

QUARTERLY UPDATE

Q2 - three months to 31 December 2018

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 31 December 2018: c. £530m

Committed** development at 31 December 2018: c. £406m

Annualised rental income at 31 December 2018: c. £7.0m from 775 completed homes

£906m of completed, contracted and committed development since launch. Equates to 6,100 new rental homes when built with an estimated rental value of £57m p.a.

Dividend history for year ending 31 June 2019: 1.0p November 2018

Equity raised to date: £500m

Debt secured to date: £200m

Net asset value at 31 December 2018: £486m

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: £467.54m at 31 December 2018

Shares in issue: 495,277,294

Share price: 94.4p at 31 December 2018

Board of Directors:

Steve Smith, Chairman

Steffan Francis, Non-Executive Director

Roderick MacRae, 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 2018-2019

Nineteen months on from launch, as at 31 December 2018, c. £906m of funding has been either deployed or is committed** to deployment into the Private Rented Sector ("PRS") as the PRS REIT seeks to create a substantial portfolio of high quality, newly-built family rental homes:

- > this equates to c. 6,100 new rental homes when completed (30 Sept 2018: £756m and 5,100 homes)
 - the estimated rental value ("ERV") of these homes is £57.0m p.a.
- > Completed homes increased to 775 at 31 December 2018 (30 September 2018: 595 completed homes)
- > Completed and contracted* development at 31 December 2018 amounted to c. £530m of gross development cost ("GDC") (30 September 2018: c.£384m)
- > Committed development at 31 December 2018 amounted to GDC of c. £406m (30 September 2018: £372m)

RENTAL INCOME

- > Annualised rental income at 31 December 2018 increased to c. £7.0m from 775 completed homes (30 September 2018: c. £5.7m from 595 completed homes)
- > ERV from both completed and contracted sites (c. 3,575 new homes) at 31 December 2018 is c. £33.2m p.a.

- > ERV from committed development sites (c. 2,540 new homes) at 31 December 2018 is c. £24.0m p.a. when all the homes are fully built

ACQUISITIONS

- > In the period, the PRS REIT purchased a newly-completed and let PRS site in Salford, Greater Manchester, from Sigma for £11.7m. Comprising 73 homes, the properties generate an annual rental income of approximately £0.6m. In addition, the Company has signed forward purchase agreements with Sigma to acquire five further PRS sites, which are due for completion at various stages in 2019 and in the first half of 2020.

DEPLOYMENT OF FUNDING

- > During the period, 15 sites were contracted, with construction starting on 12 new development sites. When all 15 sites are completed, this will add approximately 1,310 new homes with an estimated rental value ("ERV") of about £12.5m p.a., for a gross development cost ("GDC") of approximately £205m.

DEBT FINANCE

- > Discussions for a final tranche of an additional £200m of debt are underway, and are expected to be completed by the end of the first quarter of 2019

DIVIDEND

- > Interim dividend of 1.0p per share declared for the quarter ended 30 September 2018

* 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.

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INVESTMENT OBJECTIVES

- > provide investors with an attractive level of income, and the prospect of income and capital growth
- > target* a dividend yield of 6%+ p.a and total return of 10%+ on stabilisation (based on the issue price of 100p)

* 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

Q119 from 1 July to 30th Sept 2018 1.0p

Total from IPO to 31 December 2018 6.0p

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, house price inflation and deposit affordability constraints, alongside 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.

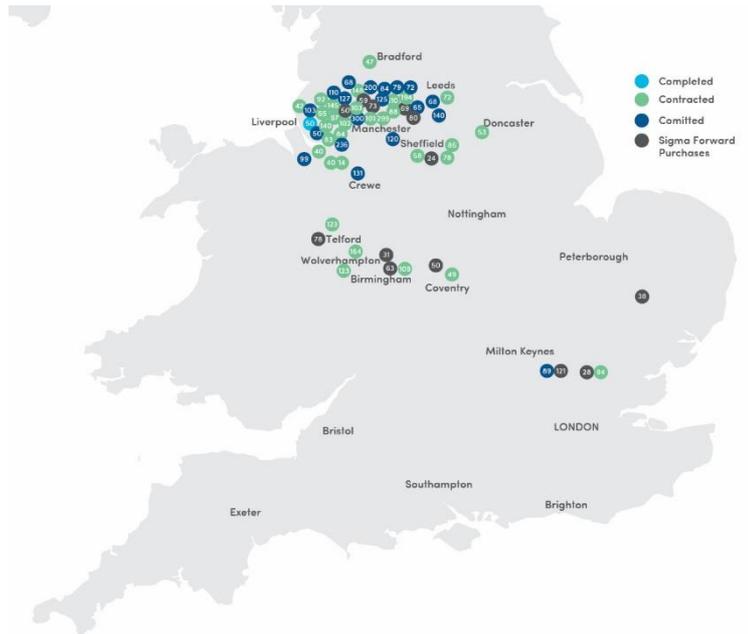
THE MODEL – A DE-RISKED APPROACH

- > 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.

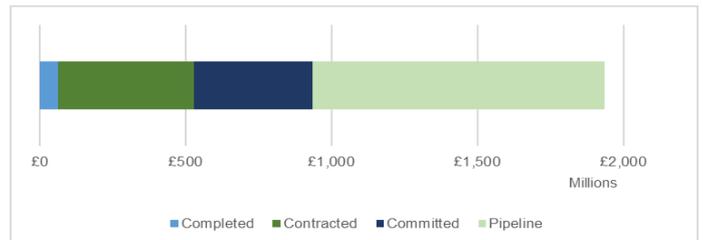
The construction of the majority of new homes will be funded by the Company

- > Investment Adviser procures planning, Certificate of Title, D&B contracts and underwrites pre-development costs

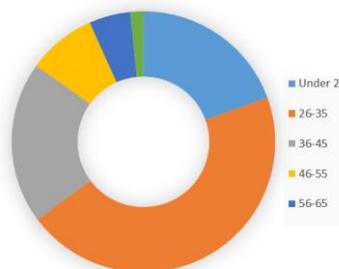
The Company will also acquire portfolios of newly-completed homes



CURRENT FUNDING ALLOCATION



AGE GROUPS OF TENANTS



HOUSEHOLD INCOME BANDS

