

Results for the six months ended 28 February 2022

UPP Bond 1 Issuer PLC, 28 April 2022

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 2022. 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 2021 include:

- Occupancy for 2021/22 of 99.5% (2020/21: 96.8%)
- Turnover up by 4.3% to £35.2 million (2020/21: £33.8 million), reflecting RPI-linked annual term rental income increases and higher occupancy
- Gross profit increased to £25.2 million (2020/21: £23.4 million)
- EBITDA in line with expectations at £21.7m
- EBITDA margin of 61.4% (2020/21: 64.5%), reflecting cost variations required to complete one off works at Plymouth
- Both Historic and Projected Senior Debt Service Coverage Ratios for February 2022 test date above lock-up triggers
- UPP (Kent Student Accommodation) Limited continues to report on the basis of the Level 2 Phase 1 Monitoring Trigger Event occurring during the academic year 2020/21 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. During the reporting period the AssetCo has entered a building contract with Kier Construction Limited to undertake remedial cladding works.

Elaine Hewitt, Chief Executive Officer said:

“During the six months ending 28 February 2022 UPP Bond 1 Holdings Limited has continued to demonstrate strong performance, with occupancy rates returning to pre-pandemic levels. Over the period, turnover has increased 4.3 per cent from £33.8 million to £35.2 million. EBITDA fell marginally by 0.7 per cent to £21.7 million on the basis of cost variations required to complete additional one off works at the Plymouth AssetCo.

According to the Universities and Colleges Admissions Service (UCAS), data published as part of its January 2022 deadline, also continues to show sustained, long-term growth despite a slight decline in the total number of applicants to 610,720 (2021: 616,360). Particularly encouraging is the fact that the number of UK 18-year-olds applying to university has seen a consistent increase, with now nearly 45 per cent of this cohort applying – an increase of just under 15,000 to more than 320,000. Whilst increases in the number of 18-year-old applicants were identified across each of the four UK nations, English applicants, in particular, have

grown by 19.4 per cent over the last five years, the equivalent of an extra 45,000 students at the same point in 2017.

Alongside this continuing strong demand, the number of students from outside the EU has also continued to perform well, compensating for a fall in applicant numbers from within the EU post-Brexit. Applicants from outside of the UK for 2022/23 remained steady at 111,000 having witnessed growth of 17.2 per cent over the last five academic years. International demand has proved the engine of much of this growth, with non-EU applicant numbers increasing by nearly two-thirds over the same period.

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. Whilst there remain a number of contingent risks to occupancy - disclosures on which are outlined in this summary - the Directors are of the opinion that a combination of mitigating activity undertaken by the Company; 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 occupancy. On this basis, it is expected that the current strong performance of UPP Bond 1 Holdings Limited will continue."

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