

QUARTERLY UPDATE

Q1 FY2019



The PRS REIT plc is the UK's first listed REIT to focus on the Private Rented Sector ("PRS"). Launched in May 2017, the Company is creating a portfolio of newly-built, high-quality, professionally managed rental homes across the main conurbations of England, outside London. It focuses predominantly on houses, which are designed mainly for families.



Completed & contracted* development at 30 September 2018: c. £384m

Committed* development at 30 September 2018: c. £372m

Annualised rental income at 30 September 2018: c. £5.7m from 595 completed homes

£756m of completed, contracted and committed development since launch. Equates to c. 5,100 new rental homes when built with an estimated rental value of £47m

Dividend history: 31 May 2017 to 30 June 2018, a total of 5.0p per share

Equity raised to date: £500m

Debt secured to date: £200m

Net asset value at 30 June 2018: £486m

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: £501m at 30 October 2018

Shares in issue: 495,277,294

Share price: 101.25p at 30 October 2018

Board of Directors:

Steve Smith, Chairman

Steffan Francis, Non-Executive Director

Roderick MacRae, Non-Executive Director

Investment adviser: Sigma PRS Management Ltd, a subsidiary of Sigma Capital Group plc

Registered address: 1 St Ann Street, Manchester, M2 7LR

Fund structure: UK Real Estate Investment Trust

London Stock Exchange Ticker: PRSR

SEDOL: BF01NHS

ISIN: GB008F01NH51

Q1 2018-2019

The PRS REIT plc continues to make good progress towards its target of deploying c. £900m (once fully geared) of resource into the Private Rented Sector ("PRS") to create a substantial portfolio of high quality, newly-built rental homes, catering mainly for families.

- > 16 months on from launch as at 30 September 2018, c. £756m of funding has been either deployed or is committed* to deployment. This equates to c. 5,100 new rental homes when completed (30 June 2018: £685m and 4,600 homes)
 - the estimated rental value ("ERV") of these homes is £47.1m p.a.
- > Completed homes increased to 595 at 30 September 2018 (30 June 2018: 405 completed homes)
- > Completed and contracted* development at 30 September 2018 amounted to c. £384m of gross development cost ("GDC") (30 June 2018: c. £248m)
- > Committed development at 30 September 2018 amounted to GDC of c. £372m (30 June 2018: c. £437m)

RENTAL INCOME

- > Annualised rental income at 30 September 2018 increased to c. £5.7m from 595 completed homes (30 June 2018: c. £3.6m from 405 completed homes)
- > ERV from both completed and contracted sites (c. 2,530 new homes) at 30 September 2018 is c. £24.1m p.a.

- > ERV from committed development sites (c. 2,570 new homes) at 30 September 2018 is c. £23.0m p.a. when all the homes are fully built

ACQUISITIONS

In the period, the PRS REIT purchased a newly-completed and let PRS site in Smethwick, near Birmingham, from Sigma Capital Group plc ("Sigma") for £10.3m. Comprising 63 homes, the annualised rental income is c. £0.6m p.a. In addition, the Company signed forward purchase agreements with Sigma to acquire two PRS sites, which are due for completion in the second half of 2019. These two sites, located respectively in the West Midlands and Essex, have a combined ERV of £1.1m p.a..

DEBT FINANCE

- > Discussions for a final tranche of an additional £200m of debt are underway, and are expected to be completed by the end of the first quarter of 2019

DIVIDEND

- > Interim dividend of 1.0p per share declared for the quarter ended 30 September 2018

OUTLOOK

- > Full commitment of c. £900m of funding resource is on track for early 2019
- > Over and above this, a further c. £689m pipeline of qualified development opportunities has been identified

* **Contracted** refers to sites under construction (under a design & build contract) that have been purchased by the PRS REIT or by Sigma (with a forward purchase contract in place with the PRS REIT).

Committed refers to development sites that have been approved or are under formal appraisal by the Investment Adviser, and where planning consent is being sought, and/or are in the process of being acquired.

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INVESTMENT OBJECTIVES

- > provide investors with an attractive level of income, and the prospect of income and capital growth
- > target* a dividend yield of 6%+ p.a. and total return of 10%+ on stabilisation (based on the issue price of 100p)

*There is no guarantee that these targets can or will be achieved and they should not be taken as indications of the Company's expected and actual returns.

ORDINARY DIVIDENDS PAID

per share

Period from IPO to 31 Dec 2017	1.5p
Q318	1.0p
Q418	2.5p
Total from IPO to 30 June 2018	5.0p

An interim quarterly dividend of 1.0p per share has been declared for the quarter ended 30 September 2018.

MARKET OPPORTUNITY

Demand for rental homes in the UK is growing and, by 2020, c.25% of all households are predicted to be living in privately rented homes. There are a number of factors driving this demand, including population growth, house price inflation and mortgage constraints.

Currently, the private rental market is typically privately managed and fragmented, with the market for new family houses (rather than flats) under-served.

The Company's high-quality, professionally managed homes at key economic hubs represents an attractive option for middle-income families.

Both local and central Government recognise that the build-to-rent sector can help to accelerate housing delivery as a whole.

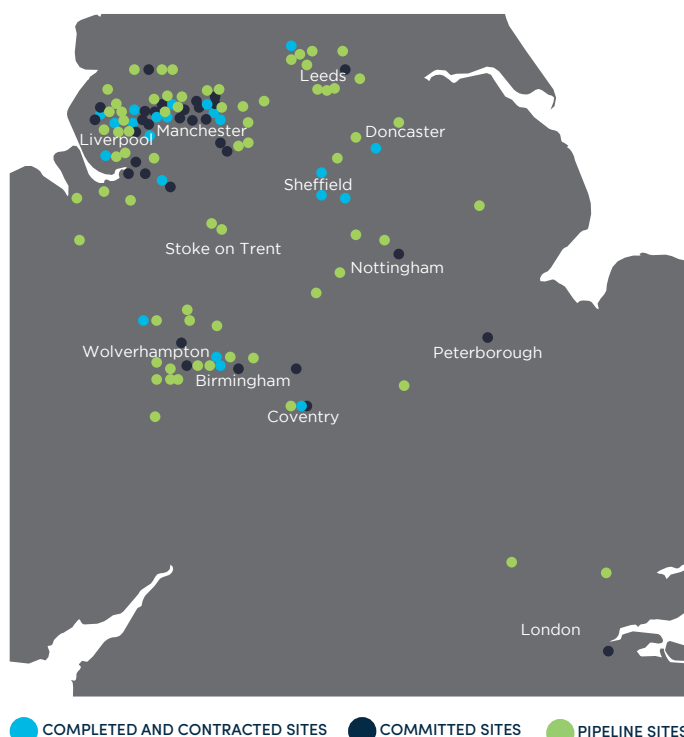
THE MODEL – A DE-RISKED APPROACH

- > exclusive access to Investment Adviser's proven PRS Delivery Platform
- > range of standard family house types
- > fixed price design and build contracts allow for build cost predictability
- > standardised specification – aids maintenance cost predictability
- > properties are located near employment centres, with good transport links and close to well-performing primary schools.

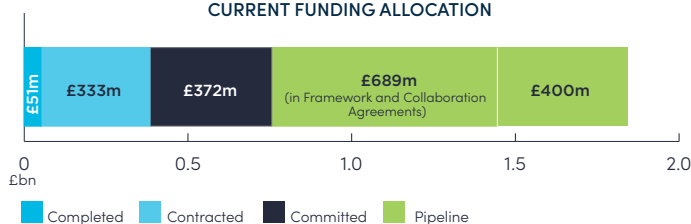
The construction of the majority of new homes will be funded by the Company

- > Investment Adviser procures planning, Certificate of Title, D&B contracts and underwrites pre-development costs

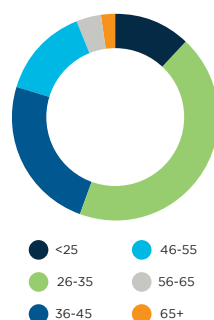
The Company will also acquire portfolios of newly-completed homes



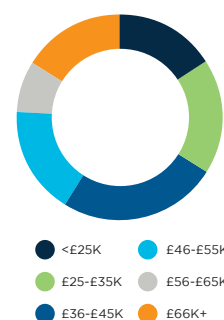
CURRENT FUNDING ALLOCATION



AGE GROUPS OF TENANTS



HOUSEHOLD INCOME BANDS



Investment Adviser: Sigma PRS Management Ltd,
1 St Ann Street, Manchester M2 7LR
Rob Sumner - rsumner@sigmacapital.co.uk

Depository: Kingfisher Property Partnerships Ltd
Legal Advisers: Dentons
Auditor: RSM
Financial Advisers: Nplus1 Singer Advisory and
Stifel Nicolaus Europe

Valuer: Savills PLC
Alternative Investment Fund Manager: G10 Capital
Financial Public Relations: KTZ Communications
Registrar: Link Asset Services
Debt advisor: JCRA