

ELITE COMMERCIAL REIT'S 1Q2021 FINANCIAL PERFORMANCE BOOSTED BY ENLARGED PORTFOLIO

- **REIT Manager completes maiden acquisition of 58 UK commercial properties on 9 March 2021, increasing enlarged portfolio value to £515.3 million**
- **Enlarged portfolio remains 100% occupied with 99.9% of the quarterly advance rent collected in full and on time**
- **5th consecutive quarter of DPU outperformance against Forecasts**

SINGAPORE, 23 April 2021 – Elite Commercial REIT Management Pte. Ltd., the manager (the “**Manager**”) of Elite Commercial REIT (the “**REIT**”), today announced its business update for the three-month period ended 31 March 2021 (“**1Q2021**”).

Summary of Financial Results

	1Q2021		
	Actual £'000	Forecast ⁽¹⁾ £'000	Variance %
Revenue	6,605 ⁽²⁾	5,739	15.1
Income available for distribution to Unitholders	4,499	4,048	11.1
Distribution per unit (“DPU”) – pence	1.22 ⁽³⁾	1.20	1.8

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.

For 1Q2021, Elite Commercial REIT reported an actual revenue of £6.6 million, boosted by contributions from its newly acquired portfolio. The Manager completed the £212.5 million acquisition of 58 commercial properties in the United Kingdom (“**UK**”) on 9 March 2021.

Ms Shaldine Wang, Chief Executive Officer of the Manager said, “The completion of our maiden acquisition marks a good start to the year and is set to significantly contribute to the REIT’s financial performance. The acquisition increased the number of assets in our portfolio to 155 properties and our market capitalisation by 39%. Our enlarged portfolio is fully occupied,

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 (collectively, the “Joint Issue Managers”). 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 (collectively, the “Joint Bookrunners and Underwriters”).

97% freehold¹ with long WALE and generating strong cashflows, which is consistent with our investment strategy. Furthermore, we diversified our occupier mix to include other UK government agencies, apart from the Department for Work and Pensions (“DWP”).”

“Our long-term growth objectives are to focus on tenant-mix diversification and a staggered lease expiry period to maintain a stable income flow. We will also look to grow through yield-accretive asset acquisitions through third parties or ROFR properties from our Sponsors,” added Ms Wang.

Successful acquisition of 58 UK commercial properties and the REIT’s enlarged portfolio

The acquisition was completed on 9 March 2021, where the Manager announced that 131,444,312 New Units were issued at an issue price of £0.68 per New Unit to Elite UK Commercial Fund II (as the Vendor’s nominee) as partial consideration for the acquisition. The Manager had also secured a bridging loan to fund the remaining balance of the acquisition cost. As a result, the REIT welcomed European institution PartnerRE as its substantial unitholder holding approximately 23% of the REIT’s enlarged share capital. PartnerRE is a leading global diversified reinsurance firm, rated A+/A1/A+ (S&P/Moody’s/Fitch), with over US\$9 billion in total capital.²

The acquisition brings the enlarged portfolio to 155 assets across the UK with a portfolio value of £515.3 million with a long WALE of 7.2 years³.

The yield-accretive acquisition increased the enlarged REIT’s exposure to London properties to 14%. Overall, the REIT maintains its 99% exposure to the UK Government whilst diversifying its occupier mix to other government agencies including the Ministry of Defence, National Records of Scotland, Her Majesty’s Courts and Tribunals Service, National Resources of Wales and Environmental Agency, in addition to the DWP.

Market Outlook

The International Monetary Fund (IMF) suggested that the global economy and in particular, the UK, would enjoy a faster expansion than previously estimated. The UK is expected to see a stronger recovery than the rest of the Euro-area, with UK GDP growth in 2021 forecasted at 5%

¹ 150 properties are on freehold tenures and 5 properties are on long leasehold tenures

² <https://partnerre.com/financial-information/>

³ As at March 2021



compared to Euro-area GDP growth of 2.5%.⁴ The UK is also starting to reopen non-essential businesses as the nation's vaccine rollout has been one of the fastest in the world, prompting confidence amongst business leaders.

Despite the positive sentiment, unemployment rate in the UK in the three months to January 2021 stood at 5%, and is 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 the utilisation of DWP's services.

The UK Government has also extended its Coronavirus Job Retention Scheme (furlough) until September 2021, from the initial April 2021 end date, with about 4.7 million people on furlough as of 31 January 2020, to ensure that UK workers remain employed. Unemployment is expected to rise once the scheme ends.

Given COVID-19's minimal impact on the REIT's business and rent collection, Elite Commercial REIT is expected to continue to provide stable income to its unitholders. 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.

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⁴ Based on projections from the UK Monetary Policy Committee



About Elite Commercial REIT

Elite Commercial REIT is a Singapore real estate investment trust established with the investment strategy of principally investing, directly or indirectly, in commercial assets and real estate-related assets in the United Kingdom (“**UK**”). Listed on Singapore Exchange Securities Trading Limited (SGX-ST) on 6 February 2020, Elite Commercial REIT is the first and only UK-focused listed REIT in Singapore.

Elite Commercial REIT’s portfolio (“**Portfolio**”) comprises 155 predominantly freehold⁵ quality commercial buildings located across the UK, with a total net internal area of approximately 3.9 million square feet.

The Portfolio offers a stable cash flow with over 99.0% of the gross rental income derived from the AA-rated UK Government and a long weighted average lease expiry of about 7.2 years⁶. The full repairing and insuring (triple net) leases⁷ with the UK Government include rental escalations that is linked to the UK Consumer Price Index. The Portfolio is primarily occupied by the Department for Work and Pensions (“**DWP**”), the UK’s largest public service department that is responsible for welfare, pensions and child maintenance for over 20 million claimants. DWP is a uniquely counter-cyclical occupier and the Portfolio is crucial public infrastructure for the provision of DWP services.

Elite Commercial REIT’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution and net asset value per unit, while maintaining an appropriate capital structure through disciplined execution of its key strategies.

Elite Commercial REIT is managed by Elite Commercial REIT Management Pte. Ltd., which is owned by Elite Partners Holdings Pte. Ltd. (68.0%), Sunway RE Capital Pte. Ltd. (15.0%) and Jin Leng Investments Pte Ltd (17.0%).

For more information, please visit <https://elitecreit.com/>

⁵ Of the 155 properties, 150 properties are freehold properties and 5 properties are on long leasehold tenures.

⁶ As at 31 March 2021.

⁷ Under a full repairing and insuring (triple net) lease, the responsibility for the repair of the external, internal and structural format of the property is placed with the tenant. Elite Commercial REIT, as the landlord, has no repairing or insuring liability and will not be required to bear the costs of material repairs to the Properties, if any.



IMPORTANT NOTICE

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any offer to purchase or subscribe for units in Elite Commercial REIT ("Units") in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

The value of the Units and the income derived from them may fall as well as rise. The Units are not obligations of, deposits in, or guaranteed by Elite Commercial REIT, the Manager or any of their respective affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The Unitholders have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.