Financial Statements on pages 79 to 81). The inspections by Vibrant took place between August 2023 and May 2024. We assessed the experience, qualifications, competency and independence of the Directors' expert, Vibrant. In addition, we observed Vibrant performing a site inspection in February 2024 to enable us to assess the process as part of our evaluation of their work. We considered the level of coverage that the Directors achieved through their programme of inspections and tested a sample of data provided to JLL to the inspection report to test the accuracy of data, such as the condition of the property and the number of bedrooms.

Key audit matter		How the scope of our audit addressed the key audit matter
Investment property valuations continued	In forming an opinion of MV-VP for Houses in Multiple Occupation (HMOs) and Residential Investment properties, the valuer applied a regional rental index to the 31 August 2024 expected market rent for each property and adjusted yields for market movements between August 2024 and 2025. Where the valuer has deemed a property to be in a reasonable condition, capable of beneficial occupation and let to a tenant who is likely to meet their obligations in the short term, the valuer has adopted an investment approach. In this scenario, the valuer makes assumptions as to yield, the length of capitalisation period and the MV-VP value on reversion at the end of the capitalisation period. In adopting the investment approach the valuer caps the investment valuation at between 110% and 125% of MV-VP. Any input inaccuracies (such as the physical condition of properties) or unreasonable bases used in the valuation judgements (such as in respect of vacant value and yield profile applied) could result in a material misstatement of the Consolidated Statement of Comprehensive Income and the Consolidated Statement of Financial Position. There is also a risk of fraud in relation to the valuation of the property portfolio where the Directors may influence the significant judgements and estimates in respect of property valuations in order to manage market expectations.	• Where condition assumptions changed year on year we challenged JLL and management as to the reason for the change. Assumptions and estimates used by the independent property valuer ("JLL") – MV-VP basis • For those properties that were sold after the year-end we compared the sales prices achieved for properties sold post year-end to the August 2025 JLL valuation. We also compared the price achieved for sales during the year with the August 2024 valuation. Where the difference was outside of our expected range, we discussed this with JLL and challenged the year-end valuation accordingly. • For a sample of the 'beacon' single family homes properties identified by JLL, with the assistance of our in-house RICS qualified valuation experts, we set expectations for the valuation taking into account movement in house price indices in the year, the market comparable evidence provided by JLL (which we independently corroborated), our own market research of sold property prices using available independent industry data, reports and comparable transactions in the market, as well as the Group's in year auction sales for similar properties in the same locality. • Where the property value fell outside expected range, we challenged JLL on these matters and obtained supporting explanations and documentation for the variances. • We checked the house price indices extracted by JLL from the HM Land Registry database and recalculated the regional indices used by JLL in their valuation. • We checked that the regional indices were correctly applied to the August 2024 values by JLL. • For a sample of HMO and Residential Investment properties we checked the application of the rental index to the expected market rent and confirmed that yield movements were in line with our expectations based on market information.

Key audit matter		How the scope of our audit addressed the key audit matter
Investment property valuations continued	We therefore considered the valuation of investment properties to be a significant risk and a key audit matter.	Assumptions and estimates used by the independent property valuer JLL – investment approach • We obtained the discounted cash flow ("DCF") model, prepared by the Investment Manager on behalf of the Directors, which had been produced to mirror JLL's model for those properties deemed to be in a reasonable condition, capable of beneficial occupation and let to a tenant who is likely to meet their obligations in the short term. We compared the valuation per the Directors' model to JLL's valuations and investigated any difference greater than 10% either individually or in aggregate. We determined that a threshold of 10% was appropriate based on RICS guidance which states that the permitted margin of error when carrying out a valuation of property based on case law refers to a margin of error between 10% and 15% depending on the facts. • For all properties we tested the key inputs into the model. • For a sample of properties, we performed the procedures set out above in relation to MV-VP properties (as MV-VP was used as the exit value within the model). • With assistance from our in-house RICS qualified valuation experts, we considered the relationship between MV-VP value and fair value, including performing sensitivity analysis to assess the impact of changes in the caps applied compared to the prior period. • We discussed the assumptions used with both the Investment Manager and JLL. Where the valuation was outside of our expected range, we challenged JLL on specific assumptions and corroborated their explanations where relevant, including agreeing to third party evidence. For a sample of properties where JLL's assumption about the condition of the property was different from that at 31 August 2024, we obtained a copy of the Vibrant inspection report to confirm that condition assumption was appropriate. We also challenged JLL where the basis of valuation (MV-VP versus investment approach) for individual properties changed from the prior period and corroborated the explanations provided. We considered the adequacy of the disclosures with regards to investment property valuations.

Key audit matter		How the scope of our audit addressed the key audit matter
Investment property valuations continued		Key Observations Based on our work, we have not identified any material instances which may indicate that the assumptions adopted by the Directors in the valuation were unreasonable or that the methodology applied was inappropriate in respect of the investment property valuations as at 31 August 2025.
Revenue recognition Refer to Note 2 to the Consolidated Financial Statements in relation to accounting policies. Refer to Note 4 to the Consolidated Financial Statements in relation to Rental Income.	The Group receives rental income from its property portfolio. This comprises revenue invoiced in accordance with lease agreements and income from properties under management agreements. There is a risk that rental income is not supported by underlying tenancy agreements or is inappropriately recorded as a result of errors in recording lease details in the tenancy schedules. This is therefore an area of significant audit effort. In respect of Income from properties under management agreements we identified that there was a significant risk over the completeness and accuracy of revenue For these reasons we consider the recognition of revenue to be a key audit matter.	Revenue invoiced in accordance with leases We set expectations for the rental income invoiced in accordance with lease agreements in the period based on the tenancy schedules as at 31 August 2024 and 31 August 2025. We compared our expectations for the total rental income in the period to that included in the Consolidated Financial Statements and investigated the resulting differences. We obtained the tenancy schedule at 31 August 2025 and agreed a sample of amounts to supporting lease documentation. We obtained a listing of journals posted to revenue outside of the transactional revenue entries and obtained supporting explanation/documentation as applicable to ensure that the journal was appropriate. Key observations - Income from properties under lease agreements Based on our work, we have not identified any material misstatement related to the recognition of revenue from lease agreements. Income from properties under management agreements We reviewed and evaluated the design, implementation and appropriateness of the Group's controls relating to the completeness and accuracy of rental income from properties under management agreements. In doing so, we performed a walkthrough of the relevant controls by obtaining support for the design and implementation of the controls. We obtained a copy of Group's property database which contains details of the date on which the original tenants surrendered the lease and the property was transferred to a property manager. We tested the integrity of this schedule by reconciling the opening position to the prior year tenancy schedule and agreeing a sample of lease surrenders to supporting documentation.

Key audit matter	How the scope of our audit addressed the key audit matter
Revenue recognition continued	We selected a sample of properties from the database (for completeness and accuracy), and a sample of entries from the general ledger (for existence and accuracy) and attempted to agree the amount of revenue recognised for the individual property sampled from 1 September 2024 (or the date of transfer to the property manager if later) to 31 August 2025 to cash receipts and, where possible, supporting documentation such as tenancy agreements. In a number of cases management were unable to provide any signed tenancy agreement or similar evidence to support the accuracy and completeness of the revenue. Key Observations - Income from properties under management agreements Our observations and findings are set out in the Basis for qualified of opinion section above

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent company financial statements	
	2025 £m	2024 £m	2025 £m	2024 £m
Materiality	**3.2**	**3.8**	**2.9**	**3.4**
Basis for determining materiality	Materiality for the Group's and Company's financial statements was set at 2% of net assets. This provides a basis for determining the nature and extent of our risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature and extent of further audit procedures.			
Rationale for the benchmark applied	Due to the circumstances that the Group is now in, the users of the financial statements primary focus is likely to be on the net asset value of the Group as shareholders look to realise the remaining value of the Group. No further acquisitions will be made by the Group and thus the remaining value is based upon the value of the investment properties, less the outstanding borrowings and liabilities. We determined that the same measure as the Group was appropriate for the Company (capped at 90% of Group materiality).			
Performance materiality	**1.6**	**1.9**	**1.5**	**1.7**
Basis for determining performance materiality	Performance materiality is set at an amount to reduce to an appropriate low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality. On the basis of our risk assessment, together with our assessment of the Group's overall control environment, our judgement was that overall performance materiality for the Group should be 50% (Company: 50%) of materiality. We determined that the same measure as the Group was appropriate for the Company.			
Rationale for the percentage applied for performance materiality	We determined that 50% of materiality would be appropriate based on our risk assessment, together with our assessment of the Group's and Company's overall control environment, the number of accounts where amounts are subject to estimation and the expected total value of known and likely misstatements based on previous experience.			

Reporting threshold

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £64,000 (2024: £76,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the Basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the completeness and accuracy of revenue from properties under management agreements and related debtor write-offs. We have concluded that where the other information refers to the revenue from properties under management agreements or related balances such as debtor write-offs, it may be materially misstated for the same reason.

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Except for the possible effects of the matters described in the Basis for qualified opinion section of our report above, in our opinion above, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

Going concern and longer-term viability	• In relation to the Company's reporting on how it has applied the UK Corporate Governance Code, other than the 'Emphasis of matter – Financial Statements prepared on a basis other than going concern' included above, we have nothing else that is material to add or draw attention to in relation to the statement on the Directors' assessment of the longer-term viability of the Company and whether the Directors considered it appropriate to adopt a basis other than going concern; and • The Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 25.
Other Code provisions	• Directors' statement on fair, balanced and understandable set out on page 51; • Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks set out on page 19; • The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 36; and • The section describing the work of the Audit Committee set out on pages 37 to 42.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	Except for the possible effects of the matters described in the Basis for qualified opinion section of our report above, in our opinion, based on the work undertaken in the course of the audit: • the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. Except for the possible effects of the matters described in the Basis for qualified opinion section of our report above, in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.
Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Corporate governance statement	Except for the possible effects of the matters described in the Basis for qualified opinion section of our report above, in our opinion, based on the work undertaken in the course of the audit the information about internal control and risk management systems in relation to financial reporting processes and about share capital structures, given in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Guidance and Transparency Rules sourcebook made by the Financial Conduct Authority (the FCA Rules), is consistent with the financial statements and has been prepared in accordance with applicable legal requirements. Except for the possible effects of the matters described in the Basis for qualified opinion section of our report above, in the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information. Except for the possible effects of the matters described in the Basis for qualified opinion section of our report above, in our opinion based on the work undertaken in the course of the audit information about the Company's corporate governance code and practices and about its administrative, management and supervisory bodies and their committees complies with rules 7.2.2, 7.2.3 and 7.2.7 of the FCA Rules. We have nothing to report arising from our responsibility to report if a corporate governance statement has not been prepared by the Company.
Matters on which we are required to report by exception	Arising solely from the limitation on the scope of our work as described in the Basis for qualified opinion section of our report above: • we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and • we were unable to determine whether adequate accounting records have been kept. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: • returns adequate for our audit have not been received from branches not visited by us; or • the financial statements are not in agreement with the accounting records and returns; or • certain disclosures of Directors' remuneration specified by law are not made.

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

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

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Company and management.

Extent to which the audit was capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations
Based on our understanding of the Group and the industry in which it operates; discussion with the Investment Manager and those charged with governance; obtaining and understanding the Group's policies and procedures regarding compliance with laws and regulations; we considered the significant laws and regulations to be the UK Companies Act 2006, the UK Listing Rules and the UK Real Estate Investment Trust ("REIT") regime.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the Financial Statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be UK VAT regulations.

Our procedures in respect of the above included:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements from our sector experience through discussion with the Directors and the Investment Manager (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the Financial Statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of noncompliance throughout the audit.
- We reviewed Board and Audit Committee meeting minutes for any instances of non-compliance with laws and regulations.
- We reviewed a report from the Group's external tax adviser, detailing the actions that the Group has undertaken to ensure compliance. With the assistance of our internal tax experts, this paper was reviewed and the assumptions challenged.
- We reviewed legal expenditure accounts to understand the nature of expenditure incurred and obtained confirmations from the Group's solicitors as to any ongoing legal action.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with the Investment Manager and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team, with assistance from our internal forensic specialists, as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets of the Group's external advisers and the related financial statement areas impacted by these.

Based on our risk assessment, we considered the following areas to be most susceptible to fraud:

Area identified	Details and audit response
Provisions, commitments and contingencies	We are aware that the Group is currently threatened with legal action and has also stated its intention to pursue legal action against various parties it suspects of undertaking wrongdoing against the Group and Company. As such, there is a risk that unrecorded liabilities, provisions, contingent liabilities or other expenses are not appropriately identified and/or recorded at the balance sheet date. Our procedures in respect of the above included: • Obtaining third party confirmations from all solicitors engaged by the Group to confirm information of open cases of litigation and the potential financial implications thereof; • Obtaining the Directors' assessment of the status of all cases of legal action against them as well as planned legal action against other parties and considering whether any of the matters indicate potential provisions or contingent liabilities to be disclosed in the financial statements; • Reading minutes of Board and Committee meetings, risk registers, public announcements issued and solicitors' confirmations obtained in order to identify any non-compliance with laws and regulations. • Considered the adequacy of the disclosures in relation to contingent liabilities.
Going concern	Please refer to the "Emphasis of Matter – financial statements prepared on a basis other than going concern" section above.
Investment Property Valuations; Revenue recognition; and Management override of controls.	Please refer to the relevant Key Audit Matters and the Basis for Qualified Opinion section above for our response to the Investment Property Valuations and Revenue Recognition We addressed the risk of management override of controls by testing a sample of journal entries processed during the year, which met defined risk criteria, agreeing to supporting documentation and evaluating whether there was evidence of bias by the Investment Manager that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. In addition, the extent to which the audit was capable of detecting irregularities, including fraud was limited by the matter described in the Basis for qualified opinion section of our report.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:
Chris Young
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Christopher Young
(Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor

London
United Kingdom
24 February 2026

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

Financial Statements

Consolidated Financial Statements

Consolidated Statement of Comprehensive Income

	Note	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Income			
Rental income	4	20,684	41,390
Other income	4	1,302	279
Impairment of rent straight-lining	4	(626)	(3,700)
Net rental income		**21,360**	**37,969**
Operating expenses			
Property operating expenses	5	(11,328)	(6,786)
General and administrative expenses	5	(17,938)	(19,785)
Provision for expected credit losses of trade receivables	11	(5,449)	(29,109)
Total expenses		**(34,715)**	**(55,680)**
Change in fair value of investment property	9	(10,970)	7,223
Realised loss on disposal of investment properties	6	(5,917)	(10,752)
Operating loss for the year		**(30,242)**	**(21,240)**
Loss on remeasurement of bank borrowings	10	–	(369)
Finance income		26	–
Finance costs	7	(398)	(3,557)
Loss before taxation		**(30,614)**	**(25,166)**
Taxation	8	–	–
Loss and total comprehensive loss for the year attributable to shareholders		**(30,614)**	**(25,166)**
Loss per Share – basic and diluted (pence per Share)*	22	**(3.87)**	**(3.18)**

*Based on the weighted average number of Shares in issue for the years ended 31 August 2025 and 2024.

All items in the above statement derive from discontinued operations.

The notes on pages 70 to 92 form part of these financial statements.

Consolidated Statement of Financial Position

	Note	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Non-current assets			
Investment property	9	–	236,325
Total non-current assets		**–**	**236,325**
Current assets			
Investment property held for sale	9	154,908	29,107
Trade and other receivables	11	3,220	3,792
Restricted cash	12	205	15,688
Cash and cash equivalents	12	9,631	6,182
Total current assets		**167,964**	**54,769**
Total assets		**167,964**	**291,094**
Current liabilities			
Bank borrowings	10	–	91,038
Trade and other payables	13	6,876	8,354
Total current liabilities		**6,876**	**99,392**
Total liabilities		**6,876**	**99,392**
Net assets		**161,088**	**191,702**
Capital and reserves			
Share capital	15	7,906	7,906
Share premium	16	–	595,733
Special distributable reserve A	17	190,130	190,130
Special distributable reserve B	17	595,733	–
Accumulated losses		(632,681)	(602,067)
Total capital and reserves attributable to equity holders of the company		**161,088**	**191,702**
Net asset value per share (pps)	23	**20.38p**	**24.25p**

The notes on pages 70 to 92 form part of these financial statements.

The consolidated financial statements of Home REIT plc were approved and authorised for issue by the Board of Directors on 24 February 2026 and signed on its behalf by:

Signed by:
Michael O'Donnell
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Michael O'Donnell
Chair

Company number 12822709

Consolidated Statement of Changes in Shareholders' Equity

For the year ended 31 August 2025	Note	Share capital £'000	Share premium £'000	Special distributable reserve A £'000	Special distributable reserve B £'000	Accumulated losses £'000	Total equity attributable to owners of the company £'000
Opening balance at 1 September 2024		7,906	595,733	190,130	–	(602,067)	191,702
Loss and total comprehensive loss for the year attributable to shareholders		–	–	–	–	(30,614)	(30,614)
Cancellation of share premium and creation of special distributable reserve B	17	–	(595,733)	–	595,733	–	–
Balance at 31 August 2025		**7,906**	**–**	**190,130**	**595,733**	**(632,681)**	**161,088**

For the year ended 31 August 2024	Note	Share capital £'000	Share premium £'000	Special distributable reserve £'000	Accumulated losses £'000	Total equity attributable to owners of the company £'000
Opening balance at 1 September 2023		7,906	595,733	190,130	(576,901)	216,868
Loss and total comprehensive loss for the year attributable to shareholders		–	–	–	(25,166)	(25,166)
Balance at 31 August 2024		**7,906**	**595,733**	**190,130**	**(602,067)**	**191,702**

The notes on pages 70 to 92 form part of these financial statements.

Consolidated Statement of Cash Flows

	Note	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Cash flows from operating activities			
Loss for the year		(30,614)	(25,166)
Change in fair value of investment property	9	10,970	(7,223)
Realised loss on disposal of investment properties	6	5,917	10,752
Loss on carrying value of bank borrowings		–	369
Finance income		(26)	–
Finance costs	7	398	3,557
Operating result before working capital changes		**(13,355)**	**(17,711)**
Increase in trade and other receivables	11	(2,380)	(723)
Decrease in trade and other payables	13	(1,171)	(996)
Net cash flows used in operating activities		**(16,906)**	**(19,430)**
Cash flows from investing activities			
Interest received		26	–
Net cash received on disposal of investment properties	6	23,301	23,591
Retentions released to the Group by solicitors	12	205	3,138
Net cash generated by investing activities		**23,532**	**26,729**
Cash flows from financing activities			
Principal payments made from unrestricted cash	20	(4,541)	–
Loan arrangement fee paid	20	–	(142)
Cash released from/(transferred to) restricted cash account		1,364	(1,789)
Net cash used in financing activities		**(3,177)**	**(1,931)**
Net increase in cash and cash equivalents		3,449	5,368
Cash and cash equivalents at beginning of the year		6,182	814
Cash and cash equivalents at end of the year	12	**9,631**	**6,182**

The notes on pages 70 to 92 form part of these financial statements.

Notes to the Consolidated Financial Statements

1. General information

Home REIT plc (the "Company") is a closed-ended investment company, incorporated in England and Wales on 19 August 2020 and is registered as a public company limited by shares under the Companies Act 2006 with registered number 12822709. The Company is structured as an externally managed company with a board of non-executive directors (the "Directors" or the "Board"). The Company commenced operations on 12 October 2020 when its shares began trading on the London Stock Exchange.

The Directors approved the Consolidated Annual Report and Accounts for the year ended 31 August 2022 on 10 October 2024. Since the Company did not comply with the rules under DTR 4 to publish its 2022 annual financial report within four months of its year-end, trading in its shares was suspended on 3 January 2023. Additionally, the Company did not meet the requirement to file its half-yearly accounts within three months of its 2023, 2024 or 2025 period ends or its annual reports within four months of its 2023, 2024 or 2025 year-ends. The Company intends to file its half-year accounts for the period to 28 February 2025 in the first quarter of 2026. Until the Company is current with all of its filings it cannot begin the process of applying to the FCA for the restoration of its listing and the recommencement of trading on the London Stock Exchange.

The Group (the "Group") consists of the Company and its subsidiaries which are listed in Note 25.

The principal activities of the Group and the nature of the Group's operations are set out in the Strategic Report on pages 4 to 25.

Going Concern

The Directors, at the time of approving the financial statements, are required to consider whether they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and whether it is appropriate to prepare the financial statements on a going concern basis.

On 16 September 2024 Home REIT plc shareholders approved the New Investment Policy for the Managed Wind-Down of the Group's and the Company's operations. Part of that strategy was to sell enough properties through auctions to repay all amounts to Scottish Widows Limited ("Scottish Widows" or the "Lender"). On 27 November 2024, the Group repaid all outstanding Group loans and in December 2024, the Group paid all other amounts due. As a result Scottish Widows released its charge over the Group's and Company's assets.

The Group is in exclusivity in respect of the sale of a majority of the remaining portfolio of investment properties in one transaction for £123.0 million with the remaining properties expected to be sold at auction over four months to avoid a significant concentration of properties from one area being sold in a single auction. There can be no certainty that the portfolio transaction will be completed. In the event that the portfolio sale does not complete as expected, AEW and the Board have prepared a contingency plan to dispose of those properties through alternative avenues.

Cashflow projections for the Group and the Company have been prepared by AEW and agreed with the Board of Home REIT plc which consider:

1. Disposal of the remaining properties as described above,
2. Modest capital expenditure has been forecast through the sale period in order to ensure certain buildings are made safe for sale. Such works are under way and are required to comply with statutory obligations,
3. Revenue will continue to be collected on tenanted properties held by the Group up to the dates of sale,
4. Settlement of all amounts outstanding related to properties managed by third parties once both parties agree that invoices reflect the Group's correct liability period, and
5. Corporate expenses for those services required to maintain current operations through the wind-down of the Group.

As of the date of these financial statements, the Group has £7.1 million of free cash. The Directors have forecast expenditures over the next twelve months and are comfortable that the cash on hand plus proceeds from the sale of properties will be adequate to cover those expenses. Properties which are not included in the sale portfolio perimeter can be sold to raise additional cash in the event that cash is required before the portfolio sale is completed.

Home REIT plc has received a pre-action letter of claim which asserts that the Company provided information to investors which was false, untrue and/or misleading and as a result investors suffered losses. The Company's directors are not currently able to conclude whether or when a formal claim may be issued and if a claim is issued, what the quantum of such claim may be. Further, on 7 February 2024, the Company was notified by the FCA of its commencement of an investigation into the Company, covering the period from 22 September 2020 to 3 January 2023. Home REIT plc and its Directors are cooperating fully with the FCA in its investigation. However, the Directors are not able to assess or quantify what if any action may be taken. No allowance has been made for potential settlement of either the pre-action letter of claim or the FCA matter.

1. General information — continued

As a result of (i) the threatened litigation, (ii) the FCA investigation and (iii) the Home REIT plc Directors' expectation for an orderly wind-down of its operations, the Directors consider it appropriate to adopt a basis of accounting other than as a going concern in preparing these financial statements. No material adjustments to the accounting policies or the valuation basis have arisen as a result of ceasing to apply the going concern basis.

2. Accounting policies

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

Basis of Preparation

These Consolidated Financial Statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS") and the requirements of the Companies Act 2006. The Consolidated Financial Statements of the Group have been prepared on a historical cost basis, as modified for the Group's accounting for investment properties, which have been measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in the Consolidated Statement of Comprehensive Income.

As discussed in Note 1, whilst the Directors are satisfied that the Group and the Company have adequate resources to continue in operation and to meet all liabilities as and when they fall due, the Directors consider it appropriate to adopt a basis other than as a going concern in preparing the financial statements because of the entry into a Managed Wind-Down of the Group.

The preparation of financial statements in accordance with IFRS requires the Directors to make estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Differences between our estimates and the actual results will be recognised as they occur. Critical accounting estimates and key sources of estimation uncertainty in applying these accounting policies are disclosed in Note 3.

The Group invests in residential property in the United Kingdom and receives revenue and pays expenses in Sterling. Therefore, the Directors have adopted Sterling as the presentation and functional currency in the Consolidated Financial Statements.

Basis of Consolidation

The Consolidated Financial Statements incorporate the financial statements of the Company and its subsidiaries. When the Company controls an investee, it is considered a subsidiary. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee and the ability of the investor to use its power to affect those variable returns. The results of subsidiaries acquired or disposed of during the year are included from the effective date of acquisition or up to the effective date of disposal.

There are no accounting policies of subsidiaries which differ from Group accounting policies. All intra-Group transactions, balances, income and expenses are eliminated in consolidation.

Investment Properties

Investment properties are those that are held to earn income or for capital appreciation, or both. Investment properties are initially measured at cost (including transaction costs) and adjusted to their fair value, as determined by an accredited independent external valuer, at each subsequent balance sheet date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss in the period in which they arise.

Additions to properties include expenditures which result in identifiable future economic benefits. All other property expenditures are expensed as incurred.

Straight-line rent adjustments (as described below under Rental Income) are offset against investment property.

Investment property sales are recognised on the completion date.

Properties Sold and Held for Sale

The Group presents investment properties as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use as a rental property. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. The sale would be expected to complete within one year of the balance sheet date.

Financial Instruments

The Group's accounting policy for each type of financial instrument is as follows:

a) Financial assets

The Group's financial assets comprise tenant and other receivables, restricted cash and cash and cash equivalents. Financial assets are initially recognised at fair value less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method. There are no financial assets held at fair value through profit or loss.

2. Accounting policies — continued

The Group utilises the simplified approach to measuring expected credit losses (ECLs) within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. The receivable is written off against the provision when it is deemed uncollectible. Any recoveries made are recognised in profit or loss when received.

b) Financial liabilities

Trade and other payables that are financial liabilities are initially recognised at fair value, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Costs associated with new financings are capitalised and amortised to finance costs over the fixed term of the loans using the effective interest method. Except as noted in c) below, bank borrowings are initially recognised at fair value net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expense includes amortisation of initial transaction costs.

c) Loan modifications and revisions to estimates of cash flows

Where a modification or exchange of a financial liability does not result in the derecognition of the financial liability or the group revises its estimates as to the amounts or timings of cash flows in respect of the financial liability, the Group recalculates the amortised cost of the modified financial liability by discounting the modified contractual cash flows using the original effective interest rate. Any adjustment to the amortised cost of the financial liability is recognised in the Consolidated Statement of Comprehensive Income at the date of the modification or exchange. Financing costs in the Consolidated Statement of Comprehensive Income are subsequently presented as the original effective interest rate multiplied by the new carrying value.

Deferred Fees paid and the benefit applied as a reduction of the outstanding principal balance in the form of Break Gains were recorded directly against the previously recognised gain because they had been included in the revised cash flows.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and short-term deposits with an original maturity of three months or less.

Restricted cash

Restricted cash represents:

- Cash held by third parties, primarily the Group's solicitors, for a specific purpose such as retentions.
- Cash held in Lender controlled accounts which are not available to the Group until released by the Lender. This includes the 'Required Interest Amount' which represents nine months of interest to be held by the Lender as agreed in the 19 June 2023 waiver letters and cash held in Lender controlled proceeds accounts pending allocation as described more fully in Note 6.

Taxation

Current and deferred taxes are recognised on any profit or loss not exempt under UK REIT regulations. Current tax is expected tax payable on any non-REIT taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date.

Dividends Payable to Shareholders

Final dividend distributions to the Group's shareholders are recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's shareholders. Interim dividends are recognised when paid.

Rental Income— Leases with non-Occupant Tenants

The Group retains substantially all the risks and rewards of ownership of the properties and accordingly, all leases are classified as operating leases. Rental income arising from the operating leases is accounted for on a straight-line basis over the expected term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

Where the Company's leases with non-occupant tenants contain annual inflationary increases with a minimum uplift, the straight-line adjustment is rebased each year and the rental income arising from such uplifts is recognised on a straight-line basis over the remaining lease term. Changes in the payment amount, other than normal inflationary increases, or timing, or the lease term made after the original lease agreement was signed are accounted for as a lease modification. Lease modifications are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease balance at that date.

2. Accounting policies — continued

In certain cases, the Group acquired properties which were not considered habitable at the acquisition date and simultaneously signed an operating lease. IFRS 16, "Leases", defines a lease as "a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration." If a property is deemed unhabitable (as described more fully in Note 3), the Directors have concluded that the lease has not conveyed the "right to control the use of an identified asset" and therefore the Group does not recognise the associated rental revenue until property improvement to a lettable standard is complete. Any cash received from the tenant while the property is judged to be unhabitable is applied as a reduction in the cost of property or the debtor, as appropriate.

Income from Properties under Management Contracts

Supported Living

In order to be revenue generating, the Group, through its Intensive Housing Manager ("IHM"), must receive approval from each Local Authority ("LA") in order receive payments for providing homeless or supported living accommodation. In order to become classified as 'in payment', LAs carry out an assessment of the individual requiring accommodation and due diligence on the IHM, generally inspect the properties to ensure they are of sufficient quality and appropriately located then set rents in line with Local Housing Allowance ("LHA") rates. The Group recognises revenue for properties which have been approved to be in payment, and based on the number of occupants as submitted to the LAs for reimbursement. The portion of the reimbursements that relates to support services is specific to the agreement between the IHM and the LA. Accordingly, the Group does not recognise this amount in rental revenue but instead as a reduction in the cost of providing the service. In the year to 31 August 2025, this totalled £494,000 and is included as a reduction in management fees as described in Note 5 to the Consolidated Financial Statements (2024: £nil).

Private Rental Sector ("PRS")

The Group recognises revenue on PRS properties managed by third party property managers from the date on which the manager takes control of the property. Transfer of control of the property occurs as properties are surrendered to the Group from non-performing lessees. Under most surrender agreements, no written evidence of in place tenancies was provided. Revenue is recognised when the property in occupied, even if the tenancy is not documented with an Assured Shorthold Tenancy (AST). The Group considers a property is occupied on terms unknown if the property is occupied and the tenant is paying rent, even if there are no available written terms. In order to determine occupancy, property managers are instructed to inspect properties at least every 21 days.

Net rental income includes amounts invoiced in accordance with lease contracts including the impact of recognising and impairing straight-lining rents reduced by revenues associated with properties deemed unhabitable.

Impairment of Non-Financial Assets

Non-financial assets including the straight-line rent receivable assets are assessed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (the higher of value in use and fair value less costs to sell), the asset is impaired. The impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows, which is on a tenant basis defined as the cash-generating unit ("CGU"). As discussed in Note 4, impairment charges of £626,000 were recognised during the year ended 31 August 2025 (2024: £3,700,000).

Changes to Accounting Standards and Interpretations

At the date of authorisation of the 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 its financial statements.

There are several new standards and interpretations which were effective for the first time for periods beginning on or after 1 September 2024. These standards have been assessed to have no significant impact to the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group's historical accounting policies.

3. Significant Accounting Judgements and Estimates
The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

In the course of preparing the Consolidated Financial Statements, the Directors have had to make assumptions and judgements especially in the areas of valuation of investment property, the recoverability of tenant related receivables and the classification of investment property as assets held for sale. The judgements, estimates and associated assumptions that have had a material impact in the presentation of assets and liabilities in these accounts are outlined below:

Valuation of Investment Property (estimate)
As described more fully in Note 9, Investment Property, a number of significant judgments were made by the independent valuer in determining fair value of investment properties, including:

- the credit quality of the tenant and the condition of the property were considered in determining the best valuation technique to value each property;
- the Group undertook an exercise to inspect each property to determine its current condition which occurred from August 2023 to May 2024. Absent any new information, the condition of the property as determined at the inspection date is assumed to be the condition of the property for valuation purposes at 31 August 2025 and 2024;
- For the majority of properties valued on investment basis at 31 August 2025, rents were capped at five years and overall value was capped at 110% to 125% (2024: 113% to 154%) of the value as determined on the Market Value-Vacant Possession ("MV-VP") basis. The full lease period of up to eight years was considered for some tenants who are considered financially viable; and
- For 145 properties operating as supported living and managed by a third party manager, JLL have applied a discount to MV-VP of 10%-15%, depending on the IHM and location to account for the complexity of gaining vacant possession of supported living properties.

Recoverability of Tenant Related Receivables (estimate)
Because the Group considered that 6 of its 18 (2024: 12 of 20) direct tenants were a poor financial covenant and fully non-performing, amounts outstanding in relation to these tenants at 31 August 2025 were provided for in full. Any recoveries made of tenant and tenant related receivables after 1 September 2025 will be recognised as received. For properties managed by a property manager, any arrears from underlying occupants were fully provided for unless received within a 30-day period after the end of the financial year.

Assets as Held for Sale (judgement)
The Group presents investment properties as held for sale if their carrying amount will be recovered principally through a sale rather than through continuing use as a rental property. While Shareholders approved that the Company enter into a Managed Wind-Down on 16 September 2025, it wasn't until the Group had received confirmatory bids and had agreed the outline of the deal structure in May 2025 that the Board could consider the sale of assets to be highly probable. The Board expects that the sales of these assets will complete within one year of the balance sheet date. Accordingly, the Group has presented all of its investment properties as assets held for sale in the 31 August 2025 balance sheet.

4. Income

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Amounts invoiced in accordance with lease agreements	10,072	35,185
Income from properties under management agreements	10,184	5,748
Effect of straight-lining rent	626	3,700
Rent not recognised because properties were unhabitable	(198)	(3,243)
Rental income	20,684	41,390
Other income	1,302	279
Impairment of rent straight lining	(626)	(3,700)
Net rental income	**21,360**	**37,969**

All properties subject to leases are based in the UK. Rental income includes amounts receivable in respect of tenant leases for those properties deemed habitable and is measured at the fair value of the consideration received or receivable. As discussed in Note 3, in certain cases, the Group holds properties which are not considered habitable, but which were subject to a legacy operating lease. If a property is deemed unhabitable, the Group does not recognise any associated rental revenue until required improvements are complete. Any cash received from the tenant while the property is judged to be unhabitable is applied as a reduction in the debtor established at acquisition or the property carrying value, as appropriate. During the year ended 31 August 2025, the Group sold 25 (2024: 154) properties which were not considered habitable, such that there were 19 unhabitable properties at 31 August 2025 (2024: 44 properties). During the year ended 31 August 2025, no properties formerly considered unhabitable were improved to a state which the Group considered habitable (2024: nil).

The Group assesses impairment of straight-line rent receivables at the tenant levels. Impairment charges on these assets of £626,000 were recognised during the year ended 31 August 2025 (2024: £3,700,000).

The future minimum rents receivable under non-cancellable operating leases and excluding short-term and overnight rentals associated with properties managed by property managers, related to habitable properties are:

Future minimum rents receivable in the period:	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Year 1	6,614	12,828
Year 2	6,479	12,917
Year 3	6,488	13,049
Year 4	6,457	13,182
Year 5	5,369	13,201
> 5 years	33,726	134,157
Total	**65,133**	**199,334**

5. Operating expenses

Property operating expenses

The Group began incurring property operating expenses directly as AEW negotiated lease surrenders with non-performing tenants and inserted property managers to manage each property until stabilised or sold. The number of properties under management by third parties has varied significantly since 1 September 2023. In some cases, property managers were appointed only for a short period to manage the property between the surrender date and the closing of the sale. In the remaining cases, a property manager have been in place since the surrender date. Expenses payable directly by the Group are:

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Maintenance and compliance[1]	4,921	2,301
Management fees	3,150	1,342
Utilities	1,804	788
Council tax	1,190	562
Other fees	78	166
Sub total	11,143	5,159
Irrecoverable property insurance	119	624
Property consultancy fees	–	568
Other property expenses	66	435
Total	**11,328**	**6,786**

The Group has primary responsibility for property operating costs including council taxes, utilities, repairs and maintenance and property management fees where properties are managed by property managers or an IHM. Some costs, such as council taxes and utilities, may be paid directly by tenants, unless they are the responsibility of the Group in the case of vacant properties and those with inclusive leases (which include supported living properties). The Group deducts the portion of the payments from LAs that relates to support services from management fees as these are specific to the agreement between the IHM and the LA and therefore are recognised as revenue. In the year to 31 August 2025, this totalled £494,000 (2024: £nil). The Group auctions properties on a vacant possession basis because it provides greater value and is therefore responsible for all expenses between the lease surrender date and the date on which the sale is completed.

General and administrative expenses

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Legal fees	5,295	7,106
AEW property and investment management fees (Note 19)	5,200	5,000
Professional fees	4,540	4,608
Fees paid to the Group's Independent Auditor	717	846
Valuation fees	168	300
Directors' fees	430	362
Other administrative expenses	1,588	1,563
Total	**17,938**	**19,785**

Fees paid to the Group's Independent Auditor, BDO LLP, include the following (all fees are inclusive of VAT):

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Fees payable to the company's auditor for the audit of the company's annual accounts	645	772
Other fees payable to the company's auditor:		
Audit of the accounts of subsidiaries	72	72
Fee payable for data preservation	–	2
Included in general and administrative expenses	**717**	**846**

6. Realised loss and cash flows related to disposal of investment properties

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Net proceeds from disposals of investment property during the year	93,433	140,621
Fair value at beginning of the year	(99,350)	(151,373)
Realised loss on disposal of investment properties	**(5,917)**	**(10,752)**

During the year ended 31 August 2025, the Group completed on the sale of 522 properties for gross proceeds of £96,951,000 (2024: 1,098 properties and £147,915,000, respectively).

Under the borrowing agreements discussed more fully in Note 10, the proceeds from property sales were fully under the control of the Lender and the Lender's agent. As agreed in various waiver letters between the Borrowers, Guarantors, Lender and Agent, all of the proceeds from the sale of properties were generally allocated 93% to the Agent controlled proceeds accounts and 7% to the Group to cover the cost of property sales and other general expenses. The amount allocated to the proceeds account was then allocated monthly in the following order: first, to repay the Lender for the allocated loan amounts related to each sold property, second, to the Lender to cover any unpaid interest or other amounts due and then last in accordance with an allocation as agreed in the periodic waiver letters. Because the portion of the net proceeds sent directly to the Agent controlled proceeds accounts were never under Group control, we have excluded the gross proceeds from property sales and the principal payments on the loans from the Consolidated Statement of Cash Flows. During the year ended 31 August 2025 and 2024, those cash flows were:

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Gross proceeds from property sales	96,951	147,915
Amount allocated to cover the cost of property sales	6,595	10,653
Amount allocated to the Lender controlled proceeds account	75,562	134,309
Amounts received in unrestricted account	14,794	–
Amount held by solicitors as at 31 August	–	2,953
	96,951	147,915
Proceeds allocated to cover the cost of property sales	6,595	10,653
Cost of property sales	(3,518)	(7,294)
Net proceeds distributed to unrestricted account	3,077	3,359
Proceeds allocated to the Lender controlled proceeds account	75,562	134,309
Amount used to repay principal and deferred fees on outstanding loans	(86,497)	(100,665)
Receipt of monies from solicitor	2,953	–
Proceeds held in disposal account as at 31 August	13,412	(13,412)
Remaining proceeds distributed to unrestricted account	5,430	20,232
***Total proceeds distributed* to unrestricted account**	**23,301**	**23,591**

As at 31 August 2025, proceeds of £nil (2024: £2,953,000) related to completed sales had been received by the Group's solicitor but not yet received in a Group controlled account are included in other receivables.

7. Finance costs

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Loan interest	398	3,557
Total finance costs	**398**	**3,557**

Financing costs have been recognised for the years ended 31 August 2025 and 2024 by multiplying the original effective interest rate against the carrying cost of the third-party loans as remeasured on 31 August 2023. As presented in Note 10, the benefit of break gains received and Deferred Fees imposed by and paid to the Lender have been recognised as amortisation against the previously recognised gain to the extent that they were considered in the revised estimated cash flows.

8. Taxation

The Group is a real estate investment trust ("REIT") and as a result the profit and gains arising from the Group's property rental business are exempt from UK corporation tax provided it meets certain conditions as set out in the UK REIT regulations. Profits arising from any residual activities (e.g. trading activities and interest income), after the utilisation of any available residual tax losses, are subject to corporation tax at the main rate of 25%.

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Current tax	–	–
Origination and reversal of temporary differences	–	–
Total deferred tax	–	–
Tax charge	**–**	**–**

Reconciliation of the total tax charge

The reconciliation of loss before taxation multiplied by the standard rate of corporation tax of 25% to the total tax charge in the Consolidated Statement of Comprehensive Income is as follows:

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Loss before taxation	(30,614)	(25,166)
Tax at the standard rate of UK corporation tax	7,654	6,291
Effect of:		
Revaluation of investment properties	(2,743)	1,806
Losses not taxed for which no benefit can be recognised	(4,911)	(8,097)
Tax charge	**–**	**–**

9. Investment property (non-current) and investment property held for sale (current)

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Freehold investment property at the beginning year	265,432	412,720
Property disposals in the year	(99,349)	(151,373)
Retentions received during the year	(205)	(3,138)
(Decrease)/increase in fair value of investment property	(10,970)	7,223
Fair value at the end of the year	**154,908**	**265,432**
Investment property:		
Investment property – non current	–	236,325
Investment property held for sale – current	154,908	29,107
Total investment property	**154,908**	**265,432**

As discussed in Note 6, during the year ended 31 August 2025, the Group sold 522 properties (year to 31 August 2024: 1,098) for gross proceeds of £96,951,000 (2024: £147,915,000).

The Group recognises investment properties at fair value at each balance sheet date in accordance with IFRS 13 which defines a variety of fair value inputs depending upon the nature of the investment. The valuations have been prepared in accordance with the RICS Valuation – Global Standards January 2025 (the "Red Book") and incorporate the recommendations of the International Valuation Standards and the the current Red Book UK National Supplement which are consistent with the principles set out in IFRS 13. Specifically, IFRS 13 defines the fair value hierarchy as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Property valuations are inherently subjective and rely on using transaction data which is similar but not directly comparable and is usually adjusted to account for any underlying differences. Accordingly, the valuation of all of the Group's investment properties are classified as Level 3.

The investment properties have been valued as at 31 August 2025 and 2024 by Jones Lang LaSalle Limited ("JLL"), an accredited independent external valuer with relevant and recent experience of valuing residential properties of the type in which the Group invests. Fair value is the estimated amount for which a property would exchange on the date of the valuation in an arm's-length transaction and has been estimated using a combination of the investment approach and MV-VP. The investment approach involves applying a yield to the future income stream net of estimated voids and rent-free periods and then a reversion to MV-VP, which future cash flows are discounted back to the balance sheet date. The yield and estimated rental values are observed based on the valuers' judgment of comparable property and leasing transactions in the market. The primary factors which have been considered in assessing which valuation technique to use is the covenant strength of the tenant including their payment history and the property's condition. The other significant factors which are considered under both techniques include the property's type, its location and market conditions. The Group assessed property conditions (inspections occurred from August 2023 to May 2024) through a formal inspection programme, whereby Vibrant Energy Solutions Ltd ("Vibrant") was engaged to perform an internal inspection of most properties and issue a condition report. If properties were inspected by another party for another purpose during that period, those properties have been excluded from the Vibrant inspection process and instead JLL have made use of the report of the alternative provider. The condition of the properties as assessed in the inspection programme has been assumed to be the condition of the properties at the valuation dates.

9. Investment property (non-current) and investment property held for sale (current) — continued

To arrive at opinions of fair value, JLL divided the assets into four categories and estimated rental value and yield for each:

- Individual properties (suitable for occupation by a single family);
- HMO's (properties with individual bedrooms but common kitchen and other facilities);
- Residential investments (properties with individual flats for occupation); and
- Development properties (properties which are considered derelict and require substantial re-development).

As discussed in Note 3, not all leases were deemed to have commenced (for the purposes of recognising revenue) as some of the associated properties were deemed to be unhabitable. The security of the unexpired term for these leases differs across the portfolio depending on the covenant strength of the tenant. For tenants with a weak covenant strength or where a property was deemed unhabitable or not fit for-purpose, JLL disregarded the leases and valued the properties on the basis of MV-VP. All properties under the control of property managers have been valued on the basis of MV-VP. Where a property was deemed to be in a reasonable condition, capable of beneficial occupation, and let to a tenant who was likely to meet its rent demands in the short-term, JLL adopted the investment approach. For those tenants, JLL capped the unexpired lease term at five years, even where the actual unexpired lease term was for a longer period. This was due to a lack of confidence in those tenants being able to fulfil their lease obligations beyond five years. For those properties which were let or sublet to a tenant with a strong covenant, JLL considered the in-place lease (or ignored the primary in-place lease and instead capitalised the sublease passing rent) for its remaining term of up to seven years. Where a property has a high passing rent in comparison to JLL's opinion of MV-VP, JLL capped the Fair Value at between 110% and 125% of MV-VP, depending on the tenant (2024: between 113% and 154%, depending on the tenant). JLL also concluded that based on recent market evidence that the Group would have challenges in gaining vacant possession of supported living properties managed by an IHM and has valued 145 properties at a discount to MV-VP of between 10%-15% depending on the IHM and the location of the property.

The fair value of investment property at 31 August 2025 and 2024 was split between the following valuation techniques (both considered Level 3):

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Investment valuation approach	31,825	30,216
Market value – vacant possession approach	123,083	235,216
Fair value at the end of the year	**154,908**	**265,432**

For the year ended 31 August 2025, 28 properties were valued using the investment method valuation technique, having previously been valued using MV-VP (2024: nil). JLL considered this appropriate as the properties were let to tenants under new leases. For the year ended 31 August 2025, three properties were valued using MV-VP having previously been valued on the investment method (2024: 37). JLL considered the change appropriate for property specific reasons (2025) or after re-evaluating the credit strength of the underlying tenant (2024).

9. Investment property (non-current) and investment property held for sale (current) — continued

For those properties valued using the investment approach only, unobservable inputs used in the valuations are as follows:

Passing rent and yield range

Sector	Passing rent pa 31 August 2025 £'000	Passing rent pa range £'000	Valuation 31 August 2025 £'000	Valuation yield range %
Residential	4,685	6-188	31,825	8-31

Sector	Passing rent pa 31 August 2024 £'000	Passing rent pa range £'000	Valuation 31 August 2024 £'000	Valuation yield range %
Residential	3,726	6-181	30,216	7-25

For those properties valued using the investment approach, the average passing rent per annum per property was £18,000 for the year ended 31 August 2025 (2024: £16,000) and the average valuation yield was 15% for the year ended 31 August 2025 (2024: 12%).

Sensitivities of measurement of significant unobservable inputs

As noted above, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature. Because 596 of 853 (69.9% of properties) are valued using the MV-VP approach at 31 August 2025 (2024: 1,143 of 1,375 and 83% respectively) and those valued under the investment approach are capped at between 110% and 125% of MV-VP depending on the underlying tenant, changes in passing rents and initial yields do not impact the fair value as much as general price movements in the property market. The table below shows the sensitivities of measurement of the Group's investment property to those inputs (for properties valued using the investment approach):

As at 31 August 2025	-5% in passing rent £'000	+5% in passing rent £'000	+100bps in net initial yield £'000	-100bps in net initial yield £'000
Investment property	(200)	200	(300)	300

As at 31 August 2024	-5% in passing rent £'000	+5% in passing rent £'000	+100bps in net initial yield £'000	-100bps in net initial yield £'000
Investment property	(300)	300	(500)	500

For 2025, a 5% increase/decrease in MV-VP (for all properties) would increase/decrease the overall value of investment property by approximately £7,600,000 (2024: £13,000,000).

10. Financial instruments

The Group's borrowings were comprised of two fixed term loan facilities, one for £120 million and the other for £130 million. Both facilities were with Scottish Widows. The £120 million facility had an all-in rate of 2.07% per annum for the duration of the loan and was due for repayment in December 2032. The £100 million facility had an all-in rate of 2.53% for the duration of the loan and was due for repayment in December 2036. Both loans were secured by investment property and other assets held by the Group.

The Company and its subsidiaries were party to agreements with (amongst others) Scottish Widows including (in the case of two subsidiaries of the Company) facility agreements and (in the case of the Company and all subsidiaries) guarantees. Various breaches occurred under those agreements. Since an initial waiver letter dated 30 January 2023 waiving certain breaches, new waiver letters were issued prior to the expiry of each previous waiver period. The waiver letters related to various matters including financial covenants, an adverse change in the position of the Company and its subsidiaries, a failure to deliver audited accounts and other information, the suspension of the shares of the Company on the London Stock Exchange and the tax status of the Company.

On 19 June 2023, Scottish Widows imposed a Deferred Fee of 0.5% of the aggregate amounts outstanding on the two loans at each of 31 August 2023 and 30 November 2023, payable on the full and final settlement of the loans. On 4 December 2023, Scottish Widows imposed a further Deferred Fee effective from 30 November 2023 being the equivalent of 5% per annum on the aggregate amounts outstanding on the two loans as computed on a daily basis. On 2 July 2024, Scottish Widows increased the Deferred Fee from 5% to 7% with effect from 1 July 2024 until the final repayment of the loans.

The agreements provide that if the Borrowers repay outstanding principal early, the Borrower pays or benefits from a Break Gain. The Break Gain is the net amount between the make whole amount on the margin of the loan (Spens Costs) and the synthetic interest rate break value which is the difference between the current swap rate and the fixed rate embedded in the loan.

On 31 August 2023, as part of the periodic waiver update and in response to a request by the Lender, the Directors agreed to focus on repayment of both loans as soon as possible with a target repayment date no later than 30 June 2024. While not a technical amendment to the loans, the change in the estimated timing and amount of cash payments required the Group to recalculate the carrying value of the loans using new estimated cash flows and discounted using the original effective interest rate. The change in value resulted in a gain of £14,537,000 which was recorded in the Consolidated Statement of Comprehensive Income in the year ended 31 August 2023. Meeting the initial target repayment date of 30 June 2024 required the Group to refinance the existing facilities. In June 2024, the Group announced that it could not achieve a refinancing on terms that it could recommend to shareholders and agreed with Scottish Widows to sell additional properties in order to repay the loans by 31 December 2024. After re-considering the updates to the original assumptions for interest payable, Break Gains and Deferred Fees, the Company recorded a net loss of £369,000 in the Consolidated Statement of Comprehensive Income in the year ended 31 August 2024. There was no further gain or loss recorded in the year ended 31 August 2025. The Group specifically considered the expected forecasted payments, Break Gains and the Deferred Fees in the revised cash flow estimates which would reduce the balance of the loan at the determination date to zero, discounted at the original effective interest rate.

As a result of the property sales discussed above and application of lockbox amounts against the loan balance, the £120,000,000 loan was fully repaid on 25 September 2024, the £130,000,000 loan was fully repaid on 27 November 2024 and the Deferred Fees were paid on 16 December 2024. The reconciliation of the principal owing to the Lender to the carrying value is:

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Principal owing to Lender at end of the year	–	93,822
Carrying value adjustments	–	(2,784)
Carrying value at end of the year	**–**	**91,038**

10. Financial instruments — continued

Carrying Value Adjustments

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Beginning balance	(2,784)	(20,500)
Recognition of remeasurement loss	–	369
Reclassification of Deferred Fee accrual	–	1,100
Amortisation of remeasurement gain	2,784	16,247
Ending balance	**–**	**(2,784)**

Amortisation of remeasurement gain

	For the year ended 31 August 2025 £'000	For the year ended 31 August 2024 £'000
Break gains used to repay bank borrowings	11,768	16,632
Payment of Deferred fees	(8,984)	-
Adjustments to carrying value	–	(385)
	2,784	**16,247**

Fair Value

The Group utilises the income method to value its bank borrowings which is different than the approach used to compute the gain or loss discussed above. The income approach estimates the fair value of a debt instrument by estimating the difference between contractual and market debt service payments discounted at an equity yield reflective of the risks inherent in the loan. The income approach is considered Level 3 under the fair value hierarchy. The Group estimated the market replacement rate to be 5.89% for Home Holdings 1 and 6.19% for Home Holdings 2 as at 31 August 2024. If the estimated replacement rate were to increase or decrease by 1% at 31 August 2024, the resulting change in fair value would have been a decease or increase in the fair value adjustment of £74,000.

Set out below is a comparison of the carrying value and fair value of the Group's financial instruments where a difference exists. The fair value of financial instruments not included in the comparison is equal to carrying value.

	As at 31 August 2025		As at 31 August 2024	
Bank borrowings	Carrying value £'000	Fair value £'000	Carrying value £'000	Fair value £'000
Bank borrowings	–	–	**91,038**	**93,551**

11. Trade and other receivables

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Tenant receivables in accordance with lease agreements	1,964	50,479
Rent not recognised because properties were unhabitable	(198)	(3,243)
Tenant receivables	1,766	47,236
Receivable from solicitors for property sales completed	–	2,953
Receivable from property managers	893	1,222
Other receivables	403	160
Prepaid expenses	266	78
Tenant receivables and other financial assets	3,328	51,649
Provision for doubtful debts	(108)	(47,857)
Trade and other receivables	**3,220**	**3,792**

All trade and other receivable amounts are due within one year. The net carrying value of trade and other receivables classified at amortised cost approximates fair value.

During the year ended 31 August 2025, the Group agreed surrender deals with 10 tenants on 343 properties (2024: 23 tenants on 1,839 properties). The tenants had outstanding debtors from underlying occupants at the date of surrender, which in some cases were transferred to the Group as a condition of the surrender. Because the records associated with the pre-control debtors were not fully verifiable and the debtors generally not collectible, the Board has not established these amounts as debtors. Any subsequent collection of these debtors is recognised when received.

As discussed more fully in Note 3, the Directors analysed the expected credit loss and concluded that collection of debtors of £108,000 was doubtful and provided for such amounts at 31 August 2025 (2024: £47,857,000).

Because the Group judged 6 of its 18 tenants as having a poor financial covenant and non-performing due to low or no cash received for rents, outstanding debtors at 31 August 2025 were provided for in full. In addition, certain legacy debtors related to tenants otherwise current on their payments have also been provided in full. Any recoveries made of tenant receivables after 1 September 2025 will be recognised when received. For properties managed by a property manager, any arrears from underlying occupants were fully provided for unless received within a 30-day period after the end of the financial year.

During FY25, the Group considered the prospects of recovering any further cash from its current or past non-performing tenants and judged that it had no reasonable prospect of doing so for debtors totalling £53,198,000. These previously provided for balances have been written off in FY25, even though the Group may continue to pursue the collection of some of these balances. Movements in the provision for expected credit loss for the years ended 31 August 2025 and 2024 were as follows:

Impairment of trade receivables

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Opening provision for impairment of trade receivables	47,857	50,747
Increase during the year	5,449	29,109
Receivable written-off during the year as uncollectable	(53,198)	(31,999)
At the end of the year	**108**	**47,857**

The following table sets out the ageing profile of trade and other receivables that are financial assets:

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
30 days or fewer	3,124	4,414
31 to 60 days	63	1,198
61 to 90 days	17	1,307
91 to 120 days	16	1,664
Over 120 days	108	43,066
	3,328	**51,649**

12. Cash reserves

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Retentions held by solicitors	205	510
Required interest amount classified as restricted	–	1,766
Cash held in disposal account	–	13,412
Restricted cash held by third parties	205	15,688
Cash and cash equivalents	9,631	6,182
Total cash reserves	**9,836**	**21,870**

As a condition of a waiver letter, the Lender held back an amount of up to nine months of interest in the Lender-controlled rent accounts ("Required Interest Amount") to be released fully at the Lender's discretion. Cash held in the Disposal Account as at 31 August 2024 was controlled by the Lender and these amounts and the Required Interest Amount were used to repay the loans and Deferred Fees.

The Group's solicitors hold retention amounts pending completion of works by original vendors. Solicitors released £73,000 of Seller's Works retentions to vendors (2024: £689,000) and £205,000 to the Group (2024: £3,138,000) during the year ending 31 August 2025. There were £27,000 of insurance retentions released to the Group during the year ending 31 August 2025 (2024: £279,000). These were not initially established as an asset so the Group recorded a gain in that amount when the funds were received which has been presented in Other Income in the Consolidated Statement of Comprehensive Income.

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
At beginning of the year	510	4,616
Retentions released to vendors	(73)	(689)
Retentions released to Home REIT Plc	(205)	(3,138)
Insurance retentions released to Home REIT Plc	(27)	(279)
Retentions at the end of the year	**205**	**510**

13. Trade and other payables

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Trade creditors	2,416	2,137
Accrued expenses	4,255	5,707
Retentions payable	205	510
Total trade creditors and accrued expenses	**6,876**	**8,354**

All trade and other payables are due within one year. The Directors consider that the carrying amount of trade and other payables approximates fair value.

Retentions payable are amounts due to vendors payable when they complete property improvements which were agreed in the original SPA. See Note 12 for more information on retentions.

14. Financial risk management

AEW have risk management procedures and processes in place which enable them to monitor the risks of the Group. The objective in managing risk is the creation and protection of shareholder income and value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, impact assessment, and monitoring and subject to risk limits and other controls.

The principal financial risks facing the Group in the management of its portfolio are as follows:

Credit risk

Credit risk is the risk that a tenant or another counterparty will not meet its obligations under a lease or other financial instrument which would cause financial loss to the Group. The Group is exposed to credit risk through its tenant leases and cash deposits on account with its commercial bank and with solicitors pending completion of Seller's Works or a return to the Group.

It is the Group's policy to enter commercial banking arrangements with reputable financial institutions. The AIFM monitors the credit worthiness of banks used by the Group by review of credit ratings, financial statements and other public records and news on a quarterly basis. Where the Group transfers funds to its solicitors as a retention subject to completion of a workstream, the associated law firms place those funds in legally restricted client accounts.

In respect of tenant leases, in the event of a default by a tenant, the Group suffers an income shortfall and additional costs in reletting the property and vacancy costs. Tenant defaults adversely impact the value of investment property by either widening the yield underpinning an investment-based valuation or change the appropriate fair value technique from investment basis to MV-VP.

Since its appointment, AEW has considered the long-term viability of each tenant. In situations where the tenant is not considered viable in the long-term, AEW has agreed with the tenant to surrender the leases to take back control of the underlying properties to either let directly (either through a property manager or IHM) or re-let to a Registered Provider for Supported Living. Where lease surrenders could not be agreed commercially, AEW has taken or is taking action against the tenants which could include statutory demands, forfeiture and winding up petitions. In the few instances where the tenant is performing well, the leases remain in place, although terms may be varied.

AEW continues to assess potential prospective tenants and property managers, including quality providers of social housing and support services for properties suitable for occupation. Stringent covenant and capability analysis are undertaken on all proposed property managers and tenants in accordance with AEW's rigorous processes. AEW provides regular updates to the Board on its strategy by tenant and property and the progress against business plans.

The table below shows the Group's exposure to credit risk:

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Cash and cash equivalents	9,631	6,182
Restricted cash	205	15,688
Tenant receivables and other financial assets	3,220	3,792
	13,056	**25,662**

Liquidity risk

AEW manages the Group's liquidity and funding risks by regularly updating short-term (13 week) and medium-term (15 month) cash flow forecasts to ensure sufficient unrestricted cash balances are held within the Group to meet current and future needs, which is reviewed with the Board monthly. AEW assesses the ability of tenants to settle obligations within normal terms of credit which supports both forecasts.

14. Financial risk management — continued

The following table details the Group's liquidity analysis in respect of its financial liabilities on contractual undiscounted payments (assuming repayment of the debt under contractual terms):

31 August 2025	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
Retentions payable[1]	205	–	–	–	205
Trade and other payables	6,671	–	–	–	6,671
	6,876	**–**	**–**	**–**	**6,876**

31 August 2024	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
Bank borrowings and interest[2]	588	121,861	–	–	122,449
Deferred Fees	–	7,910	–	–	7,910
Retentions payable[1]	510	–	–	–	510
Trade and other payables	7,844	–	–	–	7,844
	8,942	**129,771**	**–**	**–**	**138,713**

1. In some cases the Group has accounted for retentions on a cash basis as supporting documentation was not always available to support the release of amounts to vendors. Accordingly, all amounts are presented as due within the next three months in the table above.
2. The bank borrowings and interest balance is represented as due in 3-12 months because it was the Group's intention to repay the loans by 31 December 2024 as at the date of the accounts.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As discussed more fully in Note 10, the Group has fully repaid the loans and the Deferred Fees.

Capital management

The Group considers proceeds from share issuance, bank borrowings and retained earnings as capital. Until the announcement of the Managed Wind-Down discussed in Note 1, the Board and AEW monitored the Group's capital position to provide sustainable returns for shareholders, to facilitate growth and to maintain an optimal capital structure to reduce the cost of capital. After receipt of Shareholders approval for the Managed Wind-Down, the Company is focused on maximising proceeds from property sales and minimising on-going expenses and other liabilities.

15. Share Capital

Ordinary Shares of £0.01 each	As at 31 August 2025 Number	As at 31 August 2024 Number
Balance at the beginning and end of the year	790,570,465	790,570,465

Share capital is the nominal amount of the Company's shares in issue which are fully paid.

16. Share premium account

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Balance at the beginning of the year	595,733	595,733
Cancellation of share premium and creation of Special Distributable Reserve B (Note 17)	(595,733)	–
Balance at the end of the year	–	595,733

The share premium related to amounts subscribed for share capital in excess of nominal value less associated issue costs of the subscriptions. The share premium has been cancelled in order to create Special Distributable Reserve B as described more fully in Note 17.

17. Special distributable reserve

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Special Distributable Reserve A balance at the beginning and end of the year	**190,130**	**190,130**

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Special Distributable Reserve B balance at the beginning of the year	–	–
Cancellation of share premium and creation of Special Distributable Reserve B	595,733	–
Special Distributable Reserve B balance at end of year	**595,733**	**–**

The special distributable reserves represent cancelled share premiums less dividends paid from the Special Distributable Reserve A. Both Special Distributable Reserve A and Special Distributable Reserve B are distributable reserves.

Special Distributable Reserve A was created on 18 December 2020 from the excess of the original share capital subscription value over the nominal value. Special Distributable Reserve B was created from the excess of the follow-on share offerings over the nominal value of the shares following shareholder approval to cancel the Company's share premium account passed on 20 February 2025. The cancellation of the share premium account in the amount of £595,733,000 was approved by the Court on 29 April 2025 and became effective with the registration of the Court order at Companies House on 2 May 2025.

18. Dividends

On 16 February 2023, the Board announced that except for any distributions that would be required to maintain REIT status, that it has ceased paying any further dividends until further notice. No dividends were paid in the year ended 31 August 2025 (2024: £nil).

19. Related party transactions

Investment Manager

On 21 August 2023, AEW UK Investment Management LLP ("AEW") was appointed as Alternative Investment Fund Manager ("AIFM") and Investment Manager. The AIFM acts as investment manager with responsibility for the management of the Group's assets in accordance with the investment policy of the Group and the policies and directions of the Board and is regulated in the conduct of investment business by the FCA.

Phase 1 of its engagement continued for two years from the date of appointment.

During Phase 1, AEW is paid the following annual fee:

1. A fixed fee of £3,000,000 from the commencement of the Transition Period and as increased at each successive anniversary by the lower of CPI, RPI and 5%;
2. A variable fee for disposal of investments of £422 per bed, as defined; and
3. A variable fee of 10% of rent collected by the Company from its investments.

The maximum amount payable in any year under this agreement is £5,000,000 (which is increased in year 2 to the extent that total fees in year 1 fall below £5,000,000.) After the initial two year period expired on 21 August 2025, the Company was to pay a fee of 0.75% of NAV, subject to a minimum annual fee of £3,000,000, which increased annually at the lower of CPI, RPI or 5% (from the commencement of the Transition Period.) During the year ending 31 August 2025, the Group incurred fees under the agreement with AEW of £5,200,000 (2024: £5,000,000). The 2025 fee includes VAT for a portion of the fees. At 31 August 2025, £158,000 (2024: £384,000) of these fees were unpaid.

On 22 August 2025, the Company and AEW agreed a revised fee structure with immediate effect, as follows:

- A fee of £167,000 per month to expire three months after the date on which the Company holds fewer than 10 properties.
- Thereafter, £120,000 per month for a period of three months.
- Thereafter, £42,000 per month until termination of the revised IMA.
- Subject to an annual cap of £1 million, an additional 10% of gross rent collected from assets owned by the Company and 10% of rent arrears collected, including those recovered through liquidations.

19. Related party transactions — continued

The revised IMA may be terminated on six months' written notice and occur no earlier than 21 August 2026. The revised IMA includes other immaterial amendments.

Directors

The Directors are entitled to receive a fee from the Group at such rate as may be determined in accordance with the Articles of Association. The current directors' compensation is described more fully in the Directors' remuneration report on pages 46 to 48. Michael O'Donnell is paid a base fee of £100,000 and an additional variable fee of up to £100,000, which is adjusted based on overall workload. This additional variable fee was £100,000 from inception until 31 December 2025 and decreased to an additional £75,000 from 1 January 2025 and to an additional £50,000 from 1 July 2025 and increased to an additional £100,000 with effect from 1 October 2025. Peter Williams is paid a base fee of £60,000 and an additional fee of £10,000 in his role as Senior Independent Director. Rod Day is paid a base fee of £60,000 and an additional fee of £10,000 in his role as Audit Committee Chair. Legacy directors were paid a base fee of £36,000 with an additional fee of £5,000 for the Chair of the Audit Committee and an additional fee of £15,000 for the Chair. The highest paid director received £179,000 in the year ended 31 August 2025 (2024: £124,000). During the year ended 31 August 2025, Directors' fees of £369,000 (2024: £330,000) were paid, of which none was unpaid at 31 August 2025 (2024: £nil). With the publication of the 2023 Annual Report and Accounts on 14 January 2025, Peter Cardwell, Lynne Fennah, Simon Moore and Marlene Wood stepped down from the Board.

20. Reconciliation of liabilities to cash flows from financing activities

	As at 31 August 2025		As at 31 August 2024	
	Principal Borrowing	Carrying Value of Borrowings (£'000)	Principal Borrowing	Carrying Value of Borrowings (£'000)
Balance at beginning of year	93,822	91,038	220,000	199,500
Cash flows from financing activities				
Principle payments from unrestricted cash	(4,541)	(4,541)	–	–
Loan arrangement fees paid	–	–	–	(142)
Non-cash movements				
Principal payments from restricted cash	(77,513)	(77,513)	(109,546)	(109,546)
Deferred fees paid from restricted cash	–	(8,984)	–	–
Set-up and unwinding of debt fair value adjustment	–	11,768	–	16,781
Reclassification of Deferred Fee accrual	–	–	–	1,100
Break gains used to repay bank borrowings	(11,768)	(11,768)	(16,632)	(16,632)
Loan arrangement fees accrual movement	–	–	–	(23)
Balance at end of the year	**–**	**–**	**93,822**	**91,038**

Interest payments of £398,000 were made from restricted cash accounts during the year (2024: £3,791,000).

21. Contingent liabilities

Harcus Parker, a law firm specialising in claimant group actions, is soliciting investors on a fully contingent basis ('no win no fee') to join together in bringing claims against the following parties:

- the Company;
- the Directors Defendants (those directors who were in office when the Shares were suspended);
- AHRA;
- Alvarium FM; and
- AlTi RE, the former principal of AHRA by way of an Appointed Representative Agreement.

As of the date of this document, there has been no claim issued by Harcus Parker. Harcus Parker has sent a pre-action letter of claim (enclosing draft particulars of claim) to the Company and Director Defendants (along with the other defendant parties listed above) on behalf of a number of shareholders in the Company, which alleges that the Company and the Director Defendants provided information to investors which was false, untrue and/or misleading and as a result shareholders suffered losses. The Board is not currently able to conclude whether or when a formal claim may be issued and, if a claim is issued, what the quantum of such a claim may be. The Board has stated publicly that both the Company and the Director Defendants intend vigorously to defend the threatened claims. The Company and the Director Defendants sent a lengthy and detailed letter of response to Harcus Parker.

On 5 March 2024, the Company announced that it intends to bring legal proceedings against those it considers are responsible for wrongdoing. It remains the Company's intention to pursue those whom it considers may be liable for the losses it has suffered, subject to a commercial assessment of the cost-benefit analysis. To that end, the Company sent pre-action letters of claim to Alvarium FM and AlTi RE on 12 April 2024, and AHRA on 29 May 2024. Both Alvarium FM and AlTi RE have been placed into administration and AHRA is in liquidation, which potentially complicates the ability of the Company to achieve financial recovery from these entities directly. The Company is also assessing the viability of seeking recoveries directly from AHRA, Alvarium FM and AlTi RE's insurers.

On 7 February 2024, the Company was notified by the FCA of its commencement of an investigation into the Company, covering the period from 22 September 2020 to 3 January 2023. The Directors are not able to assess or quantify what if any action may be taken.

22. Loss per Share

Loss per share per IFRS is calculated by dividing the loss attributable to ordinary equity holders of the Group by the weighted average number of Shares in issue for the years ended 31 August 2025 and 2024. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the periods.

	Year ended 31 August 2025	Year ended 31 August 2024
Loss (£'000)	**(30,614)**	**(25,166)**
Weighted average number of Shares in issue during year ('000)	790,570	790,570
Loss per share (pence)	**(3.87)**	**(3.18)**

23. Net asset value per Share

Net asset value per Share is calculated by dividing the consolidated net assets attributable to ordinary equity holders of the Group by the number of Shares outstanding at the reporting date. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the current or comparative periods.

	As at 31 August 2025	As at 31 August 2024
NAV (£'000)	**161,088**	**191,702**
Number of Shares ('000)	790,570	790,570
NAV per Share	**20.38p**	**24.25p**

24. Segmental information

Operating segments are identified on the basis of internal financial reports regarding components of the Group that are regularly reviewed by the chief operating decision maker (which in the Group's case is the Board) in order to allocate resources to the segments and to assess their performance.

The internal financial reports contain financial information at a Group level as a whole and there are no reconciling items between the results contained in these reports and the amounts reported in the consolidated financial statements.

The Group's property portfolio comprises investment property. The Board considers that all the properties have similar economic characteristics. Therefore, in the view of the Board, there is one reportable segment.

All of the Group's properties are based in the UK and as such no geographical grouping is considered appropriate for segmental analysis.

During the year the Group had three tenants, which were considered to be significant tenants contributing more than 10% of the Group's contractual annualised August 2025 rents. The following presents major customers on the rent roll as at the balance sheet date, which excludes tenants associated with properties that have been sold or surrendered back to the Group.

	As at 31 August 2025		As at 31 August 2024	
	% of total	£'000	% of total	£'000
Mears Limited	35.6%	2,400	15.0%	1,900
One CIC	20.0%	1,300	32.2%	4,100
Lifeline (NW) CIC	16.4%	1,100	0.0%	–
LTG Vision CIC	0.0%	–	15.6%	2,000
Other tenants (each less than 10%)	28.0%	1,800	37.2%	4,700
Contracted annual passing rent	**100%**	**6,600**	**100%**	**12,700**

25. Consolidated entities

The Company owns 100% of the equity shares of all subsidiaries listed below and has the power to appoint and remove the board of directors of those subsidiaries. The relevant activities of the below subsidiaries are determined by the respective directors based on simple majority votes. Therefore, the Board has concluded that the Company has control over all these entities and all these entities have been consolidated within this set of financial statements.

Name of entity	Principal activity	Country of incorporation	Ownership
Home Holdings 1 Limited	Property investment	UK	100%
Home Holdings 2 Limited	Property investment	UK	100%
Home Holdings 3 Limited	Property investment	UK	100%
Home Holdings 4 Limited	Property investment	UK	100%

The registered office of the Company and its subsidiaries is 4th Floor, 140 Aldergate Street, London EC1A 4HY

26. Post balance sheet events

Disposals

From 1 September 2025 to 24 February 2026, the Group exchanged on the sale of three properties for gross sales proceeds of £270,000. Properties exchanged since 31 August 2025 were presented in the Consolidated Statement of Financial Position as at 31 August 2025 at £270,000.

Restricted cash

Of the retentions held by solicitors at 31 August 2025, £165,000 has been released to the Company, and £40,000 has been released to the Vendor or the Crown as appropriate. There are no further retentions held by solicitors as at 24 February 2026.

27. Controlling parties

There is no ultimate controlling party of the Group.

Company Financial Statements

Company Statement of Financial Position

Company number: 12822709

	Note	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Non-current assets			
Investment in subsidiaries	4	–	–
Investment property	5	–	–
Amounts due from subsidiaries	6	163,152	196,101
Total non-current assets		**163,152**	**196,101**
Current assets			
Amounts due from subsidiaries	6	–	–
Trade and other receivables	6	170	2
Cash and cash equivalents	7	1,361	121
Total current assets		**1,531**	**123**
Total assets		**164,683**	**196,224**
Non-current liabilities			
Amounts due to subsidiaries	8	–	–
Total non-current liabilities		**–**	**–**
Current liabilities			
Trade and other payables	8	3,595	4,522
Total current liabilities		**3,595**	**4,522**
Total liabilities		**3,595**	**4,522**
Net assets		**161,088**	**191,702**
Capital and reserves			
Share capital	9	7,906	7,906
Share premium	10	–	595,733
Special distributable reserve – A	11	190,130	190,130
Special distributable reserve – B	11	595,733	–
Accumulated losses		(632,681)	(602,067)
Total capital and reserves attributable to equity holders of the company		**161,088**	**191,702**

The loss and total comprehensive loss attributable to the shareholders of the parent Company for the year ended 31 August 2025 amounted to £30,614,000 (2024: £25,166,000).

The notes on pages 95 to 100 form part of these financial statements.

The Company financial statements of Home REIT plc were approved and authorised for issue by the Board of Directors on 24 February 2026 and signed on its behalf by:

Signed by:

Michael O'Donnell

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Michael O'Donnell
Chair

Company Statement of Changes in Shareholders' Equity

For the year ended 31 August 2025	Note	Share capital account £'000	Share premium account £'000	Special distributable reserve A £'000	Special distributable reserve B £'000	Accumulated losses £'000	Total equity attributable to owners of the Company £'000
Opening balance at 1 September 2024		7,906	595,733	190,130	–	(602,067)	191,702
Loss for the year		–	–	–	–	(30,614)	(30,614)
Conversion of Share Premium Account to Special Distributable Reserve B	11	–	(595,733)	–	595,733		–
Balance at 31 August 2025		**7,906**	**–**	**190,130**	**595,733**	**(632,681)**	**161,088**

For the year ended 31 August 2024	Share capital account £'000	Share premium account £'000	Special distributable reserve £'000	Accumulated losses £'000	Total equity attributable to owners of the Company £'000
Opening balance at 1 September 2023	7,906	595,733	190,130	(576,901)	216,868
Loss for the year	–	–	–	(25,166)	(25,166)
Balance at 31 August 2024	**7,906**	**595,733**	**190,130**	**(602,067)**	**191,702**

The notes on pages 95 to 100 form part of these financial statements.

Notes to the Company Financial Statements

1. Basis of preparation

Home REIT plc (the "Company") is a closed-ended investment company, incorporated in England and Wales on 19 August 2020 and is registered as a public company limited by shares under the Companies Act 2006 with registered number 12822709. The Company is structured as an externally managed company with a board of non-executive directors (the "Directors" or the "Board"). This set of financial statements has been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101"). Where referred to herein, the Group (the "Group") consists of the Company and its subsidiaries which are listed in Note 25 to the Consolidated Financial Statements.

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of disclosure exemptions conferred by FRS 101 and therefore these financial statements do not include:

- Certain disclosures regarding the Company's capital;
- A statement of cash flows;
- The effect of future accounting standards not yet adopted;
- The disclosure of the remuneration of key management personnel; and
- Disclosure of related party transactions with wholly owned subsidiaries of the Company.

The Company has taken advantage of the exemption allowed under Section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements.

Going concern

As discussed in more detail in Note 1 to the Consolidated Financial Statements, the Directors consider it appropriate to adopt a basis of accounting other than as a going concern in preparing these financial statements.

2. Significant accounting judgements and estimates

The preparation of financial statements requires the Directors to make estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. Differences between our estimates and the actual results will be recognised as they occur. Critical accounting estimates and key sources of estimation uncertainty in applying these accounting policies are discussed below and disclosed more fully in Note 3 to the Consolidated Financial Statements.

Impairment of investments in and amounts due from subsidiaries (estimate)

The Company uses the net assets of its investees (which are comprised primarily of investment property) to support both the investments in and amounts due from subsidiaries. When an impairment of a portion (ie not all) of those balances is considered to have occurred, the Company impairs the investment in subsidiary balance first and then any amounts due from subsidiaries second. In estimating the net assets available for assessing impairment, balances due from other related parties are considered after other impairments have been recorded.

3. Principal accounting policies

The principal accounting policies adopted in the preparation of the Company Financial Statements are consistent with the Group which are described in Note 2 to the Consolidated Financial Statements. Policies adopted in the preparation of the Company's Financial Statements that are not included in the Consolidated Financial Statements are given below:

a Impairment of investments in and amounts due from subsidiaries

Investment in subsidiaries and amounts due from subsidiaries are included in the statement of financial position at cost less provision for impairment. The balances are assessed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (the higher of value in use and fair value less costs to sell), the asset is impaired.

Because the net assets of the investees support both the investments in and amounts due from subsidiaries, when an impairment of a portion (i.e. not all) of those balances is considered to have occurred, the Company impairs the investment in subsidiary balance first and then any amounts due from subsidiaries second. In estimating the net assets available for assessing impairment, balances due from other related parties are considered after other impairments have been recorded.

3. Principal accounting policies — continued

b Guarantor

The Company acted as a guarantor to the loan facilities of two of its subsidiaries as described in Note 10 to the Consolidated Financial Statements. At inception, the Company recognised the guarantee at cost and subsequently measured the liability at the higher of:

a. *The initial cost of the guarantee; and*

b. The expected credit losses of the financial guarantee over the life of the underlying contract.

The Company did not receive any remuneration for the guarantee and did not expect any credit losses related to the guarantee over the life of the underlying contract. Accordingly, the Company did not recognise a liability while the loans were outstanding.

4. Investment in subsidiaries

Investment in subsidiaries is included in the statement of financial position at cost less provision for impairment.

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Original investment balance	10,390	10,390
Provision for impairment	(10,390)	(10,390)
Investments in subsidiaries at end of the year	–	–

The Company has fully impaired the investment in subsidiaries balance as at 31 August 2025 and 2024.

A list of the Company's subsidiary undertakings is included in Note 25 to the Consolidated Financial Statements.

5. Investment Property

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Freehold investment property at the beginning year	–	3,310
Property disposals during the year	–	(3,310)
Fair value at the end of the year	–	–

The Company sold its remaining investment properties during the year ended 31 August 2024.

6. Trade and other receivables

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Tenant receivables in accordance with lease agreements	–	421
Other receivables	2	24
Prepaid expenses	170	31
Tenant receivables and other financial assets	**172**	**476**
Provision for doubtful debts	(2)	(474)
Trade and other receivables	**170**	**2**
Amounts due from subsidiaries	–	87,591
Provision for doubtful debts	–	(87,591)
Trade and other receivables – current	**170**	**2**
Amounts due from subsidiaries (non current)	**163,152**	**651,339**
Provision for doubtful debts	–	(455,238)
Trade and other receivables – non current	163,152	196,101
Total receivables	**163,322**	**196,103**

6. Trade and other receivables — continued

All current trade and other receivables are due within one year.

Amounts due from subsidiaries are interest free and repayable on demand. The Company has classified the outstanding balances in line with the timing of the expected recovery of these amounts.

Using a hypothetical liquidation at book value, during FY25 the Company considered the prospects of recovering any further cash from its subsidiaries given their current level of net assets and judged that it had no reasonable prospect of doing so for debtors totalling £488,189,000. These previously provided for balances have been written off in FY25.

The Directors consider that the remaining carrying amount of trade and other receivables approximates fair value.

7. Cash and cash equivalents

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Cash held at bank	1,361	121
Total cash and cash equivalents	**1,361**	**121**

8. Trade and other payables

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Amounts due to subsidiaries	–	–
Non-current liabilities	**–**	**–**

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Trade and other payables	3,595	4,522
Total current liabilities	**3,595**	**4,522**

All trade and other payables are due within one year. The Directors consider that the carrying amount of trade and other payables approximates fair value.

9. Share capital

Ordinary Shares of £0.01 each	As at 31 August 2025 Number	As at 31 August 2024 Number
At the beginning of the year	790,570,465	790,570,465
Issued and fully paid at year end	**790,570,465**	**790,570,465**

Detailed information about the share capital of the Company is included in Note 15 to the Consolidated Financial Statements.

10. Share premium

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Balance at the beginning of the year	595,733	595,733
Cancellation of share premium and creation of Special Distributable Reserve B (Note 11)	(595,733)	–
Balance at the end of the year	**–**	**595,733**

The share premium related to amounts subscribed for share capital in excess of nominal value less associated issue costs of the subscriptions. The share premium has been cancelled in order to create a distributable reserve as described more fully in Note 11.

11. Special distributable reserves – A and B

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Special Distributable Reserve A balance at the beginning and end of the year	**190,130**	**190,130**

	As at 31 August 2025 £'000	As at 31 August 2024 £'000
Special Distributable Reserve B balance at the beginning of the year	–	–
Cancellation of share premium and creation of Special Distributable Reserve B	595,733	–
Special Distributable Reserve B balance at end of year	**595,733**	**–**

The special distributable reserves represent the cancelled share premiums less previous dividends paid from the Special Distributable Reserve A. Both Special Distributable Reserve A and Special Distributable Reserve B are distributable reserves.

Special Distributable Reserve A was created on 18 December 2020 from the excess of the original share capital subscription value over the nominal value. Special Distributable Reserve B was created from the excess of the follow-on share offerings over the nominal value of the shares following shareholder approval to cancel the Company's share premium account passed on 20 February 2025. The cancellation of the share premium account in the amount of £595,733,000 was approved by the Court on 29 April 2025 and became effective with the registration of the Court order at Companies House on 2 May 2025.

12. Dividends

On 16 February 2023, the Board announced that except for any distributions that would be required to maintain REIT status, that it has ceased paying any further dividends until further notice. No dividends were paid in the year ended 31 August 2025 (2024: £nil).

13. Guarantee of subsidiary debt

As described in Note 10 to the Consolidated Financial Statements, the Company provided a guarantee to Scottish Widows Limited on two fixed term loan facilities where wholly–owned subsidiaries were the borrowers. On 27 November 2024, the Group made its final payment on the loans outstanding to Scottish Widows. The Group paid the Deferred Fee of £9.0 million on 16 December 2024 and the Company was released from its guarantee.

14. Contingent liabilities

Harcus Parker, a law firm specialising in claimant group actions, is soliciting investors on a fully contingent basis ('no win no fee') to join together in bringing claims against the following parties:

- the Company;
- the Directors Defendants (those directors who were in office when the Shares were suspended);
- AHRA;
- The Company's former AIFM, Alvarium Fund Managers (UK) Limited ("Alvarium FM"); and
- AlTi RE, the former parent of Alvarium FM and AHRA by way of an appointed representative agreement.

As of the date of this document, there has been no claim issued by Harcus Parker. Harcus Parker has sent a pre–action letter of claim (enclosing draft particulars of claim) to the Company and Director Defendants (along with the other defendant parties listed above) on behalf of a number of shareholders in the Company, which alleges that the Company and the Director Defendants provided information to investors which was false, untrue and/or misleading and as a result shareholders suffered losses. The Board is not currently able to conclude whether or when a formal claim may be issued and, if a claim is issued, what the quantum of such a claim may be. The Board has stated publicly that both the Company and the Director Defendants intend vigorously to defend the threatened claims. The Company and the Director Defendants sent a lengthy and detailed letter of response to Harcus Parker.

14. Contingent liabilities — continued

On 5 March 2024, the Company announced that it intends to bring legal proceedings against those it considers are responsible for wrongdoing. It remains the Company's intention to pursue those whom it considers may be liable for the losses it has suffered, subject to a commercial assessment of the cost-benefit analysis. To that end, the Company sent pre–action letters of claim to Alvarium FM and AlTi RE on 12 April 2024, and AHRA on 29 May 2024. Both Alvarium FM and AlTi RE have been placed into administration and AHRA is in liquidation, which potentially complicates the ability of the Company to achieve financial recovery from these entities directly. The Company is also assessing the viability of seeking recoveries directly from AHRA, Alvarium FM and AlTi RE's insurers.

On 7 February 2024, the Company was notified by the FCA of its commencement of an investigation into the Company, covering the period from 22 September 2020 to 3 January 2023. The Directors are not able to assess or quantify what if any action may be taken.

15. Related party transactions

Investment Manager and AIFM

On 21 August 2023, the Company appointed AEW UK Investment Management LLP ("AEW") as Alternative Investment Fund Manager ("AIFM") and Investment Manager. The AIFM acts as investment manager with responsibility for the management of the assets of the Group in accordance with the investment policy of the Group and the policies and directions of the Board and is regulated in the conduct of investment business by the FCA.

Phase 1 of its engagement continued for two years from the date of appointment.

During Phase 1, AEW is paid the following annual fee:

1. A fixed fee of £3,000,000 from the commencement of the Transition Period and as increased at each successive anniversary by the lower of CPI, RPI and 5%;
2. A variable fee for disposal of investments of £422 per bed, as defined; and
3. A variable fee of 10% of rent collected by the Company from its investments.

The maximum amount payable in any year under this agreement is £5,000,000 (which is increased in year 2 to the extent that total fees in year 1 fall below £5,000,000.) After the initial two year period expired on 21 August 2025, the Company was to pay a fee of 0.75% of NAV, subject to a minimum annual fee of £3,000,000, which increased annually at the lower of CPI, RPI or 5% (from the commencement of the Transition Period) During the year ending 31 August 2025, the Group incurred fees under the agreement with AEW of £5,200,000 (2024: £5,000,000). The 2025 fee included VAT for a portion of the fees. At 31 August 2025, £158,000 (2024: £384,000) of these fees were unpaid.

On 22 August 2025, the Company and AEW agreed a revised fee structure with immediate effect, as follows:

- A fee of £167,000 per month to expire three months after the date on which the Company holds fewer than 10 properties.
- Thereafter, £120,000 per month for a period of three months.
- Thereafter, £42,000 per month until termination of the revised IMA.
- Subject to an annual cap of £1 million, an additional 10% of gross rent collected from assets owned by the Company and 10% of rent arrears collected, including those recovered through liquidations.

The revised IMA may be terminated on six months' written notice and occur no earlier than 21 August 2026. The revised IMA includes other immaterial amendments.

15. Related party transactions — continued

Directors

The Directors are entitled to receive a fee from the Group at such rate as may be determined in accordance with the Articles of Association. The current directors' compensation is described more fully in the Directors' remuneration report on pages 46 to 48. Michael O'Donnell is paid a base fee of £100,000 and an additional variable fee of up to £100,000 (which was reduced to an additional £75,000 from 1 January 2025 and to an additional £50,000 from 1 July 2025 and increased to an additional £100,000 with effect from 1 October 2025). The fee is adjusted based on the overall workload. Peter Williams is paid a base fee of £60,000 and an additional fee of £10,000 in his role as Senior Independent Director. Rod Day is paid a base fee of £60,000 and an additional fee of £10,000 in his role as Audit Committee Chair. For the year ended 31 August 2024, fees paid to these directors were paid from their various start dates. Each legacy director was paid a base fee of £36,000 with an additional fee of £5,000 for the Chair of the Audit Committee and an addition fee of £15,000 for the Chair. The highest paid director received £179,000 in the year ended 31 August 2025 (2024: £124,000). During the year ended 31 August 2025, Directors' fees of £369,000 (2024: £330,000) were paid, of which none was unpaid at 31 August 2025 (2024: £nil). With the publication of the 2023 Annual Report and Accounts on 14 January 2025, Peter Cardwell, Lynne Fennah, Simon Moore and Marlene Wood stepped down from the Board.

16. Post balance sheet events

Post balance sheet events of the Company are included in Note 26 to the Consolidated Financial Statements.

17. Ultimate controlling party

There is no ultimate controlling party of the Company.

Additional information

Appendix 1

Regulatory News Service Announcements 1 September 2024 to 24 February 2026

Date	Title	Key
05-Sep-24	**Monthly Update** Repayment of £12.2m of debt.	F
16-Sep-24	**Result of General Meeting** Shareholders approved the ordinary resolution for the Managed Wind-Down strategy.	SN, INV
30-Sep-24	**Property Sales** Exchanged on the sale of 200 properties for gross proceeds of £36.9m.	PROP
11-Oct-24	**2022 Annual Report and Accounts** *The 2022 results reflect a substantial loss and decrease in NAV for the period.* NAV per share reduced by 57.5% to 43.76 pence (2021 restated: 103.03 pence). Loss before tax of £474.8m (restated 2021: £16.1m profit before tax).	RES
14-Oct-24	**Monthly Update** Repayment of £21.8m of debt.	F
23-Oct-24	**Property Sales and Debt Repayment Update** Exchanged on the sale of 152 properties for the gross proceeds of £26.8 million.	PROP
8-Nov-24	**Notice of General Meeting** The Company has published a Notice of General Meeting to be held at the offices of Panmure Liberum, Level 12 Ropemaker Place, 25 Ropemaker Street, London EC2Y 9LY on 5 December 2024 at 10:00am.	SN
18-Nov-24	**Change in Registered Office** Registered office will be 4th Floor, 140A Aldersgate Street, London, EC1A 4HY with effect from 18 November 2024.	SN
28-Nov-24	**Repayment Debt** Following completion of property sales in November, the Group made a final repayment of debt in the amount of £28.6 million.	F
4-Dec-24	**Response to announcement from Southey Capital Ltd.** The Company acknowledged the announcement of Southey Capital Ltd. concerning a tender offer for the Company's Shares at 4 pence per Share.	RTP
5-Dec-24	**Result of General Meeting** Shareholders voted against the approval of the 2022 Annual Report and Accounts and in favour of the Directors' Remuneration Report.	SN
24-Dec-24	**Debt Repayment, Tenant and Accounts Update** The Company announced that all Deferred Fees had been paid and remaining properties released as collateral by the Lender and that it had agreed a surrender on 171 properties with LTG Vision. The Company also announced that it would file the 2023 Annual Report and Accounts in January 2025.	F, T, RES
14-Jan-25	**2023 Annual Report and Accounts Released** The 2023 results reflect a substantial loss and decrease in NAV for the period. NAV per share reduced by 37.3% to 27.43 pence (2022: 43.76 pence). Loss before tax of £118.2m (2022: Loss before tax of £474.8 million). Peter Cardwell, Lynne Fennah, Simon Moore and Marlene Wood stood down as directors.	RES, D
27-Jan-25	**Notice of Annual General Meeting** The Company has published a Notice of General Meeting to be held at the offices of FTI Consulting at 200 Aldersgate Street, London, EC1A 4HD on 20 February.	SN
20-Feb-25	**Trading Update**	RES, T

Appendix 1 — continued

Date	Title	Key
20-Feb-25	**Result of General Meeting** Shareholders voted to approve the 2023 Annual Report and Accounts and the Director's Remuneration Policy and in favour of the Directors' Remuneration Report. In addition, the existing directors were re-elected, BDO was re-appointed as auditor to the Company, the Company be authorised to purchase its own shares, including through tender offers, that the share premium account of the Company be cancelled and that a General Meeting of the Company can be called on not less than 14 clear days' notice.	SN
4-April-25	**The Company released its interim results for the period to 28 February 2023.**	RES
29-May-25	**Trading update, February 2025 valuation** The Company announced that, subject to review by the auditors, the valuation of its portfolio of 860 properties was £169.0 million at 28 February 2025.	RES
15-July-25	**Response to Recent Announcement** The Board acknowledged the recent announcement that AITi Re Limited and Alvarium Fund Managers Limited have entered administration.	L
22-Aug-25	**Revision to Investment Management Agreement** The Company announced revised terms of its investment management agreement with AEW.	IA
1-Sept-25	**Trading Statement** The Company announced an update on the portfolio sale.	RES
20-Oct-25	**2024 Annual Report and Accounts Released** The 2024 results reflect a loss and decrease in NAV for the period. NAV per share reduced by 13.1% to 24.25 pence (2023: 27.43 pence). Loss before tax was £25.2m (2023: Loss before tax of £118.2 million).	RES
31-Oct-25	**Trading update, August 2025 valuation** The Company announced that, subject to review by the auditors, the valuation of its portfolio of 853 properties was £155.7 million at 31 August 2025.	RES
13-Nov-25	**Response to press speculation** The Board noted the recent press speculation concerning the Company's portfolio sales process and confirmed that the Company had entered into an exclusivity agreement with Patron Capital in respect of the disposal of the majority of the Company's portfolio of assets.	PROP
18-Nov-25	**Trading Statement** The Company released its interim results for the period to 29 February 2024.	RES
14-Jan-26	**Resppnse to SFO Investigation** The Company was made aware of reports of the SFO's arrests and raids with certain individuals formally associated with the Company.	RES
30-Jan-26	**Notice of Annual General Meeting** The Company has published a Notice of General Meeting to be held at the offices of FTI Consulting at 200 Aldersgate Street, London, EC1A 4HD on 27 February 2026.	SN

A link to all regulatory news releases can be found at www.homereituk.com/investors/regulatory-news/

Key:

D	Directors
F	Financing Update
IA	*Investment Adviser/AIFM/Investment Manager*
INV	Investment Policy
L	Potential Litigation/FCA Investigation
PROP	Property – Acquisition, Disposal, Valuation
RES	Results and trading updates
RTP	Response to Third Party Reports
SN	Shareholder Notice – Annual General Meeting, General Meeting
T	Tenant Update

Appendix 2

Governance and Internal Control

Overview of the Company

The Company is an externally managed real estate investment trust with no full-time employees, only non-executive directors. The non-executive Board is responsible for leading and controlling the Group and has overall authority for the management and conduct of the Company's business, strategy and development. In order to fulfil these obligations, the Board appointed AEW as the Investment Manager and AIFM to provide investment management services.

The Directors have contractually delegated the management of the investment portfolio, the registration services, administration services and other services to third party service providers and reliance is therefore placed on the internal controls of those service providers. Although the Company's executive management function is outsourced, it remains the responsibility of the Board to:

i. assess whether the outsourced functions are being performed adequately;

ii. ensure that the Company has adequate resources; and

iii. establish procedures to monitor the performance of third parties performing the outsourced functions. The Board ensures that there are clear financial reporting lines and accountability, with segregation of duties.

Corporate Governance

The Board is ultimately responsible for reviewing the effectiveness of the Company's overall internal control arrangements and processes. The Board is responsible for the ongoing process for identifying, carrying out a robust assessment of, and managing and mitigating the principal risks faced by the Company.

The principal documentation for the Governance and Internal Control is the Financial Position and Prospects Procedures ("FPPP") memorandum. The FPPP details procedures for the Directors to make proper judgements on an ongoing basis as to the financial position and prospects of the Company.

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

The internal financial control systems aim to ensure the maintenance of proper accounting records, the reliability of the financial information upon which business decisions are taken, reports are published and the assets of the Company are safeguarded.

The key procedures include review of management accounts, monitoring of performance of the Company and AEW at quarterly Board meetings, segregation of the administrative function from investment management, maintenance of appropriate insurance and adherence to physical and computer security procedures.

The Board meets at a minimum quarterly and more often if required. Currently the Board holds monthly review meetings with AEW. Quarterly (and currently monthly) review meetings follow standing agendas with other matters considered appropriate from time to time.

Board Responsibility

The Board has adopted a formal schedule of matters reserved for decision by the Board, a copy of which is available on the Company's website. These matters include:

i. responsibility for the determination of the Company's investment objective and policy including any investment restrictions (subject to any necessary shareholder approvals);

ii. overall responsibility for the Group's activities, including the review of investment activity, gearing, performance and supervision of AEW and other key service providers;

iii. approval of Annual and Half-Yearly Reports and Financial Statements and accounting policies, prospectuses, circulars and other shareholder communications;

iv. raising new capital and approval of financing facilities;

v. approval of the Company's dividend policy and approval of dividends;

vi. approval of the NAV of the Group;

vii. Board appointments and removals;

viii. appointment and removal of the Investment Manager, AIFM, Investment Adviser, Auditor and the Company's other key service providers;

ix. approval of material contracts entered into, varied or terminated by the Company;

x. corporate governance, risk management framework and internal control; and

xi. compliance with tax and other regulations.

Acquisitions are no longer permitted under the New Investment Policy.

Internal Control Assessment Process

Reviews of internal controls are undertaken regularly in the context of the Company's overall investment objective. The Board has categorised risk management controls under the following key headings: investment strategy and operations; real estate sector; risks relating to Shares; engagements with third party service providers; taxation; accounting, operational and financial reporting; governance and regulatory compliance; and emerging risks including climate risk. In arriving at its judgement of what risks the Company faces, the Board has considered the Company's operations in light of the following factors:

i. the nature and extent of risks which it regards as acceptable for the Group to bear within its overall business objective;

ii. the threat of such risks becoming reality;

iii. the Company's ability to reduce the incidence and impact of risk on its performance; and

iv. the cost to the Company and benefits related to the review of risk and associated controls of the Company.

A risk matrix is in place against which the risks identified and the controls to mitigate those risks can be monitored. The risks are assessed on the basis of the likelihood of them happening, the impact on the business if they were to occur and the effectiveness of the controls in place to mitigate them. This risk register is reviewed at least every six months.

Internal Audit Consideration

The Board keeps the need for an internal audit function under periodic review. All key service providers report at least annually regarding their internal controls including provision of their ISAE 3402, or equivalent reports. The Board has considered the cost-benefit of engaging independent review of key service providers and concluded the existing system of monitoring and reporting by third-party service providers remains appropriate.

Review of Governance and Internal Control

The Board has considered its risk management framework, internal control systems, procedures and processes. The FPPP was updated in October 2023 with minor amendments to reflect the appointment of the new Investment Manager and AIFM and the Amended Investment Policy, further amendments were made in September 2024 including details of the finalised accounting policies, new Board members and update of the risk register for the New Investment Policy.

The Board and the Audit Committee, has undertaken a robust assessment and review of the emerging and principal risks facing the Company and the Group, together with a review of any new risks which may have arisen, including those that would threaten its business model, future performance, solvency or liquidity. The risk register has and continues to be regularly updated (most recently in August 2025) with respect to the focus on key aspects of the Managed Wind-Down after the repayment of the Group's borrowings and associated fees.

Investment Manager

The Investment Manager is appointed to act as AIFM of the Company with responsibility to manage the assets of the Company initially in accordance with the Amended Investment Policy of the Company and subject to the overall policies and directions of the Board. From 16 September 2024, the New Investment Policy applies.

AEW's key responsibilities include the following:

i. providing AIFM management functions including portfolio management and risk management services;

ii. managing the investment and re-investment of the assets of the Group on a discretionary basis in accordance with the Amended Investment Policy/ New Investment Policy and investment restrictions and with a view to achieving the investment objective of the Company;

iii. managing the borrowings and gearing in accordance with policies and guidelines and managing working capital and liquidity within the Group's investment portfolio;

iv. monitoring the performance of the administrator, the valuer and the depositary;

v. seeking and evaluating potential investments by the Group, including carrying out financial evaluation and due diligence and providing written evaluations of the financial, structural and legal issues relevant to the potential investments;

vi. performing due diligence on approved investments;

vii. monitoring and analysing the performance of the Group's investments; and

viii. performing credit analysis prior to making an investment and performing ongoing tenant credit analysis (including checking that rent has been received and following up with tenants on unpaid amounts).

AEW reports key matters at the quarterly Board meetings including but not limited to:

- Financial position of the Group.
- Performance of the Group.
- Acquisition and disposal of investments.
- Investment restrictions and compliance.
- Debt leverage and covenant analysis.
- Tenant and asset updates including relevant information on occupancy, property condition, capex requirements, rent collections, credit analysis, and financial viability.
- Property managers and key third-party appointments.
- Report on properties under separate management agreements.
- Current 13-week and 15-month cashflow forecasts.
- Investment Manager resourcing and third-party providers.
- Health & Safety – material matters.
- Any other material matters that should be brought to the Board's attention.

The Investment Manager has an established track record of successfully investing in UK real estate, founded on a robust and disciplined investment and asset management process. AEW operates a multi-layered governance framework with challenge at every level. The underlying principle of the process is to ensure that client objectives are optimised in a controlled and risk managed environment.

As a subsidiary of one of the world's largest banking groups, AEW has rigorous policies and processes in place to ensure compliance with all relevant regulations and legislation. AEW participates in the wider group's Enterprise Compliance and Risk Programme operated by Natixis Investment Managers ("Natixis IM"), which provides a comprehensive compliance and risk management framework and governance structure based on the three lines of defence model. The principle of the three lines of defence relies on a multi-tiered approach:

- First line of defence: risk management controls are integrated into the operating processes formalised in clearly defined policies and procedures. Teams are also required to participate in relevant trainings and escalate any potential risk-related issues or incidents to the second line of defence.
- Second line of defence: appropriate review and challenge of first line activities. This includes control carried out by the compliance department through the permanent control programme. The Compliance Officer and the Risk Manager both have additional dual reporting lines into the local CEO and AEW Group counterparts and into the respective Natixis IM Chief Compliance Officer or Chief Risk Officer. Third line of defence: Internal audit undertaken with independent Natixis IM's compliance department and audit inspections undertaken by Natixis and the Groupe BPCE's audit functions.

Glossary

Administrator
Apex Fund and Corporate Services (UK) Limited. The Administrator is responsible for calculating the Net Asset Value of the Ordinary Shares in consultation with the AIFM and the Investment Adviser or Investment Manager as relevant and reporting this to the Board

AEW
AEW UK Investment Management LLP – Investment Manager and AIFM from 21 August 2023

AGM
Annual General Meeting

Aggregators
The various property vendors that entered into a settlement agreement dated 8 December 2022

AHRA
Alvarium Home REIT Advisors Limited now in liquidation – Investment Adviser until 30 June 2023

AIC
Association of Investment Companies. This is the trade body for closed-ended investment companies (www.theaic.co.uk)

AIC Code
The AIC Code of Corporate Governance, as published in February 2019. A framework of best practice guidance for investment companies

AIFM
Alternative Investment Fund Manager. The entity that provides portfolio management and risk management services to the Company and which ensures the Company complies with the AIFMD. The Company's AIFM was Alvarium Fund Managers (UK) Limited until 21 August 2023 when AEW UK Investment Management LLP succeeded it

AIFMD
Alternative Investment Fund Managers Directive

AITi RE Limited
AHRA's former principal by virtue of an appointed representative agreement

A&M
Alvarez & Marsal Disputes and Investigations LLP consulting firm instructed by Board in January 2023 to conduct an investigation into allegations of wrongdoing, including matters raised in the Viceroy Research Report

Alvarium FM
Alvarium Fund Managers (UK) Limited, the AIFM until 21 August 2023

Alvarium Securities
Alvarium Securities Limited (now called Ellora Partners Limited) provided corporate broking services to the Group until 8 February 2023

Amended Investment Policy
Investment policy approved by shareholders on 21 August 2023 including a Stabilisation Period

Articles
The articles of association of the Company

Assured Shorthold Tenancies ("AST")
A type of residential tenancy in England and Wales. The most common form of arrangement that involves a private landlord or housing association

BDO
BDO LLP is the Group's independent auditor

Big Help
Comprises Big Help Homes CIC, Big Help Project, CG Community Council, Dovecot & Princess Drive Community Association, N-Trust Homes CIC, Select Social Housing

Broker
A third party that provides corporate finance advisory services to the Company, including research and fundraise support (including roadshow, marketing and book-building services). Alvarium Securities Limited acted as sole Broker from 21 September 2020 until Jefferies International Limited was appointed as Joint Broker from 29 October 2022. Alvarium Securities Limited resigned on 8 February 2023. The agreement with Jefferies International Limited was terminated on 1 February 2023. Liberum Capital Limited (now Panmure Liberum Limited) was appointed as Capital Markets Advisor on 5 July 2023 and will act as Broker from the date on which the Company's ordinary shares are re-admitted to trading on the premium listing segment of the Official List and to trading on the main market of the London Stock Exchange

Capital Markets Adviser
Panmure Liberum Limited (previously Liberum Capital Limited) was appointed as Capital Markets Adviser on 5 July 2023 and will act as Broker from the date on which the Company's ordinary shares are re-admitted to trading on the premium listing segment of the Official List and to trading on the main market of the London Stock Exchange

CIC
A Community Interest Company. A limited company, with special additional features, created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage

Company
Home REIT plc

Company Secretary
Apex Fund and Corporate Services (UK) Limited

Company website
www.homereituk.com

Completion
The point at which ownership of the property is legally transferred by dating the transfer deed

Consolidated Financial Statements
The Group accounts which include the Company and the subsidiaries included in Note 25 to the Consolidated Financial Statements

Covenant strength
The strength of a tenant's financial status and its ability to perform the covenants in the lease

Creditors Voluntary Liquidation (CVL)
A Creditors' Voluntary Liquidation is a formal liquidation process which brings about the end of an insolvent company. Liquidation involves the winding up of a company's affairs, resulting in the sale of its assets and dissolution. Companies may alternatively enter into administration which focuses on rescuing the company from insolvency by restructuring its operations and finances

Deferred Fees
The Deferred Fee imposed by Scottish Widows computed as: i) 0.5% of the aggregate amounts outstanding on the two loans at each of 31 August 2023 and 30 November 2023, and ii) a fee from 30 November 2023 computed as the equivalent of 5.0% per annum on the aggregate amounts outstanding on the two loans as computed on a daily basis, which from 1 July 2024 increased from 5% to 7%. All of these fees are payable upon full and final repayment of the loans

Depositary
Apex Depositary (UK) Limited appointed to provide cash monitoring, safekeeping and asset verification and oversight functions as prescribed by the AIFMD

Directors Defendents
The Directors who were in place from inception to 3 January 2023

Dividend per share
The total dividend paid and proposed in respect of a period divided by the number of ordinary shares eligible for the dividend on the record date

EPC
Energy Performance Certificate

EPRA
European Public Real Estate Association, the industry body representing listed companies in the real estate sector

ERV
Estimated Rental Value

ESG
Environmental, Social and Governance

Exempt Accommodation
Supported housing where the landlord is a not-for-profit organisation and provides care, support and supervision to the claimant

Exempt Rents
Rents in relation to Exempt Accommodation

Exchange
The point on a property transaction at which the contract to sell is exchanged and dated and becomes legally binding

Fair Value
The estimated amount for which a property should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where parties had each acted knowledgeably, prudently and without compulsion

Fair value movement
An accounting adjustment to change the book value of an asset or liability to its fair value

FCA
The Financial Conduct Authority

FRI lease
A lease which imposes full repairing and insuring obligations on the tenant, relieving the landlord from all liability for the cost of insurance and repairs

FPPP
Financial Position and Prospects Procedures memorandum

FY21
Period from 19 August 2020 to 31 August 2021

FY22
Year ended 31 August 2022

FY23
Year ended 31 August 2023

FY24
Year ended 31 August 2024

FY25
Year ended 31 August 2025

Gross Asset Value
The aggregate value of the total assets of the Company as determined in accordance with IFRS

Group
Home REIT plc and its subsidiaries

Groupe BPCE
The ultimate owner of AEW. Groupe BPCE is the second-largest banking group in France. Groupe BPCE operates in the retail banking and insurance fields in France via its two major networks, Banque Populaire and Caisse d'Epargne, along with Banque Palatine. It also pursues its activities worldwide with the asset & wealth management services provided by Natixis Investment Managers (Natixis IM) and the wholesale banking expertise of Natixis Corporate & Investment Banking

Harcus Parker
Harcus Parker Limited a law firm specialising in claimant group actions, soliciting investors on a fully contingent basis ('no win no fee') to join together in bringing claims against the Company and other parties

House of Multiple Occupation ("HMO")
Rental property where at least three tenants live, forming more than one household sharing common facilities, such as kitchens and bathrooms

IAA
Investment Advisory Agreement between the Company, Alvarium FM and AHRA dated 22 September 2020

IFRS
UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs")

Independent valuer
An independent external valuer of a property. The Company's external valuer was Knight Frank for the period ended 28 February 2022 and prior. JLL was appointed on the 18 July 2023 to retrospectively value properties as at 31 August 2022 and subsequent periods

Investment Adviser
Alvarium Home REIT Advisors Limited ("AHRA") the appointed investment adviser until 30 June 2023

Investment Manager
AEW UK Investment Management LLP ("AEW"), the appointed Investment Manager and AIFM from 21 August 2023

IMA
Investment Management Agreement between the Company and Alvarium FM dated 22 September 2020 or Investment Management Agreement between the Company and AEW dated 22 May 2023

IPO
The admission to trading on the London Stock Exchange's Main Market of the share capital of the Company and listing of Ordinary Shares to the premium segment of the Official List of the FCA, on 12 October 2020

JLL
Jones Lang LaSalle Limited, the Group's Independent Valuer appointed on 18 July 2023 to value properties retrospectively as at 31 August 2022 and subsequent periods

Knight Frank
Knight Frank LLP the Group's independent valuer as at 28 February 2022 and previous periods

KPIs
Key performance indicators

Lease incentives/inducements
Incentives offered to tenants to enter into a lease. Typically this will be an initial rent-free period, or a cash contribution to fit-out. Under accounting rules, the value of the lease incentive is amortised through the Statement of Comprehensive Income on a straight-line basis until the lease expiry

Lender
Scottish Widows Limited ("Scottish Widows")

Liberum
Liberum Capital Limited (now Panmure Liberum Capital Limited) appointed on 5 July 2023 as capital markets adviser and will act as the corporate broker to the Company on commencement of re-listing on the Company's shares

Listing Rules
The listing rules of the FCA made under the Financial Services and Markets Act 2000 as amended from time to time

Loan to value ("LTV")
The outstanding value of bank borrowings as a percentage of the fair value of investment property as stated in the independent valuation

Local Housing Allowance ("LHA")
Rates used to calculate housing benefit for tenants renting from private landlords

Managed Wind-Down
The Company being managed with the intention of realising all the assets in its property portfolio in an orderly manner and with a view to repaying borrowings and making timely returns of capital to shareholders whilst aiming to optimise value for the Company's assets

Market capitalisation
The mid-market price for an ordinary share of the Company multiplied by the number of ordinary shares in issue

MEC
Management Engagement Committee

MV-VP
Market Value – Vacant Possession – refers to the value of an income-producing asset, assuming there is no tenant. It represents the value of the property without considering any lease or rental income

Natixis IM
Natixis Investment Manager, an international asset management group based in Paris, France, that is part of the Global Financial Services division of Groupe BPCE. Natixis IM is wholly owned by Natixis, a French investment banking and financial services firm. Natixis is wholly owned by BPCE, France's second largest banking group

Net Asset Value (NAV)
Net Asset Value is the equity attributable to shareholders calculated under IFRS

NAV per share
Equity shareholder, funds divided by the number of Shares in issue. This measure allows a comparison with the Company's share price to determine whether the Company's shares are trading at a premium or discount to its NAV calculated under IFRS

NAV total return
The percentage change in NAV, assuming that dividends paid to shareholders are reinvested at NAV to purchase additional Shares. This is an alternative performance measure that the Company tracks, as it is a direct indicator of the value produced by the Company's operations

Net break gains/losses
Net break gains result from provisions of the loan facility agreements which, at each early repayment event, generate a synthetic interest rate swap breakage on the fixed rate (effective swap rate) element of the loans resulting in a break gain or loss, and a make whole on the margins of the loans (Spens Cost)

New Investment Policy
Investment policy approved by shareholders on 16 September 2024 in respect of the Managed Wind-Down of the Group

Noble Tree
Noble Tree Foundation Limited

Original Investment Policy
Investment policy in place at IPO until 21 August 2023

Non-PID
Non-Property Income Distribution. The dividend received by a shareholder of the Company arising from any source other than profits and gains of the Tax Exempt Business of the Company

PID
Property Income Distribution. A dividend received by a shareholder of the Company in respect of profits and gains of the tax exempt business of the Company

Property Adviser
AEW UK Investment Management LLP during the period 22 May 2023 to 21 August 2023

Practical completion
The point at which a building project is complete, except for minor defects that can be put right without undue interference or disturbance to the tenant

Property Income
Net property income and net gains on the disposal of property which are exempted from corporation tax as long as at least 90% net property income is distributed to shareholders within 12 months of the end of the financial year

PRS
Private Rented Sector – housing classification whereby properties are owned by landlords (individuals or companies), and leased out to occupiers

Registrar
Link Market Services Limited, (trading as Link Group) has responsibility for maintaining the register of shareholders, receiving transfers of Shares for certification and registration and receiving and registering shareholders' dividend payments together with related services

REIT
A Real Estate Investment Trust. A company which complies with Part 12 of the Corporation Tax Act 2010

Subject to the relevant UK REIT criteria being met continually, the profits from the property business of a REIT, arising from both income and capital gains, are exempt from corporation tax

RNS
Regulatory News Service, the service provider used by the Group to distribute regulatory news and announcements

Sale and Purchase Agreements ("SPAs")
A binding legal contract between two parties that obligates a transaction to occur between a buyer and seller

Seller's Works
Obligation for the vendors to complete certain works on properties acquired, to ensure that the property was fit for purpose within a specified period, as defined in the SPAs

Shares
Ordinary Shares of £0.01 each in the capital of the Company. Ordinary Shares are the main type of equity capital issued by conventional Investment Companies. Shareholders are entitled to their share of both income, in the form of dividends paid by the Company, and any capital growth

Share price
The value of a share at a point in time as quoted on a stock exchange. The Company's Shares were quoted on the Main Market of the London Stock Exchange until they were suspended on 3 January 2023

Social Use
Real estate used to house vulnerable individuals, including but not limited to those affected by any of the following circumstances: homelessness, ex-service men and women, individuals fleeing domestic abuse, vulnerable women, people leaving prison, asylum seekers and refugees, foster care leavers, substance misuse, care leavers, mental illness, disability, specialist supported living and general needs social housing

SRI
Socially Responsible Investment

Stabilisation Period
The period per the Amended Investment Policy, beginning on 21 August 2023 and ending on 21 August 2025, or such later date (not being later than 21 August 2026) approved by the Board, during which the Company will have the objective of stabilising the Group's financial condition through initiatives to maximise income and capital returns by investing in a portfolio of UK residential real estate

Supported Living
Housing where support and/or care services are provided to help people to live as independently as possible.

SWLD
Seller's Works Longstop Date

The Good Economy
The Good Economy Partnership Limited, a social impact assessor and adviser appointed by the Company

Total shareholder return
The growth in value of a shareholding over a specified period, assuming dividends are reinvested to purchase additional units of stock

UK Code
The UK Code of Corporate Governance being the code issued by the Financial Reporting Council which sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. All companies with a premium listing of equity shares in the UK are required under the Listing Rules to report on how they have applied the Code in their annual report and accounts

Valuer
An independent external valuer of a property. The Company's external valuer was Knight Frank LLP for the period ended 31 August 2021 and Jones Lang LaSalle Limited for the year ended 31 August 2022

Vibrant
Vibrant Energy Matters Limited, appointed by the Group in August 2023 to undertake a property inspection programme

Viceroy Research
Viceroy Research LLP

Viceroy Research Report
Viceroy Research report dated 23 November 2022

Company Information

Company number: 12822709

Country of incorporation: England and Wales

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Roderick Day ("Rod")

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