

QUARTERLY UPDATE

Q3— three months to 31 March 2020

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: 1,947 at 31 March 2020 with ERV of £17.9m p.a.

Annualised rental income: £15.4m at 31 March 2020 from 1,675 occupied homes

Full deployment of net proceeds of £900m (gross) equates to c. 5,300 new rental homes providing an estimated rental income of c. £53m p.a.

Equity raised to date: £500m

Debt secured to date: £400m

NAV at 31 December 2019: 95.0p

Launch date: 31 May 2017

Year end: 30 June

Market capitalisation: £379m at 31 March 2020

Shares in issue: 495,277,294

Share price: 76.5p at 31 March 2020

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

Q3 2019-20

A further 330 new, high-quality rental homes were added to the PRS REIT's portfolio in the third quarter, taking the total number of completed homes to 1,947 as at 31 March 2020. These are located across 36 fully and part-completed sites.

A further 3,000 homes were under way across 41 sites at 31 March.

RENTAL INCOME

- > Rental income from let homes at 31 March 2020 was up 79% year-on-year to £15.4m per annum. Demand for homes remains strong, with rents c.2% above budget, confirming strong underlying demand.
- > The 3,000 contracted homes at the end of the quarter have an estimated rental value of £29.0m per annum.
- > The total estimated rental value of completed and contracted homes is c. £47.0m per annum.

CORONAVIRUS CRISIS

- > At the end of March 2020, construction work on all sites was suspended by The Company's housebuilding partners following government guidelines designed to contain the spread of the coronavirus.
- > Given the Company's delivery model, which includes fixed price contracts, this has little adverse cash flow or balance sheet effect.
- > Deployment of balance of the PRS REIT's net funding, approximately £75m, has also been strategically deferred pending assessment of opportunities.
- > Payment of a dividend in respect of Q3 will now be reviewed in Q4, when the outlook is likely to be clearer than at present.

	At 31 March 2020	At 31 December 2019	At 31 March 2019
Completed Homes			
Total number of completed homes	1,947	1,617	944
Total rental income per annum	£17.9m	£14.9m	£8.6m
Contracted Homes			
Total number of contracted homes	3,000	3,328	3,907
Estimated rental value per annum	£29.0m	£32.7m	£28.7m
Total number of completed and contracted sites	62	62	49

* Contracted sites 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 sites 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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Q3 - three months to 31 March 2020

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
Q3 2020 (1 Jan to 31 March 2020)	TBC

MARKET OPPORTUNITY

Demand for rental homes in the UK is growing and c. 25% of all households are now living in the rental homes. 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

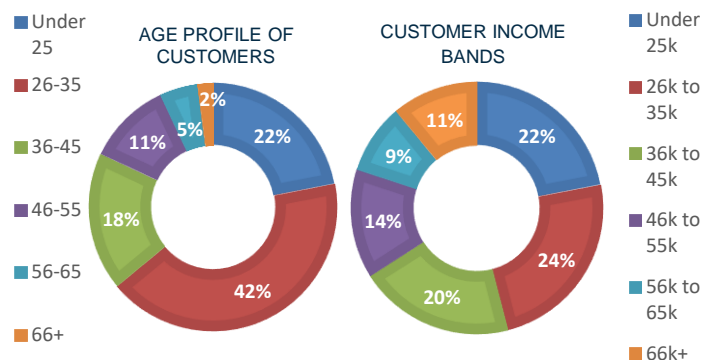
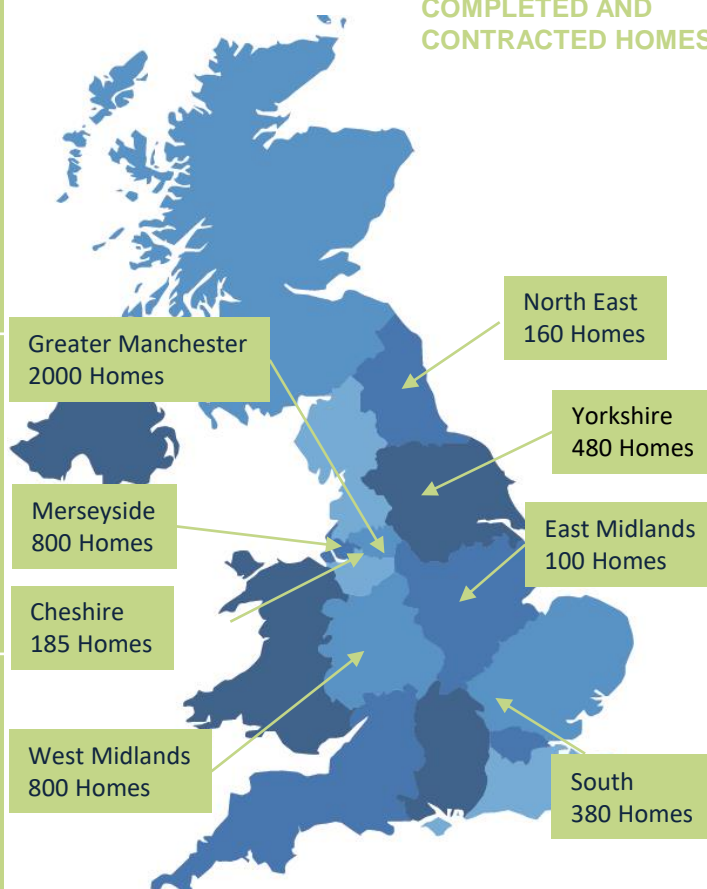
- > exclusive access to Investment Adviser's proven PRS Delivery Platform
- > fixed price design and build contracts allow for build cost predictability
- > range of standard family house types
- > standardised specification – aids maintenance cost predictability
- > properties are located near employment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

Online events and competitions are organised to engage with customers and encourage a sense of community and wellbeing.

