

ELITE COMMERCIAL REIT UPDATES PORTFOLIO VALUATIONS; DISTRIBUTIONS UNAFFECTED AS GOVERNMENT-BACKED INCOME STREAM REMAINS RESILIENT

- **Updated portfolio valuation of £412.5 million**
- **Adjusted NAV per unit at 43 pence¹ with gearing ratio maintained within MAS gearing limit, at 49.6%**
- **Elite REIT remains compliant with all financial covenants under its debt facilities**
- **Continued focus on strategic divestments and asset valuation uplift through asset conversion to strengthen balance sheet**
- **Fit-for-purpose assets serve as critical social infrastructure in the UK, presenting a unique counter-cyclical play with lease stability and income visibility**
- **Solid government-backed income stream from AA credit-rated sovereign tenant and a resilient main occupier that continues to rely on a sustained physical presence in Elite REIT's assets to provide services throughout economic cycles**

SINGAPORE, 5 December 2023 – Elite Commercial REIT Management Pte. Ltd., the manager of Elite Commercial REIT (“Elite REIT”); and the manager of Elite REIT, the “Manager”), announced today that the Manager has obtained independent external valuations for the 150 properties owned by Elite REIT. CBRE Ltd valued the 150 properties at £412.5 million as at 1 December 2023.

Gearing Ratio within MAS Leverage Limit

Elite REIT's gearing ratio is maintained within the Monetary Authority of Singapore's (“MAS”) gearing limit, at 49.6%, with a robust interest coverage ratio of 3.3 times on a pro forma basis, notwithstanding a decline in the portfolio value of approximately 9.5%² compared to 31 December 2022.

There is no near-term debt maturity until end-2024 and Elite REIT remains compliant with all financial covenants under its debt facilities. This ensures that distributions to unitholders remain unaffected.

¹ The ‘Adjusted NAV’ refers to the NAV as at 30 September 2023, adjusted to take into account the divestments of assets in October and December 2023, repayment of loans in October 2023 and the value of the 150 properties as at 1 December 2023.

² Based on carrying value of investment properties on a like-for-like comparison of the relevant 150 properties.

Strengthening Balance Sheet

The Manager is focused on strategic divestments to recycle capital and asset conversions to uplift asset valuations, in order to lower gearing and strengthen Elite REIT's balance sheet.

The proceeds from the asset divestments to-date were primarily utilised to pare down loans to lower gearing and reduce interest costs.

Mr. Joshua Liaw, Chief Executive Officer of the Manager said: "The proactive move to update portfolio valuations provides clarity to the market on the intrinsic value of the portfolio, which highlights the attractive value of Elite REIT.

"This year to-date, we have tangible outcomes from our active asset management efforts – the Manager finalised the disposal of five assets at a premium over aggregate value³, secured a 13.1% inflation-linked rent escalation starting from 1 April 2023, as well as successfully concluded negotiations on dilapidation settlements for numerous assets.

"The Manager remains positive about the relevance of Elite REIT's fit-for-purpose portfolio of assets in the UK, which is part of the critical public infrastructure serving the UK's social services sector. We aim to continue actively enhancing and unlocking the portfolio's value for our unitholders through proactive asset management strategies and continued tenant engagement."

Enhancing Portfolio Resiliency

Elite REIT's fit-for-purpose properties are in a unique position of stability as they are part of the critical social infrastructure that enables the DWP to provide welfare services to local communities and support the UK government's social agenda. DWP is a uniquely counter-cyclical and resilient occupier which continues to be relevant, and relies on a sustained physical presence in Elite REIT's assets to provide social services, throughout economic cycles.

As at 30 September 2023, portfolio occupancy rate was 92.1% and weighted average lease expiry stood at 4.3 years. With the majority of Elite REIT's income – 94.8% of total portfolio rent⁴ – secured all the way to March 2028, there is lease stability, and income visibility to our unitholders.

³ Aggregate value of the five divested assets as at 31 December 2022.

⁴ As at 30 September 2023.

Stable Government-backed Income Stream

Elite REIT's leases are on triple net basis⁵, with almost 100% of leases signed directly with the UK Government⁶ and backed by AA-rated sovereign credit strength, providing credit stability and income certainty to unitholders.

In addition to strategic capital recycling, the Manager will continue with its ongoing proactive asset management strategies to maximise the value of Elite REIT's assets. These include focusing on tenant retention by ensuring that Elite REIT's assets meet tenant requirements and expanding sustainability collaborations with the DWP, re-letting vacant assets as offices, implementing asset enhancement initiatives, and diversifying Elite REIT's lease expiries and income profile.

- End -

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⁵ Known as a full repairing and insuring lease, the responsibility for the repair of the external and internal parts as well as the structure of the property is placed with the tenant for occupied assets.

⁶ A majority of the leases are signed by the Secretary of State for Levelling Up, Housing and Communities, which is a Crown Body.



About Elite Commercial REIT

Elite Commercial REIT (“**Elite 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**”). Elite Commercial REIT (“**Elite REIT**”) is the first and only UK REIT listed in British pounds on the Singapore Exchange.

Elite REIT’s portfolio (“**Portfolio**”) comprises predominantly freehold properties strategically located mainly in town centres, and near amenities and transportation nodes, and offers a stable government-backed income stream with almost 100% of the gross rental income derived from the UK Government, backed by AA-rated sovereign credit strength. The leases are on triple net basis⁷ and the properties in the Portfolio are 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, serving over 20 million claimants. The Portfolio is part of the crucial social infrastructure through which DWP provides services to local communities.

Elite 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.



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



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⁷ Known as a full repairing and insuring lease, the responsibility for the repair of the external and internal parts as well as the structure of the property is placed with the tenant for occupied assets.



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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.