

## Results for the six months ended 28 February 2023

UPP Bond 1 Issuer PLC, 27 April 2023

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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 2023. The results are available on the Investor Centre at: <https://www.upp-ltd.com/investor-centre/announcements/>

Business highlights for the six months ended 28 February 2023 include:

- Occupancy for 2022/23 of 99.6 per cent (2021/22: 99.5 per cent)
- Turnover up by 6.0 per cent to £37.4 million (2021/22: £35.2 million), reflecting RPI-linked annual term rental income increases and higher occupancy.
- Gross profit increased by 3.3 per cent to £26.0 million (2021/22: £25.2 million) with improved turnover partially offset by a significant increase in utilities costs due to global supply issues raising wholesale prices and the impact of high inflation on other direct costs.
- EBITDA pre sinking fund expenditure grew by 2.6 per cent to £24.2 million, with improved revenue partially offset by significantly higher utilities costs and other operating costs increasing due to high inflation.
- The beginning of the financial year 2022/23 saw a continuing focus on the long-term strategic management of assets under operation, with the completion of a further major programme of asset investment works totalling £7.7 million across the Bond portfolio. This investment included the remedial works on the Francis Drake building at the Plymouth AssetCo which were completed ahead of the 2022/23 academic year and within budget.
- Both the Historic and Projected Senior Debt Service Coverage Ratio (DSCR) for February 2023 test date are above lock-up triggers
- At the start of the period, UPP Group was delighted to be selected as the preferred bidder to deliver the University of Exeter's Clydesdale & Birks Residential Project – a truly leading-edge sustainable campus development scheme involving the development of over 1,700 new student rooms and the refurbishment of 300 existing bedrooms.
- During the period we have continued to progress our commitment to achieve transparent net zero emissions across scopes 1, 2 and 3 by 2035.
- UPP Group continues to hold the prestigious We Invest in People Gold Accreditation and in February 2023 received a Commended Gold Award from the Royal Society for the Prevention of Accidents (RoSPA) in recognition of its excellent health and safety standards.
- We continued to deliver high quality services to students, as evidenced by customer satisfaction scores of 88.9 per cent across the wider UPP Group when residents were asked whether they would recommend UPP accommodation to future students.

Chief Executive Officer Elaine Hewitt said:

"I am pleased to report that for the six months ended 28 February 2023 UPP Bond 1 Holdings Limited (the Bond Group) has continued to demonstrate strong performance, with occupancy at 99.6 per cent. Over the period, turnover has increased by 6.0 per cent from £35.2 million to £37.4 million. EBITDA pre sinking fund expenditure increased by 2.6 per cent to £24.2 million with EBITDA margin in line with expectations.

UK Higher Education (HE) continues to benefit from strong rates of academic demand from both home and international students. The UK remains a key destination for international students based on its excellent reputation, and applicant numbers for university in the post-pandemic period remain well above comparable UCAS data for 2020. The long-term projected increase in the 18-year-old population is set to continue, with more than 330,000 applicants in the 2022 cycle - an increase of just under 5 per cent year on year.

Whilst conditions in the wider economy continue to prove challenging, the unique partnership model of UPP continues to perform well and the Bond has had a very positive first half of the financial year. This has included the completion of a further major programme of asset investment works during the summer totalling £7.7 million across the portfolio, UPP Group being named preferred bidder for a further scheme with our partners at the University of Exeter; and making progress on our environmental commitments under the Science Based Targets initiative (SBTi) Net-Zero Standard.

On the basis of these healthy market demand conditions, the resilience of the business model to economic headwinds and UPP Group's compelling market offer and effective service delivery by our passionate and professional teams across the UK, the Directors remain confident that the current strong performance of UPP Bond 1 Limited will continue."

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