

Company Number 10638461

THE PRS REIT PLC
INTERIM REPORT AND FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

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INTERIM REPORT AND FINANCIAL STATEMENTS
For the six months ended 31 December 2024

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Largest UK portfolio of single-family rental homes
Delivery is nearly complete and the portfolio continues to perform excellently
Strategic Review and Formal Sale Process Under Way

HIGHLIGHTS

Financial

	Six months ended 31 December 2024 ("H1 2025")	Six months ended 31 December 2023 ("H1 2024")	Change
Revenue	£32.9m	£28.1m	+17%
Net rental income	£26.6m	£22.9m	+16%
Adjusted earnings*	£21.6m	£18.7m	+16%
Operating profit	£56.3m	£39.2m	+44%
Profit before tax	£46.2m	£30.3m	+52%
Basic earnings per share	8.4p	5.5p	+53%
EPRA earnings per share	2.1p	1.8p	+17%

* Operating profit excluding changes in the fair value of investment properties

- Profitability in line with management expectations; the year-on-year increase reflected a combination of revenue growth and the difference in gains from fair value adjustments on investment property between the two periods, with £34.7m recognised in the period under review compared to £20.5m in the comparative period in the prior year. The valuation movements are non-cash items.

	At 31 Dec 2024	At 30 Jun 2024	Change
Net assets	£767m	£731m	+5%
IFRS NAV and EPRA NTA per share	139.6p	133.2p	+5%

- The increase in net asset value reflected healthy ERV growth while the average net investment yield remained unchanged at 4.6%.

Operational

Portfolio delivery	At 31 Dec 2024	At 30 Jun 2024	At 31 Dec 2023
No. of completed homes	5,437	5,396	5,264
<i>Estimated Rental Value ("ERV") per annum</i>	£68.6m	£65.1m	£60.3m
No. of contracted homes	41	180	312
<i>ERV per annum</i>	£0.4m	£1.4m	£3.1m
Completed and contracted sites	71	72	72
<i>ERV per annum</i>	£69.0m	£66.5m	£63.4m
No. of completed and contracted homes	5,478	5,576	5,576

- An option to purchase a completed site of 98 units with an ERV of £1.0m was not exercised after the Board considered net returns to the Company. As a result, the total number of contracted and completed sites has reduced by one, from 72 as at 30 June 2024, to 71 at the end of 31 December 2024, and the total ERV and total number of homes have correspondingly decreased (by £1.0m of ERV and 98 units respectively).
- A total of 41 new homes were added to the Company's portfolio in H1 2025 (H1 2024: 184) taking the portfolio to 5,437 completed homes with an ERV of £68.6m p.a. at 31 December 2024. A final tranche of 41 homes were under way at 31 December 2024; their completion is due by 30 June 2025, marking the completion of the current delivery programme.

HIGHLIGHTS (Cont.)

Portfolio performance	At 31 Dec 2024	At 30 Jun 2024	At 31 Dec 2023
Gross to net	19.1%	18.8%	18.5%
Rent collection ¹	99%	99%	99%
Annual like-for-like rental growth (based on average rent per unit for stabilised sites)	10.8%	11.7%	11.1%
Average yield on assets in the portfolio	4.6%	4.6%	4.5%

- Completed assets performed strongly over the period:
 - occupancy at 96% (or 97% including homes reserved for applicants who had passed referencing and paid deposits) (H1 2024: 97% and 98% respectively);
 - rent collection¹ at 99% (H1 2024: 99%);
 - like-for-like rental growth² for the year to 31 December 2024 was 10.8% (31 December 2023: 11.1%) – reflecting renewals at c.10% and lets to new tenants at c.12%;
 - total arrears net of bad debt provision remained low at c.£1.0m at the period end (31 December 2023: £1.0m);
 - net rental income increased by 16% to £26.6m (H1 2024: £22.9m) reflecting a combination of rental growth and a full six-month contribution from units that only partially contributed in the same period in the prior year; and
 - affordability remained strong: average rent as a proportion of gross household income was c.23% (30 June 2024: 23%) - significantly better than the Office for National Statistics 30% upper guidance limit.
- Net asset value per share increased to 139.6p (30 June 2024: 133.2p). This was driven by an increase in valuation of investment property to £1.18bn (30 June 2024: £1.14bn), reflecting healthy ERV growth with the average net investment yield remaining unchanged at 4.6% (30 June 2024: 4.6%)

Increased dividend

- Q2 dividend increased, reflecting continued strong rental and earnings growth; this takes total H1 dividends to 2.1p per share (H1 2024: 2.0p). The H1 2025 dividends are 105% covered by European Public Real Estate Association (“EPRA”) EPS in the period.

The Company's continued earnings growth provides the Board with the opportunity to consider raising the total dividend payout target for the financial year while also maintaining full dividend cover on a recurring earnings per share basis. This is continuing to be considered alongside the Strategic Review and Formal Sale Process.

Board changes, Strategic Review and Formal Sale Process

- The composition of the Board was changed, and a Strategic Review and Formal Sale Process was launched in the period.
 - As announced on 11 February 2025, the Company received several non-binding proposals in connection with the acquisition of the Company, the majority of which were pitched within a price range representing a premium to the then share price and a discount to the June 2024 published NAV.
 - Following this, the Company invited a select number of parties to undertake due diligence. Discussions with a number of parties are ongoing.
 - Alongside this, and as part of the wider Strategic Review, the Board continues to explore all the options available to the Company, with a view to maximising value for the Company's shareholders.
 - Further updates will be made in due course, and by no later than the end of calendar Q2 2025.

¹ Measured as rent collected relative to rent invoiced in a given period

² Like-for-like blended rental growth on investment property stabilised sites is defined as the annual rental growth on sites where all units have been completed and either all or nearly all have been let

HIGHLIGHTS (Cont.)

Current trading and outlook

- Latest available data for housing delivery and portfolio performance (1 January - 28 February 2025) confirms that the balance of delivery remains on track to complete by 30 June 2025 and that the portfolio continues to perform strongly.
 - Just 41 homes with an updated ERV at 28 February 2025, of £0.5m p.a. are left to be completed.
 - At completion, the portfolio is expected to comprise 5,478 homes with an updated overall ERV of c.£70m p.a.
 - Rent collection 1 January – 28 February 2025 was 101% (reflecting a post calendar year-end catch up).
 - Physical occupancy at 28 February 2025 was at 96%.
 - Total arrears net of bad debt provision at 28 February 2025 was £1.0m, which is low as a proportion of the enlarged portfolio.
 - Affordability (average rent as a proportion of gross household income) remains strong at 23% (2023: 22%) and is significantly better than the Office for National Statistics 30% upper guidance limit.
- Rental demand for quality family homes remains very high nationally and is expected to grow against a background of structural under supply, continued high interest rates, cost-of-living pressures and rising population.

Geeta Nanda, Non-executive Chair of The PRS REIT plc, said:

“Interim results are excellent, reflecting the continued strong performance of the Company’s portfolio of rental homes, the largest of its kind in the UK. The final tranche of new homes is now due by the end of June, at which point the PRS REIT’s portfolio will amount to 5,478 completed homes with an estimated rental value of around £70m per annum.”

“The shortage of high-quality family rental homes in the UK combined with rising demand continue to favour prospects for the PRS REIT.”

“The Strategic Review and Formal Sale Process remain in process and further updates will be made in due course, and by no later than the end of calendar Q2 2025.”

CHAIR'S STATEMENT

OVERVIEW

I am pleased to present The PRS REIT plc's (the "Company" or "PRS REIT") financial results for the six months ended 31 December 2024.

As reported in the second quarter trading update, the Company's portfolio of build-to-rent ("BTR") family homes has continued to perform excellently and, at the end of the first half, just 41 homes were left to be completed. It should also be noted that the Board took the decision not to proceed with an option over a completed site of 98 homes, with an estimated rental value ("ERV") of £1.0m after considering net returns and taking into account prevailing interest rates. When delivery is complete therefore, the portfolio is expected to total 5,478 homes with an ERV of c.£70 million over 71 sites. With net rental income rising, the Company is in a position to increase the dividend while keeping it fully covered by EPRA earnings. Accordingly, the interim dividend for the second quarter was raised to 1.1p per share. The Board will consider the opportunity of raising the total dividend payout target for the financial year while also maintaining full dividend cover on a recurring earnings per share basis, in due course, alongside the Strategic Review and Formal Sale Process.

The Company's portfolio of family homes remains the largest of its kind in the UK and the Board remains confident about prospects for continued strong performance across all major metrics. Details of housing delivery and the portfolio's performance over the first half are provided in the Investment Adviser's Report, which also comments on our ESG activity over the period.

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

As previously reported, after the receipt of a Requisition Notice on 29 August 2024 and subsequent consultation process with shareholders and Requisitioning Shareholders, a number of important changes were agreed in the first half of the financial year. Firstly, regarding the composition of the Board and secondly with the commencement of a review of the Company's strategic options, including a potential sale of the Company (the "Formal Sale Process") (together the "Strategic Review").

- Board changes
 - Steve Smith retired as Non-executive Chairman at the Company's AGM on 3 December 2024 and I stepped into the role of Chair, and
 - Robert Naylor and Christopher Mills joined the Board on 8 October 2024 as non-executive Directors, with their appointments confirmed at the AGM.
- Strategic Review and Formal Sale Process
 - On 23 October 2024, the Board commenced upon a Strategic Review and Formal Sale Process.
 - As announced on 11 February 2025, the Company received several non-binding proposals in connection with the acquisition of the Company, the majority of which were pitched within a price range representing a premium to the then share price and a discount to the June 2024 published NAV.
 - Following this the Company invited a select number of parties to undertake due diligence. Discussions with a number of parties are ongoing.
 - Alongside this, and as part of the wider Strategic Review, the Board continues to explore all the options available to the Company, with a view to maximising value for the Company's shareholders.

There can be no certainty that an offer will be made from any of the interested parties, nor as to the terms on which any offer will be made. Further updates will be made in due course, and by no later than the end of calendar Q2 2025.

As previously communicated, the Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the Formal Sale Process will not be required to be publicly identified under Rules 2.4(a) or 2.4(b) and will not be subject to the 28-day deadline referred to in Rule 2.6(a) of the Code for so long as it is participating in the Formal Sale Process.

Meanwhile, the Board continues to explore all the options available to the Company under the Strategic Review, with a view to maximising value for the Company's shareholders.

Amendment to Investment Advisory Agreement ("Agreement")

Following the Board's decision to commence a Strategic Review, the Investment Advisory Agreement with Sigma PRS Management Ltd, the Company's Investment Adviser ("Investment Adviser") has been amended. A 'change of control' provision (the "Amendment") was added to the Agreement, so that in the event of a change of control of the Company, both the Company and the Investment Adviser have the right to serve notice to terminate the Agreement on 12 months' notice. While the Amendment was not considered to be necessary, it has added further flexibility as to how any potential sale of the Company might be implemented.

THE MARKET BACKDROP

The portfolio's excellent asset performance to date reflects continued strong market fundamentals for high-quality family rental homes.

Rightmove's latest Rental Trends Tracker report, which is the largest quarterly dataset of UK rental activity³ and was published in January 2025 for the last quarter of 2024, reported that rents outside London were 4.7% higher than the same period in the prior year although this represents the slowest annual growth rate since 2021. The average number of applications per property was at 10, which is double pre-pandemic levels, but lower than recent peaks.

Rightmove's property expert, Colleen Babcock, noted that while supply and demand are improving overall, many local markets remain highly competitive. Yorkshire and the Humber for instance experienced notable increases in average rents. The average rental property still receives significant interest, reflecting ongoing challenges for tenants in some areas.

Private Rented Sector Reform

The Renters (Reform) Bill is proceeding through Parliament and is expected to become law after Easter 2025, with Royal Assent likely to be received by July 2025 if there are no significant delays during its passage through Parliament.

The Bill introduces significant reforms to the private rental market in England. A key proposal is the abolition of Section 21 ("Housing Act 1988) "No-fault" Evictions. Landlords will no longer be able to evict tenants without providing a valid reason. Another key provision is the abolition of fixed-term tenancies, including Assured Shorthold Tenancies, which will be replaced with open-ended periodic tenancies. Other provisions include limiting rent increases to once per year, with increases aligning with market rates. Tenants will have the right to challenge excessive increases through an independent tribunal. Rental bidding wars will also be banned. Other measures include applying The Decent Homes Standard to private rentals, ensuring that properties meet minimum safety and quality requirements, and timely action on health hazards such as mould and damp.

We are in favour of proposals that support the rights of tenants to a decent home while also supporting responsible landlords. As a professional landlord, the PRS REIT is in the market for the long-term and does not view current proposals as likely to materially adversely impact the Company's operations.

FINANCIAL RESULTS

Revenue, which is derived entirely from rental income, increased by 17% to £32.9 million against the same period last year (H1 2024: £28.1 million). This reflected growth in the number of completed and let homes as well as increased rental levels. After non-recoverable property costs, the net rental income for the period was £26.6 million, a 16% rise on the first half of 2024 (H1 2024: £22.9 million). Other income of £0.1 million (H1 2024: £0.1m) related to compensation payments arising from delayed housing delivery across development sites.

Operating profit increased by 44% to £56.3 million (H1 2024: £39.2 million), with the increase reflecting a combination of the growth in net operating income and the difference in gains from fair value adjustment on investment property between the two periods. In H1 2025, there were gains of £34.7 million from fair value adjustments on investment property, which compared to gains of £20.5 million in H1 2024. These are non-cash items and were driven by the increase in ERV, while the net investment yield remained unchanged on the yield at 30 June 2024.

Profit from operations is stated after total expenses, which amounted to £5.1 million (H1 2024: £4.4 million). This figure includes £0.6 million of professional fees in relation to the Requisition Event and the ongoing

³<https://www.rightmove.co.uk/news/rental-price-tracker>

Strategic Review and Formal Sale Process announced in October 2024, and reflects the benefit of the reduction in fee levels payable to the Investment Adviser from 1 July 2024.

Profit before tax increased by 52% to £46.2 million (H1 2024: £30.3 million). Basic earnings per share increased by 53% to 8.4p (H1 2024: 5.5p). Of this, 2.1p represented recurring earnings per share in line with the EPRA EPS (H1 2024: 1.8p). Dividends of 2.0p per share were paid in the first half (H1 2024: 2.0p), and dividend cover was 105%.

Net assets increased over the year by 13% to £767 million as at 31 December 2024 (31 December 2023: £679 million and 30 June 2024: £731 million). This equates to a NAV of 139.6p per share on both an International Financial Reporting Standards (“IFRS”) basis and on the EPRA Net Tangible Asset (“NTA”) basis (30 June 2024: IFRS and EPRA NTA both 133.2p).

NAV movement:	Six months ended 31 December 2024	Six months ended 31 December 2023	Year ended 30 June 2024
Opening NAV	133.2p	120.1p	120.1p
Valuation and development	6.3p	3.7p	13.4p
Earnings	2.1p	1.8p	3.7p
Dividends paid	(2.0)p	(2.0)p	(4.0)p
Closing NAV	139.6p	123.6p	133.2p

The movement in the NAV position, from 133.2p to 139.6p between 30 June 2024 and 31 December 2024, is after total dividend payments of 2.0p per share (£11.0 million).

	Six months ended 31 December 2024 (unaudited)	Six months ended 31 December 2023 (unaudited)	Year ended 30 June 2024 (audited)
IFRS EPS (pence per share)	8.4p	5.5p	17.1p
EPRA EPS (pence per share)	2.1p	1.8p	3.7p

	As at 31 December 2024 (unaudited)	As at 31 December 2023 (unaudited)	As at 30 June 2024 (audited)
IFRS NAV (pence per share)	139.6p	123.6p	133.2p
EPRA NTA (pence per share)	139.6p	123.6p	133.2p

DEBT FACILITIES

As at 31 December 2024, the Company had £460 million of committed debt facilities. This comprised £427 million of investment debt facilities and £33 million of development debt facilities. Our lending partners are:

- Scottish Widows (£250 million);
- Legal and General Investment Management (£102 million);
- The Royal Bank of Scotland plc (£75 million); and
- Barclays Bank PLC (£33 million).

The Barclays Bank PLC debt facility is available to be drawn as development debt, which enables a number of sites to be developed simultaneously. This facility matures later in 2025 when assets should have been completed and stabilised, enabling investment debt to be drawn instead.

The debt facilities are subject to the maximum gearing ratio of 45% of gross asset value, in line with the Company’s Investment Policy. Approximately £426 million of these facilities have been drawn to date, with the remainder presently forecast to be utilised over the next few months as we finish the current phase of

construction and letting activity.

The fixed-interest, long-term investment debt facilities of £352 million have a weighted average debt maturity of 14 years and an average weighted cost of 3.8%. This compares favourably with the average net investment yield of 4.6%. The short-term RBS investment debt facility expires in July 2026, and the short-term Barclays development debt facility is due to expire in September 2025.

With Board approval, Sigma PRS Management Ltd (“**Sigma PRS**”) extended the maturity date for the short-term RBS loan facility by 12 months to July 2026 and the amount available increased from £75.0m to £82.5m. The increase in quantum minimises the amount of short-term debt bearing higher interest rates while ensuring sufficient headroom to manage the business.

DIVIDENDS

Two dividend payments, together totalling 2.0p per ordinary share, were paid in the period. They related to the last quarter of the financial year ended 30 June 2024 and the first quarter of the current financial year ending 30 June 2025. The dividends were paid respectively on 30 August 2024 and 29 November 2024.

The interim dividend relating to the second quarter of the current financial year increased to 1.1p per ordinary share, which reflected the portfolio’s continued strong rental and earnings growth. This took total dividends declared in the first half of the financial year to 2.1p per share (H1 2024: 2.0p). They are 105% covered by European Public Real Estate Association (“EPRA”) EPS in the period. The second quarter interim dividend was paid on 7 March 2025 to shareholders on the register at 21 February 2025. It has brought the total of dividends paid to date since the Company’s inception in May 2017 to 32.1p per share.

The Board currently expects to announce the payment of an interim dividend for the third quarter of the current financial year in April.

The Company’s continued earnings growth provides the Board with the opportunity to consider raising the total dividend payout target for the new financial year while also maintaining full dividend cover on a recurring earnings per share basis. This will be considered, in due course, alongside the Strategic Review and Formal Sale Process.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (“ESG”) PRACTICES

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

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

As a landlord with thousands of homes across the UK, the Board is very aware of the Company’s potential impact on people’s lives and conscious of its societal responsibilities. We believe that our homes and activities contribute very positively to the communities in which we operate. We have put significant thought into our model and proposition. Our primary aim is to provide high-quality, energy-efficient, well-located homes that people will enjoy living in. High customer service levels are equally important, and we aim to set market-leading standards of care, using technological innovation to help deliver this. At the same time, we also understand that the delivery of new homes and new developments have an impact on the environment. The impact can be negative as well as positive and we consider environmental considerations very carefully. Alongside these issues, the Board places a high priority on fostering a sense of community within developments and actively promotes and supports resilient community bonds.

This approach informs the Group’s ESG activities and policies. The Investment Adviser’s Report provides further information on this, and the Board continues to place a high value on social and environmental initiatives and programmes that are under way across developments. They benefit people on both an individual and community level.

CURRENT TRADING AND OUTLOOK

The private rented sector remains supported by long-term structural factors. There is a continuing lack of supply of high-quality property while demand is increasing, fuelled by population growth and affordability challenges in

the housing market.

Industry forecasters expect rental prices to continue to increase in 2025. Rightmove and other sources predict a 3-4% increase. The North of England is expected to experience stronger rental growth compared to the South, driven by higher demand and affordability advantages.

We believe our homes will continue to rent very well over the long-term, and the latest data for the portfolio shows that its performance remains very strong.

Occupancy over 1 January to 28 February 2025 was high at 96%, and rent collection was strong - 101%. Total arrears net of provision stood at £1.0 million at the end of February 2025. Annual like-for-like blended rental growth on stabilised sites at this point was 10%. Affordability, a critical ratio, continues to be very healthy with average rent as a proportion of gross household income at 23%.

We expect the outstanding balance of housing delivery (41 homes with an updated ERV of £0.5 million at 28 February 2025) to be completed by 30 June 2025. This should take the portfolio to 5,478 homes, reinforcing the PRS REIT's position as market leader in the provision of new single-family homes for the private rented sector. The portfolio's total ERV at that point is now expected to be c.£70 million per annum.

As ever, I would like to thank our Investment Adviser, Sigma PRS, as well as all our stakeholders, including our investors, lending partners, housebuilder partners and supporters in government. The creation of our portfolio of energy efficient, well-maintained, and desirable rental homes is making a difference to families and individuals up and down the country.

We will make further announcements regarding the Strategic Review and Formal Sale Process in due course, and by no later than the end of calendar Q2 2025.

Geeta Nanda
Chair
28 March 2025

INVESTMENT ADVISER'S REPORT

Sigma PRS Management Ltd ("**Sigma PRS**"), a wholly owned subsidiary of Sigma Capital Group Limited ("**Sigma**"), is the Company's Investment Adviser. It is pleased to provide a report on the PRS REIT's activities and progress for the first half of the current financial year ending 30 June 2025.

INVESTMENT OBJECTIVE, POLICY AND BUSINESS MODEL

The PRS REIT is seeking to provide investors with an attractive level of income, together with the prospect of income and capital growth. It is delivering this through the establishment of a large-scale portfolio of newly constructed residential rental homes for the private rented sector in or near towns and cities in the UK, excluding London.

The Company's scalable business model is able to deliver new homes across multiple regions and sites. It utilises the Investment Adviser's PRS property delivery and management platform (the "**Platform**").

The Company's portfolio of homes is targeted at the family market, which is the largest segment within the private rented sector. The Company has concentrated on traditional housing, with broad appeal, and its portfolio comprises differing house types, built to standardised specifications. They cater for most life stages, including smaller houses for young couples and retirees, and larger houses for growing families. The Company has also invested in some low-rise flats (all below 18m and with no cladding) to broaden its rental offering.

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

- In the first instance, Sigma PRS selects suitable development sites, obtains detailed planning permission and agrees a fixed-price design & build contract with one of its construction partners. Thereafter, Sigma PRS manages the delivery process on behalf of the Company.

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

- In the second instance, assets are acquired by entering into forward purchase agreements with Sigma, the holding company of Sigma PRS. The assets are only acquired once fully completed and let. Typically, they have been constructed by the same construction partners and supply chain as other assets whose development is described above, thereby ensuring homogeneity of the Company's housing stock. Completed and stabilised developments may also be purchased from other third parties using approved construction partners.

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

The Sigma PRS Platform

The Investment Adviser has been utilising Sigma's well established PRS property delivery and management platform to scale the PRS REIT's portfolio and to minimise development and operational risks.

Dedicated Sigma teams manage legal due diligence, corporate debt provision, site identification, development management, accounting and financial reporting, brand representation, and leasing and property management.

The efficacy of the Platform is well established, and its scale brings significant financial and operational benefits to the PRS REIT. These include the Platform's relationships with development partners, which support the identification and acquisition of new homes, the award-winning 'Simple Life' lettings brand, which has widespread consumer recognition, and the Platform's substantial economies of scale. These elements have

INVESTMENT ADVISER'S REPORT (Cont.)

helped to facilitate growth opportunities, and support income growth and cost control.

Dedicated finance team

Sigma has a dedicated PRS REIT accounting and financial reporting team, which covers all aspects of the Company's finances. This includes: site acquisition; funding; board, management and statutory reporting; performance monitoring; forecasting; debt covenant compliance; and taxation.

Debt and legal teams

The debt and legal teams at Sigma use their extensive knowledge of the PRS REIT and their longstanding relationships with funders within the sector to secure bespoke, competitively priced debt facilities. These are used to ensure sufficient ongoing support for assets throughout their lifecycles. The legal teams have also built-up strong working relationships with funders' advisers and this helps to ensure a streamlined and efficient legal process when transferring assets across debt pools, which drives optimum use of capital within the business.

Development team

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

Marketing team

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

Lettings management team

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

Asset management team

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

Geographic diversification

The PRS REIT's concentration risk has been reduced by creating assets across multiple locations and in different regions. Certain locations demonstrate higher yielding profiles (predominantly those in the North of England) while others provide greater potential for capital appreciation (often in the South of England). Proximity to good primary schools has remained a key requirement, reflecting the Company's focus on the single-family rental sector. In addition, no investment has been made in any single completed PRS site or PRS development site that exceeds 10% of the aggregate value of the total assets of the Company at the time of commitment.

'Simple Life' brand

The PRS REIT's rental homes are marketed under the 'Simple Life' brand. The brand has created an identity for the PRS REIT's product and aims to represent a 'gold standard' in the private rented sector, by providing high-quality, sensibly priced rental homes that are supported by high customer service standards. The PRS REIT's long-term approach to the ownership of its assets also provides important reassurance to residents that their tenancies offer longevity. The Group also actively fosters initiatives that help to create a sense of community within the Group's developments.

INVESTMENT ADVISER'S REPORT (Cont.)

OPERATIONAL REVIEW

Largest portfolio of single-family rental homes in the UK

The Company's portfolio of build-to-rent ("BTR") family homes is the largest of its kind in the UK. It is geographically diverse, with sites located across the major regions of England - in the North-West, North-East, Yorkshire, the Midlands, East of England and South-East (excluding London), together with single developments in Scotland and Wales.

Housing delivery

A total of 41 new homes were added to the PRS REIT's portfolio in the first half of the current financial year. This took the Company's portfolio at 31 December 2024 to 5,437 completed homes with an estimated rental value ("ERV") of £68.6 million per annum (31 December 2023: 5,264 completed homes with an ERV of £60.3 million per annum). Also, in the period, after considering net returns, the Board took the decision not to exercise its option to acquire a newly completed 98-unit site with an estimated rental value of £1.0 million per annum. Accordingly, the total number of sites, and other relevant metrics, have reduced from the prior quarter as the table below shows.

At 31 December 2024, a further 41 homes with an ERV of £0.4 million per annum were under way, at varying stages of the construction process. It is expected that the final units will be completed and handed over by the end of the current financial year. We estimate that when the current delivery programme is complete, the portfolio will comprise 5,478 homes with an ERV of approximately £69.0 million per annum once fully let.

The value of net assets at 31 December 2024 stood at £767 million, up by 13% year-on-year and 5% higher than at 30 June 2024 (31 December 2023: £679 million and 30 June 2024: £731 million). This equates to a net asset value ("NAV") per share of 139.6p.

Development costs of investment property over the first half totalled £5.6 million (H1 2024: £15.5 million). The year-on-year reduction reflects the portfolio coming towards the end of the current phase of development with all funding fully allocated.

The table below provides a summary of development activity and shows the cumulative number of PRS homes that have been completed since the launch of the Company on 31 May 2017 as well as their ERV per annum and the ERV of homes still under construction.

	At 31 Dec 2024	At 30 Jun 2024	At 31 Dec 2023
No. of completed homes	5,437	5,396	5,264
ERV per annum of completed homes	£68.6m	£65.1m	£60.3m
No. of contracted homes	41	180	312
ERV per annum of contracted homes	£0.4m	£1.4m	£3.1m
Total number of sites (completed and contracted)	71	72	72
No. of completed and contracted homes	5,478	5,576	5,576
ERV per annum of completed and contracted homes	£69.0m	£66.5m	£63.4m

The Company continues to work with one of its principal house building partners to resolve a planning issue in respect of one of its sites. The value of the site represents approximately 2.2% of the balance sheet investment value of assets as at the interim date. Further details can be found in Note 5.

Portfolio performance

Demand for The PRS REIT's homes remains high, and the portfolio continued to perform very strongly across all key measures.

- **Portfolio rental income**

The portfolio's growth and the excellent performance of its assets is reflected in a 16% increase in its net rental income to £26.6 million (H1 2024: £22.9 million). Like-for-like rental growth on stabilised sites increased by 10.8% over the twelve months to 31 December 2024 (12 months to 31 December 2023: 11.1%). Rental growth on lets to new tenants averaged approximately 12%, and on renewals with

INVESTMENT ADVISER'S REPORT (Cont.)

existing tenants, rental growth averaged approximately 10%.

The portfolio's total ERV per annum (including completed and contracted sites) as at 31 December 2024 showed an increase of £6.6 million year-on-year to £69.0 million (31 December 2023: £62.4 million, which excludes the 98-unit site with an ERV of £1.0 million that was not acquired). Against the position at the end of the last financial year, the increase in ERV per annum was c.£3.5 million higher (30 June 2024: £65.5 million, excluding the 98-unit site). These increases reflect buoyant demand.

- Like-for-like rental growth**
 Like-for-like rental growth in the 12 months to 31 December 2024 was 10.8% on stabilised sites (31 December 2023: 11.1%).
- Occupancy levels**
 Occupancy remained very strong at 96% at 31 December 2024, with 5,232 of the 5,437 completed homes occupied (31 December 2023: 97%, with 5,087 of the 5,364 completed homes occupied). At 31 December 2024, a further 35 homes were reserved for applicants who had passed referencing and paid rental deposits, giving a total occupancy rate of 97% at that date (31 December 2023: 98%).
- Rent collection**
 Rent collection (measured as rent collected relative to rent invoiced in the period) was 99% (H1 2024: 99%) with no discernible difference attributable to prevailing economic conditions.
- Gross to net**
 Non-recoverable property costs were 19.1% of gross rental income during H1 2025 (H1 2024: 18.5%), reflecting a combination of seasonality and the age of the portfolio. All other costs are also in line with management's targets.
- Affordability and arrears**
 Affordability, which is calculated as average rent as a proportion of gross household income, continues to be very healthy, with the ratio at approximately 23%. This is significantly better than Office for National Statistics 30% upper guidance limit for what it views as affordable rent.

Total arrears net of bad debt provision at 31 December 2024 remained low as a proportion of the enlarged portfolio, standing at £1.0 million on 5,437 completed units (H1 2024: £1.0 million on 5,264 completed units). This result is also in the context of the Christmas period.

Key performance indicators

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

	Six months ended 31 Dec 2024	Six months ended 31 Dec 2023
Rental income (gross)	£32.9m	£28.1m
Average rent per month per tenant	£1,052	£955
Number of properties available to rent	5,437	5,264
Average net investment yield	4.6%	4.5%
Non-recoverable property costs as a percentage of gross rent (gross to net)	19.1%	18.5%
Fair value uplift on investment property	£34.7m	£20.5m
Operating profit	£56.3m	£39.2m
Earnings per share ("EPS")	8.4p	5.5p
EPRA EPS	2.1p	1.8p
Dividends declared per share in relation to the period	2.1p	2.0p
Dividends paid during the period	2.0p	2.0p

All the KPIs are in line with management expectations. Gross and net rental income increases, non-recoverable

INVESTMENT ADVISER'S REPORT (Cont.)

property costs, operating profit, and the number of properties available to rent reflect the increased size of the portfolio and the progression of development sites.

Current trading and outlook

Prospects remain very encouraging. New housing delivery is progressing well, and the portfolio continues to perform very strongly.

The Company's portfolio of completed homes at 28 February 2025 was 5,437 homes, with an ERV at that date of £69.3 million per annum. Only 41 homes are now left to be completed and they remain on track to be delivered by the end June 2025.

Out of the 5,437 completed homes, 5,206 homes were let as at 28 February 2025, and a further 58 homes were reserved to qualified applicants who had paid deposits and passed the qualification process although not yet taken physical residence. Including those qualified applicants, the occupancy rate at 28 February was at 97%.

Rent collection continued to be very strong, over the period 1 January to 28 February 2025, this measure was 101%. Total arrears net of provision stood at £1.0 million at the end of February 2025. The like-for-like blended rental growth on stabilised sites was 10%. Affordability (measured as average rent as a proportion of gross household income), which we watch closely, was 23%. This is a very healthy level and compares well with Office for National Statistics 30% upper guidance limit for rent in comparison to gross household income.

We expect these strong performance figures to be maintained, especially against the backdrop of high demand, a severe lack of supply of quality family rental homes in the UK, and continuing mortgage affordability pressures, particularly for first-time buyers in a higher-interest rate environment.

The interim dividend payment for the three months to 31 March 2025 will be considered and declared in the fourth quarter of the current financial year.

ESG STATEMENT

The Company's Investment Adviser, Sigma PRS, undertakes the day-to-day management of the PRS REIT plc's ESG strategy. Sigma PRS also takes responsibility for managing ESG priorities at Company level and at an asset level. All the Company's assets are managed under the 'Simple Life' brand, which is operated by Sigma PRS. The Investment Adviser reports on ESG matters to the PRS REIT's Board on a quarterly basis, and there are regular meetings between Sigma PRS and the Company on all matters of strategy, planning and direction.

ESG approach

Sigma PRS has signed up to the United Nations Global Compact ("**UN Global Compact**") as well as committing to the UN's Sustainable Development Goals ("**SDG**") and to SDG Ambition, which guides the UN's goals.

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

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

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

The Investment Adviser regularly monitors the changing legislative and reporting landscape, including the EU Sustainable Finance Disclosure Regulation ("**SFDR**"), the UN Principles of Responsible Investment ("**PRI**"), the Task Force on Climate-Related Financial Disclosures ("**TCFD**"), the Taskforce on Nature-related Financial Disclosures ("**TNFD**"), the EU's Corporate Sustainability Reporting Directive ("**CSRD**"), as well as national and city-level regulations, which are increasing.

INVESTMENT ADVISER'S REPORT (Cont.)

National Government initiatives on biodiversity, including Biodiversity net gain, and energy are closely tracked and Sigma PRS has incorporated these and other ESG factors into investment advisory processes and operations.

The PRS REIT is also committed to supporting social and charitable activities and these activities are funded through The PRS REIT ESG Community Fund. The PRS REIT ESG Community Fund's activities are approved by the Board and managed by Sigma PRS. Between 1 July 2024 and 31 December 2024, approximately £174,000 was invested in a variety of good causes across the Company's geographic footprint.

Processes and strategies

The PRS REIT recognises its responsibilities regarding the environment. The new Government has introduced a number of ambitious green policies and strategies as part of its climate and energy agenda. A primary goal is to achieve a zero-carbon electricity system by 2030, five years earlier than the previous government's target.

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

Partnerships

Sigma PRS engages closely with a number of partners to deliver the PRS REIT's ESG commitments. These partnerships prioritise energy efficiencies, the promotion of biodiversity and 'futureproofing' assets. There is regular dialogue with construction partners regarding these priority areas, and in particular alternative heat provision and energy efficiency.

Data gathering and impact measurement are a focus, and Sigma PRS has partnered with arbnco Limited ("arbnco") on a pilot data project. Arbnco is a technology company specializing in AI-powered solutions for real estate energy efficiency and decarbonization, and the pilot project is currently gathering operational data on a range of assets for analysis. Sigma PRS is also in discussions with Smartvatten, a leading supplier of water efficiency technology, to assess the potential benefits of its products and services.

Sigma PRS's partnership with GreenTheUK Limited has continued with great success. It has delivered wildlife and nature-related initiatives in seven areas of the country at schools close to the Company's developments. Over 450 young people have been involved with these projects, which included tree planting and rewilding, together with wildflower and vegetable workshops and sessions. Sigma PRS also supports other nature and outdoor learning projects under its Biodiversity Project. These are geared towards the schools and communities near to the PRS REIT's developments.

Environmental impact and energy performance data

The Company is aware of the impact that its activities have on the environment and remains highly motivated about taking actions that will minimise and mitigate any negative aspects.

The energy efficiency of the portfolio's homes is an important aspect of their design and construction. Approximately 88% of the portfolio's homes have an Energy Performance Certificate ("EPC") rating in band A or B (1% in band A and 87% in band B), with 12% of homes rated in band C. This means that their energy performance is well ahead of the both the Government's existing minimum EPC E requirement and the future minimum energy performance target for rental properties of EPC C by 2030.

Charities

Sigma PRS focuses on supporting charities and philanthropic organisations that have links and connections to the areas in which the Company's developments are located. Residents are also encouraged to participate and one way of promoting this is to enable them to nominate the good causes they wish to see supported.

The range of charities, clubs and groups which are beneficiaries of support continues to grow. Support is both financial and practical, with Sigma PRS meeting and discussing the needs of groups.

Projects

During the period, the PRS REIT sponsored the fundraising efforts of The Joshua Tree, a charity supporting

INVESTMENT ADVISER'S REPORT (Cont.)

families affected by childhood cancers. There were two higher-profile events in particular that benefited from the PRS REIT's support in those six months: its 240-mile London Zoo to Chester Zoo Charity Cycle Ride in September, and its Christmas Concert at Chester Cathedral, in December.

Another cause in which the PRS REIT is involved is the Smart Works organisation, a UK charity that helps unemployed women prepare for job interviews. This includes career coaching and interview styling and preparation as well as free clothing, shoes and accessories. It has centres in Manchester and Birmingham and reports that 69% of the women supported obtain a job.

Embassy, the homeless charity based in Greater Manchester is developing Embassy Village, a new community in Manchester City centre that will provide modular "pod" homes for homeless men, a village hall for community activities and training as well as green spaces, allotments and sports facilities. The PRS REIT is delighted to be involved with this project, which is expected to be operational by the end of 2025.

Zoe's Place Middlesbrough is a baby hospice that provides specialised care in a home-like environment for infants and young children with life-limiting or life-threatening conditions. It relies heavily on fund-raising and community support and is a charity close to the hearts of many of the Company's residents.

The PRS REIT sponsored four track days organised by Speed of Sight, a charity providing driving experiences to people with disabilities throughout the UK, empowering them to try something they might not have believed possible. Over 90 people participated using Speed of Sight's specially adapted vehicles, with dual controls.

The PRS REIT also supports local sports teams, foodbanks, school campaigns including compassion, empathy and antisocial behaviour programmes, and initiatives for those with neurological challenges among many others.

Social events for residents

Sigma PRS's social events for residents remain popular across the PRS REIT's communities. These events are geared towards encouraging social interaction and fostering a greater sense of community and neighbourliness. The PRS REIT places great importance on the value of these events, which reflects its own brand principles.

- Over the Summer, Sigma PRS organised its annual ice-cream event, and ice-cream vans visited 71 communities over ten days, delivering over 4,500 ice creams to residents.
- In July and August, the Paris Olympics was marked with large screens set up across the Company's developments, together with food and drink stalls.
- Christmas was celebrated with a visit by Father Christmas to the sites across the country, and a Christmas app game was launched and played by around 1,160 Simple Life residents.
- An online fitness platform was launched for residents together with a wellbeing library, workshops and other support programmes.

The Company's Environment, Social and Governance initiatives and policies will be detailed in its ESG Report 2024, which is currently in production. It will be made available in due course on the Company's website at www.theprsreit.com.

Human Rights

The obligations under the Modern Slavery Act 2015 (the "Act") are not applicable to the Company given its size. However, to the best of its knowledge, the Board is satisfied that its principal suppliers and advisors comply with the provisions of the Act. The Company operates a zero-tolerance approach to bribery, corruption and fraud.

Health and Safety

In order to maintain high standards of health and safety for those working on sites, monthly checks by independent project monitoring surveyors are commissioned to ensure that all potential risks have been identified and mitigated. These checks supplement those undertaken by construction and development partners. The data is reported to the Board on a quarterly basis in the event of a nil return, and immediately in the event of an incident. There were no reportable incidents over the period (2023: none).

Governance

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

INVESTMENT ADVISER'S REPORT (Cont.)

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

Risk

The Board has established procedures to manage risk and oversee the internal control framework. The PRS REIT's principal and emerging risks and uncertainties are monitored closely and regularly by the Board.

Sigma PRS Management Ltd

28 March 2025

PRINCIPAL RISKS AND UNCERTAINTIES

The Audit Committee, which assists the Board with its responsibilities for managing risk, considers that the principal risks and uncertainties as presented on pages 47 to 50 of the Company's 2024 Annual Report were unchanged during the period and will remain unchanged for the remaining six months of the financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

In preparing the Interim Financial Report for the six month period to 31 December 2024, the Directors confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting" and that the Chair's statement includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure and Transparency rules of the United Kingdom's Financial Conduct Authority namely:

- a) the Interim Financial Report includes a fair review of important events during the period and their effect on the Financial Statements and a description of specific risks and uncertainties for the remainder of the accounting period;
- b) the Interim Financial Report gives a true and fair view in accordance with IAS of the assets, liabilities, financial position and of the results of the Company for the period and complies with IAS and the Companies Act 2006;
- c) the Interim Financial Report includes a fair review of related party transactions and changes therein; and
- d) the Directors believe that the Company has sufficient financial resources to manage its business risks in the current uncertain economic outlook.

The Directors have reasonable expectations that the Company has adequate resources to continue in operational existence for at least the next 12 months, therefore they continue to adopt the going concern basis of accounting in preparing the financial statements.

Geeta Nanda
Chair

28 March 2025

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 31 December 2024

		Six months ended 31 December 2024 (unaudited) £'000	Six months ended 31 December 2023 (unaudited) £'000	Year ended 30 June 2024 (audited) £'000
Rental income		32,891	28,148	58,231
Non-recoverable property costs		(6,297)	(5,208)	(10,940)
Net rental income		26,594	22,940	47,291
Other income	4	100	95	194
Administrative expenses				
Directors' remuneration		(119)	(110)	(213)
Investment advisory fee		(3,012)	(2,975)	(6,051)
Other administrative expenses		(1,946)	(1,299)	(2,921)
Total administrative expenses		(5,077)	(4,384)	(9,185)
Gain from fair value adjustment on investment property	5	34,650	20,533	73,412
Operating profit		56,267	39,184	111,712
Finance income		116	63	188
Finance costs		(10,138)	(8,969)	(18,225)
Profit before taxation		46,245	30,278	93,675
Taxation		-	-	-
Profit after tax		46,245	30,278	93,675

Earnings per share attributable to the equity holders of the Company:

Basic and diluted earnings per share	7	8.4p	5.5p	17.1p
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All of the Group activities are classed as continuing and there were no comprehensive gains or losses in the period other than those included in the statement of comprehensive income.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	As at 31 December 2024 (unaudited) £'000	As at 31 December 2023 (unaudited) £'000	As at 30 June 2024 (audited) £'000
ASSETS				
Non-current assets				
Investment property	5	1,180,081	1,080,058	1,139,823
		1,180,081	1,080,058	1,139,823
Current assets				
Trade and other receivables		8,153	7,855	6,817
Cash and cash equivalents		18,669	16,063	18,053
		26,822	23,918	24,870
Total assets		1,206,903	1,103,976	1,164,693
LIABILITIES				
Non-current liabilities				
Accruals and deferred income		192	1,789	1,073
Interest bearing loans and borrowings	6	402,247	382,117	385,003
		402,439	383,906	386,076
Current liabilities				
Trade and other payables		15,468	15,364	15,182
Provisions		-	433	77
Interest bearing loans and borrowings	6	22,310	25,259	31,933
		37,778	41,056	47,192
Total liabilities		440,217	424,962	433,268
Net assets		766,686	679,014	731,425
EQUITY				
Called up share capital		5,493	5,493	5,493
Share premium reserve		298,974	298,974	298,974
Capital reduction reserve		113,092	113,092	113,092
Retained earnings		349,127	261,455	313,866
Total equity attributable to the equity holders of the Company		766,686	679,014	731,425
Net asset value per share	8	139.6p	123.6p	133.2p

As at 31 December 2024, there was no difference between NAV per share and EPRA NTA per share.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 31 December 2024

	Note	Share capital £'000	Share premium reserve £'000	Capital reduction reserve £'000	Retained earnings £'000	Total equity £'000
At 1 July 2023		5,493	298,974	118,584	236,669	659,720
Transactions with owners						
Dividends paid	11	-	-	(5,492)	(5,492)	(10,984)
Comprehensive income						
Profit for the period		-	-	-	30,278	30,278
At 31 December 2023		<u>5,493</u>	<u>298,974</u>	<u>113,092</u>	<u>261,455</u>	<u>679,014</u>
Transactions with owners						
Dividends paid		-	-	-	(10,986)	(10,986)
Comprehensive income						
Profit for the period		-	-	-	63,397	63,397
At 30 June 2024		<u>5,493</u>	<u>298,974</u>	<u>113,092</u>	<u>313,866</u>	<u>731,425</u>
Transactions with owners						
Dividends paid	11	-	-	-	(10,984)	(10,984)
Comprehensive income						
Profit for the period		-	-	-	46,245	46,245
At 31 December 2024		<u>5,493</u>	<u>298,974</u>	<u>113,092</u>	<u>349,127</u>	<u>766,686</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 31 December 2024

	Note	Six months ended 31 December 2024 (unaudited) £'000	Six months ended 31 December 2023 (unaudited) £'000	Year ended 30 June 2024 (audited) £'000
Cash flows from operating activities				
Profit before tax		46,245	30,278	93,675
Finance income		(116)	(63)	(188)
Finance costs		10,138	8,969	18,225
Fair value adjustment on investment property (Increase) / Decrease in trade and other receivables	5	(34,650)	(20,533)	(73,412)
Decrease in trade and other payables		(2,407)	263	(8)
		(670)	(2,294)	(3,117)
Net cash generated from operating activities		18,540	16,620	35,175
Cash flows from investing activities				
Purchase of investment property		-	(9,100)	(9,100)
Development expenditure on investment properties	5	(5,608)	(15,528)	(22,084)
Finance income		116	63	188
Net cash used in investing activities		(5,492)	(24,565)	(30,996)
Cash flows from financing activities				
Bank and other loans advanced	6	18,150	142,556	151,957
Bank and other loans repaid	6	(10,902)	(108,839)	(110,229)
Finance costs		(8,696)	(11,923)	(19,082)
Dividends paid	11	(10,984)	(10,984)	(21,970)
Net cash (used in) / generated from financing activities		(12,432)	10,810	676
Net increase in cash and cash equivalents		616	2,865	4,855
Cash and cash equivalents at beginning of period		18,053	13,198	13,198
Cash and cash equivalents at end of period		18,669	16,063	18,053

NOTES TO THE FINANCIAL STATEMENTS

1. General Information

The PRS REIT plc (the “**Company**”) is a public limited company incorporated on 24 February 2017 in England and having its registered office at Floor 3, 1 St. Ann Street, Manchester, M2 7LR with company number 10638461.

The Company is quoted on the Main Market of the London Stock Exchange.

This interim condensed consolidated financial information was approved and authorised for issue by the Board of Directors on 28 March 2025.

2. Basis of preparation and changes to the Group’s accounting policies

Basis of preparation

The financial information for the period ended 31 December 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 30 June 2024, has been delivered to the Registrar of Companies. The auditor’s report on those accounts was not qualified, did not include a reference to matters to which the auditor drew attention by way of emphasis without qualifying the report, and did not contain statements under section 498(2) or (3) of the Companies Act 2006.

The condensed consolidated interim financial report for the six-month reporting period to 31 December 2024 has been prepared on a going concern basis using accounting policies consistent with UK-adopted International Accounting Standards, in accordance with IAS 34 Interim Financial Reporting. The current period financial information presented in this document has not been subject to an interim review or audited.

The interim report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024, which has been prepared in accordance with UK-adopted International Accounting Standards and the requirements of the Companies Act 2006. The Group’s annual consolidated financial statements are available on the Company’s website, www.theprsreit.com.

Adoption of new and revised standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 30 June 2024, except for the adoption of new standards effective as of 1 July 2024.

As at the date of authorisation of these financial statements there were standards and amendments which were in issue but which were not yet effective and which have not been applied. The principal ones were:

- IAS 21: ‘The Effects of Changes in Foreign Exchange Rates’ Accounting where there is a lack of exchangeability (effective 1 January 2025); and
- IFRS 18: ‘Presentation and Disclosure in Financial Statements’ (effective 1 January 2027 - subject to endorsement by the UKEB).

With the exception of IFRS 18, the Directors do not expect the adoption of these standards and amendments to have a material impact on the financial statements.

In the current period, the following amendments have been adopted which were effective for the periods commencing on or after 1 January 2023:

- IAS 1 ‘Presentation of Financial Statements’ on the classification of liabilities and non-current liabilities with covenants;
- IFRS 16 ‘Leases’ on sale and leaseback arrangements; and
- IAS 7 ‘Statement of Cash Flows’ and IFRS 7 ‘Financial Instruments: Disclosures’: Supplier Finance Arrangements.

The adoption of these amendments has not had a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

Significant accounting estimates and assumptions

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

Estimates

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

i. Fair value of investment property

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

The Group values its investment properties using the investment approach to valuation. Principal assumptions and management's underlying estimations that are used in the fair value assessment of completed assets relate to estimated rental value, net investment yield and gross to net deductions. Principal assumptions and management's underlying estimations that are used in the fair value assessment of assets under construction are investment value on completion and gross development costs, taking into account construction costs spent and forecast costs to completion. There are inter-relationships between the valuation inputs, and they are primarily determined by market conditions. The effect of an increase in more than one input could be to magnify the impact on the valuation. However, the impact on the valuation could be offset by the inter-relationship of two inputs moving in opposite directions. Other Special Assumptions applied in addition to the key unobservable inputs identified above, and used since inception include: all individual site valuations have been treated assuming part of a larger portfolio (in excess of £50 million); and an indirect purchase of a special purpose vehicle holding title to the asset, so stamp duty is assessed on a share purchase basis rather than as property. Further details on the valuation of the investment properties, including sensitivities, are disclosed in note 5.

3. Going concern

The interim condensed consolidated financial statements have been prepared on a going concern basis. The Group had net current liabilities of £11 million as at 31 December 2024 (30 June 2024: £22 million). The decrease in net current liabilities reflects the reduction in development debt following completed sites ascending into investment debt. The Company extended the RBS facility by 12 months to July 2026 and increased it from £75.0 million to £82.5 million to minimise the amount of short-term debt bearing higher interest rates while ensuring sufficient headroom to manage the business. The Group's cash balances at 31 December 2024 were £18.7 million, of which £15.1 million was readily available. The Group had debt borrowing as at 31 December 2024 of £426 million (gross of unamortised arrangement fees), and has secured further facilities of £41.5 million. Capital commitments outstanding as at 31 December 2024 were £1.2 million. The Group's ERV as at 31 December 2024 was £68.6 million from 5,437 completed homes and has increased to £69.3 million from 5,437 homes as at 28 February 2025. This has increased the Company's recurring income which at this level is more than sufficient to cover monthly cash costs and to support dividend payments, thereby maintaining the Company's REIT status. The Company has monitored and performed stress tests and these have shown the Group to be in a strong position throughout.

Therefore, the Directors believe the Group is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Group will have adequate resources to continue in operational existence for the foreseeable future and for a period of at least 12 months from the date of the approval of the Group's interim condensed consolidated financial statements for the six months ended 31 December 2024. The Board is therefore of the opinion that the going concern basis adopted in the preparation of the interim condensed consolidated financial statements for the six months ended 31 December 2024, is appropriate.

4. Other income

Other income represents amounts payable by partners in respect of later than expected delivery of assets where the delay is attributable to the partner.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

5. Investment property

In accordance with IAS 40 Investment Property, investment property has been independently valued at fair value by Savills (UK) Limited, an accredited external valuer with a recognised relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuation basis conforms to International Valuation Standards and is based on market evidence of investment yields, expected gross to net income rates and actual and expected rental values.

The valuations are the ultimate responsibility of the Directors. Accordingly, the critical assumptions used in establishing the independent valuations are reviewed by the Board.

	Completed assets £'000	Assets under construction £'000	Total £'000
As at 1 July 2023	947,727	87,005	1,034,732
Completed property acquired on acquisition of subsidiary	9,100	-	9,100
Property additions - subsequent expenditure	-	15,528	15,528
Right of use asset movement during the period	165	-	165
Change in fair value	16,968	3,565	20,533
Transfers to completed assets	12,580	(12,580)	-
As at 31 December 2023	986,540	93,518	1,080,058
Property additions - subsequent expenditure	-	6,555	6,555
Right of use asset movement during the period	331	-	331
Change in fair value	51,127	1,752	52,879
Transfers to completed assets	46,080	(46,080)	-
As at 30 June 2024	1,084,078	55,745	1,139,823
Property additions - subsequent expenditure	-	5,608	5,608
Change in fair value	31,718	2,932	34,650
Transfers to completed assets	56,935	(56,935)	-
As at 31 December 2024	1,172,731	7,350	1,180,081

The historic cost of completed assets and assets under construction as at 31 December 2024 was £869.5 million (30 June 2024: £863.8 million, 31 December 2023: £856.9 million).

Fair values

IFRS 13 sets out a three-tier hierarchy for assets and liabilities valued at fair value. These are as follows:

- Level 1 quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2 inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 unobservable inputs for the asset or liability.

Investment property falls within Level 3. The investment valuations provided by the external valuation expert are based on RICS Professional Valuation Standards but include a number of unobservable inputs and other valuation assumptions. The significant unobservable inputs and the range of values used at 31 December 2024 and 30 June 2024 were:

Completed assets:

Type	Range	Average
ERV per property	£11k - £23k	£13k
Investment yield (net)	4.25% - 5.25%	4.59%
Gross to net assumption	22.50% - 25.00%	22.9%

Other Special Assumptions applied in addition to the key unobservable inputs identified above, and used since inception include:

- > All individual site valuations have been treated assuming part of a larger portfolio (in excess of £50

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

million); and

> An indirect purchase of a special purpose vehicle holding title to the asset, so stamp duty is assessed on a share purchase basis rather than as property.

The PRS REIT acquired a site at Coppenhall Place, Crewe, with planning consent during the year ended 30 June 2019. At the same time, the Company also entered into a fixed price design and build contract with one of its principal house building partners to complete 131 units. This represented approximately 50% of the entire Coppenhall Place site with the balance being developed by the house builder as market for sale units. The design and build contract contained standard clauses making the house builder responsible for delivering the site and doing so in compliance with the requirements of the original planning consent.

Shortly after physical completion and letting of more than 95% of the units on the site acquired by the PRS REIT, a dispute arose between the respective Council and the house builder regarding compliance with the original planning consent. After consultation between these two parties, the house builder submitted a further planning application with a view to resolving the areas of dispute. The submission was recommended to the Elected Council Members ("**Members**") by the Council Executive but a decision was deferred at the hearing in order that the Members could obtain additional information on viability, a peer review to clarify on-site ventilation and clarification on queries regarding potential soil contamination in certain areas of the whole site. The Members are comfortable as regards viability and ventilation. Work has been ongoing to ensure that all parties are comfortable as regards the soil quality with remedial action being undertaken where necessary. As at the date of approval of these interim financial statements the application has now been approved by the Planning Committee.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

6. Interest bearing loans and borrowings

Current liabilities	2024	2023
	£'000	£'000
Bank loans at 1 July	31,901	126,745
Loans advanced in the period	1,045	20,920
Loans repaid in the period	(10,902)	(108,839)
Capitalised loan costs	246	(13,599)
Bank loans at 31 December	<u>22,290</u>	<u>25,227</u>
Lease liability	20	32
Total loans and borrowings	<u>22,310</u>	<u>25,259</u>
Non-current liabilities		
Bank loans at 1 July	383,358	247,432
Loans advanced in the year	17,105	121,635
Capitalised loan costs	128	11,830
Bank loans at 31 December	<u>400,591</u>	<u>380,897</u>
Lease liability	1,656	1,220
Total loans and borrowings	<u>402,247</u>	<u>382,117</u>

The Group's borrowing facilities are with Scottish Widows, Legal & General Investment Management ('LGIM'), RBS plc and Barclays Bank PLC. At 31 December 2024, these comprised the following:

Lender	Loan facility	Balance drawn 31 Dec 2024	Loan period	Interest rate (all in)		Maturity
Scottish Widows	£100 million	£100.0 million	15 years	3.14%	Fixed	June 2033
Scottish Widows	£150 million	£150.0 million	25 years	2.76%	Fixed	June 2044
LGIM	£102 million	£101.9 million	15 years	6.04%	Fixed	July 2038
RBS	£75 million	£51.4 million	2 years	6.53%	Variable	July 2026
Barclays Bank PLC	£33 million	£22.8 million	3 years	8.05%	Variable	September 2025

The loans are all compliant with the bank covenant level of 55% loan to value and within the Company's Investment Policy limit of a maximum 45% loan to value.

The maturity of the RBS facility has been extended to July 2026 and increased to £82.5 million.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

7. Earnings per share

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

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

	31 December 2024 £'000	31 December 2023 £'000	30 June 2024 £'000
Earnings per IFRS income statement	46,245	30,278	93,675
Adjustments to calculate EPRA Earnings:			
Changes in value of investment properties (Note 5)	(34,650)	(20,533)	(73,412)
EPRA Earnings:	11,595	9,745	20,263
Weighted average number of ordinary shares	549,251,458	549,251,458	549,251,458
IFRS EPS (pence)	8.4	5.5	17.1
EPRA EPS (pence)	2.1	1.8	3.7

8. Net Asset Value

EPRA Net Tangible Assets (“NTA”), is considered to be the most relevant measure for the Group. The underlying assumption behind the EPRA NTA calculation assumes entities buy and sell assets, thereby crystallising certain levels of deferred tax liability. Due to the PRS REIT’s tax status, deferred tax is not applicable and therefore there is no difference between IFRS NAV and EPRA NTA.

Basic IFRS NAV per share is calculated by dividing net assets in the Statement of Financial Position attributable to ordinary equity holders of the parent by the number of Ordinary Shares outstanding at the end of the period. As there are no dilutive instruments, only basic NAV per share is quoted below.

Net asset values have been calculated as follows:

	As at 31 December 2024	As at 31 December 2023	As at 30 June 2024
IFRS Net assets (£'000)	766,686	679,014	731,425
EPRA adjustments to NTA (£'000)	-	-	-
EPRA NTA (£'000)	766,686	679,014	731,425
Shares in issue at end of period	549,251,458	549,251,458	549,251,458
Basic IFRS NAV per share (pence)	139.6	123.6	133.2
EPRA NTA per share (pence)	139.6	123.6	133.2

The NTA per share calculated on an EPRA basis is the same as the IFRS NAV per share for all period ends.

9. Capital commitments

The Group has entered into contracts with unrelated parties for the construction of residential housing with a total value of £712.5 million (30 June 2024: £712.5 million, 31 December 2023: £712.5 million). As at 31 December 2024, £1.2 million (30 June 2024: £6.4 million, 31 December 2023: £11.9 million) of such commitments remained outstanding.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

10. Transactions with Investment Adviser

On 31 March 2017, Sigma PRS was appointed as the Investment Adviser of the Company. Extensions to the Investment Advisory and the Development Management Agreements held with Sigma PRS were signed in July 2024. On 11 November 2024, the Investment Advisory Agreement was amended by adding a 'change of control' provision. Under the terms of the amendment, in the event of a change of control of the Company, both the Company and the Investment Adviser have the right to serve notice to terminate the Agreement on 12 months' notice. While the amendment is not considered to be a necessary change, it adds further flexibility as to how any potential sale of the Company may be implemented.

For the period from 1 July 2024 to 31 December 2024, fees of £3.0 million (1 July 2023 to 31 December 2023: £3.0 million) were incurred and payable to Sigma PRS in respect of asset management fees. At 31 December 2024, £0.5 million remained unpaid (30 June 2024: £0.5 million, 31 December 2023: £0.5 million).

For the period from 1 July 2024 to 31 December 2024, development management fees of £0.1 million (1 July 2023 to 31 December 2023: £0.6 million) were incurred and payable to Sigma PRS. At 31 December 2024, £0.01 million (30 June 2024: £0.03 million, 31 December 2023: £0.1 million) remained unpaid.

For the period from 1 July 2024 to 31 December 2024, administration and secretarial services of £35,000 (2023: £35,000) were incurred and payable to Sigma Capital Property Ltd, a fellow subsidiary of the ultimate holding company of the Investment Adviser. At 31 December 2024, £17,500 (2023: £9,000) remained unpaid.

Sigma PRS's shareholding as at 31 December 2024 was 5,889,852 (2023: 5,889,852), which represents 1.07% (2023: 1.07%) of the issued share capital in the Company. All the shares acquired were in accordance with the Development Management Agreement between the Company and Sigma PRS.

For the period ended 31 December 2024, Sigma PRS received dividends from the Company of £118,000 (2023: £118,000).

11. Dividends paid and proposed

	Six months ended 31 December 2024 (unaudited) £'000	Six months ended 31 December 2023 (unaudited) £'000	Year ended 30 June 2024 (audited) £'000
Dividends on ordinary shares declared and paid:			
3 months to 30 June 2023: 1.0p per share	-	5,492	5,493
3 months to 30 September 2023: 1.0p per share	-	5,492	5,492
3 months to 31 December 2023: 1.0p per share	-	-	5,492
3 months to 31 March 2024: 1.0p per share	-	-	5,493
3 months to 30 June 2024: 1.0p per share	5,492	-	-
3 months to 30 September 2024: 1.0p per share	5,492	-	-
	10,984	10,984	21,970
Proposed dividends on ordinary shares:			
3 months to 31 December 2023: 1.0p per share	-	5,492	-
3 months to 30 June 2024: 1.0p per share	-	-	5,493
3 months to 31 December 2024: 1.1p per share	6,041	-	-
	6,041	5,492	5,493

The proposed dividend was paid on 7 March 2025, to shareholders on the register at 21 February 2025.

12. Post balance sheet events

Dividends

On 11 February 2025, the Company declared a dividend of 1.1p per ordinary share in respect of the second quarter of the current financial year. The dividend was paid on 7 March 2025, to shareholders on the register as at 21 February 2025.

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

Strategic Review and Formal Sale Process

As announced on 11 February 2025, the Company received several non-binding proposals in connection with the acquisition of the Company, the majority of which were pitched within a price range representing a premium to the then share price and a discount to the June 2024 published NAV. Following this the Company invited a select number of parties to undertake confirmatory due diligence. Discussions with a number of parties are ongoing.

Alongside this, and as part of the wider Strategic Review, the Board continues to explore all the options available to the Company, with a view to maximising value for the Company's shareholders.

Further updates will be made in due course, and by no later than the end of calendar Q2 2025.

SUPPLEMENTARY INFORMATION

I. EPRA PERFORMANCE MEASURES SUMMARY

	31 December 2024	31 December 2023	30 June 2024
EPRA earnings per share (Note II)	2.1p	1.8p	3.7p
EPRA net tangible asset value (EPRA NTA) (Note III)	139.6p	123.6p	133.2p
EPRA cost ratio (including vacant property expenses) (Note IV)	34.6%	34.1%	34.6%
EPRA cost ratio (excluding vacant property expenses) (Note IV)	34.3%	33.8%	34.4%
EPRA Net Initial Yield ("NIY") (Note V)	4.3%	4.2%	4.2%
EPRA Loan to Value ("LTV") (Note VI)	35.1%	37.1%	35.7%

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

II. INCOME STATEMENT

	31 December 2024 £'000	31 December 2023 £'000	30 June 2024 £'000
Rental income	32,891	28,148	58,231
Non-recoverable property costs	<u>(6,297)</u>	<u>(5,208)</u>	<u>(10,940)</u>
Net rental income	26,594	22,940	47,291
Other income	100	95	194
Administrative expenses	<u>(5,077)</u>	<u>(4,384)</u>	<u>(9,185)</u>
Operating profit before interest and tax	21,617	18,651	38,300
Net finance costs	<u>(10,022)</u>	<u>(8,906)</u>	<u>(18,037)</u>
Profit before taxation	11,595	9,745	20,263
Taxation on EPRA earnings	-	-	-
EPRA earnings	<u>11,595</u>	<u>9,745</u>	<u>20,263</u>
Weighted average number of Ordinary Shares	549,251,458	549,251,458	549,251,458
EPRA earnings per share	2.1p	1.8p	3.7p

III. STATEMENT OF FINANCIAL POSITION

	31 December 2024 £'000	31 December 2023 £'000	30 June 2024 £'000
Investment properties	1,180,081	1,080,058	1,139,823
Other net assets	11,162	6,332	8,538
Borrowings	<u>(424,557)</u>	<u>(407,376)</u>	<u>(416,936)</u>
Total shareholders' equity	766,686	679,014	731,425
Adjustments to calculate EPRA NTA:			
	-	-	-
EPRA net tangible assets	<u>766,686</u>	<u>679,014</u>	<u>731,425</u>
Ordinary Shares in issue at period end	549,251,458	549,251,458	549,251,458
EPRA NTA per share	139.6p	123.6p	133.2p

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

IV. EPRA COST RATIO

	31 December 2024 £'000	31 December 2023 £'000	30 June 2024 £'000
Property operating expenses	6,297	5,208	10,940
Administrative expenses	5,077	4,384	9,185
EPRA costs (including vacant property expenses) (A)	11,374	9,592	20,125
Vacant property costs	(92)	(67)	(102)
EPRA costs (excluding vacant property expenses) (B)	11,282	9,525	20,023
Gross Rental Income (C)	32,891	28,148	58,231
EPRA Cost Ratio (including vacant property expenses) (A/C)	34.6%	34.1%	34.6%
EPRA Cost Ratio (excluding vacant property expenses) (B/C)	34.3%	33.8%	34.4%

V. EPRA NET INITIAL YIELD (“NIY”)

	31 December 2024 £'000	31 December 2023 £'000	30 June 2024 £'000
Total investment property	1,180,081	1,080,032	1,139,823
Less: development properties	(7,350)	(93,481)	(55,745)
Less: right of use asset	(1,536)	(1,205)	(1,536)
Completed property portfolio	1,171,195	985,346	1,082,542
Allowance for estimated purchasers' costs	26,937	22,663	24,898
Gross up completed property portfolio valuation (B)	1,198,132	1,008,009	1,107,440
Annualised cash passing rental income	66,372	54,588	60,644
Property outgoings	(14,934)	(12,282)	(13,645)
Annualised net rents (A)	51,438	42,306	46,999
Add: notional rent expiration of rent free periods or other lease incentives	-	-	-
Topped-up net annualised rent (C)	51,438	42,306	46,999
EPRA NIY (A/B)	4.3%	4.2%	4.2%
EPRA 'topped up' NIY (C/B)	4.3%	4.2%	4.2%

NOTES TO THE FINANCIAL STATEMENTS (Cont.)

VI. EPRA LOAN TO VALUE (“LTV”)

	31 December 2024 £'000	31 December 2023 £'000	30 June 2024 £'000
Borrowings (net)	422,881	406,124	415,259
Net payables	9,183	10,983	9,515
Less: Cash and cash equivalents	<u>(18,669)</u>	<u>(16,063)</u>	<u>(18,053)</u>
Net debt (A)	413,395	401,044	406,721
Investment properties at fair value	1,180,081	1,080,058	1,139,823
Right of use asset	<u>(1,536)</u>	<u>-</u>	<u>(1,536)</u>
Total property value (B)	<u>1,178,545</u>	<u>1,080,058</u>	<u>1,138,287</u>
EPRA LTV (A/B)	35.1%	37.1%	35.7%