

QUARTERLY UPDATE

Q2 – three months to 31 December 2019

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 & contracted* development:
c. £771m at 31 December 2019

Completed homes: 1,617 at
31 December 2019

Annualised rental income:
£14.9m at 31 December 2019

Full deployment of net proceeds of
£900m (gross) equates to c. 5,400 new
rental homes providing an estimated
rental income of c. £55m p.a.

Dividend declared for the quarter ended
31 December 2019: 1.0p per share

Equity raised to date: £500m

Debt secured to date: £400m

NAV at 30 June 2019: 95.8p per share

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: £463m
at 31 December 2019

Shares in issue: 495,277,294

Share price: 93p at 31 December 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

Q2 2019-20

A further 256 new high quality rental homes were added to the PRS REIT's portfolio in the second quarter, taking the total number of completed homes to 1,617 as at 31 December 2019. These are located across 30 fully and part-completed sites.

A further 3,328 homes were under construction across 42 sites at 30 December.

The combined gross development cost of the completed homes and those under construction, together 4,945 homes, amounts to c. £771m.

RENTAL INCOME

> Rental income at 30 December 2019 was up 113% year-on-year to £14.9m per annum. Demand for our homes remains strong, with occupancy levels on fully completed sites currently at 97%.

> The 3,328 homes that were under construction at the end of the quarter are estimated to have an estimated rental value of £32.7m per annum.

> The combined estimated rental value of completed homes and those under construction is estimated at c. £47.6m per annum. This is a 43% rise against the same point a year ago.

DEPLOYMENT OF FUNDING

> The bulk of the PRS REIT's net funding (£900m gross) has now been contracted to sites. The balance is expected to be contracted over the course of the third quarter.

DIVIDEND

> A Q2 dividend of 1.0p per share has been declared and the PRS REIT continues to target a total dividend for the current financial year of 5p per share.

	At 31 December 2019	At 30 June 2019	At 31 December 2018	Year-on- year change
Completed Homes				
Total number of completed homes	1,617	1,173	775	109%
Rental income per annum	£14.9m	£10.7m	£7.0m	113%
Contracted Homes				
Total number of contracted homes	3,328	3,196	2,800	19%
Estimated rental value per annum	£32.7m	£30.3m	£26.2m	25%
Total number of sites (completed or contracted)	62	54	43	44%
Gross development cost of sites	£771m	£661m	£530m	46%
Estimated rental value of homes per annum	£47.6m	£41m	£33.2m	43%



QUARTERLY UPDATE

Q2 - three months to 31 December 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
FY ended 30 June 2019	5.0p
Q2 2020 (1 Oct to 31 Dec 2019)	1.0p

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

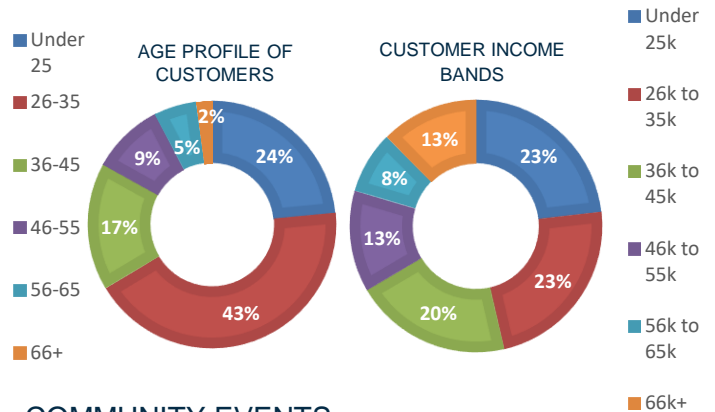
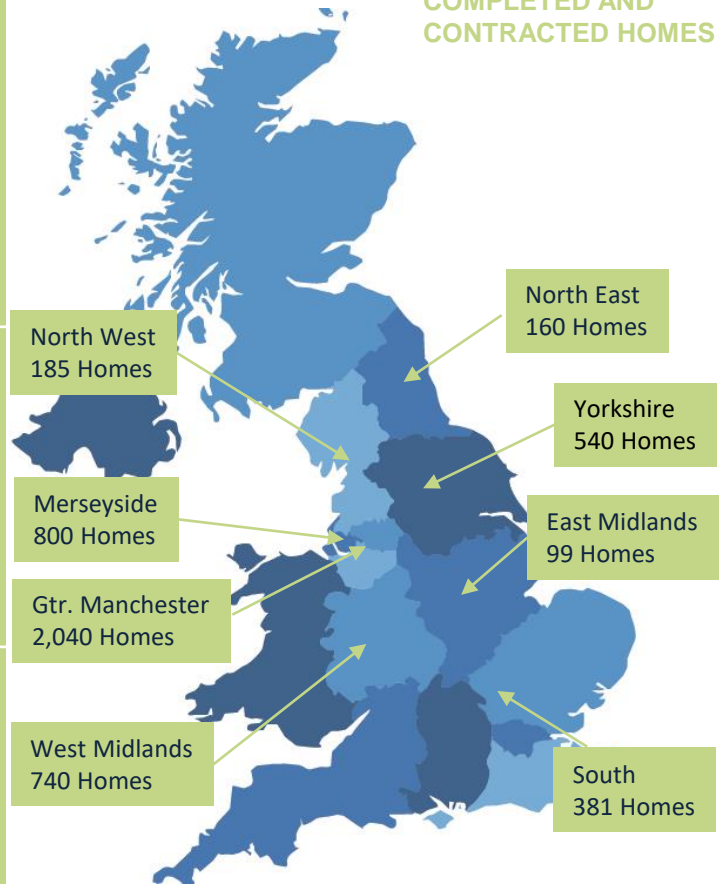
- > exclusive access to Investment Adviser's proven PRS Delivery Platform
- > range of standard family house types
- > fixed price design and build contracts allow for build cost predictability
- > standardised specification – aids maintenance cost predictability
- > properties are located near employment 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

COMPLETED AND CONTRACTED HOMES



COMMUNITY EVENTS

Neighbourhood events are organised throughout the year to create a greater sense of community.



Investment Adviser: Sigma PRS Management Ltd,
1St 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

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

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