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

GCP Student, the only UK REIT focused on modern, purpose-built private student accommodation in and around London, today announces its EPRA Net Tangible Assets (NTA) per ordinary share, portfolio update and dividend in respect of the quarter ended 31 March 2021.

David Hunter, Chairman:

"The portfolio experienced a strong NAV performance this quarter driven primarily by strengthening investment markets for student accommodation with a high number of transactions, including in London, being completed.

Additionally, the trend observed over the past few years of increasing polarisation in the higher education market, with students typically favouring higher quality universities, appears to have accelerated through the pandemic creating a positive backdrop for our portfolio focused on London and the South East. By way of example, over half of the Group's direct let bookings for the current academic year were by students attending five universities which experienced on average 13% growth in acceptances in September 2020, compared to a national average of 5%.

There are encouraging signs for the next academic year with total UCAS applications up 8% nationally and strong growth in applications from domestic, mature and non-EU international students alike. Whilst applications from EU students have declined in the immediate aftermath of Brexit, it remains difficult to assess whether this represents a longer term trend. Approximately 13% of the Group's direct let portfolio was occupied by EU students pre-pandemic.

The Directors continue to believe in the relative attraction of the UK to international students. This is supported by the latest QS's annual UK International Student Survey results, published on 14 April, in which nearly half of students surveyed placed the UK ahead of the US, Canada, Australia and Germany as a direct result of the successful vaccination programme."

Net Asset Value

The Company's EPRA Net Tangible Assets (NTA) per ordinary share at 31 March 2021 is set out below:

	At 31 March 2021	At 31 December 2020	% quarterly change
EPRA NTA (cum-income)	179.07 pence	171.38 pence	4.5%
EPRA NTA (ex-income)	178.82 pence	171.13 pence	4.5%

Portfolio and management update

Valuation

At 31 March 2021, the valuation of the Company's portfolio was £1.06 billion.

At that date the portfolio comprised eleven operational assets with c.4,100 beds. Approximately 80% by value of the Group's portfolio is located in and around London. The valuation Net Initial Yield on the operational portfolio was 4.44%.

The demonstrable attraction of London for investors in private student residential accommodation is evidenced by increased activity in investment markets during the period. Investment volumes in UK PBSA exceeded £1.6 billion in Q1 2021, including c.£300 million across five assets transacted in and around London at yields estimated to be between 3.90% and 4.15%.

The sector has also benefited from increasingly positive news flow regarding the Covid-19 vaccine rollout which has given cause for optimism for a gradual easing of restrictions on mobility, including for international travel. Further, there is clear evidence of strong application trends for UK universities from both domestic and international students alike. As the country navigates out of lockdown the Company's portfolio of modern high quality assets in prime locations which have historically benefited from strong supply and demand imbalances looks to be well placed to benefit from a return to more normal trading conditions.

The combination of strengthening investment markets and an improving environment for students has led to a like for

like increase in the valuation of the Group's portfolio of 3.5% from the previous quarter. The Group's property portfolio is externally valued by Knight Frank LLP.

The valuation continues to include a temporary adjustment to the assumed level of income generated by the portfolio as a result of Covid-19. This adjustment has reduced the capital value of the portfolio by £25.4m (5.6 pence per share). As the Covid-19 vaccination roll-out progresses in the UK and abroad, market expectations for occupancy rates in prime student accommodation assets are increasing which in due course should result in the potential lifting of Covid-19 related income deductions.

Bookings and market update

- The Group's buildings remain operational with the Directors and Investment Manager remaining focused on ensuring the wellbeing of residents and staff by providing a safe and secure environment in-line with government regulations.
- Bookings across the portfolio for the 2020/21 academic year have remained at 68%. Approximately 71% of booked rooms are currently occupied and/or subject to nominations agreements, showing a slight improvement in physical occupancy to the 64% reported in March 2021.
- The Company's academic year runs for a period of 51 weeks from mid-September. It receives direct let income in three tranches for each academic year; c.40% in each of September and January and the remaining c.20% in April. Approximately 91% of the direct let rents due on bookings and 86% of total rents due for the 2020/21 academic year have been collected.
- Based on the current level of contracted occupancy, reduced rental rates on direct lets and the Investment Manager's assumptions in relation to nominations agreements and long term leases across the Group's portfolio, the Company continues to anticipate it will collect between 55% and 60% of budgeted total income of £60.1 million for the 2020/21 academic year.
- Bookings for the 2021/22 academic year are currently at 26%. The Company notes the relaxation of restrictions in the UK and the clarification of travel rules, and anticipates the 2021/22 booking season being condensed and back-ended. Prior to the pandemic the Company's experience was that the majority of bookings were made between June and October.

Cash and available debt facilities

- At 31 March 2021 the Company had cash resources of c.£45.8 million and a redrawable credit facility of which c. £12 million was available to be drawn at that date. The Company's current capital commitments, including in respect of the construction costs at Circus Street, are approximately £4m and will be funded through the Company's available cash resources.
- The Group's borrowings have an average weighted maturity on its drawn debt of approximately four 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 23% at 31 March 2021.

  During the pandemic, the Company's focus has been to preserve liquidity whilst there has been an impact on income and uncertainty in relation to the return of its residents. It has done so through holding a significant level of cash and maintaining prudent borrowing levels.

Dividend

Noting the impact on the Company's revenues and the ongoing uncertainties relating to the Covid-19 pandemic, and a desire to manage the business in a prudent and conservative manner, the Directors have decided to announce a third interim dividend of 0.25 pence per ordinary share in respect of the quarter ended 31 March 2021.

The quantum of the dividend will be reviewed on a quarterly basis with a view to increasing the quarterly payment when there is greater visibility on the Company's revenue prospects. The Directors expect the Company will increase dividend payments to its shareholders as Group revenues improve through growing occupancy levels.

The dividend will be paid on 25 June 2021 to ordinary shareholders on the register at 21 May 2021. The dividend will be paid as 0.25 pence per ordinary share as a REIT property income distribution ("PID") in respect of the Group's tax-exempt property rental business. No element of the dividend will be paid as an ordinary UK dividend ("non-PID").

Additional information on the Company's portfolio can be found in the factsheet for the period ended 31 March 2021, which will be published shortly and will be available at:

www.gcpstudent.com/literature

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About GCP Student

The Company is the only UK REIT focused on modern, purpose-built private student accommodation in and around London.

Its investments are located 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 operational assets with c.4,100 beds. At 31 March 2021, its property portfolio was valued at £1.06 billion.

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