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PRESS RELEASE

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THE UNITE GROUP PLC

('Unite Students', 'Unite', the 'Group', or the 'Company')

TRADING UPDATE AND Q2 FUND VALUATIONS

STRONG RENTAL GROWTH DRIVING PROPERTY VALUES

Unite Students, the UK's leading owner, manager and developer of student accommodation, today announces an update on current trading and quarterly property valuations for the Unite UK Student Accommodation Fund ('USAF') and the London Student Accommodation Joint Venture ('LSAV') as at 30 June 2025.

Highlights

- Continuing momentum in 2025/26 sales with 85% of beds sold (2024/25:94%)
- Reiteration of FY2025 guidance for adjusted EPRA EPS of 47.5-48.25p
- Planning approval secured for 2,000-bed Newcastle University joint venture
- Rental growth driving valuation increases in Q2 (USAF: 0.6%, LSAV 0.7%)

Joe Lister, Unite Students Chief Executive Officer, commented:
"Student numbers are expected to increase for the 2025/26 academic year due to a growing UK 18-year-old population and improving trends in international student recruitment. Sales momentum has picked up in recent weeks, in-line with our expectations for a later sales cycle, and we continue to target occupancy of at least 97%. Demand for our accommodation remains underpinned by our alignment to the UK's strongest universities and nomination agreements with our university partners."

Current trading

2025/26 lettings performance

The outlook for student demand is strong for the 2025/26 academic year with 2% growth in applications from UK 18-year-olds and student visa applications up 29% over the first five months of the year.

Positively, this has translated into improving momentum in sales for our well-located, value-for-money accommodation. Across our portfolio 85% of rooms are now reserved for the 2025/26 academic year (2024/25: 94%). Demand from universities remains strong, as they look to secure accommodation to meet student demand, resulting in nomination agreements for 56% of beds for the 2025/26 academic year (2024/25: 57%). As previously indicated, we expect a later sales cycle in line with historical trends supported by strong demand from UK students following A-Level results in mid-August and from international students during September.

Our sales to date support rental growth of 4-5% for the 2025/26 academic year and we continue to target occupancy of 97-98%. This outlook, together with trading through the first half of the year, supports reiterated guidance for adjusted EPRA EPS of 47.5-48.25p for FY2025.

HE policy update

The Government's recent Industrial Strategy recognised the critical role played by UK universities in delivering advanced skills and highlighted the strength of the Higher Education sector with 17 universities in the top 100 globally. A white paper on post-16 education and skills, incorporating Higher Education, and an International Education strategy are due to be published later this year.

The Immigration White Paper published in May emphasised the significant contribution made by international students to the UK economy and research in the Higher Education sector, while introducing measures to raise standards for student visas. The changes include a reduction in post-study work visas from 24 to 18 months and the potential introduction of a levy on income from international students for reinvestment into Higher Education. Further details are due to be provided in the Autumn Budget. We do not expect these changes to materially impact international student demand, particularly for high-tariff universities, at a time when more restrictive policy in the UK's main competitor markets is making the UK a more attractive destination.

The Renters' Rights Bill is expected to become law later this year and come into effect during the 2025/26 academic year. Secondary legislation around the bill will act to exempt PBSA from the legislation based on compliance with government-approved codes of conduct under which the Group has operated for a number of years. We anticipate the Bill and exemption will apply to future tenancies (likely from the 2026/27 academic year) and we continue to engage with Government to understand the impact of transitional arrangements for existing tenancies at the time of implementation. The Bill will have a significant impact for the Houses of Multiple Occupancy ('HMO') sector through new regulation. We expect this to result in higher costs for students and a reduced supply of HMO student housing over time.

Development pipeline update
Planning has been granted for our Castle Leazes joint venture in Newcastle. Work is underway to secure outstanding approvals and start on-site later this year. This supports delivery of the first phase of the 2,000-bed project for 2028/29 academic year.

Following the signing of a framework agreement in May with Manchester Metropolitan University, a joint planning application has been submitted for the development of 2,300 new beds at Cambridge Halls in Manchester city centre. This supports entry into the joint venture around the end of 2025.

We continue to engage with the Building Safety Regulator (BSR) to progress pre-construction approvals for our upcoming development starts. Applications for four projects are under review by the BSR and continue to experience delays. We are working to mitigate this impact in order to deliver projects in line with our target completion dates.

Funding

USAF has refinanced its £395m 2025 bonds through a new £400 million eight-year secured loan with Rothesay Life at a cost of 5.6%. The new facility completes refinancing activity in USAF with no maturities now due before 2029. The refinancing was incorporated into our guidance for a 4.1% weighted average cost of debt in FY2025.

Quarterly fund valuations

At 30 June 2025, USAF's property portfolio was independently valued at £2,937 million, a 0.6% increase on a like-for-like basis during the quarter. The valuation increase reflects quarterly rental growth of 1.3%. Property yields remained broadly stable over the quarter at 5.2%. The portfolio comprises 24,326 beds in 61 properties across 19 university towns and cities in the UK.

LSAV's property portfolio was independently valued at £2,092 million, a 0.7% increase on a like-for-like basis during the quarter. The valuation increase in LSAV is driven by quarterly rental growth of 0.6%. Property yields were unchanged over the quarter at 4.5%. LSAV's portfolio comprises 9,710 beds across 14 properties in London and Aston Student Village in Birmingham.

	Drivers of LfL capital growth (Q2)			
	Valuation June 2025	Rental growth	Yield movement (bps)	Capital growth*
USAF	£2,937m	1.3%	+1	0.6%
LSAV	£2,092m	0.6%	-	0.7%

** Capital growth presented net of capital expenditure for property maintenance and improvement, but excludes fire safety spend*

The Royal Institution of Chartered Surveyors (RICS) has introduced new independence rules for valuation firms. Under the new rules, the majority of our Wholly Owned portfolio will be valued by new valuers, either CBRE or Knight Frank, from 30 June 2025. Based upon our initial discussions with valuers, we do not anticipate significant changes in the reported value of our portfolio. USAF and LSAV will rotate valuers later in the year.

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About Unite Students

Unite Students is the UK's largest owner, manager and developer of purpose-built student accommodation (PBSA) serving the country's world leading higher education sector. We provide homes to 68,000 students across 152 properties in 23 leading country's world-leading higher education sector. We provide homes to 68,000 students across 152 properties in 23 leading university towns and cities. We currently partner with over 60 universities across the UK.

Our people are driven by a common purpose: to provide a 'Home for Success' for the students who live with us. Unite Students' accommodation is safe and secure, high quality and affordable. Students live predominantly in en-suite study bedrooms with rents covering all bills, insurance, 24-hour security and high-speed Wi-Fi.

We are committed to raising standards in the student accommodation sector for our customers, investors and employees. Our Sustainability Strategy includes a commitment to become net zero carbon across our operations and developments by 2030.

Founded in 1991 in Bristol, the Unite Group is an award-winning Real Estate Investment Trust (REIT), listed on the London Stock Exchange. For more information, visit Unite Group's corporate website www.unitegroup.com or the Unite Students' site www.unitestudents.com.

Unite FY2025 Profit Forecast

Unite released its 2024 financial results preliminary statement on 25 February 2025, which included the following statement: "*guidance for adjusted EPS of 47.5 - 48.25p in 2025*" ("**Unite FY2025 Profit Forecast"**). The Unite FY2025 Profit Forecast is referred to in this announcement.

The Panel on Takeovers and Mergers has confirmed that the Unite FY2025 Profit Forecast constitutes a profit forecast made before the commencement of an offer period, to which the requirements of Rule 28.1(c) (i) of the Code apply.

Basis of preparation

The Unite FY2025 Profit Forecast is based on the Group's current internal unaudited management accounts for the five-month period ended 31 May 2025 and the Group's current internal unaudited forecasts for the remainder of the financial year ending 31 December 2025. The Unite FY2025 Profit Forecast has been compiled on the basis of the assumptions set out below.

The Unite FY2025 Profit Forecast has been compiled on the basis of the assumptions set out below. The basis of the accounting policies used in the Unite FY2025 Profit Forecast is consistent with the existing accounting policies of the Group, which uses 'Alternative Performance Measures' or other non-International Financial Reporting Standards measures.

Directors' confirmation

The Unite Directors have considered the Unite FY2025 Profit Forecast and confirm that, as at the date of this announcement, the Unite FY2025 Profit Forecast remains valid, has been properly compiled on the basis of the assumptions set out below and the basis of accounting used is consistent with the Unite Group's existing accounting policies.

Assumptions

The Unite FY2025 Profit Forecast has been prepared on the basis referred to above and subject to the principal assumptions set out below. The Unite FY2025 Profit Forecast is inherently uncertain and there can be no guarantee that any of the assumptions listed below will occur and/or if they do, their effect on the Group's results of operations, financial condition or financial performance may be material. The Unite FY2025 Profit Forecast should be read in this context and construed accordingly.

The directors of Unite have made the following assumptions in respect of the financial year ending 31 December 2025:

Assumptions within Unite's control or influence:

(a) no material change to the existing strategy or operation of the Group's business;

(b) no material adverse change to the Group's ability to meet customer, supplier and partner needs and expectations based on current practice;

(c) no material unplanned asset acquisitions or disposals, merger and acquisition activity conducted by or affecting the Group;

(d) no material change to the present management of the Unite Group; and

(e) no material change in capital allocation policies of the Group.

Assumptions outside of Unite's control or influence

(a) no material effect from changes to existing prevailing macroeconomic, fiscal, monetary and inflationary conditions in the United Kingdom;

(b) no material adverse change to the Group's market environment, including in relation to customer demand or competitive environment;

(c) no material adverse events that have a significant impact on the Group's major partners or suppliers;

(d) no material disruption or changes to student demand for accommodation in the cities in which the Group operates;

(e) no material adverse events that would have a significant impact on the Group including information technology/cyber infrastructure disruption or significantly adverse weather events;

(f) no material new litigation, and no material unexpected developments in any existing litigation, each in relation to any of the Group's activities; and

(g) no material change in legislation, taxation or regulatory requirements impacting the Group's operations, expenditure or its accounting policies.

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