

QUARTERLY UPDATE

Q2 – three months ended 31 December 2022

The PRS REIT plc is the UK's first listed real estate investment trust 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 homes: 4,913 at 31 December 2022 with ERV of £50.7m p.a.

Rent collected in Q2 2023 was 98% of rent invoiced over the same period

Equity raised to date: £555.6m

Debt facilities (investment and development): £450m

Gearing restricted to maximum 45% of gross asset value

NAV at 30 June 2022: 116.4p per share

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: c. £488m (31 Dec 2022)

Shares in issue: 549,251,458

Share price: 88.9p at 31 Dec 2022

Board of Directors:

Steve Smith, Chairman

Steffan Francis, Non-executive Director

Roderick MacRae, Non-executive Director

Geeta Nanda, Non-executive Director

Jim Prower, Non-executive Director

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

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

Fund Structure: UK Real Estate Investment Trust

SEDOL: BF01NHS

ISIN: GB008F01NH51

Q2 2023

The total number of completed homes in the portfolio at 31 December 2022 stood at 4,913 at 31 December 2022 (31 December 2021: 4,489), after a further 57 new homes were added in the second quarter of the new financial year ending 30 June 2023.

The estimated rental value ("ERV") of the 4,913 completed homes is £50.7m p.a. (31 December 2021: £43.5m p.a. on 4,489 completed homes).

A further 613 homes, with an ERV of £6.6m p.a., were contracted* at 31 December 2022, and are at varying stages of the construction process. The delivery programme is now at a very mature stage, approximately 85% complete.

ASSET PERFORMANCE

> Asset performance remains strong.

> Rent collection** was 98%.

> Occupancy was 97%, with 4,788 homes occupied out of 4,913 completed homes at 31 December 2022. A further 44 homes were reserved for applicants who had passed referencing and paid rental deposits, giving an occupancy rate of 98%.

ASSET PERFORMANCE cont.

> Total arrears remained modest at £0.7m at 31 December 2022 despite the growth of the portfolio (31 December 2021: £0.4m).

> In the 12 months to 31 December 2022, like-for-like rental growth on stabilised sites was 5.7%.

> Affordability remains strong, with average rent as a proportion of household income at c.25%, which is significantly ahead of Home England's 35% target.

ENERGY EFFICIENCY

> All homes are energy efficient. Approximately 86% have an EPC rating of 'A' or 'B', with the remainder rated 'C'.

> According to an independent survey, the annual running costs of the REIT's homes are 74% cheaper than homes built from 1900-1929 and 25% cheaper than homes built in 2010.

DIVIDEND

> A dividend of 1.0p per share was paid on 11 November 2022 in respect of Q1 2023.

> A dividend of 4.0p per share is targeted for FY 2023 (FY 2022: 4p per share)

	At 31 Dec 2022	At 30 Sep 2022	At 31 Dec 2021
Completed homes			
Number of completed homes	4,913	4,856	4,489
Estimated rental value ("ERV") per annum	£50.7m	£49.4m	£43.5m
Contracted homes			
Number of contracted homes	613	670	949
ERV per annum	£6.6m	£7.3m	£8.2m
Completed and contracted sites	71	70	67
ERV per annum of completed and contracted homes	£57.3m	£56.7m	£51.7m
Like-for-like rental growth on stabilised sites in the preceding 12 months	5.7%	5.0%	n/a
	Q2 2023	Q1 2023	Q2 2022
Rent collected in period	98%	99%	99%

* Contracted sites refers to sites under construction (under a design & build contract) that have been purchased by the PRS REIT or the PRS REIT's Investment Adviser (forward sold to the PRS REIT).

** Rent collection is defined as rent collected in the period relative to rent invoiced in the same period

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INVESTMENT OBJECTIVES

- > Provide investors with an attractive level of income, and the prospect of income and capital growth.
- > The Company is targeting a total dividend of 4.0p per share for the financial year ended 30 June 2023.

ORDINARY DIVIDENDS PAID

Per Share

Q1 2023	1.0p
FY ended 30 June 2022	4.0p
FY ended 30 June 2021	4.0p
Period from IPO to 30 June 2020	14.0p
Total since IPO	23.0p

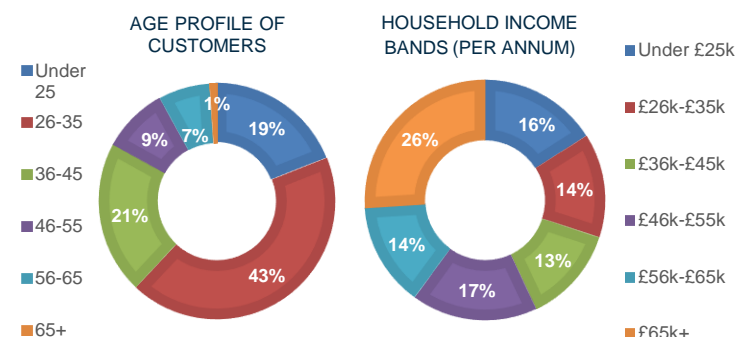
MARKET OPPORTUNITY

The shortage of high-quality rental homes in the UK remains a structural feature of the marketplace, exacerbated by the current significant imbalance between rental supply and demand. In its December 2022 rental market survey, Zoopla reported that rental demand in the UK is 46% above average levels, while total supply is 38% lower. Price growth also remains high, as average annual rents in the UK rose by 12.1% during 2022.

Rightmove also reported that average house prices rose 6.3% in the year to January 2023 and Nationwide has stated that UK mortgage payments for first-time buyers have risen to their highest level since 2008.

Against the increasing weight of demand, the Build-to-Rent ("BTR") sector remains a very small proportion of the wider private residential rental sector, at less than 2% in Q2 2022 according to Savills. The market opportunity for BTR remains significant.

COMPLETED AND CONTRACTED HOMES
As at 31 December 2022



COMMUNITY ENGAGEMENT

- Our Investment Adviser organised the annual visits of Santa and his brass band of elves to our developments across the country over three weekends to spread Christmas cheer.
- Our Investment Adviser has partnered with DanceSing to provide all 'Simple Life' residents with an annual membership to online singing, dancing and fitness classes.
- The community work done by 'Simple Life' was recognised in awards ceremonies, being nominated for the ESG Excellence Award and the Best Large Development Award for the Pullman Green site in Hexthorpe, at the Yorkshire Children's Charity Awards, winning the latter. It also won Gold for the Best Sustainable Development for its Bertha Park site in Perth at the What House Awards.



Investment Adviser: Sigma PRS Management Ltd,
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Depository: Crestbridge UK Limited
Legal Advisers: Dentons
Auditor: RSM
Financial Advisers: Singer Capital Markets
Company Secretary: Hanway Advisory Limited

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