The Stellar Martineau Place LP ("the Fund")

Our next detailed update on trading performance and activity in the six months to March 2024 is scheduled to be circulated in April 2024. This is an interim update to investors to advise as to progress on the proposed sale of the hotel.

We previously advised that completion of the sale was anticipated in 2023. The purpose of this communication is to provide context for the protraction of the sale process and to assure you that we remain fully focused on managing the process through to completion on behalf of investors.

Sale Update

At the time of writing, the buyer remains engaged and committed to acquiring the hotel. We are well progressed with the contract, and we are close to having all documents required to transact in agreed form. That said, we have not yet entered contract with the buyer, and we are obliged to remind you that the risk of the transaction not completing remains present until documents are signed.

To complete the transaction, the buyer needs to finalise its due diligence on fire safety matters at the hotel. Since the tragedy of the Grenfell Tower fire, fire safety is an element of due diligence which is subject to enhanced scrutiny for every property transaction, particularly in this instance given the function and height of the building.

For the buyer to conclude due diligence on fire safety, documentation pertinent to the construction of the building is required from the original contractor, Balfour Beatty ("**Balfour**"). For additional context, we have been in discussion with Balfour for a significant length of time in relation to legacy build defects that have been identified which they are required to address. We await a detailed proposal for resolution from them. It is important to note that the buyer has been appraised of the ongoing discussions with Balfour since the outset of the transaction.

Balfour's provision of the information requested has taken longer than we anticipated, which has had a knock-on effect on the speed of the transaction. That said, we are making progress with Balfour in this regard.

Once we have the information requested from Balfour, the buyer will be able to finalise their risk assessment of the hotel. We are advised by the buyer that it is not their intention to delay the sale until the situation with Balfour has been fully resolved. Whilst we do not envisage significant further delay, we are unfortunately unable to provide a definitive timeline until the buyer has finalised their due diligence.

We continue to work with Balfour and the buyer to expedite this matter and will update investors once we are able to provide a definitive timeline to completion and the financial return to investors.

In the meantime, the hotel continues to perform well. Investors will benefit from the hotel's trading profit until completion of the sale. An abridged performance update is outlined below.

Performance Update

Nine-months to December 2023

Executive Summary	YTD Dec	Budget	BudVar	LastYear	PYVar
Occupancy	73.1%	80.3%	(7.2%)	83.1%	(10.0%)
ADR	£96.72	£94.57	£2.15	£98.98	(£2.25)
RevPAR	£70.71	£75.98	(£5.27)	£82.24	(£11.53)
Total Revenue	**£3,546,323**	**£3,784,562**	**(£238,238)**	**£4,105,559**	**(£559,236)**
GOP	£1,421,340	£1,508,786	(£87,447)	£1,980,458	(£559,119)
EBITDA	**£1,179,263**	**£1,207,168**	**(£27,905)**	**£1,702,377**	**(£523,115)**

Although slightly behind budget at present in terms of EBITDA, the hotel continues to perform well.

Investors are reminded that trading in the year ended March 2023 was particularly strong because it was underpinned by long term, non-repeat business associated with the 2022 Commonwealth Games being held in Birmingham.

Tax Certificate

Your tax certificate is now available via our portal, the Stellar Hub and can be emailed to you on request. Please contact enquiries@stellar-am.com or call us on 020 3195 3500.