

KCR Residential REIT plc

("KCR" or the "Company")

AIM Rule Update - Historic Disclosures and Related Party Transactions

As part of Cairn Financial Advisers LLP's ongoing onboarding due diligence, KCR notifies the following update. All information is as at the date of this announcement.

In relation to directors' disclosures for Dominic White, a non-executive director of the Company, pursuant to AIM Rule 17 and Schedule 2 Paragraph (g) of the AIM Rules for Companies, Mr White was a director of Ovio Wellness Limited, a health drinks company, which was dissolved in February 2019 following the company being placed into creditors' voluntary liquidation in August 2017.

In addition, the Company announces the following historic related party transactions ("Transactions") which were not notified pursuant to AIM Rule 13 at the time:

1. On 10 July 2017 the Company issued convertible loan notes to the White Amba Pension Scheme of £25,000. The convertible loan notes attracted interest at a rate of 6 per cent per annum, payable quarterly. The principal loan was repaid on 22 August 2019. The repayment consisted of £25,000 of Ordinary Shares at a price of 45p per Ordinary Share.

2. On 29 June 2018, the Company entered into a loan agreement (the "Loan Agreement") arranged by DGS Capital Partners LLP, a limited liability partnership in which Michael Davies was a member, with certain investors including Tim Oakley, who was at the time a director of a subsidiary of the Company, and who loaned £235,000 under the terms of the Loan Agreement. The overall loan was for £1,475,000 and was subject to an interest rate of 12 per cent per annum; the loan was to be repaid within 300 days of the initial drawdown date of 29 June 2018 and was extended during the financial year (the "Loan Agreement Extension"). The Loan Agreement was further extended by way of a deed of extension dated 12 July 2019 (the "Loan Agreement Second Extension") pursuant to which the interest rate was increased to 14% from 25 April 2019, and the date for repayment was extended to 22 August 2019. The loan and outstanding interest were repaid on 22 August 2019. The repayment consisted of £1,425,000 cash and £95,826 of Ordinary Shares at a price of 45p per Ordinary Share.

The above Transactions are deemed to be Related Party Transactions pursuant to AIM Rule 13. Transaction 1 relates to convertible loan notes issued to White Amba Pension Scheme, a pension scheme of which Dominic White is a beneficiary, which, as an associate of Dominic White, is deemed to be a related party. Transaction 2 (being the Loan Agreement and the Loan Agreement Extension) was a transaction with Tim Oakley, a director of a subsidiary of the Company at the time it was entered into, and with DGS Capital Partners, which acted as security trustee for the Loan Agreement, which was an associate of Michael Davies as defined in the AIM Rules and therefore a related party.

The directors of the Company (who, save for Dominic White, were appointed after the date the Transactions were entered into) who are considered independent for the purposes of Transaction 1 (being the whole board save for Dominic White) and for Transaction 2 (being the whole board), having consulted with the Company's nominated adviser, Cairn Financial Advisers LLP, consider that, at the time they were entered into, the terms of the Transactions were fair and reasonable insofar as the Company's shareholders are concerned.

In addition, the following directorships were omitted from the announcement on 6 August 2019 of the appointment of Richard Boon, a non-executive director of the Company, and are disclosed pursuant to AIM Rule 17 and Schedule 2 Paragraph (g) of the AIM Rules for Companies. All information is as at the date of this announcement.

Full name: Richard James Boon

Current Directorships / Partnerships:

GCL Trustees No 5 Limited

Past Directorships / Partnerships:

Artefact Partners (Cayman) LLP

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Notes to Editors:

KCR's objective is to build a substantial residential property portfolio that generates secure income flow for shareholders. The Directors intend that the group will acquire, develop and manage residential property assets in a number of jurisdictions including the UK.