



Business Updates for 1Q 2021

23 April 2021

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Oversea-Chinese Banking Corporation Limited and UBS AG, Singapore Branch are the Joint Issue Managers for the initial public offering of units in Elite Commercial REIT. Oversea-Chinese Banking Corporation Limited, UBS AG, Singapore Branch, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited are the Joint Bookrunners and Underwriters for the initial public offering of units in Elite Commercial REIT.

Content



1. Key Highlights – 1Q 2021



2. Financial Highlights



3. Property Portfolio & Operational Updates



4. Market Outlook



5. Appendix



ELITE COMMERCIAL REIT

Section I

Key Highlights

1Q 2021



Nutwood House, Canterbury

Key Highlights – 1Q 2021

Delivering with resilience, backed by strong support



Maiden Acquisition Completed

58 strategic assets across the UK for **£212.5M**

- Issue up to 131.4 million New Units at £0.68 per Unit
- European institution PartnerRE increases stake from their original 1% to 23% of the REIT's enlarged share capital



Strong Mandate from Unitholders

99.99% Unitholders' approval for proposed acquisition at EGM held on 25 January 2021



Intrinsic Valuation Gain

£15.9M valuation uplift from properties after removal of lease break clause



Portfolio Quality

- 36%** London exposure
- 5** new UK Government tenants



Size and Liquidity

- 60%** increase in total number of properties
- 39%** increase in market cap

Resilient Trading Performance





Section II

Financial Highlights



Holborn House, Derby

Financial Highlights

	1Q2021			Year-on-Year		
	Actual £'000	Forecast ⁽¹⁾ £'000	Variance %	Actual £'000	6 Feb 20 to 31 Mar 20 £'000	Variance %
Revenue	6,605 ⁽²⁾	5,739	▲ 15.1	6,605	3,520	▲ 87.6
Income available for distribution to Unitholders	4,499	4,048	▲ 11.1	4,499	2,457	▲ 83.1
Distribution per unit ("DPU") - pence	1.22 ⁽³⁾	1.20	▲ 1.8	1.22	0.74	▲ 64.9

Notes:

1. The forecast figures was derived by pro-rating Projection Year 2021's financials as disclosed in the Prospectus.
2. The 58 properties acquired on 9 March 2021 contributes approximately £864,000 to the topline revenue for 1Q 2021.
3. Includes the Advanced Distribution of GBP 0.9 pence declared on 26 Feb 2021 and paid on 15 Apr 2021

Strong Balance Sheet

	31 Mar 2021 £'000	31 Dec 2020 £'000
Non-current assets	515,280 ^{1,2}	311,855
Current assets	24,554	21,034
Total assets	539,834	332,889
Non-current liabilities	222,633	107,826
Current liabilities	28,057	7,905
Total liabilities	250,689	115,731
Net assets / Unitholders' funds	289,144	217,158
Units in issue and issuable ('000)	470,265	334,858
Net asset value per unit (£)	0.62	0.65

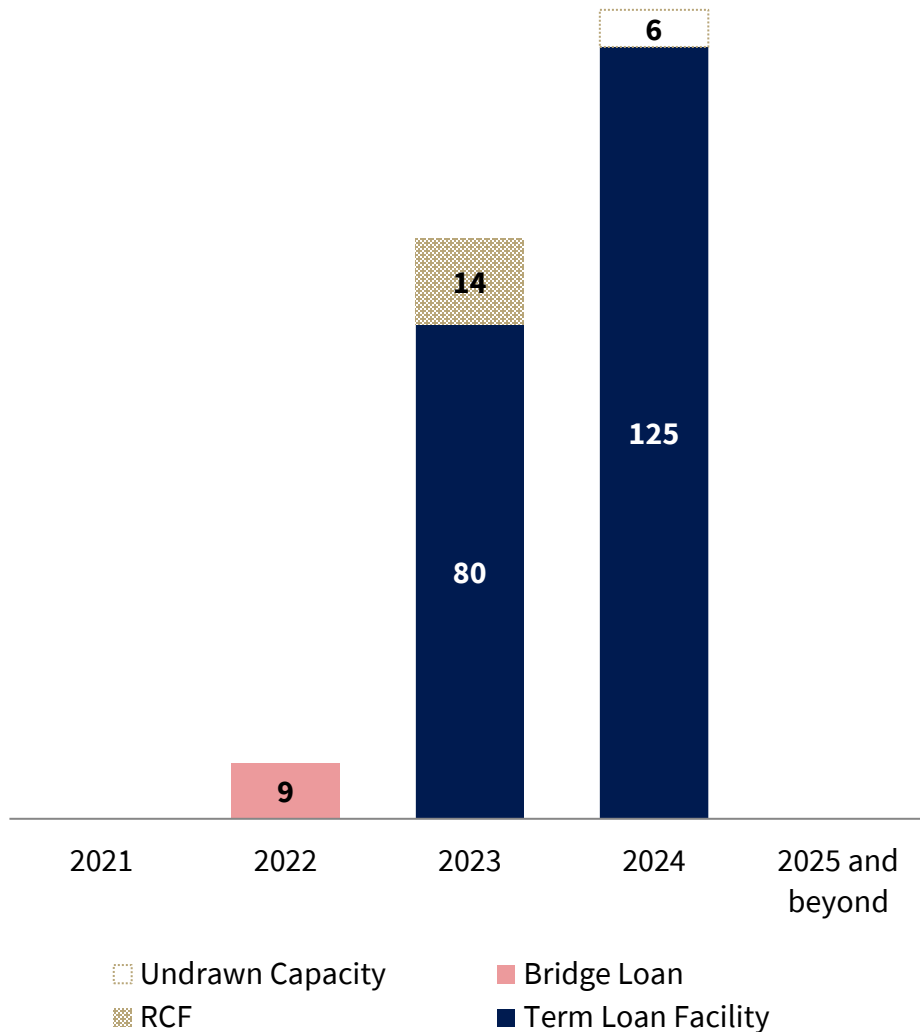
Notes:

1. Non-current assets comprise investment properties, which are stated at fair values based on the valuations as at 31 December 2020 prepared by Colliers International Valuation UK LLP
2. The increase in non-current assets is due to the completion of acquisition 58 properties on 9 March 2021.

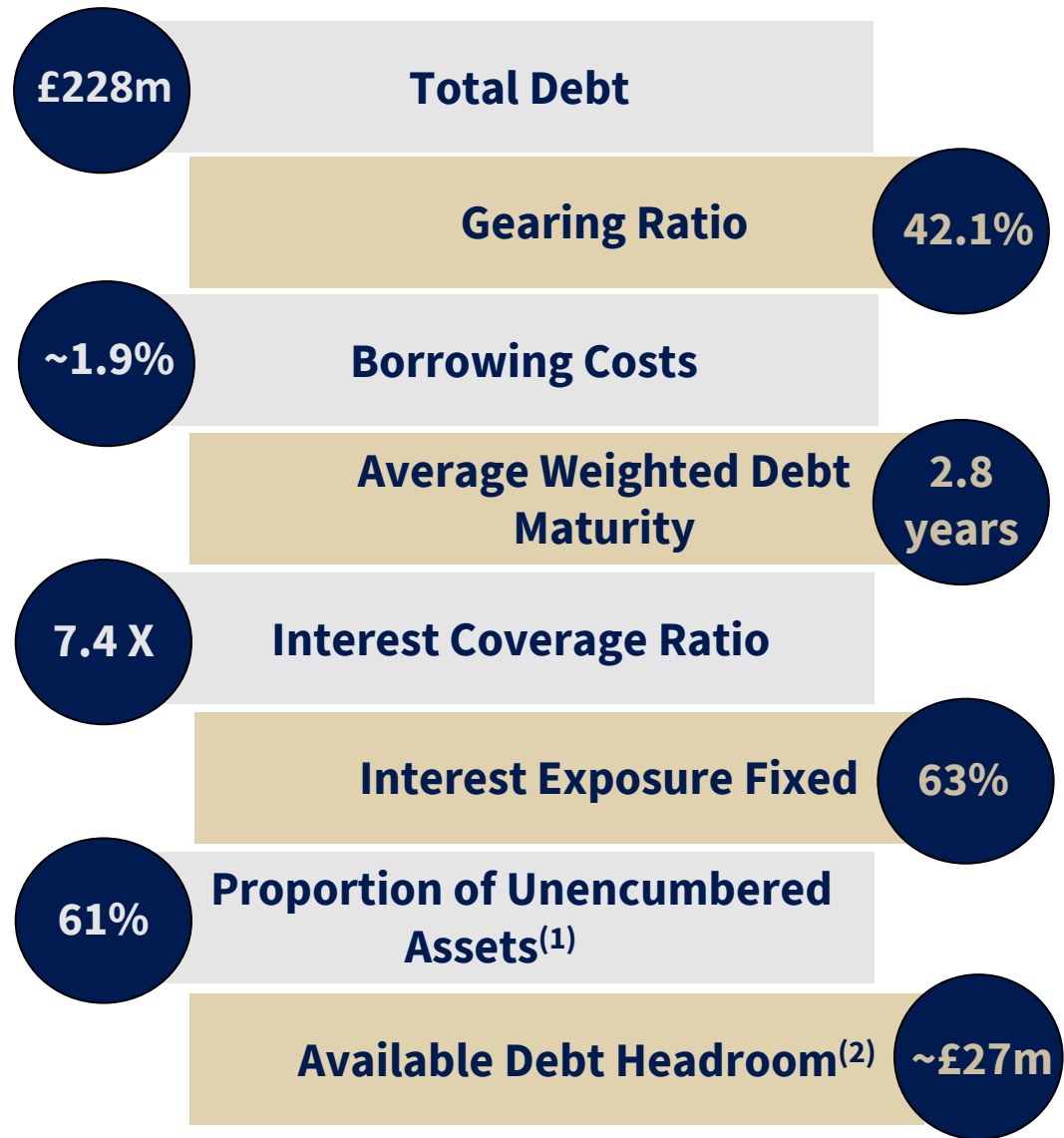
Financial Highlights

Prudent Capital Management

Debt Maturity Profile (£ m)



Credit Metrics



Notes:

1. Based on valuations; unencumbered assets refer to properties without land mortgages
2. Based on gearing ratio of 45%; available debt headroom is ~£84m based on gearing ratio of 50%



Section III

Property Portfolio & Operational Updates

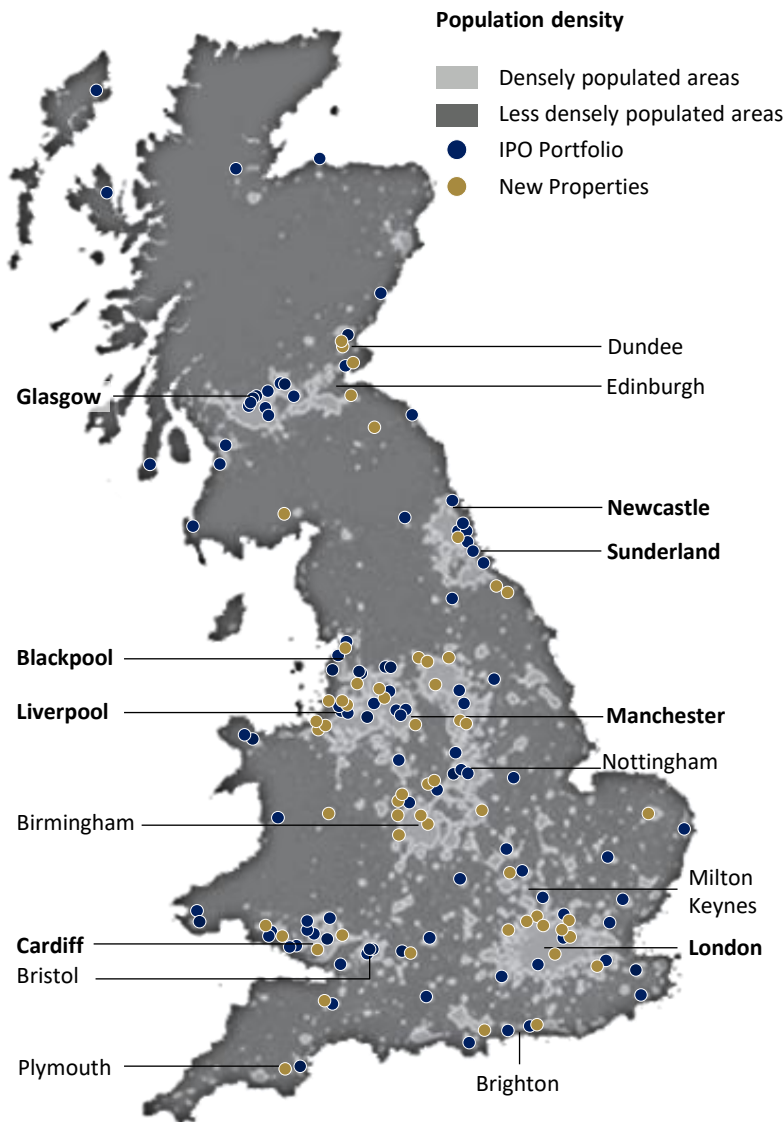


Parklands, Falkirk

Property Portfolio Updates

Resilience of anti-cyclical property portfolio

Expanded Portfolio of 155 assets



Maiden Acquisition completed

- **58** strategic assets across the UK acquired
- **£212.5M** deal structured to provide completion certainty



Minimal Disruption to Business



- Locations remain open and operational during nation-wide lockdowns
- **Approximately 100% of rent** collected in advance each quarter
- **100%** occupancy

Maiden Acquisition Completed on 9 March 2021

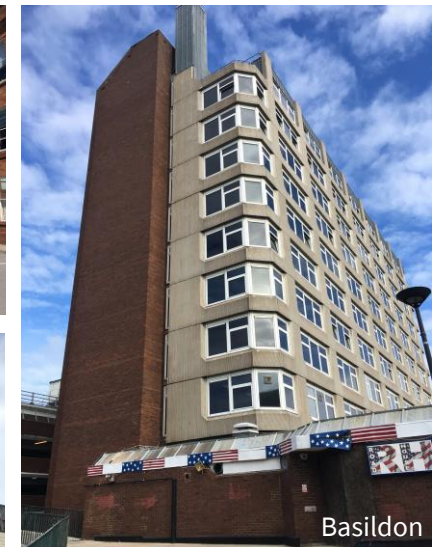
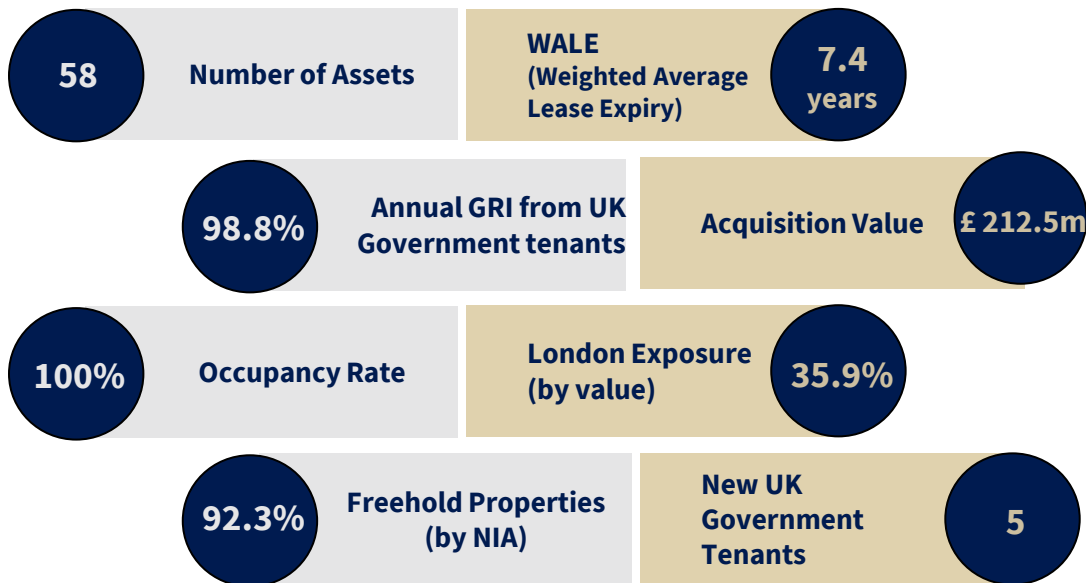
Rationale: Executing growth strategy

1. Extends the REIT's exposure to UK sovereign credit, whilst diversifying occupier mix
2. Stable cashflows and CPI-linked growth from uniquely counter-cyclical occupier
3. Increases exposure to London
4. Increases size, market cap, free float and liquidity
5. DPU accretive, with attractive yields relative to Existing Portfolio

Expansion of Current Portfolio

-  **60%** increase in number of properties
-  **39%** increase in market cap

About the Acquisition



Enlarged Portfolio – Diversified and More Resilient

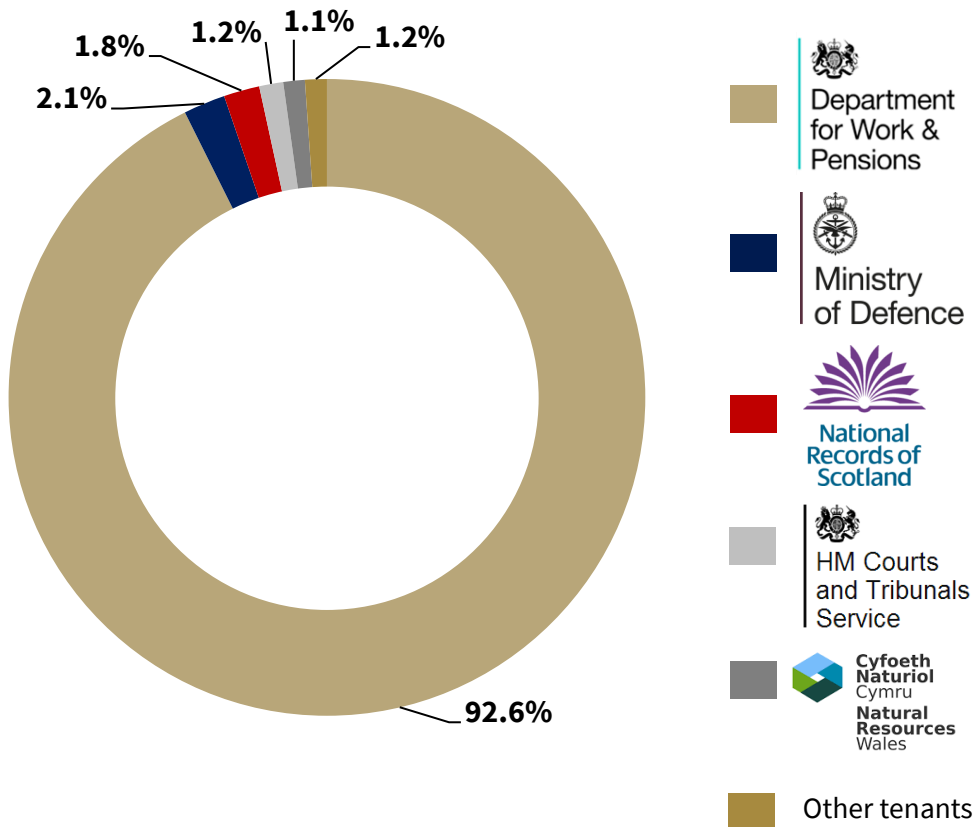


Extends exposure to UK sovereign credit

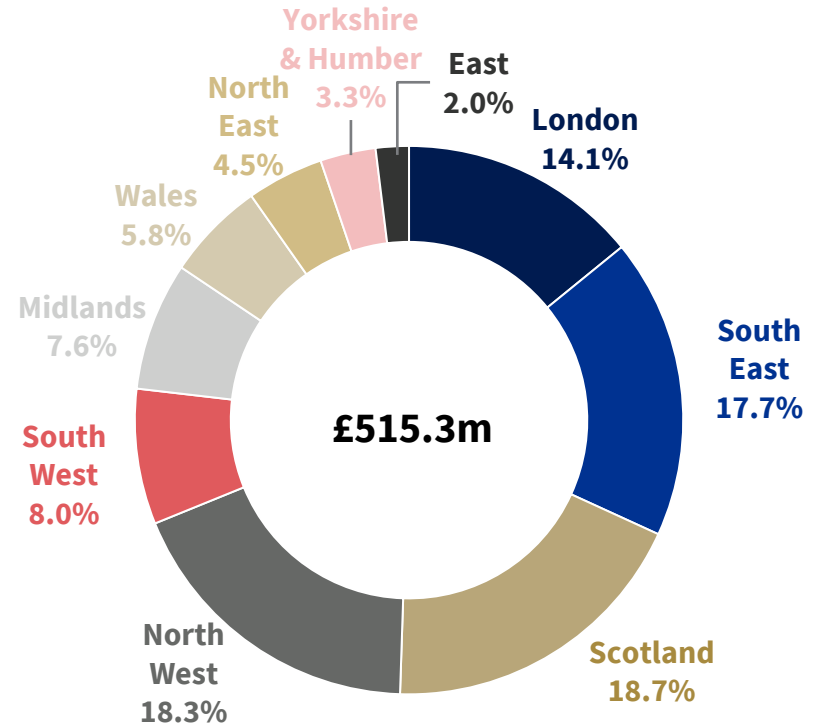
Diversify Tenant Mix



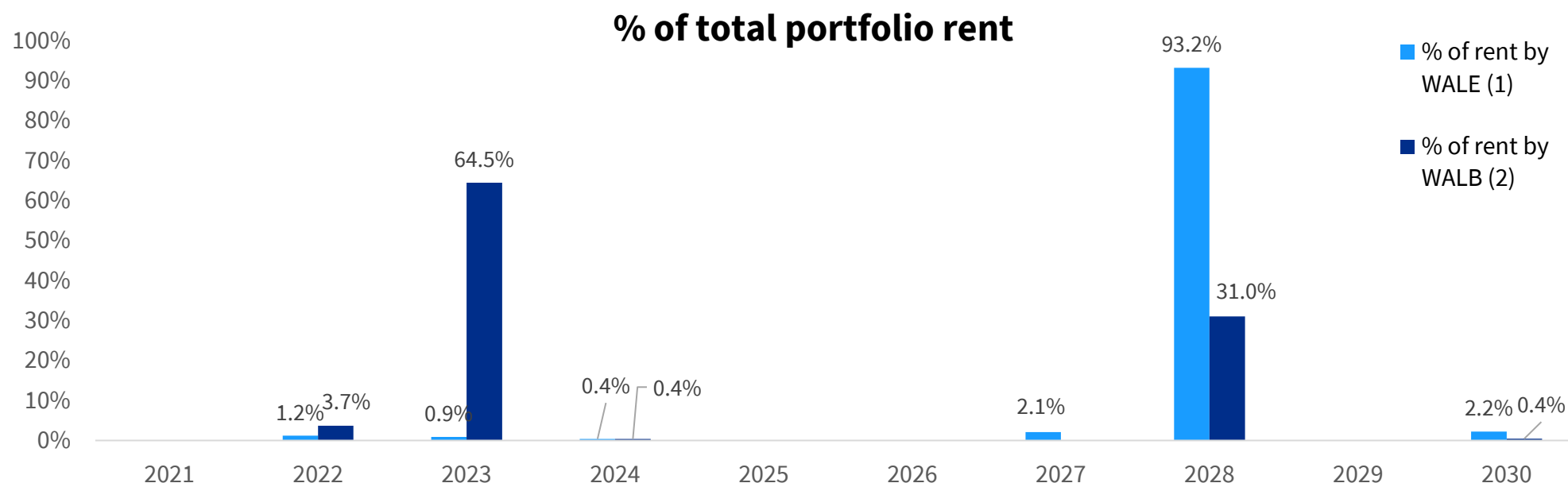
Tenant Breakdown by Gross Rental Income



Enlarged portfolio valuation breakdown



Lease Expiry Profile as at 31 March 2021



The Manager has taken proactive asset management steps as follows:

- **Regular dialogue with the tenants**
- **Data collection and analysis on how the primary tenant utilises the properties as part of their social security infrastructure**
- **To date the manager has successfully engaged the primary tenant who have extended 100% of the leases where there were break options in 2021.**

Notes:

(1) % of rent by WALE (Weighted Average Lease to Expiry) – Based on the final termination date of the agreement (assuming the tenant does not terminate the lease on the permissible break dates)

(2) % of rent by WALB (Weighted Average Lease to Break) – Based on the next permissible break date at the tenant’s election and pursuant to the lease agreement

About the Primary Tenant - DWP

Key occupier is **Department for Work & Pensions (DWP)**, UK's largest public service department

- Responsible for welfare, pensions and child maintenance policy
- **Over 20 million claimants; £191.8 billion** benefit spent in FY19/20
- Services provided primarily via Jobcentre Plus centres

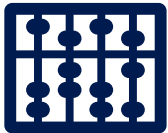
Full Repairing and Insuring Leases

- Tenant (UK Government) is responsible for the full maintenance and repair of external, internal and structural format of the property and landlord (Elite Commercial REIT) has no repairing or insuring liability

Built-in upside from **inflation-linked rental uplifts**



Asset Management Updates



Rent Collection updates:

- Received in advance 99.9% of the rent for the period spanning across the months of April to June 2021, within 7 days of the due date
- Consistently achieved approximately 100% of rent collection in advance since listing, notwithstanding UK lockdown and Brexit



Utilisation updates:

- Jobcentre Plus (“**JCP**”) locations remained open throughout the nation’s first, second and third lockdowns to process and disburse benefits to claimants
- COVID-19 situation does not trigger force majeure or termination clauses of the leases with the UK Government
- In March 2021, the UK Government met its pledge to recruit 13,500 new Work Coaches¹ which has boosted jobseeker support in towns and cities UK wide, in one of their fastest and largest ever recruitment rounds²

Notes:

1. Work Coaches provide jobseekers with tailored support to build their skills, develop CVs and find new jobs in expanding sectors.
2. www.gov.uk/government/news/government-delivers-13-500-work-coaches-to-boost-britain-s-jobs-army, 29 March 2021

job
centre
plus



Section IV

Market Outlook

Crown House, Grantham

Market Outlook



- **Stronger recovery in the UK than the Euro-area**, with UK GDP growth in 2021 forecast of 5% compared to Euro-area GDP growth of 2.5% based on projections from the UK Monetary Policy Committee



- Unemployment rate projected to rise to 6.5% in 2021; **claimant count rose to 2.68 million in February 2021, 2.5% higher than in December 2020 – increasing utilisation of DWP's services**



- Coronavirus Job Retention Scheme (furlough) extended until 30 September 2021, with about 4.7 million people on furlough as of 31 January 2020 – **unemployment is expected to rise once the scheme ends**



- Elite Commercial REIT continues to provide stable income to its unitholders as COVID-19 has minimal impact on business and rent collection



- The Manager remains focused on realising opportunities for growth via acquisition of assets which have been leased long-term by various ministries of the UK government. These opportunities are available to the REIT through the ROFR pipeline from sponsors and open market supply.



Thank You

*For information on Elite Commercial REIT, do visit our website at www.elitecreit.com
or reach out to us at enquiry@elitecreit.com to find out more.*



Appendix



Tannery House, Alfretton

Elite Commercial REIT Sponsors



Elite Partners Holdings Pte. Ltd. ("EPH")

- The investment holding firm for Elite Partners Group, established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach
- Backed by a team with proven expertise in private equity and REITs
- Investment philosophy aims to protect investors' initial capital, enhance investment value and create new growth opportunities

Ho Lee Group Pte. Ltd. ("HLG")

- Incorporated in 1996 through the amalgamation of various construction-related businesses, and acquired Wee Poh Construction Co. Pte. Ltd. in 2005
- Extensive experience in development of industrial and residential properties
- One of the major sponsors of Viva Industrial Trust during its IPO listing in November 2013

Sunway RE Capital Pte. Ltd. ("Sunway")

- Wholly-owned subsidiary of Sunway Berhad, one of Malaysia's largest conglomerates
- Has businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing
- Sunway Berhad Group comprises three public listed entities: Sunway Berhad, Sunway Construction Group Berhad and Sunway REIT