

Company registration number 13083766

Portfolio REIT Plc

Unaudited interim consolidated financial statements

For the period from 1 April 2024 to 30 September 2024

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DIRECTORS, ADVISORS AND OTHER INFORMATION

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Stephen Vakil (Non-executive Chairman)
Timothy Downing (Non-executive Director)
Mark Beddy (Non-executive Director)

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STRATEGIC REPORT

The Directors of Portfolio REIT plc ("the Company" or the "Fund and together with its subsidiaries "the Group") are pleased to present the interim report for the period ended 30 September 2024.

Principal activity and investment policy

The Group's principal activity at inception was to invest, through subsidiaries, in freehold and long leasehold interests in residential properties in and around UK cities and let such properties generally on an assured shorthold tenancy ("AST") basis.

Its investment objective is to achieve regular long-term rental income as well as capital appreciation by investing in residential properties in and around UK cities where the Company identifies the potential for long-term capital growth and a strong level of rental income.

The Company's priority was to maximise total return over time rather than maximise discount or yield at the point of purchase.

In recent weeks, the Investment Advisor received an unsolicited approach from a third party who expressed interest in acquiring one of the assets in the portfolio. The investment policy set out in the prospectuses of the REIT did allude to the potential forced disposal of assets, but it did not explicitly allow for discretionary disposals of properties. The Board and the Investment Advisers believe that it is in the interests of shareholders for the investment policy to provide this flexibility. The Board will therefore seek approval from shareholders in general meeting to amend the investment policy of the REIT to facilitate disposals.

Portfolio and operating review

During the period, the Group's portfolio of properties (the "Portfolio") remained stable with no acquisitions or disposals. At 30 September 2024, there were 18 properties (31 March 2024: 18) in the Portfolio.

The Board is pleased with the performance of the Portfolio, reinforcing the value of acquiring high-quality residential assets in strong growth markets.

As at 30 September 2024, the Portfolio was independently valued by Allsop LLP at £7,440,000, a slight increase of 0.6% (31 March 2024: decrease of 0.8%) from £7,395,000 at 31 March 2024. It has been valued in accordance with the definitions published by the Royal Institution of Chartered Surveyors' ("RICS") Valuation – Professional Standards, July 2020, Global and UK Editions (commonly known as the "Red Book").

This aligns with the growth reported in the wider UK housing market with the Halifax Building Society house price index recording three consecutive monthly increases between July and September 2024.

The valuation of the REIT's property assets is primarily based on sales comparables and vacant possession sale value. In the absence of appropriate comparables, the evidence for a change in the valuation of properties may be limited and may lag the reported movements in the wider property market.

The value of the Portfolio at 30 September 2024 was 7.88% (31 March 2024: 7.23%) above original acquisition cost.

At the period end, all properties in the portfolio were fully occupied, with a total annual rent of £416,640 (31 March 2024: £410,580) – an increase of approximately 1.5% and an average rent of £1,929 (31 March 2024: £1,901) per calendar month. The Fund currently has no voids.

Positive rental growth has been achieved over the last twelve months in 17 of the 18 properties in the Portfolio, with annual rental growth achieved on individual properties ranging between 0.4% and 22.2%.

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STRATEGIC REPORT - continued

Financial Review

Statement of Comprehensive Income

Rental income for the six months to 30 September 2024 was £205,000 (2023: £184,000) – an increase of 11.4%, reflecting positive rent reviews and limited void periods between tenancies.

The gross rental yield on cost for the period was 6.04% which remains above our targeted KPI of 5%.

The loss for the period was £99,000 (2023: £245,000). The reduction in the loss compared to the comparable period in 2023 was primarily due to the positive movement in property valuation of £45,000 (2023: negative movement of £60,000), increased finance income £39,000 (2023: £Nil) and higher rental income £205,000 (2023: £184,000).

If the movement in property values is excluded the loss for the period was £144,000 (2023: £185,000)

The loss for the period resulted in a loss per share of 1.2p (30 September 2023: 3.1p) based on the weighted average number of 7,942,596 (2023: 7,868,243) shares in issue for the period.

The EPRA loss per share which adjusts for the movement in investment property valuation was therefore 1.8p (30 September 2023: 2.4p)

Statement of Financial Position

Investment properties include completed assets at fair value. The independent valuation of the Group's investment properties as at 30 September 2024 was £7,440,000 (31 March 2024: £7,395,000).

There has been no change to the Group's debt facilities during the period. As at 30 September 2024 and 31 March 2024, the Group had two secured loan facilities from Secure Trust Bank of £3,357,000 in aggregate with a blended interest rate of 2.85% which is fixed until maturity. Both the facilities have been fully drawn and are secured over the Group's investment properties. The loans are interest only and have an initial term of five years, repayable on 26 October 2026 and 7 March 2027.

As at 30 September 2024, the LTV (Loan to Value) for the properties financed with Secure Trust Bank was 45.1% (31 March 2024: 45.4%) and the interest cover ratio (ICR) for the quarter to 30 September 2024 was 4.31 times (30 September 2023: 4.27 times). The loan covenants are 55% LTV and 2.5 times ICR, representing a significant margin of headroom within each covenant. The loan covenants are assessed and submitted to Secure Trust Bank on a quarterly basis.

The EPRA adjusted NAV, on which the share price is based, was 84.0p per share (31 March 2024: 86.0p per share), a decrease of 2.0p in the period.

The Group considers EPRA NRV to be the most relevant NAV measure for the Group. This allows adjustments to net asset value to exclude assets and liabilities that are not part of normal operations.

Under EPRA rules, £436,000 (31 March 2024: £430,000) has been added back to the NRV through the real estate transfer tax adjustment.

Statement of Cash Flows

The net cash outflow for the period was £71,000. During the period, the Company spent a net amount of £Nil on buying back shares in the Company and paid dividends of £72,000.

Cash balances at 30 September 2024 were £2,006,000 (31 March 2024: £2,077,000).

Included in Other Debtors at 30 September 2024 are amounts of £258,000 advanced since February 2022 in relation to a property investment opportunity at Nightingale Quarter in Derby which the Group chose not to pursue and therefore this amount is due to be returned in full to the Group by 31 March 2025.

Dividends

The Company's dividend programme commenced in September 2022. In accordance with the REIT rules, at least 90 per cent of the Fund's annual property income must be distributed to shareholders.

During the period, the Board declared and paid two interim dividends which were both paid as Property Income Distributions.

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STRATEGIC REPORT - continued

On 24 May 2024, the Board declared an interim dividend of 0.45305p per share which was paid on 28 May 2024.

On 30 August 2024, the Board declared an interim dividend of 0.45216p per share which was paid on 30 August 2024.

The aggregate dividend paid per share in the period was 0.90521p, which represents an annualised dividend yield calculated versus closing EPRA NAV per share of 2.16%.

The Company expects that further dividends will be paid each quarter.

Outlook

The Directors are pleased with the year on year increase in rental growth and that the portfolio has appreciated in value during the half-year to 30 September. The REIT has continued to be insulated from prevailing interest rates due to our fixed rate debt facilities and the Group's portfolio which is fully occupied continues to deliver a strong rental yield.

Strategy update

The UK property market continues to face headwinds from persistent economic uncertainty, high interest rates, and constrained consumer confidence which continue to affect transaction volumes and market sentiment.

Although rental income remains resilient, reflecting the ongoing demand for quality housing, it remains a challenging environment for capital growth.

The macroeconomic environment also poses difficulties for capital raising. Investor appetite for real estate assets has been subdued due to the higher cost of capital and caution remains among investors. We are mindful that raising additional equity for residential property investment in the current environment remains challenging. Management will continue to focus on disciplined portfolio management and operational efficiencies to protect value for shareholders.

As previously mentioned, the Investment Advisor received an unsolicited approach from a third party who expressed interest in acquiring one of the assets in the portfolio and the Board and the Investment Advisers believe that it is in the interests of shareholders to seek an amendment to the REIT's investment policy to allow property disposals.

Our cautious outlook including exploring potential disposals reflects the need to adapt to market dynamics while safeguarding the value in our portfolio. If an amendment to the REIT's investment policy is agreed and the contemplated property disposal successfully completes, the Board will carefully evaluate all options available in relation to future portfolio and fund strategy to best serve shareholder interests.

We appreciate the continued support of all our shareholders.

Stephen Vakil

Chairman

Portfolio REIT Plc

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the period from 1 April 2024 to 30 September 2024

	Note	For the period from 1 April 2024 to 30 September 2024 £'000	For the period from 1 April 2023 to 30 September 2023 £'000
Income			
Gross rental income		205	184
Property operating expenses		(51)	(51)
Net rental income		154	133
Operating expenses			
General and administrative expenses		(273)	(247)
Total operating expenses		(273)	(247)
Net operating loss before fair value changes		(119)	(114)
Changes in fair value of investment properties	5	45	(60)
Net operating loss after fair value changes		(74)	(174)
Finance income		39	-
Finance costs		(64)	(71)
Operating loss before taxation		(99)	(245)
Taxation		-	-
Loss for the period attributable to owners		(99)	(245)
Total comprehensive loss for the period attributable to the owners		(99)	(245)
Loss per share – basic and diluted (pence)*	11	(1.2)	(3.1)

*Based on the weighted average number of ordinary shares in issue in the period from 1 April 2024 to 30 September 2024.

All amounts included in the Consolidated Statement of Comprehensive Income relate to continuing activities.

The notes on pages 9 to 16 form part of these consolidated interim financial statements.

Portfolio REIT Plc

CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 30 September 2024

		As at 30 September 2024 £'000	As at 31 March 2024 £'000
	Note		
Non-current assets			
Investment properties	5	7,440	7,395
Total non-current assets		7,440	7,395
Current assets			
Trade and other receivables		385	469
Cash and cash equivalents		2,006	2,077
Total current assets		2,391	2,546
Total assets		9,831	9,941
Non-current liabilities			
Bank borrowings		(3,287)	(3,271)
Total non-current liabilities		(3,287)	(3,271)
Current liabilities			
Trade and other payables		(295)	(289)
Total current liabilities		(295)	(289)
Total liabilities		(3,582)	(3,560)
Net assets		6,249	6,381
Equity			
Share capital	6	91	91
Share premium	7	2,678	2,678
Treasury shares	8	(1,097)	(1,136)
Capital reduction reserve	9	6,104	6,176
Warrant reserve	10	53	53
Profit and loss account		(1,580)	(1,481)
Total equity		6,249	6,381
NAV per share (pence per share)- IFRS	12	78.50p	80.60p

The Consolidated Interim Financial Statements were approved by the Board of Directors and authorised on their behalf by:

Stephen Vakil
Chairman

13 December 2024

Company registration number 13083766

The notes on pages 9 to 16 form part of these consolidated interim financial statements.

Portfolio REIT Plc

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period from 1 April 2024 to 30 September 2024

	Note	Share capital £'000	Share premium £'000	Capital reduction reserve £'000	Warrant revaluation reserve £'000	Treasury shares £'000	Profit and loss account £'000	Total £'000
1 April 2024		91	2,678	6,176	53	(1,136)	(1,481)	6,381
Loss for the period		-	-	-	-	-	(99)	(99)
Transactions with Owners:								
Dividends paid	4	-	-	(72)	-	-	-	(72)
Treasury shares sold	8	-	-	-	-	39	-	39
30 September 2024		91	2,678	6,104	53	(1,097)	(1,580)	6,249

	Note	Share capital £'000	Share premium £'000	Capital reduction reserve £'000	Warrant revaluation reserve £'000	Treasury shares £'000	Profit and loss account £'000	Total £'000
1 April 2023		91	2,678	6,320	53	(1,061)	(1,002)	7,079
Loss for the period		-	-	-	-	-	(245)	(245)
Transactions with Owners:								
Dividends paid	4	-	-	(72)	-	-	-	(72)
Treasury shares sold	8	-	-	-	-	17	-	17
Shares repurchased	8	-	-	-	-	(127)	-	(127)
30 September 2023		91	2,678	6,248	53	(1,171)	(1,247)	6,652

The notes on pages 9 to 16 form part of these consolidated interim financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

		Period from 1 April 2024 to 30 September 2024 £'000	Period from 1 April 2023 to 30 September 2023 £'000
	Note		
Cash flows from operating activities			
Loss before taxation		(99)	(245)
Adjustments for:			
Changes in fair value of investment properties	5	(45)	60
Amortisation of loan arrangement fees		16	15
Interest expense		48	48
Interest income		(39)	-
Decrease in trade and other receivables		(22)	16
Decrease in trade and other payables		5	(59)
Net cash used in operating activities		(136)	(165)
Cash flows from investing activities			
Deposits for investment properties		-	(43)
Refund of deposits for investment properties		107	-
Net cash generated by / (used in) investing activities		107	(43)
Cash flows from financing activities			
Proceeds from treasury shares sold	8	39	17
Purchase of shares from investors	8	-	(126)
Dividends paid	4	(72)	(72)
Interest paid		(48)	(71)
Interest income received		39	-
Net cash used in financing activities		(42)	(252)
Net decrease in cash and cash equivalents		(71)	(460)
Cash and cash equivalents at the beginning of the period		2,077	1,031
Cash and cash equivalents at the end of the period		2,006	571

The notes on pages 9 to 16 form part of these consolidated interim financial statements.

Portfolio REIT Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 General information

Portfolio REIT Plc (the "Company" or the "Parent Company") was incorporated as The Property Hub REIT plc in England and Wales under the Companies Act 2006 on 15 December 2020 and is a public company limited by shares with Company number 13083766. These unaudited consolidated interim financial statements include the financial statements of the Parent Company together with its subsidiaries Property Hub No.1 LP, Portfolio REIT Holdings Ltd, Portfolio REIT SPV 1 Ltd and Portfolio REIT SPV 2 Ltd, together known as the "Group".

The Company is registered as an investment Company under section 839 (1) of the Companies Act 2006. The Company's registered office is Suite 101 Bloc 17 Marble Street, Manchester, M2 3AW. The Group's principal activities are set out in the Strategic report.

2 Accounting policies

Going concern

The unaudited consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Group will continue in operational existence and realise its assets and discharge its liabilities in the normal course of business for a period of at least 12 months from the date of signature of these financial statements.

Basis of preparation

The condensed consolidated interim financial report for the half-year reporting period ended 30 September 2024 has been prepared in accordance with IAS 34 Interim Financial Reporting. The financial information is unaudited and does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial performance and position of the Group. The interim report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards and accordingly should be read in conjunction with the annual report for the year ended 31 March 2024 which has been prepared in accordance with both International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

The consolidated interim financial statements have been prepared under the historical cost convention except for investment properties which are stated at fair value and warrants that are initially recognised at fair value.

The consolidated interim financial statements are presented in sterling, the functional currency of the Parent Company.

The preparation of consolidated interim financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Although these estimates are based on the Directors' best knowledge of the events and amounts involved, actual results may differ from those estimates.

Basis of consolidation

The Group's consolidated financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 September 2024.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Portfolio REIT Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (Continued)

Basis of consolidation (Continued)

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes total comprehensive income or loss of subsidiaries between the investors of the parent based on their respective ownership interests.

Investment properties

Investment properties comprise residential properties which are measured initially at cost, including related transaction costs. These are held as investments to earn rental income and for capital appreciation and are stated at fair value at the Consolidated Statement of Financial Position date.

After initial recognition investment properties are carried at fair value as determined by independent external valuers who hold recognised and professional qualifications and have experience in the location and category of the investment property being valued. The fair value of the investment property reflects, among other things, the valuation of the individual dwellings if sold as a single asset in the light of current market conditions.

Subsequent expenditure is added to an asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other property-related costs are charged to the Consolidated Statement of Comprehensive Income during the financial period in which they are incurred.

Any movement in the fair value of the properties is reflected within the Consolidated Statement of Comprehensive Income for the period.

The gain or loss arising on the disposal of investment properties is determined as the difference between the net sales proceeds and the carrying value of the asset at the beginning of the period and is recognised in the Consolidated Statement of Comprehensive Income.

Fair value hierarchy

In accordance with IFRS 13, the Group recognises investment properties at fair value at each balance sheet date which recognises a variety of fair value inputs depending upon the nature of the investment. Highest priority is given to Level 1, lowest priority is given to Level 3:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period.

Portfolio REIT Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (Continued)

Warrants

The initial recognition of the warrants will be based on the fair value report provided by an external valuer as at the date at which the warrants were issued. As the warrants are classified as an equity instrument under IFRS it is not required for them to be subsequently re-valued after the initial recognition. When the warrants are exercised the resultant shares issued will be valued at the warrant exercise price which was specified when the warrants were initially issued.

Capital and reserves

The capital reduction reserve is a distributable reserve to which the value of share premium, as a result of share issuance, has been transferred. Dividends can be paid from this reserve.

The warrant revaluation reserve reflects the fair value of warrants at the date of issue, as explained above.

The profit and loss account reflects accumulated comprehensive income as at reporting date.

Dividend distributions

Dividend distributions are recognised when paid to the investors or, if earlier, when shareholder approval is received. These amounts are recognised as a reduction in equity in the consolidated financial statements, detailed in the Consolidated Statement of Changes in Equity.

Alternative performance measures

The Group uses alternative performance measures to present certain aspects of its performance. These are explained and, where appropriate, reconciled to equivalent IFRS measures. The main alternative performance measures used are those issued by the European Public Real Estate Association ("EPRA"), which is the representative body of the listed European real estate industry.

EPRA issues guidelines and benchmarks for reporting both financial and sustainability measures. These are important in assisting investors in comparing and measuring the performance of real estate companies across Europe on a consistent basis as well as being key performance indicators for the Group.

EPRA NAV measures

EPRA has defined three measures in the 2019 Guidelines as below:

- EPRA Net Reinstatement Value ("NRV") highlights the value of net assets on a long-term basis. This assumes that entities never sell assets and aims to represent the value required to rebuild the entity.
- EPRA Net Tangible Assets ("NTA") assumes that entities buy and sell assets, thereby crystallising certain levels of 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.

For the EPRA adjustments to arrive at the EPRA NAV (for all three methods), the Group used the starting point from IFRS and followed the EPRA guidelines, subsequently determining the following adjustments are applicable to the Group as follows:

a) Revaluation of Investment Property (if IAS 40 cost option is used)

Since under IAS 40 the Group will be using the valuation option rather than cost option, this adjustment will not be applicable and so no adjustment is necessary.

Portfolio REIT Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2 Accounting policies (Continued)

EPRA NAV measures (Continued)

b) Real estate transfer tax ("RETT")

According to the EPRA guidelines, this adjustment only effects the NRV and the adjustment has no impact on NTA or NDV. The Group considered in this case, stamp duty land tax (SDLT) to be the RETT – Real Estate Transfer Tax. The guidance indicates that companies should use the gross value as provided in the valuation report. Under this adjustment, the Group will be adding back the stamp duty which was written off through the revaluation of the investment properties.

Treasury Shares

Treasury stock is a contra equity account recorded in the shareholders' equity section of the balance sheet. A contra equity account is a stockholders' equity account with a negative balance. When treasury shares are purchased by the Group, a contra-equity account (treasury shares) is set up and recorded in the equity section.

When treasury shares are sold by the Group, the sales proceeds offset against the treasury shares in the equity section, and any sales exceeding the purchase costs are credited to the share premium. If the sales proceeds are less than the purchase costs, the deficits are debited to the share premium remaining from prior treasury transactions, and any residual amount to retained earnings if there is no remaining balance in the additional share premium account.

3 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Group's accounting policies, the Directors have made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements.

REIT status

The Company will at all times conduct its affairs to enable it to remain qualified as a REIT for the purposes of Part 12 of the Corporation Tax Act 2010 (and the regulations made thereunder). The Company reviews this qualification on a regular basis with its tax advisors and has not identified any risk of non-compliance to date.

Valuation of properties

The Group adopts the valuation carried out by its independent external valuers as the fair value of its property portfolio. Information on the basis of valuation is provided in note 5.

The Group's properties have been independently valued by Allsop LLP ("Allsop" or the "Valuer") in accordance with the definitions published by the Royal Institute of Chartered Surveyors' ("RICS") Valuation – Professional Standards, July 2020, Global and UK Editions (commonly known as the "Red Book"). Allsop is a recognised professional firm and has sufficient knowledge, skills and understanding to undertake the valuations competently.

With respect to the Group's financial statements, investment properties are valued at their fair value at each Statement of Financial Position date in accordance with IFRS 13 which recognises a variety of fair value inputs depending upon the nature of the investment.

Given the nature of each of the Group's investments, all of the Group's investment properties are included in Level 3.

4 Dividends

	For the period ended 30 September 2024 £'000	For the period ended 30 September 2023 £'000
Dividends paid during the period (represents two interim dividends)	72	72
Total dividends paid	72	72

Portfolio REIT Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4 Dividends (continued)

On 24 May 2024, the Company announced a first quarterly dividend of 0.45305p per share which was paid on 28 May 2024 to shareholders on the register on 22 May 2024.

On 30 August 2024, the Company announced a second quarterly dividend of 0.45216p per share which was paid on 30 August 2024 to shareholders on the register on 29 August 2024.

5 Investment properties

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
Opening balance	7,395	7,455
Change in fair value of investment properties	45	(60)
Ending balance	7,440	7,395

In accordance with International Accounting Standard, IAS 40 Investment Property, investment properties have been independently valued at fair value by Allsop LLP, an accredited external valuer with a recognised relevant professional qualification and with recent experience in the locations and categories of the investment properties being valued. The valuation basis conforms to the RICS Valuation Professional Standards (the "Red Book").

The valuation is prepared using the comparable approach within their calculations. Where properties are subject to tenancies the valuations do not reflect this. The valuations are of the individual dwellings if sold as a single asset in light of current market conditions and not as a part of a portfolio. Where there are multiple dwellings held in the same building or developments, it is assumed that the properties would be sold in an orderly fashion so as not to flood the market with similar dwellings.

6 Share capital

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
Ordinary shares of £0.01 each (allotted and fully paid)	91	91

The Group was incorporated on 15 December 2020 with an initial issue of 100 ordinary shares of £0.01 each.

As at 30 September 2024, the Group has issued 9,106,091 ordinary shares (31 March 2024: 9,106,091 ordinary shares) of £0.01 nominal value (31 March 2024: £0.01).

7 Share premium

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
At beginning of period	2,678	2,678
Balance at end of period	2,678	2,678

Portfolio REIT Plc
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8 Treasury shares

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
At beginning of period	1,136	1,061
Treasury shares sold	(39)	(365)
Treasury shares repurchased	-	440
Balance at end of period	1,097	1,136

During the period the Company resold 45,862 shares at a cost of £39,000.

9 Capital reduction reserve

	As at 30 September 2024 £'000	As at 31 March 2024 £'000
At beginning of period	6,176	6,320
Dividends	(72)	(144)
Balance at end of period	6,104	6,176

The capital reduction reserve is a distributable reserve established on cancellation of the share premium reserve.

10 Warrant revaluation reserve

Under the Group's Offer for Subscription, the Group has issued ordinary shares with embedded warrants entitling the holder of each warrant to subscribe for shares in the Group, in the ratio of one warrant to every five shares subscribed at a price of £1.10 (the "Warrants"). The Warrants can be exercised until 2028 (inclusive), in June and December of each year.

The warrant revaluation reserve is based on a valuation provided by Interpath Advisory Limited, an Independent external independent valuer as at 30 September 2022.

Valuation Approach

Based on the terms of the Warrants, the valuer has utilised the Black-Scholes Option Pricing Model to determine the fair value of the Warrants at 30 September 2022, which is as follows:

Period Issued	Warrants Issued/(Cancelled)	Value per Warrant (£)	Total Value of Warrants (£'000)
March 2021	1,134,900	0.0293	33
April to July 2021	194,351	0.0218	4
August 2021 to March 2022	85,838	0.0215	2
July 2022	(111,111)	0.0218	(2)
September 2022	131,137	0.1207	16
	1,435,115		53

The fair value of the Warrants has been primarily derived using analysis of recent market transactions, supported by market knowledge derived from Interpath agency experience. A table showing the yields and assumptions applied for the portfolio is included below:

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10 Warrant revaluation reserve (continued)

	As at 30 September 2022
Volatility	4.50%
Risk-free rate	4.26%
Dividend yield	0.00%

11 Loss per share

Loss per share ("LPS") is calculated by dividing loss for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the period. Amounts shown below are both basic and diluted measures as the dilutive instruments are anti-dilutive.

	Period from 1 April 2024 to 30 September 2024 £'000	Period from 1 April 2023 to 30 September 2023 £'000
IFRS loss	(99)	(245)
Adjustments to calculate EPRA loss:		
Changes in value of investment properties	(45)	60
EPRA and Group loss	(144)	(185)
	Period from 1 April 2024 to 30 September 2024	Period from 1 April 2023 to 30 September 2023
Weighted average number of shares used in basic LPS and diluted LPS	7,942,596	7,868,243
IFRS LPS (pence)	1.2	3.1
EPRA and Group LS (pence)	1.8	2.4

12 Net asset value per share

Net asset value ("NAV") per share is calculated by dividing the consolidated net assets attributable to ordinary equity holders of the Group by the number of outstanding ordinary shares at period end. Amounts shown below are both basic and diluted measures as the dilutive instruments are anti-dilutive.

Basic and diluted NAV per share are quoted below.

	As at 30 September 2024	As at 31 March 2024
IFRS NAV (£'000)	6,249	6,381
Number of outstanding ordinary shares	7,960,605	7,914,743
IFRS NAV per share – basic and diluted (pence)	78.50	80.60

Portfolio REIT Plc

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

12 Net asset value per share (continued)

EPRA NRV

The Group consider EPRA NRV to be the most relevant NAV measure for the Group. Reconciliations between EPRA NRV and the IFRS financial statements are below:

	As at 30 September 2024	As at 31 March 2024
IFRS NAV (£'000)	6,249	6,381
Real estate transfer tax adjustment (£'000)	436	430
EPRA NAV (£'000)	6,684	6,811
Number of outstanding ordinary shares*	7,960,605	7,914,743
EPRA NAV per share (pence)	84.0	86.0

* Treasury shares are not included in this figure.

13 Related parties

Controlling Party

There is no ultimate controlling party of the Group.

Investment Advisor

Under the terms of the Investment Advisory Agreement dated 4 March 2021, Property Hub Advisors Limited was appointed as the Investment Advisor to the Group giving it significant influence over the decisions of the Group. Under this agreement, the Investment Advisor will advise the Group in relation to the management, investment and reinvestment of the assets of the Group.

During the period, no advisory fees were charged (2023: £18,000 were charged) in the Consolidated Statement of Comprehensive Income, and £Nil (2023: £35,000) was payable at the period end.

Lettings Manager

Under the terms of the Deed of Novation of Contract dated 12 July 2022, Property Hub Lets Limited ('PHLL') entered into a Lettings Management Agreement with Portfolio Management and Lettings Limited ('PMLL'). Under this agreement, PHLL transferred the property management services that were agreed in the contract dated 4 March 2021 to PMLL. During the period to 30 September 2024, lettings management fees amounting to £1,000 (2023: £1,000) were recognised in the Consolidated Statement of Comprehensive Income in relation to services provided by PHLL, of which £6,000 (2023: £3,000) was payable at the period end.

Directors

With effect from 1 January 2024, each of the Directors is entitled to receive a reduced fee of £14,500 per annum from the Company. In addition, the chair of the audit committee and the Chairman each receive an additional fee of £3,000 per annum.

Other Related Party Transactions

As part of the restructuring of the Nightingale Quarter, Derby transaction, it was agreed that the Company would be reimbursed in full by Property Hub Invest Ltd ('PHI'), for transaction costs incurred by the Company in relation to the original forward purchase agreement. The current outstanding balance owed as of 30 September 2024 is £258,000 (2023: £365,000) and it is anticipated that this will be reimbursed by 31 March 2025.

14 Post balance sheet events

On 29 November 2024, an interim dividend of 0.45128p per ordinary share at a total cost of £35,925 was paid.