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This announcement is an advertisement and not a prospectus. Investors should not subscribe for or purchase any shares referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") to be published by the Company (as defined below) today in connection with the offer and issue of its ordinary shares (the "Ordinary Shares") and the proposed admission of its Ordinary Shares to the premium listing segment of the Official List of the Financial Conduct Authority ("FCA") ("Official List") and to trading on the main market for listed securities (the "Main Market") of the London Stock Exchange plc (the "London Stock Exchange"). Copies of the Prospectus will, when published, be available for inspection from the Company's registered office: Beaufort House, 51 New North Road, Exeter EX4 4EP and on the Company's website at www.multifamilyhousingreit.com.

Please read the notices at the end of this announcement.

12 September 2018

The Multifamily Housing REIT plc

(the "Company" or "The Multifamily Housing REIT")

The Multifamily Housing REIT Announces its Intention to Float on the Main Market of the London Stock Exchange

PLACING, OFFER FOR SUBSCRIPTION AND INTERMEDIARIES OFFER TARGETING A RAISE OF £175 MILLION

The Multifamily Housing REIT, a closed-ended real estate investment trust established to invest in existing built, regional UK private rented sector homes, today announces its intention to proceed with an initial public offering (the "Issue") of new Ordinary Shares and to apply for the admission of its Ordinary Shares to the premium listing segment of the Official List of the FCA and to trading on the Main Market for listed securities of the London Stock Exchange ("Admission").

Pursuant to the Issue, the Company intends to raise gross proceeds of £175 million, through the issue of 175 million Ordinary Shares at an issue price of £1.00 per Ordinary Share (the "Issue Price"). The Issue will be available to institutional investors in qualifying jurisdictions pursuant to an institutional placing (the "Placing"), to participating intermediaries who will facilitate the participation of their retail investor clients in the UK, the Channel Islands and the Isle of Man (the "Intermediaries Offer") and direct to retail investors in the UK, the Channel Islands and the Isle of Man pursuant to an offer for subscription (the "Offer for Subscription"). The Issue will also include the subscription at the Issue Price for 19,528,639 Ordinary Shares by certain sellers of the Seed Portfolio (as defined below) and 250,000 Ordinary Shares by directors of the Company.

The Company's investment objective is to seek to provide investors with an attractive and stabilised level of income return together with the prospect of income and capital growth through investing in, and growing a portfolio of, UK existing built private market rented residential units ("PRS Homes"). It is intended the portfolio will primarily comprise assets which are already built, located largely in England, outside of Greater London and let to private tenants at mid-market rents, which, in the Company's view, is an undersupplied part of the UK housing market.

The Company's wholly-owned subsidiary, Multifamily Asset 1 Limited, has entered into share sale and purchase agreements which, conditional on Admission, will result in the acquisition by it of 658 PRS Homes and five commercial units across 22 properties (the "Seed Portfolio") for the aggregate purchase price of £70.26 million (including the repayment of shareholder and third party debt), which represents the aggregate market value of the properties with the exception of Paper Mill Yard, Norwich, where a premium of £390,000 to market value is to be paid to reflect the difference between the market and break-up value of the property.

The 22 properties comprising the Seed Portfolio have been independently valued with an aggregate market value of £69.87 million and the 658 PRS Homes and five commercial units have been independently valued with an aggregate market value of £78.249 million. The aggregate market rental value of the individual PRS Homes and the five commercial units in the Seed Portfolio is £4.856 million per annum and the valuation of the Seed Portfolio delivers a gross yield of 7 per cent. per annum. The Seed Portfolio is located across regional England with properties in Bristol, the West Midlands, East Anglia, Manchester and Leeds, amongst others. These locations form the basis of a bespoke management model with concentrations of properties located in close geographical proximity permitting operational efficiencies (the "Hubs"). The Hubs are in the Midlands, the South West, the East and the North and North West of England. Locations have been chosen based on fundamentals providing tenant demand and opportunity for rental growth.

Subject to market conditions and the level of the Company's net income, the Company anticipates paying dividends equating to approximately 4 per cent. annualised for the period from Admission to 31 March 2019. For the year ending 31 March 2020, the Company will target equal quarterly dividends equivalent to a yield of 5 per cent. per annum and thereafter will adopt a progressive dividend policy in line with the anticipated growth in adjusted earnings and will target a dividend yield in excess of 5 per cent. per annum. The Company is targeting a net total Shareholder return of at least 10 per cent. per annum divided between income (payable by way of the dividends mentioned above) and growth in net asset value ("NAV").

The Seed Portfolio has been assembled and is currently managed by Harwood Real Estate Limited ("HRE"), a real estate management platform formed in 2009. Operating almost exclusively outside of London, HRE has managed investments of over 2,450 PRS Homes over the last three and a half years, transacting on approximately £490 million of residential assets.

The Company is an externally managed alternative investment fund for the purposes of the EU Alternative Investment Fund Managers Directive (the "AIFMD") and as such is required to have an investment manager which is duly authorised to undertake the role of an alternative investment fund

manager (“AIFM”) pursuant to the AIFMD. The Company’s AIFM is G10 Capital Limited. The AIFM has appointed Harwood Real Estate Asset Management Limited (the “Investment Adviser”), a recently incorporated company and member of Harwood Capital Management Limited group of companies (“HRE Group”) (with whom it shares senior management), to act as investment adviser to the AIFM and the Company. The Investment Adviser is appointed to advise the AIFM and the Company on a day-to-day basis in accordance with the Company’s investment policy and to recommend and give advice to the AIFM and the Company in relation to the proposed investments of the Company. The Investment Adviser has been appointed by the AIFM as its appointed representative.

Key highlights:

A focus on regional, existing built stock, targeting the fastest growing and undersupplied part of the PRS market

- An affordable mid-market rental proposition for the majority of the working population, offering immediate access to built PRS Homes, with rents of approximately £500 to £700 per month. This equates to 30 per cent. of the median salary for approximately 70 per cent. of the local regional population. This compares to average one bedroom build-to-rent (“BTR”) rents requiring 46 per cent. of an average local regional salary.
- Offering an alternative to BTR for the private mid-market renter, with 3.65 million households renting regionally and only 10,000 units brought forwards by BTR initiatives to date.

Strong performing, income producing Seed Portfolio, with an aggregate market rental value of the individual PRS Homes of £4.856 million per annum and a gross yield of 7%

- The 22 properties comprising the Seed Portfolio, carefully assembled since 2015, are independently valued with an aggregate market value of £69.87 million. The Seed Portfolio contains 658 PRS Homes and five commercial units, with an average apportioned purchase price of approximately £105,000 per PRS Home and an average rent per PRS Home of £603 per month. The 658 PRS Homes and five commercial units have been independently valued with an aggregate market value of £78.249 million.
- The portfolio is operating with an average occupancy rate of 95 per cent. and average tenancy length in excess of 4.79 years.
- The properties are located across regional England including in Bristol, the West Midlands, East Anglia, Manchester and Leeds, amongst others. These locations are focused around the management Hubs which have been chosen based on economic fundamentals providing tenant demand and opportunity for rental growth.

Pipeline of immediately income producing properties with an estimated aggregate value of approximately £422 million

- The Investment Adviser’s senior managers have analysed approximately £1.3 billion of potential transactions in the last 18 months, of which £920 million meets the Company’s investment criteria.
- The Company has already identified a pipeline of income producing PRS Homes in established locations available to acquire, with an estimated aggregate value of approximately £422 million.
- The Company has a competitive advantage with differentiated access to suitable investment opportunities through the HRE Group’s and the Investment Adviser’s senior managers’ experience

in sourcing on and off-market transactions from a network of key contacts, including owner/principals, specialist real estate brokers and financial/insolvency practitioners.

- The Company will benefit from an immediate income stream as a significant majority of the properties will already be let to tenants at the time of completion of their acquisition.

Targeting an attractive 10 per cent. total return including a 5 per cent. dividend yield with a progressive dividend policy

- Subject to market conditions and the level of the Company's net income, the Company anticipates paying dividends equating to approximately 4 per cent. annualised for the period from Admission to 31 March 2019.
- For the year ending 31 March 2020, the Company will target equal quarterly dividends equivalent to a yield of 5 per cent. per annum and thereafter will adopt a progressive dividend policy in line with the anticipated growth in adjusted earnings and will target a dividend yield in excess of 5 per cent. per annum.
- A total target return of at least 10 per cent, divided between income and growth in NAV upon full investment of the Issue proceeds and associated gearing.

Institutionalising a proven market opportunity within an emerging asset class

- The regional private rental sector ("PRS") is the fastest growing UK residential tenure and an emerging asset class¹. In the last decade, the regional PRS market has grown by 108 per cent. compared to 89 per cent. for the Greater London market.
- Knight Frank² estimated the investment market in 2016 and 2017 to be £5 billion per annum: 2.38 times the ten year average investment per annum of £2.1 billion demonstrating the speed at which the market is growing. The Investment Adviser believes this underestimates the Company's addressable market as it is unlikely to capture smaller and off-market transactions.
- At present, the BTR sector makes up 0.24 per cent. of the PRS sector and it is not forecast to exceed 1.6 per cent. of the PRS sector based on all visible pipeline. Taking this into account, the majority of the PRS sector is made up of existing built blocks of apartments or collections of houses that have a rental track record.
- A high proportion of PRS Homes are held by small private individual landlords.
- Over the last two years, a number of government initiatives have impacted the sector, including changes to Stamp Duty Land Tax and loan interest deductibility. Investment in buy-to-let properties has dropped by 80 per cent. over the same period as institutional investment to date has been focussed on the BTR sector.
- The Company offers an opportunity to access the existing market on an institutional scale. As the market for the asset class emerges and becomes more institutionalised, there may be opportunities for capital growth from yield compression.

¹ *English Housing Survey 2016 to 2017*

² *Knight Frank Specialist Sector Report 2017*

Experienced fund management team with extensive track record executing transactions and operating in the PRS market

- The Investment Adviser shares senior management with the HRE Group which has specialised in executing large off-market deals since 2012, having transacted on approximately £490 million of residential assets in the last three and a half years.
- Senior management of the Investment Adviser has managed investments of over 2,450 PRS Homes since 2014. The Investment Adviser believes the networks that its senior managers have built up over a number of years, the regional and built stock focus, with the ability to look at smaller block sizes (too small for institutional operators), puts it at a competitive advantage.

Established management structure

- The Investment Adviser has an established relationship with the Company's property manager Centrick Property Sales Limited (the "Property Manager").
- The Property Manager has 133 staff and is based in Birmingham, with satellite offices in London, Solihull and Nottingham, as well as staff focused exclusively on the Seed Portfolio properties in Bristol and East Anglia.
- A bespoke management model with concentrations of properties located in close geographical proximity permitting operational efficiencies with Hubs in the Midlands, the South West, the East and the North and North West of England.

Management alignment

- In order to ensure alignment of interests, certain sellers of the Seed Portfolio, including HRE, will roll in approximately £19.5 million of equity in the REIT, with the Company's directors investing £250,000 in aggregate.
- The Investment Adviser will not be paid a performance fee for managing the assets. The Investment Adviser fee structure is closely aligned to the interest of shareholders, comprising a net rent fee of 6 per cent. reducing to 4 per cent. and a NAV fee of 0.5 per cent. reducing to 0.35 per cent. as NAV scales (initially totalling the equivalent of 1 per cent. of NAV), with 25 per cent. of the total fee payable in Ordinary Shares other than cash.

Nick Jopling, Non-Executive Chairman of The Multifamily Housing REIT, commented:

"The provision of, and access to, good quality and affordable privately rented accommodation has been lacking in the UK and it remains one of the most under supplied and fragmented, yet fastest growing, parts of the housing market. Through the assembly and performance of the seed portfolio, the highly experienced management team has demonstrated that The Multifamily Housing REIT model is a compelling proposition, delivering a highly visible and improving income stream year on year and giving us confidence that we can deliver significant market outperformance and attractive returns for shareholders."

Jonathan Whittingham, Chief Executive Officer of Harwood Real Estate Asset Management Ltd and Non-Executive Director of The Multifamily Housing REIT, added:

"This is a hugely exciting opportunity for investors, as we look to capitalise on the favourable supply demand dynamics supporting investment into the PRS sector, an addressable market believed to be valued at over £900 billion, and build out the UK's first significant built stock platform to meet the demands of renters for genuinely affordable, well-located accommodation. With a significant

pipeline of good-quality, high occupancy properties identified, we are well placed to deliver the 10% income focussed target return, as the first REIT to offer investor access to the existing PRS market on an institutional scale.”

Proposed Timetable

2018

Publication of Prospectus	12 September
Issue opens	12 September
Latest time and date for receipt of completed application forms in respect of the Offer for Subscription	1.00 p.m. on 24 September
Latest time and date for receipt of completed applications from participating intermediaries in respect of the Intermediaries Offer	10.00 a.m. on 25 September
Latest time and date for commitments under the Placing	12 noon on 25 September
Publication of results of the Issue	26 September
Admission and unconditional dealings in Ordinary Shares commence	8 a.m. on 28 September
CREST accounts credited with uncertificated Ordinary Shares	28 September
Where applicable, definitive share certificates despatched by post	Week commencing 8 October

Enquiries:

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Please read the notices at the end of this announcement.

Further Information

The Issue

The Company is targeting an issue of 175 million Ordinary Shares, which includes the subscription at the Issue Price for 19,528,639 Ordinary Shares by certain sellers of the Seed Portfolio and 250,000 Ordinary Shares by directors of the Company. The target net proceeds of the Issue are £171.5 million on the assumption that the target gross proceeds are £175 million.

The total number of Ordinary Shares to be issued and their allocation to investors under the Placing, the Offer for Subscription and the Intermediaries Offer will be determined by the Company (following consultation with Peel Hunt LLP (“Peel Hunt”)) after taking into account demand for the Ordinary Shares. If there is sufficient demand, the Company may increase the number of Ordinary Shares issued pursuant to the Issue to 250 million following consultation with Peel Hunt. Any such increase will be announced through a regulatory information service and the Company's website prior to Admission.

The actual number of Ordinary Shares to be issued pursuant to the Issue, and therefore the gross and net proceeds of the Issue, are not known as at the date of this announcement but will be notified by the Company via a regulatory information service prior to Admission. The Issue is not being underwritten and is conditional, among other things, upon the minimum net proceeds from the Issue being at least £122.25 million or such lesser amount as the Company and Peel Hunt may determine and notify to investors via a regulatory information service and in a supplementary prospectus.

The maximum and minimum Issue size should not be taken as an indication of the number of Ordinary Shares to be issued. Dealings in the Ordinary Shares will not be permitted prior to Admission.

The Board

The Board of the Company comprises four directors, all of whom are non-executive and independent of the AIFM and the Investment Adviser, with the exception of Jonathan Whittingham who is a director and member of the senior management team of the Investment Adviser. The directors are responsible for ensuring compliance with the Company's investment policy and the overall supervision of the Company. The directors will meet at least four times per year. The directors are as follows:

Nick Jopling, Non-Executive Chairman

Nick Jopling has approximately 25 years' experience in the residential property sector. He was Executive Director of Grainger Plc until September 2017. He was previously with CB Richard Ellis where he was Head of Residential and with Allsop LLP where he was Managing Director of the residential investment business. He was a founder and Chairman of the Urban Land Institute's UK Residential Council and was a Member of Sir Adrian Montague's committee that reviewed the Barriers to Institutional Investment in Private Rented Homes in 2012.

David Lis, Non-Executive Director

David Lis was CIO of Equities and Multi-Assets at Aviva Investors, the global asset management business with £267 billion AUM until he retired in 2016. Prior to this, he was Head of Equities at Aviva

Investors, with overall responsibility for £33 billion of active and passive funds across all major markets and direct day to day responsibility for the active management of the £5.5 billion Institutional UK Equity Fund, £1.1 billion Global Income Fund, £200 million Aviva Investors UK Growth OEIC and £100 million UK Smaller Companies OEIC.

Before joining Norwich Union (now Aviva) in 1997, David spent a number of years as Head of Investor Relations at Ludgate Communications, advising a number of major UK and international companies on their financial communications. Earlier in his career, he co-founded Windsor Investment Management, and also spent a number of years as a fund manager at both Morgan Grenfell and J Rothschild Investment Management.

Clive Standish, Non-Executive Director

Clive Standish's professional career began with N M Rothschild & Sons Ltd in London. In 1979 he was appointed a partner with Dominguez & Barry in Australia and became a Member of the Melbourne Stock Exchange in 1980. He was the Founding Executive Director at Dominguez Barry Samuel Montagu Limited and subsequently Head of Capital Markets and Managing Director until 1991 and then CEO of SBC Warburg Dillon Read Australia.

In 1998 he was appointed Chairman and CEO for Asia Pacific UBS AG and Member of the Group Managing Board and subsequently Member of the Group Executive Board. In 2003 he moved to Zurich as Group Chief Financial Officer UBS AG until 2007 when he retired from the Board of UBS AG.

Clive joined the charity Mentor as a Trustee in 2015.

Jonathan Whittingham, Non-Executive Director

Jonathan Whittingham founded the HRE Group in 2010 to aggregate the real estate investment activities of the Harwood Capital Management Group. Jonathan is responsible for overall strategy of the real estate function with a primary role of sourcing investment opportunities. Jonathan also takes on direct responsibility for all investor relations.

Jonathan has sourced and transacted on in excess of £1.5 billion of real estate opportunities, including £450 million of direct residential investments, with a specific focus historically on active value. Jonathan is a main board Director of Harwood Capital Management and also a member of the Urban Land Institute Midland Executive Committee ("ULI"). The ULI is the largest network of cross-disciplinary real estate and land use experts which provides leadership in the responsible use of land and in creating and sustaining thriving communities.

Dividend Policy

The Company intends to pay interim dividends on a quarterly basis in cash. Subject to market conditions and the level of the Company's net income, the Company anticipates paying dividends equating to approximately 4 per cent. annualised for the period from Admission to 31 March 2019. The first interim dividend is expected to be declared in February 2019 for the period from Admission to 31 December 2018 and then again in May 2019 for the quarter ending 31 March 2019. For the year ending 31 March 2020, the Company targets equal quarterly dividends totalling 5 pence per share (equivalent to a yield of 5 per cent. per annum) and thereafter will adopt a progressive dividend policy

in-line with adjusted earnings and will target a dividend yield equivalent to at least 5 per cent. per annum. All dividend yields are stated by reference to the Issue Price.

The Company may offer Shareholders the opportunity to receive dividends in the form of further Ordinary Shares.

Upon full investment of the Net Proceeds and associated gearing, the Company is targeting a net total Shareholder return of at least 10 per cent. per annum divided between income (payable by way of the dividends mentioned above) and growth in NAV.

Investment Proposition

1 Investment Process

1.1 Deal Sourcing

The Investment Adviser will identify existing built, developed and income producing residential assets deemed to meet the Company's objective and investment policy, and the target investment criteria below. The Investment Adviser will utilise a database of contacts and market activity to monitor relevant opportunities. Opportunities will be sourced both through agents marketing transactions to key contacts, of which the Investment Adviser is one by virtue of it being a member of the HRE Group, and directly through the Investment Adviser, having the benefit of its senior managers' proprietorial relationships in the residential sector. These include a variety of owner, principals, specialist real estate brokers and financial practitioners.

The Investment Adviser believes it has differentiated access to suitable investment opportunities through the HRE Group's and senior managers' experience in sourcing on and off market transactions from a network of key contacts, including owner, principals, specialist real estate brokers and financial practitioners. Its senior managers have specialised in executing large off market deals since 2012 and has transacted on approximately £490 million of residential assets in the last three and a half years. Its senior managers have analysed approximately £1.295 billion of potential transactions in the last 18 months, of which £920 million met the investment criteria of the Company. The Investment Adviser believes the networks its senior managers have built up, in addition to targeting the part of the market that is typically too large for private buyers (but at the lower end of institutional appetite) puts it at a competitive advantage.

1.2 Target Investment Criteria:

The Company will invest in assets with the following characteristics.

Real Estate

- locations with sustainable residential demand and limited risk from competing developments;
- suitable demographic profile and proximity to appropriate local employers, transport links and community facilities;
- capable of efficient management from established and future managements Hubs considering both location and scale;
- appropriate mid-market rental levels which are suitable for a broad spectrum of the local population;
- focus on one and two bedroom properties (except where local demand and affordability permits larger properties);
- freehold ownership – long leasehold ownership will be considered where a suitable level of control can be maintained over the asset;
- target assets are subject to full technical due diligence to ensure suitable age, construction and configuration profile to mitigate maintenance exposure and operation risks such as external cladding panels.

Converted properties may include income producing completed permitted developments, subject to due diligence being completed to focus on structural components, unit sizes and specifications. The Investment Adviser believes that permitted development provides an alternative viable route to continue to address the housing shortfall in some areas.

Income

- Affordability of rents relative to the local population
- Evidence of arrears, stable rent history, maintenance budget
- Strong historic occupancy
- Working population
- Target tenants are across all age groups and often employed locally
- Economic rental offering for the local population

Local Market

- Conurbations and employment centres largely in England, outside of Greater London
- Rent and capital growth potential
- Local employment focus
- No evidence of oversupply in pipeline
- Sites protected from new local development

1.3 ***Asset Identification and Screening***

Available pipeline will be reviewed on a rolling basis by the Investment Adviser. Identified opportunities will be assessed against the above investment criteria (as well as the Company's investment objective and investment policy) for initial suitability. This will be done on the basis

of both technical and financial suitability but also on the quality of available data and the nature of the relationship with vendor/agent.

Deals passing the initial screening of the Investment Adviser will be subject to a pre-bid diligence process to verify the data provided. This process will include a site inspection and a data room review, including light touch legal and financial due diligence as deemed appropriate. Key considerations include:

- site location relative to transport, education and employers;
- availability of competing housing stock and evident development pipeline;
- dynamics of the local area – employment and population;
- age, quality and condition of assets;
- net income profile and history;
- possible value add asset management opportunities – extension, reconfiguration, targeted Capital expenditure; and
- harvested data will be reflected in pre-bid financial modelling to verify sensitised return profiles and pricing parameters.

1.4 ***Due Diligence and Deal Execution***

Formal due diligence, following agreement on price, will commence and exclusivity with the relevant vendor will be sought. Key elements will include:

- full legal review of title, planning, construction and operational data;
- desktop environmental and flooding review;
- review of financial data and tax position as required;
- building survey where deemed appropriate;
- verification of provided operational income data;
- independent valuation; and
- investment committee approvals process.

The Investment Adviser will execute and manage all key appointments using known and tested advisers, including the Property Manager. The Property Manager will assist in the formal due diligence process and will work with the Investment Adviser to agree bespoke operational budgets for each acquisition.

The Investment Adviser and Property Manager will agree an asset migration plan with the vendor/existing managing agent to ensure efficient transfer of process on completion of acquisitions.

2 OPERATIONAL PROCESS

2.1 *Asset Management*

The Investment Adviser will perform key asset management services for the Company. This includes responsibility for:

- origination and acquisitions;
- control of key operational matters;
- performance monitoring and investor reporting;
- identifying and executing value-add asset management opportunities; and
- initial financial preparation and review.

Key tenant experience and occupancy drivers include:

- focus on tenant retention and security;
- offering more flexible lease terms;
- offering zero letting fee and deposit options;
- connecting tenants through technology including tenant feedback provision; and
- progressive reinvestment in assets to maintain high standards of product.

Key efficiency targets to drive net operating income:

- more direct control of tenancy management and maintenance;
- bulk purchasing opportunities;
- closer monitoring of local markets;
- utilisation of emerging smart technology; and
- data harvest and trend analysis.

2.2 *Operational Hub Model*

The Investment Adviser has developed a bespoke operational and property management model focussed around four key Hubs, namely: the Midlands, the South West, the East, and the North and North West of England. Employees of the Property Manager are located at each of the Hubs in close proximity to the Seed Portfolio assets to ensure that they can provide tenant support. The Investment Adviser has started to implement on-site maintenance staff in areas with specific concentrations. This structure has been created to drive efficiency in operations while improving tenant experience and retention.

The Seed Portfolio is spread across 12 locations with some concentration by market value in Bristol (18.8 per cent.), Lowestoft (14.4 per cent.) and Derby (19.8 per cent.). The locations are reflective of the proprietary Hub management model that the Investment Adviser operates and are concentrated around the core geographical concentrations of the PRS Homes.

The Investment Adviser intends to develop and expand its Hub management model as new concentrations of PRS Homes are formed from the assets acquired by the Company, the locations of the new Hubs will be based on these new concentrations but will benefit from the existing infrastructure in place.

The Investment Adviser has selected its existing Hub locations based on an assessment of underpinning economic drivers and opportunity for rental and capital growth.

2.3 ***Property Management***

The Investment Adviser has appointed the Property Manager (on behalf of the Company) to perform key cash collection and tenancy management functions. The Property Manager is directly appointed by the Company but its performance will be overseen and monitored by the Investment Adviser. The Investment Adviser has been working with the Property Manager as partner managing agent since 2015. The Property Manager is responsible for rent collection and treasury management, tenancy management, legal compliance and management of maintenance requests. In addition, the Property Manager provides property management expertise and support throughout the acquisition process to ensure a smooth handover.

2.4 ***Rent Collection***

The Property Manager will have sole responsibility for cash collection. This will be monitored by the Investment Adviser against agreed targets through monthly operational reporting and management meetings.

2.5 ***Operational Costs***

The Investment Adviser and the Property Manager will agree operational budgets prior to the completion of the acquisition of new Portfolio Assets (other than the Seed Portfolio) and the Property Manager will work within defined parameters. Budgets and performance will be reviewed at monthly meetings between the parties. Any expenditure without agreed budgets and thresholds will require express approval of the Investment Adviser.

The Property Manager will make payments of agreed and approved operational costs from rent funds collected. Net cash will be remitted to the Company and accounted accordingly. Costs will be monitored against agreed targets through regular reporting and management meetings.

2.6 ***Tenancy Management***

The Property Manager will co-ordinate new lettings and tenancy renewals with local property agents where required. Sole or joint letting agents will be appointed bespoke to each location as agreed and approved by the Investment Adviser.

The Investment Adviser will agree market rental values with the Property Manager at acquisition of the relevant Portfolio Assets. These will be reviewed through monthly management meetings to ensure stabilised rent growth profiling while maintaining appropriate tenant retention.

The Company will target a minimum 6 month term for new lettings. Any new lease contracts will be based on standard forms, with any deviation from this standard requiring approval from the Investment Adviser.

The Property Manager will act as managing and lettings agent for the properties. Fees are payable in respect of both the tenancy and block management services to be provided by the Property Manager. A management fee of £150 per residential unit is payable for the provision of all ongoing block management services to be provided by the Property Manager. Tenancy management fees are based on a fee of 8 per cent. of rental income collected for the Seed Portfolio (with the potential to reduce the fee as the pipeline is invested and the Company's portfolio gains greater scale) with additional letting fees where appropriate.

3 OVERVIEW OF THE SEED PORTFOLIO

3.1 *Overview of the Hubs*

Midlands Hub

Seven properties (311 PRS Homes, 98 per cent. occupancy) located in Birmingham, Walsall, Derby, Cannock and Leek with an aggregate market value of £29,470,000 and a 7.5 per cent. gross yield per annum.

South West Hub

Four properties (77 PRS Homes, 97 per cent. occupancy and 3 commercial units) located in Bristol with an aggregate market value of £13,100,000 and a 5.8 per cent. gross yield per annum.

Eastern Hub

Eight properties (177 PRS Homes, 94 per cent occupancy and 2 commercial units) located in Norwich, Lowestoft and Great Yarmouth with an aggregate market value of £16,850,000 and a 7 per cent. gross yield per annum.

North & North West Hub

Three properties (93 PRS Homes, 90 per cent. occupancy) located in Manchester, Leeds and Preston with an aggregate market value of £10,450,000 and a 6.9 per cent. gross yield per annum.

3.2 ***The Properties in the Seed Portfolio***

Most of the properties in the Seed Portfolio are low-rise blocks of apartments with a maximum of four floors. The properties include purpose built residential properties, such as the properties in Walsall, and converted buildings an example of which is the converted school in Leeds. The properties are typically of traditional construction, often of brick. Building structures are carefully diligenced prior to acquisition.

On average, there are 30 PRS Homes per property, with the largest property containing 78 PRS Homes. The majority of the properties are blocks of apartments containing one and two bedroom PRS Homes. In addition, within the Seed Portfolio are eleven three bedroom houses in Whitley Mead, Bristol, located next to the Barnes Court property which is also in the Seed Portfolio.

The Seed Portfolio also contains five commercial properties located on the ground floors of two of the freehold blocks of apartments to be acquired by the Company in Church Road, Bristol and Wensum Court, Great Yarmouth.

The PRS Homes are occupied by private tenants. The average rent per PRS Home across the Seed Portfolio is £603 per calendar month. This makes the gross rents within 30 per cent. of median salaries for 70 per cent. of the regional population.

The Seed Portfolio is currently owned by eight special purpose vehicles (the "SPVs") that are being acquired by the Company on Admission with the exception of Celtic House, Derby (which comprises 78 PRS Homes and has a market value of £8,500,000). One of the SPVs has exchanged contracts to acquire Celtic House subject to Admission and the property producing income equivalent to 95 per cent. of an agreed target rent. It is anticipated that the purchase of Celtic House, Derby will complete in the last quarter of 2018.

3.3 ***Long Leasehold***

The Seed Portfolio includes six freehold blocks of apartments that together contain 181 apartments which have been let by previous owners on a long leasehold basis (of more than 50 years) to third parties. These apartments are not included within the total number of PRS Homes in the Seed Portfolio.

146 of the long leasehold units are located in four blocks of apartments at Paper Mill Yard, Norwich. The remaining 34 units at that property, which are not subject to long leases, are PRS Homes. The market value of Paper Mill Yard is £5.92 million representing a gross yield of 5.1 per cent. per annum and a 20 per cent. discount to the aggregate break-up value of £7.425 million. This value differential is a result of the proportionately high number of long leasehold units and strength of the individual unit sales market for this property, and as a result is not comparable to any other property in the Seed Portfolio. In recognition of the value differential and the potential for the Company to realise such value through the sale of the individual units

and ground rent portfolio, the Company has agreed to pay the sellers of Paper Mill Yard a premium of £390,000 to the market value of the property.

Certain statistical information regarding the Seed Portfolio

Unless stated otherwise, where included in this announcement the sum or percentage relating to occupation, average rent and passing rent of PRS Homes forming part of the Seed Portfolio are as at 30 April 2018.

Gross yield

For the purposes of this announcement, gross yield is calculated by dividing the aggregate market rental value of the individual PRS Homes and five commercial units per annum by the aggregate market value of the 22 properties forming the Seed Portfolio (as at 30 June 2018).

Valuations

The valuations of the Seed Portfolio contained in this announcement are as at 30 June 2018.

Dividends and targets

The dividend and return targets stated in this announcement are targets only and are not a profit forecast. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected future results. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend yield and target net total shareholder return are reasonable or achievable.

Forward-looking statements

This announcement contains forward-looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or in each case, their negative or other variations or similar expressions. Such forward-looking statements involve unknown risk, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective shareholders are cautioned not to place any undue reliance on such forward-looking statements. These forward-looking statements speak only as at the date of this announcement. Subject to its compliance with its legal and regulatory obligations (including under the Listing Rules, the Disclosure Guidance and Transparency Rules, the Market Abuse Regulation and the Prospectus Rules), the Company undertakes no obligation to update or revise any forward-looking

statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

Important notice

The contents of this announcement, for which Company is responsible, have been approved by, G10 Capital Limited which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, solely for the purposes of Section 21(2)(b) of the Financial Services and Markets Act 2000. G10 Capital Limited is acting exclusively for the Company in relation to the proposed offer of ordinary shares in the Company and will not be responsible to anyone else for providing the protections afforded to its customers nor for providing advice in relation to the proposed offer.

The contents of this announcement do not constitute or form part of an offer of or invitation to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for, any securities for sale in any jurisdiction nor shall they (or any part of them) or the fact of their distribution form the basis of, or be relied upon in connection with, or act as any inducement to enter into, any contract or commitment therefor. Recipients of this announcement who intend to purchase such securities are reminded that any such purchase or subscription must be made solely on the basis of the information contained in the Prospectus in its final form.

The date of Admission and the remainder of the Issue timetable may be influenced by a range of circumstances, including market conditions. There is no guarantee that Admission will occur and you should not base your financial decisions on the Company's intentions in relation to the Issue and Admission at this stage. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested. Persons considering making such an investment should consult an authorised person specialising in advising on such investments. This announcement does not constitute a recommendation concerning the Issue. The value of the Ordinary Shares can decrease as well as increase and, in the worst case, you could lose your entire investment. Potential investors should consult a professional adviser as to the suitability of the Issue for the person concerned. Past performance cannot be relied upon as a guide to future performance.

The Issue is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of Canada, Australia, Japan or any other jurisdiction where it is unlawful to do so. You must not, directly or indirectly, mail or otherwise forward or distribute or send this announcement in, into or from Canada, Australia, the Republic of South Africa, Japan or any other Restricted Jurisdiction or to, or for the account or benefit of, any resident of Canada, Australia, the Republic of South Africa, Japan or any other jurisdiction where it is unlawful to distribute this announcement (together, the "Restricted Jurisdictions"). The Ordinary Shares have not been and will not be registered under any of the relevant securities laws of Canada, Australia, the Republic of South Africa, Japan or any other Restricted Jurisdiction. Accordingly, unless an exemption under such act or laws is applicable, the Ordinary Shares have not been, and will not be, offered, sold or delivered directly or indirectly in or into Canada, Australia, the Republic of South Africa, Japan or any other jurisdiction where it is unlawful to do so. This announcement does not constitute, and may not be used for the purposes of, an offer or

solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In member states of the European Economic Area other than the United Kingdom this announcement is only addressed to and directed at persons who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC), as amended.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.

Neither this announcement nor the Prospectus has been reviewed by the Guernsey Financial Services Commission (the "Guernsey Commission") and the Guernsey Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Neither this announcement nor the Prospectus has been reviewed by the Jersey Financial Services Commission ("JFSC") and the JFSC takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it. This announcement and the Prospectus may be circulated in Jersey only by persons who are registered by the JFSC in accordance with the Financial Services (Jersey) Law 1998 (as amended) for the conduct of financial services business and distribution of this announcement and the Prospectus or are exempt from such registration in accordance with the Financial Services (Jersey) Law 1998, as amended.

The public offering of interests in the Company in Belgium within the meaning of the Belgian Act of April 19, 2014 on alternative undertakings for collective investment, and the Belgian Act of June 16, 2006 on the public offering of investment instruments and the admission of investment instruments to listing on a regulated market has not been authorised by the Company. The offering may therefore not be advertised, and interests in the Company may not be offered, sold, transferred or delivered to, or subscribed to by, and no memorandum, information circular, brochure or similar document may be distributed to, directly or indirectly, any individual or legal entity in Belgium, except (i) to "qualified investors" as referred to in Article 10, § 1 of the aforementioned Act of June 16, 2006, (ii) subject to the restriction of a minimum investment of €100,000 per investor or (iii) in any other circumstances in which the present offering does not qualify as a public offering in accordance with the aforementioned Act of June 16, 2006. This announcement and the Prospectus has been issued to the intended recipient for personal use only and exclusively for the purpose of the offering. Therefore, it may not be used for any other purpose, nor passed on to any other person in Belgium.

Neither this announcement nor the Prospectus has been approved by and will not be submitted for approval to the Netherlands Authority for the Financial Markets (Stichting Autoriteit Financiële Markten) for the purposes of public offering or sale in the Netherlands. Therefore, in connection with any public offering, this document may only be distributed to "qualified investors" (gekwalificeerde

beleggers) as defined in article 1:1 of the Dutch Financial Supervision Act (Wet op het financieel toezicht). This announcement does not constitute a personal recommendation or an investment recommendation pursuant to Netherlands law.

Neither this announcement nor the Prospectus has been, or is required to be, filed or lodged with any regulatory or other authority in the Isle of Man and the Isle of Man Financial Services Authority does not vouch for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.

Any purchase of Ordinary Shares in the proposed Issue should be made solely on the basis of the information contained in the Prospectus. The information in this announcement is for background purposes only and does not purport to be full or complete. No reliance may or should be placed for any purposes whatsoever on the information contained in this announcement or its accuracy, completeness or fairness. The information in this announcement is subject to change. No obligation is undertaken to update this announcement or to correct any inaccuracies and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company to proceed with the Issue or any transaction or arrangement referred to herein. This announcement has not been approved by any competent regulatory authority.

Peel Hunt, which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and no one else in connection with the matters referred to in this announcement. Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt by the FSMA or the regulatory regime established thereunder, Peel Hunt does not make any representation, express or implied in relation to, nor accepts any responsibility whatsoever for, the contents of this announcement or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares or the Issue. Peel Hunt accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability whether arising in tort, contract or otherwise which it might have in respect of this announcement or any other statement. Peel Hunt will not regard any other person (whether or not a recipient of this announcement) as its client in relation to any Admission or the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Peel Hunt, or for providing advice in connection with the contents of this announcement or any other matters referred to in this announcement.

Certain figures contained in this announcement, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum or percentage change of the numbers contained in this announcement may not conform exactly to the total figure given.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of

the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares have been subject to a product approval process, which has determined that the Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “Target Market Assessment”).

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; Ordinary Shares offer no guaranteed income and no capital protection; and an investment in Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, Peel Hunt will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or Company of investors to invest in, or purchase, or take any other action whatsoever with respect to Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.