

HOME REIT PLC

Half Year Report — For the Period Ended 28 February 2022

**Contributing to
the alleviation
of homelessness
in the UK.**



Highlights

Home REIT plc (the “Company”, “Home REIT” or “Group”)

The Board of Home REIT plc (ticker: HOME) is pleased to report its interim results for the period from 1 September 2021 to 28 February 2022.

Home REIT seeks to contribute responsibly to the alleviation of homelessness in the UK, whilst targeting inflation-protected income and capital returns, by funding the acquisition and creation of a diversified portfolio of high-quality, well located homeless accommodation assets across the UK.

The Group’s portfolio delivers much needed accommodation for vulnerable homeless people, providing critical and sustainable housing solutions for women fleeing domestic abuse, individuals faced with homelessness due to poverty, people suffering with drug and alcohol abuse and mental health issues, prison leavers and ex-servicemen and women.

There is a critical need for further accommodation for homeless people in the UK, due to an increasing homeless population and a lack of available and affordable high-quality, fit-for-purpose stock to address the problem. Local housing authorities are under a statutory duty to secure accommodation for individuals who are unintentionally homeless and in priority need but current accommodation for the homeless is limited in quantum and often sub-standard and uneconomical.

The Group focuses on responsibly investing in and creating well-located properties that provide a sustainable low level of rent for the tenant and that are expected to deliver savings to local authorities and other providers of accommodation to homeless people via lower rents versus more expensive alternative accommodation.

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Images of people throughout this report are sourced from iStockphoto and Unsplash.

Financial highlights

- Home REIT plc and its subsidiaries acquired 874 investment properties within the period, increasing the Group's portfolio to 1,585 properties in total. The portfolio was independently valued on 28 February 2022 at £713.4 million. The properties have been valued on an individual basis. No portfolio premium has been applied.
- The net asset value ("NAV") and EPRA net tangible asset ("NTA") per ordinary share ("Share") increased to 111.2 pence as at 28 February 2022, an increase of 5.8 per cent from the 105.0 pence at 31 August 2021, reflecting the discount achieved on off market acquisitions, new equity raised at a premium to NAV, and capitalisation of the rental uplifts within the Group's inflation linked leases.
- In October 2020, the Company raised gross proceeds of £240 million in its initial public offering ("IPO") and a further £350 million in an oversubscribed follow-on equity issue in September 2021. The Company 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.
- During the period, the Company paid dividends totalling 2.21 pence per Share, in line with its target dividend. Taken together with the increase in NAV/NTA referenced above, the Company has delivered a NAV total return of 7.9 per cent since 31 August 2021.
- Profit before tax for the period was £38.3 million.
- In addition to the Group's long term 12-year debt facility of £120 million, a further 15-year debt facility of £130 million was secured with Scottish Widows at an all-in fixed rate of 2.53 per cent per annum for the term. This provides a wide spread (357 basis points) between the current average net initial property purchase yield of 5.87 per cent and the 2.30 per cent per annum fixed average rate of the debt.

Nearly 400 households become homeless every day in England.

Source: Shelter

Portfolio and operational highlights

- Net proceeds of September 2021 £350m equity issue fully and responsibly deployed within four months, in line with the Company's investment strategy and ahead of the stated target
- 8,103 beds provided across 1,585 properties acquired at an attractive average net initial property yield of 5.87 per cent (including acquisition costs)
- Low and sustainable average weekly rents of £95 per bed vs £245 average estimated weekly B&B rate per bed in England, providing over a 60 per cent average estimated saving to local authorities with fit-for-purpose, high quality accommodation
- The typical building size in the portfolio comprises 3 to 4 bed houses or small 6 to 8 bed apartment blocks
- Assets are broadly diversified geographically across 111 different local authorities in England and Wales as well as across different sub sectors within homeless accommodation, ranging from drug and alcohol abuse, domestic abuse, prison leavers, general needs poverty and mental health issues
- Let to 28 different registered charities, community interest companies and other regulated organisations, which have a proven operating track record in providing low-cost accommodation to homeless people. They also provide care, support, training, and rehabilitation at the properties to provide vulnerable homeless people with the skills and confidence to reintegrate back into society, a fundamental pillar of the Group's strategy
- As per the structure highlighted on the diagram on page 10 of the Report, all of the rent payable by Home REIT's tenants is funded by support from local and central government
- The portfolio is 100 per cent let and income producing with a long weighted average unexpired lease term ("WAULT") of 24.3 years (includes the Group's put option to extend leases by an additional five years)
- 100 per cent of the income is index-linked

Post Balance Sheet Highlights

- A dividend of 1.37 pence per Share was declared in May 2022. The Company is on track to pay a total dividend of 5.5 pence per Share in relation to the financial year ending 31 August 2022, in line with the Company's stated target at launch
- Since 28 February 2022, the Group has acquired 150 new assets totalling £27.3 million (net of purchase costs) across various geographical locations in the Yorkshire and the Humber, East Midlands, North West, North East and West Midlands regions of England. These properties provide over 453 further beds for vulnerable homeless people whose circumstances cover a range of sectors, including drug and alcohol abuse, domestic abuse, general needs poverty and people with mental health issues.

Alternative performance measures

The Group uses alternative performance measures including the European Public Real Estate Association ("EPRA") best practice recommendations to supplement IFRS as the Board considers that these measures give users of the financial statements a better understanding of the underlying performance of the Group's property portfolio.

The EPRA measures are widely recognised and used by public real estate companies and investors and seek to improve transparency, comparability and relevance of published results in the sector.

Reconciliations between EPRA and other alternative performance measures and the IFRS financial statements can be found in Notes 20 and 21.

Definitions of alternative performance measures are given in the key performance indicators and EPRA performance measures sections.

Social impact highlights

8,103



beds provided by the Group to accommodate homeless people

1/206



people estimated to be homeless 2021, (England)¹

60%



Average estimated saving to local authorities

£95 Average weekly rent per bed across Group's portfolio Vs

£245 Average estimated weekly B&B rate per bed in England.

96,060



households living in temporary accommodation as at Q3 2021, England¹

11,483



people released from prison into homelessness in a year¹

1/6



new homelessness cases in England were caused by domestic abuse between April and June 2021³

>274,000



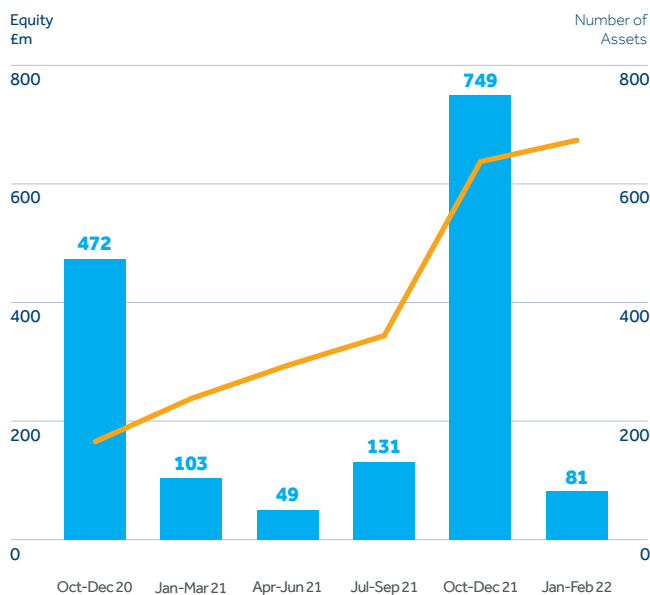
people in England are homeless (December, 2021)²

>21,500



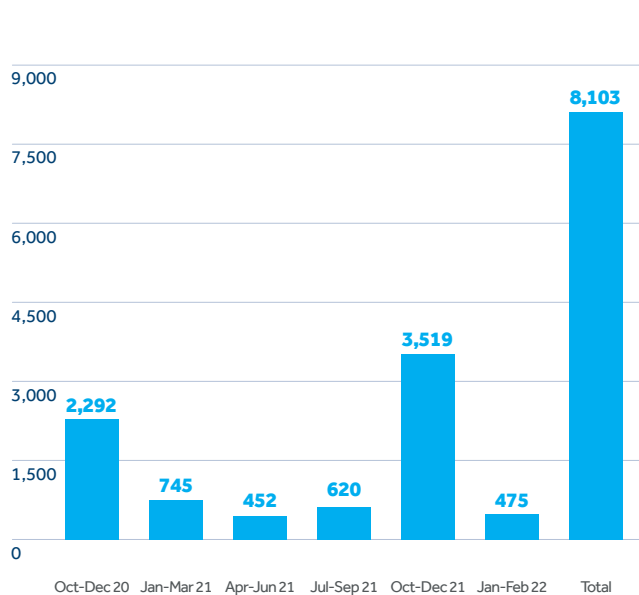
people called Shelter's free national helpline in the first three weeks of January 2022 alone²

Deployment to 28 February 2022



- Number of Assets
- Total Deployed

Acquisition of new beds to 28 February 2022



¹ Source: The Commons Library – Households in temporary accommodation (England) By Wendy Wilson, Cassie Barton, 13 February 2022

² Source: Shelter

³ Source: The Guardian

Chairman's statement

Dear Shareholder

I am pleased to present the interim results for the Group for the period from 1 September 2021 to 28 February 2022 (the "Period"). The Company commenced business operations on 12 October 2020 when its ordinary shares ("Shares") were admitted to trading on the premium segment of the main market of the London Stock Exchange, with gross proceeds of £240 million having been raised in the Company's IPO, followed by an oversubscribed follow-on equity issue in September 2021 raising gross proceeds of £350 million from a broad range of investors.

Since the start of the Covid-19 pandemic a total of 222,360 households have been tipped into homelessness.

Source: Shelter

The Company has performed strongly during the Period, delivering on our stated objectives and in many areas exceeding our original expectations at IPO. The Company is advised by Alvarium Home REIT Advisors Limited (the "Investment Adviser"), whose principals have built a successful track record in this sector and continue to draw on their excellent network of relationships, experience and market intelligence. This allows the Company to source attractive investments, and coupled with the Investment Adviser's robust capital discipline, create value for our shareholders whilst also achieving significant positive social impact for some of the most

vulnerable members of society, through providing critically needed accommodation to those at risk of homelessness.

In accordance with the Company's investment policy, the net proceeds of the September 2021 equity issue have been carefully invested in a portfolio of high quality, well located, property assets let on very long, inflation-linked leases to a wide range of tenants across a diverse range of sub-sectors within homelessness.

Our high quality properties are let at a low and sustainable rental level on new, long term, full repairing and insuring ("FRI") leases to specialist registered homeless charities, community interest companies and other regulated organisations, which have a proven operating track record in providing low-cost accommodation to homeless individuals. They also provide care, support, training and rehabilitation at the properties to provide vulnerable homeless people with the skills and confidence to find long-term accommodation and enable them to reintegrate back into society. Providing long term security of tenure to Home REIT's tenants is crucial to rehabilitating vulnerable individuals and helping to break the cycle of homelessness seen in short term accommodation.

All of the rent payable by Home REIT's tenants is funded by support from local and central government and the rents received under these leases are subject to annual upward-only rent reviews, index-linked to the Consumer Prices Index, subject to an annual collar and cap of one per cent. and four per cent., respectively.

As at 28 February 2022, the Group's portfolio consisted of 8,103 beds across 1,585 properties let to 28 tenants. Across the Group's assets, the average net initial purchase yield was 5.87 per cent, the WAULT was 24.3 years and 100 per cent of the income was index linked.

The portfolio is 100 per cent let and income producing.



Lynne Fennah
Chair

The Group's portfolio has been independently valued by Knight Frank LLP in accordance with the RICS Valuation – Professional Standards. As at 28 February 2022, the Group's portfolio had a market value of £713.4 million. The properties have been valued on an individual basis. No portfolio premium has been applied.

The NAV and EPRA NTA per share has increased to 111.2 pence as at 28 February 2022, an increase of 5.8 per cent from the 105.0 pence as at 31 August 2021.

The asset value growth reflects: (i) the discount achieved on off market acquisitions, (ii) new equity raised at a premium to NAV, and (iii) capitalisation of the rental uplifts within the Group's inflation linked leases.

The profit before tax of the Group for the Period was £38.3 million.

Dividends

On 22 October 2021 the Company paid its third interim dividend of 0.84 pence per Share in respect of the period ended 31 August 2021. Dividends distributed in relation to the financial period to August 2021 equalled 2.5 pence per Share, in line with initial targets. On 25 February 2022 the Company paid its first interim dividend of 1.37 pence per Share in respect of the year ending 31 August 2022. The Company has declared a subsequent interim dividend of 1.37 pence per Share which will be payable on 10 June 2022. The Board is targeting a minimum total dividend of 5.5 pence per Share for the financial year ending 31 August 2022, in line with the Company's stated target at launch.

Social Impact

The Group's portfolio of 1,585 properties as at 28 February 2022 provides 8,103 beds for people who would otherwise be homeless, at rental levels that are low and sustainable for the Group's tenants. All of the Group's properties make a genuine impact to the people they house and for the communities in which they are located.

The Group's assets provide a safe and comfortable environment for vulnerable people whose circumstances cover a range of sectors, including drug and alcohol abuse, domestic abuse, prison leavers, general needs poverty and individuals with mental health issues. By offering stable housing and pastoral care to these vulnerable people, they have the opportunity to develop the necessary confidence and skills ultimately to reintegrate back into society.

As support measures put in place by the UK Government during the COVID-19 pandemic are unwound and the cost of living in the UK surges amidst rising inflation and soaring global energy prices, experts paint a bleak picture for the outlook of homelessness. Crisis estimates that the number of homeless people in England will increase by a third before 2024. As a result, the underlying demand, and indeed the need, within society for the Company and its properties will very likely only increase.

We look forward to sharing a full impact report which will be carried out by the Good Economy Partnership later in the year and will be included in the Annual Report in relation to the financial period ending 31 August 2022.

Financing

On 1 December 2021, the Group entered into a new, 15-year, interest only, £130 million loan agreement with Scottish Widows at an all-in fixed rate of 2.53 per cent per annum, expiring in December 2036. The loan was fully drawn down on 28 February 2022.

Together with the 12-year loan agreement with Scottish Widows entered into in December 2020, this new facility arrangement provides a wide spread (357 basis points) between the current average net initial property yield of 5.87 per cent and the 2.30 per cent per annum fixed rate.

Corporate Governance

The Group benefits from a strong board with substantial real estate, financial, commercial and sector experience, and has established appropriate committees (including Audit Committee and Management Engagement Committee), which meet on a regular basis.

The Board is responsible for leading and controlling the Company and has overall authority for the management and conduct of the Company's business, strategy and development.

The AIFM and the Investment Adviser

Home REIT has appointed Alvarium Fund Managers (UK) Limited as its alternative investment fund manager (the "AIFM"). Home REIT and the AIFM have appointed the Investment Adviser to provide certain services in relation to Home REIT and its portfolio, including sourcing and advising on investments for acquisition by Home REIT and due diligence in relation to proposed investments.

The Investment Adviser has provided the Group with access to investment opportunities at attractive pricing through the Investment Adviser's long-established industry contacts and extensive knowledge of the sector. The Investment Adviser has achieved a prominent position in developing and acquiring long income properties and this expertise and network of contacts provides the Group with access to off-market transactions and specialised funding opportunities.

Post-balance sheet matters

Since 28 February 2022, the Group has acquired 150 new assets totalling £27.3m (net of purchase costs) across various geographical locations in the Yorkshire and the Humber, East Midlands, North West, North East and West Midlands regions of England.

Half of households found to be homeless by their local council in Q3 2020 were not helped to find a home – showing the impact of a lack of suitable social housing.

Source: Shelter

Outlook

The Board has been encouraged by the Company's strong performance during the Period, deploying the proceeds of the September 2021 equity issue to increase the Group's high quality sustainable portfolio of assets, diversified by sub sector, strong tenants and geography, at attractive yields and in line with the Company's investment policy.

Alongside this deployment, the Investment Adviser has leveraged its network of relationships to develop an attractive pipeline of further potential acquisitions. The Company has put in place a Placing Programme until 1 September 2022 in order to give the Investment Adviser the flexibility to pursue the Company's investment objective.

The Group is already delivering excellent returns to shareholders through a secure, diversified and growing index-linked income stream as well as attractive capital appreciation across its long-let portfolio, reflecting the Investment Adviser's disciplined and value-led approach to investments.

What matters most is that the Company is helping to improve the lives of people who are homeless or at risk of being homeless and therefore I am pleased to be able to reflect on the tangible social impact that the Company has made to some of the most vulnerable people in society. Working with our tenant partners to provide critically needed accommodation for people at risk of homelessness, the Company now provides homes for 8,103 people across the UK. In July 2021, The Good Economy Partnership Limited independently explored the Company's positive social impact in a report published on our website. We look forward to The Good Economy's next report, where it will deepen its assessments of partner organisations and the outcomes experienced by the Company's residents.

The Company is continuing to build responsibly on this sustainable growth momentum. We remain confident about delivering further value for shareholders and wider stakeholders and fulfilling our long-term ambitions in achieving significant positive social impact in the next financial period to 31 August 2022 and beyond.

Finally, I would like to thank all our shareholders for their support since the Company's launch and I look forward to updating you on the Company's further progress in due course.

Lynne Fennah
Chair

4 May 2022



Apartments in Worcester



Apartments in Plymouth

65%

Shelter's emergency helpline received 25,000 calls from people in England in Q4 2020 with a new person calling every minute during October and November. Since the outbreak of the Covid-19 pandemic at the end of Q1 2020, 90,000 people have called the charity's helpline with 65% of callers already experiencing homelessness or at risk of becoming homeless.

BB was in an abusive relationship and struggled with alcohol addiction. BB was thrown out of her home by her husband and became homeless. BB moved into a hostel but felt unhappy and unsafe there.

Since moving to a Home REIT property operated by Lotus Sanctuary she has felt overwhelmed by the warmth of support she receives from the team and says she finally feels safe. She is engaging regularly with alcohol support services who Lotus Sanctuary referred her to and has done incredibly well taking steps to overcome her addiction.

BB has said that Christmas 2021 was the best Christmas she has ever had. She felt strong and confident enough to visit her daughters, she didn't drink any alcohol over the whole festive period and kept busy by crocheting a throw for her bed.

Whilst she was homeless, BB had very few people to interact with which was detrimental to her mental health. She has now welcomed the opportunity to engage with the local community and socialise with women who have suffered shared experiences.

Lotus Sanctuary



Home REIT plc is a real estate investment trust targeting attractive inflation-protected income and capital returns by investing in a diversified portfolio of homeless accommodation assets, let or pre-let to registered charities, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on very long-term and index-linked leases.

67,820 households were owed a statutory homelessness duty between July and September 2021.

Source: Department for Levelling Up, Housing and Communities

The Company is listed on the premium listing segment of the Official List of the Financial Conduct Authority and was admitted to trading on the main market for listed securities of the London Stock Exchange in October 2020.

The Group has effectively executed its investment strategy of delivering inflation-protected income and capital returns underpinned by a portfolio of secure, long-let and index-linked property assets, diversified by sub-sectors within homelessness, tenant and geography whilst achieving significant positive social impact.

As at 28 February 2022, the Group's portfolio consisted of 8,103 beds across 1,585 properties let to 28 specialist tenants. Across the Group's assets, the average net initial purchase yield was 5.87 per cent, the WAULT was 24.3 years and 100 per cent of the income was index linked. The portfolio is 100 per cent let and income producing.

This has been a successful and active period for the Group, and we are well positioned to continue to deliver on the Company's investment strategy and target returns to the Company's investors through our robust long-established relationships and experience in the sector underpinned by our value-led approach to investments.

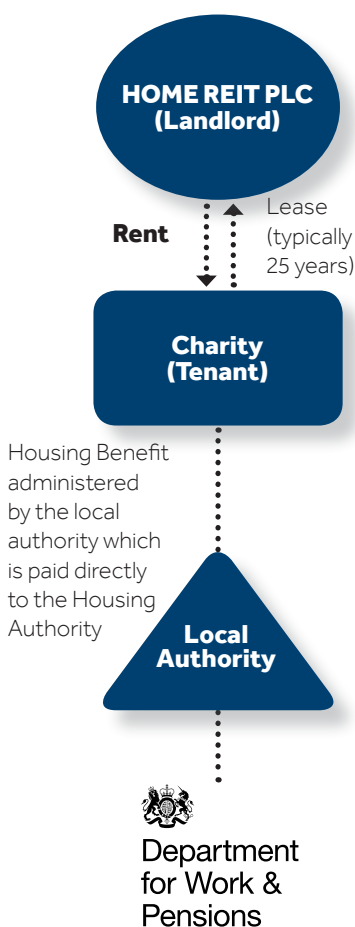
Demand drivers

The fundamentals driving the continued growth and performance of the Company are:

- the critical need for further accommodation for homeless people in the UK, due to an increasing homeless population and a lack of available and affordable high quality, fit for purpose, stock to address the problem;
- the statutory duty¹ placed on local housing authorities to secure accommodation for people who are unintentionally homeless and in priority need and provide meaningful help to any person who is homeless or at risk of becoming homeless irrespective of any priority need status; and
- the increasing unsustainable cost borne by local authorities in providing accommodation to homeless people. The severe shortage in fit for purpose housing stock means that local authorities often house individuals in bed and breakfast hotels and guesthouses which are significantly more expensive than housing an individual in one of the Company's properties.

The Company's pipeline has been developed principally through relationships with charities, local authorities, high-quality developers of social housing assets, buy to let landlords, PRS and student accommodation operators and private vendors. The Company will continue to identify the areas in the UK where the need for more homeless accommodation is most acute and work with its contacts to source and develop new high-quality assets in these areas.

¹ Housing (Homeless Persons) Act 1977, Housing Act 1996, Homelessness Act 2002, Homelessness Reduction Act 2017, Domestic Abuse Act 2021



Investment rationale and summary

Government funding for each individual user generally represents the full cost of care and housing benefit and is paid from the Department of Work and Pensions to the relevant local authority, which then passes funds directly to the Company's tenants.

While we have a close and engaged relationship with our tenant partners, the Company does not undertake responsibility for the operations of the care for the individual user, which is provided by a professional care provider in this sector.

The income flow to the Company is funded through the provision of 'exempt' housing benefit paid directly to the tenants from the relevant local authority. Such exempt status prevents local authorities from restricting the level of rent recoverable by tenants via housing benefit and enables such tenants to recover the full costs of providing additional support and services to residents.

Rental levels are set at a sustainable level with significant headroom between property rent and housing benefit allowance received from the local authority. The headroom between core lease rent and housing benefit is represented by the management charge and the cost of intensive housing management/buildings upkeep associated with homelessness provision.

Across the Group's portfolio to date, the average rent payable by the charity is circa 45 per cent of the total housing benefit received per property providing a robust 2.25x portfolio rent cover for our tenants.

In addition, rents are pre-agreed with local authorities and the leases provide for a cap (at 4 per cent per annum) on the inflation linked annual rent reviews to ensure that rents grow in a sustainable manner.

Homelessness

The UK is in the grip of a housing emergency according to the housing and homelessness charity, Shelter² and experts worry about a looming crisis of homelessness.³ Local authorities expect a "tidal wave" of demand for housing with the number of homeless people in England predicted to jump by a third by 2024 as a result of surging energy and food bills; the end of eviction bans; and the freezing of benefits.⁴ Shelter estimates that 1 in 206 people in England were homeless on any given day in 2021.⁵ Shelter's emergency helpline has been inundated with more than 1,000 callers a day since Covid-19 protections ended, 60,000 of which needed urgent support and advice between June and October 2021.⁶

The number of rough sleepers identified across England has risen by 104 per cent since 2010⁷, with an estimated 2,688 people sleeping on the streets on a single night in Q3 2020.⁸ There is widespread debate as to the true accuracy of rough sleeping statistics; the Greater London Authority's recently published figures estimate that over 11,000 people were seen sleeping on the streets in London in 2020/21, nearly four times the total seen in 2005/06.⁹ Rough sleeping in London has risen year-on-year and is continuing to rise despite the Government's 'Everyone In' scheme which provided emergency accommodation during the COVID-19 pandemic.

² The Independent: We are in a housing emergency – from 'sex for rent' to evictions, the government needs to act by Polly Neate; 10 January 2021

³ <https://www.bigissue.com/news/housing/britains-homelessness-shame-cold-hard-facts/>

⁴ <https://www.theguardian.com/society/2022/feb/22/homelessness-set-to-soar-in-england-amid-cost-of-living-crisis>

⁵ https://assets.ctfassets.net/6sxvmndn0s/2PuyTofvY2k2F6uJxcd98/68fb35a1267c54ab3fc05896b8ab7a85/FINAL_Homelessness_in_England_2021_report.pdf

⁶ Shelter sounds alarm as more than 1,000 people a day call emergency helpline - Shelter England

⁷ <https://www.crisis.org.uk/ending-homelessness/homelessness-knowledge-hub/types-of-homelessness/>

⁸ <https://www.gov.uk/government/statistics/rough-sleeping-snapshot-in-england-autumn-2020/rough-sleeping-snapshot-in-england-autumn-2020>

⁹ Rough sleeping rises in London despite pandemic effort - Crisis responds | Crisis | Together we will end homelessness

11,018 people were seen sleeping rough in London in 2020/21, up from 10,726 in 2019/20.¹⁰ In London alone, the Company has provided 440 beds at the reporting date, offering safe, clean, modern and suitable accommodation to otherwise homeless individuals. The Company aims to continue to significantly invest in areas where homelessness is a growing problem in order to increase the availability of high quality, fit for purpose housing stock.

Many people only associate homelessness with “rough” sleeping on the streets. The reality, however, is that sleeping rough is the most extreme form of homelessness. Most homeless people, although not sleeping rough, have no permanent home, stay with relatives and friends or reside in temporary accommodation, such as bed and breakfast hotels, hostels, night shelters and refuges. Over the last decade, there has been a 65 per cent increase in the number of families living in temporary accommodation in England, from 36,640 households in 2011 to 60,490 households in 2021.¹¹ A recent report issued by Human Rights Watch and the Childhood Trust highlights that children’s basic rights to housing and health are significantly compromised when living in temporary accommodation.¹²

There is no national figure for how many people are homeless in the UK due to the devolved nations’ differing recording methods. Many homeless people are not picked up by these recording methods and Crisis estimates that as many as 62 per cent of single homeless people do not show up in official homeless statistics.¹³

Homelessness has a devastating impact on individuals’ lives, significantly affecting their physical and mental health. Compared to the general population, homeless people are 17 times more likely to experience abuse and violence and over nine times more likely to take their own life.¹⁴ The Office for National Statistics (“ONS”) recently published figures revealing a 42.7 per cent increase in deaths among homeless people since the ONS started recording in 2013. The majority of deaths were attributed to drug-related poisoning, suicide and alcohol-specific causes. The average age at death was 46 years for men and 42 years for women.¹⁵

As shown in the table below, the largest regional increase in homelessness in England has been in the North West with a 201 per cent increase since Q2 2016. In this region alone, the Company has provided over 1,360 beds at the reporting date and it aims to continue to address the growing need.

Homelessness¹⁶ Regional trends in England

Region	Total number of homeless people as at a given night in 2021 ¹⁷	% increase since Q2 2016 ¹⁸
South East	24,140	27
South West	7,961	12
East	14,856	5
East Midlands	4,499	40
West Midlands	17,128	18
Yorks & Humber	4,248	86
North East	967	-5
North West	12,560	201
London	169,931	4

Since the start of the COVID-19 pandemic a total of 222,360 households have been tipped into homelessness – equivalent to the size of the city of Liverpool. According to government figures, 397 households became homeless every day between July and September 2021. More people are facing homelessness as a result of an increase in domestic abuse during the pandemic. Fleeing domestic abuse was given as the reason 13 per cent of all households were found to be homeless or at risk of becoming homeless by their local authority. This has increased by 6 per cent in a year, and 27 per cent since 2019.¹⁹ As at the reporting date, the Company has provided over 230 beds to people fleeing domestic abuse, offering safe, clean, modern and suitable accommodation.

10 Rough sleeping rises in London despite pandemic effort - Crisis responds | Crisis | Together we will end homelessness

11 Department for Levelling Up, Housing and Communities, “Statutory Homelessness Live Tables,” last updated September 9, 2021, <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

12 Families in Temporary Accommodation in London, UK | HRW

13 <https://www.bigissue.com/news/housing/how-many-people-are-homeless-in-the-uk-and-what-can-you-do-about-it/>

14 <https://www.crisis.org.uk/ending-homelessness/about-homelessness/>

15 Deaths of homeless people in England and Wales - Office for National Statistics (ons.gov.uk)

16 Note: the sum of the regional totals does not equal the national total, as different measures of homeless are used for each – for further information please see point 6 of the notes and references section in Shelter’s article: https://england.shelter.org.uk/media/press_release/274000_people_in_england_are_homeless_with_thousands_more_likely_to_lose_their_homes

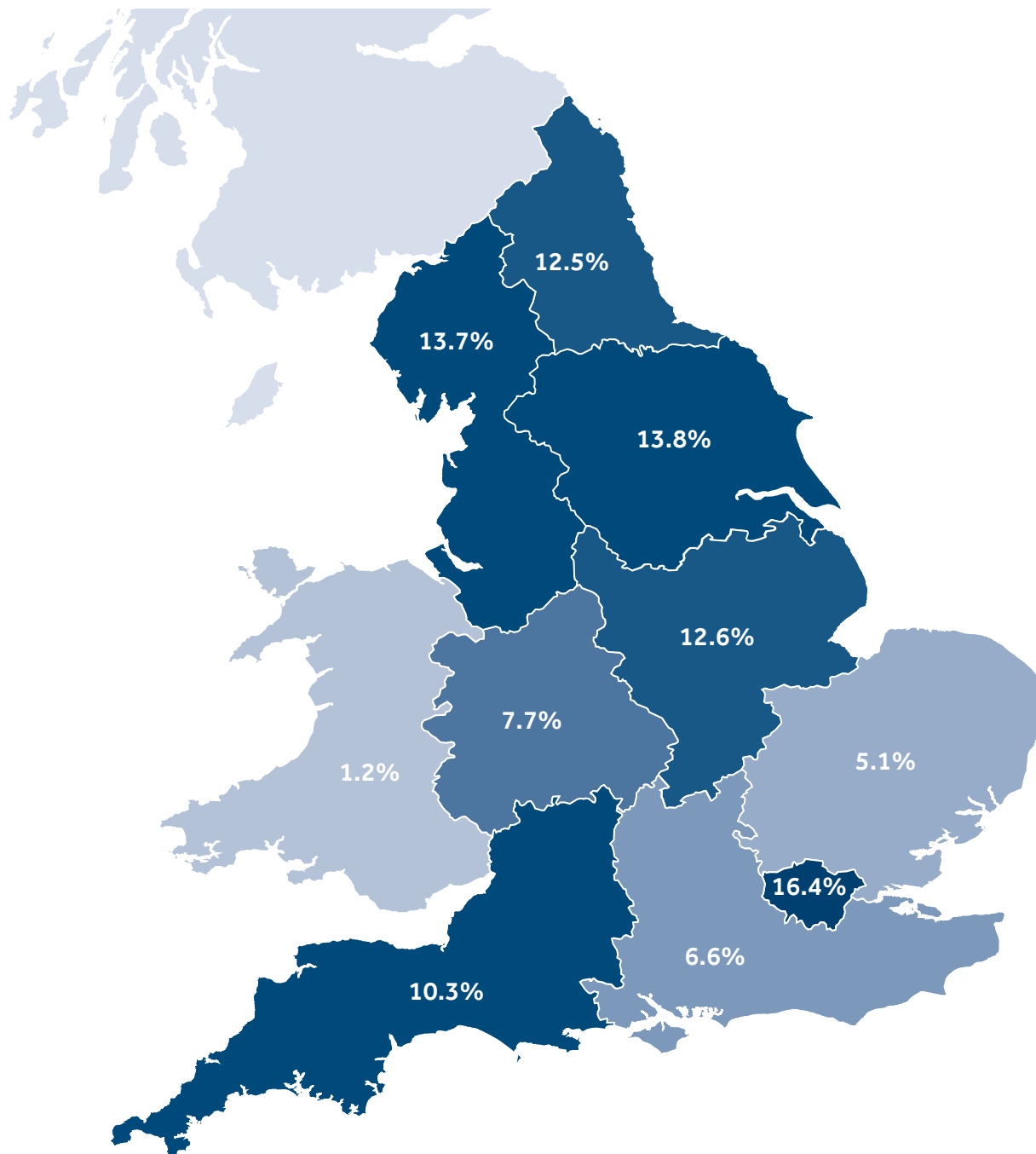
17 https://england.shelter.org.uk/media/press_release/274000_people_in_england_are_homeless_with_thousands_more_likely_to_lose_their_homes

18 Source: Shelter; This is England: A Picture of Homelessness; December 2019

19 Nearly 400 households become homeless every day in England - Shelter England

Asset location

by percentage weight by property value



Tackling Homelessness in the UK

Homelessness is caused by a complex interplay between a person's individual circumstances and adverse external factors. Examples of these factors are:

- a lack of affordable housing;
- mental health illnesses;
- alcohol and drug dependency;
- relationship breakdowns;
- domestic abuse (out of the domestic abuse victims supported by the charity Women's Aid between 2018-2019, 44 per cent women sofa-surfed, 14 per cent stayed in local authority emergency accommodation, 7 per cent slept rough and 4 per cent stayed in a B&B, hostel or hotel);
- eviction by private landlords; and
- institutional backgrounds such as being in care, leaving the armed forces or prison.

The Department for Levelling Up, Housing and Communities (formerly Ministry of Housing, Communities and Local Government) recently issued its Statutory Homelessness Annual Report for the period 1 April 2020 to 31 March 2021. The most common reason for loss of last settled home for single households was family or friends no longer being able to accommodate. This accounted for 26,560 households or 35.9 per cent of single households owed a prevention duty, which is an 11.9 per cent increase from 23,740 households in 2019-20. The number of lead applicants who were registered as unemployed increased 18.2 per cent from 2019-20 to 104,640 applicants.²⁰

Between 2018 and 2019, 11,483 people were released from prison into homelessness and in Q2 2020, an estimated 13 per cent of people released from prison did not have a home to go to.²¹ In a 2019 paper, the Ministry of Justice estimated that the social and economic cost of re-offending is in excess of £18 billion a year.²²

41 per cent of single homeless people surveyed by Crisis had previously served a prison sentence and in 2021 the government estimated that prison leavers are around 50 per cent more likely to break the law again if released without somewhere to stay.²³ The Institute for Policy Research has estimated that a 20 per cent reduction in reoffending could be achieved via the provision of stable housing to a prison leaver.²⁴

Local authorities are under a statutory duty to secure accommodation for families or individuals who are unintentionally homeless and in priority need. They also have a duty to provide meaningful help to any person who is homeless or at risk of becoming homeless irrespective of their priority need status.²⁵ Current accommodation for homeless people is limited in quantum and often sub-standard and uneconomical.

Poor quality privately rented housing stock or expensive bed and breakfast hotels are frequently being utilised by local authorities to manage increasing demands for accommodation. Between Q3 2019 and the end of Q2 2020, the total number of households accommodated in bed and breakfasts in England increased by 60 per cent.²⁶ By September 2021, there were 9,780 households in B&B-style accommodation.²⁷

The current lack of purpose-built accommodation for homeless people is felt acutely by local authorities. A research project commissioned by Crisis and issued in 2022, revealed that only 22 per cent of local authorities who responded to its survey were satisfied that new affordable housing supply was sufficient to meet the needs of homeless households and other people in housing need in their area, and only 8 per cent in London.²⁸

²⁰ Statutory homelessness in England (publishing.service.gov.uk)

²¹ <https://www.theguardian.com/uk-news/2020/jul/08/thousands-of-high-risk-offenders-in-uk-freed-into-homelessness> and <https://insidetime.org/2000-leave-prison-homeless-during-lockdown> and <https://insidetime.org/2000-leave-prison-homeless-during-lockdown>

²² Alexander Newton, Xennor May, Steven Eames & Maryam Ahmad (Ministry of Justice); https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/814650/economic-social-costs-reoffending.pdf, 2019

²³ <https://www.gov.uk/government/news/70-million-to-keep-prison-leavers-off-the-streets-and-cut-crime>

²⁴ https://www.prisonstudies.org/sites/default/files/resources/downloads/reducing_report20pdf.pdf

²⁵ Housing (Homeless Persons) Act 1977, Housing Act 1996; Homelessness Act 2002 and Homelessness Reduction Act 2017

²⁶ <https://commonslibrary.parliament.uk/research-briefings/sn02110>

²⁷ <https://researchbriefings.files.parliament.uk/documents/SN02110/SN02110.pdf>

²⁸ https://www.crisis.org.uk/media/246995/the-homelessness-monitor-england-2022_exec-summary.pdf

Local Authority spending on Bed & Breakfast and temporary accommodation in England²⁹

Homeless Households at Q3 2021	Number of households in B&Bs	10,510
	Increase since Q3 2011	>350%
Q1 2019 – Q1 2020	Amount spent on B&B accommodation (£)	410,380,000
	Proportion of overall spending on temporary accommodation	34%
Q1 2015 – Q1 2020	Increase in amount spent on B&B accommodation over five years	123%

This reflects the growing pressure on local authorities as increased demand has faced a static or falling supply of accommodation. Analysis of expenditure by local authorities over 2020/21 reportedly showed local authorities spent at least £1.4 billion on temporary accommodation.³⁰ Shelter further highlighted that the cost of providing temporary accommodation has more than doubled in the last 10 years.³¹

In 2018 Crisis commissioned Pricewaterhouse Coopers LLP (PwC) to estimate the economic impact of moving people out of homelessness. Overall, PwC estimated that discounted benefits of £53,908m (at 2017 prices) could be achieved with nearly half of the estimated benefits accruing to local authorities.³²

Figures released by the Local Government Association reveal that local authorities' expenditure in England placing homeless households in bed and breakfast accommodation increased 430 per cent between 2010 and 2019.³³

Delivering attractive growing income and capital growth

The Group's investment properties acquired within the period were independently valued on 28 February 2022 by Knight Frank LLP at £713.4 million. The properties have been valued on an individual basis. No portfolio premium has been applied.

The NAV and EPRA NTA per share has increased to 111.2 pence as at 28 February 2022, an increase of 5.8 per cent from the 105.0 pence at 31 August 2021.

The asset value growth reflects, inter alia:

- the discount achieved on off market acquisitions
- new equity raised at a premium to NAV
- capitalisation of the rental uplifts within the Group's inflation linked leases.

²⁹ Shelter: Homelessness crisis costs councils over £1bn in just one year; 14 November 2019 (updated via UK Government live homelessness statistics; Q1 2021). Source contains full details of Shelter's calculation methods and LGA - 430% increase in B&B spend for people who are homeless reveals urgency for more social housing | Local Government Association

³⁰ Households in temporary accommodation (England) By Wendy Wilson, Cassie Barton – SN02110.pdf (parliament.uk)

³¹ <https://blog.shelter.org.uk/2022/02/temporary-accommodation-the-new-social-housing/>

³² Benefits of ending homelessness | Crisis UK

³³ LGA - 430% increase in B&B spend for people who are homeless reveals urgency for more social housing | Local Government Association

Portfolio Overview

The headline statistics for the Period are:

Top 10 tenants	Rental exposure	Contracted rent
Big Help Project	10.5%	£4.2m
Lotus Sanctuary CIC	9.9%	£4.0m
Supportive Homes CIC	8.6%	£3.5m
Gen Liv UK CIC	8.4%	£3.4m
Redemption Project CIC	8.0%	£3.2m
One CIC	8.0%	£3.2m
GC Community Council	6.5%	£2.6m
Dovecot and Princess Drive Community Association	6.0%	£2.4m
Bloom Social Housing CIC	5.4%	£2.2m
Dawson Housing Limited	4.5%	£1.8m
18 other tenants	24.2%	£9.7m
	100.0%	£40.2m

Operational statistics:

Beds	8,103
Properties	1,585
Average net initial yield	5.87%
WAULT	24.3 years
Index-linked income or fixed uplifts	100%
Tenants	28
Sub sectors	11
Local authority diversification	111

Home REIT fully deployed the net proceeds of its £350 million equity issue in September 2021 within four months.

Home REIT has acquired high quality, well located assets with a long WAULT of 24.3 years – which is one of the longest in the real estate sector. The assets have been 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.

100 per cent of the Group's assets contain rent reviews linked to CPI inflation thus providing strong inflation-protected income across the Group's portfolio. As at 28 February 2022:

- 100 per cent of assets, by value, had caps and collars of 1 per cent and 4 per cent
- 100 per cent of assets, by value, had annual rent reviews

All of the assets acquired by the Group benefit from triple net, full repairing and insuring leases. These lease agreements oblige the tenants to pay all taxes, building insurance, other outgoings and repair and maintenance costs on the property, in addition to the rent and service charge, therefore avoiding any property cost leakage for the Group.

Building characteristics

Home REIT has 1,585 properties across 111 local authority areas. The average building in the portfolio comprises five bed spaces and is either a house or small block of apartments with individual front doors.

As with all properties Home REIT acquires, a full independent building condition survey is carried out prior to acquisition. As a result, over £200 million of transactions have been rejected by the Investment Adviser for not meeting the Company's standards with regards to the rent levels, building location, layout/suitability and/or reputation of the selling party.

All of the buildings in the Company's portfolio are of traditional construction with no system built or clad properties. All of the Company's assets are suitable for all types of residential accommodation, ensuring strong residual land value and alternative use options.

Strategies for delivering value and growth

The Investment Adviser employs a number of techniques to secure assets for the Group at an attractive initial yield, without compromising on the asset quality, security of income or lease length, including:

- opportunistic buys across a large population of assets to find value;
- targeting smaller lot sizes generally, which are below the radar of most institutions;
- acquiring the vast majority of its assets through off-market purchases identified via the Investment Adviser's extensive contacts and relationships, driven by its reputation for speed and certainty of transacting;
- avoiding over-heated locations where yields are at historic lows;
- repeat business with longstanding counterparty relationships, including developers, vendors and agents; and
- early mover advantage in sector.



Apartments in Nottingham

13%

in Q2 2020, an estimated 13% of people released from prison did not have a home to go to.

Source: Ministry of Justice

P was referred to a Home REIT property by his probation officer. P had completed serving a prison sentence and was pleased to move into a property that was located near to his mother.

P has engaged very well with One CIC who provide support at the property. During the initial visits a support plan was completed with him and when P requires assistance he feels confident to ask for support. For example, he requested support to open his own bank account which One CIC assisted him with. He was also signposted to relevant organisations in the area to enable him to engage within the community positively.

P has said that moving into the property has reduced his stress levels and helped him to better manage his mental health.

"Everything has gone really smoothly and the staff are non-intrusive with a good balance of housing and support. It has surprised me how safe I feel in the house....even the fact that One CIC liaised with my Probation Officer prior to my release surprised me as I have never had this type of help and support before but in the long term it has helped me and made my move in the house smoother"

One CIC



Strong residual land value and alternative use options

In addition to robust tenants and long, index-linked leases, the Group targets assets possessing strong residual land value and alternative use options which will preserve capital values. For example, the Group has acquired properties:

- with low starting rents;
- that are of strategic importance to the housing provider tenant;
- with strong underlying local authority demand; and
- located in areas with a large population and close to local amenities and transport links.

Market opportunity – rental growth

Inflation has historically outpaced open-market rent reviews and it has been steadily increasing since 2016. As set out below, the anticipated continuing outperformance of inflation over open market rental growth forecasts is expected to prove advantageous to the Group's rental growth.

The HM Treasury Forecasts for the Economy Medium term forecasts (February 2022) shows an average CPI growth forecast of 2.9 per cent per annum from 2022 to 2026 (see below). The Investment Property Forum UK Consensus Forecasts Report (Winter, 2021) shows an average open market rental growth forecast of 2 per cent per annum from 2022 to 2026 (see below), which is lower than the above mentioned HM Treasury CPI growth forecast.

Open market rental growth forecast

Year	Open market rental growth p.a.
2022	2.5%
2023	2.1%
2024	2.0%
2025	1.8%
2026	1.7%
Average growth forecast p.a.	2.0%

Source: Investment Property Forum UK Consensus Forecasts (Winter 2021)

CPI forecast

Year	CPI p.a.
2022	5.5%
2023	2.8%
2024	2.0%
2025	2.0%
2026	2.0%
Average growth forecast p.a.	2.9%

Source: HM Treasury Forecasts for the UK Economy (Medium term forecasts, February 2022)

With higher inflation and more subdued open market rental growth, strategically the Company has taken advantage of this economic reality through acquiring inflation-linked leases. To date 100 per cent of the Company's rental income is linked to CPI. This allows for higher rental growth via rental increases in line with inflation.

This climate of continuing inflation together with the fixed low cost of debt (as detailed below) which the Group has secured, is expected to allow for:

- higher rental growth via rental increases in line with inflation;
- enhanced dividend yield due to substantial free cash flows generated via the 357 bps spread between triple-net rental income (5.87 per cent average NIY) and low fixed cost of debt (2.30 per cent per annum); and
- capital growth through: (i) the capitalisation of rental increases following rent reviews; (ii) acquiring mispriced assets where the seller is driven by factors other than price; and (iii) the net purchase price on off market assets being at a discount and therefore, providing scope for 'natural' yield compression.

Debt finance

The Group has entered into the following loan agreements (the "Facilities") with Scottish Widows:

- a 12-year interest-only, fixed-rate, £120 million term loan agreement on 11 December 2020. The facility is repayable in December 2032 and has a fixed all-in rate payable of 2.07 per cent per annum, for the duration of the 12-year loan term
- a 15-year interest-only, fixed rate, £130 million term loan agreement on 1 December 2021. The facility is repayable in December 2036 and has a fixed all-in rate payable of 2.53 per cent per annum, for the duration of the 15-year loan term

Both loans are fully drawn and the Facilities are secured against the assets acquired by the Group.

The fixed interest rates are 357 basis points lower than the Group's average net initial purchase yield on property acquisitions of 5.87 per cent. The Group's average fixed all-in rate of 2.30 per cent across all borrowings is highly accretive to the future anticipated dividend and mitigates potential interest rate and refinancing risks for the terms.

As set out in the Group's investment policy, the Group will maintain a conservative level of aggregate borrowings with a maximum level of aggregate borrowings of 35 per cent of the Group's gross assets.

Responsible investment

PRI

The Investment Adviser is a signatory to the UN-supported Principles of Responsible Investment ("PRI") which represent a global standard for asset owners, investment advisers and service providers to incorporate environmental, social, and corporate governance ("ESG") policies into investment practice.

As a signatory to the PRI, the Investment Adviser is also required to report annually on its responsible investment activities and in accordance with the PRI's reporting framework. These reporting requirements aim to ensure signatories' accountability and transparency and facilitate feedback from which signatories can then develop and learn.

Signatories to the PRI recognise that they have a duty to act in the best long-term interests of their investors and, by applying the PRI, aim to align their investors with broader objectives of society. Therefore, where consistent with its fiduciary responsibilities, the Investment Adviser has committed to:

Incorporate ESG into its investment and decision-making processes

Be an active owner and to incorporate ESG into ownership policies and practices

Seek appropriate disclosure on ESG issues by any entities in which it invests

Promote acceptance and implementation of the PRI within the investment industry

Work with the PRI Secretariat and other signatories to enhance their effectiveness in implementing the PRI

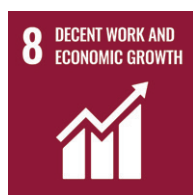
Report on activities and progress towards implementing the PRI

UN Sustainable Development Goals

The United Nations Sustainable Development Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development. These goals are designed to act as a blueprint to achieve a better and more sustainable future for all.

As part of its investment objective, the Company is committed to contributing (whether directly or indirectly) to the implementation of the following goals:

- Goal 1: End poverty in all its forms everywhere
- Goal 3: Ensure healthy lives and promote well-being for all at all ages
- Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 10: Reduce inequality within and among countries
- Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable
- Goal 13: Take urgent action to combat climate change and its impacts



ESG and Green leases

100 per cent of the Company's assets are let on "green leases". In these leases, the Group and its charity tenants agree to cooperate to identify and implement appropriate strategies for the improvement of the relevant properties' environmental performance. This includes the improvement of energy consumption, water consumption and discharge, waste generation and management, generation and/or emission of greenhouse gases and other adverse environmental impacts arising from the operation or use of the properties.

We also look forward to carrying out a further full impact report for the Company with the Good Economy Partnership which will be included in the Annual Report for the financial year to 31 August 2022.

Outlook

We are very pleased with the Group's strong performance during what was a very active period, underlining our ability to successfully source and execute on attractively priced, very long-let and index-linked property assets leased to robust tenants.

We remain confident about continuing to deliver both significant social impact and attractive inflation-protected income and capital growth to the Company's shareholders over the short and longer term through our diversified high quality portfolio as well as from our growing pipeline of attractive investments.

Alvarium Home REIT Advisors Limited

4 May 2022

Investment objective and policy (summary)

The investment objective of the Company is to deliver inflation-protected income and capital growth over the medium term for shareholders through funding the acquisition and creation of high-quality homeless accommodation across the UK let on long-term index-linked leases.

The Company will target inflation-protected income and capital returns by investing in a diversified portfolio of homeless accommodation assets, let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on very long-term and index-linked leases.

The Company will invest in these assets directly or through holdings in special purpose vehicles and will seek to acquire high-quality properties, taking into account the following key investment considerations:

- The properties will provide high-quality accommodation to homeless and vulnerable individuals in need of housing;
- Each property should demonstrate strong residual land value characteristics;
- Very long unexpired lease terms (typically 20 to 30 years to expiry or first break); and
- Rent reviews to be inflation-linked or contain fixed uplifts.

The Company will be dedicated to tackling homelessness in the UK and will target a wide range of sub-sectors within homelessness including, but not limited to, women fleeing domestic abuse, people leaving prison, individuals suffering from mental health or drug and alcohol issues and foster care leavers.

The Company will seek to only acquire assets let or pre-let to robust tenants on long leases (typically 20 to 30 years to expiry or first break), with index-linked or fixed rental uplifts, in order to provide security of income and low cost of debt. The Company will only invest in assets with leases containing regular upward-only rental reviews. These reviews will typically link the growth in rents to an inflation index such as CPI (with potentially a minimum and maximum level) or alternatively may have a fixed annual growth rate.

The Company will neither undertake any direct development activity nor assume direct development risk. However, the Company may invest in fixed-price forward funded developments, provided they are pre-let to an acceptable tenant and full planning permission is in place. In such circumstances, the Company will seek to negotiate the receipt of immediate income from the asset, such that the developer is paying the Company a return on its investment during the construction phase and prior to the tenant commencing rental payments under the terms of the lease.

Where the Company invests in forward funded developments:

- The Company will not acquire the land until full planning consent and tenant pre-lets are in place;
- The Company will pay a fixed price for the forward funded purchase, covering land, construction cost and developer's profit;
- All cost overruns will be the responsibility of the developer/contractor; and
- If there is a delay to completion of the works, this will be a risk for the developer/contractor, as they will pay the Company interest/rent until practical completion occurs.

The Company's full investment policy can be found in the Company's prospectus issued on 2 September 2021.



Apartments in Coventry

20,000

Victims of domestic violence made homeless last year.

Source: Department for Levelling Up, Housing and Communities (formerly Ministry of Housing, Communities and Local Government)

AR was referred from Merseyside Domestic Violence Service (MDVS) and was fleeing from an extremely abusive partner with her daughter SR. AR was also suffering abuse from her partner's family. AR and SR needed secure and safe accommodation very quickly and were moved straight into a Home REIT property. AR said she was relieved and grateful to the Big Help Project who quickly moved her and her daughter into the property, as at last she felt safe.

AR and SR live happily in the property, even decorating a new bedroom for the little girl. They are both flourishing with the support of the Big Help Project's "Safe Havens" programme.

Despite the traumatic experience that both mother and daughter have endured, they are moving forwards productively. AR has gone back into education and has just passed all of her GCSEs and SR has secured a place in a prestigious performing arts school as a gifted and talented child.

Big Help Project

Key performance indicators

The Company's objective is to deliver attractive, low risk returns and positive social impact to shareholders, by executing its investment policy.

Set out below are the key performance indicators ("KPIs") that are used to track the Group's performance. The KPIs below reflect the performance of the Group for the period from 1 September 2021 to 28 February 2022.

KPI and definition	Relevance to strategy	Performance
<p>1. Total NAV return</p> <p>Total NAV return measures the change in the EPRA NTA and dividends during the period as a percentage of EPRA NTA at the start of the period. We are targeting a minimum of 8% per annum over the medium term.</p>	Total NAV return measures the ultimate outcome of our strategy, which is to deliver value to our shareholders through our portfolio and to deliver a secure and growing income stream.	7.9%
<p>2. Dividend per share</p> <p>Dividends paid to shareholders in the period.</p>	The dividend reflects our ability to deliver a low risk but growing income stream from our portfolio and is a key element of our total NAV return.	2.21p
<p>3. EPRA earnings per share</p> <p>Post-tax Adjusted earnings per share attributable to shareholders.</p>	The EPRA earnings per share reflects our ability to generate income from our portfolio, which ultimately underpins our dividend payments. A reconciliation of Adjusted earnings is included in Note 20 to the consolidated financial statements.	2.39p
<p>4. Total expense ratio</p> <p>The ratio of total operating expenses, including management fees expressed as a percentage of the average net asset value.</p>	The total expense ratio is a key measure of our operational excellence. Maintaining a low-cost base supports our ability to pay dividends.	1.22% (annualised)
<p>5. EPRA NTA</p> <p>The value of our assets (based on an independent valuation) less the book value of our liabilities, attributable to shareholders and calculated in accordance with EPRA guidelines. At the period end there were no differences between EPRA NTA and IFRS NAV.</p>	The NTA reflects our ability to grow the portfolio and to add value to it throughout the life cycle of our assets.	111.16p
<p>6. Pro-forma LTV</p> <p>The proportion of our total assets that is funded by borrowings. Calculated as gross borrowings as proportion of total assets adjusted for working capital. Our target maximum LTV is 35%.</p>	The LTV measures the prudence of our financing strategy, balancing the additional returns and portfolio diversification that come with using debt against the need to successfully manage risk.	28.8%
<p>7. Weighted average unexpired lease term</p> <p>The average unexpired lease term of the property portfolio weighted by annual passing rents. Our target WAULT is a minimum of 20-years.</p>	The WAULT is a key measure of the quality of our portfolio. Long lease terms underpin the security and predictability of our income stream.	24.3 years
<p>8. Percentage of contracted rents index-linked or fixed</p> <p>This takes the total value of contracted rents that contain rent reviews linked to inflation or fixed uplifts.</p>	This measures the extent to which we are investing in line with our investment objective, to provide inflation-linked returns.	100%
<p>9. Homeless beds created</p> <p>This takes into account the number of bed spaces created by Home REIT since inception.</p>	This measures the extent of the impact our investment has on the homelessness issue in the UK.	8,103 beds

EPRA performance measures

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

Reconciliations of EPRA Earnings and NAV measures are included in Notes 20 and 21 to the consolidated financial statements respectively.

Measure and Definition	Purpose	Performance
1. EPRA Earnings	A key measure of a company's underlying operating results and an indication of the extent to which current dividend payments are supported by earnings.	2.39p
2. EPRA Net Tangible Assets ("NTA")	Assumes that entities buy and sell assets, thereby crystallising certain levels of unavoidable deferred tax.	111.2p
3. EPRA Net Reinstatement Value ("NRV")	Assumes that entities never sell assets and aims to represent the value required to rebuild the entity.	117.2p
4. EPRA Net Disposal Value ("NDV")	Represents the shareholders' value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax.	115.7p
5. EPRA Net Initial Yield ("NIY")	EPRA NIY is annualised net rents on investment properties as a percentage of the investment property valuation, less purchaser's costs.	5.33%
6. EPRA 'Topped-Up' NIY	The 'topped-up' measure incorporates an adjustment to the EPRA NIY in respect of the expiration of rent-free periods (or other unexpired lease incentives such as discounted rent periods and step rents).	6.75%
7. EPRA Vacancy	A 'pure' (%) measure of investment property space that is vacant, based on ERV.	0%
8. EPRA Cost Ratio	A key measure to enable meaningful measurement of the changes in a company's operating costs.	19.0%

Principal risks and uncertainties

The Prospectus issued in September 2021 includes details of risks faced by the business. The Board considers that the principal risks and uncertainties faced by the Group are as follows:

Risk	Mitigation
Global pandemic	
COVID-19 global pandemic – rapid spread of infectious disease has caused governments to implement policies to restrict travel and take other measures to prevent its spread, resulting in a slowdown to the economy, significant share price volatility, changes to the working habits for our key service providers, and unprecedented disruption to many of our tenants' businesses.	<p>The Board monitors the business continuity position of each of our key service providers to ensure adequate procedures are in place to limit the impact on the Company.</p> <p>The Board, Investment Adviser and key members of the management team have been working remotely since inception. Regular communication is maintained between the Board, the Investment Adviser, tenants and key service providers.</p> <p>The Investment Adviser is closely monitoring the impact on our assets and on our tenants' ability to meet rent obligations and regularly reports the position to the Board.</p> <p>The Board is committed to providing all relevant information to the market on a timely basis to foster good communication with our shareholders and other stakeholders.</p>
Investment strategy and operations	
<p>The Company may not achieve its investment objective or return objective.</p> <p>The Company has a limited operating history and targeted returns are based on estimates and assumptions subject to significant uncertainties and contingencies.</p> <p>The Company may face delays in deployment of proceeds and may not be able to find suitable investments on acceptable terms.</p>	<p>The Board regularly reviews the Company's investment performance against its stated objective in relation to deployment, purchase yields achieved, debt finance costs/availability, dividends, and total shareholder return.</p> <p>The Investment Adviser's senior management team has extensive experience in executing real estate investments in strategies similar to that of the Company.</p> <p>The Investment Adviser has identified a strong pipeline of opportunities and continues to deploy capital well within original timescales and expected yields.</p>

Risk**Mitigation**

Real estate

Performance will be subject to the condition of property markets in the UK – a significant downturn in the underlying value of the Company's investment property would impact shareholder returns and ability to meet banking covenants.

The Investment Adviser and the Board monitor the position on a regular basis.

Performance in terms of underlying Investment Property valuation and rent collection has remained robust throughout the COVID-19 pandemic.

The long-term nature of the asset class's cash flows underpinned by central government support means volatility is kept to a minimum which is further underpinned by 100 per cent of the Company's leases being indexed linked with a minimum uplift per annum of 1 per cent.

The Company's current LTV is 29 per cent (against a maximum target of 35%) giving significant head room in relation to the default LTV banking covenant of 50 per cent.

The Group's investments are illiquid and may be difficult to realise at a particular time which could put the Company's Balance Sheet under strain.

The Company is expected and has planned to hold its investments on a long-term basis, and therefore it is unlikely that quick disposals will be required.

The Investment Adviser and the Board monitor the position on a regular basis maintaining a cash buffer on the Balance Sheet for any short-term requirements.

Current conditions and valuation, supported by recent transactions point to disposals at holding value or better if required.

Risk of tenants defaulting – dividends payable by the Group and its ability to service the Group's debt will be dependent on the income from the properties it owns. Failure by one or more tenants to comply with their rental obligations could affect the ability of the Company to secure dividends and meet banking covenants associated with its borrowings.

The Group undertakes thorough due diligence before acquisition and acquires assets let to strong tenants with track records in servicing the sector giving confidence that they will be able to pay the rents as and when they are due. In addition, as part of the transaction, contingencies are put in place to further strengthen tenant balance sheets.

The credit quality of the tenants is assessed by the Investment Adviser on an initial and an ongoing basis.

The Investment Adviser and the Administrator monitor payments received to ensure any difficulties are raised in a timely fashion.

Property valuation is inherently subjective and uncertain – Valuations are subject to uncertainty and there can be no assurance that the estimates resulting from the valuation process will reflect actual sales prices that could be realised by the Company in future.

The Group generally acquires properties with strong fundamentals that are of strategic importance to their tenants. The Group aims to hold assets for long-term income and embeds income growth into leases which contributes toward positive valuation movements.

An experienced Independent Valuer has been appointed to carry out bi-annual property valuations.

The performance of all third party service providers is regularly reviewed by the Board.

Risk	Mitigation
Other risks	
<p>The Company is reliant on the AIFM, the Investment Adviser and the Company's other key services providers – The Company relies on its key service providers, market intelligence, relationships and expertise. The performance of the Company is to a large extent dependent on the performance of the Investment Adviser and its other key service providers.</p>	<p>The Board has executed a long-term Investment Advisory Agreement securing the services of Investment Adviser until October 2025. The Board meets regularly with the Investment Adviser to promote a positive working relationship with its performance monitored against the Company's investment objective and investor expectations.</p> <p>The Investment Advisory fee is based on a sliding scale of the Company's net asset value to align the Investment Adviser's interests with those of the shareholders.</p> <p>The Board has appointed experienced service providers to provide key services to the Company.</p> <p>Performance of the key service providers is also monitored by the Board and the Management Engagement Committee.</p> <p>The Management Engagement committee will perform a formal periodic review process to consider the ongoing performance of the AIFM, the Investment Adviser and other key service providers.</p>
<p>Failure to comply with the REIT rules and other regulations may have a negative impact on the Company – If the Group fails to remain qualified as a REIT, the Group will be subject to UK corporation tax on some or all its property rental income and chargeable gains, which would reduce the earnings and amounts available for distribution to shareholders.</p>	<p>The AIFM and the Investment Adviser monitor compliance with the REIT regime. The Group has appointed experienced third-party tax advisers to assist with tax compliance matters with appropriate relevant experience.</p> <p>Calculation of dividends is carried out by the Group's Administrator before review by the AIFM and/or Investment Adviser.</p> <p>The performance of third party service providers is regularly reviewed by the Board.</p>
<p>Interest rate risk – returns targeted by the company are predicated on a modest level of debt being available on terms that are accretive to shareholder returns. If debt isn't available it will impact the ability for the Company to hit targets.</p>	<p>The Group entered into a new, 15-year interest-only, fixed-rate, £130 million term loan agreement with Scottish Widows on 2 December 2021. The Facility is repayable in December 2036 and has a fixed all-in rate payable of 2.53 per cent per annum, for the duration of the 15-year loan term. This is in addition to the 12-year interest-only, fixed-rate (2.07 per cent per annum), £120 million term loan agreement with Scottish Widows on 11 December 2020. These long-term facilities will provide the Company with stability during periods of interest rate fluctuation.</p>
<p>Inflation risk – returns targeted by the Company are intended to broadly track inflation</p>	<p>100 per cent of the Company's rental income is linked to CPI annual rent reviews with caps and collars of 1 per cent. and 4 per cent respectively. Rental income will therefore track inflation up to the 4 per cent cap.</p> <p>In times of deflation the 1 per cent collar will provide continuation of upward only rental growth.</p>

Directors' responsibility statement

The Directors confirm that to the best of their knowledge this condensed set of financial statements has been prepared in accordance with UK adopted international accounting standards and that the operating and financial review comprising this report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8 of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority namely:

- an indication of important events that have occurred during the 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; and
- disclosure of any material related party transactions in the Period are included in Note 18 to the financial statements.

A list of the Directors is shown at the rear of the Interim Report.

For and on behalf of the Board

Lynne Fennah
Chair
4 May 2022



House in Middlesbrough

Independent review report to Home REIT plc

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 28 February 2022 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 28 February 2022 which comprises the condensed consolidated statement of comprehensive income, condensed consolidated statement of financial position, condensed consolidated statement of changes in equity, condensed consolidated cash flow statement and notes to the condensed consolidated financial statements.

Basis for conclusion

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

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

Conclusions relating to going concern

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

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

Responsibilities of directors

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

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

Auditor's responsibilities for the review of the financial information

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

Use of our report

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

BDO LLP
Chartered Accountants
London, UK

4 May 2022

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



House in Manchester

Unaudited condensed consolidated financial statements

Condensed consolidated statement of comprehensive income

	Note	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 until 28 February 2021 £'000	Audited Period from 19 August 2020 until 31 August 2021 £'000
Income				
Rental income	3	17,505	3,060	11,755
Total income		17,505	3,060	11,755
Operating expenses				
General and administrative expenses	4	(3,319)	(1,443)	(3,255)
Total expenses		(3,319)	(1,443)	(3,255)
Change in fair value of investment property	7	25,961	10,052	14,012
Operating profit for the period		40,147	11,669	22,512
Finance costs	5	(1,841)	(235)	(1,580)
Profit before taxation		38,306	11,434	20,932
Taxation	6	—	—	—
Comprehensive income for the period		38,306	11,434	20,932
Earnings per share – basic and diluted (pence per share)*	20	7.43	6.60	10.15

*Based on the weighted average number of ordinary shares in issue in the period from 1 September 2021 to 28 February 2022.

All items in the above statement derive from continuing operations.

The notes on pages 34 to 51 form part of these financial statements.

Condensed consolidated statement of financial position

	Note	As at 28 February 2022 £'000	As at 28 February 2021 £'000	Audited As at 31 August 2021 £'000
Non-current assets				
Investment property	7	713,373	242,995	327,860
Total non-current assets		713,373	242,995	327,860
Current assets				
Trade and other receivables	9	6,961	1,520	1,406
Restricted cash	10	137,574	120,000	35,872
Cash and cash equivalents	10	15,848	12,451	6,218
Total current assets		160,383	133,971	43,496
Total assets		873,756	376,966	371,356
Non-current liabilities				
Bank borrowings	12	245,936	118,693	117,528
Total non-current liabilities		245,936	118,693	117,528
Current liabilities				
Trade and other payables	11	3,493	11,080	1,130
Total current liabilities		3,493	11,080	1,130
Total liabilities		249,429	129,773	118,658
Net assets		624,327	247,193	252,698
Capital and reserves				
Share capital	14	5,617	2,406	2,406
Share premium	15	339,789	–	–
Special distributable reserve	16	219,683	233,353	229,360
Retained earnings		59,238	11,434	20,932
Total capital and reserves attributable to equity holders of the Group		624,327	247,193	252,698

The notes on pages 34 to 51 form part of these financial statements.

The Condensed Group Financial Statements were approved and authorised for issue by the Board on 4 May 2022 and signed on its behalf by:

Lynne Fennah
Chair

Condensed consolidated statement of changes in shareholders' equity

Half-year ended 28 February 2022	Note	Share capital account £'000	Share premium account £'000	Distributable reserve £'000	Retained earnings £'000	Total equity attributable to owners of the company £'000
Balance at 1 September 2021		2,406	–	229,360	20,932	252,698
Profit and total comprehensive income attributable to shareholders		–	–	–	38,306	38,306
Transaction with owners:						
Dividend distribution		–	–	(9,677)	–	(9,677)
Share capital issued	14,15	3,211	346,789	–	–	350,000
Share issue costs	15	–	(7,000)	–	–	(7,000)
Cancellation of share premium	16	–	–	–	–	–
Balance at 28 February 2022		5,617	339,789	219,683	59,238	624,327

For the period from 19 August 2020 to 28 February 2021	Note	Share capital account £'000	Share premium account £'000	Distributable reserve £'000	Retained earnings £'000	Total equity attributable to owners of the company £'000
Balance at 19 August 2020		–	–	–	–	–
Profit and total comprehensive income attributable to shareholders		–	–	–	11,434	11,434
Transaction with owners:						
Share capital issued	14,15	2,406	238,164	–	–	240,570
Share issue costs	15	–	(4,811)	–	–	(4,811)
Cancellation of share premium	16	–	(233,353)	233,353	–	–
Balance at 28 February 2021		2,406	–	233,353	11,434	247,193

For the period from 19 August 2020 to 31 August 2021	Note	Share capital account £'000	Share premium account £'000	Distributable reserve £'000	Retained earnings £'000	Total equity attributable to owners of the company £'000
Balance at 19 August 2020		–	–	–	–	–
Profit and total comprehensive income attributable to shareholders		–	–	–	20,932	20,932
Transaction with owners:						
Dividend distribution		–	–	(3,993)	–	(3,993)
Share capital issued	14,15	2,406	238,164	–	–	240,570
Share issue costs	15	–	(4,811)	–	–	(4,811)
Cancellation of share premium	16	–	(233,353)	233,353	–	–
Balance at 31 August 2021		2,406	–	229,360	20,932	252,698

The notes on pages 34 to 51 form part of these financial statements.

Condensed consolidated statement of cash flow

	Note	For the half-year ended 28 February 2022 £'000	For the period from 19 August 2020 to 28 February 2021 £'000	For the period from 19 August 2020 to 31 August 2021 £'000
Cash flows from operating activities				
Profit before tax		38,306	11,434	20,932
Less: change in fair value of investment property	7	(25,961)	(10,052)	(14,012)
Add: finance costs	5	1,841	–	–
Less: accretion effect of straight-lining rent	3	(1,518)	–	–
Operating result before working capital changes		12,668	1,382	6,920
(Increase) in trade and other receivables	9	(5,555)	(1,520)	(1,406)
Increase in trade and other payables	11	1,159	1,030	1,130
Net cash flow generated from operating activities		8,272	892	6,644
Cash flows from investing activities				
Purchase of investment properties	7	(357,027)	(222,893)	(313,848)
Net cash used in investing activities		(357,027)	(222,893)	(313,848)
Cash flows from financing activities				
Proceeds from issue of share capital	14,15	350,000	240,570	240,570
Share issue costs	15	(7,000)	(4,811)	(4,811)
Dividend distribution		(9,677)	–	(3,993)
Interest paid		(1,559)	–	–
Unamortised loan arrangement fee		(1,677)	(1,307)	(2,472)
Cash released from restricted account		28,298	–	84,128
Net cash generated from financing activities		358,385	234,452	313,422
Net increase in cash and cash equivalents		9,630	12,451	6,218
Cash and cash equivalents at beginning of the period		6,218	–	–
Cash and cash equivalents at end of the period	10	15,848	12,451	6,218

The notes on pages 34 to 51 form part of these financial statements.

Notes to the unaudited condensed consolidated financial statements

1. General information

Home REIT PLC (the "Group") 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 commenced operations on 12 October 2020 when its shares commenced trading on the London Stock Exchange.

The Company intends to carry on business as a REIT with an investment objective to deliver inflation-protected income and capital growth over the medium-term for Shareholders through funding the acquisition and creation of high quality homeless accommodation across the UK let on long-term index-linked leases.

2. Accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below. The policies have been consistently applied throughout the period.

2.1 Basis of preparation of financial statements

This consolidated set of condensed financial statements has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority and IAS 34 Interim Financial Reporting, as adopted by the European Union.

The condensed consolidated financial statements for the period from 1 September 2021 to 28 February 2022 have been reviewed by the Group's Independent Auditor, BDO LLP, in accordance with the International Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity and were approved for issue on 4 May 2022.

The condensed consolidated financial statements for the period ended 28 February 2022 have been prepared on a historical cost basis, as modified for the Group's investment properties which are carried at fair value with changes presented in the statement of comprehensive income.

The comparative financial information for the year ended 31 August 2021 in this interim report does not constitute statutory accounts for that year.

The statutory accounts for 31 August 2021 have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

The condensed consolidated financial statements are presented in Sterling, which is the Group's presentation and functional currency, and values are rounded to the nearest thousand pounds, except where indicated otherwise.

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.

Description	Effective Date
Amendments to IAS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17, 'Insurance contracts' as amended in December 2021	1 January 2023

Going Concern

The Directors of the Company have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the resources to continue in business for at least a period of 12 months from the date when the financial statements are authorised for issue. Furthermore, as the Group has a robust Statement of Financial Position and lets properties on long-term index-linked leases which give rise to strong current and projected future cash flows. The Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

2.2 Significant accounting judgements and estimates

The preparation of financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. 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 in the future. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and associated assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

Valuation of investment properties

The investment properties have been independently valued at fair value by Knight Frank LLP, the Independent Valuer, an accredited external valuer with recognised and relevant professional qualifications and recent experience of the location and category of the investment properties being valued. The valuations are the ultimate responsibility of the Board; please see note 7 for further information.

2.3 Summary of significant accounting policies

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

a Presentation and functional currency

The primary objective of the Group is to generate returns in Sterling, its capital-raising currency. The Company and the Group's performance is evaluated in Sterling. Therefore, the Directors consider Sterling as the currency that appropriately represents the economic effects of the underlying transactions, events, and conditions and the Company has therefore adopted it as the presentation and functional currency for its consolidated financial statements.

b Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank, cash held by lawyers and short-term deposits with an original maturity of three months or less.

c Restricted cash

Restricted cash represents cash withheld by the lender on drawdown borrowings, as referred to in note 10, until certain security is provided to release the funds and, in consequence, does not form an integral part of the Group's cash as at the reporting date.

d Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure. The Group aims to ensure that sufficient capital is available for a programme of investment in a pipeline of assets and that these investments generate sufficient forecasted income such that dividends may be maintained to shareholders at the appropriate rate to ensure REIT status is preserved.

e Other payables and accrued expenses

Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost.

2. Accounting policies – continued

f Taxation

Taxation on the profit or loss for the period is exempt under UK REIT regulations and comprises of current and deferred tax. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised as direct movement in equity in which case it would be recognised as a direct movement in equity. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date.

g Dividend payable to shareholders

Dividends to the Company's shareholders are recognised as a reduction in equity in the financial statements at the earlier of the date they are paid and, if applicable, the date they are approved at the AGM.

h Share issue costs

The costs of issuing or reacquiring equity instruments of the Company are accounted for as a deduction from equity.

i Leases – the Group as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. The Group has determined that it retains all the significant risks and rewards of ownership of the properties and accounts for the contracts as operating leases. Properties leased out under operating leases are included in investment property in the statement of financial position. Rental income from operating leases is recognised on a straight line basis over the expected term of the relevant leases.

j Business combinations

The Group adopted the amendments to IFRS 3 (effective 1 January 2020). Under the amendments of IFRS 3, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. An optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is a business has been added. The Group opted to apply the concentration test in the period to all of its corporate acquisitions, concluding these to be treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses.

k Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term after the spreading of index-based rental increases on such leases and is included in rental income in the statement of comprehensive income due to its operating nature. The Group's main source of revenue is rental income earned from its investment properties, which is excluded from the scope of IFRS 15.

2.4 Financial instruments

a Financial assets

The Group classifies its financial assets as at amortised cost. The Group's accounting policy for financial assets classified as amortised cost is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. rent receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost being the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables (rental income) are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the rent receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the rent receivables.

Impairment provisions for other receivables are recognised based on the general approach within IFRS 9 and a loss allowance for lifetime expected credit losses is recognized if there has been a significant increase in credit risk since initial recognition of the financial asset.

The Group's financial assets measured at amortised cost comprise rent receivable, restricted cash and cash and cash equivalents in the statement of financial position. Cash and cash equivalents comprise cash in hand and deposits held at call with banks, it also includes cash held by lawyers for subsequent completions.

b Financial liabilities

The Group's accounting policy for financial liabilities is as follows:

Trade and other payables that are financial liabilities are initially recognised at fair value. Where a financing component is identified in respect of long term payables the fair value is calculated with reference to an imputed interest rate and subsequently amortised using the effective interest rate method. Short term financial liabilities are carried at their expected settlement value.

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensure that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Group Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payment while the liability is outstanding.

The Group's financial liabilities comprise of trade and other payables and borrowings.

c Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, and all the efforts for collection of the receivables are exhausted. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

d Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. For the interim accounts, the assessment of the probability of default and loss given default has been based on current and forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date. If the expected credit losses:

- Are material they are shown as a separate item in the statement of comprehensive income.
- Are not material they are recognised in other expenses in the statement of comprehensive income.

2. Accounting policies – continued

2.5 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially held at cost and then subsequently held at fair value. This valuation includes reference to the initial consideration given, including expenditure that is directly attributable to the acquisition of the investment property, and independent expert guidance. At mid-year and year-end, investment property is valued by an independent valuer and is stated at its fair value as at the reporting date. Gains and losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise in the statement of comprehensive income.

The Group's accounting policy is to recognise acquisitions on the date of unconditional exchange, and the outstanding amount payable to the seller at completion is included on the condensed consolidated statement of financial position as a liability in trade and other payables.

Subsequent expenditure is capitalised only when it is probable that future economic benefits are associated with the expenditure. An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and

no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is incurred in profit or loss in the period in which the property is derecognised.

2.6 Fair Value hierarchy

In accordance with IFRS 13, the Group recognises investment properties at fair value at each balance sheet date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment. Specifically:

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.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. Please see note 7.

3. Rental income

	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 to 28 February 2021 £'000	Period from 19 August 2020 to 31 August 2021 £'000
Rental income from investment property	15,987	2,780	10,677
Accretion effect of straight-lining rent	1,518	280	1,078
Total	17,505	3,060	11,755

Includes amounts receivable in respect of property rental income and is measured at the fair value of the consideration received or receivable. The future minimum rents receivable under non-cancellable operating leases are:

	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 to 28 February 2021 £'000	Period from 19 August 2020 to 31 August 2021 £'000
Future minimum rents receivable in the period:			
Year 1	40,178	13,011	18,275
Year 2	40,580	13,141	18,458
Year 3	40,986	13,273	18,643
Year 4	41,396	13,405	18,829
Year 5	41,809	13,539	19,018
> 5 years	679,733	220,123	422,935
Total	884,682	286,492	516,158

20 year leases (with an option to renew for a further 5 years) were granted on the date of acquisition of the properties by the Group, with an annual CPI-linked rent review scheduled on the annual anniversary of the lease being granted. A collar of 1 per cent and a cap of 4 per cent is applicable to these reviews. Rental income is recognised on a straight line basis over the expected term of the relevant lease.

4. General and administrative expenses

	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 to 28 February 2021 £'000	Period from 19 August 2020 to 31 August 2021 £'000
Investment adviser fee	2,280	778	1,828
Fees paid to the Group's Independent Auditor	97	139	566
Board and Directors fee	93	66	150
Other administrative expenses	849	460	711
Total general and administrative expenses	3,319	1,443	3,255

Fees payable to the auditor of the Group's Independent Auditor comprise of the review of the Interim Report, the audit of the Interim report, audit of the Annual Report and audit of the Group's subsidiaries.

5. Finance costs

	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 to 28 February 2021 £'000	Period from 19 August 2020 to 31 August 2021 £'000
Loan interest	1,568	20	1,274
Non-utilisation fees	160	190	190
Amortisation of loan arrangement fees	113	25	116
Total finance costs	1,841	235	1,580

6. 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 19 per cent for the year.

	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 until 28 February 2021 £'000	Period from 19 August 2020 until 31 August 2021 £'000
Current tax	—	—	—
Origination and reversal of temporary differences	—	—	—
Total deferred tax	—	—	—
Tax charge	—	—	—

Reconciliation of the total tax charge

The reconciliation of profit before tax multiplied by the standard rate of corporation tax for the half-year of 19 per cent to the total tax charge in the statement of comprehensive income is as follows:

	Half-year ended 28 February 2022 £'000	Period from 19 August 2020 until 28 February 2021 £'000	Period from 19 August 2020 until 31 August 2021 £'000
Profit before tax	38,306	11,434	20,932
Tax at the standard rate of UK corporation tax of 19%	7,278	2,172	3,977
Effect of:			
REIT exempt income and gains	(2,345)	(262)	(1,315)
Revaluation of investment properties	(4,933)	(1,910)	(2,662)
Tax charge	—	—	—

UK REIT exempt income includes property rental income that is exempt from UK Corporation Tax in accordance with Part 12 of the Corporation Tax Act 2010.

7. Investment property

	Freehold Investment Property £'000
Half year ended 28 February 2022	
Balance at 1 September 2021	327,860
Property acquisitions in the period	358,034
Accretion effect of straight-lining rent	1,518
Change in fair value of investment property	25,961
Balance at 28 February 2022	713,373

	Freehold Investment Property £'000
Period ended 28 February 2021	
Balance at 19 August 2020	–
Property acquisitions in the period	232,663
Accretion effect of straight-lining rent	280
Change in fair value of investment property	10,052
Balance at 28 February 2021	242,995

	Freehold Investment Property £'000
Period ended 31 August 2021	
Balance at 19 August 2020	–
Property acquisitions in the period	312,770
Accretion effect of straight-lining rent	1,078
Change in fair value of investment property	14,012
Balance at 31 August 2021	327,860

The properties are held at fair value as determined by the independent valuer as at 28 February 2022. All corporate acquisitions during the period have been treated as asset purchases rather than business combinations because they are considered to be acquisitions of properties rather than businesses (see note 2.3(j)).

The Group's investment policy targets inflation-protected income and capital returns by investing in a diversified portfolio of homeless accommodation assets, let or pre-let to registered charities, housing associations, community interest companies and other regulated organisations that receive housing benefit or comparable funding from local or central government, on long-term and index-linked leases. The Group will neither undertake any direct development activity nor assume direct development risk.

The Group will focus on delivering capital growth by holding assets over the long term and therefore it is unlikely that the Group will dispose of any part of its portfolio. In the unlikely event that a part of the portfolio is disposed of, the Directors intend to reinvest proceeds from such disposals in assets in accordance with the Group's investment policy.

7. Investment property – continued

The Group classifies all assets measured at fair value as below:

Fair value hierarchy

Valuation	Total £'000	Quoted prices in active markets (level 1) £'000	Significant observable inputs (level 2) £'000	Significant unobservable inputs (level 3) £'000
28 February 2022	713,373	–	–	713,373
28 February 2021	242,995	–	–	242,995
31 August 2021	327,860	–	–	327,860

The following descriptions and definitions relating to valuation techniques and key observable inputs may also be used in determining fair values:

Valuation techniques: market value method

Under the market value method the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Observable input: passing rent

The rent at which space could be let in the market conditions prevailing at the date of valuation. Passing rents are dependent upon a number of variables in relation to the Group's property. These include; size, location, tenant covenant strength and terms of the lease.

Unobservable input: rental growth

The estimated average increase in rent based on both market estimations and contractual arrangements. A reduction of the estimated future rental growth in the valuation model would lead to a decrease in the fair value of the investment property and an inflation of the estimated future rental growth would lead to an increase in the fair value. No quantitative sensitivity analysis has been provided for estimated rental growth as a reasonable range would not result in a significant movement in fair value.

Unobservable input: net initial yield

The net initial yield is defined as the initial gross income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase.

Sensitivities of measurement of significant unobservable inputs

As set out within significant accounting estimates and judgements above, the Group's property portfolio valuation is open to judgements and is inherently subjective by nature.

The table below shows the sensitivities of measurement of the Group's investment property to certain inputs:

Valuation	-5% in passing rent £'000	+5% in passing rent £'000	+25bps in net initial yield £'000	-25bps in net initial yield £'000
28 February 2022	(35,669)	35,669	30,559	(33,422)
28 February 2021	(12,150)	12,150	10,431	(11,411)
31 August 2021	(16,393)	16,393	14,073	(15,395)

8. Financial instruments

Set out below is a comparison of the book 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 book value.

Bank borrowings	Book value £'000	Fair value £'000
28 February 2022	245,936	224,772
28 February 2021	118,693	111,130
31 August 2021	117,528	113,468

The Group's borrowings comprise of two fixed term loan facilities, one for £120 million and the other for £130 million. Both facilities are with Scottish Widows Limited. The £120 million facility has an all-in rate of 2.07 per cent per annum for the duration of the loan term and is due for repayment in December 2032. The £130 million facility has an all in rate of 2.53 per cent for the duration of the loan and is due for repayment in December 2036.

9. Trade and other receivables

	As at 28 February 2022 £'000	As at 28 February 2021 £'000	As at 31 August 2021 £'000
Tenant receivables	6,159	1,470	1,191
Prepaid expenses	802	50	215
Trade and other receivables	6,961	1,520	1,406

The Directors analysed the expected credit loss and concluded there was no material exposure for the period ended 28 February 2022.

10. Cash reserves

	As at 28 February 2022 £'000	As at 28 February 2021 £'000	As at 31 August 2021 £'000
Cash at bank	15,848	12,451	6,218
Cash and cash equivalents	15,848	12,451	6,218
Restricted cash	137,574	120,000	35,872
Total cash at bank	153,422	132,451	42,090

Restricted cash is money held in accounts to which the Group does not have immediate access and as such do not form part of the Group's short-term cash management. These amounts arise both when initially drawing on term-loans prior to the bank taking adequate security and where a securitised asset is disposed prior to the bank replacing the asset with adequate security.

11. Trade and other payables

	As at 28 February 2022 £'000	As at 28 February 2021 £'000	As at 31 August 2021 £'000
Trade creditors	647	–	353
Accrued expenses	2,846	1,030	777
Property purchases exchanged unconditionally at the reporting date	–	10,050	–
Total other payables and accrued expenses	3,493	11,080	1,130

The Directors consider the carrying amount of trade and other payables match their fair value.

12. Bank borrowings

	Restricted £'000	Unrestricted £'000	Total £'000
Half year ended 28 February 2022			
At beginning of the period	35,872	84,128	120,000
New facilities	130,000	–	130,000
Cash released	(28,298)	28,298	–
Repayments	–	–	–
At end of the period	137,574	112,426	250,000
Less: unamortised loan arrangement costs	–	(4,064)	(4,064)
	137,574	108,362	245,936
Period ended 28 February 2021			
At beginning of the period	–	–	–
New facilities	120,000	–	120,000
Cash released	–	–	–
Repayments	–	–	–
At end of the period	120,000	–	120,000
Less: unamortised loan arrangement costs	–	(1,307)	(1,307)
	120,000	(1,307)	118,693
Period ended 31 August 2021			
At beginning of the period	–	–	–
New facilities	120,000	–	120,000
Cash released	(84,128)	84,128	–
Repayments	–	–	–
At end of the period	35,872	84,128	120,000
Less: unamortised loan arrangement costs	–	(2,472)	(2,472)
	35,872	81,656	117,528

On 11 December 2020 the Group entered into a 12-year fixed-rate loan facility for £120 million with Scottish Widows. A financial guarantee is recognised where a contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due.

On 1 December 2021 the Group entered into 15-year fixed rate loan facility for £130m with Scottish Widows. A financial guarantee is recognised where a contract requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make a payment when due. As 28 February the loan amount was drawn down in a restricted bank account.

13. Financial risk management

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

The AIFM and the Investment Adviser 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:

13.1 Credit risk

Credit risk is the risk that a tenant or other counterparty will cause financial loss to the Group by failing to meet a commitment it has entered into with the Group.

It is the Group's policy to enter into 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 regular basis.

In respect of investment property, in the event of a default by a tenant, the Group may suffer an income shortfall and additional costs in reletting the property. The distributions payable by the Group are dependent on the income from the underlying investment property. The receipt of any rental income due and payable in respect of the underlying property, and the possibility that tenants may default on their rental obligations, creates a consequential risk for the Group in that it could cause a decline in the Group's income available for distribution to shareholders. The Investment Adviser reviews the position of new tenants and monitors tenant exposure in accordance with the investment policy.

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

	As at 28 February 2022 £'000	As at 28 February 2021 £'000	As at 31 August 2021 £'000
Cash and cash equivalents	15,848	12,451	6,218
Restricted cash	137,574	120,000	35,872
Tenant receivables	6,159	1,470	1,191
	159,581	133,921	43,281

13. Financial risk management – continued

13.2 Liquidity risk

The Group manages its liquidity and funding risks by considering cash flow forecasts and ensuring sufficient cash balances are held within the Group to meet future needs. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of financing through appropriate and adequate credit lines, and the ability of tenants to settle obligations within normal terms of credit. The Group ensures, through forecasting of capital requirements, that adequate cash is available.

The following table details the Group's liquidity analysis in respect of its financial liabilities on contractual undiscounted payments:

	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
28 February 2022					
Bank borrowing and interest (Note 12)	1,456	4,321	23,092	296,566	325,435
Trade and other payables	3,493	–	–	–	3,493
	4,949	4,321	23,092	296,566	328,928

	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
31 August 2021					
Bank borrowing and interest (Note 12)	620	1,881	9,950	135,640	148,091
Trade and other payables	1,130	–	–	–	1,130
	1,750	1,881	9,950	135,640	149,221

	< 3 months £'000	3-12 months £'000	1-5 years £'000	5 years + £'000	Total £'000
28 February 2021					
Bank borrowing and interest (Note 12)	620	1,881	9,950	136,908	149,359
Trade and other payables	11,013	67	–	–	11,080
	11,633	1,948	9,950	136,908	160,439

The Board of Directors oversees the management of these risks and agrees policies for managing each of these risks.

14. Share Capital

	Number (million)	As at 28 February 2022 £'000
Shares of £0.01 each		
At beginning of the period	240.6	2,406
Issued during the period	321.1	3,211
At end of the period	561.7	5,617
Issued and fully paid	561.7	5,617

	Number (million)	As at 28 February 2021 £'000
Shares of £0.01 each		
At beginning of the period	–	–
Issued during the period	240.6	2,406
At end of the period	240.6	2,406
Issued and fully paid	240.6	2,406

Shares of £0.01 each	Number (million)	As at 31 August 2021 £'000
At beginning of the period	–	–
Issued during the period	240.6	2,406
At end of the period	240.6	2,406
Issued and fully paid	240.6	2,406

The Company was incorporated on 19 August 2020 when one ordinary share of £0.01 nominal value was issued for £1. On 3 September 2020, a further 50,000 redeemable preference shares of £1 each were issued at £1 per share (quarter paid up). The Company achieved admission to the premium listing segment of the Official List of the London Stock Exchange (the "IPO") on 12 October 2020.

At the date of the Company's IPO, the Company issued and allotted a further 240,570,464 ordinary shares of 1 pence nominal value each at £1 per share. Therefore, 240,570,465 ordinary shares have been issued and fully paid. The redeemable preference shares were redeemed at par and cancelled on the date of the IPO.

On 27 September 2021 the Company raised £350 million through an initial issue of 321,100,917 New Ordinary Shares at an issue price of 109 pence per New Ordinary Share.

15. Share premium account

	As at 28 February 2022 £'000	As at 28 February 2021 £'000	As at 31 August 2021 £'000
At the beginning of the period	–	–	–
Share premium arising on ordinary shares issued in relation to equity issuance	346,789	238,164	238,164
Share issue costs	(7,000)	(4,811)	(4,811)
Transfer to special distributable reserve (note 16)	–	(233,353)	(233,353)
Balance at end of period	339,789	–	–

16. Special distributable reserve

	As at 28 February 2022 £'000	As at 28 February 2021 £'000	As at 31 August 2021 £'000
Balance at beginning of period	229,360	–	–
Transfer from share premium account (note 15)	–	233,353	233,353
Dividends distribution	(9,677)	–	(3,993)
Balance at end of period	219,683	233,353	229,360

17. Dividends

On 15 September 2021, the Group declared an ordinary dividend of 0.84 pence per ordinary share, which was paid on 22 October 2021 to shareholders on the register as at 24 September 2021.

On 27 January 2022 the Group declared an ordinary dividend of 1.37 pence per ordinary share, which was paid on 25 February 2022 to shareholders on the register as at 4 February 2022.

18. Related party transactions

AIFM

Under the terms of the Investment Management Agreement dated 22 September 2020, Alvarium Fund Managers (UK) Limited was appointed as the Alternative Investment Fund Manager (AIFM) to the Group. 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. Alvarium Fund Managers (UK) Limited is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the Broker and the Investment Adviser to the Group. Under the Investment Management Agreement, the AIFM receives a fee of £40,000 per annum. No performance fee is payable to the AIFM.

Broker, Placing agent and Intermediaries Placing Adviser

Alvarium Securities Limited (Alvarium Securities) was appointed on 22 September 2020 to provide corporate broking services to the Group and is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the AIFM and the Investment Adviser. Alvarium Securities are paid an annual retainer fee in the amount of £50,000 by the Group; the Group also incurred additional fees of £5,743,568 from Alvarium Securities in relation to the issue of new shares in September 2021. These costs have been treated as a reduction in Equity as share issue costs as shown in note 15.

Investment Adviser

On 22 September 2020 Alvarium Home REIT Advisors Limited was appointed as the investment adviser to the Group by entering into the Investment Advisory Agreement with the Group. Under this agreement, the Investment Adviser will advise the Group in relation to the management, investment and reinvestment of the assets of the Group. Alvarium Home REIT Advisors Limited is a subsidiary of Alvarium Investments Limited, the ultimate parent company of the AIFM and the Broker to the Group.

The investment advisory fees shall be an amount calculated in arrears in respect of each month, in each case based upon the net asset value of the Group on the following basis:

- a One-twelfth of 0.85 per cent, per calendar month of net asset value up to and including £500 million;
- b One-twelfth of 0.75 per cent per calendar month of net asset value above £500 million up to and including £750 million; and
- c One-twelfth of 0.65 per cent per calendar month of net asset value above £750 million.

The Investment Advisory Agreement may be terminated on 12 months' written notice, such notice to expire on or at any time after the fifth anniversary of 12 October 2020. The Investment Advisory Agreement may be terminated with immediate effect on the occurrence of certain events, including insolvency or in the event of a material and continuing breach.

For the 6 months ending 28 February 2022 the investment adviser was paid fees totalling £2,280,213.

Directors

Directors are entitled to receive a fee from the Group at such rate as may be determined in accordance with the Articles. The current fees are £36,000 for each Director and £50,000 for the Chairman per annum. The Chair of the Audit Committee receives an additional fee of £5,000 per annum. During the period ended 28 February 2022, Directors fees of £81,500 were paid, of which none was payable at the period end.

Directors' shareholdings at 28 February 2022

	Number of Ordinary Shares held	% of Ordinary Shares in issue
Lynne Fennah	55,000	0.010
Simon Moore	56,000	0.010
Marlene Wood	30,000	0.005
Peter Cardwell	10,000	0.002

19. Contingent liabilities

At 28 February 2022 the Group had no contingent liabilities.

20. Earnings per share

Earnings per share is calculated by dividing profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue since the Group commenced its operations on 12 October 2020. Amounts shown below are both basic and diluted measures as there were no dilutive instruments in issue throughout the current or comparative periods.

	Half year ended 28 February 2022 £'000	For the period from 19 August 2020 to 28 February 2021 £'000	For the period from 19 August 2020 to 31 August 2021 £'000
Earnings	38,306	11,434	20,932
Weighted average number of ordinary shares	515,546,387	173,260,594	206,203,256
EPS (pence)	7.43	6.60	10.15
Adjustments to remove:			
Change in fair value of investment property	25,961	10,052	14,012
EPRA earnings	12,345	1,381	6,920
Weighted average number of ordinary shares	515,546,387	173,260,594	206,203,256
EPRA EPS (pence)	2.39	0.80	3.36
Effect of rent straight-lining	(1,518)	(281)	(1,078)
Adjusted cash earnings	10,827	1,100	5,842
Weighted average number of ordinary shares (million)	515,546,387	173,260,594	206,203,256
Adjusted cash EPS (pence)	2.10	0.63	2.83

EPRA EPS is a performance measure used by the Board to assess the Group's dividend payments.

21. 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 Company by the number of ordinary 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.

	Half year ended 28 February 2022 £m	For the period from 19 August 2020 to 28 February 2021 £m	For the period from 19 August 2020 to 31 August 2021 £m
NAV	624.33	247.19	252.70
Number of ordinary shares (million)	561.67	240.57	240.57
NAV per share	111.16p	102.75p	105.04p

A reconciliation of IFRS NAV per share to the three EPRA NAV measures is shown below.

As at 28 February 2022	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
Net asset value	624,327	624,327	624,327
Fair value of debt	–	–	25,228
Real estate transfer tax	–	33,881	–
At 28 February 2022	624,327	658,208	649,555
Number of ordinary shares	561,671	561,671	561,671
Per share	111.16p	117.19p	115.65p

As at 28 February 2021	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
Net asset value	247,193	247,193	247,193
Fair value of debt	–	–	8,870
Real estate transfer tax	–	11,118	–
At 28 February 2021	247,193	258,311	256,063
Number of ordinary shares	240,570	240,570	240,570
Per share	102.75p	107.37p	106.44p

As at 31 August 2021	EPRA NTA £'000	EPRA NRV £'000	EPRA NDV £'000
Net asset value	252,698	252,698	252,698
Fair value of debt	–	–	6,532
Real estate transfer tax	–	15,636	–
At 31 August 2021	252,698	268,334	259,230
Number of ordinary shares	240,570	240,570	240,570
Per share	105.04p	111.54p	107.76p

The Group consider EPRA NTA to be the most relevant NAV measure for the Group, EPRA NTA excludes the cumulative fair value adjustments for debt-related derivatives which are unlikely to be realised.

22. Post balance sheet events

Acquisitions and disposals

Since 28 February 2022, the Group has acquired 150 new assets totalling £27.3m (net of purchase costs) across various geographical locations in the Yorkshire and the Humber, East Midlands, North West, North East and West Midlands regions of England.

Restricted cash

As detailed in note 10, as at 28 February 2022 £137.57 million of cash was held in accounts to which the group did not have immediate access. As at the date of signing these accounts £110.72 million remains restricted and £26.85 million has been utilised or is available for use by the Group.

Dividends

The Company has declared a subsequent interim dividend of 1.37 pence per Share which will be payable on 10 June 2022.

23. Controlling parties

There is no ultimate controlling party of the Group.

Company Information

Company number: 12822709

Country of incorporation: England and Wales

Directors, Management and Advisers

Non-Executive Directors

Lynne Fennah (Chairman)
Peter Cardwell
Simon Moore
Marlene Wood

Registered office

6th Floor, Bastion House
140 London Wall
London
EC2Y 5DN

AIFM

Alvarium Fund Managers (UK) Limited
10 Old Burlington Street
London
W1S 3AG

Investment adviser

Alvarium Home REIT Advisors Limited
10 Old Burlington Street
London
W1S 3AG

Company secretary and administrator

Apex Fund and Corporate Services (UK) Limited
6th Floor, Bastion House
140 London Wall
London
EC2Y 5DN

Corporate broker

Alvarium Securities Limited
10 Old Burlington Street
London
W1S 3AG

Communications adviser

FTI Consulting LLP
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Depository

Apex Depository (UK) Limited
6th Floor, Bastion House
140 London Wall
London
EC2Y 5DN

Registrar

Link Asset Services
The Registry
34 Beckenham Road
Kent
BR3 4TU

Independent valuer

Knight Frank LLP
55 Baker Street
London
W1U 8AN

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Legal advisers

Stephenson Harwood LLP
1 Finsbury Circus
London
EC2M 7SH

