

UPP Bond 1 Issuer PLC – Results for the year ended 31 August 2020

15 December 2020

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UPP BOND 1 ISSUER PLC

UPP Bond 1 Issuer PLC is pleased to announce the Consolidated Report and Accounts of UPP Bond 1 Holdings Limited ('Holdco'), the reporting Parent undertaking of UPP Bond 1 Issuer PLC, for the year ended 31 August 2020.

The 2020 Investor Report and the Results Presentation are available on the UPP Investor Centre at: www.upp-ltd.com/investor-centre/announcements

Business highlights include:

- Occupancy for 2019/20 of 99.4% (2018/19: 99.2%)
- Turnover up by 1.7%, reflecting RPI-linked annual term rental income increases
- Increase in gross profit of 1.7% and EBITDA of 1.6%
- EBITDA margin in line with prior year
- Historic Annual Debt Service Coverage Ratios comfortably above lock-up triggers
- 2020/21 projected occupancy is 96.7% across the portfolio
- The Plymouth AssetCo continued to report under a Trigger Level 2, Phase 1 Monitoring Event with the subsequent enhanced reporting as required by the Monitoring Services Agreement
- At 68.0% occupancy, the Projected AssetCo DCSR at Kent is 0.63, triggering a Level 2 Phase 1 Monitoring Trigger Event with subsequent enhanced reporting as required by the Monitoring Services Agreement

Elaine Hewitt, Chief Executive Officer, commented;

“The results for UPP Bond 1 Holdings Limited for the financial year ended 31 August 2020 continue to underline the attractiveness of UK higher education as a sector full of opportunities for investors seeking stable, long-term returns based on asset-backed, RPI-linked revenues. The unique model of partnership developed by UPP over more than two decades continues to perform well. The year saw an increase in turnover of 1.7% to £67.5m. EBITDA was also up by 1.6% to £45.2m, with a margin of 67.0%.

Evidence from across the sector – and from UCAS in particular - continues to suggest that, despite the impact of the COVID-19 pandemic and the uncertainties of Brexit, demand from UK and international students remains robust and levels of participation of young people remain at a record high.

Longer term demand also appears encouraging, with the Higher Education Policy Institute identifying that the demographic decline in 18-year-olds, which halted in 2019, will be followed by an increase in the young population of circa 25% to 2035. Depending on rates of participation, this could lead to an increase in demand for an extra 350,000 full-time places. There remains a significant structural shortfall in residential supply in the UK and, therefore, the UPP model remains robust and well positioned to continue to deliver strong operational performance in the future”

For further information, please email UPP Investor Relations at investor.relations@upp-ltd.com or call +44 (0)20 7398 7200.