



Gresham House
Specialist investment

Residential Secure Income plc (ReSI)

FY 2024 results presentation
January 2025

For professional investors only. Capital at risk.



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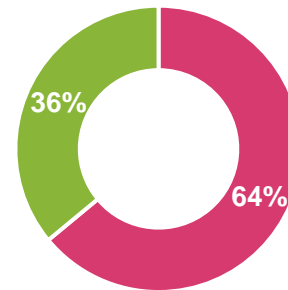
Overview

Underserved markets in a changing environment

Focused on two resilient sectors of affordable housing¹ with inflation-linked income²

Independent Retirement Living (IRL)

- UK's largest private rent portfolio⁴
- Maintaining independent living (without care)
- Affordable rents with lifetime tenancies
- 60% customers reported mental health benefits⁵

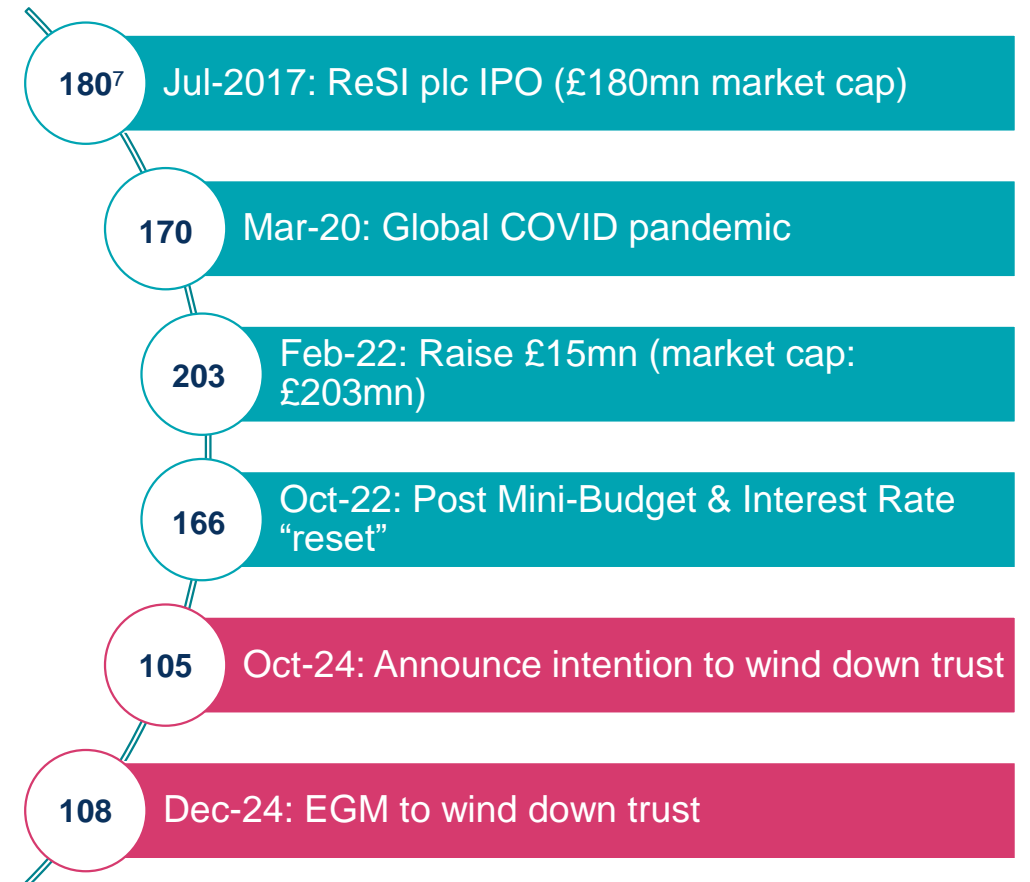


■ Shared ownership
■ Retirement

Homes ³	2,975
Valuation ³	£311mn
EPRA NTA ⁴	74.6p

Shared Ownership (SO)

- Affordable homeownership
- Part-rent / part-buy
- Supported by government grant⁶



Past performance is not necessarily a guide to future performance. Capital at risk.

1. Based on 99% rent collection. 2. Post sale of local authority portfolio. ReSI plc's RPI inflation linkage lags RPI and is subject to caps and floors. 3. ReSI plc portfolio as at 30 September 2024, excluding local authority portfolio which is now recognised as a "Held for Sale". 4. Source: ReSI plc 30 September 2024 Annual Report & Accounts. 5. Source: ReSI Property Management Limited (RPML) 2024 customer survey. 6. Government policy may be subject to change. 7. Market capitalisation on last trading day of month

Challenging market backdrop

After a review of strategic options, a managed realisation strategy to maximise shareholder value was proposed with 99.7% of shareholders voting in favour

Market backdrop

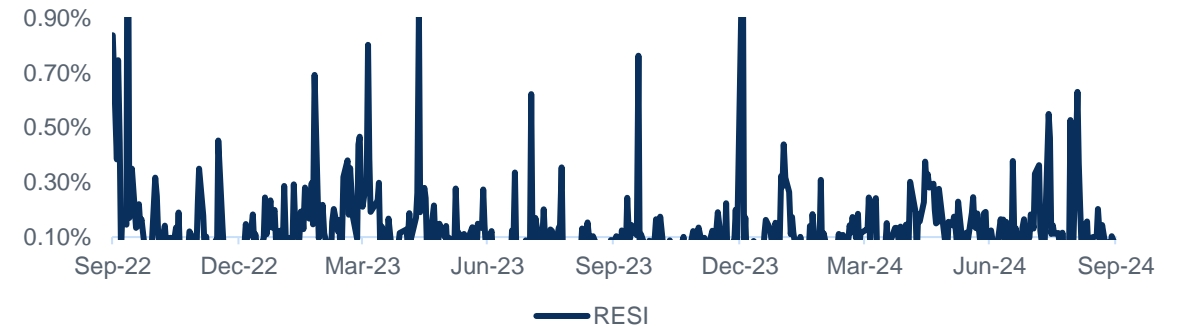
- ReSI share price trading at an entrenched prevailing discount to its net asset value
- Ability to raise further capital in the medium term and grow to an economically efficient size restricted
- Small size results in low liquidity for Company's shares - both in terms of daily volumes and as a percentage of register

Premium / Discount (1)



Liquidity (1)

- 0.13% Daily avr. Vol traded as a % of total register from 30 Sept 22 to 30 Sept 24 (22 trading days rolling average – 1 month)

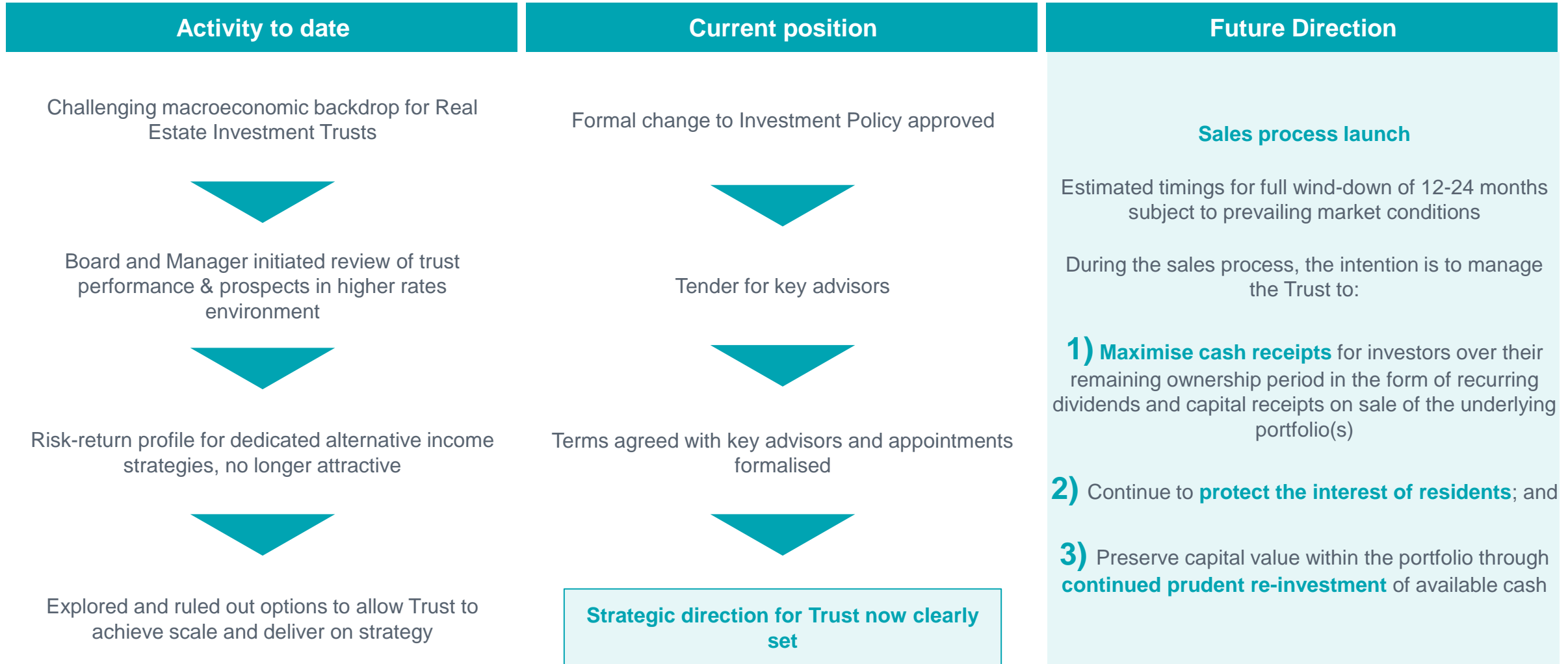


	# of Shares	Market cap (30/09/24)	Average daily share exchange per day (12m to 30/09/24)
GRI	741,557,495	1,820,423,650	1,508,352
THRL	620,237,346	401,913,800	1,113,813
PRSR	549,251,458	1,348,412,329	839,140
SOHO	393,916,490	254,968,560	702,244
RESI	185,163,281	101,469,478	253,808

Past performance is not necessarily a guide to future performance. Capital at risk.

1. Source: Bloomberg

Managed wind down: progress to date and next steps



Managed wind down: strategic considerations

Drive earnings growth and advance realisation in an orderly manner, balancing timing and shareholder return

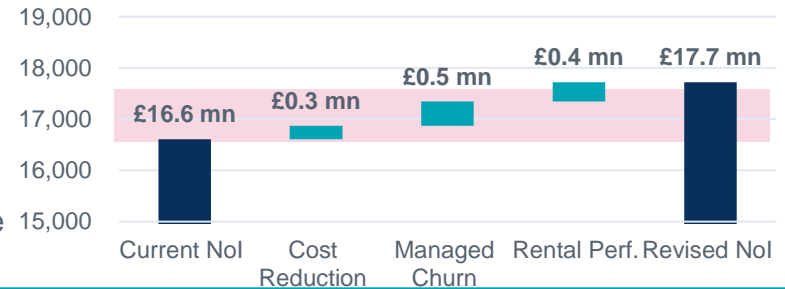
Macroeconomic environment

- Key pricing reference rates have entered a period of high volatility following adverse movements since announcement of wind down
- In the month prior to the announcement wind down benchmark 10-year Gilt yield ~3.89% with a downward trajectory
- Current 10-year gilt yields are in the 4.60-4.75% range and having recently hit multi-year highs¹



Delivery of Asset Management Programme²

- Key Asset Management initiatives are in early stages of delivery
 - Portfolio rebalancing & Rental Enhancements
 - Right-to-Manage Leasehold Management
- Delivery of these initiatives targeting incremental +5% of Net Rental Income



Platform value / Growth Prospects

- ReSI offers a platform for growth in the UK Living sector providing:
 - UK Affordable Housing
 - Senior Living (246% growth to 2029³)
- Can capture unrecognised upside as a result of offering some scale in areas of structural growth

ReSI Housing



Past performance is not necessarily a guide to future performance. Capital at risk.

Source: 1. Bloomberg as at 20/01/25 2. Source: Gresham House 3. BNPPRE, UK Commercial living sector market size (2024-2029)



FY 24 portfolio overview & performance

FY 2024 key metrics

+5.8%

Like-for-like
rent growth¹

96%

Record Retirement
occupancy continuing²

>99%

Rent collection

+9%

EPRA Adjusted
Earnings growth

124%

Dividend
coverage

-3.4%

Like-for-like
valuation
decrease

-3.7% / 74.6p

FY 2024 total return /
EPRA NTA p per share

52%

Loan-to-value

100% / 20 years

fixed or inflation-linked debt for
20 years³

Past performance is not necessarily a guide to future performance. Capital at risk.

Source: ReSI plc Annual Report & Accounts 30 September 2024

1. Rental reviews include homes that were occupied and eligible for rent reviews during the financial year ending 30 September 2024
2. Average Occupancy for the 12 months ending 30 September 2024: 100% in Shared Ownership
3. 44% inflation-linked and 56% fixed measured at carrying value of debt per the statement post balance sheet repayment of the Santander facility

Strategic initiatives

- Local Authority portfolio disposal now complete:
 - One asset sold on 4 April 2024 for net £5.6mn, ahead of £5.5mn **Sept 2023** book value
 - Remaining asset sold on 10 January 2025 for net £15.0mn, ahead of £14.4mn **Sept 2023** book value
 - Proceeds used to fully repay drawn revolving capital facility
- Portfolio now focused on retirement and shared ownership
- Active portfolio management to facilitate earnings growth throughout the realisation process
 - 30 retirement properties (1.3% of portfolio) sold or in legals
 - Replacing baths with showers, first 71 upgraded in FY25
 - 21% improvement in void weeks to 11.5 weeks (FY24: 14.6 weeks)
 - Record average occupancy of 96% (FY23: 94%) culminating in 97% record in Sept-24



Past performance is not necessarily a guide to future performance. Dividend targets are targets only and are not guaranteed Capital at risk.

Source: ReSI plc 30 September 2024 Annual Report & Accounts

Retirement portfolio performance

Top-line growth

- 8.4% rental revenue growth
- 4.8% like-for-like rent growth¹
- 96% occupancy², up from 94% FY 2023
- 99% rent collection²

Flowing through to net income, despite higher costs

- Net income up 5.8% despite +11% YoY increase in operating costs, due to increase in insurance premiums and energy costs
- Execution of strategic asset management initiatives are anticipated to help reduce leakage



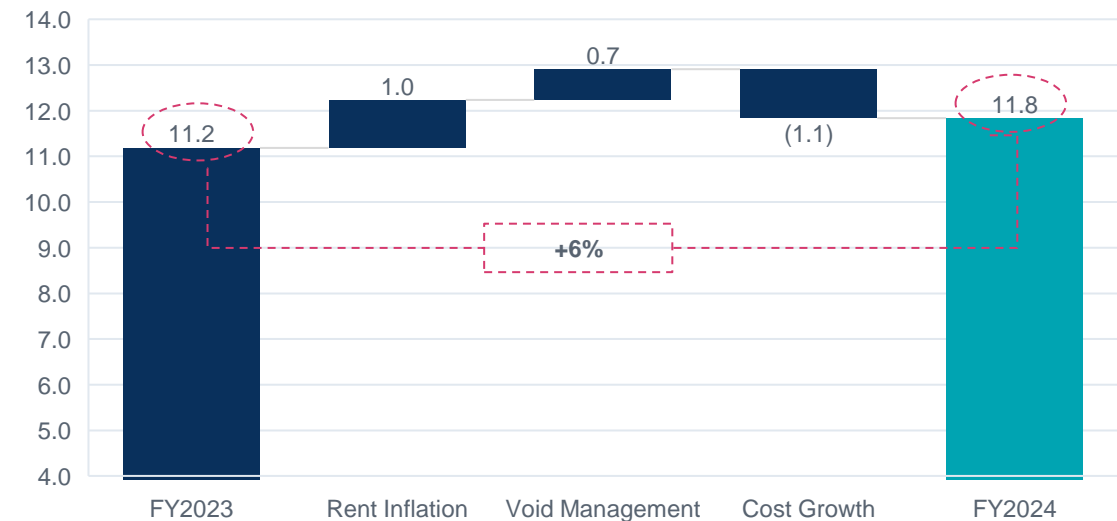
Past performance is not necessarily a guide to future performance

- FY 2024 vs. FY 2023
- For 12 months ending 30 September 2024
- Margin including ground rent 48%

FY 2024 key metrics

Homes / Value	2,224 / £198mn
Occupancy	96% ²
Like-for-like rent growth	+4.8%
Margin (excl. ground rent) ³	53%
Unlevered net initial yield	6.1%

Net rental income - £m



Shared Ownership portfolio performance

Strong demand

- Fully occupied and income generating
- Elevated mortgage rates and private rents fuelling demand

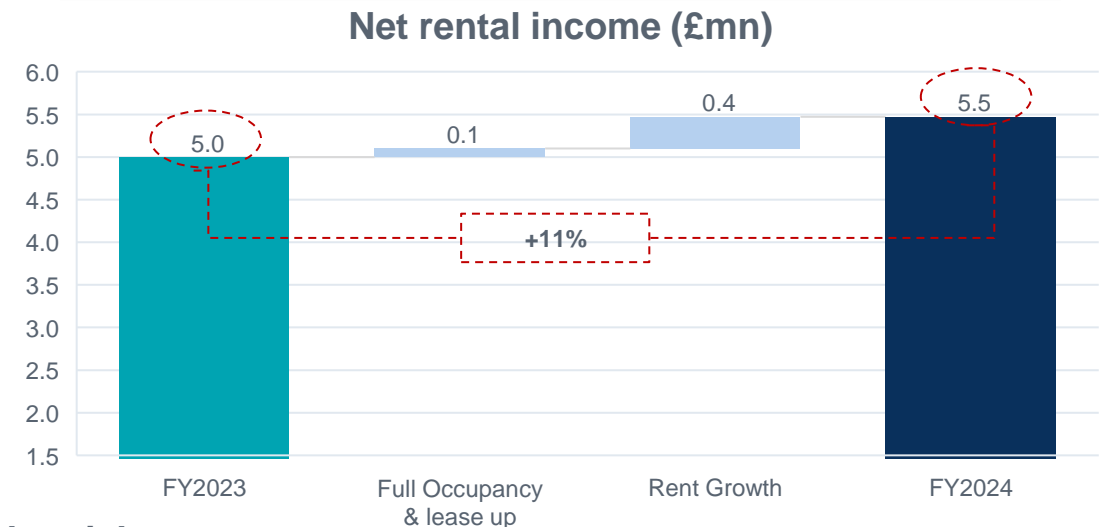
Secure income

- Underpinned by c.38% average shared ownership stake
- 99% rent collection¹

Robust rent growth

- Rents increase at RPI + 0.5% annually
- FY 2024 increase of 8.8% in line with earnings growth (FY 2023: 7%)²
- April 2025 increase of 3.2%

FY 2024 key metrics	
Homes / Value	751 / £112mn
Occupancy	100%
Like-for-like rent increases	+8.8%
Margin	94%
Unlevered net initial yield	4.1% ²
Average VP Value	£340,000 per home
Average resident stake	38%



Past performance is not necessarily a guide to future performance. Capital at risk.

1. For FY 2024

2. Rent increase effective on 1 April.

Sustainable investment highlights

Social impact



Customer surveys:
ReSI Housing²

75% Happy or not dissatisfied with ReSI's in-house property manager³

60% Residents satisfied that their home is the same or better value for money than their previous residence

Retirement

89% Happy or not dissatisfied with their property manager

60% Retirement residents have experienced an improvement in their mental health

Past performance is not necessarily a guide to future performance.

1. Gresham House calculation
2. ReSI Housing is a Registered Provider of Social Housing
3. ReSI Property Management Limited (RPML)

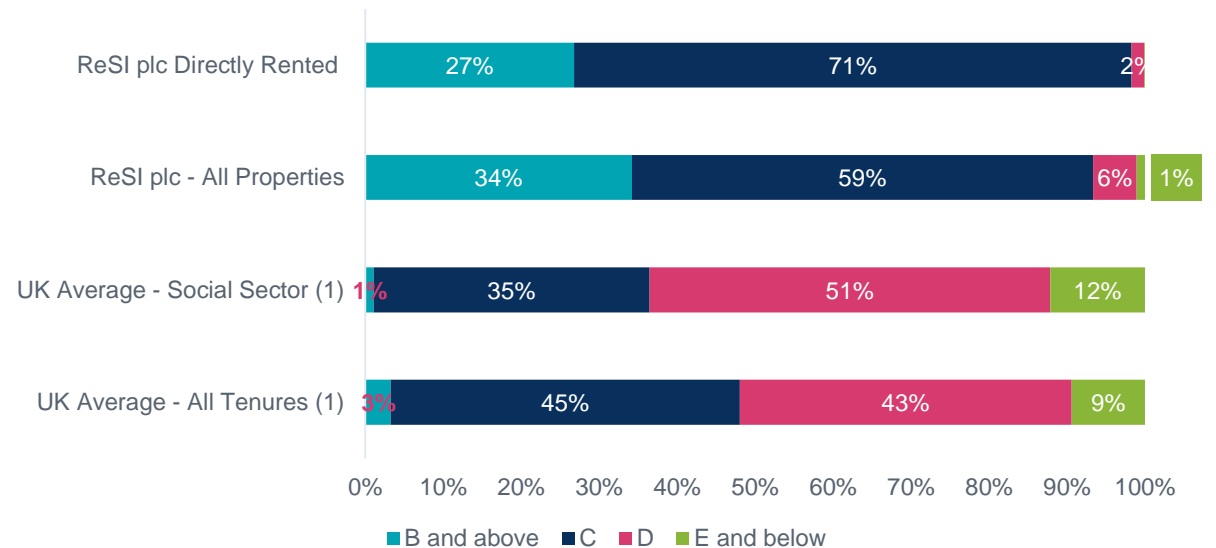
Environmental impact

KAMMA

£58 | 200kg CO₂

Monthly saving on energy bills and carbon emission for shared ownership residents⁴

EPCs ahead of wider market and improving



4. The Good Economy's assessment of the saving from the average EPC B home compared to EPC D. Financial saving scaled up for the October 2024 energy price cap
5. Average of all tenures. English Housing Survey: 2021 to 2022

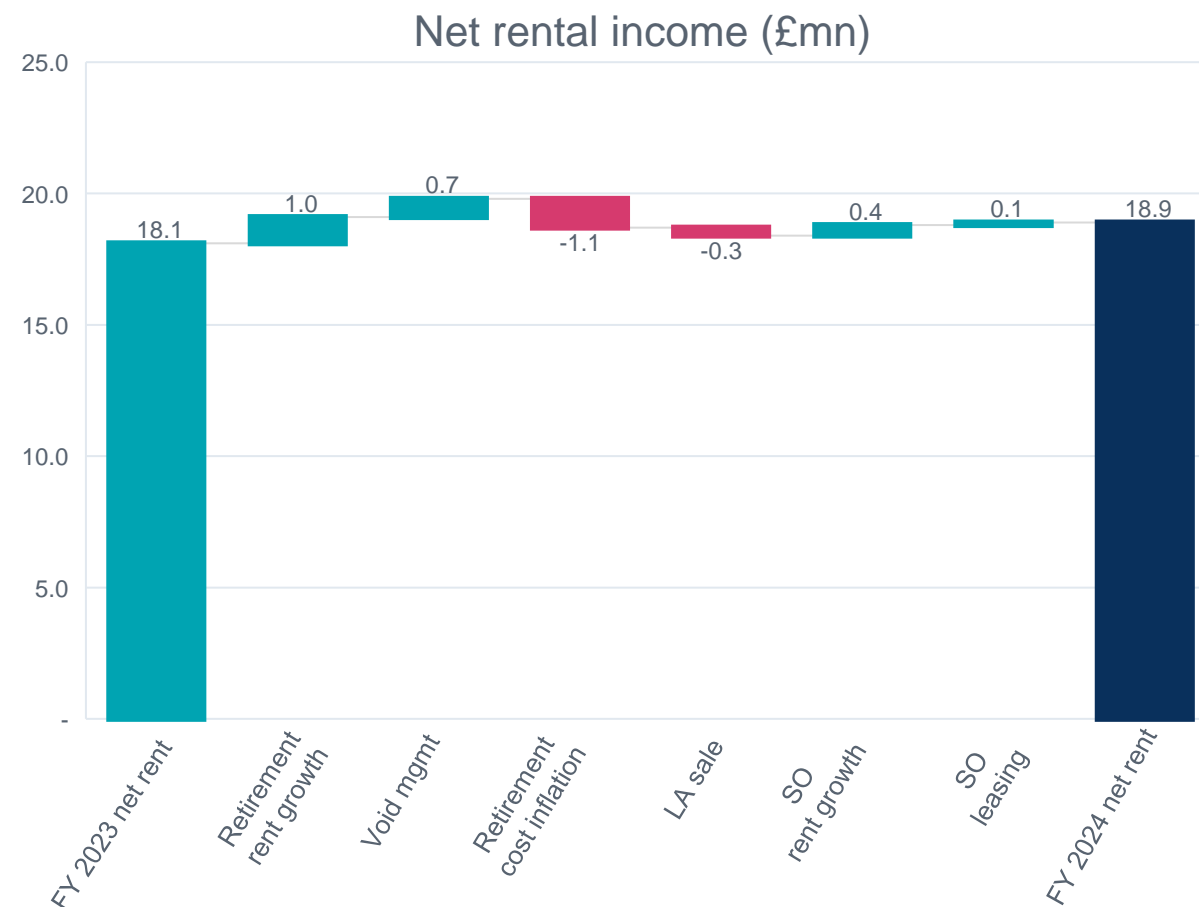


FY 2024 Financial Results

FY 2024 income

Top-line rent growth and stabilisation of costs delivering +9% Adjusted EPRA Earnings growth and 124% Dividend Coverage

	FY 2024	FY 2023	Change
Gross rental income	£29.9mn	£27.9mn	+7%
Net rental income ¹	£18.9mn	£18.1mn	+5%
First tranche sales profits ²	£0.0mn	£0.4mn	-90%
Net finance costs ³	£(6.7)mn	£(6.5)mn	+4%
Gresham House management fees	£(1.4)mn	£(1.9)mn	-25%
Overheads	£(1.3)mn	£(1.5)mn	-8%
EPRA Adjusted Earnings	£9.5mn	£8.7mn	+9%
EPRA Adjusted Earnings (p per share)	5.1p	4.7p	+9%
IFRS Adjusted EPS	(5.4)p	(12.5)p	-57%
Dividends paid (p per share)	4.12p	5.16p	-20%
Dividend cover	124%	91%	+33bps



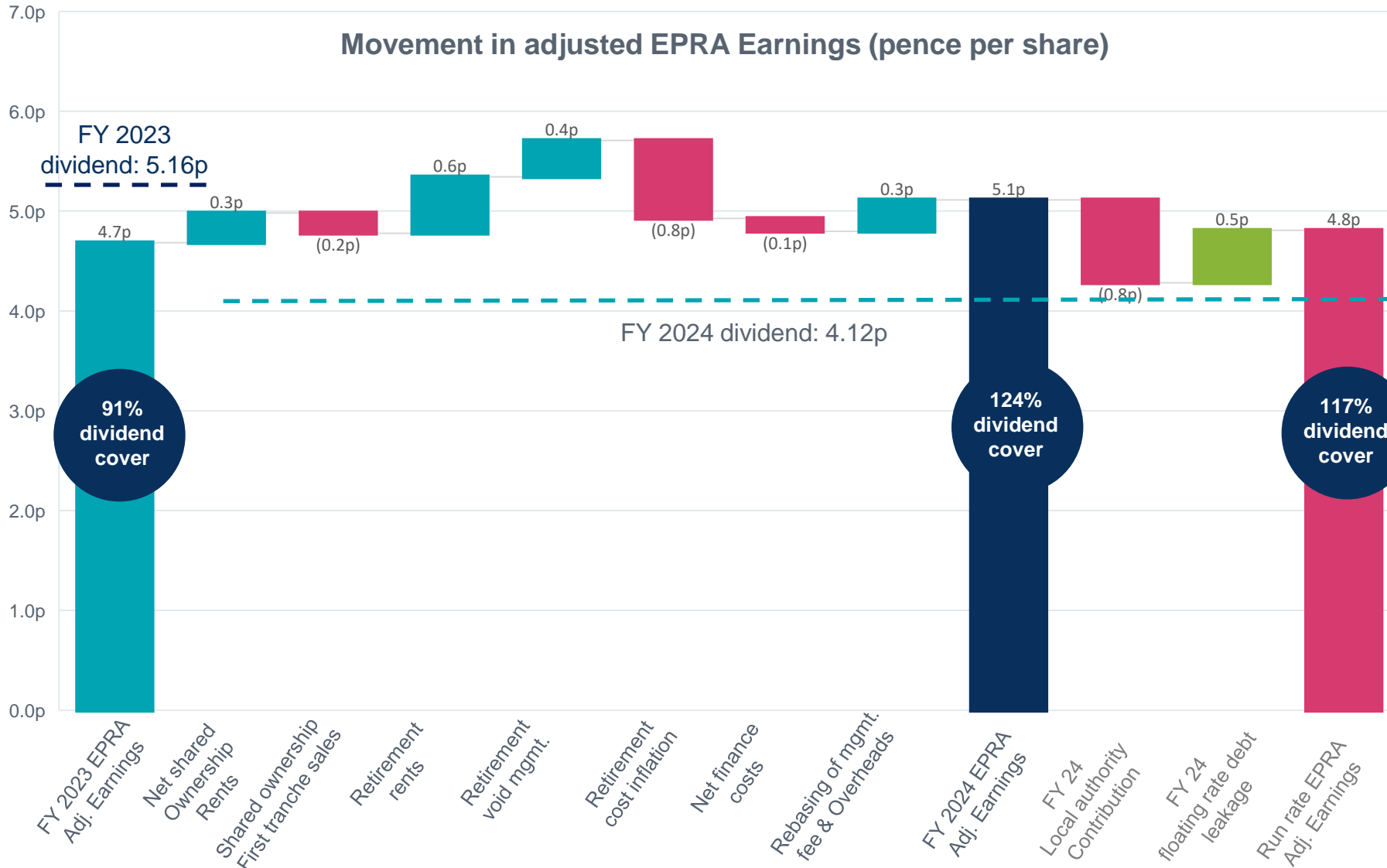
Past performance is not necessarily a guide to future performance. Capital at risk.

Source: ReSI plc Annual Report & Accounts 30 September 2024

1. Net rental income represents gross rental income after deducting property operating expenses, including ground rent paid
2. First tranche sales profits will generate future shared ownership rental income
3. Net finance costs are presented excluding ground rent expense, which are finance costs under IFRS but have been included in net rental income

Adjusted EPRA Earnings

Movement in adjusted EPRA Earnings (pence per share)



FY 2024 dividend cover: 124%

Full coverage via:

- Inflation linked rental growth
- Active void management
- Rebased dividend and management fee

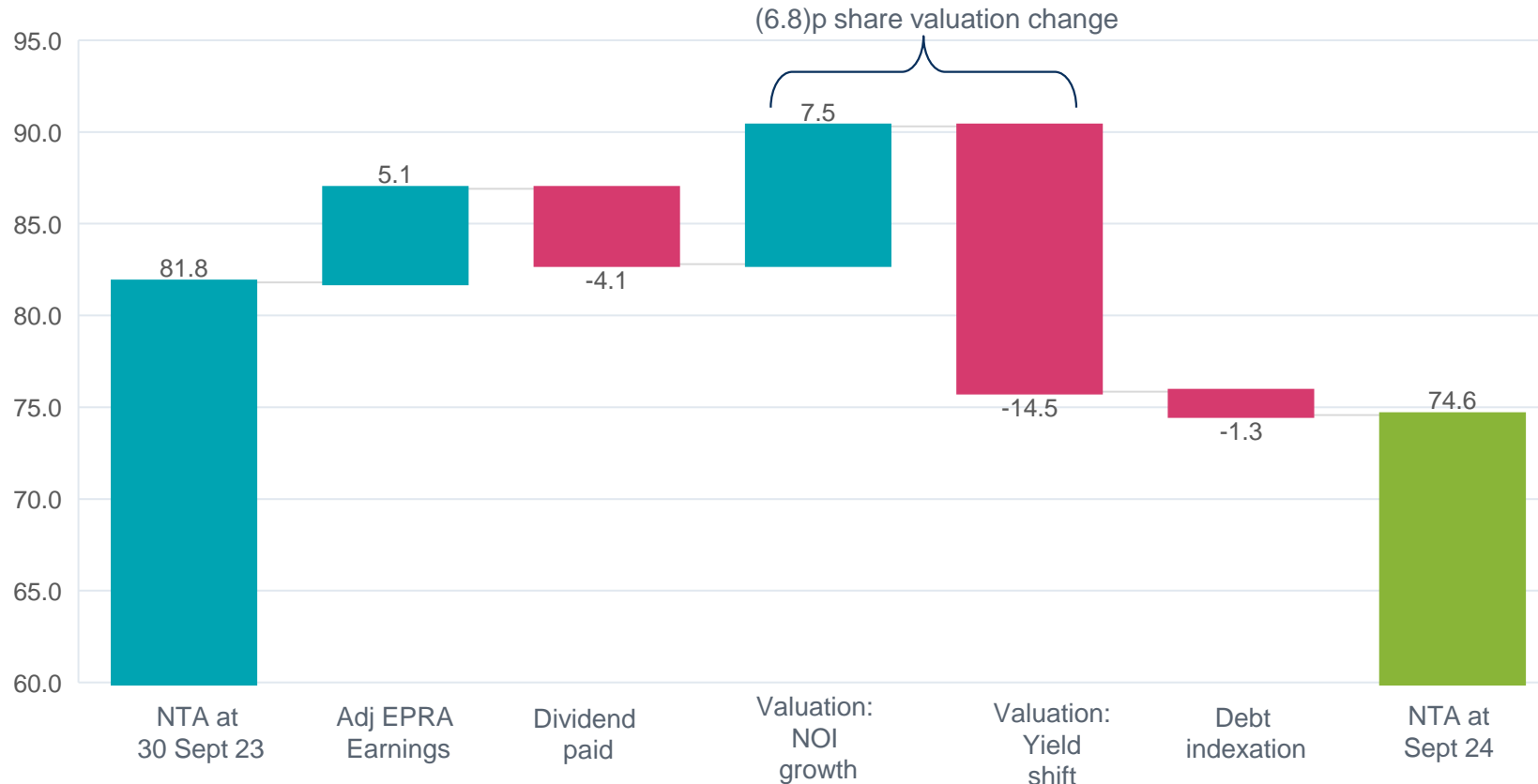
Dividend Outlook:

Evaluated on a quarterly basis:

- Maintain REIT status
- Progress of asset realisations
- Overall profitability
- Reinvestment into portfolio to maximise capital receipt

European Real Estate Association Net Tangible Assets (EPRA NTA)

FY 2024 movement in NTA (pence per share)



FY 2024 total return: (3.1)p

- £9.5mn/5.1p net income
 - 124% dividend cover
- 6.8p valuation decline
 - 3% like-for-like valuation decrease
 - Rent increases of 5.8%
 - c.60bps¹ average yield increase in SO and Retirement
- 1.3p debt indexation

Past performance is not necessarily a guide to future performance. Capital at risk.

Source: FY 2024 Annual Report & Accounts. European Public Real estate Association's Net Tangible Assets (EPRA NTA)

1. FY24: 6.1% in Retirement and 4.1% Shared Ownership vs. FY 23: 5.5% in retirement and 3.4% in Shared Ownership

RESI debt stack

20 years¹

Average debt maturity

51%¹

Fixed (3.5% coupon)

41%¹

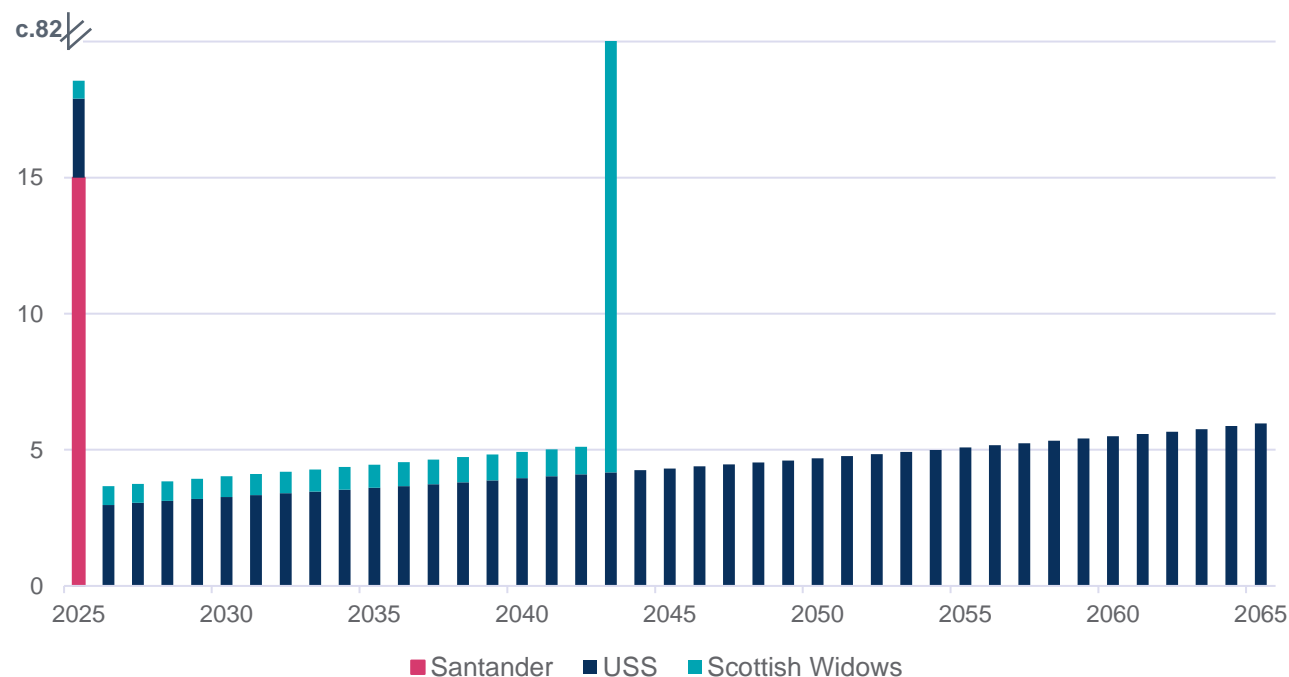
Inflation linked (5.5% cap)
(1.1% coupon)

52%

LTV (50% target)

43%²

Reversionary LTV



- 92% fixed / inflation-linked debt for a weighted average of 20 years¹
- Amortisation of debt reliant on staircasing
- USS facility secured via first charge over SO portfolio
 - Optional prepayment contractually due at higher of:
 - DCF of remaining interest and principal repayments
 - Indexed value of debt at prepayment
- Scottish Widows facility secured via first charge over IRL portfolio
 - Optional prepayment calculated in reference to the net present value of the remaining principal and interest payments based on prevailing swap market rates (with the possibility of a break cost or break gain) and an amount in respect of lost margin.
- Sale of residual local authority completed repayment of floating rating debt
 - Leaving only long-term drawn debt (21-year average maturity)

Past performance is not necessarily a guide to future performance. Capital at risk.

Source: ReSI plc Annual Report & Accounts 30 September 2024

1. 51% of ReSI's debt is fixed with 19 years average maturity and 3.5% blended coupon. 41% is index linked (measured at fair value) with 23 years average maturity and 1.1% coupon and principle increasing with RPI + 0.5% (with a 0.5% floor and 5.5% cap).

2. LTV on c.£415mn of portfolio vacant possession value, which represents a 28% uplift over the fair value of ReSI's portfolio as at 30 September 2024. Source: Gresham House and Savills, as at 30 September 2024.

ReSI key debt metrics

ReSI has ample room in debt covenants

Covenant	Loan covenants by portfolio ¹		
	Shared Ownership / USS	Retirement / Scottish Widows	Total portfolio / Santander Revolving Capital Facility
30 September 2024 debt balance ²	£73mn (book / fair value) / £87mn (indexed & break value at 30 Sept 24)	£93mn (book value) / £87mn (break at 30 Sept 24)	£15mn
LTV - Threshold	No covenant	<58%	<55.0%
LTV – Fund Value	65% (fair value) / 77% (indexed value)	47% (book value)	54%
Value - Headroom (%)	No covenant	19% (book value)	2%
Value - Headroom (£)	No covenant	£38mn (book value)	£8mn
ICR / DSCR - Threshold	>0.95x	>2.0x	>1.5x
ICR / DSCR - Reported	1.2x	3.4x	2.0x
NOI - Headroom	20%	42.0%	24%

- £15mn repayment of RCF² in January, LTV on RCF reduced to 0%
- Sale of residual Local Authority enabled full repayment of floating-rate debt
- Santander facility matures in Mar-25
 - Discussion regarding term extension commenced with lender
 - Allows for execution of value accretive asset management initiatives to facilitate sale and maximise shareholder return

The information discussed on this slide is for information purposes and is subject to change. Assumptions are built into the models.

1. Based on fund valuations and applied to covenant reporting. The covenants presented do not represent a comprehensive set of debt covenants. This is not a performance forecast and there can be no guarantee that ReSI will continue to meet its debt covenants in the future.

2. As at 30 September 2024. USS debt balance shown at fair value and indexed value, reflecting the impact of recurring quarterly indexation and movements in gilt yields and credit spreads. Scottish Widows debt show at book value and net of break gain. Post balance sheet £15mn of the Santander was repaid leaving facility fully undrawn



Summary

Summary

Managed wind-down commencing from position of improved underlying performance and against dynamic market backdrop

Current Position

- ✓ Local Authority portfolio fully exited simplifying capital structure
- ✓ Underlying asset performance remains robust
- ✓ Impact of revised Asset Management Strategy visible
- ✓ Aligned Manager (fee rebased and based on achieving a managed exit for investors)
- ✗ Leverage level amplifies upside and downside yield shifts at exit


Market Backdrop

- ✓ Investment landscape within UK Living remains highly fragmented
- ✓ Underlying demographic drivers remain supportive
- ✓ Interest rate cutting cycle commenced, with markets expecting further cuts in 2025
- ✓ Comparatively few “core” real estate transactions for comparable purposes
- ✗ GILT yields widening

Next Steps

- Continued focus on:
 - Simplification of portfolio;
 - Operational performance; and
 - Asset Management Initiatives
- “Execution” phase of Managed Wind-down commencing following shareholder support at EGM
- Drive earnings growth and advance portfolio realisation in an orderly manner, prioritising shareholder returns whilst ensuring the interests of residents are protected

Past performance is not necessarily a guide to future performance. Capital at risk. There can be no guarantee that ReSI plc’s financial targets will be met.



Q&A



Appendices

Portfolio: valuation and returns

High-quality, affordable homes generating positive outcomes for residents

	Retirement	Shared ownership	Total ¹
Homes / Value	2,224 / £198mn ²	751 / £112mn ²	2,975/ £311mn ²
Unlevered net initial yield ³	6.1%	4.1%	5.3%
Levered net initial yield ⁴	8.3%	9.2%	8.6%
Inflation-linkage	RPI	RPI+0.5%	99%
Debt ⁵	£91.4mn	£73.4mn	£164.7mn
Loan-to-value	47%	65%	51%
Debt Coupon	3.5% (fixed)	1.1% ⁶ (inflation-linked)	
Maturity	2043 (amortising)	2065 (amortising)	Average 2045
Avg. Vacant Possession Value	c.£110,000 per home	c.£340,000 per home ⁷	
Avg. Building Age (years)	c.35 ⁸	c.19	c.31
Avg. rent / unit ²	c.£888	c.£525 ⁹	c.£797
Occupancy	97%	100%	
Rent collection	99%	100%	99%
Avg. stay / lease length ¹⁰	6 years	248 years	



Homechase House, Southport



Homechase House, Southport



Laureate Fields, Felixstowe

Past performance is not necessarily a guide to future performance. Capital at risk.

1. ReSI plc's 289-home local authority portfolio is not shown in detail but is included in the total figures
2. Figures as at 30 September 2024. Avg. rent / unit represents average rent per unit for tenanted stock.
3. Based on annualised Net Operating Income over fair value at September 2024
4. Debt / Equity split is as per IFRS balance sheet, with properties held at fair value at September 2024, and debt at amortised cost
5. Represents book value of debt.

6. 1.1% coupon and principle increasing with RPI + 0.5% (with a 0.5% floor and 5.5% cap)
7. Value shown at ReSI plc's ownership percentage (c.64%).
8. Retirement average building age excludes licensed house-managed units.
9. Average rent per unit shown at ReSI's ownership percentage
10. Assumes no staircasing