

Residential Secure Income plc

UK Social Housing Real Estate Investment Trust

About Us

ReSI is the first real estate investment trust able to invest in all residential asset classes that comprise the stock of registered UK social housing providers, Housing Associations and Local Authorities across the United Kingdom.

ReSI seeks to provide stable rental income to its investors by holding assets indefinitely. ReSI is not looking to trade its investment to make returns and its financial model looks only to rent and has no reliance on capital appreciation. Thus, ReSI's economic objectives match those of Housing Associations and Local Authorities who naturally want to support their existing tenants over the long-term rather than enhance returns through accelerated market sales.

ReSI's objective is to deliver long-term stable inflation-linked returns to its shareholders by acquiring high quality residential assets which comprise the stock of UK social housing providers. The target is to deliver an inflation linked 5% p.a. dividend and total return in excess of 8% p.a.

We are pleased that ReSI Housing announced that David Orr, previously CEO of the National Housing Federation, had been appointed chairman.

36.2%

LTV RATIO

Ratio of total debt drawn against fair value of investment property (excluding adjustment for finance lease asset)

105.9p

NET ASSET VALUE PER SHARE

IFRS Net Asset Value p/s an increase of 7.9 p (versus Net Asset Value per share immediately following Admission of 98.0p)

2,431

UNITS ACQUIRED

2,431 units acquired across the UK as at 31 December 18 with a further 81 assets exchanged on



£181.1m Net Asset Value

IFRS Net Asset Value, an increase of £4.7m (versus Net Asset Value immediately following Admission of £176.4m)

£151.5m Market Cap

Market Cap of Equity at 31 December 2018

£93.0m Debt Raised

The Debt is priced at an all fixed rate of 3.45%, is partially amortising and finally repayable in 2043



£12.3m Annualised Net Rental Income

NRI (Net property income less Ground Rents), annualised for a full calendar year for all acquisitions before Dec 2018.

5.3% Annualised Net Yield

On Capital Deployed - Annualised net rent divided by capital deployed

11.1% Total Shareholder Return

Total Return per share to shareholders to 31 Dec through increase in Net Asset Value

Valuation Uplift of £15.5 mil

Increase in Fair Value of Investment property to 31 December from admission

ReSI & Debt Funding

Secured £53m of 25 year fixed rate debt at a coupon of 3.45% in June 2018 that is partially amortising and finally repayable in 2043. ReSI secured a second tranche of £40m fixed rate debt at coupon of 3.49% in October 2018 that is partially amortising and finally repayable in 2043.

Since 30 September 2018, ReSI has continued to work with institutional debt investors and is in discussion with debt providers to put in place further investment grade equivalent debt against our recent and current acquisitions and working capital facilities to bridge the time between acquiring an investment and putting in place long term financing.

Dividends

For the period from the date of Admission to 31 December 2018, ReSI has declared four equal dividends of 0.75p per share (declared in February, May, August and November 2018) totalling 3.0p per Ordinary Share, in line with our target at IPO.

We intend to pay dividends to shareholders on a quarterly basis and in accordance with the REIT regime.

Given the progress in our building portfolio, its performance and the outlook for the Company, ReSI reaffirms both its target dividend yield of 5% per annum (based on the issue price of 100p per Ordinary Share) starting for the year commencing 1 October 2018 and which we subsequently expect to increase broadly in line with inflation, and its target total return of in excess of 8% per annum.

Share Buy Back

On 9 April 2018 ReSI announced that it would commence a share buyback programme in response to the discount in ReSI's share price below Net Asset Value. The programme allowed ReSI to invest in its own shares at attractive prices without compromising its ability to execute on its investment pipeline. To date, ReSI has purchased just over 9.3m shares at an average price of 92.5p, which is accretive to Net Asset Value for shareholders. These shares are held in Treasury and are not expected to be sold except at prices above prevailing Net Asset Value per share.

Our Investments

Date	Project	£ Millions
23/11/2017	RHP	100.5
15/04/2018	Yarnold	2.0
24/05/2018	HMF	32.9
30/06/2018	RHP LE	0.5
30/06/2018	Luton	22.6
13/07/2018	Luton 2	14.1
07/09/2018	PfP	37.4
18/10/2018	HMF 2	6.9
31/10/2018	Totteridge	16.8
Capital Deployed		233.7

ReSI & Shared Ownership

ReSI made its first Shared Ownership investment in October 2018 when it acquired 34 new build units at Crest Nicholson's Totteridge Place development in the London Borough of Barnet for £16.45m, which ReSI intends, using government grant funding, to convert into Shared Ownership homes. ReSI will sell an initial share of between 25% and 75% of the property to households with income up to £90,000 p.a. and will receive RPI-linked rent on the remaining portion.

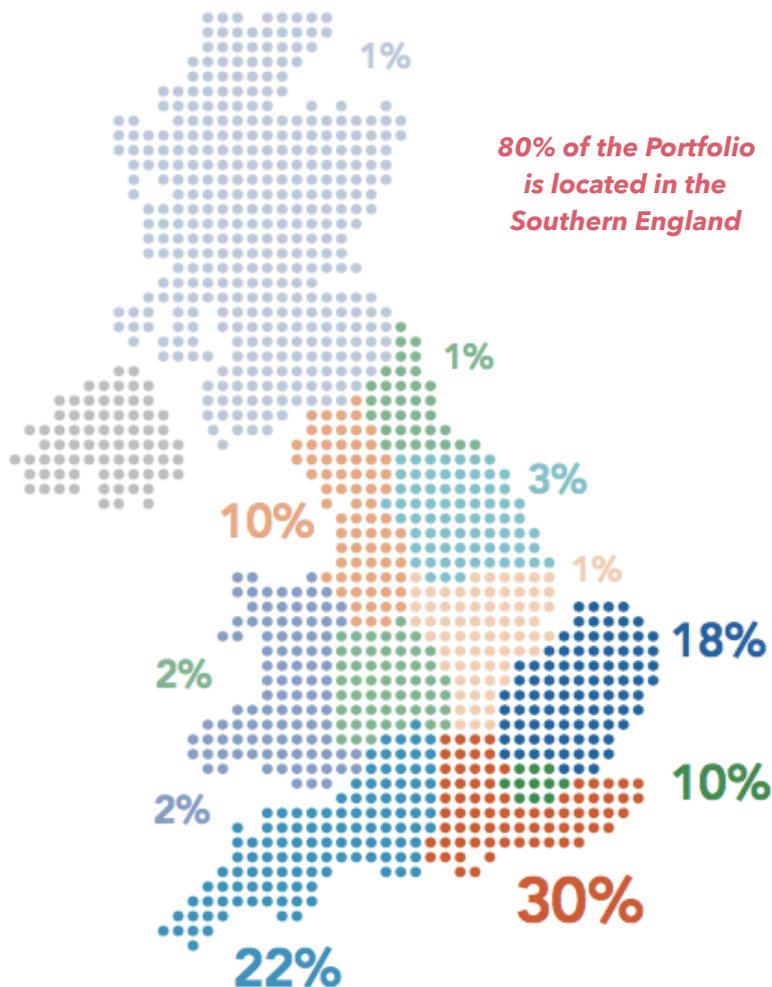
ReSI Expanding its presence in Retirement Housing

ReSI has announced in October 2018 the acquisition of a further £6.9m of retirement homes that are leased to the freeholder of the relevant block and a further £40m long-term debt transaction secured against part of its retirement homes portfolio.

Social Housing Portfolio

As at 31 December 2018, ReSI had acquired 2,431 units at a cost of £233.7m, and exchanged on an additional 81 units.

ReSI has deployed around £233.7m of the proceeds raised at its IPO and debt funding in assembling a portfolio of which £180.2m is in the Retirement Housing Sector, with over 80% of the portfolio invested in Southern England.



Our Board

Chairman: Rob Whiteman
 Director: Robert Gray
 Director: John Carleton
 Director: Mike Emmerich

Fund Manager

CEO : Alex Pilato
 Director: Jon Slater
 Director: Ben Fry
 Director: Antoine Pesenti
 Director: Pete Redman
 CFO: Richard Stubbs

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