

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	31/01/2023
Reporting Period	01/03/2022 – 28/02/2023
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 22)	£59,613,446 £59,957,166
Project Phase	Operations

RATINGS	S&P	Moody's
Wrapped rating	AA	A1
Outlook	Stable	Stable
Underlying rating	BBB	Baa2
Outlook	Negative	Negative
Most recent rating report	16 th June 2022	15 th December 2022

COMPLIANCE CERTIFICATION
<ul style="list-style-type: none"> • There is no: <ul style="list-style-type: none"> ➤ Event of Default or Potential Event of Default ➤ Trigger Event • All repeated representations & warranties are correct • 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 Financial Results

Scheduled repayments to senior creditors commenced from 31/03/2018.

The project continues to perform in line with its financial base case. There have been no breaches of the financial covenants.

However, for completeness, it is noted that the recent unprecedented increases in inflation and utilities costs will adversely impact future cashflows (and depress cover ratios) in the near term, primarily because the annual rent setting process (currently ongoing for the next academic year 2023/24) includes a 5% p.a. cap and restricts the immediate recovery of costs above this cap from flowing through to the rents. The mechanism will see these costs recovered through future rents once the inflationary pressures fall back below 5% p.a. If the University increases its comparator rents by more than 5% p.a., then the project will be able to opt for the comparable rents and this would improve the economics.

2. Number of Rooms nominated by the University

The University have nominated 100% of the rooms for the academic year 2022/2023

- 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 2023.
 - 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 During the period, Engie sold Equans (representing their services division) to Bouygues. No changes are expected to the management or structure of the services provided.
- 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 22, credit balance of £1,271,273
Debt Service Reserve Account(s)	Fully funded at 31 st August 22, credit balance of £2,200,801

FINANCIAL RATIOS					
Sept 21 – Feb 22 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £5,290k Debt Service – £4,037k	1.31	1.28	1.23	1.10
ADSCR – Forward-looking	Operating Cash – £5,272 Debt Service - £4,261k	1.24	1.28	1.23	1.10
BLCR	PV of Projected Net Income and Interest– £96,293k Reserve account balances - £3,359K Indexed Debt O/S – £67,477K	1.48	1.41	1.25	1.10

FINANCIAL RATIOS					
Mar 22 – Aug 22 period	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
ADSCR – Historic	Operating Cash – £5,098k Debt Service – £4,137k	1.23	1.28	1.23	1.10
ADSCR – Forward-looking	Operating Cash – £5,521k Debt Service - £4,452k	1.24	1.28	1.23	1.10
BLCR	PV of Projected Net Income and Interest– £95,775k Reserve account balances - £3,056K Indexed Debt O/S – £67,832	1.46	1.42	1.25	1.10

FINANCIAL RATIOS					
Full year to December 2022	Components of Ratio	Ratio	Forecast at Financial Close	Trigger level	Default level
Gross Rent Ratio	Gross Rent – £8,028 Debt Service - £4,137k	1.94	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