

Housing 21 Investor Presentation

Bruce Moore, Chief Executive Officer

Paul Weston, Chief Financial Officer

Simon Mellor, Head of Commercial Finance and Treasury

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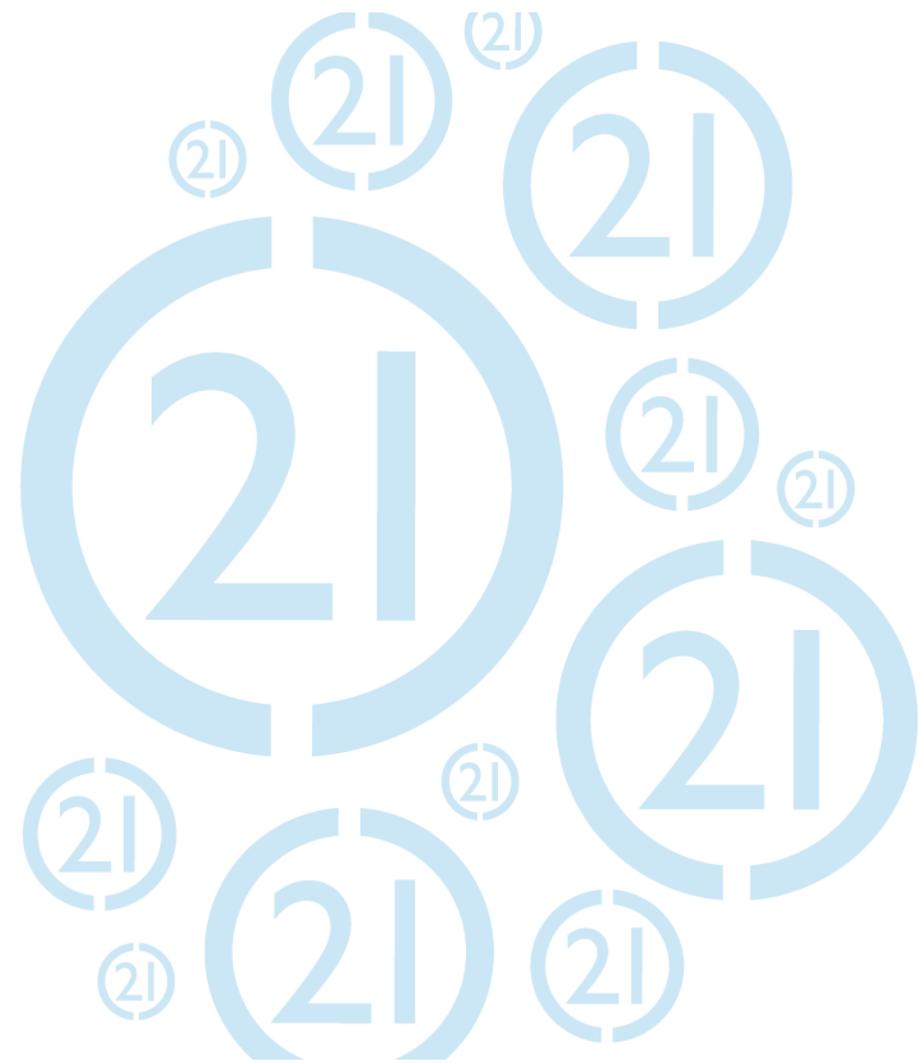
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Who we are and our market position



Who we are

Housing 21 is a leading, not for profit provider of Retirement Housing and Extra Care for older people of modest means



Own and/or manage over **20,000** Retirement Housing and Extra Care properties

We have three guiding principles

21 Provide a modern, forward thinking 21st century service, updating and modernising existing housing, developing new and innovative property designs and service models for the future

Better Striving for continuous improvement and innovation in all that we do.

Experience Provide a consistently good service and a great experience for those we serve. Empower residents to make choices and devolve decision making to local staff

Five key areas of focus



Diversity



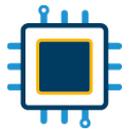
Sustainability



Accountability



Quality



Technology

 Working with over 240 local authorities nationwide



Over 55 years' experience



 We are experts in the provision of housing for older people



We are a leading dementia-friendly organisation



Charitable and not for profit organisation

Who we are

Turnover 2020

£192.3m

Operating margin 2020

£32.1m

Gearing

28%

Interest Cover

198%

Re-let Voids %

1.7%

Arrears %

1.1%



S&P: A Stable
RSH: G2 / V1



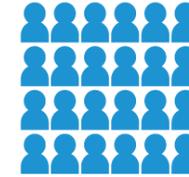
Focused purely on
Housing for Older People
and Specialist Housing



Largest provider of
Extra Care housing
in England



Limited exposure to
welfare reform as a result
of customer demographics



Resilient Demand for Housing 21's
core service offerings



Success of Intermediate Care
offering proven during COVID-
19 vs care home sector



No exposure to outright market
sales in development plan



Over 94% of care services at year
end rated 'Good' by CQC with six
services rated 'Outstanding'



Retirement Living

300+ schemes
Over 14,000 properties

- Promoting independence and choice for older people of modest means through self-contained apartments organised in 'Courts' with a communal lounge and on-site Court Manager service
- Court Managers offer advice, arrange help if necessary and manage the building
- Alarm system provides out-of-hours support to 24/7 call centre



Extra Care Living

120+ schemes
Over 6,000 properties
c. 42,000hrs/week of social care

- Purpose-built apartments with 24/7 on-site support and care services tailored to meet individual needs
- Typically an Extra Care scheme is made up of 60 to 80 apartments where residents enjoy communal facilities such as restaurants and hairdressers
- Schemes link up with schools, businesses and healthcare providers – ensuring residents feel part of the wider community
- Housing 21 is the largest provider of Extra Care housing in England with c. 10% market share
- All care is social care – no clinical or extensive nurse led care

Where we fit in the marketplace

- Focused purely on Housing for Older People and Specialist Housing
- Strategically important particularly during the recent COVID-19 crisis

Mainstream Housing

Individual homes to buy or rent – not designated for any specific user group though Lifetime Homes includes age-friendly features and wheelchair housing is specially designed. Personal care, support, other services and amenities available within the community.



Specialised Housing

Groups of homes (usually flats) to buy or rent – designated for older people (typically 55+). Personal care and support usually arranged or provided within the development together with shared facilities and activities.



Care Homes

Residential care rather than independent living



An expanding market

- The health and social care sector is struggling to keep up with the increasing demands of an ageing population
- Housing 21 is well positioned to provide a more cost effective alternative to residential care for those who only need a little support to live independently
- In mid-2019, there were **12.4 million people** aged 65 and over in the UK
- In 50 years this is projected to increase by an additional **8.2 million people** – a population roughly the size of present-day London
- The average ages of tenants at Housing 21 are shown below

78 years

Average age:
Extra Care

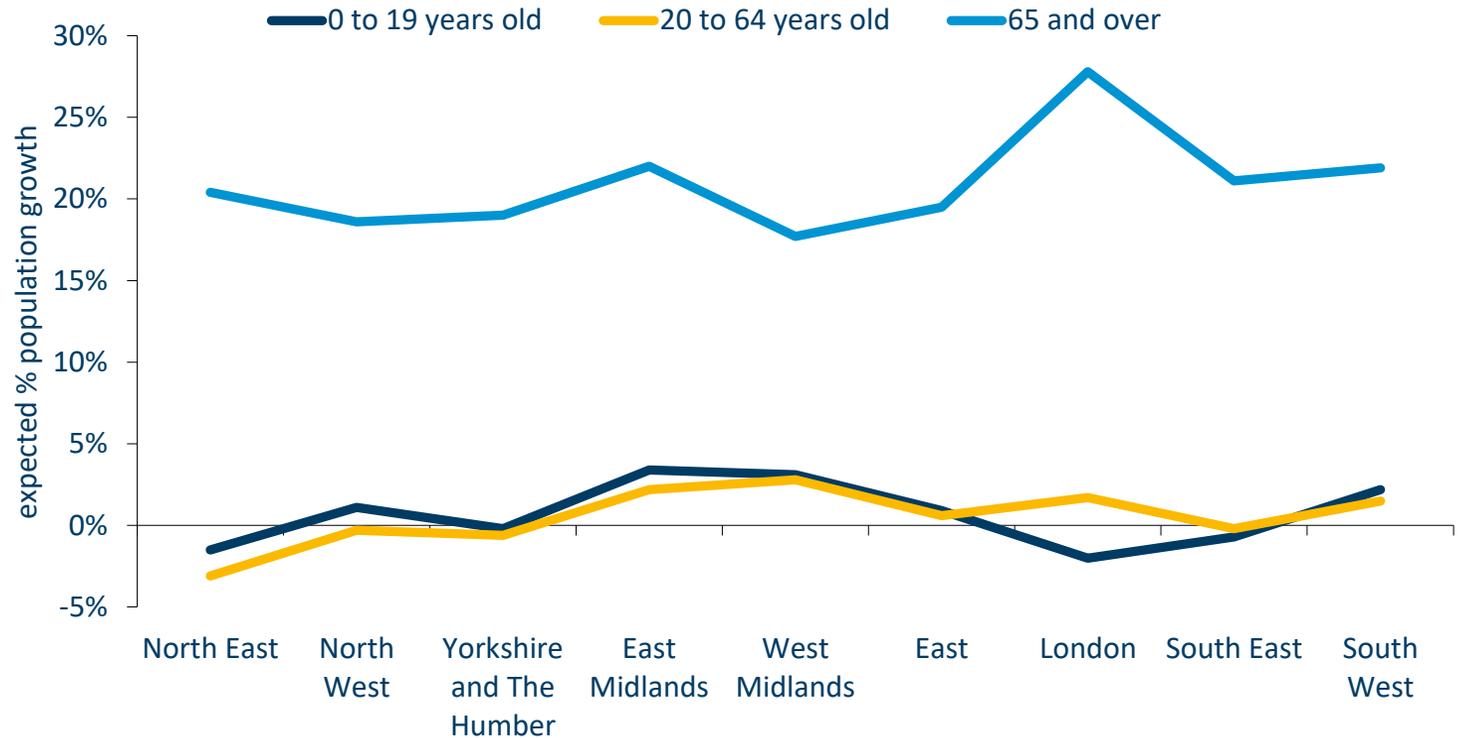
76 years

Average age:
Retirement Housing

In 2018-19 Local Authorities received 1.9m requests for support – 71.2% were aged 65 and over

Sheltered housing at 2.6% of homes across the UK significantly below market dynamics

Population growth by region 2020 - 2030



Sources: Office of National Statistics, NHS, Knight Frank
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/august2019/previous/v1#the-uks-population-is-ageing>
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/august2019>
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/mid2019estimates>
<https://digital.nhs.uk/data-and-information/publications/statistical/adult-social-care-activity-and-finance-report/2018-19/2.-requests-for-support>
<https://content.knightfrank.com/resources/knightfrank.co.uk/retirement-housing-market-update-q1-2018.pdf>

Governance





- No separate development vehicle, funding vehicle or Joint Ventures
- One scheme in Guernsey and our Goldsborough Estates acquisition (will be hived up to Housing 21)
- Two ring fenced PFI subsidiaries



Stephen Hughes, Chair

Extensive local government experience and ex-CEO of Birmingham City Council. He brings considerable knowledge and experience of housing and PFI projects.



Anne Turner (Chair ARMC)

Over 25 years of experience in executive positions at three large housing association, Anne has served on numerous CIPFA and NHF committees.



Liz Potter – Deputy Chair / Chair Governance

With over 30 years of housing experience, Liz is currently the Chair of Curo and has been involved in recovery action plans with the HCA.



Michael McDonagh (Chair IDC)

Held several leadership roles at KPMG and led the Public-Sector Audit practice. Michael has a history of mentoring across the business.



David Clark

David is a residential property management specialist and chair and co-owner at Mainstay Group. He also sits on the Board of Platform Housing Group, as well as acting as an independent director for Queen Alexander College Enterprises.



Elaine Elkington

A Fellow of the CIH with extensive public sector housing experience, including interim CEO at Kensington & Chelsea Tenant Management Organisation after Grenfell. Elaine is also a Trustee of national charity Standing Together Against Domestic Violence.



Neil Revely

With over 30 years in social services for local authorities, Neil provides consultancy across health, housing and adult services.



Michael Knott

Michael provides an extensive range of experience from a career that has moved from consumer goods, through engineering and then to health and social care.



Kathleen Boyle

Kathleen brings knowledge and familiarity of the housing and care sectors through 30 years' experience working in national and local organisations.



Christina Law (Independent - ARMC)

Christina is a chartered accountant with experience across multiple industries including investment and trading properties, retail, financial services and not for profit organisations.



Ian Skipp (Independent - ARMC)

Ian is the Group Director of Finance and Resources at Futures Housing Group.





Bruce Moore
Chief Executive

Prior to joining Housing 21 in 2013, Bruce was Chief Executive for Hanover Housing Group, a post held since 2006. He has also been Chief Executive of Wolverhampton Homes and Deputy Chief Executive of Anchor Trust.

Bruce has served as a Board Member for a number of housing associations and charities including acting as a Housing Corporation appointee. Bruce has recently completed a PhD in the governance of Registered Providers of Social Housing.



Paul Weston
Chief Financial Officer

Paul, who has 30 years of experience in finance, joined Housing 21 in 2012 after a six month role as the Interim Chief Financial Officer of the Home Group. Paul currently holds Non-Executive Director roles at Churches Association of Dudley and District (Chadd) and Shropshire Towns and Rural Housing. He has previously held Non-Executive Director roles at Staffordshire and Stoke on Trent Partnership NHS Trust and Wrekin Housing Group.

Prior to joining Allied Healthcare in 2004 Paul's previous experience included SSL International plc, a worldwide manufacturer and distributor of healthcare and consumer brands, Fruit of the Loom and Arthur Anderson.



Tony Tench
Chief Operations Officer

Tony joined Housing 21 in 2014. He is a business and marketing graduate. His career in housing and care services for older people began with Anchor Trust in 1998.

He joined Hanover Housing Association in November 2007, where he held three successive roles – Extra Care and Services Director, Strategy and Improvement Director and most recently Retirement Housing and Property Director.

Tony is currently a Non Executive Director of The Community Housing Group and Oakleaf Commercial Services Ltd.

- Cautious approach to risk management, with a culture of managed decision making protecting long term viability and reputation
- Clear risk appetite established by the Board
- Multi-tiered approach to risk identification – Board, Executive and Heads of Service
- Assessment of strength of control, related assurance, and monitoring of risk triggers
- Regular reporting on sector and global risks supplemented by horizon scanning
- Detailed reporting of Development and Asset Management Risk
- Detailed annual self assessment of compliance with RSH's Regulatory Standards carried out since 2015, reported to ARMC and the Board
- Review of compliance with key laws supplemented by assurance reviews reported to the ARMC
- Development of specific COVID-19 risk assessment incorporating risks to staff and residents, service delivery, quality of assets, and financial viability



- After having our G1/V1 regulatory status confirmed by an In Depth Assessment (IDA) in March 2019, we are disappointed that we have been downgraded to G2 status
- Issue revolves around **3,282** affordable rental units and **174** of our Extra Care units
- On our affordable rent units we reduced our rents by 1% but not our variable service charges as required by the Welfare Reform and Work Act 2016 – **£3m** effect in total
- Doing the Right Thing – Housing 21's affordable rents are estimated to be £5m lower per annum than what we could have charged at 80% of market rent
- The Regulator, since the introduction of affordable rents, had been aware of our methodology and variable service charge
- We will ensure full compliance with the Rent Standard on re-lets and new developments. We will charge either formula rent (variable service charge) or affordable rent (fixed service charge). This will result in higher income for Housing 21 in the future
- The rents we charged on the **174** units had been agreed by the Housing Corporation* over 15 years ago but are over rent cap. We had already agreed to bring these under rent cap by April 21
- We are committed to working with the Regulator to address these issues and expect to have an IDA in summer 2021 where we are targeting a G1 rating as an outcome



Covid 19 Update



- We responded quickly, establishing a Task Group at the outset to ensure an effective, co-ordinated response
- Relative to the wider care sector, the impact of COVID 19 at Housing 21 has been less severe
- To date there have been 244 confirmed cases of COVID 19 amongst residents - sadly, 75 residents have passed away
- The spread of the disease is slowing – over the last two months we have recorded only 7 deaths compared to 68 to the end of May

The safety and wellbeing of our residents, staff and contractors has been our key priority. Staff directly supporting residents were supported and equipped to do so safely.



We continue to pay 10% above the National Living Wage for our Care Workers and also chose to enhance occupational sickness pay and provide free meals for those on shift.



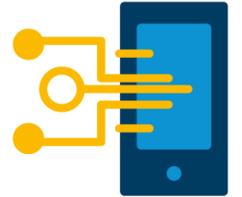
Our residents live in their own self-contained apartments so where COVID 19 has occurred it has been easier to isolate and control.



Local Authorities (LAs) have been given an additional £3.2bn to support providers of care with additional costs of voids, PPE, sickness and other costs to ensure services are maintained.



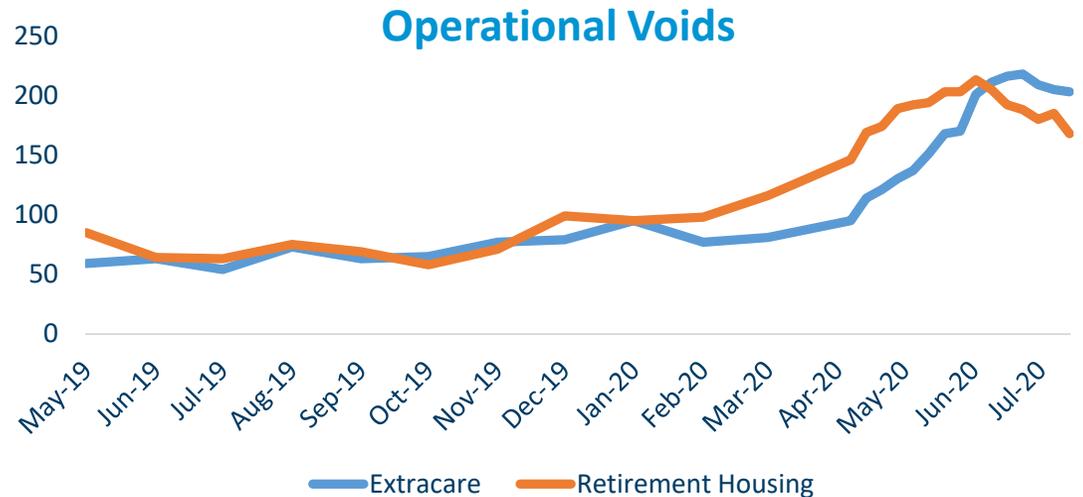
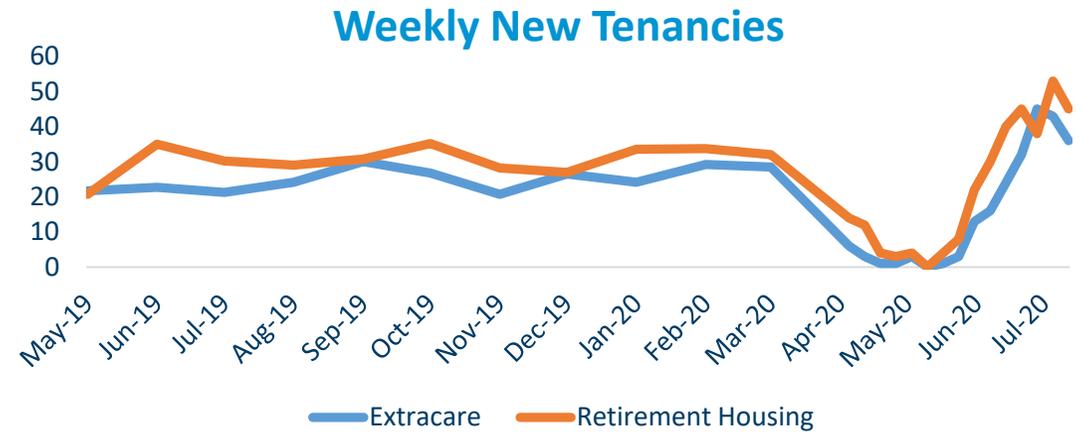
Our devolved housing management system and Microsoft Teams roll-out enabled some teams to work effectively from home.



A further £600m has been made available by government through an Infection Control Fund. We have received payments from 5 LAs in relation to this with more expected to follow suit as LAs process this new fund.



- **Voids** - COVID-19 has had an impact on void management and the ability to let our properties During June 2020 we were able to welcome new residents into our properties and new tenancies significantly increased
- **Care** - £1.7m spent to date on PPE. c. 70% in stock and a proportion of these costs are expected to be recovered from Local Authorities. Further spend on PPE in the year end March 2021 is not expected
- **Development** – Delays were anticipated, however construction recommenced during April 2020 with social distancing on sites. The financial impact in the year to 31 March 2021 is expected to be minimal
- **Repairs** - limited to emergency repairs only during April and May 2020 to protect our residents and staff. From June 2020, non-emergency repairs have started where safe to do so



ESG update



Publishing our first ‘Doing The Right Thing’ report in 2020 – showing where we go beyond providing housing, care and support for our residents.

Four areas of focus:

1. Supporting our residents to live well

Resident satisfaction

92%

Extra Care



Six Extra Care services rated **Outstanding** by the **CQC**

94%

Retirement Housing



Dementia-friendly organisation to help people live well with dementia

2. Investing in our staff / being an employer of choice

We are passionate about people and believe that happy employees mean happy residents. We want to do the right thing by our employees and invest in our people, valuing their opinion



2013 of our staff attended the **annual staff events**



120 volunteer days were taken in the year



We have **five employee representative groups**

3. Investing in communities and the economy

We encourage those in our schemes to integrate into their local community – making connections and helping to break down stigma around older people and their housing.



In **2019/20** our residents raised **£115,000** for a variety of **charities**



Plans in place for our first **co-housing project – working with the local community** to provide housing which works for them.



Two pieces of land identified in **deprived areas** of Birmingham

4. Making positive choices for the environment



- ✓ Bringing all properties to EPC C or above
- ✓ All electricity to be sourced from renewable sources with immediate effect
- ✓ No new fossil fuel heating systems to be installed for new developments or refurbishments completed after 31 December 2022

We are early in our environmental journey and are working to raise our environmental standards and decrease fuel poverty.

We will do this with a focus on:



Carbon Impact/Energy Consumption

- ✓ Bringing all properties to EPC C or above
- ✓ All electricity to be sourced from renewable sources with immediate effect
- ✓ No new fossil fuel heating systems to be installed for new developments or refurbishments completed after 31 December 2022



Climate Change Resilience

- ✓ Audit of every scheme by September 2020, leading to action plans and budget provision set for 2021
- ✓ Climate risk assessment and evaluation of options for all new schemes to reduce carbon impact, water use and waste



Water Usage

- ✓ Establish a baseline level of water use and monitoring



Waste Management and Recycling

- ✓ Provide a baseline position on waste produced and proportion recycled by September 2020



Transport

- ✓ We will reduce travel costs in 2020/21 budgets by at least 5% and reduce car travel by 10% - linked to new ways of working

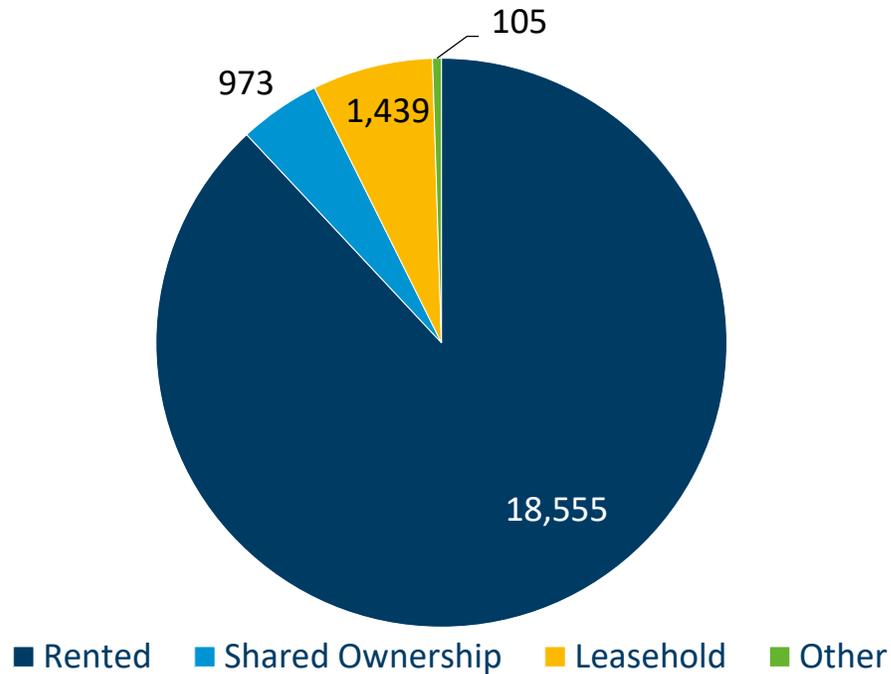
We will seek to go beyond legal requirements, exceed minimum standards and strive to achieve a position of 'doing no harm' and recognise that this will have knock-on implications

Strategic priorities & operating review





Property Tenure

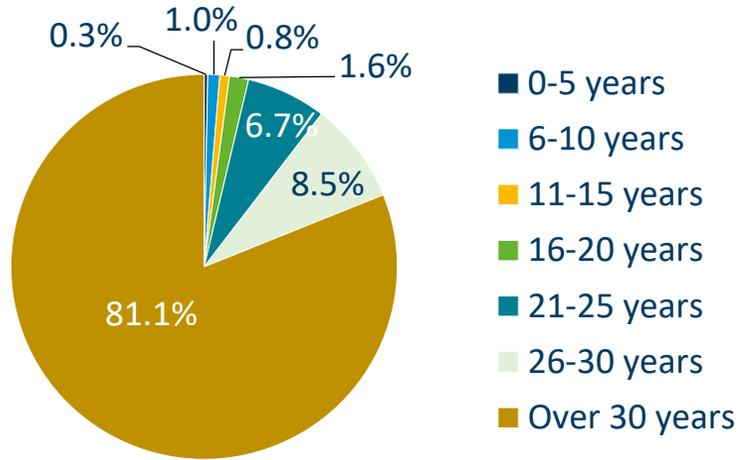


- **88% of our stock is rented accommodation**
- Housing 21 have seven blocks over six storeys high with no cladding of a similar type to that at Grenfell Tower
- Sprinkler systems have been installed to properties over ten storeys high with an additional two schemes planned during the year to 31 March 2021

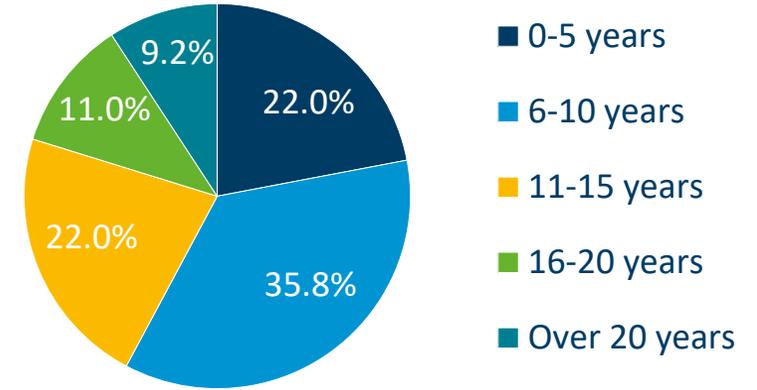
Operating Nationally in over 240 Local Authorities



Retirement Housing– 37 years average property age



Extra Care – 11 years average property age



Completed the fourth year of the five year investment programme to **invest more than £135m** (£27m pa) in **enhancing the design and specification of existing properties**

We were on track to complete by **2021** but this has been delayed due to **Covid-19**



In 2019/20 we successfully delivered £32.5m investment into our properties and made significant progress towards meeting the enhanced property standards on all schemes

In addition we invested £4.6m on design-led makeovers and redecorating communal areas

We undertook over 500 capital projects including kitchen and bathroom replacements, digital emergency call systems and other electrical and structural works

Additional fire compartmentation work and reconfiguring alarm zoning investment of £1.4m



Seek to achieve and maintain **at least a 95% level of resident satisfaction** with the quality of their home.



Achieve the property standards for all courts by 2021, including a design-led makeover with kitchens and bathrooms no more than 20 years old and all properties meeting energy efficiency of EPC level C.

Ensure that all properties remain fully compliant with all statutory safety checks and requirements.



Accelerate the digital call system installation programme from 2021, with **100% completion by 2025.**

- Ensuring buildings provide a safe environment to live and operate in is achieved through regular assessments, inspections and servicing regimes
- Over the past year consistently high compliance performance, achieved through robust contract management and regular communication with operational staff
- Minimal exposure currently anticipated to fire safety remedial works to due to proactive management and existing stock portfolio

Indicator	Performance - March 2020	Frequency of review
Gas Safety Certificate	100%	Annually
Fire Risk Assessment	100%	At least on 18 month cycle* / High rise buildings 12 month cycle.
Emergency Lighting servicing and testing	97.6%	Annually
Fire Alarms servicing and testing	92.9%	6 months cycle
Water Hygiene Risk Assessments	92.3%	24 month cycle
Asbestos Management re-inspection	99.1%	12 month cycle
Electrical Hardwire Testing – communal areas	99.6%	5 year cycle
Electrical Hardwire Testing – individual properties	94.5%	10 years cycle (in transition into 5 years cycle)
Portable / Fixed Appliance Testing (PAT / FAT)	99.6%	24 month cycle

- Dedicated Court Managers and devolved operating model
- Over 94% of care services at the year end assessed as 'Good' by CQC with six 'Outstanding' as at March 2020
- 97% resident satisfaction in 2019/20 with the care they receive
- In April-18, Housing 21 implemented significant enhancements to care staff employment as part of our commitment to quality, introducing guaranteed hours contracts, a pay rate of at least 10% above National Living Wage and strengthening the care management structure
- Care Worker turnover at its lowest percentage in the last 12 months, just over 19%, with 95% of Care Workers who completed the staff survey in 2019/20 feeling committed to Housing 21



- Achieved **Investors in People Gold in 2018**
- Renewed emphasis on employer brand – improving attraction of new candidates. Launch of the **'Today I Was'** Care Worker recruitment campaign – challenging perceptions of a career in care and positioning us as leaders in social care recruitment
- Considerable investment in training and development of all staff including apprenticeship offer. **230 staff currently working towards an apprenticeship**
- Median pay gap of 25%, 1% lower than 2018/19, but still high largely due to the structure of the workforce in the sector in which we operate. Care staff, domestic staff and Court Managers account for the vast majority of our staff and more than 90% of the people in these roles are female
- Big focus on staff engagement - 96% of staff share the organisation's values



INVESTORS IN PEOPLE™
We invest in people Gold



- Launch of the devolved housing management system in May 2019 marked the start of an exciting process of improvement to transform the way we work and provide improved service and support to residents
- Focus on 'New Ways of Working' following the COVID-19 crisis – organisation adapting to deliver a revised technology landscape for staff including the roll out of Microsoft Teams. We now have significant remote engagement with staff with both Workplace (social media platform) and Teams
- Maintaining focus on information governance i.e. GDPR and security and integrity of the IT infrastructure / systems
- 178 digital alarm installations complete and plans to increase WiFi connectivity option for our residents
- Focus on engaging residents using new technology

Devolved housing management system and new ways of working phase 2 projects



PHASE 2



Complete transition from thin client to devolved devices by March 2022.



Trial use of software and devices to maintain on-line care records in Walsall in 2019/20 before deciding if it should be applied in other Housing 21 locations.

Innovation and influence

- Sponsor and support the All Party Parliamentary Group on Housing and Care for older people
- Chair of nationwide Dementia and Housing Working Group
- Hosting the '**Housing – Rising to the dementia challenge**' events aimed at general needs housing providers and promoting the Dementia-friendly housing guide. Housing 21 co-authored with the Alzheimer's Society
- Hosting a dementia design workshop to showcase innovative designs and technologies which have been co-produced with people living with dementia
- Commissioned the University of Worcester to explore '**walking with purpose**' in our Retirement Housing and Extra Care schemes
- Re-launching the Dementia-Friendly Housing Charter together with the Alzheimer's Society.
- Continue to contribute to a range of networks including the Housing and Dementia Research Consortium, Housing LIN, the Dementia-friendly London Housing Working Group, Dementia Action Alliance, Alzheimer's Society, ADASS – increasing awareness of dementia and the positive role which appropriate housing can have in helping people live well with dementia.



Housing - Rising to the
Dementia Challenge



Development



- Focus on providing high quality accommodation for older people of modest means
- We are proud of our social housing roots and **do not develop commercially to cross-subsidise social housing developments.**
- Our development strategy going forward is to focus more on rented stock, **75% on rented and 25% on shared ownership, and no outright sales**
- Income from our shared ownership sales has been and will remain a relatively small part of our revenue
- **Shared Ownership sales are generally ‘cash’ sales which are not driven by the mortgage market** - buyers are primarily those with existing capital who won't be subject to mortgage affordability and interest rate changes
- In the main we do not bank land and instead work closely with local authorities, the NHS and private developers to identify and provide for the needs of an older population.
- We are also exploring further acquisitions of older people's housing from other Registered Providers and are in advanced negotiations to purchase 73 units of Retirement Housing.

Have a development pipeline to deliver:

At least
800 affordable properties
per annum



At least 20% of new properties developed after 2022 to be classified as Retirement Living and involve consideration of new service models, innovative design and delivery arrangements.

Revised targets now developing

75%
rental

25%
shared ownership

- We have ambitious build plans and are committed to providing more high quality, affordable housing for older people of modest means.
- We have developed over 2,310 properties and acquired over 1,300 properties since 2014/15

Achievements in 2019/20

11 schemes started on site

At March 2020 19 schemes on site and 1,195 properties under construction

Acquired two Extra Care schemes from Hyde Housing for £9.8m, comprising 95 apartments

Looking ahead

20 schemes in the pipeline progressing towards starting on site, 12 Extra Care and eight Retirement Housing

Capital Commitments as at year end of £120.5m

Claremont House



Location

Derby

Housing type

49 Retirement Living apartments

Accommodation type

One and two bedroom apartments

Tenure

25 rent and 24 shared ownership

Date completed

April 2020

Bransdale View



Location

Hemsley

Housing type

64 Extra Care apartments

Accommodation type

One and two bedroom apartments

Tenure

21 rent, 40 shared ownership and 3 outright sales

Date completed

March 2019

Casson Court



Location

Thorne

Housing type

72 Extra Care apartments

Accommodation type

One and two bedroom apartments

Tenure

35 rent and 37 shared ownership

Date completed

March 2019

Fry Court



Location

Great Ayton

Housing type

60 Extra Care apartments

Accommodation type

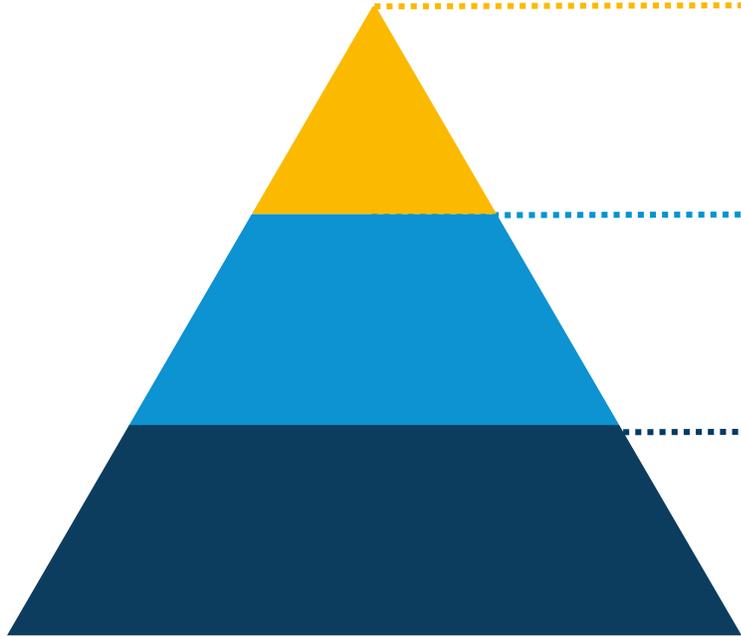
One and two bedroom apartments

Tenure

28 rent and 32 shared ownership

Date completed

June 2020



The Board

The Board set the strategic direction, development targets and review performance at each board meeting.

Investment and Development Committee *Approve schemes over £10m*

A committee made up of Board Members and the executives provide oversight and assurance on the delivery of agreed property development targets, treasury strategy and make recommendations to the board on issues requiring strategic realignment.

Development Steering Group *Approve schemes valued up to £10m*

A group of cross functional head of services and the COO to consider progress towards meeting strategic priority, ensures effective oversight of development programme and robust financial and operation risk management in a timely manner.

Key areas of consideration

Strategic fit, demand, deliverability, financial viability and operational risks

3-stage assessment of new investments

Informed decision making based upon initial detailed proposal, lockdown consent and post completion reviews

Performance monitoring

Progress against targets is monitored on a regular basis and reported to the Development Steering Group, Investment and Development Committee, and the Board

Development appraisal assumptions

Reviewed on an annual basis and agreed by the Board

Financial performance and treasury



Key financials - continued robust financial performance

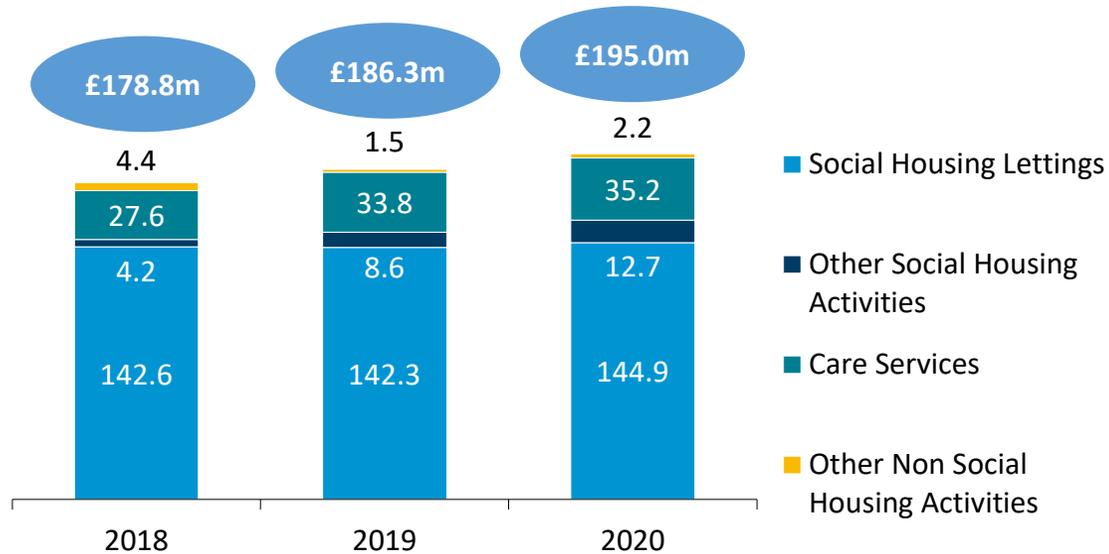
Group Financial Performance	2018	2019	2020
Total Revenue* (£m)	178.8	186.3	195.0
Operating surplus* (£m)	37.7	38.2	34.9
Operating margin (%) * (overall)	21%	21%	18%
Operating margin (%) (social housing lettings only)	25%	25%	22%
Surplus for the year *(£m)	20.5	19.5	20.1
Net Margin* (%)	11%	10%	10%
Housing properties (£m)	1,113.6	1,144.2	1,206.8
Net Assets (£m)	669.5	680.3	691.1
Gearing – Association (%)	25%	25%	28%
EBITDA MRI – Association (£m)	28.9	28.6	22.6
Interest Cover – Association (%)	253%	228%	198%
Cash-flow from operations (£m)	71.8	60.4	59.6

*Figures from ongoing activities

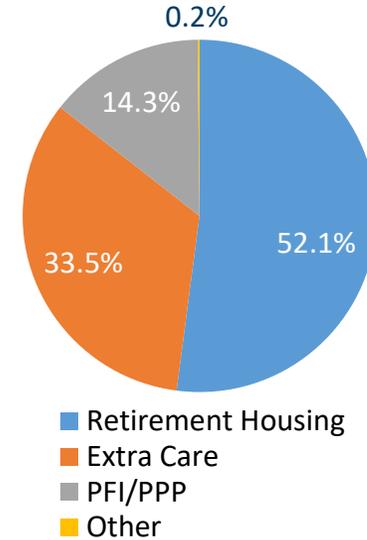
Group turnover and operating surplus

- Social housing activities make up over 80% of group income

Turnover from ongoing activities



Social Housing Lettings Income Breakdown

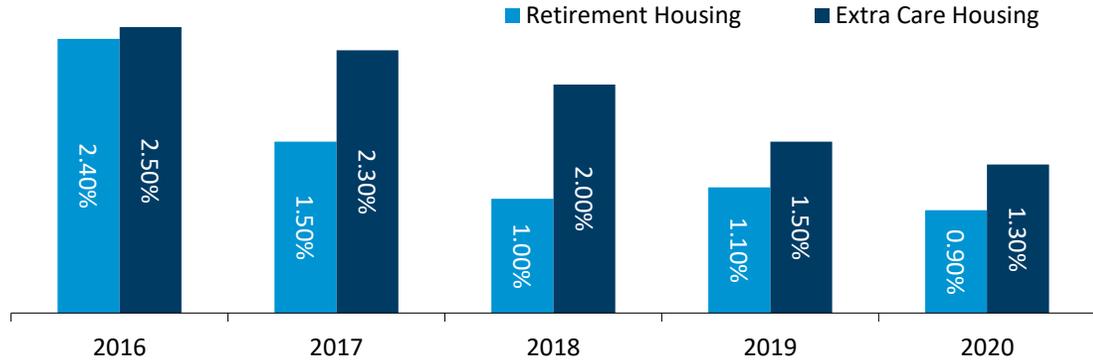


Operating Surplus from ongoing activities (£m) 2020

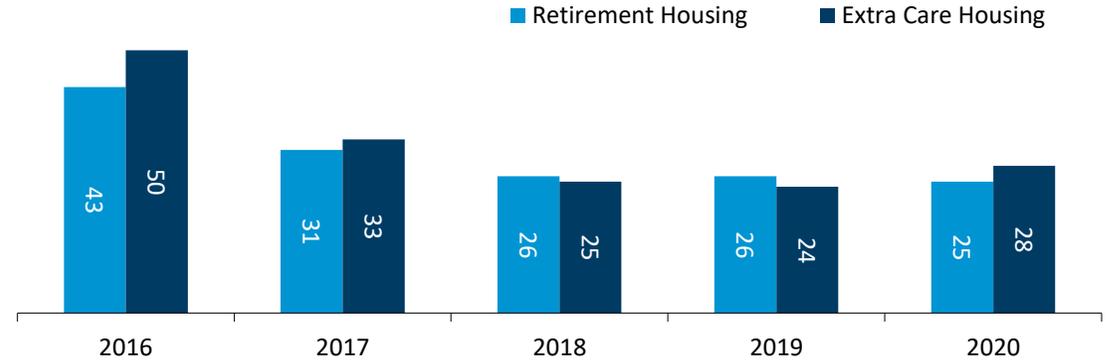
Social Housing Lettings	32.4
Other Social Housing Activities	0.5
Care Services	1.1
Other Non Social Housing Activities	0.9
Operating Surplus	34.9
Surplus for the year	20.1

£m as at 31 March	Retirement Housing	Extra Care (Housing)	PFI/PPP	Corporate	Total (2020)	Total (2019)
Turnover from social housing lettings (A)	75.5	48.6	20.7	0.2	144.9	142.3
Expenditure on social housing lettings (B)	(46.4)	(33.9)	(13.4)	(18.9)	(112.6)	(107.2)
Operating surplus on social housing lettings (A - B)	29.0	14.7	7.3	(18.6)	32.4	35.1

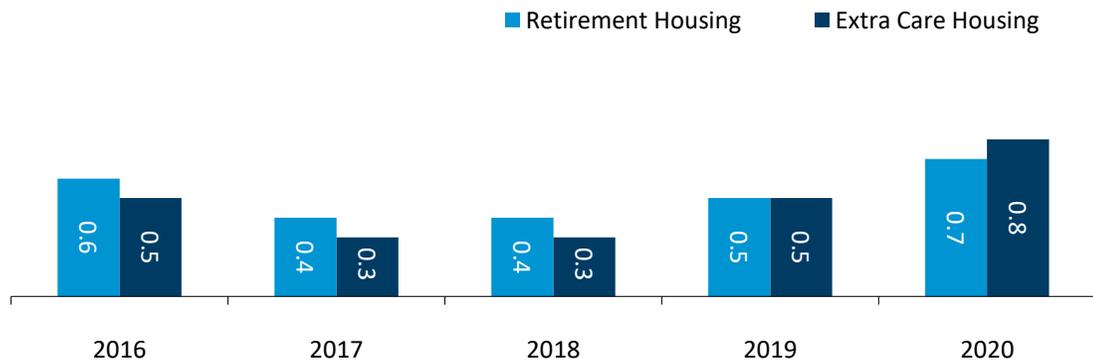
Re-let Voids (%)



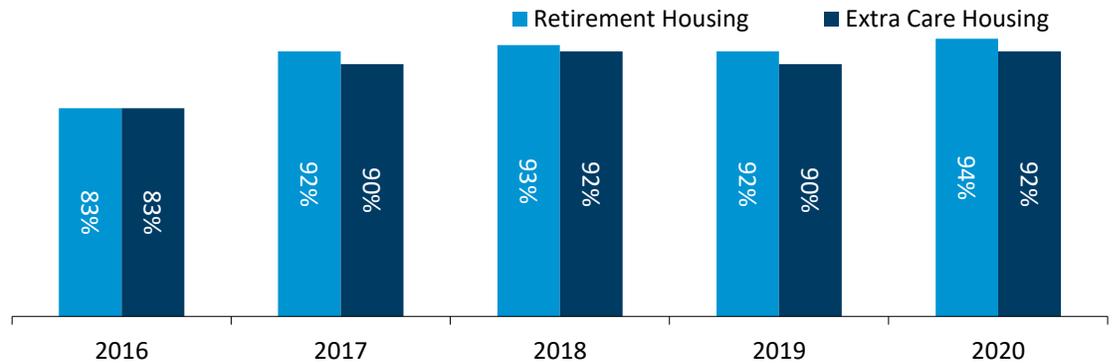
Average Re-let Days (days)



Rent Arrears (£m)



Repairs Satisfaction (%)



Disciplined financial framework

- Operate within a disciplined financial framework that underpins delivery of our strategy and our strong investment grade credit rating and regulatory ratings
- The following benchmark performance metrics are applied at the Association level.

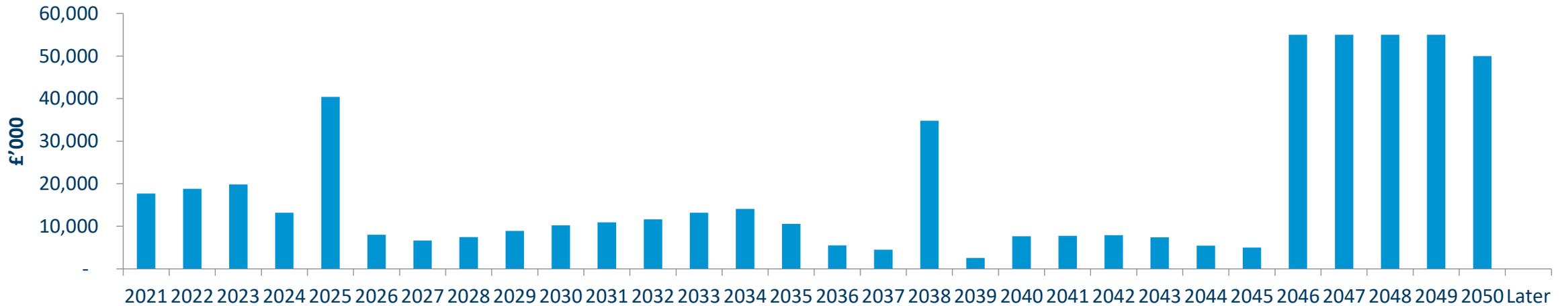
Risk Area	Benchmark	Breach of golden rule / covenant limit	Require Management / Board action	Trigger Point	As at 31 March 2020
Liquidity	Daily Liquidity Headroom (Instant cash & overnight deposits)	Less than £5m	Below £5m and £10m	Minimum £10m	£32.8m
	Short term Liquidity Headroom (Daily Liquidity & charged undrawn facilities should be greater than 6 months SIP & Development budgeted outflows)	Less than 3 months worth of CAPEX spending in Short Term Liquidity	Between 3 and 6 months worth of CAPEX spending in Short Term Liquidity	At least 6 months worth of CAPEX spending in Short Term Liquidity (£82.0m)	£127.8m
Interest Rate	Floating rate debt - (LIBOR & Inflation-linked debt)	Over 25%	Between 15% and 25%	Maximum 15%	7%
Covenant Compliance	Gearing ratio in the next five years	Over 60%	Between 55% and 60%	Maximum 55%	41% (2025)
	Interest cover ratio in the next five years	Less than 110%	Between 110% and 150%	Minimum 150%	201% (2025)
Re-financing	Drawn debt maturities in any single financial year in the next 5 years	Over 20%	Between 15% and 20%	Maximum 15%	7% (2025)
	Total drawn debt maturities in the next 3 years	Over 25%	Between 20% and 25%	Maximum 20%	10% (£56.3m)
	Funding availability (min £100 million in cash or revolvers)	Less than 15 months	Between 15 and 18 months	Over 18 months	24 months

Diversified debt maturity profile

- Average maturity of the loan book: c. 13 years
- Maturity Profile is well diversified with only 19% of the loan book is set to mature in the next five years

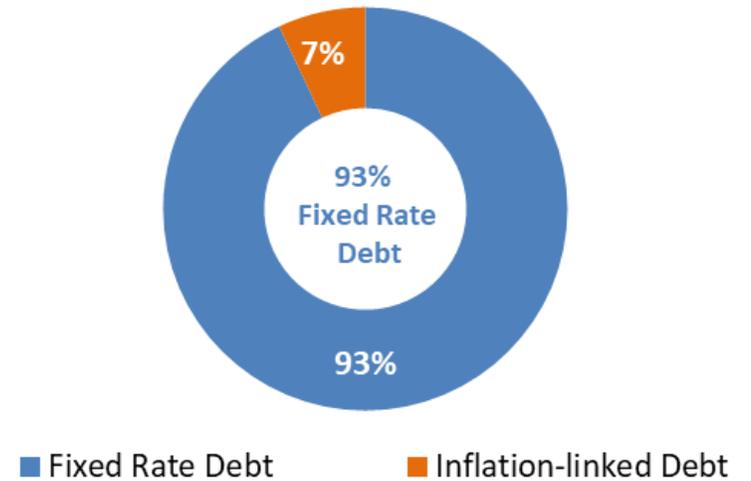
£m as at 31March 2020	H21 Consolidated (Group)	H21 Consolidated (Issuer)
Bank facilities	320	203
Bond debt	250	250
Average Cost of Funds	4.45%	4.12%

Debt Maturity Profile



- Very strong covenant performance supported by a robust risk management process (risk appetite/shadow limits, stress testing, scenario analysis)
- Robust financial stress testing ensures no covenant breaches if we convert all sales units to rental at least for the next five years. Other options include to defer progressing the development pipeline
- 93% of the current loan book is on fixed rate basis
- A (Stable) outlook from Standard & Poor's
- Swap instruments £76.5m out of the money at 31 March 2020

Hedging Position: 31 March 2020



Association Credit Metrics: 31 March 2020	H21	Shadow Limit	Covenant Limit
Interest Cover	198%	150%	110%
Gearing	28%	55%	60%

We are committed to transparency and good governance, this includes good communications with all our stakeholders, including our long-term investors.

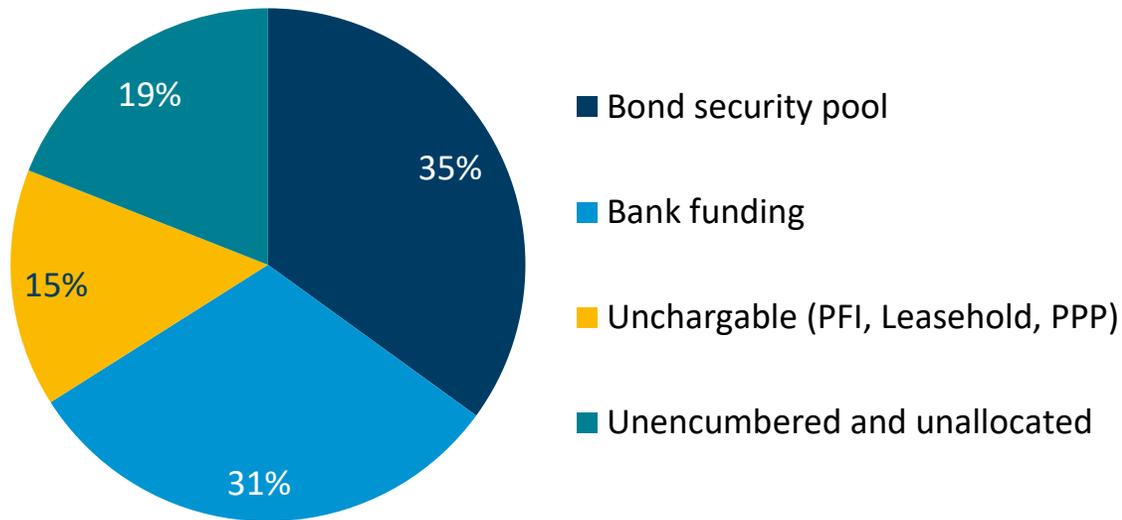
- We commit to:
 - Maintain our website with dedicated and up to date Investor Relations page – we are currently reviewing the existing content
 - Regular and transparent reporting with key material disclosed via RNS
 - Financial statements published within 180 days of year end
 - Continued disclosure of trading performance updates
 - Dedicated key contact for Investors
 - Ongoing Investor engagement – bi-annual meetings
 - Annual credit rating reviews

Issue summary and closing remarks

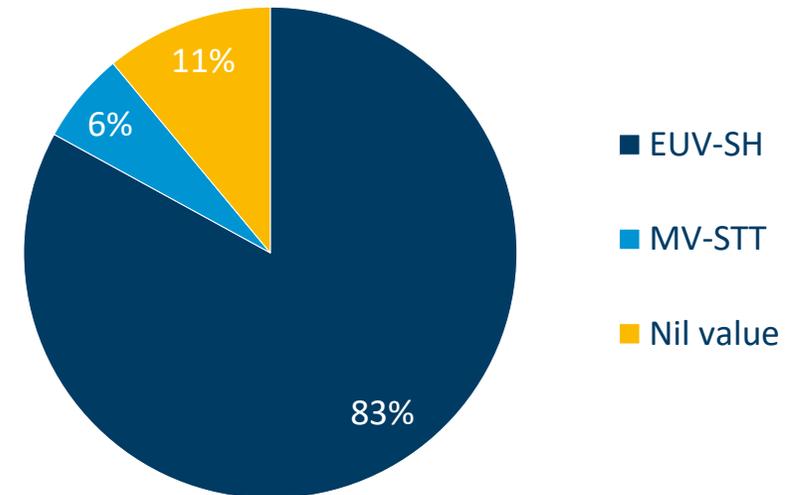


Property secured	EUV-SH ¹	MV-STT ²	TOTALS
Properties secured	6,854	466	7,320
Value (JLL July 2020)	£369.8m	£36.8m	£406.4m
Asset cover	105%	115%	-
Lending value	£352.2m	£32.0m	£384.2m
Excess lending value			£34.2m

Total Housing 21 Security Pool



Composition of Bond Security Pool (Unit Numbers)



Notes

1. Existing use value – social housing
2. Market value subject to tenancy

Issuer	Housing 21
ISIN	XS1710677581
Credit rating	A (stable) by S&P
Size	£100m (minimum) tap issue
Currency	GBP
Denomination	£100k + 1k
Maturity	November 2049
Security	Secured
Asset cover	1.05x EUV SH, 1.15x MV ST
Use of proceeds	General corporate purposes
Book-runner	NatWest Markets
Listing	London Stock Exchange Regulated Market
Target market	MiFID II Professionals & Eligible Counterparties only

Market leader in Extra Care Housing and Retirement Housing

Strong demand for older people housing from our local authority partners

Consistent track record of strong operational performance and financial robustness

Strong credit metrics and risk management rated in A (Stable) rating from S&P and V1/G2 rating from the regulator

Key focus on sustainability and the ESG agenda

Robust risk management processes and capacity/ability to mitigate the impact of key risks

High resident satisfaction on the back of quality and responsiveness of our services

Aspirational development plan to build 800 units per annum from 2023 while maintaining investment in our existing homes

Turnover	Operating	Gearing	Interest Cover	Re-let Voids %	Arrears %
£192.3m	£32.1m	28%	198%	1.7%	1.1%