



ESP

Empiric Student Property plc
Annual Report and Accounts 2024

Home from Home

Who We Are

ESP

Values

The customer comes first

Our customer experience is of paramount importance to the development of our strategic priorities.

We take ownership

We are reliable, respectful, and responsive. We do what we say we will do.

Our purpose

To help students make the most of their university life by creating and managing some of the highest quality and most thoughtfully designed accommodation, which is secure, modern and homely.

Culture

Our people are key to delivering a high-quality, personalised service to our customers.

We work tirelessly to create a team who are diverse and inclusive, agile, proactive, thoughtful, and responsive.

Underpinned by our **values** and **culture**

Highlights

The business has delivered another year of great progress against its strategic objectives, most pleasingly in respect to our growth agenda. Having successfully concluded the Company's first equity raise since 2017, our focus remains squarely on its deployment and delivery.

2024 saw us add three fantastic new sites to the portfolio growing our existing clusters in Bristol, Glasgow and Manchester. We also unlocked value from existing sites with planning consent achieved at Victoria Point in Manchester, and have continued to make good progress on our programme of refurbishment, driving enhanced rental growth.

Financial

IFRS Earnings Per Share (basic)

5.6p

2023 | 8.8p
Change | -36%

EPRA Earnings Per Share¹

4.2p

2023 | 4.0p
Change | +5%

EPRA NTA Per Share¹

119.6p

2023 | 120.7p
Change | -0.9%

Gross Margin¹

70%

2023 | 69%
Change | +1% pt

Total Return (3 year, annualised)¹

6.6%

2023 | 7.4%
Change | -0.8% pts

Property Valuation

£1.1bn

2023 | £1.1bn
Change | +1.6% (LfL)

Dividend per Share

3.7p

2023 | 3.5p
Change | +6%

IFRS NAV

£801.3m

2023 | £734.2m
Change | +9.1%

EPRA Loan to Value¹

27.2%

2023 | 30.6%
Change | -3.4% pts



Strategic report

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¹ An alternative performance measure. See page 48 for further details.

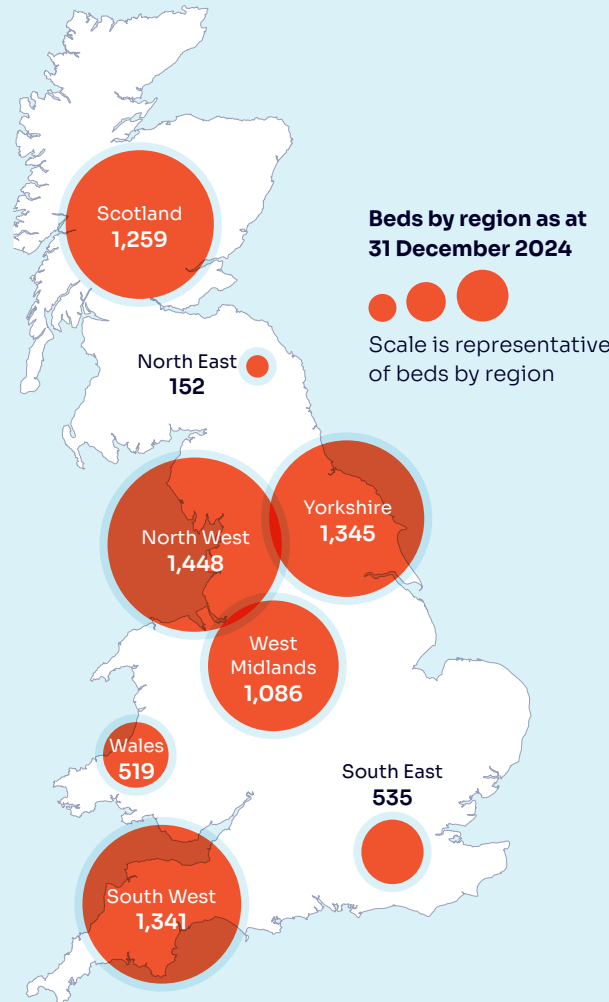
At a glance

Empiric offers students some of the highest quality and most thoughtfully designed accommodation which is secure, modern and homely, and enables them to thrive, learn and succeed.

Our studio-led properties and customer-first philosophy provides some of the best experiences available to students. Our boutique proposition allows our people to get to know our students and provide a more personalised, responsive service, such that we can better support students during their higher-education journey. Our properties are typically unique and smaller than most, often incorporating a sense of individual character and heritage. This helps foster a sense of community, encouraging our students to stay with us for longer, creating their **Home from Home**.

Home from Home

Where we operate



The Empiric portfolio is well aligned to high-growth locations with

97%

by value classified as either Super Prime Regional or Prime Regional by our valuer

As at 31 December 2024:

Operational Assets

74

31 December 2023 | 79

Cities and Towns

23

31 December 2023 | 27

Beds

7,685

31 December 2023 | 7,908

Investment proposition

Differentiated Business Model within the Popular PBSA Property Sector



We target investment in prime regional cities which attract students from the growing pool of affluent international, postgraduate and returning undergraduates, whose premium accommodation requirements are relatively under-served by the PBSA market. This segmented supply and demand imbalance drives both occupancy and rental growth, creating relatively high-yielding investments providing attractive total returns.

Responsible and Industry-Leading Operating Brand



Hello Student, our operating brand, has become one of the most effective, responsible and recognisable in the sector. In the 2024 Global Student Living Index, Hello Student was awarded Gold Operator Certification, with an NPS score of +32, well exceeding the average for University and Private Halls (+12 and +19 respectively), and a further improvement on 2023 when we scored +30.5. We pride ourselves on high quality customer service and amenities.

Sustainable Long-Term Business Model



There has been consistently strong growth in student numbers over the past decade, with strong demand set to continue for the foreseeable future.

Delivering Attractive Sustainable Shareholder Returns



We target a gross margin of over 70% and annualised total returns of 7%-9%.

Socially and Environmentally Responsible



We are a company who is socially and environmentally responsible. We have set an ambitious Net Zero target of no later than 2033 and have allocated significant capital to invest in decarbonisation initiatives aimed at reducing energy consumption and managing future EPC risk.

Progressive Culture Embedded by Core Values and Purpose



Our culture and values are embedded in our business and in our team.

Financial snapshot

As at 31 December 2024

Portfolio valuation

£1.1bn

2024	£1.1bn
2023	£1.1bn

EPRA NTA¹

119.6p

2024	119.6p
2023	120.7p

EPRA EPS¹

4.2p

2024	4.2p
2023	4.0p

Total Return (3 year, annualised)¹

6.6%

2024	6.6%
2023	7.4%

Dividend per share

3.7p

2024	3.7p
2023	3.5p

EPRA LTV¹

27.2%

2024	27.2%
2023	30.6%

¹ An alternative performance measure. See page 48 for further details.

Our market

The UK PBSA sector continued to demonstrate its resilience in the face of wider macroeconomic headwinds

Super Prime Regional PBSA reported the highest capital growth of

+14.7%

in 2024



During 2024, the UK Purpose-Built Student Accommodation sector continued to demonstrate its resilience in the face of wider macroeconomic headwinds, underpinned by the sustained student demand for modern accommodation. Investor appetite continues to evolve and diversify, fuelled by the undersupply of high-quality operational beds, long-term predicted growth in demand and a reduced delivery of new supply.

Strengthening investor appetite for the sector was evident in the year's transaction volumes, with Savills reporting growth of 13 per cent year on year, and £3.5bn traded⁽¹⁾. The UK is the most sought after European location for investors looking to deploy capital into student accommodation, despite the relative maturity of UK PBSA⁽²⁾.

“The UK is the most sought after European location for investors looking to deploy capital into student accommodation.”

Will Atkinson | Chief Investment Officer

PBSA continues to outperform the wider UK property sector with the CBRE PBSA Index 2024 showing robust returns, delivering annual total returns (to September 2024) of 9.8 per cent. This compares favourably to Industrials which delivered annual returns of 9.7 per cent and the overall UK commercial property sector which delivered a total return of 7.7 per cent (to December 2024). The CBRE PBSA Index reports that capital values rose faster than in 2023, increasing on average from 2.4 per cent to 4.0 per cent in 2024.

Last year's highest capital growth was in Prime Regional assets with this switching in 2024 to the Super Prime Regional markets which increased by 14.7 per cent⁽³⁾. Our portfolio is well aligned to both these sub-sectors with 97 per cent by value classified as Super Prime Regional or Prime Regional at December 2024.

Our portfolio is

97%

aligned to Super Prime or Prime Regional locations.



Occupational demand

The growth of students accelerated immediately after the pandemic and has since eased, aligning with the long-term trend. The number of university students studying full-time in the UK has risen by nearly a quarter to 2.4 million in the five years to 2022/23 (the most recently reported academic year), with a further 580,000 students attending part-time.

Overall undergraduate applications in 2024 according to UCAS were down 0.3 per cent to 594,940 with a continuing trend of declining demand for nursing courses down 10 per cent contrasted by growing demand in STEM courses with engineering and technology courses having seen 10 per cent growth, and applications to both mathematical sciences and computing experiencing an increase of 7 per cent. The application rate for UK 18-year-olds was 41.3 per cent, down from 41.5 per cent in 2023, but up from 38.2 per cent recorded in 2019. International applications increased by 0.7 per cent showing the continued attraction of the UK higher education sector. The highest increases were from China (+3 per cent), Turkey (+37 per cent) and Canada (+14 per cent)⁽⁴⁾. Applications from other countries, such as Nigeria, have seen a significant drop, largely due to the country's high inflation rates⁽⁵⁾ and changes in the UK student visa scheme in respect of dependants.

The trend in undergraduate acceptances in 2024 reported by UCAS shows a slightly different result. Overall there has been an increase in students placed onto full-time undergraduate courses by 0.9 per cent to 493,940 which included a record 277,790 UK 18-year-olds being accepted. This coincides with a lower acceptance rate for international students, with the number of acceptances marginally dropping by 0.6 per cent from 61,470 last year to 61,110. From those international undergraduate applicants, China has remained the largest international market even after a 1.9 per cent decline since the prior year⁽⁶⁾.

Postgraduate students studying full-time in their first year increased by 56,990 to 444,320 in 2022/23 which reflects a 75 per cent increase in postgraduate student entrants since 2017/18. Overall there were 612,000 full-time postgraduate students in 2022/23 representing 25 per cent of the overall UK student population and consisting of 67 per cent international, 30 per cent UK and 4 per cent originating from the EU⁽⁷⁾.

PBSA sector's occupancy is very similar to last year, at 91.7 per cent, showing only a marginal decrease from 92.6 per cent in the prior year. Studio flats were the first to let, remaining the preferred offering for international students as with previous years⁽⁸⁾, benefitting from a target market in a higher price bracket, setting it apart from the competitive cluster flat market. Looking forward, the StuRents Annual Report 2024⁽⁹⁾ predicts the continuation of steady growth into 2024/25 and then beyond driven by the growing number of the 18-year-old population which is forecast to increase year on year until 2030. Similarly, UCAS has reported that the increase in tuition fees from £9,250 to £9,535⁽¹⁰⁾ is not expected to affect application numbers, in line with the last time fees were increased.

**Postgraduate student numbers
have increased**

75%

since academic year 2017/18.



612,000

**Full-time postgraduate students,
now represent over one quarter of
the total student population.**



Our market | continued

PBSA supply

It is anticipated that the sector will continue to have a significant shortfall of beds in 2025, with several factors constraining supply⁽¹³⁾. Viability remains a key challenge for developers, with higher build costs, enhanced building safety requirements, sustainability demands, increased financing costs and increasingly difficult planning environments all discouraging development. Material and labour costs are expected to increase further, with the BCIS Building Forecast expecting building costs to increase 17 per cent over the next 5 years⁽¹⁴⁾. Delivery dates have been delayed by the introduction of the Building Safety Act, particularly the Gateway Two process⁽¹³⁾.

A two-tier market is developing in UK PBSA. Knight Frank report that 65 per cent of existing PBSA supply was built before 2012⁽¹⁵⁾, with the majority of stock ageing and requiring refurbishment or repositioning. Knight Frank report that just under 260,000 new student beds have been delivered since 2012. In the same period, almost 470,000 full-time students have been added to the UK university population, exacerbating the supply demand imbalance for high-quality accommodation⁽¹⁵⁾. Development remains at a decade low, with under 9,950 beds completing in 2023 and only 11,270 delivered in 2024⁽¹⁶⁾. By comparison over 30,000 beds were completed each year between 2016 and 2020, with delivery peaking at 38,600 in 2018⁽¹³⁾. Developer sentiment is improving in certain cities, reflected in more PBSA planning applications brought forward. In the year to September 2024, developers sought planning consent for 30,900 with 25,700 beds approved⁽⁵⁾. Supply is becoming increasingly focused on the best performing markets with 71 per cent of all planning applications in just ten UK locations including Bristol, Glasgow and Manchester, driven by favourable student demand and higher rents improving viability. The shortage of housing options for students is also being compounded by a continued loss of Houses in Multiple Occupation (“HMO”), with landlords due to pay surcharges on additional properties, as announced in the October 2024 Budget⁽¹³⁾.



Development of PBSA beds remains at a decade low

11,270

beds completed in 2024.



Investor activity and transactions

The interest rate environment during 2023 stifled transactional activity, but improving sentiment has led to higher transaction volumes in 2024, with Savills reporting a 13 per cent year on year increase to £3.5bn⁽¹⁷⁾. Portfolios traded in the year, including Project Aqua, 711-beds in Exeter and Glasgow bought by LGIM for £122 million reflecting 5.3 per cent and Project Jade, a 4,335-bed regional portfolio acquired by PGIM for £184 million, reflecting 6.25 per cent. Standing assets traded in London and the regions. Pavilion Court, a 699-bed asset in London sold for £125 million to Apollo, reflecting 4.65 per cent and 99-bed True Student Glasgow West End was purchased by Aviva Investors and Curlew for £23 million, reflecting £232,000 per bed. In December 2024, Goldman Sachs and Generation Partners purchased two assets totalling 900 beds in Bournemouth and Cardiff for £108.5 million, reflecting 6.0 per cent⁽¹⁸⁾.

The year saw a limited number of traditional forward funds but some large scale land transactions did transact, with Greystar purchasing a 1,014-bed site, One Medlock in Manchester, from Dominus, and the 836-bed Triangle site in Selly Oak from Apsley Capital and Galliard. In London, Unite acquired the 444-bed King’s Place in Southwark⁽²⁰⁾.

Transaction volumes increased to

£3.5bn

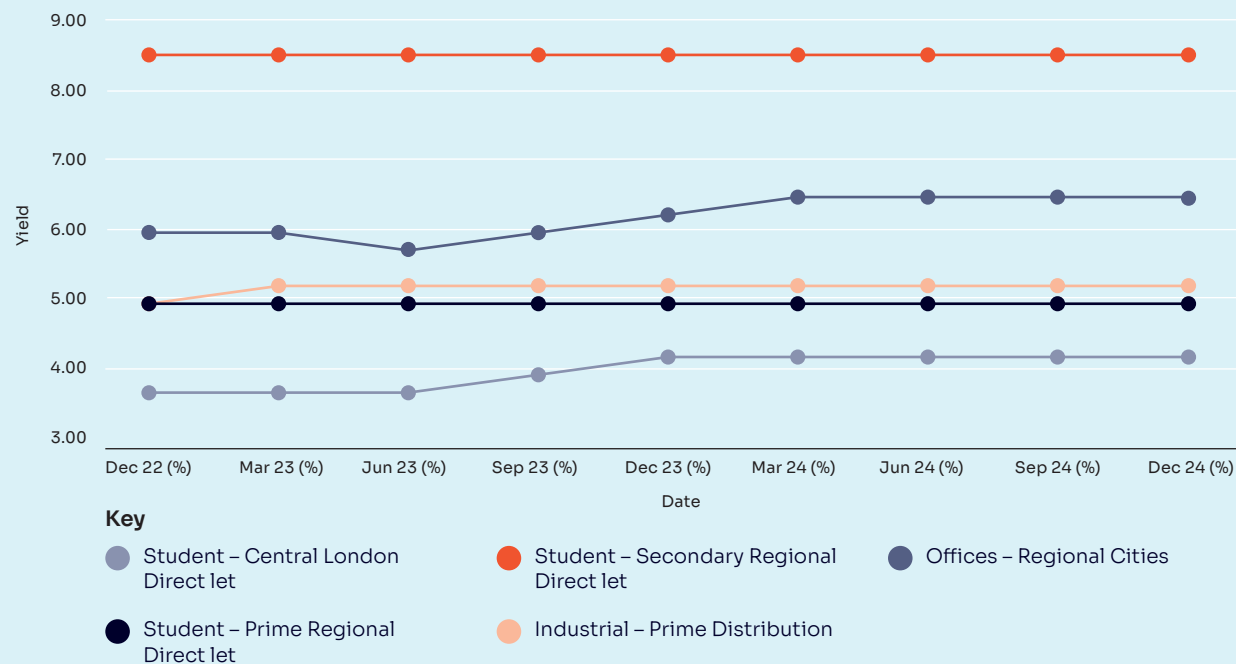
Representing a 13% year-on-year increase on 2023.

Direct-let yields best in class

Benchmark direct let investment yields reported by CBRE have remained unchanged in 2024, with Central London, Prime Regional and Secondary Regional yields stable at 4.25 per cent, 5.0 per cent and 8.5 per cent respectively⁽²¹⁾. This reflects investor demand for prime properties, with investors seeking discounts for assets which do not meet best-in-class criteria. The Bank of England base rate sharpened 50 basis points in the second half of 2024, with a 25 basis point cut from 5.25 per cent to 5.0 per cent in August, and further 25 basis point cut to 4.75 per cent in November⁽²²⁾. Savills report strong demand from lenders to deploy capital on high-quality PBSA opportunities. Although underlying interest rates remain elevated, competition is exerting downward pressure on margins, with lenders becoming more flexible on financing packages to secure opportunities⁽¹⁾.

Looking ahead, the continued growth in 18-year-olds and a forecast recovery in non-EU students is expected to further drive demand for PBSA beds. Occupancy is expected to remain strong and rental growth is forecast to remain in-line with the long-term average⁽¹³⁾. This is however highly nuanced in some markets, with higher supply driving price sensitivity. The supply of PBSA will continue to be constrained by several factors, underpinning PBSA's position as a top-performing sector, attracting new entrants and underpinning investor confidence.

CBRE Benchmark Investment Yields



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Business model

Our business model combines a high-quality, characterful portfolio of Purpose-Built Student Accommodation with an efficient in-house operational platform, designed to grow and create long-term sustainable returns for our Stakeholders.



Key strengths

Portfolio

We have an attractive, characterful portfolio that offers high-quality, well located accommodation for our customers.

Our people

Our people are key to our customers' journey. Our passionate and committed colleagues allow us to deliver hassle-free student accommodation with a sense of community and belonging that supports mental health and wellbeing.

Specialist knowledge

We have the knowledge to acquire, develop and operate high-quality, sustainable student accommodation.

Brand

Hello Student® is a leading brand providing clear identity in the PBSA market.

Data analytics

We drive improvements in customer experience and performance through data analytics. We seek to understand behavioural characteristics using both geographic and demographic segmentation.

Financing

We have an appropriately leveraged balance sheet with strong liquidity, allowing the business to be proactive and capitalise on opportunities as they arise.

How we add value

Our culture

Our customers and our people are our key focus. We aim to deliver stand-out customer service, which in turn drives occupancy and financial returns through working together.



Locations/specifications

We are selective about where we invest, with a focus on the towns and cities that are home to the most successful universities and where student numbers are rising faster than average. We select sites based on their compatibility with the types of accommodation we provide and their proximity to universities and amenities.

Our buildings have on average around 100 beds, which helps to foster a more homely, collegiate feeling to living. However, through our clustering strategy we are able to yield the economies of scale which are generated from larger buildings.

Operate

Our assets are marketed through our Hello Student® platform, a clear and identifiable brand. Encouraging our people to live our values helps ensure that customers have the best experience possible, driving improved occupancy and returns. We have a student Wellbeing Manager and welfare programme in place to ensure that we provide the 24/7 support that our customers can expect when they stay with us.

Acquire/develop

We acquire standing assets when an opportunity arises which complements our portfolio and core strategy.

We consider developing assets when we can acquire them at a higher yield on cost than acquiring standing assets. Forward-funded projects are typically less complex than direct developments and have a lower risk profile, as the planning and construction and risk lies with the third-party developer. However, we have a strong and proven track record in direct development too.

Recycle

We invest in our portfolio for the long term, however we continually review the portfolio to ensure capital is effectively allocated. Where an opportunity exists to create improved returns for shareholders we are unemotive about recycling capital to create greater value.

Outcomes

Customers

Our customers benefit from having a great home to live in during their studies, at all-in rent that represents best value.

NPS in the Global Student Living Index

+32

Higher than PBSA private hall average +19

Shareholders

Shareholders benefit from Total Returns which are underpinned by income and continued rental growth.

6.6% **2.0%**

Annualised 3 year **1 year**

Our people

Our people have the opportunity to develop their careers in an exciting and growing sector.

Colleague Engagement Score

78%

Suppliers

Fostering long-term relationships with high performance, service-oriented suppliers and service providers who align with our values.

Communities

The communities in which we operate benefit from increased employment, reduced pressure on local housing stock, and from the improvements we fund to social infrastructure in the surrounding area.



Our strategy

- 1 Customers
- 2 Brand
- 3 Our People and Operations
- 4 Building
- 5 Shareholders

Delivering against our strategic objectives



KPI links

- A. Rebooker Rate
- B. Net Promoter Score
- C. Revenue Occupancy
- D. Safety – Number of Accidents
- E. Colleague Engagement
- F. Energy consumed per bed
- G. EPC risk mitigation
- H. Gross Margin
- I. EPRA earnings per share
- J. Dividend Cover
- K. EPRA Net Tangible Assets per share
- L. Total Return

Risk links

External risks

- E1. Revenue Risk
- E2. Property Market Risk
- E3. Climate Change Risk
- E4. Financing Risk
- E5. Inflation Risk

Internal risks

- I1. Health and Safety Risk
- I2. Information Technology Risk
- I3. People Risk
- I4. Safe and Sustainable Buildings Risk

1 Customers

Strategic objective

Our customers are at the heart of what we do. We want our customers to have a great experience and stay with us year after year and to recommend us to their friends. We aim to achieve customer satisfaction by creating vibrant communities in our homes and by giving our customers a sense of safety, wellbeing and belonging in an environment of high-quality communal areas and facilities.

We aim to deliver a friendly personalised service and be there when our customers need us.



Progress in the year

- Our net promoter score was +32, compared to PBSA private halls average +19.
- 69% of customer queries now resolved within 72 hours.
- 20 properties ranked within top three by StudentCrowd in cities across the UK.
- Awarded Best Student Wellbeing by GSLI.



Strategy in Action | page 26



Key aims for 2025

- Continued progression in NPS.
- Drive improving StudentCrowd ranking and happiness score.



Associated KPIs



Monitoring our Performance (KPIs) | page 28

Associated risks



Principal Risks | page 38

Awarded by GSLI

#1

Best Student Wellbeing 2024

Customer queries

69%

now resolved within 72 hours

Our strategy | continued

2 Brand

Strategic objective

We want to raise awareness of the Hello Student® brand among students, to support our premium accommodation and service offering. We want to be known as a responsible provider.



Progress in the year

- Launched new website improving booking experience.
- Launched WeChat mini programme to engage directly with Chinese students.
- Refreshed research into ‘What students want’ from their rooms and their buildings and how they want to live together, helping to inform brand evolution.



Key aims for 2025

- Continue brand roll-out.
- Launch ‘Out of Home’ student podcast.
- Refine customer experience roadmap.



Associated KPIs

A B C D G H

→ Monitoring our Performance (KPIs) | page 28

Associated risks

E1 E3 I1 I2 I3 I4

→ Principal Risks | page 38

StudentCrowd ranking

#1

in six cities in which we operate

Our net promoter score

+32

compared to PBSA private halls average +19

3 Our people and operations

Strategic objective

We are committed to making Empiric “a great place to work” and destination of choice for candidates wanting to work in the student accommodation sector; through this we will be able to deliver a high standard of customer service.

We will continually enhance our in-house functions and performance coach our colleagues to help them provide the best and most efficient customer service experience.



Progress in the year

- Launched ‘Hello Future Stars’ leadership development programme.
- Employee retention maintained at 78%.
- Diversity target set for Senior Leadership Team.



Key aims for 2025

- Review and enhance reward and recognition offering.
- Implement diversity strategy.
- Rationalise operating model for city structure to drive efficiencies.



Associated KPIs



→ Monitoring our Performance (KPIs) | page 28

Associated risks



→ Principal Risks | page 38

Vacancies and promotions

61%

of eligible vacancies filled by internal promotions

Ethnic minorities

21%

of responding employees identify as being from an ethnic minority

Our strategy | continued

4 Building

Strategic objective

We will maximise the value from the asset portfolio by actively managing the portfolio to recycle capital and to improve returns and sustainability. This is achieved by maintaining a portfolio of well located investments with attractive yields and rental growth opportunities.



Progress in the year

- Three acquisitions completed in top-tier cities.
- Completed full refurbishment of Brunswick Apartments, Southampton.
- 73% of portfolio EWS1 certified.
- Detailed planning consent achieved for the addition of 310 new beds at Victoria Point, Manchester.



Strategy in Action | page 36

Associated KPIs

- A B C D F G H

→ Monitoring our Performance (KPIs) | page 28

Associated risks

- E1 E2 E3 E5 I1 I2 I4

→ Principal Risks | page 38

Non-core disposal programme

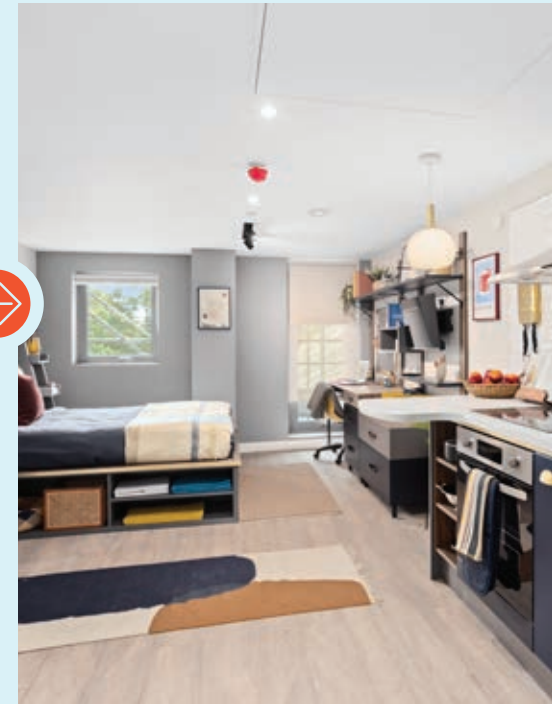
£45m

generated from sales in 2024

Refurbishment of

173

rooms across the portfolio in 2024



Key aims for 2025

- Continue to grow beds under management.
- Develop implementation plan for Victoria Point, Manchester.
- Continue roll-out of Postgrad product in three further cities.



5 Shareholders

Strategic objective

We want to provide our shareholders with attractive sustainable returns. This is achieved through improving the profitability, performance and scale of our portfolio.



Progress in the year

- Delivered 6% increase in total dividend paid for year.
- Improved engagement on ESG matters placing targets to advisory vote at AGM.
- Expanded investor relations programme with engagement in corporate access days and hosting property tours in Bristol, Glasgow and Edinburgh.



Associated KPIs

- A B C D F G H I J K L

→ Monitoring our Performance (KPIs) | page 28

Associated risks

- E1 E2 E3 E4 E5 I1 I2 I3 I4

→ Principal Risks | page 38

Dividend

3.7p

+6% on 2023

Total accounting return

6.6%

annualised 3 year

2.0%

for the year

Key aims for 2025

- Deploy proceeds from equity raise in line with commitments and demonstrate accretion.
- Engage with shareholders on new remuneration policy.
- Improve diversity.



Chairman's statement

Given the backdrop of challenging market conditions presented by changes in government policy and ongoing inflationary cost pressures, the Company has delivered another strong operational performance in 2024, with like for like rental growth across the financial year in excess of nine per cent, strong occupancy and improving customer service scores.

Macro-outlook remains positive for the foreseeable future

“Despite challenging market conditions, good progress has been made this year on our growth agenda.”

Mark Pain | Non-Executive Chairman



The business has made good progress on its growth agenda. In the first half of the year, we acquired two well-located properties in top-tier university cities where we had an existing operational presence, allowing us to exploit the benefits of our clustering model.

In October, a successful capital raise was concluded raising £56.1 million, over half of which has been deployed or committed into accretive acquisitions and refurbishment opportunities as at 31 December 2024. I would like to thank our existing and new shareholders for their support and confidence in the Company's proposition and strategy.

In December, in line with plans outlined to investors alongside the capital raise, a third new site was acquired in Manchester and the team remain focused on the timely deployment of residual proceeds. Also in Manchester, in support of our growth agenda, we achieved planning consent for a comprehensive redevelopment at Victoria Point, which when implemented will add over 300 beds to this strong operational cluster and acutely undersupplied city.

Performance & dividend

With occupancy of 99 per cent for the 2023/24 academic year and 97 per cent for the 2024/25 academic year, demand remains strong for our high-quality accommodation. Like for like rental growth comfortably exceeded inflation at 10.5 per cent and 7.0 per cent respectively.

Pleasingly, our customer service scores continue to surpass many of our competitors with further improvement achieved on NPS, which now sits at +32, considerably ahead of All Private Halls of +19. We were also pleased to be voted number one on Student Crowd in two cities in which we operate.

Having set a dividend target for the financial year of 3.5 pence per share, we are pleased that despite the challenges faced, the performance of the business continues to support a progressive dividend and we have increased our payment for the 2024 financial year to 3.7 pence per share, a six per cent increase on 2023.



97%

occupancy rate for the
2024/25 academic year, with
99% occupancy achieved for
the 2023/24 academic year



The Board intends to continue to make quarterly payments to shareholders throughout 2025. It is the Board's intention that dividends remain fully covered by recurring earnings and are progressive in nature. The Board will initially target a minimum dividend of 3.7 pence per share for the financial year to 31 December 2025.

Governance

Although the Board had a schedule of regular meetings and informal calls throughout the year, a number of additional meetings were held to discuss a prospective joint venture to promote growth and accelerate the roll out of the Group's postgraduate product. However, after careful consideration the Board decided to end these discussions, noting that the timing of implementation was at risk and the associated disruption to the Company's business plan was not in the best interests of shareholders. With a change in market sentiment the Board recognised an opportunity to conduct a capital raise allowing the Company to pursue these objectives independently.

Further details regarding the Board, its operations and the reports from its various Committees can be found on pages 100 to 141.

Building a sustainable business

The Board is committed to creating a sustainable business with a positive social, environmental and economic legacy for all stakeholders and has set clear targets in order to achieve Net Zero as a business by 2033. We have been pleased to see the impact of energy efficiency initiatives beginning to feed through to falling average energy use per bed. Our 2025 EPC target has already been exceeded with 64 per cent of the portfolio categorised as EPC B or above.

In order to further improve transparency, and in response to requests from shareholders, the Board will participate in an ESG disclosure and benchmarking process with CDP annually from 31 December 2025, with the first set of findings from this exercise due to be published in 2026. We are also pleased to report that our Scope 3 emissions and carbon balance sheet are disclosed for the first time this year, details of which can be found on page 89.

Chairman's statement | continued

The wellbeing of our customers and employees is always paramount and we were delighted to win the Best Student Wellbeing award for UK and Ireland at this year's GSLI Awards. With the mental health of our students remaining a key focus area, we introduced mental health first aid training at many of our sites and it's pleasing to see this being recognised within the industry.

Health and Safety

Health and Safety is the responsibility of the Board and reports are regularly provided to keep Directors updated of incidents or improvements. Health, safety and fire audits were conducted and completed during the year and a three-year plan is currently being progressed to enhance our monitoring and investment to ensure all our buildings are as safe and secure as possible.

Diversity, succession and culture

There have been no changes to the Board this year, extending a period of stability and resulting in another solid Board evaluation. However, with no change in Board membership, it has not been possible to address the diversity targets set by the Parker and the FTSE Women Leaders Review. Steps have been taken to improve diversity within the wider business, and this is discussed further on page 114. The results of the Board evaluation can be found on page 112.

Succession plans for the Executive Directors and Executive Committee have been prepared on both a short and long-term basis, prospective internal candidates identified, and a bespoke leadership development programme introduced to help prepare them for their potential future role.

The Company has identified a number of metrics which will help it monitor and improve the culture within the business and for its customers. These include the NPS and eNPS scores, which we consider to be interlinked and will support our purpose, values and strategy. Further details can be found on page 101.



The Board will target a minimum dividend payment of

3.7p

per share for 2025



Annual General Meeting

Although all resolutions were passed at the Annual General Meeting held on 22 May 2024, the advisory vote regarding the ESG commitments for 2024 and 2025 received a 25 per cent vote against. In order to better understand the result, and inform future decision making, engagement with shareholders was sought post the Annual General Meeting ("AGM") and directly with certain shareholders during the Company's results roadshows during August and September. It appears in part that shareholders would prefer to see a clearer articulation between cost and returns that can be expected for each of the targets set and this will be addressed when the targets are next put to shareholder vote in 2026.

The Company's 2025 AGM will be held on 4 June 2025. Shareholders are encouraged to take the opportunity to meet with and pose questions to members of the Board. Further details about the time and location of the meeting are provided in the Notice of AGM which will be published separately and available on the Company's website.

Looking ahead

With student demand remaining strong and attractiveness of the UK's top-quality universities continuing to attract international appeal, the macro-outlook remains positive for the foreseeable future.

However, in the short term we, like many businesses, continue to face challenges. Higher employment related costs, significant increases in minimum wage and the sustained rebasing of energy costs all require careful management and strategic thought.

We remain steadfast in our commitment to our shareholders. We will continue to focus on growth, offering top quality accommodation alongside improving customer service. This allows us to drive rental growth whilst continuing to offer value for money to discerning students.

Finally, on behalf of the Board, I would like to thank our employees and all our stakeholders who have continued to support the Company during the year. With your support, we look to the future with continued optimism.

Mark Pain | Non-Executive Chairman
12 March 2025

Students have access
to our welfare programme

24/7



“The Company has identified a number of metrics which will help it monitor and improve the culture within the business and for its customers.”

Chief Executive Officer's review

The business has delivered another strong financial and operational performance during 2024.

“2024 saw us add three fantastic new sites to the portfolio, growing our existing clusters in Bristol, Glasgow and Manchester. We also unlocked value from existing sites with planning consent achieved at Victoria Point in Manchester, and have continued to make good progress on our programme of refurbishment, driving enhanced rental growth.”

Duncan Garrod | Chief Executive Officer



Delivery of growth agenda remains our strategic focus

In validation of our strategy, student demand for high-quality accommodation aligned to the UK's best universities has remained strong. Rental growth captured for the academic year 2024/25 lettings cycle exceeded our initial expectations and delivered growth of seven per cent on a like for like basis.

Reflecting the continued strong demand for our product, occupancy of 97 per cent was achieved across the portfolio for the 2024/25 academic year. Occupancy was slightly below the exceptional levels achieved in the previous two academic years of 99 per cent, but in line with our target.

Leeds and Sheffield, where eight per cent of our beds are located, experienced a decline in occupancy this year. A trend witnessed across the wider purpose built student accommodation ("PBSA") market. In Leeds this was partly as a result of an increase in the number of new Buy to Let properties coming onto the market in the middle of the lettings cycle, which were widely reported as being let to students. We do not expect this to continue as the letting window settles into a full year cycle and investors focus on longer stay occupants at higher rates. Furthermore, the prospective changes within the Renters Rights Bill could make letting to students considerably less attractive for non-PBSA operators, including HMOs. In Sheffield, the University of Sheffield experienced a fall in international student numbers this year, however universities have experienced success in taking a more active approach to international student recruitment and this should continue to drive student numbers toward the country's top-tier universities. Our expectation is that this disruption should not impact the longer-term attractiveness of these two cities given their Universities are both ranked in the 2025 Times Top 30 universities in the UK.



Record eligible re-booker performance

53%



Despite widespread publicity about international student numbers, created in part by the previous government's amendment to student visa rules, strategic review of the graduate route and negative rhetoric around student immigration, our market share of international students has increased in the current sitting academic year. Demographically, international students now represent 69 per cent of all bookings (up from 51 per cent in academic year 2023/24), with Chinese students remaining our largest international market at 40 per cent, up from 32 per cent in the prior year.

The 2024/25 sales campaign delivered another record re-booker performance, with 23 per cent of our rooms sold to students who were already staying with us. Adjusting for those students who were not eligible to rebook, for example where their course concluded in academic year 2023/24, we achieved an eligible re-booker rate of 53 per cent. This is a great achievement and tangible endorsement of customer satisfaction and the value inherent in our service proposition.

Underpinned by strong rental growth and stable yields, our portfolio valuation grew a further 1.6 per cent like for like, 4.2 per cent when the abolition of Multiple Dwellings Relief is disregarded. The balance sheet remains in good shape with prudent gearing of 27.2 per cent which sits comfortably within our long term target, providing a degree of headroom. All near-term refinancing risk has been removed.

Our October 2024 equity raise was well received and I thank our long standing shareholders for their continued support and also welcome new shareholders to the register. We raised gross proceeds of £56.1 million at a four per cent discount to the closing share price the day prior to launch, which are being used to pursue an independent growth strategy of acquisition and refurbishment, negating the need for a prospective joint venture as was initially considered.

We have been pleased to grow our dividend again this year, delivering progression of six per cent year on year for shareholders.

Chief Executive Officer's review | continued

Resilient market fundamentals

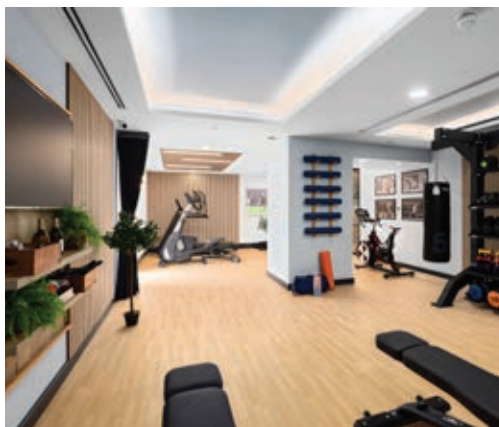
The PBSA market continues to demonstrate resilience in the face of wider macroeconomic headwinds, underpinned by sustained student demand for prestigious UK universities and modern accommodation. Investor appetite is fuelled by the undersupply of high-quality operational beds, long-term predicted growth in demand and constrained delivery of new supply with reducing supply of the traditional [alterative] HMO accommodation.

Overall the demand and supply imbalance in PBSA continues unabated, however this is highly nuanced in some markets, which have greater supply, demonstrating a level of price sensitivity. Participation rates in the UK's higher education sector remains historically high with over 2.4 million full-time students. The UK remains an attractive, high quality, and relatively affordable destination of choice for international students compared to other markets, with students of Chinese origin continuing to dominate the UK's international student market.

The growth in student numbers, which accelerated post pandemic has since normalised, aligning with longer term trends. The continued growth in domestic 18-year-olds and a forecast recovery in international students is expected to ensure this continues to remain robust. The recent three per cent increase in the tuition fee cap to £9,535 is not expected to impact application numbers from UK domestic students.

A clear flight to quality continues with higher tariff, typically the Russell Group's research-led, universities experiencing year on year growth in applications to the detriment of medium and lower tariff universities. This validates our strategy of focusing our portfolio on these cities, which deliver growth and investment.

It is anticipated that the sector will continue to have a significant shortfall in supply, with only 11,270 new beds delivered in 2024. Viability remains a key challenge for developers, with higher build costs, increased development periods, enhanced building safety requirements, sustainability demands, increased financing costs and a challenging planning environment continuing to discourage development.



NPS improved further to

+32



Supply will therefore be increasingly focused on the best performing markets which are fuelled by continued favourable student demand where higher rents improve development viability. The shortage of housing options for students is also being compounded by the continued loss of HMOs, exacerbated by the recent Autumn Budget and proposals within the Renters Rights Bill which currently continues its way through Parliament.

Portfolio growth and active property management

It has been an active and successful year from a portfolio management perspective. Eight residual non-core properties were disposed of during 2024, generating £45.2 million and reducing the number of cities in which we operate by four. These sales represented 433 operational beds and have improved our portfolio's alignment to prime and super prime locations to 97 per cent.

Since March 2021, including the above, the Company has generated £146.4 million from the disposal of non-core assets, 0.2 per cent below book value in aggregate, which considering the challenging market conditions during this period, is a strong endorsement of our portfolio valuation.

In February 2024, we acquired a small development opportunity in Bristol for £5.6 million. This former office building is located adjacent to our existing College Green building. A planning application was submitted to facilitate a change in use to student accommodation and the delivery of over 50 new PBSA beds into this strong operational cluster. Preparatory works have also begun at two sites in Southampton and Bath which are earmarked for conversion to the Company's postgraduate product.

A planning application was submitted in May 2024 to facilitate an extension and full refurbishment of our existing operational site at Victoria Point in Manchester. In December, Manchester City Council granted detailed planning permission fully in line with our application, which once fully implemented will add 310 new beds into this acutely undersupplied city.

In July 2024, the Company acquired a 94-bed operational asset in the heart of Glasgow's west end for £9.7 million. The property is well located, near our Willowbank hub site

in the city, and acquired almost entirely pre-let for the 2024/25 academic year, delivering an effective net initial yield of over 7.5 per cent. The property benefits from refurbishment potential, which together with the benefits of clustering is expected to unlock an enhanced rental tone and deliver improved operating margins for the city.

In December 2024, following our equity raise, we acquired a 136-bed all studio scheme in Manchester for £19.75 million. Again, the property is well located close to Manchester University and opposite our existing Victoria Point hub site in the city, delivering the same value enhancing opportunities that can be delivered in Glasgow. The operational asset is expected to deliver a 7.0 per cent net initial yield from September 2025.

A second acquisition, linked to the equity raise deployment plan, is under offer with advanced negotiations anticipated to conclude shortly. We will provide a further update once concluded.

One of our larger properties, Brunswick Apartments, Southampton, which had been closed for the duration of the 2023/24 academic year, reopened to students in September 2024. This 173 bed property received a full room and amenity refurbishment, alongside fire safety and Net Zero related works and has delivered strong rental growth, double digit IRR performance and received excellent customer feedback.

Delivering high-quality, consistent customer service

Our key performance indicator for the delivery of this strategic priority is Global Student Living's Net Promoter Score ("NPS").

In both surveys conducted during 2024, our operating brand, Hello Student, achieved an improved NPS relative to 2023. We end the year with an NPS score of +32 (2023: +30.5), significantly outperforming the benchmark All Private Halls score of +19.

Of all respondents, 86 per cent rated their level of satisfaction as either good or very good with 78 per cent of our customers responding that their accommodation had a positive impact on their overall well-being.



“We remain encouraged by the outlook for student numbers for the 2025/26 academic year and beyond, from both a domestic and international perspective.”



This important aspect of our service proposition was recognised at this year's Global Student Living awards, when Hello Student was awarded the accolade for Best Student Wellbeing.

The delivery of superior service requires a high performing and engaged team and we therefore monitor employee engagement as a key non-financial performance indicator. In 2024, the Company celebrated its tenth anniversary since establishment and to mark the occasion, the executive team hosted a series of team engagement days around the country celebrating this milestone but also setting out its vision for the future and providing all employees with the opportunity to engage with the executives on a one-to-one basis. Our engagement scores benchmark well amongst some of the top performing UK companies.

We have invested in a new end to end ERP system and launched a new customer facing website during 2024, which has improved the booking experience, making it even easier for customers to secure their room with us.

Safety

We are responsible for ensuring that everyone who is living, working in or visiting our buildings is kept safe. We ensure that our buildings comply with not only all relevant regulations but strive to align to best practice within the industry.

Having allocated £46 million toward a five year programme of initiatives which began in 2021, we have continued to progress works on a risk-based basis. In 2024 we invested a further £13.2 million towards attainment of the latest EWS1 certification standard, an investment which is fully reflected in property valuations. By 31 December 2024, 73 per cent of the portfolio had achieved this certification standard.

Our buildings continue to be inspected on a regular basis to ensure that we identify and eliminate hazards. To assess the buildings, we have engaged with specialist consultants to undertake thorough assessments of general safety, hazards, prevention of fire risks and water systems.

Chief Executive Officer's review | continued

The business conducted its first externally supported crisis management test in 2024, simulating a serious wellbeing concern alongside a fire in a vacant building. Good feedback was received from our primary authority fire service on our partnership and approach to incident management.

Creating a sustainable business

The business remains committed to achieving Net Zero by 2033. As part of this journey, our plan, including interim targets for the next two years, was put to an advisory shareholder vote at the 2024 Annual General Meeting, helping foster transparency and engagement with shareholders on this important topic. Although the resolution was passed, the result was somewhat disappointing, with 25 per cent of responding shareholders voting against. In order to better understand the result, and inform future decision making, we sought engagement with shareholders. From those shareholders that provided feedback, it appeared in part that they required a clearer articulation between the cost and return that could be expected for each target. This will be addressed when next put to shareholders in 2026.

The key performance indicators we monitor are EPC risk management and energy consumption per bed. Great progress has been made in the management of EPC risk this year, with 64 per cent of our sites rated EPC B or better, a target achieved more than a year earlier as envisaged in our Net Zero strategic plan. Our like for like energy consumption per bed has fallen by three per cent to 4,351 kwh per bed, reflective of our investment in energy efficiency initiatives.

Further details are set out in the ESG Report on page 52.

Strategy and outlook

As we look forward into 2025, we remain encouraged by the outlook for student numbers for the 2025/26 academic year and beyond, from both a domestic and international perspective. Growth in the number of UK 18 year olds is set to continue through to 2030, and internationally, we have seen a considerably more welcoming rhetoric from the new education minister and greater focus by universities on international student recruitment.



“We believe our strategy of refurbishment and our focus on continually improving levels of customer satisfaction will deliver like for like rental growth in excess of inflation.”



We are therefore confident of achieving another successful year from an occupancy perspective and believe our strategy of refurbishment and our focus on continually improving levels of customer satisfaction will deliver like for like rental growth in excess of inflation.

Our strategic focus will remain on driving operational efficiencies through growth. First and foremost, the continued deployment of proceeds from our October 2024 equity raise, the continued roll out of our Postgrad by Hello Student brand, completing our undergraduate refurbishment programme, but also as opportunities arise, selectively recycling capital to further strengthen our alignment to top-tier universities.

The year ahead will, however, not be without its challenges. The sustained rebasing of energy costs looks set to continue for the foreseeable future and this will be coupled with the impact of the autumn budget and annual review of the national Real Living Wage, both of which are set to drive compensation related costs significantly higher from April. This has precipitated a review of our operating model and will likely result in some amount of restructuring. Our decision not to pursue a joint venture also enables us to reduce resources pre-recruited in its anticipation.

Despite the challenges faced this past year, we are delighted to be in a position to declare a dividend in excess of our initial 3.5 pence target for 2024. Today we have announced our final quarterly dividend for 2024 of 1.075 pence per share taking the total dividend paid and payable in respect of 2024 to 3.7 pence per share, an increase of six per cent on 2023. With the Board remaining committed to a progressive dividend policy, we will therefore initially target a minimum dividend of 3.7 pence per share for the 2025 financial year.

Duncan Garrood | Chief Executive Officer
12 March 2025



Dividend

3.7p

minimum target for 2025

Strategy in action

Mental health and wellbeing are of the utmost importance to us as a business both commercially and as a duty of care for the continued safety of our customers and our people.

Training

Two Mental Health First Aid courses were delivered by our Wellbeing Manager who is a qualified Mental Health First Aid instructor. The aggregated scores demonstrated an impressive increase in confidence and knowledge among participants. Reported confidence in addressing mental health incidents rose from 6.1 to 8.8, and knowledge scores improved from 5.9 to 9.2. These outcomes are a testament to the effectiveness in empowering attendees to handle mental health concerns with greater assurance and competence.

Improving provision for customers with additional needs

To improve the handling of reasonable adjustments, eight new documents were created and launched to assist team members in supporting our customers with disabilities. These included guidance for writing Personal Emergency Evacuation Plans and how to handle assistance animal and reasonable adjustment requests.

These developments ensure that customers receive accurate information and feel supported from the moment they book, while also bringing the Company into full compliance with the Equality Act.

Mitigating risk

Amendments to our standard form tenancy agreement were made to mitigate operational risks. Key changes included implementing a minimum age requirement for overnight guests, addressing safeguarding concerns, and introducing a clause to prohibit accommodation of individuals with unspent criminal convictions. These improvements have been adopted and aid enhanced customer wellbeing within our buildings, while reducing the organisation's exposure to risk.

Leadership in wellbeing



Supporting wellbeing in a 24 hour business

In our 24-hour business, we understand that customers can face significant wellbeing challenges outside of typical working hours. These situations can place unique demands on our team members, especially when they are working alone. To provide comprehensive support, the Operational Risk and Wellbeing team has developed a dedicated SharePoint site offering:

- Mental health guidance to help our teams spot the warning signs of mental ill health;
- Signposting information to help connect customers with appropriate resources; and
- A repository of newly created documentation outlining how we assist customers during times of crisis.

This site is a cornerstone of our commitment to ensuring that team members have the guidance and tools needed to provide effective support, even during the most difficult situations.



Raising the profile

Our Wellbeing Manager was invited to be a panel member at the 2024 GSLI conference, where our commitment to promoting wellbeing provision at our sites was showcased. Our efforts were reflected in the GSLI survey results, where customers rated whether they considered their accommodation team cared about their wellbeing. Hello Student scored well at 74 per cent, with 78 per cent stating that their accommodation has an overall positive impact on their wellbeing.

We were delighted to have our efforts recognised within the industry and awarded Best Wellbeing Provision for UK & Ireland at the 2024 GSLI awards.

GSLI survey results

78%

of Hello Student customers stated that their accommodation has an overall positive impact on their wellbeing.



Our strategy

Our key performance indicators are central to our business and allow us to monitor our performance against commitments made to our stakeholders.

Linked to strategic priorities and management incentives, these are designed to align with shareholder returns and drive accountability.



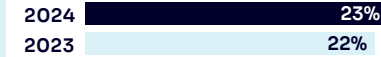
Monitoring our performance

Non-Financial KPIs

A Rebooker Rate (%)

Performance

23%



Purpose

The rebooker rate demonstrates our ability to retain customers within the Hello Student® brand, which is an indicator of the quality of service we provide.

How we measure

Percentage of students staying with us in the previous year who chose to stay with us this year in either the same room or another room in the same site or city, expressed as a percentage of total rooms sold.

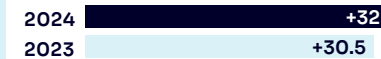
Associated KPIs



B Net Promoter Score

Performance

+32



Purpose

Allows us to benchmark against our peers.

How we measure

Calculated by the Global Student Living Index from responses received from students staying with us and submitting answers to a standardised questionnaire.

Associated KPIs



C Revenue Occupancy (%)

Performance

97%



Purpose

Revenue occupancy demonstrates the quality and location of our assets, the strength of our sales process and our ability to set appropriate rents.

How we measure

Calculated as a percentage of gross annualised revenue we have secured for a given academic year.

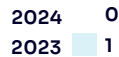
Associated KPIs



D Safety – Number of Accidents

Performance

0



Purpose

This is a key reporting metric to the Health & Safety Executive as well as a measure of our health and safety strategy and procedures.

How we measure

The number of reportable incidents throughout the Group each year.

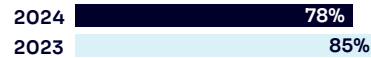
Associated KPIs



E Colleague Engagement (%)

Performance

78%



Purpose

Colleague engagement scores provide an insight into the happiness of our people across a range of topics regarding their working environment.

How we measure

Satisfaction rated based on a standardised questionnaire sent to all employees.

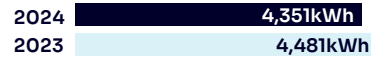
Associated KPIs



F Energy consumed per bed (kWh)

Performance

4,351kWh



Purpose

A key metric to monitor the progress towards achieving 2,000 kWh per bed by 2033.

How we measure

Total building energy intensity divided by the number of operational beds on a like for like basis

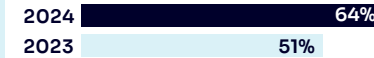
Associated KPIs



G EPC risk mitigation (EPC B or better) (%)

Performance

64%



Purpose

A key metric to allow us to monitor progress towards improving average EPC ratings and delivery of this aspect of our Net Zero strategy.

How we measure

Percentage of properties by value which have been certified EPC B or better.

Associated KPIs



Strategic Links

1. Customers
2. Brand
3. People and Operations
4. Buildings
5. Shareholders

Definitions

For definitions see page 185.

Financial KPIs

H Gross Margin (%)

Performance

70%



Purpose

The gross margin reflects our ability to drive occupancy and to control our operating costs.

How we measure

Gross profit expressed as a percentage of rental income.

Associated KPIs



I EPRA earnings per share (p)

Performance

4.2p



Purpose

A consistent measure of recurring earnings which provides comparability and a measure upon which dividend payments are based and assessed.

How we measure

Industry standard earnings metric, calculated in line with EPRA best practice recommendations.

Associated KPIs



J Dividend Cover (%)

Performance

114%



Purpose

Illustrates our ability to pay dividends from recurring, current year, earnings.

How we measure

EPRA earnings per share expressed as a percentage of dividends paid and declared in respect to the financial year.

Associated KPIs



K EPRA NTA per share (p)

Performance

119.6p



Purpose

Movement in EPRA Net Tangible Assets per share provides a measure of the Company's value attributable to each and every share on issue.

How we measure

Industry standard calculation of net tangible assets as set out in the EPRA Best Practice Recommendations divided by the diluted number of shares on issue.

Associated KPIs



L Total Return (3 year, annualised)

Performance

6.6%



Purpose

Change reflects the aggregate value created or lost during the year, through both change in retained capital value and value returned to shareholders in the form of dividends.

How we measure

Percentage change in EPRA Net Tangible Assets per share across the financial year plus dividends paid during the financial year.

Associated KPIs



Strategic Links

1. Customers
2. Brand
3. People and Operations
4. Buildings
5. Shareholders

Definitions

For definitions see page 185.

“A gorgeous modern accommodation which makes me feel safe while in the busy city of Bristol. Although located on the bustling Clifton Triangle, the site remains quiet and tucked away from the night life. The team are always on hand to help with issues and are always smiley and friendly.”

Resident | St Mary's, Bristol



“The attention to detail in the amenities, the cleanliness of the accommodation and the promptness in addressing any requests were truly beyond my expectations.”

Resident | Bath Street, Glasgow

Operating review

The business has continued to demonstrate a degree of resilience in the face of increasingly challenging wider market conditions, achieving good rates of occupancy whilst delivering strong like for like rental growth, comfortably above the rate of inflation.

Demand continues to exceed supply in most of the key cities in which we operate. New supply of high quality, well located accommodation remains limited and continues to be outpaced by increasing demand, exacerbated by the continued decline in private landlords particularly HMO operators and Buy-to-Let investors while the cohort of UK 18 year olds continues to increase. The prospective changes within the Renters Rights Bill have the potential to amplify this issue, making letting to students considerably less attractive for non-PBSA operators.

Another strong re-booker performance was achieved for the current sitting 2024/25 academic year, with 23 per cent of our rooms sold to students who were already living with us, providing a tangible endorsement of our product and of the service we provide.

Portfolio overview

A summary of the Group's portfolio is set out below, segmented in line with our valuer's view of quality. Almost 97 per cent of the portfolio is now invested in Prime or Super Prime locations.

Since 31 December 2023, the portfolio has grown in value by 1.6 per cent, like for like. This includes the impact of the removal of Multiple Dwellings Relief in March, which had it remained in place, would have resulted in like for like growth of 4.2 per cent. With the portfolio's net initial yield unchanged at 5.5 per cent, this is the result of income growth achieved for the 2024/25 academic year. The reversionary yield was also held at 5.7 per cent, providing confidence that as the letting cycle advances for the new 2025/26 academic year, a further valuation rise could be expected if investment yields remain as stable as we have seen over the past 18 months.

Valuer's quality segmentation

	Properties	Operational beds	Market value £m	Market value %
Super prime regional	23	2,443	538.7	47.5
Prime regional	45	4,579	558.1	49.2
Super Prime and Prime Regional	68	7,022	1,096.8	96.7
Secondary	7	663	38.2	3.3
Total	75	7,685	1,135.0	100.0

Strategic segmentation

	Total market value £m	NIY %
Operational portfolio	1,114.0	5.5
Commercial portfolio	16.5	8.0
Development portfolio	4.5	
Total	1,135.0	

Deployment of proceeds following equity raise

In October 2024, the Company raised £54.3 million, net of costs, in order to pursue an independent growth strategy of acquisition and refurbishment, negating the need for a prospective joint venture as had been initially considered.

Proceeds were earmarked for deployment into two well aligned acquisition opportunities in top-tier university cities and to accelerate the roll out of the Group's Postgraduate exclusive product.

In December 2024, the first of two acquisitions, Tatton House in Manchester, was acquired for £19.75 million. This 136 bed, all-studio scheme is well located, being less than ten minutes' walk to the Manchester University campus and directly opposite our existing Victoria Point Hub. This location allows us to instantly unlock operational efficiencies and during the letting cycle for academic year 2025/26, by offering the full amenity

provision of our wider cluster to prospective residents of Tatton House, which currently has no on-site amenity. This operational PBSA asset is expected to deliver a seven per cent net initial yield from September 2025.

A second acquisition is under offer and currently expected to conclude in early April 2025, in line with our deployment assumptions.

Preparatory works have begun at three existing sites earmarked for conversion to the Group's Postgraduate product, with over £10 million on track for investment during 2025. Furthermore, our academic year 2025/26 sales programme has been amended with planning and design underway to facilitate the refurbishment of a further four Postgraduate exclusive sites during 2026. We continue to expect these Postgraduate refurbishments to deliver unlevered IRRs in excess of 12 per cent.

Portfolio management

With overall investment market activity up 13 per cent on 2023, there has been greater opportunity to progress the tail of our non-core disposals, with eight relatively small properties sold during the year for £45.2 million representing 433 beds. Importantly, the sales represented four further non-core city exits, improving the portfolio's alignment to both prime and super prime locations and top-tier universities, complimenting the improvement in the portfolio's overall gross margin to 70 per cent.

Three acquisitions were completed during the year. All three were well aligned, located in top-tier cities which cluster well with our existing sites. All three acquisitions present further opportunities to add value through future development or refurbishment.

In February 2024, we acquired College House in Bristol. Adjacent to our College Green site, this former office building was acquired for £5.6 million. The property is arranged over five floors with a small retail parade at street level, occupied by tenants who are complementary to our customer base having re-let or regearred all three units. The property will be transformed into a new 57-bed student accommodation scheme, which will cater to post-grad students. This all studio scheme will incorporate a library and co-working space in the basement while offering access to other amenities including gyms and private dining rooms within our Bristol cluster. The property is expected to open to students in early 2026. Once complete, we anticipate this development will comfortably exceed our target five year IRR of 12 per cent.

A second acquisition, Claremont House in Glasgow was acquired in July for £9.7 million. Located in the heart of Glasgow's supply constrained West End, and in close proximity to the university and our existing hub site of Willowbank. The property which clusters extremely well with our other sites in the city, was acquired fully let for the current sitting academic year and has delivered a net initial yield of over 7.5 per cent since September. The property benefits from an ability to unlock further rental growth from future refurbishment.

In December 2024 we acquired Tatton House in Manchester for £19.75 million, in line with the deployment plan outlined in the Company's October 2024 equity raise, outlined above. This operational asset delivers many of the same value enhancing opportunities that can be delivered at Claremont House and is expected to deliver a 7.0 per cent net initial yield from September 2025.

A planning application was submitted in May 2024 to facilitate an extension and full refurbishment of our existing operational site at Victoria Point in Manchester. In December, Manchester City Council granted detailed planning permission, which once implemented will add 310 new beds while allowing a masterplan refurbishment of all existing rooms including reconfiguration to create more studio units. The city continues to suffer an acute under supply of PBSA beds and has consistently performed well for us from an occupancy and rental growth perspective given the site's location and open green space. An implementation and funding plan will now be established with a view to starting work on site in late 2026.

Refurbishment & development

Our annual refurbishment programme continues to target the delivery of 200 to 300 beds annually, with an IRR return hurdle of between 9-11 per cent.

The 2024 refurbishment programme was focused on one of our larger properties, Brunswick Apartments in Southampton.

This 173 bed scheme was closed for the duration of the 2023/24 academic year to facilitate fire safety works which allowed for a full building refurbishment and reconfiguration. The works involved refurbishment of all rooms and the creation of a new amenity provision. Although total bed count was unchanged, a greater studio focus was achieved, including adding some new large one bed apartments alongside full building decarbonisation work.

The Company's decision to close the property was made following consideration of the impact on our customers and site teams of a more staggered multi-year works programme. It was concluded that closure would allow all works to be carried out concurrently, thereby accelerating the programme of fire safety and decarbonisation work alongside the refurbishment programme, ultimately delivering the property's potential considerably earlier and improving longer term customer satisfaction.

Upon reopening in September 2024, the scheme delivered an increase in average weekly rents of over 50 per cent when compared to its pre-refurbishment year of operation. Notwithstanding an element of market rental growth which is now captured, this performance has surpassed expectations delivering a yield on cost above 6.5 per cent and an IRR in excess of 12 per cent, inclusive of the impact of the removal of Multiple Dwelling Relief during 2024.

The 2025 refurbishment plan is expected to deliver approximately 200 refurbishment rooms for the start of the 2025/26 academic year. Three of the four sites undergoing refurbishment will reopen as postgraduate exclusive accommodation from September 2025.

Operating review | continued

Commercial portfolio

The commercial estate continues to grow in quality, now comprising 34 units across a diverse mix of uses, including retailers, restaurants, bars, and telecoms infrastructure. A series of new agreements have strengthened the portfolio, including a 25-year lease in central Nottingham to a large UK-based hospitality group which opened its premium Manhattan bar concept. Additionally, a reversionary lease agreement was made with a national Japanese inspired restaurant operator in Selly Oak, Birmingham. Terms included a new 10-year lease and significant rental uplift, securing a popular offering and breakout space for our customers.

We have also progressed strategic asset management initiatives to unlock further value. One example is the replacement of a non-strategic tenant in Nottingham with a national restaurant operator, which has agreed to take the space on a 15-year term-certain lease while maintaining similar rent terms of the former tenant. Another initiative involves a national supermarket chain, where we are set to re-gear several of their convenience store leases to increase length of tenure, enhancing long-term income stability whilst being complementary to our student customers and the wider community.

Looking ahead, the focus within the commercial estate will be on re-gearing leases with strong tenants, filling all vacant units, and exploring opportunities to repurpose underutilised spaces to generate additional revenue.

Capital expenditure programme

Progress against our five year programme of refurbishment, fire safety works and green initiatives is set out below.

In respect to our programme of fire safety works, all properties have been surveyed with 73 per cent of the portfolio now EWS1 certified. In arriving at the portfolio's market value, the valuer applies a pound for pound deduction for the forecasted cost of the remaining works as well as, if applicable, a revenue disruption cost. Like many other real estate investors, we have submitted compensation claims against companies involved in the assets' construction. Given the size and repurposed nature of a large number of our properties, the likelihood of success is less certain, but a modest contribution has been assumed against the costs of remediation.

	Undergraduate refurbishment (£m)	Fire safety works £m	Green initiatives £m
Five year plan (2021 – 2025)	36.0	46.0	12.0
Invested to date	32.5	30.5	4.1
Forecast 2025 investment	3.5	10.1	4.2

In addition to the above, ongoing capital life cycling works continue to require around £4.0 million per annum.

2025 is the final year of the original capital expenditure works programme. Although the quantum of future capital expenditure is anticipated to be significantly lower than that set out in this original programme, there will be a need to revisit the forecasted spend for 2026 and beyond. Certain newly acquired properties have been purchased with the benefit of refurbishment potential which, given the attractive rental growth anticipated, refurbishment remains firmly within the Group's strategic plan of capital works.

“Perfect location, extremely well trained and responsive staff, clean and good facilities, and the studios are big, with big beds and a good layout.”

Resident | Metrovick House, Newcastle



“I’ve been living here for almost 3 years now, and I must say, it’s been a fantastic experience. The location is absolutely spot on, it is convenient for everything I need. The facilities are perfect, and the price is really reasonable for what you get, it’s definitely great value for money. The reception staff are always friendly and welcoming, and more than happy to help with any issues. Honestly, it’s been such a pleasant place to live.”

Resident | St. Peters Studios, Aberdeen

Strategy in action

Following a strategic review of the Company's portfolio in early 2021, a number of properties were identified as fundamentally meeting our key criteria of building type and location, but were in need of extensive refurbishment in order to fully align to the Hello Student core offering. In March of 2021, 16 per cent of the portfolio fell into this category and was subject to a viability review to ensure accretive returns were achieved.

In the four years that have followed, over 800 rooms have been extensively refurbished at a cost of £32.5 million, which have provided returns in line with our refurbishment target of 9–11 per cent, on an unlevered IRR basis.

Brunswick Apartments, Southampton

One significant refurbishment which completed in 2024 was Brunswick Apartments in Southampton.

This 173 bed scheme was closed for the duration of the 2023/24 academic year to facilitate fire safety works which allowed for a full building reconfiguration. The works involved full room refurbishment whilst creating a greater studio focus, including adding some new large one bed apartments alongside full building decarbonisation.

The Company's decision to close the property for the entirety of an academic year was made following consideration of the impact on our customers and site teams of a more staggered multi-year works programme. It was concluded that closure would allow all works to be carried out concurrently, thereby accelerating the programme of fire safety and decarbonisation work alongside the refurbishment programme, ultimately delivering the properties potential considerably earlier and improving longer term customer satisfaction.

>800

rooms have been extensively refurbished at a cost of £32.5 million

Unlocking value through refurbishments



The property's closure was well trailed and communicated in a thoughtful manner. No interruption was experienced by our customers, with a repositioning plan in place for those that wished to remain with us during the year of closure. Our employees were also redeployed to ensure they could be retained during the period of closure.

This extensive refurbishment programme progressed both to plan and budget. The site reopened to students in September 2024, having sold extremely well.

“Staff are nice and the building is so beautiful and clean and tidy.”

Resident | Brunswick Apartments, Southampton



The property delivered an increase in average weekly rents of over 50 per cent when compared to its pre refurbishment year of operation. Notwithstanding an element of market rental growth which is now captured, this performance has surpassed expectations delivering a yield on cost above 6.5 per cent and an IRR in excess of 12 per cent, inclusive of the impact of the removal of Multiple Dwelling Relief during 2024.

This now fully amenitised building is well positioned to further exploit the benefits of our clustering model. The nearby property of London Road, which will open as a postgraduate exclusive scheme in Autumn 2025 is amenity light by design with access to the Brunswick House Hub driving a notably improved rental tone.

Given the success of the refurbishment programme to date, our investment strategy favours the acquisition of well-located properties that present an opportunity for us to unlock further value through refurbishment.

+50%

increase in average weekly rents compared to pre refurbishment year of operation



Principal risks and viability

The Group seeks to minimise, control and monitor the impact of risks on profitability, reputation and strategic priorities, whilst maximising the opportunities they present in the context of longer-term viability.

The Board regularly assesses the risk appetite of the Group, with the Audit and Risk Committee formally reviewing the effectiveness of our risk management process and internal control systems.

We recognise that a number of risks are faced which could impact on the achievement of our strategy. While it is not possible to identify or anticipate every risk, we have established a robust risk management process to identify, manage and mitigate risk. The Group's process for identifying and managing risk is set by the Board. The Board has delegated the oversight of risk to the Audit and Risk Committee.

Risks are identified by applying a dual approach, 'bottom up' at the operational level having established responsible risk owners throughout the business and layered with a 'top down' or corporate overlay as determined by the Board. Identified risks are assessed by rating each risk gross and net of mitigating controls. The Board considers emerging risks and uncertainties which may prevent the Group achieving its strategic objectives and tracks the evolution of existing and emerging risks throughout the year.

The Audit and Risk Committee reviews the plan biannually with the design, implementation and monitoring being the responsibility of management on a day-to-day basis. Risks, both principal and emerging, are considered in terms of their impact and likelihood across a property cycle from both a financial and reputational perspective.

Although not exhaustive, risks facing the Group are categorised into three categories being; external risks; internal risks and emerging risks.

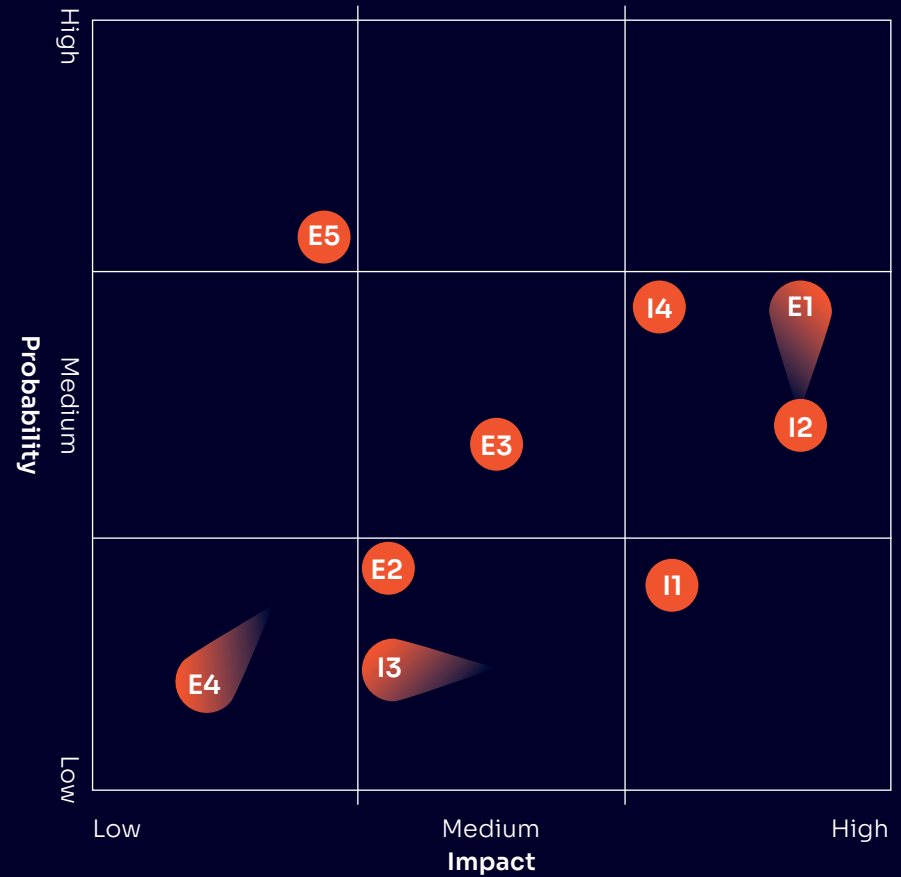
The Audit and Risk Committee considers emerging risks. These are new or unforeseen risks, of which the Committee is aware, however their potential impact is not fully known. The Committee reviews these biannually alongside the principal risks and uncertainties. The Audit and Risk Committee has detailed below the risks it believes are emerging and the potential impact it may have on our principal risks:

Changes to our risks profile

The Group's risk profile has remained relatively stable during the year. Continued rental growth, coupled with strong occupancy mitigates against the likelihood of a material downturn in property valuations, however government policy and disruption caused by alternative accommodation providers has increased revenue risk.

Refinancing related activity completed during the year continues to reduce financing related risk.

Adapting risk management in a changing environment



External Risks

- E1 Revenue Risk
- E2 Property Market Risk
- E3 Climate Change Risk
- E4 Financing Risk
- E5 Inflation Risk

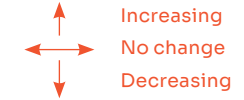
Internal Risks

- I1 Health & Safety Risk
- I2 Information Technology Risk
- I3 People Risk
- I4 Safe and Sustainable Buildings Risk

Strategic Links

- 1. Customers
- 2. Brand
- 3. People and Operations
- 4. Buildings
- 5. Shareholder Outcomes

Strategic Links



External risks

	Risk and brief description	Potential impact	Mitigation in place	Trend
E1	<p>Revenue risk</p> <p>Owner: Chief Customer Officer</p> <p>There is a risk that the student demand for our product will decrease, e.g. inconsistent brand proposition, governmental intervention, competition from alternative accommodation providers or affordability concerns.</p> <p>—</p> <p>Link to Strategy</p> <p>3 5</p>	<ul style="list-style-type: none"> – Loss of revenue – Erosion of asset values – Void costs or increasing level of bad debts – Potential breach of bank covenants – Customers not meeting contractual commitments 	<ul style="list-style-type: none"> – Executive Committee and the Board closely monitor government policy, student numbers and other micro and macro-economic factors. – Monitoring restrictions and ensuring marketing is targeted to key international and domestic markets. – We ensure our assets are well located serving established leading universities with a higher proportion of Post Grad occupiers. – Standard operating procedures and expanded mechanical and electrical programme. – Substantial domestic student demand and management of demographics. 	<p style="text-align: center;">↑</p> <p>Heightened due to various challenges faced by government policy, and interruption caused by alternative accommodation providers.</p>
E2	<p>Property market risk</p> <p>Owner: Chief Investment Officer</p> <p>Increasing yields across the property sector impacting valuations.</p> <p>—</p> <p>Link to Strategy</p> <p>4 5</p>	<ul style="list-style-type: none"> – Erosion of asset values – Potential breach in bank covenants – Lower Total Return for shareholders 	<ul style="list-style-type: none"> – Our assets are in prime locations, diversifying risk. CBRE classifies over 90% of the portfolio as prime or better. – We maintain prudent levels of gearing, with an LTV limit of 40% and a long-term target of 35%. – The higher education sector comprises both domestic and international students, which helps to underpin the student accommodation market. – Of the UK property sub-sectors, direct-let PBSA is currently expected to be one of the most resilient sectors. 	<p style="text-align: center;">↔</p> <p>Stable due to expectation that interest rates have peaked.</p>
E3	<p>Climate change risk</p> <p>Owner: Chief Financial & Sustainability Officer</p> <p>Climate change has the potential to impact every business in the world. For our business, it could impact planning legislation restricting supply of PBSA, create physical risks such as flooding and increase government legislation and regulation, for example.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3 4 5</p>	<ul style="list-style-type: none"> – Financial and reputational risk associated with inappropriate action – Cost of transition 	<ul style="list-style-type: none"> – Net zero commitment and plans established. – Behavioural training to be carried out with tenants during 2025. – Specialist advisers appointed internally and externally to ensure plans are implemented in line with Net Zero pathway. 	<p style="text-align: center;">↔</p> <p>Stable, with continued significant focus by the business with no significant change from prior year.</p>

Principal risks and viability | continued

External risks | continued

	Risk and brief description	Potential impact	Mitigation in place	Trend
E4	<p>Financing risk</p> <p>Owner: Chief Financial & Sustainability Officer</p> <p>The availability of debt or equity on acceptable terms, particularly if capital deployment commitments are not met.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3 4 5</p>	<ul style="list-style-type: none"> – Limiting future growth potential – Price-taker in fire sale scenario – Reduced shareholder returns 	<ul style="list-style-type: none"> – Average maturity of debt of 4.7 years with £75.4 million in cash and undrawn committed facilities as at 31 December 2024. – We maintain prudent levels of gearing, with an LTV limit of 40% and a long-term target of 35%. – Strong relationships with key lending institutions. – Specifically identified deployment opportunities. – Credit approval received on £35 million revolving credit facility. 	<p style="text-align: center;">↓</p> <p>Reduced following extended debt maturity, successful capital raise and continued lender appetite for the PBSA sector.</p>
E5	<p>Inflation risk</p> <p>Owner: Chief Financial & Sustainability Officer</p> <p>Inflationary pressure on staffing, operational costs, utilities and costs associated with development, refurbishment works, fire safety or other regulatory requirements.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3 4 5</p>	<ul style="list-style-type: none"> – Reduced profitability and dividend capacity – Inability to deliver desired return on investments 	<ul style="list-style-type: none"> – Consumption related utility costs hedged beyond 2025. – Reassessment of capital expenditure and acquisition plans. – Resilient revenue stream. – Inflationary pressures have eased. 	<p style="text-align: center;">↔</p> <p>Stable. Inflationary pressures have eased but offset by concerns in respect to the longer-term impact of the 2024 Autumn Budget.</p>

Internal risks

	Risk and brief description	Potential impact	Mitigation in place	Trend
I1	<p>Health & safety risk</p> <p>Owner: Chief Executive Officer</p> <p>The occurrence of a major health and safety incident including terrorism, fire or infectious outbreak.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3 4 5</p>	<ul style="list-style-type: none"> – Injury and impact on customers, contractors, staff and visitors – Compensation costs incurred – Reputational impact – Loss of life in a worst-case scenario 	<ul style="list-style-type: none"> – Health and safety metrics are reported to executive committee monthly. – Policies, procedures and training for all staff. – Ultimate Board responsibility involving regular Board reporting from the Executive with Head of Health and Safety. – Live compliance dashboard which is monitored daily. – Regular review of fire safety regulations to ensure our buildings remain compliant with standards, going above and beyond requirements. 	<p style="text-align: center;">↔</p> <p>Stable due to minimal change in the health and safety environment.</p>

- Strategic Links**
1. Customers
 2. Brand
 3. People and Operations
 4. Buildings
 5. Shareholder Outcomes



Internal risks | continued

	Risk and brief description	Potential impact	Mitigation in place	Trend
12	<p>Information technology risk</p> <p>Owner: Chief Financial & Sustainability Officer</p> <p>The Group suffering from a cyber security breach, loss or mismanagement of personal customer data, wider IT or infrastructure failure.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3</p>	<ul style="list-style-type: none"> – Reputational damage – Deteriorated customer experience – Higher costs and reduced profitability – Financial impact due to potentially significant fines under GDPR legislation 	<ul style="list-style-type: none"> – A business continuity plan is in place to enable Group operations to continue in the event of a failure or breach. – The IT network is centralised across the Group with an in-house IT team. – Security training programme for all staff. – Data monitoring system to protect our platforms across the IT estate and strong Data Protection Office in place. – Regular penetration testing. 	<p>↔</p> <p>Stable.</p> <p>No significant change in risk profile during the year.</p>
13	<p>People risk</p> <p>Owner: Chief Operating Officer</p> <p>Loss of front-line staff and the knock-on impact on customer service.</p> <p>Inability to retain key employees or attract specialists.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3 5</p>	<ul style="list-style-type: none"> – Impact on customer service due to low rates of retention – Loss of key business knowledge – Inability to complete refurbishment programme 	<ul style="list-style-type: none"> – We are a Real Living Wage Employer ensuring that we attract and retain talent where possible. – Employee engagement at 78%. – Ongoing training and development programme designed to upskill staff regularly and progress forward with their career within the business. – Succession planning and early supply chain engagement. – Exit interviews are used to identify any areas for improvement within the business. 	<p>↓</p> <p>Reduced following improvement in retention rates and development of key employee succession plans.</p>
14	<p>Safe and sustainable buildings risk</p> <p>Owner: Chief Executive Officer</p> <p>How our buildings will withstand increased legislation around fire safety as well as increasing minimum energy performance standards.</p> <p>—</p> <p>Link to Strategy</p> <p>1 2 3 4 5</p>	<ul style="list-style-type: none"> – High compliance costs – Reputational impact – Potential challenges around insuring our buildings – Compensation claims – Decreased liquidity of our buildings 	<ul style="list-style-type: none"> – Significant capital expenditure plan allocated to ensure our buildings comply with future fire safety legislation. – Regular review of fire safety regulations and checks to ensure our buildings, at a minimum, remain compliant with standards. – Continuous assessment of our buildings and allocating significant resource toward future green initiatives. – Mandatory health and safety training. 	<p>↔</p> <p>Stable.</p> <p>Our focus on fire safety and potential upcoming legislation remains high.</p>

Principal risks and viability | continued

Emerging risks

Risk and brief description	Impact on principal risk probabilities	Mitigating factors
<p>Geopolitical crisis</p> <p>A geopolitical dispute between China, or any other sovereign state who generates a significant amount of student revenue, and the UK could result in foreign governments placing embargoes on their students coming to study in the UK.</p>	<ul style="list-style-type: none"> - Revenue Risk - Property Market Risk - Financing Risk 	<ul style="list-style-type: none"> - Broad marketing campaigns targeted to both the domestic and international market with a particular focus on underweight international locations.
<p>Restrictions in international students</p> <p>Immigration restrictions imposed by the UK Government could substantially reduce revenue from international students.</p>	<ul style="list-style-type: none"> - Revenue Risk 	<ul style="list-style-type: none"> - Substantial domestic demand. - Marketing focus on expanding domestic reach and diversifying away from reliance on international markets.

Viability statement

Assessment period

The Directors have considered a three year time horizon in assessing longer term viability. A three year period to 31 December 2027 has been selected for the following principal reasons:

- the Board reviews budgets and plans that extend to three years; and
- the Group's revenue is annual in nature, with typical lease terms of 51 weeks. At any given balance sheet date there is revenue visibility of approximately 20 months, with an extension to 36 months not unreasonable given a number of the Group's customers choose to stay during their higher education journey, which is usually three years.

In concluding on the appropriateness of a three year viability term, the Directors were mindful of any significant events that may reasonably be expected to fall immediately after 31 December 2027, the Group's current position and business plan projections, financial forecasts and the potential impact of the principal risks set out on page 38.

The Group has no debt facilities falling due during the viability period. The first maturity of £120.0 million falls in April 2028. With over three years remaining to refinance or extend this facility, continued lender appetite for the sector, modest gearing, currently at 27.2 per cent and low quantum of capital commitments, the Group remains confident that this future risk can be planned for and well managed within the timeframe remaining.

Assumptions

The Group's three year business plan incorporates the following key assumptions:

- occupancy remains stable, given the current demand for student accommodation in top-tier cities, to which the Group is increasingly aligned;
- revenue growth of at least four per cent annually;
- utilities costs at hedged rates, with projected market rates applied to residual exposure thereafter;
- cost inflation assumed at three per cent throughout the forecast period;

- valuations remain stable;
- only acquisitions linked to the Company's equity raise go ahead, with no further acquisitions or disposals completed;
- a Revolving Credit Facility of £35 million is secured against a pool of unencumbered assets on terms set out in a credit approved term sheet; and
- exercising substitution rights under a facility agreement to release £18 million of restricted cash from disposals.

The Group's three year business plan was stress tested using both specific and cumulative "downside" assumptions to model a general deterioration in market conditions and operational performance. All of the Group's risks could have an impact on viability. Climate change is considered by the Directors to be a risk requiring investment to enhance environmental performance and to meet the commitment to achieve Net Zero Carbon by 2033, however the costs anticipated within the viability period are not expected to be significant.

The Board placed particular emphasis on those risks which could result in reduced income and valuations or a shortfall in liquidity. Sensitivity analysis was carried out which involved flexing a number of downside assumptions to consider alternative macroeconomic conditions and the impact of these principal risks both individually and in combination. This included flexing key base case assumptions as set out above.

Key assumptions underlying the downside scenario were as follows:

- occupancy falls to 90 per cent for the 2025/26, 2026/27 and 2027/28 academic years;
- revenue growth reduced to as low as two per cent in academic year 2027/28;
- significant increase in the level of bad and doubtful debts;
- exposure to utility cost volatility increased to 1.5 times projected market rates;
- inflation increased to five per cent, significantly above the Bank of England target rate of two per cent;
- floating interest rates rise a further one per cent;

- property valuations suffer a shock decline of ten per cent;
- certain of the Group's non-committed and non-regulatory capex programmes are curtailed or paused during the forecast period.

Downside analysis was carried out to evaluate the potential impact on the Group's financing covenants. Under the downside scenario, the Group is expected to remain in compliance with the loan-to-value and interest cover covenants of its individual financing arrangements. In addition to considering a downside scenario, reverse stress testing has also been undertaken, indicating the point at which debt covenants would be breached. No facility interest cover ratios are expected to breach unless occupancy rates fall below 77% for two consecutive academic years, with all facilities breaching if occupancy rates were to fall below 60 per cent. The first loan to value breach would not be expected unless lender valuations fell by more than 17 per cent, with all loan to value covenants breaching if valuations were to fall by more than 46 per cent.

Mitigants

The Directors considered what mitigants to the downside scenarios were available. These include, but are not limited to, pausing uncommitted capital expenditure, utilising cash generated in a fire sale scenario from those assets remaining unsecured or subject to debenture and a temporary suspension of the dividend.

Conclusion

As a result of the work performed and the mitigants available, in the unlikely event that the stress tests performed prove to be insufficient, the Directors are of the view that the Group's strategy will provide a sound platform upon which to continue to be viable.

The Directors therefore conclude that there is a reasonable expectation that the Group can continue in operation and is capable of meeting its debts and obligations as they fall due during a period of not less than three years from the balance sheet date.

Financial review

In October 2024, the Group successfully completed its first equity raise since 2017, raising £56.1 million, (£54.3 million net of costs).

Another strong operational result

“A £124.9 million seven year refinancing was completed during the first half of 2024, consolidating four smaller facilities which were scheduled to mature in 2024 and 2025 and removing refinancing risk for the near term.”

Donald Grant | Chief Financial & Sustainability Officer



Financial review

In October 2024, the Group successfully completed its first equity raise since 2017, raising £56.1 million, (£54.3 million net of costs) following the placement of 60.4 million new ordinary shares representing ten per cent of the Company's issued share capital prior to the placing announcement. Proceeds are earmarked to accelerate growth through deployment into two new acquisition opportunities and to fund refurbishment works required to roll out the Group's Postgraduate product across 16 identified assets. The latter had previously been the subject of a potential joint venture, the plans for which were terminated given market conditions at the time provided the Company with the opportunity to take an independent path. Abortive costs were £0.5 million.

A £124.9 million seven year refinancing was completed during the first half of 2024, consolidating four smaller facilities which were scheduled to mature in 2024 and 2025 and removing refinancing risk for the near term. The weighted average cost of debt now stands at 4.5 per cent, an increase of 20 bps from 31 December 2023 and in line with guidance provided. Following the equity placement, EPRA LTV has fallen to 27.2 per cent.

Blending like for like rental growth across the 2023/24 and 2024/25 academic years of 10.5 per cent and 7.0 per cent respectively, the financial year of 2024 has delivered growth of 9.3 per cent. Occupancy remained strong throughout with 99 per cent for 2023/24 and 97 per cent for 2024/25.

Growth in revenue coupled with the exit of four further non-core cities has increased the Group's overall gross margin to 70 per cent from 69 per cent in the prior year, despite ongoing cost challenges, in particular with respect to utility costs. Following the 2024 expiry of an historic fixed cost arrangement, we have once again largely fixed utility costs for 2025 to mitigate future volatility.

Administrative expenses were £15.4 million, including a £0.5 million charge relating to abortive joint venture arrangement costs. Once removed, underlying costs of £14.9 million were in line with expectation, increasing 6.4 per cent on the prior year.

Income statement	2024 £m	2023 £m
Revenue	84.2	80.5
Property expenses	(25.6)	(25.2)
Gross profit	58.6	55.3
Gross margin	70%	69%
Administrative expenses	(15.4)	(14.0)
Operating profit	43.2	41.3
Revaluation	15.4	30.1
Losses on disposals	(4.2)	(0.6)
Derivative mark to market loss	(1.3)	(0.2)
Net finance costs	(18.7)	(17.2)
IFRS Profit	34.4	53.4
EBITDA	43.9	42.1
Weighted average ordinary shares (m)	616.2	603.4
IFRS EPS (pence)	5.6	8.8
EPRA EPS (pence)	4.2	4.0
Net debt to EBITDA (times)	6.8	7.6

Balance sheet	2024 £m	2023 £m
Property (market value)	1,135.0	1,097.9
Bank borrowings drawn	(374.3)	(360.3)
Cash on hand	75.4	40.5
Net debt	(298.9)	(319.8)
Other net liabilities	(34.8)	(43.9)
Net assets	801.3	734.2
Diluted number of shares	669.6	608.0
EPRA NTA per share (pence)	119.6	120.7
EPRA LTV	27.2%	30.6%

Financial review | continued

Notwithstanding the abolition of Multiple Dwellings Relief, the portfolio valuation increased by £15.4 million, 1.6 per cent on a like for like basis. This is primarily income led, with no overall change in the portfolio's yield of 5.5 per cent. The valuer has taken a more cautious approach to future income growth this year, providing the potential to outperform the current reversionary potential of 5.7 per cent.

Eight non-core assets were disposed of during 2024, generating £45.2 million at an overall loss of £4.2 million. Funds are earmarked for redeployment into the Group's core capital expenditure programme. Since launching the Company's programme of non-core asset disposals, £146.4 million has been generated at an overall discount of 0.2 per cent to book values.

Net finance costs of £18.6 million include a charge of £0.9 million related to accelerated debt issue cost amortisation following refinancing activity completed in the first half of the year. On an underlying basis, net finance costs of £17.7 million were 2.9 per cent higher than the prior year, reflecting the higher weighted average cost of debt. All drawn debt is currently either fixed or subject to interest rate protection.

EPRA earnings per share has increased by five per cent to 4.2 pence per share, comfortably covering dividends paid and proposed for 2024 of 3.7 pence per share.

EPRA net tangible assets per share has reduced by 0.9 per cent to 119.6 pence. The reduction in NTA per share is primarily due to the dilutive impact of the placement of 60.4 million new ordinary shares at a 93 pence per share. Although initially dilutive, it is anticipated that the deployment of placing proceeds will result in NTA per share accretion beyond 2025.

Evolution of net asset value	£m
31 December 2023	734.2
EPRA earnings	25.9
Revaluation	15.4
Capital raise (net of costs)	54.3
Dividends paid	(22.0)
Loss on disposals	(4.2)
Other	(2.3)
31 December 2024	801.3

Portfolio valuation	2024 £m	2023 £m	Gain ¹ £m	Change %
Like for like property portfolio	1,063.9	1,031.7	16.2	1.6
Acquisitions	36.2	–	(2.2)	
Disposals	–	49.5	(1.6)	
Other non-like for like (development)	34.9	16.7	3.0	
Portfolio valuation	1,135.0	1,097.9	15.4	

¹ Net of capital expenditure and headlease amortisation

On a like for like basis the portfolio increased in value by 1.6 per cent during the year. This includes the impact of the abolition of Multiple Dwellings Relief which has materially increased purchaser cost assumptions inherent in the valuations of our English and Welsh properties. For comparability, the like for like valuation gain would have been 4.2 per cent had Multiple Dwellings Relief continued to be in place at 31 December 2024.

Cities with particularly strong demand such as Bristol, Edinburgh, Glasgow and Manchester performed well. The latter includes our site at Victoria Point on which planning permission has been granted to add 310 new beds to the scheme. The weakest performance was from those cities experiencing lower demand, such as Sheffield and Leeds which have tempered the overall like for like valuation increase.

Three acquisitions were concluded during the year in Bristol, Glasgow and Manchester. The latter being the first of two acquisitions funded from the proceeds of the October 2024 equity raise. Acquisitions have favoured operational assets in top-tier university cities where the Group has an existing operational presence and can therefore benefit from the efficiencies realised through clustering.

Eight assets were disposed of during the year, achieving an exit from four non-core cities; Stoke, Reading, Oxford and London. The latter two being non-core by virtue of scale.

Our Brunswick Apartments scheme in Southampton underwent a significant refurbishment during 2024 and was closed to students for the duration of the 2023/24 academic year. A net valuation uplift of £3.0 million has been recorded post refurbishment. Given the quantum invested and associated disruption to income, this property is classified in the table above as 'other non-like for like'.

Debt

In March 2024, we refinanced four small near term debt facilities into one consolidated seven year £124.9 million facility. Following refinancing, the Group's weighted term to maturity has been extended to 4.7 years from 3.9 years at December 2023. The weighted average cost of debt is currently 4.5 per cent, with all drawn debt subject to interest rate protection. The next debt maturity is not now scheduled until April 2028.

Compliance with all covenants was maintained throughout the year. With a weighted average LTV covenant of 63 per cent and a weighted average ICR covenant of 1.9 times, good headroom continues to remain.

Cashflow	2024 £m	2023 £m
Operating cash flow	43.0	43.7
Property disposals	42.6	42.6
Property acquisitions and capital expenditure	(74.9)	(34.0)
Finance income	0.8	0.2
Net cash flows from investing activities	(31.5)	8.8
Capital raise (net of costs)	54.3	-
Dividends paid	(22.5)	(20.2)
Net borrowings drawn/(repaid)	14.1	(31.0)
Finance costs	(22.5)	(16.6)
Financing cash flows	23.4	(67.8)
Net cash flow	34.9	(15.3)

The disposal of eight small non-core assets during 2024 generated proceeds net of disposal costs of £44.0 million. Proceeds have largely been reinvested in the Group's core capital expenditure programme of undergraduate refurbishments and ongoing fire safety works. Capital expenditure, together with the acquisition of three new properties during 2024 has resulted in the deployment of £73.1 million.

The Group's October 2024 equity raise generated £54.3 million, net of costs. These proceeds were earmarked for acquisitions and to fund refurbishment related capital expenditure, facilitating the transformation of 16 properties to the Group's postgraduate specification, with associated cash deployment to fall during 2025. Proceeds earmarked for acquisition related activity were partly deployed toward the December 2024 acquisition of Tatton House in Manchester, which was acquired for £19.75 million, before costs.

Cash applied toward dividend payments in the year totalled £22.5 million, including £0.5 million of withholding tax due on the final dividend payment in 2023, settled in January 2024.

Cash applied to the settlement of finance costs has increased compared to 2023. The Group held higher overall drawn debt at a marginally higher cost, with the weighted cost of debt increasing from 4.3 per cent at 31 December 2023 to 4.5 per cent this year, increasing finance costs by approximately £2.5 million. Finance cost payments also include £3.9 million paid toward arrangement fees and hedging costs associated with the Group's £124.9 million refinancing which was completed earlier in the year.

Going concern

The Board places particular focus on the appropriateness of adopting the going concern assumption when preparing the Company's and the Group's financial statements.

In light of the Group's liquidity position, its modest level of capital commitments of £2.8 million, weighted average unexpired debt term and overall level of gearing, the Directors have concluded that, in reasonably possible adverse scenarios, there remains adequate resources and mitigants available to continue to operate until at least 31 December 2026, being a period of not less than 12 months from the date of approval of these financial statements. The Directors therefore concluded that it remains appropriate to adopt the going concern basis of preparation when compiling the Annual Report and Accounts for the year ended 31 December 2024.

Attention is drawn to Note 1.4 to the financial statements for further details surrounding the conclusion reached.

Dividends

A final interim dividend of 1.075 pence per share has been declared for the final quarter of 2024, bringing total dividends paid and payable in respect of 2024 to 3.7 pence. This represents a six per cent increase on the total dividend paid in respect of 2023 and an 88 per cent pay-out on EPRA EPS.

With all recent dividends having been paid entirely as Property Income Distributions, there is sufficient headroom to pay this final dividend of the year as an ordinary company dividend. Payment will be made on 11 April 2025 to shareholders on the register at 28 March 2025.

Donald Grant | Chief Financial & Sustainability Officer
12 March 2025

EPRA and other alternative performance measures

Our performance in line with industry standard measures

The following is a summary of the EPRA performance measures included in the Group's results. As defined by the EPRA Best Practice Recommendations, these are a set of standard disclosures for the property industry designed to drive consistency in reporting.

EPRA measure	Definition of measure	Note/ reference	2024	2023
Earnings (£m)	The Company's underlying earnings from operational activities	8	25.9	24.1
Net tangible assets ("NTA")	The underlying value of the Company assuming it buys and sells assets	9	119.6	120.7
Net disposal value ("NDV")	The value of the Company assuming assets are sold, and the liabilities are settled, not held to maturity	9	122.8	124.2
Net reinstatement value ("NRV")	The value of the assets on a long-term basis, assets and liabilities are not expected to crystallise under normal circumstances	9	129.6	126.8
Net initial yield	Rental income less operating costs divided by the market value of the property, increased with purchasers costs	Opposite	4.9%	5.0%
Cost ratio (incl. direct vacancy costs)	Administrative & operating costs including costs of direct vacancy divided by gross rental income.	Opposite	49%	49%
Cost ratio (excl. direct vacancy costs)	Administrative & operating costs excluding costs of direct vacancy divided by gross rental income	Opposite	48%	48%
Like for like rental income (in respect of academic year)	Compares the growth in rental income that has been in operation and not under development, throughout both the current and comparative year	Financial review	7.0%	10.5%
Like for like capital	Compares the growth in capital values of the Group's portfolio which was controlled by the Group at both balance sheet dates, net of capital expenditure and excluding development properties	Financial review	1.6%	3.0%
Loan to value	Ratio of net debt, including net payables, to the sum of the property-related assets, including net receivables, of the Group, expressed as a percentage	Page 50	27.2%	30.6%
Vacancy rate	Estimated Market Rental Value ("ERV") of vacant space divided by ERV of the whole portfolio	Page 50	3.4%	0.7%

Other alternative performance measures

An alternative performance measure ("APM") is a financial measure of historical or future financial performance, financial position or cash flows of an entity which is not a financial measure defined or specified in International Financial Reporting Standards ("IFRS").

APMs are presented to provide useful information to readers and have been, or are still, consistent with industry standards. The table below sets out the additional non-EPRA derived APMs included within the Annual Report and Accounts.

Measure	Definition of measure	Note/ reference	2024	2023
Total Return	Growth in EPRA NTA plus dividends paid as a percentage of opening EPRA NTA	31	2.0%	7.6%
Net debt (£m)	Borrowings less cash and cash equivalents	Financial Review	298.9	319.8
Dividend cover	EPRA earnings relative to dividends declared for the year	31	114%	114%
Dividend pay-out ratio	Dividends declared relative to EPRA earnings	31	88%	88%

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
EPRA Net Initial Yield ("NIY") and topped-up NIY		
Investment property	1,135.0	1,097.9
Less: development	(5.7)	(3.0)
Completed property portfolio	1,129.3	1,094.9
Allowance for purchaser's cost	67.3	37.1
Grossed up completed property portfolio valuation	1,196.6	1,132.0
Annualised cash passing rental income	84.1	81.7
Property outgoings	(25.6)	(25.2)
Annualised net rents	58.5	56.5
Add: notional rent expiration of rent-free periods or other lease incentives	0.1	0.1
Topped-up net annualised rent	58.6	56.6
EPRA NIY	4.9%	5.0%
EPRA "topped-up" NIY	4.9%	5.0%
EPRA Cost ratios		
Operating expense line per IFRS income statement	25.6	25.2
Administration costs	15.4	14.0
Ground rent costs	-	-
EPRA Costs (including direct vacancy costs)	41.0	39.2
Direct vacancy costs	(0.2)	(0.4)
EPRA Costs (excluding direct vacancy costs)	40.8	38.8
Gross Rental Income less ground rents – per IFRS	84.2	80.5
Less: service fee and service charge costs components of Gross Rental	-	-
Gross Rental Income	84.2	80.5
EPRA Cost Ratio (including direct vacancy costs)	49%	49%
EPRA Cost Ratio (excluding direct vacancy costs)	48%	48%

EPRA and other alternative performance measures | continued

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
EPRA Loan to Value ("LTV")		
Bank borrowings drawn	374.3	360.3
Net payables	11.4	16.8
Less cash held at the year end	(75.4)	(40.5)
Net borrowings	310.3	336.6
Investment property at fair value	1,118.6	1,072.5
Property held for sale	10.7	22.4
Property under development	5.7	3.0
Intangible assets	5.5	3.1
Property value	1,140.5	1,101.0
EPRA LTV	27.2%	30.6%

EPRA capital expenditure analysis

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
EPRA capital expenditure analysis		
Acquisitions	37.2	–
Development	0.9	0.3
Investment properties		
Incremental lettable space	–	–
No incremental lettable space	31.9	32.2
Total capex	70.0	32.5
Conversion from accrual to cash basis	2.1	(0.1)
Total capex on cash basis	72.1	32.4

EPRA vacancy rate

EPRA vacancy rate	2024	2023
Estimated rental value of vacant space (£m)	3.0	0.7
Estimated rental value of whole portfolio (£m)	87.9	86.2
EPRA vacancy rate (%)	3.4%	0.8%



“It’s been a really good experience, the staff are very friendly and you definitely get a good value for your money , highly recommend if looking for anywhere to stay for uni.”

Resident | London Road, Southampton

Our commitment to Stakeholders

We believe that ESG should be fully embedded throughout the Company for us to succeed as a sustainable business. We have therefore developed a robust and transparent management framework and strategy that has a positive impact for all our stakeholders.

We set ambitious and challenging goals that guide our strategy and operations for the future and in 2022, we published our Net Zero Strategy which outlined our target of achieving Net Zero for Scopes 1 and 2 by 2033 and for Scope 3 by 2050. The publication of our annual ESG Report reflects our commitment to transparency, measuring our progress each year against both short and long-term targets.



Governance and strategy

The ESG strategy is aligned to our overall business strategy and reinforced by the Company's Board of Directors. To improve efficiency and focus on ESG matters, the Board has delegated specific responsibilities to a formal ESG Committee, which comprises all Board Directors. This Committee operates within defined terms of reference and presents recommendations to the Board. The executive Directors manage day-to-day operations, following Board-approved policies and authorities. However we believe that we need the collaboration of all our people to successfully deliver on our ESG strategy and have developed an ESG Management Framework that has embedded the management of climate change issues within all areas of our business. This is outlined further in the report of the ESG Committee on page 116.

Board diversity

Female representation on the Board during 2023 and 2024 was 33%, being two out of six Board members in total. There are currently no Directors of ethnic origin on the Board and this is discussed further on page 114. As diversity remains an important topic for our business, and within the Real Estate sector, the Board is mindful of, and reviews annually, gender and ethnic diversity across the entire workforce, within the senior leadership team and at Board level.

Board

2024	4	2
2023	4	2

Male Female



Employees

369

56% males; 44% female



Conflicts of interest policy

We recognise the importance of maintaining the highest ethical standards and avoiding situations where a Director's personal interests may conflict with their duties to the Company. To this end, we have a Conflicts of Interest policy designed to identify, manage, and resolve potential conflicts. This policy is intended to ensure that all decisions made by the Board are made in the best interests of the Company and its stakeholders.

Materiality

Working alongside our third-party ESG consultants, we have collated all ESG data from around the business and completed a materiality assessment matrix, to determine the ESG topics that were material to us and to our stakeholders. The matrix is reviewed annually by our ESG Committee, and the latest version is included in the latest ESG Report, available on our website.

As we operate within the Real Estate Industry, we utilised the Sustainability Accounting Standards Board ("SASB") framework and guidance on materiality.

The SASB Standards help companies identify, measure, and manage the sustainability-related risks and opportunities that most directly affect cash flows, access to finance and cost of capital. Providing this comparable and standardised framework also allows information to be clearly communicated to our stakeholders, specifically our investors. This framework highlighted that 'Physical Impacts of Climate Change', and 'Water & Wastewater Management' were deemed as key areas of importance to our business.

We and our investor audience are aware of the changing landscape around materiality and as we develop and build out our ESG reporting each year, we will take guidance and direction from the International Sustainability Standards Board's ("ISSB") financial materiality guidance.

Key 2024 ESG-related highlights

Governance

- Placed short term targets to shareholder vote at the Company's Annual General Meeting improving transparency and stakeholder engagement
- Published our first comprehensive standalone ESG Report
- Concluded on CDP as the Company's appropriate benchmark for reporting ESG credentials

Environmental

- Like for like energy consumption per bed reduced three per cent
- 64 per cent of the portfolio now rated EPC B or better, comfortably ahead of target
- Improved Scope 3 emissions data collection with first time Scope 3 reporting alongside our first carbon balance sheet
- Improved behaviours through two well received energy awareness campaigns across all sites in both summer and winter

Social

- Launched apprenticeship scheme and leadership development programme for future leaders
- Set diversity target for the Senior Management Team
- Mental Health First Aid training provided across all sites
- Awarded Best Student Wellbeing 2024 by GSLI
- Over 300 days invested by our team members in charitable or community initiatives

2024 ESG commitments	Description	Key areas of progress in 2024
Governance		
Climate Risk Management	<ul style="list-style-type: none"> - Monitor and review climate-related risks and mitigation controls. - Conduct a climate scenario analysis on our supply chain and supply routes. - Climate-scenario modelling year-on-year comparisons. - Financial modelling to understand the impact of identified risks and opportunities. 	<ul style="list-style-type: none"> - In 2024 we continued to monitor and review our climate-related risks and mitigation controls through an updated climate scenario analysis and risk register. - In 2024, we conducted a climate scenario analysis of our supply chain and supply routes, which helped us better understand its vulnerability to climate change.
Conflict Management	<ul style="list-style-type: none"> - Launch bespoke conflict management training to employees with a focus on risk mitigation. Identify sources of conflict and address them proactively, reducing the risk of escalated disputes and legal issues. - Rollout lone worker devices. 	<ul style="list-style-type: none"> - Conflict management training launched & lone worker devices issued to all appropriate site-based employees.
External Benchmarking	<ul style="list-style-type: none"> - Consider and conclude on an appropriate external benchmarking study for the Company to participate in from 2025 onwards. 	<ul style="list-style-type: none"> - In 2024 we concluded on CDP as the Company's appropriate benchmark for reporting our ESG credentials.

Over

300

days invested by our team members in charitable or community initiatives



2024 ESG commitments	Description	Key areas of progress in 2024
	Environmental	
Net Zero Operations	<ul style="list-style-type: none"> Over 40% of the portfolio by floor area to be fossil fuel-free. Lower like for like energy consumption to below 4,250 kWh per bed. Complete the conversion of a further 12 buildings to Net Zero operations. Commission decarbonisation studies on all remaining properties. 	<ul style="list-style-type: none"> We have decarbonised 25% of our portfolio by area, representing 21 assets. Like for like energy consumption per bed was reduced by 2.9% to 4,351 kWh (2023: 4,481 kWh), significantly driven by the rollout of smart heating systems in over 3,000 rooms. In 2024 two buildings (Summit House, Cardiff and Brunswick Apartments, Southampton) became sites powered by on-site renewable electricity generation, utilising both solar PVs and ASHPs. Conversions are planned for a further seven sites - these will be powered by either PV panels or a combination of PV and ASHP technology. So far we have installed energy-creating plant at 28 sites. 13 sites have had solar PV systems installed, a further seven now have ASHPs in place and ten have combined heat and power (“CHP”) systems. Decarbonisation surveys are confirmed for 14 sites.
Greener Solutions Installation	<ul style="list-style-type: none"> Record all onsite energy creation (PVs) across the portfolio. 	<ul style="list-style-type: none"> The recording of onsite energy creation has started at certain sites, with coverage to be improved upon during 2025.
Emissions data collection and SBTi targets	<ul style="list-style-type: none"> Improve Scope 3 emissions data collection. Refine the emissions target, aligning to SBTi within the next two years. 	<ul style="list-style-type: none"> We continue to work to improve our emissions data collection process actively. In 2024 we reported on our Scope 3 data for the first time alongside our first carbon balance sheet. We remain committed to refining our emissions target within the next two years. We will be aligning with the SBTi and its definition of Net Zero (a minimum of a 90% reduction in absolute emissions with a maximum of 10% abated through offsets).



25%
of our portfolio has been decarbonised, representing 21 assets



ESG report | continued

2024 ESG commitments	Description	Key areas of progress in 2024
Environmental continued		
Green capex	<ul style="list-style-type: none"> – Install air source heat pumps (“ASHP”s) and PVs at >10 sites. – Roll out >3,000 in-room heating controls (Smart Panels, Smart TRVs or meters). – Full LED and PIR upgrades on >20 buildings that include plug and play fitting to help with future maintenance costs. – Set climate related investment thresholds. 	<ul style="list-style-type: none"> – ASHPs and PVs have been installed at two sites (Summit House, Cardiff and Brunswick Apartments, Southampton). – ‘Smart’ Radiator Valve Actuators (TRVs) have now been installed in over 3,000 rooms. Smart in-room heating systems were installed at Brook Studios and Summit House in 2024 as part of energy efficiency refurbishments at both sites. – 167 Atamate and 1,653 SmarterDM smart heater units were installed and 1,285 EcoSync ‘smart’ TRV units. – Estimated carbon savings of over 400 tonnes (Atamate - 19,654kg; SmarterDM - estimated 280,000kg; EcoSync - 100,673kg). – Full LED and PIR upgrades have now been planned for >20 buildings. 2024 saw LED upgrades at five sites: Windsor House, Cardiff; Maritime Studios; Ayton House; Centro Court; and St Peter. – Climate-related investment thresholds linked to investment decision-making will be considered further in the next reporting cycle.
Data gathering	<ul style="list-style-type: none"> – Use data to inform planned summer and winter education programmes to support energy efficiency behavioural change. 	<ul style="list-style-type: none"> – We ran two well-received energy awareness campaigns across all sites in both summer and winter, leading to improved energy-saving behaviours. – We sub-metered over 1,500 rooms again in 2024, providing us with further data for future training and behavioural adjustment.



1,500

rooms sub-metered in 2024, providing us with further data for future training and behavioural adjustment.



2024 ESG commitments	Description	Key areas of progress in 2024
Environmental continued		
Building Energy Management System (“BEMS”)	<ul style="list-style-type: none"> – Conduct BEMS surveys and upgrades at >30 sites. – Execute comprehensive Building Management System (“BMS”) upgrades across the portfolio, allowing for remote monitoring, data collection and control. – Record all onsite energy creation (PVs) across the portfolio. 	<ul style="list-style-type: none"> – BEMS surveys have now been completed for >30 sites and our next target is to carry out upgrades and repairs to 5-10 BMS.
EPC Ratings	<ul style="list-style-type: none"> – >55% of portfolio to be rated EPC B or better. 	<ul style="list-style-type: none"> – The percentage of our sites with EPC ratings of B or better has continued to increase, reaching 64% in 2024 (2023: 51%) – comfortably ahead of target. We plan to extend this target to >65% of the portfolio in 2025.

Social		
Health and Safety	<ul style="list-style-type: none"> – Establish Legal Register. – Deliver Wellbeing Management System and Framework, including lone working. – Deliver Incident Management Guides to ensure consistent management and escalation of site-based incidents. – Complete dynamic risk assessments of all sites, specific to local area. – Create a Security Self-Assessment tool which will require teams to objectively review the security in our properties and identify opportunities for improvements to physical and personal security. 	<ul style="list-style-type: none"> – Eight new documents were created and launched in 2024 to assist team members when supporting our customers with disabilities, including guidance for writing Personal Emergency Evacuation Plans and how to handle assistance animal and reasonable adjustment requests.



64%

of portfolio rated EPC B or better



ESG report | continued

2024 ESG commitments	Description	Key areas of progress in 2024
Social continued		
Opportunities for all	<ul style="list-style-type: none"> – Launch apprenticeship scheme. – Complete bespoke leadership development programme for future leaders. – Define diversity focus areas and targets. – Provide training and accreditation to maintenance operatives. 	<ul style="list-style-type: none"> – Apprenticeship scheme and leadership development programme for supporting future leaders, “Hello Future Stars” launched. – Diversity target set for the Senior Management Team.
Enhance mental health and wellbeing	<ul style="list-style-type: none"> – Achieve a net promoter score of +33. – Achieve employee engagement scores within the top 25th percentile of an externally benchmarked comparator group. – Mental Health First Aid training for all sites. 	<ul style="list-style-type: none"> – Our net promoter score (“NPS”) has improved and continues to rise. Our Q4 2024 Global Student Living Index (“GSLI”) survey results showed an NPS of +32. – We achieved our goal to provide Mental Health First Aid training across all sites. Eight new documents were created and launched to assist team members in supporting our customers with disabilities.
Operations	<ul style="list-style-type: none"> – Improve customer response times targeting resolution within 72 hours on 70% of cases raised via the Student App. – Invest over 300 days in community or charitable support initiatives. 	<ul style="list-style-type: none"> – Our team members reached our target of over 300 days invested in charitable and community initiatives. Customer response times improved to 69% within 72 hours.
Engagement	<ul style="list-style-type: none"> – Launch behaviour programme to engage employees and customers and measure impact on energy use across a sample of sites. 	<ul style="list-style-type: none"> – During 2024, we launched and completed an engaging energy awareness campaign which received great customer feedback and drove improved energy-saving behaviour.



NPS

+32

our Net Promoter Score continues to improve



Physical impacts of climate change

As part of our TCFD reporting, we assess physical climate risks that could impact our operations. More information about which physical risks we identified as a business can be found in the TCFD section of this report. As climate change intensifies, it is imperative for businesses to incorporate climate risk assessments into their strategies. This is particularly crucial for our assets located in vulnerable areas, where adaptation measures like flood insurance, physical asset resilience, and strategic lease terms are essential to ensure long-term sustainability.

Sustainable properties

We installed energy creating plant at 28 sites. Thirteen of which have had solar PV (photovoltaic) systems installed, a further seven properties have air source heat pumps in place, with combined heat and power systems in place at ten. Two sites have both air source heat pumps and PV systems installed.

To improve heating efficiency, 'smart' Radiator Valve Actuators (TRVs) have been installed in 3,105 rooms, contributing to a significant five per cent reduction in energy use per bed in 2024. The system collects data every five minutes, allowing for continuous improvement. Efforts to optimise boiler operation and reduce energy costs are underway and will continue in 2025.

In 2024, waste management practices focused on recycling, with initiatives like local mattress recycling. Mattresses are now reconditioned and recycled every three to four years. Valuable materials such as foam, metal springs and textiles are also reclaimed and repurposed for other uses, helping divert additional waste from landfills.

Biodiversity initiatives included creating meadows, installing beehives, and incorporating green roofs at various sites. The living green walls at St Mary's contribute to our environmental impact, and bird and bat boxes support local wildlife. In 2025, we hope to continue our focus on preserving green spaces and actively improving environmental practices.



3,105

rooms have , 'smart' Radiator Valve Actuators (TRVs) installed to improve heating efficiency.

“Biodiversity initiatives included creating meadows, installing beehives, and incorporating green roofs at various sites. The living green walls at St Mary’s contribute to our environmental impact, and bird and bat boxes support local wildlife.”



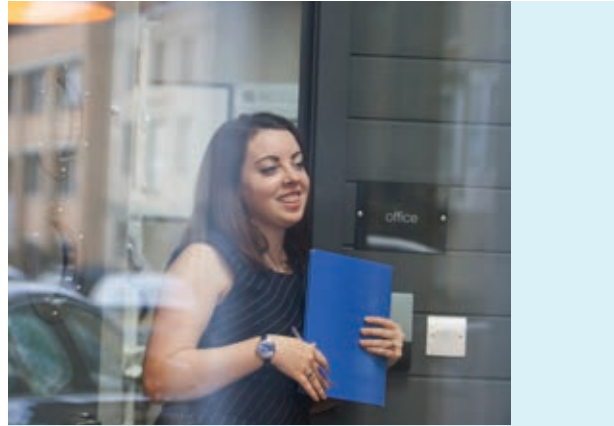
ESG report | continued

Employee health and safety

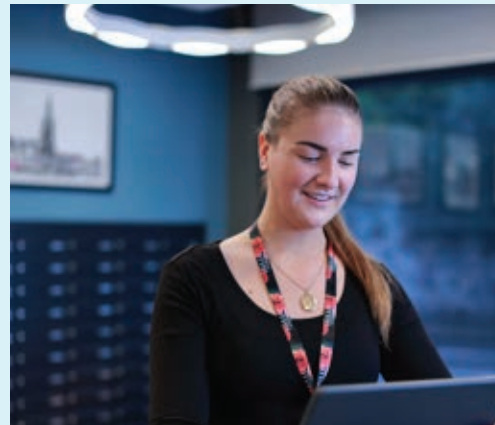
The Board defines our Health and Safety Policy, which outlines the organisational structures responsible for its implementation. Our Head of Health, Safety and Fire and our Security and Business Continuity Manager take responsibility for our Health and Safety Management Systems within the Company.

We are committed to conducting all our activities in a safe and secure manner, which is underpinned by our health and safety management standards and our commitment to continual improvement. Our Safety Blueprint details the governance structure we have to drive accountability, how we communicate with our teams to involve them in the proactive management of health and safety and how we manage health and safety risks. The Board is responsible for reviewing the Health and Safety Blueprint and the annual Health and Safety Plan for all areas of the business. They ensure that the Health and Safety Management System is proportionate, implemented and reviewed annually. Continuing throughout 2024, the Board has received monthly reports to help monitor the Company’s safety performance.

We promote a culture of continuous improvement, to prevent any major incidents. Our aim is to eliminate significant accidents. The robust reporting system ensures that all accidents and near misses are logged and reported. Safety and professionalism are of utmost importance across all our sites. We extend this commitment to our onsite subcontractors, mandating their participation in the evaluation process for SafeContractor accreditation. This ensures they meet essential criteria and adhere to industry-specific regulations, to ensure a secure and dependable partnership.



“We are committed to conducting all our activities in a safe and secure manner, which is underpinned by our health and safety management standards and our commitment to continual improvement.”



Asset health and safety

The implementation of SafetyNet, a custom low-code incident reporting system, revolutionised our approach to health and safety. SafetyNet includes functionalities like Fire Risk Assessment, Audits, Compliance Checklists, Dashboards, and Contractor Management. Safety and professionalism are of utmost importance across all our sites.

Since its launch, SafetyNet has significantly increased reported incidents, leading to thorough investigations and risk reduction measures. The transition to digital reporting has streamlined ease of completion, facilitating timely and enhanced compliance monitoring. The reported incidents cover Security, Wellbeing, and Fire, providing a comprehensive view of overall risk. We extend the above safety commitment to our onsite subcontractors, mandating their participation in the evaluation process for SafeContractor accreditation. This ensures they meet essential criteria and adhere to industry-specific regulations, to ensure a secure and dependable partnership.

Health and Safety Statistics

Description	2024
Injury Rate (“IR”)	2.7
Lost Day Rate (“LDR”)	1.8
Accident Severity Rate (“ASR”)	0.009
Absentee Rate (“AR”)	2.4
Work-related fatalities for all direct employees	Nil
% of assets for which H&S impacts are assessed or reviewed for compliance or improvement	100

Our stakeholders and how we engage with them

Stakeholder	Why We Engage	How We Engage	Topics	Outcome
Customers	The needs of our customers drive our brand and service offer. They provide vital feedback on how we can improve and better fulfil their needs. We have a responsibility to provide a secure and homely living environment and to care for their wellbeing. This is central to the Board's strategic decision-making and any associated operational change.	<ul style="list-style-type: none"> – On a day-to-day basis within our buildings. – Through biannual customer surveys. – Through our social media presence. – Through building relationships with universities in the towns and cities in which we operate. 	<ul style="list-style-type: none"> – Safety in their homes. – Customer service. – Value for money. – Building configuration. – Wellbeing. – Energy saving. – Birthday Card initiative. – Introduction of Mental Health First Aiders. 	<ul style="list-style-type: none"> – Global Student Living awarded our operational brand, Hello Student, the accolade of Best Student Wellbeing 2024. – Improving net promoter score. – 20 properties ranked within top three sites available in cities in which we operate (rated by our customers on Student Crowd). – Engaging energy awareness campaign completed receiving great customer feedback.
Employees	<p>Our people are vital to the successful delivery of our business plan. We have a responsibility to provide our people with a safe place to work and to care for their wellbeing to enable them to prosper and succeed in their professional lives.</p> <p>The values and culture of our organisation is embedded within our teams.</p>	<ul style="list-style-type: none"> – On a day-to-day basis we use Workplace as an internal communication tool. – Quarterly townhalls are held where our people can raise questions and provide feedback. – Through the One Team Collective. – One Team Tour, engagement programme completed by the executive team providing an opportunity for employees to engage directly with the Executives. 	<ul style="list-style-type: none"> – Safety at work. – Pay and reward. – Fair and equal treatment. – Business updates. 	<ul style="list-style-type: none"> – Real Living Wage Employer with a focus of improving the compensation arrangements for our lowest paid employees. – Strong employee retention rate of 78% per cent. – Diversity target set for senior leadership team. – 98% of employees have completed all of their essential training modules.
Communities	The communities in which we operate help us fulfil our purpose of enhancing the university experience of our customers. We aim to understand each unique local community in which we drive decision making of how best we can make a difference.	<ul style="list-style-type: none"> – Through on-site communication with members of the public and local communities. – We have membership with the British Property Federation where we can interact with communities and government on a wider basis. – Interaction through the property licensing disclosures we have to undertake. 	<ul style="list-style-type: none"> – Local job creation. – Provision of appropriate housing stock. – Supporting local charities. 	<ul style="list-style-type: none"> – Support provided to Switch 180 and the British Heart Foundation nationally. – Programme of charitable and community work across all sites with over 300 days provided and over £4,000 raised by the workforce toward charitable or community initiatives during 2024.

ESG report | continued

Stakeholder	Why We Engage	How We Engage	Topics	Outcome
Shareholders	<p>Our shareholders are key stakeholders in our business. The Board has a responsibility and desire to communicate key matters relating to the Group openly and honestly to our shareholders.</p> <p>The Group also has a wider responsibility to shareholders to enhance the value of the business and fulfil its purpose ethically.</p>	<ul style="list-style-type: none"> – Face-to-face meetings with investors typically following annual and interim results. – The publication of our Annual Report which presents a comprehensive update of the Company. – At our Annual General Meeting. – When significant change is proposed, for example, material transactions or changes to the remuneration structure. 	<ul style="list-style-type: none"> – Financial results, business performance and significant transaction. – Dividend payments. – ESG. – Remuneration policy. – Diversity. – Capital Raise. 	<ul style="list-style-type: none"> – Numerous meetings with current and prospective shareholders held throughout the year. – Property tours conducted in Bristol, Edinburgh and Glasgow. – Attendance at industry conferences. – Consultation on equity raise. – Shareholder vote on future ESG strategy.
Environment	<p>Our environment is fundamental to our future. We have a duty to operate our business in an energy efficient way, giving specific regard to the impact of our operations on the environment and utilising methods throughout our properties that mitigate the risk of environmental damage.</p>	<ul style="list-style-type: none"> – Biannually we provide a detailed ESG update within our Annual and Interim Reports. 	<ul style="list-style-type: none"> – Reduction in greenhouse gas emissions. – Becoming a sustainable business. 	<ul style="list-style-type: none"> – Published stand-alone ESG Report. – Improving our energy efficiency per bed with a 5 per cent reduction achieved. – Managing EPC risk with over 60 per cent of the portfolio now EPC B or better. – Energy hedging contract secures electricity procured 100 per cent from renewable sources. – Scope 3 emissions disclosed for the first time.
Lenders	<p>Our lending partners are key to our financing strategy. They support the delivery of our day-to-day business plan through the extension of financing arrangements to facilitate developments, capital expenditure or acquisitions.</p>	<ul style="list-style-type: none"> – Open and regular dialogue with relationship managers. Proactive engagement in respect of sale and acquisition pipelines and early dialogue on refinancing requirements. – Ongoing covenant reporting. 	<ul style="list-style-type: none"> – Refinancing and hedging needs. – Update on asset management initiatives and related impact. – Covenant compliance and related security pool. 	<ul style="list-style-type: none"> – Prudent management of maturing debt with refinancing of all near dated maturities. – Quarterly covenant compliance reporting and regular engagement throughout the year. – Site visits.
Agents and Consultants	<p>These stakeholders act on the Company's behalf, therefore it is fundamental that we ensure they understand our business requirements and meet the high standards of conduct that we expect of ourselves.</p>	<ul style="list-style-type: none"> – Regular meetings and day to day communication. 	<ul style="list-style-type: none"> – Disposals, acquisitions and leasing. – Summer turnaround. – External tenders. – Review of ERP provision and appointment. 	<ul style="list-style-type: none"> – Non-core disposal programme and annual refurbishment activity. – Tender of external valuation contract resulting in the appointment of Cushman & Wakefield. – Appointment of Yardi Systems as the Company's ERP provider.

Employee wellbeing

In respect to our people, we have established several forums, to offer colleagues a variety of ways to share their views with the executive committee. For example, a formal employee representative group, the ‘One Team Collective’ (“**OTC**”); an anonymous ‘Talk To Us’ online suggestion box; and internal service surveys or annual engagement surveys. We conducted an engagement survey and completed a series of roadshows with the executive team who made themselves available to all employees at three separate venues around the UK.

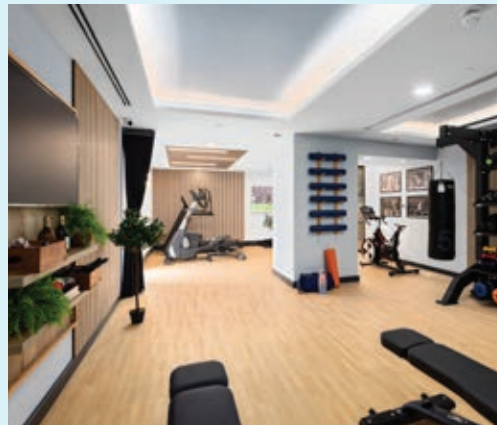
The OTC, now in its third year of formation, is a workforce advisory panel consisting of 11 employee representatives from across the Group. Its focus is to support meaningful dialogue on topics raised by our employees. The OTC met four times during 2024. All meetings were attended by Alice Avis, the Company’s Senior Independent Director who maintains regular dialogue with the Collective’s Chair throughout the year.

Wellbeing standard

We have a ‘Wellbeing Standard’, which works to monitor and assess hazards and risks that could impact the wellbeing of team members. We work to identify all points of workplace stress and conduct risk assessments, to eliminate or control the risks caused by stress. The risk assessment will include the six key management standards; demands, controls, support, relationships, role, and change. The risk assessment process will include consultation with the One Team Collective on issues relating to the prevention of work-related stress. Access is then provided to confidential counselling for team members affected by stress, caused either by work or external factors. Managers and supervisors are provided with training and where applicable, access to resources, to help identify and address wellbeing concerns.



“We have also designed improved amenity space for residents to be able to socialise or study in a communal environment as part of our refurbishment of Brunswick Apartments in Southampton site in 2024.”



Customer wellbeing

Customer experience, mental health and wellbeing are of utmost importance to us as a business, both commercially and as a duty of care for the continued safety of our customers. External data completed by students via the Global Student Living Index and general feedback received from site teams has helped us to identify areas for improvement. A programme of work was built and implemented, based on the above sources and resulted in improvements in our customer survey scores which led to being awarded Gold Operator certification officially in 2024 from the Global Student Living Index.

We understood from regular third-party customer surveys that a student’s accommodation, in terms of the quality, design of the building and the service they experience can have a marked impact on their mental health and wellbeing.

In 2024, as a result of feedback received, we have continued to build on and develop a programme of events for students to engage with and encourage a sense of community. This included existing students welcoming new students to their new home from home on check in day and improved amenity space for residents to be able to socialise or study in a communal environment as part of our refurbishment of Brunswick Apartments in Southampton site in 2024.

ESG report | continued

Diversity and inclusion

We believe in creating a diverse and gender-balanced workforce which reflects the customers and communities we serve. Our employees are committed to promoting an inclusive, positive and collaborative culture. We treat everyone equally irrespective of age, gender, sexual orientation, race, colour, nationality, ethnic origin, religion, religious or other philosophical belief, disability,

gender identity, marital or civil partner status, or pregnancy or maternity. Our workforce and customers are from diverse backgrounds so we need to ensure that our workplace remains inclusive and allows our people and our customers a place where they can thrive. We are an equal-opportunity employer and will always aim to extend diversity as vacancies arise.

Gender diversity statistics

Gender Pay Gap	Mean 2024	Mean 2023	Median 2024	Median 2023
Group Gender Pay Gap	13.45% (Male paid more than female)	10.1% (Male paid more than Female)	3.17% (Male paid more than Female)	1.85% (Male paid more than Female)
Group Gender Bonus Gap	44.76% (Male paid more than Female)	29.33% (Male paid more than Female)	-47.08% (Female paid more than Male)	-15.50% (Female paid more than Male)

Executive Management

2024	3	2
2023	3	2

Senior Management

2024	17	8
2023	14	7

Total employees

2024	204	163
2023	201	147

Key ■ Male ■ Female

369

Total employees at 31 December 2024, with two individuals non-specified.

Investing in future talent

In 2024, we launched a leadership development programme “Hello Future Stars” designed to support our businesses future leaders.

We have a Reward Policy across the business to ensure we are paying and rewarding all team members in a fair and transparent way based on clearly communicated rationale. We review pay for all team members on an annual basis (effective 1 January). The purpose of this policy is to set a fair and equal approach across the business.

The average hours of training that employees have undertaken in 2024.

	2024	2023
Average number of training hours completed per employee	8 hours	21 hours

Percentage of total employees who received a regular performance and career development review in 2024

	2024	2023
% of total employees who received a regular performance and career development review in 2024	100%	100%

Employee turnover and new hires

We aim to ensure our employees are proud and happy to work with us. The average percentage of voluntary employee turnover across the Group was 22% in 2024.

Employee turnover in 2024

	2024	2023
Total Group	22%	15%

Number of permanent new hires in 2024

	2024	2023
Under 30	44	43
Between 30 – 50	48	42
Over 50	14	17
Total	106	102

Modern slavery

Protecting human rights and preventing modern slavery is important to us. We are fundamentally opposed to slavery and committed to understanding the risk of it and ensuring it does not occur anywhere within our business or supply chain.

Our most significant risk area in relation to slavery and human trafficking is within our supply chain, particularly in connection with the sourcing by suppliers of construction material, certain goods and the provision of manual labour in property development and management services.

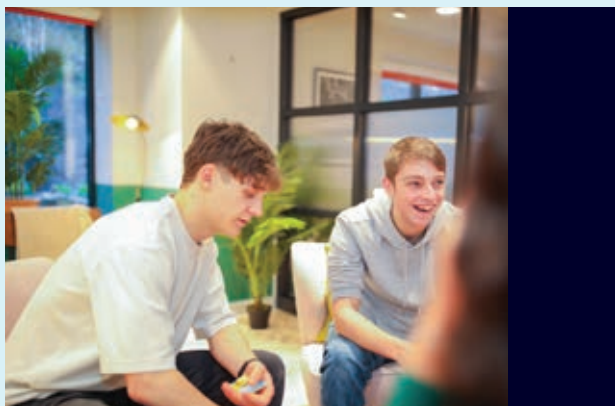
While most of our direct suppliers are based in the UK, we are aware that some of their materials are sourced from around the world. However, all of our service suppliers are based in the UK and are SafeContractor accredited and are therefore regarded as low risk.

As part of our broader initiative to identify and mitigate risk in our supply chain, we have updated our consideration of factors such as:

- reviewing our current contractors and suppliers, particularly in relation to supply chain, with a view to developing preferred supplier list arrangements based on robust selection;
- centralising more contracts as a core part of our supplier management strategy;
- strengthening our compliance review processes within procurement practices; and
- developing strong relationships with UK-based suppliers and contractors that align to our business code of conduct expectations.

Furthermore, with nearly 7,700 students and 369 employees under our care, we have a duty to ensure their safety, which includes freedom from modern slavery.

Prior to recruiting staff, we complete checks on all Right to Work documents, including passports, share codes and overseas VISAs. We also complete DBS checks on all front-line operational staff. On appointment, employees are expected to familiarise themselves with our policies which they must confirm they have read and understood.



Raised over

£63,000

for the British Heart Foundation



The policies are available on an internal intranet site and include:

- Data Protection
- Whistleblowing and Grievance Policies
- Anti Bribery
- Anti Money Laundering
- Diversity, Equality and Inclusion
- Duty to prevent Sexual Harassment

Additionally, employees must complete training to ensure they have a high level of understanding of the risks throughout our business. For modern slavery they are provided with practical guidance and 'red flags' they should identify in the workplace or within the student accommodation.

Any concerns or grievances may be raised using the Whistleblowing policy which can be found on the website. The policy applies to all employees, suppliers, agents, contractors and customers of Empiric Student Property plc, and its subsidiary Hello Student Management Limited.

We continue to believe there is a low risk of slavery and human trafficking in our colleague base. We regularly review this risk assessment and monitor our activity as part of our broader approach to ensuring we are a responsible and sustainable business.

For our full Modern Slavery statement please refer to www.hellostudent.co.uk or www.empiric.co.uk

Communities

In our third year partnering with the British Heart Foundation ("BHF"), its #PackForGood campaign saw Hello Student collect and donate nearly 3,000 bags of preloved clothing and household items, raising over £63,000 for the BHF's life-saving research. Through our donations, we also helped divert 23,994 kg worth of waste headed for landfills, up 25 per cent on the previous year – highlighting our ongoing commitment to reducing waste at our student property sites. We will continue to support the #PackForGood campaign throughout the 2024 and 2025 academic years.

Our team members invested over 300 days toward charitable or community initiatives during 2024.

Non-financial and Sustainability Information Statement

Task Force on Climate-related Financial Disclosures (“TCFD”)

About the TCFD

The Group supports the Taskforce on Climate-related Financial Disclosures (“TCFD”) and believes it provides a strong foundation for developing our climate strategy. We understand that climate change presents potential risks to our property portfolio, business continuity and capital expenditure plans. There is a need for comparability in reporting across sectors, as businesses collectively tackle climate change. In 2024, we continued to follow the recommendations of the TCFD framework, assessing and improving our understanding of how climate-related risks and opportunities impact our business. This report aims to align with the TCFD recommendations to the greatest extent possible. While significant progress has been made in incorporating climate-related considerations into our governance, strategy, risk management, and metrics and targets, we are committed to continuous improvement in our TCFD reporting and are actively working to address identified gaps. Our most recent standalone TCFD report is available on our website.

Complying with the TCFD

UKLR 6.6.6R(8) requires mandated companies to include a Task Force on Climate-related Financial Disclosures (TCFD) statement in their annual report. As a premium-listed Company, we have complied with the requirements of UKLR 6.6.6R(8) by including climate-related financial disclosures consistent with all 11 TCFD recommendations. In preparing these disclosures, we undertook a detailed assessment, taking into account Section C (‘Guidance for All Sectors’) of the TCFD Annex. Regarding progress against climate-related targets, we acknowledge that comprehensive progress reporting is pending which will be addressed in 2025. Current targets, based on current assessments, guided our actions for 2024. Our strategic resilience to climate-related risks is addressed through detailed risk mitigation strategies, as presented in our Risk and Opportunity Tables. We also acknowledge that our reporting on strategic resilience to climate-related risks can be further enhanced. We will provide more specific data on how our strategies perform under various climate scenarios, including those consistent with a 2°C or lower warming pathway.

Governance

Overview

The Group is committed to good governance and management of climate-related risks and opportunities in a responsible and transparent manner. We believe we need the collaboration of all our people to successfully deliver our ESG strategy, which is aligned with our overall business strategy and reinforced by the Company’s Board and senior leadership team. The Group has a well-developed ESG Management Framework that embeds the management of climate change issues within our business.

Board-level oversight

The Board has overall responsibility for the oversight of climate-related risks and opportunities. The Board monitors and oversees progress against climate-related goals and targets through delegation to the ESG Committee. All Board members are members of the ESG committee, which met three times during the year (March, August and December). Climate change is a standing agenda item at these meetings. These meetings included discussions of risks and opportunities related to climate change, climate disclosures, monitoring progress against climate-related targets and the integration of sustainability practices into business strategy. Future topics will include regulatory compliance, stakeholder engagement, carbon footprint reduction strategies, renewable energy initiatives, and the development of long-term climate goals. The Board considers climate change when reviewing business strategy, when making investment decisions and when setting annual budgets. The remuneration policy was updated in 2023, creating a clear linkage to ESG performance indicators and linking variable compensation arrangements to Health and Safety compliance objectives. All objectives remain subject to the discretion of the Remuneration Committee.

The Board structure for overseeing climate risks and opportunities

Governance structure

The Board

To assist in the effectiveness of the Board, it delegates certain matters to formal Board Committees to review and make recommendations back to the Board. All Committees must operate within their terms of reference which are set by the Board. Day-to-day operations are carried out by the executive Directors, who must adhere to policies and authorities set by the Board.



Nomination Committee

Considers the composition, skills and succession planning of the Board.

Read more on | [page 110](#)

Audit and Risk Committee

Ensures the Group's financial reporting and risk management is properly monitored, controlled and reported.

Read more on | [page 118](#)

Remuneration Committee

Reviews remuneration of executives and senior leadership team in accordance with shareholder approved policy.

Read more on | [page 123](#)

ESG Committee

Safeguards the interests, and monitors engagement with, stakeholders to ensure the Company demonstrates sound social and environmental risk management.

Read more on | [page 116](#)



Senior Leadership Team

Working with the executive Directors, the senior leadership team ensure Company policies are embedded in the business and its operations and that strategic decisions are executed appropriately.



Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

The Chief Financial and Sustainability Officer ensures that climate-related risks and opportunities are assessed, identified and managed, including management of the wider ESG projects on a monthly basis. Taking responsibility that the potential climate-related impacts are formally reported to the ESG Committee and the Board. In August 2024, our ESG advisors facilitated a workshop providing refresher training for the Board and management on climate change matters, including climate-scenario analysis to support the Board in fulfilling their duties to identify and monitor climate change risks and opportunities. All Board and ESG Committee members were in attendance. Subsequently, the Board and ESG Committee reviewed climate-scenario modelling to assess risks and opportunities related to climate change, which were then consolidated into a climate-risk register.

The Board reviewed the climate risk register in its December 2024 meeting and approved the inclusion of significant climate-related risks into the Group’s comprehensive risk register. Climate-related investment thresholds linked to investment decision-making will be considered further in the next reporting cycle.

Management-level oversight

The Board ensures the dissemination of strategic priorities to senior management, who are responsible for implementing the Company’s ESG strategy within the business, including climate-related matters. The Board entrusts the ESG Committee and, in respect of risk management, the Audit and Risk Committee, with overseeing the ESG strategy and monitoring progress toward goals and targets related to climate issues. Both committees report to the Board three times a year. The ESG committee reviews climate change as a standing agenda item in its meetings and incorporates the climate change lens into reviewing business strategy.

In 2024, our external ESG advisors attended the August meeting to provide support in assessing and addressing climate-related issues. They attend ESG Committee meetings as necessary to update the Board on the progress of climate modelling and the results from the climate scenario analysis.

Strategy

We recognise that climate change is a complex issue and acknowledge our responsibility to minimise our impact on the planet. In 2022, we identified climate change as an emerging risk; however, following further discussions in ESG Committee meetings, its status was updated to a principal risk in 2023 and remained so for 2024. Climate change is a dynamic process, and its impacts are constantly evolving. Extreme weather events are becoming more frequent and intense, and other climate-related changes, such as sea-level rise and shifting weather patterns, are also occurring. Assessing climate change as a risk annually has enabled us to stay ahead of such changes and adapt our risk management strategies accordingly.

This year, we have conducted and updated a climate scenario analysis to gain meaningful insight into climate-related risks and opportunities for our business over the short, medium and long term. We utilised the TCFD framework to develop our understanding and management of climate-related risks and opportunities relevant to our business, incorporating these into the strategic and financial planning process for the business.

Climate scenario analysis

Climate scenario analysis is a powerful tool that visualises various future scenarios using potential global warming pathways. By understanding these potential scenarios, we can better assess the risks and opportunities that may impact our operations, both directly and indirectly in various ways, such as new regulations, shifting market dynamics, or acute weather events like storms and wildfires.

In a world of uncertainty, climate scenarios are intended to explore a range of potential futures scenarios that may significantly alter the basis for business-as-usual. Multiple scenarios are used to analyse how different variables can result in varying outcomes. The climate models used for this analysis include data from the Intergovernmental Panel on Climate Change’s (IPCC) Representative Concentration Pathways (RCP), the International Energy Agency’s (IEA) World Energy Model (WEM), the Network for Greening the Financial System (NGFS) and other existing models.

The TCFD recommends the use of climate scenarios that are plausible and credible. Each scenario focuses on a different combination of key factors. The scenarios used in our 2024 analysis are in alignment with the ISO 14091 standard. Climate scenarios are used to differentiate a range of possible scenarios rather than a single theme. Each climate scenario should contribute insight into the future that relates to strategic and/or financial implications of climate-related risks and opportunities. Scenarios provide a common reference point for understanding how climate change could evolve under different scenarios. Each was chosen to show a range of higher and lower-risk outcomes. It is important to remember that climate scenarios make projections on hypothetical situations and, as such, come with a degree of uncertainty. While some of the information obtained from existing climate models have a high degree of accuracy, there is still a level of uncertainty. As a result, scenario analysis is only used as a guide for climate-related risks and opportunities.

The Group has considered climate-related impacts under three primary scenarios:

- **Proactive Scenario (Below 2°C by 2100):** this scenario reflects a future where significant global action is taken to limit global warming to below 2°C by 2100, in line with the Paris Agreement. In this scenario, transition risks will become more prominent, and regulatory pressure will increase. As a business, we are committed to adapting to a low-carbon economy by investing in renewable energy sources, reducing emissions, and adopting sustainable practices.
- **Reactive Scenario (2–3°C by 2100):** this scenario is associated with a future where global climate action is inconsistent, leading to a moderate increase in global temperature. In this scenario, we will prioritise risk management and adaptation strategies. This includes assessing and managing potential climate-related threats, developing contingency plans to address disruptions, and diversifying supply chains to reduce vulnerability.
- **Inactive Scenario (Above 3°C by 2100):** this scenario reflects a future where global climate action is limited or delayed. It necessitates a proactive approach to risk management for long-term sustainability. We will prioritise crisis management, survival, and long-term viability.

We have adopted a three-tiered approach to our analysis, extending beyond standard business timelines to encompass a long-term perspective up to and beyond 2050. This enables us to identify emerging future risks and opportunities. The time horizons we have selected align with the UK's 2050 Net Zero target and beyond, ensuring our analysis is relevant to the long-term sustainability of our business.

- **Short Term (2024–2027):** We will demonstrate a proactive approach to sustainability through public commitments and progress towards our targets. To ensure ongoing compliance, we will constantly assess the legal landscape and regularly review environmental regulations and permits. The Board will actively oversee risk management and compliance efforts. The short-term will help us prioritise immediate action and demonstrate early progress while ensuring compliance and building a foundation for long-term success.
- **Medium Term (2028–2037):** As the physical impacts of climate change become more pronounced, we will focus on building resilience in our operations. By diversifying supply chains, investing in resilient infrastructure, and adopting sustainable practices, we will be better prepared for extreme weather events and resource scarcity. We will implement flood insurance, fire safety standards, and heat-resistant building materials to mitigate climate change risks. This timeframe will help focus on adapting to climate change and building operational resilience, engaging in long-term planning, and continuously improving upon the foundation laid in the short term.
- **Long Term (2038–2050):** In the long term, we will drive a transformative shift towards a low-carbon economy. Key strategies include investing in renewable energy, adopting circular economy principles, building climate-resilient infrastructure, exploring carbon capture and storage technologies, and supporting innovation and research. This extended horizon allows for implementing ambitious, long-term strategies such as investing in renewable energy and building climate-resilient infrastructure. By embracing these long-term strategies, we will position ourselves as leaders in sustainable business practices and contribute to a more resilient and sustainable future.

Analysis of results

We have thoroughly assessed climate-related risks and opportunities aligned with the TCFD framework. A comprehensive climate risk register captured all identified climate-related risks and opportunities. We identified thirteen transition risks, six physical risks, with five opportunities across 26 key locations. Ten of these risks (eight transition and two physical risks) were deemed material to our business. The ESG Committee reviewed these findings and presented them to the Board for final approval in December 2024.

Each climate-related issue is classified using our Group-level standardised rating system. We assess the likelihood and impact of each risk to determine an inherent risk score. This inherent risk score is calculated by multiplying the likelihood and impact ratings. We calculate an overall net risk score by considering the effectiveness of our mitigating controls. Risks with a significant (inherent risk between 9 and 15) or high (inherent risk between 16 and 25) are deemed material to the business. Only short-term material climate-related risks will be integrated into the Group's risk register, as these risks have a more immediate impact on the business. Medium- and long-term risks, while significant, will be monitored annually in the climate risk register but will not be actively managed within the Group Risk Register.

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued


Transition risks

Transition risks arise from indirect impacts of climate change, including changes in government policy, technology, and market conditions. Climate-related transition risks refer to risks associated with transitioning to a low-carbon economy. Several climate-related transition risks are listed in Table 1, which were identified as having a significant and high gross risk potential at our sites. We are responding to these risks and will continue to develop our controls over the next two years.

Table 2: Climate-related transition risks and mitigations

Risk rating
● Significant ● High

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Policy & Legal	T1: Enhanced emissions-reporting obligations	The UK’s commitment to Net Zero emissions by 2050 is driving increased regulatory pressure on businesses. This includes stricter emissions reporting requirements and higher energy efficiency standards for commercial properties. We are already impacted by increased emissions reporting regulations in the UK (e.g. TCFD, SECR, ESOS). To comply with these regulations, businesses must invest in energy efficiency measures, carbon reduction strategies, and potential carbon offsets. However, relying too heavily on offsets can hinder direct emissions reduction efforts. Therefore, a balanced approach is crucial to achieve Net Zero goals while managing potential risks and costs.	Short - Medium Term (2024-2037) <2°C, 2-3°C Gross Risk: 20, ●	Increased operating costs (higher compliance costs)	<p>We already consider both existing and emerging (e.g. Minimum Energy Efficiency Standard (MEES)) legislation when assessing climate-related risks. Through our existing risk management programme and evolving environmental activities, we have dedicated internal resources and commenced collaboration with our ESG advisors to ensure we remain compliant with current and emerging regulations.</p> <p>Costs on the business to remain complaint will be relatively low as a proportion of our revenue. Additionally, we have allocated £12m toward ESG initiatives aimed at reducing energy consumption and emissions and improving EPC ratings with the aim to meet the UK Government’s 2030 EPC B or better target.</p> <p>We plan to mitigate the risks associated with overreliance on offsets by prioritising emission reduction strategies and using carbon offsets judiciously. Additionally, engaging with industry and policymakers can help shape a regulatory environment that supports the responsible use of carbon offsets and accelerates the transition to a low-carbon economy.</p> <p>Covering all emission scopes prepares us for future reporting requirements. Establishing near-term and long-term targets demonstrates a proactive approach to emissions reduction, mitigating compliance risks. Plans to align with SBTi ensures targets will provide credibility, align with best practices and reduce the risk of regulatory misalignment. Exploring internal carbon pricing will further prepare us for potential future carbon pricing regulations.</p> <p>We have achieved carbon reductions in both Scope 1 and Scope 2 emissions. Please see the metrics and targets section for a full report on our Targets, Scopes 1, 2, and 3 emissions, and future plans.</p>


Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
<p>Policy & Legal continued</p>	<p>T2: Mandates on and regulation of existing products and services</p>	<p>Mandates/regulations, such as the Building Safety Act and Building Safety Regulator, may become more difficult to adhere to/meet if climate change-related events (e.g., supply chain issues) hinder the capacity of our operations.</p> <p>The UK Government’s increasing focus on sustainability is driving stricter regulations and standards for the real estate industry. New regulations like Biodiversity Net Gain (BNG) mandate a 10% increase in biodiversity value for new developments. Failure to comply with such regulations can halt development projects. This highlights the importance of understanding and adapting to the evolving regulatory landscape to ensure project viability and environmental sustainability.</p> <p>Sector-specific decarbonisation strategies (Heat and Buildings Strategy and Future Homes Standard) require us to meet the targets and recommendations outlined by the frameworks (e.g., EPC grading by 2030). Real Estate Investment Trusts (REITs) may be exposed to energy-related regulations even though energy costs are often the occupants’ responsibility.</p>	<p>Short - Medium Term (2024-2037) <2°C, 2-3°C Gross Risk: 12, </p>	<p>Decreased revenue due to reduced demand for current products and services</p>	<p>We have identified several risks associated with compliance with regulatory mandates so that mitigation measures can be established (e.g., H&S, External Wall System (EWS), Electricity Safety Rules, etc.). The Group’s capital allocation plans incorporate remedial work to ensure compliance. Good progress continues to be made, and the Group’s lenders and insurers remain comfortable with the progress made.</p> <p>Our 12.5 per cent reduction in Scope 1 emissions and 5.1 per cent reduction in Scope 2 emissions are directly linked to our strategy of mitigating regulatory compliance risks and proactively addressing decarbonisation mandates (Heat and Buildings, Future Homes Standard, EPC improvements).</p> <p>Achieving Net Zero targets (2033 for operational emissions, 2050 for all emissions) strengthens operational resilience against climate change-related disruptions (e.g., supply chain issues), making it easier to meet mandates like the Building Safety Act.</p> <p>The 2033 Net Zero target for operational emissions (Scopes 1 and 2) directly addresses the requirements of sector-specific decarbonisation strategies like the Heat and Buildings Strategy and Future Homes Standard, including the push for improved EPC gradings by 2030. This target directly mitigates the risk of non-compliance. Our 2033 operational emissions target is particularly relevant for addressing energy-related regulations that may impact REITs, even if energy costs are typically passed on to occupants. Reducing operational emissions helps mitigate these regulations’ financial and reputational risks.</p>

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 2: Climate-related transition risks and mitigations

Risk rating
● Significant ● High

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Market	T5: Changing customer behaviour	<p>We may be at risk of loss of revenue, reduced profitability and reduced growth if unable to keep pace with changing consumer behaviour. Consumers may choose accommodation that is more energy efficient (higher EPC rating) to save on utility costs.</p> <p>With sustainability growing in importance, customers may change sentiment towards other Purpose-built Student Accommodation (PBSA) operators who provide more sustainable alternatives or may decide that it is more environmentally friendly and cost-effective to study at home compared to student accommodation.</p> <p>We have identified the potential for geopolitical events to cause supply/demand issues, e.g., international students being unable to study in the UK can result in up to 50% revenue loss. Increased living, travel and utility costs as a result of carbon pricing may also result in fewer international students choosing to study in the UK.</p>	<p>Medium Term (2028-2037) <2°C, 2-3°C Gross Risk: 9, ●</p>	Decreased revenue due to reduced demand for current products and services	<p>Our sustainability commitments are set out in the sustainability section of our website and our 2023 ESG Report. We have demonstrated resilience and adaptability to customers’ changing demands by differentiating within the PBSA market with a highly efficient, low-embodied carbon product and efforts to attract climate-conscious customers. We have invested in and committed to an extensive capital investment plan to improve technologies that lower the carbon intensity of our accommodation to ensure sites are more sustainable. We have introduced annual energy awareness campaigns for our customers.</p> <p>The 2033 Net Zero target for operational emissions (Scopes 1 and 2), which will drive improvements in energy efficiency and EPC ratings. Strong ESG credentials are likely to become a point of difference to our customers. The overall commitment to Net Zero emissions, including the 2050 target for all emissions (Scope 3), signals a strong commitment to sustainability, which is crucial for attracting environmentally conscious customers.</p> <p>This addresses the risk of students choosing alternative PBSA providers or opting to study from home due to environmental concerns. It demonstrates that we are taking sustainability seriously.</p>

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Market continued	T6: Uncertainty of market signals	<p>The absence of robust sector transition plans to Net Zero poses a significant risk to accessing capital. New sectors and competitors may form, offering customers a range of companies to take their business to.</p> <p>New financing from government schemes and green investment opportunities may be missed if we do not progress on our decarbonisation plans. Future financial planning and budgeting may become increasingly difficult as the market becomes more volatile and reactive to climate-driven events.</p> <p>We may need to become more adaptive and flexible to the changes in the market to ensure we can continue to generate revenue and profit.</p> <p>Market behaviour can often be volatile but can also present the Group with opportunities if we can adequately align our business model.</p>	<p>Short - Medium Term (2024-2037)</p> <p><2°C, 2-3°C</p> <p>Gross Risk: 10,</p> 	Decreased access to capital	The Group is already taking a proactive approach, evidenced by public commitments and progress towards targets. Our Net Zero targets, especially the near-term 2033 operational emissions target, demonstrate a proactive approach to the sector's transition to Net Zero. This reduces the risk of being outpaced by new competitors offering more sustainable alternatives and helps maintain access to capital as investors increasingly prioritise companies with clear decarbonisation strategies.

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 2: Climate-related transition risks and mitigations

Risk rating
● Significant ● High

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Market continued	T7: Increased cost of energy and raw materials	<p>Energy: Risk of increased energy costs as carbon prices are introduced on oil and gas imports. The unit cost of renewable electricity is more constant than that of electricity from fossil fuel sources. However, it can be more expensive, resulting in an increased cost of energy for the Company. As more businesses switch to renewable energy contracts, energy costs could also increase (supply vs demand).</p> <p>Raw Materials: The EU has identified plastic, steel, ceramics, hydrogen and fertilisers as high-impact materials. High-impact products will be forced to decarbonise – as a result, new processes and technology may be introduced, increasing the cost of the raw material. Increased costs of raw materials such as steel and plastic may have unforeseen impacts on products purchased through our supply chain. Increased costs of raw materials can also only be passed on so much before the consumer searches for cheaper alternatives. Material alternatives can be sourced; however, they may have fewer desirable qualities, making products inferior and risking reputational damage.</p> <p>Supply Chain: Unpredictable climate change impacts could significantly affect supply chains, with increased pressure on operations and labour in the form of contractors and subcontractors. Reliance on an undiversified supply chain can result in significant damage to business operations and profitability.</p>	<p>Medium - Long Term (2028-2050)</p> <p><2°C, 2-3°C</p> <p>Gross risk: 15, ●</p>	Increased indirect (operating) costs	<p>One of the main measures taken to mitigate against the rising cost of energy is price fixing, which is already a part of our energy procurement strategy.</p> <p>There is recognition that sustainable materials and technology may lead to increased costs. However, wide spread Net Zero targets should drive demand toward these solutions, decreasing their cost over the longer term.</p> <p>The Group is actively transitioning a number of its sites to all-electric power, significantly increasing the proportion of energy derived from on-site renewable generation. In 2024, Summit House in Cardiff and Brunswick Apartments were successfully converted and now utilise both photovoltaic (PV) panels and air source heat pumps (ASHPs). Looking ahead, planned conversions include College House and College Green in Bristol, The Exchange in Bath, St Marks in Leeds, Brook Studios in Birmingham, Claremont House in Glasgow, and Foss Studios in York. These sites will also feature either PV panels or a combination of PV and ASHP technology, further driving our commitment to renewable energy and reducing its carbon footprint. Converting to all-electric and on-site renewables directly reduces Scope 2 emissions (emissions from purchased electricity). Please see the overall energy consumption (kWh) and total Scope 2 emissions in Tables 5 and 6 in the Metrics and Targets section.</p> <p>As we continue our journey to become Net Zero, we will aim to substitute our materials with lower-emission alternatives wherever possible. We have sub-metered over 1,500 rooms again in 2024, providing richer data to enable training and behavioural adjustment.</p>


Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Market continued	T7: Increased cost of energy and raw materials				Full LED and PIR upgrades have now been planned for >20 buildings, including plug-and-play fittings to help with future maintenance costs. Additional initiatives that progressed during 2023 and were advanced further in 2024 included: a feasibility study for the implementation of solar panels at 13 sites; a full portfolio survey to determine which buildings will benefit from PV, and 14 sites which will undergo decarbonisation surveys, contributing to the planned design to remove all gas boilers. We have created action plans for 14 of our least energy-efficient properties, including disposals and works undertaken. The percentage of our sites that have EPC ratings of B or better continues to increase and is comfortably ahead of our stated targets at 64 per cent.

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 2: Climate-related transition risks and mitigations

Risk rating
● Significant ● High

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Reputation	T9: Shifts in consumer preferences	Our business is sensitive to consumers’ changing climate perspective. A reduction in consumer numbers and spending could have an adverse effect on our revenue and profitability. With sustainability growing in importance, customers may change their market sentiment towards other PBSA operators as more sustainable alternatives. The potential loss of business to more sustainable competitors could be harmful to revenue. Capital spend on technologies that lower the carbon intensity of student accommodation could be increased to ensure sites are more sustainable.	Medium Term (2028-2037) <2°C, 2-3°C Gross risk: 15, ●	Reduced Revenue and Profitability	Utilising green marketing strategies and collaborating with agencies specialising in sustainability can enhance brand image and improve public perception. These efforts can help communicate the Company’s commitment to environmental initiatives, align with stakeholder expectations, and potentially mitigate reputational risks. Implementing green marketing techniques can also differentiate the brand in a competitive marketplace by showcasing its proactive approach to environmental issues. By prioritising sustainability initiatives, implementing transparent communication, leveraging innovation and technology, fostering partnerships, investing in employee training, and conducting regular risk assessments, we can effectively mitigate the risk of losing business due to customer preference for sustainable PBSA operators. Our Net Zero targets act as a driver for the necessary capital expenditure to remain competitive in a market increasingly driven by sustainability concerns. By investing in low-carbon technologies and demonstrating a commitment to emissions reduction, we can attract and retain customers who prioritise sustainability, ultimately protecting its revenue and profitability.

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Reputation continued	T10: Increased stakeholder concern	<p>As the world transitions to a decarbonised economy, stakeholders are likely to have an increased focus on environmental impacts, climate change and Net Zero targets. Failing to properly communicate the way we will proactively reduce our environmental impact is likely to then negatively impact investor sentiment/ratings, potentially limiting access to capital.</p> <p>Should the Company not meet its climate targets, shareholders may decide to sell their shares, lending partners may be less likely to provide financial services, and the Company may not be eligible for green loan deals or opportunities, leading to a decreased market share and lost revenue growth. If the Company were not able to access green debt issuance, this could also result in higher finance costs. Therefore, there is a reputational risk associated with not meeting publicly committed targets.</p>	<p>Short - Medium Term (2024-2037) <2°C, 2-3°C Gross risk: 12, </p>	Decreased access to capital, reduced Company valuation	<p>We have allocated internal resources through a Net Zero strategy and engagement programme. We have also engaged with a third-party advisor to ensure compliance with current and emerging regulations. Our aptitude for engaging with climate change is outlined in the business's ambitious climate-related goals/targets for both 2033 and 2050.</p> <p>We have also published a standalone ESG Report to communicate our efforts to stakeholders, including customers. We intend to continue to publish an annual standalone ESG Report to communicate efforts to stakeholders, including customers.</p>

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 2: Climate-related transition risks and mitigations

Risk rating
● Significant ● High

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline, Scenario and Risk Rating	Financial Impact	Mitigating Controls in Place
Technology	T11: Substitute existing products and services with lower-emission alternatives	<p>Products and Services: Customer preferences are changing as people are increasingly considering the environment when making purchasing decisions. Listed buildings may have restrictions on renovations and the installation of low-carbon technologies, which could have an impact on the EPC ratings these buildings could achieve. For instance, replacing traditional windows with energy-efficient ones might require special permits or alterations that are not allowed. This could have an impact on the EPC ratings that they are able to achieve. There are also financial implications. The inability to modernise existing assets can lead to write-downs.</p> <p>Financials: The costs needed to ensure our services are sustainable are likely to increase, as we may need to invest in more technology and resources. Sustainable materials and services currently have a higher cost compared with traditional alternatives.</p> <p>Due to reduced demand for existing products/services, which are associated with high emissions, the shift to more efficient technology and sustainable products/services may present future opportunities.</p>	<p>Short - Medium Term (2024-2037)</p> <p><2°C, 2-3°C</p> <p>Gross risk: 12,</p> <p style="text-align: center;">●</p>	<p>Increased direct costs</p> <p>Revenue – decrease in revenue opportunities as a result of reduced market share</p>	<p>We have been proactive in our efforts to incorporate sustainability into the core of our operations. This has included the establishment of our Net Zero strategy and emission reduction targets with specific KPIs. As we are on the journey to reducing our carbon emissions, we can position ourselves as being prepared for changing customer demands. This directly contributes to our commitment to achieving Net Zero across our operations, developments, property portfolio, and energy consumption (Scopes 1 and 2) by 2033. The KPIs provide measurable milestones that allow us to track progress and ensure we are on track to meet this near-term goal. Furthermore, this work lays the foundation for achieving our broader target of absolute Net Zero emissions (including Scope 3) by 2050 or earlier. The reductions achieved through our current initiatives will reduce our overall carbon footprint, making the 2050 target more attainable.</p> <p>Please refer to the overview of our progress and future plans for improving energy performance across our portfolio under the energy efficiency narrative in the Metrics and Targets section of the report.</p> <p>We have good experience of working with listed buildings and heritage offices to maximise them. Heritage England are being more accepting of building upgrades to heritage sites.</p>

Physical risks

Physical risks can be categorised as either chronic or acute. One-off events, for example, storms or floods, are considered acute. Ongoing changes, such as higher annual mean temperatures or rising sea levels, are classified as chronic risks. There are five potential physical risks of differing magnitudes which may impact our sites. For example, flooding, rising mean temperatures, water stress, coastal flooding and wildfires. These physical risks were assessed using the same scoring methodology as transitional risks. In this report, we have listed only the risks that scored 9 or above on our inherent risk scoring methodology, which were classified as material. Non-material risks and their assessment can be found in our standalone TCFD report.

Table 3. Climate-related physical risks and mitigations.

Risk rating

● Significant ● High


Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline	Scenario	Mitigating Controls in Place
Acute	P3: Heatwaves/ Extreme heat	<p>26 out of 26 sites will experience heatwaves in the short-long term in the Reactive and Inactive scenarios.</p> <p>People: Extreme heat/heatwaves may adversely impact our employees, causing a decrease in productivity. Employees may subsequently want to work for other companies that provide cooling during extreme heat events. Students may also be impacted. Students may decide to reside in different housing with adequate air conditioning. To maintain optimal temperatures for students, there may be an increased demand for cooling through AC units, driving increased energy costs and Scope 1 & 2 emissions. Additional costs of cooling solutions could be passed onto students, leading to the site being less desirable/out of their price range.</p> <p>Property & Infrastructure: Certain construction materials and their properties may change under extreme heat conditions. Changes to material properties, such as improved glazing and ventilation, may require additional refurbishment work and costs. However, if not changed, the building may be less valuable as refurbishments will be required. Extreme heat can cause power outages, equipment malfunctions and infrastructure failure, leading to business disruptions. Back-up power systems can enhance our resilience but require high costs. Electrical efficiency decreases as temperature rises, resulting in an increased demand for energy at potentially a higher cost – energy costs can rise by as much as ~400% during a heatwave. This could be passed on to students, reducing the property’s desirability.</p>	<p>Short - Long Term (2024-2050)</p> <p>2-3°C, >3°C</p> <p>Gross risk: 9, ●</p>	Increased direct costs	<p>We will target the establishment of questionnaires for employees and students, to understand the level of comfort, the impact experienced and improvement suggestions.</p> <p>Our summer occupancy rate is relatively low, which acts as mitigation against heatwave impacts on students using the accommodation during the highest risk periods.</p> <p>A heat impact survey has been drafted and will be circulated to students in affected areas following the next extreme heat event.</p> <p>The 2033 Net Zero target for operational emissions (Scopes 1 and 2) drives improvements in energy efficiency and building design. This can lead to better insulation, more efficient cooling systems, and potentially even on-site renewable energy generation.</p> <p>These improvements create more comfortable living and working environments for employees and students, reducing the negative impacts of heatwaves and making our properties more attractive. This helps with both employee retention and student occupancy rates.</p> <p>The broader commitment to sustainability, including the 2050 target for Scope 3 emissions, encourages us to work with our supply chain partners to improve their resilience to climate change impacts.</p>

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 3. Climate-related physical risks and mitigations.

Risk rating
● Significant ● High

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline	Scenario	Mitigating Controls in Place
Acute continued	P3: Heatwaves/ Extreme heat	As roads melt and rails buckle under extreme heat, there is an increased risk of some supply chain disruption. Disruption to transportation could lead to students moving to housing in closer proximity to their place of study.	Short - Long Term (2024-2050) 2-3°C, >3°C Gross risk: 9, ●		
Chronic	P4: Sea level rise	<p>19 out of 26 of sites are in potential sea level rise risk zones</p> <p>Direct Impacts: Sea level rise could directly impact operating sites through erosion, flooding or subsidence. Closure of sites would result in a loss of revenue. Sea water inundation can damage properties, leading to an increase in renovation, repair and maintenance costs. Damaged stock and/or machinery may need to be replaced, leading to an increase in capital spend. Building structures may be compromised, resulting in higher repair costs and possible site closures. Loss of revenue could also result from all ground-floor students being put up in hotels while repairs occur in the event of coastal flooding.</p> <p>Indirect Impacts: Insurance coverage may decrease for sites known to be at risk of sea level rise. Future building upgrades, renovations or extensions may not be covered by insurance premiums.</p> <p>Research shows that sites near high flood-risk zones are expected to see around a 30% rise in insurance premiums by 2040 without climate action.</p>	<p>Long Term (2038 - 2050) >3°C Gross risk: 10, ●</p>	Increased direct and indirect costs	<p>Most of our sites are in close proximity to city centres and university campuses, meaning mitigation for our sites at risk of sea level rise will be directly dependent on the overall flood defences (both installed and planned) in the towns and cities they are located.</p> <p>In the next two years, we are aiming to have case study calculations to evaluate the financial implications of flooding on one of our sites to estimate the loss per day.</p> <p>The Group’s insurance policy would currently respond to a flooding event.</p> <p>The long-term nature of the 2050 Net Zero target is particularly relevant to the risk. By working towards decarbonisation, we are contributing to a future where the most severe impacts of climate change, including sea level rise, are less likely. This reduces the long-term risk of structural damage, transport disruptions, and other negative consequences. Furthermore, the focus on energy efficiency and renewable energy sources (underpinned by our targets) can help reduce the vulnerability of energy networks to climate-related disruptions.</p>

Climate Risk Category	Climate-Related Risk	Description of Climate-related Risk	Timeline	Scenario	Mitigating Controls in Place
Chronic continued	P4: Sea level rise	<p>Long-term effects could cause a building's physical structure to be damaged, resulting in lengthy ongoing repairs. Transport networks around a site may be inundated, leading to supply disruptions. Employees and students may be unable to reach the site, leading to reduced productivity levels and reduced occupancy levels, respectively. Sea ports may be forced to build sea defence improvements or relocate, leading to increased handling fees for goods.</p> <p>Energy networks connecting to a site may be compromised, resulting in business disruptions. Power and water outages from storm events and coastal flooding can lead to high revenue costs. Students may be reimbursed due to a lack of adequate living conditions. IT infrastructure – which is vital for students to study in their accommodation – may be impacted, leading to reduced connectivity, communication delays and possible disruption to online website services. Reduced availability of IT services could lead to student relocation should the problem persist.</p>	<p>Long Term (2038 – 2050)</p> <p>>3°C</p> <p>Gross risk: 10,</p> 		

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Climate-related opportunities

We are eager to seize the opportunities presented by the transition to a low-carbon economy. These opportunities, identified as material at our September 2024 climate risk workshop, were selected following a rigorous assessment of their potential impact, alignment with our strategic goals, and feasibility of implementation. By investing in lower-emission technologies, we can reduce operational costs and enhance our market position. Furthermore, our proactive and transparent approach to environmental sustainability strengthens our reputation with stakeholders, providing a competitive edge.

Table 4. Climate-related opportunities and response.

Climate Opportunity Category	Climate-Related Opportunity	Impact description	Timeline and Scenarios	Financial Impact	Opportunity response strategy
OPI: Energy Resources	Use and installation of low-emission energy technology	The TCFD and International Energy Association agree that a growing proportion of energy generation must come from low-emission alternatives to reach carbon targets. Using low-emission technology to power business operations also has reputational benefits and may lead to financial gain.	Short - Medium Term (2024-2037) <2°C, 2-3°C	Self-generated electricity can be used in business operations, and excess sold to the grid	<p>Possible options such as installing Solar PV would allow us to generate electricity on-site and transition away from grid reliance, helping to mitigate any potential carbon tax. On-site energy generation would reduce energy costs significantly, therefore reducing annual operational spend. On-site generation would also help to significantly reduce our direct emissions, which may help in mitigating any carbon price risks. We could also make use of several financing schemes and investment opportunities to help subsidise the upfront costs of low-emission technology.</p> <p>2033 Net Zero Target (Scopes 1 & 2): This target directly incentivises the adoption of low-emission energy technologies. The targets support the financial benefits of on-site energy generation. By reducing reliance on grid electricity, we can mitigate the impact of potential future carbon taxes and reduce overall energy costs.</p>
OP 2: Resource Efficiency	Use of energy-efficient technology	The TCFD emphasises the need for a significant increase in low-emission energy generation to achieve carbon reduction goals. Whilst the implementation of energy-efficient technology may have a high capital cost, the technology will improve the efficiency of processes. As a result, less energy will be used to do the same work, reducing energy costs. The savings in energy will also lead to fast payback times for the technology, resulting in net financial gain over the technology's lifetime. Installing energy-efficient assets poses higher commercial value, resulting in higher portfolio valuation.	Short - Medium Term (2024-2037) <2°C, 2-3°C	Reduction in operating expenses because of increased efficiency (e.g., energy costs)	<p>We are committed to decarbonising operational emissions, aiming to be Net Zero across operations, developments, property portfolio and energy consumption by 2033. Currently, we have decarbonised 25 per cent of our portfolio by area, representing 21 assets. While the initial 2025 decarbonisation plan has been adjusted to prioritise end-of-life or failed plant replacements with more sustainable alternatives, the subsequent phase will focus on eliminating all gas-powered hot water systems from plant rooms. This strategic approach allows for a systematic transition to cleaner energy sources and demonstrates progress toward the ambitious 2033 Net Zero target.</p> <p>We have also set a wider target of being Net Zero in all emissions (Scope 3) by 2050 or before.</p>

Climate Opportunity Category	Climate-Related Opportunity	Impact description	Timeline and Scenarios	Financial Impact	Opportunity response strategy
OP 3: Products and Services	New low-emission product and service lines	<p>Organisations that innovate and develop new low-emission products and services may improve their competitive position and capitalise on shifting consumer and producer preferences.</p> <p>Consumers are increasingly placing a greater emphasis on a product's carbon footprint in its marketing and labelling.</p>	Short - Medium Term (2024-2037) <2°C, 2-3°C	New revenue streams	<p>We recognise that customer preferences have not fully aligned yet and lower emissions are not currently the main reason for selecting our sites. However, over time, customer preferences are likely to shift towards services with greater importance placed on sustainability credentials alongside other aspects such as cost of living, location and quality of accommodation and service. We can, therefore, increase our market share by decarbonising our operations through new energy-efficient buildings and retrofitting obsolete buildings to highlight the reduction in emissions of our sites.</p> <p>We anticipate that the upfront cost of sustainable products will outweigh the potential increase in revenue associated with demand for sustainable services in the short term. However, we expect that increased demand and long-term efficiencies will ultimately result in the revenue impact of inactivity exceeding associated cost.</p> <p>We exceeded our 2024 target to have over 55% of our portfolio rated EPC B or higher, achieving 64 per cent by year-end. Building on this success, our 2025 target is to have over 65% of the portfolio rated EPC B or higher.</p> <p>Our Net Zero targets allow them to capitalise on the growing demand for sustainable accommodations, strengthening their competitive position. Also, our transparent emissions reporting enables us to credibly showcase reduced carbon footprint, appealing to environmentally conscious consumers.</p>

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 4. Climate-related opportunities and response.

Climate Opportunity Category	Climate-Related Opportunity	Impact description	Timeline and Scenarios	Financial Impact	Opportunity response strategy
OP 6: Reputation	Increased reputational profile and investment opportunities	Adhering to new sustainability standards and regulations can enhance our reputation as a responsible and forward-thinking Company. This can attract environmentally conscious stakeholders, differentiate the Company from competitors, and potentially open new business opportunities. Additionally, compliance with regulations can unlock access to green financing options, providing a competitive advantage. Refined SBTi-aligned targets and submission within the next year could also enhance reputational benefits.	Short - Medium Term (2024-2037) <2°C, 2-3°C	New revenue streams Increased market share	Our transparency in communicating environmental values and strategy regarding climate change and Net Zero creates a strong market-leading reputation. Our expertise in extensive refurbishment and repurposing of existing building stock continues to create high-quality PBSA operations with a low environmental impact and associated embodied carbon via the repurposing of existing buildings. The 2033 and 2050 Net Zero targets significantly enhance our reputation as a responsible and forward-thinking Company. This attracts environmentally conscious stakeholders, including investors, students, and employees. Demonstrating a commitment to science-based targets signals credibility and ambition.

Supply chain

The Group has comprehensively assessed the physical risks associated with its top ten suppliers. Key risks identified include:

- **Heatwaves and Rising Temperatures:** All ten suppliers are exposed to the risk of heatwaves and rising temperatures, which can lead to operational disruptions, reduced productivity, and increased energy costs.
- **Flooding:** Seven suppliers are in areas vulnerable to flooding, which can cause significant damage to facilities, equipment, and inventory.
- **Wildfires:** Three suppliers are at risk from wildfires, which can result in supply chain disruptions, property damage, and potential loss of life.
- **Sea-level rise and Coastal Flooding:** Three suppliers are situated in regions that may be affected by sea-level rise and coastal flooding, which can lead to increased insurance costs, operational challenges, and potential relocation expenses.

We will conduct regular vulnerability assessments and scenario planning exercises to assess the resilience of our current business processes. These assessments will analyse potential disruptions, such as climate change, pandemics, geopolitical instability, and supply chain bottlenecks. We will identify critical dependencies, assess the potential impact of disruptions on our operations, and develop mitigation strategies. This proactive approach will enhance our resilience and sustainability by enabling us to anticipate and respond effectively to unforeseen events, ensuring business continuity, and minimising the impact of disruptions on our operations and our students.

Risk management

Effective risk management is paramount to our business success. We have established a robust process for identifying, assessing, documenting and mitigating potential risks, recognising the challenges that could hinder our strategic goals. The Board sets the Group's risk management framework, and the Audit and Risk Committee oversees its implementation annually. Please refer to page 38 for a detailed overview of our risk management process.

With support from our third-party consultants, climate-related risks were identified through climate-scenario modelling and reviewed and assessed at a Board-level workshop in August 2024. These risks were compiled into an internal climate-risk register, aligned with the Group's risk register structure but with the appropriately modified risk timeframes used in the climate-scenario modelling. Please see the Strategy section for a detailed description of the timeframes used.

Each climate-related issue is assessed and classified using our standardised Group-level rating system. We assess the likelihood and impact of each risk to determine an inherent risk score. This score is calculated by multiplying the likelihood and impact ratings. Specific individuals or teams are assigned ownership of climate-related risks to ensure effective risk management. This clear accountability structure facilitates the implementation of appropriate mitigation strategies.

Table 4 presents a risk assessment matrix that categorises risks based on their likelihood and impact.

Impact of Risk: The impact of risk refers to the potential consequences or effects that a risk event could have on the Group. It assesses the severity of the outcomes if the risk materialised, which could include financial loss, reputational damage, operational disruptions, regulatory penalties, or strategic setbacks.

Likelihood of Risk: The likelihood of risk refers to the probability or chance that a specific risk event will occur. It evaluates how probable it is that the risk will materialise, ranging from highly unlikely to almost certain. This helps prioritise risks based on their potential frequency and significance.

Table 4: Risk Rating Criteria

Likelihood Factor	Rating	Impact Factor	Rating
Unlikely / Rare	1	Negligible / Insignificant	1
Possible / Seldom	2	Low / Marginal	2
Probable / Occasional	3	Medium / Serious	3
Very Likely / Moderate	4	Significant / Critical	4
Almost Certain / Very Frequent	5	High / Catastrophic	5

Net inherent risks factor

- Negligible (Dark green) – Inherent risk is equal to or lower than 2.
- Low (Light green) – Inherent risk is between 3 and 5.
- Medium (Yellow) – Inherent risk is between 6 and 8.
- Significant (Amber) – Inherent risk is between 9 and 15 and qualifies as material.
- High (Red) – Inherent risk is between 16 and 25, qualifies as material.

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The matrix assigns numerical values to these factors, ranging from 1 to 5, where 1 represents the lowest level and 5 is the highest. Risks are classified into five categories with corresponding colour codes: negligible, low, medium, significant, and high, depending on their inherent risk score. This categorisation aids in prioritising risks and allocating resources for effective risk management. By understanding and assessing risks in this manner, organisations can proactively mitigate potential threats and support business continuity. Risks with a significant (inherent risk between 9 and 15) or high (inherent risk between 16 and 25) are deemed material to the business.

We also consider various mitigation measures to reduce the impact of these risks. By evaluating the effectiveness of these controls, we calculate a net risk score. This net risk score reflects the residual risk after accounting for mitigation measures. It is important to note that while we assess the effectiveness of our mitigation measures, our materiality threshold is based solely on the inherent risk score. This ensures that we prioritise risks with the highest potential impact, irrespective of the strength of our current controls.

Metrics & targets

At the Group level, we are committed to ongoing annual reporting on environmental performance. Where possible, we strive to reduce greenhouse gas (GHG) emissions across all sites. We calculate and report on Scope 1, 2, and 3 GHG emissions to provide full transparency to stakeholders. The operational control approach is used to consolidate the Company’s organisational boundary.

No progress against targets has been recorded yet, as we aim to align our targets with SBTi in the next two years. This approach allows us to gather sufficient data to ensure that targets subsequently set are both ambitious and feasible, grounded by comprehensive data analysis. We have compiled the data presented in this report based on internal records and calculations. While reasonable care has been taken to ensure the accuracy and completeness of the information, it has not been externally verified. Verification is currently under consideration by the ESG Committee.

Our targets

- We are committed to decarbonising operational emissions, aiming to achieve Net Zero across our operations, developments, property portfolio, and energy consumption (absolute Scopes 1 and 2) by 2033. This ambitious near-term target reflects our commitment to rapid progress in emissions reduction.
- We have set a broader target of being Net Zero in all our emissions (including absolute Scope 3) by 2050 or sooner.

We are currently focused on refining our data collection and analysis methodologies for measuring progress against our targets. We will be aligning with the SBTi and its definition of Net Zero which is a minimum of a 90 per cent reduction in absolute emissions with a maximum of 10 per cent abated through offsets. As part of the SBTi alignment process, we will assess our baseline year and re-baseline if needed to ensure consistency with SBTi criteria. Once this process is complete, we will be well-positioned to report on our progress against our targets. Year-on-year comparisons are currently available in our SECR reporting, though not yet in the Carbon Balance Sheet. We expect to expand our reporting capabilities following the SBTi alignment.

The targets differ between scopes due to the difficulty compiling and calculating Scope 3 data. Data collection for Scope 3 emissions is complex, involving gathering information from numerous suppliers, customers, and other stakeholders. This complexity makes setting specific and quantifiable targets for Scope 3 emission reductions within the same timeframe as Scope 1 and 2 more challenging. The 2033 target focuses on directly controllable emissions (Scopes 1 and 2) where data availability and control are more controllable.

Our targets have been explicitly linked back to the identified risks detailed in Tables 1, 2, and 3, where relevant. Additionally, we will seek to incorporate an internal carbon price within the next two years. We will also consider purchasing credits representing removals of carbon emissions from external projects.

Streamlined Energy and Carbon Reporting (SECR)

This report details our energy usage, emissions, energy efficiency measures, and performance in accordance with the UK government’s Streamlined Energy & Carbon Reporting (SECR) policy. SECR disclosures are mandatory for listed and large unlisted UK companies with reporting periods starting on or after 1 April 2019. This reporting obligation stems from the Companies (Directors’ Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. As a UK-incorporated and main market-listed Company, we are required to disclose our energy consumption, associated emissions, intensity metrics, and implemented energy efficiency improvements for all our UK operations. For the purposes of this report, an operational boundary has been defined. To ensure complete data coverage, 18.5 per cent of the consumption data used in this SECR report has been estimated. Scope 3 transport emissions have been calculated and included for the first time in 2024.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, such as Company vehicle fleets. Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations. Scope 3 consumption and emissions cover emissions resulting from sources not directly owned by us i.e., grey fleet business travel undertaken in employee-owned vehicles.

- Our Scope 1 direct and Scope 3 indirect emissions (combustion of natural gas and transportation fuels) for this reporting year are 2,859.24 tCO₂e, resulting from the direct combustion of 15,608,664 kWh of fuel. This represents a carbon reduction of 12.5 per cent from 2023.
- Scope 2 indirect emissions (purchased electricity, heat & steam) for this reporting year are 3,831.32 tCO₂e, resulting from the consumption of 18,580,162 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon reduction of 5.1 per cent from 2023.
- Our operations have an intensity metric of 0.857 tCO₂e per bed for this reporting year. This represents an increase in the operational carbon intensity of 6.5 per cent since 2023.

Table 5: Total Energy Consumption (kWh)

Utility and Scope	2024 Consumption kWh UK	2023 Consumption kWh UK
Scope 1 Total	15,498,346	17,860,825
Natural Gas (Scope 1)	15,498,346	17,860,825
Scope 2 Total	18,580,162	19,955,946
Grid-Supplied Electricity (Scope 2)	18,007,162	19,353,562
Heat, Steam & Cooling (Scope 2)	573,000	602,384
Scope 3 Total	110,318	n/a
Transportation (Scope 3)*	110,318	n/a
Total	34,188,826	37,816,771

*Scope 3 transport emissions have been calculated and included for the first time in 2024.

Table 6: Total Location-based Emissions (tCO₂e)

Utility and Scope	2024 Consumption tCO ₂ e UK	2023 Consumption tCO ₂ e UK	Year on year % change
Scope 1 Total	2,834.65	3,267.00	-13.23%
Natural Gas (Scope 1)	2,834.65	3,267.00	-13.23%
Scope 2 Total	3,831.32	4,038.95	-5.14%
Grid-Supplied Electricity (Scope 2)	3,728.38	4,007.63	-7.00%
Heat, Steam & Cooling (Scope 2)	102.94	31.32	+228.67%
Scope 3 Total	24.59	n/a	n/a
Transportation (Scope 3)*	24.59	n/a	n/a
Total	6,690.56	7,305.95	-8.42

*Scope 3 transport emissions have been calculated and included for the first time in 2024.

Table 7: Total Emissions Intensity Metric

	Location-Based		Market based	
	2024	2023	2024	2023
Total Beds	7,808	9,078.00	7,808	9,078.00
All Scopes tCO₂e per Bed	0.857	0.805	0.551	n/a
Percentage Change	+6.47%		N/A	

Year-on-year changes

Building energy: Both electricity and gas consumption, and therefore emissions, have fallen between 2023 and 2024. The number of beds in operation this year fell, meaning fewer students were occupying rooms. In turn, this will have reduced the demand for electricity and gas use, reducing overall consumption.

Transport: While Scope 1 emissions remained at zero in 2024, this year was the first year that data had been collected for Scope 3 transport. This introduction has caused an apparent rise in transport emissions, however year-on-year comparisons will be much more normalised going forward.

Intensity metric: Emissions per bed have increased this year. This is due to number of beds decreasing further than electricity consumption, increasing the electricity emissions per bed. The introduction of transport emissions have also contributed to the overall increase in emissions intensity.

Energy efficiency and consumption

As a business we are resolute in decarbonising our operations. We aim to be Net Zero across our operations, developments, property portfolio, and energy consumption by 2033 (Scopes 1 and 2). A more extensive objective is set to attain Net Zero emissions across all scopes, including Scope 3, by 2050 or earlier. To meet this target, we have devised several initiatives. For example, the organisation currently sources 100 per cent of our electricity requirements from renewable sources, achieved through requirements within energy contracts to procure 100 per cent from renewable sources. We have achieved our 2024 target to have over 55 per cent of the portfolio awarded an EPC rating of B or higher, and plan to extend this to >65 per cent in 2025.

This is achieved by improving the property's energy performance as part of our refurbishment plans. This is complemented by ensuring ESG metrics are considered when deciding to acquire or develop new schemes. We have allocated internal resources through a Net Zero strategy and engagement programme, to meet these targets. Furthermore, we aim to validate our Net Zero target with the Science Based Targets initiative (SBTi) within the next two years.

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Energy efficiency narrative

The following table provides an overview of our progress and future plans for improving energy performance across its portfolio. It highlights key initiatives undertaken in 2024, demonstrating progress towards established goals, and outlines strategic objectives for 2025, including targets for renewable energy procurement and building energy performance. This narrative demonstrates our commitment to energy efficiency and carbon reduction. Please also refer to our Key 2024 ESG-related highlights and key areas of progress in 2024 on page 54.

Table 8: Measures Undertaken

Measures Undertaken In 2024	Measures Planned for 2025
<p>Energy Awareness Campaign: With the aim to educate students about energy saving in a fun and engaging way, the team hosted a Student Energy Awareness Week. This included providing student competitions, a social media awareness campaign, and an interactive learning space.</p>	<p>Renewable Energy Procurement: We source 100% of our electricity from renewable sources. This will continue to be achieved through requirements in energy contracts to procure 100% renewable energy during 2025.</p>
<p>2024 EPC Target Reached: We achieved our target to have over 55 per cent of the portfolio awarded an EPC rating of B or higher by the end of the year.</p>	<p>2025 EPC Target: In 2025, we target over 65 per cent of the portfolio to be awarded an EPC rating of B or higher.</p>
<p>Building Efficiency Projects: Brook Studios and Summit House have both recently been renovated to improve energy efficiency, with the addition of solar panels, air source heat pumps, and smart in-room heating systems.</p>	<p>SBTi Validation: We aim to align and validate our Net Zero strategy and targets to the Science Based Targets initiative over the next two years. Also see page 29 for the Group’s ESG related Key Performance Indicators.</p>

Our methodology

This report (including the Scope 1, 2 and 3 kWh consumption and CO₂e emissions data) has been developed and calculated using the GHG Protocol – A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol – Scope 2 Guidance (World Resources Institute, 2015); ISO 14064-1 and ISO 14064-2 (ISO, 2018; ISO, 2019); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019). Government Emissions Factor

Database 2024 version 1 has been used, utilising the published kWh gross calorific value (CV) and kgCO₂e emissions factors relevant for the reporting period 01/01/2024 – 31/12/2024. Estimations were undertaken to cover missing billing periods for properties. These were calculated on a kWh/day pro-rata basis at the meter level. These full-year estimations were applied to two electricity supplies and one gas supply. The December 2024 billing period has been estimated based on average consumption across the January to November 2024 billing period. All estimations equated to 18.5 per cent of reported consumption. For the market-based

emissions reporting methodology, an emissions factor of 0 tCO₂/kWh was applied to all electricity supplied from renewable energy contracts. Intensity metrics have been calculated using total tCO₂e figures and the selected performance indicator for the relevant report period: Bed count for **2024 (2023) 7,808 (9,078)**.

Carbon balance sheet 2023

This Carbon Balance Sheet contains our full greenhouse gas (GHG) emissions inventory for 2023 (01/01/2023 – 31/12/2023). Due to data availability and quality constraints, we are a year behind in reporting. However, we are actively working to improve data availability. Next year’s report will include Scope 3 emissions for 2024 and 2025 to align our reporting with the current period. Our emissions are reported using a consolidation, operational control approach defined by the GHG Protocol. All emissions have been calculated following the GHG Protocol’s Corporate Accounting and Reporting Standard.

Emissions analysis

All fifteen Scope 3 categories were assessed for relevance to the business, and nine were found applicable and quantified. The remaining six categories were deemed non-applicable due to the nature of our operations. Category 9: Downstream Transportation and Distribution – The business does not engage in downstream transportation or distribution of goods, Category 10: Processing of Sold Products – Only finished properties are leased, with no further processing involved. Category 11: Use of Sold Products – The Company leases properties rather than selling products that require further use-phase emissions analysis, Category 13: Downstream Leased Assets – we do lease out properties, but they remain under our operational control so they are captured as part of Scope 1 & 2, Category 14: Franchises – The business does not operate under a franchise model, and Category 15: Investments – Investments outside of operational activities are not material to Scope 3 emissions reporting.

Emissions from Category 3 Fuel and Energy-related Activities and Category 1 Purchased Goods & Services account for nine per cent and six per cent of the total carbon footprint, respectively. The most significant

source of Scope 3 emissions is from Category 2 Capital Goods. This category accounts for 44 per cent of our total carbon footprint. Due to the large proportion of emissions attributed to Category 2, it will become the primary focus of the emission reduction strategy going forward. The refurbishment of properties represents the majority of Category 2 spend, so strengthening upstream client relationships and working in partnership to reduce associated emissions will be our priority.

Scope 1 emissions account for 16 per cent of total GHG emissions. Scope 1 includes direct emissions from sources controlled or owned by the reporting Company. 100 per cent of our Scope 1 emissions are from natural gas consumption. Scope 2 (Location-based) emissions are also significant, accounting for 19 per cent of total GHG emissions. These emissions are predominantly attributed to the use of electricity, with 0.1 per cent attributed to the use of district heating.

Table 9: Carbon Balance Sheet

Emissions Scope & Category	Greenhouse gas emissions inventory	
	Emissions tCO ₂ e	%
Scope 1	3,267	15.6%
Natural Gas	3,267	15.6%
Scope 2 (Location-based)	4,039	19.1%
Electricity	4,008	19.1%
Purchased Heat	31	0.1%
Scope 3	13,655	65.1%
1. Purchased Goods & Services	1,266	6.0%
2. Capital Goods	9,195	43.9%
3. Fuel- and Energy-related Activities	1,878	9.0%
4. Upstream Transportation and Distribution	14	0.1%
5. Waste Generated in Operations	886	4.2%
6. Business Travel	90	0.4%
7. Employee Commuting	229	1.4%
8. Upstream Leased Assets	27	0.1%
9. Downstream Transportation and Distribution	N/A	N/A
10. Processing of Sold Products	N/A	N/A
11. Use of Sold Products	N/A	N/A
12. End-of-life Treatment of Sold Products	0.1	0.0004%
13. Downstream Leased Assets	N/A	N/A
14. Franchises	N/A	N/A
15. Investments	N/A	N/A
Total Emissions (Location-based)	20,963	100%
All tCO₂e (Location-based) per Bed	2.68	

EPRA sustainability disclosures

The following tables provide a summary of the EPRA sustainability performance measures as defined by the EPRA Sustainability Best Practice Recommendations. These are a set of standard disclosures for the property industry designed to drive consistency in reporting.

EPRA Indicator	Page
Diversity-Emp Employee gender diversity	64
Diversity-Pay Gender pay ratio	64
Emp-Training Employee training and development	64
Emp-Dev Employee performance appraisals	64
Emp-Turnover New hires and turnover	64
H&S-Emp Employee health and safety	60
H&S-Asset Asset health and safety assessment	60
H&S-Comp Asset health and safety compliance	60
Comty-Eng Community engagement, impact assessments and development programmes	61
Gov-Board Composition of the highest governance body	53
Gov-Selec Process for nominating and selecting the highest governance body	53
Gov-COI. Process for managing conflicts of interest	53

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Table 9: Consumption Data 2024

EPRA Indicator	Environmental Performance Measures	Energy-Abs, Energy - Lfl Energy					
		Absolute (Total)			Like for like (LFL)		
		2023	2024	% Change	2023	2024	% Change
Elec-Abs Total energy consumption from electricity/ Elec-LFL Like for like total electricity consumption	Total energy consumption from electricity (kWh)	19,353,562	18,007,162	-7.0	17,496,466	16,798,323	-4.0
DH&C-Abs Total energy consumption from district heating & cooling/ DH&C-LFL Like for like total district heating & cooling consumption	Total energy consumption from district heating & cooling (kWh)	602,384	573,000	-4.9	602,384	573,000	-4.9
Fuels-Abs Total energy consumption from fuels/ Fuels-LFL Like for like total fuel consumption	Total energy consumption from fuels (kWh)	17,860,825	15,498,346	-13.2	14,912,196	14,400,998	-3.4
	Proportion of electricity consumption data estimated (%)	0	19	19	0	19	19
	Proportion of district heating & cooling consumption data estimated (%)	0	0	0	0	0	0
	Proportion of fuels consumption data estimated (%)	0	18	18	0	18	18
Energy-Int Building energy intensity	Building energy intensity (kWh/Bed)	4,166	4,365	4.8	4,481	4,351	-2.9
GHG-Dir-Abs Total direct GHG emissions	Total direct GHG emissions (Scope 1) (tCO ₂ e)	3,267	2,835	-13.2	2,728	2,634	-3.4
GHG-Indir-Abs Total indirect GHG emissions	Indirect GHG emissions (Scope 2) (tCO ₂ e)	4,039	3,831	-5.1	3,654	3,582	-2.0
	Indirect GHG emissions (Scope 3) (tCO ₂ e)	13,656	Not Calculated	N/A	12,734	Not Calculated	N/A
GHG-Int Greenhouse gas intensity from building energy	Greenhouse gas intensity from building energy (tCO ₂ e/Bed)	0.80	0.85	6.7	0.87	0.85	-2.2

Water & wastewater management

Water stewardship efforts involved implementing low-usage water taps and setting specific targets for each site. Transportation is environmentally conscious, with a fleet of electric vans being renewed and updated during the year. These vans provide green transport alternatives to our site teams who travel between our properties in the largest cities in which we operate.

As part of our commitment to TCFD compliance, we have assessed physical risks that may impact our business, including water stress. To better understand our supply chain's vulnerability to climate change, we conducted a climate scenario analysis of our supply chain and supply routes in 2024. In 2025, we aim to establish a water consumption baseline and set a water reduction target within the next two years. To mitigate water stress risks,

our York site employs an independent water collection system. Furthermore, we are actively optimising water usage through the implementation of low-flow taps and efficient water management systems. Our St Mary's site in Bristol serves as an exemplary model, demonstrating the lowest water consumption of any known comparable living wall system. More information of which can be found in our latest ESG Report.

We actively promote recycling within our properties, implementing waste segregation practices to ensure responsible disposal. By providing bins and educating our students, we contribute to a culture of environmental consciousness. Waste segregation at select sites is managed through collaboration with our waste management broker, facilitating efficient recycling processes and further enhancing our sustainability

initiatives. We actively seek student feedback on recycling practices and initiatives, such as partnering with reputable waste management brokers to ensure responsible waste monitoring and disposal. The data available from private waste collections significantly increased in 2024, allowing for a more accurate representation of waste intensity.

In the tables below, during 2024, there was a transition to a new water data provider, resulting in a temporary decrease in data completeness as site information was transferred to the new system. A significant portion of private waste collections that were previously sent to landfill has been redirected to waste recovery facilities this year, with the amount of total waste sent to recovery increasing substantially.

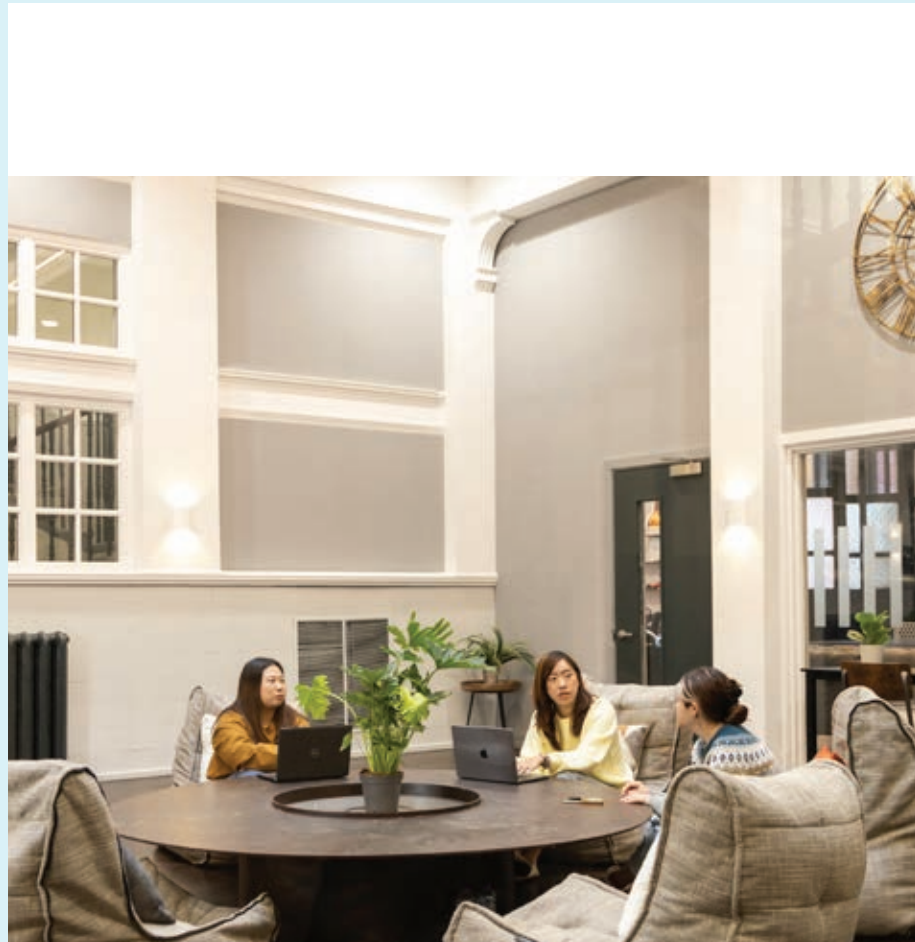
Table 10: Waste data 2024

EPRA Indicator	Environmental Performance Measures	Waste-Abs, Waste - LfL Waste					
		Absolute (Total)			Like for like (LFL)		
		2023	2024	% Change	2023	2024	% Change
Waste-Abs Proportion of waste by disposal route/ Waste-LFL Proportion of waste by disposal route	Total weight of waste to landfill (tonnes)	1623	828	-49.0	1294	669	-48.3
	Total weight of recycling waste (tonnes)	822	594	-27.7	637	482	-24.3
Waste-Abs Total weight of waste by disposal route/ Waste-LFL Total weight of waste by disposal route	Total weight of waste to energy recovery facility (ERF) (tonnes)	121	531	338.8	111	501	351.4
	Total weight of waste (tonnes)	2566	1953	-23.9	2042	1652	-19.1
	Proportion of waste consumption data estimated (%)	N/A	787	N/A	N/A	63	N/A
	Waste intensity (tonnes/Bed)	0.28	0.25	-10.7	0.28	0.23	-19.2

Task Force on Climate-related Financial Disclosures (“TCFD”) | continued

Table 11: Water data 2024

EPRA Indicator	Environmental Performance Measures	Water-Abs, Water - LfL Water					
		Absolute (Total)			Like for like (LFL)		
		2023	2024	% Change	2023	2024	% Change
Water-Abs Total water withdrawal by source/ Water-LFL Like for like total water consumption	Total water consumption (m ³)	294,017	258,004	-12.2	252,418	218,023	-13.6
	Proportion of water consumption data estimated (%)	17	44	158.8	14	41	192.9
Water-Int Building water intensity	Water intensity (m ³ /Bed)	32.39	33.04	2.0	34.26	29.86	-12.9





Governance report

Chairman's introduction to corporate governance



“The Company is focused on growth and this momentum is set to continue into 2025, with further acquisitions anticipated.”

Mark Pain | Non-executive Chairman

I am delighted to introduce the Corporate Governance section of this year's Annual Report. This has been an exciting year for the Company, with a successful capital raise undertaken, our disposal programme completed, three well located properties acquired, planning applications approved and further refurbishments completed. The Company is focused on growth and this momentum is set to continue into 2025, with further acquisitions anticipated.

The main focus for the Board this year has been exploring routes to growth. Given market conditions, a Joint Venture had initially been considered the best way to accelerate the roll out of our Postgraduate brand. However, with a change in market sentiment in the second half of the year, the Board recognised an opportunity to raise the equity ourselves and remove the inevitable complication a joint venture would bring. With a small agile Board, we were able to complete the equity raise in a swift, timely and cost-effective manner, successfully raising £56.1 million in October.

Proceeds have been deployed in line with the Company's strategy, focusing on cities where we can exploit the benefits of clustering, promoting the long-term success of the Company and generating sustainable value for our shareholders, with the Company's performance resulting in an improved dividend of 3.7pps, a six per cent increase on 2023.

To ensure we maintain an appropriate strategy, which delivers to all stakeholders, we need to have an effective Board with the right mix of skills supported by good systems and a strong governance structure.

Corporate Governance Code

The Board has adhered to the Corporate Governance Code 2018 throughout the year. From 1 January 2025, the Corporate Governance Code 2024 will apply to the Company, and its Committees have already discussed the new requirements, reviewing diversity and inclusion, culture, and Provision 29 (effective 1 January 2026). The terms of reference of the Committees have been updated accordingly and are available on the website <https://www.empiric.co.uk/>. Some of the 2024 Code

additions have been introduced into this Annual Report, and the Company will seek to build on these so we are fully prepared when all the new provisions come into force.

Board composition, diversity and inclusion

There have been no changes to the Board during the year, which currently comprises two male executives, and four NEDs consisting of two women and two men. The Board performance review in 2023 and again in 2024, has shown that the Directors consider the Board to operate well with the NEDs providing a diverse mix of skills, age and experience, constructive challenge to management and contribute well to Board meetings. The relatively small size allows the Board to be opportunistic, as demonstrated by this year's capital raise, quickly taking advantage of the change in market sentiment. However, the size of the Board has been prohibitive in addressing the diversity targets.

Diversity on the Board had been the subject of correspondence with Shareholders and much discussion by the Nomination Committee, which aspires to meet the targets set by the Parker and FTSE Women Leaders Reviews. To address these targets, there are two options: (i) to increase the size of the Board or (ii) replace a Director by either removing them or waiting for normal rotation and seeking to select the very best candidate from a fully diverse list. Given Board performance, we do not wish to increase the number of Directors, as the current structure works extremely well. But with no Directors currently due to retire, we will only be able to address the matter of diversity once a Director steps down.

Within the wider Group, we have looked at ways to improve diversity. Our Senior Leadership Team currently includes no members of ethnic origin, so the Company has sought to reach a 10 per cent ethnicity target by 2027 and has partnered with DIAL Global, Business Disability Forum, Stonewall and Inspiring Diversity in Real Estate in order to achieve this. We are making progress, but with high retention rates, and a policy to promote talent from within, this will take time.

Culture

The boardroom culture is good natured and constructive. The Chairman and the Chief Executive Officer set a tone of openness and thoroughness, which is upheld by the Board with Directors holding themselves to high standards of integrity. The Chairman encourages debate and the views from all of the Directors to generate stimulating conversations concerning the Company's operations.

The culture of openness is promoted throughout the Group by the CEO, who is always keen to improve communication and make employees feel valued. With the Company celebrating its tenth anniversary this year, over 240 team members joined events in London, Birmingham and Edinburgh to hear from the Executive team, and to work collaboratively to complete certain challenges. Feedback hailed the event a great success, enjoyed by all the attendees. In addition, the CEO holds quarterly meetings with the entire workforce to communicate the financial results and the progress against key performance indicators. The meetings are always well attended and offer the chance for employees to ask the CEO questions directly regarding all aspects of the Company.

In preparation for reporting against the Corporate Governance Code 2024, the Nomination Committee has set the KPIs on page 28 to embed and monitor culture in the Group. Progress on these will be shared in the Annual Report going forward.

Establishing a strategy for long term success

The annual strategy day was held in June, attended by all the Directors and members of the executive team. The meeting was carefully structured to achieve a balance between presentation, debate and discussion.

With a general election imminent, advisors were invited to present on the potential policy changes from the anticipated new Labour government and how these could affect the Company, the universities, the Company's target market and the property portfolio. There was a focus structured towards providing in-depth analysis and diligence on the UK's post-graduate market, including those universities that had the strongest fundamentals

for post-graduates and identifying their priorities when selecting accommodation.

In light of the political backdrop, executive Directors and the non-executive Directors reviewed the strengths and weaknesses of the Company's current corporate strategy to ensure that the Company's strategy to invest in areas of growth remained appropriate and to consider emerging opportunities. During the year the Company exited from four cities and now has 97 per cent of its portfolio aligned to prime and super prime locations.

Engaging with stakeholders

The executive Directors and the Board as a whole make themselves available at various points during the year to provide a forum to understand the views of the Company's key shareholders and ensure these are taken into account in strategic discussion and decision-making. Road shows were undertaken after the publication of both annual and interim results, property tours were conducted in Edinburgh, Glasgow & Bristol and management attended the corporate access days hosted by EPRA and Peel Hunt in June.

The Board's approach to corporate governance is also determined by, and takes account of, the interests of various other stakeholders, not least of all our customers, our people and the communities in which we operate. Surveys are sent to employees and customers, with appropriate actions taken to address any concerns expressed. Site visits were undertaken by the Board in York and Southampton during 2024, where Directors could meet employees and customers, and regular updates were provided from the property, operations and marketing departments to keep Directors up to date with developments and views from a wide stakeholder base.

It was also decided, as part of our commitment to achieving Net Zero by 2033, to put our 2024 and 2025 ESG targets to an advisory shareholder vote at our Annual General Meeting in May 2024. Although the resolution was passed, the result was somewhat disappointing, with 25 per cent of responding shareholders voting against. In order to better understand the result, and inform

future decision making, we sought engagement with shareholders. From those shareholders that provided feedback, it appeared in part that they required a clearer articulation between the cost and return that could be expected for each target. This will be addressed when next put to shareholders in 2026.

Further details of stakeholder engagement can be found on page 61.

Looking forward

The Company faces a number of challenges in 2025, many of which are outside of its control. Higher costs in National Insurance, a further material increase in minimum wage and ongoing energy price inflation present cost challenges for the business. But with the number of students increasing and the attractiveness of the UK's top-quality universities continuing to appeal both internationally and domestically, there remains a positive outlook for the mid to long term future, with many opportunities open to PBSAs to grow their market share which we too will continue to pursue.

Annual General Meeting

The Board looks forward to welcoming you to the Annual General Meeting to be held on 4 June 2025 and recommends that you vote in favour of the proposed resolutions.

All Directors intend to stand for re-election and their biographies are set out in the notice of meeting in the separate document accompanying this report. If you are unable to attend, but would like to ask your Board a question, please send your message to CoSec@Empiric.co.uk.

Finally, on behalf of the Board I would like to thank the whole team for their hard work and dedication and our shareholders who have supported us throughout the year.

Mark Pain | Non-executive Chairman

12 March 2025

Section 172(1) statement

The Board openly accepts its obligation to operate as a good corporate citizen and recognises that broader stakeholder recognition is integral to the long-term success of the Company. For the year under review, the Board has had due regard for the following:

Section 172 requirements	Disclosures
The likely consequences of any decision in the long term	<p>The Board oversees the Company's performance and gives guidance as to the long-term strategy of the Company. The day-to-day management and decision-making is delegated by the Board to the Executive Committee which provides regular updates to the Board. This allows the Board to monitor the performance of the Company and ensure that the Company is progressing in line with the long-term strategy. The KPIs reported on page 28 are the key metrics which the Board reviews, which are supplemented by further detailed reporting.</p> <p>Also see details surrounding stakeholder engagement on page 61 and Board activities and principal decisions taken as set out on page 106.</p>
The interests of the Company's employees	<p>Our people are crucial to the Company's success; they provide our customers with exceptional service to ensure they feel at home. The Board recognises the relationship between employee happiness and customer satisfaction and has sought to monitor these through the eNPS and NPS scores, which are derived from surveys undertaken during the year. The wellbeing of our staff is paramount and as such all decisions taken by the Board consider the interests of the Group's employees. The Company's activities surrounding mental health & wellbeing are discussed on page 26.</p> <p>The Board has designated Alice Avis (Senior Independent non-executive Director) to liaise with the One Team Collective as a representative body of our workforce. This allows a direct conduit between the Board and our people. This gives the Board insight into the views and concerns of our people and allows them to ensure their decisions are aligned with the interests of the Group's employees.</p> <p>The CEO also holds quarterly meetings with the entire workforce to communicate the financial results and the progress against key performance indicators. Should employees have a concern, this can be raised through a number of routes, directly with their manager or via the whistleblowing or grievance policy.</p>
The need to foster the Company's business relationships with suppliers, customers and others	<p>The Company has a few key suppliers and the Board reviews and approves any key contracts. As such the Board provides oversight and challenge to key suppliers. In order to assess the compliance of our supply chain, all of our key operational suppliers and contractors are SafeContractor accredited as part of the onboarding process. This scheme verifies that these contractors and suppliers have the required QHSE policies in place and meet the requirements of a UK leadingSSIP standard. Day-to-day relationships with Company suppliers are delegated to the Senior Leadership Team to ensure a close relationship is fostered.</p> <p>Without customers the Company could not exist, and as such the Board takes great interest in fostering relationships with customers. The Board reviews the results of the biannual customer survey, as well as receiving and reviewing other ad hoc reports on our customers' preferences and wishes. The Board believes that fostering a close relationship and a deep understanding of our customers is key to the Company's success and should be part of the Company's culture. For this reason it has chosen to include the NPS score in its culture KPIs, indicating the level of customer satisfaction and providing a view on the customer journey. Further information on the Company's culture can be found on page 101 and details surrounding stakeholder engagement on page 61.</p>
The impact of the Company's operations on the community and the environment	<p>The community and environment in which the Company operates is a key priority for the Board. The Board takes the impact of the Group's operations on the community and environment into account in each decision. The decisions which the Board take can have widespread ramifications. Reviewing this impact is not a perfunctory exercise but one which the Board believes is a key responsibility, which includes robust challenge of all decisions. The decision has been taken this year to take part in the CDP ESG benchmarking platform with reporting to commence in 2026.</p>
The desirability of the Company maintaining a reputation for high standards of business conduct	<p>The Board recognises the importance of maintaining a reputation for high standards of business conduct. The Board always seeks to make the best decision for the Company which, while taking into account the needs of all of our stakeholders, also reflects morally on our obligations as a Company.</p> <p>The Board encourages this principle throughout the business through its policies and compulsory training, which support the Company's purpose and values.</p>
The need to act fairly between members of the Company	<p>The Board believes transparency and accountability of the business is paramount to encourage shareholder confidence. The Board listens to and reviews the views across our shareholder base and encourages shareholders to attend the AGM. The need to act fairly between all of our shareholders underpins the Board's decisions and the Board receives regular feedback from shareholders after our annual and interim results release. The Board also receives feedback from research analysts throughout the year which helps the Board identify key shareholder trends. The capital structure of the Company as a REIT, limits individual shareholdings to a maximum of 10 per cent of issued share capital and helps to ensure there are no dominant shareholders and all are treated equally.</p>

Board compliance statements

Diversity and Inclusion

In accordance with UKLR6.6.6R (9) the Company can confirm that as at 31 December 2024:

1. the Company has two women on the Board, equating to 33.3% representation;
2. Alice Avis holds the position of Senior Independent Director, and is also the employee's representative on the Board; and
3. no Board Directors are from an ethnic background.

Furthermore, pursuant to the Parker Review, as no members of the senior Leadership Team are currently from an ethnic background, a target 10 per cent ethnicity has been set to be achieved by the end of 2027.

Further information can be found on page 114.

Compliance with UK Corporate Governance Code 2018

During the financial year the Company has complied with the Principles of the UK Corporate Governance Code 2018 published by the Financial Reporting Council ("FRC"), a copy of which can be found on their website www.frc.org.uk. The application and reporting on the Code's Principles, and the supporting provisions, are set out in the table opposite.

Going Concern

The Group is well placed to manage its financing and other business risks. The Board is therefore of the opinion that it is appropriate to adopt the going concern basis of accounting in preparing the Annual Report and Accounts (see page 159 for more information).

Viability Statement

Taking into account the Group's current position and the impact of the principal risks documented in the Strategic Report, the Directors have a reasonable expectation that the Company will remain viable and continue to operate and meet its liabilities as they fall due, over the period to 31 December 2027. Further details are set out in the Viability Statement on page 43, and in the Principal Risks and Uncertainties section on page 38.

Principal Risks and Uncertainties

The Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks, and the procedures for managing or mitigating them, are set out on pages 38 to 42.

Audit, risk and internal control

Grant Thornton LLP was appointed as the Internal Auditor in 2023. Internal controls include the systems of operational and compliance controls maintained by our finance team. Regular reports from both the Internal Auditor and management are provided and reviewed by the Boards Audit and Risk Committee and reported on to the Board. Further details can be found in their report on pages 118 to 122.

Fair, Balanced and Understandable

The Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, prospects, business model and strategy.

Application of the Principles of the UK Corporate Governance Code 2018 can be found on the following pages

1. Board Leadership and Company Purpose		Page
A	Effective Board	98 & 112
B	Purpose, Values and Culture	101
C	Governance Framework	102
D	Stakeholder Engagement	61
E	Workforce policies and practices	64 & 65
2. Division of Responsibilities		Page
F	Board roles and operations	103 & 104
G	Independence	111
H	External Appointments and Conflicts of Interests	98 & 111
I	Key Activities of the Board in 2024	105
3. Composition, succession and evaluation		Page
J	Appointment and Succession	111
K	Board Skills, experience and knowledge	98-100
L	Annual Board Evaluation	112
4. Audit, Risk and Internal Control		Page
M	Financial Reporting, External Auditor and Internal Audit	118-122
N	Review of 2024 Annual Report and Accounts	122
O	Internal Financial controls and Risk Management	120
5. Remuneration		Page
P	Linking Remuneration with purpose and strategy	127
Q	Remuneration Policy	127
R	Performance outcome in 2024	131

Board of directors

Committees

- N Nomination
- A Audit and Risk
- R Remuneration
- E ESG
- Chair



Mark Pain

Non-executive Chairman

1 September 2018

Yes

- N
- E
- R

- Relevant Skills and Experience**
- Chartered accountant
 - Strong financial, customer and shareholder focus
 - Extensive experience of executive and non-executive roles in the real estate, financial services and consumer/leisure sectors

- Principal External Appointments**
- Chairman – AXA UK plc
 - Senior Independent Director – Close Brothers Group plc

- Significant Previous External Experience**
- Group Finance Director – Abbey National PLC
 - Group Finance Director – Barratt Developments PLC
 - Non-executive Directorships – Ladbroke Coral Group PLC, Aviva Insurance Limited, Spirit Pub Group PLC, Johnston Press PLC, Northern Rock, LSL Property Services and Punch Taverns PLC
 - Vice Chairman and Senior Independent Director – Yorkshire Building Society



Duncan Garrod

Chief Executive Officer

28 September 2020

No

- E

- Relevant Skills and Experience**
- Strong operational, sales and marketing skills
 - Extensive experience of executive roles in the consumer/leisure sectors
 - Significant expertise in the consumer/leisure sectors

- Principal External Appointments**
- Non-executive Director – The Brighton Pier Group PLC

- Significant Previous External Experience**
- CEO – Ten Entertainment Group Plc
 - CEO – Bills Restaurants
 - CEO – Punch Taverns plc
 - President – M.H. Alshaya
 - Commercial Director – BAA plc



Donald Grant

Chief Financial and Sustainability Officer

12 September 2022

No

- E

- Relevant Skills and Experience**
- Chartered accountant
 - Over 20 years' experience in the listed real estate and financial services sectors, covering finance, tax, regulatory compliance, HR, IT and company secretarial

- Principal External Appointments**
- None

- Significant Previous External Experience**
- Chief Financial Officer – RDI REIT P.L.C
 - Group Financial Controller – Capital & Counties Properties PLC
 - Head of Finance – Liberty International PLC
 - Head of Financial & Regulatory Control (EMEA) – BCG Partners / Cantor Fitzgerald



Alice Avis MBE

Senior Independent non-executive Director

1 March 2019

Yes

A R N E

- Extensive experience in marketing, e-commerce, strategy and operations in the consumer goods/retail sectors
- Executive and non-executive expertise in FTSE 100/UK and international entrepreneurial organisations

- Non-executive Director – BGF Group plc
- Non-executive Director – iPulse Limited
- Director – Knoops Holdings Limited

- Executive chairman – Lumene Oy
- CEO – Sanctuary Spa Group
- Marketing and E-Commerce Director – Marks and Spencer PLC
- Global brand Director, Johnnie Walker – Diageo PLC
- Non-executive Director – The Edrington Group Limited



Martin Ratchford

Non-executive Director

1 October 2021

Yes

A R N E

- Chartered accountant
- Over 20 years' experience in executive and leadership roles in the UK/international listed real estate, funds and student accommodation sectors
- Expertise in structured real estate debt and equity financing and systems and control environments

- Chief Finance Officer at Frasers Property (UK) Limited, a Frasers Property group company

- Finance Director, Real Estate and Funds – Thomas Cook plc
- Head of Europe, Finance – British Land PLC
- Finance Director – The Unite Group PLC



Clair Preston-Beer

Non-executive Director

1 July 2022

Yes

A R N E

- Significant expertise in large hospitality/retail businesses
- Extensive experience in international franchising/business transformation

- Chief Operating Officer – Greene King Limited

- Managing Director – Costa Coffee, Middle East & Asia
- Chief Operating Officer – Costa Coffee, UK
- Franchise Director – Costa Coffee, UK

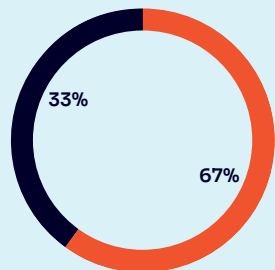
Board overview

Board Attendance

Board Attendance	AGM (1)	Scheduled Board meetings, update calls and strategy day (8)	Ad Hoc Board and Committee Meetings (meetings eligible to attend in brackets)
Director Attendance	100%	100%	98%
Mark Pain	1	8	8 (8)
Duncan Garrod	1	8	21 (21)
Donald Grant	1	8	21(21)
Alice Avis*	1	8	4* (5)
Martin Ratchford	1	8	5 (5)
Clair Preston-Beer	1	8	5 (5)

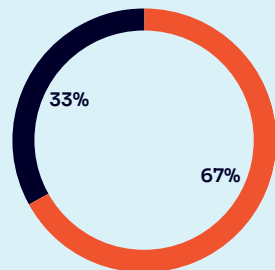
* Alice Avis was unable to attend an ad hoc Board meeting due to holiday commitments. She however reviewed the papers in advance and passed on her comments and questions to the Chairman.

Board Composition



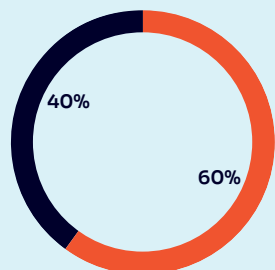
Male Female

Board Independence



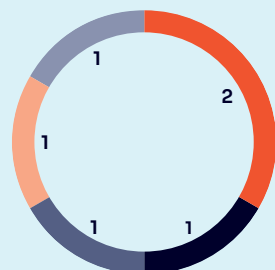
Independent Executive

Board roles



Male roles - Chair, CEO, CFO
Female roles - SID and employee representative

Board Tenure



<3yrs <4yrs <5yrs
<6yrs <7yrs

Skills Matrix

Industry (PBSA) knowledge	83%
Technology/digital media expertise	100%
Cyber/Data experience	50%
Risk management expertise	100%
Financial expertise/ literacy	100%
Banking/private equity/venture capital	67%
Marketing expertise	67%
Legal expertise	0%
Cross-border expertise	100%
Human resources expertise	100%
Property expertise	67%
Hospitality and customer service expertise	83%
Operational expertise	100%
Sustainability	100%
Regulatory expertise	100%

Results of Internal Board Evaluation (More information on page 112)

Performance during 2024	100%
Composition of the Board	87%
Meetings and Board Packs	90%
Board Objectives	81%
Strategy and Strategic Foresight	87%
Decision Process	78%

Main Focus for the year

Disposals

£45.2m

Capital raise

£56.1m

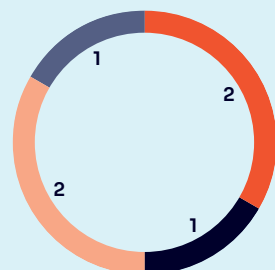
Acquisitions

£35.0m

Dividends

3.7p

Board Ages



40-50 50-60
60-65 65+

Our Purpose, Strategy, Values and Culture

Embedding and monitoring culture are critical for ensuring alignment across the organisation and supporting the delivery of the organisation's purpose and strategy and our ways of working are underpinned by our values.

Purpose: To help students make the most of their university life by creating and managing some of the highest quality and most thoughtfully designed accommodation, which is secure, modern and homely. Our refurbishment programme continued during 2024, and further works are planned for 2025/26 to upgrade current rooms on offer.

Strategy: In order to achieve our Purpose, we aim to grow a portfolio of high-quality buildings in top-tier University locations where student accommodation remains acutely undersupplied. Acquisitions this year have been made in Bristol, Glasgow and Manchester.

Values: Our values ("Respectful", "Supportive", "Collaborative", "Responsive" and "Fun") are key to delivering the brand experience for our customers. As an employer, our goal is to create a "great place to work" where our people can grow and excel.

Culture: Our people are key to delivering a high quality, personalised service to our customers. We work tirelessly to create a team who are diverse and inclusive, agile, proactive, thoughtful and responsive. The culture in the Group is largely driven by the CEO and, as part of his short-term remuneration targets, he has been set an objective to develop workplace engagement and culture, which relates to the results for the employee survey, internal promotions and community and charity initiatives. Details of these targets are set out on page 133. In order to further understand how our culture is being embedded across the organisation, the Board reviewed a number of metrics that could be used to measure and monitor culture within the Group. The following metrics were considered the most appropriate for our business.

Employee net promoter score (eNPS): To deliver a high-quality service to our customers, we must look after our employees. The eNPS and NPS scores were therefore considered the most appropriate method of measuring our culture. The eNPS score is derived from the employee survey undertaken during the year. This provided the level of happiness and satisfaction of our employees, and the likelihood of them staying and promoting our Company to others. Recent research found that, companies with a highly engaged workforce are 21 per cent more profitable and 17 per cent more productive than those with disengaged peers.

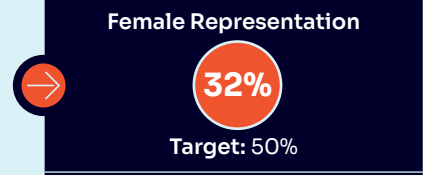


Net Promoter Score (NPS): is regarded as the gold standard of measuring and tracking how a company is perceived by their customers and provides a snapshot of overall customer experience; indicating the level of customer satisfaction and a positive customer journey. This KPI therefore helps us not only monitor culture but how we are fulfilling our purpose and maintaining our values. The Board believes that a happy workforce will lead to a better experience for our customers and therefore the eNPS and NPS should be correlated.



Female Representation and Ethnic Diversity in Senior Leadership Team:

The Company wishes to improve its culture by promoting a diverse and inclusive culture. A number of initiatives are currently being undertaken to increase diversity, and these metrics will allow the Company to monitor its progress.



Internal progression: We value our people and work hard to retain, train and promote people from within the Company. We currently have a retention score of 78 per cent.



Training: The Company's policies are all available via an intranet portal and employees must confirm that they have read and understood these documents. To complement and embed these policies, training must be undertaken by all the staff during their probationary period and on an annual basis thereafter. Training covers such matters as health and safety, diversity and inclusion, duty to prevent sexual harassment and a range of compliance matters.



Corporate governance framework

The Board

The Board is responsible for the long-term success of the Company

To assist in the effectiveness of the Board, committees have been established which operate within terms of reference set by the Board.

These outline their role to review appropriate matters and make recommendations back to the Board.

The terms of reference are reviewed every two years, or as necessary, and are available on our website.

Nomination Committee

Considers the composition, skills, diversity and succession planning of the Board and evaluates its effectiveness.

Read more on | [page 110](#)

Audit and Risk Committee

Ensures the Group's financial reporting and risk management is properly monitored, controlled and reported.

Read more on | [page 118](#)

Remuneration Committee

Reviews remuneration of the executives and senior leadership team in accordance with shareholder approved policy.

Read more on | [page 123](#)

ESG Committee

Safeguards the interests of, and monitors engagement with, stakeholders to ensure the Company demonstrates sound social and environmental risk management.

Read more on | [page 116](#)

Executive Committee

The Board leads and provides direction for the Executive Committee, by setting our Company strategy and objectives and overseeing the implementation of key operational policies throughout the business.

Day-to-day operations are carried out by the Executive Committee, who must adhere to policies and authorities set by the Board. The Executive Committee comprises the CEO, CFO, Chief Investment Officer, Chief Operating Officer and Chief Customer Officer.

Senior Leadership Team ("SLT")

Reporting directly to the Executive Committee, the SLT ensure that Company policies are embedded into the business and its operations and that strategic decisions are executed appropriately.

The Senior Leadership Team comprises 25 members, excluding the Executive Committee and meet four times a year with the Executive Committee to share information and raise and discuss issues within the Group.

ESG Working Group

Chaired by the CFO, invited members of the senior leadership team meet monthly and ensure the ESG strategy is embedded throughout the business. The Group comprises representatives from Operations, Property, Finance, People team, Facilities Management, and Sales and Marketing.

One Team Collective ("OTC")

Attended by Alice Avis, Chaired by a member of the Senior Leadership Team, and comprising representatives from each UK region of the business, the OTC meets on a quarterly basis. They discuss matters that have been raised by their 'constituents' and bring issues to the attention of the SLT.

Roles and responsibilities

The Board comprises the Chairman, two executive Directors and three non-executive Directors, supported by the Company Secretary. The Directors biographies are set out on page 98.

There is a clear division of responsibilities between the Chairman and Chief Executive Officer. Their roles are clearly set out and agreed by the Board. The primary responsibilities of the Directors are as follows:

Board position	Primary Responsibilities
Chairman	<ul style="list-style-type: none"> Leading the Board, ensuring its effectiveness and that Board members actively engage, challenge and contribute to discussions. Upholding the highest standards of integrity and Corporate Governance; Reviewing the Company's general progress and long-term sustainability; and Ensuring the Company is meeting its responsibilities to all stakeholders.
Senior Independent non-executive Director and employee representative Director	<ul style="list-style-type: none"> Acting as a sounding board for the Chairman and intermediary for other Directors when required; Leading the evaluation of the Chairman on behalf of the other Directors; and Being available to shareholders to raise their concerns if they cannot be resolved through other channels. To engage and understand the views of the workforce through the One Team Collective
Non-executive Directors	<ul style="list-style-type: none"> Providing constructive challenge and independent oversight; Determining the appropriate levels of remuneration of executives; Overseeing the Senior Leadership Team's progress on implementing strategy and meeting objectives; and Monitoring the reporting of performance.
Chief Executive Officer	<ul style="list-style-type: none"> Leading and developing the Company's strategy, profitable operation and development; Overseeing all activities of the business and leading the sales, marketing and operations functions; Developing workplace engagement and culture Ensuring the objectives are in line with operational activities; and Creating shareholder value over the long term.
Chief Financial and Sustainability Officer	<ul style="list-style-type: none"> Overseeing sustainability across the business; Leading the finance and IT functions; Producing timely and accurate financial information and analysis; Raising and managing debt; Ensuring tax and regulatory compliance; and Maintaining financial control and managing the Company's risk profile.

Corporate governance framework | continued

Board meetings

Day-to-day management and decision-making is delegated to the Executive Committee which report on their activities to the Directors at the Board meetings and calls. KPIs are provided to enable the Directors to easily identify where targets have been met, or where there are areas of underperformance. This allows the independent non-executive Directors to ensure that the Company is progressing in line with the long-term strategy, hold management to account, but also provide guidance and advice.

Board meeting schedule

The 2024 Board schedule included four Board meetings, each aligned to the Company's financial calendar and a strategy day held in June, attended by advisers and management, to scrutinise the current strategy and to ensure that it remained appropriate. Three update calls were scheduled between Board meetings to keep Directors abreast of operational matters and to prevent Directors becoming overloaded with information.

There was 100% attendance by Directors of all scheduled Board meetings, Board calls and the strategy day in 2024. Details can be found on page 100.

Additional Board meetings were called on short notice to approve or discuss such matters as re-financing, the joint venture or the capital raise. Committees of the Board were appointed to approve any final details or to approve certain matters, such as SAYE share issues, in accordance with the delegated authority.

At least once a year, the non-executives hold informal meetings without the executives present.

Board operations

Board meetings operate under a formal quarterly calendar to ensure that the Company's strategy, objectives, risks, operations, controls and policies are all addressed or reviewed by the Board throughout the year.

The agenda for the scheduled meetings and calls is typically agreed by the Chairman, with assistance from the Company Secretary and executive Directors. The agenda, along with the Board papers, is usually sent a week in advance allowing sufficient time for the Directors to digest and consider the content, thereby enabling discussion and effective decision making within meetings. Any decisions and actions arising from the meetings are recorded and actioned by the executive Directors with progress monitored by the Company Secretary. Management and advisers may be invited to attend meetings to provide further information or guidance on specific matters. PWC advised on the joint venture negotiations, and our brokers and lawyers advised on the capital raise in October.

Meetings are minuted, with discussions, challenges and concerns recorded to demonstrate due consideration has been given by the Directors on each matter discussed.

Quarterly Board agenda items

The formal agenda for regular Board meetings includes, amongst other matters:

- sales and marketing activities, including pricing strategy
- Health and Safety, and insurance claims
- Operational risk
- Wellbeing of customers and employees
- People team report
- Operations
- review of the Property portfolio – sales, acquisitions, capital expenditure, refurbishments
- macro and sectorial update;
- an assessment of our progress with new investment opportunities (the detailed proposals are prepared by the executive Directors and reviewed and approved by the Board, as appropriate);
- consideration of strategy and strategic opportunities;
- review of financial performance, financial and liquidity forecasts, debt management and IT;
- an update on investor relations and shareholder analysis;
- a report on shareholder feedback and engagement;
- reports from the Committees;
- updates on regulatory, compliance or governance matters advised by the Company Secretary or other advisers; and
- a report on public relations and press commentary.

2024 Board activity

Month	Board activity
February	<ul style="list-style-type: none"> Remuneration Committee considers the outcome of the Executives' Remuneration and reviews Senior Leadership Team rewards Acquisition of College House Bristol for £5.6m SID attends employee action group: One Team Collective
March	<ul style="list-style-type: none"> Areal £124.9m Refinance Review of prospective joint venture partners 2023 Full Year Results announced 2023 Q4 Dividend of 0.9375 pence per ordinary share Road shows undertaken with over 45 investor meetings held Remuneration Chair contacts major shareholders and proxy agencies to discuss Remuneration in advance of the AGM
April	<ul style="list-style-type: none"> Road shows continue New Company Secretary appointed
May	<ul style="list-style-type: none"> Trading Update published Correspondence with proxy agencies regarding the AGM resolutions Annual General Meeting including approval of ESG targets for next two years. SID attends employee action group: One Team Collective
June	<ul style="list-style-type: none"> Board Strategy Day Board visit sites in York 2024 Q1 Dividend of 0.875 pence per ordinary share EPRA Investor Day Peel Hunt Conference Bristol and Glasgow property tours with selected shareholders and analysts

Month	Board activity
July	<ul style="list-style-type: none"> Acquisition of Claremont House, Glasgow for £9.7m
August	<ul style="list-style-type: none"> 2024 Interim Results announced Road show undertaken with over 40 investor meetings held SID attends employee action group: One Team Collective Review of students feedback from GSLI survey
September	<ul style="list-style-type: none"> 2024 Q2 Dividend of 0.875 pence per ordinary share Road show continued
October	<ul style="list-style-type: none"> Joint venture discussions terminated Wall crossing meetings with major shareholders Capital raise completed, raising £56.1m
November	<ul style="list-style-type: none"> SID attends employee action group: One Team Collective
December	<ul style="list-style-type: none"> Board site visit to newly refurbished Brunswick Apartments, Southampton Acquisition of Tatton House, Manchester for £19.75m Remuneration Committee review Executive objectives for 2025 2024 Q3 Dividend 0.875 pence per ordinary share Cushman & Wakefield appointed as Valuer Company policies reviewed Review of Employee survey results

Corporate governance framework | continued

Board decision making

A formal schedule of “Matters Reserved for the Board” provides clarity as to which matters must be considered and approved by the Board and cannot be undertaken by management. These include strategy setting, budget approval, investment transactions over £10 million, and raising new capital. In reaching decisions, the Board must consider the balance of interests between shareholder, employees, customers and wider stakeholders.

A delegated authority policy, approved by the Board, allows executives and senior staff to approve certain matters, within specified limits, such as issuing shares for SAYE share plans.

To ensure conflicts are avoided, Directors are asked to disclose their interests before each meeting. The Articles of Association permit a Director who has disclosed an interest in a transaction to vote and count in the quorum in relation to any resolution of the Board concerning the related transaction, subject to certain conditions and providing that the Board so approves.

Principal Decisions taken by the Board in 2024	Termination of Joint Venture	Capital raise of £56.1m	Acquisition of Claremont House, Glasgow and Tatton House, Manchester
Link to Strategy	The Group could pursue its postgraduate accommodation refurbishments independently and in line with the Company's business plan.	Provided the Group with additional funds to invest and accelerate growth.	Located close to Russell Group Universities. Clustered within short walking distance of other ESP properties.
Long term success of the Company	Discussions were terminated as the timing of implementation was placing wider strategic plans at risk. Change in market sentiment presented opportunity to pursue an independent path.	Providing investors with stable and long-term returns driven by increasing scale and trading margins in cities serving top-tier universities. The acquisition of well-priced, near-term investment opportunities, as well as the unlocking of potential refurbishment gains, are expected to be earnings accretive within the calendar year 2025.	Greater scale in key cities and improved quality of accommodation within the Group's existing portfolio, enhancing the strength of the Group's operating brand.
Shareholders	The associated disruption to the Group's business plans was not considered to be in the best interest of the Company's shareholders.	Increased market capitalisation should make the Company more attractive to a wider base of investors and improve market liquidity in ordinary shares. The planned acquisitions and refurbishments works will enhance shareholder returns and therefore be accretive to EPRA NTA per share over the medium term.	Provide the Group with valuable economies of scale, both on a local level by growing clusters in key cities which will help to increase operational margins, but also at the corporate level where the existing structure is capable of supporting a growing asset base.
Customers	The capital raise allowed shareholders to capture the full benefit of projected returns in a more timely manner with refurbishment plans completed earlier than would be anticipated.	The Company has identified approximately £10 million of refurbishment works at three properties that can commence in early 2025.	Clustering allows the Group to share amenities across properties offering the customer a wider choice of facilities.
Employees	Certain employees had been secured in anticipation of the joint venture causing decisions to be revisited with related communication and engagement.	Deployment will grow the operational base of the company, providing greater opportunity for current and prospective new employees.	Grows the operational base of the Company, providing greater opportunity for current and prospective new employees.

Other Board activities and stakeholder impact

Strategic topic	Area of focus	Key decisions taken and key stakeholders impact
Customer	<p>Ensure the continued safety, wellbeing and satisfaction of our customers;</p> <p>2024 Global Student Living results and customer feedback.</p> <p>NPS score</p>	<p>Decision taken Refurbishment and EWS programme, related timing and impact on customers.</p> <p>Internal Auditor review of Health & Safety practices.</p> <p>Upgrade of IT services.</p> <p>Mental Health First Aid programme rolled out.</p> <p>Stakeholder impact considerations Customers: Communication plan and tenancy length.</p> <p>Consideration of feedback received, overall satisfaction and available support.</p> <p>Lenders: The impact on covenants and income security offered.</p> <p>Shareholders: The speed of implementation and potential impact on revenues and distributions.</p> <p>Employees: Redeployment of our people to ensure they remain motivated and engaged.</p>
People	<p>Engagement survey and eNPS score</p> <p>Improve employee retention through inhouse training.</p> <p>Protection of information and data</p> <p>Diversity and Inclusion</p>	<p>Decisions taken 2024 eNPS engagement survey providing feedback and points to be addressed.</p> <p>Launch of Hello Future Stars apprenticeship scheme.</p> <p>Internal Auditor review of GDPR.</p> <p>Appointment of partners to assist with diversity improvements.</p> <p>Stakeholder impact considerations Employees: Ensuring our people feel valued and addressing any issues quickly. Encouraging internal progression.</p> <p>Customers: Quality and continuity of service.</p> <p>Shareholders: Impact on returns and distributions.</p>

Corporate governance framework | continued

Other Board activities and stakeholder impact continued

Strategic topic	Area of focus	Key decisions taken and key stakeholders impact
Strategy	Residual non-core disposal programme, including consideration of offers received.	Decisions taken £45.2m disposal of non-core assets in 2024.
	Acquisitions and refurbishments.	Acquisition of College House, Bristol, Claremont House, Glasgow and Tatton House in Manchester.
	Validation of Post-Graduate strategy including related due diligence and financial modelling.	Approval of refurbishment programmes. Planning permission at Victoria Point, Manchester.
		Stakeholder impact considerations Shareholders: Growth and total return enhancement, coupled with a compelling equity story. Customers: Communication and continuity of service provision, improving amenities on offer. Community: Developmental impacts; engagement with local residents. Employees: TUPE transfer considerations, communication and engagement.
Capital allocation	Refinancing and capital allocation to ensure ongoing liquidity and covenant headroom.	Decisions taken Consolidation of debt facilities and refinancing short dated facilities.
	Investor engagement.	Capital raise of £56.1m.
	Deployment of funds raised.	Dividend payments.
		Stakeholder impact considerations Lenders: Maintaining prudent covenant compliance and management of refinancing risk. Shareholders: Ensuring appropriate deployment of funds in line with expectations. Agents/consultants: Long-term liquidity planning providing for prompt and fair payment terms.

Strategic topic	Area of focus	Key decisions taken and key stakeholders impact
Marketing and sales	<p>Review of pricing approach for launch of academic year 2025/26.</p> <p>In-depth review of customer feedback.</p>	<p>Decision taken</p> <p>Pricing strategy approved with the aim of achieving balance between inflationary pressure and affordability, informed by lessons learnt from previous years data and customer feedback.</p> <p>Upgrade of customer website improving interface with customers.</p> <p>Continued roll-out of Hello Student branding and new sharing proposition.</p> <p>Stakeholder impact considerations</p> <p>Customers: Affordability; cost of living pressures; engagement.</p> <p>Shareholders: Impact on sustainable returns and related earnings and distribution guidance.</p>
ESG	<p>Implementation of Net Zero strategy, target setting and stakeholder engagement.</p> <p>Capital allocation to green initiatives.</p> <p>Wellbeing of our customers and our people.</p> <p>Improved transparency.</p>	<p>Decision taken</p> <p>Interim targets agreed and two year plan put to shareholder vote at AGM.</p> <p>Commitment to enhance capital allocation to green initiatives to accelerate implementation.</p> <p>Benchmarking commitment agreed.</p> <p>Reporting on Scope 3 emissions.</p> <p>Stakeholder impact considerations</p> <p>Environment: Becoming a sustainable business and contributing to the communities in which we operate.</p> <p>Shareholders and Lenders: Responding to requests to participate in annual CDP benchmarking.</p> <p>Customers/employees: Impact of implementation plans on wellbeing.</p>

Nomination committee report



“The Board evaluation concluded that, overall, the Board continued to operate effectively throughout 2024.”

Mark Pain | Nomination Committee Chairman

Committee membership and meetings

	Meetings
Mark Pain	3 (3)
Alice Avis	3 (3)
Martin Ratchford	3 (3)
Clair Preston-Beer	3 (3)

Committee composition and operations

Led by the Chairman, the Board is responsible for the overall effectiveness in directing the Company. It is therefore appropriate that the Nomination Committee, which is responsible for the composition of the Board, is led by the Company’s Chairman, Mark Pain. He is assisted by three independent Directors, all of whom have significant experience as Directors of listed companies.

The Committee met three times during the year and was attended by all relevant Committee members, the COO, the Head of the People team and the Company Secretary. The Committee’s primary objectives are to review the current Board capability and structure, lead the process for appointments, ensure plans are in place for the orderly succession of both the Board and the Group’s Senior Leadership Team, to promote diversity and inclusion and to evaluate the performance of the Board. In addition, the Board reviewed culture and the results of the Employee survey. No appointments were made to the Board or to the Executive Committee this year, but all other matters were addressed.

Current Board structure

The current Board comprises the Chair, two executives and three independent Directors. Appointment terms for Directors are shown overleaf. The 2024 Board evaluation considered the size of the Board to be an appropriate size for the business, being focused and effective. A skills assessment conducted during the year confirmed that there was a good range of experience provided by the Directors, as seen in the skills matrix, found on page 100, which align with the critical risks of the Company. It was noted that AI and Legal were skills lacking on the Board, but Directors were comfortable that they had access to advisers should they require additional guidance to assist them in their duties. Furthermore, the Chief Investment, Chief Operating, Chief Customer and IT Directors, although not appointed to the Board, share their knowledge through regular updates and presentations and attend by invitation to present reports such as valuation summaries, operational strategies, pricing proposals, AI opportunities and IT strategy documents.

The annual Board evaluation raised two areas of concern for the Committee, these being succession planning and diversity. Although succession plans have been drawn up, the size of the business was thought to restrict the ability to have a full plan in place for the Executive Committee, as there is not always sufficient depth of expertise. The size of the Board was considered to restrict the ability to improve diversity amongst the Directors, albeit that the Company has made strides to improve diversity throughout the business including target setting for senior management.

Succession planning

The table overleaf shows the tenure of the Board members. Although the independence of non-executives is compromised after nine years, it cannot be assumed that all non-executives will remain on the Board for the maximum tenure and that there will not be an orderly succession plan implemented earlier. Therefore, before standing for re-election at the AGM, Directors confirm their commitment to the Company for the year ahead. If a Director indicates a preference to step down in the near future, this potential vacancy is reviewed against the context of the Company’s strategy, the Board and the Committee requirements, to ensure stability and continuation, refresh skills and experience, and any necessary qualification requirements. The process for appointments, shown overleaf, is then followed.

Succession plans for the executive Directors and Executive Committee have been prepared on both a short and long-term basis, identifying roles with perspective internal candidates, or where there are currently gaps, when external applicants might need to be considered. With a policy of encouraging promotions from within, and a strong, gender diverse, Senior Leadership Team in place, the Committee acknowledged that there is a pool of internal candidates who could, in time, present succession opportunities for the Executive Committee members. A bespoke leadership development programme was therefore introduced during 2024 for those employees one compensation band below the Executive and the succession plans are regularly reviewed to identify and develop ‘rising stars’.

Tenure

Directors	Tenure	To step down by
Independent non-executive		
Mark Pain	6 years	September 2027
Alice Avis	5 years	March 2028
Martin Ratchford	3 years	October 2030
Clair Preston-Beer	2 years	July 2031
Executive		
Duncan Garrood	4 years	n/a
Donald Grant	2 years	n/a

Appointments to the Board

When considering the appointment of new Board members, the Nomination Committee will develop a specification brief of the required attributes. An external agency, who have adopted the Voluntary Code of Conduct for Director Search Firms, is engaged to assist in compiling a diverse list of candidates with the appropriate requirements. This long list is reviewed by the Nomination Committee, and a shortlist of candidates invited for a formal interview. Such candidates will have the most appropriate experience, who can offer additional skills to those already on the Board, bring diversity and independence of thought, whilst being aligned to our values and culture. After being interviewed by the Nomination Committee, the preferred candidates will meet with the other Directors, references sought, and conflicts assessed before a decision is taken.

Terms of Appointment of Directors

The executive Directors have contracts with the Company which include a six-month notice period and restrictive covenants.

The non-executive Directors have letters of appointment, which can be terminated in accordance with the Articles of Association and do not specify a notice period. The terms and conditions of appointment for the non-executive Directors are available for inspection at the Company's registered office and at each Annual General Meeting.

Directors who are appointed to the Board during the year are required to be elected by shareholders at the next Annual General Meeting. Thereafter, all Directors are submitted for annual re-election at each Annual General Meeting, subject to continued satisfactory performance assessed by the Board at the end of each year and confirmation of their commitment.

Board induction and training

All Directors receive a thorough formal induction upon appointment. This includes meeting members of the Board, the Senior Leadership Team, and key advisers. The Chairman reviews and discusses each Director's individual training and development needs. The Board as a whole also receives briefings and training on relevant topics. The Company benefits from the non-executive Directors' membership of other boards. This provides experience that can be applied to our business. In addition, the Board receives regular publications on key topics from our advisers and other professional services firms. Regulatory and corporate governance updates are provided by the Company Secretary at each Board meeting. Opportunities are also provided for Directors to meet and discuss projects with members of the senior management team and property tours are undertaken to enable Directors to view the Company's assets, to hold discussions with the responsible asset managers and meet some of our customers.

Director independence

The Board reviews the independence of the Chairman and non-executive Directors on an annual basis. For the financial year ending 31 December 2024, all of the non-executive Directors, including the Chairman, are considered to be independent in line with the provisions set out in the Code.

Advice for Directors and D&O Insurance

If circumstances arise where it is necessary for a Director to seek legal or professional advice in the furtherance of their duties, they are encouraged to consult with the Company's advisers or the Company Secretary. Should they deem it necessary to take independent professional advice, agreed procedures must be followed.

The Company maintains liability insurance which covers Directors and Officers of the Company and all subsidiaries of the Empiric Student Property plc Group. Should Directors leave the Company, insurance cover is provided for a period of 12 years from the date of termination.

Time commitment of Directors

Directors are required to devote sufficient time to fulfil their responsibilities to the Group, to attend and prepare for Board, Committee and Annual General meetings, and to regularly refresh and update their skills and knowledge. The Chairman has reviewed the availability of the Directors and is satisfied that each Director is able to, and in practice does, devote the necessary amount of time to the Group's business. The Senior Independent Director has reviewed the availability of the Chairman and considers that he is able to, and in practice does, devote the necessary amount of time to the Group's business.

External appointments

On appointment, and before each Board meeting thereafter, all Directors are asked to disclose any directorships, relevant shareholdings or any other potential conflict of interest. Directors may not, without the prior consent of the Board, accept any other non-executive appointment or a consultative role to any investment business with materially similar investment objectives to the Company. Prior to accepting an external appointment, the Committee will consider the demands that are likely to affect the Director, and the expected time commitment involved, ensuring that it will not be to the detriment of the Company. No Directors are considered to be over boarded, and all devote sufficient time.

During the year Duncan Garrood, CEO, was invited to join the board of the Brighton Pier Group PLC as a non-executive Director. Following confirmation that this new role would not impact on his position at Empiric Student Property plc, the appointment was approved by the Board.

Nomination committee report | continued

Board Evaluation

The annual Board review provides an opportunity to consider ways of identifying efficiencies, strengths and areas of further development to enable the Board and its Committees to continuously improve their own performance and the performance of the Group.

In line with Corporate Governance recommendations, an external evaluation is conducted every three years and is due to be performed again in 2025.

The 2024 internal Board evaluation was established by the Chairman and the Company Secretary, incorporating questions from the internal evaluation held in 2023. The evaluation assessed the effectiveness of the Board in the delivery of the 2024 Board objectives and also reviewed the Committees, and individual Directors. The software used provided an effectiveness score for the Board and Committees, which are shown below along with the key topics covered. Any matters requiring attention are indicated with a “*”

- 100%** Overall performance of the Board
- 87%** Composition of the Board (size, skills, culture, leaderships, succession planning* and diversity*)
- 90%** Meetings and Board Packs (structure and content of Board packs, meetings, teamwork, contributions, challenges and relations between Directors)
- 81%** Board objectives (purpose and vision, strategy, customer service*, workforce engagement, culture, diversity, ESG* and shareholder value creation*)
- 87%** Strategy (appropriateness, implementation, measurement, exploring opportunities* and emerging issues)
- 78%** Decision Process (information provided, risks, consideration of stakeholders, conflicts, advice received*, review of past decisions*)

The Board evaluation concluded that, overall, the Board continued to operate effectively throughout 2024. Directors agreed that a huge amount of work had been conducted, the Board had performed well and had navigated some complex issues in challenging market conditions. Following the review, further enhancements were proposed for 2025 which are set out in the table opposite.

It was disappointing that succession planning and ESG were raised as issues in the 2023 and 2024 evaluations, although these had already been flagged by the Committees as matters they wished to explore further in 2025 and are due to be discussed at the next Committee meetings in quarter one.

Actions arising from the 2024 Board evaluation

The table below outlines the improvement areas identified following the Board Evaluation in 2024, together with the proposed action plan.

2024 Key findings	2025 action plan
More focus on succession planning and reviewing diversity on the Board and in the workforce.	Further succession plans to be reviewed by the Committee and diversity targets to be monitored on a regular basis . Female Representation and Ethnic Diversity in Senior Leadership Team has been set as a Culture related KPI to be monitored and tracked.
Improvement of our NPS score to further widen the gap with our competitors.	The eNPS and NPS scores have been chosen as culture related KPIs and, although the scores are above benchmarks, the Board would like to have an increased focus on raising employee and customer satisfaction levels.
Raise Importance and clarity of our ESG agenda to all of our stakeholders.	The Company intends to participate in an ESG benchmarking study from 2026 which should improve transparency for stakeholders and create enhanced focus and comparability.
Unlocking longer term value creation.	Ensure that our growth strategy accelerates value creation.
Exploring new opportunities.	To be addressed at the annual strategy day in June.
Review of past decisions.	Discussion to be held to reflect on the impact of passed decisions made and lessons that could be learnt, in particular with regards to the joint venture proposition undertaken in 2024.
Additional external advice for Committees.	Committees to receive additional advice on specific topics requested.

Update on actions arising from the 2023 Board evaluation

The table below outlines the improvement areas identified following the Board evaluation in 2023, together with the progress made on these during 2024.

2023 Key findings	2024 action taken
Increased focus on delivering ESG strategy with further development, and validation of ESG key performance indicators.	Net zero strategy KPIs were assessed throughout the year to ensure the Company remained on track to achieve the targets set. The ESG targets were put to a shareholder advisory vote at the AGM in May 2024.
Review succession plans to cover Board succession and talent management of the executive team.	Succession plans were reviewed by the Committee during the year, and a similar exercise is to be undertaken for the Senior Leadership team.
Further time to be allocated to discussing the Group's organisational culture.	KPIs have been set to enable the Committee to track culture. These are reported on page 101.

Committee Evaluation

Committee effectiveness scores are shown below. The matters evaluated covered leadership, information provided, advisers, and committee specific topics

- 97%** The Audit and Risk Committee was regarded as being well managed, but more focus was needed on addressing risks.
- 92%** The Remuneration Committee's leadership was deemed to be first class, but more support was requested from the external adviser.
- 84%** The Nomination Committee review highlighted the need to spend more time addressing diversity and succession, as shown in the 2025 action plan.
- 77%** The ESG Committee was regarded as less effective, with greater clarity of strategy and implementation required.

Directors Evaluation

The performance of the individual Directors was reviewed by the Chairman, and by each of the other Directors as part of the Board evaluation.

The non-executive Directors understanding of the business, their integrity and time commitment all scored highly.

The CEO was regarded as setting an excellent example to employees, upholding the Company's values and setting its culture, with communication being open and honest and stakeholder management being strong.

The CFSSO was regarded as dedicated to his role and a true business steward delivering high quality information to the Board and shareholders.

The Chair's performance was reviewed by the SID, with questionnaires completed by each of the other Board Directors. The SID then discussed responses received in private meetings with each Director providing them the opportunity to elaborate on their answers and to offer any further comments. The review concluded that the Board was highly supportive of the Chairman and believed his leadership to be clear, inclusive and extremely effective, investing quality time to build his relationship with his fellow Board members. A strong 'tone from the top' promoted effective decision making and constructive debate, with the Chair proactively seeking out the views of the non-executive Directors and encouraging contributions from all. Mark Pain's expert guidance and decisive leadership during the JV termination and equity raise were highlighted and greatly appreciated. Good progress had been made against all areas of opportunity for improvement which were identified during the prior year review.

Independence and re-election

All Directors are subject to annual re-election at the Annual General Meeting, and the Board will recommend reappointment as part of the Notice of Meeting.

Prior to recommending the reappointment of any Director to the Board, the Committee assesses their continued independence, the time commitment required, any overboarding concerns and whether their reappointment would be in the best interests of the Group. The Board is satisfied that each of the four non-executive Directors remain independent in both character and judgement and that they comply with the independence criteria of the Code.

Biographies for each Director can be found on pages 98 to 99 and are included in the Notice of the Annual General Meeting to be held on 4 June 2025.

Nomination committee report | continued

Employee Survey and Culture

The Committee reviewed the outcome of the employee engagement survey, comprising 54 questions, which had been conducted using the Culture Amp platform. This allowed the results to be benchmarked against other organisations with an aim of being in the top 25% of organisations in the UK with 200 – 500 employees. The survey resulted in a 78% engagement score, against a benchmark rate of 75%, and the outcome was very positive with 90% of people proud to work at ESP. The platform also provided an Employee Net Promoter Score (eNPS) of +44, which was +18 above the comparator group benchmark and +37 above the median UK eNPS score. The Committee requested that the survey be conducted again in 2025 which would track any trends and show any progress made.

In preparation for the 2024 Corporate Governance Code, the Committee considered how it would monitor and embed culture throughout the business. It was noted that the student survey produced an NPS score, measuring the customer service received, which the Committee considered to be a reflection of the Company's culture and happiness score. The Committee therefore recommended to the Board that, as the eNPS and NPS scores were correlated and underpinned the Company's values, they be used to monitor culture.

The Committee also recognises the benefits of diversity on the Company's culture and is currently looking at ways of improving this throughout the Group. The Committee therefore recommended that two diversity KPIs be used to provide focus and allow the Company to monitor its progress. Further information on culture can be found on page 101.

Diversity and inclusion

The Nomination Committee review the composition of the Board and diversity of the Group at least annually. A summary of the Company's Diversity Policy can be found on page 97 and has been applied throughout the year. When considering diversity across the Group, the Committee mainly focus on gender and ethnicity, but the strategy also considers sexual orientation, disability, neurodiversity, age and generation and the Company has partnered with a number of organisations to help address these areas.

With regards to diversity of the Board, and in accordance with UKLR 6.6.6R (9), the Company can confirm that as at 31 December 2024:

1. the Company has two women on the Board, equating to 33.3% representation;
2. Alice Avis holds the position of Senior Independent Director, and is also the employee's representative on the Board; and
3. no Board Directors are from an ethnic background.

The Committee is aware that it has not met the targets for Board diversity for (1) and (3) above and, in order to address these targets, the Nomination Committee considered two options: (a) to increase the size of the Board or (b) to replace a Director by either removing an existing Director or upon normal rotation.

The internal Board evaluation outlined above showed that the Directors considered the Board to be the right size with a good range and diversity of age, skills and experience allowing the Board to operate effectively. The relatively small size allows the Board to be agile and take advantage of situations such as the successful capital raise completed in October. The Chairman is therefore reluctant to add any further Directors, and further cost, to the Board, or to remove any current Directors, in order to meet diversity targets. Therefore, as vacancies arise, we will seek to select the very best candidate from a fully diverse list. This is not expected to occur in the near term due to the length of the current Board member's individual tenures and should therefore be appreciated that this may take time.

The table below shows representation on the Board, within Executive Management and across the Group as at 31 December 2024. There have been no changes to the Board or to the executive team during the year or since the date on which this Annual Report was approved. The executive management team comprises the CEO, CFO, Chief Investment Officer, Chief Operating Officer and Chief Customer Officer.

Gender representation on the Board and across the Group

	Number of Board members	Percentage of the Board	Number of Senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management	Numbers across the Group
Men	4	66.6	3	3	60	204
Women	2	33.3	1	2	40	163
Other	-	-	-	-	-	-
Not specific	-	-	-	-	-	2

Below the Board, 32 per cent (FY23: 29 per cent) of the senior leadership team, are female, with females representing 44 per cent (FY23: 42 per cent) of all employees, which has increased year on year. Furthermore, the gender Pay Gap data reported in April 2024 showed that females were paid higher than males in the business for pay and bonus. This continues to illustrate the level of female representation in the upper middle and upper quartiles, with increases of four per cent and five per cent respectively with a six per cent reduction in female representation in the lower quartile.

Gender representation on the Board Committees

The level of gender diversity is exceeded on all the Board Committees, except on the ESG Committee, which is attended by all Directors.

	Nominations Committee	Audit and Risk Committee	Remuneration Committee	ESG Committee
Men	2 (Chair)	1 (Chair)	2	4 (Chair)
Women	2	2	2 (Chair)	2

The Chairs are chosen according to appropriate qualification or experience.

The Chairman leads the Nomination Committee, to ensure an effective Board, and also chairs the ESG Committee, to highlight his commitment and that of the Company to this matter. Martin Ratchford as a chartered accountant, chairs the Audit and Risk Committee, and Alice Avis, having the requisite experience, chairs the Remuneration Committee. No changes to the membership of the Committees have occurred during the year.

Ethnicity representation on the Board and across the Group

	Number of Board members	Percentage of the Board	Number of Senior positions on the Board (CEO, CFO, SID and Chair)	Number in Executive Management	Percentage of Executive Management	Numbers across the Group*
White British or other White	6	100	4	5	100	158
Mixed/multiple ethnic groups	-	-	-	-	-	12
Asian Black/ Africa	-	-	-	-	-	21
Caribbean/ Black British	-	-	-	-	-	7
Other	-	-	-	-	-	1
Not specified	-	-	-	-	-	190

* It should be noted that the reference date for the Group ethnicity data is 31 August 2024 and therefore does not align with the gender figures which were taken at 31 December 2024. All gender and ethnicity data is collected from each employee by the People team during the onboarding period, on an optional basis. In order to improve the quality of data, a survey is to be undertaken in 2025, with an explanation provided to the employees as to why the data is required. All employees are based in the UK.

Across the Group, there is currently 21 per cent (FY23: 21 per cent) of responding employees identified as being from an ethnic minority. When the data is reviewed by remuneration band, it shows that we have representation across all ethnicity groups in Bands 2 (housekeeper, maintenance operative) to Band 4 (deputy multisite manager) groups, which are typically customer facing roles. This data also highlights that there is no representation of ethnic minorities on the Board or Senior Leadership Team, although a target has been set for the latter, to achieve at least 10 per cent ethnic membership by the end of 2027. In order to achieve this, and improve diversity in general throughout the Company, we are working with DIAL Global, Stonewall and Inspiring Diversity in Real Estate to ensure our policies and recruitment procedures are more inclusive. An assessment has also been completed with the Business Disability Forum and their suggested action points are being implemented.

In addition, the Company has invested in support and career pathways to increase diversity in the workforce by launching an accredited Institute of Leadership and Management (ILM) qualification, 60 of those who completed the qualification were female. The organisation has since launched an inhouse pathway to management programme which is supported by an externally accredited apprenticeship with the first cohort comprising 75 per cent female aspiring future leaders from across the organisation.

We value the benefits of diversity and intend to maintain an appropriately diverse Board and Senior Leadership Team and we will continue to actively seek diversity amongst candidates where vacancies arise. We are also confident that our new partnerships will assist in improving our diversity, but with an 80% retention rate, and a policy to promote talent from within, we are aware that this will take time.

The Board Evaluation highlighted the Board's desire to improve diversity across the Company, with two diversity KPIs set to monitor culture and track the Company's progress to achieve a more diverse workforce. Diversity is therefore very much on the Board's and Committee's agenda for 2025.

Mark Pain | Nomination Committee Chairman

12 March 2025

Environmental social governance committee report



“The Group is making good progress against its targets, with 64 per cent of the portfolio already rated at EPC B or above.”

Mark Pain | Environmental, Social Governance Committee Chairman

Committee membership and meetings

	Meetings
Mark Pain	3 (3)
Alice Avis	3 (3)
Martin Ratchford	3 (3)
Clair Preston-Beer	3 (3)
Duncan Garrood	3 (3)
Donald Grant	3 (3)

ESG Committee Chair’s overview

I am pleased to present the report of the ESG committee, which was established in 2021, to ensure good governance and management of climate-related risks and opportunities in a responsible and transparent manner. The ESG strategy is aligned with our overall business strategy and reinforced by the Committee and management team, although we believe that we need the collaboration of all our people to successfully deliver our ESG strategy.

The Board considers climate change when reviewing business strategy and when setting annual budgets. The remuneration policy, which was updated in 2023, created a clear linkage to the Executive performance and the ESG key performance indicators, with both Executives having personal ESG targets within their bonus objectives. All objectives remain subject to the discretion of the Remuneration Committee.

Committee composition and operations

All Board Directors are members of the ESG committee which met three times during the year (March, August and December). Meetings were attended by all members and when applicable, our ESG advisers, Inspired PLC.

The Chief Financial and Sustainability Officer oversees the day-to-day responsibilities of climate-related projects and ensures that climate-related risks and opportunities are identified, and the potential impacts are accurately and formally reported to the ESG Committee, Audit & Risk Committee and the Board.

An ESG Working Group, led by the Chief Financial and Sustainability Officer, comprises representatives from numerous departments throughout the business. The Group meets on a regular basis and has established a well-developed ESG Management Framework that has embedded the management of climate change issues within our business.

ESG Management Framework



The Board

Has overall responsibility for the Group’s ESG strategy and its direction.

ESG Committee

Chaired by the Company’s Chairman, the Committee oversees the creation of the overall ESG strategy for the Group, ensuring that there is Board level discussion and input.

ESG Working Group

Chaired by the CFO, invited members of the senior leadership team meet monthly and ensures the ESG strategy is embedded throughout the business.

Our People

The successful delivery of our ESG strategy across the business, requires the collaboration and support of all our people.

Responsibilities of the Committee

The Committee operates within terms of reference approved by the Board, which outline the responsibilities of the Committee, these being:

- To assist the Board in defining and regularly reviewing the Group's strategy relating to ESG matters and in setting relevant KPIs;
- To develop and review regularly the policies, programmes, practices, targets and initiatives of the Group relating to ESG matters ensuring they remain effective and up to date and consistent with good industry practice;
- To provide oversight of the Group's management of ESG matters and compliance with relevant legal and regulatory requirements, including applicable rules and principles of corporate governance, and applicable industry standards;
- To report on these matters to the Board and, where appropriate, make recommendations to the Board; and
- To report as required to the shareholders of the Company on the activities and remit of the Committee.

Activities and matters discussed during 2024

The March meeting primarily focused on the draft disclosures for the Annual Report and the more detailed ESG Report which was published separately on the Company's website. It was also decided, as part of our commitment to achieving Net Zero by 2033, to put our shorter-term targets for 2024 and 2025 to an advisory shareholder vote at our Annual General Meeting in May 2024. Although the resolution was passed, the result was somewhat disappointing, with 25 per cent of responding shareholders voting against. In order to better understand the result, and inform future decision making, we sought engagement with shareholders. From those shareholders that provided feedback, it appeared in part that they required a clearer articulation between the cost and return that could be expected for each of target. This will be addressed when next put to shareholders in 2026.

I am pleased to report that we are making good progress on most of our targets. The portfolio's EPC ratings are comfortably ahead of the target having 64 per cent of the portfolio already rated at EPC B or above. Over 2,000 smart heating controls have been installed and the decarbonisation of our sites continues, with one of our larger sites completed this year. Our decarbonised portfolio currently stands at 25 per cent by area, which is a little behind where we would have hoped to be given our interim target of 40 per cent by the end of 2025. Greater focus will be given to this important target in 2025, however it is very pleasing to see our initiatives continuing to drive our energy consumption per bed lower year on year, with a further five per cent consumption saving achieved in 2024.

The Committee recognises the importance of education to influence behavioural change. Energy awareness campaigns were held in the summer and winter across all sites for both employees and students. Impact analysis is being conducted to measure the effect of our training on behaviour in light of greater awareness. More details on our progress made against targets can be found on page 54.

Our advisers provided an overview of Climate Change to help build the Committee's capacity and understanding. The presentation explained the pillars of TCFD, the three approaches to Climate Scenarios, and the actions that could be taken to offset climate change and achieve Net Zero.

The ESG risk register was reviewed and subsequently, the Board approved the inclusion of significant climate-related risks into the Group's comprehensive risk register. Climate-related investment thresholds, linked to improved investment decision making, will be considered further in the next reporting cycle.

In response to requests from shareholders the Committee considered six benchmarking platforms, looking at the disclosure requirements for each, the benefits that would be gained and whether other PBSA companies participated. It was noted that CDP appeared to be increasing in popularity and was well respected amongst our shareholders base. CDP was therefore recommended as the Company's benchmark for reporting its ESG credentials. The aim is to start reporting against these requirements in 2026 for the year ended 31 December 2025.

The Board evaluation considered the ESG Committee required greater clarity of strategy and implementation. I believe that participation in the CDP benchmark will go some way to improving transparency for stakeholders and create enhanced focus and comparability for the Committee going forward.

Mark Pain | ESG Committee Chairman
12 March 2025

Audit and risk committee report



“The Committee continues to monitor quality and integrity, providing stakeholders with responsible and transparent oversight of the Group’s financial reporting, internal control and risk management procedures.”

Martin Ratchford | Audit and Risk Committee Chairman

Committee membership and meetings

	Meetings
Martin Ratchford	3 (3)
Alice Avis	3 (3)
Clair Preston-Beer	3 (3)

Audit and Risk Committee Chair’s overview

The Committee has continued its role of governance and oversight of the Group’s financial reporting, risk management, internal controls, assurance processes and external audit. This is conducted on behalf of the Board, as set out in the Committee’s terms of reference, serving to protect the interests of shareholders. Following the Company’s promotion to the FTSE 250 in 2023, the Committee revisited the Financial Reporting Council’s Minimum Standard for Audit Committees and the External Audit and was satisfied that its activities and operations throughout the year complied.

The Committee oversaw a formal tender process, conducted in late 2024, for the external property valuation contract. In line with the requirements of the Royal Institution of Chartered Surveyors, valuation houses are no longer able to conduct valuations for regulated entities for more than ten consecutive years. The Committee has unanimously agreed with management’s recommendation to appoint Cushman & Wakefield as the Company’s Valuer from 2025. A summary of the process followed is set out below.

In preparation for the year ahead, the Committee’s terms of reference were updated in line with the 2024 Corporate Governance Code and can be found on the Company’s website www.empiric.co.uk. With the implementation date of Provision 29 of the new Code approaching, the Committee spent time with management planning how the Group would identify, monitor and test the effectiveness of material controls, and the related attestations that would be required from 2026.

Committee composition and operations

The Committee comprises three independent non-executive Directors. The Board continues to be satisfied that Martin Ratchford has the recent and relevant financial experience required to chair the Committee and the Committee as a whole has the competence relevant to the sector in which the Group operates.

The Committee met three times during the year, in March, August and December. Meetings were attended by all relevant members and were aligned to the Company’s

financial reporting and risk management cycles. All meetings were attended by the Company’s Chairman, the CEO, the CFO, the Financial Controller and the Company Secretary. In March and August the External Auditor and Valuer were invited to attend and present their respective reports and valuations to the Committee, which the committee reviewed and challenged. The Committee holds private meetings with the external and Internal Auditor without management being present, in order to ensure open and direct feedback is possible, and to ensure the auditor has had sufficient access to management and to confirm how they have exercised professional scepticism.

The Internal Auditor also attended to present reports and findings from their work throughout the year and in December, following the conclusion of the Group’s risk management review, which the Committee reviewed and challenged. They presented their internal audit plan for the forthcoming year for the Committee’s consideration and approval.

Responsibilities of the Committee

The Committee has delegated responsibility from the Board and is primarily responsible for discharging governance responsibilities in respect to oversight of financial reporting, audit, risk and the internal control environment and to report to the Board as appropriate.

Specifically the Committee:

- reviews the work of both the External and Internal Auditor and the Group’s independent Valuer;
- monitors the integrity of the Group’s annual and interim financial statements and any formal announcements or correspondence in respect of the Group’s financial information;
- considers significant financial reporting issues, judgments and estimates exercised by management in the preparation of financial information;
- advises the Board on various statements made in the Annual Report, including those on viability, going concern, risk and internal controls and whether, when read as a whole, the Annual Report can be considered fair, balanced and understandable and is considered to provide the information necessary for shareholders to

- assess the Group’s performance, its business model and strategy;
- considers and approves the remuneration of the External Auditor, assessing effectiveness and making recommendations to the Board on the appointment of, and the policy for, non-audit services provided by the External Auditor;
- oversees the tender process for auditors and the Valuer and recommend appointments;
- considers and approves audit plans;
- reviews the risk management framework and ensures that risks are carefully considered, ranked and that a system of risk management and mitigating controls are in place and operating effectively; and
- reviews whistleblowing arrangements and any matters arising.

The Board delegates these duties to the Committee so they can receive suitably focused attention, however the Committee acts on behalf of the Board, and the matters reviewed and managed by the Committee remain the responsibility of the Directors as a whole.

Activities and matters addressed during 2024

During the year the following matters were considered:

- reports from the Company’s Valuer, CBRE;
- the impact of the abolition of Multi Dwelling Relief;
- reports from the Company’s External Auditor, BDO LLP, regarding the 2023 full year results, the 2024 interim results and the 2024 year end audit plan;
- reports from the Company’s Internal Auditor, Grant Thornton LLP, including the 2025 internal audit plan;
- reports from the Financial Controller;
- risk management process, outcome and related disclosures;
- financial stress testing and covenant compliance;
- viability and going concerns assessment and related disclosures;
- 2023 report and accounts;
- 2024 interim statement;
- recommendation of dividend payments;

- effectiveness of internal controls and the process for defining and testing material controls;
- independence, effectiveness and quality of the external and Internal Auditor;
- significant areas of estimation and judgement;
- review of accounting policies;
- REIT compliance;
- consideration of parental guarantee to facilitate audit exemption of 104 subsidiary entities;
- review of whistleblowing policy and procedures;
- review of Company’s policy in respect of non-audit fees;
- review of the related parties register;
- review of terms of reference; and
- tenders for valuation services from Knight Frank and Cushman & Wakefield.

External Auditor independence and non-audit services

The Committee considered BDO LLP’s engagement, compensation and independence during the year. The Committee met with key members of the audit team, including the lead audit engagement partner. As part of the annual reporting process, BDO LLP formally confirmed its independence, through its compliance with the FRC’s Ethical Standard and the IESBA Code of Ethics, and further assurances obtained from independent auditors and external audit experts. Confirmation was also given that the necessary safeguards were in place to limit the amount of non-audit services they can provide, and a policy of gradual rotation covering the senior audit team members, further protecting their independence.

The Committee and management regularly liaise with the lead audit partner to discuss any issues arising from the audit in a timely manner to aid cost effectiveness. I continue to have dialogue with the external audit partner throughout the year, outside the formal schedule of Committee meetings.

The Group’s policy in regard to non-audit services is reviewed by the Committee annually and continues to align to the Financial Reporting Council’s ethical guidance which sets out acceptable services which are sufficiently related to the audit and caps total fees for such services to be limited to no more than 70 per cent of the average

audit fees paid in the last three financial years. During the year, other than the review of the Group’s interim statement, (being an activity required for regulatory purposes), BDO LLP did not provide any non-audit services.

The following fees were paid to the External Auditor during the year and are included within administrative expenses in the Group’s Statement of Comprehensive Income.

£m	Year ended 31 December 2024	Year ended 31 December 2023
Audit and related fees ¹	0.4	0.5
Non-audit fees ²	0.1	0.1
Total	0.5	0.6

¹ Audit and related fees for the year ended 31 December 2023 included £0.1 million arising in respect of the audit for the year ended 31 December 2022

² Non-audit fees of £56,000 relate to the review of the Group’s interim statement (2023: £53,500)

KPMG LLP continues to support the Group with the provision of tax compliance and advisory services.

Effectiveness and quality of the External Auditor

The Committee reviewed the effectiveness and quality of the new External Auditor. In doing so, consideration was given to the following:

- review of the auditors Audit Quality Plan, and assurances from BDO LLP of their ongoing independence, in line with the Financial Reporting Council’s ethical standards;
- review of, and discussion with, the External Auditor in respect of the Financial Reporting Council’s Annual Review of Audit Quality and Audit Quality Inspection and Supervision report;
- quality of written reports submitted to the Committee, were considered clear and concise with presentations at meetings being considered balanced, clear and understandable;
- consultation with management that demonstrated the auditor’s competency and experience necessary to perform their role effectively;

Audit and risk committee report | continued

- audit queries that demonstrated professional scepticism were raised and dealt with in a proactive and timely manner and there was sufficient challenge with regard to areas of judgement, estimate, internal controls and areas of heightened risk;
- challenge management’s judgements. The Committee specifically requested BDO to challenge management’s assumptions on valuations, and demonstrate professional scepticism. BDO held meetings with management and the external Valuer on this topic and reported the findings back to the Committee; and
- publications were provided to management throughout the year on emerging issues and financial reporting updates.

After due consideration the Committee concluded that the External Auditor had continued to provide a high quality and effective audit during a year in which there had been a change in audit partner which followed retender in 2023. The Committee was therefore satisfied that a recommendation to reappoint BDO LLP as External Auditor could be made to the Board.

Internal Auditor and the control environment

The Group is committed to a process of continual improvement of its internal control environment. The Internal Auditor acknowledged that the quality of the Group’s finance function had improved and confirmed that critical controls were now well embedded throughout the business. Although some areas of weakness were identified, none were considered to materially impact the overall control environment with adequate segregation of duties and controls with appropriate fraud detection measures in place.

The Committee reviewed the effectiveness of the internal control environment throughout the year through reports prepared by the Internal Auditor, the Financial Controller and the CFO. The Committee also met with the lead partner at Grant Thornton LLP without management to provide the opportunity for open and transparent feedback.

The Committee was satisfied that no significant weakness was identified and concluded that the Internal Auditor and the control environment were effective and that the internal control environment was appropriate for a Group of our size and complexity.

During the financial year the Company’s Internal Auditor, Grant Thornton LLP, reported on the following internal audits:

Audit area	Key risk considered	Summary of scope
Data protection	Compliance with GDPR regulation	<ul style="list-style-type: none"> ▪ Collection and use of personal data; ▪ Policies and procedures in place to maintain DPIAs and ROPAs; ▪ Governance and training; and ▪ Record and breach management.
Payroll	Protect against inappropriate payments and fraud	<ul style="list-style-type: none"> ▪ Controls surrounding changes to standing data, adding and removing employees; and ▪ Segregation of roles.
Council Tax	Compliance with framework	<ul style="list-style-type: none"> ▪ Recognition of liabilities and appropriate use of exemption status; and ▪ Identification and processing of refunds.

All audits received a low to medium risk grade. In all cases appropriate management responses were provided to findings and the status of outstanding actions monitored and reported to the Committee. At the end of the year all actions had either been completed or were in progress in line with agreed plans.

The Internal Auditor’s plan for 2025 was reviewed and agreed in late 2024. The Committee was satisfied that the plan was designed to provide external assurance on the control environment pertinent to key risk areas in the context of the Group’s overall risk management system, including the operational effectiveness of critical mitigating controls.

Significant accounting estimates and judgements.

The Committee reviews significant judgements and estimates exercised in the production of the Group's financial information and related disclosures.

Consistent with the prior year, the valuation of investment property remains one of the most significant judgments in the Group's financial statements. The valuations are scrutinised by both the Committee and the External Auditor. The External Auditor's specialist valuation adviser considers the appropriateness of the procedures undertaken and whether the valuations can be considered to fall within an acceptable range. In each case, no issues were raised.

The Valuers have confirmed, and have demonstrated, that they are appropriately qualified to carry out the valuations and that fees received are not a material part of their overall fee income. The Committee monitors the objectivity and independence of the Valuer through both formal Committee and informal one to one meetings. The Committee is satisfied that the Valuer remains objective and independent.

The treatment of operating lease contracts remains a key judgement. Student leases do not exceed a term of 51 weeks in length and the Committee remains satisfied, following an evaluation of the Group's commercial lease contracts, that these can continue to be accounted for as operating leases as the Group continues to retain all significant risks and rewards of ownership.

Tender process for the external Valuer

In 2024 CBRE valued a number of the Group's properties for the tenth consecutive year. In line with the requirements of the Royal Institution of Chartered Surveyors, mandatory rotation of the Valuer is required for regulated entities after ten years. A competitive tender process was therefore carried out during 2024. The Committee met with two valuation houses recommended by management. Particular attention was paid to the depth of experience, quality of research and reporting, alignment of approach with the outgoing Valuer and approach to fees.

After due challenge and consideration, the Committee concurred with management's recommendation to appoint Cushman & Wakefield as the Company's external Valuer from 2025 and recommended their appointment to the Board.

Going concern and viability

The appropriateness of preparing the Group's financial statements on a going concern basis remains a significant area of judgement. The Committee reviews and considers whether management's assessment of the Group's long-term viability appropriately reflects the prospects of the Group and covers an appropriate period of time.

Specifically, the Committee considered whether the assessment reflected the Group's low risk appetite, its principal risks, strategy and the current operating environment. The Committee then reviewed the assumptions and sensitivities applied in stress testing the Group's base case plan and whether these represented severe but plausible downside scenarios. The Committee had particular regard for the status of refinancing activities and the related assumptions inherent in the Group's model.

In conclusion, the Committee concurred with management's assessment and recommended the adoption of the going concern basis of preparation and the viability statement to the Board. The viability statement, together with details on the assessment undertaken and stress tests applied, are set out on page 43.

Changes in accounting policies and standards

The Committee is responsible for reviewing any proposed changes in accounting policies and the implementation of new accounting standards.

After due consideration, no changes were proposed to the Group's accounting policies which have been consistently applied throughout the year to 31 December 2024. Following discussions with management and the External Auditor, no new accounting standards or annual updates were expected to have a material impact on the consolidated financial statements for the year ended 31 December 2024. The Auditor confirmed that the Company has complied with all policies during the year.

Risk management

A process for identifying and recording risks has been established and is embedding within the business. A Group risk register is compiled from the reports of the various divisions and corporate functions. Prior to its submission to the Committee, review meetings are held with departmental heads, and the identified risks and associated ratings are challenged where appropriate. Guidelines ensure a commonality of approach with thresholds set from a financial, reputational and timeframe perspective. Risks were assessed based on a 'gross' and 'net' exposure basis, with 'net' exposure determined after considering the impact of mitigating actions or controls which are currently in place.

Audit and risk committee report | continued

Results are analysed to identify the Group's principal risks which are then compared to the previous review and proposed disclosures then highlight any significant change or new and emerging risks. Further potential mitigation strategies are then considered for all principal risks.

The most notable changes this year were:

- failure to meet equity raise commitments and related impact on reputation and future fund raising potential;
- uncertainty in government policy given the relatively new government and other geopolitical factors;
- ongoing inflationary pressure on administrative, operational and refurbishment related costs, together with the longer term impact of the autumn 2024 budget and its consequence to strategic plans;
- concerns regarding utility costs which are widely expected to remain higher for longer; and
- heightened risk of disruption to occupancy caused by alternative accommodation providers.

Full disclosure of the Group's principal risks are set out on pages 38 to 42.

Whistleblowing

The Committee is responsible for reviewing the arrangements by which staff can raise concerns, in confidence, about any possible improprieties relating to financial reporting or other matters. During the year we have reviewed the Whistleblowing Policy and ensured it has been widely published throughout the Group and on the website. The policy encourages disclosure internally to the line manager or the Company Secretary. If staff wish to raise their concerns externally details of the External Auditor and Citizens advice are provided.

The Committee has concluded that the Group has suitable arrangements for proportionately and independently investigating such matters and for appropriate follow-up action.

Conclusions in Respect of the Company's Annual Report

The production and audit of the Annual Report is a comprehensive process, requiring input from several different contributors and teams from across the business with input from the Chief Executive Officer and Chief Financial and Sustainability Officer. There are early opportunities for the Board to review and comment on the Annual Report during its evolution. To reach a conclusion on whether the Annual Report taken as a whole is fair, balanced and understandable, as required by the Code, the Board has requested that the Committee considers whether the Annual Report fulfils these requirements.

In forming its conclusion, the Committee considered information provided to it throughout the year, together with the following:

- the controls in place for the production of the Annual Report, including the verification processes to confirm its factual accuracy;
- the detailed reviews undertaken at various stages of the production process by the executive Directors, Company Secretary, legal adviser, brokers, auditor and the Committee, which are intended to ensure consistency and overall balance;
- a cross check between Board minutes and the Annual Report is undertaken to ensure that reporting is balanced and complete; and
- whether information is presented in a clear and concise manner to facilitate users access and understanding of relevant information.

As a result of this work, the Committee has concluded and reported to the Board that the Annual Report for the year ended 31 December 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model, strategy and principal risks. The Board's conclusions in this respect are set out in the Directors' Responsibilities Statement on page 145.

Should any stakeholders wish to contact me, I can be reached via the 'Contact us' link on the Company's website and would be happy to address any questions shareholders may have in respect to the Committee's activities.

Martin Ratchford | Audit and Risk Committee Chairman

12 March 2025



“Our remuneration Policy, and its application, is designed to provide alignment with the Group’s performance, strategic progress and stakeholder interests, to ensure rewards are performance-based and fair.”

Alice Avis MBE | Remuneration Committee Chair

Committee membership and meetings

	Meetings
Alice Avis	3 (3)
Mark Pain	3 (3)
Martin Ratchford	3 (3)
Clair Preston-Beer	3 (3)

Statement from the Chair of the Remuneration Committee

Committee composition and operations

The Committee is comprised of three non-executive Directors and the Company’s non-executive Chairman. The three non-executive Directors are also members of the Audit and Risk and ESG Committees, which ensures they have a wide appreciation of the work, achievements or improvements required of the executive Directors, which aids in establishing their objectives and determining their performance in line with the Remuneration Policy. Alice Avis was appointed Chair of the Committee in April 2022 having had previous experience as Chair of Remuneration committees.

The Committee is responsible for reviewing and making recommendations to the Board regarding the Remuneration Policy and for reviewing compliance with Policy. The Committee met three times during the year, with meetings attended by all relevant members, including the Company Secretary. Deloitte are retained to provide advice to the Committee, where required.

Key activities during 2024

- Alignment of the Company’s strategy and executive objectives with shareholders’ interests
- Reward decisions relative to personal and Group performance
- Employee engagement
- Benchmarking executive compensation
- Reviewing the Chairman’s remuneration
- Remuneration and benefits of wider workforce
- Gender pay report
- CEO pay ratio, internal proportionality and LTIP vesting

Dear Shareholder,

On behalf of the Board, I am pleased to present the Directors’ Remuneration Report for the year ended 31 December 2024.

The report is divided into three parts:

- The Annual Statement which summarises the remuneration outcomes in 2024, the key decisions taken and how the Remuneration Policy (“Policy”) will be applied in the current financial year;
- A summary of the Remuneration Policy which was approved by shareholders at the Annual General Meeting on 24 May 2023; and
- The Annual Report on Remuneration which sets out full details of all remuneration matters.

We greatly value engagement with our shareholders and the constructive feedback we receive on remuneration issues. I look forward to your continued support at the forthcoming Annual General Meeting, and will be available to address any questions you might have in respect to the Committee’s activities.

ALICE AVIS MBE | Remuneration Committee Chair

Remuneration committee report | continued

Annual Statement

2024 performance and reward

The Group delivered another strong operational performance in 2024, with like for like rental growth across the financial year in excess of nine per cent, strong occupancy and improved customer service scores. Market conditions have however been challenging, in particular with respect to continued inflationary cost pressure and changes in government policy.

In October, the Company made the decision to terminate its prospective joint venture discussions in favour of an equity raise, which was successfully concluded. Although a little later than envisaged, the Group has now begun to make good progress on its growth agenda with three new acquisitions added to the Group's portfolio and funding in place to roll out our postgraduate exclusive product independently.

With the Company's growth strategy secured and its delivery in sharp focus, the Board has confirmed its intention to increase its dividend for the 2024 financial year by six per cent, from a target of 3.5 pence per share to 3.7 pence per share.

The Group's philosophy is to provide students with a 'Home from Home'. Our customer-first philosophy, coupled with a boutique, personalised experience in a safe and welcoming environment enables them to make the most of their time at university. During the year the Group succeeded in achieving further improvement in overall customer satisfaction scores. This is reflected in the results from the latest annual GSLI survey which shows our Net Promoter Score continuing to improve from +30.5 to +32, significantly outperforming the benchmark score for All Private Halls score which received +19. During the year, GSLI awarded our operating brand, Hello Student, with the accolade for best student wellbeing, in recognition of the work undertaken in recent years to address this increasingly important aspect of our service proposition.

Despite this performance and the good progress made in respect of personal strategic objectives, inflationary challenges particularly in respect of utility and employment related costs have resulted in a significant reduction in the formulaic outcome for Duncan Garrood and Donald Grant's annual bonus award to 28.9 per cent and 26.5 per cent of maximum respectively.

The availability of the maximum Group-wide bonus opportunity for 2024 was linked to the delivery of a targeted gross margin of 70 per cent and delivery of an inflation-adjusted increase in underlying overhead costs. As these targets were not met in full, the available Group-wide bonus pool was reduced and, accordingly, a discretionary reduction was applied to the formulaic outcome of all employees' annual bonuses. In respect of the Executive Directors, post application of discretion by the Committee, Duncan Garrood was awarded 13.9 per cent of his maximum annual bonus opportunity, with Donald Grant achieving 12.7 per cent.

The three-year performance period for the LTIP award granted to Duncan Garrood on 24 March 2022 ended during 2024. The award was subject to two equally weighted performance conditions, relative Total Shareholder Return and Total Return (being growth in NAV per shares plus dividend paid). Taking both performance measures collectively, overall vesting of 67.7 per cent was achieved. In line with the Remuneration Policy, vested awards remain subject to a further two-year holding period before they become exercisable. The Committee believes that the LTIP continues to promote the right behaviours to support the Company's strategy, performance and values.

Full details of the 2024 reward outcomes are set out on pages 131 to 136.

Workplace Engagement and Remuneration

Our employees play a critical role in delivering an outstanding service experience which is central to our brand proposition. To ensure that we continue to attract and retain talent, the Group strives to reward its employees with a compensation package that ensures we remain competitive. We are proud to compensate our employees in line with the Real Living Wage Foundations recommendations.

During 2024, the Committee reviewed pay and benefits across the wider workforce, with particular consideration given to the ongoing impact of the rate of inflation and the impact of the Real Living Wage increase. The 2024 annual pay review for the workforce resulted in an average salary increase of 4.4 per cent. The annual review will be moved from 1 January to 1 April from 2025 and will result in an average salary increase of 4.1 per cent, with our lowest paid employees continuing to receive increases in line with the Real Living Wage, which for 2024 was above the rate of inflation at five per cent. Acknowledging of the change in the effective date for annual pay reviews, we have awarded each employee an additional day's annual leave in 2025.

The Company launched a three year Sharesave scheme in July 2021, allowing employees the opportunity to buy into the success of the Company. The 2021 intake vested this year, with 18 employees exercising their vested awards in 2024, with another 30 employees electing into the scheme in 2024. Of all eligible employees, 18 per cent now participate in the scheme.

Having reviewed employee compensation arrangements, the Committee is satisfied that employee pay and conditions remain fair and proportionate.

The One Team Collective is the Group workforce advisory panel consisting of eleven representatives from across the Group. Its focus is to support and facilitate two-way communication and feedback between the workforce and senior leaders on topics raised by employees. As the Company's Senior Independent Director and Remuneration Committee Chair, I was appointed to lead workforce engagement on behalf of the Board. In 2024 I met with the OTC at all four meetings held to discuss key topics arising. Relevant issues and insights from these sessions were then shared with the executive team and Board to inform discussions.

Separately in 2024, the executive committee travelled to three locations across the UK to facilitate one to one interaction with all Group's employees. Last undertaken in 2022, the format of these sessions was well received, providing an opportunity for employees to better understand strategic plans and priorities and to provide a forum for everyone to ask questions and engage with the executive team for a day in an informal environment.

Our new team member engagement survey launched in 2024 and delivered a three percentage point above benchmark engagement score of 78 per cent, putting us in the top 25 per cent of companies with 200 – 500 employees across the UK. 90 per cent of people stated they were “proud to work for the Group” and 90 per cent stated that they recommend the Group as a “great place to work”. Our eNPS (employee net promoter score) was 37 points above the UK median.

Throughout the year we maintained strong retention across the Group and achieved retention rate of 78 per cent for the year to 31 December 2024. We have invested in leadership development opportunities for a group of senior leaders identified as brightest stars demonstrating potential to be successors to the executive committee. Our ‘Hello Future Stars’ programme, supported by external apprenticeship programmes, supports the development of these aspiring leaders. Investing and supporting development has helped us to fill 61 per cent of vacancies internally.

Gender Pay

The Group believes that creating a diverse and gender balanced workforce enhances the customer experience and improves the experience employees have at work. We provide learning and development opportunities for all team members and champion internal progression for all.

We are required to report upon the gender pay gap within our subsidiary, Hello Student Management Limited. Analysis based on data to 5 April 2024 demonstrates that the mean gender pay gap is -0.9 per cent (with females paid more than males) and the mean gender bonus gap is -13.1 per cent (females paid higher bonuses than males).

This represents a marginal improvement in favour of females in respect to the gender pay gap, and in favour of males in respect of the bonus pay gap. This continues to illustrate the level of female representation in the upper middle and upper quartiles, with increases of four per cent and five per cent respectively with a six per cent reduction in female representation in the lower quartile.

We are pleased with the progress made to date and remain committed to improving our position to attract a diverse selection pool for vacancies and ensure we recruit the most suitable candidate for a role regardless of gender. The Committee is satisfied that equivalent roles attract equivalent remuneration, regardless of gender.

Full details with a supporting narrative are published on our Hello Student website, www.hellostudent.co.uk, and are prepared in line with the UK Equality Act 2010 (Gender Pay Gap Information) Regulations Act 2017.

CEO Pay Ratio and Internal Proportionality

Under the requirements introduced by The Companies (Miscellaneous Reporting) Regulations 2018 we have calculated the CEO to employee pay ratio for the Group.

Using the methodology, the CEO pay ratio, when compared against the median employee, is 36:1 with full details set out on page 138, the Remuneration Committee believes in reward packages that are externally competitive and internally proportionate, meaning the CEO is the employee with the highest proportion of variable pay as he has the highest level of responsibility. The ratio includes the value of vested LTIP awards that were granted to Duncan Garrood in March 2022, as is required by the reporting regulations and so is higher than the years 2019-2022 when no LTIP awards vested to the in-post CEO.

Excluding the value of vesting LTIP awards, which are subject to a further two-year holding period before they become exercisable, the pay ratio remains below 2019 pre-Pandemic median, 25th and 75th percentiles, demonstrating our continued investment in the pay and reward of our workforce.

Remuneration committee report | continued

2025 reward decisions

The Committee commissioned a benchmarking exercise to review the CEO and CFO's base salary. As part of this review the Committee took advice from Deloitte, our independent remuneration consultant. It was concluded, on the basis of Group performance and a recommendation from management that the highest workforce pay band receive a nil increase in salaries in 2025, that it would be inappropriate to increase executive Director salaries in 2025. The average annual salary increase awarded to the workforce as a whole was 4.1 per cent and will take effect from 1 April 2025.

The executive bonus plan arrangements for 2025 will follow the same structure as in 2024, with a maximum annual opportunity restricted to 110 per cent of salary. There are three equally weighted financial measures, which when combined, account for two thirds of the maximum opportunity. These financial measures, as in 2024, are based on revenue, EBITDA and dividend. One third of the maximum opportunity is linked to specific individual objectives based on strategic key performance indicators and will continue to include ESG related objectives.

Both executive Directors will receive LTIP awards in 2025, as was the case in 2024, over shares worth 150 per cent of salary. As in 2024, the vesting of the LTIP award will be subject to two performance measures, relative Total Shareholder Return and Total Return, each representing 50 per cent of the award for the performance period 1 January 2025 to 31 December 2027.

Strategic and Shareholder alignment

In setting executive remuneration in 2025, the Committee has continued to seek alignment with the Company's strategic priorities and shareholder interests. In particular:

- annual bonus performance measures continue to be focused on objectives critical to delivering the improvement in corporate performance, optimising revenue, EBITDA and dividends, together with individual specific strategic objectives;
- executives are aligned with the principle of shareholder value creation through participation in the long-term incentive plan that rewards growth in Net Asset Value plus dividends and relative shareholder returns;
- the executive Directors are required to build up and retain significant holdings in the Company's shares equivalent to 200 per cent of salary which directly align them with other shareholders; and
- the Remuneration Committee is acutely aware of the need to align executive remuneration, and that of the rest of the workforce, with shareholder returns while fully recognising that remuneration should motivate and reward continued performance, hard work and commitment.

Full details of how the Remuneration Policy will be applied during 2025, as well as how Directors were paid in 2024, are set out on pages 131 to 136. There will be an advisory shareholder vote on this section of the Remuneration Report at our 2025 Annual General Meeting. During the coming year, we will review our Remuneration Policy ahead of the standard triennial shareholder approval in 2026 and we will, as usual, consult in advance with shareholders to discuss changes proposed.

Alice Avis MBE | Remuneration Committee Chair

12 March 2025

Summary of the Remuneration Policy

There is no shareholder vote on the Remuneration Policy at the 2025 Annual General Meeting, but for shareholders' reference, a summary of the policy containing the Policy Tables for the executive Directors, the Chairman and non-executive Directors has been included below. The full Policy can be found on pages 87 to 94 of the Annual Report and Accounts 2022, which is available on our website at www.empiric.co.uk.

It is currently envisaged that the Policy will next be presented to Shareholders for approval at the 2026 Annual General Meeting.

Remuneration Policy Table for executive Directors

Fixed pay

Component	Purpose and link to strategy	Operation	Maximum	Performance framework
Base salary	Core element of remuneration set at a level to attract and retain executive Directors of the required calibre to deliver the Company's investment objectives successfully.	<p>Fixed cash paid monthly, generally reviewed annually. The review takes into consideration a number of factors, including but not limited to:</p> <ul style="list-style-type: none"> the individual Director's role, experience and performance; business performance; relevant data on remuneration levels paid for comparable roles; and pay and conditions elsewhere in the Group. 	<p>To avoid setting the expectations of executive Directors and other employees, there is no overall maximum salary for executive Directors under the Remuneration Policy. Any increase in salaries will be determined by the Remuneration Committee, taking into account the factors stated in this table and the following principles:</p> <ul style="list-style-type: none"> salary increases for executive Directors will typically not exceed the average salary increase (in percentage of salary terms) for other permanent employees. increases may be made above this in certain circumstances, such as: <ul style="list-style-type: none"> progression within the role; increase in scope and responsibility of the role; increase in experience where an individual has been recruited on a lower salary initially; and increase in size and complexity of the Company. 	None
Benefits	To provide market-competitive benefits.	<p>Benefits are role specific and take into account local market practice.</p> <p>Benefits currently include (but are not limited to) reimbursed travel expenses, medical insurance, disability and life insurance and a car allowance.</p>	There is no overall maximum level, but benefits are set at an appropriate level for the specific nature of the role and depend on the annual cost of providing individual benefits.	None

Remuneration committee report | continued

Component	Purpose and link to strategy	Operation	Maximum	Performance framework
Pension	To provide market-competitive retirement benefits.	<p>The Company either contributes to the Directors' personal pension arrangements or direct to their pension plans.</p> <p>Alternatively, Directors may receive a cash allowance in lieu of pension.</p>	All Directors' pension provision capped in line with provision available to the majority of the workforce, currently 7.5% of salary.	None.
Variable Remuneration				
Annual and deferred annual bonus	<p>To link reward to the achievement of key business objectives for the year.</p> <p>To provide additional alignment with shareholders' interests through the operation of bonus deferral.</p>	<p>The executive Directors are participants in the annual bonus plan which is reviewed annually to ensure bonus opportunity, performance measures and targets and objectives are appropriate and support the business strategy.</p> <p>The Committee will determine the level of bonus to be awarded, taking into account the extent to which the targets have been met and overall business and personal performance.</p> <p>Up to 60% of an executive Director's annual bonus will usually be paid in cash following the release of the audited results of the business.</p> <p>At least 40% of any bonus is usually deferred into an award over Company shares issued as a nil-cost option pursuant to the terms of the LTIP, which will usually be deferred for three years.</p> <p>Dividend equivalents will be paid usually in additional shares when the deferred shares are released.</p> <p>Malus and clawback may be applied to a cash or deferred bonus award up to three years from the date of determination of the bonus or award.</p>	<p>The maximum annual bonus opportunity is 150% of base salary per annum.</p> <p>Each year the Remuneration Committee will determine the maximum annual bonus opportunity for each individual executive Director within this limit.</p>	<p>The bonus is based on performance assessed over one year using appropriate financial, strategic, ESG and personal performance measures.</p> <p>The selected measures for the next financial year will be set out in the Remuneration section of the Annual Report for that year.</p>

Component	Purpose and link to strategy	Operation	Maximum	Performance framework
Long Term Incentive Plan (“LTIP”)	To link reward for the Executive Directors to the achievement of long-term performance objectives of the Company which are aligned to the strategic goals and to retain executives.	<p>Awards under the LTIP will usually be made in the form of a contingent award of shares or grant of nil-cost options or nominal value options.</p> <p>Vesting of the award is dependent on the achievement of performance targets, typically measured over a three-year period.</p> <p>Vested awards will be subject to an additional two-year holding period.</p> <p>Dividend equivalents will be paid usually in additional shares when the LTIP awards are released.</p> <p>Malus and clawback can be applied to LTIP awards up to five years from the date of grant.</p>	The maximum LTIP award that may be made is up to 150% of base salary per annum as provided for in plan rules, but for the avoidance of doubt this excludes any nil -cost options issued pursuant to an award under the annual bonus scheme.	<p>Vesting of LTIP awards is dependent on the achievement of performance measures determined by the Committee ahead of each award. These details will be disclosed in the Annual Report on Remuneration section of the Remuneration Report.</p> <p>Performance will usually be measured over a three-year performance period. For achieving a “threshold” level of performance against a performance measure, no more than 25% of the award will vest.</p> <p>Vesting then increases on a sliding scale to 100% for achieving a stretching maximum performance target.</p>
Employee Share Option Plan (“ESOP”) Executive Directors will only be granted share options under the ESOP in exceptional circumstances.	To reward employees for the delivery of long-term shareholder value.	The ESOP permits the grant of share options with an exercise price of not less than the market value of a share (as determined by the Committee) at the time of grant. Options will usually be exercisable between three and ten years following the grant.	Share options may be granted under an HMRC approved Company Share Option Plan to the extent possible.	If ESOP awards were, in exceptional circumstances, granted to an executive Director, they would be subject to an appropriate performance condition as determined by the Committee.
All-employee share plans	To reward employees for the delivery of long-term shareholder value.	Executive Directors may participate on the same basis as other employees.	Participants may contribute up to the relevant limits set out in the plan.	

Remuneration Policy Table for the Chairman and non-executive Directors

Purpose and link to strategy	Operation	Opportunity
To attract and retain non-executive Directors of the required calibre by offering market-competitive fees.	<p>The Chairman of the Board receives an all-inclusive fee. Non-executive Directors receive a basic Board fee.</p> <p>Additional fees may be payable for additional Board responsibilities such as acting as the Senior Independent Director, chairmanship or membership of a Board Committee.</p> <p>The Committee reviews the fees paid to the Chairman and the Board reviews the fees paid to the Non-executive Directors periodically.</p> <p>Additional fees may be paid to non-executive Directors on a per diem basis to reflect increased time commitment in certain limited circumstances.</p> <p>Expenses incurred in the performance of non-executive duties for the Company may be reimbursed or paid directly by the Company, as appropriate, including any tax and social security contributions due on the expenses.</p> <p>Non-executive Directors may be provided with benefits to enable them to undertake their duties.</p>	<p>Fees are set at an appropriate level that is market competitive and reflective of the responsibilities and time commitment associated with specific roles.</p> <p>The total aggregate fees payable to the Chairman and non-executive Directors will not exceed the £400,000 limit stated in the Company’s Articles of Association.</p> <p>Non-executive remuneration does not include performance related pay.</p>

Remuneration committee report | continued

Annual Report on Remuneration

The Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2025 Annual General Meeting.

Implementation of the Remuneration Policy in 2025

This section provides an overview of how the Committee intends to implement the Remuneration Policy during 2025.

Base salary

The executives' salaries were reviewed in December 2024. It was concluded that annual pay reviews would be revised to take effect from 1 April 2025. The Committee reviewed a recommendation from management that the highest workforce pay band (Band Nine) receive a nil increase in salaries in 2025. After due consideration, it was therefore considered appropriate that Executive Director salary adjustments be aligned to those in Band Nine with no increase applied in April 2025. The average annual salary increase awarded to the workforce will be 4.1 per cent.

Executive Director salaries alongside current salaries, are set out below. For information, an annual salary increase of 3.0 per cent was awarded to both executive Directors in 2024.

Executive Director	Prior salary	Current salary
Duncan Garrood	£439,192 fixed 1 January 2024	£439,192 with effect from 1 April 2025
Donald Grant	£310,648 fixed 1 January 2024	£310,648 with effect from 1 April 2025

Pension and benefits

Executive Directors will be provided with a standard benefits package including pension provision of 7.5 per cent of salary, medical insurance, life insurance, and car allowance of £15,000 for the CEO and £9,662 for the CFO.

The pension provision of 7.5 per cent is aligned to that provided to the majority of the workforce.

Annual and deferred annual bonus

The maximum pay out under the annual bonus scheme is unchanged at 110 per cent of salary, with at least 40 per cent of any bonus satisfied by the issue of nil-cost options, which will be deferred for three years.

The annual bonus will be determined by three equally weighted financial performance measures, accounting for two thirds of the bonus opportunity. In 2025 these will continue to be linked to revenue, EBITDA and dividend payment. The balance, being one third of the bonus opportunity, is linked to the achievement of specific individual objectives derived from strategic key performance indicators, including ESG-related objectives. Notwithstanding the formulaic outcome against these measures, the Committee will continue to consider carefully overall business performance at the year-end and determine whether the exercise of discretion is warranted.

The targets and out turn against these measures will be disclosed in the Remuneration Report for the year ending 31 December 2025. Any bonus pay out will be subject to the Committee confirming that, in its assessment, the financial out turns which determined the bonus were achieved within an acceptable risk profile. Malus and clawback may be applied to a cash or deferred bonus up to three years from the date of determination of the bonus or award.

LTIP

Duncan Garrood and Donald Grant will receive LTIP awards for 2025 equivalent to 150 per cent of salary, with the number of shares usually determined by the average share price in the 12 months preceding the date of grant, or in exceptional circumstances such other share price deemed appropriate by the Committee. As in 2024, the vesting of the LTIP award is subject to two performance measures each representing 50 per cent of the award.

Firstly, Total Accounting Return ("TAR") relative to threshold and maximum targets for the period 1 January 2025 to 31 December 2027, with TAR being the combined growth in net asset value and dividends paid during the period. 25 per cent of the award will vest for meeting a threshold TAR target of 6 per cent per annum, increasing to 100 per cent vesting for meeting a maximum target of 10 per cent per annum, with straight line vesting between threshold and maximum performance.

Secondly, Total Shareholder Return ("TSR") relative to the FTSE All Share Real Estate Companies peer group, with 25 per cent of the award for median performance and 100 per cent for achieving performance within the 75th percentile, with straight line vesting between threshold and maximum performance, for the period 1 January 2025 to 31 December 2027.

Any LTIP vesting will again be subject to the Committee confirming that, in its assessment, the vesting out turn was achieved within an acceptable risk profile. The Committee will continue to have discretion to override formulaic outcomes.

Malus and clawback may be applied to LTIP awards up to five years from the date of grant, which is in line with the UK Corporate Governance Code. Vested awards will be subject to an additional two-year holding period.

Non-executive Director remuneration

The fee structure for the remuneration of non-executive Directors from 1 April 2025 is outlined in the table below. This fee structure had, until 1 April 2024, remained unchanged since 1 July 2016.

Non-executive Director fees are determined by the Board, except for the fee for the Chairman of the Board, which is determined by the Remuneration Committee.

	Annual fee (£) (applied from 1 April 2024)	Annual fee (£) (to apply from 1 April 2025)
Base fee	£41,200	£41,200
Audit Committee Chairman	£49,440	£49,440
Remuneration Committee Chairman	£49,440	£49,440
Senior Independent Director	£50,470	£50,470
Senior Independent Director & Committee Chair	£54,075	£54,075
Chairman of the Board	£135,000	£135,000

Non-executive Directors, other than the Chairman, received a three per cent increase in fee during 2024, in line with the executive Directors. No fee adjustment has been awarded for 2025.

During 2024, the Remuneration Committee undertook a review of the fee paid to the Company Chairman. His fee had not been increased since 2016 and, as a result, was considered one of the lowest in the FTSE All-Share. The Committee's view was that this was not consistent with the Company's development into a FTSE 250 constituent or the enhanced level of time commitment associated with the Chairman's role as the Company has grown in recent years. In order to address this issue, the Committee had intended to align the fee to a more market competitive level in a phased manner with an initial increase in fee of 17.4 per cent to £135,000 awarded from 1 April 2024. In light of executive and non-executive Director pay decisions for 2025, it was considered appropriate to pause the phased increase of the Chairman's fee in 2025 and to revisit in 2026.

Remuneration outcome in 2024

Single total figure of remuneration (audited)

The following table sets out the total remuneration for executive Directors and non-executive Directors for the year ended 31 December 2024 alongside the equivalent data for the previous year.

	Year ended 31 December 2024							Total (£)
	Salary and fees (£)	Benefits (£)	Pension (£)	Total Fixed (£)	Annual bonus (£)	Long-term incentives (£)	Total Variable (£)	
Executive Directors								
Duncan Garrood	439,192	18,601	32,939	490,732	67,070	427,506	494,576	985,308
Donald Grant	310,648	14,418	23,299	348,365	43,500	-	43,500	391,865
Non-executive Directors								
Mark Pain	130,000	-	-	130,000	-	-	-	130,000
Alice Avis	53,681	-	-	53,681	-	-	-	53,681
Martin Ratchford	49,080	-	-	49,080	-	-	-	49,080
Clair Preston-Beer	40,900	-	-	40,900	-	-	-	40,900

Remuneration committee report | continued

	Year ended 31 December 2023							
	Salary and fees (£)	Benefits (£)	Pension (£)	Total Fixed (£)	Annual bonus (£)	Long-term incentives ¹ (£)	Total Variable (£)	Total (£)
Executive Directors								
Duncan Garrood	426,400	18,138	31,980	476,518	308,628	730,503	1,039,131	1,515,649
Donald Grant	301,600	13,490	22,620	337,710	218,298	–	218,298	556,008
Non-executive Directors								
Mark Pain	115,000	–	–	115,000	–	–	–	115,000
Alice Avis	52,500	–	–	52,500	–	–	–	52,500
Martin Ratchford	48,000	–	–	48,000	–	–	–	48,000
Clair Preston-Beer	40,000	–	–	40,000	–	–	–	40,000

¹ Restated to reflect the share price on date of vesting of the April 2021 award of 90.8 pence per share.

Notes to the single figure table

Salary and fees: This represents the cash paid or receivable in respect of the relevant financial year.

Benefits: This represents the taxable value of all benefits paid or receivable in respect of the relevant financial year. Executive Directors receive a standard benefits package including medical insurance, life insurance and car allowance.

Annual bonus: Total bonus payable for the relevant financial year, whether payable in cash or as a deferred share award.

Long-term incentives: This relates to the value of long-term awards where the applicable three-year performance period ends in the year under review. The Committee determined that the performance conditions for the awards granted in March 2022 had been met in part. The March 2022 awards have been valued at 90.0 pence (average share price for the fourth quarter of 2024) and £11,258 of the value shown for Duncan Garrood relates to share price appreciation during the vesting period.

Pension: Duncan Garrood and Donald Grant have received a Company contribution worth 7.5 per cent of base salary in both 2024 and 2023. Both executive Directors elected to receive a cash allowance in lieu of pension.

Additional disclosures in respect of the single figure table (audited)

2024 annual bonus

Duncan Garrood and Donald Grant participated in the 2024 annual bonus scheme with a maximum annual bonus opportunity restricted to 110 per cent of salary, based on the performance targets set out below.

The maximum potential annual bonus that could be paid to the executive Directors in respect of the year ended 31 December 2024 was determined by three equally weighted financial measures, which when combined account for two thirds of the maximum opportunity. These financial measures are based on revenue, EBITDA and dividend. One third of the maximum opportunity is linked to specific individual objectives based on strategic key performance indicators, including ESG related objectives.

Achievement against financial performance targets for both Duncan Garrood and Donald Grant are set out below:

Financial performance measure	Proportion of bonus determined by measure	Threshold Performance 0% payable	Maximum performance 100% payable	Actual performance	% of maximum bonus payable
Absolute revenue	22.2%	£83.7m	£88.4m	£84.2m	2.4%
EBITDA	22.2%	£44.9m	£47.5m	£43.9m	0.0%
Dividends paid, declared and fully covered	22.2%	3.4 pence	4.0 pence	3.7 pence	11.1%
Total out turn on financial performance measures	66.6%				13.5%

Achievement against individual performance objectives are set out below:

Duncan Garrood

Objective	Out turn	Outcome
<p>The delivery of the corporate strategy, including:</p> <p>a) Deliver a value creating joint venture;</p> <p>b) Like for like rental growth above six per cent;</p> <p>c) Deliver an accelerated implementation of green capex investments with IRR above five per cent;</p> <p>d) Recycle at least £20.0 million of residual non-core properties by year.</p>	<p>Progressed delivery of corporate strategy with like for like rental growth of 9.3 per cent for the 2024 financial year (10.5 per cent and 7.0 per cent for the academic years 2023/24 and 2024/25, respectively).</p> <p>Green capex of £2.4 million invested delivering returns in line with target.</p> <p>Non-core disposals totalling £45.2 million achieved, with over £20.0 million reinvested in top-tier acquisitions during the year.</p> <p>Joint venture terminated in favour of pursuing growth strategy independently, with successful equity placement concluded.</p>	✓✓
<p>Develop workplace engagement and culture to bring an improved performance on community and charitable support, internal talent development and health & safety compliance, in particular:</p> <p>a) Employee survey to deliver an employee engagement score of 85 per cent or above;</p> <p>b) Internal promotions to rise to 55 per cent and voluntary turnover to remain at 20 per cent of below;</p> <p>c) Team members to allocate a minimum of 300 days to Community and Charitable support.</p>	<p>Maintained strong workplace engagement, but fell short of target at 78 per cent.</p> <p>Of all eligible vacancies in 2024, 61 per cent were filled by means of internal promotion. Voluntary turnover was 22 per cent during the year.</p> <p>The Group invested 344 days in support of community and charitable support during 2024.</p>	✓✓
<p>Develop and deliver tangible customer service improvements, including:</p> <p>a) Year-end NPS +33 or more measured by GSLI;</p> <p>b) Year end Student Crowd ranking at seven or better;</p> <p>c) Drive utility consumption below 4,250 kWh per bed;</p> <p>d) Resolve 70% of service requests from the customer app within 72 hours.</p>	<p>Further progress made on improving the customer service focus with Net Promoter Score rising again to +32.</p> <p>Hello Student achieved a December 2024 Student Crowd rating of eight.</p> <p>Utility consumption per bed reduced to 4,351 kWh in 2024.</p> <p>Over 17,800 maintenance requests were resolved during 2024, 68.6 per cent of which within 72 hours.</p>	✓

Remuneration committee report | continued

Donald Grant

Objective	Out turn	Outcome
Delivery of corporate strategy, including: a) Overhead costs not to exceed 16.5 per cent of revenue (excluding depreciation); b) Deliver £125 million refinancing on terms approved by the Board; c) Deliver a value creating joint venture.	Administrative overheads, adjusted for depreciation charges represent 17.0 per cent of revenue for 2024. Refinancing concluded on terms approved by the Board removing near term refinancing risk. Joint venture terminated in favour of pursuing growth strategy independently, with successful equity placement concluded.	✓✓
Execute Net Zero implementation plan to deliver Net Zero by 2033, through: a) Deliver an accelerated implementation of green capex investments with IRR above five per cent; b) Manage EPC risk achieving >55 per cent of the portfolio rated EPC B or better; c) Drive energy consumption down to 4,250 kWh per bed, or better.	Green capex of £2.4 million invested delivering returns in line with target. Significant improvement in EPC ratings with 64 per cent now rated EPC B or better. Utility consumption per bed reduced to 4,351 kWh in 2024.	✓✓
Develop finance and IT to become best-in-class functions, by: a) Improved structure, capability and diversity of the finance function to be measured by an improved internal service score, with less than ten per cent responding that improvement is required; b) Improved structure, capabilities and engagement of the IT function to be measured by an improved internal service score, with less than ten per cent responding that improvement is required and with 95 per cent of support calls resolved within SLA; c) Deliver new ERP system ensuring milestones achieved for go-live for 2025. Delivery to be achieved within three per cent of budget.	Structure, capability and diversity of finance function improved. Service and engagement target missed. Structure and capability improvement targets for the IT function achieved. Support calls resolved within SLA marginally below target at 92 per cent. Implementation of new ERP system delayed until July 2025.	✓

Key:

- ✓ Some progress
- ✓✓ Good progress
- ✓✓✓ Excellent progress

The tables below summarise the annual bonus awards made in respect of the 2024 financial year. Although Policy maximum is set at 150 per cent, the Committee had committed to an annual maximum in respect of 2024 of 110 per cent.

Duncan Garrood	Proportion of bonus determined by measure	% of maximum bonus payable
Total out turn on financial performance measures	66.6%	13.5%
Individual specific objectives ¹	33.4%	15.4%
Total before application of Committee discretion		28.9%
Total after application of Committee discretion		13.9%

Donald Grant	Proportion of bonus determined by measure	% of maximum bonus payable
Total out turn on financial performance measures	66.6%	13.5%
Individual specific objectives ¹	33.4%	13.0%
Total before application of Committee discretion		26.5%
Total after application of Committee discretion		12.7%

¹ Individual objectives were subject to a dividend related unlock. This element of the annual bonus would not unlock unless a minimum 3.5 pence per share fully covered dividend had been paid or declared to shareholders in respect to the financial year. This unlock was achieved.

The availability of the maximum Group-wide bonus opportunity for 2024 was linked to the delivery of a targeted gross margin of 70 per cent and delivery of an inflation-adjusted increase in underlying overhead costs. As these targets were not met in full, the available Group-wide bonus pool was reduced and, accordingly, a discretionary reduction was applied to the formulaic outcome of all employees' annual bonuses. In respect of the executive Directors, post application of discretion by the Committee, Duncan Garrood was awarded 13.9 per cent of his maximum annual bonus opportunity, with Donald Grant achieving 12.7 per cent.

	Bonus award percentage of 2024 maximum	Bonus paid in cash	Bonus awarded in deferred shares ¹	Total bonus
Duncan Garrood	13.9%	£40,242	£26,828	£67,070
Donald Grant	12.7%	£26,100	£17,400	£43,500

¹ To be settled in shares following a three year vesting period from date of grant.

LTIP vesting

During 2024, the performance period for the 2022 LTIP award date ended. The Committee determined that the performance conditions for awards granted on 24 March 2022 had been partially met, as illustrated below.

	Weighting	0% vesting	25% vesting	100% vesting	Performance achieved	Vesting level (% of maximum)
TSR relative to FTSE All-Share Real Estate peer group						
3 years to 31 December 2024	50%	Below median	Median	Upper quartile	Above upper quartile	100%
Total Return (CAGR)						
3 years to 31 December 2024	50%	Less than 6%	6%	10%	6.55%	35.4%
					Overall vesting	67.7%

In line with the Remuneration Policy, vested awards remain subject to a further two year holding period before they become exercisable, however the value of the vested award is included within the single figure remuneration table for the year ended 31 December 2024.

Scheme interests awarded during the financial year (audited)

Long-term incentive plan awards

Long-term incentive plan awards are granted over the Company's shares with the number of shares under award determined by reference to a percentage of base salary. Vesting of the awards is conditional upon satisfaction of performance conditions and is usually also conditional upon continued employment until the awards vest on the third anniversary of grant. Vesting is subject to an additional two-year holding period.

Remuneration committee report | continued

The following table provides details of the LTIP award granted to Duncan Garrod and Donald Grant on 12 April 2024

	Type of award	Maximum number of shares	Face value £	Threshold vesting	End of performance period
Duncan Garrod	LTIP	728,294	658,788	25% of award	31 December 2026
Donald Grant	LTIP	515,135	465,972	25% of award	31 December 2026

Both executive Directors were entitled to an LTIP award over shares worth 150 per cent of their annual salary at the start of the year. The maximum number of shares awarded (and their face value in the above table) was calculated using a Company share price of 90.46 pence, representing the average of the daily closing prices of the Company's ordinary shares on the London Stock Exchange for the 12-month period ended 31 March 2024.

Vesting of these awards is subject to two performance measures each being 50 per cent of the award. Firstly, Total Accounting Return (“**TAR**”) relative to threshold and maximum targets for the periods 1 January 2024 to 31 December 2026, with TAR being the combined net asset value growth and dividends paid. 25 per cent of the award will vest for meeting a threshold TAR target of 6 per cent per annum, increasing to 100 per cent vesting for meeting a maximum target of 10 per cent per annum. Secondly, Total Shareholder Return (“**TSR**”) relative to the FTSE All Share Real Estate Companies peer group, with 25 per cent of the award for median performance and 100 per cent for 75th percentile performance (with straight-line vesting between) for the period 1 January 2024 to 31 December 2026.

Payments to past directors (audited)

There were no payments to past Directors during 2024.

Payments for loss of office (audited)

There were no payments for loss of office to past Directors during 2024.

Statement of Directors' shareholdings and share interests (audited)

The table below shows the Directors' share ownership as at 31 December 2024.

The standard shareholding guideline is that executive Directors are expected to build up and retain a shareholding worth at least 200 per cent of salary. Subject to the incentive plans delivering at least an on target level of award, the guideline is expected to be satisfied within a five-year period of their appointment to the Board. To date these shareholding requirements have not been met as both executive Directors have less than five years' service on the Board and are therefore currently in the build-up phase against this guideline.

Executive Directors are required to maintain their shareholding in accordance with this guideline for two years post-employment (unless the Committee considers a lower limit to be appropriate in a particular participant's circumstances).

	Dividends received during the year ended 31 December 2024	Beneficially owned shares at 31 December 2024 (number of shares)	% of salary ¹	Vested LTIP awards not yet exercisable ² (number of shares)	Outstanding LTIP awards subject to performance and employment conditions as at 31 December 2024 ³ (number of shares)	Outstanding annual bonus awards subject to employment conditions as at 31 December 2024 ⁴ (number of shares)
Mark Pain	£3,738	120,000	n/a	–	–	–
Duncan Garrod ⁵	£3,819	150,438	28.6%	1,276,881	1,450,527	282,043
Donald Grant	£1,365	54,053	14.5%	–	1,025,983	96,532
Alice Avis	£1,962	59,600	n/a	–	–	–
Martin Ratchford	–	–	n/a	–	–	–
Clair Preston-Beer	–	–	n/a	–	–	–

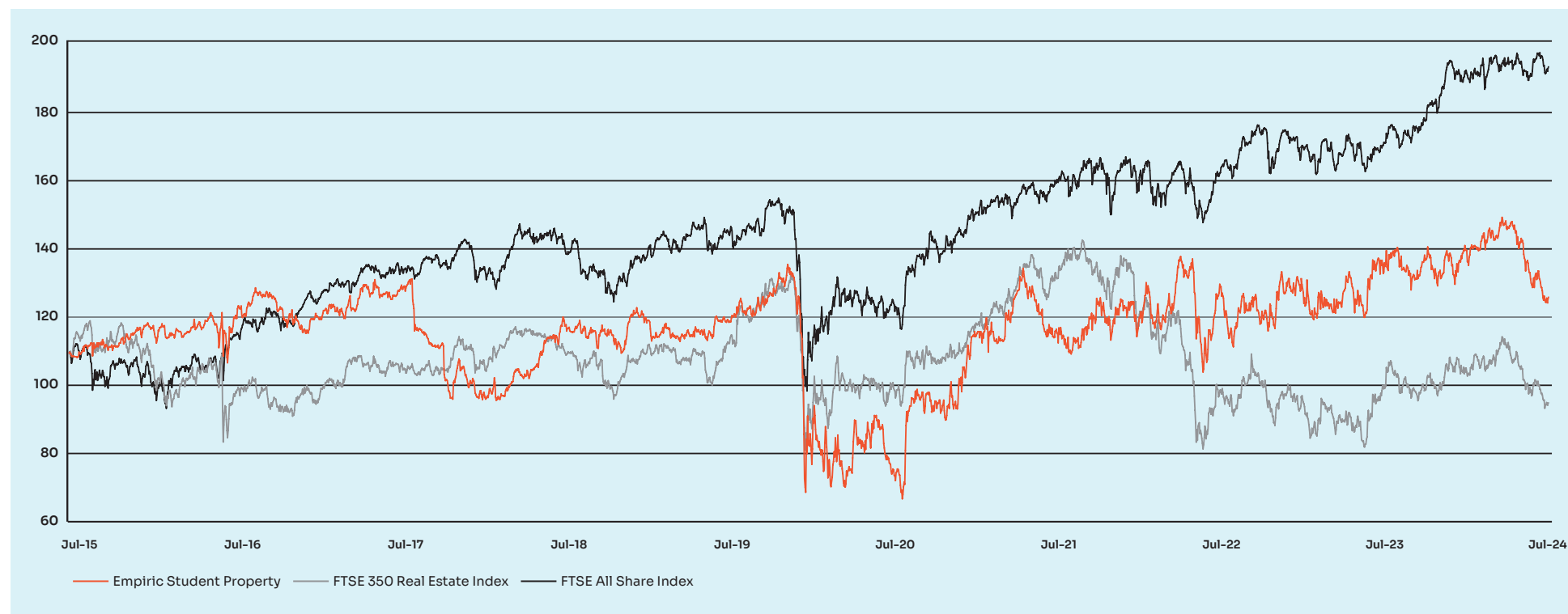
- 1 Value-based on salary effective from 1 January 2024 and the closing share price on 31 December 2024 of 83.5 pence.
- 2 Vested awards subject to two-year holding period. 200,000 shares will become exercisable from 10 November 2025, 601,875 shares becoming exercisable from 22 April 2026 and a further 475,006 shares exercisable from 24 March 2027.
- 3 These are outstanding LTIP awards subject to the performance conditions disclosed in this or previous Remuneration Reports.
- 4 These are outstanding deferred awards granted pursuant to the annual bonus plan.
- 5 Included within the beneficially owned shares of Duncan Garrod at 31 December 2024 are 25,316 shares acquired through exercise of options awarded under the 2021 employee SAYE option plan.

Between 31 December 2024 and the date of this Report, there were no changes in the shareholdings outlined in the above table.

Performance graph and CEO remuneration table

The chart below compares the TSR performance over the past ten financial years of the Company (i.e. since 1 July 2015) to the FTSE All-Share Index and the FTSE All-Share REIT Index. These indices have been chosen because they are recognised equity market indices of which the Company is a member.

Company Total Shareholder Return performance relative to FTSE All-Share and FTSE All-Share REIT indices



Remuneration committee report | continued

Chief Executive Officer remuneration outcomes

The table below shows the total remuneration payable to the CEO for the last ten financial periods, and variable pay out turns as a percentage of the maximum opportunity.

	12 months ended 30 June 2016	6 months ended 31 December 2016	12 months ended 31 December 2017	12 months ended 31 December 2018 ¹	12 months ended 31 December 2019	12 months ended 31 December 2020 ²	12 months ended 31 December 2021	12 months ended 31 December 2022	12 months ended 31 December 2023	12 months ended 31 December 2024
CEO single figure of remuneration	£748,160	£314,455	£731,442	£539,500	£670,557	£361,041	£491,829	£736,453	£1,515,649	£985,308
Annual bonus pay out (% of maximum)	100%	50%	0%	25.1%	42%	0%	10%	61.6%	65.8%	13.9%
LTIP vesting	n/a	n/a	63.7%	0%	0%	0%	0%	0%	60.7% ³	67.7%

¹ Includes Acting CEO for period 1 January 2018 to 31 October 2018.

² Combination of Tim Attlee as CEO from 1 January 2020 to 30 June 2020 and Duncan Garrod as CEO from 28 September 2020 to 31 December 2020.

³ The performance period of two LTIP awards ended during the financial year to 31 December 2023. The first, an award of 400,000 nil-cost options, awarded on 10 November 2020, shortly after Duncan Garrod's appointment, achieved 50 per cent vesting. The second, an award of 800,000 nil-cost options was the standard annual grant awarded on 22 April 2021 achieved 75.2 per cent vesting. Both vesting awards are subject to a further two-year holding period before they become exercisable, but as the performance period has ended, the value of the vesting awards are included with the single figure remuneration table for the year ended 31 December 2023. The figure shown here is the weighted average of the two vesting percentages.

CEO Pay Ratio

The UK Companies (Miscellaneous Reporting) Regulations 2018 introduced a requirement for certain UK listed companies to publish the ratio of CEO pay to its UK employees.

The regulation uses the full year total pay and benefits for all employees and therefore the same methodology that is used to calculate the CEO's single figure of remuneration on page 131. The Committee assesses whether the year on year movement in the ratio is consistent with the Group's performance and employee reward decisions.

Year	Method	25th percentile pay	Median pay	75th percentile pay
2024	Option A	39:1	36:1	26:1
2023	Option A	60:1	55:1	42:1
2022	Option A	32:1	30:1	23:1
2021	Option A	25:1	22:1	17:1
2020	Option A	14:1	17:1	18:1
2019	Option A	33:1	31:1	25:1

Year	Method	Lower quartile		Median quartile		Upper quartile	
		Total pay and benefits	Salary	Total pay and benefits	Salary	Total pay and benefits	Salary
2024	Option A	£25,263	£24,336	£27,510	£25,006	£37,493	£34,000

We have used Option A as we assess it to be the statistically preferred method for calculating the pay ratio.

Figures are calculated based on a reference date of 31 December 2024 (369 employees at this date).

Remuneration for non-executive Directors has not been included in the calculations.

The conversion for part-time colleagues to FTE equivalent uses a standard working week of 37.5 hours and 52 weeks a year.

The ratio includes the value of vested LTIP awards, as is required by reporting regulations. Consequently the 2024 ratio, which includes the value of vested LTIP awards that were granted to Duncan Garrod in March 2022, is higher than the equivalent ratios for the years 2019-2022 when no LTIP awards vested to the in-post CEO. Excluding the value of vesting LTIP awards, which are subject to a further two-year holding period before they become exercisable, the pay ratio remains below 2019 pre-Pandemic median, 25th and 75th percentiles, demonstrating our continued investment in the pay and reward of our workforce.

The Group adopts a reward framework which is based on consistency with all our employees. Remuneration should remain competitive compared to comparative roles and always equal to or more than the Real Living Wage. Our employees are paid using the same principles as the pay for our executive Directors. The median ratio is consistent with the Group's wider policies on pay, reward and progression.

Percentage change in remuneration of the Directors

The table below shows the change in the various elements of Director remuneration relative to the change in average employee remuneration between 2023 v 2024 (plus the four preceding periods) as set out in the prior year's Remuneration Report). The table is presented for those Directors who held Board positions throughout both the current and previous year.

Percentages disclosed below are calculated to show the change in the figures within the table entitled Single total figure of remuneration (audited), appearing on page 131. Average employee disclosure is based on the full Group because the number of employees employed by the parent company is considered too small to provide a meaningful comparison.

Year to 31 December 2024	Mark Pain change	Alice Avis change	Martin Ratchford change	Clair Preston-Beer change	Duncan Garrood change	Donald Grant change	Average employee change
Base salary / fee	+13.0%	+2.2%	+2.2%	+2.2%	+3.0%	+3.0%	+4.4%
Benefits	+0%	+0%	+0%	+0%	+2.6%	+6.9%	+9.7%
Annual bonus	+0%	+0%	+0%	+0%	-78.3%	-80.1%	-64.9%
Year to 31 December 2023	Mark Pain change	Alice Avis change	Martin Ratchford change	Duncan Garrood change	Average employee change		
Base salary / fee	+0%	+0%	+0%	+4.0%	+8.3%		
Benefits	+0%	+0%	+0%	+1.4%	+5.7%		
Annual bonus	+0%	+0%	+0%	+11.1%	+15.8%		
Year to 31 December 2022	Mark Pain change	Alice Avis change ¹	Martin Ratchford change	Duncan Garrood change	Average employee change		
Base salary / fee	+0%	+21.0%	+0%	+2.5%	+6.9%		
Benefits	+0%	+0%	+0%	+0.3%	+18.2%		
Annual bonus	+0%	+0%	+0%	+531%	+111.4%		
Year to 31 December 2021	Mark Pain change	Alice Avis change ⁴	Martin Ratchford change ²	Duncan Garrood change ³	Average employee change		
Base salary	+0%	+5.6%	+0%	+0%	+4.0%		
Benefits	+0%	+0%	+0%	+0%	+0%		
Annual bonus	+0%	+0%	+0%	+100%	-100%		
Year to 31 December 2020	Mark Pain change	Alice Avis change	Martin Ratchford change	Duncan Garrood change	Average employee change		
Base salary	+0%	+0%	+0%	+0%	+10.0%		
Benefits	+0%	+0%	+0%	+0%	+0%		
Annual bonus	+0%	+0%	+0%	+0%	+100%		

1 Alice Avis assumed the Chair of the Remuneration Committee following Stuart Beevor's retirement and her fee was adjusted accordingly

2 Alice Avis was appointed Senior Independent Director from 1 October 2021 with her fee adjusted accordingly from this date.

3 Martin Ratchford joined the Board on 1 October 2021.

4 Base salary change from the prior year is calculated with reference to an annualised prior year base salary as Duncan Garrood joined the Board part way through the prior year.

Remuneration committee report | continued

Relative importance of spend on pay

The table below sets out the total expenditure on pay for all of the Group's employees, compared to distributions to shareholders by way of dividend.

	Year ended 31 December 2024	Year ended 31 December 2023
Total staff costs (Note 6 to the financial statements)	£16.9m	£16.6m
Total dividends	£22.0m	£20.7m

Internal advice

No individual was present when their own remuneration was being discussed. The Company Secretary acted as secretary to the Committee. The executives, Chief Operating Officer and Head of People joined certain meetings to discuss relevant matters, as required.

External advice

Deloitte LLP was appointed by the Company in 2015 to provide independent advice on executive remuneration matters, it having no other connection with the Company or with its Directors. Although there is no requirement for mandatory rotation of remuneration advisers, the current engagement partner has been in post since 2019.

During the year, the Committee received independent and objective advice from Deloitte, principally on the drafting of the Remuneration Report, benchmarking, market practice and the valuation of share awards in line with International Financial Reporting Standards. Deloitte was paid £24,680 in fees during the year ended 31 December 2024 for these services (charged on a time plus expense basis). Deloitte is a founding member of the Remuneration Consultants Group and, as such, voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. Deloitte provided no other services to the Company during this period.

Compliance with the UK Corporate Governance Code

The Committee is mindful of the UK Corporate Governance Code and considers that it has appropriately addressed the principles of Provision 40 in the Code:

- **Clarity:** This Remuneration Report provides a straightforward and transparent disclosure of our executive remuneration arrangements. Alice Avis, the Employee Representative on the Board, has discussed the structure, role and remit of the Remuneration Committee with the One Team Collective employee forum, explaining how the remuneration practices help support the delivery of strategy. Shareholder engagement was conducted during Roadshows, with particular interest around the LTIP performance conditions. With a review of the Remuneration Policy due to be held during 2025, shareholder engagement will be conducted ahead of the triennial vote at the 2026 Annual General Meeting.
- **Simplicity and alignment to culture:** Our variable remuneration arrangements are straightforward with individuals eligible for an annual bonus and, at more senior levels, LTIP awards. Performance measures used in these plans are aligned with key strategic objectives and their performance indicators and long-term sustainable value creation.
- **Predictability:** The Policy Tables on pages 127 to 129 contain maximum opportunity levels for executive Directors' bonus and LTIP awards and pension provision. The charts on page 92 of the Annual Report & Accounts 2022 provide an illustration of the potential total reward opportunity for the executive Directors. LTIP and Bonus awards are subject to performance, but may also be subject to discretion and malus and clawback provisions.
- **Proportionality:** Our variable remuneration arrangements are designed to provide a fair and proportionate link between Group performance and reward. The Committee has overriding discretion that allows it to adjust formulaic annual bonus or LTIP outcomes so as to prevent disproportionate results. Additionally, we ensure there is a clear link between executive remuneration and the longer-term performance of the Group through a combination of bonus deferral into shares, five-year release periods for LTIP awards and stretching shareholding requirements that apply during and post employment.
- **Risk:** Before approving any bonus or LTIP pay out, the Committee confirms that they were achieved within an acceptable risk profile. Should any behavioural risks arise, malus and clawback provisions apply to both the annual bonus and LTIP awards up to three and five years from the date of award respectively, which is in line with the UK Corporate Governance Code.

Shareholder voting

At the Annual General Meeting of the Company held on 22 May 2024, shareholder support was received for the proposed resolutions on remuneration, as summarised below:

	Votes for	Votes against	Votes withheld
Approval of the Directors' Remuneration Report	415,178,567 (91.2%)	39,893,651 (8.8%)	22,157
Approval of replacement Long Term Incentive Plan	448,055,710 (98.5%)	7,008,386 (1.5%)	30,279

At the Annual General Meeting of the Company held on 24 May 2023, shareholder support was received for the proposed resolution on remuneration, as summarised below:

	Votes for	Votes against	Votes withheld
Approval of the Remuneration Policy	401,730,425 (91.9%)	35,262,666 (8.1%)	39,408

External Board appointments

Executive Directors are only entitled to accept appointments outside the Company with the consent of the Board. Any fees received may be retained by the Director.

This report was approved by the Board on 12 March 2025.

On behalf of the Board

Alice Avis MBE | Remuneration Committee Chair
12 March 2025

Directors' report

Introduction

The Directors are pleased to present their Annual Report, including the Group and Company's audited financial statements, for the year ended 31 December 2024. The Strategic Report on pages 2 to 51 comprise the Management Report, for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

Statutory information incorporated by reference

Pursuant to UKLR 6.6.4R the Company's discloses the following information:

1. No interest was capitalised by the Group during the year;
2. No unaudited financial information was required to be issued pursuant to UK LR 6.2.23R;
3. Details of the Long-Term Incentive Plans can be found in the Remuneration Committee Report on page 129;
4. No Director has agreed to waive any emoluments from the Company or any subsidiary undertaking;
5. Shares issued under the share authorities approved by shareholders at the 2024 AGM are shown below;
6. No Director was materially interested in any Contracts of Significance;
7. The Company does not have a controlling shareholder;
8. No shareholder has waived or agreed to waive any dividends.

Pursuant to UKLR 6.6.6R, and as a company listed in the United Kingdom, the Company provides the following additional information:

1. PDMR notifiable transactions are shown in the table overleaf;
2. No further interests have been disclosed in accordance with DTR 5 between 31 December 2024 and the date of this report;
3. The Going Concern and Viability statements can be found on page 47 and 43.
4. The Company has complied with the Principles and Provisions of the UK Corporate Governance Code and their application is laid out in the Governance section on page 97;
5. There are no unexpired terms of Directors service contracts. Details of Directors contracts can be found on page 111;
6. TCFD disclosures can be found in the ESG report on page 66. A separate, more comprehensive, ESG document will be published shortly and will be available on the Company's website;
7. Diversity of the Board and Senior Management, as at 31 December 2024, and the method for collecting data, are disclosed on page 114. No changes have taken place since the end of the year and the date of this document and no Directors or Senior Management are situated overseas.

Information required to be part of this Directors' Report can be found elsewhere in the Annual Report and is incorporated into this report by reference, as indicated opposite:

- Future developments and outlook are contained within the CEO report on page 20.
- Important events which have taken place since the end of the financial year are set out on page 176.
- Likely future developments in the business are described on page 18.
- Details of financial instruments and financial risk management objectives and policies are detailed on page 178.
- Consultation with employees is undertaken through the One Team Collective, which comprises eleven employees and is attended by the Senior Independent Director. Further details can be found on page 124.
- Principal and emerging risks and uncertainties pertaining to the Group and the way in which it manages and controls these risks are outlined on page 38.
- Disclosures regarding the employment of disabled people, human rights, social matters, employee engagement and TCFD disclosures are contained within the ESG report on page 66 and in a separate ESG report, available on the Company's website www.Empiric.co.uk
- No political donations were made during the year.

Policy and practice on payment to creditors

Standard payment terms are 30 days from receipt, with 82% of invoices paid within this period and 93% paid within 60 days. If a dispute arises in relation to an invoice, the Company will seek to resolve the dispute within 30 days. If this is not possible then the supplier will be notified with an explanation of the reason for the delay and a contact at the Company who is responsible for resolving the dispute.

Financial results and dividends

The financial results for the year can be found in the Group Statement of Comprehensive Income on page 153.

Details of dividends paid and declared for the year are set out on page 168. No dividends were waived or were agreed to be waived by any Director or shareholder during the year.

Directors

The names of the Directors of the Company who served during the year together with the biographical details of the current Board are on pages 98 to 99. The process for appointing Directors is found on page 111.

Subject to the Articles, the Companies Act 2006 and any directions given to the Company by special resolution, the business of the Company will be managed by the Board, which may exercise all the powers of the Company.

Directors' interests in ordinary shares, and share dealing undertaken during the year are shown below. Dividends received are disclosed in the Annual Report on Remuneration on page 136.

PDMR share dealing disclosures during 2024

	Shareholding as at 31 December 2023	Percentage of Issued Share Capital	Number of Shares acquired in Capital Raise announced on 18 October 2024	Exercise of 2021 SAYE share options, announced on 14 November 2024	Shareholding as at 31 December 2024	Percentage of Issued Share Capital
Mark Pain	100,000	0.0166	20,000	–	120,000	0.0181
Duncan Garrood	93,122	0.0154	32,000	25,316	150,438	0.0227
Donald Grant	33,177	0.0055	20,876	–	54,053	0.0081
Alice Avis	53,600	0.0089	6,000	–	59,600	0.0090
Martin Ratchford	0	0.0000	–	–	0	0
Clair Preston Beer	0	0.0000	–	–	0	0
Total shares/percentage of share capital held by Directors	279,899	0.0464	78,876	25,316	384,091	0.0578

Share capital, share authorities and share issues

At 31 December 2024, the total number of ordinary shares in issue as per Note 19 to the financial statements is 663,996,844. No shares are held in Treasury.

The Company has one class of shares, this being ordinary shares of 1p each, all of which are fully paid. Rights of shareholders are set out in the Company's Articles of Association and also in the notes of the Notice of Annual General Meeting.

No person holds securities in the Company carrying special rights with regard to control of the Company.

There are no restrictions on the transfer of securities in the Company, except pursuant to:

- the Listing Rules of the Financial Conduct Authority (the “**Listing Rules**”), whereby certain individuals require approval to deal in the Company's shares; and
- the Company's Articles of Association, whereby the Board may decline to register a transfer of shares or otherwise impose a restriction on shares, to prevent the Company breaching any law or regulation.

The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities in the Company.

At the Company's Annual General Meeting held on 22 May 2024, the Directors were granted a general authority to allot shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £2,011,459, as well as an additional authority to allot shares for the same amount on a rights issue only. Of these ordinary shares, the Directors were granted authority to issue up to an aggregate nominal amount of £603,438 of equity securities on a non-pre-emptive basis and wholly for cash. All of these authorities will expire at the conclusion of the Company's 2025 Annual General Meeting.

Pursuant to this general authority 107,747 ordinary shares were issued to employees and former employees under the LTIP (nil cost options) and 100,750 ordinary shares were issued under the 2021 SAYE Option Plan, which were priced at 71.1p. The SAYE Option plan is open to all employees, subject to passing their induction period.

At the AGM on 22 May 2024, shareholders approved Resolution 15, which gave the Board authority to allot shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. On 16 October 2024, the Company exercised this authority and conducted a capital raise. A total of 59,686,950 new ordinary shares (the “**Placing Shares**”) representing approximately 10 per cent. of the Company's existing issued ordinary share capital were placed at a price of 93 pence per Placing Share (the “**Placing Price**”) raising proceeds of approximately £55.5 million (before expenses). Certain Directors of the Company also subscribed for new ordinary shares at the Placing Price. In addition, a total of 663,714 new ordinary shares representing approximately 0.1 per cent. of the Company's existing issued ordinary shares were issued to retail customers at the Placing Price raising proceeds of approximately £0.6 million (before expenses);

At the 22 May 2024 Annual General Meeting, the Directors were granted authority to make one or more market purchases of ordinary shares in the Company, in accordance with sections 693 and 701 of the Companies Act 2006, up to an aggregate number of 60,343,768 ordinary shares, within certain price parameters. No ordinary shares have been purchased by the Company under this authority, which will expire at the conclusion of the Company's 2025 Annual General Meeting.

Directors' report | continued

Substantial shareholdings

As at 31 January 2025, the Company had been notified under the Disclosure Guidance and Transparency Rules (“DTR 5”) of the following substantial holders who were directly or indirectly interested in three per cent or more of the issued share capital of the Company:

	as at 31 January 2025	
	Number of ordinary shares	Percentage of ordinary shares
BlackRock	47,225,169	7.11%
Investec Wealth & Investment	46,588,230	7.02%
Premier Miton Investors	36,784,073	5.54%
Janus Henderson Investors	34,220,843	5.15%
Fidelity International	33,560,210	5.05%
Jupiter Asset Management	31,246,354	4.71%
East Riding of Yorkshire	28,071,731	4.23%
CCLA Investment Management	23,343,425	3.52%
Waverton Investment Management	22,733,530	3.42%

Amendment of articles

The Articles may be amended by a special resolution of the Company's shareholders. No amendments were made during 2024.

Independent Auditor

BDO LLP has expressed its willingness to continue as auditor for the financial year ending 31 December 2025 and a resolution relating to its reappointment will be tabled at the Annual General Meeting on 4 June 2025.

Disclosure of information to Auditor

The Directors who were members of the Board at the time of approving the Directors' Report have confirmed that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is not aware; and
- each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Annual General Meeting

The 2025 Annual General Meeting will be held at 11:00 a.m. on 4 June 2025. The notice of meeting will be sent to shareholders at the end of April 2025.

This report was approved by the Board on 12 March 2025.

Donald Grant | Director

12 March 2025

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Group and Company financial statements for each financial year. Under that law the Directors are required to prepare the Group financial statements in accordance with UK adopted International Accounting Standards and have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards comprising FRS 101 'Reduced Disclosure Framework'), and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss for the Group for that year.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- for the Group financial statements, state whether they have been prepared in accordance with UK-adopted International Accounting Standards, subject to any material departures disclosed and explained in the financial statements;
- for the Company financial statements, state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the Group and Company financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business; and
- prepare a Directors' Report, a Strategic Report and Directors' Remuneration Report which comply with the requirements of the Companies Act 2006.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the Annual Report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4

The Directors confirm that to the best of their knowledge:

- the Group financial statements have been prepared in accordance with UK adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006 and give a true and fair view of the assets, liabilities, financial position and profit and loss of the Group and the undertakings included in the consolidation as a whole;
- the Annual Report includes a fair review of the development and performance of the business and the financial position of the Group and the Parent Company, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model, strategy and principal risks.

Signed on behalf of the Board by

Donald Grant | Director
12 March 2025

Independent auditor's report to the members of Empiric Student Property plc

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Empiric Student Property plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of material accounting policy information. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Independence

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 4 August 2015 to audit the financial statements for the year ended 30 June 2015 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 11 years, covering the years ended 30 June 2015 to 31 December 2024. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the Parent Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the ability of the Group and of the Parent Company to continue to adopt the going concern basis of accounting included:

- We assessed the appropriateness of the going concern period, being to 31 December 2026, in light of the nature of the Group's operations being linked to the academic and financial year cycles.
- We assessed the appropriateness of the cash flow forecasts in the context of the Group's and Parent Company's 31 December 2024 financial position and expected student occupancies and compared the Directors' downside sensitivities against results achieved in the current and previous years along with letting levels currently obtained for the next student year.
- We evaluated the key assumptions in these forecasts and considered whether these appear reasonable, for example by comparing rental revenue to expected student occupancy, comparing the projected SONIA interest rates to forward curves, agreeing the utility partial price fixing arrangement to the underlying position reports, and considering the ability to pause future capital expenditure if required. We also compared the overhead to previous years and considered the nature of spend and challenged the Directors as to what they considered discretionary.
- We obtained covenant calculations and forecast calculations to test for any potential future covenant breaches. We also considered the covenant compliance headroom for sensitivity to both future changes in property valuations and the Group's future financial performance.
- Where facilities were refinanced during the year, we obtained supporting documentation in the form of a facility agreement to verify this.
- We reviewed the disclosures relating to the going concern basis of preparation and considered whether these were consistent with the Directors' going concern assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the Group or the Parent Company to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the Parent Company's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Overview

Coverage	100% (2022: 100%) of Group profit before tax 100% (2022: 100%) of Group revenue 100% (2022: 100%) of Group total assets		
Key audit matters		2024	2023
	Valuation of investment property (excluding properties under development)	Yes	Yes
Materiality	Group financial statements as a whole £12.25m (2023: £11.5m) based on 1% (2023: 1%) of Group Total assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

The Group is a single component as it invests only in UK student accommodation with a single finance team, a common IT system and internal control framework. The audit approach included undertaking audit work on the key risks of material misstatement identified for the Group across the single component. The Group audit team performed all the work necessary to issue the Group and Parent Company audit opinion.

Climate change

Our work on the assessment of potential impacts on climate-related risks on the Group's operations and financial statements included:

- Enquiries and challenge of management to understand the actions they have taken to identify climate-related risks and their potential impacts on the financial statements and adequately disclose climate-related risks within the Annual Report;
- Our own qualitative risk assessment taking into consideration the sector in which the Group operates and how climate change affects this particular sector; and
- Review of the minutes of Board and Audit and Risk Committee meetings and other papers related to climate change and performed a risk assessment as to how the impact of the Group's commitment as set out in the Task Force on Climate-related Financial Disclosures ("TCFD") may affect the financial statements and our audit.

We challenged the extent to which climate-related considerations, including the expected cash flows from the initiatives and commitments have been reflected, where appropriate, in management's going concern assessment and viability assessment, and in management's judgements and estimates in relation to the investment property portfolio.

Based on our risk assessment procedures, we did not identify there to be any key audit matters materially impacted by climate-related risks and related commitments.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent auditor's report to the members of Empiric Student Property plc | continued

Key audit matter		How the scope of our audit addressed the key audit matter
<p>Valuation of Investment Property (excluding commercial properties and properties under development)</p> <p>Refer to Note 1.5 (Accounting Policies) and Note 11 (Investment Property).</p>	<p>The valuation of investment property requires significant judgement and estimates by the Directors and the independent external valuer (the "Valuer") and was therefore considered a significant risk due to the subjective nature of certain assumptions inherent in each valuation.</p> <p>Any input inaccuracies or unreasonable bases used in the valuation judgements (such as capitalisation yields, future lease income, operating costs and future capital expenditure) could result in a material misstatement of the financial statements.</p> <p>There is also a risk that the Directors may influence the significant judgements and estimates in respect of property valuations in order to achieve property valuation and other performance targets to meet market expectations.</p> <p>For these reasons we considered the valuation of investment property to be a key audit matter.</p>	<p>We met with the Group's external valuer, who valued all the Group's investment properties to understand the assumptions and methodologies used in valuing these properties, the market evidence supporting the valuation assumptions and the valuation movements in the year.</p> <p>We assessed the competency, independence, and objectivity of the external Valuer, which included making enquiries regarding interests and relationships that may have created a threat to the Valuer's objectivity.</p> <p>We used our knowledge and experience, including the assistance of our internal RICS qualified valuers, to evaluate and challenge the valuation assumptions, methodologies and the inputs used. This included establishing our own range of expectations for the valuation of investment property based on externally available metrics and wider economic and commercial factors. We assessed the valuation for each of the investment properties against our own expectation and challenged the external Valuer in respect of those properties where the valuations fell outside of our range of expectation through discussion and inspection of corroborating information to determine the appropriate valuation.</p> <p>We checked the data provided to the Valuer by the Group was consistent with the data we had audited. This data included inputs such as rent for the current academic year (which we have assessed through evaluating the design and operating effectiveness of relevant controls which record and calculate straight line rent over the lease term and performing a reconciliation of total revenue for student rental income to underlying cash receipts), projected capital expenditure and fire safety works.</p> <p>We reviewed the Directors' assessment of the future capital expenditure including fire safety works. We corroborated a sample of costs to supporting documentation such as subcontractor agreements and price quotes. We also obtained a copy of the report detailing the expected works that management commissioned from an external expert. We assessed the competency, independence, and objectivity of the external expert, which included making enquiries regarding interests and relationships that may have created a threat to the expert's objectivity.</p> <p>Key observations:</p> <p>Based on the procedures we performed, we considered the assumptions and methodologies used to value the Group's investment portfolio to be appropriate.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		Parent Company financial statements	
	2024 £	2023 £	2024 £	2023 £
Materiality	£12,250,000	£11,500,000	£11,025,000	£10,350,000
Basis for determining materiality	1% of Group Total Assets		2% of Total Assets, capped at 90% of Group materiality	
Rationale for the benchmark applied	We determined that Group Total Assets would be the most appropriate basis for determining overall materiality as we consider this to be one of its principal considerations for users of the financial statements in assessing the financial performance of the Group.		We determined that Parent Total Assets would be the most appropriate basis for determining materiality as we consider this to be one of its principal considerations for users of the financial statements in assessing the financial performance of the Parent. This is capped at 90% of Group materiality given the assessment of aggregation risk.	
Performance materiality	£9,187,500	£8,025,000	£8,268,750	£7,762,500
Basis for determining performance materiality	75% of materiality - in determining performance materiality we have considered the following factors: <ul style="list-style-type: none"> Our risk assessment, including our assessment of the Group's and the Parent Company's overall control environment; and Our past experience of the audit and the level of corrected and uncorrected misstatements identified in prior periods and Management's willingness to investigate and correct these. 			

Specific materiality

We also determined that for other account balances and classes of transactions that impact the calculation of European Public Real Estate Association ("EPRA") earnings a misstatement of less than materiality for the financial statements as a whole, specific materiality, could influence the economic decisions of users. We consider EPRA earnings to be a key performance measure of the Company. EPRA earnings exclude the impact of the net surplus on revaluation of investment properties, profit on disposal of investment properties and changes in the fair value of interest rate derivatives. As a result, we determined materiality for these items to be £1,150,000 (2023: £1,200,000), based on 5% of EPRA earnings (2023: 5%). This materiality was applied to test those items which do or may impact the measurement of EPRA earnings. Disclosure matters and the cashflow statement are subject to Group financial statement materiality. We further applied a performance materiality level of 75% of specific materiality to ensure that the risk of errors exceeding specific materiality was appropriately mitigated.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £612,500 (2023: £230,000) and for those items impacting the calculation of EPRA earnings £57,500 (2023: £60,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Empiric Student Property plc | continued

Corporate governance statement

The UK Listing Rules require us to review the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit.

Going concern and longer-term viability	<ul style="list-style-type: none"> The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 159; and The Directors' explanation as to their assessment of the Parent Company's prospects, the period this assessment covers and why the period is appropriate set out on page 43.
Other Code provisions	<ul style="list-style-type: none"> Directors' statement on fair, balanced and understandable set out on page 122; Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 121; The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 120; and The section describing the work of the audit committee set out on page 119.

Other Companies Act 2006 reporting

Based on the responsibilities described below and our work performed during the course of the audit, we are required by the Companies Act 2006 and ISAs (UK) to report on certain opinions and matters as described below.

Strategic report and Directors' report	<p>In our opinion, based on the work undertaken in the course of the audit:</p> <ul style="list-style-type: none"> the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements. <p>In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.</p>
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Directors' remuneration	In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.
Matters on which we are required to report by exception	<p>We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:</p> <ul style="list-style-type: none"> adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or the Parent Company financial statements and the part of the Directors' remuneration report to be audited are not in agreement with the accounting records and returns; or certain disclosures of Directors' remuneration specified by law are not made; or we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the industry in which it operates;
- Discussion with management and those charged with governance (including the Audit and Risk Committee); and
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework, Companies Act 2006, the UK Listing Rules and the REIT tax regime requirements.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the Fire Safety (England) Regulations 2022.

Our procedures in response to the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation to assess compliance with those laws and regulations having an impact on the financial statements;
- Review of minutes of Board and committee meetings throughout the period and enquiries of management and the Audit and Risk Committee as to their identification of any non-compliance with laws or regulations;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations and performing our own checks of compliance with relevant requirements, including the Companies Act 2006, the UK Listing Rules and the REIT tax regime requirements.

Irregularities including fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry of management and those charged with governance, including the Audit and Risk Committee, regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of Board and committee meetings throughout the period and enquiries of management and the Audit and Risk Committee as to their identification of any actual or potential claims or fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these.

Based on our risk assessment, we identified specific fraud risks with respect to the valuation of investment property, which has been included as a key audit matter and our audit response is set out in that section of our audit report. We also identified specific fraud risks with respect to revenue recognition (student rental income) and management override of controls.

Our procedures in respect of the above included:

- We addressed the risk of revenue recognition for student rental income through involving internal IT specialists who reviewed the design and operating effectiveness of relevant controls which automatically record and calculate straight line rent over the lease term. We also performed a reconciliation of total revenue for student rental income to underlying cash receipts. In addition, we tested a sample of manual journals processed during the year to supporting documentation and evaluating whether there was evidence of management override due to fraud; and
- We addressed the risk of management override of controls by testing a sample of journals processed during the year to supporting documentation and evaluating whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Independent auditor's report to the members of Empiric Student Property plc | continued

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Levy (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

London, UK

12 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Continuing operations			
Revenue	2	84.2	80.5
Property expenses	3	(25.6)	(25.2)
Gross profit		58.6	55.3
Administrative expenses	4	(15.4)	(14.0)
Loss on disposal of investment property		(4.2)	(0.6)
Change in fair value of investment property	11,16	15.4	30.1
Operating profit		54.4	70.8
Finance costs	5	(19.5)	(17.4)
Finance income	5	0.8	0.2
Derivative fair value movement		(1.3)	(0.2)
Profit before income tax		34.4	53.4
Corporation tax	7	-	-
Profit for the year and total comprehensive income		34.4	53.4
Earnings per share expressed in pence per share	8		
Basic		5.6	8.8
Diluted		5.5	8.8

Consolidated statement of financial position

	Note	At 31 December 2024 £m	At 31 December 2023 £m
ASSETS			
Non-current assets			
Investment property – Operational Assets	11	1,118.9	1,072.7
Investment property – Development Assets	11	6.0	3.0
Property, plant and equipment	13	0.8	0.8
Intangible assets	12	5.5	3.1
Right of use asset		1.0	1.2
Total non-current assets		1,132.2	1,080.8
Current assets			
Trade and other receivables	14	7.9	6.5
Assets classified as held for sale	15	10.7	22.4
Cash and cash equivalents	16	75.4	40.5
Derivative fair value		0.5	0.1
Total current assets		94.5	69.5
Total assets		1,226.7	1,150.3
LIABILITIES			
Current liabilities			
Trade and other payables	17	19.2	23.4
Borrowings	18	–	56.5
Lease liability		0.2	0.1
Deferred income	17	34.8	34.9
Total current liabilities		54.2	114.9
Non-current liabilities			
Borrowings	18	370.4	300.2
Lease liability		0.8	1.0
Total non-current liabilities		371.2	301.2
Total liabilities		425.4	416.1
Total net assets		801.3	734.2

	Note	At 31 December 2024 £m	At 31 December 2023 £m
Equity			
Called up share capital	19	6.6	6.0
Share premium	20	54.1	0.3
Capital reduction reserve	21	402.1	424.1
Retained earnings		338.5	303.8
Total equity		801.3	734.2
Total equity and liabilities		1,226.7	1,150.3
Net Asset Value per share basic (pence)	9	120.7	121.7
Net Asset Value per share diluted (pence)	9	119.7	120.8
EPRA NTA per share (pence)	9	119.6	120.7

These financial statements were approved by the Board of Directors on 12 March 2025 and signed on its behalf by:

Donald Grant | Director

Company statement of financial position

	Note	At 31 December 2024 £m	At 31 December 2023 £m
Fixed assets			
Investments in subsidiaries	30	222.6	222.6
Property, plant and equipment	13	0.8	0.7
Intangible assets	12	5.5	3.1
Right of use asset		1.0	1.2
Total fixed assets		229.9	227.6
Current assets			
Amounts due from Group undertakings	14	819.4	391.4
Trade and other receivables	14	0.7	0.7
Cash and cash equivalents	16	24.7	2.4
Total current assets		844.8	394.5
Current creditors			
Amounts due to Group undertakings	17	454.8	111.0
Trade and other payables	17	2.1	3.4
Lease liability		0.2	0.1
Total current creditors		457.1	114.5
Total assets less current liabilities		617.6	507.6
Net current assets		387.7	280.0
Non-current creditors			
Lease liability		0.8	1.0
Total non-current creditors		0.8	1.0
Total net assets		616.8	506.6

	Note	At 31 December 2024 £m	At 31 December 2023 £m
Capital and reserves			
Called up share capital	19	6.6	6.0
Share premium	20	54.1	0.3
Capital reduction reserve	21	402.1	424.1
Retained earnings		154.0	76.2
Total capital and reserves		616.8	506.6

The Company made a profit for the year of £77.5 million (2023: loss of £13.1 million).

These financial statements were approved by the Board of Directors on 12 March 2025 and signed on its behalf by:

Donald Grant | Director

Consolidated statement of changes in equity

Year ended 31 December 2024	Called up share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	6.0	0.3	424.1	303.8	734.2
Profit for the year	-	-	-	34.4	34.4
Total comprehensive income for the year	-	-	-	34.4	34.4
Share-based payments	-	0.1	-	0.3	0.4
Issue of shares net of fund raising costs	0.6	53.7	-	-	54.3
Dividends	-	-	(22.0)	-	(22.0)
Amounts recognised directly in equity	0.6	53.8	(22.0)	0.3	32.7
Balance at 31 December 2024	6.6	54.1	402.1	338.5	801.3
Balance at 1 January 2023	6.0	0.3	444.7	249.8	700.8
Profit for the year	-	-	-	53.4	53.4
Total comprehensive income for the year	-	-	-	53.4	53.4
Share-based payments	-	-	-	0.7	0.7
Reserves transfer	-	-	0.1	(0.1)	-
Dividends	-	-	(20.7)	-	(20.7)
Amounts recognised directly in equity	-	-	(20.6)	0.6	(20.0)
Balance at 31 December 2023	6.0	0.3	424.1	303.8	734.2

Company statement of changes in equity

Year ended 31 December 2023	Called up share capital £m	Share premium £m	Capital reduction reserve £m	Retained earnings £m	Total equity £m
Balance at 1 January 2024	6.0	0.3	424.1	76.2	506.6
Profit for the year	-	-	-	77.5	77.5
Total comprehensive income for the year	-	-	-	77.5	77.5
Share-based payments	-	0.1	-	0.3	0.4
Issue of shares net of fund raising costs	0.6	53.7	-	-	54.3
Dividends	-	-	(22.0)	-	(22.0)
Amounts recognised directly in equity	0.6	53.8	(22.0)	0.3	32.7
Balance at 31 December 2024	6.6	54.1	402.1	154.0	616.8
Balance at 1 January 2023	6.0	0.3	444.7	88.7	539.7
Loss for the year	-	-	-	(13.1)	(13.1)
Total comprehensive income for the year	-	-	0.1	13.1	(13.1)
Share-based payments	-	-	-	0.7	0.7
Reserves transfer	-	-	0.1	(0.1)	-
Dividends	-	-	(20.7)	-	(20.7)
Amounts recognised directly in equity	-	-	(20.6)	0.6	(20.0)
Balance at 31 December 2023	6.0	0.3	424.1	76.2	506.6

Consolidated statement of cash flows

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Note		
Cash flows from operating activities		
Profit before income tax	34.4	53.4
Share-based payments expense	0.4	0.9
Depreciation and amortisation	0.6	0.8
Finance costs	19.5	17.4
Finance income	(0.8)	(0.2)
Loss on disposal of investment property	4.2	0.6
Change in fair value of investment property	(15.4)	(30.1)
Change in fair value of derivative	1.3	0.2
	44.2	43.0
(Increase)/decrease in trade and other receivables	(1.5)	0.3
Decrease in trade and other payables	(1.0)	(2.0)
Increase in deferred rental income	1.3	2.4
	(1.2)	0.7
Net cash flows generated from operations	43.0	43.7
Cash flows from investing activities		
Purchases of tangible fixed assets	(0.1)	-
Purchases of intangible assets	(2.7)	(1.6)
Purchase and development of investment property	(72.1)	(32.4)
Proceeds on disposal of asset held for sale, net of selling costs	11.5	13.6
Proceeds on disposal of investment property, net of selling costs	31.1	29.0
Finance income	0.8	0.2
Net cash flows (deployed to)/from investing activities	(31.5)	8.8

	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Note		
Cash flows from financing activities		
Dividends paid	(22.5)	(20.2)
Proceeds from equity raise, net of costs	54.3	-
Bank borrowings drawn	28 164.9	-
Bank borrowings repaid	28 (150.8)	(30.9)
Loan arrangement fee paid	28 (2.2)	(0.1)
Lease liability paid	28 (0.2)	(0.3)
Derivative premium paid	(1.7)	(0.3)
Interest rate cap termination receipt	0.1	-
Finance costs	(18.5)	(16.0)
Net cash flows generated from/(used in) financing activities	23.4	(67.8)
Increase/(decrease) in cash and cash equivalents	34.9	(15.3)
Cash and cash equivalents at beginning of year	16 40.5	55.8
Cash and cash equivalents at end of year	16 75.4	40.5

Notes to the financial statements

1. Accounting policies

1.1 Period of Account

The consolidated financial statements of the Group are in respect of the reporting period from 1 January 2024 to 31 December 2024.

The consolidated financial statements comprise the results of Empiric Student Property plc (the “Company”) and its subsidiaries and were approved by the Board for issue on 12 March 2025. The Company is a public limited company incorporated and domiciled in England and Wales. The Company’s ordinary shares are admitted to the official list of the UK Listing Authority, a division of the Financial Conduct Authority, and traded on the London Stock Exchange. The registered address of the Company is disclosed in the Company information.

1.2 Basis of Preparation

The consolidated financial statements of the Group for the year to 31 December 2024 comprise the results of Empiric Student Property plc (the “Company”) and its subsidiaries (together, the “Group”). The Group and Parent Company financial statements have been prepared on a going concern basis. The Group financial statements have been prepared in accordance with UK adopted international accounting standards. The Parent Company financial statements have been prepared in accordance with FRS 101, Financial Reporting Standards Reduced Disclosure Framework.

The Group’s financial statements have been prepared on a historical cost basis, except for investment property and derivative financial instruments which have been measured at fair value. The consolidated financial statements are presented in Pounds Sterling which is also the Company and the Group’s functional currency.

The Company has applied the exemption allowed under section 408(1b) of the Companies Act 2006 and has therefore not presented its own Statement of Comprehensive Income in these financial statements. The Group profit for the year includes a profit after taxation of £77.5 million (2023: loss of £13.1 million) for the Company, which is reflected in the financial statements of the Company.

1.3 Disclosure Exemptions Adopted

In preparing the financial statements of the Parent Company, advantage has been taken of all disclosure exemptions conferred by FRS 101. The Parent Company financial statements do not include:

- certain comparative information as otherwise required by international accounting standards;
- a statement of cash flows;
- the effect of future accounting standards not yet adopted; and
- disclosure of related party transactions with other wholly owned members of the Group headed by Empiric Student Property plc.

In addition, and in accordance with FRS 101, further disclosure exemptions have been adopted because equivalent disclosures are included in the consolidated financial statements of Empiric Student Property plc. The Parent Company financial statements do not include certain disclosures in respect of:

- Financial instruments (other than certain disclosures required as a result of recording financial instruments at fair value); and
- Fair value measurement (other than certain disclosures required as a result of recording financial instruments at fair value).

1.4 Going Concern

At 31 December 2024, the Group’s cash position was £75.4 million and its capital commitments were £2.8 million.

Occupancy is a key driver of profitability and cash flows, and at 12 March 2025 occupancy, based on forward reservations for the upcoming 2025/26 academic year, was 48 per cent compared to 61 per cent for the 2024/25 academic year at 13 March 2024.

As part of the Group’s going concern and viability modelling, certain scenarios are considered to model the impact on liquidity. All of the Group’s covenants are currently compliant and we envisage compliance to continue to be achieved in a reasonably severe downside scenarios. The Group’s portfolio could currently withstand a 16 per cent decline in property valuations before a breach in any loan to value covenant is triggered. The Group’s average interest cover ratio across all facilities is 1.9 times, whereas gross profit is currently in excess of 3.0 times total finance costs, providing a good degree of comfort. Following refinancing completed during 2024, exposure to interest rate volatility has been significantly mitigated.

Bank borrowings would be renegotiated in advance of any potential covenant breaches, insofar as factors are within the control of the Group. Facility agreements typically contain cure provisions providing for prepayment, cash deposits or security enhancement as may be required to mitigate any potential breach. The Group’s borrowings are spread across a range of lenders and maturities so as to minimise any potential concentration of risk.

The Directors have considered the Group’s principal risks and severe but plausible downside scenarios in assessing the Group’s and Company’s going concern for the period to 31 December 2026. The Directors have considered, in particular:

- a material reduction in revenue, both in terms of occupancy and growth rate;
- inflation rates of 5 per cent, significantly above the Bank of England target rate of 2 per cent;
- utilities costs increase by 1.5 times that of current market expectation (where price fixing arrangements are not in place);
- floating interest rates increase by 1.0 per cent over current forecasts;

Notes to the financial statements | continued

1. Accounting policies continued

1.4 Going Concern continued

- an immediate valuation shock of minus 10 per cent in property valuations;
- individually, the level at which banking covenants would come under pressure;

In addition, the Directors have considered potential mitigants to the downside scenario which include, but are not limited to, utilising existing liquidity reserves, further asset disposals, pledging as security ungeared properties, suspending non committed capital expenditure and temporary suspension of the dividend.

Having made enquiries, the Directors have reasonable expectation that the Group and Company have adequate resources to continue in operational existence for the period to 31 December 2026. In addition, having reassessed the Group and Company's principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

1.5 Significant Accounting Estimates and Judgements

The preparation of the Group's financial statements requires management to make estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these estimates and judgements could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates

In the process of applying the Group's accounting policies, management has made the following estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Fair Valuation of Investment Property

The market value of investment property is determined, by an independent external real estate valuation expert, to be the estimated amount for which a property should exchange on the date of the valuation in an arm's length transaction. Properties have been valued on an individual basis. The valuation experts use recognised valuation techniques and the principles of IFRS 13.

The valuations have been prepared in accordance with the RICS Valuation – Global Standards (incorporating the International Valuation Standards) and the UK national supplement (the "Red Book"). Factors reflected include current market conditions, net underlying operational income, periodic rentals, lease lengths and location, as well as estimated costs to be incurred as part of the Group's EWS programme. The significant methods and assumptions used by valuers in estimating the fair value of investment property are set out in Note 11.

For properties under development, the fair value is calculated by estimating the fair value of the completed property using the income capitalisation technique less estimated costs to completion and an appropriate developer's margin.

(b) Expected Credit Loss

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net of impairment provisions, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the Statement of Comprehensive Income.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Operating Lease Contracts – the Group as Lessor

The Group has investment properties which have various categories of leases in place with tenants. The judgements by lease type are detailed below:

- Student leases: As these leases all have a term of less than one year, the Group retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.
- Commercial leases: The Group has determined, based on an evaluation of the terms and conditions of the arrangements, particularly the lease terms, insurance requirements and minimum lease payments, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the leases as operating leases.

1.6 Summary of Material Accounting Policies

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Subsidiaries are those investee entities where control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, it has:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-Group balances, transactions and unrealised gains and losses resulting from intra-Group transactions are eliminated in full.

Financial Assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Fair Value Through Profit or Loss

These are carried in the Statement of Financial Position at fair value with changes in fair value recognised in the Statement of Comprehensive Income. This includes the Group's derivative financial instruments.

Amortised Cost

These assets are primarily from the provision of goods and services to customers (e.g. trade receivables). They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for trade receivables are recognised based on the simplified approach within IFRS 9 using the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivable is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net of impairment provisions, such provisions are recorded in a separate provision account with the loss being recognised within cost of sales in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for intercompany receivables are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses against gross interest income are recognised. For those where the credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the Statement of Comprehensive Income (operating profit).

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, short-term deposits and other short-term highly liquid investments with maturities of three months or less.

Financial Liabilities

The Group classifies all of its financial liabilities as other financial liabilities which include the following items:

- Bank borrowings, which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the Consolidated Statement of Financial Position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Intangible Assets

An intangible asset is recognised when it can be separately identified, will provide future economic benefits, and its cost can be reliably measured. Further consideration is given to each intangible asset as to whether it is internally generated or externally acquired.

Intangible assets are initially recognised at cost and then subsequently recognised at cost less accumulated depreciation and impairment losses. Amortisation is charged to the Consolidated Statement of Comprehensive Income within administrative expenses on a straight-line basis over a period of ten years. Intangible assets that are undergoing development are not amortised until such a time that they are ready for use.

Notes to the financial statements | continued

1. Accounting policies continued

1.6 Summary of Material Accounting Policies continued

Investment Property

Investment property comprises property that is held to generate rental income or for capital appreciation. This includes property under development rather than for sale in the ordinary course of business.

Investment property is measured initially at cost including transaction costs and is included in the financial statements on unconditional exchange. Transaction costs include transfer taxes, professional fees and initial leasing commissions to bring the property to the condition necessary for it to be capable of operating.

Once purchased, investment property is stated at fair value. Gains or losses arising from changes in fair value are included in the Consolidated Statement of Comprehensive Income in the period in which they arise.

A property ceases to be recognised as investment property and is transferred at its fair value to property held for sale when it meets the criteria of IFRS 5. Under IFRS 5 the asset must be available for immediate sale in its present condition subject only to the terms that are usual and customary for sales of such assets and its sale must be highly probable.

Investment property is derecognised when it has been disposed of, or permanently withdrawn from use, and no future economic benefit is expected from its disposal. The investment property is derecognised upon unconditional exchange. The difference between the net disposal proceeds and the carrying amount of the asset would result in either a gain or loss at the retirement or disposal of investment property. Any gains or losses are recognised as a net gain or loss on disposal of investment property in the Consolidated Statement of Comprehensive Income in the period of retirement or disposal.

Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure which is directly attributable to the acquisition of the asset.

Depreciation has been charged to the Consolidated Statement of Comprehensive Income within administrative expenses on the following basis:

- Fixtures and fittings: straight-line basis over seven years; and
- Computer equipment: straight-line basis over three years.

Rental Income

The Group is the lessor in respect of operating leases. Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term and is included in gross rental income in the Consolidated Statement of Comprehensive Income due to its operating nature.

Tenant lease incentives are recognised as a reduction of rental revenue on a straight-line basis over the term of the lease. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease, where, at the inception of the lease, the Directors are reasonably certain that the tenant will exercise that option.

Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in the Consolidated Statement of Comprehensive Income when the right to receive them arises.

Where a student requests a rent refund and they meet the necessary criteria, including leaving the property, the Group recognise no further income in relation to that tenancy.

Segmental Information

The Directors are of the opinion that the Group is engaged in a single segment business, being the investment in student and associated commercial lettings, within the United Kingdom.

Share-based Payments

Where share options are awarded to employees or Directors, the fair value of the options at the date of grant is charged to the Consolidated Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. So long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied.

Share Capital

Ordinary shares are classified as equity. External costs directly attributable to the issuance of shares are recognised as a deduction from equity.

Taxation

As the Group is a UK REIT, profits arising in respect of the property rental business are not subject to UK corporation tax.

Taxation in respect of profits and losses outside of the property rental business comprise current and deferred taxes. Taxation is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised as a direct movement in equity, in which case it is also recognised as a direct movement in equity.

Current tax is the total of the expected corporation tax payable in respect of any non-REIT taxable income for the year and any adjustment in respect of previous periods, based on tax rates applicable to the periods.

Deferred tax is calculated in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and their tax bases, based on tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax liabilities are recognised in full except to the extent that they relate to the initial recognition of assets and liabilities not acquired in a business combination. Deferred tax assets are only recognised to the extent that it is considered probable that the Group will obtain a tax benefit when the underlying temporary differences unwind.

1.7 Impact of New Accounting Standards and Changes in Accounting Policies

At the date of authorisation of these financial statements, the following accounting standards had been issued but are not yet effective:

- IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The above standards or interpretations not yet effective are not expected to have a material impact on the consolidated financial statements of the Group.

2. Revenue

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Student rental income	82.6	79.0
Commercial rental income	1.6	1.5
Total revenue	84.2	80.5

3. Property expenses

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Direct site costs (income generating properties)	5.8	5.0
Technology services	0.6	0.7
Site office and utilities	14.3	14.3
Cleaning and service contracts	3.2	3.3
Repairs and maintenance	1.7	1.9
Total property expenses	25.6	25.2

4. Administrative expenses

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Salaries and Directors' remuneration	8.9	8.8
Legal and professional fees	1.6	1.4
Other administrative costs	1.9	1.3
Depreciation and amortisation	0.6	0.8
IT expenses	1.3	1.0
Internal audit fees ¹	0.1	–
Abortive acquisition costs	0.5	0.1
Administrative expenses excluding external audit fees	14.9	13.3
Fees payable for the audit of the Group's annual results	0.4	0.3
Fees payable for the audit of the Group's interim results	0.1	0.1
Fees payable for the audit of the Group's subsidiaries	–	0.2
Total auditor's fees¹	0.5	0.6
Total administrative expenses	15.4	14.0

¹ Audit and related fees for the year ended 31 December 2023 includes £0.1 million arising in respect of the audit for the year ended 31 December 2022. In both years, external audit services were carried out by BDO and internal audit services were carried out by Grant Thornton.

Notes to the financial statements | continued

5. Net finance costs

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Finance costs		
Interest expense on bank borrowings	17.8	16.2
Amortisation of loan transaction costs	1.7	1.2
	19.5	17.4
Finance income		
Interest received on bank deposits	0.8	0.2
Net finance costs	18.7	17.2

6. Employees and directors

	Group		Company	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Wages and salaries	13.7	12.3	6.0	5.2
Pension costs	0.9	0.7	0.4	0.5
Cash bonus	0.5	1.3	0.3	0.9
Share-based payments	0.4	0.9	0.4	0.9
National insurance	1.4	1.4	0.7	0.6
	16.9	16.6	7.8	8.1
Less: Hello Student employee costs included within property expenses	(7.5)	(7.7)	-	-
Less: capitalised salaries	(0.5)	-	(0.5)	-
Amounts included in administrative expenses	8.9	8.9	7.3	8.1
The average monthly number of employees:				
Management – Company	5	5	5	5
Administration – Company	70	60	70	60

	Group		Company	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Operations – Hello Student Management Limited	299	293	-	-
	374	358	75	65

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Directors' remuneration		
Salaries and fees	1.0	1.0
Pension costs	0.1	0.1
Bonus	0.1	0.5
Share-based payments	0.3	0.6
	1.5	2.2

A summary of the Directors' emoluments, including the disclosures required by the Companies Act 2006 is set out in the Directors' Remuneration Report.

7. Corporation tax

The Group became a REIT on 1 July 2014 and as a result does not pay UK corporation tax on its profits and gains from its qualifying property rental business in the UK provided it meets certain conditions. Non-qualifying profits and gains of the Group continue to be subject to corporation tax as normal.

In order to achieve and retain REIT status, several conditions have to be met on entry to the regime and on an ongoing basis, including:

- at the start of each accounting period, the assets of the property rental business (plus any cash and certain readily realisable investments) must be at least 75% of the total value of the Group's assets;
- at least 75% of the Group's total profits must arise from the tax-exempt property rental business; and
- at least 90% of the tax exempt profit of the property rental business (excluding gains) of the accounting period must be distributed.

In addition, the full UK corporation tax exemption in respect of the profits of the property rental business will not be available if the profit financing cost ratio in respect of the property rental business is less than 1.25.

The Directors intend that the Group should continue as a REIT for the foreseeable future, with the result that deferred tax is not required to be recognised in respect of temporary differences relating to the property rental business.

	Group	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Current tax		
Income tax charge for the year	–	–
Adjustment in respect of prior year	–	–
Total current income tax charge in the income statement	–	–
Deferred tax		
Total deferred income tax charge in the income statement	–	–
Total current income tax charge in the income statement	–	–
The tax assessed for the year is lower than the standard rate of corporation tax in the year		
Profit for the year	34.4	53.4
Profit before tax multiplied by the rate of corporation tax in the UK of 25% (2023: 23.5%)	8.6	12.5
Exempt property rental profits in the year	(8.2)	(9.1)
Exempt property revaluations in the year	(3.9)	(7.1)
Effects of:		
Non-allowable expenses	0.2	0.1
Unutilised current year tax losses	3.3	3.6
Total current income tax charge in the income statement	–	–

No deferred tax asset has been recognised in respect of gross tax losses of £60.6 million (2023: £48.8 million), accelerated capital allowances of £4.2 million (2023: £3.8 million) and share based payments of £2.5 million (2023: £2.1 million) on the basis that the business is not expected to generate taxable profits in future periods against which these amounts can be applied. Therefore, a deferred tax asset of £16.2 million (2023: £13.1 million) has not been recognised in respect of such timing differences.

8. Earnings per share

The number of shares used in the calculation of basic earnings per share is based on the time weighted average number of shares throughout the year.

Basic EPS is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated using the weighted average number of shares adjusted to assume the conversion of all dilutive potential ordinary shares.

EPRA EPS, reported on the basis recommended for real estate companies by EPRA, is a key measure of the Group's operating results, and used by the Board to assess the Group's dividend payments.

The Group has early adopted EPRA's Best Practice Recommendations issued in September 2024 for accounting periods beginning on or after 01 October 2024. The impact of adoption has led to a refinement of the EPRA Earnings Per Share (EPS) metric, introduced to ensure EPRA's earnings metric remains robust, accurate and aligned to both its original definition and applied consistently across the sector.

The primary amendment made allows Companies to make adjustments for items considered to be non-operating, unusual or exceptional within the calculation of EPRA EPS, thereby reducing the need for Company adjusted earnings metrics.

During the year two exceptional non-recurring charges totalling £1.4 million were made, which have been adjusted for in arriving at EPRA Earnings and EPRA EPS, as set out below. There were no equivalent charges in the comparative period and therefore no change to EPRA Earnings or EPRA EPS as a result of adoption.

The calculation of each earnings measure is set out on the next page.

Notes to the financial statements | continued

8. Earnings per share continued

Year to 31 December 2024	Calculation of basic EPS £m	Calculation of diluted EPS £m	Calculation of EPRA basic EPS £m	Calculation of EPRA diluted EPS £m
Earnings per IFRS statement of comprehensive income	34.4	34.4	34.4	34.4
Adjustments to remove:				
Changes in fair value of investment property	-	-	(15.4)	(15.4)
Loss on disposal of investment property	-	-	4.2	4.2
Loss on derivative financial instruments	-	-	1.3	1.3
Accelerated debt issue cost amortisation on refinancing – non-recurring	-	-	0.9	0.9
Abortive costs in relation to prospective Joint Venture – non-recurring	-	-	0.5	0.5
Earnings	34.4	34.4	25.9	25.9
Weighted average number of shares (m)	616.2	616.2	616.2	616.2
Adjustment for employee share options (m)	-	5.6	-	5.6
Total number shares (m)	616.2	621.8	616.2	621.8
Earnings per share (pence)	5.6	5.5	4.2	4.2

Year to 31 December 2023	Calculation of basic EPS £m	Calculation of diluted EPS £m	Calculation of EPRA basic EPS £m	Calculation of EPRA diluted EPS £m
Earnings per IFRS statement of comprehensive income	53.4	53.4	53.4	53.4
Adjustments to remove:				
Changes in fair value of investment property	-	-	0.6	0.6
Loss on disposal of investment property	-	-	(30.1)	(30.1)
Loss on derivative financial instruments	-	-	0.2	0.2
Earnings	53.4	53.4	24.1	24.1
Weighted average number of shares (m)	603.4	603.4	603.4	603.4
Adjustment for employee share options (m)	-	4.6	-	4.6
Total number shares (m)	603.4	608.0	603.4	608.0
Earnings per share (pence)	8.8	8.8	4.0	4.0

9. Net asset value per share

The principles of the three EPRA measures are set out below:

EPRA Net Reinstatement Value (“**NRV**”): Assumes that entities never sell assets and aims to represent the value required to reinstate entity assets.

EPRA Net Tangible Assets (“**NTA**”): Assumes that entities buy and sell assets, which crystallises unavoidable deferred tax.

EPRA Net Disposal Value (“**NDV**”): Represents the shareholders’ value under a disposal scenario, where deferred tax, financial instruments and certain other adjustments are calculated to the full extent of their liability, net of any resulting tax. As the Group is a REIT, no adjustment is made for deferred tax.

The Group considers EPRA NTA to be the most relevant measure and this is used as the Group’s primary NAV measure.

A reconciliation of the three EPRA NAV metrics from IFRS NAV is shown in the table below:

	NAV	EPRA NAV measures		
	IFRS £m	EPRA NTA £m	EPRA NRV £m	EPRA NDV £m
Year ended 31 December 2024				
Net assets per Statement of Financial Position	801.3	801.3	801.3	801.3
Adjustments		-		
Fair value of fixed rate debt	-	-	-	20.7
Derivative fair value	-	(0.5)	(0.5)	-
Purchaser’s costs ¹	-	-	67.3	-
Net assets used in per share calculation	801.3	800.8	868.1	822.0
Number of shares in issue				
Issued share capital (m)	664.0	664.0	664.0	664.0
Issued share capital plus employee options (m)	669.6	669.6	669.6	669.6
Net Asset Value per share				
Basic Net Asset Value per share (pence)	120.7			
Diluted Net Asset Value per share (pence)	119.7	119.6	129.6	122.8

	NAV	EPRA NAV measures		
	IFRS £m	EPRA NTA £m	EPRA NRV £m	EPRA NDV ² £m
Year ended 31 December 2023				
Net assets per Statement of Financial Position	734.2	734.2	734.2	734.2
Adjustments		-		
Fair value of fixed rate debt	-	-	-	20.9
Derivative fair value	-	(0.1)	(0.1)	-
Purchaser’s costs ¹	-	-	37.1	-
Net assets used in per share calculation	734.2	734.1	771.2	755.1
Number of shares in issue				
Issued share capital (m)	603.4	603.4	603.4	603.4
Issued share capital plus employee options (m)	608.0	608.0	608.0	608.0
Net Asset Value per share				
Basic Net Asset Value per share (pence)	121.7			
Diluted Net Asset Value per share (pence)	120.8	120.7	126.8	124.2

¹ Restated to reflect full application of the equity method.

² EPRA NTA and EPRA NDV reflect IFRS values which are net of purchaser’s costs. Any purchaser’s costs deducted from the market value are added back when calculating EPRA NRV.

Notes to the financial statements | continued

10. Dividends paid

	Group and Company	
	Year ended 31 December 2024 £m	Year ended 31 December 2023 £m
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 31 December 2022		5.3
Interim dividend of 0.8125 pence per ordinary share in respect of the quarter ended 31 March 2023		4.9
Interim dividend of 0.8125 pence per ordinary share in respect of the quarter ended 30 June 2023		4.9
Interim dividend of 0.9375 pence per ordinary share in respect of the quarter ended 30 September 2023		5.6
Interim dividend of 0.9375 pence per ordinary share in respect of the quarter ended 31 December 2023	5.7	
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 31 March 2024	5.3	
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 30 June 2024	5.3	
Interim dividend of 0.875 pence per ordinary share in respect of the quarter ended 30 September 2024	5.7	
	22.0	20.7

As at 31 December 2024, no withholding tax was recorded in trade payables (2023: £0.5 million). On 12 March 2025 the Company declared a dividend of 1.075 pence per share to be paid on 11 April 2025.

11. Investment property

Year ended 31 December 2024	Group				
	Investment property freehold £m	Investment property long leasehold £m	Total operational assets £m	Property under development £m	Total investment property £m
As at 1 January 2024	940.0	132.7	1,072.7	3.0	1,075.7
Capital expenditure	25.4	6.1	31.5	1.3	32.8
Property acquisitions	31.3	-	31.3	5.9	37.2
Sale of investment property	(32.7)	-	(32.7)	(3.0)	(35.7)
Transfer to held for sale asset	(2.7)	-	(2.7)	-	(2.7)
Change in fair value during the year ¹	12.3	6.5	18.8	(1.2)	17.6
As at 31 December 2024	973.6	145.3	1,118.9	6.0	1,124.9

¹ The change in fair value of investment property during the year for the Group was £15.4 million. Of this, a fair value gain of £17.6 million has been recorded in Investment Property, and a £2.2 million loss has been recorded in held for sale assets.

Year ended 31 December 2023	Group				
	Investment property freehold £m	Investment property long leasehold £m	Total operational assets £m	Property under development £m	Total investment property £m
As at 1 January 2023	920.4	142.0	1,062.4	3.3	1,065.7
Capital expenditure	29.7	2.8	32.5	-	32.5
Sale of investment property	(12.0)	(18.2)	(30.2)	-	(30.2)
Transfer to held for sale asset	(22.4)	-	(22.4)	-	(22.4)
Change in fair value during the year	24.3	6.1	30.4	(0.3)	30.1
As at 31 December 2023	940.0	132.7	1,072.7	3.0	1,075.7

All rental income as well as all direct operating expenses, including repairs and maintenance, recorded in the Statement of Comprehensive Income were derived from those assets held under Investment Property and Held For Sale Assets. No direct operating expenses, including repairs and maintenance, arose from Investment Property or Held For Sale Assets that did not generate rental income.

£374.3 million (nominal value) of the Group's borrowings are secured by fixed charges over certain investment properties held by subsidiaries, with a market value of £1,021.7 million (31 December 2023: £1,074.9 million), and by floating charges over the assets of certain subsidiaries. There are currently no restrictions on the remittance of income from investment properties.

In accordance with IAS 40, the carrying value of investment property is their fair value as determined by independent external valuers. This valuation has been conducted by CBRE Limited, as external valuer, and has been prepared as at 31 December 2024, in accordance with the Appraisal & Valuation Standards of the RICS, on the basis of market value. Properties have been valued on an individual basis. This value has been incorporated into the financial statements.

The valuation of all property assets uses market evidence and includes assumptions regarding income expectations and yields that investors would expect to achieve on those assets over time. Many external economic and market factors, such as interest rate expectations, bond yields, the availability and cost of finance and the relative attraction of property against other asset classes, could lead to a reappraisal of the assumptions used to arrive at current valuations. In adverse conditions, this reappraisal can lead to a reduction in property values and a loss in Net Asset Value.

The valuers of the Group's property portfolio have made enquiries to ascertain sustainability factors which are likely to impact value and reflect their understanding of how market participants include sustainability factors in their pricing decisions in arriving at their opinion of market value. The valuer considers the following sustainability considerations to have the greatest potential to impact value:

- Energy performance;
- Green certification;
- Sources of fuel and renewable energy sources; and
- Physical risk/Climate related risk

The table opposite reconciles between the fair value of the investment property per the Consolidated Statement of Financial Position and investment property per the independent valuation performed in respect of each year end.

	Group	
	As at 31 December 2024 £m	As at 31 December 2023 £m
Value per independent valuation report	1,135.0	1,097.9
Add: Head lease	0.6	0.2
Deduct: Assets classified as held for sale	(10.7)	(22.4)
Fair value per Consolidated Statement of Financial Position	1,124.9	1,075.7

Fair Value Hierarchy

The following table provides the fair value measurement hierarchy for investment property:

Date of valuation 31 December 2024	Total £m	Quoted prices inputs markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m
Assets measured at fair value:				
Student property	1,118.5	-	-	1,118.5
Commercial property	16.5	-	-	16.5
As at 31 December 2024	1,135.0			1,135.0

Date of valuation 31 December 2023	Total £m	Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m
Assets measured at fair value:				
Student property	1,082.1	-	-	1,082.1
Commercial property	15.8	-	-	15.8
As at 31 December 2023	1,097.9	-	-	1,097.9

There have been no transfers between Level 1 and Level 2 during the year, nor have there been any transfers between Level 2 and Level 3 during the year.

Notes to the financial statements | continued

11. Investment property continued

The valuations have been prepared on the basis of market value which is defined in the RICS Valuation Standards, as:

“The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

Market value as defined in the RICS Valuation Standards is the equivalent of fair value under IFRS.

The following descriptions and definitions relate to valuation techniques and key unobservable inputs made in determining fair values. The valuation technique for student property uses a discounted cash flow with the following inputs:

(a) Unobservable input: Rental income

The rent at which space could be let in the market conditions prevailing at the date of valuation. Range £116 per week–£549 per week with a weighted average weekly rent of £235 (31 December 2023: £96–£493 per week, weighted average £184).

(b) Unobservable input: Rental growth

The estimated average increase in rent based on both market estimations and contractual arrangements. Assumed rental growth of 3.5% used in valuations (31 December 2023: growth of 6.2%).

(c) Unobservable input: Net initial yield

The net initial yield is defined as the initial net income as a percentage of the market value (or purchase price as appropriate) plus standard costs of purchase.

Range: 4.8%–8.9%, with a weighted average of 5.5% (31 December 2023: 4.5%–8.9%, weighted average 5.5%).

(d) Unobservable input: Physical condition of the property

The Group indicated that it would spend £46.0 million on health and safety works over a five year period through to 2026. CBREs assumption at 31 December 2024 is that £29.5 million for EWS and £1.5 million for internal fire safety works reflected as a deduction within the valuation (31 December 2023: £33.0 million). This deduction is in respect of work on external wall systems and fire stopping on buildings over 11 meters.

(e) Sensitivities of measurement of significant unobservable inputs

The Group’s portfolio valuation is subject to judgement and is inherently subjective by nature. As a result, the following sensitivity analysis has been prepared by the valuer. For the purposes of the sensitivity analysis, the Group considers its property portfolio to be one homogeneous group of properties.

	15% increase in cost of EWS works £m	-3% change in rental income £m	+3% change in rental income £m	-0.25% change in yield £m	+0.25% change in yield £m
As at 31 December 2024					
(Decrease)/increase in the fair value of investment property	(4.4)	(45.8)	45.6	57.2	(52.1)
As at 31 December 2023					
(Decrease)/increase in the fair value of investment property	(4.9)	(45.1)	45.0	55.5	(50.5)

(f) Commercial properties

The key assumptions for the commercial properties are net initial yield, current rent and rental growth. A 3% movement in commercial rental income would not materially impact the commercial property valuation of £16.5 million at the year end (2023: £15.8 million).

12. Intangible assets

	Group and Company
Year ended 31 December 2024	
Costs	
As at 1 January 2024	4.6
Additions	2.7
As at 31 December 2024	7.3
Amortisation	
As at 1 January 2024	(1.5)
Charge for the year	(0.3)
As at 31 December 2024	(1.8)
Net book value	
As at 31 December 2024	5.5

Year ended 31 December 2023	Group and Company
	External software development £m
Costs	
As at 1 January 2023	3.0
Additions	1.6
As at 31 December 2023	4.6
Amortisation	
As at 1 January 2023	(1.1)
Charge for the year	(0.4)
As at 31 December 2023	(1.5)
Net book value	
As at 31 December 2023	3.1

13. Property, plant and equipment

Year ended 31 December 2024	Group			Company		
	Fixtures and fittings £m	Computer equipment £m	Total £m	Fixtures and fittings £m	Computer equipment £m	Total £m
Costs						
As at 1 January 2024	1.8	0.6	2.4	1.7	0.3	2.0
Additions	-	0.1	0.1	-	0.1	0.1
As at 31 December 2024	1.8	0.7	2.5	1.7	0.4	2.1
Depreciation						
As at 1 January 2024	(1.1)	(0.5)	(1.6)	(1.0)	(0.3)	(1.3)
Charge for the year	-	(0.1)	(0.1)	-	-	-
As at 31 December 2024	(1.1)	(0.6)	(1.7)	(1.0)	(0.3)	(1.3)
Net book value						
As at 31 December 2024	0.7	0.1	0.8	0.7	0.1	0.8

Year ended 31 December 2023	Group			Company		
	Fixtures and fittings £m	Computer equipment £m	Total £m	Fixtures and fittings £m	Computer equipment £m	Total £m
Costs						
As at 1 January 2023	1.7	0.6	2.3	1.7	0.3	2.0
Additions	0.1	-	0.1	-	-	-
As at 31 December 2023	1.8	0.6	2.4	1.7	0.3	2.0
Depreciation						
As at 1 January 2023	(0.8)	(0.4)	(1.2)	(0.8)	(0.2)	(1.0)
Charge for the year	(0.3)	(0.1)	(0.4)	(0.2)	(0.1)	(0.3)
As at 31 December 2023	(1.1)	(0.5)	(1.6)	(1.0)	(0.3)	(1.3)
Net book value						
As at 31 December 2023	0.7	0.1	0.8	0.7	-	0.7

14. Trade and other receivables

	Group		Company	
	31 December 2024 £m	31 December 2023 £m	31 December 2024 £m	31 December 2023 £m
Trade receivables	2.9	1.4	-	-
Other receivables	1.7	1.6	0.2	0.3
Prepayments	3.2	3.3	0.5	0.4
VAT recoverable	0.1	0.2	-	-
	7.9	6.5	0.7	0.7
Amounts due from Group undertakings	-	-	819.3	391.4
	7.9	6.5	820.0	392.1

In the Company, amounts owed from Group undertakings are classified as due within one year due to their legal agreements with the debtor, however, such amounts might be recovered after more than one year should the debtors' circumstance not permit repayment on demand.

The Group's trade receivables of £3.7 million at 31 December 2024 (2023: £1.4 million) is shown net of the provision for impairment of trade receivables of £1.9 million (2023: £2.1 million).

Notes to the financial statements | continued

14. Trade and other receivables continued

Movements on the Group provision for impairment of trade receivables were as follows:

	Group	
	31 December 2024 £m	31 December 2023 £m
At 1 January	2.1	1.9
Increase in provision for receivables impairment	(0.2)	0.2
At 31 December	1.9	2.1

The provision for impairment of trade receivables is assessed at each reporting period. Where trade receivables have arisen in the year ended 31 December 2024, a provision for impairment is considered by applying the historic rate at which trade receivables have been deemed to be irrecoverable, and applying this to the revenue of that year. Where trade receivables have arisen in a prior year, a provision for impairment equal to the value of those trade receivables is recognised.

Provisions for impaired receivables have been included in property expenses in the income statement. Amounts charged to the impairment provision are generally written off when there is no expectation of recovery.

The maximum exposure to credit risk at the reporting date is the book value of each class of receivable mentioned above and its cash and cash equivalents. The Group does not hold any collateral as security, though in some instances students provide guarantors.

Management believes that the concentration of credit risk with respect to trade receivables is limited due to the Group's customer base being broad and independent of each other, and because they are residing in the Group's accommodation. As such we have regular communication with them.

At 31 December 2024, there were no material trade receivables overdue at the year end which have not been fully provided for, and no aged analysis of trade receivables has been included. The carrying value of trade and other receivables classified at amortised cost approximates fair value. The Company performed a review of the expected credit loss on the amounts due from Group undertakings; there was no provision made during the year (2023: £nil). There are no security obligations related to these amounts due from Group undertakings.

15. Held for sale assets

	Group	
	31 December 2024 £m	31 December 2023 £m
At 1 January	22.4	13.7
Capital expenditure	0.4	0.4
Sale of investment property	(12.6)	(14.1)
Transfer to held for sale assets	2.7	22.4
Change in fair value during year ¹	(2.2)	–
At 31 December	10.7	22.4

¹ The change in fair value of investment property during the year for the Group was £15.4 million. Of this, a fair value gain of £17.6 million has been recorded in Investment Property, and a £2.2 million loss has been recorded in held for sale assets.

Management considers that two properties (2023: three properties) meet the conditions relating to assets held for sale under IFRS 5: Non-current Assets Held for Sale. The combined fair value in these financial statements is £10.7 million (2023: £22.4 million). One of the three assets, with book value of £2.7 million, completed on its disposal on 29 January 2025 for consideration of £2.8 million. The remaining two assets are being actively marketed, management expects the sales to be completed in 2025.

All assets held for sale fall within 'Level 3' as defined by IFRS. There have been no transfers within the fair value hierarchy during the year.

16. Cash and cash equivalents

	Group		Company	
	31 December 2024 £m	31 December 2023 £m	31 December 2024 £m	31 December 2023 £m
Unrestricted cash and cash equivalents	36.0	11.0	24.7	2.4
Restricted cash and cash equivalents ¹	39.4	29.5	–	–
Cash and cash equivalents	75.4	40.5	24.7	2.4

¹ Restricted cash relates to certain bank accounts held by the Group where funds are not immediately available at 31 December but may be utilised to settle contractual obligations.

17. Trade and other payables

	Group		Company	
	31 December 2024 £m	31 December 2023 £m	31 December 2024 £m	31 December 2023 £m
Trade payables	0.8	1.3	0.1	0.3
Other payables	4.1	4.2	0.4	0.2
Accruals	14.3	17.9	1.6	2.9
	19.2	23.4	2.1	3.4
Amounts owed to Group undertakings	-	-	454.8	111.0
	19.2	23.4	456.9	114.4

The Directors consider that the carrying value of trade and other payables approximates to their fair value.

Amounts owed to Group undertakings are interest free and repayable on demand.

At 31 December 2024, there was deferred rental income of £34.8 million (2023: £34.9 million) which was rental income that had been charged that relates to future periods.

18. Bank borrowings

A summary of the drawn and undrawn bank borrowings in the year is shown below:

	Group					
	Bank borrowings drawn 31 December 2024 £m	Bank borrowings undrawn 31 December 2024 £m	Total 31 December 2024 £m	Bank borrowings drawn 31 December 2023 £m	Bank borrowings undrawn 31 December 2023 £m	Total 31 December 2023 £m
At 1 January	360.3	42.0	402.3	391.2	20.0	411.2
Bank borrowings repaid	(150.9)	-	(150.9)	(30.9)	24.6	(6.3)
Part cancellation of revolving credit facility	-	(2.0)	(2.0)	-	(22.6)	(22.6)
Unsecured facility refinanced	-	-	-	-	20.0	20.0
Bank borrowings drawn in the year	40.0	(40.0)	-	-	-	-
New facility drawn	124.9	-	124.9	-	-	-
At 31 December	374.3	-	374.3	360.3	42.0	402.3

At year end the Group had no undrawn borrowings (2023: two facilities with undrawn borrowings totalling £42 million). The weighted average term to maturity of the Group's debt as at the year end is 4.7 years (2023: 3.9 years).

Bank borrowings are secured by charges over individual investment properties held by certain asset-holding subsidiaries. These assets have a fair value of £1,021.7 million at 31 December 2024 (2023: £1,074.9 million). In some cases, the lenders also hold charges over the shares of the subsidiaries and the intermediary holding companies of those subsidiaries.

In March 2024, four small near term debt facilities were refinanced into one consolidated seven year £124.9 million facility. As the refinancing represented a substantial modification of terms, the near term facilities were derecognised, with accelerated unamortised arrangement fees of £0.9 million being charged to finance costs upon derecognition. The new £124.9 million facility is held at floating rate, subject to an interest rate cap with arrangement fees amortising on a straight line basis over the term of the facility.

Notes to the financial statements | continued

18. Bank borrowings continued

Any associated fees in arranging the bank borrowings unamortised as at the year end are offset against amounts drawn on the facilities as shown in the table below:

	Group	
	31 December 2024 £m	31 December 2023 £m
Non-current		
Balance brought forward	302.6	391.2
Total bank borrowings drawn in the year	164.9	-
Bank borrowings becoming non-current in the year	-	-
Less: Bank borrowings becoming current in the year	-	(57.7)
Less: Bank borrowings repaid during the year	(93.2)	(30.9)
Bank borrowings drawn: due in more than one year	374.3	302.6
Less: Unamortised costs	(3.9)	(2.4)
Bank borrowings due in more than one year	370.4	300.2

	Group	
	31 December 2024 £m	31 December 2023 £m
Current		
Balance brought forward	57.7	-
Total bank borrowings in the year	-	-
Less: Bank borrowings becoming non-current in the year	(57.7)	-
Bank borrowings becoming current in the year	-	57.7
Bank borrowings drawn: due in less than one year	-	57.7
Less: Unamortised costs	-	(1.2)
Bank borrowings due in less than one year	-	56.5

Maturity of Bank Borrowings

	Group	
	31 December 2024 £m	31 December 2023 £m
Repayable in less than one year	-	57.7
Repayable between one and two years	-	45.4
Repayable between two and five years	206.1	206.1
Repayable in over five years	168.2	51.1
Bank borrowings	374.3	360.3

All of the Group's facilities have an interest charge payable quarterly. One of the facilities has an interest charge that is based on a margin above SONIA, however with an interest rate cap in place it has an effective fixed rate of 6.8%. Other facilities interest charges are fixed at 4.0%, 3.5%, 3.2% and 3.6%. The weighted average rate payable by the Group on its debt portfolio as at the year end was 4.5% (2023: 4.3%).

The Group monitors its covenant position and headroom on a regular basis. At 31 December 2024, the Group was in full compliance with all of its borrowing covenants, which are tested quarterly on 31 March, 30 June, 30 September and 31 December, annually. Interest coverage ratio covenants, across both historic and prospective, range from 150% to 225%. Loan to value covenants range from a minimum of 50% to a minimum 75%. Attention is also drawn to note 1.4 for conclusions reached in respect of Going Concern.

Fair value of fixed rate borrowings

The Group considers that all bank loans fall within 'Level 3' as defined by IFRS 13 'Fair value measurement'. The nominal value of floating rate borrowings is considered to be a reasonable approximation of fair value. However, the fair value of fixed rate borrowings at the reporting date has been calculated by discounting cash flows under the relevant agreements at indicative interest rates for similar debt instruments using indicative rates provided by lenders or advisers, which are considered unobservable.

	Group	
	31 December 2024 £m	31 December 2023 ¹ £m
Nominal value of fixed rate borrowings	257.2	270.9
Fair value adjustment	(20.7)	(20.9)
Fair value of fixed rate borrowings	236.5	250.0

1 Restated to reflect full application of the equity method.

The Group has bank loans with a total carrying value of £374.3 million, including the nominal value of fixed rate borrowings of £257.2 million. The fair value equivalent at the reporting date of the fixed rate debt was £236.5 million (2023 restated: £250.0 million). The discount rate was arrived at after considering the weighted average cost of capital, an unlevered property discount rate, the market rate and the loan to value.

An increase in the discount rate by 20 basis points would result in a decrease of the fair value of the fixed rate borrowings by £2.0 million (2023 restated: £2.0 million). A decrease in the discount rate by 20 basis points would result in an increase of the fair value of the fixed rate borrowings by £2.0 million (2023 restated: £2.0 million).

19. Share capital

	Group and Company		Group and Company	
	31 December 2024 Number	31 December 2024 £m	31 December 2023 Number	31 December 2023 £m
Balance brought forward	603,437,683	6.0	603,351,880	6.0
Capital raise	60,350,664	0.6	–	–
Exercise of share options	208,497	–	85,803	–
Balance carried forward	663,996,844	6.6	603,437,683	6.0

On 17 October 2024 60,350,664 shares were issued at an average price of 93.0 pence per share raising gross proceeds of £56.1 million.

During the year 208,497 shares were issued to satisfy the exercise of options under the Long Term Incentive Plan and the Sharesave scheme offered to employees of the Group (2023: 85,803 shares).

20. Share premium

The share premium relates to amounts subscribed for share capital in excess of nominal value:

	Group and Company	
	31 December 2024 £m	31 December 2023 £m
Balance brought forward	0.3	0.3
Share premium relating to shares issued during the year	53.8	–
Balance carried forward	54.1	0.3

21. Capital reduction reserve

	Group and Company	
	31 December 2024 £m	31 December 2023 £m
Balance brought forward	424.1	444.7
Reserves transfer	–	0.1
Less interim dividends declared and paid per Note 10	(22.0)	(20.7)
Balance carried forward	402.1	424.1

The capital reduction reserve account is a distributable reserve

22. Leasing agreements

Future total minimum lease receivables under non-cancellable operating leases on investment properties are as follows:

	Group and Company	
	31 December 2024 £m	31 December 2023 £m
Less than one year	22.0	20.1
Between one and two years	1.2	1.2
Between two and three years	1.0	1.1
Between three and four years	0.8	0.9
Between four and five years	0.8	0.7
More than five years	7.1	5.9
Total	32.9	29.9

The above relates to assured shorthold tenancies (ASTs) and commercial leases in place as at, and had commenced by, 31 December 2024.

23. Contingent liabilities

There were no contingent liabilities at 31 December 2024 (31 December 2023: £nil).

24. Capital commitments

The Group was contractually committed to expenditure of £2.8 million at 31 December 2024 (31 December 2023: £1.7 million) for the future development and enhancement of investment property.

Notes to the financial statements | continued

25. Related party disclosures

Key Management Personnel

Key management personnel are considered to comprise the Board of Directors. Please refer to Note 6 for details of the remuneration for the key management.

Share Capital

The below sets out the share capital transactions during the year with related parties:

Date	Related party	Nature of related party	Nature of transaction	Number of shares
17-Oct-24	Mark Pain	Chair of the Board	Capital Raise Share Purchase	20,000
17-Oct-24	Duncan Garrood	Chief Executive Officer	Capital Raise Share Purchase	32,000
17-Oct-24	Donald Grant	Chief Financial and Sustainability Officer	Capital Raise Share Purchase	20,876
17-Oct-24	Alice Avis	Senior Independent Non-Executive Director	Capital Raise Share Purchase	6,000
14-Nov-24	Duncan Garrood	Chief Executive Officer	Sharesave Plan Share Purchase	25,316

The shares issued to Duncan Garrood as part of the Sharesave Plan derived a gain of £4,532 when exercised.

Dividends

The below sets out the dividends transactions during the year with related parties:

Date	Related party	Nature of related party	Nature of transaction	Number of shares
Paid quarterly	Mark Pain	Chair of the Board	Dividends received on shareholding	£3,738
Paid quarterly	Duncan Garrood	Chief Executive Officer	Dividends received on shareholding	£3,819
Paid quarterly	Donald Grant	Chief Financial and Sustainability Officer	Dividends received on shareholding	£1,365
Paid quarterly	Alice Avis	Senior Independent Non-Executive Director	Dividends received on shareholding	£1,962

During the year £85,361 was paid to AXA PPP Healthcare Limited, a subsidiary of AXA Insurance UK PLC, in relation to the employee healthcare plan. Mark Pain, Chair of the Board, is Chair of the Board of AXA Insurance UK PLC. Of this amount, £24,866 was included in trade and other payables at year end.

Share-based Payments

The below sets out the awards to related parties during the year under the Empiric Student Property plc Long Term Incentive Plan and the Deferred Bonus Scheme:

Date	Related party	Nature of related party	Nature of transaction	Number of shares
12-Apr-24	Duncan Garrood	Chief Executive Officer	LTIP Nil-cost Option Grant over Ordinary Shares	728,294
12-Apr-24	Duncan Garrood	Chief Executive Officer	Deferred Bonus Plan Option Grant over Ordinary Shares	136,476
12-Apr-24	Donald Grant	Chief Financial and Sustainability Officer	LTIP Nil-cost Option Grant over Ordinary Shares	515,135
12-Apr-24	Donald Grant	Chief Financial and Sustainability Officer	Deferred Bonus Plan Option Grant over Ordinary Shares	96,532

26. Subsequent events

On 28 January 2025 the Group commenced a collective consultation on proposals aimed at implementing certain organisational changes. The proposal is expected to complete by 31 March 2025 and dependent on the conclusions reached, could result in up to £0.6 million of related restructuring costs being incurred.

On 29 January 2025, the Group completed on the disposal of Radway House, Bath for consideration of £2.8 million.

27. Share-based payments

The Company operates two equity-settled share-based remuneration schemes for Executive Directors (deferred annual bonus and LTIP schemes) and certain members of the Senior Leadership Team (“SLT”) who participate in the LTIP scheme. The details of the schemes are included in the Remuneration Committee Report. The Group also operates a Save As You Earn (SAYE) scheme for employees.

On 12 April 2024, the Company granted nil-cost options over a total of 1,243,429 (Duncan Garrod 728,294 and Donald Grant 515,135) ordinary shares pursuant to the Empiric Student Property plc Long Term Incentive Plan for the 2024 financial year.

During the year, the Company granted nil-cost options over a total of 772,967 ordinary shares to members of the Senior Leadership Team pursuant to the Empiric Student Property plc Long Term Incentive Plan for the 2024 financial year.

During the year, the Company granted options over a total of 201,922 ordinary shares in relation to the Save As You Earn scheme at an exercise price of £0.77. The earliest date on which the options will become exercisable is 1 July 2027.

Of the nil-cost options, 72,396 were exercisable at 31 December 2024. The weighted average remaining contractual life of these options was 0.2 years (2023: 1.2 years).

During the year to 31 December 2024 the amount recognised in the Statement of Comprehensive Income relating to option plans was £0.3 million (2023: £0.7 million).

The awards have the benefit of dividend equivalence. The Remuneration Committee will determine on or before vesting whether the dividend equivalent will be provided in the form of cash and/or shares.

	31/12/2024	31/12/2023	31/12/2022	31/12/2021	31/12/2020	31/12/2019
Outstanding number brought forward	4,866,099	3,756,874	3,446,320	2,314,539	1,250,045	1,051,708
Granted during the period	2,451,326	1,886,191	2,430,279	1,725,577	1,064,494	604,134
Vested and exercised during the period	(182,563)	(80,116)	(127,492)	(35,779)	–	(129,253)
Lapsed during the period	(1,523,881)	(696,850)	(1,992,233)	(558,017)	–	(276,544)
Outstanding number carried forward	5,610,981	4,866,099	3,756,874	3,446,320	2,314,539	1,250,045

The fair value on date of grant for the nil-cost options under the LTIP Awards and Annual Bonus Awards were priced using the Monte Carlo pricing model. The weighted average share price for the options exercised in the period was 90.9 pence per share. For those share options outstanding at year end, the exercise prices ranged from 75.5 pence per share to 78.9 pence per share, and the weighted average of the remaining contractual life of those shares is 1.6 years.

The following information is relevant in the determination of the fair value of the options granted in the year, for those related to market based vesting conditions:

	Deferred bonus shares	LTIPs (market based conditions)	LTIPs (Total Return conditions)	SAYE Award
(a) Share price at grant date	£0.91	£0.91	£0.91	£0.92
(b) Exercise price	£nil	£nil	£nil	£0.77
(c) Vesting period	3 years	3 years	3 years	3 years
(d) Expected volatility	N/A	23.5%	N/A	24.1%
(e) Risk-free rate	N/A	4.3%	N/A	4.2%

The volatility assumption is based on a statistical analysis of daily share prices of comparator companies over the last three years.

The TSR performance conditions have been considered when assessing the fair value of the options.

Notes to the financial statements | continued

28. Financial risk management

Financial Instruments

The Group's principal financial assets and liabilities are those which arise directly from its operations: trade and other receivables, trade and other payables; and cash and cash equivalents. Set out below is a comparison by class of the carrying amounts and fair value of the Group's financial instruments that are shown in the financial statements:

Reconciliation of liabilities to cash flows from financing activities

	31 December 2024 £m	31 December 2023 £m
Bank borrowings and leasehold liability at start of the year	357.8	387.8
Cash flows from financing activities		
Bank borrowings drawn	164.9	-
Bank borrowings repaid	(150.8)	(30.9)
Lease liability paid	(0.2)	(0.2)
Loan arrangement fees paid	(2.2)	(0.1)
Non-cash movements		
Amortisation of loan arrangement fees	1.7	1.2
Recognition of lease liabilities	0.1	-
Bank borrowings and leasehold liability at end of the year	371.3	357.8

Risk Management

The Company and Group is exposed to market risk (including interest rate risk), credit risk and liquidity risk.

The Board of Directors oversees the management of these risks.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

(a) Market Risk

Market risk is the risk that the fair values of financial instruments will fluctuate because of changes in market prices. The financial instruments held by the Company and Group that are affected by market risk are principally the Company and Group bank balances.

(b) Credit Risk

Credit risk is the risk of financial loss to the Company and Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company and Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions.

The Group has established a credit policy under which each new tenant is assessed based on an extensive credit rating scorecard at the time of entering into a lease agreement.

The Group's review includes external rating, when available, and in some cases bank references.

The Group determines concentrations of credit risk by monthly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "B" are accepted.

Further disclosures regarding trade and other receivables, which are neither past due nor impaired, are provided in Note 14.

(i) Tenant Receivables

Tenant receivables, primarily tenant rentals, are presented in the Consolidated Statement of Financial Position net of allowances for doubtful receivables and are monitored on a case-by-case basis. Credit risk is primarily managed by requiring tenants to pay rentals in advance and performing tests around strength of covenant prior to acquisition.

(ii) Credit Risk Related to Financial Instruments and Cash Deposits

One of the principal credit risks of the Company and Group arises with the banks and financial institutions. The Board of Directors believes that the credit risk on short-term deposits and current account cash balances are limited because the counterparties are banks, which are committed lenders to the Company and Group, with high credit ratings assigned by international credit rating agencies.

Credit ratings (Moody's)	Long-term	Outlook
Canada Life	Aa3	Stable
Mass Mutual	Aa3	Stable
Scottish Widows	A2	Positive
Aareal Bank AG	Baa1	Stable

(c) Liquidity Risk

Liquidity risk arises from the Company and Group management of working capital, and going forward, the finance charges and principal repayments on any borrowings, of which currently there are none. It is the risk that the Company and Group will encounter difficulty in meeting their financial obligations as they fall due as the majority of the Company and Group assets are property investments and are therefore not readily realisable. The Company and Group objective is to ensure they have sufficient available funds for their operations and to fund their capital expenditure. This is achieved by continuous monitoring of forecast and actual cash flows by management.

The monitoring of liquidity is also assisted by the quarterly review of covenants which are ordinarily imposed by lenders, such as loan to value and interest cover ratios. The loan to value ratio is typically expressed as the outstanding loan principal as a percentage of a lender approved valuation of the underlying properties secured under the facility. Interest cover ratios reflect the quantum or finance costs (either historic or forecast) as a multiple of recurring earnings, normally a measure of gross profit. As part of the Group's viability modelling, certain scenarios are considered to model the impact on liquidity. All of the Group's covenants are currently compliant and it is envisaged that compliance will continue to be achieved in a reasonably severe downside scenario. The Group's portfolio could currently withstand a 16 per cent decline in property valuations before a breach in loan to value covenants are triggered. The Group's average interest cover ratio across all facilities is 1.9 times, whereas gross profit is currently in excess of 3.0 times total finance costs, providing a good degree of comfort.

Bank borrowings would be renegotiated in advance of any potential covenant breaches, insofar as factors are within the control of the Group. Facility agreements typically contain cure provisions providing for prepayment, cash deposits or security enhancement as maybe required to mitigate any potential breach. The Group's borrowings are spread across a range of lenders and maturities so as to minimise any potential concentration of risk.

The following table sets out the contractual obligations (representing undiscounted contractual cash flows) of financial liabilities:

	Group					Total £m
	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Greater than 5 years £m	
At 31 December 2024						
Bank borrowings and interest	-	4.1	12.6	263.3	179.1	459.1
Trade and other payables	-	19.2	-	-	-	19.2
	-	23.3	12.6	263.3	179.1	478.3

	Group					Total £m
	On demand £m	Less than 3 months £m	3 to 12 months £m	1 to 5 years £m	Greater than 5 years £m	
At 31 December 2023						
Bank borrowings and interest	-	17.6	54.8	286.3	54.6	413.3
Trade and other payables	-	23.4	-	-	-	23.4
	-	41.0	54.8	286.3	54.6	436.7

29. Capital management

The primary objectives of the Group's capital management are to ensure that it remains a going concern and continues to qualify for UK REIT status.

The Board of Directors monitors and reviews the Group's capital so as to promote the long-term success of the business, facilitate expansion and to maintain sustainable returns for shareholders.

Capital consists of ordinary shares, other capital reserves and retained earnings.

Notes to the financial statements | continued

30. Investments in subsidiaries

Investments in subsidiaries are accounted for at cost less any accumulated impairment losses in the Company's Statement of Financial Position. The carrying amounts of these investments are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable, with any impairment being recognised in the statement of comprehensive income. During the year, the Company assessed the carrying value of its investments in subsidiaries and concluded that no impairment was required.

Those entities listed below are considered subsidiaries of the Company at 31 December 2024, with the shares issued being ordinary shares. All subsidiaries are registered at the following address: 1st Floor Hop Yard Studios, 72 Borough High Street, London, SE1 1XF.

In each case the country of incorporation is England and Wales.

	Company	
	31 December 2024 £m	31 December 2023 £m
As at 1 January	222.6	222.6
Additions in the year	-	-
Disposals	-	-
Balance at 31 December	222.6	222.6

During 2024, there were a number of subsidiaries which moved within the Group, due to reorganisations relating to debt refinancing.

Company	Status	Ownership	Principal activity
Brunswick Contracting Limited	Active**	100%	Property Contracting
Empiric (Alwyn Court) Limited	Active**	100%	Property Investment
Empiric (Baptists Chapel) Limited	Active**	100%	Property Investment
Empiric (Bath Canalside) Limited	Active**	100%	Property Investment
Empiric (Bath James House) Limited	Active**	100%	Property Investment
Empiric (Bath JSW) Limited	Active**	100%	Property Investment
Empiric (Bath Oolite Road) Limited	Active**	100%	Property Investment
Empiric (Bath Piccadilly Place) Limited	Active**	100%	Property Investment
Empiric (Birmingham Emporium) Limited	Active**	100%	Property Investment
Empiric (Birmingham) Limited	Active**	100%	Property Investment
Empiric (Bristol CH) Limited	Active**	100%	Property Investment

Company	Status	Ownership	Principal activity
Empiric (Bristol St Mary's) Leasing Limited	Active**	100%	Property Leasing
Empiric (Bristol St Mary's) Limited	Active**	100%	Property Investment
Empiric (Bristol) Limited	Active**	100%	Property Investment
Empiric (Buccleuch Street) Limited	Active**	100%	Property Investment
Empiric (Canterbury Franciscans) Limited	Active**	100%	Property Investment
Empiric (Canterbury Pavilion Court) Limited	Active**	100%	Property Investment
Empiric (Cardiff Wndsr House) Leasing Limited	Dormant	100%	Property Leasing
Empiric (Cardiff Wndsr House) Limited	Active**	100%	Property Investment
Empiric (Centro Court) Limited	Active**	100%	Property Investment
Empiric (Claremont Newcastle) Limited	Active**	100%	Property Investment
Empiric (College Green) Limited	Active**	100%	Property Investment
Empiric (Developments) Limited	Dormant*	100%	Development Management
Empiric (Edge Apartments) Limited	Active**	100%	Property Investment
Empiric (Edinburgh KSR) Leasing Limited	Active**	100%	Property Leasing
Empiric (Edinburgh KSR) Limited	Active**	100%	Property Investment
Empiric (Edinburgh South Bridge) Limited	Active**	100%	Property Investment
Empiric (Exeter Bishop Blackall School) Limited	Active**	100%	Property Investment
Empiric (Exeter Bonhay Road) Limited	Active**	100%	Property Investment
Empiric (Exeter City Service) Limited	Dormant*	100%	Property Investment
Empiric (Exeter DCL) Limited	Active**	100%	Property Investment
Empiric (Exeter LL) Limited	Active**	100%	Property Investment
Empiric (Falmouth Maritime Studios) Limited	Active**	100%	Property Investment
Empiric (Falmouth Ocean Bowl) Leasing Limited	Active**	100%	Property Leasing
Empiric (Falmouth Ocean Bowl) Limited	Active**	100%	Property Investment
Empiric (Glasgow Ballet School) Limited	Active**	100%	Property Investment

Company	Status	Ownership	Principal activity
Empiric (Glasgow Bath St) Limited	Active**	100%	Property Investment
Empiric (Glasgow George St) Leasing Limited	Active**	100%	Property Leasing
Empiric (Glasgow George St) Limited	Active**	100%	Property Investment
Empiric (Glasgow) Leasing Limited	Active**	100%	Property Leasing
Empiric (Glasgow) Limited	Active**	100%	Property Investment
Empiric (Hatfield CP) Limited	Active**	100%	Property Investment
Empiric (Huddersfield Oldgate House) Limited	Active**	100%	Property Investment
Empiric (Huddersfield Snow Island) Leasing Limited	Dormant*	100%	Property Leasing
Empiric (Lancaster Penny Street 1) Limited	Active**	100%	Property Investment
Empiric (Lancaster Penny Street 2) Limited	Active**	100%	Property Investment
Empiric (Lancaster Penny Street 3) Limited	Active**	100%	Property Investment
Empiric (Leeds Algernon) Limited	Active**	100%	Property Investment
Empiric (Leeds Pennine House) Limited	Active**	100%	Property Investment
Empiric (Leeds St Marks) Limited	Active**	100%	Property Investment
Empiric (Leicester 134 New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester 136-138 New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester 140-142 New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester 160 Upper New Walk) Limited	Active**	100%	Property Investment
Empiric (Leicester Bede Park) Limited	Active**	100%	Property Investment
Empiric (Leicester De Montfort Square) Limited	Active**	100%	Property Investment
Empiric (Leicester Hosiery Factory) Limited	Active**	100%	Property Investment
Empiric (Leicester Peacock Lane) Limited	Active**	100%	Property Investment

Company	Status	Ownership	Principal activity
Empiric (Leicester Shoe & Boot Factory) Limited	Active**	100%	Property Investment
Empiric (Liverpool Art School/Maple House) Limited	Active**	100%	Property Investment
Empiric (Liverpool Grove Street) Limited	Active**	100%	Property Investment
Empiric (Liverpool Hahnemann Building) Limited	Active**	100%	Property Investment
Empiric (Liverpool Octagon/Hayward) Limited	Active**	100%	Property Investment
Empiric (London Camberwell) Limited	Active**	100%	Property Investment
Empiric (London Road) Limited	Active**	100%	Property Investment
Empiric (Manchester Ladybarn) Limited	Active**	100%	Property Investment
Empiric (Manchester TH) Limited	Active**	100%	Property Investment
Empiric (Manchester Victoria Point) Limited	Active**	100%	Property Investment
Empiric (Newcastle Metrovick) Limited	Active**	100%	Property Investment
Empiric (Northgate House) Limited	Active**	100%	Property Investment
Empiric (Nottingham 95 Talbot) Limited	Active**	100%	Property Investment
Empiric (Nottingham Frontage) Limited	Active**	100%	Property Investment
Empiric (Oxford Stonemason) Limited	Active**	100%	Property Investment
Empiric (Picturehouse Apartments) Limited	Active**	100%	Property Investment
Empiric (Portobello House) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Elm Grove Library) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Europa House) Leasing Limited	Active**	100%	Property Leasing
Empiric (Portsmouth Europa House) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Kingsway House) Limited	Active**	100%	Property Investment
Empiric (Portsmouth Registry) Limited	Active**	100%	Property Investment
Empiric (Provincial House) Leasing Limited	Active**	100%	Property Leasing

Notes to the financial statements | continued

30. Investments in subsidiaries continued

Company	Status	Ownership	Principal activity
Empiric (Provincial House) Limited	Active**	100%	Property Investment
Empiric (Reading Saxon Court) Leasing Limited	Active**	100%	Property Leasing
Empiric (Reading Saxon Court) Limited	Active**	100%	Property Investment
Empiric (Snow Island) Limited	Active**	100%	Property Investment
Empiric (Southampton Emily Davies) Limited	Active**	100%	Property Investment
Empiric (Southampton) Leasing Limited	Active**	100%	Property Leasing
Empiric (Southampton) Limited	Active**	100%	Property Investment
Empiric (St Andrews Ayton House) Leasing Limited	Active**	100%	Property Leasing
Empiric (St Andrews Ayton House) Limited	Active**	100%	Property Investment
Empiric (St Peter Street) Limited	Active**	100%	Property Investment
Empiric (Stoke Caledonia Mill) Limited	Active**	100%	Property Investment
Empiric (Summit House) Limited	Active**	100%	Property Investment
Empiric (Talbot Studios) Limited	Active**	100%	Property Investment
Empiric (Trippet Lane) Limited	Active**	100%	Property Investment
Empiric (Twickenham Grosvenor Hall) Limited	Active**	100%	Property Investment
Empiric (York Foss Studios 1) Limited	Active**	100%	Property Investment
Empiric (York Lawrence Street) Limited	Active**	100%	Property Investment
Empiric (York Percy's Lane) Limited	Active**	100%	Property Investment
Empiric Acquisitions Limited	Dormant*	100%	Immediate Holding Company
Empiric Investment Holdings (Eight) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Five) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Four) Limited	Active**	100%	Holding Company

Company	Status	Ownership	Principal activity
Empiric Investment Holdings (Seven) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Six) Limited	Active**	100%	Holding Company
Empiric Investment Holdings (Two) Limited	Active**	100%	Holding Company
Empiric Investments (Eight) Limited	Active	100%	Immediate Holding Company
Empiric Investments (Five) Limited	Active	100%	Immediate Holding Company
Empiric Investments (Four) Limited	Active	100%	Immediate Holding Company
Empiric Investments (One) Limited	Dormant	100%	Immediate Holding Company
Empiric Investments (Seven) Limited	Active**	100%	Immediate Holding Company
Empiric Investments (Six) Limited	Active**	100%	Immediate Holding Company
Empiric Investments (Three) Limited	Active**	100%	Immediate Holding Company
Empiric Investments (Two) Limited	Active	100%	Immediate Holding Company
Empiric Student Property Trustees Limited	Dormant	100%	Trustee
Hello Student Management Limited	Active	100%	Property Management

* Company in liquidation since September 2024

** These companies are claiming an exemption from audit under sections 479A of the Companies Act 2006

31. Alternative performance measures

The below sets out our alternative performance measures.

Gross margin – Gross profit expressed as a percentage of rental income. A business KPI to monitor how efficiently we are running our buildings.

	Group	
	31 December 2024 £m	31 December 2023 £m
Gross Margin		
Revenue	84.2	80.5
Property Expenses	(25.6)	(25.2)
Gross profit	58.6	55.3
Gross Margin calculated as Gross profit/Revenue	70%	69%

Total accounting return – The growth of EPRA NTA per share plus dividends per share measured as a percentage. A key business indicator used to monitor the level of overall return the Group is generating.

	Group	
	31 December 2024 (Pence)	31 December 2023 (Pence)
Total accounting return		
EPRA NTA per share at start of year	120.7	115.4
EPRA NTA per share at end of year	119.6	120.7
EPRA NTA growth/(reduction) per share in the period	(1.1)	5.3
Dividend per share paid in year	3.6	3.4
Dividends plus growth in EPRA NTA	2.5	8.7
Total accounting return calculated as Dividends plus EPRA NTA growth in year per share/ NTA at start of year (%)	2.0	7.6

EPRA Loan to Value – a measure of gearing, calculated as gross borrowings without deducting unamortised financing costs, less cash and adjusted for net receivables or payables and intangibles, divided by gross portfolio valuation. This was 27.2 per cent for the year (2023: 30.6 per cent).

Dividend cover – a measure of EPRA earnings relative to dividends declared for the year. This was 114 per cent for the year (2023: 114 per cent).

Dividend pay-out ratio – a measure of dividends relative to EPRA earnings. This was 88 per cent for the year (2023: 88 per cent).

Five year historical record

	31 December 2024 £m	31 December 2023 £m	31 December 2022 £m	31 December 2021 £m	31 December 2020 £m
Revenue	84.2	80.5	73.0	56.0	59.4
Direct costs	(25.6)	(25.2)	(24.0)	(23.1)	(22.7)
Gross profit	58.6	55.3	49.0	32.9	36.7
Gross margin	69.6%	68.7%	67.1%	58.8%	61.8%
Administrative expenses	(15.4)	(14.0)	(13.4)	(10.6)	(9.8)
Gain/(loss) on disposals	(4.2)	(0.6)	1.5	1.7	-
Property revaluation	15.4	30.1	45.6	17.6	(37.6)
Operating profit	54.4	70.8	82.7	41.6	(10.7)
Net finance costs	(18.7)	(17.2)	(15.0)	(12.4)	(13.3)
Derivative fair value movement	(1.3)	(0.2)	-	-	-
Net profit/(loss)	34.4	53.4	67.7	29.2	(24.0)
EPRA EPS (pence)	4.2	4.0	3.4	1.7	2.3
Portfolio valuation ¹	1,135.0	1,098.1	1,079.4	995.9	1,005.1
Borrowings	(370.4)	(356.7)	(386.5)	(371.0)	(385.3)
Other net assets/(liabilities)	36.7	(7.2)	7.9	22.7	13.5
Net assets	801.3	734.2	700.8	647.6	633.3
EPRA NTA	800.8	734.1	700.8	647.6	633.3
EPRA NTA per share	119.6	120.7	115.4	106.8	104.6
Shares in issue	663,996,844	603,437,683	603,351,880	603,203,052	603,160,940
Weighted average cost of debt	4.5%	4.3%	4.0%	3.0%	2.9%
Weighted average debt maturity	4.7 years	3.9 years	4.8 years	4.9 years	5.9 years
Property LTV		29.1%	31.1%	33.1%	35.4%
EPRA LTV	27.2%	30.6%	32.7%		

¹ Includes properties classified as held for sale and under development

Glossary

Alternative Performance Measures (“APM”) – Performance measures to supplement IFRS to provide users of the Annual Report with a better understanding of the underlying performance of the Group’s property portfolio.

Colleague Engagement – Calculated using the results of our biannual colleague engagement surveys.

Company – Empiric Student Property plc.

Dividend Cover – EPRA earnings divided by dividends declared for the year.

Dividend pay-out ratio – Dividends declared relative to EPRA earnings.

EPRA – European Public Real Estate Association.

EPRA basic EPS – EPRA Earnings divided by the weighted average number of ordinary shares outstanding during the period (refer to Note 8).

EPRA diluted EPS – EPRA Earnings divided by the weighted average number of shares during the period, taking into account all potentially issuable shares.

EPRA Earnings – the IFRS profit after taxation excluding investment and development property revaluations, gains/losses on investing property disposals and changes in the fair value of financial instruments.

EPRA Loan to Value – a measure of gearing, calculated as gross borrowings without deducting unamortised financing costs, less cash and adjusted for net receivables or payables and intangibles, divided by gross portfolio valuation.

EPRA Net Disposal Value (“NDV”) – Represents the shareholders’ value under a disposal scenario. The value of the Company assuming assets are sold, and the liabilities are settled and not held to maturity.

EPRA Net Reinvestment Value (“NRV”) – The value of the assets on a long-term basis, assets and liabilities are not expected to crystallise under normal circumstances.

EPRA Net Tangible Assets (“NTA”) – Assumes the underlying value of the Company assuming it buys and sells assets.

Gross margin – Gross profit expressed as a percentage of revenue.

Group – Empiric Student Property plc and its subsidiaries.

Hello Student – Our customer-facing brand and operating platform.

HMO – House in multiple occupation.

IFRS – International Financial Reporting Standards.

IFRS EPS – IFRS earnings divided by the weighted average number of ordinary shares outstanding during the period.

Like for like rental growth – Compares the growth in rental income for operational assets, throughout both the current and comparative year, and excludes acquisitions, disposals and developments.

Like for like valuation (gross) – Compares the growth in capital values of the Group’s standing portfolio from the prior year end to the current year end, excluding acquisitions and disposals.

Like for like valuation (net) – Compares the growth in capital values of the Group’s standing portfolio from the prior year end to the current year end, excluding acquisitions, disposals, capital expenditure and development properties.

Net Asset Value or NAV – Net Asset Value is the net assets in the Statement of Financial Position.

PBSA – Purpose Built Student Accommodation.

Postgrad – Postgraduate students who have successfully completed an undergraduate course and are undertaking further studies at a more advanced level.

RCF – Revolving credit facility.

REIT – Real estate investment trust.

Revenue Occupancy – Calculated as the percentage of our Gross Annualised Revenue we have achieved for an academic year.

RICS – Royal Institution of Chartered Surveyors.

SONIA – Sterling Over Night Index Average is the effective reference for overnight indexed swaps for unsecured transactions in the Sterling market. The SONIA itself is a risk-free rate.

Total accounting return – The growth in EPRA NTA over the period plus dividends paid for the period expressed as a percentage of opening EPRA NTA.

Weighted average cost of debt – Debt weighted by value multiplied by the interest rate.

Weighted average debt maturity – The weighted average term of our debt facilities at the balance sheet date.

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Donald Grant (Chief Financial and Sustainability Officer)
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