



UPP Bond 1 Limited Half Year Summary

For the six months ended 28 February 2026

▶ Half-Year highlights

▶ Turnover

£40.4m

▶ EBITDA

£24.5m

▶ ADSCR

1.39%

▶ Occupancy

92.5%

▶ Customer satisfaction

87.4%

This Half-Year Summary is being published by UPP Bond 1 Limited ('The Group Agent') on behalf of UPP Bond 1 Holdings Limited ('HoldCo'), UPP Bond 1 Issuer Plc ('Issuer'), UPP (Alcuin) Limited, UPP (Broadgate Park) Holdings Limited, UPP (Kent Student Accommodation) Limited, UPP (Nottingham) Limited, UPP (Oxford Brookes) Limited, UPP (Exeter) Limited and UPP (Plymouth Three) Limited ('The AssetCos') (together the 'Obligors') pursuant to the Common Terms Agreement ('CTA').

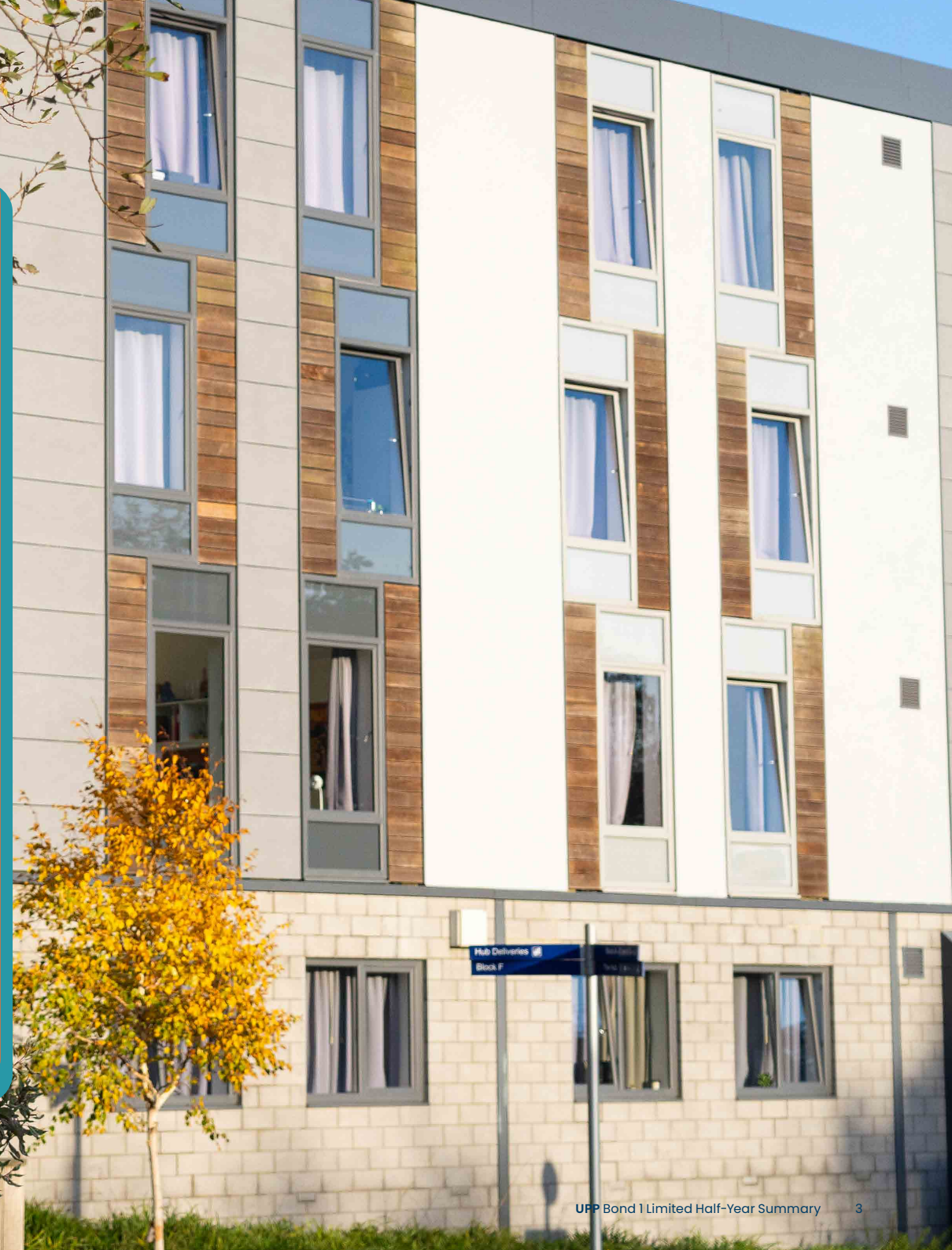
In this report UPP Bond 1 Holdings Limited is referred to as "the Bond Group". UPP REIT Holdings Limited and its subsidiaries is referred to as "UPP Group".

Unless otherwise defined herein, capitalised terms have the meanings given in the Prospectus for the £5,000,000,000 multicurrency programme for the issuance of senior secured notes dated 5 March 2013 ('The Programme') and as updated on 1 December 2014.

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1.0 General overview



1.0 General overview: UPP Bond 1 Holdings Limited

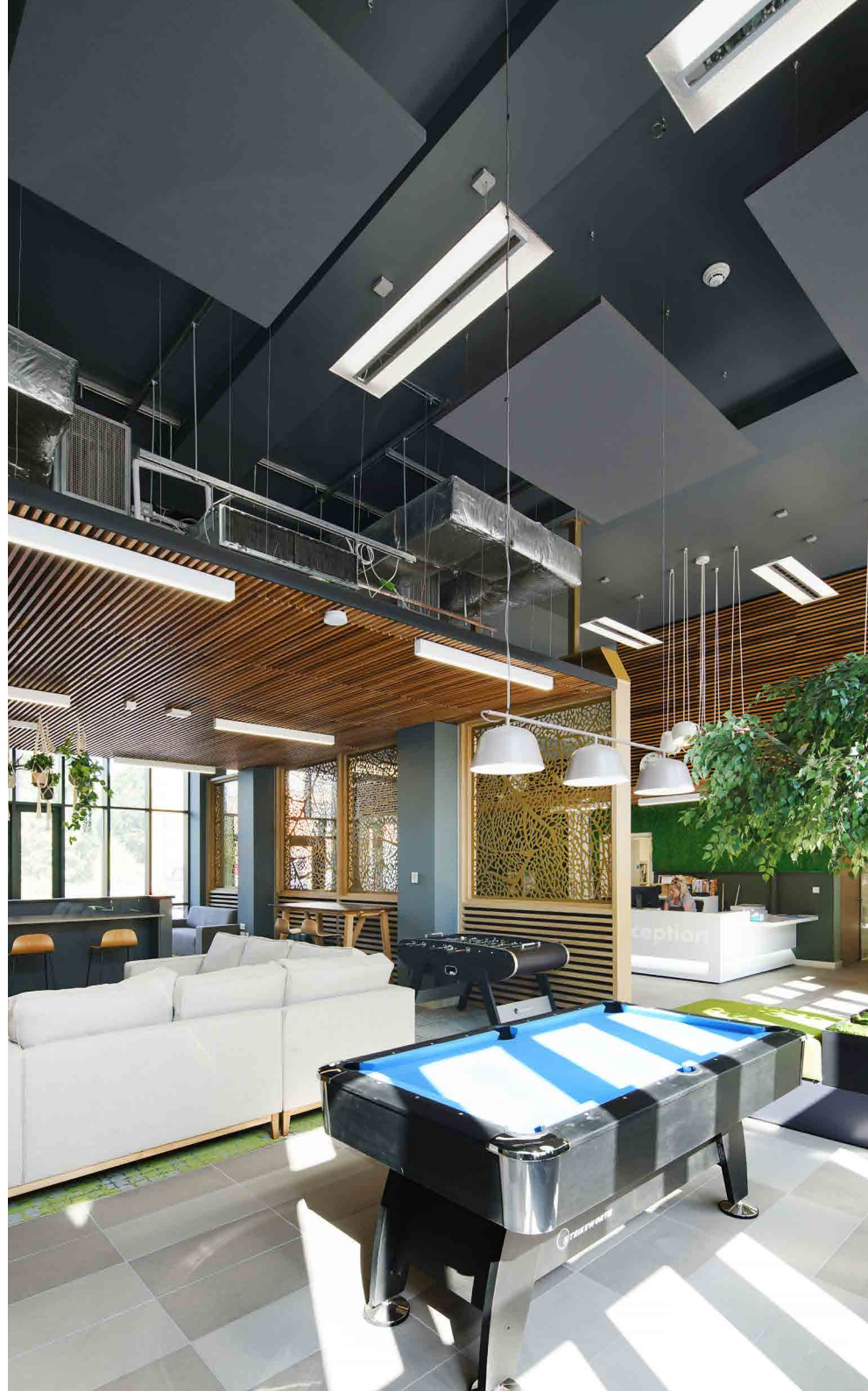
UPP Bond 1 Holdings Limited results for the six months ended
28 February 2026

Financial highlights

| £'000 | February 2026 | February 2025 | Change % |
|--|---------------|---------------|----------|
| Turnover | 40,435 | 41,371 | (2.3) |
| Gross profit | 26,572 | 27,703 | (4.1) |
| EBITDA pre sinking fund expenditure ¹ | 24,506 | 25,822 | (5.1) |
| EBITDA margin ¹ | 60.6% | 62.4% | (2.9) |
| Sinking fund expenditure ² | (557) | (1,176) | (52.7) |

¹Earnings before interest, tax, depreciation and amortisation (EBITDA) pre sinking fund expenditure.

²Sinking fund expenditure is primarily incurred during the summer months and is dependent on each AssetCo's individual spend plan, leading to cost variability in the first half of the year. In the period ended 28 February 2025 some sinking fund works were performed earlier in the year.



Bond Business Highlights

- › Occupancy for 2025/26 of 92.5 per cent (2024/25: 95.1 per cent). Occupancy averaged 99.9 per cent in all SPVs except for Nottingham-based AssetCos where student recruitment shortfalls occurred and there has been a lower uptake of accommodation marketed by the university.
- › Turnover down by 2.3 per cent to £40.4 million (2024/25: £41.4 million), reflecting RPI-linked annual term rental income increases offset by occupancy reductions at Broadgate Park and Nottingham.
- › Gross profit decreased to £26.6 million (2024/25: £27.7 million) primarily due to lower turnover.
- › EBITDA pre sinking fund expenditure reduced to £24.5 million (2024/25: £25.8 million).
- › The completion of the financial year 2024/25 programme of asset investment works totalling £8.2 million across the Bond portfolio and continuing focus on the long-term strategic management of assets under operation in financial year 2025/26.
- › Both historic and projected Senior Debt Service Coverage Ratio for the consolidated Bond Group at the February 2026 test date were comfortably above lock-up triggers, while the Nottingham AssetCo historic and projected individual ratio is below and is therefore currently subject to enhanced monitoring.
- › Current annual credit rating assessments of Baa2 (negative outlook) from Moody's (updated in February 2026) and BBB+ (negative outlook) from S&P (updated in November 2025).

UPP Business Highlights

- › Achieved a GRESB (Global Real Estate Sustainability Benchmark)¹ score of 95 per cent for 2024/25 across UPP Group.
- › Achieved 6.5 per cent reduction in Scope 1 and 2 GHG emissions, ahead of our target.
- › Biodiversity Net Gain of 2.8 per cent delivered in year. 5.4 per cent cumulative improvement on 2021/22 baseline which is over halfway to the 10 per cent 2030 target.
- › Recycling rate of 50 per cent achieved, with no waste to landfill.
- › Inclusive Employers membership maintained, and Foundation Assessment completed.
- › Over £1.6 million of social value generated, including through colleagues contributing 186 volunteering days across 63 organisations
- › Over 90 per cent of active suppliers have signed up to our Supplier Code of Conduct, achieving the annual target
- › UPP is continuing its leadership in sustainable design at the new Exeter University West Park project now under construction. The new buildings will be one of the largest Passivhaus student accommodation in the UK once completed.
- › UPP Group was re-accredited with the Gold 'Investors In People' standard and the RoSPA Gold Award.
- › We continued to deliver high quality services to students, as evidenced by customer satisfaction scores of 87.4 per cent when residents were asked whether they would recommend UPP accommodation to future students.

¹ GRESB is the external standard across the asset management and real estate sectors, providing independent, quantitative assessment of ESG performance



Introduction from Elaine Hewitt, Chief Executive Officer

“ Bond 1 Holdings Limited has continued to demonstrate strong performance despite a more challenging operating environment in certain locations.”

I am pleased to report that for the six months ended 28 February 2026 UPP Bond 1 Holdings Limited has continued to demonstrate strong performance despite a more challenging operating environment in certain locations.

Occupancy in the UPP Bond 1 portfolio accommodation was 92.5 per cent this year. Occupancy averaged 99.9 per cent in all SPVs except for Nottingham-based AssetCos, where student recruitment shortfalls and lower uptake of university-marketed accommodation have impacted performance.

Applications for UK university places are at record levels, with undergraduate applicant numbers continuing to exceed pre-pandemic levels, particularly across high-tariff institutions aligned to UPP’s target cohort of under-21s. Demand for student accommodation remains strong, reflective of the positive medium-term outlook for the sector and prevailing undersupply of quality accommodation.

The Bond Group assets have benefitted from a continued programme of investment works during the period. The assets remain well positioned, offering a wide range of quality accommodation, priced on an inclusive basis, with services delivered by our experienced operational teams.

The strength of UPP Group operational performance continues to be reflected in high levels of customer satisfaction, with 87.4 per cent of residents stating they would recommend UPP accommodation to future students. This performance also reflects the continued commitment of our people. During the period, UPP Group was re-accredited with the Gold Investors in People standard and achieved the RoSPA Gold Award for the eighth successive year.

UPP Group continues to strengthen our focus on environmental and social sustainability for the benefit of our university partners, our student residents and our people. We achieved a GRESB score of 95% for 2024/25, an increase on the prior year. GRESB is the external standard across the asset management and real estate sector, providing independent, quantitative assessment of ESG performance. We also delivered a 6.5 per cent reduction in Scope 1 and 2 emissions and continued to make progress against our biodiversity and resource efficiency targets. Over 90 per cent of active suppliers have now signed up to our Supplier Code of Conduct.

Following a successful Financial Close in August 2025, UPP Group is progressing the development of the Exeter West Park scheme, which will be one of the largest Passivhaus student accommodation schemes in the UK on completion.

Finally, UPP Group was selected as Preferred Bidder for a new project with the University of Bristol, with Heads of Terms signed following a period of exclusivity to deliver new student accommodation in the city centre. This represents a significant milestone and further strengthens the portfolio with another leading Russell Group institution.

Elaine Hewitt
Chief Executive Officer



1.1 Summary of UPP Group business

UPP Bond 1 Holdings Limited is part of UPP Group or “UPP”, the UK’s leading provider of on-campus residential accommodation infrastructure. Every day, UPP supports over 33,000 students on their journey through higher education, working with our university partners to create a great student experience. 11,731 of UPP’s student bedrooms are operated by the asset companies (‘the AssetCos’) within the UPP Bond 1 ringfence.

At Group level, we have 14 long-term bespoke partnerships with leading UK universities and have invested over £3.8 billion in the UK higher education sector since 1998, providing a home to over half a million students.

Our unique, long-term partnership approach enables our university partners to develop their estates whilst reinvesting in their core remit of teaching and research. Through long-term partnerships, joint ventures and strategic partnership agreements, we design, build, finance and operate new residential and academic infrastructure, and complete estate transfers of existing accommodation, for concession periods ranging from 40 years to 125 years. Our projects are structured to be efficient, robust and of high-credit quality which enables us to secure investment grade debt to support our financing requirements.

The key features of UPP’s cash-generative business model, based on bespoke partnerships with the universities, generally comprise:

- An integrated delivery model for universities encompassing design, funding, construction and operation of student accommodation
- A business model underpinned by long-term contracts (typically in excess of 40 years) with all partner universities
- Annual rent increases for the life of the project typically linked to the Retail Price Index (‘RPI’)
- A restrictive covenant regime that limits long-term competing university supply in order to maintain healthy demand dynamics
- Established partnerships with leading institutions targeted on the basis of rigorous selectivity criteria
- Accommodation is always located on, or very near to, campus, which is the preferred location for target cohorts of first-year domestic and international undergraduate and postgraduate students
- Typically very high occupancy levels
- Credit and void risk passed to the university partner
- The university partner markets and allocates UPP accommodation at the agreed rent on at least an even-handed basis to its own stock
- The ability of each AssetCo to pass cost increases in utilities, insurances and those resulting from a change of law through to future student rents to the extent that they are not covered by the annual uplift mechanism
- Facilities management costs subject to periodic benchmarking exercises



1.2 Summary of bond issuance

On 5 March 2013, UPP Bond 1 Issuer Plc issued a £382.1 million secured bond listed on the Irish Stock Exchange. The bond was secured against the income from the properties at the University of York, the University of Nottingham, Nottingham Trent University, the University of Kent, Oxford Brookes University and the University of Plymouth ('the AssetCos'). UPP Bond 1 Holdings Limited is a wholly owned subsidiary of UPP Group Holdings Limited and was initially set up to be the intermediate holding Company for the six AssetCos.

This issuance comprised two tranches:

- £307.1 million 4.9023 per cent amortising fixed-rate bond due 2040
- £75.0 million 2.7291 per cent amortising index-linked bond due 2047

On 9 December 2014, the Group acquired UPP (Exeter) Limited from UPP Group Holdings Limited. On the same day, UPP Bond 1 Issuer Plc issued a new tranche of £149.7 million 1.037 per cent amortising index-linked secured notes, listed on the Irish Stock Exchange. These funds were on-lent to UPP (Exeter) Limited to enable that Company to repay its bank facilities and associated costs. This tranche is due to mature in 2049.

Proceeds of both issuances, along with a tranche of unsecured subordinated debt, were utilised to:

- Repay existing senior bank facilities owed by the seven AssetCos
- Fund the payment of break costs crystallised on the termination of the interest rate and RPI hedging arrangements in place with the current bank funders
- Prefund a debt service reserve account for the new bond issuance
- Purchase minority interest shareholdings held by two of the university partners in the relevant AssetCos
- Fund the costs associated with the transaction

Interest and principal repayments are due in February and August each year.





2.0 Trading update

2.1 Business developments

The results for the six months ended 28 February 2026 continue to demonstrate the resilience of the UPP business model, which delivers returns based on stable, long-term, RPI-linked revenues.

The principal activities of the Bond Group during the six months continued to be the funding and operation of student accommodation. While the wider UPP Group has continued to actively bid for new schemes with existing and potential new partners, there have been no additions to the UPP Bond 1 portfolio in the reporting period.

During the period, the Bond Group saw turnover decrease by 2.3 per cent to £40.4 million (2024/25: £41.4 million) with contractual rental increases offset by lower occupancy. Gross profit reduced to £26.6 million (2024/25: £27.7 million), primarily due to lower revenues, and EBITDA pre sinking fund expenditure decreased to £24.5 million (2024/25: £25.8 million).

The Group has achieved occupancy of 92.5 per cent across the Bond portfolio for the 25/26 financial year, with a strong and resilient performance nationwide, with the exception of a reduction in student numbers and lettings at Nottingham Trent University impacting occupancy at the Nottingham AssetCo, following lower undergraduate recruitment levels and a lower uptake of accommodation marketed by the university. We are working collaboratively with the university to improve occupancy this academic year, including competitive pricing, reviewing the marketing and letting strategy which includes improved campus collateral (digital display screens, posters, flyers etc.) and the development of a targeted postgraduate international sales plan. A Remediation Monitoring plan has been developed for the Nottingham AssetCo, and agreed with the Monitoring Advisor, UPP will report quarterly on this plan starting in May 2026.

The beginning of the financial year 2025/26 saw a continuing focus on the long-term strategic management of assets under operation, including defects management. With respect to the Bond AssetCos, the business has planned a further major programme of asset investment works during the summer of 2026 totalling £6.5 million across the portfolio.

This includes a range of phased decoration and carpet renewal works across all sites, a continuation of phased kitchen replacement and kitchen refresh works at properties in Alcuin, Nottingham, Broadgate Park, Exeter and Plymouth. Allowances are included on all AssetCos for reactive replacement of boilers as they fail and for planned replacement of old boiler plant with BMS controls at Oxford Brookes, Exeter and Broadgate Park AssetCos. It is intended that most of the works will be completed over the summer of 2026.



We've made real progress towards our 2030 sustainability goals across UPP Group:

- 6.5 per cent reduction in Scope 1 and 2 GHG emissions, ahead of our target
- Biodiversity Net Gain of 2.8 per cent delivered in year. 5.4 per cent cumulative improvement on 2021/22 baseline which is over halfway to the 10 per cent 2030 target.
- Recycling rate of 50 per cent achieved, with zero waste consigned to landfill
- Inclusive Employers membership maintained, and Foundation Assessment completed
- EDI Charter published and Inclusive Employers membership was maintained
- Over £1.6 million of social value generated including through colleagues contributing 186 volunteering days across 63 organisations
- Over 90 per cent of active suppliers have signed up to our Supplier Code of Conduct, achieving the annual target

Meanwhile, UPP is continuing its leadership in sustainable design at the new Exeter University West Park project now under construction. The new buildings will be one of the largest Passivhaus student accommodation when completed.

UPP continued to demonstrate corporate excellence, being re-accredited with the Gold 'Investors in People' standard and received the RoSPA Gold award for 8th consecutive year.

In summary, the view of the Directors of the Bond Group remains that its business model is robust (as outlined in section 2.2 below) and that it is well positioned to continue to deliver strong operational performance from a portfolio of assets that are central to the operations of its university partners.



2.2 Market update

UK Higher Education continues to see strong rates of academic demand both domestically and from overseas in relation to undergraduates. Whilst applicant numbers experienced a spike during 2021 and 2022 reflecting the changes made to awarding grades, undergraduate demand for university is rising and well above comparable UCAS data for 2020.

The total number of applicants from overseas increased slightly in the 2025/26 cycle, from 148,910 to 154,145. The increase of 5,235 (3.5 per cent) is mostly from the non-EU applicants with a 5,205 increase. Applicant numbers from the EU have now flattened, following a significant drop post-Brexit. The sector has had to pivot towards non-EU demand which has remained steady following a significant rise since 2016.

Data for the January equal consideration application deadline for the 2026/27 application cycle identified that in total 619,360 people have applied to UK universities so far, an increase of 3.1 per cent compared to the 2025/26 cycle. The overall application rate for UK 18-year-olds is at 40.7 per cent this year, compared to the 2019 application rate of 38.5 per cent. Broken down by nation, the 2025/26 application rates at the January deadline were: 41.4 per cent in England, 48.9 per cent in Northern Ireland, 32.1 per cent in Wales and 34.8 per cent in Scotland.

As demand for places has increased, a record number of UK 18-year-olds have applied for a place: 338,940 applicants, up from 323,360 in 2025 (+4.8 per cent). This is also significantly higher than the pre-pandemic total of 270,690 in 2019 (+25.2 per cent). Overall, for 2025/26 academic year, 289,200 UK 18-year-olds gained a place which is 3.5 per cent higher than last year.

Applications from overseas students by the January deadline for 2026/27 have increased by 5.1 per cent to 124,830 compared to last year. The largest increases were in applicants from China (+3,220), Ireland (+700) and Palestine (+580).

The table across identifies applicants at the UCAS January deadline which represents approximately 80 per cent of those who will apply through this cycle.

Applicants for all courses by domicile group (31 January 2026 deadline only)

| App. Domicile | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 | 2026/27 |
|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| England | 373,740 | 373,860 | 415,470 | 416,400 | 405,130 | 402,240 | 404,650 | 415,160 |
| Northern Ireland | 17,910 | 17,400 | 18,780 | 17,750 | 17,020 | 16,690 | 16,860 | 17,860 |
| Scotland | 43,340 | 42,530 | 49,360 | 44,140 | 40,420 | 41,410 | 41,520 | 42,230 |
| Wales | 18,850 | 18,430 | 21,120 | 21,020 | 19,100 | 18,880 | 18,820 | 19,290 |
| UK | 453,840 | 452,220 | 504,740 | 499,320 | 481,670 | 479,210 | 481,870 | 494,540 |
| EU (excluding UK) | 43,560 | 42,750 | 25,740 | 20,820 | 20,500 | 19,890 | 19,950 | 20,600 |
| Non-EU | 64,030 | 73,360 | 85,890 | 90,590 | 94,410 | 95,840 | 98,850 | 104,230 |
| Total | 561,420 | 568,330 | 616,360 | 610,720 | 596,590 | 594,940 | 600,660 | 619,360 |

(Subtotals have been rounded, so in some instances the total is not the sum of the above figures. Source: UCAS)





In terms of the key demand cohorts for AssetCo accommodation, UK applicant numbers for 2026/27 were up 2.6 per cent to 494,540, a rise of 12,670. As with overall numbers, these figures remain 9.4 per cent higher than 2020, and the third highest total on record. English applicant numbers were up 2.6 percent (+10,510) year on year to 415,160. Applicant numbers from UK 18-year-olds rose by 4.8 per cent to 338,940 and UK applicants aged under 21 increased by 3.9 per cent. With high tariff institution applications also increasing, demand from key cohorts continues to rise.

In the last year, there has been a continued strong divergence in the rates of applications to high tariff institutions, compared to low tariff. Applications to high tariff institutions have risen by 5.9 per cent in the last year, applications to medium tariff institutions have marginally increased, by just 1.2 per cent, while applications to low tariff institutions have fallen by 0.6 per cent.

The trend towards high tariff institutions is even more evident in terms of accepted applicants. For 2025/26 there was a 7.4 per cent increase in those accepted to a high tariff institution with an increased number of applicants 'trading up' during Clearing. Applicants accepted to medium tariff institutions increased by 2.3 per cent and those accepted to low tariff institutions fell by 2.0 per cent.

UCAS projects there will be continued growth in demand from UK 18-year-olds through the rest of the decade, supported by a demographic increase in cohort size. Application rates among this group remain stable at 40.7%, close to pre-pandemic levels and only slightly below the 2022 peak of 42.8%, indicating a reversion to typical pre-Covid demand. UCAS's long-term analysis in *The Journey to a Million* (published in February 2023) anticipates an increase of more than 230,000 between 2022 and 2030, potentially taking annual applicant numbers to 997,500.

Although applicant numbers since then have tracked below this trajectory, with 759,830 applicants in the 2025 cycle (per UCAS), this still represents 5% year-on-year growth and supports the view that student numbers will continue to rise in the coming years.

While domestic undergraduate demand remains resilient, the international postgraduate market has faced more pronounced headwinds. Postgraduate taught entrant enrolments from non-EU countries fell by 10% in 2024/25, and although Sponsored Study visa applications in the year ended January 2026 were 2% higher than the previous year, they remained 12% below levels seen in the year ending January 2024. This reflects a sector adjusting to the removal of the dependant visa route in January 2024 and a shifting global competitive landscape.

The 2025 Immigration White Paper, including the planned reduction of the Graduate Route from 24 to 18 months from January 2027 may dampen international demand. However, the January 2026 International Education Strategy reinforces the government's commitment to sustainably recruiting high-quality students from a broader range of countries, signalling an intention to protect and diversify the international student pipeline.

EU enrolments have reduced significantly since Brexit, falling by 89,000 between 2020/21 and 2024/25, while Non-EU enrolments have filled this demand. Discussions surrounding a new UK-EU youth mobility scheme and reports of potential re-engagement with Erasmus raise the possibility of improving affordability and accessibility for EU students, which could support partial recovery in this segment.

On the basis of this evidence, it appears that demand for UK higher education and, in particular, the three year on-campus, residential model of delivery, will remain strong. This should maintain the robust levels of demand for the accommodation operated by the individual AssetCos within UPP Bond 1 Limited witnessed to date. UPP is therefore well placed to benefit from current and future market dynamics.

The background of the slide features a photograph of a multi-story brick building with a prominent external spiral staircase. The building is partially obscured by large, lush green trees, including a large evergreen on the right side. The scene is brightly lit, suggesting a sunny day.

3.0 Financial highlights

3.0 Financial highlights for the six months ended 28 February 2026

As noted above, highlights of the consolidated results of UPP Bond Holdings 1 Limited were:

- Occupancy of 92.5 per cent achieved across the seven AssetCos
- Turnover of £40.4 million, down 2.3 per cent to the prior period
- EBITDA pre sinking fund expenditure of £24.5 million (2024/25: £25.8 million)
- Cash balance of £63.1 million, made up largely of liquidity reserve accounts
- Current annual credit rating assessments of Baa2 (negative outlook) and BBB+ (negative outlook)
- Annual Debt Service Coverage Ratios above lock-up triggers at a consolidated Bond Group level. The Nottingham AssetCo is subject to enhanced monitoring due to being below the monitoring trigger threshold.

For the 12 months ended 28 February 2026, the Bond portfolio had a historic annual debt service coverage ratio (ADSCR) of 1.39, compared to a lock-up trigger set at 1.15. The projected ratio for the 12 months ended 28 February 2027 is 1.26, with lower occupancy at Nottingham being the biggest driver of movement between periods and projected asset investment or remedial spend in Kent or Exeter also contributing to a lower ADSCR.

Occupancy for the 2025/26 academic year is forecast at 92.5 per cent across the portfolio. Rental receipts are now largely fixed for the year, evidencing the robust nature of the Bond business model.

The Bond Group made an accounting loss for the period of £25.4 million (2025: £20.8 million), of this loss £29.8 million (2025: £27.7 million) relates to interest costs on subordinated debt. Debt service costs, as contributing to the ratio calculations, increased by £0.9 million from £33.6 million to £34.5 million as a result of impact of RPI uplifts. Consolidated profit and loss results for the seven AssetCos, UPP Bond 1 Limited, UPP Bond 1 Holdings Limited and UPP Bond 1 Issuer Plc are presented below for the financial period 28 February 2026.



3.1 AssetCo Consolidated Profit and Loss Account for the six months ended 28 February 2026

| | HY ended 28 Feb 2026 £'000 | HY ended Feb 2025 £'000 | Change % |
|---|----------------------------------|-------------------------------|----------|
| Turnover | 40,435 | 41,371 | (2.3) |
| Cost of sales | (13,863) | (13,668) | 1.4 |
| Gross profit | 26,572 | 27,703 | (4.1) |
| Gross profit margin | 66% | 67% | |
| Operating expenses before sinking fund | (2,066) | (1,880) | 9.9 |
| EBITDA before sinking fund expenditure and provisions | 24,506 | 25,823 | (5.1) |
| EBITDA margin | 60.6% | 62.4% | |
| Sinking fund expenditure | (557) | (1,176) | (52.6) |
| EBITDA post sinking fund expenditure | 23,949 | 24,646 | (2.8) |

Turnover is defined as rental receipts from students net of contractual amounts deducted by university partners for taking credit and void risk, incentives offered to returning students, plus commercial and vacation income derived from other activities at each AssetCo and any payments or receipts under the relevant inflation-linked swaps. Turnover decreased by 2.3 per cent during the period, primarily due to lower occupancy at Nottingham-based AssetCos. UPP Group is working collaboratively with universities on plans to secure higher demand for the next financial year.

Cost of sales is made up of facilities management costs, employee costs, utilities and internet access costs, which was slightly higher than the prior year at £13.9 million (2025: £13.7 million). This was primarily a result of contractual increases in facilities management costs.

Operating expenses, before sinking fund costs, were slightly higher at £2.1 million (2025: £1.9 million) with increases in insurance costs and cost variations. In total, EBITDA before sinking fund decreased to £24.5 million (2025: £25.8 million).

Sinking fund costs consist of expenditure required to maintain asset condition. Whilst sinking fund expenditure is modelled in line with the relevant replacement period for each item, it is not necessarily comparable from one year to the next. Accordingly, the amount charged to the Profit and Loss account, while visible, can vary substantially between years and, as such, EBITDA before sinking fund expenditure is the key performance indicator.

The Trigger Level 2, Phase 2 Monitoring Trigger Event (and associated reporting) in respect of the Kent AssetCo has been discontinued, effective 1 March 2026, due to the Projected AssetCo DSCR and Historic AssetCo DSCR - as at the 31 August 2025 and 28 February 2026 Test Dates - all having been greater than 1.15:1.

A material decline in occupancy at the Nottingham AssetCo (following intake for AY2025/26) means that this AssetCo is now projected to be below the AssetCo trigger ratio levels. The AssetCo therefore entered a Trigger Level 2, Phase 1 Monitoring Event and is subject to enhanced monitoring.

Whilst recognising the strength and benefits of the Bond cross-collateralisation feature, both S&P and Moody's have recently reassessed the Bond's credit rating through the annual review process to reflect recent occupancy challenges and wider sector pressures.

This has resulted in S&P affirming the BBB+ and revising to a 'negative' outlook following their annual rating assessment in November 2025. Moody's downgraded the rating to Baa2 with a 'negative' outlook in February 2026.





3.2 Operational performance, sinking fund and defect remedial work

FM services are predominantly¹ provided by UPP Group's 100 per cent-owned subsidiary, UPP Residential Services Limited (URSL). Services are delivered to a high level to ensure the continued attractiveness of the accommodation and to maximise occupancy for future years. This is evidenced by our Customer Satisfaction rating of 87.4 per cent.

During the period ended 28 February 2026, URSL suffered only £1.3k of deductions for unavailability and poor performance and this reflects the high standards set in previous years.

Sinking fund expenditure is also managed by URSL. In total in 2025, £8.2 million (2024: £7.3 million) was invested by the AssetCos to maintain the quality of the accommodation.

The remedial scope relating to the external wall system on the Woolf halls of residence (for the Kent AssetCo) has been agreed with the original building contractor. Design is now being finalised before tendering and procurement. Some remediation work is expected to commence in late summer / early autumn of 2026 subject to prior funder consent to enable contract execution. Reviews undertaken indicate that the asset remains safe to occupy, whilst the planning for remediation works continues. The Kent AssetCo continues to perform well, with all works carefully managed in coordination with occupants to minimise any impact on their stay and forward occupancy.

¹ Under the terms of the individual agreements, certain FM services are provided directly by the relevant university.

4.0 Ratio calculations



4.0 Ratio calculations

As set out in Paragraph 2 of Part 2 of Schedule 9 of the CTA, the ratio calculations as at 28 February 2026 are:



4.1 Historic Senior DSCR (for the 12 months ended 28 February 2026):

| Consolidated | £'000 |
|--------------------------------|---------------|
| Turnover | 83,123 |
| Cost of sales | (26,409) |
| Operating expenses | (4,011) |
| EBITDA pre-sinking fund | 52,703 |
| Sinking fund | (7,566) |
| EBITDA | 45,138 |
| CAFDS adjustment ¹ | 2,837 |
| CAFDS | 47,975 |
| Debt service | 34,518 |
| Historic Senior DSCR | 1.39 |

¹ The Cash Available for Debt Service (CAFDS) adjustment adds back sinking fund expenditure and deducts the sinking fund deposits to get to the net sinking fund cash position in the year. Interest receivable is added to get to the final CAFDS figure.

4.2 Projected Senior DSCR (for the 12 months ended 28 February 2027):

| Consolidated | £'000 |
|--------------------------------|---------------|
| Turnover | 84,689 |
| Cost of sales | (29,759) |
| Operating expenses | (4,005) |
| EBITDA pre-sinking fund | 50,925 |
| Sinking fund | (6,731) |
| EBITDA | 44,194 |
| CAFDS adjustment ¹ | 446 |
| CAFDS | 44,640 |
| Debt service | 35,299 |
| Projected Senior DSCR | 1.26 |

¹ The Cash Available for Debt Service (CAFDS) adjustment adds back sinking fund expenditure and deducts the sinking fund deposits to get to the net sinking fund cash position in the year. Interest receivable is added to get to the final CAFDS figure.

4.3 Historic AssetCo DSCR:

| | |
|--|------|
| UPP (Alcuin) Limited | 1.61 |
| UPP (Broadgate Park) Holdings Limited | 1.33 |
| UPP (Kent Student Accommodation) Limited | 1.88 |
| UPP (Nottingham) Limited | 0.99 |
| UPP (Oxford Brookes) Limited | 1.54 |
| UPP (Plymouth Three) Limited | 1.35 |
| UPP (Exeter) Limited | 1.53 |



4.4 Projected AssetCo DSCR:

| | |
|---|------|
| UPP (Alcuin) Limited | 1.51 |
| UPP (Broadgate Park) Holdings Limited | 1.34 |
| UPP (Kent Student Accommodation) Limited ² | 1.42 |
| UPP (Nottingham) Limited | 0.67 |
| UPP (Oxford Brookes) Limited | 1.55 |
| UPP (Plymouth Three) Limited ² | 1.43 |
| UPP (Exeter) Limited | 1.36 |





5.0 Compliance certificate

Compliance certificate

To: U.S. Bank Trustees Limited as Issuer Security Trustee and the Issuer Note Trustee and any Private Placement Noteholder (or its representative)

CC: UPP Bond 1 Issuer PLC as the Issuer
Bishopsfield Capital Partners Ltd as Monitoring

Adviser From: UPP Bond 1 Limited

Date: 29 April 2026

Dear Sirs

Common Terms Agreement dated 5 March 2013 between, among others, the Issuer, the AssetCos, the Issuer Security Trustee and the Issuer Note Trustee (the "CTA")

Capitalised terms not defined in this certificate have the meaning given to them in the CTA.

1. We refer to the CTA.
2. This certificate is delivered pursuant to Paragraph 12.2 of Part 1 of Schedule 14 of the CTA.
3. We confirm that the ratios (together the "Ratios") contained herein are as detailed in the table below.

| Historic Ratios | 12 months ended 28 February 2026 | |
|--|----------------------------------|--------------|
| | Applicable Ratio | Actual Ratio |
| Historic AssetCo DSCR | | |
| UPP (Alcuin) Limited | 1.15 | 1.61 |
| UPP (Broadgate Park) Limited | 1.15 | 1.33 |
| UPP (Kent Student Accommodation) Limited | 1.15 | 1.88 |
| UPP (Nottingham) Limited | 1.15 | 0.99 |
| UPP (Oxford Brookes) Limited | 1.15 | 1.54 |
| UPP (Plymouth Three) Limited | 1.15 | 1.35 |
| UPP (Exeter) Limited | 1.15 | 1.53 |
| Historic Senior DSCR | 1.15 | 1.39 |

| Projected Ratios | Projected for 12 month ended 28 February 2027 | |
|--|---|--------------|
| | Applicable Ratio | Actual Ratio |
| Projected AssetCo DSCR | | |
| UPP (Alcuin) Limited | 1.15 | 1.51 |
| UPP (Broadgate Park) Limited | 1.15 | 1.34 |
| UPP (Kent Student Accommodation) Limited | 1.15 | 1.42 |
| UPP (Nottingham) Limited | 1.15 | 0.67 |
| UPP (Oxford Brookes) Limited | 1.15 | 1.55 |
| UPP (Plymouth Three) Limited | 1.15 | 1.43 |
| UPP (Exeter) Limited | 1.15 | 1.36 |
| Projected Senior DSCR | 1.15 | 1.26 |

- 4 We confirm that the historic ratios have been calculated using the most recently available financial information required to be provided by the relevant AssetCo under Schedule 8 (Covenants of the AssetCos) of the CTA and delivered together with this Compliance Certificate.
5. We confirm that all forward-looking financial ratio calculations and projections:
- (a) have been made on the basis of assumptions made in good faith and arrived at after due and careful consideration;
 - (b) are consistent and updated by reference to the most recently available financial information required to be produced by the AssetCos under Schedule 8 (Covenants of AssetCos) to the CTA and delivered together with this Compliance Certificate; and
 - (c) are consistent with the Accounting Standards (insofar as such Accounting Standards reasonably apply to such calculations and projections).
6. We set out below the computation of the following Ratios set out in Paragraph 2 above for your information:
- (a) Historic AssetCo DSCR means, in respect of any AssetCo as at the Test Date, the ratio of:
 - i. the aggregated Net Cash Flow in respect of such AssetCo for the 12 months (the "Test Period") ended on 28 February 2026; to
 - ii. the AssetCo Debt Service Requirement in respect of such AssetCo for the Test Period ended on 28 February 2026.
 - (b) Historic Senior DSCR means, as at the Test Date, the ratio of:
 - i. the aggregated Net Cash Flow in respect of all AssetCos for the Test Period ended on 28 February 2026; to
 - ii. the aggregated AssetCo Debt Service Requirement in respect of all AssetCos for the Test Period ended on 28 February 2026.
- 7 We also confirm that:
- (a) to the best of the knowledge and belief of the signatories to this Compliance Certificate having made all due enquiries, no Default has occurred and is continuing other than as previously notified or waived;
 - (b) to the best of the knowledge and belief of the signatories to this Compliance Certificate having made all due enquiries, no Monitoring Trigger Event has occurred and is continuing with the exception of the Nottingham AssetCo Monitoring Trigger Event;
- With regard to the ongoing Nottingham AssetCo Trigger Level 2, Phase 1 Monitoring Trigger Event (first notified in December 2025), the following steps are being taken to remedy the referenced Monitoring Trigger Event:
- » A remedial plan setting out the cure period and measurable milestones (the "Nottingham Remedial Plan") has been agreed with the Monitoring Adviser in line with the provisions in the CTA as notified on 1 March 2026.
- (c) Projected AssetCo DSCR means, in respect of any AssetCo as at the Test Date, the ratio of:
- i. the aggregated Net Cash Flow in respect of such AssetCo projected for the Test Period immediately following the Test Date; to
 - ii. the AssetCo Debt Service Requirement of such AssetCo projected for the Test Period immediately following the Test Date.
- (d) Projected Senior DSCR means, as at the Test Date, the ratio of:
- i. the aggregated Net Cash Flow in respect of all AssetCos projected for the Test Period immediately following the Test Date; to
 - ii. the aggregated AssetCos Debt Service Requirement in respect of all AssetCos projected for the Test Period immediately following the Test Date.

- » The Nottingham AssetCo will provide quarterly reports to the Monitoring Adviser outlining its actual performance against the agreed performance objectives set out in the Nottingham Remedial Plan (the first one relating to the quarter period ending 31 May 2026). The Monitoring Adviser will then provide its quarterly review report stating its views and analysis of the Trigger Level 2, Phase 2 Monitoring Trigger Event as required. This report will be available per the notification to the Noteholders and updated on the UPP Investor website.

It is noted that the Trigger Level 2, Phase 2 Monitoring Trigger Event (and associated reporting) in respect of the Kent AssetCo has been discontinued, effective 1 March 2026, due to the Projected AssetCo DSCR and Historic AssetCo DSCR – as at the 31 August 2025 and 28 February 2026 Test Dates – all having been greater than 1.15:1.

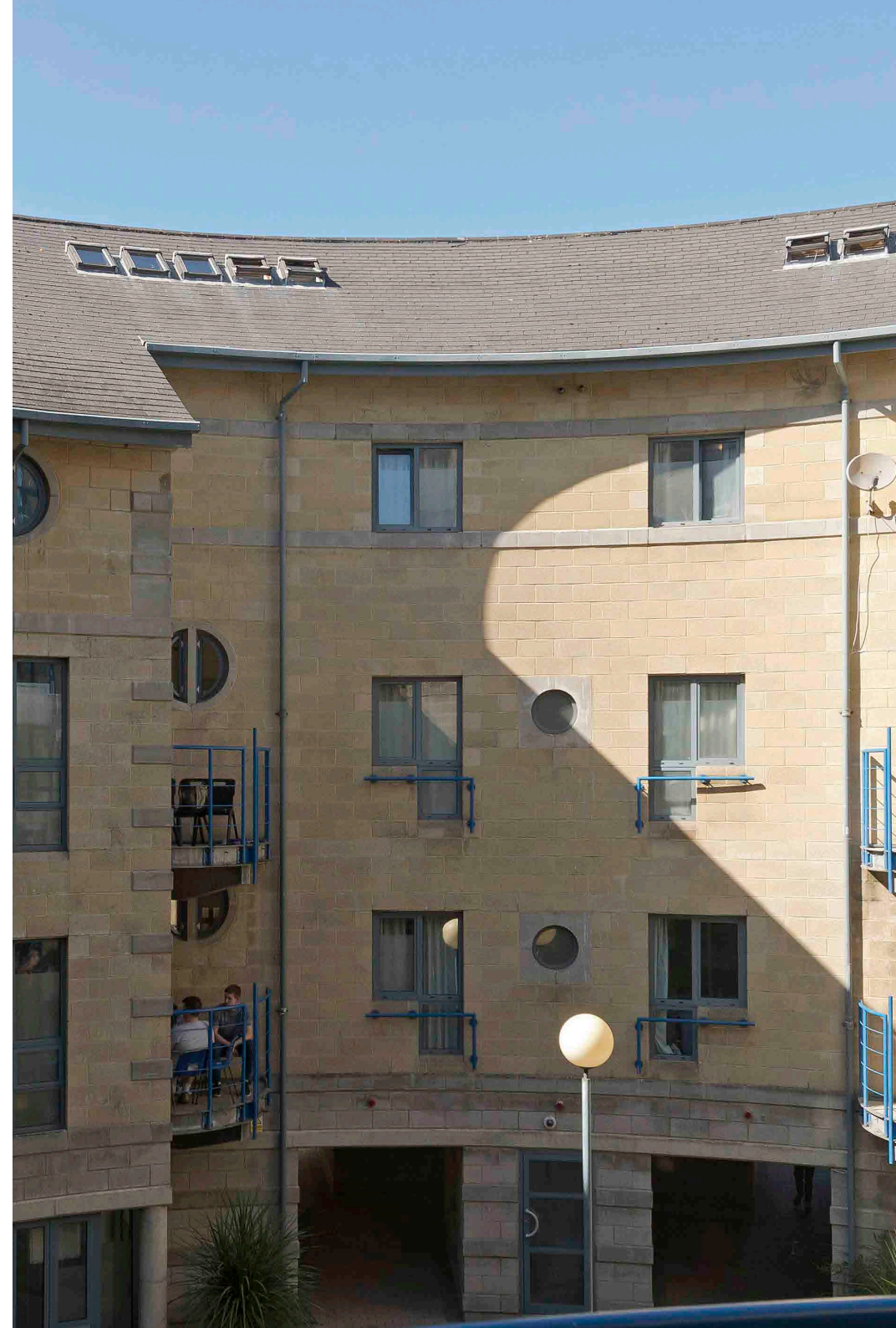
- (c) to the best of the knowledge and belief of the signatories to this Compliance Certificate having made all due enquiries, no Lock-Up Event has occurred and is continuing;
- (d) to the best of the knowledge and belief of the signatories to this Compliance Certificate having made all due enquiries, the Group is in compliance with the Hedging Policy; and this Compliance Certificate is accurate in all material respects.

Yours faithfully

Mark Bamford
Chief Financial Officer

Simon Boorne
Chief Investment Officer

For and on behalf of UPP Bond 1 Limited



Enquiries

▶ **Mark Bamford**
Chief Financial Officer

Tel: 020 7398 7200

▶ **Simon Boorne**
Chief Investment Officer

Tel: 020 7398 7200

Important Notice

This report is provided for information purposes only in connection with UPP Bond 1 Limited's senior secured notes programme.

This report does not constitute an offer to sell or a solicitation of an offer to purchase any securities of UPP Bond 1 Issuer Plc or any other member of the UPP Group, nor should it be relied upon in connection with any investment decision. It does not constitute a prospectus for the purposes of EU Regulation 2017/1129 (the "Prospectus Regulation").

This report is made publicly available, including via the Company's website, in accordance with ongoing reporting obligations.

Use of information

While reasonable care has been taken in preparing this report, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information contained herein.

The information is provided as at the date of this report and may be subject to change without notice. No liability is accepted for any loss arising from reliance on this report.

Forward-looking statements

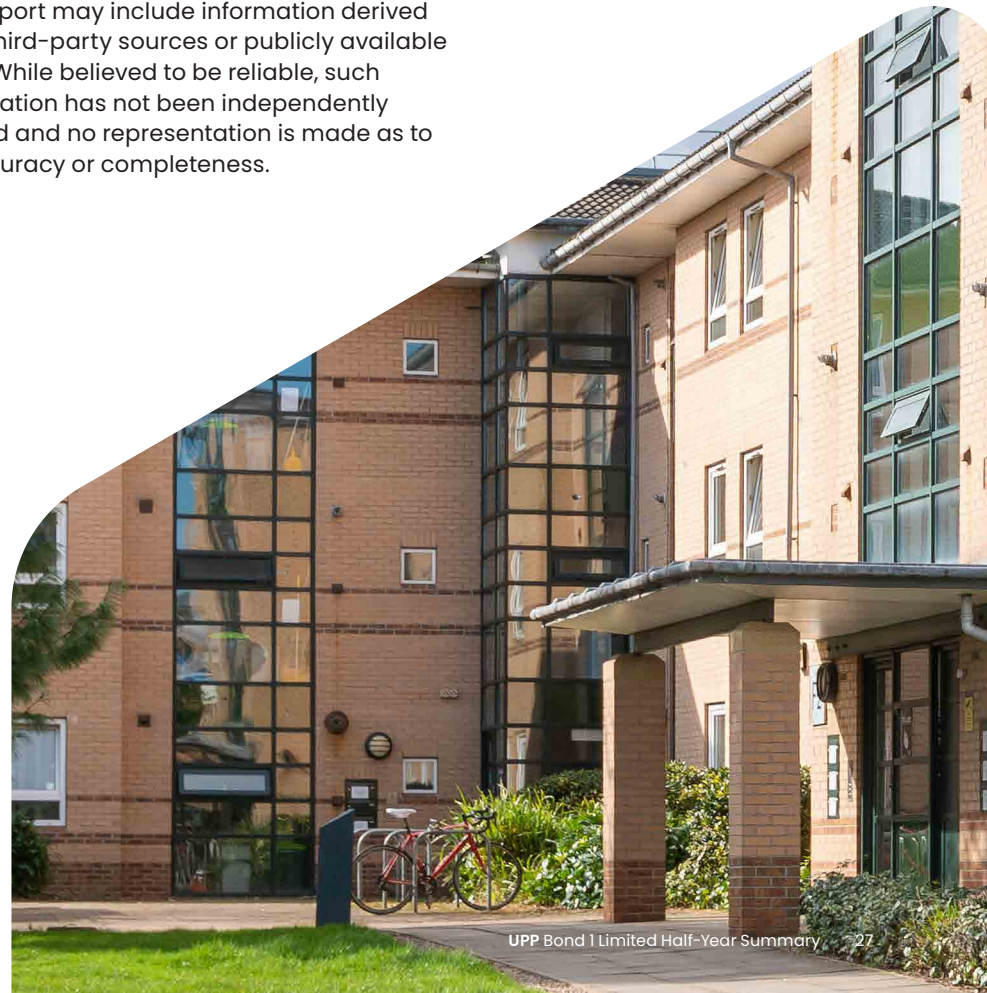
This report contains forward-looking statements based on current expectations and assumptions. These statements involve known and unknown risks and uncertainties, and actual results may differ materially.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company does not undertake any obligation to update these statements.

The information in this report has not been reviewed by the auditors of the Obligors.

Third-party information

This report may include information derived from third-party sources or publicly available data. While believed to be reliable, such information has not been independently verified and no representation is made as to its accuracy or completeness.



Appendix

Unaudited consolidated financial statements
For the six months ended 28 February 2026



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Principal activity

UPP Bond 1 Holdings Limited (“the Company”) is the parent company of UPP Bond 1 Holdings Limited group (“the Group”). The Company’s principal activity is that of a holding company for its subsidiary undertakings. The principal activity of the subsidiary undertakings is the operation of student accommodation and the provision of related facilities management services for seven AssetCos; consisting of 11,731 rooms (2025: 11,731).

Group income statement for the six months ended 28 February 2026

| | Notes | Unaudited Six months ended 28 February 2026 £'000 | Unaudited Six months ended 28 February 2025 £'000 |
|--|-------|---|---|
| Turnover | 5 | 40,435 | 41,371 |
| Cost of sales | | (13,863) | (13,668) |
| Gross profit | | 26,572 | 27,703 |
| Operating expenses | 6/7 | (8,764) | (8,683) |
| Operating profit | 8 | 17,808 | 19,020 |
| Interest receivable and similar income | 9 | 1,442 | 1,667 |
| Interest payable and similar charges | 10 | (44,482) | (41,495) |
| Loss on ordinary activities before taxation | | (25,232) | (20,808) |
| Tax credit/(charge) on loss on ordinary activities | 11 | 6,308 | - |
| Loss for the financial period | | (18,924) | (20,808) |

The above results all relate to continuing operations.

The notes on pages 34 to 51 form part of these financial statements.

Group statement of comprehensive income for the six months ended 28 February 2026

| | Unaudited Six months ended 28 February 2026 £'000 | Unaudited Six months ended 28 February 2025 £'000 |
|--|---|--|
| Loss for the financial period | (18,924) | (20,808) |
| Fair value movements on RPI swaps | 713 | 993 |
| Total other comprehensive loss | 713 | 993 |
| Total comprehensive loss for the period | (18,211) | (19,815) |

The notes on pages 34 to 51 form part of these financial statements.

Group statement of financial position as at 28 February 2026



| | Notes | Unaudited 28 February 2026 £'000 | 31 August 2025 £'000 |
|---|-------|--|----------------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 95,171 | 97,211 |
| Tangible assets | 13 | 644,000 | 648,100 |
| | | 739,171 | 745,311 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 14 | 42,679 | 35,849 |
| Cash at bank and in hand | | 41,683 | 28,145 |
| | | 84,362 | 63,994 |
| Creditors: amounts falling due within one year | 15 | (44,098) | (32,807) |
| Net current assets | | 40,264 | 31,187 |
| Total assets less current liabilities | | 779,435 | 776,498 |
| Creditors: amounts falling due after more than one year | 16 | (986,304) | (965,156) |
| Net assets excluding provisions | | (206,869) | (188,658) |
| Defined benefit pension liability | 18 | 790 | 790 |
| Provisions for liabilities | 17 | (1,600) | (1,600) |
| Net liabilities | | (207,679) | (189,468) |
| Share capital and reserves | | | |
| Called-up share capital | 19 | 55,570 | 55,570 |
| Revaluation reserve | | 140,788 | 140,788 |
| Cash flow hedge reserve | | (28,251) | (28,964) |
| Profit and loss account | | (375,786) | (356,862) |
| | | (207,679) | (189,468) |

Registered number: 08253967

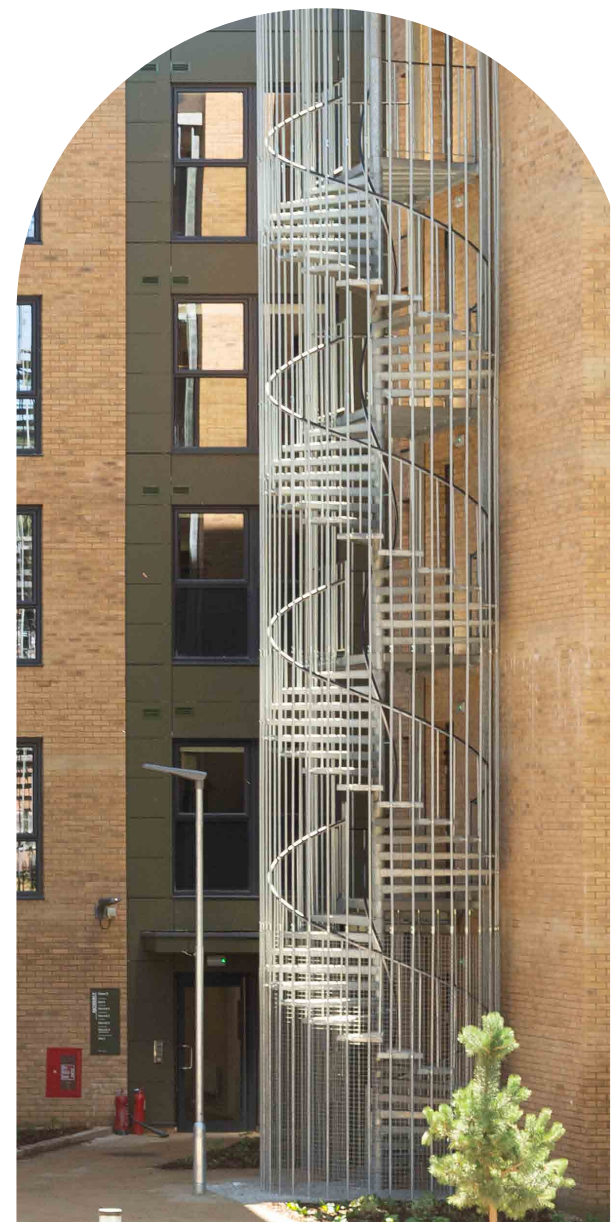
The notes on pages 34 to 51 form part of these financial statements.

Group statement of changes in equity for the six months ended 28 February 2026

Attributable to owners of the Parent

| | Share capital £'000 | Revaluation reserve £'000 | Cash flow hedge reserve £'000 | Profit and loss account £'000 | Total equity £'000 |
|------------------------------------|------------------------|------------------------------|----------------------------------|----------------------------------|-----------------------|
| At 1 September 2024 | 55,570 | 158,601 | (31,106) | (331,524) | (148,459) |
| Loss for the financial period | - | - | - | (20,808) | (20,808) |
| Other comprehensive income | - | - | 993 | - | 993 |
| Balance at 28 February 2025 | 55,570 | 158,601 | (30,113) | (352,332) | (168,274) |
| At 1 March 2025 | 55,570 | 158,601 | (30,113) | (352,332) | (168,274) |
| Loss for the financial period | - | - | - | (7,865) | (7,865) |
| Transfer to profit & loss account | - | (2,750) | - | 2,750 | - |
| Other comprehensive income | - | (15,063) | 1,149 | 585 | (13,329) |
| Balance at 31 August 2025 | 55,570 | 140,788 | (28,964) | (356,862) | (189,468) |
| At 1 September 2025 | 55,570 | 140,788 | (28,964) | (356,862) | (189,468) |
| Loss for the financial period | - | - | - | (18,924) | (18,924) |
| Other comprehensive income | - | - | 713 | - | 713 |
| Balance at 28 February 2026 | 55,570 | 140,788 | (28,251) | (375,786) | (207,679) |

The notes on pages 34 to 51 form part of these financial statements.



Group statement of cash flows for the six months ended 28 February 2026

| | Notes | Unaudited Six months ended 28 February 2026 £'000 | Unaudited Six months ended 25 February 2025 £'000 |
|---|-------|---|---|
| Net cash flow inflow from operating activities | 20(a) | 33,467 | 36,889 |
| Investing activities | | | |
| Interest received | | 1,193 | 1,293 |
| Net cash flow from investing activities | | 1,193 | 1,293 |
| Financing activities | | | |
| Cash outflow from repayment of fixed-rate debt | | (9,259) | (8,391) |
| Cash outflow from repayment of index-linked debt | | (3,608) | (3,478) |
| Interest paid | | (8,255) | (8,434) |
| Net cash flow from financing activities | | (21,122) | (20,303) |
| Increase in cash and cash equivalents | | 13,538 | 17,879 |
| Cash and cash equivalents at 1 September | | 28,145 | 46,297 |
| Cash and cash equivalents at 28 February | 20(b) | 41,683 | 64,176 |

The notes on pages 34 to 51 form part of these financial statements.



Notes to the unaudited consolidated financial statements for the six months ended 28 February 2026

1. Company information

UPP Bond 1 Holdings Limited is a limited liability company incorporated in England. The registered office is 12 Arthur Street, London, EC4R 9AB.

2. Basis of preparation

These interim financial statements have been prepared in accordance with The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for all derivative instruments and revaluation of fixed assets as specified in the accounting policies below. The Group has chosen to adopt Section 11 and 12 of FRS 102 in respect of financial instruments as available under Section 11 of FRS 102.

The Group has chosen to apply transitional relief under Section 35.10 (i) Service concession arrangements – Accounting by operators and as a result it shall account for all its tangible assets which meet the definition of service concession arrangements under Section 34 and were entered into before the date of transition, using the same accounting policies being applied at the date of transition to FRS 102. This transitional relief applies to all of the Group's principal assets as at 31 August 2017. All of the Group's principal assets meet the definition of service concession arrangements under Section 34.

The financial statements are presented in Sterling (£) which is the Group's functional currency, rounded to the nearest thousand.

For the purposes of these financial statements and the relevant notes provided the comparative period is for the six months ended 28 February 2025 for the Statement of Comprehensive Income and 31 August 2025 for the Statement of Financial Position.

Basis of consolidation

The non-statutory consolidated financial statements consolidate the financial statements of UPP Bond 1 Holdings Limited and its subsidiaries using the acquisition method from the date control passes to the Group.

The Directors consider the acquisition of subsidiary undertakings by way of a share for share exchange and cash purchase of minorities from the Parent Company on 5 March 2013 and 9 December 2014 as a series of transactions and not individual transactions.

On this basis, the Directors have concluded that acquisition accounting must be applied as overall the series of transactions do not qualify for merger accounting and have prepared these financial statements accordingly.



Going concern

Notwithstanding Group net liabilities of £207,679k (31 August 2025: £189,468k) the financial statements have been prepared on a going concern basis, which the directors consider to be appropriate for the following reasons.

In preparing these financial statements, the directors have considered the impact of the current inflationary environment on the ability of the Company to continue as a going concern by preparing a cash flow forecast through to 31 August 2027, modelling a severe but plausible downside scenario that demonstrates that the Company is expected to have sufficient funds to meet its obligations as they fall due over the period of at least 12 months from the date of approval of the financial statements.

A key feature of the Company's subsidiaries contractual arrangements with the universities, is that the university counterparty bears the risk of in-year rental income collection once students have been contracted for the rooms. In addition, there are contractual mechanisms in place that allow for rental uplifts as a result of inflation.

For the 2025/26 academic year, five of the companies that operate within the Bond 1 Holding limited group has secured sufficient occupancy to remain compliant with its financial covenants. Nottingham and Broadgate Park SPV's have lower occupancy levels than 97 per cent than FY 25/26, Nottingham is projected to be below AssetCo trigger ratio levels and subject to enhanced reporting. The directors anticipate that the Company's university counterparties will meet their payment obligations as they fall due, even in the severe but plausible downside scenario and, as a result, the risk around revenues leading to non-compliance with financial covenants for the 2025/26 year remains low. The directors consider the Company's costs to be reasonably controllable and, whilst there are likely to be increased costs arising from inflationary pressures and geopolitical issues, these are either likely to be offset by cost savings elsewhere or not considered sufficient to threaten the viability of the business.

The directors believe that the fundamentals of the student accommodation market remain supportive of the long-term success of the business. The directors received a letter of support and confirmation from the Group's parent undertaking, UPP Group Limited that financial support will be provided to the Group, such that it is able to meet its liabilities as they fall due, in connection with the last statutory accounts and that letter of support continues in effect over the period covered by these interim financial statements and for the remainder of the financial year.

On this basis, the directors are confident that the Company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to exercise judgement in applying the Group's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. However, the nature of estimation means that actual outcomes could differ from those estimates.

Estimates and assumptions are reviewed on an ongoing basis with revisions recognised in the period in which the estimates are revised and in any future periods affected.

The areas involving the most sensitive estimates and assumptions that are significant to the financial statements are set out below:

Revaluation of the principal assets (note 13)

The Group has adopted a policy to revalue the principal assets every two years with an interim valuation performed in other years if there is evidence that the value has changed significantly. The Group engages independent valuation specialists to determine the fair value of the assets every two years, with a Directors' valuation performed at any other interim period. The valuation technique employed by both the independent valuers and Directors is based on a discounted cash flow model as there is a lack of comparable market data due to the specific nature of the property assets. The determined fair value of the principal assets is most sensitive to the estimated rental growth, discount rate, as well as the long-term occupancy rates.

Valuation of RPI swaps (note 16)

A number of Group companies, entered into derivative financial instruments, being RPI swaps, to manage the Group's exposure to RPI.

In estimating the fair value of the RPI swaps, the Group incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements, which are subjective in nature and require significant judgement. In adjusting the fair value of its derivative contracts. For the effect of non-performance risk, the Group has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

Goodwill useful economic life (note 12)

The Group establishes a reliable estimate of the useful economic life of goodwill arising on business combinations. Goodwill attributed to subsidiary undertakings is amortised on a straight-line basis over the remaining lease period on the principal asset held by each subsidiary. This period of amortisation represents the period over which each subsidiary undertaking acquired will continue to generate operating cash flows. For further details refer to note 12.

Impairment of non-financial assets (note 12)

The Group assesses at each reporting date whether an asset may be impaired. If any such indication exists the Group estimates recoverable amount of the asset. If it is not possible to estimate the recoverable amount of the individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. The recoverable amount of an asset or cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it is reduced to its recoverable amount through impairment in profit and loss unless the asset is carried at a re-valued amount where the impairment loss of a re-valued asset is a revaluation decrease.

An impairment loss recognised for all assets is reversed in a subsequent period if and only if the reasons for the impairment loss have ceased to apply, except for goodwill.

Defined benefit pension scheme (note 18)

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty.

In determining the appropriate discount rate, management considers the interest rates of high-quality corporate bonds in the respective currency, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases and pension increases are based on expected future inflation rates.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements:

Presentation of the principal asset (note 13)

Rent receivable is generated from the Group's interests in university accommodation.

These interests fall within the scope of Section 34 of FRS 102, however, due to the transitional relief adopted in relation to service concession arrangements, the Group continues to account for all its principal assets applying the policies under the extant UK GAAP, FRS 5 (Application Note F) (please see note 4(a)).

Each year the Group applies judgement in assessing the status of these interests, in accordance with the provisions of FRS 5 (Application Note F), assessing the balance of the significant risks and rewards of ownership of the asset. The appropriate balance sheet treatment of these interests is to treat the asset as a finance receivable asset where the Group does not have the majority of significant risks and rewards. Where it does, the asset is treated as a tangible fixed asset.

The directors consider the balance of the risks and rewards lies with the Group due to the Group taking the key demand risk and therefore the assets are treated as tangible fixed assets.

Classification of index-linked financial instruments (note 16)

The Group's index linked senior secured notes are fully amortising with both principal repayments and real interest adjusted semi-annually by the change in the RPI index. Management have concluded that despite both principal and interest being linked to RPI, these links are not leveraged because both principal and interest repayment obligations change in the same proportion and therefore the condition in paragraph 11.9(a) and paragraph 11.9(a) is met and the Group's index linked financial instruments are classified as basic and carried at amortised cost.

Hedge accounting for inflation swaps (note 16)

The Group has chosen to apply hedge accounting for all hedging instruments which are in a qualifying hedging relationship under FRS 102 Section 12. Significant judgement is exercised in concluding that future inflationary increases or decreases in rent receivable from university partners are separately identifiable and reliably measurable components of the rental income which ensures the inflation component of rental income and the related RPI swaps are in a hedging relationship which meets the qualifying criteria for hedge accounting under Section 12 of FRS 102.

4. Principal accounting policies

(a) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of the tangible fixed assets, less any residual value, over the expected useful economic lives of the assets concerned once construction is complete. The principal rates of depreciation used for this purpose are:

Assets for use in operating leases – annuity method over the term of the lease.

The economic benefit of the principal assets for use in operating leases is the return on assets invested into the financing arrangement with the relevant university. The annuity method takes into account the cost of capital notionally invested in the principal asset. Notional interest calculated using the relevant Group's actual weighted cost of capital and depreciation combined will give an approximately constant charge to revenue.

The Group has adopted a policy to revalue the principal asset every two years with a Directors' valuation performed in other years if there is evidence that the value has changed significantly. The movement in fair value is recognised in other comprehensive income and accumulated in equity in a revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

(b) Turnover

Rent receivable is recognised on straight line basis of the amount receivable in respect of the rental period. Amounts received in advance are included within deferred income.



(c) Intangible assets

Goodwill arising on acquisition of subsidiary undertakings is the difference between the fair value of consideration paid and the fair value of the net assets acquired from the date that control passes.

Goodwill attributed to the subsidiary undertakings is amortised on a basis over the remaining lease period on the principal asset held by each subsidiary. This period of amortisation is greater than 20 years but represents the period over which each subsidiary undertaking acquired will continue to generate operating cash flows. Goodwill is reviewed annually for impairment.

(d) Investment in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

(e) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Impairment is determined by making an estimate of the likely recoverable value of short-term debtors by considering factors such as the credit rating, the aging profile and the historic experience of the respective debtor.

(f) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 95 days from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

(g) Interest bearing loans and borrowings

Fixed rate senior secured notes, index-linked senior secured notes and subordinated loan notes are initially measured at transaction price, net of transaction costs. They are then subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial liability, or (where appropriate) a shorter year, to the net carrying amount on initial recognition.

Where the financial liability has variable cash flows, such as the index-linked interest and principal repayments, the change in RPI is charged to the profit and loss in the period to which it relates.

(h) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at transaction price, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(i) Derivative instruments

To mitigate its exposure to changes in inflation, the Group has entered into inflation-linked swaps ('RPI swaps') with external counterparties. All derivative instruments are initially measured at fair value on the date the contract is entered into and subsequently re-measured to fair value at each reporting date. The gain or loss on re-measurement is taken to the income statement in finance cost or finance income as appropriate unless they are included in a hedging arrangement.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair values of inflation swap contracts are determined by calculating the present value of the estimated future cash flows using observable yield curves.

(j) Hedge accounting

The Group applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings and rental income. The Group designates all its derivative financial instruments, which meet the qualifying conditions for hedge accounting, as cash flow hedges:

Inflation swaps are held to manage the Group's exposure to changes in RPI. The Group's rental income from student accommodation is linked to RPI and the swap contracts manage the exposure to RPI by swapping RPI annual rate changes with a fixed rate.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised in other comprehensive income directly in cash flow hedge reserve. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the profit and loss account.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is de-recognised or the hedging instrument is terminated.

The Group has elected to adopt hedge accounting for all its swaps which meet the qualifying criteria for hedge accounting under Section 12 of FRS 102.

(k) Interest payable & similar charges

Interest payable & similar charges, comprising interest payable on loans and subordinated loan notes and the costs incurred in connection with the arrangement of borrowings are recognised in the income statement using the effective interest method. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument unless the capital instrument is subsequently carried at fair value in which case the initial issue costs are expensed in the profit and loss account.

Interest payable & similar charges also include losses or gains arising on any ineffective portion of fair value changes of designated for hedge accounting derivative instruments. Any movements in fair value of derivative instruments designated for hedge accounting that are effective are recognised in other comprehensive income as finance gains or losses.

(l) Borrowing costs

Borrowing costs directly attributable to the acquisition and construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(m) Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax is calculated on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference. Group relief is only accounted for to the extent that a formal policy is in place at the reporting period end. Where no policy is in place, current and deferred tax is measured before benefits which may arise from a formal group relief policy.

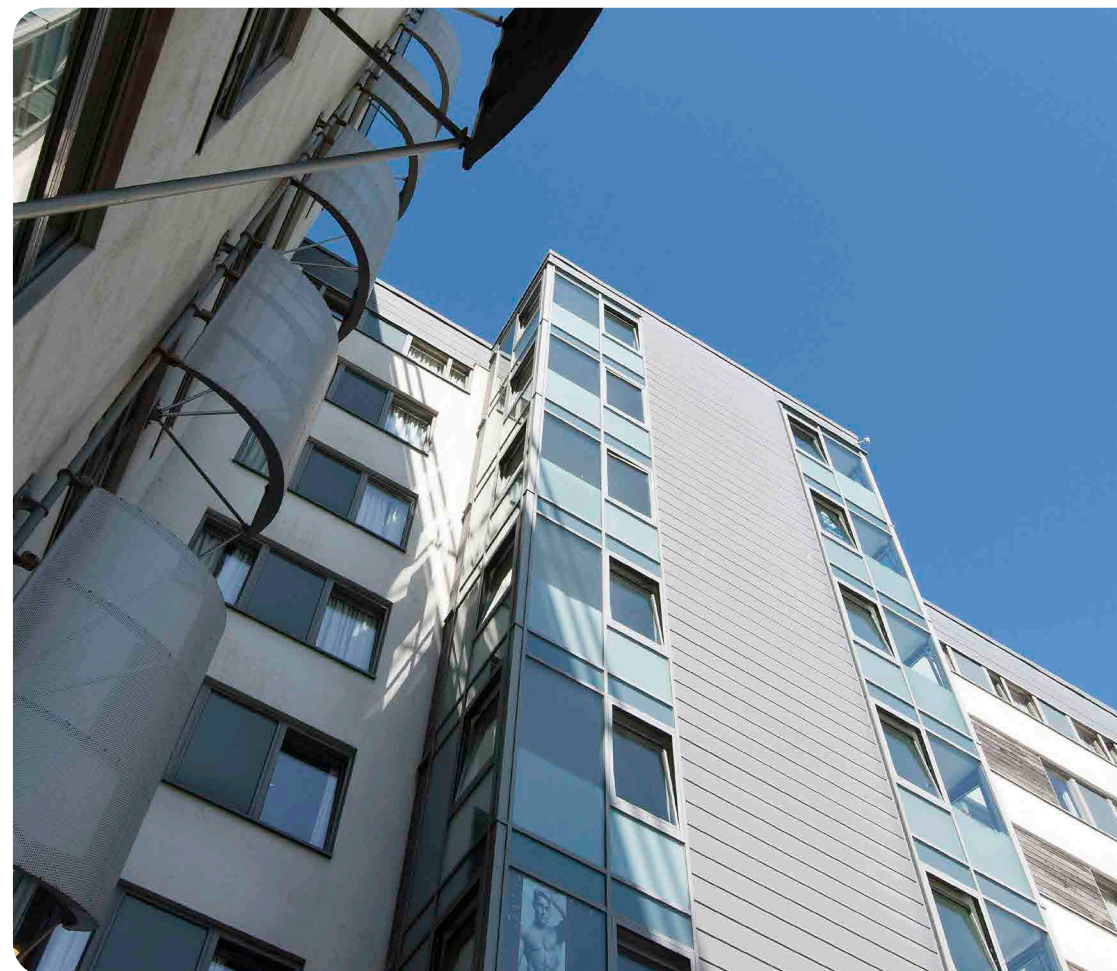
(n) Related party transactions

The Group is a wholly owned subsidiary of UPP Group Holdings Limited and as such the company has taken advantage of the terms of FRS 102.33.1A not to disclose related party transactions which are eliminated on consolidation.

(o) Defined contribution pension scheme

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Group income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Group statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.



(p) Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration.

The liability or asset recognised in the Group statement of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the Group statement of financial position date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the Group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 're-measurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in income statement as employee costs, except where included in the cost of an asset, comprises:

- a. the increase in net pension benefit liability arising from employee service during the period; and
- b. the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in income statement as a 'finance expense'.

(q) Interest income

Interest income is recognised in the income statement using the effective interest method. The Group has elected to show interest income in net investing activities in the cashflow statement.



5. Turnover

Turnover represents income, based on accounting policy 4(b), was attributed to the provision of student accommodation.

All turnover arose within the United Kingdom.

6. Directors' remuneration

Directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key personnel. Other than the directors there are no other key management personnel in this company. For the period ending 28 February 2026, in addition to fees paid by the immediate subsidiary undertaking UPP Bond 1 Limited of £7,716 (2025 £7,850) to CSC Directors (No.3) Limited in respect of services performed in connection with the management of the group, the amount include estimated recharged for remuneration and pension contributions to the company and its subsidiaries for the costs incurred by other Group Companies for directors not employed by the Company. None of these directors receive any incremental remuneration for being a director of the Company.

Total remuneration of directors is as follows:

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|---|--|--|
| Salary and other rewards | 367 | 323 |
| Social security costs | 88 | 51 |
| Company contributions to defined contribution schemes | 3 | 3 |
| | 458 | 377 |

The amounts included above in respect of the highest paid Director are as follows

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|---|--|--|
| Salary and other rewards | 151 | 136 |
| Social security costs | 48 | 27 |
| Company contributions to defined contribution schemes | 3 | 3 |
| | 202 | 166 |

7. Staff costs

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|-----------------------|--|--|
| Wages and salaries | 3,797 | 3,848 |
| Social security costs | 503 | 391 |
| Pension costs | 207 | 206 |
| | 4,507 | 4,445 |



8. Operating profit

The operating profit is stated after charging:

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|--------------------------|---|---|
| Depreciation | 4,100 | 3,584 |
| Amortisation of goodwill | 2,040 | 2,041 |

9. Interest receivable and similar income

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|--|---|---|
| Bank interest | 1,194 | 1,293 |
| Financial assets measured at fair value through profit or loss | | |
| Fair value movement on RPI swaps | 248 | 374 |
| | 1,442 | 1,667 |



10. Interest payable and similar charges

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|---|---|---|
| <i>Financial liabilities measured at amortised cost</i> | | |
| Fixed-rate senior secured notes | 5,963 | 6,300 |
| Index-linked senior secured notes | 8,716 | 7,532 |
| Unsecured loan notes | 29,741 | 27,609 |
| Amortised cost adjustment on Unsecured Loan notes | 62 | 54 |
| | 44,482 | 41,495 |

Included within index-linked senior secured notes is £6,066k (2025 - £4,880k) that relates to the index-linked uplift on the outstanding loan.

11. Tax on loss on ordinary activities

UPP REIT Holdings Limited is a Real Estate Investment Trust ('REIT'). As a result, the deferred tax accrued to the date of conversion in respect of assets and liabilities of the qualifying property rental business has been released due to the relevant temporary differences no longer being taxable on reversal.

As a result of converting to a REIT, the Company and Group no longer pays UK corporation tax on profits and gains from qualifying property rental business providing it meets certain conditions. Non-qualifying profits and gains continue to be subject to UK corporation tax as normal.

The tax credit for the period is £6,308k (period ended 28 February 2025: nil).

The tax credit for the period comprises amounts arising from group relief arrangements with other companies within the group. No corporation tax is payable by the company for the period.

The tax credit has been calculated based on the estimated effective tax rate for the year ending 31 August 2026, applied to the results for the interim period.

There have been no significant changes to the company's tax position since the last annual financial statements.



12. Intangible fixed assets

| | Goodwill £'000 |
|---|---------------------------|
| Cost | |
| At 1 September 2025 and at 28 February 2026 | 145,035 |
| Amortisation | |
| At 1 September 2025 | (47,824) |
| Charge for the period | (2,040) |
| At 28 February 2026 | (49,684) |
| Net book value | |
| At 28 February 2026 | 95,171 |
| At 31 August 2025 | 97,211 |

Goodwill arose on the acquisition of UPP (Alcuin) Limited, UPP (Broadgate Park) Holdings Limited, UPP (Kent Student Accommodation) Limited, UPP (Nottingham) Limited, UPP (Oxford Brookes) Limited, UPP (Plymouth Three) Limited and UPP (Exeter) Limited by UPP Bond 1 Limited, a subsidiary undertaking, and is the difference between the consideration given and the fair value of the net assets acquired.

Goodwill is amortised on a straight-line basis over the remaining lease period on the principal asset held by each of the subsidiaries which expire between 2048 and 2058. This period of amortisation is greater than 20 years but represents the period over which the subsidiary undertaking acquired will continue to generate operating cash flows. The Group has not identified any indicators of impairment during the period. The Group performed impairment testing of goodwill during the year. An impairment indicator was identified in relation to occupancy at five Universities. A recoverable amount assessment was subsequently performed estimating fair value less costs to sell and comparing it to the carrying value. No impairment has been recognised.

13. Tangible fixed assets

| | Assets for use in operating leases £'000 |
|---|---|
| Cost or valuation | |
| At 1 September 2025 and at 28 February 2026 | 648,100 |
| Depreciation | |
| At 1 September 2025 | - |
| Charge during the period | (4,100) |
| At 28 February 2026 | (4,100) |
| Net book value | |
| At 28 February 2026 | 644,000 |
| At 31 August 2025 | 648,100 |

Fixed assets include finance costs up to the date of completion of £16,771k (2025: £16,771k), these have been capitalised at 100%.

Assets used in operating leases were independently valued by Jones Lang LaSalle Limited ("JLL"), Chartered Surveyors, on an existing use basis at 31 August 2024. JLL have confirmed that the value as at that date was £670,700k using a discounted cashflow methodology following RICS guidelines.

A valuation has been undertaken by management during the year ended 31 August 2025. The fair value of the assets has decreased from the previous valuation and therefore the downwards revaluation of £22,600k was recognised as at 31 August 2025.

The critical assumptions made in relation to the valuation are set out below:

| | 2025 |
|--------------------------------|---------------|
| Discount rates | 8.65% - 9.53% |
| Occupancy rates | 75.9% - 99% |
| Long term annual rental growth | 2% - 3% |

14. Debtors: amounts falling due within one year

| | Unaudited 28 February 2026 £'000 | 31 August 2025 £'000 |
|---|---|-------------------------------------|
| Amounts owed by related parties | 3,158 | 3,574 |
| Prepayments and accrued income | 714 | 204 |
| VAT receivable | 76 | 73 |
| Group relief receivable | 17,274 | 10,966 |
| Other receivables (short term deposit with maturity more than 3 months) | 21,472 | 21,032 |
| | 42,679 | 35,849 |

A six-month term deposit amounting to £21,457k (2025: £21,032k) is presented under other receivables. The term deposit has a maturity of less than twelve months from the reporting date and is therefore classified as a current financial asset.

Amounts owed by related parties are interest free and repayable on demand.

15. Creditors: amounts falling due within one year

| | Unaudited 28 February 2026 £'000 | 31 August 2025 £'000 |
|---------------------------------|---|-------------------------------------|
| Senior secured notes | 18,622 | 17,373 |
| Trade creditors | 201 | 48 |
| Accruals and deferred income | 21,572 | 9,587 |
| Amounts owed to related parties | 3,703 | 5,799 |
| | 44,098 | 32,807 |

The amounts owed to related parties are interest free and repayable on demand. Included in accruals and deferred income balance there is deferred income amounting to £15,071k (2025: £689k). The amounts owed to related parties are mainly liabilities owed to UPP Residential Services Limited.



16. Creditors: amounts falling due after more than one year

| | Unaudited 28 February 2026 £'000 | 31 August 2025 £'000 |
|---|---|----------------------------|
| Fixed rate senior secured notes | 220,714 | 229,745 |
| Index-linked senior secured notes | 274,574 | 271,988 |
| Unsecured loan notes | 471,290 | 411,487 |
| Derivative financial instruments | 38,348 | 39,309 |
| | 1,004,926 | 982,529 |
| Less: included in creditors amounts falling due within one year | (18,622) | (17,373) |
| | 986,304 | 965,156 |

| | Unaudited 28 February 2026 £'000 | 31 August 2025 £'000 |
|---|---|----------------------------|
| Maturity of debt | | |
| Repayable within one year or on demand | 18,622 | 17,373 |
| Repayable in more than one year but less than two years | 19,126 | 18,231 |
| Repayable in more than two years but less than five years | 62,061 | 59,622 |
| Repayable in more than five years | 905,117 | 887,303 |
| | 1,004,926 | 982,529 |
| Less: included in creditors amounts falling due within one year | (18,622) | (17,373) |
| | 986,304 | 965,156 |

Senior secured notes

On 5 March 2013 one of the Group's subsidiary undertakings, UPP Bond 1 Issuer plc, issued £307,100,000 of fully-amortising fixed-rate senior secured notes and £75,000,000 of fully-amortising RPI index-linked senior secured notes, listed on the Irish Stock Exchange. The proceeds of this issuance were on-lent on the same terms and conditions to six other subsidiary undertakings to enable them to repay their previous bank facilities and associated costs.

The fixed-rate senior secured notes are fully-amortising by 2040 and bear interest at 4.9023%, with repayments commencing on 30 August 2013.

The index-linked senior secured notes are fully-amortising by 2047 with a real interest rate of 2.7291% increasing semi-annually by RPI. The notional amount of these notes at issuance was £75,000,000 and repayments are scheduled to commence in August 2038.

On the same day the Group entered into derivative financial instruments, being RPI swaps. This is to manage the exposure to RPI movements on the underlying portion of revenue streams generated by the Group used to repay the fixed-rate senior secured notes.

On 9 December 2014, UPP Bond 1 Issuer plc, issued £149,700,000 of fully-amortising RPI index-linked senior secured notes, listed on the Irish Stock Exchange. The proceeds of this issuance were on-lent on the same terms and conditions to UPP (Exeter) Limited to enable the Company to repay its previous bank facilities and associated costs.

The index-linked senior secured notes are fully-amortising by 2049 with a real interest rate of 1.037% increasing semi-annually by RPI. The notional amount of these notes at issuance was £149,700,000 with repayments commencing in February 2015.

The senior notes above are secured under a debenture deed. Under the terms of the debenture, the finance provider, UPP Bond 1 Issuer plc, has security by way of a first legal mortgage over all estates or interests in the leasehold properties and buildings and fixtures on those properties, as well as security over all other assets of the Group by way of fixed and floating charges.

The Group has to adhere to financial covenants on the associated senior debt financial instruments, such as debt service cover ratio. All of the financial covenants have been met during the financial period.

Unsecured loan notes

UPP Group Limited has provided unsecured loan notes of £146,669,000. These loan notes bear interest at 13.5% and are repayable by 2057. Payment of interest is subject to the Group passing lock up tests and availability of cash reserves.

Derivative financial instruments

| | Cash flow hedge reserve £'000 | Profit and loss account £'000 | Total £'000 |
|--|-------------------------------------|-------------------------------------|-----------------|
| Fair value of RPI swaps at 1 September 2025 | (28,964) | (10,345) | (39,309) |
| Fair value movement in the period | 713 | 248 | 961 |
| Fair value of RPI swaps at 28 February 2025 | (28,251) | (10,097) | (38,348) |

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of these swaps is determined using discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves, spot and forward rates, as well as option volatility.

The Group incorporates credit valuation adjustments and debit value adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of non-performance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees.

17. Provisions for liabilities

| | Cladding - University of Kent £'000 | Total £'000 |
|----------------------------------|--|----------------|
| At 1 September 2025 | 1,600 | 1,600 |
| Provision made during the period | - | - |
| Provision used during the period | 1,600 | 1,600 |
| At 28 February 2026 | 1,600 | 1,600 |

In prior years, following detailed inspections, the Directors identified various remediation works that needed to be addressed at buildings at the University of Kent. The directors believe the Group has a present obligation, it is probable that transfer of economic benefit will be required and the obligation can be reliably estimated. Inspections and assessments are continuing and, as a result, the provision continues to be recognised.

18. Pension commitments

The Group operates a defined contribution retirement benefit scheme for qualifying employees. The net value of the pension commitments as at 28 February 2026 was net asset of £790k (31 August 2025: £790k).



19. Called-up share capital

| | Unaudited 28 February 2026 £'000 | 31 August 2025 £'000 |
|---|---|----------------------------|
| Issued, allotted, called-up and fully-paid | | |
| 55,570,409 Ordinary shares of £1 each | 55,570 | 55,570 |

On 15 October 2012 the Company issued 1 ordinary share of £1 each at par. On 16 January 2013 the Company issued 50,000 ordinary shares of £1 each at par for cash consideration.

On 5 March 2013 the Company issued 32,884,298 ordinary shares of £1 each at par in exchange for the issued share capital in six subsidiary undertakings owned by UPP Group Limited. On the same day the Company also issued 3,914,429 ordinary shares of £1 each at par for cash consideration.

On 9 December 2014 the Company issued 18,721,682 ordinary shares of £1 each at par in exchange for the issued share capital in UPP (Exeter) Limited owned by UPP Group Limited.

The Ordinary shares have full voting, dividend, and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

20. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities:

| | Unaudited six months ended 28 February 2026 £'000 | Unaudited six months ended 28 February 2025 £'000 |
|---|---|---|
| Operating profit | 17,808 | 19,020 |
| Depreciation | 4,100 | 3,584 |
| Goodwill amortisation | 2,040 | 2,041 |
| Decrease / (Increase) in debtors due within one year | (519) | (258) |
| Increase/ (Decrease) in creditors due within one year | 10,038 | 12,502 |
| Net cash inflow from operating activities | 33,467 | 36,889 |

(b) Cash and cash equivalents comprise the following:

| | At 28 February 2026 £'000 | At 28 February 2025 £'000 |
|----------------------------------|------------------------------------|------------------------------------|
| Cash at bank and in hand | 41,683 | 64,174 |
| Short-term deposits | - | - |
| Cash and cash equivalents | 41,683 | 64,176 |

21. Financial risk management

The use of financial instruments is managed under policies and procedures approved by the Board. These are designed to reduce the financial risks faced by the Group, which relate to interest, inflation and liquidity risks as well as demand and portfolio risk which arise in the normal course of the Group's business.

Interest rate risk

Through the issue of fixed rate loan notes the Group has mitigated its exposure to interest rate fluctuations on that portion of its borrowings. The index-linked loan notes have a real fixed rate that is linked to RPI (see below).

Inflation rate risk

The Group funds its financing activities through the provision of student accommodation and rental income received on this accommodation. Growth in rental income is linked to the movement in RPI and the Group manages the exposure to this index through a mix of inflation-linked debt and the use of RPI swaps to hedge a portion of the fixed rate debt servicing costs.

To mitigate the impact of inflation movements on future rental income and the Group's ability to service the fixed rate tranche of the bond debt UPP Bond 1 Issuer Plc, a fellow Group undertaking, has entered into RPI swaps with external counterparties all initially entered into on 5 March 2013, details of which are as follows:

External hedge arrangements

- » a 27-year RPI swap with Royal Bank of Canada commencing in August 2013 and finishing in February 2040
- » 24-year RPI swaps with Royal Bank of Canada commencing in June 2016 and finishing in February 2040
- » a 27-year RPI swap with Mitsubishi UFJ Securities International plc commencing in March 2013 and finishing in February 2040

The notional amounts swapped for each year have been determined with reference to a percentage of the fixed rate bond servicing costs and split equally over the hedge counterparties. On each of these swap arrangements the hedge counterparty pays or receives a fixed amount and the company pays or receives a floating amount.

These instruments with matching derivative instruments are on-lent to six AssetCos. This is to manage the exposure of the Group to RPI movements from loan receipts from AssetCos where revenue streams are sensitive to inflation rate risk.

Hedge arrangements with fellow group undertakings

- » a 26-year RPI swap with UPP (Alcuin) Limited commencing in February 2014 and finishing in February 2040
- » a 26-year RPI swap with UPP (Broadgate Park) Holdings Limited commencing in February 2014 and finishing in February 2040
- » a 26-year RPI swap with UPP (Kent Student Accommodation) Limited commencing in February 2014 and finishing in February 2040
- » a 26-year RPI swap with UPP (Nottingham) Limited commencing in February 2014 and finishing in February 2040
- » a 26-year RPI swap with UPP (Oxford Brookes) Limited commencing in February 2014 and finishing in February 2040
- » a 26-year RPI swap with UPP (Plymouth Three) Limited commencing in February 2014 and finishing in February 2040

The notional amounts swapped for each year have been determined with reference to a percentage of the debt servicing costs of the fixed rate tranche of the relevant AssetCo on-loan agreement with Bond 1 Issuer Plc.

RPI swaps are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

Due to limitations on the application of hedge accounting, volatility has been introduced into the income statement as market value movements are not fully offset by movements in the underlying hedged item within each period and/or hedging items do not meet the qualifying criteria of being separately identifiable and reliably measurable. We note, however, that these limitations within Section 12 do not impact the Group's cash flow position. The reasons for entering into RPI swaps remain commercially sound, that is they are intended to be held to maturity in order to reduce volatility in the Group's cash flows.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and debt servicing and by investing cash assets safely and profitably. The Group's facility agreements require adequately funded reserve accounts which provide further mitigation against liquidity risk. The maturity of borrowings is set out in note 16 to the financial statements.

Terms and debt repayment schedule

| | Currency | Effective interest rate (%) | Year of maturity | Book value £'000 |
|---|----------|-----------------------------|------------------|------------------|
| Fixed-rate senior secured notes | £ | 4.9023% | 2040 | 220,714 |
| Index-linked senior secured notes (issued 2013) | £ | 2.7291% | 2047 | 118,934 |
| Index-linked senior secured notes (issued 2014) | £ | 1.0370% | 2049 | 155,640 |
| Unsecured loan notes (issued 2013) | £ | 13.500% | 2056 | 471,290 |
| | | | | 966,578 |

Demand risk

The Group is subjected to risks arising from occupancy voids and lack of nominations by the university partners, which can lead to uncertain revenues. This risk is managed by maintaining strong relationships with the university, improved marketing of accommodation and improved third party revenues to compensate for any shortfalls in rental income.

Portfolio risk

The assets of the Group are in the student market and reduced student numbers could impact upon financial performance. The Group seeks to mitigate this risk by building excellent long-term relationships with each of its university partners and ensuring up to date in depth market analysis is completed each year to enable the Group to review its strategic position. The criteria with which the Group selects partners includes creditworthiness and a strong profile with which to attract students over the long term.

22. Financial instruments

The carrying amounts of financial instruments by categories shown in the statement of financial position are as follows:

| | Carrying amount At 28 February 2026 £'000 | Carrying amount At 31 August 2025 £'000 |
|---|---|---|
| Financial assets | | |
| <i>Financial assets measured at fair value:</i> | | |
| Other related party loans | 21,457 | 14,540 |
| Cash at bank and in hand | 20,432 | 28,145 |
| Total financial assets measured at amortised cost | 41,889 | 42,685 |
| Financial liabilities | | |
| <i>Financial liabilities measured at amortised cost:</i> | | |
| Fixed-rate senior secured notes | 220,714 | 229,745 |
| Index-linked senior secured notes | 274,574 | 271,988 |
| Unsecured loans | 471,290 | 441,487 |
| Trade creditors | 201 | 48 |
| Accruals (excluding deferred income) | 6,501 | 8,898 |
| Other related party balances | 3,703 | 5,799 |
| Total financial liabilities measured at amortised cost | 976,983 | 957,965 |
| <i>Financial assets measured at fair value</i> | | |
| Derivative financial liability | 38,348 | 39,309 |
| Total financial liabilities measured at fair value | 38,348 | 39,309 |

23. Parent undertaking and controlling party

The Group is wholly owned by UPP Group Limited, a company itself a wholly owned subsidiary of UPP Group Holdings Limited, in turn wholly owned by UPP REIT Holdings Limited.

The parent undertaking of the largest group of which the Company is a member and of which group accounts are prepared is UPP REIT Holdings Limited.

UPP REIT Holdings Limited is controlled by a 60% stake held by Stichting Depository PGGM Infrastructure Funds (“PGGM”), incorporated in The Netherlands.

Copies of the UPP REIT Holdings Limited accounts can be obtained from www.upp-ltd.com, once they have been published.

The parent undertaking of the smallest group of which the Company is a member and for which Group accounts are prepared is UPP Bond 1 Holdings Limited.

Copies of the UPP Bond 1 Holdings Limited accounts can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ once they have been filed.





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