

QUARTERLY UPDATE

Q3 – three months ended 31 March 2023

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: 5,010 at 31 March 2022 with ERV of £52.7m p.a.

Rent collected in Q3 2023 was 101% 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 31 December 2022: 117.1p per share

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: c. £455m (31 March 2023)

Shares in issue: 549,251,458

Share price: 81p at 31 March 2023

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

Q3 2023 – 5,000th Home Completed

The total number of completed homes in the portfolio at 31 March 2023 stood at 5,010 at 31 March (31 March 2022: 4,616), with the Company reaching the landmark of its 5,000th homes in the three-month period, covering January to March 2023, the third quarter of its current financial year.

The estimated rental value ("ERV") of the 5,010 completed homes is £52.7m p.a. (31 March 2022: £45.5m p.a. on 4,616 completed homes).

A further 516 homes, with an ERV of £5.2m p.a., were contracted* at 31 March 2023, and are at varying stages of the construction process. The delivery programme is now at a very mature stage, approximately 89% complete.

STRONG ASSET PERFORMANCE

> Rent collection** was 101%. Rent collection for Q3 and Q2 reflected seasonality and the aggregate percentage is 100%.

> Occupancy was 97%, with 4,860 homes occupied out of 5,010 completed homes at 31 March 2022. A further 65 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 March 2023 despite the growth of the portfolio (31 March 2022: £0.5m).
- > In the 12 months to 31 March 2023, 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 less than Home England's limit of 35%.

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 17 February 2023 in respect of Q2 2023.
- > A dividend of 4.0p per share is targeted for FY 2023 (FY 2022: 4p per share)

| | At 31 Mar 2023 | At 31 Dec 2022 | At 31 Mar 2022 |
|---|----------------------|----------------------|----------------------|
| Completed homes | | | |
| Number of completed homes | 5,010 | 4,913 | 4,616 |
| Estimated rental value ("ERV") per annum | £52.7m | £50.7m | £45.5m |
| Contracted homes | | | |
| Number of contracted homes | 516 | 613 | 822 |
| ERV per annum | £5.2m | £6.6m | £6.2m |
| Completed and contracted sites | | | |
| ERV per annum of completed and contracted homes | £57.9m | £57.3m | £51.7m |
| Like-for-like rental growth on stabilised sites in the preceding 12 months | 5.7% | 5.7% | 4.8% |
| | Q3 2023 | Q2 2023 | Q3 2022 |
| Rent collected in period | 101% | 98% | 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

| | |
|---------------------------------|--------------|
| Q2 2023 | 1.0p |
| 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 |

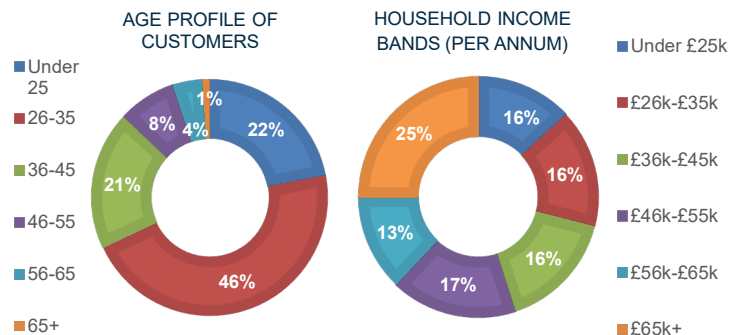
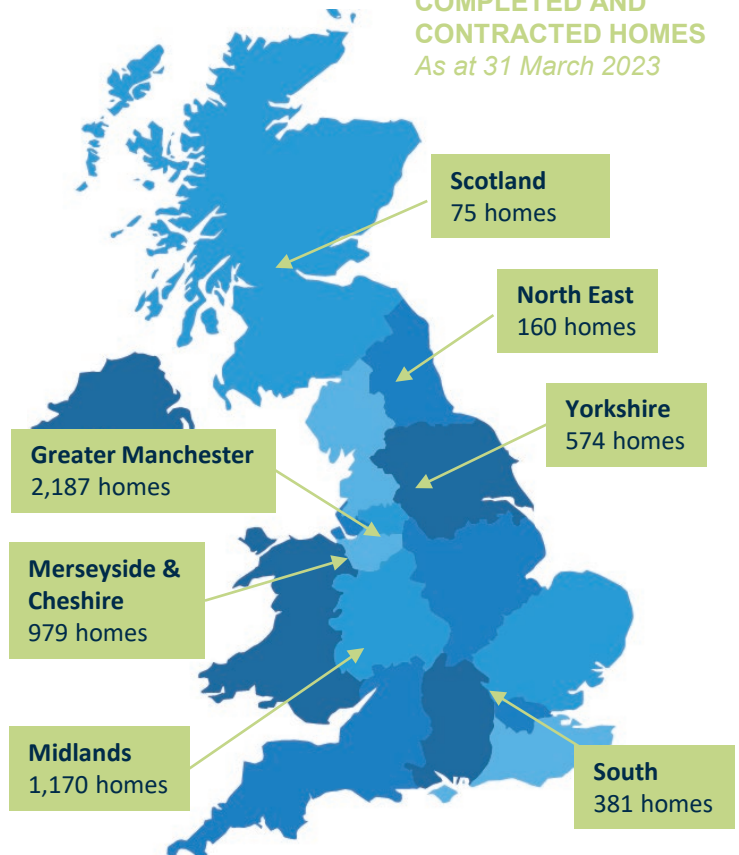
MARKET OPPORTUNITY

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.

On 29 March 2023, a Zoopla report on the rental market noted that higher mortgage rates have further weakened the economics of investing for landlords, impacting new investment in rental supply and that growth in overall rental supply is set to remain limited in 2023. The report stated that rental demand is expected to remain above the 5-year average.

In a residential report published on 30 March 2023, CBRE commented that the Build-to-Rent (“BtR”) sector has a vital role to play in meeting the UK’s housing targets and is driving up the quality of housing in the UK. It noted that despite the sector’s growth, BtR still only accounts for a small share of the overall PRS market, and that demand for rented housing outweighs the supply of rental homes and rents are rising.

COMPLETED AND CONTRACTED HOMES As at 31 March 2023



COMMUNITY ENGAGEMENT

- Further book boxes have been installed across the Company’s developments in the North West, extending its initiative to make books more accessible to residents.
- The PRS REIT is now supporting Embassy, the Manchester-based charity, which works with the homeless and victims of domestic violence.
- Simple Life’s online Easter Egg Hunt was launched for Easter 2023.
- To mark the completion of the Company’s 5,000th home, the Company is supporting Lancashire-based charity, Speed of Sight, which provides driving experiences to blind and disabled people.
- Simple Life won the ‘Sustainability and Social Impact Award’ at the Insider Residential Property Awards in January 2023 for its Learning outside the classroom’ project.



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