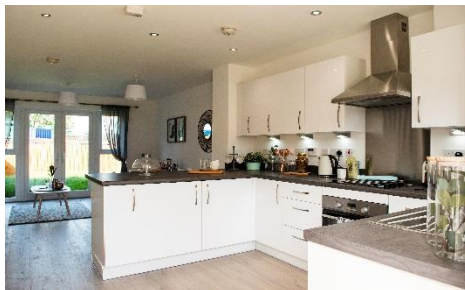


# QUARTERLY UPDATE

## Q4 - three months to 30 June 2019

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.



Completed & contracted\* development at 30 June 2019: c. £661m

Completed homes at 30 June 2019: 1,173

Annualised rental income at 30 June 2019: c. £10.7m

Deployment equates to c. 5,500 new rental homes when built with an estimated rental value of c. £56m p.a.

Dividends paid to date in the financial year ending 31 June 2019: 3.0p per share (in respect of Q1 to Q3 inclusive)

Equity raised to date: £500m

Debt secured to date: £400m

NAV at 31 December 2018: 96.3p per share

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: £478m at 4 July 2019

Shares in issue: 495,277,294

Share price: 97.20p at 4 July 2019

### Board of Directors:

Steve Smith, Chairman

Steffan Francis, Non-executive Director

Roderick MacRae, Non-executive Director

Jim Prower, 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

SEDOL: BF01NHS

ISIN: GB008F01NH51

Twenty-five months on from launch, as at 30 June 2019, 4,369 homes were either completed or under construction across 54 development sites. This is in line with the PRS REIT's objective of creating a substantial, geographically diverse portfolio of high quality, new-build family rental homes:

- > gross development cost ("GDC") of completed and contracted\* development at 30 June 2019 together amounted to £661m (31 March 2019: c. £603m)
- > completed homes increased to 1,173 at 30 June 2019 (31 March 2019: 944)

### RENTAL INCOME

- > Annualised rental income at 30 June 2019 increased to £10.7m from 1,173 completed homes (31 March 2019 c. £8.6m from 944 completed homes)
- > Estimated rental value ("ERV") of both completed and contracted sites (c.4,369 new homes) at 30 June 2019 is c. £41m (31 March 2019: c. £37.3m p.a. from 3,591 new homes)

### DEPLOYMENT OF FUNDING

- > In the third quarter, the PRS REIT entered into contracts to acquire five new sites, including one site under a forward purchase agreement with Sigma Capital Group plc
- > The five sites will together add a further 437 new homes, for a GDC of approximately £63m
- > The sites are expected to provide a rental income of £3.9m per annum
- > Three sites are situated in the North West, one is in the West Midlands and one is the REIT's first site in the North East, which is being delivered by Galliford Try
- > The site that will be developed by Sigma will be acquired by the Company once completed and fully let, at which point an independent valuation will be obtained prior to their purchase

### DIVIDEND

- > The interim dividend for the fourth quarter will be announced at the end of July 2019
- > The Company is targeting a total dividend of 5p per share for FY19

\* 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.

# QUARTERLY UPDATE

## Q4 - three months to 30 June 2019

### INVESTMENT OBJECTIVES

- > provide investors with an attractive level of income, and the prospect of income and capital growth
- > target\* a stabilised covered dividend of 5.5p per share and total return of 10%+ on stabilisation (based on the issue price of 100p). The Company is targeting a total dividend of 5.0p per share each year until that point, expected in 2022

\* 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 30 June 2018	5.0p
Q1 2019 (1 July to 30 Sept. 2018)	1.0p
Q2 2019 (1 Oct. to 31 Dec. 2018)	1.0p
Q3 2019 (1 Jan to 31 March 2019)	1.0p
Total from IPO to 31 December 2018	8.0p

### 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 the sector. Factors driving this demand include population growth, deposit affordability constraints, house price inflation and supply issues in the ailing traditional buy-to-let sector.

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.

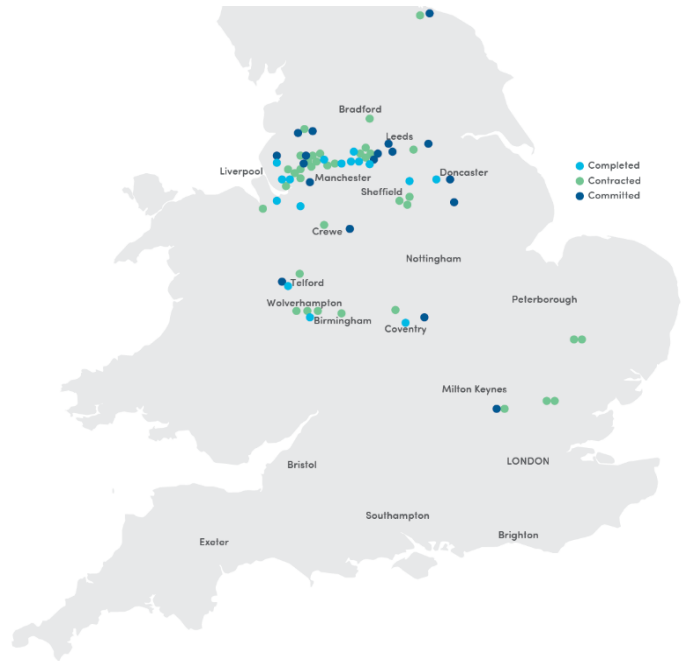
### THE MODEL – A DE-RISKED APPROACH

- > 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.

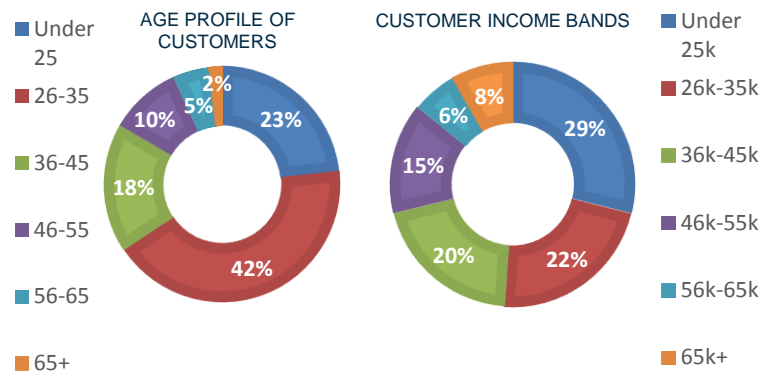
The construction of the majority of new homes will be funded by the Company

- > 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



Region	Jun-19		ERV (£)
	Sites	Units	
North West	32	2853	25.29
Yorkshire	8	540	4.94
Midlands	8	668	6.14
South	5	228	4.2
North East	1	80	0.76



### COMMUNITY EVENTS

Neighbourhood events like April's Easter Egg Hunt are organised throughout the year to create a greater sense of community.

