

Trading Statement

Aster Group issues its unaudited Group trading update for the 12 months ended 31 March 2026, with comparatives to the audited financial statements for the 12 months ending 31 March 2025.

Financial highlights

- Despite another challenging year for the sector, we achieved a profit before tax for the 12 months ended 31 March 2026 of £46.6m with an operating profit of £84.4m and operating margin of 25.0%. Excluding surplus on sale of housing property, plant and equipment, the operating margin is 13.0%.
- Revenue for the year was £337.4m, up 2.3% on the prior year. This includes an increase of 6.7% in rents to £269.5m, due to a combination of an increase in rents of 2.7% in line with the rent standard and the addition of new properties developed, net of a decrease on shared ownership sales of 13.5% to £39.0m.
- We remain committed to increasing investment in our housing stock and invested £117.3m during the twelve-month period, slightly up on last year, including an increase of 10% on damp, mould and condensation (DMC) spend of £4.3m when compared to the prior year.
- We remain wholly committed to addressing the housing shortage by delivering a broad range of housing options across the south of England and London. During the year, we completed 978 homes (2025: 984), comprising of 914 affordable homes and a further 64 homes developed with our joint venture partners with a total development spend of £221.6m. Our quality-focused development programme is central to our core vision that Everyone has a home, and we continue to prioritise quality by only accepting handovers that meet our standards.
- Asset sales, including the sale of properties from our disposal programmes, staircasing and other property sales generated proceeds of £66.4m and a surplus of £39.2m, being a significant increase on the £26.1m profit for the same twelve-month period last year. The additional income will support planned investment to increase the quality of many of our existing homes, as well as building new homes
- Interest remains tightly controlled with a weighted average interest rate of 4.01% vs 3.96% last year.

Operational highlights

- An impressive nine community land trust (CLT) schemes are now on site, delivering 182 homes through both our land-led programme and Section 106 (S106) routes, including projects with Dorchester CLT in Dorset and Ilfracombe CLT in Devon. Through the S106 routes we have completed 776 of the 914 affordable handovers, including sites at locations in Berkshire, Devon, Gloucestershire, and Hampshire.
- We started construction on two brownfield regeneration schemes during the year: our largest land-led development in Christchurch, delivering 169 homes, and a 40-home energy-efficient scheme in Bournemouth on the site of a former bingo hall. We have also started works on a 122 homes development in Cheltenham and 95 homes in

Lewes, East Sussex, and entered into contract on 16 schemes, adding 475 homes to our development programme.

- As part of our Strategic Partnership with Homes England, we met our 1,500 starts-on-site target and claimed £43.6m in Homes England, GLA and Local Authority grant funding.
- In December 2025, the Regulator of Social Housing published its governance and viability ratings. We maintained our G1 governance rating – the highest grade - reflecting strong governance and leadership. Our financial viability rating moved from V1 to V2, with continued full compliance, reflecting our commitment to investing more in our homes than ever before and continuing to develop new homes, while navigating one of the most challenging operating environments to date.
- We also retained our 'A' credit rating from Standard & Poor's, reflecting our strong balance sheet, sound financial management and consistently profitable operating model. Our outlook was revised from stable to negative, reflecting temporary financial pressures as we prioritise investment in the standard of our homes.
- Customers remain right at the heart of the services we deliver. Customer insight continues to inform policy, operations and service design, and Customer Voice plays an integral role in how we work. This year we designed a new Customer Engagement Framework and appointed a customer chair and customer committee member to the Customer Voice Committee, which forms part of our governance structure. Our Customer Scrutiny Panel and Designated Complaints Panel have driven tangible service improvements, including action plans to address subcontractor performance and a 'bootcamp'-style review of our response to DMC.
- Customers increasingly have choice over how and when they interact with us, enabling services to better meet their needs, rather than the other way round. Our local teams are increasingly delivering more tailored services for the community, including enhanced estate inspections and neighbourhood-based initiatives.
- Demand for repairs remains high and costs continue to be impacted by the external environment. In addition, the introduction of Awaab's Law in October 2025 has been a major operational focus. We have strengthened our approach to managing DMC, improved response times, and maintained a clear emphasis on customer safety. We are preparing for the broadening of the legislation's scope to include a wider range of hazards, ensuring safer and healthier homes for our customers.
- We continued to progress our People and Culture priorities, strengthening leadership, inclusion and organisational capability. A refreshed People and Culture Plan, co-created with colleagues, our Senior Leadership Team and Executive Board, is aligned with our strategic direction. We strengthened leadership capability through a new Leader Playbook, supported by leader events, a Leadership Community, and reverse mentoring for the Executive Board. We continued to invest in professional development through Chartered Institute of Housing (CIH) qualifications and the launch of the CIH Club.
- Our work towards the development and publication of our new Corporate Sustainability Strategy is well progressed and will be finalised during this financial year. Through our successful Warm Homes: Social Housing Funding bids, we've upgraded the energy performance of 183 homes in the first year of our three-year retrofit programme, with many more in progress. Our planned maintenance programme also continues as a way to further improve our homes with more modern solutions, so our customers have

comfortable and safe affordable housing to live in. As part of the sustainability upgrades at our Enham Resource Centre, we've installed an 84-panel solar PV array, estimated to save over £6,000 per year from energy bills. As part of our transition to a more sustainable fleet, 65 new, lower-emission vehicles are on order. We have also taken a proactive approach to the emerging Heat Network regulatory regime to ensure compliance and better outcomes for customers whose heating is supplied via a heat network and are continuing to develop community-focused nature opportunities in the village of Enham Alamein.

- We continue to adopt the UK Code of Governance and are working towards transition to the updated 2024 UK Code of Governance, reporting against this from April 2026, building on the strong governance framework already in place and reflecting our focus on effective oversight, accountability and long-term success.
- We have progressed a number of short-term projects delivering social benefit within the village of Enham Alamein, through refurbishing community properties and spaces owned by Enham Trust. This includes ongoing refurbishment of the Resource Centre and Sports Pavilion, and a community partnership project to bring back use of Enham Trust's Community Orchard and Garden. Strong partnerships continue with the Parish Council, Test Valley Borough Council and the local community.
- We're supporting Enham Trust with a review of its existing charitable services, alongside its work to develop a longer-term strategy to restore financial stability (including through a renewed care model), enabling the charity to continue to further its charitable objectives supporting disabled people to live, work and enjoy life.
- Fundraising again exceeded targets, and corporate volunteering delivered positive outcomes across Enham. The Choices Programme continued to support individuals, delivering 3,413 hours of activity and providing 1,601 supported sessions to 73 people.
- Across 2025/26, the Aster Foundation supported 2,387 people across the three primary causes and consequences of poverty:
 - 1,135 people supported with mental health and wellbeing
 - 108 people supported into work
 - 1,144 people supported with financial wellbeing and inclusion.

Financial and operating performance

Unaudited underlying profit before tax for the twelve months ended 31 March 2026 was £46.6m. Housing properties (net of depreciation) have increased to £2,668m from £2,536m at 31 March 2025.

Consolidated Statement of Comprehensive Income (£000)	12 months to 31 March 2026 (unaudited)	12 months to 31 March 2025 (audited) *
Turnover	337,417	329,852
Operating costs	(288,033)	(276,732)
Surplus on sale of housing property, plant and equipment	39,191	26,056
Increase in fair value of investment properties	1,238	1,502
Operating profit before impairment and pension cessation	89,813	80,678
Impairment of housing and financial assets (i)	(5,376)	(4,332)
LGPS cessation – charge (ii)	-	(29,045)
Operating profit	84,437	47,301
Profit/(loss) on disposal of other property, plant, equipment	319	(90)
Donations received	995	455
Share of profit/(loss) in joint ventures	406	(365)
Net finance expense	(39,539)	(35,589)
Profit before tax for the year	46,618	11,712
Other comprehensive income (OCI) for the year:		
LGPS cessation – actuarial gains (ii)	-	28,632
Effective cash flow hedge gains	3,829	1,724
Total comprehensive income for the year (before tax and other OCI)	50,447	42,068
Financial indicators	Statutory	Statutory/ Underlying *
Operating margin (excluding surplus on sale of housing property, plant and equipment) ¹	13.0%	6.9%/15.3%
Social housing operating margin ²	18.3%	21.5%
EBITDA MRI interest cover ³	127.6%	69.0%/126.8%
Gearing ⁴	50.8%	52.1%

* During the twelve months to 31 March 2025 there were two exceptional items included within the statutory results, as reported:

i) Recognition of additional costs due to an underestimation of the total full-life cost projections to complete, and impairment of financial asset (£1.6m) in Boorley Green LLP, our joint venture development with Vistry; and

ii) Closure of the Group's four Local Government Pension Schemes, which resulted in a cessation charge included in operating profit of £29.0m and a cessation actuarial gain of £27.0m included in other comprehensive income, giving an overall net comprehensive expense of £2.0m.

Underlying financial indicators shown are prior to the above two exceptional items, with statutory (audited) results reflecting the two exceptional items. Further details can be found in the Annual Report for the year ended 31 March 2025.

The Group's revenue continues to focus on low-risk affordable housing with the majority of rent increases from 1 April 2025 at 2.7% in line with the rent standard. Rent arrears continue to be tightly managed and remained strong at 1.5% (March 2025: 1.7%) against a target of 2.5% of associated revenue. Void losses for the Group were at 1.2% for the period, compared to the target of 1.5%.

Demand for routine repairs has been lower than last year, while DMC jobs continue to increase, with our overall customer satisfaction of 83.1% for repairs at March 2026.

Over the twelve-month period, total investment in housing stock was £117.3m, slightly increased on the same period last year but £10.3m below budget. The underspend reflects the original plan to deliver this additional investment over two financial years; however, concerns around delivery capacity required a restructuring of team resources and the introduction of more robust processes. As a result, the increased investment has been reprofiled over a longer timeframe and is now incorporated into a revised four- to five-year plan. Throughout this period, the team has prioritised fire risk and safety-related works to ensure that no additional risks are created.

The Group continues to enact a programme of savings and efficiencies which has delivered further annualised savings of £2.0m in the year, bringing the total recurring annual savings achieved to date to £5.5m. The Group's operating margin, excluding asset sales, for the twelve-month period to 31 March 2026 was 13.0%, compared to 15.3% last year, and the social housing operating margin was 18.3%.

Impairment of £5.4m has been recognised, being a combination of housing assets (£3.2m) and financial assets (in relation to one of the group's joint-ventures £2.2m).

Sales of shared ownership homes and open market sales homes (predominantly delivered through joint ventures) totalled 429 units for the year ended 31 March 2026 (March 2025: 497). We continue to see strong demand for shared ownership properties despite external market conditions, cost-of-living pressures and mortgage affordability concerns. For the twelve-month period we achieved first tranche sales of £39.0m (365 properties) at an average sales percentage of 32.0%. The average reservation rate for the twelve-month period is 39 properties per month and average sales time for such properties was 11.6 weeks from property handover to completion, against a target of 26 weeks. As at 31 March 2026 the Group had 164 completed shared ownership homes available for sale (March 2025: 117), of which 81 were reserved (March 2025: 52) and 30 were older than 26 weeks (March 2025: 2).

Other asset sales saw a good recovery in the last six months of the year, finishing off with a strong performance for the twelve months with an overall profit of £39.2m for the year, compared to £26.1m in the prior year. Despite market conditions still being slow our void disposals programme outperformed budget, along with an increasing performance from our new active disposals programme.

Debt and liquidity

Net debt during the period has increased to £1,380m from £1,300m at 31 March 2025, funding our development programme. Liquidity at 31 March 2026 was £383m (31 March 2025: £420m), consisting of committed and available undrawn facilities of £143m and cash and cash equivalents of £50m, plus £190m of retained bonds and a shelf facility with bLEND (31 March 2025: £190m).

We completed two sales of the group's retained notes during the year for a total of £100m.

Development

We completed 978 homes, comprising of 914 affordable homes and 64 homes developed with our joint venture partner. We have a strong pipeline of schemes and have been successful securing both land and developer led opportunities, adding to our contracted pipeline of 2,708 homes.

The Group has achieved a strong performance up to 31 March 2026, delivering an increase in affordable home handovers compared to the previous year (863), despite a challenging operating environment. Our forward pipeline remains robust, comprising a mix of land acquisitions, community-land trust developments (CLT), and developer-led schemes. The programme's overall growth currently remains relatively static due to external pressures - specifically inflation, high interest rates, and the need for significant investment into existing stock.

The Group successfully met Homes England's (HE) Strategic Partnership (SP) 'start on site' milestone with all 1,500 funded homes commencing construction by March 2026 - this includes 122 homes at The Folly, Cheltenham, 130 homes in Stalbridge, Dorset and 95 homes in Lewes, East Sussex. We were also able to increase the SP by a further 25 homes, securing extra grant into the programme. Further funding has also been secured for 202 homes through HE Bridge programme - the 'start on site' milestone is March 2027. We are proposing to submit a bid to HE for a new SP from the Social and Affordable Homes Programme 2026-36, and if successful this will support our growing land and community led programmes. Total grant received over the past year from HE, the Greater London Authority and from local authorities is £43.6m.

Aster remains a leader in community-led housing. Our CLT programme continues to grow, with 9 schemes currently on site - a combination of land and developer-led projects, which will deliver 189 homes. This includes a project with Transition Homes CLT in South Hams, Devon where all 39 homes will achieve EPC A, and projects in North Devon including with Woolacombe and Mortehoe CLT where land was purchased from the National Trust.

We continue to expand our homes in London with the completion of our scheme in Silvertown - 62 homes, and continue to maintain strong relationships with national and regional housebuilders focusing on partners with a proven track record for quality and delivery.

The Social and Affordable Homes Programme 2026-36 is welcomed, as well as the proposed low interest loans from the National Housing Bank, which will bring extra capacity to the sector. However, the planning system and the general operating environment together with the potential effects of the Iran war remain one of our biggest challenges.

Board and executive team changes

Aster Group Ltd: The members of the Executive Board are Bjorn Howard, Chris Benn, Rachel Credidio, Dawn Fowler-Stevens, Emma O'Shea and Amanda Williams.

During the year, with several members reaching the maximum permitted term of nine years, the Board underwent the following Non-Executive Director changes:

- **7 September 2025** – Clive Barnett stepped down from the Board
- **1 October 2025** – Tracey Peters stepped down from the Board
- **7 November 2025** – Caroline Wehrle stepped down from the Board
- **31 March 2026** – Claire Whitaker CBE stepped down from the Board.

We extend our sincere thanks to Clive, Tracey, Caroline and Claire for their outstanding contributions and dedicated service to Aster throughout their terms.

The following Non-Executive Director appointments were subsequently made:

- **8 September 2025** – Richard Hughes
- **1 October 2025** – Nicola Frayne
- **8 November 2025** – Mat Cooling

Aster Treasury plc: There were no changes to the membership of the Board.

Aster Group credit rating and governance

Aster Group Limited is rated A (Negative outlook) by Standard and Poor's (December 2025) and G1/V2 by the Regulator of Social Housing (December 2025).

Notes:

¹ Demonstrates the profitability of operating assets before exceptional expenses. Defined as operating profit, excluding surplus on sale of property, plant and equipment, as a percentage of total turnover.

² Demonstrates the profitability of social housing operating assets before exceptional expenses. Defined as operating profit derived from social housing activities, excluding surplus on sale of property, plant and equipment, as a percentage of total turnover.

³ Seeks to measure the level of surplus generated compared to interest payable. It is a key indicator for liquidity and investment capacity. EBITDA MRI is Earning before interest, tax, depreciation, amortisation, excluding profit on disposal of property, plant and equipment, but including the cost of capitalised major repairs (major repairs included). Interest includes the group's interest payable plus interest capitalised during the year but excluding interest on the net pension liabilities.

⁴ Calculated as net debt (loans less cash) as a proportion of social housing assets. Shows how much of the social housing assets are made up of debt, and the degree of dependence on debt finance. It also sets out the potential capacity for further borrowing which can be used to fund the future development of new housing.

For more information, please contact:

Chris Benn, Chief Financial Officer - Chris.benn@aster.co.uk

<https://www.aster.co.uk/corporate/about-us/investor-relations>

Disclaimer

The information contained herein (the "Trading Update") has been prepared by Aster Group Limited (the "Parent") and its subsidiaries (the "Group"), including Aster Treasury plc (the "Issuer") and is for information purposes only. The information contained in the Trading Update is unaudited.

The Trading Update should not be construed as an offer or solicitation to buy or sell any securities issued by the Parent, the Issuer or any other member of the Group, or any interest in any such securities, and nothing herein should be construed as a recommendation or advice to invest in any such securities.

Statements in the Trading Update, including those regarding possible or assumed future (or other) performance of the Group as a whole or any member of it, industry growth or other trend projections may constitute forward-looking statements and as such involve risks and uncertainties that may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have been correct. They speak only as at the date of the Trading Update and neither the Parent nor any other member of the Group undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments, occurrence of unanticipated events or otherwise. The information contained in the Trading Update is unaudited. Trading Updates may be based on Management Accounts rather than draft financial statements so may not take into account all consolidation and other adjustments as required for the financial statements. These include, but are not limited to, corporation tax, fair value of investment properties, fair values relating to business combinations, balance sheet reclassifications between fixed and current asset housing stock and defined benefit pension costs such as interest and current service cost adjustments. The group does not anticipate these adjustments will have a material effect on the outputs.

None of the Parent, any member of the Group or anyone else is under any obligation to update or keep current the information contained in the Trading Update. The information in the Trading Update is subject to verification, does not purport to be comprehensive, is provided as at the date of the Trading Update and is subject to change without notice.

No reliance should be placed on the information or any projections, targets, estimates or forecasts and nothing in the Trading Update is or should be relied on as a promise or representation as to the future. No statement in the Trading Update is intended to be a profit estimate or forecast. No representation or warranty, express or implied, is given by or on behalf of the Parent, any other member of the Group or any of their respective directors, officers, employees, advisers, agents or any other persons as to the accuracy or validity of the information or opinions contained in the Trading Update (and whether any information has been omitted from the Trading Update). The Trading Update does not constitute legal, tax, accounting or investment advice.

END