Co-Living 2021 Year End Update

RNS Number : 4906W
GCP Asset Backed Income Fund Ltd
22 December 2021

22 December 2021

GCP Asset Backed Income Fund Limited

(the "Company", "GCP Asset Backed" or "GABI")

LEI: 213800FBBZCQMP73A815

Co-living Group Loan Update

GCP Asset Backed, which invests in asset backed loans, announces an update in respect of its loan to the co-living group (the "Co-living Group") which is currently in administration.

Further to the Company's announcement of 16 September 2021 and update of 15 October 2021, the Company can announce the following:

Acquisition Vehicle

- The acquisition vehicle was successfully established and two out of the proposed six assets were transferred from the Co-living Group (in administration) across to this vehicle. These two assets have subsequently been sold from this vehicle.
- Of the remaining four assets, three assets are in the process of transferring across. All commercial points have been agreed and we are currently moving through the legal mechanics of these transfers.
- The one remaining asset, the US property, will be sold directly from the Co-living Group (in administration). An offer has been received for this asset and sales documents are being negotiated.
- Talks are developing between the lenders to the Co-living Group (the "Lending Syndicate") and a conflicted party for the purchase of the three remaining assets transferring to this vehicle. The Board and the Investment Manager are taking steps to ensure the management of the potential conflict that this poses.
- The operational assets continue to perform well, with the two UK assets operating at c.98% and c.96% occupancy and the short-stay US asset continues to trade well.

The Company's net asset value per share ("NAV per share") announced in September was based on the expected net sales proceeds from the process set out above, less continuing costs. There have been no material developments in connection with the Co-living Group loan arrangements which would require an adjustment to this NAV per share at the present time.

Remaining assets

The Co-living Group holds further assets. Of these assets:

- One asset has been sold;
- Three assets are expected to be sold by the year end;
- Six assets are subject to exclusivity agreements; and
- Eight assets have received offers and are in negotiation with the Lending Syndicate.

The amounts of net recovery from the above assets remain uncertain. Consequently, the Investment Manager is not proposing to make any change to the holding value of the Co-living Group loan until funds can be repaid to the Lending Syndicate. The Investment Manager is pleased with the progress made to date and will continue to report to investors on the steps being taken to progress the transactions outlined above.

For further information, please contact:

Gravis Capital Management Ltd +44 (0)20 3405 8500

David Conlon

Joanne Fisk

Investec Bank plc +44 (0)20 7597 4000

Helen Goldsmith

Denis Flanagan

Neil Brierley

Buchanan/Quill +44 (0)20 7466 5000

Helen Tarbet

Sarah Gibbons-Cook

Henry Wilson

Notes to Editors

GCP Asset Backed (GABI) is a closed ended investment company traded on the Main Market of the London Stock Exchange. Its investment objective is to generate attractive risk-adjusted returns primarily through regular, growing distributions and modest capital appreciation over the long term.

The Group seeks to meet its investment objective by making investments in a diversified portfolio of predominantly UK based asset back loans which have contracted, predictable medium to long term cash flows and/or physical assets.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact rns@lseg.com or visit www.rns.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our Privacy Policy.

END

UPDTTBLTMTMTMBB