

BONDHOLDER REPORT

The Issuer has an obligation to provide to the Financial Guarantors, the Bond Trustee and the Bondholders an annual report throughout the Project following the last Practical Completion Date as follows:

OVERVIEW	
Report Issue Date	31/01/2024
Reporting Period	01/03/2023 – 28/02/2024
Project Company	Holyrood Student Accommodation plc
Bonds	£31,505,000 1.9713 per cent. Indexed-linked Guaranteed Secured Bonds due 28 th August 2048 £31,505,000 5.533 per cent. Guaranteed Secured Bonds due 28 th August 2048
Current Outstanding Amount (as at Aug 23)	£58,466,979
Project Phase	Operations

RATINGS	S&P	Moody's
Wrapped rating	AA	A1
Outlook	Stable	Stable
Underlying rating	BBB-	Baa3
Outlook	Stable	Negative
Most recent rating report	31 st July 2023	21 st November 2023

COMPLIANCE CERTIFICATION
<ul style="list-style-type: none"> • There is no Event of Default or Potential Event of Default • Trigger Events under Cl.13.1(d) and 13.1(e) were first reported with submission of the February 2023 Finance Model to the Controlling Creditor and these Trigger Events are continuing. This has resulted in the lock up of distributions to the shareholders until the cover ratios return above the specified minimum threshold level and the Trigger Events are remedied under Cl.13.3 • All repeated representations & warranties are correct • With the exception of the Trigger Events noted above ProjectCo, Issuer, HoldCo and IntermediateCo are compliant with all covenants • ProjectCo, Issuer, HoldCo and IntermediateCo are solvent. • No material litigation • No Disputes with the University

PROJECT COMPANY OWNERSHIP

- No ownership changes in the period.
- 100% of the shares of Holyrood Student Accommodation Holdings Limited (HoldCo) are held by Holyrood Holdings Limited.
- 80% of the shares of Holyrood Holdings Limited are held by Semperian PPP Investment Partners No 3 Limited.
- 20% of the shares of Holyrood Holdings Limited are held by Education Investment Holdings Limited, a wholly owned subsidiary of Balfour Beatty plc.
- Balfour Beatty continues to provide management services to the project under the terms of the Secondment Agreement between Holyrood Student Accommodation SPV Limited and Balfour Beatty Infrastructure Projects Investments Limited.

SUMMARY OF PROJECT PERFORMANCE

For the reporting period, provide commentary for relevant topics:

Key performance indicators:

1. Summary of Financial Results

Scheduled repayments to senior creditors commenced from 31/03/2018 and all subsequent scheduled repayments have been made as planned.

As previously reported unprecedented increases in inflation and utilities costs adversely impacted the project cashflows and depressed cover ratios below the lock-up level , primarily because the annual rent setting process includes a 5% p.a. cap that restricts the immediate recovery of costs that have risen at a rate considerably above this cap . In relation to the 2023/24 rents the University very helpfully agreed to an 8% annual increase to the rents and this did help mitigate the situation. For 2024/25, rents have not yet been agreed but are expected to follow the comparator mechanism which permits increases above the 5% cap. Once RPI has fallen back below 5% p.a. the project expects to be able to recover shortfalls experienced to date through the rent setting process in future years.

2. Number of Rooms nominated by the University

The University have nominated 100% of the rooms for the academic year 2023/2024.

- Penalties & deductions – None.
 - No financial deductions were made by the University and similarly no financial deductions were made from the FM Services provider.
 - Service default points remain within prescribed thresholds with no warning notices issued in the period.

- Costs incurred to date on maintenance / lifecycle and relevant changes to maintenance schedule -
 - No significant planned maintenance activity/lifecycle work was undertaken for this period beyond what was scheduled.
 - We have approved expenditure for lifecycle within the 51 week core period beginning September 2024.
 - Subject to any exceptional unplanned works expenditure, costs to be incurred are expected to be within the budgets outlined in the financial model.
 - The minimum required lifecycle reserve balances continue to be forecast to be met from project cashflows.
- Changes to service providers – None
- Material new contracts - None
- Material insurance claims – None
- Variations effected - None
- Details of each Applicable Test pursuant to schedule Part 27 (Restrictive Covenant) of the Project Agreement – None relevant at this time in the project
- Any material actions taken / variations effected – None
- Any other material topics as relevant to the project – none
- Any Regulatory News Service (RNS) or other market announcements made during the reporting period – None

RESERVE ACCOUNTS

Lifecycle Reserve Account	Fully funded at 31 st August 23, credit balance of £1,378,486
Debt Service Reserve Account(s)	Fully funded at 31 st August 23, credit balance of £2,300,471

FINANCIAL RATIOS					
Sept 22 – Feb 23 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £5,267k Debt Service – £4,313k	1.22	1.28	1.23	1.10
ADSCR – Forward-looking	Operating Cash – £5,086 Debt Service – £4,541k	1.12	1.28	1.23	1.10
BLCR	PV of Projected Net Income and Interest– £103,669k Reserve account balances – £3,826K Indexed Debt O/S – £68,315K	1.57	1.41	1.25	1.10

FINANCIAL RATIOS					
Mar 23 – Aug 23 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £4,965k Debt Service – £4,493k	1.11	1.28	1.23	1.10
ADSCR – Forward-looking	Operating Cash – £5,608k Debt Service – £4,697k	1.19	1.28	1.23	1.10
BLCR	PV of Projected Net Income and Interest– £103,298k Reserve account balances – £3,487K Indexed Debt O/S – £67,443	1.58	1.42	1.25	1.10

FINANCIAL RATIOS					
Full year to December 2023	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
Gross Rent Ratio	Gross Rent - £8,447 Debt Service - £4,493k	1.88	2.77	N/A	1.79

TRANSACTION PARTIES	
Issuer	Holyrood Student Accommodation plc
Construction Contractor	Balfour Beatty Construction Scottish & Southern Limited
FM Services Contractor	Equans Services Limited
Bond Trustee	BNY Mellon Corporate Trustee Services Limited
Security Trustee	BNY Mellon Corporate Trustee Services Limited
Account Bank	Barclays Bank plc
Principal Paying Agent	The Bank of New York Mellon, London Branch
Transaction Legal Advisers	Ashurst LLP

Signature:



Director