

Results for the six months ended 28 February 2021

UPP Bond 1 Issuer PLC, 29 April 2021

UPP Bond 1 Issuer PLC has published the consolidated report and accounts of UPP Bond 1 Holdings Limited, the reporting parent undertaking of UPP Bond 1 Issuer PLC, for the six months ended 28 February 2021. The results are available on the Investor Centre at:

<https://www.upp-ltd.com/investor-centre/announcements/>

Business highlights over the period from 1 September 2020 include:

- Occupancy for 2020/21 of 96.8% (2019/20: 99.6%)
- Turnover up by 0.7% to £33.8 million (2019/20: £33.6 million), reflecting RPI-linked annual term rental income increases offsetting lower occupancy at UPP (Kent Student Accommodation) Limited of 68%
- Gross profit of £23.4 million (2019/20: £23.3 million)
- EBITDA margin of 64.5% (2019/20: 65.3%)
- Both Historic and Projected Senior Debt Service Coverage Ratios for February 2021 test date above lock-up triggers
- UPP (Kent Student Accommodation) Limited reported occupancy of 68% triggering a Level 2 Phase 1 Monitoring Trigger Event with subsequent enhanced reporting as required by the Monitoring Services Agreement
- At UPP (Plymouth Three) Limited, enhanced monitoring continues to progress effectively and additional investment in works to improve the quality of the AssetCo accommodation is having a positive impact on occupancy
- Recognising the pressures faced by our university partners, the Company and the wider Group offered a package to support our partners through the pandemic

Chief Executive Officer Elaine Hewitt said: “During the six months ending 28 February 2021 UPP Bond 1 Holdings Limited has demonstrated positive performance in light of the wider impact of restrictions imposed to mitigate the COVID-19 pandemic. In what has proved a challenging period for our operational teams and our partnerships, turnover increased 0.7% from £33.6 million to £33.8 million. EBITDA at £21.8 million remained in line with projections.

With occupancy of 96.8%, the performance of UPP Bond 1 Holdings Limited has remained resilient during a period of considerable disruption across higher education.

The Company recognised the pressures faced by partners during the pandemic and enhanced its service offering to ensure Covid-19 secure accommodation. A range of commercial and financial support options were offered which are now being explored further with each partner given significant financial pressures on universities.

Academic demand for UK HE remains strong with data from the Universities and Colleges Admissions Service (UCAS), based on the 15 January 2021 deadline, identified that a total of 616,360 people had applied to study – a significant increase of more than 8%% on the equivalent point in the 2020 cycle. Whilst Brexit has had a negative impact on the number of EU applicants so far in this cycle, an increase in domestic applicants of 11.6% and in international students of 17.1% year on year, demonstrate the continuing strength of the sector.

At the time of writing, there remain contingent risks to occupancy - disclosures on which are outlined in this summary. Notwithstanding these, the Directors are of the opinion that a combination of mitigating activity undertaken by Government and the sector; the capacity of universities to refocus their recruitment; and the credit positive elements of the Company's business model have the capacity to significantly ameliorate risks to short-term occupancy.

In terms of the longer-term market outlook, there remains strong demographic and supply evidence to suggest that demand both for UK higher education and residential accommodation will continue.”

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