

**MORhomes**



**Business Review**  
**Quarter ending 31 March 2026**



## Developments over the quarter

- Annual EMTN programme update issued in January, following on from affirmation of A- rating from S&P and upward revision of outlook to Stable in December:
  - S&P – “We view the company's risk management policies as sophisticated; it assesses credit risk effectively and closely monitors the asset quality of its lending portfolio.”
- Following the mergers of both Elim Housing and South Yorkshire Housing Association with Places for People (PfP) reported in last quarter's update, partial settlement of £13m (nominal) has been made in relation to one of PfP Group's loans in order to reduce PfP Group exposure below 12% of MORhomes' total lending book
- 1 new credit application undertaken in quarter
- Other developments - All loans fully secured, 164% cover; all borrowers continue to perform



## MORhomes' S&P rating

- S&P affirmed A- rating in December – “The ratings continue to reflect low to moderate risks of lending to the U.K. social housing providers, the relatively strong creditworthiness of MORhomes' borrowers, its adequate capital position supported by the existence of contingent convertible notes, and its strong liquidity.”
- Outlook revised upwards due to further growth in the loan book and reduced underlying loss
- S&P positive about MORhomes' capabilities and portfolio:
  - “We view the company’s risk management policies as sophisticated”
  - “It assesses credit risk effectively and closely monitors the asset quality of its lending portfolio”
  - “relatively strong creditworthiness of MORhomes' borrowers”
  - Match-funding policy “ensures that the company will not form significant funding or liquidity gaps”
  - “MORhomes' liquidity assessment remains strong”



## Borrower Performance – Dec 2025

- **MORhomes borrowers have margins significantly stronger than average**
  - Operating margin over 5 percentage points stronger than industry average
  - EBITDA margin also over 6 percentage points stronger than industry average
  - EBITDA MRI margin over 7 percentage points stronger than industry average

	MORhomes	Peer Group
Operating Margin	23.1%	17.3%
EBITDA Margin	33.7%	27.0%
EBITDA MRI Margin	20.6%	12.8%

### Notes

Peer group = Regulated English HAs.

Source: <https://www.gov.uk/government/publications/2025-global-accounts-of-private-registered-providers>



## Borrower Performance – Dec 2025

- **Less impacted by sales activity than average**
  - Unsold units as % of total stock lower than industry average
  - Unsold >6 months as % of total stock also below industry average
- **Tenant arrears and voids both lower than average**
  - Voids losses at 1.74%, below industry average of 1.80%
  - Gross tenant arrears at 3.37%, below industry average of 3.60%

	MORhomes	Peer Group
Unsold Units as % total stock	0.25%	0.28%
Unsold >6mths as % total stock	0.11%	0.13%
Void losses	1.74%	1.80%
Gross arrears	3.37%	3.60%

### Notes

Peer group = Regulated English HAs.

Sources: <https://www.gov.uk/government/collections/quarterly-survey-of-registered-providers> and  
<https://www.gov.uk/government/publications/2025-global-accounts-of-private-registered-providers>



## Security charging - 31 Mar 2026

- Security position at 31 March 2026
  - All loans fully secured – overall £525.6m (100%) charged
  - Asset cover minimum 105% (EUV-SH valuation) or 115% (MV-ST)
  - On average loans 45% over-secured above minimum, with total asset cover of 164%
- Security charging process
  - Max 12 months unsecured
- Processes in place to speed up security pledging
  - Typically completed within 6 months, and additional fees payable if not

For further detail see loan portfolio analysis schedule posted on our website <https://morhomes.co.uk/investor-relations/>



## Potential borrower credit ratings

- Analysis of number of credit cleared shareholders / potential borrowers by lending level and how MORhomes lending levels map across to public ratings

Credit rated shareholders / potential borrowers					
MORhomes Credit level	#	%	S&P	Moody's	Fitch
Level 1	<b>4</b>	<b>7%</b>	A+	A1	-
Level 2	<b>28</b>	<b>47%</b>	AA-/ A+/ A	A2 / A3	A+ / A
Level 3	<b>24</b>	<b>41%</b>	A / A-	A3	-
Level 4	<b>3</b>	<b>5%</b>	-	Baa1	-
Level 5/fail	-	-	n/a	n/a	n/a
Total	59	100%			

Public ratings breakdown						
Public rating	AA-	A+ / A1	A / A2	A- / A3	Baa1	Total
# with that rating	<b>1</b>	<b>11</b>	<b>7</b>	<b>6</b>	<b>1</b>	26

Shows underlying credit rating of MORhomes loans approximately equivalent to A+/A (S&P, Fitch) or A2/A3 (Moody's)

Agency ratings show range of credit ratings at time of MORhomes rating for 26 shareholders / potential borrowers who have been rated by MORhomes and also have agency ratings. Where shareholders are rated by more than one agency, only one rating is incorporated. Small samples merged to preserve borrower anonymity



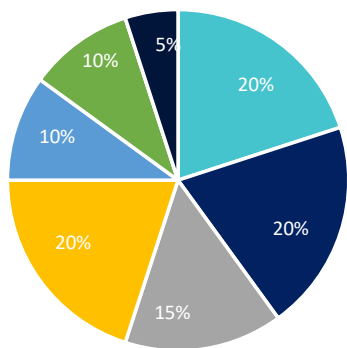
# Appendix



# Analysis of MORhomes loans

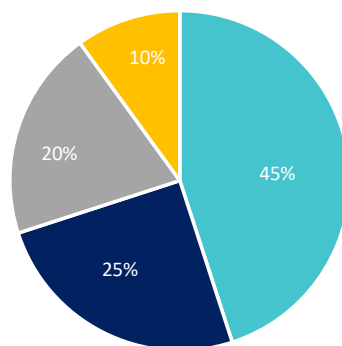
- 20 borrower groups (23 entities) with 24 loans at 31 Mar 2026
  - Geographically diverse
  - Split between rated (1x AA-, 2x A+, 5x A, 3x A-) and unrated borrowers
  - Broken down between public and non-public ratings
  - Wide spread of unit sizes
  - Variety of different business models
  - Varying commitment to development

Geographic Region in the UK



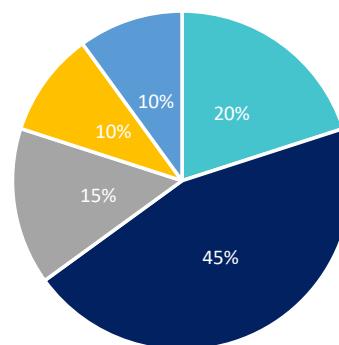
■ London 
 ■ East 
 ■ Wales 
 ■ South West 
 ■ North West 
 ■ South East 
 ■ North East 
 ■ Yorkshire

Borrowing per Group



■ Under £20m 
 ■ £21-30m 
 ■ £31-40m 
 ■ £40m+

Size of borrower groups - units



■ 0-5k 
 ■ 5-10k 
 ■ 10-20k 
 ■ 20-30k 
 ■ 30k+

## Mix of borrowers (entities)

Public Rating	#	% of Loans	Total loans
Rated	11	52%	£274.2m
Unrated	12	48%	£251.4m

## Lending Level

Lending Level	#	% of Loans	Total Loans
Level 1	1	4%	£19.3m
Level 2	13	60%	£315.3m
Level 3	9	36%	£191.0m
Level 4	0	0%	£0.0m

## Public rating of MORhomes portfolio (where available)

S&P	Moody's	Fitch
AA-/ A+/ A/A-	A3	A/A-



## Loan portfolio – 31 March 2026

Borrower (Regulatory Rating)	Nominal Loan
Local Space (G1/V1)	£50m
Codi (POBL Homes and Communities) (C/C)	£40m
Wandle Housing Association (G1/V2)	£40m
EMH Housing and Regeneration (G1/V2/C2)	£37.5m
Aster Communities (G1/V2)	£30m
Eastlight Community Homes (G1/V1/C2)	£30m
Places for People – South Yorkshire Housing Association (G1/V2/C1)	£30m
Calico Homes (G2/V2/C2)	£27.8m
Thrive Homes (G1/V2)	£25m
Tai Hedyn (Melin Homes) (C/C)	£22.5m
Housing Solutions (G1/V1)	£21.7m

Borrower (Regulatory Rating)	Nominal Loan
Selwood Housing (G1/V2)	£20m
Cornerstone Housing (G1/V1)	£19.3m
Places for People – Origin Housing (G1/V2/C1)	£17m
Broadacres Housing Association (G2/V2/C2)	£16.1m
Broadland Housing Association (G1/V2/C2)	£15m
Rochdale Boroughwide Housing (G2/V2)	£15m
Soho Housing (N/A)	£13.2m
Places for People – Elim Housing (G1/V2/C1)	£13.0m
North Devon Homes (G1/V2/C1)	£12.5m
Synergy Housing (G1/V2)	£10m
Heart of Medway Housing Association (G1/V1/C1)	£10m
Hafod Housing Association (C/C)	£10m



## Appendix - Merger Policy

- When mergers happen, the following process is followed:
  - MORhomes will determine whether a Lending Level Reassessment Event has occurred
  - If so, the MORhomes credit level will be reviewed:
    - No change to credit levels = no impact
    - Change to credit levels and:
      - Still within credit limit = no impact
      - Exceeds credit limit (either due to merger involving 2 different MORhomes borrowers, or due to the MORhomes credit level weakening) = 6 - 18 months interest reserve
  - Where 2 or more borrowers combine:
    - Exceeds maximum 12% portfolio concentration = 12 - 36 months interest reserve
    - Exceeds 25% portfolio concentration (> 6 months) = prepay down to 25% on demand

