Sage Homes

Homes to build lives in

SAGE RENTED LIMITED

ANNUAL REPORT AND
FINANCIAL STATEMENTS 2025

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Find out more online at
www.sagehomes.co.uk

2025 Group Successes

5th

year running named 'largest provider of newly built affordable homes in England'

2,157

affordable homes delivered in 2025

£260m

invested in delivering new affordable homes this year

98%

of homes rated EPC A or B, saving customers around £430 per year*

*See page 18 on sustainability for details.

We are proud to be delivering excellent services to the customers living in our homes.

132,735
customer enquiries resolved by Sage this year
(2024: 129,000)

73%
of calls to Customer Care team answered within 60 seconds, by year end*
(2024: 90%)

27,279
live chat conversations, of which 24,351 (89%) were resolved by automated technology
(2024: 35,701)

383
Sage households participating in community events, including drop-in surgeries and joint walkabouts designed for more meaningful impact
(2024: 144)

49
customers actively participated in shaping Sage's services, including through our Customer Scrutiny Panel and Customer Insight groups.
(2024: 82)

£2.44m
identified and secured for customers in need by our Financial Wellbeing team
(2024: £1.92m)

76%
rented customers' overall satisfaction for whole Sage group
(2024: 76%)

2,176
customers supported by our Financial Wellbeing team this year, across 1,788 households.
(2024: 1,211)

4,784
emergency repairs completed, 94% within 24 hours
(2024: 2,848, 80%)

Sage Homes is a trading name of Sage Rented Limited and of other companies in the Group. In this report, "Sage Rented" or the "Company" refers to Sage Rented Limited registered at Companies House Number 11217855, Regulator of Social Housing ("RSH") Number 5083. "Sage Homes", "Group" or "Sage Homes Group" refers to the companies shown in note 28 in the financial statements, acting together.

*We now handle more issues upfront with customers at first point of contact, meaning the Customer Care team are carrying out actions such as setting up payment plans, rather than transferring customers to individual teams. This means our team take longer per call, resulting in this number being lower than in 2024, but leads to better outcomes for customers as they have issues resolved more immediately. We have also discovered customers are more willing to hold the line as they are able to get basic questions resolved elsewhere including on My Sage Home.

Sage Rented

HIGHLIGHTS

TURNOVER

£67m

+3%

Our turnover has remained steady.

OPERATING PROFIT

£31m

+48%

Our operating profit has increased as a result of our transaction with Vico Homes, selling homes in areas where we have less operational density.

NUMBER OF REPAIRS CARRIED OUT IN 2025

21,529

+37%

We maintain a steadily increasing amount of repairs, making sure our customers' homes are safe and in good repair. As our homes age, they will require more repairs, reflected in the higher number.

SATISFACTION THAT THE HOME IS WELL MAINTAINED

78%

+2%

Customer satisfaction has increased as we now carry out cyclical works and have made repair work more efficient.

SATISFACTION ABOUT BEING KEPT INFORMED

79%

+4%

Customer satisfaction has improved around Sage keeping customers informed. This is following more tailored regular newsletters and updates to customers' My Sage Home online account.

SATISFACTION IN BEING TREATED FAIRLY AND WITH RESPECT

82%

+3%

Customer satisfaction that Sage treats them fairly and with respect has remained steady with a slight increase. We continue to work on improving this number, making sure all customers feel respected and have their needs met.

Building a strong community

Cassie moved into her Sage Home in 2023, following a relationship breakdown and her privately rented home being sold.

Community-minded and with two children, she's built great relationships with her neighbours. "We all talk together, all our kids play together. People don't really talk to their neighbours nowadays but here everyone chats. When the football was on, we all brought our picnic tables onto the communal outside area so we could watch it together, and put it back afterwards."

Settled into their home and neighbourhood, Cassie and her family often enjoy the local area, whether it's walking, shopping, or popping round friends' houses for a cup of tea.

"It's nice to have a garden and home of my own. I'm secure here. I'm creative and want to get decorating. I really want to make this home mine."

A year of change and focus

2025 has seen Sage take stock of the progress we've made as well as clarifying our strategy and purpose for the next phase in our development. As we welcome new Board members and a new CEO, the Board has felt that it is important to restate Sage's strengths and remind ourselves what makes us perform at our best.

It has been two years since we took over housing management for all of our customers and we have seen a strong improvement in the customer satisfaction of our Sage Rented customers. While there are still areas of improvement required, our people have shown us that they are passionate about building Sage into a sector leader. The Board has worked closely with colleagues and customers in the development of our new purpose, mission and ethos, outlined later in the report, and ensure it sits at the heart of our Corporate Plan. At its basis, it states that our culture balances ambition with empathy, striving to provide homes that customers genuinely love to live in.

Sage has become synonymous with the delivery of new affordable homes. In 2025 we were again the largest provider of new affordable homes for the fifth consecutive year and we have now passed a significant milestone of 20,000 homes delivered. We remain committed to supporting the Government's aims to significantly increase the number of affordable homes in the country and we believe that the commitment to a 10 year rent settlement and expanded Affordable Homes Programme will help ensure that everyone in the sector can do more to meet the ambitious 1.5m new homes target. We have worked closely with Homes England this year to ensure that we can support their objectives and have deployed £88.3m in grant funding across the year, increasing our cumulative grant funded home total to 5,065 (2024: 4,589). We look forward to further developing our partnership next year.

Implementing our strategy

In 2025, we concluded our first major transaction as Sparrow Shared Ownership took over the management of their homes and customers from Sage. Sparrow has now completed its first Regulatory Inspection and I am delighted for them that they received the highest grading of G1* V1* C1*. I must also thank all the Sage teams who worked so closely with our partners to make this transition smooth for Sparrow customers and investors.

We have also developed a productive partnership with Vico Homes, to whom we transferred 390 homes in the North. Our limited coverage in the geographies in which they have traditionally been very strong in, makes the partnership work very well. Their commitment to our customers is commendable, and I am grateful for the work they have done in meeting with all customers following the transfer, ensuring they remain well supported. We have every expectation that we will be able to build on the partnership and continue to develop working relationships with more RPs to find mutually beneficial outcomes.

We will continue to diversify our capabilities to support the delivery of new homes, ensure that we provide excellent customer service and value for money to ensure the long term sustainability of Sage Homes. This year, the Regulator renewed SRL's G1* V2* grading following their stability check, recognising that our strategy is working and Sage remains on a firm footing.

Delivering for customers

We have made excellent progress with the expansion of our Customer Care Centre in Northampton, as well as our teams in the field. Customer satisfaction remains high, with improvements in several areas but there is still more to do, and we are committed to continuous improvement. This year, Board members visited customers to hear firsthand what we are doing well and where we need to improve, gaining insights that will shape our priorities going forward.

Customer insight and scrutiny remain central to the development of our services. The Customer Scrutiny Panel continues its important work as Sage's 'critical friend' and new panel members are offering more experience and resilience. Julia Porter has taken over the chairing of our Scrutiny Panel and thanks must go to Cedi Frederick for establishing and developing the panel.

This year, we have continued to measure ourselves against the consumer standards and learn from others' regulatory judgements. We remain committed to the development of excellent customer services and hearing the voice of the customer. Now, as our first homes reach their fifth year, we are also focusing on stock condition and the completion of a high performing asset management system. The strength of our understanding of our customers and the quality of our homes is key to delivering against the standards.

The Sage team

This year, we commenced the search to replace our CEO Mark Sater and I would like to thank Mark for his outstanding leadership through the last five years of significant growth and change. I am delighted that Sage has been able to bring someone of Elizabeth Froude's experience and standing into the business. Elizabeth joins a Leadership team of great experience, most of who have also been with the business through the extensive changes of the last half decade. This stability in leadership coupled with Elizabeth's extensive sector experience will be a powerful combination. I would also like to thank Sydney Taylor and David Godden for their service to the Sage Board. They have worked tirelessly to help build a lasting business that delivers for customers.

We are delighted to welcome Julian Chun and Andrew Kluth to the Board, who will join the Customer and Asset and Audit and Risk Committee's respectively.

With this combination of new skills and the existing experience in the Sage team, I look forward to 2026 and our first Regulatory Inspection. My thanks go to all Sage colleagues, Executive and Non-Executive Directors for another year of great outcomes and improving performance for our customers and those in need of a secure, well managed and maintained affordable home. They have worked tirelessly to help build a lasting business that delivers for customers.

Alison Thain OBE
Chair

CEO's Introduction

I'm delighted to join Sage Homes at this point in its journey, building on strong foundations. Sage has delivered more new affordable homes than anyone else in the last five years and developed a new customer service platform from scratch. These are huge achievements that we hope to be able to build on. In my short time here already, I have met a passionate and highly motivated team that I believe I can support to achieve even more.

I would like to thank the Board for working with customers and colleagues last year to refine the Sage mission. I believe that we can deliver the ambitious objective to provide the best affordable homes, supported by the best customer service. This year, we have continued to innovate and grow, while ensuring that our focus remains firmly on our customers and the quality of our homes, both of which put us in a great place to progress with the next stage of Sage's journey.

Delivering homes our customers love

Sage has worked hard to become the largest provider of newly built affordable homes, delivering over 20,000 homes to date. By thinking creatively, we have been able to deliver around 5,000 additional homes outside of Section 106 agreements, making up almost a quarter of our total delivery. We continue to work closely with Homes England to ensure that we can deliver the maximum number of new affordable homes now and into the future. While we maintain ambitious growth plans, we know that success is not just about new homes; it's about delivering services to our customers with empathy and care. Under the Board's guidance, we have assessed where our homes are located and have started to focus on our core locations, ensuring that homes in more isolated areas of our platform are transferred to sector-leading providers best placed to serve those communities.

Providing the best customer support

We are proud of the progress made in just two years of serving all our customers directly. Our Customer Care Centre in Northampton now employs over 100 colleagues and continues to grow, while our field-based teams are located across the country, building stronger relationships with customers. Sage colleagues were able to be out in our communities and organised the highest number of customer events to date. Sage Homes also has a committed Customer Scrutiny Panel that continues to co-create services and lead Insight Groups, ensuring we hear from as many customers as possible. Through extensive customer engagement across the year, we have made a number of changes to our staffing (including increasing the number of Homes and Communities Officers and making them more accessible to customers), service provision (such as several upgrades to our customer portal and website) and customer communications (producing bespoke communications for different customer cohorts).

Future-focused

We are listening to our customers and know that we must get it right first time, every time. Our teams are undergoing a significant transition as we shift focus beyond growth to delivering exceptional service. With the Board's leadership, we are embedding a new purpose, mission, and behaviours to underpin this change. Together, we will ensure everyone at Sage has the tools to deliver services our customers love.

Finally, I want to thank Mark Sater for leaving Sage in a strong, focused position, supported by a trusted senior management team. I am excited to lead Sage into its next phase and look forward to what we will achieve together.

Elizabeth Froude
CEO

Our strategic pillars

Given the extensive change that Sage has undergone, this year we worked with our customers and colleagues to better understand the culture that we have developed within the company. This has resulted in the creation of a new purpose, mission and ethos to help our Sage teams retain the drive and focus that have helped to build the company.

Our purpose
Why we come to work

The constant pursuit of homes people love

Our mission
What we do

We strive to provide the best affordable homes with the best customer support

Our ethos and behaviours
How we work

A unique mix of ambition and empathy

Our strategy

Our corporate plan was set by the Board and runs from 2026 to 2030. The four strategic pillars are:

Our customers

To put our customers first and strive towards top quartile customer service.

Our homes

To deliver high-quality, safe homes which are sustainable for the long term.

Our people

To have an engaged and dynamic workforce, highly efficient and effective with a strong customer-centric culture.

Our business

To continuously innovate to create the most efficient Group in the sector.

Our customers

Our customers are at the heart of everything we do, and making it easy to contact us remains a top priority. In 2025, our Customer Care team, often the first point of contact for many, handled 70,050 calls (2024: 66,887), answering 73% within 60 seconds (2024: 90%).*

We've also seen strong adoption of My Sage Home, our bespoke customer portal, with 85% of rental customers and 94% of shared ownership customers now signed up (2024: 77% and 89% respectively).** We continue to roll out improvements, including new self-service options for community safety and safeguarding concerns, giving customers immediate access to vital information and support.

To strengthen local relationships, we have reduced the sizes of our customer patches to help our teams get closer to their communities. Based on feedback, we have also merged our estate management and housing teams, so customers now have one dedicated contact for all their needs.

We've also enhanced our customer data, ensuring we understand and meet individual needs and vulnerabilities. Our work on sensitive lets (considering community dynamics when allocating re-lets) has helped us continue to build and maintain thriving neighbourhoods. These neighbourhoods have also been strengthened by our community events, with 2025 seeing the highest number we've ever held. These have moved away from social drop-in events, following customer feedback, towards focused online clinics, door-knocking and site visits.

"Our neighbourhood is full of like-minded people, kids are able to play safely in the area. It's a community - we speak to all our neighbours, it's quiet round here and lovely." - Ben, Sage customer

* We now handle more issues upfront with customers at first point of contact, meaning the Customer Care team are carrying out actions such as setting up payment plans, rather than transferring customers to individual teams. This means our team take longer per call, resulting in this number being lower than in 2024, but leads to better outcomes for customers as they have issues resolved more immediately.

** My Sage Home registration rates as of 10 March 2026

Customer-led scrutiny

This year, our Customer Scrutiny Panel attended an away day in Northampton, where they spoke to several of our customer-facing teams and continued their vital work of feeding into our strategies, policies and procedures. Among their activities this year, they've signed off on a new Customer and Community Engagement Strategy, advised our charitable community benefit society, Heart of Sage, on piloting new initiatives, helped determine our new Key Customer Information markers (ensuring we meet customer needs) and scrutinised our Homes and Communities services.

Beyond the Customer Scrutiny Panel, we've continued to engage with an increasing number of customers directly on specific topics and issues. During 2025, CSP members chaired three Insight groups, gathering a wider range of customer feedback on topics including Customer Safety, the Voice of the Customer and Managing Agents. Feedback from these sessions has helped Sage clarify messaging, improve technology and map out areas for future improvements.

Our homes

Our work is ongoing to maintain the quality of our homes for the long term.

We've continued to communicate regularly with customers, providing advice on how to look after their homes, including guidance on reducing the risk of damp and mould, along with how to report any issues as they develop. We welcomed Awaab's Law, providing a legal imperative to carry out work we already do. Our specialist programme for any homes with damp and mould includes a rapid diagnosis and resolution, followed by a check four weeks later.

In our second year of cyclical work programmes, we've maintained strong levels of customer satisfaction with their homes, achieved a top-quartile sector score, and satisfaction with repairs has continued to improve. We continue to work to improve these scores, streamlining our repairs offering and now providing customers with a single point of contact in their Homes and Communities officer.

Our homes continue to be safe with 100% (2024: 100%) compliance with gas safety certifications for homes that Sage is legally responsible for, and we have worked with local authorities to encourage customers to carry out radon testing in high-risk areas. Our work with external contractors to encourage reporting of issues during scheduled visits has seen success with four times as many safeguarding issues reported to us than in previous years, making our customers and their homes safer than ever.

Our people

We have changed how our teams work this year, moving several teams to Northampton, to work in the Customer Care Centre. A festive conference at the end of the year gave our teams a chance to reflect on the work achieved and to hear from senior leaders. We also gave out the first Outstanding Contribution to Sage Awards, recognising fifteen colleagues based in London, Northampton and in the field, with three overall winners.

We continued working from last year's launch of the 'Three Rs':, the behaviours we expect our people to exhibit every day: Respectful, Responsive and Responsible. This year, we commissioned external consultants to conduct research amongst our teams and customers, using their findings to build a new purpose and mission to better reflect where Sage is today. You can read more about these on page 10, and we will be rolling this out more widely across 2026.

Our Employee Representative Forum has had its first full year of operation, listening to colleague concerns and recommending changes that will make a real difference to our people. This included bringing the January paydate earlier in the month, relieving the knock-on pressure following the festive season. These changes make a real difference to our people's lives and the Forum has proven a useful space for colleagues to ask practical questions, such as flexible working and benefits.

Our company culture is protected and driven by Sage Together, the employee workforce panel. In 2025, Chair Trudy Quinn retired, having overseen the panel since inception. The panel is now co-chaired by Sachin Patel and Sundas Malik and continues to provide cultural celebrations and educational events. This year's activities included a summer picnic, a company-wide challenge that raised over £1,200 for Mind by cycling 456km on static bicycles in one day, and a talk from legendary footballer Luther Blissett on the importance of Black History Month.

Our business

In our first full year of providing housing management services to all our customers, we continued to move customer-focused teams to our Customer Care Centre in Northampton. Providing services directly, from one centralised location, enables more efficient support while our Homes and Communities Officers now work in a patch-based system, acting as the single point of contact for our customers.

Alongside focusing more on service delivery this year, we continued to deliver new homes to the sector. Sage Homes delivered 2,157 affordable homes in 2025 and was named the largest provider of newly-built affordable homes in England for the fifth successive year.

Elsewhere, we supported Sparrow Shared Ownership through their first Regulatory Inspection, following the successful transaction of Sage Housing Limited to Universities Superannuation Scheme (USS) in 2024. We have worked closely with them throughout the year as they set up new teams, practices and a Board to support their shared ownership customers. This is a strong endorsement of our strategy to attract long term institutional capital to the UK's affordable housing sector.

As we strive to deliver better customer service and operational performance, we have started to review the location of our homes. Sage has grown extremely quickly over the last seven years through acquiring large quantities of homes to be built over a wide geographical footprint. As we strive to deliver better customer service and operational performance, we have reviewed the location and archetype of our homes and have already undertaken certain onward transfers to concentrate our services in areas where we have highest density. This has required investigating transfers to registered providers who are able to better serve our customers due to their local operational strength. The first of these was the sale of 390 homes to Vico Homes who have supported our customers through the transfer and are committed to providing excellent services.

ENVIRONMENTAL

Sustainability and social impact

Our Environmental, Social and Governance (ESG) strategy continues to evolve across all areas of Sage, helping us to create sustainable homes, communities and build a business for the long term. We believe that everyone should live in a home and a place where they feel safe, part of their community and where they can thrive. Sustainability is at the heart of that belief and we set targets each year to ensure that everyone at Sage stays focused on shaping the company to deliver for customers, communities and colleagues.

Environmental sustainability

Over 2025, Sage committed to continue to improve the accuracy of our energy usage and make material reductions in carbon emissions. We reviewed and refined our approach to capturing property-level data, including utilities information. These improvements enhanced the visibility of meter-level data, resulting in broader data coverage and more accurate carbon emissions reporting across our portfolio. Through improved data and the resulting changes to processes within the business, we were able to exceed our corporate ESG target and achieve an emissions reduction of 23.7% (see the Streamlined Energy and Carbon Reporting (SECR) section on pages 51 and 52 for a detailed breakdown of carbon emissions in 2025).

Sage has built a contemporary portfolio, with 98% of homes achieving an EPC rating of B or A. Based on national energy cost modelling from the English Housing Survey, on average our households save around £430 per year on energy bills compared with the national average home, which is typically rated EPC D. While energy price volatility was lower in 2025, global events in 2026 show that UK energy costs continue to be a real cause of concern for customers on low incomes. Energy-efficient homes are essential in helping our customers manage their way through these challenging times.

While the energy performance of our portfolio remains well ahead of targets for the sector, our teams are working with partners and customers to understand how best to navigate the increasing regulation that is driving the country towards its 2050 net zero target.

Renewable energy

We launched low carbon trials this year to better understand customer usage of solar or battery-based heating and air source heat pumps. This will help us engage customers as we transition their homes to net zero, as well as making sure we keep energy costs as low as possible. These trials conclude in 2026 and will inform the technology solutions and customer education needed to help customers benefit from the carbon transition.

Encouraging electric vehicles

As our portfolio has grown, our EV charging stock is increasing. Sage is developing an EV charging strategy to manage chargers on communal sites to the benefit of our customers.

We also support our people to reduce their carbon impact through a salary sacrifice electric vehicle scheme, enabling colleagues to access new EVs in a tax efficient way while accelerating the transition to lower emission transport.

Climate risk

In May 2025, we refreshed our scenario analysis with Marsh, a globally recognised insurance, risk management and advisory company, alongside our shareholder, to assess and evaluate financial impacts of physical climate risk and complete a TCFD-aligned* portfolio screening against multiple climate change scenarios. While risks are low for a portfolio as young as Sage's, we can use this analysis to support modelling for future plans and the development of resiliency plans.

* Task Force on Climate-related Financial Disclosure

SOCIAL

Supporting our communities

Helping our customers to manage their finances

This year our Financial Wellbeing team continued its dedicated work in securing financial support and guidance for customers who are struggling to manage. We've achieved this through supporting 2,176 customers (2024: 1,542) and generating £2.44m income (2024: £1.92m) through unclaimed benefits, grants and more. We've helped 79 customers (2024: 58) stay in their homes by gaining £199,000 (2024: £105,000) of external grants to clear their arrears.

We also supported customers to access additional welfare benefit income, with £387,000 (2024: £311,000) awarded directly to customers in lump sums, as well as £824,000 (2024: £784,000) awarded in ongoing payments. 183 customers (2024: 148) were supported with white goods and furniture which we sourced through external grant funding, while we also focused on providing upskilling opportunities with a new employment and training toolkit. Available to all customers, this toolkit helps boost skills and knowledge, alongside guides, training and support to gain employment.

Heart of Sage

Our Charitable Community Benefit Society, Heart of Sage, has a mission to nurture the social and emotional wellbeing of our customers by building inclusive, supportive communities, delivering mental health initiatives, and empowering individuals to connect, grow and thrive. This mission has been developed in consultation with customers and colleagues.

Heart of Sage provides direct support to our communities to develop initiatives that help to strengthen social connections. Alongside this, we work with local organisations to provide mental health support and resources to develop emotional resilience and help customers access local wellbeing services.

Funded through contributions from Sage and its investors, Heart of Sage has helped hundreds of customers maintain their tenancies. From 2026, it will be broadening its fundraising capabilities to help more customers get the support they need.

Financial review

"Our customers remain central to our strategy, driving our commitment to high-quality homes and exceptional service."

REVIEW AND HIGHLIGHTS OF 2025

2025 has been a year of disciplined execution and strategic transformation, positioning the Company for sustainable growth and long-term value creation. Despite challenging market conditions, we delivered strong operational and financial performance through rigorous cost management and targeted investment in our housing portfolio. Key initiatives included enhancing our operational efficiency by expanding our Customer Care Centre in Northampton. In addition, we optimised the portfolio through the sale of affordable and social rent homes in locations where the Company lacks operational density. With respect to this, Sage Rented sold 183 affordable and social rental homes in the Northeast region to Vico Homes, which formed part of a wider sale of 390 affordable and social rental homes by the Sage Homes Group to Vico Homes. These actions continue to reinforce our commitment to customer care, and to delivering sustainable returns for our stakeholders.

FINANCIAL PERFORMANCE OVERVIEW

Sage Homes Group made a strategic decision to moderate acquisition activity during 2025. In addition, no intragroup home transfers were made during the year. This disciplined approach enabled the Company to prioritise operational excellence and maintain consistent, high-quality service delivery for customers across our portfolio.

The Company continued to deliver strong operating profits, with turnover increasing from £65m to £67m, driven by higher rents and strong occupancy levels. In addition, a £7.0m (2024: £nil) surplus on disposals was achieved. These sales supported a year-on-year increase in operating profit from £20.9m to £30.7m, demonstrating the Company's improved operating leverage and ability to scale its cost base across a growing portfolio.

The Company continues to prioritise disciplined management of interest costs and overall liquidity. Interest expense reduced marginally from £60.7m to £60.0m, primarily reflecting the refinancing of a £270m loan facility during the year. Interest income from the Company's interest rate caps remained broadly stable at £5.5m, compared with £5.6m in the prior year.

The Company's net operating income (NOI) margin improved from 40.6% to 42.4%, highlighting strengthened operational efficiency and resilient rental income. This improvement was driven by targeted portfolio optimisation, including property disposals to other registered providers and the in-housing of housing management services, which has enhanced both service quality control and cost efficiency.

Despite ongoing cost of living pressures affecting our customers, total arrears reduced from £3.0m to £2.2m. This improvement reflects the continued impact of our Financial Wellbeing initiatives, with our dedicated team providing practical support to residents, including access to unclaimed benefits and essential items. These results demonstrate the value of our customer-focused operating model, where our customers remain central to our strategy and commitment to providing high-quality homes and exceptional service.

OPERATIONAL HIGHLIGHTS

This year marked a significant milestone for Sage Homes Group as we delivered our 20,000th newly built affordable home within seven years of inception while maintaining strong occupancy rates on lettings of 99.2% (2024: 99.5%).

Over the year, our Lettings teams delivered strong operational improvements, substantially reducing letting times. Average first let turnaround decreased from 17 days to 8 days and re-let turnaround improved from 70 days to 13 days, significantly accelerating the availability of our homes and supporting improved financial performance.

A fusion of great customer service for the Sage team and AI-enabled customer engagement improved satisfaction to 72% (2024: 67%), with 98% (2024: 91%) of cases resolved within target timelines. Our Customer Care Centre in Northampton has grown to over 100 professionals, expanding beyond Customer and Asset Management into Finance and IT. These developments underscore our commitment to leveraging technology and talent to enhance customer outcomes and operational efficiency.

We undertook a strategic review of our geographies of operation and decided that over time we will focus on markets where we have strong operational capabilities and an established presence to ensure the best outcome for customers and the Company. As part of this strategy, we completed the sale of 183 affordable and social rent homes in the Northeast to Vico. We anticipate seeing further such transactions in 2026.

"Providing sustainable affordable housing solutions while prioritising customers and maintaining financial resilience."

We have also advanced our people strategy, launching Sage Learning - an online platform to foster continuous development alongside an upgraded finance system to enhance digital capability and process efficiency. We have also expanded our apprenticeship programs, supporting talent development and future-ready skills.

Sage Rented has seen a strong year of operational and strategic progress in 2025 as it continues to evolve into a mature and sustainable housing association. Whilst young, relative to other housing associations, we remain focused on building a stable platform for long-term growth and value creation.

FUNDING SAGE AND CAPITAL MARKETS

Sage Homes Group was England's largest provider of new affordable homes for the fifth consecutive year. To enable our growth, we successfully raised £270 million through a social and sustainable CMBS issuance. This landmark transaction facilitated the refinancing of our first CMBS, raised in 2020, and the partial refinancing of an existing loan. The refinancing enabled us to take advantage of more favourable interest rates, optimise our debt structure, and secure lower-cost financing with an extended maturity profile.

It is also worth noting that in March of 2026, we successfully raised £546.5m via further CMBS issuance. This represents the largest capital markets issuance by a registered provider, further reducing the Company's cost of debt and extending maturity profiles, whilst also providing Sage Homes Group additional capital for growth.

These issuances highlight our commitment to innovate in capital markets, enabling the Company to build a sustainable business providing thousands of affordable homes across England. We are proud that these latest issuances have received a sustainable, social and green bond designation, following our previous issuances in 2020 and 2021, which opened this section of the capital markets to affordable housing operators. It also further demonstrates our ability to continue to finance our growth to 30,000 homes.

During the year, Sage Rented issued 150,000,000,000 for £0.0001 each, raising £15m to support the continued delivery of affordable and social rental homes into the sector.

USE OF PROCEEDS

In May 2025, Sage refinanced its innovative public offering of Social Housing Rental Secured Notes which was completed in 2020. This was undertaken by inception of a 5+1+1 year mortgage-backed loan with Goldman Sachs, which was drawn by Sage on 8 May 2025. This loan was then transferred to the issuer of a new public-offering totalling £284.2m in the form of a commercial mortgage-backed security ("CMBS") on 20 May 2025. In keeping with the Company's ESG aspirations the bond offering achieved both green bond and social bond designation, as it was secured against 2,123 of Sage's energy-efficient affordable and social rental homes. The net proceeds received on issuance, after fees (£14.7m) and retention notes (£14.2m), was £255.3m. These net proceeds were used to repay the full £220m drawn under initial CMBS completed in 2020, with the remaining balance used to support a partial repayment of £43.4m against a bi-lateral loan facility with Morgan Stanley, which was also secured against a portfolio of affordable and social rental homes. Overall, proceeds were fully utilised as at 31 December 2025.

FUTURE

The Company's strategy remains to deliver large volumes of high-quality, efficient new affordable homes, thus addressing the growing need for affordable housing across England, and in doing so, supporting the Government's ambition to deliver 1.5 million new homes.

The Company will continue to strive to achieve operational excellence for its customers and other stakeholders. The Company plans to continue to operate a scale portfolio but will increasingly look to selectively transfer homes to registered providers that are well-placed to deliver customer service excellence in their locations, thus allowing the Company to focus its resources on its primary strategy.

John Goodey
Chief Financial Officer

20 May 2026

Value for Money

INTRODUCTION

The Company continues to focus on achieving value for money (VFM) and delivering its services in an efficient and effective manner to make the most of the rental income it receives. As part of our compliance with the Value for Money Standard, we remain focused on achieving economy, efficiency, and effectiveness across all areas of activity. We are committed to increasing the supply of high-quality affordable homes in England and to providing a consistently high level of service to our residents. This commitment underpins our approach to value for money.

The Company acquires affordable and social rental homes from its sister-RP, Sage Homes RP Limited, which is the primary development entity within the Sage Homes Group. The Company has entered a period of stabilisation, with no transfers taking place in 2024 or 2025. A transfer was completed in March 2026, subsequent to the accounting period, with further detail available in note 29 to the financial statements. This growth profile continues to influence performance metrics, particularly when compared to other providers with more stable and mature portfolios. As the portfolio matures and the impact of new acquisitions becomes less material, we expect our performance to become increasingly comparable with sector peers.

With a year end portfolio of 6,636 affordable rental homes, the Board considers it appropriate to assess performance against a peer group of Registered Providers in England with portfolios of between 5,000 and 10,000 homes. The Board has set targets for 2026 covering both the Regulator of Social Housing's VFM metrics and the Company's own key performance indicators. These targets are based on the current owned and managed portfolio but may be revised in response to changing market conditions, operational needs, or financing requirements.

OVERVIEW

Core value for money metrics	**2026 Target**	2025 Actual	2025 Target	2025 Peers	2024 Actual
1 Reinvestment %	**Nil**	0.1%	Nil	9%	0.4%
2A New supply delivered % (social housing)	**Nil**	Nil	Nil	2%	Nil
2B New supply delivered % (non-social housing)	**n/a**	n/a	n/a	n/a	n/a
3 Gearing %	**87%**	96%	90%	49%	95%
4 EBITDA MRI – interest cover %	**75%**	71%	67%	124%	55%
5 Headline social housing cost per unit	**£4,452**	£4,013	£3,447	£5,112	£3,862
6A Operating margin (social housing lettings only)	**47%**	42%	58%	22%	41%
6B Operating margin (overall)	**38%**	46%	53%	22%	32%
7 Return on capital employed (ROCE)	**2.5%**	3.2%	4.8%	2.9%	2.7%

Metrics 1 to 3 focus on investment and reflect our investment in new and improving existing affordable homes, while ensuring our borrowing is kept at prudent levels. These metrics help to show our levels of efficiency and effectiveness. Metrics 4 to 7 focus on our operational efficiency in managing our portfolio as expressed through our financial performance, the return on the capital we utilise and our liquidity and investment capacity.

The Regulator of Social Housing defines the VFM metrics that Registered Providers are required to disclose.

METRIC 1 – REINVESTMENT (%)

Captures investment in new and existing homes as a proportion of total housing assets, excluding transfers from other Registered Providers within the Sage Homes Group. As the Company does not undertake delivery of new homes and any costs incurred are merely incidental and relate to finalisation or post completion costs, the result for the year is 0.1%.

METRIC 2 – NEW SUPPLY DELIVERED (%)

Considers the number of new homes developed in the year as a proportion of total units owned at year end and excludes transfers from other Registered Providers within the Sage Homes Group.

Social housing units: As the Company does not undertake delivery of new homes, this metric is not applicable.

Non-social housing units: The Company focuses solely on affordable housing, has never held any non-social housing units, and does not intend to do so, making the metric not applicable.

METRIC 3 – GEARING (%)

Indicates the level of debt relative to the value of housing assets and provides insight into financial leverage and borrowing capacity.

Gearing stands at 96%, slightly above the target of 90% due to the timing of refinancing activities. The Sage Borrower AR1 senior loan facility was refinanced in Q2 2025, while a further refinancing scheduled for late 2025 was rescheduled into Q1 2026. The Company continues to maintain appropriate debt and gearing levels to support financial resilience, optimise the cost of capital, and enable ongoing investment in affordable housing. Interest costs and covenant compliance remain tightly managed to limit financial risk. Gearing for 2026 is expected to remain broadly consistent with 2025 levels.

METRIC 4 – EBITDA MRI – INTEREST COVER (%)

Assesses the organisation's ability to cover interest payments from earnings before interest, tax, depreciation and amortisation, including major repairs (EBITDA MRI), offering a view of liquidity.

Performance is materially ahead of target, driven largely by the one off gains from a sale in 2025 of 183 rental homes to a Registered Provider outside the Sage Homes Group. Adjusting for this disposal, underlying results are broadly on plan. Looking ahead, the 2026 target is expected to increase to 75%, reflecting higher tenant occupancy, statutory rent uplifts, and anticipated portfolio growth through planned refinancings.

METRIC 5 – HEADLINE SOCIAL HOUSING COST PER UNIT (CPU) (£)

Reflects the average cost of managing and maintaining social housing properties, as defined by the Regulator of Social Housing.

CPU in 2025 ended slightly above target at £4,013, driven primarily by higher than anticipated operating costs, including a higher than planned volume of responsive repairs, higher managing agent fees across our London sites, and elevated relet repair expenditure. Even with these pressures, CPU performance was well managed and is below the £5,112 peer benchmark for portfolios of similar scale. CPU is forecast to rise slightly in 2026, driven by ongoing inflationary pressures. CPU remains well below sector benchmarks, reflecting the operational efficiencies delivered through insourced housing management. Given the Company's relative growth stage compared with more mature peers, current metrics are not yet fully comparable. As acquisition activity moderates and the portfolio stabilises, performance is expected to align more closely with sector norms.

METRIC 6A – OPERATING MARGIN – SOCIAL HOUSING LETTINGS (%) AND METRIC 6B – OPERATING MARGIN – OVERALL (%)

Assesses how effectively the organisation manages its costs relative to income, highlighting financial sustainability and value for money. Metric 6A focuses on social housing lettings, while Metric 6B reflects performance across all activities.

Operating margin for social housing lettings in 2025 fell below target due to higher operating costs, as reflected in Metric 5. The operating margin is projected to exceed 2025's targets in 2026, with improved efficiency and an increased tenant rent roll leading to better margins than our peer benchmarks.

The overall operating margin fell short of target primarily due to the same cost and pricing pressures that continue to weigh on the lettings margin. Looking ahead to 2026, we expect the overall margin to improve upon the underlying margin, excluding the surplus on disposals, which was 35.0%, and stay ahead of sector benchmarks.

METRIC 7 – RETURN ON CAPITAL EMPLOYED (ROCE) (%)

Compares the operating surplus to total assets less current liabilities and is a common measure used in the commercial sector to assess the efficient investment of capital resources.

ROCE of 2.6% remained broadly flat in 2025 (2024: 2.7%), however, missed the 2025 target of 4.8%. A lower operating surplus than anticipated, with NOI margin falling below budget driven by higher operating costs, drove the performance versus target. The 2026 ROCE target remains broadly in line with 2025 performance, supported by a stronger tenant rent roll and an expanded portfolio expected through upcoming refinancings.

ADDITIONAL KEY PERFORMANCE INDICATORS

In addition to the core Value for Money metrics, the Sage Homes Board has set key performance indicators to measure specific areas of strategic and operational performance to give a more rounded view of the Company's performance. These metrics are the key drivers of our business which is solely the management of affordable rental homes.

	2026 Target	2025 Actual	2025 Target	2025 Peers	2024 Actual
Customer experience					
Customer satisfaction with the service	**79%***	72%	78%	79%	67%
Complaints responded to within target time	**96%**	98%	93%	97%	91%
Operational efficiency					
Headline cost per unit – adjusted (per annum)	**n/a**	n/a	n/a	n/a	n/a
Rent collected as % of rent due	**99%**	100%	100%	99%	98%
Current tenant arrears as % of annual rent due	**<4.1%**	3.7%	<4.7%	2.9%	4.7%
Our people					
Employee satisfaction	**77%**	77%	72%	81%	72%

*Sage Homes is not setting a numerical target for customer satisfaction in 2026. The target is to be in the top quartile of the sector for overall customer satisfaction. Based on data from the Regulator of Social Housing in 2025, the top quartile for the sector starts at 79%, therefore this is stated here. However, the Tenant Satisfaction Measures for 2025/26 will be released in November 2026 and will set a revised top quartile target figure and this will become the year-end target.

CUSTOMER EXPERIENCE

Customer satisfaction with our service measures the number of customers who have stated they are fairly or very satisfied with their interaction with the Company.

Customer satisfaction increased to 72%, a 5 point improvement on 2024, driven by the Company's strategic progression to insourced home management. These changes accelerated complaint resolution, strengthened trust with long tenured residents, and improved communication and on site presence. Upgraded digital platforms and a more responsive repairs framework further supported performance. Our 2026 targets are now appropriately aligned with sector peers.

OPERATIONAL EFFICIENCY

In 2025, rent collection remained strong at 100%, in line with target and outperforming peers. Performance strengthened through the year as the organisation embedded its 'patch based' operating model and improved use of our CRM platform, driving greater local accountability and customer visibility. The uplift in collection rates versus prior year directly supported a reduction in tenant arrears. Operational resilience was maintained through disciplined cost control, proactive customer engagement, and continued support from Sage Homes' Financial Wellbeing team, whose budgeting and benefits guidance helped residents manage cost of living pressures and sustain their tenancies.

In 2026, we aim to maintain arrears at or below 4.1% amid continued financial pressures on households. Given that all lettings are made through Local Authority nominations, we support a higher proportion of vulnerable tenants who are dependent on government assistance. This reinforces the need for a disciplined yet supportive arrears management approach. Throughout 2026, we will strengthen our processes by enhancing systems and adopting more proactive engagement, enabling us to better understand individual tenant circumstances and intervene earlier to prevent arrears from escalating.

SAGE HOMES' PEOPLE

At Sage Homes, we continue to place our people at the heart of the organisation. We have maintained a strong focus on creating an inclusive and supportive culture where colleagues feel valued and heard. Feedback gathered through employee engagement activities has helped shape improvements in how we communicate, collaborate, and support wellbeing across the business.

Employee satisfaction has strengthened materially, driven by greater leadership visibility, improved communication, and continued investment in talent. We will maintain focus on these areas as they are critical to keeping teams aligned, engaged, and fully equipped to support the business through its next phase of growth.

CONCLUSION

The Board is satisfied that, having considered all the requirements, Sage Rented Limited is compliant with the VFM Standard.

Risk management

The effective management of principal and emerging risk is fundamental to the achievement of Sage Homes' strategic objectives.

Responsibility for risk rests with the Sage Board. Oversight of the risk management processes is provided by the Risk Management Group and Sage's Audit and Risk Committee. Risks to the achievement of Sage's strategic objectives are recorded in the strategic risk register which is maintained by the Head of Internal Audit and Risk. The register is reviewed and updated by the Sage Risk Management Group before the key risks are reported to, and reviewed by, the Audit and Risk Committee and Board.

The 2025 financial year saw the maturation of the systems supporting housing operations. This included a review of the Target Operating Model and a restructure of the roles of housing services team. The Customer Relationship Management (CRM) system has also been developed further through the implementation of a Safeguarding module and to account for the changes required by the implementation of Awaab's Law.

There has been development of Sage's Northampton office with consolidation of teams' supporting Sage's customers. Having the teams in a central location improves information sharing, drives efficiency and ultimately leads to an improved level of service for customers. It also helps to manage Sage's key risks, such as those related to customer satisfaction.

Sage has grown rapidly since its incorporation in 2017 and, as a result, there were some properties that were outside of Sage's central area of operations and therefore more challenging to manage. Sage has undertaken stock rationalisation exercises that have resulted in sales to other providers that are better placed to deliver services to these customers, further reducing Sage's risk exposure and reducing costs per unit.

Two of Sage's key risks relate to data and information security. During 2025, the Data Governance Forum has provided continuing oversight and guidance of the work to improve Sage's data quality and completeness. The work is ongoing, but it has already delivered significant improvements in the completeness of key operational data.

Provision 29 of the UK Corporate Governance Code (2024) sets board-level requirements on risk management and internal controls, with a particular focus on "material controls". As part of this requirement, Sage started a project to identify the material controls over its principal risks that will be used as a basis for the Board's declaration following the completion of the 2026 financial year.

During 2025, the CPI rate of inflation fluctuated, affecting customers' cost of living, which is one of Sage's key risks. Overall, CPI rose from 2.5% in December 2024 to 3.4% in December 2025. While inflation did increase, it remained significantly lower than in recent years.

The rent increase applied in April 2025 was based on the September 2024 CPI figure of 2.7%, resulting in a relatively small increase in customer rents during the year. Ongoing shortages of suitable rental properties have continued to drive demand for Sage homes. At the same time, market rents have continued to rise, which may affect the long-term affordability of Sage properties for customers.

Sage's risk management system continued to evolve and mature throughout 2025. Actions undertaken to further develop the framework for managing risk included the following:

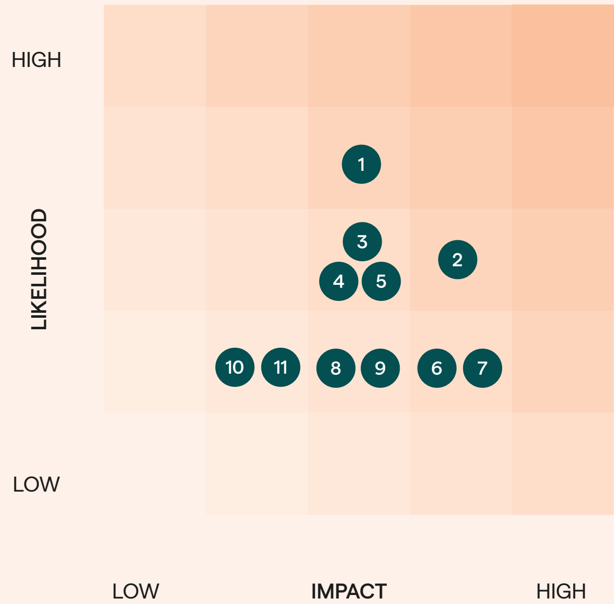
- Work on the approach to defining material controls and the assurance required by the Board to enable it to report on their effectiveness at the end of 2026
- Continued work by the teams to develop the departmental risk registers that reflect Sage's operating structure
- Changes to the strategic risks to reflect the changing regulatory landscape, such as the introduction of Awaab's Law
- A board risk focus day reflecting on Sage's stock condition, cyber risks and business continuity

During 2025, Sage continued to enhance its housing management systems, structures and processes, including those supporting the identification, assessment and management of risk. These arrangements will continue to be embedded and strengthened during 2026.

KEY RISKS "HEAT MAP"

Sage Homes utilises a programmatic scoring of risks to map its mitigated risks. A "heat map" showing some of Sage's key risks is shown above. This is reported to the Risk Management Group and Audit and Risk Committee on a quarterly basis. It is also considered at Board meetings at least twice a year, and at the Board's strategy day which has a focus on risk.

RESIDUAL RISK



LIKELIHOOD

Measured on a scale of low, which is unlikely to happen or recur within a five-year period, to high, which is very likely/almost certain to happen or recur within a year.

IMPACT

Ranges from low, which would result in a financial impact of less than half a million pounds, to high, which includes a financial impact of more than £20m or an event that results in the need for regulatory intervention.

Schedule of the key risks and mitigations

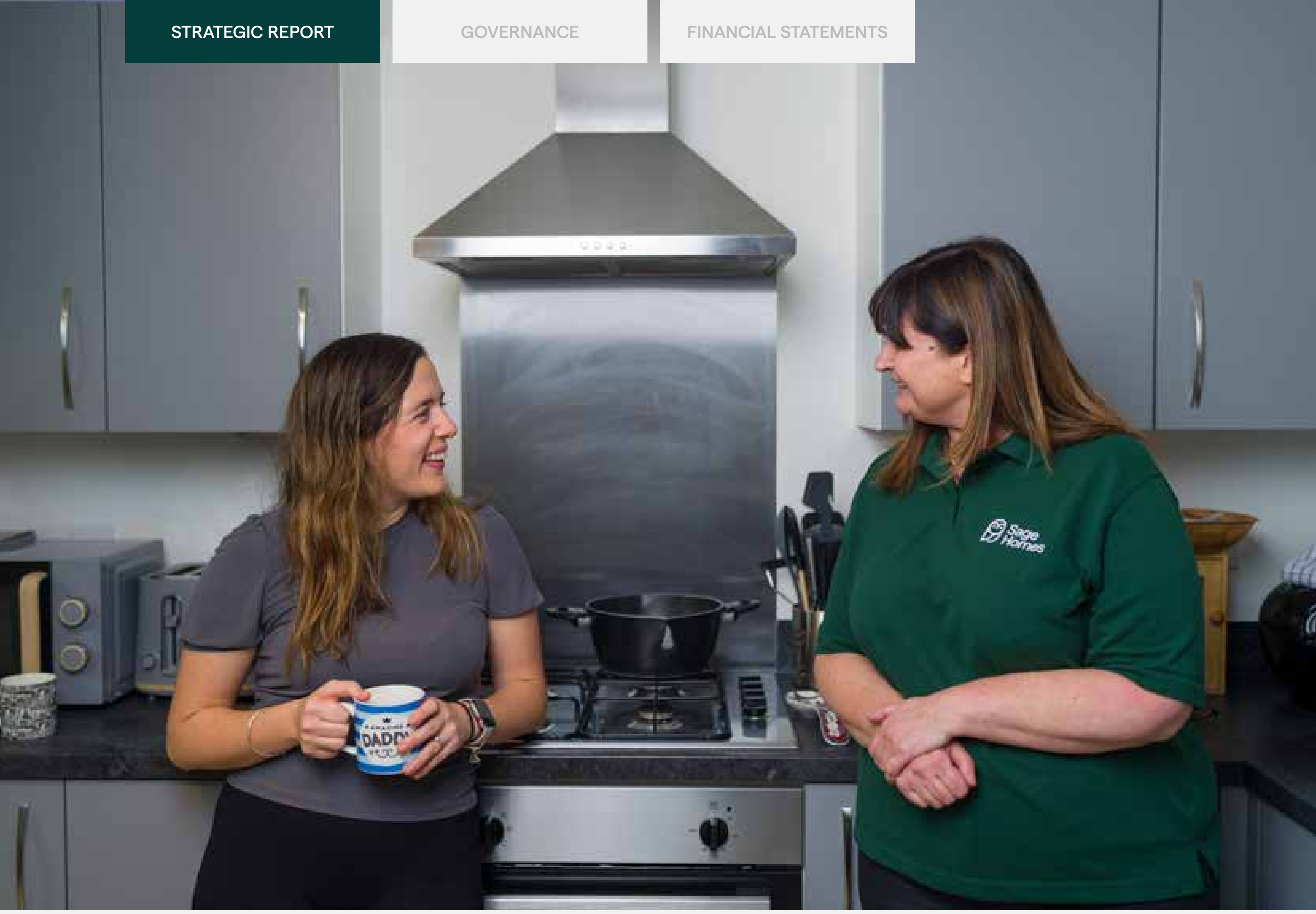
Sage Homes' Directors can confirm that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency, or liquidity. The principal risks facing the Company have been identified as follows:

RISK	MITIGATING ACTIONS
1 Data quality and integrity The data used for key management decisions is incorrect, inconsistent or out of date.	• Sage's controls benchmarked against ISO27001 information security standard and quarterly audits to check continued compliance with controls. • Data Governance and Information Security Forum manages controls over information security on Board's behalf. Forum meets quarterly and is made up of representatives from across the business. • Key data fields identified and monitored for completion. Reporting consistency supported by standard Power BI reports. • Departments across Sage have responsibility for data quality. Monthly Data Committee meeting tasked with improving business' data quality and handles the daily challenges business has on data quality. • CRM used as standard system across Sage, moving business away from spreadsheets and ad-hoc systems towards centralised system with one source of data. Further development of CRM system continues to drive improvements in data quality.
2 Data security A cyber-attack results in Sage Rented Ltd being unable to use its IT systems, or access its data, or customer data is changed or released without authorisation.	• Sage's controls benchmarked against ISO27001 information security standard and quarterly audits to check continued compliance with controls. • Data Governance and Information Security Forum manages controls over information security on Board's behalf. Forum meets quarterly and is made up of representatives from across the business. • Managed Security Operation Centre monitors Sage's systems and services and detects anomalies and suspicious activities, reporting these for further action. • Weekly vulnerability scans of external website with reports given to Information Security Manager for further action. Annual independent security testing undertaken by external consultants. • Disaster recovery plan in place to mitigate impact of a major incident.
3 Customer satisfaction Customer dissatisfaction which drives complaints, Ombudsman referrals and negative publicity, including press reporting of the Ombudsman determinations to reviews on social media.	• High standard of customer care, quick response to complaints. • Customer surveys and mystery shopping with robust action to address issues identified. • Target response times for answering customer calls and caseload (cases across housing services such as ASB and Repairs) tracked and reported to Leadership Team (LT) monthly, Customer & Assets Committee and Sage Boards quarterly. • Customer service training developed and delivered to staff. • Customer journey mapping exercise undertaken and results used to support improvements to the customer experience. • Complaint lessons learned disseminated through the organisation and reported to Sage Board. The Complaints / Ombudsman self-assessment shared with the Boards annually. • Chief Customer Officer whose remit is to further improve customer satisfaction and provide Board level oversight.
4 Community and vulnerable people Failure to recognise or manage the needs of vulnerable and other customers or address community safety issues that result in risk of harm to individuals, reputational damage arising from claims or complaints and possible regulatory action.	• Neighbourhood Management Policy and ASB Procedure & Policy have clear processes for case handling. • ASB Team and Safeguarding Lead in place. Specialist staff manage cases (ASB, safeguarding etc) which are tracked to resolution on Sage's CRM case management system. • Key Customer Information (KCI) used to identify reasonable adjustments required for customers and highlight vulnerabilities. • Neighbourhood action plans identify issues within communities and actions to manage them. • Learning from complaints improves service delivery. Complaint lessons learned reported to Sage Board.

SCHEDULE OF THE KEY RISKS AND MITIGATIONS (CONTINUED)

RISK	MITIGATING ACTIONS
5 **Reduction in income:** Cost of living crisis caused by higher inflation results in lower income for Sage Rented Ltd as a result of rent caps imposed by government and increased bad debts / arrears.	• Monitoring undertaken of rent arrears levels and early intervention. Payment plans agreed for customers with rent, or rent and service charge, arrears. • Customers assessed for affordability before renting a Sage property. • Phased implementation of service charge sinking funds undertaken to reduce impact. • Financial support and signposting for customers by Sage's Financial Wellbeing team. • Business plan stress tested for impact of increased levels of arrears.
6 **Contractor Performance:** Poor performance of key partners/ contractors / suppliers resulting in a poor service to Sage Rented Ltd and its customers, negatively impacting on Sage's reputation in the market. Changes in the market, such as take overs and mergers, may reduce the number of available contractors / counterparties in areas such as repairs and maintenance.	• Contractors monitored against KPIs and service standards and action taken, including financial penalties, where performance not meeting requirements. • Regular communication with provider team to identify and track issues. • Contract Manager is in place to oversee contractor performance. • Survey responses from customers broken down by contractor to assess service quality. Action taken where performance is inadequate. Sage Rented Ltd can appoint alternative providers if service is not of sufficient standard. • Regular audit assurance on contractor performance.
7 **People:** Failure to attract and retain the necessary skilled and diverse workforce to effectively deliver services to customers whilst maintaining compliance with increasing regulations and new employment legislation, during major business change programmes, including the transition to a national operating model and the evolution into a customer-centric business. This is significantly compounded by the challenges in fostering a positive employer brand, inclusive culture, and supportive management style that proactively addresses employee wellbeing.	• Leadership Team ensure team structures fit for purpose and amend as demands change, following employee consultation processes. • HR team in place with established hiring practices, including applicant tracking system and employee value proposition (EVP), that help Sage hire in right skills, experience and calibre. • HR policies and practices in place, supporting Sage values, employee wellbeing, high performance, development and retention. • Longer notice periods for Senior Management team (SMT) / Critical Roles with succession plans to address potential SMT / critical posts leaving. Top 20 key / critical roles subject to annual succession planning (along with SMT / LT). • Pay and benefits structures/strategies in place to reflect external labour market, attract high calibre candidates, reward performance and aid retention. • Glassdoor results monitored monthly to assess how Sage Rented Ltd viewed as employer in labour market. • Biannual engagement survey and regular employee listening approach in place to monitor and respond to employee levels of engagement including intention to leave business within 12 months.
8 **Availability and cost of financing:** Inaccessibility to 3rd party financing or increases in debt cost beyond the ability of shareholder mitigation leads to Sage Rented Ltd being unable to fund its operations and planned acquisition programme on a profitable basis.	• Up-to-date funding support letters received regularly by Sage from investors. • Strong investor relationship maintained through regular information flows. • Internal Corporate Finance function tasked with identifying alternative funding sources. • Strong treasury management function and hedging of variable portion of interest rates on Revolving Credit Facility (RCF) and bonds. • Financial risk management practices with respect to price, credit, liquidity and cashflow risk are approved at Board level and implemented by the Treasury function.
9 **Asset management:** Sage stock condition is of poor quality or Sage cannot evidence that homes meet the Decent Homes Standard.	• Asset management strategy agreed by Board and reviewed by them every two years. • Compliance with Decent Homes requirements monitored proactively via stock condition surveys and reactively following visits by Sage / contractors and / or customer reports. Non-compliance reported to Board. • Rolling programme of stock condition surveys with all properties surveyed every five years. • Stock condition recorded on spreadsheets / Asset Management system and used to produce planned maintenance programme.

RISK	MITIGATING ACTIONS
10 Regulation: Non-compliance results in measures of intervention, loss of status and ultimately may prohibit Sage Rented Ltd from operating within the area of affordable housing.	• Effective Board and governance structure in place and regularly reviewed. Ongoing compliance monitoring and self-assessment. • Legal department with qualified staff with legal and regulatory experience. • Policies and Procedures in place aligned to regulatory requirements with set review cycles. • Independent advice and assurance provided by external consultants in areas such as risk management, cyber security and governance. Expert legal advice is obtained from solicitors specialising in areas such as housing. • Annual self-assessment against combined code, and Governance & Financial Viability standard undertaken to identify areas requiring action.
11 Health and Safety: The risk of harm to customers is increased due to a failure to meet statutory requirements for Sage properties, including those related to Fire Safety, Water Safety, Fuel Safety, Lift Safety and Electrical Safety, or a failure to appropriately manage the properties.	• Oversight in place through reporting of property compliance metrics to each Board. Board challenge where performance below target. • External independent physical audits of compliance events such as Electric, Gas & Fire undertaken to confirm robustness of contractor performance. • External consultants advise on best practice. Rigorous property compliance policies and procedures in place. • All contractors vetted to ensure they are suitably qualified and experienced before appointed. • Compliance with legislative and regulatory requirements monitored through dedicated compliance system. • Regular reports received from service providers on conformity with property compliance requirements.



Our engagement with our stakeholders

This section explains how Sage's Directors have considered the interests of key stakeholders and the broader matters set out in Section 172(1) (A) to (F) of the Companies Act 2006 when performing their duty to promote the success of the Company under that section of the Act.

(A) THE LIKELY CONSEQUENCES OF ANY DECISION IN THE LONG TERM

Providing homes is a long-term business. In addition to preparing a five-year corporate plan and related budget, we also prepare a 30-year long-term strategy that is stress-tested against severe but plausible scenarios to ensure that it is robust. Reports to the Board for decision present a fair assessment of the likely long-term risks and outcomes for the business and its customers.

(B) THE INTERESTS OF EMPLOYEES

We value the contribution of our people and trust them to do a good job. We know their individual actions and behaviours increase customer satisfaction and help build a successful business. The Board has chosen a formal advisory panel, called the Employee Representative Forum ("ERF"), for engagement with its workforce. Further information about the ERF can be found on page 15. The ERF, discusses the way Sage Homes colleagues interact with the business and ensures staff are heard. The Board takes into account the views of the ERF in its decision-making process.

Sage Homes conducts an annual employee engagement survey and the results of these are presented to the Board, and an action plan is agreed to address the key findings.

OUR ENGAGEMENT WITH OUR STAKEHOLDERS (CONTINUED)

(C) THE NEED TO FOSTER BUSINESS RELATIONSHIPS WITH SUPPLIERS, CUSTOMERS AND OTHERS

Sage puts its customers at the heart of its business, prioritising the services it delivers. The Board closely monitors performance in delivering services to Sage's customers and receives feedback on customer satisfaction through surveys following individual transactions, and through more general surveys. Findings from both types of survey are used to improve customer service and experience.

The Customer Scrutiny Panel is made up of a Board Director and currently six of Sage's customers. It meets four times a year and its purpose is to ensure that customers have a voice in the design and quality of the services provided by Sage. It holds the Sage Board to account by reviewing and challenging the decisions taken by Sage.

Sage liaises with our suppliers to minimise any risks to the company and also to embed best practice in a number of areas throughout our supply chain. Supporting and engaging with our suppliers makes sure we are in a position to receive the best possible outcomes for customers. We are open and honest in our dealings and keep our promises. As stated in Sage's Modern Slavery Act statement, we have processes in place to make sure that modern slavery or human trafficking do not occur in our supply chain or operations. This is supported by our supplier code of conduct.

(D) THE IMPACT OF THE COMPANY'S OPERATIONS ON THE COMMUNITY AND ENVIRONMENT

The Board considers the impact of its operations on the community and the environment in all its decision-making. Sage Homes are built with environmental impacts in mind, with high ratings for energy efficiency. Sage staff work closely with local authorities, statutory agencies and community groups to ensure that we understand the impact of our homes on the wider community.

(E) THE DESIRABILITY OF THE COMPANY MAINTAINING A REPUTATION FOR HIGH STANDARDS OF BUSINESS CONDUCT

The Board has adopted the UK Corporate Governance Code. In addition, it periodically reviews and approves key policies related to business conduct, such as the Code of Conduct, Probity and Anti-Bribery Policy, Fraud, and Gifts and Hospitality Policies, and the Modern Slavery Statement, to make sure that its high standards are maintained both within the organisation and in our business relationships. The Board has also approved a Whistleblowing Policy to encourage reporting of any concerns about business conduct. Sage is committed to ensuring that workforce training on these matters is kept up to date. The Board also monitors Sage's culture to make sure our values are fully embedded in organisational behaviours.

(F) THE NEED TO ACT FAIRLY AS BETWEEN MEMBERS OF THE COMPANY

Sage Rented Limited is a single-member company and our investors have appointed Directors who participate in board meetings. Each Sage Homes Group Registered Provider has a separate Board with common Directors.


Sage Homes

Governance

A sound corporate governance framework enables the Board and the company to operate effectively and in an entrepreneurial way for the benefit of our customers, workforce, investors and other stakeholders.

Sage Rented Limited ("the Company") is committed to maintaining high standards of corporate governance. The Company has adopted, wherever practicable, for a private company, the UK Corporate Governance Code 2024 (the Code) as the applicable Code for this accounting period. This report outlines how these principles have been applied during the year ended 31 December 2025.

In addition, Sage Rented Limited is a Registered Provider of Social Housing and must comply with the governance provisions overseen by the Regulator of Social Housing. We aim for the highest standards of governance and compliance.

During the year, Audit and Risk Committee ensured that it complied with the Financial Reporting Council's ("FRC") Audit Committees and the External Audit: Minimum Standard by considering the significant issues relating to the financial statements, including financial reporting controls, data integrity and going concern and ensured these were addressed through controls, internal audit review and external audit challenge. As noted on pages 39 and 40, within the Audit and Risk Committee report, the Committee continued to assess the independence and effectiveness of the external audit through its annual effectiveness review, scrutiny of Deloitte LLP's audit plan, scope, materiality and key findings, and recommended their reappointment for the 2025 external audit.

THE BOARD

Directors

COMMITTEE KEY

- AR Audit and Risk
- RN Remuneration and Nomination
- CA Customer and Assets
- AA Acquisition Approval
- CS Customer Scrutiny Panel
- ● Committee Chair

Alison Thain OBE
Chair

RN

John Brace
Independent non-executive director (Senior Independent Director)

AR

Cedi Frederick
Independent
Non-Executive Director

CA

Julian Chun
Independent
Non-Executive Director

CA

Gemma Kataky
Non-Executive Director

CA

Julia Porter
Independent
Non-Executive Director

RN CS CA

Cindy Rampersaud
Independent
Non-Executive Director

AA AR CA

Katharine Morshead
Non-Executive Director

AA CA

Andrew Kluth
Independent
Non-Executive Director

AR

Elizabeth Froude
Chief Executive Officer,
Executive Director

Biographies of the Board of directors can be found online at: sagehomes.co.uk/about-us/meet-the-team/

Leadership team

James Castle
Underwriting Director

Alex Dawkins
Director of Acquisitions

Bridget Frisby
Chief Legal Officer

John Goodey
Chief Financial Officer

Teresa Hickman
HR Director

David Mullin
Managing Director, Commercial Operations

Lucian Smithers
Chief Customer Officer

Roger Wilshaw
Managing Director, Housing Operations

Biographies of the leadership team can be found online at: sagehomes.co.uk/about-us/sage-leadership-team/

Corporate Governance Report

GOVERNANCE FRAMEWORK

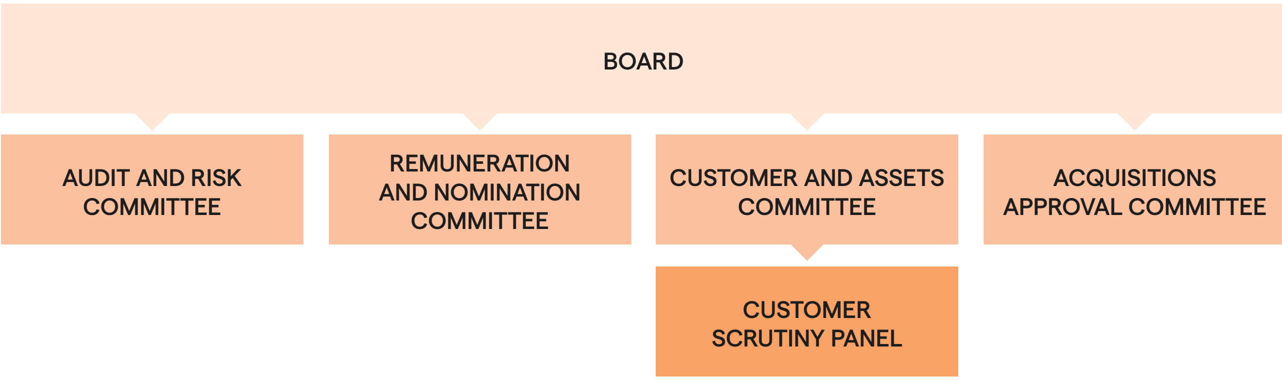
The Board's primary role is to provide leadership and promote the long-term success of the Company. The Board ensures that the Company is appropriately managed within a framework of prudent and effective controls and core values, while delivering long-term shareholder value. The Board is responsible for the Company's strategy, corporate culture, governance framework, risk management and internal controls, and compliance with legal and regulatory obligations.

The Board is committed to ensuring good governance throughout Sage Rented Limited and for instilling its culture, customer focus, sustainable decision making, and social responsibility. These values are reflected in the policies and directions from the Board as well as in its support, review and challenge of the Company's affairs when engaging with executive management and other stakeholders.

The governance structure includes the Board of Directors, Company Secretary, and Board Committees - Audit & Risk, Nominations & Remuneration, Customers & Assets and Acquisitions Committee. Details of their main responsibilities and activities during 2025 are set out on pages 39 to 48.

The Chair and the Chief Executive Officer maintain a close working relationship to ensure the integrity of the Board's decision-making process and the successful delivery of Sage Homes' strategy. The Board evaluates the membership of its individual Board committees on an annual basis and the Board committees are governed by terms of reference which detail the matters delegated to each committee and for which they have authority to make decisions. The terms of reference for the Board and the committees can be found on the Sage Homes website.

Day-to-day execution of the strategic plan is the responsibility of the executive management team, whose authorities are delegated from the Board and set out in the Standing Orders and Financial Regulations.



COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE 2024 (THE CODE)

The Company has adopted the Code which operates on a 'comply or explain' basis. Certain provisions of the Code are designed to apply to companies with a listed shareholder base and during 2025 Sage Rented Limited did not comply with the following provisions:

Provision 4: Actions to be taken regarding votes cast against AGM resolutions

This provision is not applicable as the Company is a private company with one shareholder and AGMs are not held.

Provision 18: All Directors should be subject to annual re-election

This is not appropriate for a single-member private company. Directors are appointed for terms of office of up to three years, and may serve further terms of office up to a maximum total of nine years. This arrangement supports continuity and long-term oversight, while the sole shareholder retains the ability to appoint or remove Directors at any time.

Provision 36: Director share schemes

This is not applicable to the Company as a single member private company. Remuneration structures are reviewed by the parent company to ensure they remain appropriate and aligned with the company's objectives.

Subject to the above explanations, the Company was compliant with the Code during 2025.

MEETING REGULATORY STANDARDS

Following an inspection in 2023, Sage Rented Limited was judged by the Regulator of Social Housing (RSH) as reaching the highest G1* standard for governance and the second highest V2* for viability. This means that Sage Rented Limited met the RSH's governance requirements. It also met the viability requirements and had the financial capacity to deal with a reasonable range of adverse scenarios, but needed to manage material risks to ensure continued compliance. The Board has reviewed its compliance, and can confirm that Sage Rented Limited complies with the Governance and Viability Standard and all other relevant economic and consumer standards as set out by the RSH.

AN EFFECTIVE BOARD

Sage Rented Limited's Board consists of seven independent Non-Executive Directors, two investor Directors, and the Chief Executive Officer, and is responsible for overseeing Sage Homes' activities. In particular, the Board is responsible for establishing Sage Homes' purpose, values and strategy, and satisfying itself that these and its culture are aligned. The Board is required to ensure that the necessary resources are in place for Sage Homes to meet its objectives and measure performance against them. All Directors must act with integrity, lead by example and promote Sage Homes' culture. Non-Executive Directors are required to allow sufficient time to meet their Board responsibilities and provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.

In 2025 and to the date of the signing of this report, the Board comprised:

- Alison Thain OBE, Chair;
- John Brace, Senior Independent Non-Executive Director;
- Julian Chun, Independent Non-Executive Director; (from 1 September 2025)
- Cedi Frederick, Independent Non-Executive Director;
- Elizabeth Froude, Chief Executive Officer (from 2 February 2026)
- David Godden, Independent Non-Executive Director; (to 10 September 2025)
- Gemma Kataky, Non-Executive Director;
- Andrew Kluth, Independent Non-Executive Director (from 5 March 2026)
- Katharine Morshead, Non-Executive Director (from 1 July 2025)
- Julia Porter, Independent Non-Executive Director
- Cindy Rampersaud, Independent Non-Executive Director
- Mark Sater, Chief Executive Officer, (to 6 February 2026)
- Sydney Taylor, Non-Executive Director (to 1 July 2025)

At least half the Board are Non-Executive Directors whom the Board considers independent. New appointees are Julian Chun, bringing experience in social housing asset management; Katharine Morshead, an appointee of Regis, one of Sage's investors; Elizabeth Froude, the incoming CEO, and Andrew Kluth, an expert in debt financing and treasury management.

Alison Thain OBE is Chair of the Board and was independent upon appointment. She is responsible for leading the Board and ensuring its effectiveness in a culture of openness and accountability. Her role includes setting relevant agendas and making sure timely, accurate, high-quality and clear information has been provided to the Board. She ensures that there has been rigorous debate at meetings, with contributions from all directors, followed by effective decision making.

DECISION MAKING

A clear division of responsibilities is in place at the head of the organisation. The Chair is responsible for the smooth running of the Board and the Chief Executive Officer is responsible for the day-to-day management of the business and the building of an effective executive management team to deliver the objectives of the organisation. The specifications of the roles and responsibilities of the Chair, Chief Executive Officer and Senior Independent Director are available on Sage Homes' website. The Board operates within a schedule of matters reserved for its decision. The Board has delegated certain activities to formal committees which operate within defined terms of reference. The Board and its committees have a timetable of work to ensure all these matters are considered as well as additional issues that arise during the year. The Board is provided with good quality papers as a base for sound decision making and undertakes a robust discussion and challenge of matters brought to it for decision. Detailed minutes summarise the debate and record the decisions made at each meeting. The Board has established procedures to ensure that the disclosure and management of any actual or potential conflicts of interest are carried out correctly.

The details of the Directors of Sage Rented Limited are shown on pages page 34.

DIVERSITY AND INCLUSION

At Sage Homes, we firmly believe that having an inclusive and diverse workplace will support us in our ambitions to outperform the markets in our chosen areas of business. The Remuneration and Nomination Committee continually reviews our approach to diversity and our aim is to promote diversity in the hiring of new employees and in creating opportunities for individuals to progress their career within Sage Homes. Further details are included in the report from the committee on pages 42 to 45.

BOARD GENDER DIVERSITY

DIVISION OF RESPONSIBILITIES

The Board's primary role is to provide leadership and to ensure that Sage Rented Limited is appropriately managed within a framework of prudent and effective controls and core values, while delivering long-term shareholder value. The Board is responsible for Sage Rented Limited's strategy, corporate culture, governance framework, risk management and internal controls, risk tolerances and its compliance obligations under the regulatory system.

The Board is committed to ensuring good governance throughout Sage Rented Limited and for instilling its culture, customer focus, sustainable decision making, and social responsibility. These values are reflected in the policies and directions from the Board, as well as in its support, review and challenge of Sage Rented Limited's affairs when engaging with executive management and other stakeholders.

Board Meetings and Attendance

During the year, the Board met 12 times. Attendance at Board and Committee meetings was as follows:

	Board meeting	Remuneration & Nomination Committee	Customer & Asset Committee	Audit & Risk Committee	Total
Alison Thain OBE	12/12	7/7	-	-	19
John Brace	12/12	-	-	4/4	16
David Godden (until September 2025)	8/9	5/6	2/2	-	15
Cindy Rampersaud	10/12	2/2	3/3	4/4	19
Cedi Frederick	11/12	-	4/4	-	15
Julia Porter	12/12	7/7	4/4	1 (by invitation)	24
Gemma Kataky	12/12	6/7	2/4 (by invitation)	2 (by invitation)	22
Sydney Taylor (until July 2025)	7/7	1/5 (by invitation)	1/2 (by invitation)	2 (by invitation)	11
Katharine Morshead (from July 2025)	12/12	7/7	4/4	2 (by invitation)	25
Julian Chun (from September 2025)	4/4	-	2/2	-	6
Mark Sater	11/12	7/7	4/4	3/4	25

Because of the intermittent nature of items going to the Acquisitions Approval Committee, during the year, decisions were taken in writing in accordance with the Committee's terms of reference.

Katharine Morshead was appointed to the Board in July 2025. Prior to her appointment, she shadowed Sydney Taylor throughout the first half of the year, and attended all Board and committee meetings with him, before ultimately replacing him on the Board.

Sydney Taylor/Katharine Morshead and Gemma Kataky were invited to attend meetings of the Remuneration and Nomination Committee as representatives of the Parent. Where Directors are unable to attend meetings, they are encouraged either to share comments with the other Directors via the electronic Board pack or feedback their views to the Chair.

INTERNAL CONTROLS AND COMPLIANCE

The Board is responsible for ensuring that Sage maintains an effective risk management and internal control framework and has reviewed its effectiveness during the year. The approach to this review is set out in Sage's Risk Management Strategy and Assurance Framework, which defines the risk appetite, consistent risk assessment methodology, governance arrangements and the "three lines" model of assurance.

Effectiveness is assessed through regular review of the strategic risk register and assurance reporting to the Audit and Risk Committee and Board, supported by an independent, risk based programme of Internal Audit reviews. Internal Audit provides an annual opinion on the adequacy and effectiveness of the overall risk management and internal control environment, alongside relevant external assurances. During the year, Internal Audit reported to the Audit and Risk Committee that controls over risk management were operating adequately and reported no material weaknesses, while identifying opportunities for further strengthening. Progress against agreed management actions is monitored by the Audit and Risk Committee to support continuous improvement of the control framework.

The Board confirms that the Company has maintained adequate systems of internal control and risk management throughout the year. No material control failures were identified.

Audit and Risk Committee report

During the year the Committee comprised:

- John Brace (Chair)
- Cindy Rampersaud

Andrew Kluth joined the Committee after this reporting period.

Both members of the Committee are Independent Non-Executive Directors of Sage Homes and qualified Chartered Accountants, with relevant experience within the social housing sector.

Gemma Kataky and Katharine Morshead, who are also Non-Executive Directors of Sage Homes, have a standing invitation to Committee meetings and attend as observers.

Key members of the Sage Homes Leadership Team, including the Chief Executive Officer, Chief Financial Officer, Chief Legal Officer and the Head of Internal Audit and Risk attend and provide updates to the Committee.

COMMITTEE PURPOSE

The Committee supports Sage Homes' Boards to monitor and ensure the integrity of the Company's financial performance. The Committee oversees the Company's exposure to risk through oversight of reporting on compliance, anti-money laundering, whistleblowing, fraud, and both the internal and external audit programmes. It receives and considers reporting on the aforementioned matters, reviews narratives and relevant policies and advises the Board on the Company's overall risk appetite, tolerance and strategy, escalating matters and making recommendations to the Board as appropriate. Throughout 2025, the Committee focused on the importance of internal controls and business continuity whilst looking ahead to emerging risks.

The Committee's terms of reference can be found on the Sage Homes website. In summary, the Committee is responsible for providing assurance to the Board on all matters by:

- providing advice on and reviewing the Annual Report and Financial Statements, including the committee report, and recommending them to the Board for approval
- reviewing internal controls and risk management systems
- reviewing and monitoring the effectiveness of the external audit process and auditor
- approving the external auditor's fee and recommending their appointment for approval
- advising the Board on Sage Homes' overall risk appetite, tolerance and strategy
- reviewing Sage Homes' ability to identify and manage risks; and reporting to the Board on how it has discharged its responsibilities
- receiving updates from the external auditor on changes and expected changes to Sage Homes' legal and regulatory financial environment
- considering and, if appropriate confirming the effectiveness of the internal audit function
- considering the internal audit reports, examining their respective findings from each and reviewing and discussing the resulting issues, their address and closure, with the Head of Internal Audit and Risk
- undertaking business area risk reviews
- receiving and considering risk management reports and reviewing the strategic risk register
- receiving and reviewing formal reports from the Head of Regulation and Compliance regarding Sage Homes' compliance with data protection and anti-money laundering legislation, and notification of any instances of whistleblowing or fraud, bribery or corruption.

Details of meeting attendance can be found in the Corporate Governance Report on page 38.

INTERNAL AUDIT

Sage Homes operates a co-sourced internal audit function. The Head of Internal Audit and Risk is supported by PwC, who were appointed to this supporting role in 2022. PwC provide further assurance by carrying out their own audit work on selected areas within the Sage Homes business. Representatives from PwC attended every Committee meeting throughout 2025.

The Committee received Sage's Annual Internal Audit Report for 2024 from the Head of Internal Audit and Risk. This graded Sage Homes' overall assurance level as "adequate". Sage's 2025 internal audit programme was agreed by the Committee and began in the second quarter of the year. At the request of the Committee, Sage's internal audit function undertook two extra audits (as well as the 18 in the programme), in order to provide additional assurance on certain internal controls.

The Internal Audit Progress Report is a standing item at the Committee. It provides an update on any in-progress audits and all actions, including any requests for revised implementation dates, which are closely scrutinised by the Committee.

The Strategic Audit Plan is reviewed and approved by the Committee annually, the Head of Internal Audit and Risk suggested some amendments including a contract management audit. The Strategic Internal Audit Charter had also been updated to reflect the new Global Internal Audit Standards.

EXTERNAL AUDIT

The Committee oversaw the effectiveness of the External Audit Programme and the independence of the external auditor and kept this under continual scrutiny with the Chair of the Committee frequently meeting with the auditor independently. The Committee's review of the External Audit Programme's effectiveness focused on improvements to the audit experience and process. The Committee determined, through its review that the external audit was effective. No concerns were raised during the process and work was completed within the allocated budget.

It is within the Committee's remit to approve the external audit fee and recommend the engagement letter, re-appointment of the auditors and the overall programme for approval to Sage Homes' Boards.

Deloitte LLP has been Sage's external auditor since 2018, when Sage Homes first reached sufficient size to be audited. There are no contractual obligations restricting the choice of auditor. The Committee considers that Sage Homes's relationship with the external auditor continues to work well; it remains satisfied with its effectiveness and has no current intention of re-tendering the external audit services contract. The Committee has recommended to the Board that Deloitte LLP be reappointed as Sage Homes' auditor.

RISK

The Board has determined the extent of its appetite for risks, which is reviewed annually. It delegates the responsibility of ensuring an appropriate risk management and internal controls system is in place to the Committee who also ensures that Sage stays within its risk appetite, reporting up to the Board when not the case. The internal management forum, the Risk Management Group, meets regularly, ahead of Committee meetings, to consider existing and potential risks to the organisation. Key risks considered throughout 2025 included risks associated with Sage's ownership structure and business continuity.

Departmental risk registers are appended to the main risk report (presented at each meeting) and further highlight individual risks departments are experiencing, providing further assurance for the Committee. The Committee also routinely focus on specific areas within the business for a 'business assurance review.' In 2025, the Committee oversaw business assurance reviews within the areas of field services, complaints and HR.

GOVERNANCE AND DATA AND COMPLIANCE

Throughout 2025, the Committee oversaw data and compliance matters for the Sage Homes group.

The Chair of the Committee provides a written report to the Board after each meeting; the report highlights key topics discussed and any matters for escalation. The Board also receives a copy of the Committee's minutes. The Committee's Terms of Reference are reviewed annually, considering any legislative and regulatory developments.

John Brace
Chair of the Audit and Risk Committee

20 May 2026

Please note that throughout the annual report, we may replace 'Sage Homes' with Sage Rented Limited.

Remuneration and Nomination Committee report

The members of the Committee during the year were:

- Julia Porter (Chair)
- David Godden (until 8 September 2025)
- Alison Thain
- Cindy Rampersaud (from 8 September 2025)

All members are independent Non-Executive Directors and appointed by the Board on the recommendation of the Remuneration and Nomination Committee. Each appointment is for a period of three years, which can be extended provided the Director still meets the criteria for membership of the Committee. During the year, David Godden stepped down from the Committee as he was leaving the Board, and Cindy Rampersaud was appointed to the Committee.

Katharine Morshead and Gemma Kataky are Sage Rented Limited's Non-Executive Directors and often attend Committee meetings as observers.

In addition to the Committee members, the Human Resources Director, the Chief Executive Officer, Chief Legal Officer, Group Financial Control Director, and Sage Homes' retained external advisers on remuneration (FIT Remuneration Consultants), are invited to attend meetings of the Committee on a regular basis. Advice or information may also be and is sought directly from other employees where the Committee feels that such additional contributions will assist the decision-making process. No person is present at a meeting when their own remuneration or performance is being discussed.

PURPOSE OF THE COMMITTEE

Full details of the Committee's Terms of Reference can be found on the Sage Homes website. Details of meeting attendance can be found in the Corporate Governance Report on page 38.

The Committee's purpose is broadly:

- to oversee workforce and director remuneration, making recommendations on these matters to the Board
- to approve the design of, and targets for, performance-related pay schemes
- to set the remuneration of the Chair
- to review the size and structure of the Board and consider succession planning
- to oversee the recruitment of new non-executive directors and the Chair, when applicable
- to review the succession plan for the executive team
- to advise the Board on pay gap reporting; and
- to oversee the annual evaluation of the Board and Committees.

Recognising the importance of maintaining a balanced Board, the skills and experience of individual Board members are reviewed on an annual basis, which includes use of a Board skills matrix against which directors assess their competency against a broad set of criteria. This is then overlaid with observations and feedback from the Board and key management stakeholders to determine areas of strength and weakness and whether any changes or training are required.

The Executive Directors, senior executives and other employees are employed by Sage Housing Group Limited which provides services to Sage Homes under a service agreement. As required by the UK Corporate Governance Code, the Committee has delegated responsibility from the Board for setting and reviewing the employee remuneration principles for the Chair of the Board, the Chief Executive Officer and other designated senior executives as well as recommending the overall level of the pay award to employees.

The Committee recognises that the quality of Sage Homes' leadership and workforce is a key element in the achievement of Sage Homes' strategy and understands the need to attract, retain and motivate individuals who will drive growth, financial performance and customer focus in line with Sage Homes' purpose and its values. Value for money is at the heart of our decision making and that means investing in the right pay and benefits, for the right people with the right skills.

ACTIVITIES AND CONSIDERATIONS DURING 2025 INCLUDED:

- reviewing the bonus outcomes for 2024 and the corporate targets for 2025, making recommendations to the Board on these
- reviewing the bonus scheme framework and making material recommendations to change it
- reviewing the annual pay award for 2025 and making a recommendation on this to the Board
- running of the Pension Governance Committee which monitors and reviews the performance of the Sage pension scheme
- a review of succession planning for both the Board and the Executive, including recommending the recruitment of two new Directors and member of the Audit and Risk and Customer and Assets Committee, and the reappointment of Directors reaching the end of their term of office
- consideration of the Gender Pay Gap report for 2025, and actions being taken to address the gap
- consideration of the Ethnicity Pay Gap
- a review of pay-related elements of the staff engagement survey
- a review of the Leadership Team Development Framework, the Board Skills Matrix and the Board training schedule
- ensuring that remuneration arrangements were adequate to recruit and retain key staff to meet Sage's strategic aims.

RECRUITMENT ACTIVITIES

During the year, Julian Chun was recruited to the Board and appointed to the Customer & Assets Committee.

RECRUITMENT PROCESS

The recruitment process adopted, for Board and Committee appointments, requires the Committee to agree description of roles, capabilities and time commitments. A recruitment consultant is engaged to seek appropriate candidates based on merit against the objective criteria set out in the role description. A shortlist is drawn up by the recruitment consultants for each role and suitable candidates are considered in detail and interviewed by members of the Committee and a final selection is recommended by the Committee for approval by the Board, Parent and investors.

DIVERSITY AND INCLUSION

Based on the objective criteria set out in a role description and, in accordance with Sage Homes' Diversity and Inclusion Policy, all Board appointments pay particular attention to the merits of diversity on the Board. The Board takes the issues of diversity and inclusion seriously and follows the Policy to build the strong team it requires to deliver the strategy for the business.

The Committee has agreed that at least 50% of senior appointment recruitment long-lists for all recruitments to the business should be from a diverse background.

The gender and ethnic balance of the Board is set out on page 37.

Gender balance of those in senior management and their direct reports is reported through the Gender Pay Gap, annually reported through Remuneration & Nominations Committee and Sage Board. Gender pay analysis is monitored during all pay and reward processes and decisions).

% Women	2025	2024
Leadership team	22%	25%
Senior management	39%	37%
Employees	52%	54%

SUCCESSION PLANNING

The Committee monitors and evaluates the balance of skills, experience, independence, and knowledge required on the Board and oversees recruitment for Board and senior executive appointments on a proactive basis as well as in response to vacancies.

ALL-EMPLOYEE REMUNERATION

Sage Homes recruits employees at competitive market levels of remuneration, to attract, motivate and retain them. When considering salary increases for senior executives, the Committee takes into account salary increases and pay and employment conditions across the wider workforce. Details of the key management personnel's remuneration can be found on pages 79 and 71. All employees (including the Chief Executive Officer and Leadership Team) receive the same benefits, comprising statutory minimum employer pension contributions of 5%, and life insurance cover. To support the organisation's strategy, a discretionary, annual bonus is provided for all employees which is awarded for the achievement of performance targets. All bonuses are capped at a level depending on the role of the individual.

MALUS AND CLAWBACK

Malus and clawback clauses are formally assessed by the Committee as part of the annual bonus scheme, which is formally assessed in November and February but monitored throughout the year. These provisions can be applied after a bonus period, being a financial year for Sage Rented, for 3 years for the Leadership and Senior Management bonus scheme and 1 year for the rest of the business's bonus scheme. There were no disclosures identified for reporting. The circumstances in which malus and clawback provisions could be used are as follows:

1. a material financial misstatement of the Company's audited financial accounts;
2. evidence that bonus was based on erroneous or misleading data;
3. conduct which results in or is reasonably likely to result in significant reputational damage to the Company;
4. a (material) failure of risk management including a material breach of health and safety standards, statutory or otherwise;
5. gross negligence or gross misconduct; fraud; and
6. for any other reason at the Committee's discretion provided it is acting fairly and reasonably
7. below 97.5% on average across all domestic compliance metrics across the year.

REMUNERATION POLICY

The Committee is responsible for determining remuneration policies and practices which support the strategy and promote the long-term sustainable success of Sage Homes. When developing the remuneration policy, the Committee was mindful of the provisions of the UK Corporate Governance Code and the Regulator of Social Housing. The main aim of Sage Homes' remuneration policy is to ensure that management and staff are remunerated fairly and to facilitate the recruitment, retention and motivation of suitably qualified staff. The Committee considers that the policy supports Sage Homes' strategy and promotes the long-term success of Sage Homes.

REMUNERATION CONSULTANT

The Committee is authorised to take such internal and external advice as it considers appropriate in carrying out its duties, including the appointment of external remuneration advisers. During the year, the Committee was assisted in its work by FIT Remuneration Consultants LLP ("FIT"). FIT provided independent advice on remuneration matters to the Committee. It has no other connection with Sage Homes.

Key stakeholders are kept updated with the deliberations of the Committee and its views are taken into account on proposals put to the Board. The investor Directors are usually invited to attend Remuneration Committee meetings.

SENIOR EXECUTIVE REMUNERATION FRAMEWORK – KEY PRINCIPLES

- Sage Homes' pay arrangements are designed to take account of its commercial and customer focused culture and to attract and retain executives with the right sense of purpose and the skills for delivering against stretching targets which contribute to Sage Homes as a force for good
- Sage Homes seeks to pay cost effectively and fairly. We recognise the unique position of Sage Homes as a high-growth, entrepreneurial, commercial provider of social housing and we see value in the consideration of a range of external benchmarks. However, none of those benchmarks fully reflects Sage Homes and, therefore, benchmarking should be used primarily as a means of informing debate by the Committee rather than used to provide an 'answer'
- As a starting point, the Committee will consider market data for the most appropriate benchmarks where available
- Other considerations and factors will include internal relativities; differentials (such as the relationship between the Chief Executive Officer's pay and average or the lowest pay in Sage Homes); the complexity and impact of roles; the skills, experience, performance and franchise value of incumbents; and equal opportunities and diversity and inclusion
- Internal comparability and external competitiveness are both equally important and each need to be considered as inputs for a rounded decision applying judgment. In applying such judgment, we strive for the support of all our stakeholders for the approach to pay that we take
- Sustainability and affordability are key to both Sage Homes' business model and its approach to pay
- Sage Homes' approach to pay is aligned with its values
- Sage Homes takes account of the views of its investors and other major stakeholders
- Sage Homes takes account of the guidance of the UK Corporate Governance Code on a "comply or explain" basis and considers the alignment of executive pay and all-employee pay.

PAY ELEMENTS

- Base salary assumes an acceptable level of performance and is set at a level which rewards fairly the individual's responsibility and performance. It is reviewed annually, and consideration is given to remuneration in comparable organisations

- Annual bonus is determined by a defined bonus framework. Bonuses are payable on individual performance measured against pre-determined personal KPIs and the achievement of relevant business goals. The purpose of bonuses is to reward achievement against stretching target levels and they require over-achievement for the delivery of maximum amounts. All bonuses are capped at a level depending on the role of the individual and no individual is able to receive more than 100% of their basic salary as a bonus
- Modest benefits are provided, e.g. employer pension contributions at the minimum statutory level for all employees, health cash plan, electric car scheme, holiday buy-back (up to 5 days), holiday sale (up to 5 days), Benefex discount provider
- Terms and conditions are determined by reference to comparable companies and entitle staff to fixed pay only on severance for the balance of any notice period (plus redundancy if relevant).

KEY FACTORS

In developing the senior executive remuneration framework, which was established in 2022, and its implementation, the Code has been an important touchstone and the Committee has been careful to take full account of the remuneration-related provisions in its considerations. Sage Homes has considered the six factors outlined in Provision 40 of the Code as follows:

- **Clarity:** the remuneration framework is structured to support financial delivery and the achievement of strategic objectives, aligning the interests of senior executives with those of the parent and other key stakeholders. Sage Homes ensures that the remuneration framework is clear, and that it is well-communicated to senior executives and all members of the workforce
- **Simplicity:** the remuneration framework is straightforward to communicate and operate. It avoids complexity and focuses on specific pay elements, with any performance measures and targets clearly defined
- **Risk:** when setting executive pay the Committee seeks to balance a range of risks: reputational, behavioural, operational, talent, strategic and governance. The remuneration framework has been structured to ensure that it is aligned with the Board's system of risk management and risk appetite. Inappropriate risk taking is mitigated through, for example, the operation of arrangements that provide an appropriate balance of fixed pay to variable pay and through the use of multiple annual bonus performance measures based on a blend of financial, non-financial and strategic targets
- **Predictability:** the annual bonus is subject to individual caps and the Committee has full discretion to alter the pay-out level to ensure payments are appropriately aligned with the underlying performance of Sage Homes. Personal targets and business goals for bonus awards are clearly set out and agreed with each individual
- **Proportionality:** executives are able to see how their performance influences their remuneration. The supply of affordable housing and improving Sage Homes' financial position will lead to performance-related pay awards. Executives are aware that rewards are based on achievement rather than effort. Formulaic bonus outcomes are reviewed by the Committee and may be adjusted having consideration to overall Group performance
- **Alignment with culture:** Sage Homes is a rapidly growing, entrepreneurial company with significant ambitions operating in a socially responsible, regulated sector of the economy. Sage Homes' culture reflects all those elements. The personal targets and business goals that underline Sage Homes' remuneration strategy work to maintain that culture as the organisation matures, while ensuring that the behaviour of individuals supports Sage Homes' purpose, values and strategy.

NOTICE PERIODS

No Independent Non-Executive Director (iNED), Non-Executive Director (NED) or Executive Director has contractual rights for compensation beyond payment of the contractual notice period which for the executives is no more than six months' salary. The Chief Executive Officer's contract provides for notice of three months by either party. The iNEDs and NEDs, including the Chair, have letters of engagement and are appointed for a period of three years, renewable up to a maximum of 9 years.

Julia Porter
Chair of the Remuneration and Nominations Committee
20 May 2026

Customer and Assets Committee Report

During the year the Committee comprised:

- David Godden (Chair until 8 September 2025)
- Cedi Frederick (Chair from 8 September 2025)
- Cindy Rampersaud
- Julia Porter
- Julian Chun (from 8 September 2025)
- Katharine Morshead

At the end of 2024, the Committee's remit was adjusted and its name changed from the Customer and People Committee to the Customer and Assets Committee. The purpose of this change was to enable greater focus on the management of Sage's homes and compliance with legal and regulatory requirements. It was decided that henceforth, matters relating to Sage Homes staff and workers should form part of the remit of the Remuneration and Nominations Committee.

Members of the Customer and Assets Committee and its Chair were appointed by the Board, following reviews and recommendations by the Remuneration and Nominations Committee in September 2025.

Gemma Kataky is a Sage Homes Non-Executive Director and often attends Committee meetings as an observer.

Senior staff including the Chief Executive Officer, Chief Customer Officer, Managing Director of Housing Operations and the Chief Legal Officer, also regularly attend the meetings to support the Committee.

COMMITTEE PURPOSE

The Committee supports the strategic direction of the Company by overseeing matters related to Sage Homes' customers and its assets. In particular, it oversees the improvement of customer satisfaction, customer experience, and the delivery of safe, high-quality energy-efficient homes that meet legal and regulatory requirements. The Committee also ensures full compliance with the Consumer Standards. Details of meeting attendance can be found in the Corporate Governance Report on page 38.

COMMITTEE ACTIVITIES DURING 2025:

The Committee's activities throughout 2025 were wide ranging. The Committee regularly considered the following matters:

- The Committee received and reviewed metrics (performance) on Customer Operations as a standing item. This included data and reporting on customer experience, ASB (anti-social behaviour), vulnerable customer management, complaints, TSMs (Tenant Satisfaction Measures), and Sage Homes' relationship and engagement with its partners such as local authorities and other key organisations. Within its remit, the Committee also considered customer insights through the results of the Customer Perception Survey, selecting five key focus areas (Repairs, Defects, ASB, Communal Maintenance and Complaints)
- 2025 was the Committee's first year receiving detailed reporting on Sage Homes' assets and its management strategy, as a standing item. The report included information on Sage Homes' compliance with the Decent Homes Standard, EPC, stock condition, repairs, aftercare, voids, and compliance including fire-risk assessments. In September 2025, the Committee approved a change to the stock condition programme, pledging the aim that all properties over five years old would have a complete survey by the end of March 2026. The Committee also oversaw and approved the Housing Operations Action Plan, which assessed the priorities for improvement within housing operations and the areas identified as focal ones through the Customer Perception Survey
- The Committee is the central body responsible for ensuring Sage's compliance with the newly introduced regulatory Consumer Standards. Key members of the Executive Leadership Team met frequently with the Committee Chair to ensure that the papers that went to the Committee were aligned to the standards. The published results of Inspections and other Consumer Standards-related Regulatory Judgements were regularly reviewed by the Committee, to ensure that Sage was picking up and acting on the lessons learned from these. Sage also conducted a 'mini-mock Inspection' with DTP to help with preparedness for Sage's upcoming Regulatory Inspection.

CUSTOMER SCRUTINY PANEL (CSP)

The Customer Scrutiny Panel is a resident-led strategic sub-committee that is responsible for ensuring that customer views and priorities are at the heart of Sage's operations, that the Company is aligned with the Consumer Standards within Regulatory Framework and that the customer voices inform matters such as the design and delivery of landlord services.

Throughout 2025, membership of the Panel consisted of between five and six Sage residents, who were geographically spread across the country with a mix of both affordable rent and shared ownership tenures. The Panel was chaired by Cedi Frederick until October 2025. The role of the Chair was then transferred to Julia Porter. Both chairs are members of the Customer and Assets Committee.

The Committee routinely receives an update from the Panel's Chair. The update provides an overview of the Panel's activities, priorities and recommendations. In 2025, it was decided that the Panel would become the 'Strategic Customer Scrutiny Panel.' This change reflects the Panel's increased scrutiny duties and oversight over smaller and more focused Insight Groups.

Most notably, throughout 2025, the Panel:

- considered and provided feedback on several customer related projects and service improvements, including feeding back on changes to tenancy agreements and influencing changes in housing services such as focusing on stronger community partnerships.
- provided feedback on related policies, procedures and key customer and engagement linked strategies, including the Community Safety procedure on cannabis and the Customer and Community Engagement strategy, including all updates and changes in approach
- attended a Customer and Assets Committee meeting to provide feedback and an overview of their annual work plan to members
- reviewed and recommended for approval their Terms of Reference
- reviewed and provided feedback on the Customer Annual Report
- were consulted on the work of Heart of Sage, Sage's charitable community benefit society, helping to decide its future direction
- attended a Voice of the Customer event, aimed to provide panel members with an overview of Sage's operations, including opportunities to provide feedback which can then, in turn, be used to improve Sage's business and customer service.

GOVERNANCE

The Committee is responsible for reviewing its Terms of Reference each year, ensuring its own effectiveness and alignment. It reviewed, and recommended for approval, several key customer and asset related policies. The Committee also has the remit to approve changes to internal programmes, such as changes to the cyclical works programme and the stock condition survey frequency. The minutes from each meeting are submitted to the Board for review and kept in an accessible place, available to all directors. The Committee Chair provides a written report to the Board, summarising key points and any issues for escalation from each committee meeting.

The Customer Scrutiny Panel reviews its Terms of Reference annually. The Panel's Terms of Reference is then submitted to the Committee for review, along with the minutes from each meeting, and any recommendations for approval. Panel members are invited to attend a committee meeting annually, where they discuss any matters for escalation and their proposed work plan for the year ahead.

Cedi Frederick

Chair of the Customer and Assets Committee

20 May 2026

Acquisition Committee Report

During the year the Committee comprised:

- Cindy Rampersaud (Chair)
- Mark Sater (CEO and Director until 6 February 2026)
- Elizabeth Froude (CEO and Director from 6 February 2026)

The Committee was first established in June 2023, as part of the committee restructure which followed an independent governance review. Its position within the governance structure and remit were reviewed again in 2025, Its terms of reference (which are available on the Sage Homes website) provide that its membership must comprise at least two individuals, both of whom must be appointed by the Board and at least one of whom must be an independent non-executive director. The Chief Executive Officer is an ex-officio Committee member. The Committee Chair must be an independent non-executive director.

PURPOSE

The Committee, on behalf of the Boards, scrutinises acquisition deals initially discussed and approved by the Acquisitions Committee. In doing this, it considers whether:

- Due process has taken place;
- The deals approved fall within the terms of the Boards agreed 'buy box'; and
- The proposed acquisition deals form desirable additions to the portfolio, taking into account Sage's mission, values and corporate objectives, as well as its current portfolio.

The Committee may ask the Acquisitions Committee to reconsider its decisions or any part of them, discuss any proposed acquisition with the executive Acquisitions Committee, or refer any proposed acquisition to the Board for further consideration.

GOVERNANCE

Meetings of the Committee are held at least once a month or otherwise as the Committee's business requires; it will meet more frequently if the volume and timing of acquisition opportunities and transactions considered and approved by the Acquisitions Committee demands this.

The Chair, Acquisitions Director and the Investment and Underwriting Director report on matters dealt with by the Committee at the subsequent Board meeting.

The Committee reviews its Terms of Reference annually to ensure it is operating at maximum effectiveness.

During the year, the Committee had unrestricted access to management, external advisors and training. The Committee is satisfied that during this period it has received appropriate, timely and reliable information in order to discharge its responsibilities effectively.

Cindy Rampersaud
Chair of the Acquisition Committee
20 May 2026

Section 172 (duty to promote the success of the Company)

SECTION 172 STATEMENT

The Directors have acted in a way they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard to the matters set out in Section 172(1) of the Companies Act 2006, including long-term consequences, employee interests, relationships with suppliers and customers, and the impact on the community and environment.

Directors' Report

The Directors present their report and audited financial statements for Sage Rented Limited for the year ended 31 December 2025.

It is the Directors' responsibility to prepare the annual report and financial statements in accordance with applicable law and regulations, and they consider that the annual report and financial statements 2025, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the company's position, performance, business model and strategy during 2025.

The Chair's statement and the Strategic Report, including the Chief Executive Officer's review, financial review, disclosures of the key performance indicators used to manage the business, and likely future development, together with this section, fulfil the requirements of section 414C of the Companies Act 2006.

PROPOSED DIVIDEND

The Directors do not recommend the payment of a dividend for the current or with respect to the prior period.

CORPORATE GOVERNANCE

The Corporate Governance Report is set out on pages 33 to 49.

THE DIRECTORS OF THE BOARD

The Directors who held office during the period, and up to the date of signing the financial statements were:

John Brace
Julian Chun (from 01/09/2025)
Cedi Frederick
Elizabeth Froude (CEO) (from 02/02/2026)
David Godden (to 10/09/2025)
Gemma Kataky
Katharine Morshead (from 01/07/2025)
Julia Porter
Cindy Rampersaud
Andrew Kluth (from 05/03/2026)
Mark Sater (CEO) (to 06/02/2026)
Sydney Taylor (to 01/07/2025)
Alison Thain OBE (Chair)

The Company Secretary is Bridget Frisby.

The Articles give the Directors the power to appoint additional or replacement Directors within the limits set out. The Directors may exercise all the powers of the company subject to statute, relevant regulation, the Articles and Standing Orders and Financial Regulations. Directors are not subject to annual re-election. However, the company's parent retains the ability to appoint or remove any Director from time to time.

DIRECTORS' INTERESTS

Apart from service contracts or Non-Executive Directors' letters of engagement, no contract subsisted during or at the end of the financial year in which a Director is or was materially interested and which is or was significant in relation to the company's business during the period under review. No Director has any beneficial interest in the company.

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The company has maintained, throughout the year and to the date of this report, directors' and officers' liability insurance cover in respect of the acts or omissions of its directors and executives and continues to do so. Details of the policy are provided to new Directors on appointment. In common with other companies, Sage Homes has made qualifying third-party indemnity provisions for the benefit of its directors against liabilities incurred in the execution of their duties.

ANNUAL GENERAL MEETING

By mutual consent, the Board and parent have decided to waive the need to hold an Annual General Meeting and to approve the annual report, financial statements and the appointment of the auditor by written resolution.

INDEPENDENT AUDITOR

Sage Homes's auditor for the year ended 31 December 2025 was Deloitte LLP. At the time of signing the accounts Deloitte LLP had not been reappointed auditor for 2026.

POLITICAL AND CHARITABLE DONATIONS

There were no political donations made or political expenditure incurred in the current or prior financial year.

During the year, Sage Homes made charitable donations of £54,000 (2024: £60,000) through Heart of Sage to help support charities, community groups and those customers most in need.

OFFICES

Sage Homes operates from offices in London and Northampton. There are no offices outside of the UK.

EMPLOYEES

Sage Homes communicates and consults with its workforce on a wide range of subjects, including those that directly affect them, using email, websites, intranet, and meetings. The employees of Sage Homes are instrumental in its success, and the organisation works hard to maintain good relationships with its employees through continual communications. Sage Homes sees each recruitment as a significant and long-term investment in the success of the business. Employees with broad knowledge, diverse backgrounds and experience make a vital contribution to Sage Homes, helping it attain its corporate goals and fulfil its strategy. Development and learning resources are available to all employees through Sage Homes learning and development portal.

Sage operates several employee forums that boost staff engagement and offer the opportunity to raise concerns confidentially. The Annual Engagement Survey findings are a standing item on the Board Agenda, with the results presented by the subject matter expert. If pulse surveys are conducted, the findings are reported and discussed at relevant board meetings. Sage Together activities are also reported to the Board through the HR Director's Overview.

EQUALITY AND DIVERSITY

Sage Homes is committed to providing equal opportunities in employment for all employees and does not discriminate against job applicants or employees in relation to any protected characteristic.

Sage Homes takes the issues of equality and diversity seriously. By using the talent and skills available it is able to build the strong team it requires to deliver the strategy for its business. Sage Homes uses job-related objective criteria both in the selection of candidates and when considering development opportunities. Sage Homes aims:

- to create an inclusive environment in which individual differences and the contribution of everyone are recognised and valued
- to provide a working environment that promotes safety, dignity and respect for all
- not to tolerate any form of intimidation, bullying or harassment
- to ensure that all training and development is inclusive and accessible to enable the same progression opportunities to all
- to promote equality in the workplace as a good management practice that makes sound business sense; and
- not to discriminate unlawfully against customers, suppliers or others using or seeking to use Sage Homes' services.

Our workforce advisory panel, the Employee Representative Forum (ERF), meets regularly, discussing how Sage Homes colleagues interact with the business, and ensures they feel heard. Their work is supported by Sage Together, another workforce panel, who make wellbeing, diversity and inclusion a key focus.

EMPLOYMENT OF PEOPLE WITH A DISABILITY

Sage Homes strongly believes in providing equal opportunities for all employees, including those with a disability. The recruitment, training, career development and promotion of people with a disability are based on the aptitude and abilities of the individual. Where a person with a disability faces a substantial disadvantage in comparison with someone who is not disabled, we will embrace the opportunity to make reasonable adjustments to avoid the disadvantage.

If an employee becomes disabled while employed by Sage, every effort is made to enable them to continue working, either in their original job or in a suitable alternative role. This may include providing appropriate training or other reasonable adjustments.

STAKEHOLDER RELATIONSHIPS

To see how Sage Homes engages with its stakeholders refer to the Section 172 statement at pages 30 and 31.

RESEARCH AND DEVELOPMENT

Sage Homes undertakes research and development on projects that will improve its technological and operational infrastructure and create efficiencies. The aim is to improve the service provided to its customers, to increase operational efficiency and to improve compliance with regulatory and economic requirements. Examples of these investments include areas that drive efficiencies and automate manual processes.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the business are detailed on pages 27 to 29.

FINANCIAL INSTRUMENTS

Details of the use and materiality of financial instruments are provided in note 1 to the financial statements.

SECURITIES AND SHARES

Sage Rented has no listed securities. All matters and transactions related to share capital are disclosed in note 19 to the financial statements.

REGULATION

Sage Rented Limited is regulated under the Registered Social Housing Legislation and its Registration Number is 5083. It is incorporated in England and Wales with Company Number 11217855.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Company is required to report under the SECR framework, under the Companies (Directors' report) and Limited Liability Partnerships (Energy and Carbon report) Regulations 2018.

Sage Homes continues to quantify its environmental impact and define medium and long-term carbon emissions targets, to place us on a course for reaching a zero-carbon future. All emissions reported are from activities over which Sage Homes has financial and operational control and are classified as follows:

Scope 1: Direct emissions. This includes gas used in void properties, offices and CHP plant. In 2025 this continues to include emissions from company-owned vehicles

Scope 2: Indirect emissions (e.g. electricity use): This includes electricity used in void properties, offices and Sage Homes-owned communal areas.

Scope 3: Other indirect: This includes emissions from business travel by means not owned by the Company.

In addition to Sage Homes's own corporate activities which are generally administrative in nature, Sage Homes directly manages services and continues to invest and deliver a high number of new affordable homes through our construction partnerships. We continue to engage with our supply chain to encourage them to report on their key environmental impacts for the Company to make informed procurement decisions.

In line with SECR requirements, the quantity of emissions in tonnes of carbon dioxide equivalent (tCO2e) resulting from UK energy use relating to gas, electricity and transport fuel within the company has been calculated.

A reduction in total energy consumption can be seen in 2025 compared to 2024, primarily driven by a significant reduction in gas usage within void properties. This reflects a continued focus on reducing void numbers and void days through pre-letting units prior to completion and utilising Homestepper, where tenants are identified before purchase, thereby reducing the time properties remain unoccupied.

Gas consumption in offices has increased due to improved data accuracy, as enhanced data access from the landlord has allowed a reduction in the use of estimates. Communal gas consumption has increased slightly as a result of improved data readings and an increase in the number of communal blocks under management.

Electricity consumption has increased overall compared to 2024. Communal electricity has increased due to improved data quality and a growth in the number of communal areas managed. Office electricity consumption has increased as more accurate landlord data has enabled us to move away from estimated figures. Electricity consumption in void properties has decreased in line with the reduction in void numbers and void days.

Business travel in employee-owned vehicles has increased in 2025, reflecting an increase in mileage as more repairs and services are undertaken in house. This increase is partially offset by changes in conversion factors.

Energy Use and Carbon Emissions for 2025 (all Sage Homes entities and those under Sage Homes management):

Total energy consumption	2025 (kWh)	2024 kWh
Mains gas	**2,037,388**	3,150,021
Mains electricity[1]	**798,104**	679,419
Transport fuel-business travel in employee-owned vehicles	**511,286**	476,453
	3,346,778	4,305,893

Total gross emissions	2025 tCO_2e	2024 tCO_2e
Combustion of gas (scope 1)	**386**	577
Purchased electricity (scope 2)	**165**	156
Combustion of fuel for transport (scope 3)	**95**	115
	646	848

The electricity supplied in our head office is on a renewable energy tariff, this results in 87,679 kWh (2024: 91,109kWh) of our mains electricity being from a renewable green energy source.

INTENSITY RATIOS

Our intensity ratios are based on three different drivers, average number of employees across the year, completed homes at year end and homes in development at year end.

	2025	2024
Carbon emissions intensity (tCO_2e per employee)	1.67	2.10
Carbon emissions intensity (tCO_2e per completed home)	0.04	0.04
Carbon emissions intensity (tCO_2e per home in development)	0.31	0.24

ENTITY ONLY EMISSIONS

The below table provides a breakdown of emissions associated with the Company only and consists of office and mileage emissions.

Total energy consumption	2025 kWh	2024 kWh
Mains gas	330,592	707,037
Mains electricity[1]	213,022	211,770
Transport fuel - business travel in employee-owned vehicles	-	-
Total	543,614	918,807

Total gross emissions	2025 tCO_2e	2024 tCO_2e
Combustion of gas (scope 1)	41	129
Purchased electricity (scope 2)	52	44
Combustion of fuel for transport (scope 3)	-	-
Total	93	173

EXCLUSIONS

All mandatory fuels have been included with no exclusions. The consumption used by our partnerships which include most of our supply chain, our house builders, residents and property management services, fall out of the scope of our financial and operational control boundaries and for this reason have been excluded from the above calculations.

METHODOLOGY

The Company occupied office space in two different buildings during the year. We have used actual meter readings and landlord-provided consumption data where available. Improved access to landlord data in 2025 has reduced the reliance on estimated figures compared to previous years. Where direct data was not available, consumption has been apportioned using our proportioned square footage.

For temporary gas and electricity supplies to our void homes within our affordable housing portfolio, consumption has been calculated based on actual meter readings for the majority of properties. Where data was missing or incomplete, average annual consumption values have been applied to ensure all void properties are appropriately accounted for. A reduction in void numbers and average void days during the year has resulted in a decrease in associated gas and electricity usage.

Communal area consumption has been calculated using actual meter readings and carbon figures from invoice data where available. Improved data capture during 2025 has reduced the proportion of estimated communal consumption. Where meter readings were unavailable, average communal consumption figures have been applied to ensure completeness. An increase in the number of communal blocks under management has contributed to an overall increase in communal electricity consumption.

The amount of transport fuel used by employees for business purposes through grey fleet has been calculated using consolidated mileage claims data and the Government's Greenhouse Gas (GHG) Conversion Factors for average passenger vehicles. Mileage has increased during the year due to more services and repairs being undertaken in house. Company-owned fleet vehicles continue to be accounted for within Scope 1 emissions.

To ensure we are providing an accurate and consistent view of our energy usage and carbon emissions, we have included all properties and companies within the Group under Sage Homes' financial and operational control. This approach ensures comparability year on year. The Government's Greenhouse Gas Reporting Conversion Factors for 2025 have been applied in all calculations.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Having made enquiries of fellow Directors and of the auditor, each of these Directors confirm that:

- So far as each of the Directors is aware, there is no relevant audit information of which the auditor is unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

POST-BALANCE SHEET EVENTS

On 3 March 2026, the Company completed a refinancing with respect to the senior loan facility borrowed from Sage Borrower AR3 Limited (note 18). On repayment of the senior facility, all assets and liabilities held, with respect to the facility, were liquidated and repaid respectively.

Two new subsidiaries of the Company, Sage Borrower AR5 Limited and Sage Borrower AR6 Limited, were incorporated on 24 October 2025 and 30 October 2025 respectively, in order to manage the replacement financing.

As part of the refinancing activity, Sage Homes RP Limited, the Company's sister-Registered Provider, transferred 975 completed affordable and social rental units to the Company. The transfer of these units was undertaken at net book value.

In March 2026, Sage Rented Limited completed three separate sales of affordable and social rental units. On 16 March 2026, Sage Rented Limited completed the sale of 4 affordable and social rental units to Home Group.

On 23 March 2026, Sage Rented Limited completed the sale of 145 affordable and social rental units to Vico Homes.

On 30 March 2026, Sage Rented Limited completed the sale of 81 affordable and social rental units to NewArch Homes Limited.

GOING CONCERN

The Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements. The Directors can report that there are no material uncertainties to the Company's ability to continue over a period of at least twelve months from the date of approval of the financial statements. This conclusion has been reached following a full review and scrutiny of the financial position of the Company, review and assessment of the risks facing Sage Homes, and discussions with the Company's shareholder and investors who have confirmed their intentions to continue to support Sage Homes in line with the current business plan.

To support this process the Board has put in place a risk management and internal control system. The Board has determined the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Board and the management of the Company have maintained sound risk management and internal control systems.

The Directors can report that the Company has a considered and well-developed business model to preserve and increase the value of the Company's assets and to deliver the objectives of the Company in the short and long term.

The Board keeps liquidity under constant review - a process that involves assessing short and long-term cash flow projections, as well as reviewing the Company's business plan. In doing so the Board can identify possible funding requirements and plan for these with Sage Homes' management, its shareholder and investors.

Key assumptions underpinning the projections are regularly reviewed and updated and are subject to stress testing and sensitivity analysis including a review of the impact of reductions in income from shared ownership sales, future letting occupancy and constraints to future increases in debt funding availability.

As referenced in the Viability statement and their assessment of the impact of the current uncertainty caused by the economic downturn and funding requirements, the Directors have assessed the Company's access to additional shareholder funding as well as debt financing and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least twelve months from the approval date of these financial statements.

VIABILITY STATEMENT

The Directors have assessed the ongoing viability of the Company. Each year, on a rolling basis, the Directors draw up a strategic plan for the business. The Directors have determined five years to be appropriate as these fits well with the growth cycle that Sage Homes is currently in and ensures the plan is aligned with Sage Homes's thirty-year financial forecasts. The assumptions of the financial forecasts are regularly reviewed.

While the strategic plan reflects the Directors' best estimate of the prospects of the business, they have tested the assumptions and sensitivities identified, and stress tested the financial forecasts in the context of solvency or liquidity by considering severe but plausible changes, singular and compounding, to the plan's assumptions.

Areas of investigations have included but were not limited to how the Company works with its partners to ensure tenants receive appropriate services, how to work with developers to continue to deliver completed affordable homes to the Company, and how to continue to acquire new affordable homes in alignment with the Company's growth strategy.

The Directors have also assessed The Company's ability to modify its plans and capital needs in response to the economic downturn. In alignment with these reviews, the Directors have assessed the Company's existing credit facility. Facility covenants only relate to future drawdowns, with no maintenance covenants, and the Directors noted a reasonable level of headroom to these. Finally, the Directors have discussed with the Company's shareholder and investors their capital availability to fund the Company's business plan and have affirmed with them their intention to do so.

Following their assessment of the above, and discussions with the Company's shareholder and investors who have confirmed their intentions to continue to support the Company in line with the current business plan, the Directors have a reasonable expectation that the Company has access to adequate liquidity to continue in operational existence for the foreseeable future.

The Directors' Report was approved by the Board on 20 May 2026.

By order of the Board.

Bridget Frisby

Company Secretary, Sage Rented Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. The Companies Act 2006 and Registered Social Housing Legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Private Registered Provider and of the profit or loss for that period. The Board has elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Registered Provider will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the transactions and which disclose with reasonable accuracy at any time the financial position of the Registered Provider and to enable it to ensure that the financial statements comply with the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Social Housing Providers from January 2022.

The Board has general responsibility for taking reasonable steps to safeguard the assets of the Registered Provider and to prevent and detect fraud and other irregularities.

The Board is responsible for ensuring that the Strategic Report includes a fair review of the development and performance of the business and the position of the Company, together with the disclosure of the principal risks and uncertainties it faces.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on Sage Homes' website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' CONFIRMATIONS

The Directors consider that the annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for the shareholder to assess the Company's position, performance, business model and strategy. Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/ herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Statement of Directors' responsibilities was approved by the Board on 20 May 2026.

By order of the Board.

Bridget Frisby
Company Secretary, Sage Rented Limited

Financial statements

Delivering sector-leading numbers of high-quality, energy-efficient affordable homes.

Report on the audit of the financial statements

1. OPINION

In our opinion the financial statements of Sage Rented Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2025 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and the Housing Statement of Recommended Practice 2018 for registered social housing providers ("Housing SORP 2018"); and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cashflows; and
- the related notes 1 to 29.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Housing Statement of Recommended Practice 2018 for registered social housing providers ("Housing SORP 2018").

2. 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 are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. SUMMARY OF OUR AUDIT APPROACH

Key audit matters	The key audit matter that we identified in the current year was: • Impairment of completed AR (affordable rent) housing units.
Materiality	The materiality that we used was £14.3m which was determined on the basis of 1.5% of total assets. The lower-level materiality that we used for class of transactions, account balances and disclosures which are not related to housing assets was £1.3m which was determined on the basis of 2.0% of revenue.
Scoping	Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.
Significant changes in our approach	There were no significant changes in our approach from the prior year audit

4. 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 company's ability to continue to adopt the going concern basis of accounting included:

- assessing the cash flow forecasts, sensitivity analysis performed by the Board, and supporting 18-month funding requirements, five-year and thirty-year business plans;
- assessing accuracy of forecasts by comparing actual performance against budget in the current and previous financial year;
- evaluating the financing facilities and borrowings, including obtaining funding guarantee letters from Blackstone Inc. and Regis plc, the ultimate parent of the company;
- considering the current regulatory requirements published by the Regulator of Social Housing and current macroeconomic conditions including tariff uncertainty in the US and geopolitical uncertainty in the Middle East which is impacting inflation and interest rates; and
- assessing the appropriateness of the entity's going concern disclosures in the financial statements.

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 company's ability 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 reporting on how the company 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.

5. 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. These matters included 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.

5.1. Impairment of completed AR housing units

Key audit matter description	The company holds a significant quantum of completed housing units. As per note 11 of the financial statements the net book value of completed housing unit freeholds as at 31 December 2025 was £832.4m (2024: £843.8m). As per note 1 of the financial statements, at each reporting date, the company assesses completed housing units for indicators of impairment in line with the Statement of Recommended Practice for social housing providers ('Housing SORP') and FRS 102. Where indicators are identified, a detailed assessment is undertaken to determine the cash-generating unit's recoverable amount. We have identified a key audit matter in relation to carrying value of completed housing units due to the significant estimates required and assumptions used to forecast the recoverable amount. The key assumptions used are discount rate, estimating management and operating costs and expected yields which are subjective in nature. Where available management has also utilised the work of external experts where they have provided housing property valuations for alternative purposes; but they offer an external source of data to consider for impairment indicators. Details of the accounting policies applied are set out in Notes 1 and 11 of the financial statements.
How the scope of our audit responded to the key audit matter	We obtained an understanding of relevant controls relating to the identification and assessment of impairment indicators of completed housing units. We evaluated the methodology used by the company to identify impairments and assessed the reasonableness of this approach in line with the Statement of Recommended Practice for social housing providers ('Housing SORP') and FRS 102. We evaluated management's assessment of potential impairment triggers using our knowledge of the company and wider social housing sector along with the current economic environment. With the involvement of our property valuation specialists we assessed the validity of all assumptions used such as management costs, operating costs, discount rate, rental yields and any mitigants outlined in management's assessment. We tested the arithmetic accuracy of the calculation performed by management and performed testing over data utilised within management's assessment. This included agreeing a sample of available external valuations on certain tranches of housing stock to the reports and agreeing any inputs used in management valuations. We have also assessed the competence, capabilities, and objectivity of those valuers providing external valuations for certain housing stock; albeit not directly for the purpose of statutory valuation.
Key observations	Based on our work performed, we concluded that the carrying value of completed AR housing units is fairly stated.

6. OUR APPLICATION OF MATERIALITY

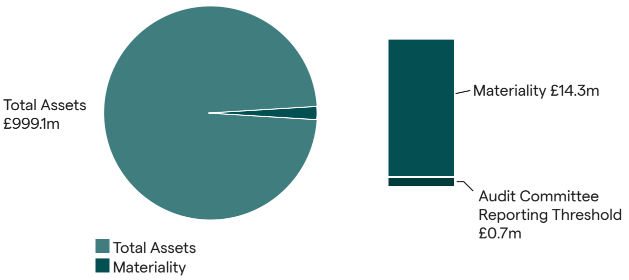
6.1. Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	£14.3m (2024: £10.1m)
Basis for determining materiality	Approximately 1.5% of total assets (2024: 1.0% of total assets)
Rationale for the benchmark applied	Total assets is a key performance indicator for users of the financial statements. The company is a growing entity and therefore the value of property owned and rented is a key focus.

Based on our professional judgement, we used a lower level of materiality of £1.3m (2024: £1.0m) determined on the basis of 2.0% (2024: 1.5%) of revenue to apply to account balances, class of transactions and disclosures that are not linked to housing property.



6.2. Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole. Performance materiality was set at 80% of materiality for the 2025 audit (2024: 80%).

In determining performance materiality, we considered the following factors:

- Our risk assessment, including our assessment of the company's control environment; and
- The low number of corrected and uncorrected misstatements identified in the previous year's audit.

6.3. Error Reporting Threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £0.7m (2024: £0.5m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. AN OVERVIEW OF THE SCOPE OF OUR AUDIT

7.1. Scoping

Our audit was scoped by obtaining an understanding of the entity and its environment, including internal control, and assessing the risks of material misstatement. Audit work to respond to the risks of material misstatement was performed directly by the audit engagement team.

7.2. Our consideration of the control environment

We have obtained the understanding of relevant controls in areas including: impairment of completed AR housing units, financial reporting process, revenue, expenditure and payroll. We have not taken a controls reliance approach.

7.3. Our consideration of climate-related risks

Management has considered climate change risks as part of their risk assessment process when considering the principal risks and uncertainties facing the group as explained in their Environmental, Social and Governance section of their Strategic Report on page 18. We have:

- completed risk assessment procedures, including assessing whether the risks identified by management are complete and consistent with our understanding of the group; and
- read the climate risk disclosures in the Environmental, Social and Governance section of the Strategic Report to consider whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8. OTHER INFORMATION

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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.

9. 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 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 company or to cease operations, or have no realistic alternative but to do so.

10. 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. EXTENT TO WHICH THE AUDIT WAS CONSIDERED 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.

11.1. Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance;
- results of our enquiries of management, internal audit, the directors and the audit committee about their own identification and assessment of the risks of irregularities, including those that are specific to the company's sector;
- any matters we identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - > identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - > detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - > the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including property valuation specialists and financial instrument specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following area: Impairment of completed AR housing units. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Accounting Direction for Private Registered Provider of Social Housing 2022 and the Housing and Regeneration Act 2008.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the company's compliance with regulatory standards set by the Regulator of Social Housing.

11.2. Audit response to risks identified

As a result of performing the above, we identified impairment of AR completed housing units as a key audit matter related to the potential risk of fraud. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant regulatory authorities including HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

12. OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. CORPORATE GOVERNANCE STATEMENT

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 and our knowledge obtained during the audit:

- 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 53;
- the directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 53;
- the directors' statement on fair, balanced and understandable set out on page 54;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 27;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 38; and
- the section describing the work of the audit committee set out on page 39.

14. MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

14.1. Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

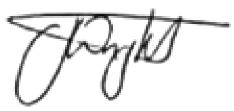
14.2. Director's remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made.

We have nothing to report in respect of this matter.

15. USE OF OUR REPORT

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Wright
Senior Statutory Auditor

For and on behalf of Deloitte LLP
Statutory Auditor
London
United Kingdom

22 May 2026

Statement of Comprehensive Income

for the year ended 31 December 2025

	Note	2025 £'000	2024 £'000
Turnover	3	67,007	65,007
Operating costs	3	(43,315)	(44,119)
Surplus on disposal of properties	3	7,008	-
Operating profit	7	30,700	20,888
Interest receivable and similar income	9	5,487	5,593
Interest expense and similar charges	9	(59,956)	(60,699)
Loss before tax		(23,769)	(34,218)
Tax charge on loss	10	(6,460)	(8,347)
Loss for the year		(30,229)	(42,565)

The results for the current year and prior year derive from continuing operations.

The notes on pages 65 to 85 form part of these financial statements.

Statement of Financial Position

as at 31 December 2025

	Note	2025 £'000	2024 £'000
Tangible fixed assets			
Housing properties	11	**882,744**	908,939
Total fixed assets		**882,744**	908,939
Non-current assets			
Financial instruments	14	**3,419**	9,830
Investment in subsidiary undertakings	12	**30,141**	15,895
Debtors: amounts falling due after more than one year	13	**60,750**	55,919
Total non-current assets		**94,310**	81,644
Current assets			
Financial instruments	14	**2,192**	6,583
Debtors: amounts falling due within one year	15	**9,844**	23,987
Cash at bank and in hand	16	**10,063**	15,698
		22,099	46,268
Creditors: amounts falling due within one year	17	**(42,772)**	(262,406)
Net current liabilities		**(20,673)**	(216,138)
Total assets less current liabilities		**956,381**	774,445
Creditors: amounts falling due after more than one year	18	**(821,331)**	(624,166)
Net assets		**135,050**	150,279
Capital and reserves			
Share capital	19	**15,025**	25
Share capital reduction reserve	19	**245,438**	245,438
Profit and loss account		**(125,413)**	(95,184)
Total shareholders' funds		**135,050**	150,279

The financial statements of the Company (registered number: 11217855) were approved by the Board of Directors and authorised for issue on 20 May 2026.

They were signed on its behalf by

Alison Thain OBE
Director

The notes on pages 65 to 85 form part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2025

	Share capital	Share capital reduction reserve	Retained earnings	Total
	£'000	£'000	£'000	£'000
At 1 January 2024	245,463	-	(52,619)	192,844
Issue of ordinary share capital	-	-	-	-
Transfer from share capital to share capital reduction reserve	(245,438)	245,438	-	-
Total comprehensive loss for the financial year	-	-	(42,565)	(42,565)
At 31 December 2024	25	245,438	(95,184)	150,279
Issue of ordinary share capital	15,000	-	-	15,000
Total comprehensive loss for the financial year	-	-	(30,229)	(30,229)
At 31 December 2025	**15,025**	**245,438**	**(125,413)**	**135,050**

The notes on pages 65 to 85 form part of these financial statements.

Statement of Cashflows

for the year ended 31 December 2025

	Note	2025 £'000	2024 £'000
Cash flow from operating activities	20	**32,643**	39,087
Cash flow from investing activities			
Purchase of housing properties		**(1,225)**	(3,730)
Proceeds from the disposal of properties		**22,296**	-
Grants (repaid) / received		**(199)**	350
Investment in subsidiaries		**(14,246)**	-
Interest received		**772**	5,349
Net cash inflow from investing activities		**7,398**	1,969
Cash flow from financing activities			
New shares issued		**15,000**	-
Loans (repaid) / received		**(11,857)**	18,939
Purchase of financial instruments		**(1,878)**	(7,071)
Interest paid		**(46,941)**	(43,979)
Net cash outflow from financing activities		**(45,676)**	(32,111)
Net (decrease) / increase in cash and cash equivalents		**(5,635)**	8,945
Cash and cash equivalents at the beginning of the year		**15,698**	6,753
Cash and cash equivalents at the end of the year		**10,063**	15,698
Cash and cash equivalents consist of:			
Cash at bank and in hand		**10,063**	15,698
Total cash at bank and in hand		**10,063**	15,698

The notes on pages 65 to 85 form part of these financial statements.

Notes to the financial statements

for the year ended 31 December 2025

1. ACCOUNTING POLICIES

Sage Rented Limited (the "Company") is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006, and is registered in England and Wales. The Company is a Registered Housing Provider. The address of the Company is provided on the "Professional Advisers" section, on the page 86.

Basis of accounting

The financial statements are prepared in accordance with FRS 102, The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), and the Housing Statement of Recommended Practice 2018 for registered social housing providers ("Housing SORP 2018") and comply with the Accounting Direction for Private Registered Providers of social housing from January 2022 (the "Accounting Direction 2022").

The Company does not meet the definition of a qualifying entity set out in FRS 102 and has not taken advantage of the disclosure exemptions available to such entities.

The functional currency of the Company is Pounds Sterling (£) because that is the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pounds Sterling and are rounded to the nearest thousand pounds (£'000).

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value.

Basis of consolidation

The Company has taken exemption from the requirement to prepare consolidated financial statements by virtue of Section 401 of the Companies Act 2006, on the grounds that it is a subsidiary undertaking whose results are included in the consolidated financial statements of its immediate parent undertaking, Hedwig ASR Holdco Limited, a company incorporated in the UK. The consolidated financial statements of Hedwig ASR Holdco Limited are prepared in accordance with FRS 102 and are publicly available from Companies House.

Changes to FRS 102

In March 2024, the Financial Reporting Council issued amendments to FRS 102 as part of its periodic review. These amendments are effective for accounting periods beginning on or after 1 January 2026 and have not been early adopted by the Company.

The amendments introduce significant changes in a number of areas, most notably in relation to lease accounting and revenue recognition. The Company expects the amendments to have a material impact on the presentation and amounts recognised in its financial statements with respect to the upcoming changes in lease accounting. The impacts of these changes are currently being assessed by management.

The Company does not currently expect the adoption of these amendments to have a material impact on revenue recognition, however, a full assessment of the impact is being evaluated by management.

Going Concern

The Directors have considered it appropriate to adopt the going concern basis of accounting in preparing the annual financial statements. The Directors can report that there are no material uncertainties to the Company's ability to continue over a period of at least twelve months from the date of approval of the financial statements. This conclusion has been reached following a full review and scrutiny of the financial position of the Company, review and assessment of the risks facing Sage Rented, and discussions with the Company's shareholders and investors who have confirmed their intentions to continue to support Sage Rented in line with the current business plan.

To support this process, the Board has put in place a risk management and internal control system. The Board has determined the nature and extent of the principal risks it is willing to take in achieving it strategic objectives. The Board and the management of the Company have maintained sound risk management and internal controls.

The Directors can report that the Company has a considered and well-developed business model to preserve and increase the value of the Company's assets and to deliver the objectives of the Company in the short and long term.

The Board keeps liquidity under constant review – a process that involves assessing short and long term cash flow projections, as well as reviewing the Company's business plan. In doing so, the Board can identify possible funding requirements and plan for these with Sage Rented management, its shareholders and investors. Key assumptions underpinning the projections are regularly reviewed and updated and are subject to stress-testing and sensitivity analysis, including a review of the impact of reductions in income from shared ownership sales, future letting occupancy and constraints to future increases in debt funding availability.

As referenced in the Viability Statement, alongside the assessment of the impact of the current uncertainty caused by the geopolitical landscape and the associated heightened market volatility, the Directors have assessed the Company's access to additional shareholder funding as well as external debt financing, and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at lest twelve months from the date of approval of these financial statements.

Turnover

Turnover represents rental and service charge income receivable (net of void losses) and amortisation of social housings grants in accordance with Housing SORP 2018.

Rent and service charge income is recognised on an "accruals" basis from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Social housing property grant income is recognised under the accrual model and is amortised over 100 years, starting from when the property is completed, in line with the Company's depreciation policy for the structure of rental-only social housing properties, and as required by Housing SORP 2018.

Value Added Tax

Value added tax ("VAT") is charged on income, which forms a taxable supply for VAT purposes and therefore the VAT incurred on related expenditure is recoverable. VAT is not recoverable on exempt supplies. Turnover is shown net of any VAT charged. The financial statements include VAT on expenditure, alongside the cost to which the VAT relates, to the extent that it is not recoverable from HMRC.

Leased assets

The total rental payable under operating leases is recognised on a straight-line basis over the lease term. The Company has not entered into any finance leases.

The Company has assessed its tenancy arrangements in accordance with Section 10.4 of the Housing SORP, considering whether such arrangements convey the right to control the use of an identified asset for a period of time.

Where this definition is met, leases have been classified based on the extent to which risks and rewards incidental to ownership are retained. The Company has concluded that its housing tenancies, including social rent, affordable rent and shared ownership unsold equity arrangements, do not transfer substantially all risks and rewards and are therefore classified as operating leases, with rental income recognised on a systematic basis over the tenancy term. These leases are deemed to be cancellable as the terms of the tenancy agreements in place allow tenants to serve notice to Sage to terminate the lease and, in the case of shared owners, they have the ability to purchase the full Sage retained portion of the home at any time, which would transfer the full risk and reward of ownership to the buyer.

Housing properties and depreciation

All housing properties are classified as "rented" and are disaggregated into land, structure and a specific set of major components that require periodic replacement. Each component is recognised on the basis of materiality and if the useful economic life is substantially different from the rest of the structure.

Depreciation of housing property components is charged so as to write down the cost of the components to their estimated residual value (the assumption is they are of no residual value), on a straight-line basis, over their estimated useful economic lives.

Housing properties are removed from the balance sheet at the date when they are disposed of, or when no further economic benefits are expected from their continued use. Any associated depreciation is also removed at the same date on a component basis. On disposal, the carrying amount of the property is compared with the proceeds on disposal and any resulting gain or loss is recognised in the Statement of Comprehensive Income.

Component	Years
Housing Structure	100
Roof	50
Windows and Doors	25
Electrical and Heating	25
Bathrooms	25
Kitchens	20
Boilers	10

Freehold land is not depreciated.

Impairment of tangible fixed assets

Tangible fixed assets (mainly housing properties) are assessed for indicators of impairment at each reporting date. Where indicators are identified, a detailed assessment is then undertaken to determine the assets or cash-generating unit's ("CGU's") recoverable amount. The recoverable amount will be the higher of fair value less costs to sell, existing use valuation for Social Housing ("EUV-SH"), or value in use (in respect of assets held for their service potential) ("VIU-SP"). As allowed by Housing SORP 2018, the Company uses depreciated replacement cost ("DRC") as a reasonable estimate of VIU-SP.

Where the carrying amount of an asset or CGU is deemed to exceed its recoverable amount, the resulting impairment loss is recognised in other comprehensive income.

The Company defines CGUs as schemes, except where its schemes are not sufficiently large enough in size or where it is geographically sensible to group schemes into larger CGUs.

Financial assets

Basic financial assets, including tenant debtors, other receivables, cash and bank balances are initially recognised at the transaction price unless the arrangement constitutes a financing transaction, in which case then the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year, basic financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost in the Company's statement of financial position, less any provision for impairment in value.

Social Housing Property Grant

The grants which have been provided by central and local government to part-fund the construction of the Company's social housing properties are recognised using the accrual model as required by Housing SORP 2018. These are treated as deferred income and amortised as detailed in the turnover policy. The amount due to be amortised in the following year is included in creditors due within one year. The original amount granted may become repayable if the conditions of the grant are not complied with. Social housing property grants, which the Company is entitled to and is reasonably certain of receiving, are included in debtors.

Recycled Capital Grant Fund ("RCGF")

The Company has the option to recycle social housing property grants which would otherwise be repayable to Homes England or the GLA to the RCGF. If the amounts set aside in this manner are not used to fund the development of new social housing within a three-year period, they again become repayable, with interest, unless a time extension or waiver is received.

The amounts held within the RCGF which are not anticipated to be recycled or become repayable within one year are included under "creditors due after more than one year". The remainder is included under "creditors due within one year".

Financial liabilities

Financial liabilities, including trade and other payables, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, in which case the instrument is measured at the present value of the future payments discounted at a market rate of interest. These instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial assets and liabilities are only offset in the statement of financial position when, and only when, there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Unamortised debt costs are offset against the loan to which they relate.

Derivative financial instruments

The Company enters into derivative financial instruments to manage its exposure to interest rate risk, principally interest rate caps.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately irrelevant of whether the derivative is designated as effective hedging instrument.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Provisions

Provisions are recognised for liabilities of uncertain timing or amounts. Provisions are made for specific and quantifiable liabilities, measured at the best estimate of expenditure required to settle a legal or constructive obligation at the year-end reporting date.

Interest payable and financing costs

Interest payable is recognised over the term of the debt using the effective interest rate method. Interest payable on loans is recognised in the statement of comprehensive income and not capitalised to housing properties. Finance costs are amortised across the length of the loan.

Taxation

The tax charge represents the sum of current tax and deferred tax.

The current tax is based on taxable results for the year. Taxable result differs from net result as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable loss and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of a deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 1, the Directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The preparation of financial statements in conformity with FRS 102 requires management to exercise its judgement in the process of applying the Company's accounting policies. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the significant management judgements and estimates made in applying the accounting policies of the Company that have the most significant effect on the financial statements.

Determining whether an impairment review is required

Determining whether there are indicators of impairment of the Company's housing properties, including those held as tangible fixed assets and current assets, requires judgement. The following are considered to be indicators of impairment, but other events may indicate that an impairment review is required:

- Any issue that was not identified as part of a development's appraisal which results in a material increase in the cost of the development;
- A change in government policy, regulation or legislation;
- A reduction in demand for a property (either by type or location, possibly evidenced by increased voids);
- A reduction in the market value of shared ownership properties; and
- Obsolescence of a property, (i.e. it is planned to regenerate the property by demolishing it).

As a result of the impairment consideration conducted at the year end, no indicators of impairment have been identified and no provisions have been required. Refer to note 11 for details of the housing properties balance subject to impairment review.

3. TURNOVER, OPERATING COSTS AND OPERATING PROFIT

	2025			2024		
	Turnover	Operating costs	Operating profit	Turnover	Operating costs	Operating profit
	£'000	£'000	£'000	£'000	£'000	£'000
Social housing activities						
Social housing lettings	67,007	(38,761)	28,246	65,007	(38,581)	26,426
Other social housing activities						
Charges for support services	-	(4,554)	(4,554)	-	(5,538)	(5,538)
	67,007	(43,315)	23,692	65,007	(44,119)	20,888
Surplus on disposal of housing properties (note 8)			7,008			-
Operating profit			30,700			20,888

During the year, the Company disposed of 183 affordable affordable and social units to Vico Homes (Community Benefit Society No. 7530) and disposed of 1 affordable rental unit via the Right to Acquire scheme. These transactions are disclosed within the "Surplus on disposal of housing properties" line item presented in the note above.

Of the total revenue above, £nil (2024: £nil) was derived from outside the UK.

4. INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	General needs	General needs
	2025	2024
	£'000	£'000
Turnover from social housing lettings		
Rents receivable net of identifiable service charges	66,446	64,505
Service charge income	365	362
Amortised government grants	196	140
	67,007	65,007
Expenditure on social housing lettings		
Management costs	(17,738)	(15,129)
Service charge costs	(392)	(264)
Maintenance and repairs	(7,969)	(10,354)
Bad debts	(384)	(538)
Depreciation on housing properties	(12,132)	(12,251)
Other costs	(146)	(45)
	(38,761)	(38,581)
Operating profit on social housing letting activities	28,246	26,426
Void losses	365	643

5. KEY MANAGEMENT PERSONNEL

The Company does not employ any staff and all personnel services required to support its operations are performed by Sage Housing Group Limited, a related party within the Group. These services are recharged under its services agreement with the Company, and Sage Homes RP Limited, the other Registered Provider within the Group, and associated costs are recharged accordingly.

The amounts disclosed below represent the portion of total remuneration for individuals considered key management personnel that has been recharged to the Company. These amounts are determined based on the estimated time and services provided in support of the Company's activities. The total cost recharged is disclosed in notes 4 and 26. Key management personnel are defined as members of the Board and any other individuals who are members of the Executive Team.

The remuneration recharged to the Company is summarised below.

	2025 £'000	2024 £'000
Non-Executive Directors' remuneration		
Remuneration	93	85
Social security costs	12	8
Total Non-Executive Directors' remuneration	105	93
Average number of Non-Executive Directors for the Company in the year	8	8
Executive Team remuneration for the Company		
Remuneration	1,320	1,061
Social security costs	189	199
Defined contribution pension contributions	35	26
Total Executive Team remuneration	1,544	1,286
Average number of Executive Team members for the Company in the year	9	7

During the year, defined contribution pension contributions were made by Sage Housing Group Limited and recharged to the Company for nine (2024: six) key management personnel. The pension contributions recharged to the Company were £35,000 (2024: £26,000). The Chief Executive participates in the Sage Housing Group Limited defined contribution pension scheme under standard terms; no enhanced or individual pension arrangements apply. The Company does not make any further contribution to an individual pension arrangement.

The average number of full-time equivalent Directors during the year ended 31 December 2025 was nine (2024: nine).

	2025 £'000	2024 £'000
Remuneration of the highest-paid Director for the Company		
Remuneration (excluding pension contributions)	300	280
Pension contributions	4	3
	304	283

No Director of Sage Rented Limited is paid by the Company for their services to the Company.

The table below shows the remuneration including pension contributions paid to each Director by Sage Homes RP Limited for their services to the Company. Shareholder representative Directors Gemma Kataky, Sydney Taylor and Katharine Morshead are not paid for their services. Executive Director, Mark Sater, also receives no separate compensation for his Director role, and his remuneration relates to his role as Chief Executive Officer.

		2025 £'000	2024 £'000
Director remuneration (including pension)			
Director	**Role**		
Alison Thain OBE	Independent Non-Executive Director/Chair	23	21
Cedi Frederick	Independent Non-Executive Director	14	13
Cindy Rampersaud	Independent Non-Executive Director	14	13
David Godden	Independent Non-Executive Director	10	13
Gareth Llewellyn	Independent Non-Executive Director	-	7
Gemma Kataky	Non-Executive Director	-	-
John Brace	Independent Non-Executive Director	15	14
Julia Porter	Independent Non-Executive Director	13	4
Julian Chun	Independent Non-Executive Director	4	-
Katharine Morshead	Independent Non-Executive Director	-	-
Mark Sater	CEO, Executive Director	304	283
Sydney Taylor	Non-Executive Director	-	-
		397	368

6. EMPLOYEES' INFORMATION

All employees supporting the Company's operations are employed by Sage Housing Group Limited, the Group's central management company, as detailed in note 5. Accordingly, the Company itself does not employ any personnel.

The average monthly number of employees (incl. Directors) expressed as headcount and not full-time equivalents during the year was:

	2025	2024
	Number	Number
Non-Executive Directors	8	8
Senior managers and executives	1	1
	9	9

Other than Directors, the Company had no employees during the current year or the prior year.

No emoluments were paid to the Directors of the Company during the current or prior year by the Company. All personnel services related to the Company's operations are delivered by Sage Housing Group Limited and are recharged under the existing service agreement between Group entities. Details relating to staff costs are disclosed in note 5.

7. OPERATING PROFIT

	2025	2024
	£'000	£'000
Operating profit is stated after charging the following:		
Depreciation of housing properties	12,132	12,251
Auditor remuneration (exclusive of VAT)		
In its capacity as auditor of the company[1]	123	100

[1] No other services were provided by the auditor.

8. SURPLUS ON SALE OF PROPERTY ASSETS

	2025	2024
	£'000	£'000
Right to acquire		
Proceeds	101	-
Cost of sales	(126)	-
Total deficit	(25)	-
Other disposals		
Proceeds	22,195	-
Cost of sales	(15,162)	-
Total surplus	7,033	-
	7,008	-

In 2025, the Company completed a disposal of 183 affordable and social rental units to Vico Homes and 1 affordable rental unit under the Right to Acquire scheme. No disposal activity took place in 2024.

9. NET FINANCE EXPENSE AND SIMILAR CHARGES

	2025 £'000	2024 £'000
Interest receivable and similar income		
Interest income on loan facility	4,831	4,588
Interest income on retention notes	377	990
Bank interest receivable	279	15
	5,487	5,593
Interest payable and similar charges		
Interest expense on loans repayable	(46,472)	(45,650)
Interest expense on tax liability	-	(29)
Interest expense on amounts owed to group undertakings	(804)	(816)
Revaluation of interest rate caps	(12,680)	(14,204)
	(59,956)	(60,699)
Net finance expense	(54,469)	(55,106)

Sage Rented Limited utilises SONIA derivatives to cap its SONIA rate exposure related to the senior facility agreements with Sage Borrower AR1 Limited, Sage Borrower AR3 Limited and Sage Borrower AR4 Limited, as detailed in note 18. Details relating to the interest rate cap derivatives are disclosed in note 14. At each reporting period these financial instruments are revalued and adjusted to their fair value.

10. TAX ON LOSS

	2025	2024
Current tax	£'000	£'000
UK corporation tax at 25% (2024: 25%)	6,890	7,994
Adjustments in respect of prior periods	(190)	(70)
Tax on loss on ordinary activities	6,700	7,924
Deferred tax		
Origination and reversal of temporary differences	(231)	394
Adjustments in respect of prior periods	(9)	36
Effect of changes in tax rates	-	(7)
	(240)	423
Total tax charge for the year	6,460	8,347

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2025	2024
	£'000	£'000
Loss before tax	**(23,769)**	(34,218)
Tax on loss at standard UK corporation tax rate of 25% (2024: 25%)	**(5,942)**	(8,555)
Effects of:		
- Fixed asset differences	**2,609**	2,828
- Expenses not deductible for tax purposes	**21**	4
- Income not taxable for tax purposes	**(49)**	(34)
- Corporate interest restriction	**10,020**	14,145
- Adjustments to tax charge in respect of previous periods	**(190)**	(70)
- Adjustment to tax charge in respect of previous periods (deferred tax)	**(9)**	36
- Remeasurement of deferred tax for changes in tax rates	**-**	(7)
Total tax charge for the year	**6,460**	8,347

The above taxation charge is calculated on the basis that the Company will pay for or receive in full, any losses in respect of Group relief claimed or surrendered from Group undertakings.

An increase in the corporation tax rate to 25% effective 1 April 2023, was substantively enacted on 24 May 2021. The UK Corporation tax rate applied for the year was therefore 25% (2024: 25%). Deferred tax is calculated using the tax rate for the year in which the temporary differences are expected to reverse.

Gross timing differences:	**At 1 January 2025**	**Movement in the year**	**At 31 December 2025**
	£'000	**£'000**	**£'000**
Tangible fixed assets	(3,065)	(551)	**(3,616)**
Short-term timing differences – financial instruments	2,659	1,510	**4,169**
	(406)	959	**553**

Movement in deferred tax during the year:	At 1 January 2025	Recognised in income	Recognised in equity	At 31 December 2025
	£'000	£'000	£'000	£'000
Tangible fixed assets	(766)	(138)	-	**(904)**
Short-term timing differences – financial instruments	664	378	-	**1,042**
Deferred tax (liability) / asset	(102)	240	-	**138**

Movement in deferred tax during the prior year:	At 1 January 2024	Recognised in income	Recognised in equity	At 31 December 2024
	£'000	£'000	£'000	£'000
Tangible fixed assets	(769)	3	-	(766)
Short-term timing differences – financial instruments	1,089	(425)	-	664
Deferred tax asset / (liability)	320	(422)	-	(102)

Deferred tax is calculated using the tax rate for the year in which the temporary differences are expected to reverse. An increase in the corporation tax rate to 25% effective 1st April 2023, was substantively enacted on 24th May 2021. The impact of the rate change is included above.

11. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties for letting £'000
Cost:	
At 1 January 2025	938,033
Additions	1,003
Disposals	(15,926)
At 31 December 2025	**923,110**
Depreciation:	
At 1 January 2025	(29,094)
Charge for the year	(12,132)
Accumulated depreciation eliminated on disposals	860
At 31 December 2025	**(40,366)**
Net book value:	
At 31 December 2025	**882,744**
At 31 December 2024	908,939

	2025 £'000	2024 £'000
The net book value of completed housing properties which excludes work in progress and land banked comprises:		
Freeholds	**832,367**	843,823

12. INVESTMENT IN SUBSIDIARY UNDERTAKINGS

	2025 £'000	2024 £'000
At 1 January	**15,895**	15,895
Acquisitions	**14,246**	-
At 31 December	**30,141**	15,895

During the year, Sage Rented Limited acquired 14,246,100 £1 ordinary shares in its wholly owned subsidiary, Sage Borrower AR4 Limited. The total cost of investment in subsidiary undertakings is £30,141,000 (2024: £15,895,000). The total provision for impairment of investment in subsidiary undertakings is £nil (2024: £nil).

The Directors believe that the carrying value of the investment is supported by the fair value of the net assets of the subsidiary undertakings.

The subsidiary undertakings of the Company are:

Name of undertaking	Class of shares	Shares held	Registered in	Principal activity
Sage Borrower AR1 Limited	£1 Ordinary shares	100%	England	Financing company
Sage Borrower AR2 Limited	£1 Ordinary shares	100%	England	Financing company
Sage Borrower AR3 Limited	£1 Ordinary shares	100%	England	Financing company
Sage Borrower AR4 Limited	£1 Ordinary shares	100%	England	Financing company

All subsidiary undertakings are registered at 5th Floor Orion House, 5 Upper St Martin's Lane, London, WC2H 9EA, United Kingdom.

13. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Loan facility (note 26)	60,750	55,919

The Company supplied a loan facility to Sage Homes RP Limited with a maximum size of £100m (2024: £100m). The loan is unsecured and accrues interest at 9.85%. The loan has a termination date of 9 October 2030 or is repayable on demand, provided that Sage Homes RP Limited has sufficient funds and is able to demonstrate ongoing compliance with the Regulatory Framework.

14. FINANCIAL INSTRUMENTS

Financial instruments consist of interest rate cap derivatives which are recognised at initial cost with subsequent fair value adjustments. Interest rate cap derivatives are acquired by the Company to manage its exposure to SONIA based interest rate risk on the senior facility agreements.

In accordance with the Company's policy to ensure the full balance is hedged using these derivatives, the Company acquired the interest rate cap derivatives following back-to-back agreements between Sage Rented Limited and its wholly owned subsidiaries, Sage Borrower AR1 Limited, Sage Borrower AR3 Limited and Sage Borrower AR4 Limited. The agreements transfer all risks and rewards of the interest rate cap derivative from the relevant subsidiary to Sage Rented Limited on their respective dates. A similar cap is held by the Company's other subsidiary, Sage Borrower AR2 Limited in relation to the senior facility agreement held by that entity, however, no back-to-back agreement exists with respect to this interest rate cap.

In May 2025, the £220.0m senior facility between the Company and Sage Borrower AR1 Limited was refinanced. As a result, all assets and liabilities held in relation to this financing were liquidated and repaid respectively. The £209.0m interest rate cap held with respect to this senior facility was disposed simultaneously at the execution of the refinancing. As part of this refinancing, £43.4m of the £308.0m senior facility between the Company and Sage Borrower AR3 Limited was also repaid. This repayment, in tandem with loan principal payments, resulted in an outstanding balance of £247.4m post-refinancing. The interest rate cap derivative held with respect to the £308.0m senior facility was partially disposed of (£60.6m) resulting in the interest rate cap derivative's notional value reducing to £247.4m.

These financial instruments are revalued and adjusted to their fair value through profit and loss during each reporting period. Upon maturity, the cost and any subsequent fair value adjustments of each derivative will be recorded in full in the profit and loss statement. The mid-market valuations are performed by an external industry expert; credit risk is not taken into consideration as the valuation adjustment for credit risk is immaterial. Besides the initial cost of the derivative, no additional collateral is necessary, thereby eliminating any further risk for the Company.

The specific details and fair values of these derivatives are provided in the table below:

Interest rate cap derivatives	Maturity date	Rate capped	2025 £'000	2024 £'000
£247.4m (£308.0m - £60.6m) interest rate cap	15/11/2026	2.50%	2,192	-
£308.0m interest rate cap	15/11/2026	2.50%	-	9,830
£262.2m interest rate cap	17/05/2027	2.50%	3,419	-
£209.0m interest rate cap	17/11/2025	0.75%	-	6,583
			5,611	16,413

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Current tenant arrears	2,150	3,033
Amount owed from Group undertakings (note 26)	1,497	4,576
Prepayments	4,217	5,000
Deferred tax asset (note 10)	1,042	-
Corporation tax receivable	591	-
Retention notes	-	11,000
Other receivables	347	262
Other debtors	-	116
	9,844	23,987

Amounts owed from Group undertakings are unsecured, interest-free and repayable on demand.

16. CASH AT BANK AND IN HAND

	2025 £'000	2024 £'000
Unrestricted cash	10,063	15,698

Restricted cash of £0.0m (2024: £0.0m) is held within the Company for leaseholder sinking funds.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025 £'000	2024 £'000
Senior facility agreement (note 18 and 26)	-	220,837
Amounts owed to Group undertakings (note 26)	35,959	29,822
Deferred government grant (note 23)	168	184
Deferred income	1,563	1,337
Deferred tax liability (note 10)	-	102
Corporation tax payable	-	4,861
Accruals	5,082	5,263
	42,772	262,406

Amounts owed to Group undertakings are unsecured, interest-free and repayable on demand.

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Senior facility agreement (note 26)	782,117	568,925
Amounts owed to Group undertakings (note 26)	22,307	37,519
Deferred government grant (note 23 and 24)	16,003	17,722
Deferred tax liability (note 10)	904	-
	821,331	624,166
Between one and five years	805,995	579,251
After five years	15,336	44,915
	821,331	624,166

The Company holds three Senior facility agreements. The Company entered into its first Senior facility agreement in 2020 and borrowed £220,000,000 of financing from its subsidiary, Sage Borrower AR1 Limited, following a Social Housing Rental Secured Notes (CMBS-style) offering by an external company. The senior facility agreement was secured against properties held by the Company. The secured notes carried interest at various classes of notes which range from 1.25% to 9.0% (blended rate is SONIA plus 2.7%). The senior facility agreement had an original expiry date of 15 November 2025; however, the Senior facility was refinanced in May 2025. On repayment of the Senior facility, all assets and liabilities with respect to the facility were fully liquidated and repaid respectively. A new entity, Sage Borrower AR4 Limited, was incorporated to manage the replacement financing. Details relating to the replacement financing are disclosed below.

The Company entered into a second senior facility agreement in 2021 and borrowed £270,300,000 of financing from its subsidiary, Sage Borrower AR2 Limited, following a Social Housing Rental Secured Notes (CMBS-style) offering by an external company. The senior facility agreement was secured against 1,712 properties held by the Company. The secured notes carry interest at various classes of notes which range from 1.00% to 3.25% above SONIA (the blended rate is SONIA plus 1.46%). The agreement includes Retention Notes held by Sage Borrower AR2 Limited which are serviced through an intrinsic rate of 5.88%. During the year, the Company sold 183 affordable and social rent units to an unconnected third-party. As a result, 32 units were removed from the security pool, and £3.9m of loan principal was repaid. The senior facility agreement has an initial expiry date of

17 November 2026, however, the Company has the contractual right to exercise twenty, one-year extensions. As a result, the facility is not contractually due for repayment until 17 November 2046. The senior loan facility between the Company and Sage Borrower AR2 Limited expires at this repayment date to enable the Company to satisfy this repayment obligation. Included within the balance is accrued interest of £1,734,000 (2024: £1,867,000). Unamortised loan transaction costs of £952,000 (2024: £1,784,000) have been netted off against the senior facility agreement.

The Company entered into a third facility agreement in 2023 and borrowed £308,000,000 of financing from its subsidiary Sage Borrower AR3 Limited, following the receipt of a bank loan. The senior facility agreement is secured against properties held by the Company. The bank loan carries interest of SONIA plus interest at 2.3%. In May 2025, as part of the refinancing referenced above, £43,438,000 of loan principal was repaid, and 514 units were removed from the security pool. The replacement financing is managed by Sage Borrower AR4 Limited (see below). Further to this, the Company sold 183 affordable and social rent units to an unconnected third-party, and 1 unit under the Right to Acquire scheme. As a result, 75 units were removed from the security pool and £3.2m of loan principal was repaid. Under the terms of the loan agreement, the Company is required to use any surplus operating income above interest costs to repay the principal loan balance at each quarterly interest payment date. The Company has repaid a cumulative total of £22.6m (2024: £11.9m) of the loan principal with respect to this. The senior facility agreement is due to be repaid in full by the Company in September 2026, with the option to extend the repayment date to September 2028. Included within this balance is accrued interest of £1,802,000 (2024: £2,661,000). Unamortised loan transaction costs of £1,478,000 (2024: £2,982,000) have been netted off against the senior facility agreement.

In May 2025, as a result of the Sage Borrower AR1 Limited Senior facility refinancing, the Company entered into a Senior facility agreement and borrowed £284,246,000 of financing from its newly incorporated subsidiary, Sage Borrower AR4 Limited, following a Social Housing Rental Secured Notes (CMBS-style) offering by an external company. The Senior facility agreement was secured against 2,123 affordable and social rent properties held by the Company. The secured notes carry interest at various classes of notes which range from 1.30% to 5.50% (the blended rate is SONIA plus 2.20%). The agreement includes Retention Notes held by Sage Borrower AR4 Limited which are serviced through the intrinsic rate of 12.75%. During the year, the Company sold 183 affordable and social rent units to an unconnected third-party. As a result, 77 units were removed from the security pool and £7.8m of loan principal was repaid. The Senior facility agreement has an expiry date of 20 May 2030, with the option to exercise two, one-year extension options. As a result, the facility is not contractually due for repayment until 20 May 2032. The Senior loan facility between the Company and Sage Borrower AR4 Limited expires at this repayment date to enable the Company to satisfy the repayment obligation. Included within this balance is accrued interest of £2,040,000. Unamortised loan transactions costs of £7,402,000 have been netted off against the Senior facility agreement.

The Company's weighted average interest rate for amounts owed to Group undertakings is 3% (2024: 3%). The intercompany loans are drawn from two separate facilities, for £48,000,000 and £17,000,000 and expire in October 2030 and October 2031 respectively. These loans are not secured on the assets of the Company.

19. SHARE CAPITAL

	2025 £'000	2024 £'000
Shares of £0.0001 (2024: £0.0001) each issued and fully paid		
At the beginning of the year	**25**	245,463
Issued during the year	**15,000**	-
Transfer to share capital reduction reserve	**-**	(245,438)
At the end of the year	**15,025**	25
Share capital reduction reserve		
At the beginning of the year	**245,438**	-
Transfer from share capital	**-**	245,438
At the end of the year	**245,438**	245,438
	260,463	245,463

The Company has one class of ordinary shares which carries no right to fixed income. During the year, the Company issued 150,000,000,000 ordinary shares for £0.0001 each.

20. NOTES TO THE STATEMENT OF CASHFLOWS

	2025 £'000	2024 £'000
Total comprehensive loss for the year	**(30,229)**	(42,565)
Depreciation	**12,132**	12,251
Net interest payable and similar charges	**41,790**	40,902
Fair value gains on financial instruments	**12,680**	14,204
Surplus on sale of housing properties	**(7,008)**	-
Taxation	**6,460**	8,347
Grant amortisation	**(196)**	(140)
Decrease / (increase) in debtors	**4,947**	(273)
(Decrease) / increase in creditors	**4,220**	12,086
Net cash inflow from operating activities	**44,796**	44,812
Tax paid	**(12,153)**	(5,725)
Total net cash inflow from operating activities	**32,643**	39,087

21. NET DEBT RECONCILIATION

	1 January 2025 £'000	Cashflows £'000	Non-cash movements £'000	31 December 2025 £'000
Cash and cash equivalents	15,698	(5,635)	-	**10,063**
Senior facility agreements	(789,761)	(2,790)	10,434	**(782,117)**
Amounts owed to Group undertakings	(37,519)	15,212	-	**(22,307)**
Net debt	(811,582)	6,787	10,434	**794,361**

22. HOUSING UNITS

	2025 Number	2024 Number
Units owned and managed		
General needs rented housing - affordable	**5,936**	6,066
General needs rented housing - social	**700**	754
Total units owned and managed by the Company	**6,636**	6,820

During the year, Sage Rented Limited disposed of 183 affordable and social rental units to Vico Homes (Community Benefit Society No. 7530) and disposed of 1 affordable rental unit via the Right to Acquire scheme. Further details in relation to this are disclosed in note 8.

23. CAPITAL GRANTS

	2025 £'000	2024 £'000
At 1 January	**17,906**	17,872
New grant recognised	**-**	1,540
Grants reallocated in the year	**(1,540)**	(177)
Utilisation of recycled capital grant fund	**-**	-
Transfer to recycled capital grants fund	**(40)**	-
Transfers (to)/from other sister-Registered Providers	**-**	(1,189)
Amortisation	**(196)**	(140)
At 31 December	**16,130**	17,906
Amounts falling due within one year (note 17)	**168**	184
Amounts falling due after more than one year (note 18)	**15,962**	17,722

24. RECYCLED CAPITAL GRANTS

	2025 £'000	2024 £'000
At 1 January	**-**	-
Grants recycled	**40**	-
Interest accrued	**1**	-
At 31 December	**41**	-
Amounts falling due within one year (note 17)	**-**	-
Amounts falling due after more than one year (note 18)	**41**	-

25. CONTINGENT LIABILITIES

The original amount of social housing property grants may become repayable. In addition to the amounts disclosed in creditors in note 17 and 18, £678,000 (2024: £514,000) of grant has been credited to statement of comprehensive income to date through amortisation.

The Company is involved in ongoing legal proceedings which may result in future outflows of economic benefits. The Company estimates these future outflows to be £0.2m (2024: £nil).

The timing and amount of any future repayments are uncertain.

26. RELATED PARTY TRANSACTIONS AND BALANCES

Hedwig ASR Holdco Limited is the Company's immediate parent undertaking. Hedwig ASR Holdco Limited is a 100% subsidiary of the Company's parent undertaking, Sage Investments Sàrl, a company registered in Luxembourg.

Brockley Grove UK Limited has an 8.95% indirect shareholding in Sage Investments Sàrl.

Sage Investments Sàrl provided the Company with an unsecured loan, the maximum value of which at any time was £48,000,000 (2024: £37,519,000). The outstanding balance at the year-end was £22,307,000 (2024: £37,519,000). Interest is charged on an arm's length basis at 3%. This balance is classified as amounts owed to Group undertakings in note 18.

Sage Homes RP Limited is a 100% owned subsidiary of the Company's parent undertaking, Sage Investments Sàrl.

The Company provided Sage Homes RP Limited with a £100,000,000 interest-bearing loan facility. The maximum drawn value of the facility at any time was £60,750,000 (2024: £56,378,000) and the outstanding balance at the year-end was £60,750,000 (2024: £55,919,000). This balance is classified as loan facilities in note 13.

The Company provided Sage Homes RP Limited with an interest-free unsecured loan, the maximum value of which at any time was £nil (2024: £88,000). The outstanding balance at the year-end was £nil (2024: £nil). This balance is classified as amounts owed from Group undertakings in note 15.

Sage Homes RP Limited also provided the Company with an interest-free, unsecured loan, the maximum value of which at any time was £30,068,000 (2024: £57,645,000). The outstanding balance at year-end was £23,678,000 (2024: £15,005,000). This balance is classified as amounts owed to Group undertakings in note 17.

Sage Housing Group Limited is a 100% owned subsidiary of the Company's parent undertaking, Sage Investments Sàrl, and performs the function of the management company for the Group. Sage Housing Group Limited provided management services to the Company during the year. The fees charged in relation to these services during the year were £15,610,000 (2024: £17,013,000).

Sage Housing Group Limited provided the Company with an interest-free unsecured loan, the maximum value of which at any time was £16,527,000 (2024: £14,817,000). The outstanding balance at the year-end was £9,962,000 (2024: £14,818,000). This balance is classified as amounts owed to Group undertakings in note 17.

Sage Borrower AR1 Limited is a 100% subsidiary of the Company. Sage Borrower AR1 Limited provided the Company with a loan through a senior facility agreement, which is secured against the share capital of the Company. In May 2025, the Senior facility was refinanced. Following the repayment of the facility, all assets and liabilities with respect to the facility were fully liquidated and repaid respectively. A new entity, Sage Borrower AR4 Limited, was incorporated to manage the replacement financing (see details below). The maximum value of the loan at any time was £220,000,000 (2024: £220,000,000). As a result of the refinancing, the outstanding balance at the year-end was £nil (2024: £220,000,000). The Company has accrued interest of £nil (2024: £2,026,000) in relation to this debt on the balance sheet. Unamortised loan transaction costs of £nil (2024: £1,190,000) have been netted off against the senior facility agreement. This balance is classified as a senior facility agreement in note 17.

The Company provided Sage Borrower AR1 Limited with an interest-free loan, which is repayable on demand, the maximum value of which at any time was £1,155,000 (2024: £1,347,000). The outstanding balance at the year-end was £nil (2024: £1,155,000). This balance is classified as amounts owed from Group undertakings in note 15.

Sage Borrower AR1 Limited provided the Company with an interest-free unsecured loan, the maximum value of which at any time was £1,026,000 (2024: £nil). The outstanding balance at the year-end was £870,000 (2024: £nil). This balance is classified as amounts owed to Group undertakings in note 17.

Sage Borrower AR2 Limited is a 100% subsidiary of the Company. During the year Sage Borrower AR2 Limited provided the Company with a loan through a senior facility agreement, which is secured against the share capital of the Company. The maximum drawn value of which at any time was £273,431,000 (2024: £273,033,000). The outstanding balance at the year-end was £270,854,000 (2024: £273,033,000). The Company has accrued interest of £1,734,000 (2024: £1,867,000) in relation to this debt on the balance sheet. Unamortised loan transaction costs of £952,000 (2024: £1,784,000) have been netted off against the senior facility agreement. This balance is classified as a senior facility agreement in note 18.

The Company provided Sage Borrower AR2 Limited with an interest-free loan, which is repayable on demand, the maximum value of which at any time was £3,924,000 (2024: £4,563,000).

The outstanding balance at the year-end was £nil (2024: £3,420,000). This balance is classified as amounts owed from Group undertakings in note 15.

Sage Borrower AR2 Limited provided the Company with an interest-free loan, which is repayable on demand, the maximum value of which at any time was £6,840,000 (2024: £nil). The outstanding balance at the year-end was £1,449,000 (2024: £nil). This balance is classified as amounts owed to Group undertakings in note 17.

Sage Borrower AR3 Limited is a 100% subsidiary of the Company. Sage Borrower AR3 Limited has provided the Company with a loan through a senior facility agreement, which is secured against the share capital of the Company. The maximum value of the loan at any time was £296,129,000 (2024: £308,000,000). The outstanding balance at the year-end was £238,778,000 (2024: £296,129,000). The Company had accrued interest of £1,802,000 (2024: £2,661,000) in relation to this debt on the balance sheet. Unamortised loan transaction costs of £1,448,000 (2024: £2,982,000) have been netted off against the senior facility agreement. This balance is classified as a senior facility agreement in note 18.

The Company provided Sage Borrower AR3 Limited with an interest-free loan, which is repayable on demand, the maximum value of the loan at any time was £1,234,000 (2024: £49,000). The outstanding balance at the year-end was £1,220,000 (2024: £1,000). This balance is classified as amounts owed from Group undertakings in note 15.

Sage Borrower AR4 Limited was incorporated on 30 January 2025. Sage Borrower AR4 Limited is a 100% subsidiary of the Company. During the year, Sage Borrower AR4 Limited provided the Company with a loan through a Senior facility agreement, which was secured against 2,123 affordable and social rent units held by the Company. The maximum drawn value of which at any time was £284,298,000. The outstanding balance at the year-end was £279,562,000. The Company has accrued interest of £2,040,000 in relation to this debt on the balance sheet. Unamortised loan transaction costs of £7,402,000 have been netted off against the Senior facility agreement. This balance is classified as a Senior facility agreement in note 18.

The Company provided Sage Borrower AR4 Limited with an interest-free loan, which is repayable on demand, the maximum value of which at any time was £277,000. The outstanding balance at the year-end was £277,000. This balance is classified as amounts owed from Group undertakings in note 15.

The Regis Group is a related party due to its minority shareholding in the Company's parent, Sage Investments Sàrl.

27. ULTIMATE PARENT COMPANY AND CONTROL

The Company's immediate parent undertaking and controlling party is Hedwig ASR Holdco Limited, a company registered in the United Kingdom, whose registered office is 5th Floor, Orion House, 5 Upper St Martins Lane, London, WC2H 9EA. This forms the smallest Group for which the results of the Company are consolidated.

As at 31 December 2025, the Company's ultimate parent undertaking and controlling party was The Blackstone Group International Inc, based in the US, which is the largest Group for which the results of the Company are consolidated.

As at 31 December 2025, Brockley Grove UK Limited, a subsidiary of The Regis Group, had an indirect 8.95% shareholding in Sage Investments Sàrl, with the remainder being owned by: Rosemary Feeder Limited (29.80%), BRE/Europe 11 Rosemary FeederCo Sàrl (29.80%), BRE 14 Rosemary FeederCo Limited (31.45%), all being subsidiaries of The Blackstone Group International Inc.

28. GROUP ENTITIES

Name of undertaking	Company number	RSH number	Principal activity
Hedwig ASR Holdco Limited	11215928	n/a	Intermediate holding company
Sage Investments 2 Limited	11215930	n/a	Intermediate holding company
Sage Homes RP Limited	11217910	5082	Ownership, development and management of housing for affordable lettings and shared ownership sales
Sage Housing Group Limited	11415740	n/a	Management company
Sage Borrower AR1 Limited	12851394	n/a	Financing company
Sage Borrower AR2 Limited	13667153	n/a	Financing company
Sage Borrower AR3 Limited	15059835	n/a	Financing company
Sage Borrower AR4 Limited	16218254	n/a	Financing company
Dormant/inactive			
Sage Housing Partnerships Limited	11519756	n/a	Inactive
Sage Green Homes Limited	15028573	n/a	Dormant
Sage Investments 3 Limited	14400115	n/a	Dormant
Sage Investments 4 Limited	15023842	n/a	Dormant
Sage Investments 5 Limited	15024123	n/a	Dormant
Sage Investments 6 Limited	15024504	n/a	Dormant
Sage Places Limited	15028673	n/a	Dormant
Sage Shared Ownership Limited	14400040	n/a	Dormant
Sage Housing Limited	15882555	n/a	Dormant
Sage Homes Limited (previously Sage Housing Group 3 Limited)	15882634	n/a	Dormant
Sage Borrower AR5 Limited	16807645	n/a	Dormant
Sage Borrower AR6 Limited	16820786	n/a	Dormant

29. POST YEAR END EVENTS

On 3 March 2026, the Company completed a refinancing with respect to the senior loan facility borrowed from Sage Borrower AR3 Limited (note 18). On repayment of the senior facility, all assets and liabilities held, with respect to the facility, were liquidated and repaid respectively.

Two new subsidiaries of the Company, Sage Borrower AR5 Limited and Sage Borrower AR6 Limited, were incorporated on 24 October 2025 and 30 October 2025 respectively, in order to manage the replacement financing.

As part of the refinancing activity, Sage Homes RP Limited, the Company's sister-Registered Provider, transferred 975 completed affordable and social rental units to the Company. The transfer of these units was undertaken at net book value.

In March 2026, Sage Rented Limited completed three separate sales of affordable and social rental units. On 16 March 2026, Sage Rented Limited completed the sale of 4 affordable and social rental units to Home Group.

On 23 March 2026, Sage Rented Limited completed the sale of 145 affordable and social rental units to Vico Homes.

On 30 March 2026, Sage Rented Limited completed the sale of 81 affordable and social rental units to NewArch Homes Limited.

Professional advisers and registrations

AUDITOR

Deloitte LLP
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PRINCIPAL SOLICITORS

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BANKERS

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REGISTRATIONS

Regulator of Social Housing number: 5083
Registered at Companies House
Company number: 11217855

REGISTERED OFFICE

5th Floor Orion House
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London, WC2H 9EA


Sage
Homes

Sage Homes

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