

Investor Presentation

March 2021



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✓	One of the largest providers of social housing	<ul style="list-style-type: none">• Track record of innovation in the delivery of social housing.
✓	Diversified business	<ul style="list-style-type: none">• Diversified portfolio: property type and geographical concentration.• Diversified business structure mitigates against both political risk (regulated business) and commercial risk (non-regulated business).
✓	Strong financial performance and prudent cost management	<ul style="list-style-type: none">• 20+ years track record of sustained growth and profitability.• PfP has continued to have stable, strong and predictable revenue streams.
✓	Strong management team	<ul style="list-style-type: none">• Management team consists of proven leaders with notable industry credentials and management experience both within and outside of the housing sector.
✓	Strong credit and regulatory ratings	<ul style="list-style-type: none">• Places for People Treasury is rated 'A3' (stable outlook) by Moody's, 'A' (stable outlook) by Fitch and 'A-' (stable outlook) by Standard and Poor's.• Places for People has a G1/V1 rating from the RSH, which represents the highest rating attributable in the sector.



Group overview

- Formed in 1965, as North British Housing Association, Places for People Group is a leading placemaking, property management and leisure company, with over 50 years' experience creating thriving, sustainable places.
- Places for People owns and manages 209,312 properties.
- Places for People continues to forge creative partnerships and find innovative ways to develop high quality homes in attractive places, whatever the prevailing political or economic environment.

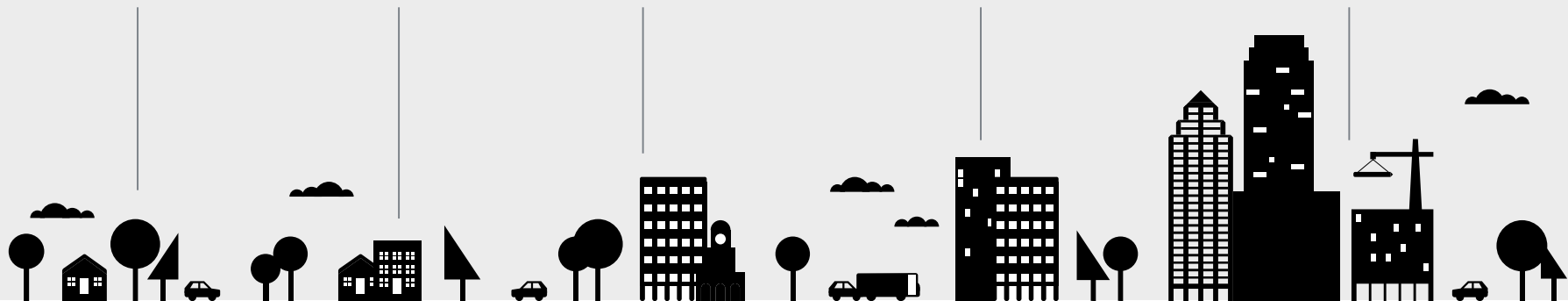
**Housing
provision and
neighbourhood
regeneration**

**Moving into
market rent
and outright
sale**

**Placemaking
focused on
larger scale
development**

**Building placemaking
and management
businesses to deliver
whole places**

**Structured
relationships to deliver
more activities on
a larger scale**



Our Evolution: from traditional housing association to large-scale placemaker delivering integrated solutions

Regulated housing activities

- Places for People Homes
- Places for People Living+
- Cotman Housing Association
- Derwent Housing Association
- Chorus Homes
- Castle Rock Edinvar Housing Association

Borrower — Places for People Treasury plc

Regulated housing activities are ring-fenced with capped investment between regulated and non-regulated activities

Non-regulated activities

- Property management
- Development activity
- Leisure and property services

Borrower — Places for People Finance plc

Strong contribution from commercial activities is supportive of the social housing business

—	Affordable Housing	<ul style="list-style-type: none"> • Arrears increased but now stabilising, Universal Credit claims increased and benefit system working well • Emergency repairs continued throughout and routine repairs, maintenance and capital works are now resuming • Customer Taskforce made over 59,000 calls to customers • Centralised procurement of PPE
—	Development	<ul style="list-style-type: none"> • Development sites and sales offices reopened • Sales are progressing and values are holding up well following stamp duty threshold increase to £500k, from £125k, on 8 July 2020
—	Liquidity	<ul style="list-style-type: none"> • Strong liquidity position maintained throughout pandemic • Active management of cash positions and careful cost control • Accessed £125m from £150m Covid Corporate Financing Facility
—	Leisure	<ul style="list-style-type: none"> • Leisure facilities remain closed following third lockdown, due to be reopen 12 April. Agreements reached with Local Authorities during initial lockdown • Successfully accessed Job Retention Scheme
—	Other	<ul style="list-style-type: none"> • Remote working has been successful. Group offices remain open for staff who cannot work from home • Reviewing permanent changes to ways of working and embedding improvements

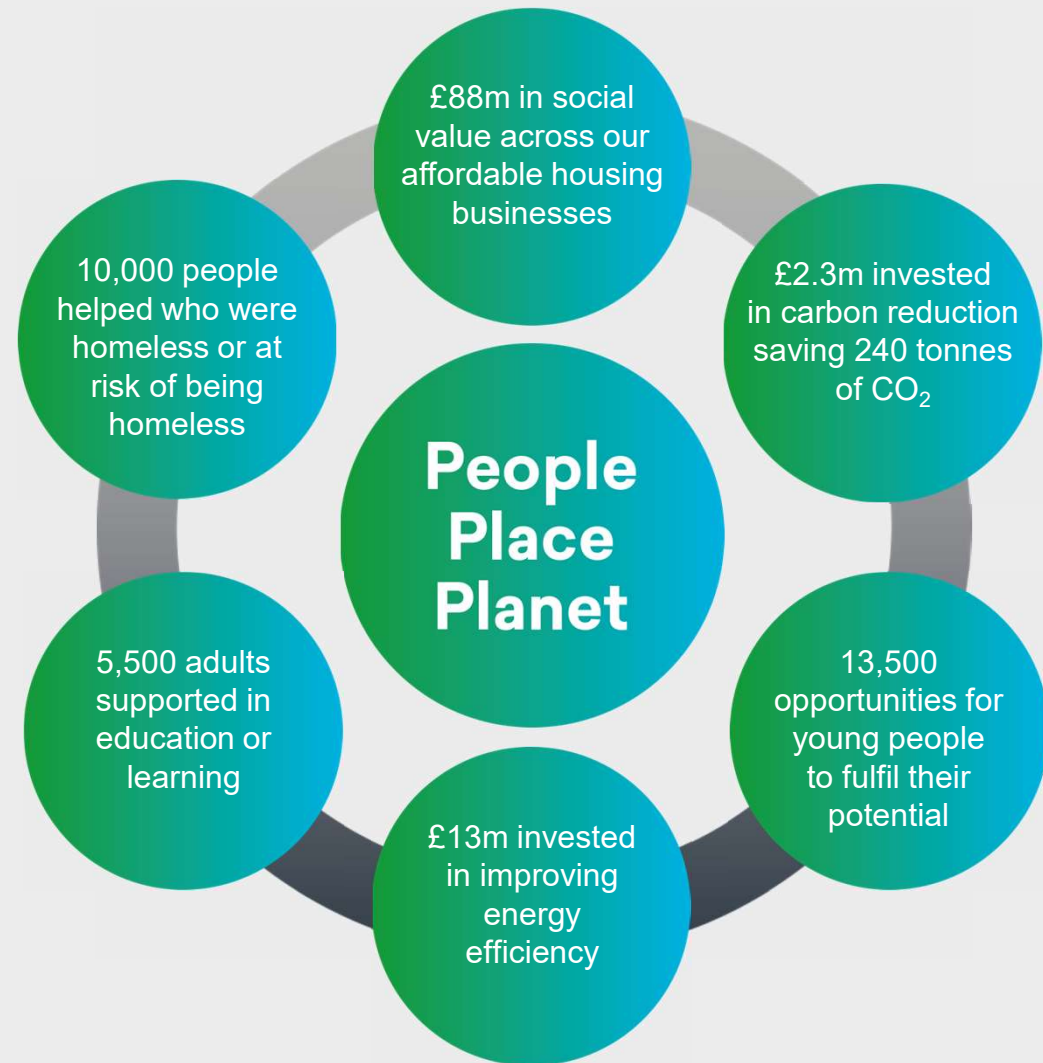
As a leading UK placemaker, environmental, social and governance factors are central to all of Places for People's work. We take a commercial approach to delivering social outcomes – this is what makes us different.

The Group has operational teams that are responsible for driving forward our ESG activities which align with the 17 United Nations Sustainable Development Goals.

Social value activities delivered by Places Impact, which manages Places Foundation, an independent charity supported by the Group.

In December 2020 we published our pilot Group Environmental, Social and Governance Report.

**Places work
when they
work for
everyone.**



Our environmental sustainable strategy comprises five themes:

- Net zero carbon: eg using new technologies such as heat storage solutions, heat pumps and connected devices to help achieve zero carbon across our estates.
- Biodiversity: eg ensuring our new developments achieve 10% biodiversity net gain.
- Sustainable transport: eg ensuring own fleet is running on clean fuels within next 5 years and that our estates give customers access to sustainable forms of transport.
- Climate resilience: eg mapping where stock is affected by climate related risks and working with partners to help futureproof customers' homes.
- Zero waste to landfill: eg ensuring all non-hazardous waste is diverted from landfill by 2025.

Awarded European SHIFFT Funding supporting adoption of sustainable heating solutions

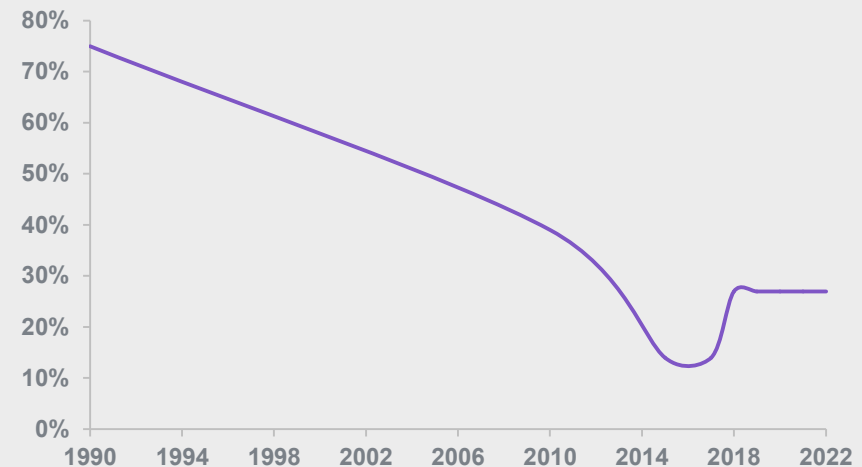
European funded DREEAM pilot large scale retrofit, more cost-effective and energy efficient than single property schemes

70% of properties are already at least EPC C, committed to get all stock to that level by 2030

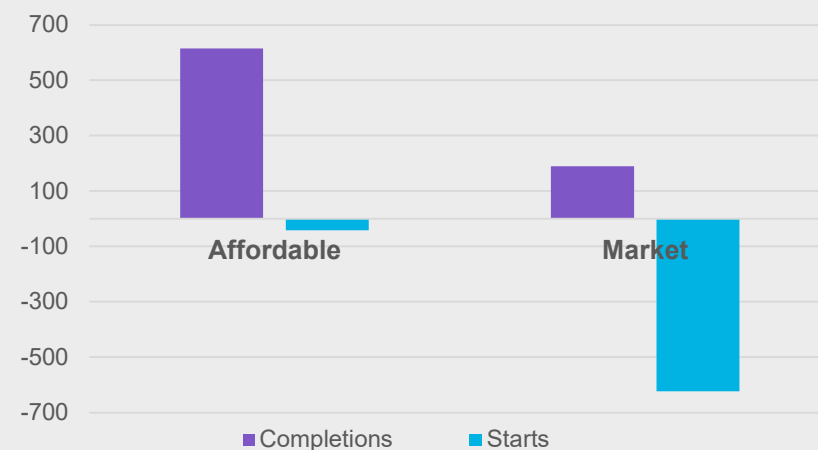
Increased focus on Active Asset Management: repair; repurpose or sale

- In July 2018 Places for People was announced as one of the eight strategic partners with Homes England to deliver more affordable homes across the country. This partnership results in £74m of new grant which allows PfP to deliver 2,600 affordable new homes.
- In 2019/20 built 2,680 homes (345 social rent, 696 affordable rent, 425 low cost ownership, 887 market sale, 327 private rent).
- Started a further 1,982 homes, reduced from 2,647 starts in previous year.
- Shift from development for sale to grant led affordable housing.
- 590 properties developed in first six months of 20/21 of which 59% are affordable housing tenures.

Social housing grant rate %



Change in tenure mix



Our developments

Queen Elizabeth Olympic Park, London



Two new neighbourhoods — East Wick and Sweetwater — comprising of 1,500 new homes along with new retail, commercial and community facilities.

Brooklands, Milton Keynes



A 360 acre site located on the east of Milton Keynes is being developed over a 15-year period to create over 2,500 mixed-tenure homes, along with supporting infrastructure and a range of other facilities.

Drovers Place, Huntingdon



One of the first schemes to start on site under the Homes England strategic partnership, delivering 79 energy efficient homes, with more than half affordable.

Port Loop, Birmingham



In one of the UK's most significant brownfield regeneration schemes, we are working in partnership with Urban Splash, Birmingham City Council and the Canal & River Trust, to develop 1,150 new homes along with commercial property and community facilities across the 43 acre site.

Summary financial performance

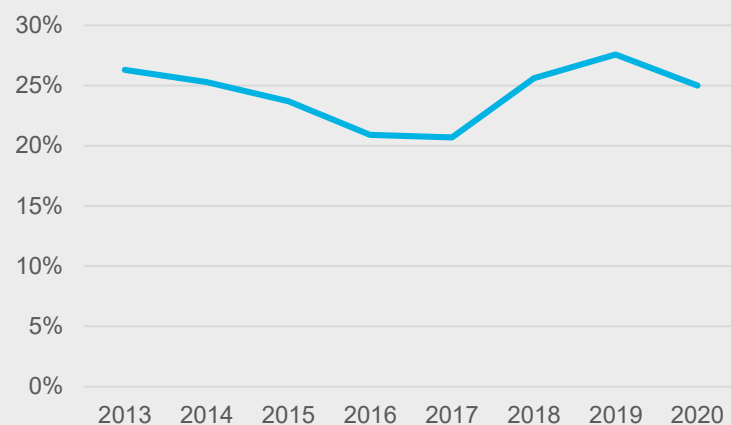
Fiscal year end 31 March	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020
Turnover	£795.1m	£754.4m	£827.1m	£866.7m
Cost of sales	(£230.7m)	(£149.8m)	(£178.5m)	(£203.7m)
Operating costs	(£405.6m)	(£420.1m)	(£447.8m)	(£473.5m)
Operating profit	£164.7m	£193.0m	£227.9m	£215.6m
Operating margin	20.7%	25.6%	27.6%	24.9%
Profit on ordinary activities before taxation	£119.7m	£130.2m	£95.5m	£91.2m
Negative goodwill	£41.4m	£45.2m	-	-
Profit on ordinary activities before taxation & negative goodwill	£78.3m	£85.0m	£95.5m	£91.2m

Prior years restated to include sale of fixed assets and investment properties within operating profit

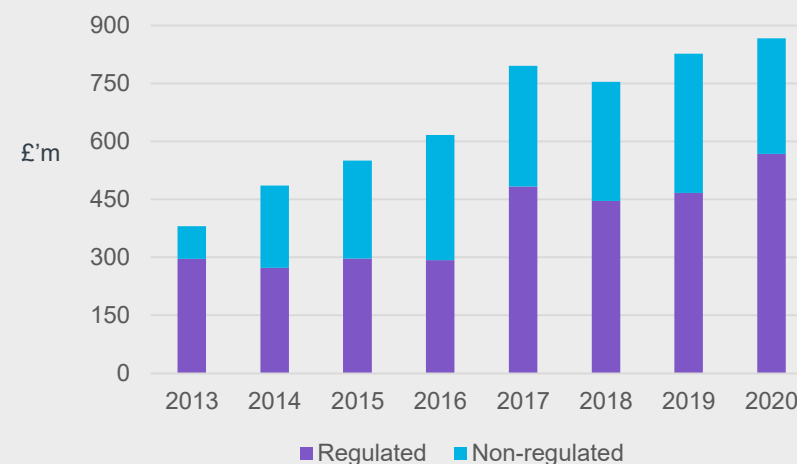
Headline Group figures

Year End 31 March	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Group Turnover	£380.1m	£485.4m	£564.3m	£616.6m	£795.1m	£754.4m	£827.1m	£866.7m
Operating Profit	£100.1m	£122.7m	£105.3m	£128.9m	£164.7m	£193.0m	£227.9m	£215.6m

Group operating margin



Regulated vs Non-regulated turnover



Interim Group figures

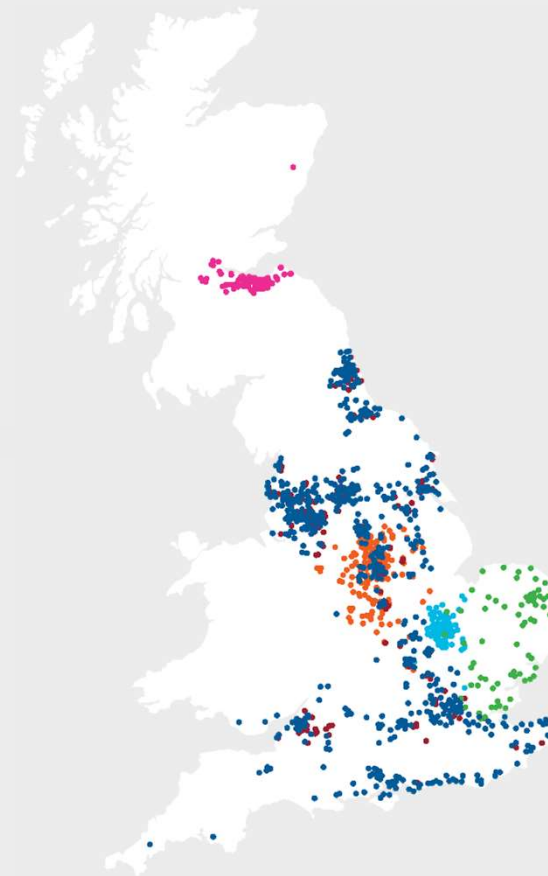
6 months to 30 Sept	2017	2018	2019	2020
Group Turnover	£373.8m	£418.5m	£437.2m	£376.6m
Operating Profit	£95.4m	£121.3m	£109.3m	£105.1m
Profit before Tax	£44.4m	£49.7m	£42.2m	£35.9m
Operating margin	25.5%	29.0%	25.0%	27.9%

- Reduction in development for sale activity towards the increased delivery of affordable housing.
- Reduction in turnover from closure of the leisure facilities, with limited impact on the Group's profits.
- Despite the continuing challenging environment, the Group continues to deliver on its strategy, growing its impact and continuing to create places that work for everyone.



Regulated group

- Places for People Homes is one of the largest social housing providers in England.
- Castle Rock Edinvar is one of Scotland's largest housing associations, managing properties across eight different local authority areas.
- Cotman Housing Association is a well-established East Anglian housing association, joining the Group in 2009.
- Places for People Living+ is the Group's support specialist providing dedicated housing and support services to help people live independent lives.
- Derwent Housing Association, based in the Midlands, joined the Group in December 2016.
- Chorus Homes, based in Huntingdon, joined the Group in March 2018.



Legend

Properties

- Places for People Homes
- Castle Rock Edinvar HA
- Cotman HA
- Living+
- Derwent HA
- Chorus Homes

Fire risk assessment

Government guidance regarding fire safety was regularly updated during the year in addition to the publication of both the Hackitt report and the first Moore-Bick report from the Grenfell enquiry. There continues to be a sustained focus on fire safety management throughout the Group:

- Continuing to review and enhance our fire safety approaches and implement opportunities to evolve fire prevention and protection
- Renewing efforts to raise awareness of fire safety at home in light of a reported UK national increase of fires in homes
- Continuing to review external cladding on our homes to ensure they are safe
- Widening membership of the Fire Safety Core Group
- Continuing to reflect our commitment to ensure the safety of our customers and giving our customers a direct influence over how we manage this important area of work.

Only half the portfolio consists of flats with fewer than 50 of six storeys and above

Performed fire risk assessments of all high-rise blocks and none contain materials present at Grenfell Tower

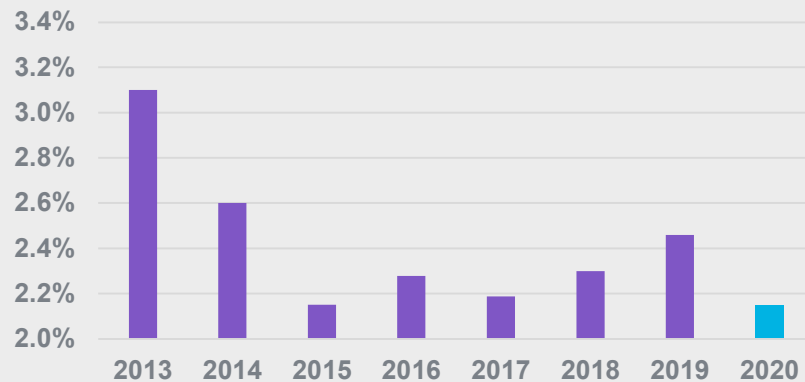
Installed and commissioned automatic fire suppression systems to 10 high rise blocks, providing a higher level of fire protection for 566 customers

Work continues to deliver sprinkler systems to a further 953 customers

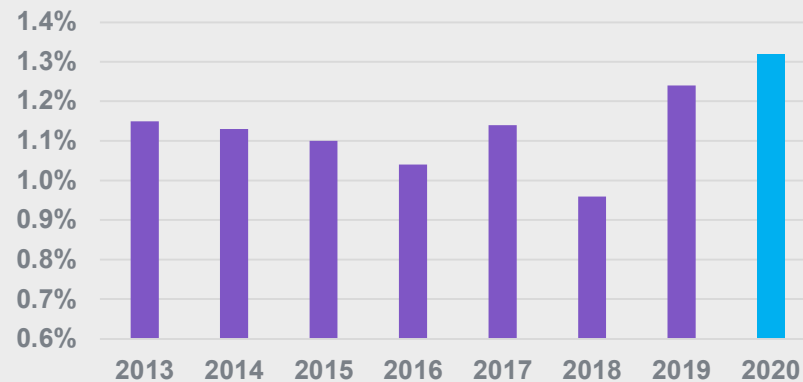
Spent £6m to date with a further £12m planned for 21/22

Strong portfolio metrics

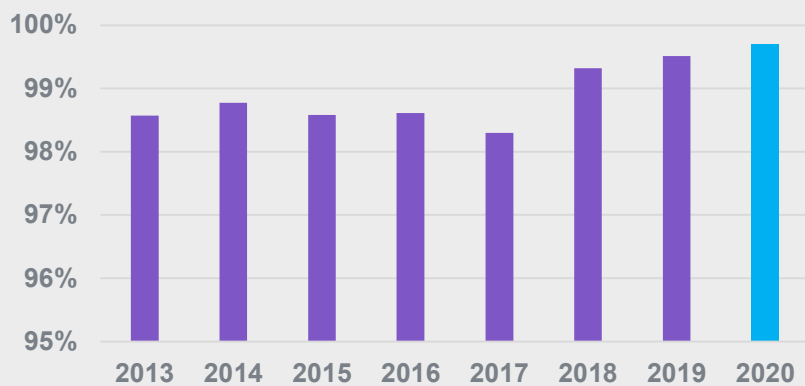
Current tenant arrears



Rent loss



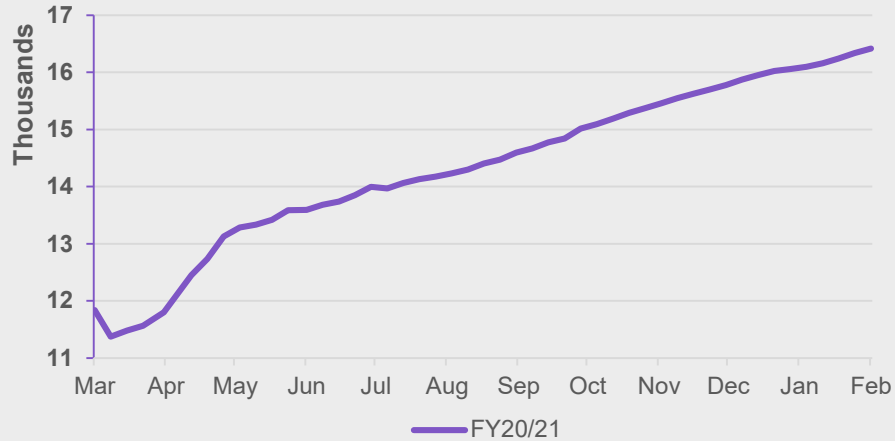
Occupancy rates



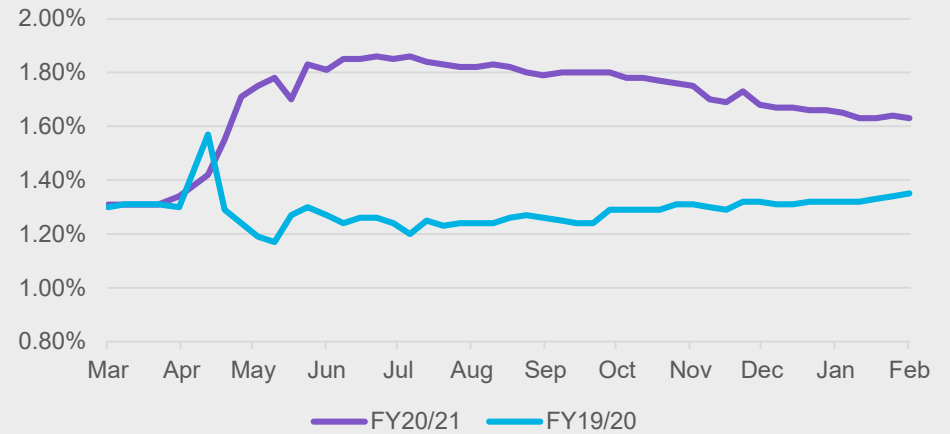
- Robust model for managing void and bad debt performance.
- Proactive management of Universal Credit.
- Consistent high demand for properties.
- c50% of rent received via benefits.
- £117m annual investment in existing properties.

Recent portfolio metrics

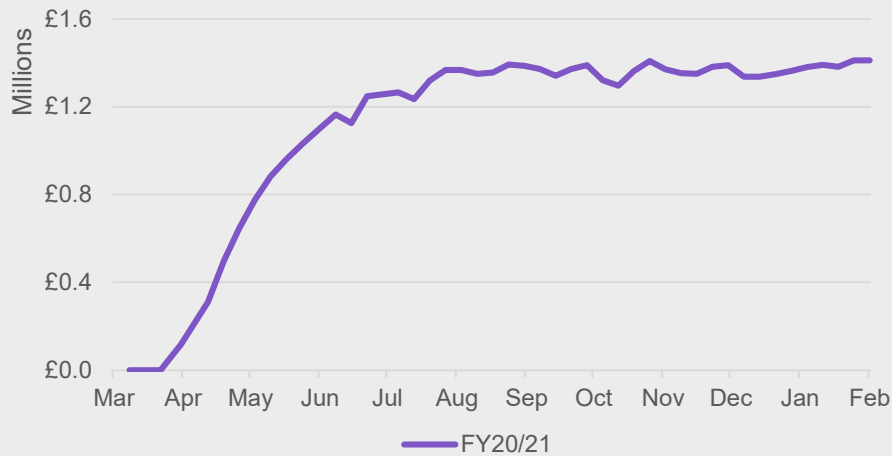
Universal Credit claimants



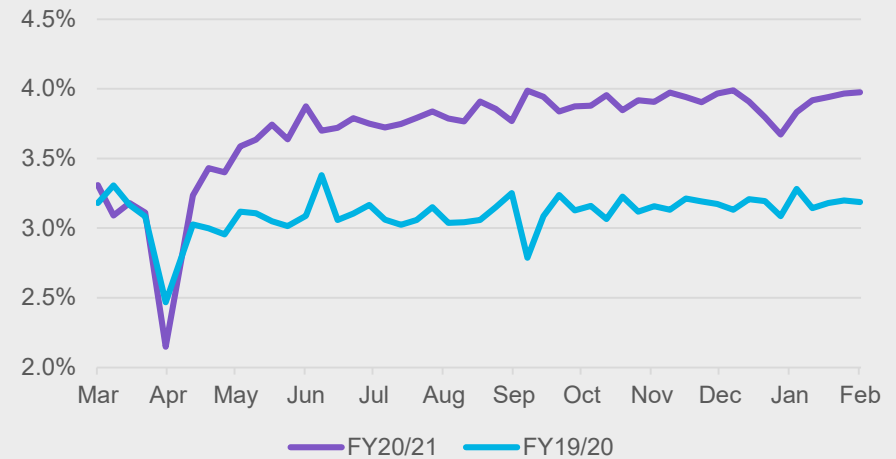
Total void loss



Tenant arrears due to Covid-19



Current tenant arrears





Treasury overview

Joint default basis of assessment; focus on sovereign credit strength and underlying financial strength of the issuer:

- PfP Group is rated 'A-' (stable outlook) by S&P
- PfP Group is rated 'A' (stable outlook) by Fitch
- PfP Homes is rated 'A3' (stable outlook) by Moody's
- All three agencies apply the same ratings to Places for People Treasury plc.

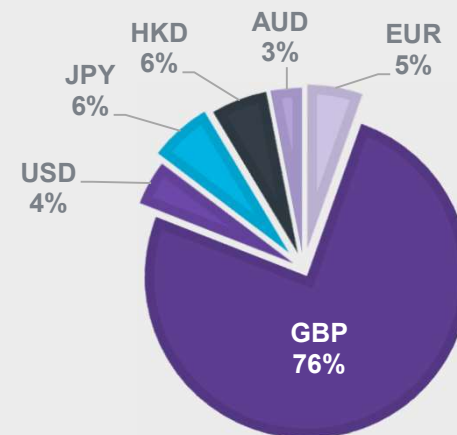
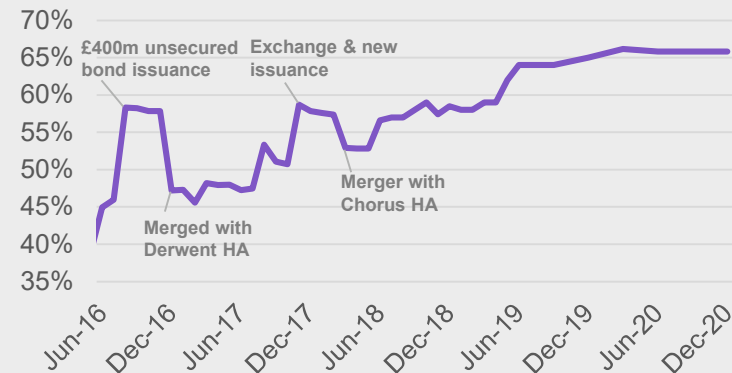
HA credit strength focuses on:

- Regulatory and legal framework
- Financial and operational performance
- Governance and management
- Extraordinary support from UK Government
- Factors influencing the UK Government to act to prevent default
- Credit strength of the UK Government supported by its long-term rating
- Combined to provide investment grade credit strength to the sector's issuers.

Unsecured financing strategy

- Medium term objective to re-balance debt portfolio to 60% unsecured, diversifying the investor base and demonstrating strong commitment to an unsecured borrowing strategy.
- £3.1bn drawn debt portfolio.
- Strong unsecured debt covenant:
 - Net Available Properties Value ≥ 1.1 times the Total Unsecured Debt based upon EUV / MVT valuations.
 - MVT of £6.1bn.
- Places for People continues to diversify its debt investor base: accessing capital markets in the UK, Europe, US and Australia & Asia.

Unsecured debt ratio

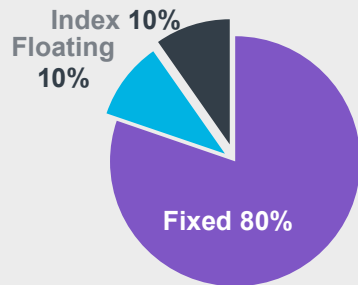


As at 31 December 2020

Treasury summary

- First HA to access, utilise and develop an EMTN programme.
- Group Treasury policies:
 - Minimum 12 month forward cash commitment
 - P&L interest cover greater than 1.2x
 - Gearing less than 60%
 - At least 70% of debt to be fixed
 - All FX exposure fully hedged.

Fixed / float rate mix



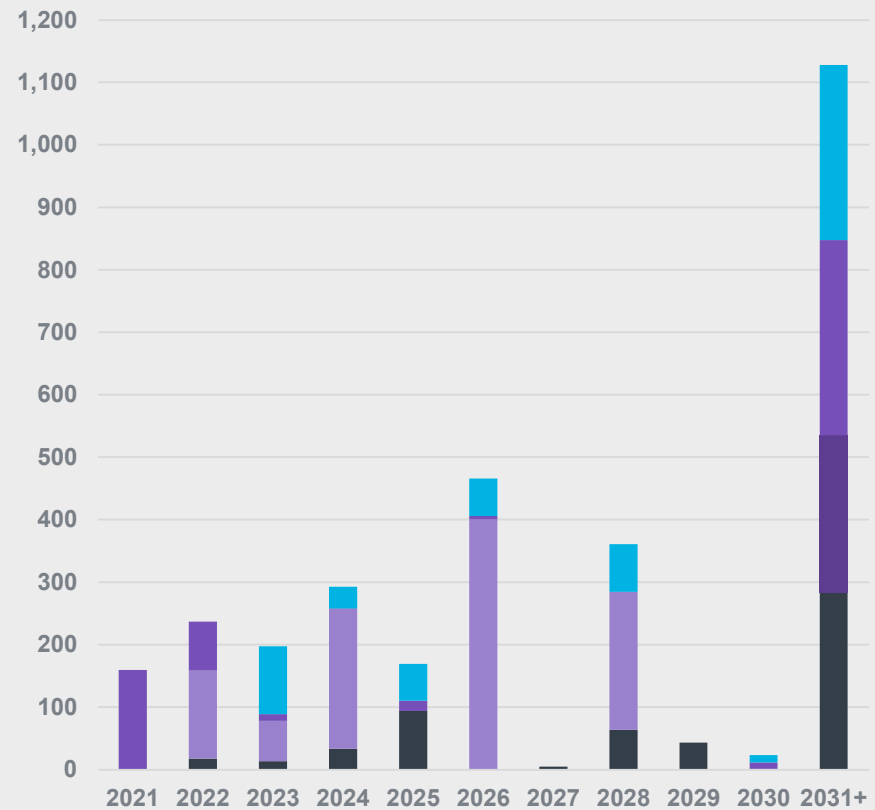
■ Fixed ■ Floating ■ Index

Total liquidity



■ Facilities ■ Cash

Group debt maturity profile (£m)



■ Bank ■ Bond ■ Other ■ Private Placement

As at 31 December 2020



Places
for People

