

MORhomes



Business Review
Quarter ending 30 September 2026



Developments over the quarter

- Financial results for year ended 31 March 2026 released in July:
 - Pre-tax profit of £806k (vs £89k loss in prior year) following partial settlement of one of PfP Group's loans in order to reduce PfP Group exposure below 12% of MORhomes' total lending book
 - Results continue to be supported by strong cost control, with operating costs down by a further 1% following the previous year's reduction of over 3%
 - Net assets / total equity increased by over 12%
 - Cash balance increased from £2.4m to £2.5m during the year
- Annual review of borrower credit undertaken – portfolio resilient
- 1 new credit application in quarter
- Other developments - All loans fully secured, 173% cover; all borrowers continue to perform



Portfolio Performance

- Portfolio strength has been gradually improving – despite the challenges facing the sector:
 - % rated Level 2 (equivalent S&P A+) or better increased from 53% in 2019 to 56% in 2026
 - Majority of ratings stable over time, with 7 upgrades since 2019 launch and 5 downgrades
 - Average credit score improved from 2.33 in 2019 to 2.26 in 2026 (where lower is stronger)
 - No Level 4 borrowers in 2026 vs 2 in 2022

Internal Credit Ratings (annual review)	2019	2020	2021	2022	2023	2024	2025	2026
% Level 1 + 2 (min 50%)	53%	60%	60%	62%	65%	68%	62%	56%
Average credit score (lower = better)	2.33	2.29	2.14	2.07	2.14	2.22	2.20	2.26
# Upgrades	1	0	2	0	1	1	2	0
# Downgrades	0	1	0	0	1	1	1	1
# Unchanged	8	11	14	20	18	18	19	19

Borrower Performance – Jun 2026

- **MORhomes borrowers have margins significantly stronger than average**
 - Operating margin over 7 percentage points stronger than industry average
 - EBITDA margin over 8 percentage points stronger than industry average
 - EBITDA MRI margin almost 12 percentage points stronger than industry average

	MORhomes	Peer Group
Operating Margin	24.6%	17.3%
EBITDA Margin	35.1%	27.0%
EBITDA MRI Margin	24.6%	12.8%

Notes

Peer group = Regulated English HAs.

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



Borrower Performance – Jun 2026

- **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 1.66%, below industry average of 1.90%
 - Gross tenant arrears at 3.12%, below industry average of 3.50%

	MORhomes	Peer Group
Unsold Units as % total stock	0.23%	0.30%
Unsold >6mths as % total stock	0.08%	0.14%
Void losses	1.66%	1.90%
Gross arrears	3.12%	3.50%

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 - 30 Sept 2026

- Security position at 30 September 2026
 - All loans fully secured – overall £525.6m (100%) charged
 - Asset cover minimum 105% (EUV-SH valuation) or 115% (MV-ST)
 - On average loans 53% over-secured above minimum, with total asset cover of 173%
- 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	4	7%	A+	A1	-
Level 2	28	46%	AA-/ A+/ A / A-	A2 / A3	A+ / A
Level 3	24	40%	A / A-	A3	-
Level 4	4	7%	BBB+	Baa1	-
Level 5/fail	-	-	n/a	n/a	n/a
Total	60	100%			

Public ratings breakdown						
Public rating	AA-	A+ / A1	A / A2	A- / A3	Baa1	Total
# with that rating	1	11	7	6	2	27

Shows strength of potential pipeline of MORhomes borrowers

By extension, 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 27 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



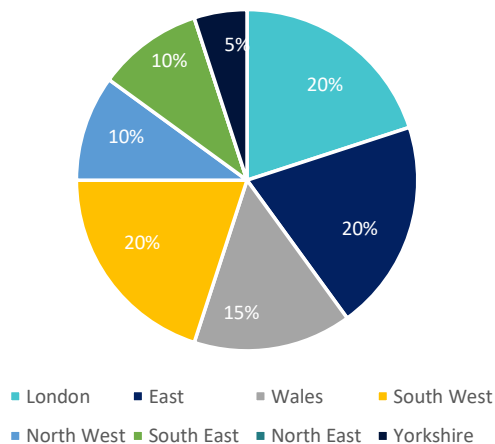
Appendix



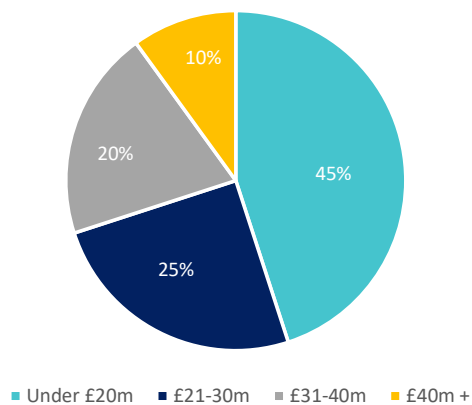
Analysis of MORhomes loans

- 20 borrower groups (23 entities) with 24 loans at 30 Sep 2026:
 - Geographically diverse
 - Split between rated (1x AA-, 2x A+, 4x A, 4x 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

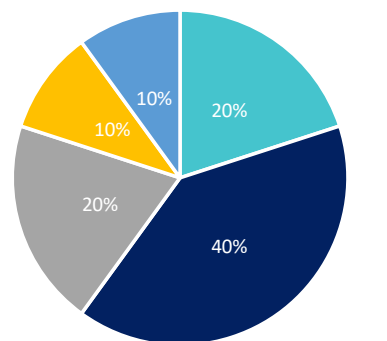
Geographic Region in the UK



Borrowing per Group



Size of borrower groups - units



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	12	52%	£275.3m
Level 3	10	44%	£231.0m
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-



Data includes all borrower Groups as at 31 March 2026. Ratings source: Chatham Financial, rating agencies. Geographic location refers to Head Office.

Loan portfolio – 30 September 2026

Borrower (Regulatory Rating)	Nominal Loan
Local Space (G1/V1)	£50m
Codi (POBL Homes and Communities) (G/Y)	£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/C1)	£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) (G/G)	£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 (G/G)	£10m

The Welsh Housing Regulatory Judgements changed to include an additional compliant grade (yellow).



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

