Fixed Income Investor Presentation

March 2024

Paradigm

Our Vision

We provide excellent services to customers

and build new homes to help more people.

We make sure our homes are safe and sustainable

and strive to do more by making the most of our resources.

Presented by

Matthew Bailes, Nicola Ewen and Leke Adebiyi

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MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (a) the target market of the Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (b) all channels for the distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a “distributor”) should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (a) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("COBS"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA ("UK MiFIR"); and (b) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Bonds (a "distributor") should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "UK MiFIR Product Governance Rules") is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

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PRESENTING TEAM

Matthew Bailes

Chief Executive

Matthew has been our chief executive since September 2015

Previously Matthew led the English social housing regulator, where he introduced stress testing and in depth assessments

Matthew joined the regulator from MCHLG where he was the senior civil servant responsible for policy on affordable housing

Nicola Ewen

Chief Financial Officer

Nicola leads the finance function for the Group including Corporate Finance, Financial Services and Financial Operations

Nicola is a Fellow of the Association of Chartered Certified Accountants with over 20 years of experience in the social housing sector, and a former board member and member of the Audit and Risk Committee of Grand Union Housing Group and a former director of Grand Union Group Funding plc

Nicola spent 5 years at Notting Hill Housing then Notting Hill Genesis as the Director of Financial Services

Leke Adebiyi

Assistant Finance Director – Corporate Finance

Leke is responsible for leadership and technical expertise on treasury, development finance, strategic asset management finance and long-term planning. Leke is also an independent member of the Audit and Risk Committee at the Chartered Institute of Housing (CIH)

Prior to Paradigm, Leke worked at L&Q where he was head of development finance for schemes outside London. Before L&Q Leke was a real estate financial advisor at Grant Thornton where he advised local councils, housing associations and developers on funding, development finance and long- term planning

Leke holds an MSc in Finance & Management from the University of Loughborough and is a CFA charterholder

AGENDA

- Paradigm Group Overview
- Operational Update
- ESG Overview
- Development Programme And Strategy
- Financial Review And Performance
- Transaction Summary
- Appendix

CREDIT HIGHLIGHTS

A financially and operationally strong organisation with sector leading credit fundamentals and a clear track record of delivery

- **>35-years since establishment** as the first LSVT RP, **Paradigm remains a strong, stable** Association with a **clear track record** and **focus on its core purpose**:
  - **Concentrated regional presence** and expertise with over **16,000 homes** across the South East of England (predominantly outside London) with rationalisation plan
  - **82% turnover** from social housing lettings activity
  - **Attractive modern low rise footprint** with only 3 properties >18m and >60% of homes less than 25-years old
- Asset management strategy and customer care experience committee **embedded** in governance structure
  - **Significant in-house maintenance team** that conducts regular visits on the stock, resulting in extensive property knowledge and **high customer satisfaction**
- Exceptionally **experienced management team** both at Executive and Board level
  - Proven flexibility and willingness to **adapt the business plan** in light of current conditions
  - Conservative and well-run development strategy with **low exposure to market sales**
- **Committed to sustainability** across our offering – core to our values, history, customers and people
- Financial strength recognised by **A+ (stable) rating** by S&P which has been consistently maintained throughout a challenging macro environment
- Highest available **G1/V1 Regulatory Grading** last confirmed in December 2023

A+ (stable) Credit Rating
G1 / V1 Regulatory Grading

83% Customer Satisfaction (repairs)
80% Customer Satisfaction (tenants)

> 35% SHL Operating Margin
> £200m Available Liquidity

73.3% Homes at EPC C or Better
£38.3m Repairing and Improving Homes in 2022-2023

446 New Homes Delivered, taking total to 16,273
A total of 1,950 new homes to be delivered during the current 2021-2026 Corporate Plan period

Source: Paradigm FY2023 Annual Report; As at 31st March 2023. Paradigm Environmental, Social and Governance Report; As of 31st March 2023

PARADIGM GROUP OVERVIEW

Over 35 years supporting the provision of social housing in our region

- **1988** – Established as the first LSVT RP in 1988 when Chiltern DC transferred 4,500 homes to Chiltern Hundreds HA (CHHA)
- **1999** – CHHA restructured and renamed as Paradigm Housing Group to reflect extensive growth across the region beyond Chiltern DC
- **2010** – Moved maintenance service in-house
- **2019** – Took handover of our 15,000th home
- **2021** – Carried out the largest stock swap in the sector with The Guinness Partnership (almost 2,500 homes)
- **2021** – Established A+ credit rating (which has been maintained) and issued debut public bond
- **2022** – Stock acquisition of 300 homes from One Housing
- **2024** – Returns to the public bond market

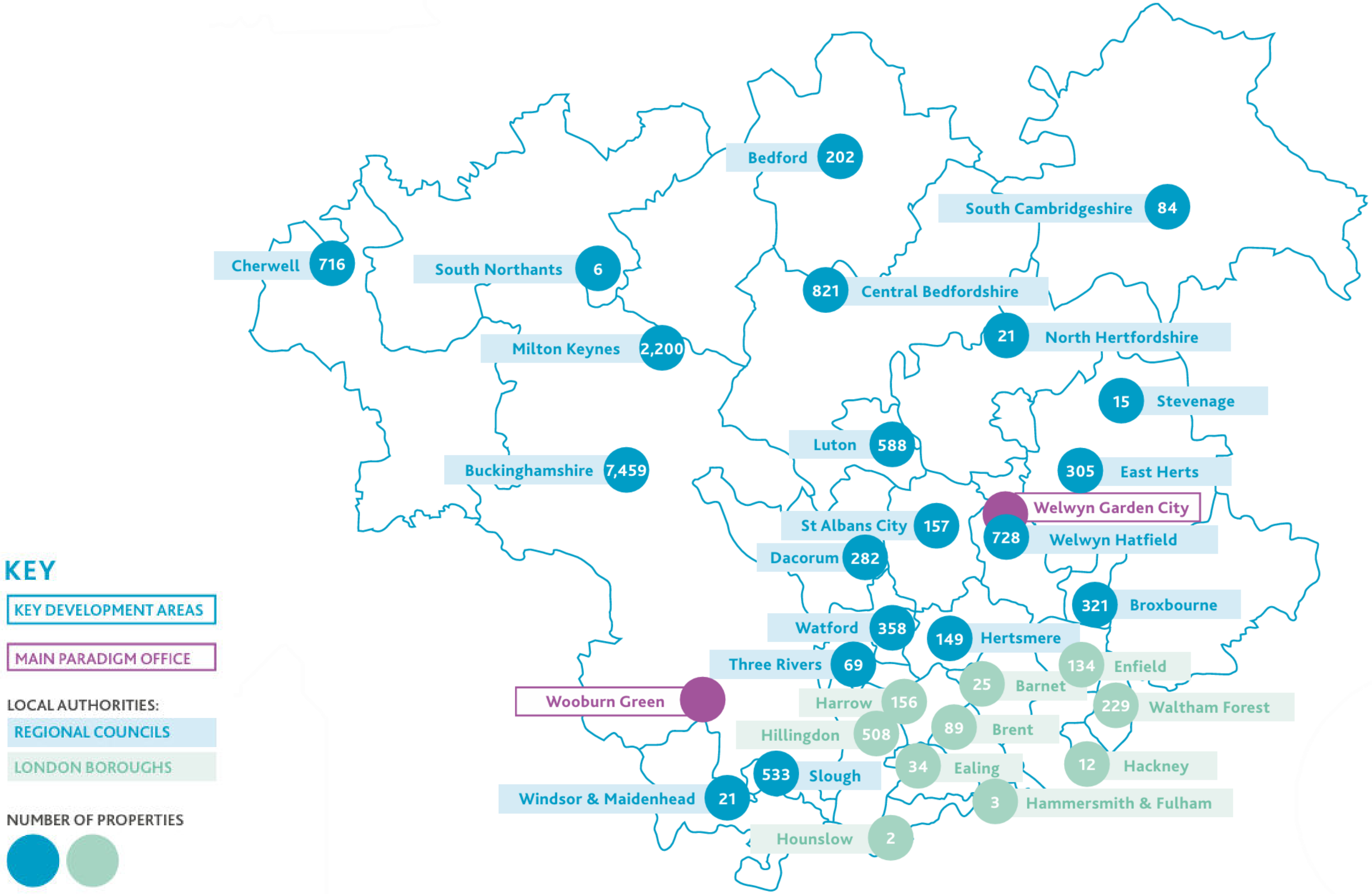
Corporate Plan

Corporate Plan 2021 - 2026

- ✓ 1,950 new homes (prev. 2,250), tenure mix 50/50 split between affordable rent and Low Cost Home Ownership
- ✓ Maintain a prudent funding and treasury strategy
- ✓ Ambitious customer satisfaction targets for customers and for shared owners, including enhancing digital services
- ✓ Maintaining 100% compliance with health and safety regimes and Decent Homes regulatory requirements
- ✓ Carbon neutral by 2050, aiming for a significant majority of stock to be EPC C by 2030 primarily through a fabric first approach

GEOGRAPHICAL PRESENCE

Focusing in on our core geographies



Total 16,273 Homes

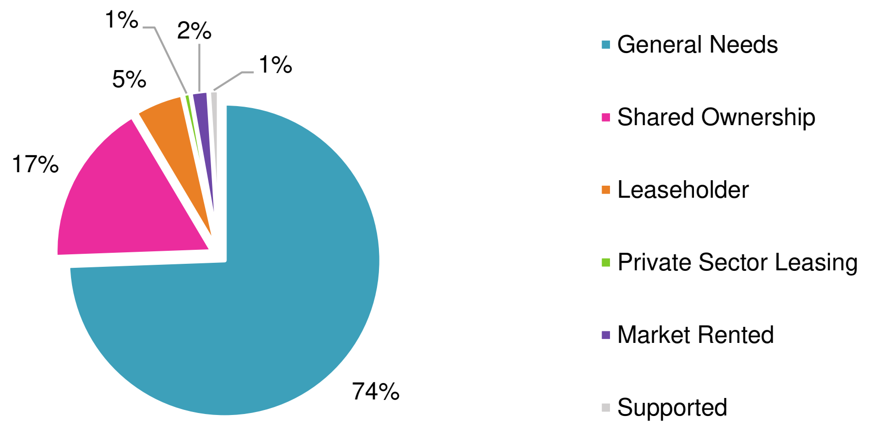
Local Authority	Units
Buckinghamshire	7,459
Milton Keynes	2,200
Central Beds	821
Welwyn Hatfield	728
Cherwell	716
Top 5	**11,924 (73%)**

Source: Paradigm FY2023 Annual Report; As at 31st March 2023.

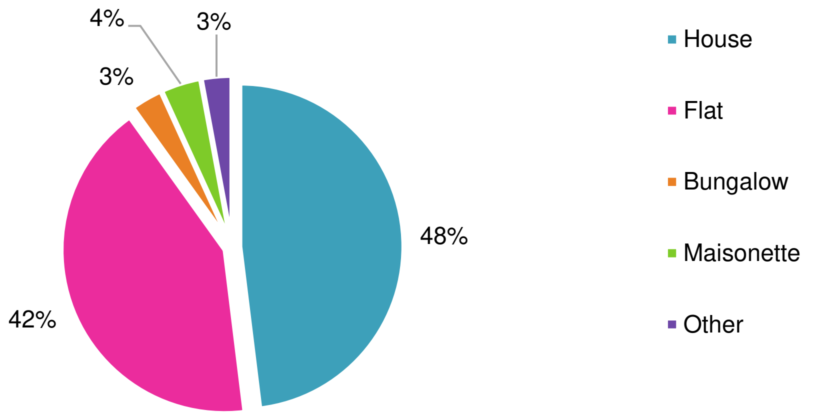
STOCK PROFILE

A well balanced and relatively young stock profile, focussed on General Needs housing outside of London

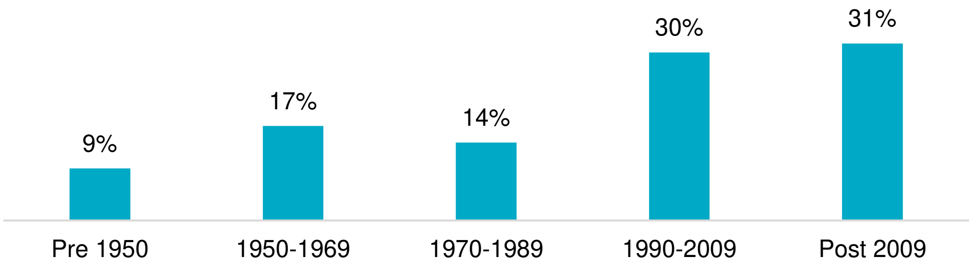
Stock Tenure



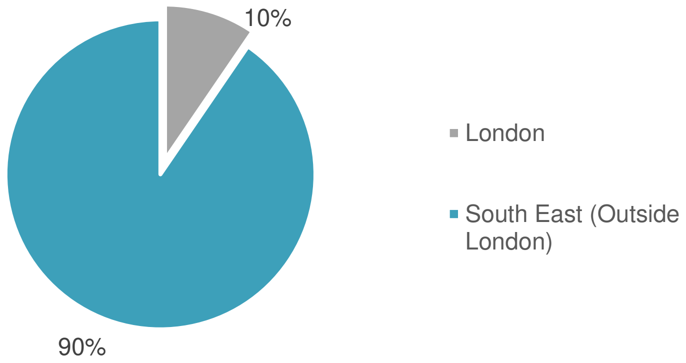
Property Type



Stock Age



Geography



Source: Paradigm FY2023 Annual Report; As at 31st March 2023.

ORGANISATIONAL STRUCTURE

A simple, clear and purposeful group structure

Paradigm Housing Group Limited

Group parent entity

A Community Benefit Society (Registered number 28844R). Registered as housing provider with Regulator of Social Housing (RSH)

PARADIGM MAINTENANCE LIMITED

(Dormant)
Wholly-owned subsidiary, maintenance provider

PARADIGM HOMES CHARITABLE HOUSING ASSOCIATION LIMITED

Registered as housing provider with RSH.
Main owner of assets and borrowing entity
98.9% of owned assets

PARADIGM DEVELOPMENT SERVICES LIMITED

Wholly-owned subsidiary, undertaking developments usually transferred to group members on completion

PARADIGM COMMERCIAL LIMITED

Non-profit, private limited company. Develops homes for open market sale and manages properties for market rent

MARY BAILEY-SMITH ALMSHOUSES

Charity with three properties in management

Bond Issuer

Source: Paradigm FY2023 Annual Report; As at 31st March 2023.

MANAGEMENT STRUCTURE – EXECUTIVE TEAM

Highly skilled team with decades of experience in and outside the HA sector

OUTSTANDING
TO WORK FOR
2024
cert.b.co.uk

Recently awarded 2 Best Companies accreditation*

The current Chair of the Board, Julian Ashby, will be stepping down at the end of March after six years in the role

Richard Moriarty has been appointed as the new Chair – he has spent over 30 years in senior roles in the private and public sectors, including CEO of the UK's Civil Aviation Authority and the Legal Services Board and, earlier in his career, he was an executive director with the Regulator of Social Housing. He is currently the CEO of the Financial Reporting Council

Matthew Bailes
Chief Executive

Nicola Ewen
Chief Financial Officer

Hannah Manyewu
Executive Director of Customer

Patrick Dawson
Chief Information Officer

Sarah Nickson
Executive Director Strategy & Business

Justin McCarthy
Executive Director of Property Services

Martyn Jones
Executive Director of Development

Ewan Wallace
Director – Legal and Assurance

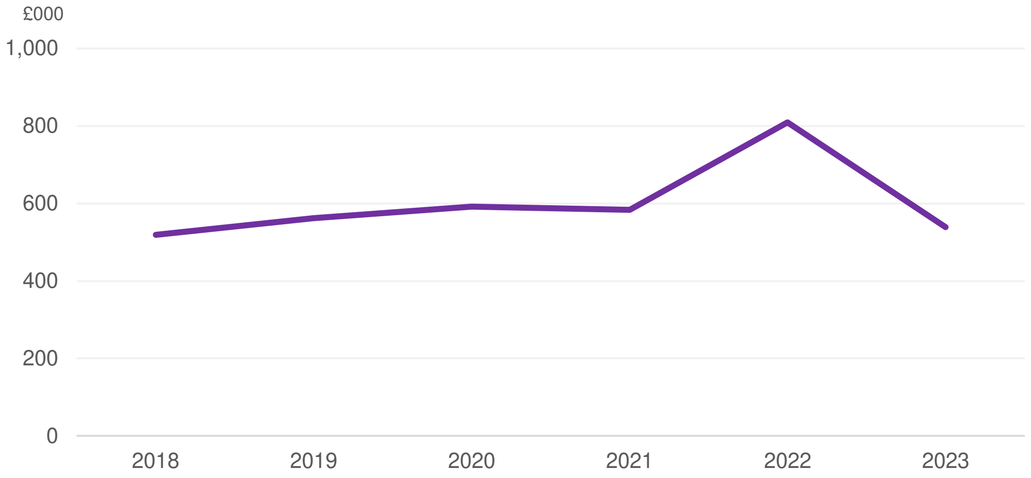
OPERATIONAL UPDATE

We provide excellent services to customers

VOIDS AND ARREARS

Consistently low void and arrears rates driven by high demand and strong resident support

Void Losses

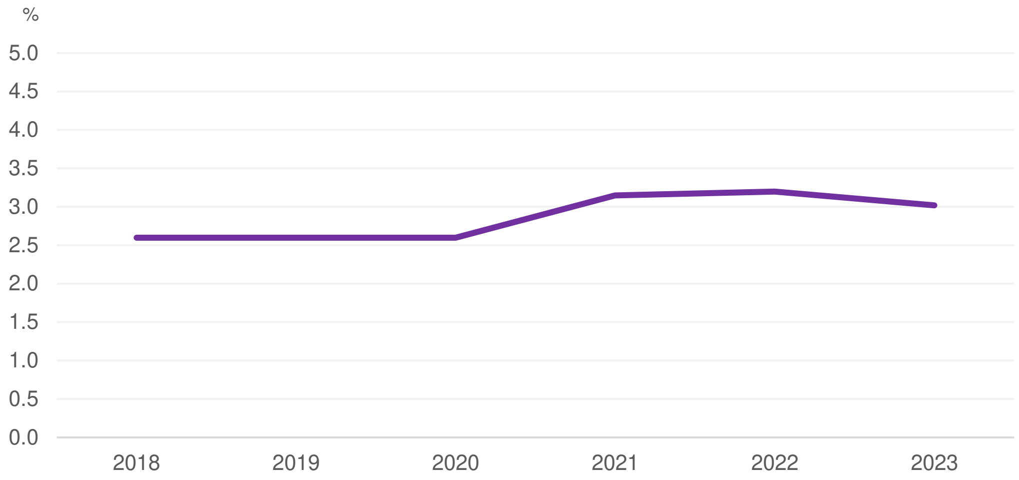


Demand for our properties is very strong which is reflected by the fact that the Group's vacancy rate of 0.8% over the past three years is significantly lower than the sector average

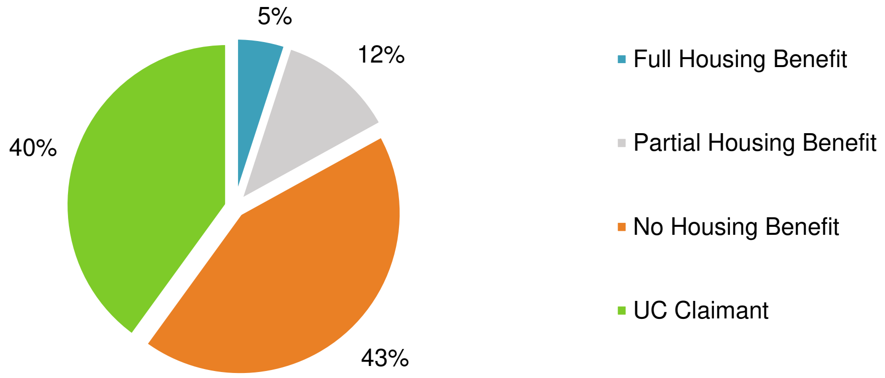
This is in large part because our average social and affordable rent is only ~60% of the market rent

	Paradigm	Local Housing Allowance
Average rent per week	£131	£226

LTM Arrears (Rolling 4 week average %)



Paradigm works closely with its customers to support their financial wellbeing and minimise arrears across tenures



Source: Paradigm FY2023 Annual Report; As at 31st March 2023.

CUSTOMER SATISFACTION

Relentless focus on providing an excellent service for customers

- A new Customer Engagement Framework created to support our strategy
- Customer Experience Committee, reporting directly to the Board, established
- Strong performance when it comes to satisfaction across tenants, shared owners and repairs
- No complacency – continuing to target improvements and provide the highest quality service
- Considerable investment into our transformation programme, New Paradigm
- Expanding the implementation of the Neighbourhood Model
  - Allowing a tailored approach to each customer journey
  - Enhancing management of ASB, communication with customers and accountability for staff

	General Needs		Homeowners	
Questions	**Q3 24**	**FY 23**	**Q3 24**	**FY 23**
Overall satisfaction	79%	80%	54%	52%
Repairs and maintenance	86%	83%	-	-
Listens and acts	67%	65%	47%	39%
Most recent contact	79%	81%	67%	61%

Source: Paradigm Environmental, Social and Governance Report; As of 31st March 2023

RESIDENT VOICE AND SUPPORT

We are holding management to account and intensifying efforts to provide support to our residents

Resident Voice

- ✓ Resident Quality Inspectors – customers are able to participate in inspections of estates and communities and make suggestions for how we can improve
- ✓ New Customer Engagement Framework incorporating a new Customer Experience Committee including customers, as well as the four co-regulation groups – the Readership Panel, Resident Quality Inspectors, New Paradigm Customer Oversight Group and Scrutiny Group

Resident Support

- ✓ Support Offer to customers focuses on maximising income, providing direct tenancy support and funding external organisations to provide support to customers in the areas of mental health (MIND), hoarding, money and debt (Citizens Advice) and employment and training services
- ✓ Sustained focus on customer support on cost of living/financial wellbeing and mental health issues
- ✓ During the year, 1,300 customers were helped through our partners and the Extreme Hardship Fund

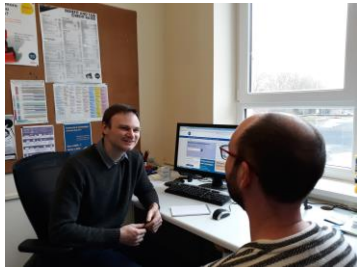
Almost **1,300** customers engaged…

Across **21** different projects…

To give Residents a **voice** and provide support

Customer Support Team

314 Individual customers helped



Focused Grant Programme for the most vulnerable

965 Individual Customers helped

Source: Paradigm Environmental, Social and Governance Report; As of 31st March 2023

ASSET MANAGEMENT STRATEGY

Homes that meet the needs of our customers, are financially viable, safe and sustainable for the future

- Our asset management strategy emphasises;
  - Provision of **safe** homes
  - Using **data** to improve decision making
  - Optimising assets to provide **more for customers**
  - Ensuring the right resources to **deliver**
  - Creating alliances to **benefit our customers**
  - Making homes and businesses **environmentally sustainable**

99.97% Compliance with Decent Homes

Gas Safety	**Electrical**
As at 31st March, 99.93% compliant	As at 31st March, 100% block compliance

Fire Risk Profile

As at 31st March, 100% of blocks have a valid Fire Risk Assessment (FRA) in place

- We have introduced **Paradigm On Track**, a mobile app updating customers about appointments
  - It tracks our team's journey, gives arrival times and lets customers provide access details to the technician
  - It has directly driven a **25% reduction in missed appointments** with an average customer satisfaction rating of 4.6 out of 5
- We undertook a detailed review of our position to validate our monitoring and internal controls:
  - We have improved our procedures both for surveying and managing damp and mould
  - We have not identified any of the most serious levels of damp and mould in our properties during that review

Prudent component replacement lifecycle assumptions and regular investment programme

£162m of forecasted £377m energy efficiency spend targeted for this programme

3 buildings >18m with no cladding

60% of homes < 25 years old

Source: Paradigm FY2023 Annual Report; Paradigm Environmental, Social and Governance Report; As of 31st March 2023

ESG OVERVIEW

We make
sure our homes
are safe and
sustainable

ENVIRONMENTAL SUSTAINABILITY

Paradigm's sustainability strategy has three core pillars

Reduce our contribution to and prepare for climate change	Promote biodiversity and limit pollution from our activities	Throw away less and use resources responsibly
Upgrade existing homes to meet developing government standards and monitor our progress each year towards our target of improving rented properties to an average of EPC B and C or above	*Support LAs to implement proposals aimed at reducing air congestion and improving air quality. Continue to consider and mitigate risks from the use of pollutants / materials containing pollutants*	*Assess current waste management and disposal arrangements for both corporate and operation waste to help us develop a plan to reduce and eventually send no waste to landfill*

Underpinned by five key targets

- CO_2 Net zero carbon emissions by 2050
- EPC C Deliver works to bring the majority of homes to EPC C by 2030
- Zero waste to landfill by the end of the 2026 strategy period
- More stringent environmental requirements and KPIs as part of Terms of Supply on service that carry environmental risk
- Identify changes that are required to our design standards in order to meet the Future Home Standard

Source: Paradigm Environmental, Social and Governance Report; As of 31st March 2023

ENERGY EFFICIENCY

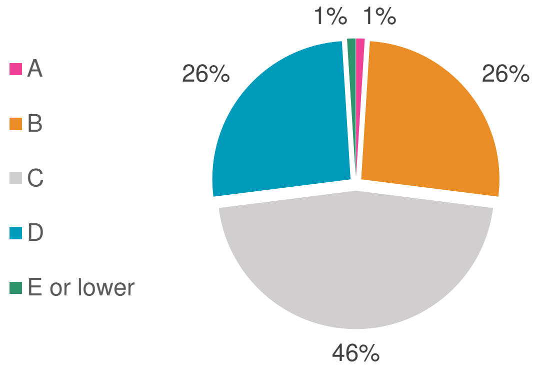
Committed to reducing the environmental impact of our business and the way in which we deliver new homes and services

- We have significantly improved the data we hold on energy efficiency
- Our progress to EPC C continues to move forwards, with 73.3% of our homes rated EPC C and above
- Continuing progress towards becoming a net zero carbon business by 2050
  - c. £377m included within our long-term plan to improve energy efficiency
- Scope 1 emissions have fallen by 4.7%, driven by falling vehicle emissions given this is the first year operating a wholly mild-hybrid van fleet
- We installed specialist domestic energy efficiency software to support the delivery of our retrofit programme, allowing us to carry out high-level analysis of the costs and impacts of efficiency measures
- We carried out 180 detailed retrofit assessments of homes and have taken an initial phase of retrofit projects for 100 of our least energy efficient homes to design phase

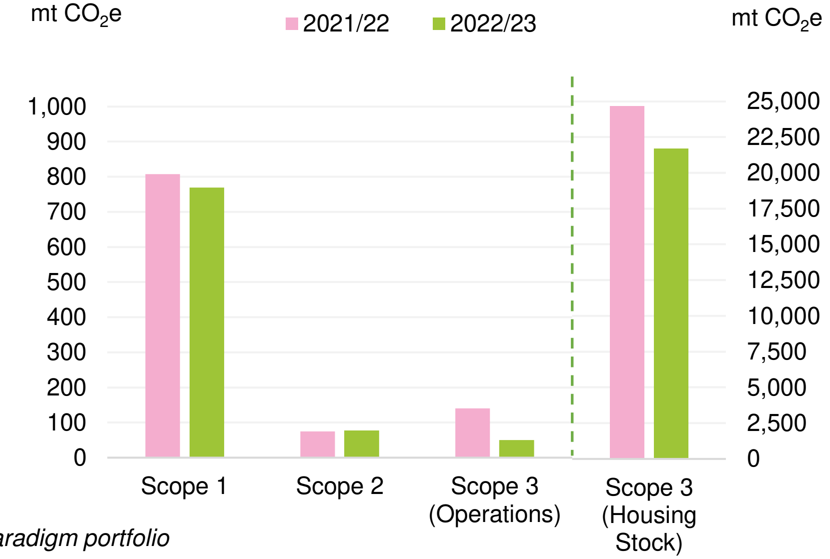
Existing Home Energy Efficiency Upgrades

Boilers	Window and Door Replacement (full or partial)	Loft Insulation	Storage Heaters
333	416	44	7

EPC Stock Ratings



Scope 1, 2 and 3 Greenhouse Emissions



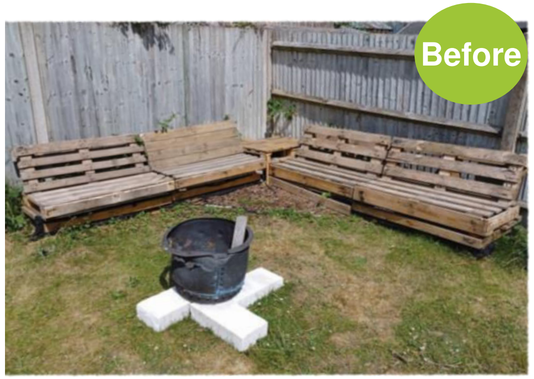
Source: Paradigm Environmental, Social and Governance Report; As of 31st March 2023. (1) EPC-A Stock totals ~0% of the total Paradigm portfolio

PLACEMAKING AND PLACESHAPING

Establishing a systematic approach to placemaking and placeshaping

- Supporting neighbourhoods where we own a significant number of homes, and are therefore able to work more closely with our customers in those areas and with other local partners to improve the environment and amenities
- Managing this approach through neighbourhood plans, for which our Customer and Neighbourhood teams hold the lead responsibility
- Our vision is to provide excellent customer service and to do more by making the best of our resources
- To this end we have taken action to improve communal gardens, working with our teams and customers to provide user-friendly and sociable areas at our properties
- We have adopted a Biodiversity Policy and plan to secure and monitor Biodiversity Net Gain schemes for future developments

Edwy Court



Cherry Orchard

OAK FARM DRIVE

A Low-Carbon Development with Air Source heat pumps

- Oak Farm Drive is a development of 44 affordable homes in a rural location within Oxfordshire, comprising 25 affordable and 19 shared ownership properties

- The development is off the National Grid, so gas powered heating and hot water was not possible. The scheme represented an opportunity to develop a low carbon project, providing heat and hot water using air source heat pumps (ASHPs).

- A pilot study was carried out to review the winter energy consumption of the homes and their ASHPs with an aim to understanding suitability for the customer, in terms of comfort and affordability. Six dwellings were selected for the study and compared with equivalent new homes installed with gas boilers. The comparison was based on the differences in running costs (based on the current energy prices) and carbon emissions.

The Results of the Project Showed that:

- The ASHPs provided sufficient heat and hot water for the customers, with an average indoor temperature of 20°C and an average hot water temperature of 45°C

- The ASHPs were more energy efficient and environmentally friendly than gas boilers, with an average coefficient of performance (COP) of 3.2 and an average carbon emission of 0.23 kg CO2/kWh

- The ASHPs were very slightly cheaper to run than gas boilers, with an estimated average annual saving of £200 per household

WRIGHT’S LANE RETROFIT CASE STUDY

- Paradigm’s first large-scale full-Air Source Heat Pump and solar panel retrofit programme at Wright's Lane in Prestwood, Bucks
- 30 flats built in 1975, converted away from old storage heaters with customers (50+ year olds) in situ for the entire programme
- Original flats were scored as EPC D or E
- Customers complained that heating was hugely expensive, and many used individual blow heaters instead of central heating. Most avoided using hot water through the day
- Two and a half months to completion (including new doors, windows, full radiator and water-tanks)
- Entire site now sits at EPC B or better. Considered to be ‘net zero ready’ in preparation for when the electric grid will be carbon neutral
- Customers have reported savings of up to 50% on electricity less than one month after the initial retrofit was completed, and overall satisfaction has been extremely high
- Funding came from a combination of government grant and Paradigm
- Total cost for the project is estimated at £1.4m

SUSTAINABLE FINANCE FRAMEWORK

Sustainable Finance Framework

- Aligned to our values and sustainability strategy, Paradigm has an established Sustainability Financing Framework to support Green, Social and Sustainable bank and bond financing
- DNV GL has independently verified the framework and provided a Second Party Opinion

Framework Alignment

Eligible Categories	UN SDG Alignment and Contribution
Affordable housing	11 SUSTAINABLE CITIES AND COMMUNITIES
Affordable basic infrastructure	11 SUSTAINABLE CITIES AND COMMUNITIES
Green buildings	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Renewable energy	7 AFFORDABLE AND CLEAN ENERGY; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Clean transport	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES

Allocations From Previous Bond

Approximately 80% of the net proceeds from Paradigm's debut bond were earmarked for refinancing, with the remaining 20% (£50.5m) used to fund the development of new homes.

All bond proceeds have been allocated

Proposed Allocations Strategy For New Bond

The majority of the net proceeds from Paradigm's proposed second public bond offering are expected to be applied to refinancing

Allocation Governance

Paradigm is committed to engaging with an appropriate external review provider to provide an annual review and assurance that each UoP issuance remains in compliance with its Framework until all proceeds are allocated – Compliance will be confirmed by Paradigm's Board annually

DEVELOPMENT PROGRAMME AND STRATEGY

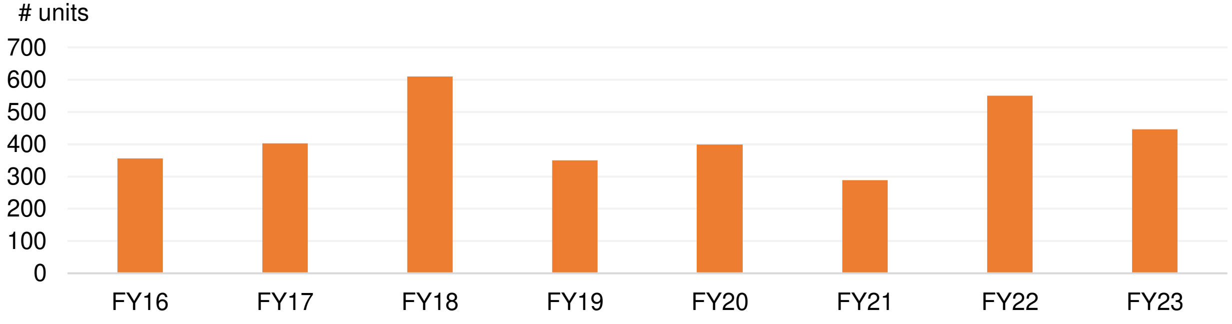
We build new homes to help more people

DEVELOPMENT STRATEGY

A commitment to provide affordable homes for people who need them

- Development represents a central part of our corporate mission
- Our 2021-26 Corporate Plan set out to deliver at least 2,250 homes – the development plan is regularly reviewed by the Board
- Paradigm has a proactive approach when it comes to the sizing of the development programme which allows for effective risk management
    - This was seen in action when the decision was made to adapt the number of new homes in the Long-Term Plan to 1,950 during the plan period – a clear example of Paradigm adapting the plan to changing macro conditions
    - That being said, our strong financial position allows us to continue to pursue development activity
- Our Long-Term Plan and subsequent stress testing outcomes form the basis of our risk framework and place limits on development and sales risk
- During FY23 we handed over 446 homes into management and sale, two thirds of which are for affordable rented tenures

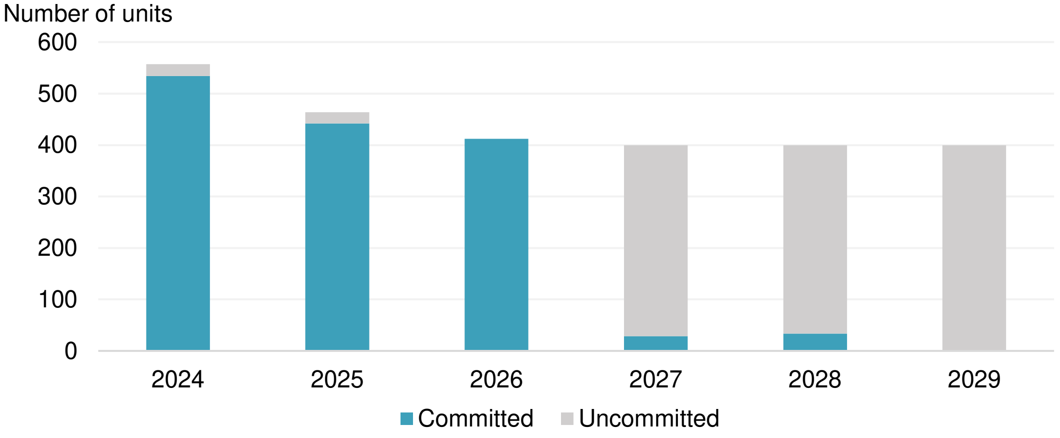
Track Record of Developing



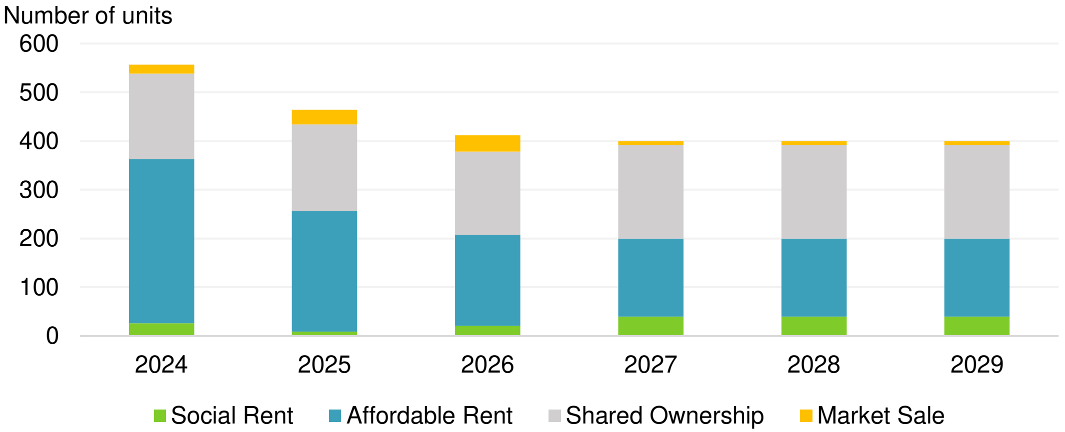
DEVELOPMENT PROGRAMME (LONG TERM PLAN)

High proportion of uncommitted development, low exposure to market sale and flexibility of tenure underpin conservative development plan

Committed vs. Uncommitted



Tenure Type



Committed	Homes	%	Cost (£m)
Affordable Rent	775	53.1	
Social Rent	60	4.1	
Market Rent	-	-	
Total Rent	**835**	**57.2**	**191**
Shared Ownership	542	37.1	121.2
Market Sale	83	5.7	19.3
Total Committed	**1,460**		**331.5**

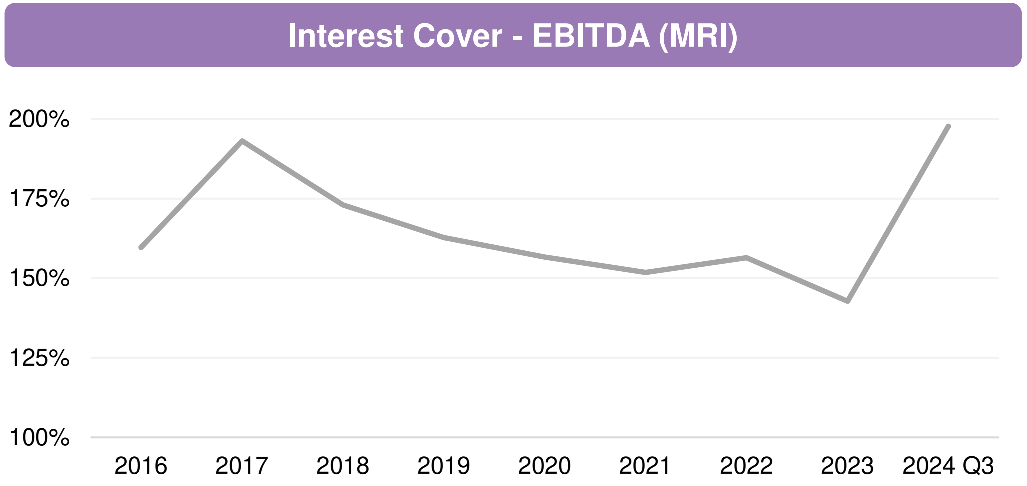
Total Approved	Homes	%	Cost (£m)
Affordable Rent	843	53.6	
Social Rent	60	3.8	
Market Rent	-	-	
Total Rent	**903**	**57.4**	**204.9**
Shared Ownership	587	37.3	134.9
Market Sale	83	5.3	19.3
Total Committed and Approved	**1,573**		**359.1**

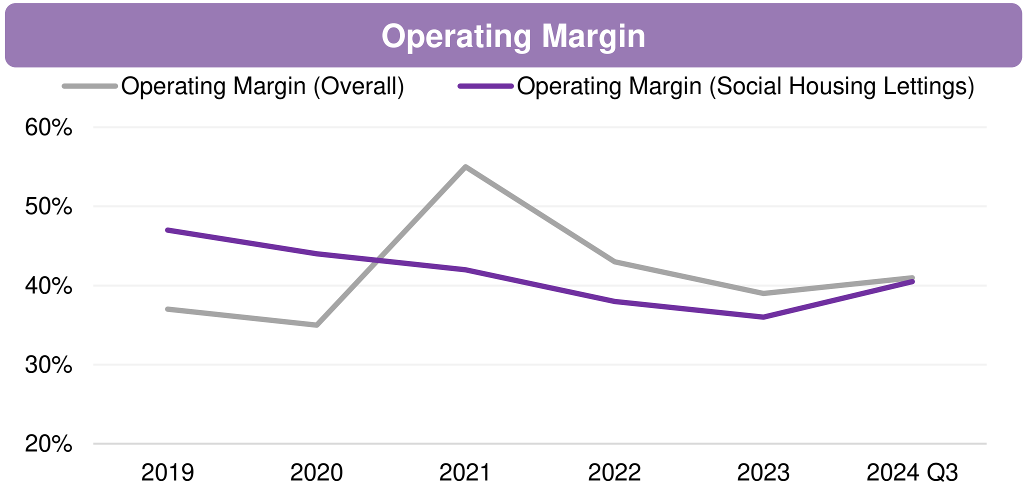
FINANCIAL REVIEW AND PERFORMANCE

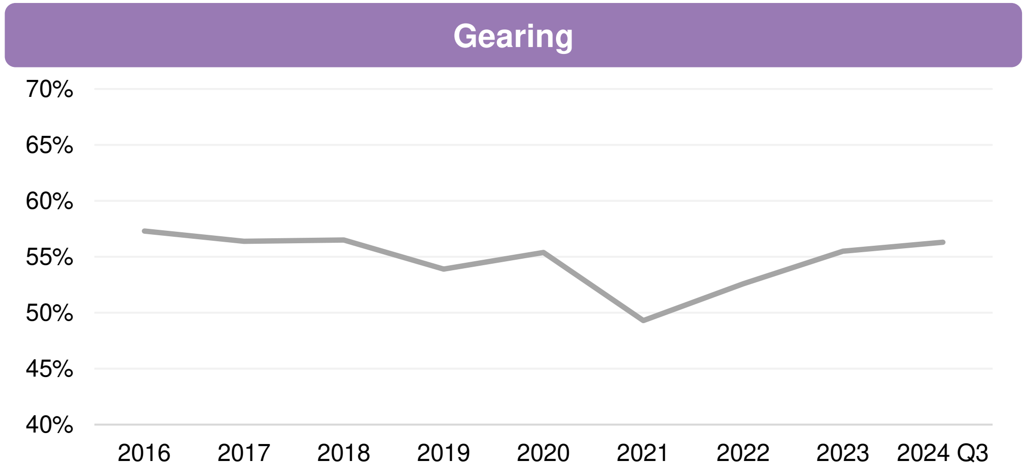
We strive to do more by making the most of our resources

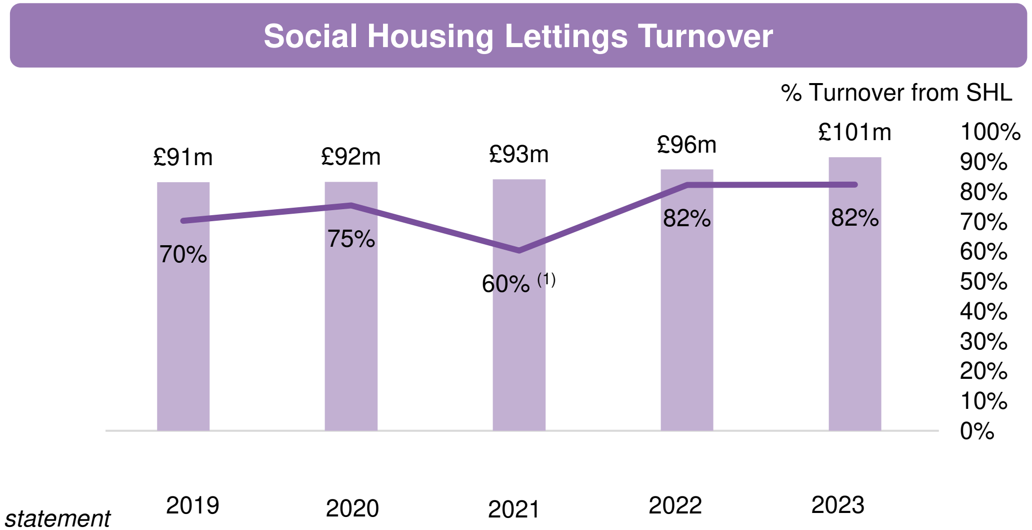
KEY FINANCIAL METRICS

Financial resilience evident through the cycle









Source: Paradigm FY2023 Annual Report; As at 31st March 2023. 2024 Q3 per Paradigm Unaudited trading statement
(1) Significant turnover was generated from outright property sales in 2021

GROUP FINANCIAL SNAPSHOT

Strong performance against a challenging economic background

£'000	2024 Q3	2023 Q3		2023	2022	2021	2020	2019
Turnover	86,900	79,900		122,300	116,800	153,400	121,500	130,100
Operating Expenditure	(51,700)	(51,600)		(73,956)	(64,924)	(65,663)	(86,184)	(82,195)
Operating Surplus	44,700	37,400		47,600	50,100	83,600	43,000	47,900
Operating Margin (Overall) (%)	***41%***	***41%***		***39%***	***43%***	***55%***	***35%***	***37%***
Fixed Asset Surplus	2,500	6,800		6,840	8,726	39,977 (1)	0	5,915
Interest	(24,500)	(21,400)		(31,390)	(31,051)	(33,042)	(27,786)	(29,044)
Net Surplus	22,700	22,900		23,049	28,715	90,616	15,202	24,812
Tangible fixed assets: Housing Properties	1,599,600	1,505,000		1,530,428	1,442,408	1,383,807	1,296,058	1,272,034
Total Reserves	**693,400**	**670,000**		**699,795**	**680,593**	**689,910**	**614,169**	**591,886**

- A demonstration of stability and strength
  - Turnover increased by 8.8% in Q3 FY24 with well managed operating costs remaining consistent despite inflation pressures
  - Significant and growing balance sheet, with housing properties increasing to £1.6bn
- Growth managed in a prudent and measured way

Source: Paradigm FY2023 Annual Report; As at 31st March 2023. Paradigm 2024 Q3 Unaudited trading statement,
(1) Includes £35.3m gain on stock swap; excluding the gain on stock swap fixed asset surplus is £4.7m

VALUE FOR MONEY (VFM)

The VFM Scorecard shows how effective we are in making the best use of the resources available to us

Value for Money Scorecard	Target	2024 Q3	2023 Q3	2023	2022	Peer 2023
Operating margin (Overall)	>40.1% Turnover	40.7%	40.5%	33.3%	42.9%	18.2%
Operating margin (Social Housing Lettings)	>38.9% Turnover	40.5%	35.4%	35.5%	38.0%	19.8%
Interest Cover – EBITDA (MRI)	182.8%	197.7%	198.2%	142.8%	156.4%	128%
Gearing	<56%	56.3%	54.8%	55.5%	52.6%	45.3%
New Supply Delivered – Social Housing	3.0%	-	-	3.0%	1.5%	1.3%
New Supply Delivered – Non-Social Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Return on Capital Employed	3.5%	-	-	3.0%	3.4%	2.8%
Headline social housing cost per unit	£4,002	-	-	£4,238	£3,888	£4,586
Reinvestment	4.0%	-	-	6.7%	3.6%	6.7%

Source: Paradigm FY2023 Annual Report; As at 31st March 2023. Paradigm 2024 Q3 Unaudited trading statement. Global Accounts of private registered providers – median values.

TREASURY MANAGEMENT POLICIES (TMP)

A robust and detailed approach to treasury management with appropriate governance and oversight

Robust Liquidity Policies

- Minimum cash balance of £5m
- Sufficient Liquidity to cover the 18 months forecast Net Cash Requirement plus a reserve to cover sales exposure risk on 50% of projected sales over the forecast period
- Max of £25m (vs £30m covenant limit) on-lend by PHCHA to other Paradigm entities

Treasury Standards

Covenant	Treasury Standard	2024 Q3
Interest Cover (EBITDA Only)	> 130% (1)	185%
Gearing (Gross Debt to HC)	< 65%	52%
Total Debt / **Total Assets less Current Liabilities**	< 65%	54%

Fixed Rate Target Policy (drawn debt)

Type of Exposure	Minimum	Maximum	2024 Q3
Fixed rate	65%	95%	84.6%
Floating rate	5%	35%	15.4%

Strong Governance and Oversight

- The Group adopts a risk-adverse approach to treasury management
- Treasury Management Policy reviewed annually and approved by Board
- Centrus appointed as financial advisors to provide additional rigour and oversight on financial planning
- Strict monitoring of sales exposure to manage covenant risk and liquidity

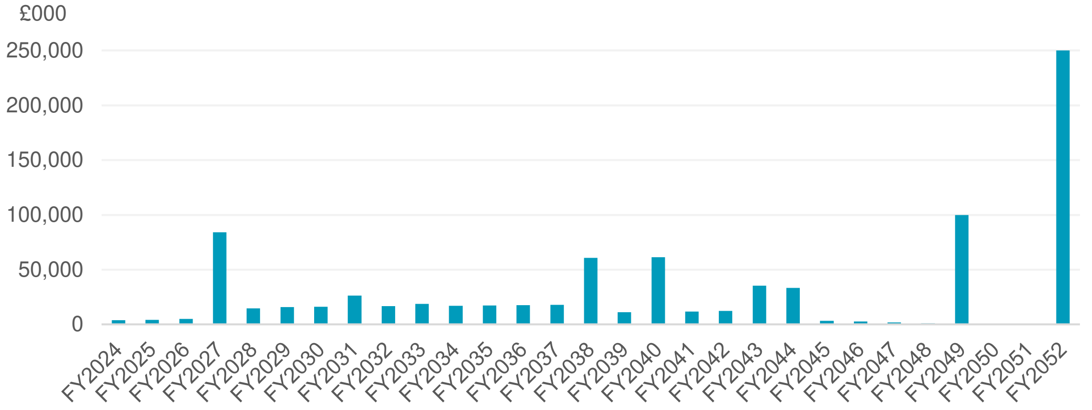
Source: Paradigm FY2023 Annual Report; As at 31st March 2023. Paradigm 2024 Q3 Unaudited trading statement. (1) Excluding sales.

TREASURY PORTFOLIO

A balanced and thought through treasury portfolio to support our financial strength

- No significant short term refinancing risk
- Balanced mix of RCF, term and capital markets debt
- Over 80% fixed interest costs as at 31 March 2023
- Excellent liquidity position providing over 18 months' forecast net cash requirements

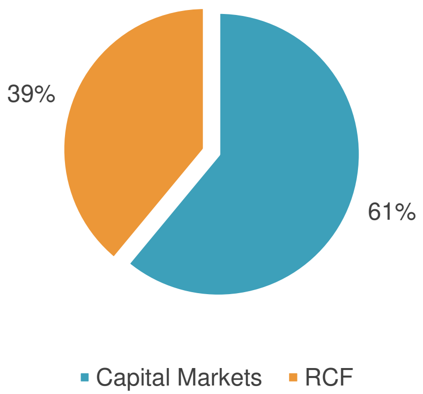
Debt Maturity Profile



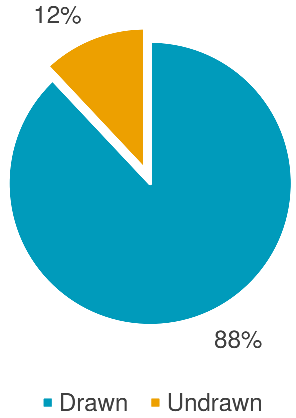
Financing as at 31 March 2023

£m	Arranged	Drawn	Undrawn
Bank Loans	465	343	122
Public bonds	350	250	100
Club bonds	166	166	-
PP	100	100	-
Total	**1,081**	**859**	**222**

Bank vs. Other Debt



Drawn vs. Undrawn



Source: Paradigm FY2023 Annual Report; As at 31st March 2023.

TRANSACTION SUMMARY

CONCLUDING REMARKS

- **Paradigm remains a strong, stable** Association with a **clear track record** and **focus on its core purpose**:
  - **Concentrated regional presence** and expertise across **over 16,000 homes** in the South East of England (predominantly outside London)
  - **82% turnover** from social housing lettings activity and **>35% SHL Operating Margin**
  - **Attractive modern low rise footprint** with only 3 properties >18m and >60% of homes less than 25-years old
- Asset management strategy and customer care experience committee **embedded** in governance structure
  - **Significant in-house maintenance team** that conducts regular visits on the stock, resulting in extensive property knowledge
  - **High customer satisfaction** with 83% Customer Satisfaction Repairs and 80% Overall Satisfaction
- Financial strength recognised by **A+ (stable) rating** by S&P which has been consistently maintained throughout a challenging macro environment
- Exceptionally **experienced management team** both at Executive and Board level
  - Proven flexibility and willingness to **adapt the business plan** in light of current conditions
  - Conservative and well-run development strategy with **low exposure to market sales**
- **Committed to sustainability** across our offering – core to our values, history, customers and people
  - **73.3% homes EPC C or better** and committed to achieving **2030 majority EPC C target**
- Highest available **G1/V1 Regulatory Grading** last confirmed in December 2023

As at 31st March 2023

TRANSACTION OVERVIEW

Issuer	Paradigm Homes Charitable Housing Association Limited
Issuer Rating	A+ by S&P
Transaction Size	£150m (plus an additional £100m retained)
Maturity	20 years
Documentation	Standalone Admission Particulars, dated [25 March 2024]
Asset Cover	105% EUV-SH / 115% MV-ST + Charged Cash
Denominations	£100k + £1k
Admission to Trading	London, International Securities Market, Sustainable Bond Market
Use of Proceeds	The net proceeds of the issue shall be: a) applied in furtherance of the Issuer's charitable objects or as permitted by its Rules including, without limitation, in the repayment of any existing indebtedness of the Issuer; and b) used by the Issuer for sustainable purposes to finance or refinance, in part or in full, Eligible Projects in accordance with the Sustainability Financing Framework
Bookrunners	Barclays (B&D), Lloyds Bank Corporate Markets
Target Market	UK MiFIR / MiFID II Professional Clients and Eligible Counterparties only

APPENDIX

APPENDIX: GOVERNANCE STRUCTURE

Of critical importance to our robust, transparent operations

Amalgamated Board

The Amalgamated Board (which comprises the entity boards of PHG, PHCHA and PCL) is composed of ten non-executive members plus one executive with meetings taking place at least six times per year

Audit and Risk Committee

Overseeing Paradigm's risk management strategy, financial management; standards of probity; and internal and external audit

Investment Committee

Delegated authority to approve larger development projects and oversees the implementation of the development strategy and the asset management strategy

Governance, Nomination and Remuneration Committee

Responsible for executive and non-executive remuneration; Board recruitment and effectiveness; governance and conduct; and committee effectiveness

Treasury Committee

Responsible for overseeing the raising of new finance and reviewing the Treasury Management Policy and detail of treasury documents

Customer Experience Committee

Responsible for monitoring delivery of the customer strategy, performance, and customer experience and insight

APPENDIX: BOARD MEMBERS

A diverse, highly skilled and experienced Board is a key strength of Paradigm

Julian Ashby – Outgoing Chair
Julian joined the Board after six years as Chair of the Homes and Communities Agency's Regulation Committee and three years as Deputy Chair of the Tenant Services Authority

Richard Moriarty– Incoming Chair
Richard has spent 30 years in senior roles in the private and public sectors. Previously, he has been CEO of the UK's Civil Aviation Authority and the Legal Services Board and, earlier in his career, he was an executive director with the Regulator of Social Housing

Pat Brandum - Senior Independent Director
Pat, having been Chief Executive of WM Housing in the West Midlands, has spent her working life in various housing organisations.

Matthew Bailes - Board member
As Chief Executive of Paradigm Housing Group, Matthew also sits on the Board. Matthew has been Chief Executive since September 2015 and was previously Director of Regulation at the Homes and Communities Agency.

Mathew Bishop - Board member
Mathew has almost 20 years' construction and building maintenance experience within both private and public sector outsourcing.

Eleanor Southwood - Board member and Chair of Customer Experience Committee
Eleanor Southwood is a councillor in the London Borough of Brent and for the last three years has been Cabinet Member for Housing and Welfare Reform.

Richard Osborne - Board member
Richard Osborne is currently a trustee at Emmaus Coventry and Warwickshire. Richard has more than 40 years' experience working in social housing, including leading strategic asset management and health and safety for one of the West Midlands' largest housing organisations.

Philippa Lowe - Board member and Chair of Audit & Risk Committee
Philippa is a qualified accountant with 30 years' Board-level experience in executive and non-executive roles. She has enjoyed an executive career in the NHS and has served as an independent Board Member in the housing sector for nine years, chairing Audit Committees during that time.

Peter Quinn - Board member
Peter has extensive experience in affordable housing development and was National Partnerships Director at Lovell Partnerships.

Mike Johnson - Board member and Chair of the Investment Committee
Mike is delighted to have joined the Board of Paradigm and to be chairing the Investment Committee, which oversees Paradigm's development and asset management activities.

Simon Jones - Board member and Chair of Treasury Committee
Simon Jones is currently Chair of Finance & Audit Committee for the Florence Nightingale Hospice Charity, which raises funds for the Hospice based at Stoke Mandeville Hospital. He is an experienced non-executive, working both in and with large businesses.

Amina Graham- Board member
Amina has over 30 years' experience in housing associations and retail management. Executive Director of People and Systems at Housing 21 and a Board member at Network Homes, she is committed to delivering reliable, excellent customer service and driving improvement in the social housing sector.

Liz Bailey - Board member
Liz is a Chief Information Officer with significant experience in digital strategy implementation and technology leadership within a leading University. She was a governor and trustee at Leicester Grammar School Trust.

APPENDIX: HISTORIC PERFORMANCE
INCOME STATEMENT AND BALANCE SHEET SUMMARY

	2024 Q3	2023 Q3	2023	2022	2021	2020	2019
Group statement of comprehensive income	£m	£m	£m	£m	£m	£m	£m
Turnover	109.9	92.4	122.3	116.8	153.4	121.5	130.1
Turnover before housing sales	86.9	79.9	106.1	101.5	99.0	96.0	95.8
Income from lettings			100.8	96.2	92.6	91.7	91.5
Property depreciation			10.3	11.8	9.6	9.3	9.3
Operating surplus before housing sales			37.9	34.9	39.5	34.6	38.1
Operating surplus from social housing lettings			35.8	36.5	38.5	40.4	43.0
Operating surplus	44.7	37.4	47.6	51.0	83.6	43.0	47.9
Surplus for the financial year	19.8	14.7	17.8	(11.2)	54.1	15.7	25.1
Group statement of financial position	£m	£m	£m	£m	£m	£m	£m
Housing properties	1,599.6	1,505.0	1,516.9	1,430.5	1,372.0	1,303.0	1,272.0
Net current assets	28.2	22.9	31.3	18.7	11.9	68.3	39.2
Indebtedness	912.15	847.3	924.5	859.4	798.3	715.1	685.2
Total reserves	693.4	670.0	699.8	680.6	689.9	614.2	591.9

Source: Paradigm FY2023 Annual Report; As at 31st March 2023. Paradigm 2024 Q3 Unaudited trading statement.

APPENDIX: HISTORIC PERFORMANCE
STATISTICS AND UNIT NUMBERS

	2024 Q3	2023 Q3	2023	2022	2021	2020	2019
Statistics	%	%	%	%	%	%	%
Operating margin (Overall)	40.7	40.5	38.9	42.9	54.5	35.4	36.8
Operating margin excluding sales	40.5	35.4	35.7	34.4	39.8	36.0	39.8
Surplus as % of turnover	18.0	15.9	14.6	18.2	35.3	12.9	19.3
Operating margin social housing lettings			35.5	38.0	42.3	44.1	47.0
Rent losses	0.9	1.0	0.6	0.9	0.5	0.8	1.1
Gearing	56.3	54.8	55.5	52.6	49.3	55.4	53.9
Interest Cover - EBITDA (MRI)	-	-	142.5	156.4	151.8	156.6	162.8
EBITDA – MRI as a % of turnover	-	-	25.6	40.8	32.7	42.3	42.0
Surplus from social housing lettings over interest paid	-	-	114.2	120.1	116.8	123.2	129.2
Accommodation owned and managed	units	units	units	units	units	Units	units
Total social and supported rented	-	-	12,365	12,270	11,970	11,627	11,689
Total low cost home ownership	-	-	2,750	2,648	2,575	2,367	2,164
Total leasehold and market rent	-	-	1,122	1,104	1,105	1,221	1,055
Total housing	-	-	16,237	16,022	15,650	15,215	14,908

Source: Paradigm FY2023 Annual Report; As at 31st March 2023. Paradigm 2024 Q3 Unaudited trading statement