

# Business Updates for 1Q 2022

29 April 2022

# Important Notice



This presentation provides interim business update on the operational and financial performance of Elite Commercial REIT for the first quarter ended 31 March 2022.

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# Content



## I. About Elite Commercial REIT



## II. 1Q 2022 Key Highlights



## III. 1Q 2022 Financial Performance



## IV. 1Q 2022 Portfolio Updates



## V. Sustainability Efforts



## VI. Market Outlook & Moving Forward



## VII. Appendix



## Section I

# About Elite Commercial REIT



**Nutwood House, Canterbury**

# First & Only UK-Focused S-REIT

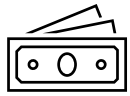
Over 99% Leased to the AA-rated UK Government<sup>(1)</sup>



**£500.1m<sup>(2)</sup>**  
Portfolio value



**155**  
Office Assets



**AA-rated**  
UK Government  
credit rating



**97%**  
Freehold<sup>(3)</sup>



**Triple Net**  
Full Repairing &  
Insuring Leases<sup>(4)</sup>



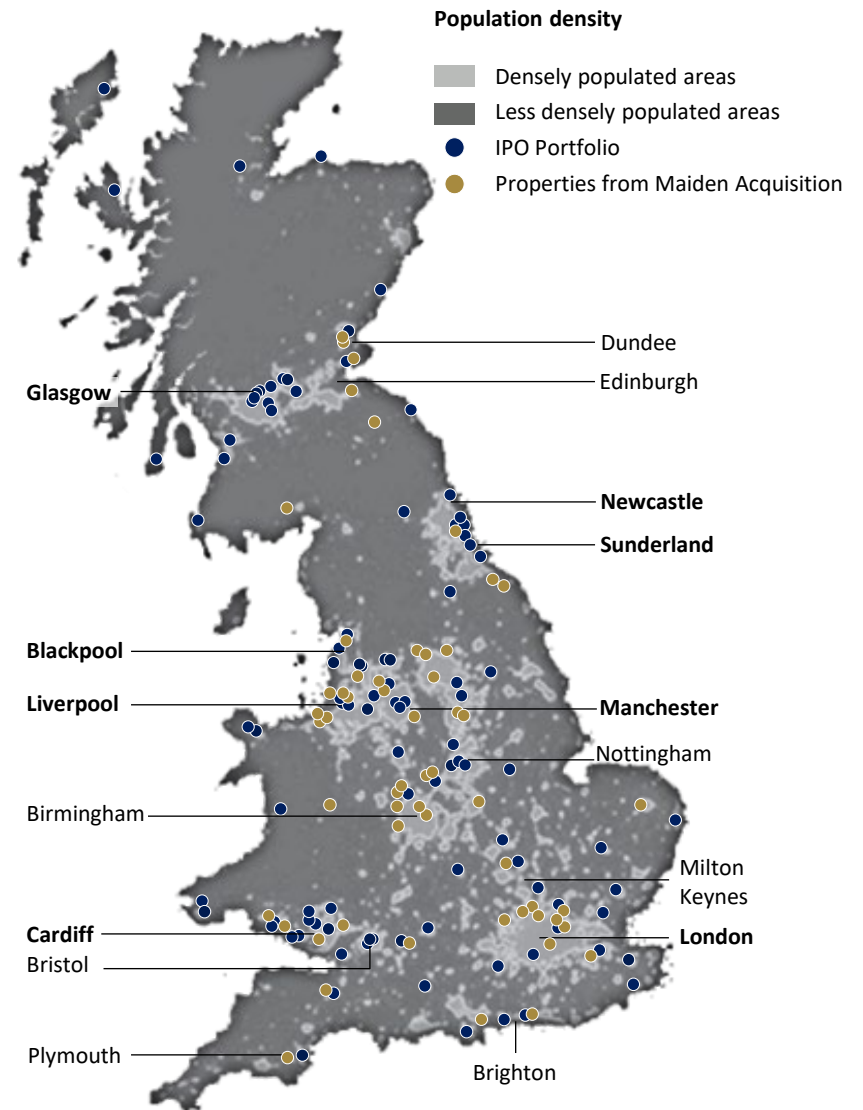
**2023 Rent Review**  
Built in Inflation-  
linked Rent Uplift<sup>(5)</sup>

## Notes:

1. Majority of the leases are signed by the Secretary of State for Levelling Up, Housing and Communities (formerly known as the Secretary of State for Housing, Communities and Local Government), which is a Crown Body.
2. As at 31 December 2021.
3. 150 properties are on freehold tenures and 5 properties are on long leasehold tenures.
4. Under a full repairing and insuring lease, commonly known as triple net 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. Elite Commercial REIT, as the landlord, has no repairing or insuring liability.
5. A small proportion of the portfolio has rental review based on open market rental value.

## Geographically Diversified

A network of well-located assets across the UK





## Section II

# 1Q 2022 Key Highlights




Tannery House, Alfreton

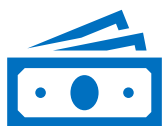
# 1Q 2022 Key Highlights

## DPU Growth




Distributable Income generated during the period

 **36.2% y-o-y**



Distribution per Unit (pence)

 **4.9% y-o-y**

Lifted by a full quarter of contribution from maiden acquisition and tax savings from admission of ECHL as a UK REIT group, offset by a slightly enlarged equity base

## Positive Lease Re-gearing Exercise



Lease break option removed from

**109**

assets<sup>(1)</sup> occupied by the Department for Works and Pensions (“**DWP**”) and the Ministry of Defence (“**MOD**”)



Lease stability and income visibility until March 2028 for

**85.2%**

of the total REIT portfolio based on annualised gross rental income as at 31 March 2022

## Sustainability Collaboration with the UK Government



Secured collaboration with the **DWP and MOD** to boost sustainability and energy efficiency of their occupied estate



Commitment to invest **£14.8 million<sup>(2)</sup>** towards sustainability, climate adaptation works

### Notes:

1. Of the 109 assets with March 2023 lease break option removed, 108 are occupied by the DWP and one by the MOD.

2. Comprising £14.67 million of Sustainability Contribution to DWP-occupied assets and £0.1 million of Sustainability Contribution to MOD-occupied asset.



## Section III

# 1Q 2022 Financial Performance



Holborn House, Derby

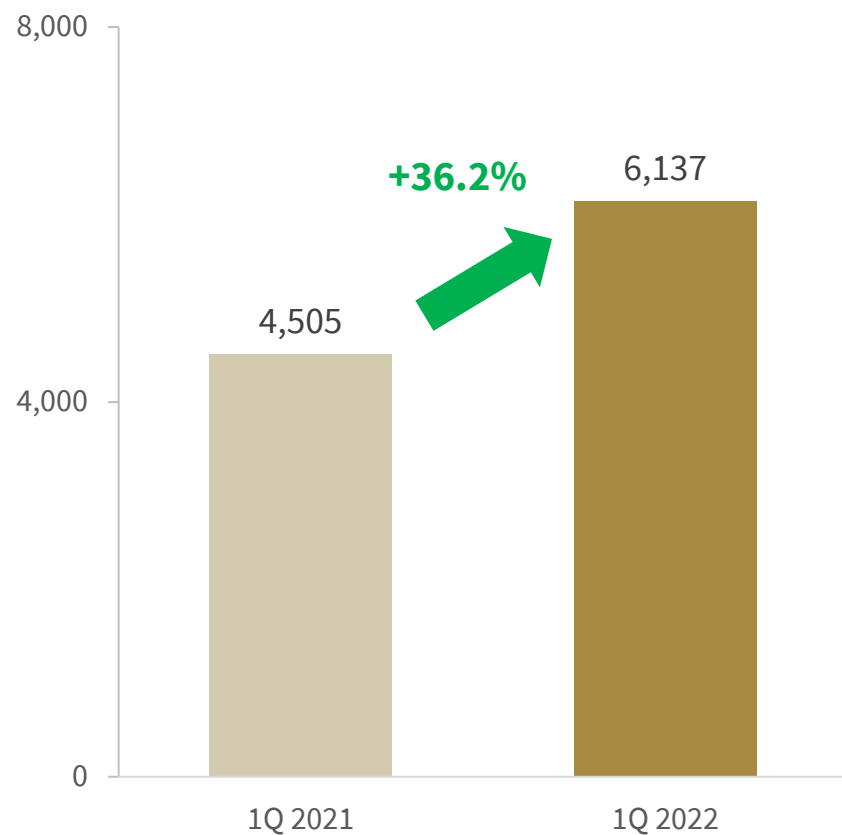


# Steady and Growing DPU

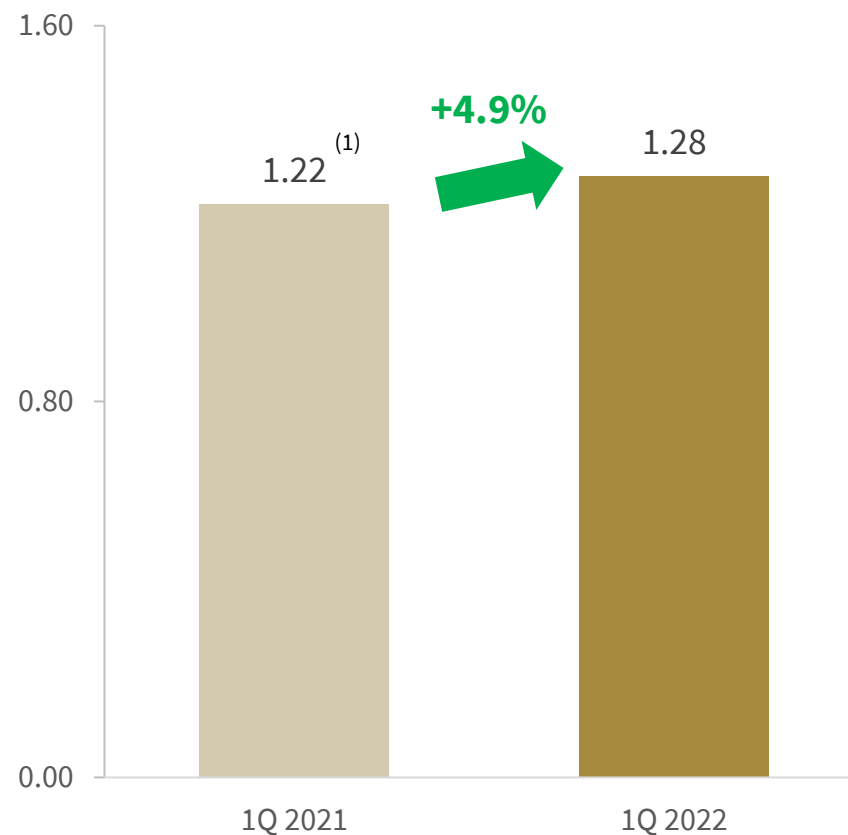


**1Q 2021 DPU increased 4.9% year-on-year**

**Distributable Income generated during the period**



**Distribution per Unit (pence)**



**Note:**

1. Includes the Advanced Distribution of 0.90 pence per Unit declared on 26 February 2021 and paid on 15 April 2021.

# Financial Highlights – 1Q 2022 vs 1Q 2021

	1Q 2022	1Q 2021	
	Actual £'000	Actual £'000	Variance %
Revenue	9,210	6,605	▲ 39.4
Distributable Income generated during the period	6,137	4,505	▲ 36.2
Distribution per unit (“ <b>DPU</b> ”) - pence	1.28	1.22 <sup>(1)</sup>	▲ 4.9

**Note:**

1. Includes the Advanced Distribution of 0.90 pence per Unit declared on 26 February 2021 and paid on 15 April 2021.

# Healthy Balance Sheet

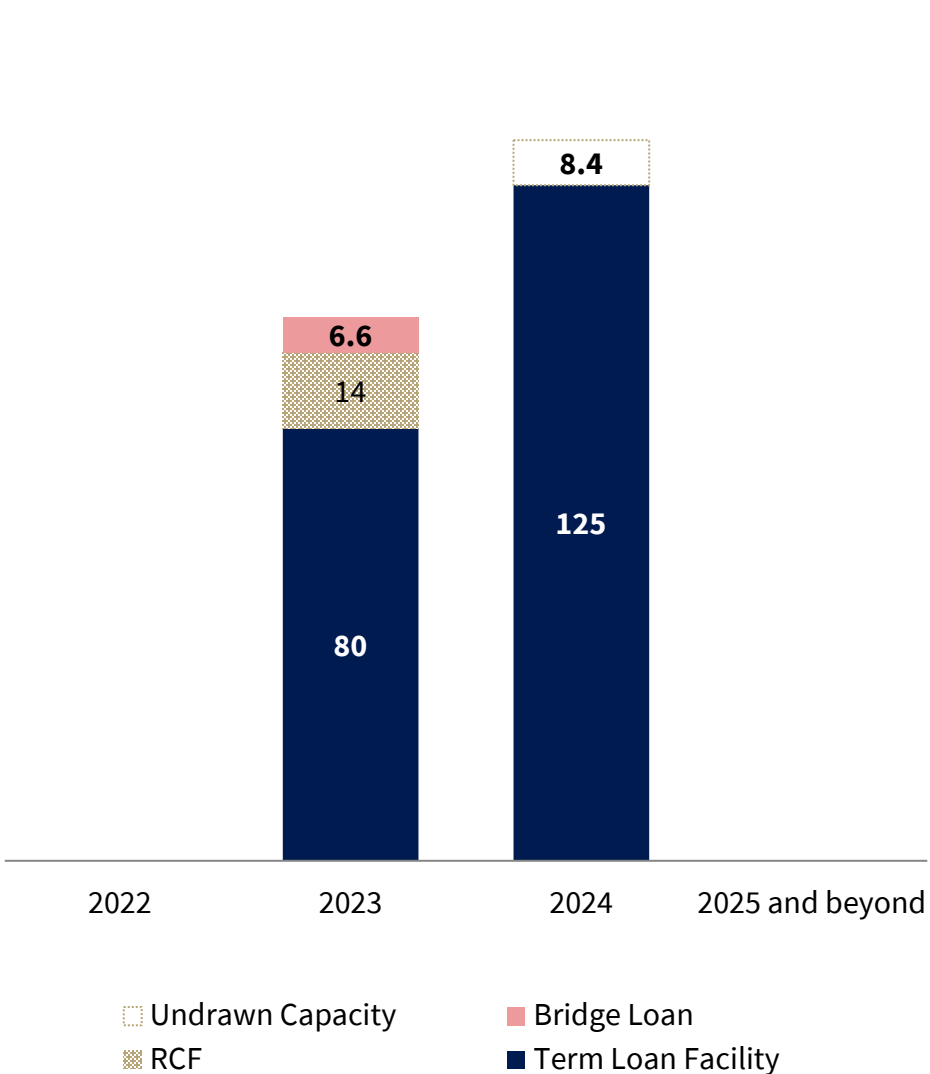
	31 Mar 2022 £'000	31 Dec 2021 £'000
Non-current assets <sup>(1)</sup>	502,234	501,855
Current assets	25,524	31,509
<b>Total assets</b>	<b>527,758</b>	<b>533,364</b>
Non-current liabilities	129,125	222,290
Current liabilities	115,221	22,055
<b>Total liabilities</b>	<b>244,346</b>	<b>244,345</b>
<b>Net assets / Unitholders' funds</b>	<b>283,412</b>	<b>289,019</b>
<b>Units in issue and issuable ('000)</b>	<b>478,923</b>	<b>476,506</b>
<b>Net asset value per unit (£)</b>	<b>0.59</b>	<b>0.61</b>

**Note:**

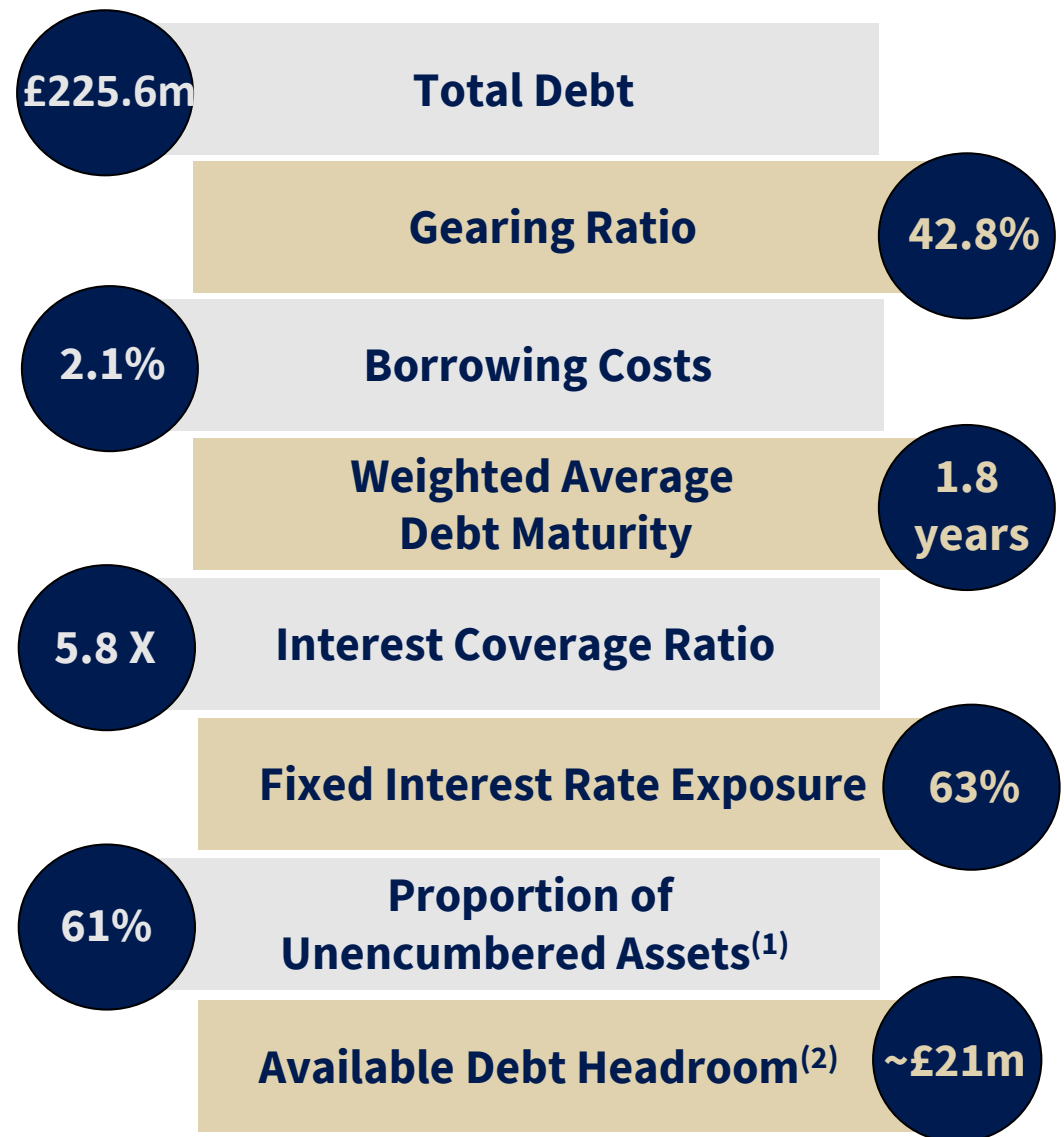
1. Non-current assets comprise mainly of investment properties, which are stated at their fair values as of 31 December 2021, based on independent professional valuations undertaken by Knight Frank LLP.

# 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 ~£75m based on gearing ratio of 50%

job  
centre  
plus



## Section IV

# 1Q 2022 Portfolio Updates

Crown House, Grantham

# Resilient Portfolio with Income Visibility

Assets stay relevant as utilisation by tenant remains high

## Steady Portfolio Performance



Full Portfolio  
Occupancy Rate

**100%**

as at 31 March 2022



Long Weighted  
Average Lease Expiry

**5.5 years**

as at 31 March 2022



Consistent Rent Collection in Advance

**~100%**

for the three-month period of  
April 2022 to June 2022, within  
seven days of the due date



# Positive Outcome of Lease Re-gearing Exercise

## Secured lease stability and income visibility until March 2028

### Lease Break Options Successfully Removed

#### Leases pertaining to assets occupied by the DWP

- The positive outcome of the Lease Re-gearing exercise for 108 of 117 DWP-occupied assets in our Portfolio saw the removal of lease break options that were set to occur in March 2023 (“**lease break options**”)
- 11 of the 108 DWP-occupied assets will have rent reductions<sup>(1)</sup> starting in April 2023, together with the rental uplift
- Except for the removal of the lease break options and rent adjustment for 11 of the assets, the rest of the lease terms remain the same and the leases will also benefit from the rental escalation in April 2023

#### Lease pertaining to asset occupied by the Ministry of Defence

- The lease for Tomlinson House, Blackpool Norcross Lane has had the March 2023 break option removed and is now confirmed to run continuously until March 2028 without any further break options
- Similarly, except for the removal of the lease break option, the rest of the lease terms remain the same and the lease will also benefit from the rental escalation in April 2023

**Note:**

1. The rental reduction mechanism will be simultaneously applied together with the rental escalation in April 2023.



# Proactive Asset Management

Regular and active engagements with current and potential occupiers



## Lease Break Options Exercised

### Leases pertaining to DWP-occupied assets

- The Manager has received break option notice for eight out of the remaining nine DWP-occupied assets with the lease break option
- The eight assets represent 4.8% of the Portfolio's contractual rental income<sup>(1)</sup> for FY 2022.
- The Manager continues to work with the DWP on the sole balance asset with lease break option and will update the market in due course

## Property Updates

- John Street, Sunderland, which is vacant as of 1 April 2022, and Sidlaw House, Dundee, which will vacate on 29 June 2022, are being actively marketed to potential occupiers
- The most likely use is continued office use, although the Manager continues to review alternative options as a matter of course

### Note:

1. As at 31 March 2022, taking into account three months of rent for John Street, Sunderland, six months of rent for Sidlaw House, Dundee and ten months of rent for Phoenix House, Bradford respectively.



# Proactive Asset Management

## Potential alternative uses are available

### Maximising Value Outcomes

- Following the Lease Re-gearing exercise there are eight assets that will be vacated by DWP. As all the eight assets have a 12-month notice period on the lease, these assets will continue to be income-producing until March 2023 when the assets are vacated
- The Manager is actively formulating the appropriate asset management strategy for each asset, with a view to maximising value outcomes and minimising holding costs
- Appraisals of the real estate market conditions and economic dynamics of the submarkets of each of the eight assets are underway, with a variety of options for each asset under consideration, including:



Potential re-letting as an office or other uses



Disposal with vacant possession or following re-letting



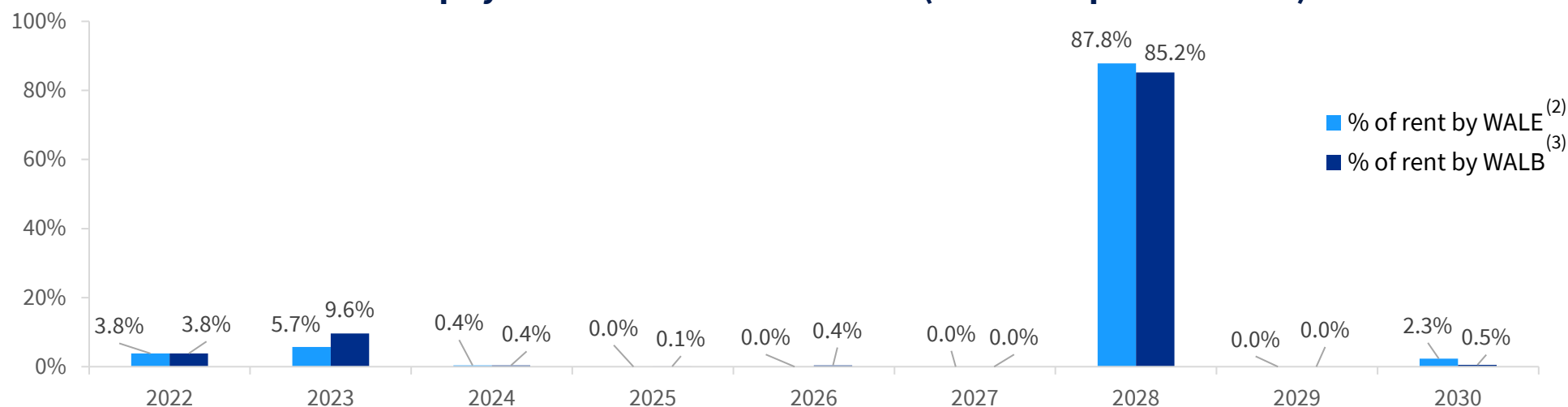
Seeking consent for alternative uses (conversion or redevelopment) where those offer the best outcomes

- The Manager is also actively engaged with the network of local advisors, to assist in any analysis and on future re-letting, redevelopment and/or disposal strategies for the eight assets
- Further updates will be provided at the appropriate time

# Lease Stability and Income Visibility

Full occupancy, Long WALE of 5.5 years

Lease Expiry Profile as at 31 March 2022 (% of total portfolio rent)<sup>(1)</sup>



## Income Visibility with Built-in Inflation-Linked Upside

- The positive outcome from the Lease Re-gearing exercise greatly enhances the lease stability and income visibility until March 2028 for Elite Commercial REIT
- About 85.2% of the leases by total portfolio annualised gross rental income as at 31 March 2022 will run continuously until March 2028 without further lease break options
- Following the recent lease events, the Manager intends to conduct a mid-year valuation exercise to update the REIT's portfolio value

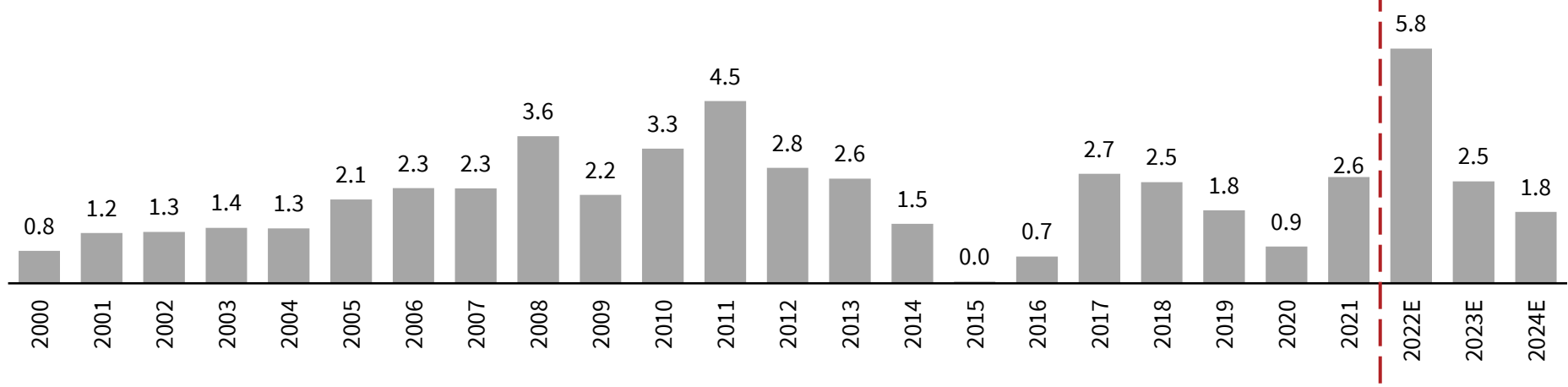
### Notes:

1. Taking into account the break notice received on eight DWP-occupied assets.
2. Percentage of rent by WALE (Weighted Average Lease to Expiry) – Based on the final termination date of the lease agreement (assuming the tenant does not terminate the lease on the permissible break dates).
3. Percentage of rent by WALB (Weighted Average Lease to Break) – Based on the next permissible break date at the tenant's election or the expiry of the lease, whichever is earlier.

# Built-in Rental Growth

Potential upside at upcoming rent review in April 2023

### UK Annual CPI inflation<sup>(1)</sup> (%)



## Inflation-linked Escalation

- Despite increasing inflation rate in the UK, the built-in inflation-linked rental escalation clauses present potential upside at the upcoming rent review in the fifth year, with the new rental rates to start in April 2023
- The rental uplift is based on the UK Consumer Price Index (“**CPI**”), subject to an annual minimum increase of 1.0% and maximum of 5.0% on an annual compounding basis from 1 April 2018 to 31 March 2023

### Notes:

1. Office for National Statistics, Gov.UK, CPI Annual Rate 00: All Items 2015=100.

2. Bank of England Monetary Policy Report February 2022.

# Built-in Rental Growth

## Potential upside at upcoming rent review in April 2023

### Illustrated rental contribution outcome of the DWP and the MOD following lease updates

Types of Leases	Number of assets	Contractual rent <sup>(1)</sup> for FY 2022	Illustrated outcome after rental escalation <sup>(2)</sup>	
			Minimum estimation (11.0%)	Maximum estimation (15.4%)
			£'000	£'000
<b>Assets occupied by the DWP</b>	<b>146</b>	<b>33,370</b>	<b>33,812</b>	<b>35,140</b>
Straight leases <sup>(3)</sup>	27	11,783	13,079	13,597
Leases with lease break option removed				
- Without rent reduction	97	17,284	19,171	19,926
- With rent reduction <sup>(4)</sup>	11	1,976	1,402	1,457
New five-year lease signed for East Street, Epsom <sup>(5)</sup>	1	143	160	160
Leases with break option exercised				
- To vacate in 2023	8	1,758	-	-
- Vacated on 31 March 2022 <sup>(6)</sup>	1	35	-	-
Lease pending an outcome	1	390	To be confirmed	
<b>Asset occupied by the MOD</b>	<b>1</b>	<b>788</b>	<b>875</b>	<b>910</b>
<b>Total<sup>(7)</sup></b>	<b>147</b>	<b>34,158</b>	<b>34,687</b>	<b>36,050</b>

#### Notes:

1. As at 31 March 2022.
2. The actual rental escalation will be subject to the prevailing inflation rate through to 31 March 2023. Two of the DWP-occupied assets in the Portfolio have a rental escalation that is based on open market rent review. For the purpose of illustration only, the Manager assumes no escalation for these two DWP-occupied assets.
3. Straight leases refer to the existing DWP-occupied assets without any lease break clauses.

#### Notes:

4. The rental reduction mechanism will be simultaneously applied together with the rental escalation in April 2023.
5. Based on contractual rent of the new lease.
6. Refers to John Street, Sunderland, where the contractual rent for the asset pertains to the rent from 1 January 2022 to 31 March 2022.
7. Discrepancies between the listed figures and totals thereof are due to rounding. <sup>19</sup>

job  
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plus



## Section V

# Sustainability Efforts

Crown House, Grantham

# Sustainability Collaboration

## Integration of sustainability considerations into overall strategy



### Sustainability Collaboration with the UK Government's DWP and MOD to 'green' buildings leased to the government departments



#### Key terms of the collaboration

1

#### Sustainability Contribution

Notwithstanding the FRI<sup>(1)</sup> leases, the REIT commits to invest an aggregate of ~£14.8 million<sup>(2)</sup> over three years towards agreed upon asset enhancement works on the REIT's properties occupied by DWP and MOD, to be funded through sufficient internal sources like existing and new debts, and cash retained from dividend reinvestment plan – minimal DPU impact

2

#### Agreed upon works

Examples of such works include repair, replacement or upgrade of the lighting systems, heating and cooling systems, insulation and solar panels, and other initiatives

3

#### Improve energy efficiency

Such works are likely to improve the properties' energy efficiency to a more sustainable standard, resulting in an upgrade of the Energy Performance Certificate ("EPC") ratings<sup>(3)</sup> for the properties

4

#### Integrating sustainability into business strategy

Proactive strategy ensures that the REIT's portfolio of properties remain relevant and enhances the long-term value of Elite Commercial REIT and in alignment with UK Government's commitment to achieve net zero carbon emissions by 2050<sup>(4)</sup>

#### Notes:

1. Under a full repairing and insuring ("FRI") lease, commonly known as triple net 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. Elite Commercial REIT, as the landlord, has no repairing or insuring liability.
2. Comprising £14.67 million of Sustainability Contribution to DWP-occupied assets and £0.1 million of Sustainability Contribution to MOD-occupied asset.
3. An EPC measures the energy efficiency of a property on a scale of A to G. It contains information about a property's energy use and typical energy costs, as well as recommendations about how to reduce energy use and save money.
4. Gov.UK, HM Government, Net Zero Strategy: Build Back Greener, October 2021.



## Section VI

# Market Outlook & Moving Forward



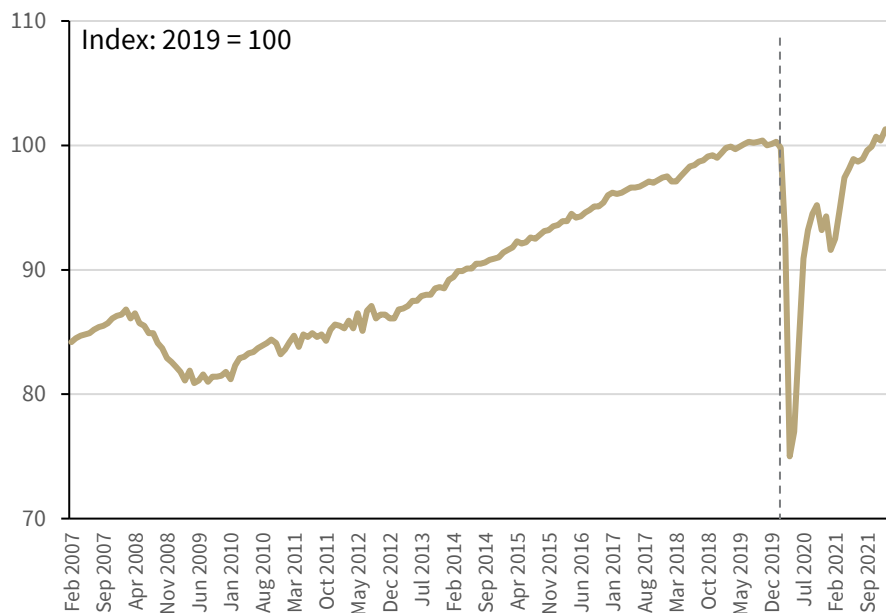
Tannery House, Alfreton

## UK GDP growth rebounded and is now above its pre-pandemic level

### Economy

- UK economy is estimated to have grown by 0.1% in February 2022 and is now 1.5% above its pre-pandemic level in February 2020, driven mainly by human health and social work activities
- On an annual basis, UK economy grew 7.4% in 2021. However, UK GDP is expected to slow to 3.7% in 2022, projected the International Monetary Fund

Monthly estimate of UK GDP



### Inflation

- Consumer Prices Index (“**CPI**”) rose by 7.0% in the 12 months to March 2022, up from 6.2% in February. This is the highest 12-month CPI inflation rate in the National Statistics series, which began in January 1997
- Inflation is expected to increase further in the coming months, to around 8% in 2Q 2022, and perhaps even higher later this year, reflecting global energy prices, with some further material contribution from tradable goods prices
- However, upward pressures on inflation are expected to dissipate over time and projected to fall back to a little above the 2% target in two years’ time

### Interest Rate

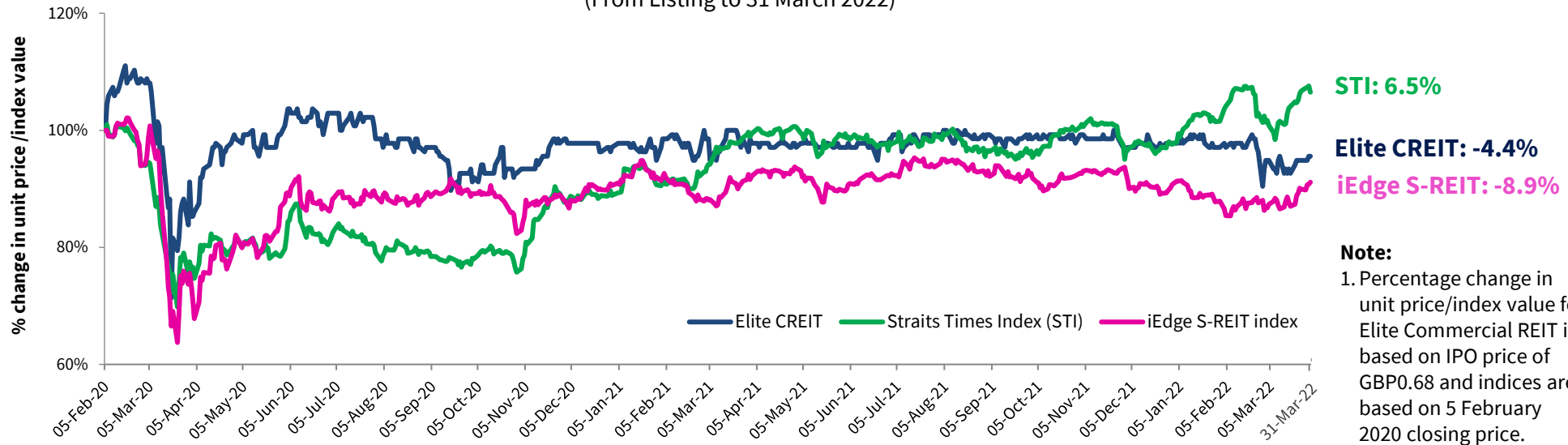
- The Bank of England Monetary Policy Committee (“**MPC**”) voted by a majority at the March 2022 meeting to increase bank rate by a further 0.25 percentage points to 0.75%
- Some further modest tightening of monetary policy may be appropriate in the coming months
- The market-implied path for bank rate has now reached around 2.0% by end 2022



# Resilient Trading Performance

## Amid macroeconomic and geopolitical uncertainties

Relative unit price performance of Elite Commercial REIT against indices<sup>(1)</sup>  
(From Listing to 31 March 2022)



## Intensified Investor Relations Efforts

### Research House Coverage



**“BUY”**

Target price

**£0.76**



**“ADD”**

Target price

**£0.76**



**“BUY”**

Target price

**£0.95**



**“BUY”**

Target price

**£0.80**



Issued **inaugural** unrated research report on Elite Commercial REIT

### Public Outreach Efforts and CSR

- Engagements with **financial bloggers**
- **CLSA Singapore Hidden Jewels Access Day 2022**
- Briefings for analysts and engagements with the **UK media** on Lease Re-gearing and first Sustainability Collaboration
- Post-results briefing with analysts, media, financial bloggers
- Investor webinars/calls with **UOB Kay Hian** and **DBS Research**
- **Phillip Securities** and **CGS-CIMB** Trading Representatives teach-in sessions
- Publication of **Annual Report 2021** and **inaugural Sustainability Report 2021**

# Strategies Moving Forward

## Growth Potential



### Acquisition Opportunities

- Robust pipeline of properties through right of first refusal (“**ROFR**”) from the Sponsors
- Active real estate investment activities present opportunities in terms of third-party transactions in the open market

## Proactive Asset Management



### Maximising Value

- Formulates the best outcomes for properties in the portfolio using analytics to maximise value and deliver sustainable returns to our Unitholders
- Land banking in the portfolio provides potential for organic growth

## Sustainability Integration



### ‘Green’ Collaborations

- Expand sustainability collaborations with more occupiers and tenants to ‘green’ the portfolio and improve energy efficiency of the assets
- Incorporates sustainability considerations to ensure Portfolio remains relevant



# Key Investment Merits

1

## **Attractive & resilient yields through economic cycles**

Over 99% leased to the AA-rated UK Government

2

## **Geographically diversified**

A network of assets across the UK covering strategic regional cities

3

## **Crucial public infrastructure**

Primarily occupied by the Department for Work and Pensions

4

## **Well-located assets**

Primarily in town centres, close to transportation nodes & amenities

5

## **Future growth potential**

Acquisition pipelines, asset enhancement & redevelopment potential



# Thank You

For enquiries, please contact:

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Website





Section VII  
Appendix



Tannery House, Alfretton

# Key Milestones Since Listing



**ELITE COMMERCIAL REIT**  
Listed on SGX on 6 Feb 2020

**UOB Kay Hian**  
UOB Kay Hian initiated coverage

**1H 2020 results**  
DPU exceeded forecast by 1.0%

**FY 2020 results**  
Full year DPU surpassed forecast by 2.3%

**DBS**  
DBS initiated coverage

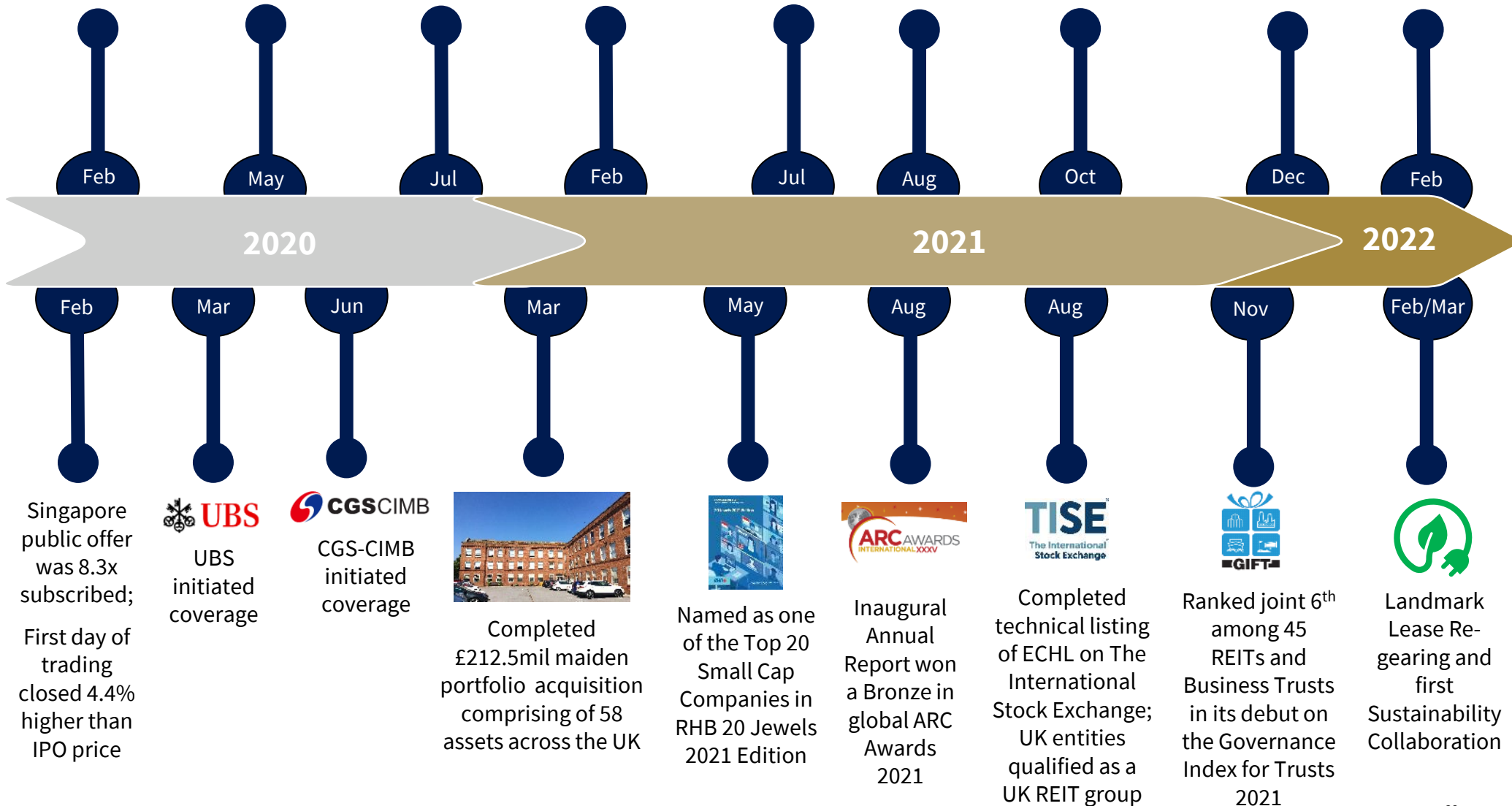
**1H 2021 results**  
DPU exceeded projection by 8.7%



Maybank Kim Eng initiated unrated report

**SGX**  
Inclusion into SGX Fast Track Programme

**FY 2021 results**  
DPU exceeded projection by 11.3%



# Crucial Public Infrastructure

## Primary occupier is Department for Work & Pensions



### UK's Largest Public Service Department

- Responsible for welfare, pensions and child maintenance policy
- **Over 23 million claimants**<sup>(1)</sup>; **£212.4 billion** benefit spent in FY20/21 and **£218.3 billion** benefit planned for FY21/22<sup>(2)</sup>
- Services provided primarily via Jobcentre Plus centres (“**JCP**”)
- Integral in **supporting UK's social fabric**

### Front Line in UK's Emergency Economic Response

- Leading UK's national recovery through Plan for Jobs and more
- In March 2021, the **UK Government met its pledge to recruit 13,500 new Work Coaches**<sup>(3)</sup> which has boosted jobseeker support in towns and cities UK-wide, in one of their fastest and largest ever recruitment rounds<sup>(4)</sup>
- 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

### Built-in Upside from Inflation-Linked Rental Uplift

- Rent reviews in the fifth year (2023) for UK Government leases
- Based on the UK Consumer Price Index (“**CPI**”), subject to an annual **minimum increase of 1.0% and maximum of 5.0%**

#### Notes:

1. “National Statistics, DWP benefits statistics: August 2021”, Gov.UK, 3 September 2021
2. “Corporate report, DWP Annual Report & Accounts 2020 to 2021”, Gov.UK, 15 July 2021
3. Work Coaches provide jobseekers with tailored support to build their skills, develop CVs and find new jobs in expanding sectors
4. “Government delivers 13,500 Work Coaches to boost Britain's Jobs Army”, Gov.UK, 29 March 2021

# Crucial Public Infrastructure

For the provision of essential social welfare services by DWP

## Front of house – primarily Jobcentre Plus and other ancillary services

Front of House<sup>(1)</sup>  
85.6%<sup>(2)</sup>

1

### Jobcentre Plus - Usage highly correlated with unemployment

- Staff readily on hand to assist customers with mock interviews, “Back to Work” plan, etc.
- Computers and free wifi for customers to job-surf, write CVs or make claims

2

### Pension Services - Usage expected to increase as population ages

- Face-to-face meetings to claim benefits
- IT training to assist retirees with no internet access or difficulty using online services

3

### Child Maintenance Services - Stable usage regardless of economic conditions

- Face-to-face meetings to discuss more complicated child maintenance cases
- Registration and declaration of child maintenance received

4

### Disability Services - Stable usage regardless of economic conditions

- On-site medical examination centres as part of the Work Capability Assessment for disability benefit
- Training programmes such as Specialist Employability Support and Work and Health Programmes



Department  
for Work &  
Pensions

## Back of house – various support functions without public-facing element

Back of House  
14.4%<sup>(2)</sup>

5

### Support functions – Usually larger, critical centres for supporting the administration of DWP services

- Service roll out planning (e.g. Universal Credit)
- Claims processing, finance and accounts
- Fraud detection and investigation
- Call centre & IT support

#### Notes:

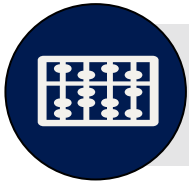
1. Including mixed use properties with a medical centre, back office or retail component in addition to the Jobcentre Plus.

2. Of DWP's assets in the portfolio post-merger acquisition.



# Diversified and Resilient Tenant Mix

Multiple government agencies and across regions

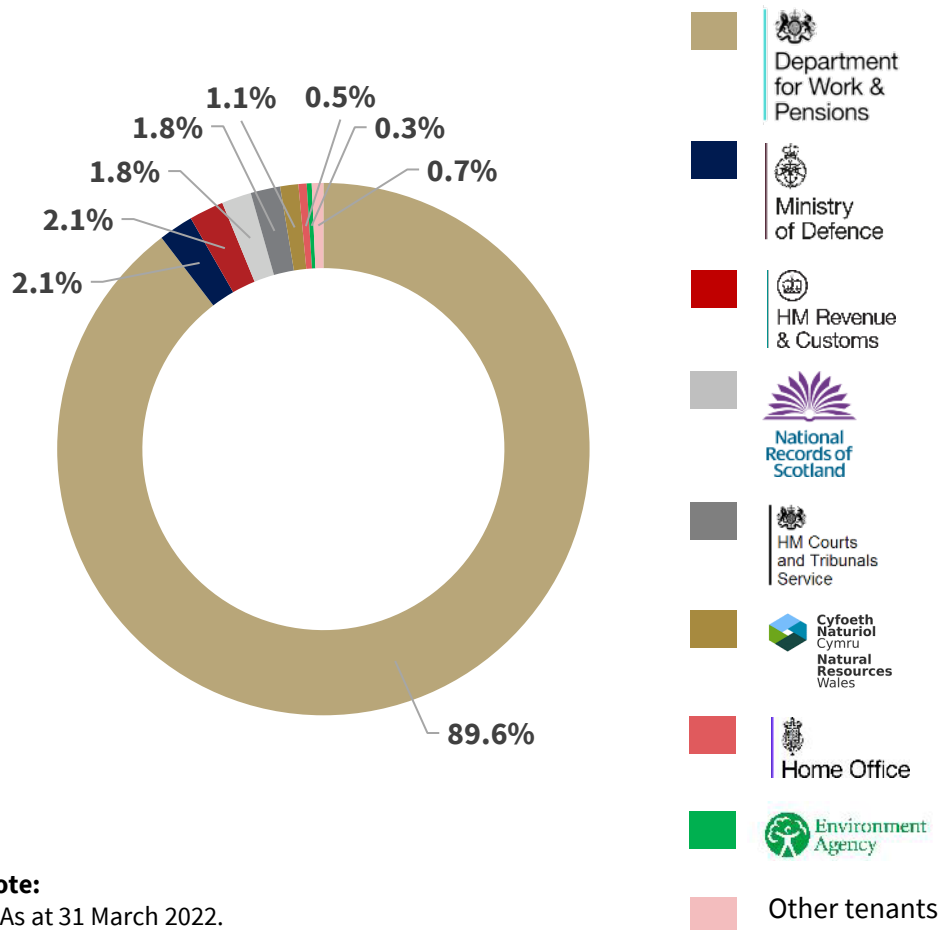


## Varied exposure to UK sovereign credit

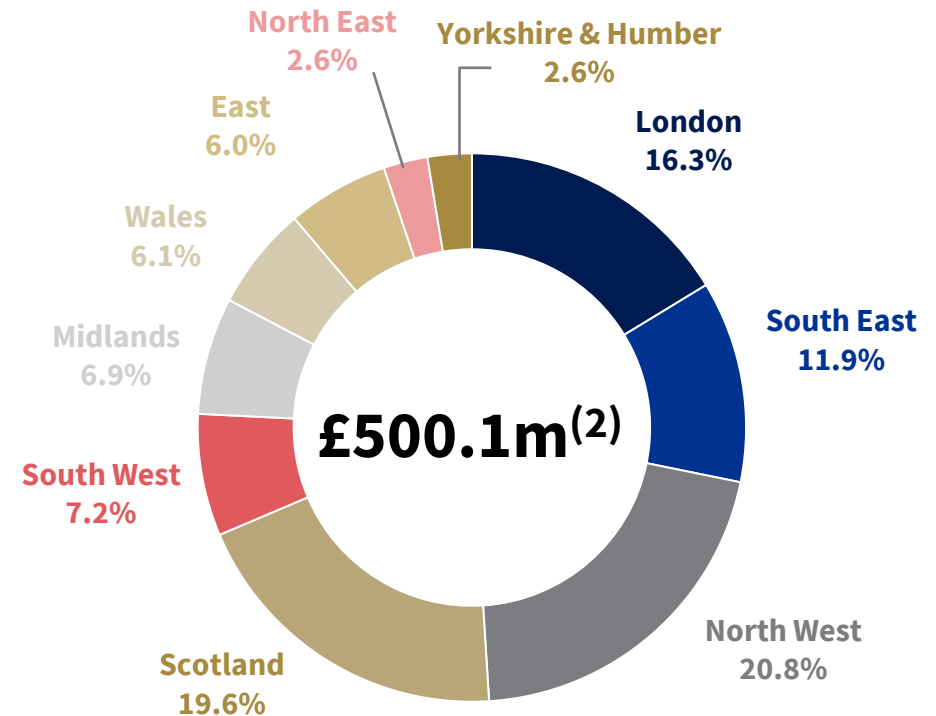
## Strategic regional cities



Tenant Breakdown by Gross Rental Income<sup>(1)</sup>



Geographical Breakdown by Valuation<sup>(2)</sup>



**Note:**  
1. As at 31 March 2022.

**Note:**  
2. As at 31 December 2021.

# Typical Lease Arrangements for the UK Office Sector



- **Lease terms:**
  - Lease terms are fixed and typically for 5-10 years
- **Rent increase/review:**
  - Rents are reviewed against the open market rent typically every 5 years. Reviews for shorter leases may be more frequent. Commercial leases typically impose upward only rent reviews which allow for rents to be increased but never decreased
- **Service charge:**
  - The tenant is responsible for pro-rated share in addition to the rent, payable quarterly
- **Break clauses:**
  - The landlord may grant a break clause which gives one or either party the right to end the lease sooner by giving notice either at any time or between specified dates
- **Assignment/Subletting:**
  - Landlords' approval for subletting and assignment is generally not to be unreasonably withheld but parameters are set out in the lease terms. Subleases are often granted outside the protection of the Landlord and Tenant Act 1954 (as amended)
- **Repairs and insurance:**
  - Usually, the tenant will have direct responsibility for repairing the internal parts included in the lease terms and the landlord will agree to repair and insure the external structure and the common parts retained by the landlord. The landlord's costs for repairs and insurance are typically borne by the tenants via the service charge
  - Tenants will usually be made responsible for the regular redecoration of the premises let out under the leases
- **Alterations:**
  - The landlord may restrict alterations that can be made to the demise and alterations will usually require the landlord's consent. The landlord has the right to insist that the tenant removes the alterations and restores the premises at the end of the lease
- **Dilapidations:**
  - The tenant has the responsibility to return the building to its original condition at the end of the lease. The term 'dilapidations' is normally used to cover defects and disrepair that the tenant will be required to deal with or pay to have remedied when they vacate the premises at the end of the lease. Landlords cannot generally make dilapidations claims earlier than three years before the end of the lease

# Energy Performance Certificates

## Regulatory requirements



### For England and Wales<sup>(1)</sup>

- The current minimum Energy Performance of Buildings for non-domestic private rented property<sup>(2)</sup> under the Regulation includes amongst others: -
  - ✓ Landlords must not continue to let non-domestic property below EPC Band E to existing or new tenants by 1 April 2023, unless exemptions are obtained
- The UK Government is currently going through the parliament phase for the new Minimum Energy Performance of Buildings (No. 2) Bill. The proposed Bill includes amongst others: -
  - ✓ All rented non-domestic buildings must be EPC Band B by 2030
- Guidance includes an interim milestone of EPC Band C by 2027
- Elite Commercial REIT's properties in England and Wales currently have EPC ratings ranging from Band B to E



### For Scotland<sup>(1)</sup>

- The equivalent regulations for non-domestic buildings in Scotland currently do not impose a minimum EPC rating requirement. The Scottish government is proposing to build on the current Non-Domestic Energy Efficiency regulations under the Climate Change (Scotland) Act. Details are yet to be finalised
- Elite Commercial REIT's properties in Scotland currently have EPC ratings ranging from Band C to F



#### Notes:

1. Further information on EPC Rating guidance and legislation can be found at:

- Department for Business, Energy & Industrial Strategy, "The Non-Domestic Private Rented Property Minimum Standard, Guidance for landlords and enforcement authorities on the minimum level of energy efficiency required to let non-domestic property under the *Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015*", February 2017
- Scottish Government, gov.scot, Energy efficiency in non-domestic buildings (<https://www.gov.scot/policies/energy-efficiency/energy-efficiency-in-non-domestic-buildings/>)

2. Non-domestic private rented property refers to any privately rented property that is not a dwelling, meaning a building or part of a building occupied or intended to be occupied as a separate dwelling. A property may be a whole building, or may be a unit within a building. (The meaning of non-domestic private rented property is set by Regulation 20(1), as defined by section 42(1)(b) of the Energy Act 2011.)

# Awards and Accolades

## Recognition for sound stewardship

### Corporate Governance



#### Inclusion into SGX Fast Track Programme for listed issuers

- Joins the ranks of 94 other listed issuers – among top ~15% of SGX-listed companies – that have been publicly recognised to have upheld high standards of corporate governance and maintained a good compliance track record



#### Ranked **Joint 6<sup>th</sup>** out of 45 REITs and Business Trusts on the 5th Governance Index for Trusts 2021

- Elite Commercial REIT's debut on the list
- Overall ranking: Based on independent assessment of the REIT's governance and business risk score

### Inaugural Annual Report



#### Won a Bronze in global **ARC Awards 2021** (REIT: Commercial/ Industrial/ Office category)

Overall excellence in terms of writing and design; Evaluated by a global panel of judges based on creativity, clarity and effectiveness



#### Accorded a Certificate for Excellence in Investor Relations at the IR Magazine Awards – South East Asia 2021

Shortlisted as a finalist in the **Best Annual Report (Small Cap)** category, amongst other listed companies from the South East Asia region

### Financial Management



#### Winner for Excellence in Tax Management and Optimisation under the Operational Excellence Award category at the FutureCFO Excellence Awards 2022

Honours achievements made by finance leaders and acknowledge challenges and opportunities that finance professionals face to maintain resiliency throughout the pandemic in pursuit of sustainable growth moving ahead