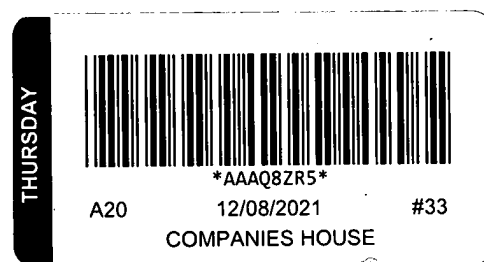


Roost Investments Holdco S.à r.l.
Consolidated accounts as at and for the financial year ended 31
December 2020 and
Report of the réviseur d'entreprises agréé



Registered office: 26A, Boulevard Royal
L-2449 Luxembourg
R.C.S. Luxembourg B232789

TABLE OF CONTENTS

	Page
Report of the réviseur d'entreprises agréé	1
Consolidated accounts	
- Management report for the year ended 31 December 2020	4
- Consolidated balance sheet as at 31 December 2020	5
- Consolidated profit and loss account for the financial year ended 31 December 2020	7
- Notes to the Consolidated accounts as at 31 December 2020	8

To the Board of Managers of
Roost Investments Holdco S.à r.l.
26A, boulevard Royal,
L-2449 Luxembourg
Grand-Duchy of Luxembourg

REPORT OF THE *RÉVISEUR D'ENTREPRISES AGRÉÉ*

Opinion

We have audited the consolidated accounts of Roost Investments Holdco S.à r.l. (the "Group") which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated profit and loss account for the year then ended, and notes to the consolidated accounts, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated accounts give a true and fair view of the consolidated financial position of the Group as at 31 December 2020 and of the consolidated results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *"réviseur d'entreprises agréé"* for the Audit of the Consolidated accounts" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Managers is responsible for the other information. The other information comprises the information stated in the management report but does not include the consolidated accounts and our report of the *"réviseur d'entreprises agréé"* thereon.

Our opinion on the consolidated accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Managers for the Consolidated Accounts

The Board of Managers is responsible for the preparation and fair presentation of these consolidated accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the consolidated accounts, and for such internal control as the Board of Managers determines is necessary to enable the preparation of consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated accounts, the Board of Managers is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Managers either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the Audit of the Consolidated Accounts

Our objectives are to obtain reasonable assurance about whether the consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Managers.

- Conclude on the appropriateness of Board of Managers use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated accounts, including the disclosures, and whether the consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

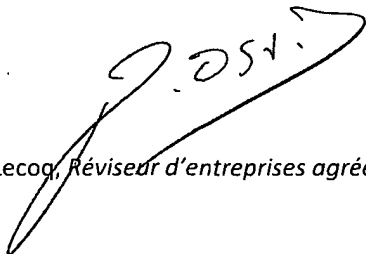
We communicate with the Board of Managers regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de révision agréé*

P.P.

Jerome Lecocq, *Réviseur d'entreprises agréé*

Partner

A handwritten signature in black ink, appearing to read 'J. Lecocq', is written over the printed name and title.

29 June 2021

Roost Investments Holdco S.à r.l.

Société à responsabilité limitée

Management Report

for the financial year ended 31 December 2020

The Board of Managers present their management report for the year 1 January to 31 December 2020.


The principal activity of the Group was the leasing of Real Estate Properties, specifically Purpose Built Student Accommodation. The Group did not acquire or dispose of any properties during the year. The properties are exclusively based on in the UK, and therefore all rental income is generated in the UK.

The overall performance in the year was strong, despite challenging external conditions as a result of the COVID-19 pandemic. Turnover decreased slightly (2020: GBP 37.4m, 2019: GBP 40.4m), and expenses decreasing in 2020 to GBP 47.8m (2019: GBP 53.4m) resulting in a loss before tax of GBP 10.4m (2019: loss of GBP 13.0m).

The key risks and uncertainties in the current climate are the impacts of COVID-19 to the student numbers in the UK Higher Education industry. We anticipate a reduction in rental income in the year ended 31 December 2021 due to the disruption in the academic year AY20/21, however the current forecast in the UK is for recovery to normal occupancy levels in academic year 21/22. Leasing is progressing well as all of the key Universities, whose students we typically house, will be open, with face to face teaching as well. Other key risks and uncertainties include the underlying strength of student rental market in the UK. Current projections are for student numbers to continue to increase year on year and with continued heavy investment in the UK Higher Education industry the UK is expected to continue to be a global leader and attract students from all around the world. The Board of managers intend to continue investing in the maintenance of the properties to ensure they are safe and preserve their quality and value.

Since the 31 December 2020 the continued impact of the global pandemic COVID-19 has resulted in a significant further lockdown in the UK resulting in University courses being moved online and travel being restricted. This has reduced the rental income within the year as described above.

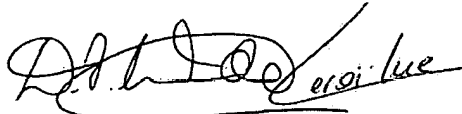
The Group does not anticipate any changes to its activities in the current year or going forwards.



Damian Warde and Luc Leroi

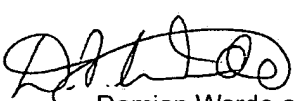
Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

Assets	Notes	31-Dec-20 £'000	31-Dec-19 £'000
Fixed assets			
Tangible assets	4	558,936	569,580
Land and buildings		556,374	566,891
Other fixtures and fittings, tools and equipment		2,562	2,689
Current Assets			
Debtors	5	7,148	4,113
Trade receivables			
• becoming due and payable within one year		3,375	3,488
Amounts owed by affiliated undertakings			
• becoming due and payable within one year		2,068	338
Other receivables			
• becoming due and payable within one year		1,087	287
Cash at bank and in hand		14,361	20,102
Prepayments	6	3,301	5,583
Total Assets		583,128	599,378


Damian Warde and Luc Leroi

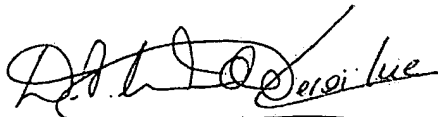
Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

Liabilities and equity	Notes	31-Dec-20 £'000	31-Dec-19 £'000
Capital and reserves	7	85,656	97,113
Subscribed capital	7.1	20	20
Share premium account	7.2	298,036	298,036
Other reserves		(145,666)	(145,666)
Loss brought forward	7.4	(55,275)	(42,219)
Loss for the financial period	7.4	(11,458)	(13,058)
Provisions	8	5,450	5,717
Provisions for taxation		428	1
Other provisions		5,021	5,716
Creditors	9	487,379	488,151
Amounts owed to credit institutions			
• becoming due and payable within one year	9.1	-	271
• becoming due and payable after more than one year	9.1	418,596	418,596
Trade creditors			
• becoming due and payable within one year	9.2	319	1,770
Amounts owed to affiliated undertakings			
• becoming due and payable within one year	9.3	1,869	816
• becoming due and payable after more than one year	9.3	64,399	64,399
Other creditors			
• becoming due and payable within one year	9.4	2,195	2,299
Deferred income	10	4,642	8,397
Total Liabilities and equity		583,128	599,378


Damian Warde and Luc Leroi

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

	Notes	31-Dec-20 £'000	31-Dec-19 £'000
Net turnover	11	37,396	40,358
Raw materials and consumables and other external charges			
a) Raw materials and consumables		(4,026)	(3,134)
b) Other external charges	12	(11,357)	(14,162)
Staff costs			
a) Wages and salaries	13	(4,081)	(3,712)
Value adjustments			
a) in respect of formation expenses and on tangible and intangible fixed assets	4	(14,280)	(14,910)
Other operating expenses		(66)	(103)
Other interest receivable and similar income			
b) Other interest and similar income		0	13
Interest payable and similar expenses			
a) concerning affiliated undertakings	14	(4,003)	(5,524)
b) other interest and similar expenses	14	(10,609)	(11,470)
Tax on profit or loss	15	(15)	(373)
Profit / Loss after taxation		(11,039)	(13,017)
Other taxes	15	(419)	(41)
Profit / Loss for the financial period		(11,458)	(13,058)


Damian Warde and Luc Leroi

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 1 - GENERAL INFORMATION

Roost Investments Holdco S.à r.l. (hereafter the 'Group') was incorporated on 26 February 2019 and organised under the laws of Luxembourg as a Société à responsabilité limitée for an unlimited period. The Group is registered with the Trade and Companies Register of Luxembourg with the number B232789 and has its registered office established at 26a, Boulevard Royal L-2449 Luxembourg. This address changed on 7 April 2021 with the Group previously registered at 19, rue Eugène Ruppert L-2453 Luxembourg.

The main activity of the Group is the acquisition of participations, in Luxembourg or abroad, in any companies or enterprises in any form whatsoever and the management of such participations. The Group may in particular acquire by subscription, purchase, and exchange or in any other manner any stock, shares and other participation securities, bonds, debentures, certificates of deposit and other debt instruments and more generally any securities and financial instruments issued by any public or private entity whatsoever. It may participate in the creation, development, management and control of any company or enterprise. It may further invest in the acquisition and management of a portfolio of patents or other intellectual property rights of any nature or origin whatsoever.

The Group may borrow in any form and may issue notes, bonds and debentures and any kind of debt and/or equity securities. The Group may lend funds including, without limitation, the proceeds of any borrowings and/or issues of debt or equity securities to its subsidiaries, affiliated companies and/or any other companies. The Group may also give guarantees and pledge, transfer, encumber or otherwise create and grant security over all or over some of its assets to guarantee its own obligations and undertakings and/or obligations and undertakings of any other company, and, generally, for its own benefit and/or the benefit of any other company or person.

The Group may in particular perform operations pertaining to the acquisition, development, promotion, sale, management and/or lease of real estate properties either in the Grand Duchy of Luxembourg or abroad as well as all operations relating to real estate properties, including the direct or indirect holding of participation in Luxembourg or foreign companies, the principal object of which is the acquisition, development, promotion, sale, management and/or lease of real estate properties.

The Group may generally employ any techniques and instruments relating to its investments for the purpose of their efficient management, including techniques and instruments designed to protect the Group against credit, currency exchange, interest rate risks and other risks.

The Group may carry out any commercial, financial or industrial operations and any transactions with respect to real estate or moveable property, which directly or indirectly favour or relate to its object.

The main activity of the Group and its subsidiaries (together the "Group") is the development of student housing in the United Kingdom ("UK").

The Consolidated accounts of the Group have been prepared in compliance with the article 1712-2 of the law of 10 August 1915 as amended. They are available at its registered office.

The financial year of the Group starts on 1 January and ends on 31 December of each year.

The Consolidated accounts are established in accordance with generally accepted accounting principles and in accordance with the laws and regulations in force in the Grand Duchy of Luxembourg.

The Consolidated accounts are also included in the Consolidated accounts of Roost Mezz Holdco S.à r.l. with a registered office located at 26a, Boulevard Royal L-2449 Luxembourg, forming the smallest body of undertakings of which the Group forms a part as a subsidiary undertaking. The Consolidated accounts of Roost Mezz Holdco S.à r.l. are deposited with the Register of Commerce and Companies and published according to the provisions of the Luxembourg law, and available online.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 1 - GENERAL INFORMATION

The Group is also included in the consolidated financial statements of Brookfield Asset Management, with a registered office located at 181 Bay Street, Toronto, Canada, forming the largest body of undertakings of which the Group forms a part as a subsidiary undertaking. The consolidated financial statements of 2020 Brookfield Asset Management Inc. will be deposited with the register of commerce and companies and published according to the provisions of the Luxembourg law.

NOTE 2 - SCOPE OF CONSOLIDATION AND CONSOLIDATION POLICIES

2.1. Scope of consolidation

The Consolidated accounts of the Group as at 31 December 2020 include its stand-alone annual accounts and those of all directly or indirectly majority owned subsidiaries (together the "Group").

Subsidiaries are all entities over which the Group exercises control. Control is defined as the direct or indirect power to govern the financial and operating policies so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible, including potential voting rights owned by other entities, are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are no longer consolidated from the date that control ceases.

The Group and minority interests' share of profits or losses or changes in the net equity of subsidiaries are determined based on existing voting rights, without considering the effects of potential voting rights which are exercisable or convertible.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

2.1. Scope of consolidation (continued)

Entities included in the scope of consolidation are listed below:

Companies consolidated by full consolidation

Name of the Group	Country of incorporation	% of direct ownership and effective interest as of 31 December 2020
Roost Investments Holdco S.à r.l.	Luxembourg	Parent
Roost Investments S.à r.l.*	Luxembourg	100
BSREP II PBSA Investments S.à r.l.*	Luxembourg	100
BSREP II PBSA Investments 2 S.à r.l.*	Luxembourg	100
PBSA 4 S.à r.l.*	Luxembourg	100
PBSA 5 S.à r.l.*	Luxembourg	100
PBSA 6 S.à r.l.*	Luxembourg	100
PBSA Scotland S.à r.l.*	Luxembourg	100
PBSA Scotland 2 S.à r.l.*	Luxembourg	100
PBSA Scotland 3 S.à r.l.*	Luxembourg	100
PBSA Great Patrick Street S.à r.l.*	Luxembourg	100
PBSA Pittodrie Street S.à r.l.*	Luxembourg	100
PBSA Queen Street S.à r.l.*	Luxembourg	100
PBSA RE2 Holdings S.à r.l.*	Luxembourg	100
PBSA St James House UK Limited*	UK	100
PBSA St James Point UK Limited*	UK	100
PBSA Apollo Court UK Limited*	UK	100
PBSA Capital Gate UK Limited*	UK	100
PBSA The Heights UK Limited*	UK	100
PBSA Myrtle Court UK Limited*	UK	100
PBSA The Railyard UK Limited*	UK	100
PBSA The Boulevard UK Limited*	UK	100
PBSA Corfe House UK Limited*	UK	100
PBSA Mealmarket UK Limited*	UK	100
PBSA Buchanan View UK Limited*	UK	100
PBSA Gibson Street UK Limited*	UK	100
PBSA Portsburgh Court UK Limited*	UK	100
PBSA Panmure Court UK Limited*	UK	100
PBSA Lady Nicholson UK Limited*	UK	100
PBSA St Mungos UK Limited*	UK	100
PBSA Pittodrie Street UK Limited*	UK	100
PBSA College Street UK Limited*	UK	100
PBSA Great Patrick Street UK Limited*	UK	100
PBSA RE2 UK Limited*	UK	100

The entities marked "*" are unaudited.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

2.1. Scope of consolidation (continued)

Through the re-structuring that took place in 2019 (see note 4) the Group holds 100% ownership and interest in its subsidiaries, therefore there are no minority interests recognised in the the Group's Consolidated accounts. Before restructuring, the above companies were owned by different entities all under common control.

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the period ended 31 December 2020. Unless otherwise stated, the undertakings listed below are 100% owned, either directly or indirectly, by Roost Investments Holdco S.à r.l..

Name	Proportion of shares held in subsidiary	Company number
PBSA St James House UK Limited	100%	10348095
PBSA St James Point UK Limited	100%	10348100
PBSA Apollo Court UK Limited	100%	10588496
PBSA Capital Gate UK Limited	100%	10588153
PBSA Myrtle Court UK Limited	100%	10588509
PBSA The Railyard UK Limited	100%	10588415
PBSA The Heights UK Limited	100%	10588147
PBSA The Boulevard UK Limited	100%	10588146
PBSA Corfe House UK Limited	100%	10588163
PBSA Mealmarket UK Limited	100%	10588194
PBSA Buchanan View UK Limited	100%	10588018
PBSA Gibson Street UK Limited	100%	10588619
PBSA Portsburgh Court UK Limited	100%	10588503
PBSA Lady Nicholson UK Limited	100%	10588154
PBSA Panmure Court UK Limited	100%	10588519
PBSA St Mungos UK Limited	100%	10348168
PBSA Pittodrie Street UK Limited	100%	10951750
PBSA College Street UK Limited	100%	10878752
PBSA Great Patrick Street UK Limited	100%	10387721
PBSA RE2 UK Limited	100%	8706273

In accordance with section 479C of the Companies Act 2006, Roost Investments Holdco S.à r.l. will guarantee the debts and liabilities of the above UK subsidiary undertakings. As at 31 December 2020 the total net liability position is GBP 707k. (2019 GBP 568k)

2.2. Consolidation policies

2.2.1. General

The Consolidated accounts include the balance sheet and profit and loss account of the Group and of its subsidiaries, as well as the present accompanying notes.

The accounts of the Group entities have been adjusted when necessary in order to comply with the Group's accounting policies.

2.2.2. Consolidation method

The subsidiaries' annual accounts are consolidated using the full consolidation method. The assets and liabilities, profits and losses of the fully consolidated companies are included in full in the Consolidated accounts.

2.2.3. Balances and transactions between consolidated companies

All intercompany balances and intercompany transactions have been eliminated.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 3 - SUMMARY OF SIGNIFICANT GROUP ACCOUNTING POLICIES

3.1. General principles

The Consolidated accounts of the Group have been prepared in accordance with Luxembourg legal requirements and generally accepted accounting principles in the Grand Duchy of Luxembourg.

Accounting policies and valuation rules are, besides the ones laid down by the amended Law on the register of commerce and companies and the accounting and annual accounts of undertakings, as amended from time to time, determined and applied by the Board of Managers of the Group.

The preparation of Consolidated accounts requires the use of certain critical accounting estimates. It also requires the Board of Managers to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the Consolidated accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the Consolidated accounts therefore present the financial position and results fairly.

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, actual results could differ from these estimates.

3.2. Significant Group accounting policies

The main valuation rules applied by the Group are the following:

3.2.1. Foreign currency translation

The Group maintains its accounting records in Pound Sterling "GBP" and the Consolidated accounts are expressed in this currency rounded to the nearest thousands.

Transactions expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. Formation expenses and long-term assets expressed in currencies other than GBP are translated into GBP at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historical exchange rates.

3.2. Significant Group accounting policies (continued)

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year. Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. Realised and unrealised exchange losses are recorded in the profit and loss account. The unrealised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss accounts and the unrealised exchange gains are not recognised.

3.2.2. Formation expenses

Formation expenses are charged to the profit and loss account as they are incurred.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

3.2.3. Goodwill, to the extent that it was acquired for valuable consideration

If any, the difference between the acquisition price of the shares in the Group entities included in the consolidation and the fair value of acquired assets and liabilities at the date of the acquisition, or at the date the Group entity is included in the consolidation for the first time, is recorded as goodwill in the absence of identifiable assets or liabilities where this difference could be allocated unless the accounting treatment applied is that of merger accounting, in which case, a merger reserve is created for the premium paid for the shares in the acquired subsidiaries. Goodwill is amortised on a straight-line basis over the time the Group considers that it will benefit from it, over a maximum period of 5 years.

The negative differences are booked in the consolidated profit and loss account under the caption "Other interest receivable and similar income; other interest and similar income".

3.2.4. Tangible fixed assets

Land and buildings

Land and buildings are initially recorded at purchase price including the expenses incidental thereto. Borrowing costs are capitalised to the value of the asset and are depreciated in line with depreciation rules disclosed rules below.

Subsequent expenditure is capitalised to the carrying amount of assets only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. At each year-end provisions are made for works that are to be carried out on properties based on legal obligation (e.g. cladding works). These are accounted for at cost based on management's best estimate as at the end of the year.

The value of tangible assets with limited useful economic lives is reduced by amortisation calculated over their estimated useful economic lives. Depreciation is calculated from the date the asset is put into use and is fully operational.

	Depreciation rate	Method
Buildings	3.03 %	Straight-line

Land is not depreciated.

Buildings under development are recorded under the caption tangible assets in the course of construction and are valued at purchase price including the expenses incidental thereto, the associated construction costs and borrowing costs.

Where the Group considers that a tangible asset has suffered a durable depreciation in value based on an internal or external valuation, an additional write-down is recorded to reflect this loss. If the decrease in value is not deemed durable, no write-down is recorded. These value adjustments are not continued if the reason for which the value adjustments were made has ceased to apply.

Other fixtures, fittings, tools and equipment

Other fixtures, fittings, tools and equipment are carried at acquisition cost less accumulated depreciation. Acquisition cost includes incidental costs as well as a proportion of direct and indirect overheads attributable to the tangible fixed assets. They are amortized over a period of 2 to 5 years on a straight-line basis.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

3.2.5. Debtors

Debtors are valued at their nominal value. Value adjustments are recorded at the end of the financial year if the net realisable value is lower than their book value. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

3.2.6. Prepayments

Prepayments include expenditure incurred during the financial year but relating to a subsequent financial year.

Loan issuance expenses are amortized on a straight-line basis over the duration of the loan. The amortization for the year is recorded in the caption "Other external charges" in the profit and loss account.

3.2.7. Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which these will arise.

At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability.

Provisions for taxation corresponding to the tax liability estimated by the Group for the financial year are recorded under the caption "Provisions". Advance payments are shown in the assets of the balance sheet under the "Debtors" item.

3.2.8. Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on accounts is greater than the amount received, the difference is recorded in the profit and loss account.

3.2.9. Taxation

The Group is subject to taxation in the countries in which it operates. Current taxation is provided for at the applicable current rates on respective taxable profits. Significant judgement is required in determining the total

provision for income taxes. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the year in which the determination is made.

Deferred income tax liabilities are provided in full, on temporary difference arising between tax bases of assets and liabilities, and their carrying amounts in the accounts. Deferred income tax assets and liabilities are determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred income tax liability is settled. Deferred income tax assets are not recognised unless their recovery is settled.

The deferred tax assets are recognized up to the amount of deferred tax liabilities.

Companies of the Group are subject to taxation in the United Kingdom and Luxembourg.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

3.2.10. Deferred income

Deferred income includes income received during the financial year but relating to a subsequent financial year.

3.2.11. Net turnover

The net turnover includes rental income from buildings and income from related services. Rental income is recognised on a straight line basis over the lease term.

3.2.12. Interest and other financial charges

Interest and other financial charges mainly contain interest expenses on bank loans and other debts issued by the Group companies. These are recorded in line with agreements on an accrual basis.

3.2.13. Derivatives

Other investments may include derivative financial instruments such as options, futures or foreign exchange contracts.

Derivatives are initially stated at cost for derivatives purchased. At year-end, when a value adjustment is deemed necessary, a provision is set up in respect of individual unrealised losses resulting from their revaluation.

In the case of hedging an asset and/or a liability that is not recorded at fair value, unrealised gains or losses are deferred until the recognition of the realised gains or losses on the hedged items.

The fair value of any hedging instrument is disclosed in line with Article 65 paragraph (1) 17 of the amended law on the register of commerce and companies and the accounting and annual accounts of undertakings.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 4 - TANGIBLE FIXED ASSETS

In £'000	Land and Buildings	Other fixtures and fittings	Total
Gross book value:			
Opening balance	606,903	4,496	611,399
Additions for the period	2,856	780	3,636
At 31 December 2020	609,759	5,276	615,036
Accumulated value adjustment:			
Opening balance	(40,012)	(1,807)	(41,819)
(Value adjustment for the year)	(16,239)	(908)	(17,147)
Reversal of impairment previously recorded	2,866	-	2,866
At 31 December 2020	(53,385)	(2,715)	(56,100)
Net book value:			
At 1 January 2020	566,891	2,689	569,580
At 31 December 2020	556,374	2,562	558,936

As at 31 December 2020 the Group owns 21 properties across the United Kingdom (2019: 21). These properties are located in 10 key UK university cities (Aberdeen, Newcastle, York, Poole, Sheffield, Glasgow, Birmingham, Liverpool, Belfast, and Edinburgh) in order to operate on the UK property market in the student housing sector.

These properties are used to generate rental income for the Group. The rental incomes are based on a percentage of the income of the UK affiliated undertakings which are the leaseholders of the above properties.

As at 31 December 2020 the Board of Managers undertook an internal valuation of the above properties at an aggregate value of GBP 745.3m. In 2019, an internal valuer undertook the valuation and the aggregate value as per their valuation, excluding the properties that completed during 2019, in prior year was GBP 731.6m.

Based on this internal valuation the Board of Managers believed that the estimated recoverable amount of the following property is higher than the carrying value as at 31 December 2020, therefore impairment was reversed during the financial year: Mealmarket Exchange for an amount of GBP 2,866k

Based on this internal valuation the Board of Managers believed that the estimated recoverable amount of the remaining properties is higher than the carrying value.

The lands for the 17 out of 21 properties have been valued at GBP 69,223k (2019: 69,535k).

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 4 - TANGIBLE FIXED ASSETS (continued)

The buildings represent student housing assets with the following ownership status:

In £'000	Quantity of properties	Net book value as of 31 December 2020	Net book value as of 31 December 2019
Freehold	14	329,540	335,398
Leasehold	5	174,281	178,395
Freehold/Leasehold	2	52,553	53,098
Total	21	556,374	566,891

NOTE 5 - DEBTORS

Debtors are composed as follows as of 31 December 2020:

In £'000	31/12/2020	31/12/2019
Trade receivables	3,375	3,488
Amounts owed by affiliated undertakings	2,068	338
Other debtors	1,087	287
Total	6,531	4,113

The amounts of Debtors are shown at their nominal value due to their short-term nature. Please refer to Note 18 for the information with regards to the related parties.

Trade receivables correspond predominantly to amounts due from students for their rental income.

Amounts owed by affiliated undertakings correspond to interest-free and payable on demand intercompany balances granted to Roost Mezz Borrower S.à r.l. for an amount 1,955k and further GBP 113k to other affiliated undertakings for standard transactions in the normal course of business. Please refer to Note 18 for the information with regards to the related parties.

Other debtors relates to amounts owed by the Lux and UK tax authorities and Liverpool City Council.

The Board of Managers has considered no value adjustments in value of the intercompany receivable. As a consequence, no provision for bad debts was booked during the financial year.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 6 - PREPAYMENTS

In £'000	Within one year	After more than one year	Total as at 31-Dec-20	Total as at 31-Dec-19
Other prepaid expenses	1,636	-	1,636	1,135
Loan issuance expenses	1,664	-	1,664	4,448
Total	3,301	-	3,301	5,583

Other prepaid expenses are mostly made up of prepaid insurance expenses for the properties operated by the Group. The loan issuance expenses are amortised over the period of the loans as described in note 10.

NOTE 7 - CAPITAL AND RESERVES

7.1 Subscribed capital

The subscribed capital amounts to GBP 20k and is divided into 20k shares fully paid-up with a nominal value of GBP 1 per share.

7.2 Share premium account

As at 31 December 2020, the share premium account amounts to GBP 298,036k which is distributable.

7.3 Legal reserve

The Group is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital of the standalone result of the parent company. This reserve may not be distributed. The parent company of the Group made a loss in 2019, therefore no allocation is made in 2020.

7.4 Movements in the reserves and profit or loss items

Movements in the reserves and profit or loss items during the financial year are as follows:

In £'000	Share Premium account	Other Merger Reserve	Loss brought forward	Loss for the financial year
At 1 January 2020	298,036	(145,666)	(42,219)	(13,058)
Movements for the financial year				
- Allocation of previous period/year's loss	-	-	(13,056)	13,058
- Loss for the financial year	-	-	-	(11,458)
At 31 December 2020	298,036	(145,666)	(55,275)	(11,458)

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

7.4 Movements in the reserves and profit or loss items (continued)

Other reserves comprise the merger reserve that was created as a result of the Group re-structuring in 2019. The amount represents the premium paid by Roost Investments Holdco S.à r.l. for the shares in its new subsidiaries and reflects the unrealised fair value gains on the properties acquired and the portfolio premium on the investment.

NOTE 8 - PROVISIONS

Provisions for taxation of GBP 427k were made during the financial year (2019: GBP 1k).

Other provisions mainly contain provisions for the services provided by external professional organisations (audit, legal, tax advisors, etc.) and utility accruals for the properties held by the Group. An amount of GBP 5,023k was accrued during the financial year (2019: GBP 5,716k).

NOTE 9 - CREDITORS

In £'000	Within one year	After one year and within five years	Total as at 31-Dec-20	Total as at 31-Dec-19
Amounts owed to credit institutions	0	418,596	418,596	418,867
Trade creditors	320	-	320	1,770
Amounts owed to affiliated undertakings	1,869	64,399	66,269	65,215
Other creditors	2,195	-	2,195	2,299
Total	4,384	482,995	487,379	488,151

9.1 Amounts owed to credit institutions

Amounts owed to credit institutions correspond to the facility agreements entered into by the indirect subsidiaries of Roost Investments Holdco S.à r.l., PBSA 4 S.à r.l., PBSA 5 S.à r.l., PBSA 6 S.à r.l., PBSA Scotland S.à r.l., PBSA Scotland 2 S.à r.l., PBSA Scotland 3 S.à r.l., PBSA Great Patrick Street S.à r.l., PBSA Queen Street S.à r.l., PBSA Pittodrie Street S.à r.l., and PBSA RE2 Holdings S.à r.l., on 30 April 2019 and then subsequently on 19 September 2019, with BAML and RBC for an aggregate amount of GBP 418,596k. The maturity date was extended post year end by 12 months and now matures on the 20 June 2022. The facility agreement bears interest at a 2.15% above the LIBOR rate. Total interest payable on the facility agreement amount to GBP nil as at 31 December 2020 (2019: 271k).

As at 31 December 2020, there is no undrawn amount under the facility agreement.

The Group was in compliance with its financial covenants as at 31 December 2020. In accordance with the provisions of the facility agreement in relation to repayment, no event occurred which triggered an early repayment despite the occurrence of a cash trap event.

9.2 Trade creditors

Trade creditors correspond to fees outstanding at 31 December 2020 for GBP 320k (2019: GBP 1,770k).

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

9.3 Amounts owed to affiliated undertakings

Amounts owed to affiliated undertakings corresponds to the following interest-bearing loans granted by Roost Mezz Borrower S.à r.l:

1. Loan for an amount of GBP 46,507k granted on 1 May 2019 with a maturity of 5 years and at interest rate of 5.95% above LIBOR;
2. Loan for an amount of GBP 17,892k granted on 20 September 2019 with a maturity of 5 years and at interest rate of 5.95% above LIBOR.

Total interest payable on the above described debts amount to GBP 1,119k as at 31 December 2020.(2019: GBP 174k)

Amounts owed to affiliated undertakings also include interest-free and payable on demand intercompany balances as detailed in note 19.

9.4 Other creditors

As at 31 December 2020, other creditors correspond to amounts due to staff, tax authorities in the UK and in Luxembourg and other third parties for an amount of GBP 2,195k (2019: 2,299k).

NOTE 10 - DEFERRED INCOME

The deferred income represents the contractual rental income mainly with individual students for an amount of GBP 4,642k (2019: GBP 8,397k).

NOTE 11 - NET TURNOVER

Net turnover of GBP 37,396k (2019: 40,358k) includes rental income from buildings situated in the UK and owned by the Group and income from related services. Rental income is recognised on a straight-line basis over the lease term. Turnover for the current year includes rental income received by properties that became operational in the current year (see note 5).

NOTE 12 - OTHER EXTERNAL CHARGES

In £'000	From 1 January 2020 to 31 December 2020	From 1 January 2019 to 31 December 2019
Commissions and professional fees	(3,478)	(5,684)
Subcontracting, maintenance and repairs	(2,043)	(1,695)
Marketing and communicating costs	(1,047)	(1,458)
Insurance premiums	(611)	(349)
Other external charges/credits	(1,865)	(2,391)
Service charges	(2,311)	(2,585)
Total	(11,357)	(14,162)

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 12 - OTHER EXTERNAL CHARGES (continued)

The professional fees incurred during the financial year include auditor's fees for an amount of GBP 246k (2019: 456k).

NOTE 13 - EMPLOYEE INFORMATION

During the financial year ended 31 December 2020, the Group had 203 employees (2019: 154).

NOTE 14 - INTEREST PAYABLE AND SIMILAR EXPENSES

In £'000	From 1 January 2020 to 31 December 2020	From 1 January 2019 to 31 December 2019
Interest expense on loans from affiliated undertakings	(4,003)	(5,524)
Interest expense on Facility loan	(10,598)	(11,439)
Other similar expenses	(11)	(31)
Total	(14,612)	(16,994)

NOTE 15 - INCOME TAX AND OTHER TAXES

Tax on profit and loss includes current income tax expenses incurred by the companies of the Group in Luxembourg and the UK. From 6 April 2020, non-resident landlord (NRL) companies with a property business in the UK are taxed under the corporation tax regime rather than the income tax regime. This will reduce the tax rate applied to property rental profits from 20% under the income tax regime to 19% under the corporation tax regime.

NOTE 16 - ADVANCES AND LOANS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

During the financial year, no loan or advance was granted to members of the Board of Managers or other administrative bodies (2019: nil).

NOTE 17 - OFF-BALANCE SHEET COMMITMENTS

The facility agreements (Note 10) entered into by the subsidiaries of Roost Investments Holdco S.à r.l. as named in note 10 on 30 April 2019 and 19 September 2019 are secured by its assets, undertakings of subsidiaries, insurance on the properties held by the indirect subsidiaries and a share pledge over the shares of all of the Group's subsidiaries. The repayment of the old loans as described in note 10 released the previous pledges from prior periods.

On 15 May 2019 the Roost Investments S.à r.l., a subsidiary undertaking also entered into an interest rate cap with BAML capping the interest on 80% of the facility for the lifetime of the debt (see note 10). The positive fair value of the cap at 31 December 2020 was GBP 0k.

There are no other off-balance sheet items after the balance sheet date ended 31 December 2020.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 18 - RELATED PARTIES

Transactions with related parties are described below:

Related party	Relationship	Caption	Value of transaction for the year ended	Amounts owed to/by related parties as at
			31-Dec-20 £'000	31-Dec-20 £'000
		Loans	-	(64,399)
Roost Mezz Borrower S.à r.l.	Sole shareholder	Interest	(4,003)	(1,120)
		Creditors	(3)	(398)
		Debtors	1,956	1,956
		Creditors	(230)	(230)
PBSA Portfolio Advisor Limited	Affiliated undertaking	Debtors	(171)	68
		Creditors	88	(100)
PBSA Letting LP	Affiliated undertaking	Debtors	(29)	-
PBSA 3rd Letting LP	Affiliated undertaking	Creditors	(12)	(12)
PBSA 7th Letting LP	Affiliated undertaking	Debtors	24	24
PBSA South Yorkshire UK Limited	Affiliated undertaking	Creditors	59	-
PBSA Little Patrick Street UK Ltd	Affiliated undertaking	Debtors	14	14
Roost Mezz Holdco Sarl	Indirect Parent	Debtors	17	17

NOTE 19 - GOING CONCERN

The Managers consider that it is appropriate to adopt the going concern basis in preparing the consolidated accounts. In making this statement the Managers have satisfied themselves that based on its current base case projections and reasonable sensitivities, the Group will generate positive operating cash flows and has access to sufficient cash funds and borrowing facilities and can reasonably expect those facilities to be available to meet the Group's foreseeable cash requirements. This assessment also considers an assessment of the impact of the COVID-19 pandemic and the need for the overall Group to seek extra sources of liquidity. Unlike last year, the Overall Group ("Overall Group" being defined as BSREP II PBSA Topco S.à r.l., the Indirect Parent, and all its subsidiaries) leasing cycle is well progressed for the upcoming Academic Year, which results in there being no material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. For further details see note 20 to the annual accounts.

Roost Investments Holdco S.à r.l.
Société à responsabilité limitée
CONSOLIDATED ACCOUNTS
As at 31 December 2020
(expressed in £'000)
- continued -

NOTE 20 - FUTURE BUSINESS AND FINANCIAL OUTLOOK

The Managers consider that it is appropriate to adopt the going concern basis in preparing the consolidated accounts. In making this statement the Managers have satisfied themselves that based on its current base case projections and reasonable sensitivities, the Group will generate positive operating cash flows and has access to sufficient cash funds and borrowing facilities and can reasonably expect those facilities to be available to meet the Overall Group's foreseeable cash requirements. Based on this scenario that models Universities in the UK fully reopening for the 2021/22 Academic year there would be no default of the covenants in the Group during the 12 months from the date of approval of these consolidated accounts.

As at the date of approving these annual accounts, the impact of COVID-19 on the Group's and Overall Group's trading is subject to change, as it is possible that a further lockdown could be initiated or that the recovery profile is slower than in the base case. However, our properties are open and continue to have a significant number of residents in the Academic Year 2020/21. We have also commenced the leasing cycle for the Academic Year 2021/22, which has progressed well and is ahead of the position at the same time last year. According to UCAS data, Universities have seen increased demand for places for the Academic Year 2021/22, which is very encouraging, and we reasonably expect the key Universities, whose students we typically house, to be open with face to face teaching.

We can also note:

- There are no material capital repayments of debt falling due within the forecast period, as where applicable post year end extensions have already been obtained, notably the Group's facility agreements as per note 9.1 have been extended post year end presenting an important short term external facility balance.
- The business is taking appropriate measures to preserve liquidity where possible, through careful cashflow management and a review of the timing of all non essential spending;
- We have rephased or delayed capital expenditure;
- There are no material future asset building programmes in place that require any new external funding to be established;
- Variable expenditure has also been reduced where possible.

If required, additional liquidity would be provided by BSREP II PBSA Topco SARL, or its other subsidiaries, or from the Group parent company, BSREP II PBSA Limited. The Managers acknowledge that there can be no certainty that this support will be provided however, at the date of approval of these annual accounts, BSREP II PBSA Limited has the ability, and has stated the intent, to provide financial support if and as needed to enable BSREP II PBSA Topco SARL to continue as a going concern until at least 30 June 2022. BSREP II PBSA Topco SARL in turn has the intent to provide financial support as parent company to this company as part of the UK portfolio until at least 30 June 2022.

Were the Group to require access to further liquidity, this could also be sought through the addition of further lending facilities or the extension of existing lending. Given the Overall Group's history of cash generation, the level of assets in the Group and levels of funding currently, we would expect to be able to raise such funds as were necessary, however there is no guarantee that such funds will be available.

Taking all of these factors into account, the Managers conclude that it is appropriate to prepare these accounts on a going concern basis.