

QUARTERLY UPDATE

Q4 – three months ended 30 June 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: 5,080 at 30 June 2023 with ERV of £55.0m p.a.
Rent collected in Q4 2023 was 99% of rent invoiced over the same period
Equity raised to date: £555.6m
Debt facilities (investment and development): £450m <i>Gearing restricted to maximum 45% of gross asset value</i>
NAV at 31 December 2022: 117.1p per share
Launch date: 31 May 2017
Year end: 30 June
Market capitalisation: c. £451m (1 Aug. 2023)
Shares in issue: 549,251,458
Share price: 82.1p at 1 Aug. 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

Q4 2023

The total number of completed homes in the portfolio at 30 June 2023 stood at 5,080 (30 June 2022: 4,786), with 70 homes added in Q4.

The estimated rental value ("ERV") of the 5,080 completed homes is £55.0m p.a. (30 June 2022: £47.8m p.a. on 4,786 completed homes).

A further 444 homes, with an ERV of £3.8m p.a., were contracted* at 30 June 2023, and are at varying stages of the construction process. The delivery programme is now at a very mature stage, over 90% complete.

STRONG ASSET PERFORMANCE

- > Rent collection** was 99%.
- > Occupancy was 97%, with 4,860 homes occupied out of 5,080 completed homes at 30 June 2022. A further 59 homes were reserved for applicants who had passed referencing and paid rental deposits.
- > Total arrears remained modest at £0.6m at 30 June 2023, despite the growth of the portfolio (30 June 2022: £0.6m)

ASSET PERFORMANCE cont.

- > In the 12 months to 30 June 2023, like-for-like rental growth on stabilised sites was 7.5%.
- > Affordability remains strong, with average rent as a proportion of gross household income at c.25%, significantly lower than Home England's guidance of less than 35%.

ENERGY EFFICIENCY

- > Homes are energy efficient; c..86% have an EPC rating of 'A' or 'B', with the remainder rated 'C'.
- > The annual running costs of the REIT's homes are estimated to be 74% cheaper than homes built from 1900-1929 and 25% cheaper than homes built in 2010.

DIVIDEND

- > An interim dividend of 1.0p per share in respect of Q4 was declared on 2 August 2023. It is payable on 1 Sept. 2023 to shareholders on the register at 11 August 2023. It takes the total dividend for FY 2023 to 4p per share (FY 2022: 4p per share).
- > A dividend of 1.0p per share was paid on 26 May 2023 in respect of Q3 2023.

	At 30 Jun 2023	At 31 Mar 2023	At 30 Jun 2022
Completed homes			
Number of completed homes	5,080	5,010	4,786
Estimated rental value ("ERV") per annum	£55.0m	£52.7m	£47.8m
Contracted homes			
Number of contracted homes	444	516	693
ERV per annum	£3.8m	£5.2m	£4.4m
Completed and contracted sites			
ERV per annum of completed and contracted homes	£58.8m	£57.9m	£52.2m
Like-for-like rental growth on stabilised sites in the preceding 12 months	7.5%	5.7%	5.1%
	Q3 2023	Q2 2023	Q3 2022
Rent collected in period	99%	101%	100%

* 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

FY ended 30 June 2023	4.0p
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	26.0p

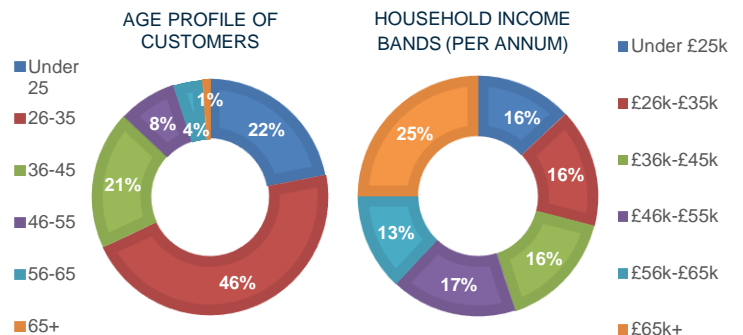
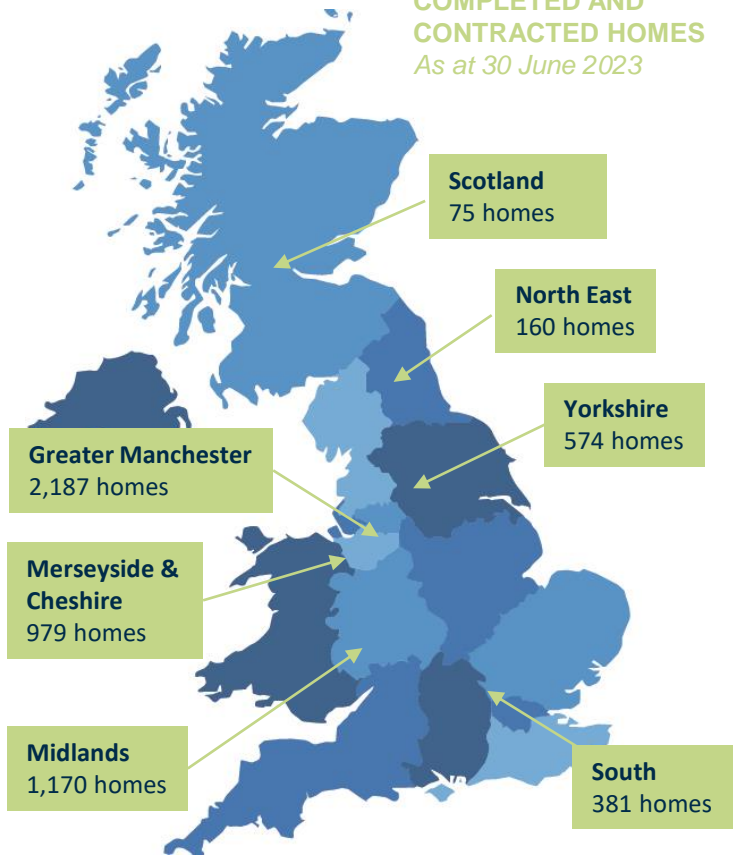
MARKET OPPORTUNITY

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 20 June 2023, a Zoopla report commented that the level of homes for rent remains 20-40% below pre-pandemic levels in most regions, adding extra impetus to rental inflation. It found that there was no let-up in the supply/demand imbalance and that rental inflation was running in double digits for the 15th consecutive month.

In a report on the Build to Rent Sector (BtR), Savills commented that the April-June 2023 saw the highest Q2 investment transaction volume ever recorded at £1.26bn. Despite strong growth, it reported that BtR still makes up less than 1% of privately rented homes but expects this to grow. Savills reported that the underlying fundamentals of the sector remain strong with BtR rents growing by 10.4% in the year to May 2023.

COMPLETED AND CONTRACTED HOMES As at 30 June 2023



COMMUNITY ENGAGEMENT

- Sigma launches “Simple Lifestyle” on the My Simple Life mobile App, providing free year-round health and wellbeing content
- Sigma staff raise £12,500 for Zoe’s Place Hospice, a local charity in Middlesbrough, in a challenge to hike to the top of Snowden or Y Wyddra, the highest mountain in Wales, by 2.00 a.m. sunrise.
- Sigma and The PRS REIT plc support “Speed of Sight” Charity Track Days providing driving experiences to blind and disabled people.
- Simple Life announces its eight 2023 ‘Peace of Mind Month’ Winners.
- Sigma and The PRS REIT plc launch a Biodiversity project with GreenTheUK in schools across the UK to plant hundreds of trees, vegetables and wildflowers in communities close to REIT developments.



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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