

2025/26 Financial Statements

and supplementary information for investors

Paragon Treasury Plc's parent company, Paragon Asra Housing Limited ('PA'), announces the release of its audited financial statements for the financial year ended 31 March 2026.

PA delivered solid underlying financial results for the year, after allowing for the impact of some non-recurring costs. Core operating budgets were broadly adhered to and sales performance was strong.

The underlying operating margin (excluding additional costs relating to impairment and building safety remediation projects) was 27% (2025: 25%).

Operating activity reflected our continuing drive to raise service standards, in line with our Corporate Plan objectives. The regulatory inspection undertaken midway through the year delivered a G1 / V2 / C2 outcome and in the remainder of the year we focused on the identified priority areas to strengthen our consumer grading at future review.

We completed 174 first tranche shared ownership sales, generating a surplus of £5.3m and a margin of 28%. The future new build sales pipeline is more modest than in recent years, reflecting the Board's strategic decision to de-tune future development and sales activity. A further £7.2m of surplus was generated from staircasing of existing shared ownership homes and a small number of other asset disposals.

Our liquidity position remained strong, with drawn debt increasing by only £3.5m through the year. As at the year end date we had a

projected 24 months of liquidity in place and fully secured. The ongoing support of our lenders and investors is greatly appreciated.

The audited financial statements are consistent in core operating areas with the results disclosed in the trading update released on 18 May 2026, which was based on the unaudited management accounts for the year. The key exception relates to impairment, as noted within that trading statement, and the published financial statements include a £28.9m impairment entry. This reflects comprehensive review of our development sites and land bank portfolio as at the year end date, with decisions taken to curtail development and dispose of sites where appropriate. This exercise has de-risked our forward financial projections and has bolstered net cash flow expectations over the next few years, thus reducing our expected future liquidity replenishment needs.

The final financial statements also reflect standard year end accounting adjustments below the line of operating surplus, relating to pension schemes and financial instruments.

Headline Group figures are as follows:

Turnover £m
Of which shared ownership sales
Operating surplus £m
Operating margin (all activities)
Operating margin (social housing lettings)
Operating margin (SH lettings - excl. fire safety remediation & impairment)
Operating margin (shared ownership sales)
Net (deficit) / surplus before tax £m
Total assets less current liabilities £m
Cash £m
Debt £m
Properties owned / managed

2025/26	2024/25 restated	2023/24
228	224	207
19	23	26
27	44	38
12%	19%	18%
20%	19%	23%
25%	23%	26%
28%	21%	28%
(18)	2	(1)
2,384	2,427	2,421
20	22	133
1,307	1,304	1,314
24,967	24,655	24,317

The full audited financial statements for PA are available from the Investor Relations section of our website. The document includes information about our performance during the year and future expectations.

Please contact our Resources Director Simon Hatchman for further information.

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