NAV, Portfolio Update and Dividend

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GCP Student Living plc

("GCP Student" or the "Company", together with its subsidiaries the "Group")

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NAV, portfolio update and dividend

Net Asset Value

GCP Student, the UK's first REIT focused on student residential assets, today announces that at close of business on 30 June 2020, the unaudited estimated EPRA net asset value per ordinary share of the Company was 171.78 pence, representing a quarterly increase of 0.1% and an increase of 3.8% for the 12 month period ended 30 June 2020.

The EPRA net asset value includes income for the period (cum-income) but does not include a provision for an accrued dividend for the quarter to 30 June 2020.

The EPRA net asset value (ex-income) was 170.36 pence per ordinary share at that date.

Portfolio and management update

Valuation

At 30 June 2020, the valuation of the Company's portfolio was £1.0 billion representing a like-for-like increase over the quarter of 0.5%.

At that date the portfolio, of which 80% by value was located in and around London, comprised eleven assets with c.4,100 beds, including Scape Brighton which remains under construction. The valuation Net Initial Yield on the operational portfolio was 4.44%.

In common with the wider UK commercial property sector, the valuations have been reported on the basis of "material valuation uncertainty" by the Company's external valuer due to lack of transactional evidence available and in accordance with recent guidance issued by the Royal Institution of Chartered Surveyors (RICS) in light of the Covid-19 pandemic. The Company has been notified that with effect from 7 July 2020 its valuations will no longer be subject to this qualification.

Bookings and market update

- Bookings across the Group's portfolio of student accommodation for the forthcoming 2020/21 academic year are currently 55%, including in respect of the Group's Scape Brighton 555-bed development asset which has not yet opened to students. The average level of bookings at the same time of the year over the past five academic years was 74%. Students who have booked are required to pay the Company a deposit equal to two weeks' rent at the time of booking.

- The Investment Manager, Gravis, believes students have delayed booking accommodation for the 2020/21 academic year and expects higher booking activity levels later in the enrolment cycle. Bookings have shown increases for the last six consecutive weeks.

- The UK Government's current stated position is for the 2020/21 academic year to start in September, with A-level results to be issued on 13 August 2020.

- According to a survey published by Universities UK on 17 June 2020, 97% of universities plan to provide in-person teaching in the autumn term of the 2020/21 academic year. A recent survey by London Economics indicates that 9 in 10 students intend to attend university for that term.

- On 9 July 2020 UCAS provided an update on the number of applications made by 30 June 2020 to full-time education in the UK for the 2020/21 academic year. By that date, the overall number of applicants showed a year-on-year increase of 2.3%, the highest number of applicants at that point in the applications cycle in four years. The number of applications has been driven by demand from UK domestic and non-EU students. The number of applications by non-EU students has increased by almost 10%, the highest level of applications at this time in the cycle on record.

- A record 40.5% of all UK 18-year olds have applied to attend full-time higher education - the first time more than four out of ten have applied by this point in the enrolment cycle.

Covid-19 impact on income for the 2019/20 academic year

- The Company has collected 82% of all budgeted income for the 2019/20 academic year. The Company currently anticipates the lower income to reduce earnings for the 2019/20 academic year by c.£9 million as compared with its budget.

  The academic year runs for a period of 51-weeks from mid-September.

  Direct let income

- As announced previously, the Company advised it would look favourably upon requests to forgo rents by residents seeking to return home for the remainder of the current academic year on a case-by-case basis. Direct let rents represent 79% of the budgeted 2019/20 academic year rent roll and the offer of forgoing rent related to the final direct let instalment of c.20% of direct let income, due in April 2020.

- The Company has collected 84% of budgeted direct let income for the 2019/20 academic year. The Directors do not currently believe this figure will materially increase over the rest of the academic year. Accordingly, the Directors expect the Company's direct let revenues for the first quarter of the financial year ended 30 June 2021 will be materially reduced.

Nominations agreements and long-term leases

- 21% of the Group's budgeted income for the 2019/20 academic year is from nominations agreements and long-term leases. At the date of this announcement 83% has been collected with respect to these agreements.

- Scape Shoreditch has a long-term occupational lease to a WeWork subsidiary, which is part-guaranteed by its US parent company WeWork Companies Inc. This lease comprises approximately 4.9% of the Group's 2019/20 academic year annual budgeted income:

  - The long-term impact of the Covid-19 pandemic on the shared workspace sector is currently unknown and difficult to quantify and it is currently unclear how resilient providers such as WeWork will be in the event of a sustained downturn.

  - Rental payments are received from WeWork quarterly in advance. As at the date of this announcement the Group has received approximately half of the quarterly payments due to it in respect of the March and June quarters. The Company, through the Investment Manager, remains in discussion with WeWork in relation to the outstanding payment and continues to monitor the performance of the Group's lease with WeWork.

  - Scape Shoreditch is a modern property located in a prime London location, a two-minute walk from Old Street underground station.

- The Company has a long-term nominations agreement with a subsidiary of INTO University Partnerships ("INTO"), a provider of foundation courses, for 210 beds at its Scape East asset. Rents for the agreement are received in advance of each of the three terms of the academic year. INTO are currently in arrears in respect of their latest termly rental instalment, The Investment Manager is in discussions with INTO with regard to this. The nominations agreement with INTO comprises approximately 5.9% of the Group's 2019/20 academic year annual budgeted income.

- Rental income in respect of the Group's lease at Circus Street, Brighton, continues to be received in line with expectations. The 450-bed student accommodation building is contracted on a 20-year lease with annual uplifts of RPI plus 50 basis points (capped at 5% and floored at 2%) to a subsidiary of Kaplan Inc, a global education provider.

Developments

As noted in the Company's announcement on 1 May 2020, the construction of Scape Brighton has been proceeding with reduced levels of activity. Whilst it remains the expectation that Scape Brighton will be operational for the 2020/21 academic year, there is a risk that completion of construction is delayed beyond the start of the academic year.

Should construction not be completed ahead of the scheduled move-in date for students who have booked accommodation at Scape Brighton, the Group shall be responsible for accommodating such students, at its cost, until such time that construction has completed.

The remainder of the construction costs at Scape Brighton are being funded through a £55m development loan facility, which was c.£32m drawn as at 30 June 2020. Completion of the building should not impact the Company's cash reserves.

The Company benefits from licensing fees which provide a 5.5% per annum coupon until the site reaches practical completion.

Cash and available debt facilities

- The Company currently benefits from a robust balance sheet. At 30 June 2020 the Company had cash resources of c.£60 million and a £45 million redrawable credit facility of which £30 million was undrawn as at that date.

- The Group's borrowings have an average weighted maturity on its drawn debt of approximately six years from the

date of this announcement. The Group's Loan to Value ("LTV"), calculated as borrowings net of cash as a proportion of the Group's total portfolio value, was 22% at 30 June 2020.

Dividend

The Board is pleased to announce a fourth interim dividend of 1.42 pence per ordinary share, in respect of the quarter ended 30 June 2020. Accordingly, in respect of the financial year ended 30 June 2020 the Company has paid or declared dividends totalling 6.15 pence per ordinary shares, thereby maintaining its annual dividend in line with the previous financial year.

The dividend will be paid on 14 September 2020 to ordinary shareholders on the register at 14 August 2020. The dividend will be paid as 1.26 pence per ordinary share as a REIT property income distribution ("PID") in respect of the Group's tax-exempt property rental business and 0.16 pence per ordinary share as an ordinary UK dividend ("non-PID").

The Company's rental income for the financial year ended 30 June 2021 will be adversely impacted by the reduction to revenues received in connection with the 2019/20 academic year. Further, in the event that the disruption caused by the Covid-19 pandemic continues into the 2020/21 academic year, the Company's rental income will be adversely impacted. The scale of this impact will depend on measures taken by global authorities, including the UK government, the ongoing approach taken by higher education institutions as regards in-person learning and how the situation develops and over what timescale.

The Directors continue to keep wider events and the Company's operations under review in respect of any future dividends which may be declared by it.

Additional information on the Company's portfolio can be found in the factsheet for the period ended 30 June 2020, which will be published shortly and will be available at:

www.gcpstudent.com/literature

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About GCP Student

The Company was the first student accommodation REIT in the UK, investing in modern, purpose-built, private student residential accommodation and teaching facilities.

Its investments are located primarily in and around London where the Investment Manager believes the Company is likely to benefit from supply and demand imbalances for student residential accommodation. GCP Student's property portfolio comprises eleven assets with c.4,100 beds, including one asset which is under construction. At 30 June 2020, its property portfolio was valued at £1.0 billion.

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