

ELITE UK REIT'S 9M 2024 DPU OF 2.13 PENCE RISES 3.9% YEAR-ON-YEAR, WITH PROGRESS IN ASSET MANAGEMENT AND CAPITAL MANAGEMENT

- **9M 2024 available distribution per unit (“DPU”) increased 3.9%¹ year-on-year to 2.13² pence from higher distributable income and tax savings**
- **Concluded dilapidation settlements of £1.4 million year-to-date for vacant assets**
- **Occupancy rate increased to 93.9% with the divestment of Sidlaw House, Dundee for £1.3 million; offers received for two other vacant assets**
- **Completed lease renewal for Theatre Buildings, Billingham with positive rent reversion of 5.3%**
- **Reduced borrowing costs by 20 basis points through refinancing and hedging to achieve annualised interest rate of 5.0%**

SINGAPORE, 5 November 2024 – Elite UK REIT Management Pte. Ltd., the manager (the “**Manager**”) of Elite UK REIT (英利英国房地产信托), today announced the REIT’s financial results for the nine months ended 30 September 2024 (“**9M 2024**”). In 9M 2024, Elite UK REIT’s portfolio generated £28.0 million of revenue, while distributable income increased 2.8% year-on-year to £14.0 million. After adjusting for an enlarged equity base of 594.2 million units in issue following a £28 million preferential offering in January 2024, 9M 2024 DPU of 2.13 pence² was 3.9%¹ higher compared to 9M 2023 DPU, due to higher distributable income and tax savings.

Mr. Joshua Liaw, Chief Executive Officer of the Manager, said: “We are firing on all cylinders. On capital management, we made good progress in strengthening Elite UK REIT’s position through refinancing, hedging and the substantial completion of dilapidation settlements negotiations for vacant assets. On asset management, we completed lease renewal for Theatre Buildings in Billingham, which is used as a DWP

¹ Comparison is made with 9M 2023 DPU of 2.05 pence, which takes into account 90% payout ratio, adjusted based on enlarged equity base of 594.2 million units in issue as of 30 September 2024. Actual 9M 2023 DPU was 2.53 pence.

² Distribution per Unit based on 90% payout ratio. At 100% payout ratio, the DPU in respect of 9M 2024 is 2.36 pence.

Jobcentre Plus, and divested Sidlaw House, Dundee, which are strong indicators of investors' demand for well-located UK properties.

“We are also in the midst of unlocking latent value within Elite REIT’s portfolio of assets in various stages through proactive asset management. In particular, we have made progress with the recent submission of a planning application for a low emissions and low latency data centre to optimise the land available at Peel Park, Blackpool after receiving positive feedback during pre-application. We continue to explore various opportunities to further execute our asset repositioning strategy and expanded investment mandate to focus on UK social infrastructure and living sector assets.”

Good Progress in Dilapidation Settlements and Asset Repositioning Strategy

Since the start of 2024, the Manager has concluded dilapidation settlements of £1.4 million for its vacant assets. On 7 October 2024, the REIT announced the divestment of Sidlaw House, Dundee at £1.3 million, which is approximately 42% above its valuation as at 30 June 2024. In addition, the Manager has received offers for its other vacant assets at favourable valuations. More information will be provided in due course when the transactions are completed.

In addition, Elite UK REIT recently submitted a planning application for an 80-megawatt, state-of-the-art data centre campus site at Peel Park, Blackpool co-located with existing buildings utilised by the Department of Work and Pensions (“**DWP**”) as its technology hub. Given its strategic location, coupled with benefits from a subsea cable connecting Blackpool to Dublin and extending to Europe and North America, this potential data centre campus will have access to hyperscale level renewable power supplies from local grid and renewal energy via offshore windfarms.

The Manager is evaluating a number of strategic options for Peel Park and several assets within its current portfolio which collectively have a valuation of £40.2 million³

³ Based on valuation as at 30 June 2024.

to maximise long-term value for unitholders, including strategic divestment or partnerships, redevelopment into other uses or disposal with the benefit of approvals.

The Manager continues to engage with tenants on extending and diversifying leases ending in 2028. All leases are on a triple net basis⁴ and almost 100% of rent for the period of three months to 31 December 2024 is collected in advance. Following the divestment of Sidlaw House, Dundee, portfolio occupancy increased 160bp to 93.9% as at 7 October 2024, from 92.3% as at 30 June 2024. Elite UK REIT's weighted average lease expiry ("**WALE**") was 3.5 years as at 30 September 2024.

Prudent Capital Management

As at 7 October 2024, Elite UK REIT's net gearing ratio⁵ stood at 43.6%. Borrowing costs declined by 20 basis points to 5.0% from 5.2% as at 30 June 2024 through refinancing and hedging 87% of exposure, with interest coverage ratio at 3.0 times⁶.

With the completion of the debt refinancing exercise earlier this year, there are no further refinancing requirements until 2027 and 100% of Elite UK REIT's debt is now financed through sustainable financing. Net asset value ("**NAV**") per unit was £0.39 as at 7 October 2024.

UK Outlook

Following the announcement of the UK's Autumn Budget 2024, the Office of Budget Responsibility forecasts inflation to average 2.5% in 2024, before increasing to 2.6% in 2025, along with a slower reduction in interest rates⁷.

The Manager is expected to continue providing a stable income to its Unitholders as it has hedged 87% of its interest rate exposure and it continues to collect close to

⁴ 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.

⁵ Net gearing is calculated as aggregate debt less cash over total assets less cash. Aggregate Leverage calculated as per the Property Funds Appendix would be 44.1%, 45.5% and 50.0% as at 7 October 2024, 30 September 2024 and 31 December 2023, respectively.

⁶ Excluded amortisation of debt-relation transaction costs. ICR calculated as per the Property Funds Appendix would be 2.4x, 2.4x and 3.1x as at 7 October 2024, 30 September 2024 and 31 December 2023, respectively.

⁷ HM Treasury, Autumn Budget 2024, 30 October 2024



100% of its rent a quarter in advance, with its portfolio of asset supported by a stable government-backed income stream with AA-rated sovereign credit strength.

In the UK, claimant count for September 2024 increased month-on-month and year-on-year to 1.8 million⁸. The unemployment rate is forecast to average 4.3% in 2024, a small increase on 2023, before remaining close to 4.0%⁷. As a trusted partner of the DWP, the Manager continues to play a pivotal role in providing critical social infrastructure that enables the DWP to administer welfare services to local communities and support the UK government's social agenda, which includes alleviating unemployment.

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⁸ House of Commons Library, *People claiming unemployment benefits by constituency*, 15 October 2024



About Elite UK REIT (“英利英国房地产信托”)

Elite UK REIT (“**Elite REIT**” (“英利房托”)), is a UK REIT listed in Pound sterling on the Singapore Exchange and managed by Singapore-headquartered Elite UK REIT Management Pte. Ltd. Elite REIT has three Sponsors: Elite Partners Holding Pte. Ltd., the holding firm for Elite Partners Group, an alternative investment and asset manager; Ho Lee Group Pte. Ltd., a real estate and construction conglomerate; and Sunway RE Capital Pte. Ltd., a wholly-owned subsidiary of Sunway Berhad.

Elite REIT’s portfolio (“**Portfolio**”) comprises mostly freehold properties strategically located mainly in town centres, and near amenities and transportation nodes. With its portfolio, Elite REIT is one of the largest providers of critical social infrastructure to the Department for Work and Pensions (“**DWP**”) and other UK Government departments. As at 30 June 2024, Elite REIT’s portfolio has a total asset value of £415 million.

In addition to stable government-backed income stream, the Manager plans to capitalise on emerging market trends and sectors exhibiting strong growth potential in the UK, such as the Living Sector, which includes purpose-built student accommodation and Built-to-Rent residential assets.

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



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