



Q2 2018 REPORT

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MANAGEMENT DISCUSSION & ANALYSIS

PART 1

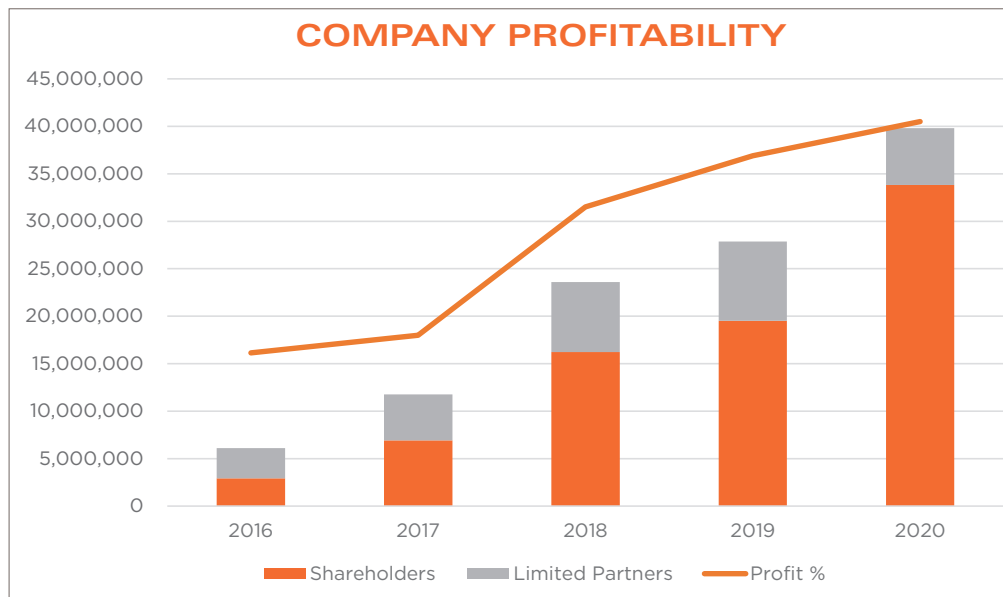
Austin, TX - July 31, 2018

We anticipate exceeding \$100M in annual revenue for the third consecutive quarter following our Q2 performance, which also marks a decisive turning point for outpacing our competition in growing shareholder profit margins. Our unique organizational structure helped produce these results, along with our Urban Ecosystem and market approaches that continued resonating with homeowners, resulting in 68 home closings and nearly \$38M in revenue - on pace for 248 closings and \$125M in revenue by the end of the year.

There was heavy investment in our technology, processes and personnel in 2017 with accounting, scheduling and reporting overhauls set for this year. Our numbers show that 126 sales averaged \$485,000 generating \$61M in revenue through the first half of 2018, indicating that demand continues to exceed supply in all PSW markets, and that housing inventory remains well below standard levels. Meanwhile, our shareholders remain aligned with our fiscal performance.

Q2 Performance Highlights:

- ▶ 84 starts: 47 single-family detached, 37 single-family attached/mixed use
- ▶ 68 home closings: The highest profit margin to date in 11 communities and 4 cities nationwide.
- ▶ 54 new home sales
- ▶ New world class technology: An integrated ERP system replacing all previous accounting and construction management software.



MANAGEMENT DISCUSSION & ANALYSIS

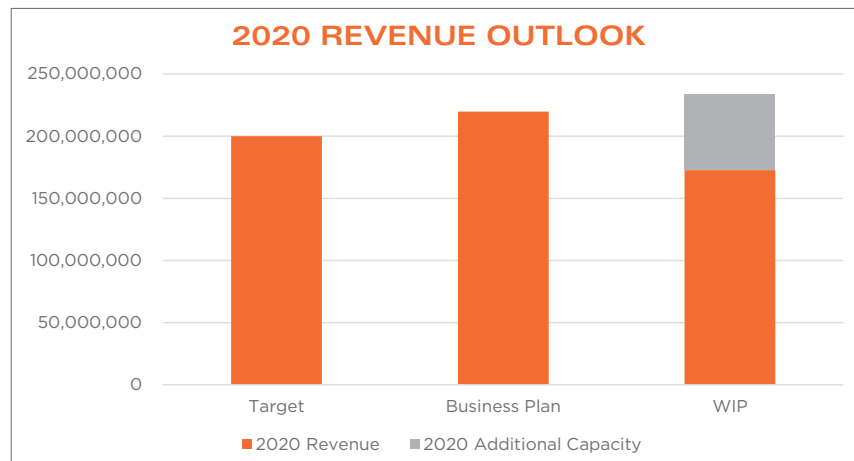
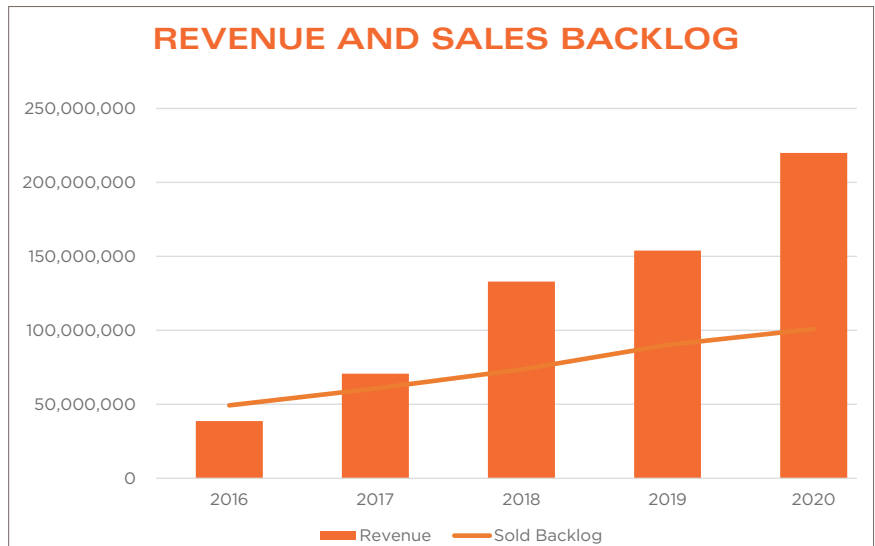
PART 2

We're consistently focused on growing revenues and sales backlog across several markets and products, executing at \$50M, \$75M and \$100M annually, and we're structured to exceed these figures while expanding in cities like Dallas, Seattle and Denver.

There's more than \$150M secured in projects for 2020 with personnel, capitalization and systems scaled to exceed \$200M, taking advantage of our brand awareness among homebuyers

and sellers. Business execution, corporate structuring and capitalization will position us for a liquidity event over the next decade including an IPO, sale or shareholder recapitalization to provide urban infill living options, company career opportunities and annual shareholder returns exceeding 15 percent.

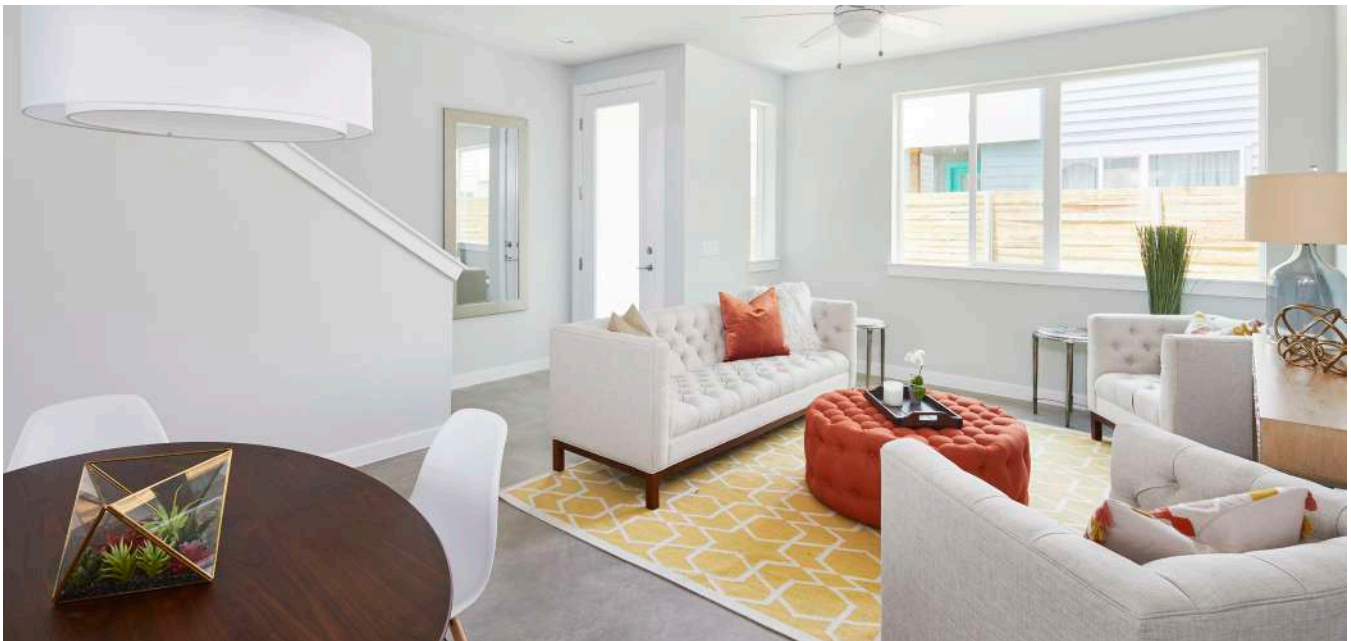
The 2020 Revenue Outlook chart tracks the company's progress towards its 2020 target of \$200M in revenue. Currently, our business plan financial model forecasts \$215M; while we have almost \$170M of this within our current work in process (WIP) and the capacity to add an additional \$60M.



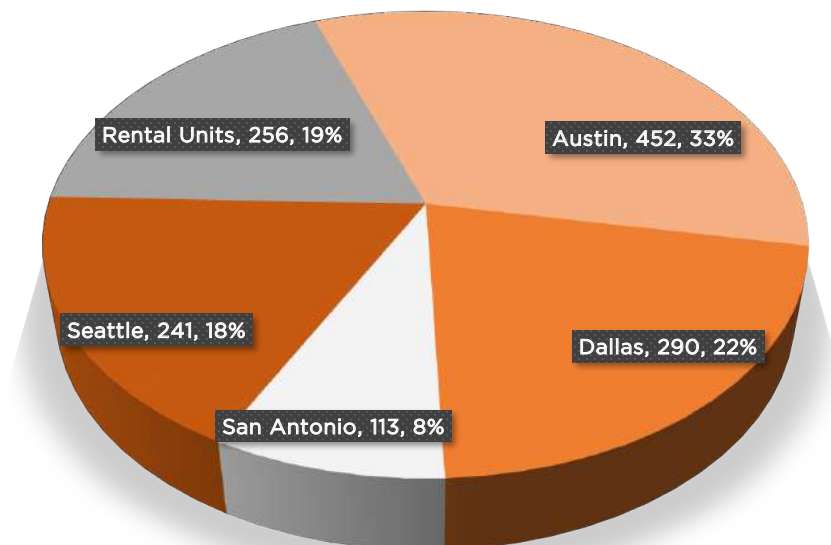
ANNUAL DASHBOARD

	2017	2018	2019	2020
Sales	183	271	320	465
Starts	283	348	337	444
Closings	139	248	273	458
Revenue	70,724,582	135,234,769	144,786,150	219,867,500
Profit	11,755,832	22,327,261	25,374,866	39,796,018
<i>*Profit Distribution A/B/E</i>	6,915,721	15,925,116	17,762,406	33,826,615
Sales Backlog	124	147	194	201
Revenue Backlog	60,760,000	72,030,000	95,060,000	98,490,000

**Profit Distribution A/B/E is after Class A Preferred Return (dividend) is paid and all LP returns are accounted for.*



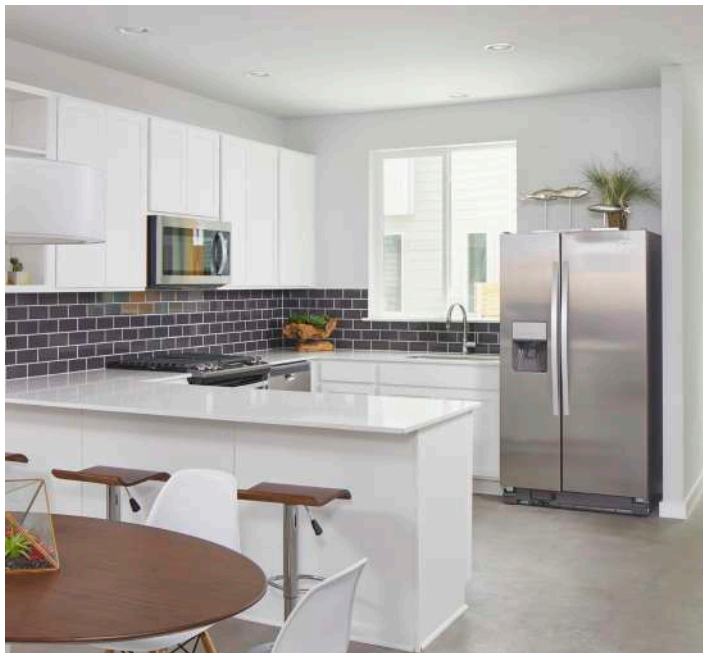
2017-2020 Number of Homes/Units



QUARTERLY DASHBOARD

	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Sales	72	54	70	75
Starts	60	84	107	97
Closings	48	68	60	72
Revenue	25,530,890	37,726,254	32,958,100	39,019,525
Profit	4,621,091	6,259,138	5,476,363	5,970,669
<i>*Profit Distribution A/B/E</i>	<i>3,434,857</i>	<i>4,477,336</i>	<i>3,833,454</i>	<i>4,179,468</i>
Sales Backlog	148	134	144	147
Revenue Backlog	75,419,262	68,285,008	73,380,904	74,909,673

**Profit Distribution A/B/E is after Class A Preferred Return (dividend) is paid and all LP returns are accounted for.*



	For Sale Communities	Total in Project	Sales	Starts	Closings	% Closed	% Sold
Austin	Lightsey Ridge	30	28	30	22	73%	93%
	Franklin Grove	28	26	28	19	68%	93%
	Eastline Condos	48	36	48	25	52%	75%
	900 Condos	63	28	63	0	0%	44%
	Parkside	19	15	19	13	68%	79%
	Northbluff	66	30	42	15	23%	45%
	Bouldin Court	30	0	0	0	0%	0%
Dallas	Glencoe Park	68	49	58	39	57%	72%
	Emerald Isle	30	23	30	18	60%	77%
	Verbena	31	18	28	12	39%	58%
	Meridian	53	22	18	0	0%	42%
San An	Clay Street	32	26	32	28	88%	81%
	Olmos Drive	26	16	26	16	62%	62%
	Terrell Road	10	5	10	5	50%	50%
	Brackenridge	44	0	0	0	0%	0%
SEA	Clear Creek	19	16	19	8	42%	84%
	Northline	38	0	0	0	0%	0%

WE THANK YOU...

For your contributions toward making us successful, profitable and sustainable. We look forward to many more years of working together, building internal and external communities that enrich the lives of everyone with whom we work and live.

PSW OFFICE LOCATIONS:

AUSTIN, TX

2003 SOUTH 1ST STREET
AUSTIN, TX 78704

SAN ANTONIO, TX

222 AUSTIN HIGHWAY, SUITE 2
SAN ANTONIO, TX 78209

DALLAS, TX

512 W. DAVIS STREET
DALLAS, TX 75208

SEATTLE, WA

5506 6TH AVE. S, SUITE 206
SEATTLE, WA 98108



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