







ELITE COMMERCIAL REIT

Investor Presentation

November 2021

Important Notice

ELITE COMMERCIAL REIT

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. This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses, property expenses, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither the Manager nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of Elite Commercial REIT is not indicative of future performance. The listing of the Units on the Singapore Exchange Securities Trading Limited ("SGX-ST") does not guarantee a liquid market for the Units. 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 Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

Oversea-Chinese Banking Corporation Limited ("OCBC") and UBS AG, Singapore Branch ("UBS") are the joint issue managers for the Offering. OCBC, UBS, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited are the joint bookrunners and underwriters for the Offering (collectively, the "Joint Bookrunners").

Content

ELITE COMMERCIAL REIT

I. **About Elite Commercial REIT**

II. **3Q 2021 Key Highlights**

III. **3Q 2021 Business Updates**

IV. **Market Outlook & Moving Forward**

V. **Appendix**

ELITE COMMERCIAL REIT

Section I

About Elite Commercial REIT



Nutwood House, Canterbury

First & Only UK-Focused S-REIT

Over 99% Leased to the AA-rated UK Government(1)

ELITE COMMERCIAL REIT

£515.3m(2)
Portfolio value

155
Office Assets

AA-rated
UK Government credit rating

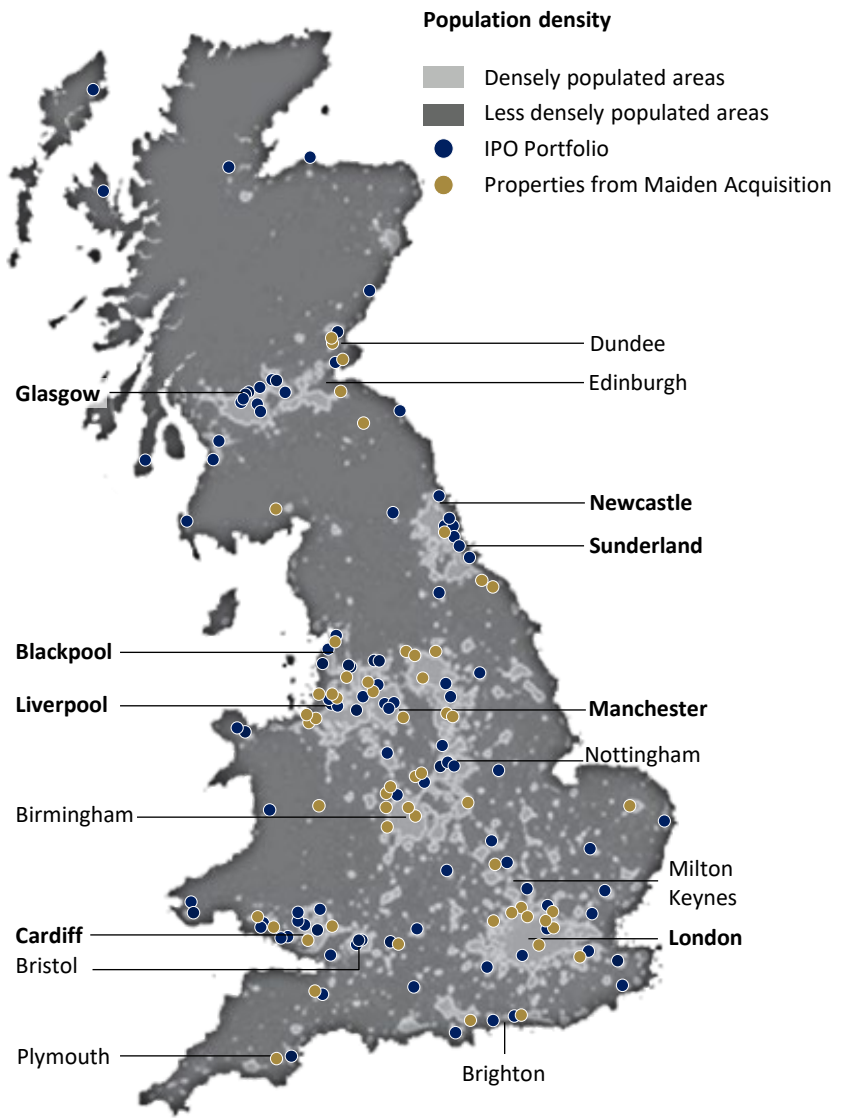
97%
Freehold(3)

Triple Net
Full Repairing & Insuring Leases(4)

Every 5 years
Built in Inflation-linked Rent Uplift(5)

Geographically Diversified

A network of well-located assets across the UK



Notes:

1. Majority of the leases are signed by the Secretary of State for Housing, Communities and Local Government, which is a Crown Body.
2. As at 31 December 2020.
3. 150 properties are on freehold tenures and 5 properties are on long leasehold tenures.
4. The 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.
5. A small proportion of the portfolio has rental review based on open market rental value.

Key Investment Merits

ELITE COMMERCIAL REIT

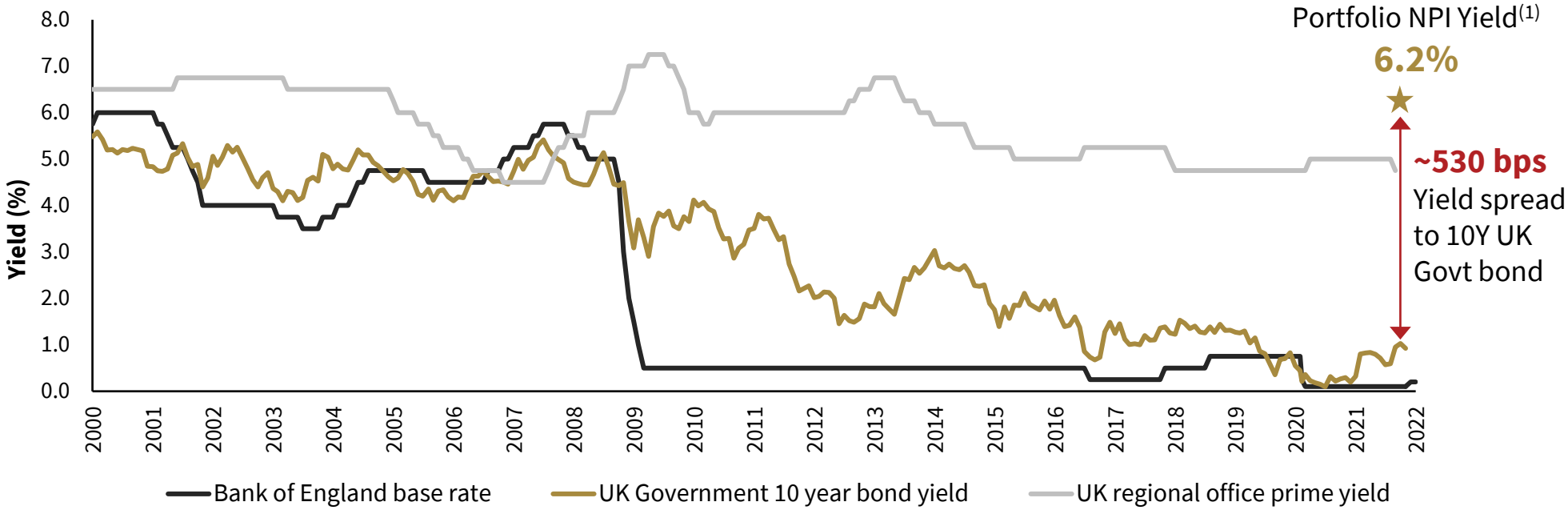
1. **Attractive & resilient yields through economic cycles**
   Over 99% leased to the AA-rated UK Government
2. **Geographically diversified**
   A network of assets across the UK covering strategic regional cities
3. **Crucial public infrastructure**
   Primarily occupied by the Department for Work 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

Defensive & Recession-Proof Yields

Yield spread remains attractive in the current interest rate environment

ELITE COMMERCIAL REIT

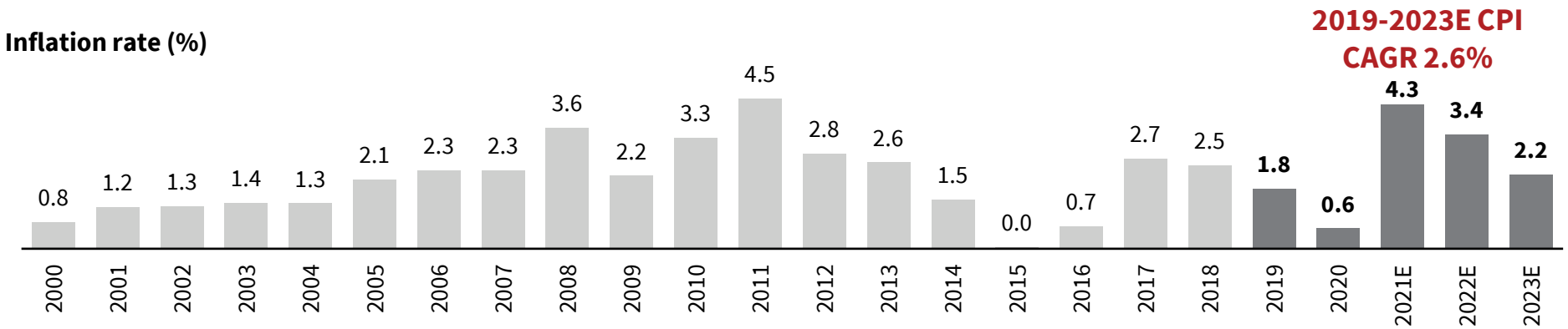
Portfolio NPI yield against comparable benchmarks



Note:

1. Based on annualised 1H 2021 net property income (NPI) and portfolio valuation as at 31 December 2020.

Annual increase in CPI



Source: FactSet, Bloomberg, Savills UK Regional Office Investment Market Watch, Savills Research Market in Minutes UK Commercial, Bank of England Monetary Policy Report November 2021

Crucial Public Infrastructure

Primary occupier is Department for Work & Pensions

ELITE COMMERCIAL REIT



UK's Largest Public Service Department

- Responsible for welfare, pensions and child maintenance policy
- **Over 22 million claimants**(1); **£212.4 billion** benefit spent in FY20/21 and **£218.3 billion** benefit planned for FY21/22(2)
- 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**(3) which has boosted jobseeker support in towns and cities UK-wide, in one of their fastest and largest ever recruitment rounds(4)
- 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%**
- Potential revaluation upon lease breaks not exercised

Notes:

1. "National Statistics, DWP benefits statistics: February 2021", Gov.UK, 23 February 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

ELITE COMMERCIAL REIT

Front of house – primarily Jobcentre Plus and other ancillary services

Front of House[1] 85.6%[2]

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

Department for Work & Pensions

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

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

Back of House 14.4%[2]

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-maiden acquisition.

Source: *Independent Market Report, Department for Work & Pensions*

Well-located Assets

Primarily in town centres, close to transportation nodes & amenities[1]

ELITE COMMERCIAL REIT

Centrally Located[1]

74% located in town centres, city centres and suburbs

Easily Accessible[1]

100% within **10** minutes walk from bus stop

60% within **15** minutes walk from train station

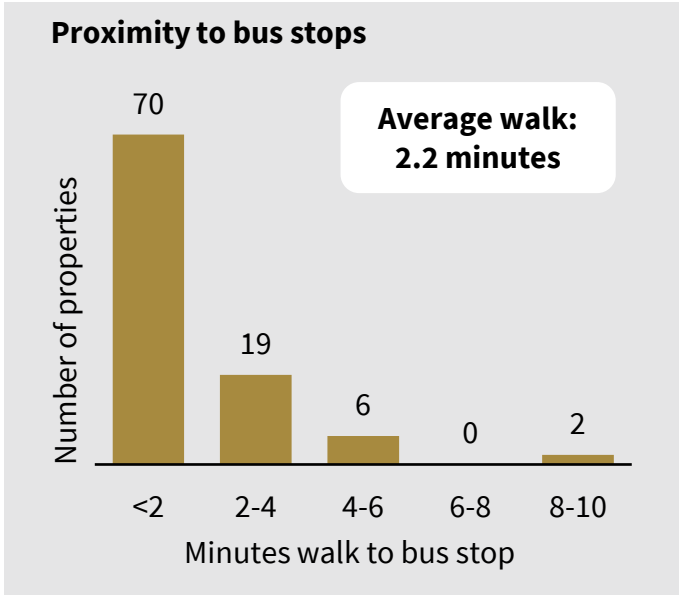
Proximity to Amenities

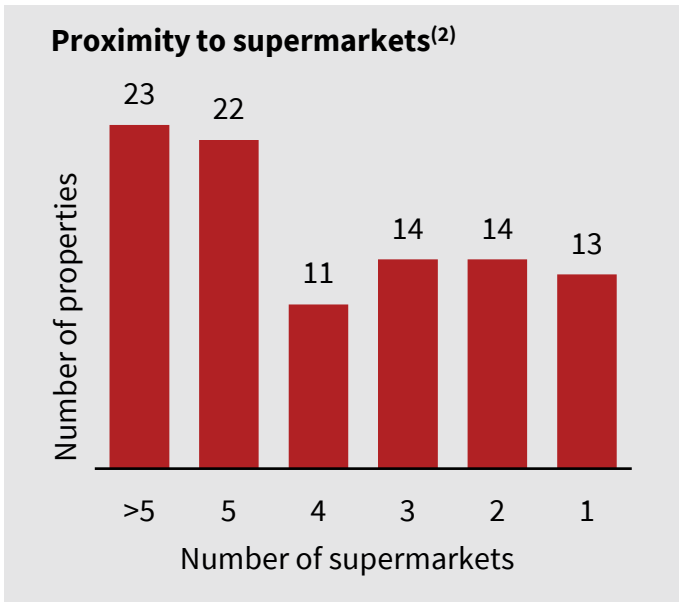
Average **4** supermarkets[3] within ½ mile radius

Average **5** medical facilities[4] within ½ mile radius

Average **4** schools[5] within ½ mile radius

Average **12** F&B outlets within ½ mile radius





Notes:

1. Statistics refer to IPO Portfolio of 97 properties
2. Percentage based on number of properties
3. Supermarkets comprise small to large supermarkets
4. Medical facilities comprise hospitals and general practices
5. Schools comprise primary schools, secondary schools and independent schools

Elite Commercial REIT Sponsors

ELITE COMMERCIAL REIT

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

ELITE COMMERCIAL REIT

Section II

Key Highlights



Nutwood House, Canterbury

Key Milestones Since Listing

ELITE COMMERCIAL REIT

Feb 2020 — Listed on SGX on 6 Feb 2020

Mar 2020 — UBS initiated coverage

Jun 2020 — CGS-CIMB initiated coverage

Jul 2020 — **1H 2020 results**: DPU exceeded forecast by 1.0%

Feb 2021 — **FY 2020 results**: Full year DPU surpassed forecast by 2.3%

Jun 2021 — DRP is established

Jul 2021 — DBS initiated coverage

Aug 2021 — **1H 2021 results**: DPU exceeded projection by 8.7%

Oct 2021 — Maybank Kim Eng initiated unrated report

Nov 2021 — **3Q 2021 results**: DPU exceeded projection by 20.3%

2020 | **2021**

Feb 2020 — Singapore public offer was 8.3x subscribed;

First day of trading closed 4.4% higher than IPO price

May 2020 — UOB Kay Hian initiated coverage

Oct 2020 — 

Announced maiden acquisition of £212.5 mil portfolio comprising of 58 assets across the UK

Mar 2021 — Completed £212.5 mil maiden portfolio acquisition

May 2021 — 

Named as one of the Top 20 Small Cap Companies in RHB 20 Jewels 2021 Edition

Aug 2021 — Inaugural Annual Report won a Bronze in global ARC Awards 2021

Aug 2021 — Completed technical listing of ECHL on The International Stock Exchange; UK entities qualified as a UK REIT group

Nov 2021 — Ranked joint 6th among 45 REITs and Business Trusts in its debut on the Governance Index for Trusts 2021

ELITE COMMERCIAL REIT

Section III

3Q 2021 Business Updates



Nutwood House, Canterbury

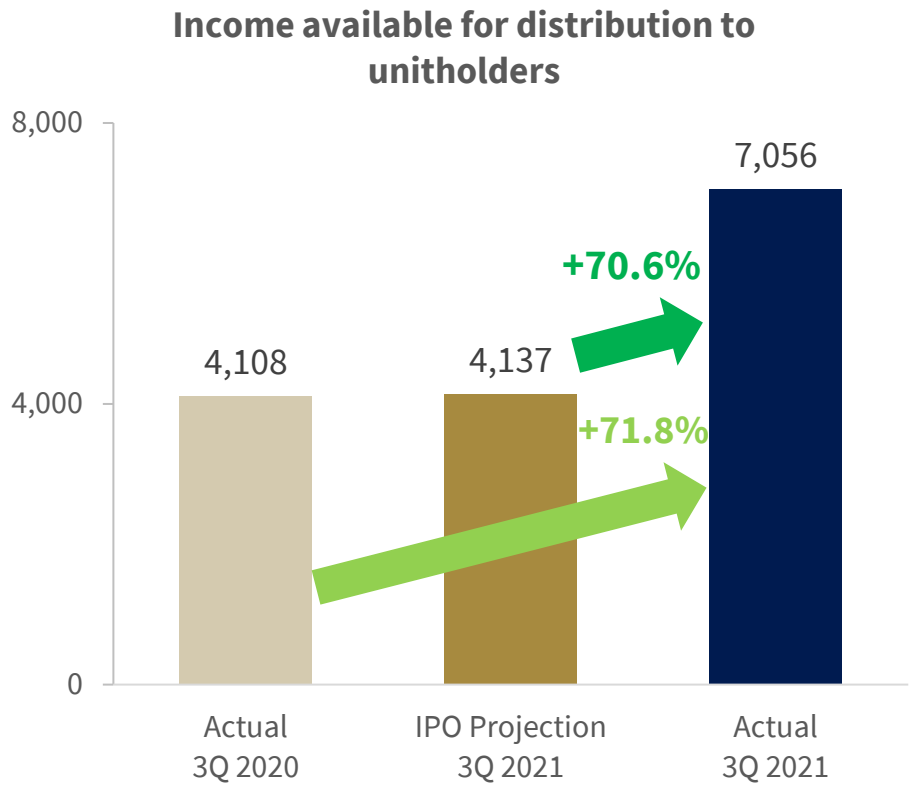
3Q 2021 DPU Exceeded Projection

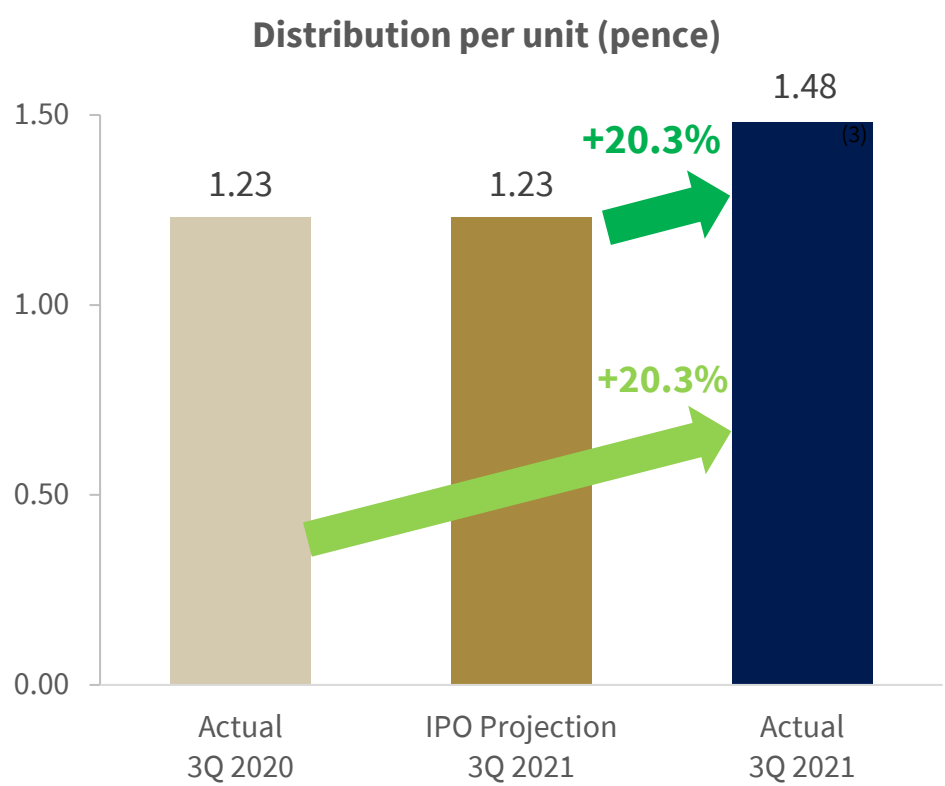
Consistently delivering on IPO promises

ELITE COMMERCIAL REIT

Outperformance over IPO Projection[(1)] and Actual 3Q 2020

Boosted by **contribution** from newly acquired portfolio[(2)]





Notes:

1. IPO Projection for 3Q 2021 refers to the profit projection for the period from 1 July 2021 to 30 September 2021. The projection figures were derived by pro-rating the financials of IPO Projection Year 2021 as disclosed in the Prospectus.
2. The portfolio of 58 properties acquired on 9 March 2021 contributes approximately £3.6million to the topline revenue for 3Q 2021.

Stable cashflow with income visibility

3Q 2021 Key Highlights

ELITE COMMERCIAL REIT

Sound Financials

1 Proactive capital deployment
Proceeds from maiden Dividend Reinvestment Plan (DRP) used to partially retire some loans

2 Stable financial position
Gearing ratio remains stable at 42.1% as at 30 Sep 2021; Interest coverage ratio (ICR) remains robust at 6.2x

3 Completion of TISE listing
UK entities joined UK REIT regime, leading to tax savings and elimination of previously recognised deferred tax liabilities

4 Rise in Net Asset Value
Net asset value per unit increased to £0.63 as at 30 Sep 2021 from £0.62 as at 30 Jun 2021

Resilient portfolio

1 Full rental collection for 4Q 2021
Consistently achieved ~100% rental collection in advance since listing

2 Rental uplift
Rent review for Dallas Court Units 1-2, Salford saw ~7% in rental uplift; based on open market rental value

3 Options under evaluation
Two options are currently under evaluation for East Street, Epsom – a potential sale above valuation and a proposal to retain DWP as a tenant

4 Proactive asset management
Lease break option for John Street, Sunderland, has been exercised; Currently evaluating various re-marketing and development options available for the asset

Financial Highlights – Actual vs IPO Projections

ELITE COMMERCIAL REIT

	3Q 2021			9M 2021		
	Actual **£'000**	Projection[1] **£'000**	Variance %	Actual **£'000**	Projection[1] **£'000**	Variance %
Revenue	9,411[2]	5,867	▲ 60.4	25,307[2]	17,408	▲ 45.4
Income available for distribution to Unitholders	7,056	4,137	▲ 70.6	18,217	12,278	▲ 48.4
Distribution per unit ("DPU") - pence	1.48	1.23	▲ 20.3	4.11	3.64	▲ 12.9

Notes:

1. IPO Projection for 3Q 2021 and 9M 2021 refers to the profit projection for the period from 1 July 2021 to 30 September 2021 and 1 January 2021 to 30 September 2021 respectively. The projection figures were derived by pro-rating the financials of IPO Projection Year 2021 as disclosed in the Prospectus.
2. The portfolio of 58 properties acquired on 9 March 2021 contributes approximately £3.6million and £7.9million to the topline revenue for 3Q 2021 and 9M 2021 respectively.

Financial Highlights – Actual vs Financial Year 2020

ELITE COMMERCIAL REIT

	3Q 2021	3Q 2020		9M 2021	9M 2020[1]	
	Actual **£'000**	Actual **£'000**	Variance %	Actual **£'000**	Actual **£'000**	Variance %
Revenue	9,411[2]	5,820	▲ 61.7	25,307[2]	15,136	▲ 67.2
Income available for distribution to Unitholders	7,056	4,108	▲ 71.8	18,217	10,625	▲ 71.5
Distribution per unit ("DPU") - pence	1.48	1.23	▲ 20.3	4.11	3.18	▲ 29.2

Notes:

1. Actual 9M 2020 refers to the financial period from 6 February 2020 ("**Listing Date**") to 30 September 2020. Actual financial results from Listing Date to 30 September 2020 is the first reporting period incorporating the results of the initial portfolio held directly by Elite Commercial REIT. Although Elite Commercial REIT was constituted on 7 June 2018, the initial public offering was completed on 6 February 2020 which was the official listing date of Elite Commercial REIT.
2. The portfolio of 58 properties acquired on 9 March 2021 contributes approximately £3.6million and £7.9million to the topline revenue for 3Q 2021 and 9M 2021 respectively.

Healthy Balance Sheet

ELITE COMMERCIAL REIT

	30 Sep 2021 £'000
Non-current assets	516,528[(1)]
Current assets	22,723
Total assets	**539,251**
Non-current liabilities	218,642
Current liabilities	19,651
Total liabilities	**238,293**
Net assets / Unitholders' funds	**300,958**
Units in issue and issuable ('000)	**475,468**
Net asset value per unit (£)	**0.63**

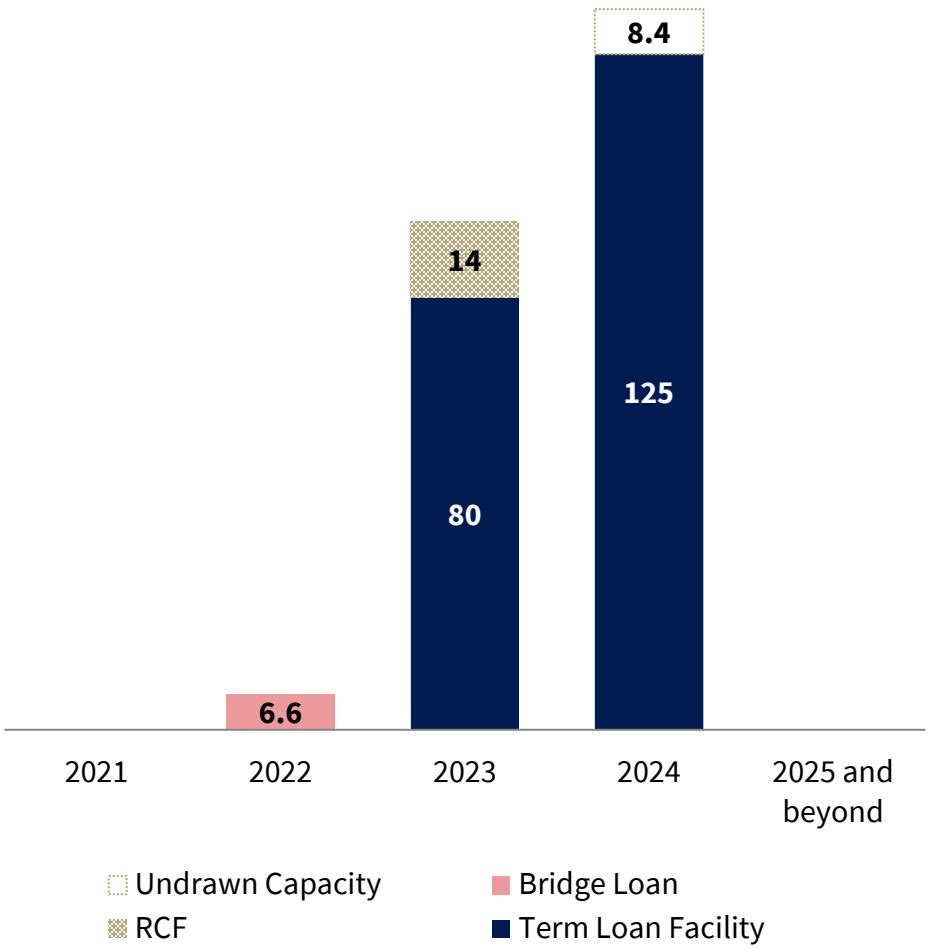
Notes:

1. Non-current assets comprise mainly of investment properties, which are stated at their fair values as of 30 Sep 2021. The Manager has taken into consideration the portfolio being 100% occupied, the close to 100% rental collection statistics, the stability of market rents, the current pricing of comparable investment transactions in the UK, the yield rates and the current relatively stable condition of the UK economy and concluded that the carrying values of the investment properties as at 30 Sep 2021 approximate their fair values.

Prudent Capital Management

ELITE COMMERCIAL REIT

Debt Maturity Profile (£ m)



Credit Metrics

£225.6m	Total Debt
42.1%	Gearing Ratio
~1.9%	Borrowing Costs
2.3 years	Average Weighted Debt Maturity
6.2 X	Interest Coverage Ratio
63%	Fixed Interest Rate Exposure
61%	Proportion of Unencumbered Assets(1)
~£29m	Available Debt Headroom(2)

Notes:

1. Based on valuations; unencumbered assets refer to properties without land mortgages
2. Based on gearing ratio of 45%; available debt headroom is ~£86m based on gearing ratio of 50%

Future-Proofing the REIT

Enhancing tax efficiencies by joining the UK REIT regime

ELITE COMMERCIAL REIT

Successful technical listing of UK entity, Elite UK Commercial Holdings Limited(1) ("**ECHL**"), on The International Stock Exchange ("**TISE**") with effect from 26 Aug 2021

What this means:

1 Level playing field

ECHL and its subsidiaries qualified as a UK REIT group and tax treatment is now broadly on par with that of other listed UK REITs

2 Tax exemption

UK entities enjoy UK corporate tax exemption for its UK property rental business income and gains under the UK REIT regime

3 Technical listing

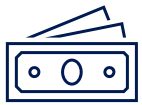
100% of the shares in ECHL continue to be held by Elite Commercial REIT; there is no trading of ECHL shares

Immediate Benefits:



Lower tax expenses

Reduced applicable headline tax rate from 19% to 15%(2)



Increase in Distributable Income

Pro forma DPU expected to rise by 3.0% from 2.63 pence to 2.71 pence(3)



Enhanced Net Asset Value

Pro forma NAV expected to rise by 3.2% from £0.62 to £0.64(4)

Notes:

1. Independent Director Nicholas David Ashmore and Chief Investment Officer Jonathan Edmunds have been appointed as directors of ECHL to meet the UK resident director requirement of a listed REIT entity.
2. Pursuant to the Double Taxation Treaty between the UK and Singapore, any UK withholding tax applicable on UK property income distributed by ECHL to Elite Commercial REIT is expected to be limited to 15%.
3. For the financial period from 1 January 2021 to 30 June 2021, as if the listing was completed on 1 January 2021, based on certain assumptions.
4. As of 30 June 2021, as if the listing was completed on 1 January 2021, based on certain assumptions.

Future-Proofing the REIT

Enhancing tax efficiencies by joining the UK REIT regime

ELITE COMMERCIAL REIT

TISE The International Stock Exchange

Successful technical listing of UK entity, Elite UK Commercial Holdings Limited ("**ECHL**"), on The International Stock Exchange ("**TISE**") with effect from 26 Aug 2021

What this means:

4

Overall competitive advantages

- Pursuant to the Double Taxation Treaty between the UK and Singapore, any UK withholding tax applicable on UK property income distributed by ECHL to Elite Commercial REIT is expected to be limited to 15%
- Individual properties' historical valuation is allowed to be rebased to the current valuation, compared to non-UK REITs
- Therefore, the corresponding provision of deferred tax liabilities is expected to be eliminated

Future Benefits:



Protects from future tax rises

Exemption from UK corporation tax, which is currently at 19% and is legislated to rise to 25% from 1 April 2023



On future corporate acquisitions

Any unrealised gains(1) on the properties upon entry is expected to be eliminated



Upon asset recycling

Any future tax on latent capital gains(1) is expected to be eliminated

Notes:

1. And its corresponding provision of deferred tax liabilities.

Resilient Portfolio with Income Visibility

Assets stay relevant as utilisation by tenant remains high

ELITE COMMERCIAL REIT

Steady Portfolio Performance

- **100% portfolio occupancy rate** as at 30 September 2021
- Long weighted average lease to expiry (WALE) of **6.4 years**

Consistent Rent Collection in Advance

- **Received in advance 100% of the rent** for the three-month period of October 2021 to December 2021, within seven days of the due date
- **Consistently** achieved ~100% of rent collection **in advance** since listing, amid Brexit and UK lockdowns

Lease Events in 3Q 2021

- **Dallas Court Units 1-2, Salford in North West**
  - Recent rent review was completed with a ~7% uplift in rent
  - It is one of the assets in the maiden acquisition and has a rent review based on open market rental value
- **John Street, Sunderland in North East**
  - Lease break option has been exercised and lease to mature on 31 March 2022
  - The Manager is currently evaluating various re-marketing and development options that are available for the asset



Crown House, Worthing



Dallas Court Units 1-2, Salford



John Street, Sunderland

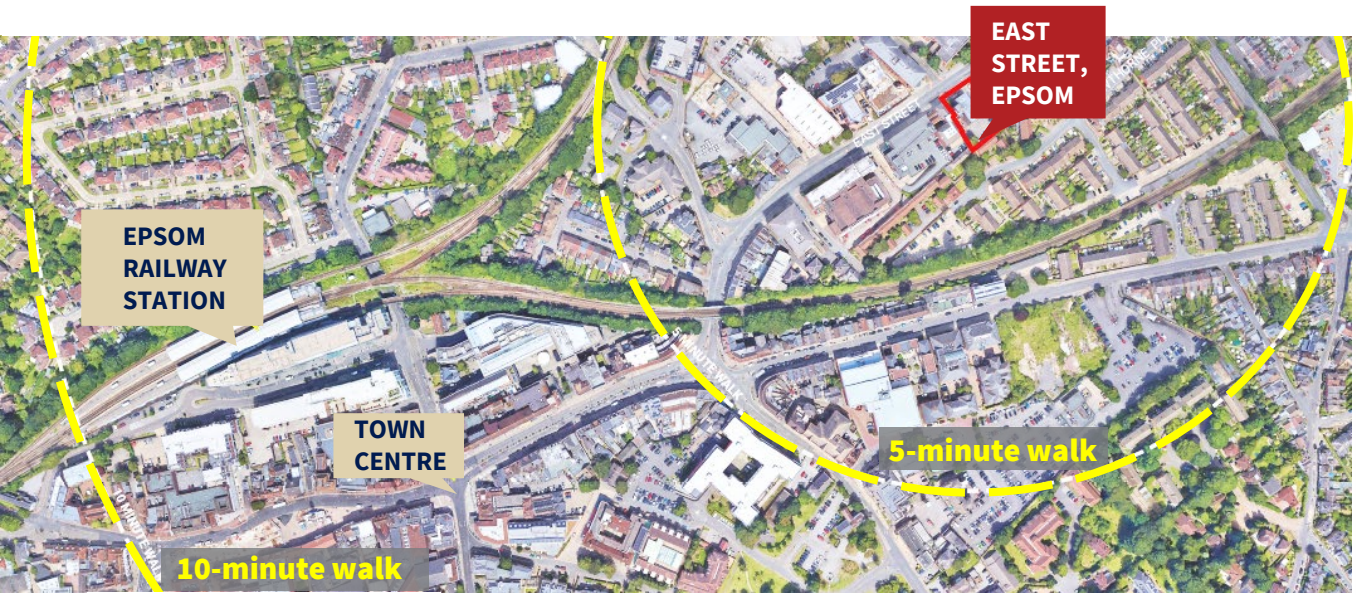
Notable Property Developments

Options under evaluation for East Street, Epsom

ELITE COMMERCIAL REIT

Demand for Well-Located Assets

- Lease break for the property at East Street, Epsom, South East, has been exercised
- Received an offer to buy asset at £2.9 million, **~21% above valuation** of £2.4 million(1)
- A proposal to **retain DWP as a tenant** has been submitted for DWP's considerations
- **Both options are currently under evaluation**
- The building is **well-located within Epsom,** as it is within **7 minutes' walk to the town centre** and less than **10 minutes' walk to the Epsom Railway Station**
- The asset offers potential for continued commercial use or conversion or redevelopment for alternative uses




East Street, Epsom

Note:

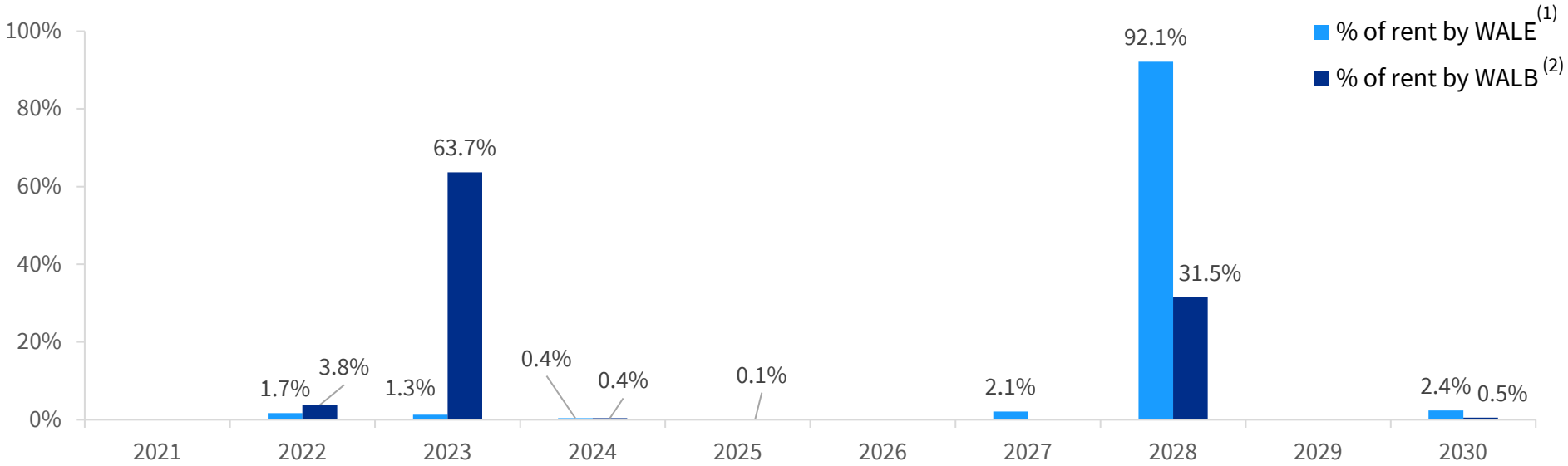
1. As at 31 December 2020.

Resilient Portfolio and Income Visibility

Full occupancy, Long WALE of 6.4 years

ELITE COMMERCIAL REIT

Lease Expiry Profile as at 30 September 2021 (% of total portfolio rent)



Proactive asset management steps taken

Tenant Engagement

Regular active dialogue with tenants

Management Reinforcement

Additional boots on the ground

Data Collection & Analysis

Insight into utilisation of assets by tenants

Notes:

1. Percentage 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. Percentage 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

Diversified and Resilient Tenant Mix

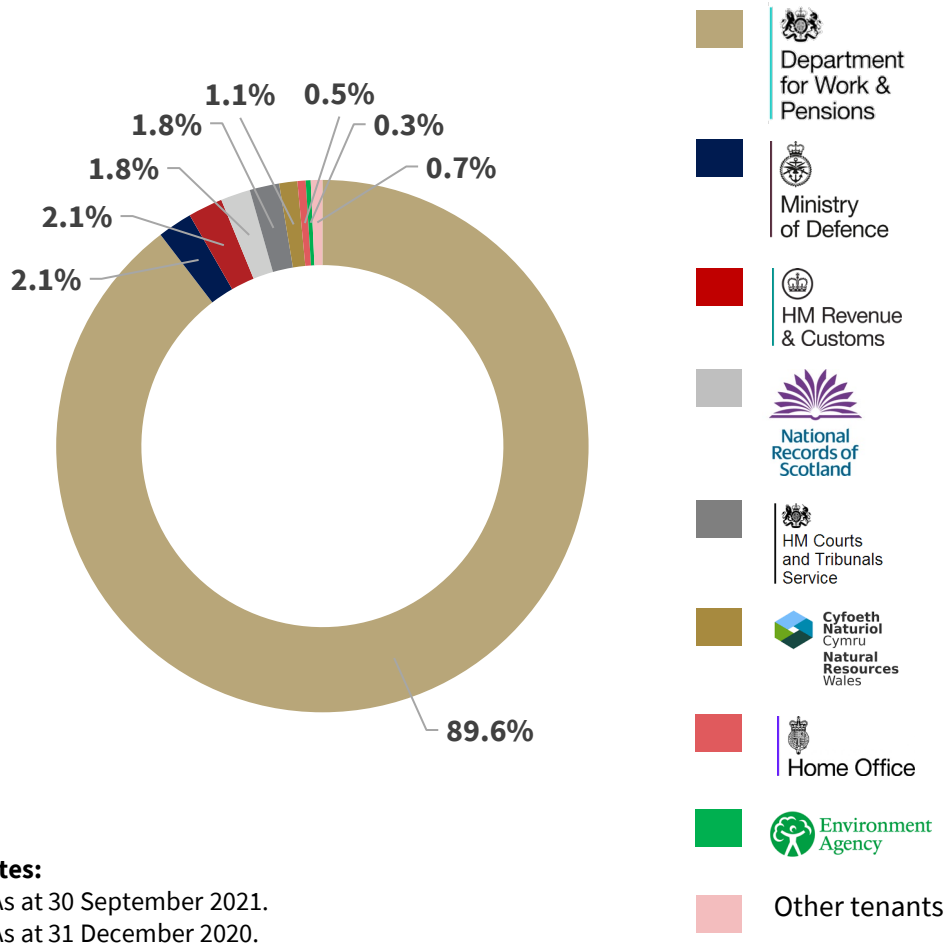
Multiple government agencies and across regions

ELITE COMMERCIAL REIT

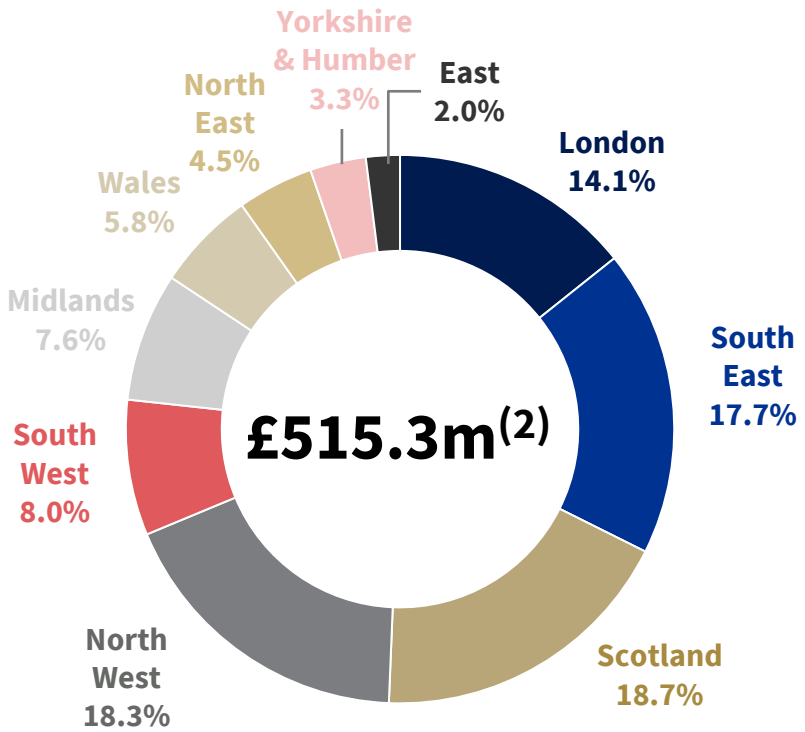
Varied exposure to UK sovereign credit

Strategic regional cities

Tenant Breakdown by Gross Rental Income(1)



Portfolio Breakdown by Valuation



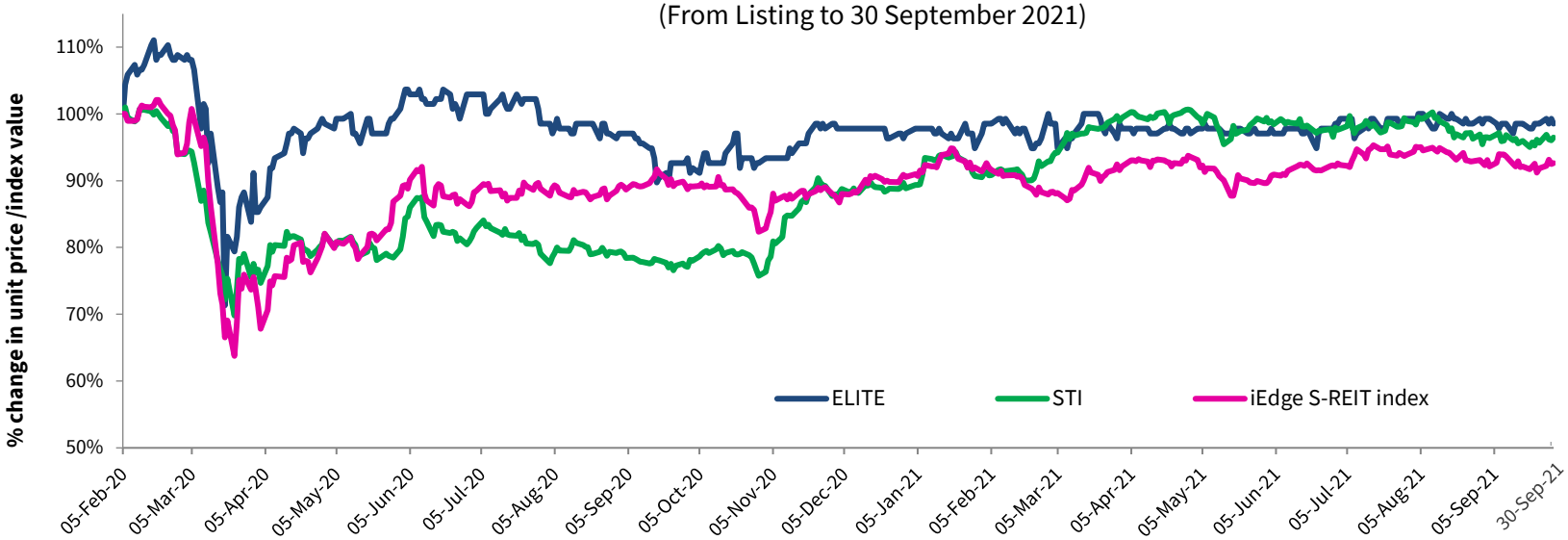
Notes:

1. As at 30 September 2021.
2. As at 31 December 2020.

Resilient Trading Performance

Recession-proof amid COVID-19 Pandemic and Brexit

Relative unit price performance of Elite Commercial REIT against indices
(From Listing to 30 September 2021)



ELITE: -1.5%
STI: -3.5%
iEdge S-REIT: -7.4%

Note:
1. Percentage change in unit price/index value for Elite Commercial REIT is based on IPO price of GBP0.68 and indices are based on 5 February 2020 closing price.

Intensified Investor Relations Efforts

Research House Coverage

UBS	CGSCIMB	UOBKayHian	DBS
"BUY"	"ADD"	"BUY"	Initiated coverage "BUY"
Target price £0.75	Target price £0.83	Target price £0.95	Target price £0.80

Maybank Kim Eng — Issued **inaugural** unrated research report on Elite Commercial REIT

Public Outreach Efforts & Awards

- **SmartKarma** Corporate Webinar
- **Citi-REITAS-SGX** C-Suite Singapore REITs & Sponsors Forum 2021
- **Maybank Kim Eng** Investor Webinar
- **The Edge Singapore** Investival 2021 - Corporate presentation, panel discussion, virtual booth and quiz
- Featured in **The Business Times'** Topline column
- Inaugural Annual Report won a Bronze in international **ARC Awards 2021**

ELITE COMMERCIAL REIT

Section IV

Market Outlook & Moving Forward



Nutwood House, Canterbury

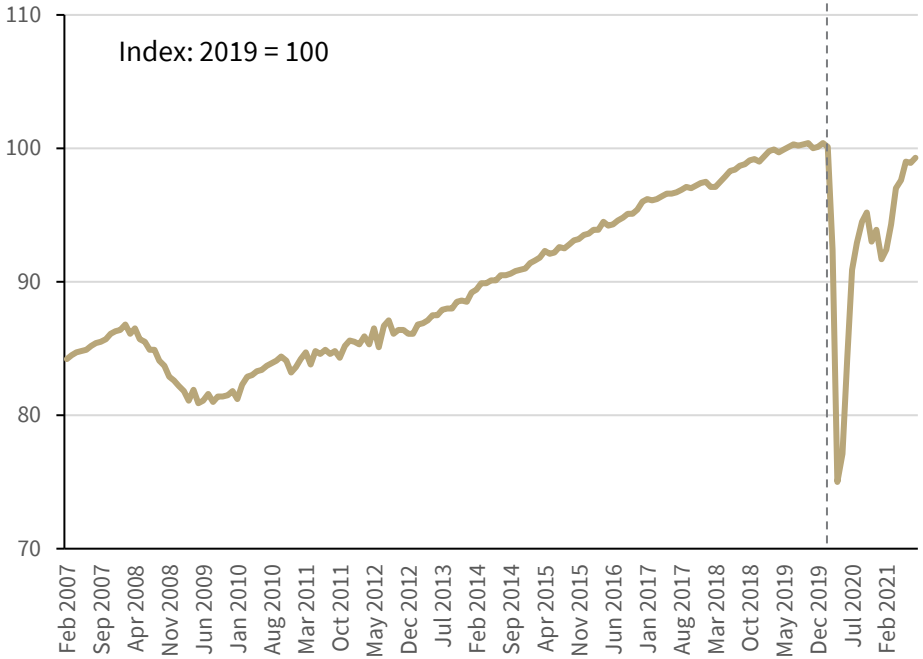
Market Outlook

ELITE COMMERCIAL REIT

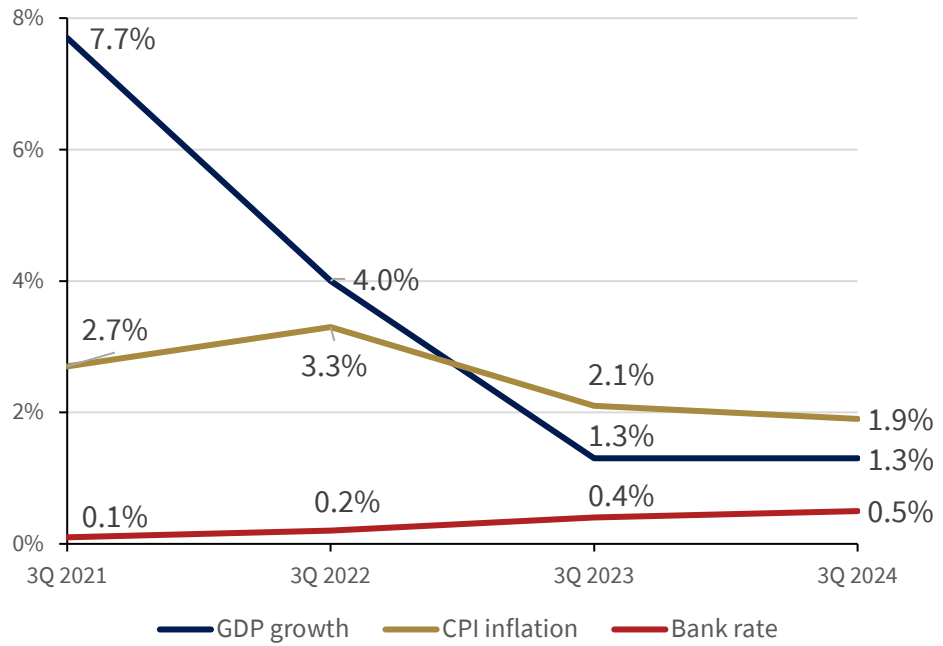
UK GDP growth rebounded but remains below its pre-pandemic level

- Boosted by a waning impact from COVID-19, UK economy is estimated to have grown by 0.4% in August 2021 and remains 0.8% below its pre-pandemic level in February 2020. UK economy is forecasted to grow at 7.25% in 2021
- Consumer Prices Index (CPI) in the 12 months to Sep 2021 was 3.1%; Inflation is projected to temporarily rise in 4Q 2021 to 4% largely due to developments in energy and goods prices but is projected to fall back to close to the 2% target in the medium term
- The Bank of England Monetary Policy Committee (MPC) decided at the September 2021 meeting that the existing monetary policies remain appropriate and bank rate to be maintained at 0.1% by unanimous vote. However, the MPC had in its August Monetary Report forecasted a gradual increase in the bank rate to 0.2% in 3Q 2022, 0.4% in 3Q 2023 and 0.5% in 3Q 2024

Monthly estimate of UK GDP



GDP growth, CPI inflation & bank rate forecast



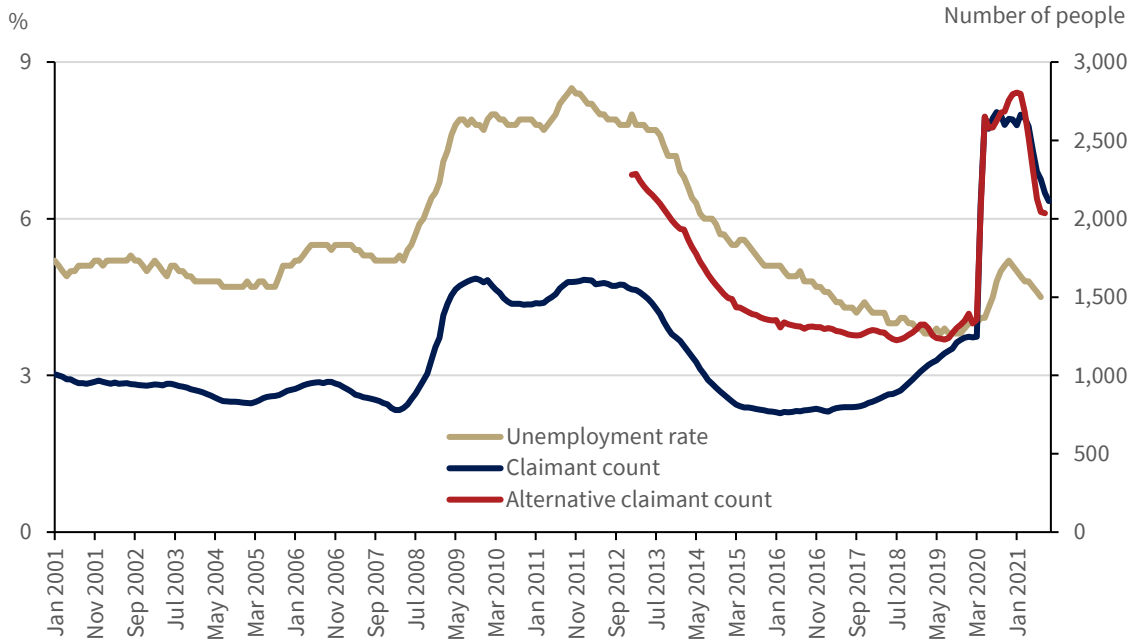
Sources: *Office for National Statistics, Bank of England Monetary Policy Report August 2021, Gov.UK*

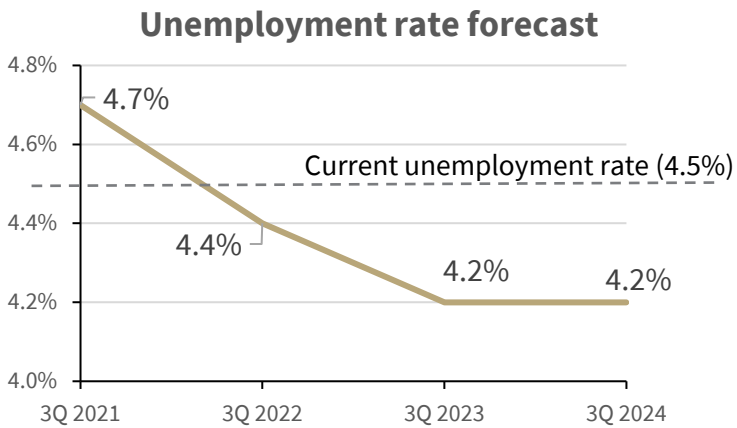
Market Outlook

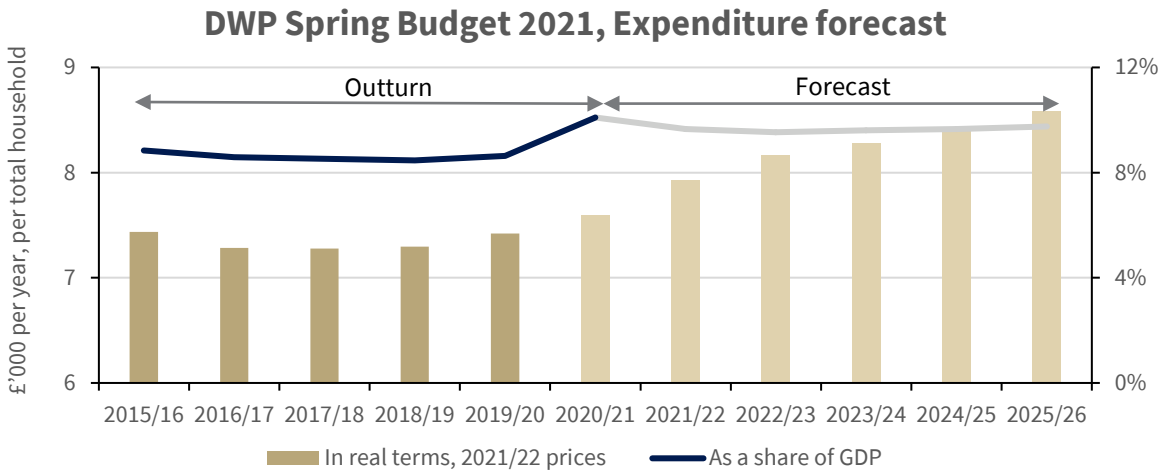
ELITE COMMERCIAL REIT

Claimant count & alternative claimant count remain above pre-pandemic levels

- Unemployment rate in UK stood at 4.5% for June to August 2021, the lowest in 2021. The labour market was supported in part by the furlough scheme (Coronavirus Job Retention Scheme) which has since expired on 30 September 2021
- DWP's claimant count of 2.11 million in September 2021 remains high compared to pre-pandemic
- Following the end of furlough scheme, the UK government announced a £500 million Plan for Jobs Expansion to support the labour market in the near term







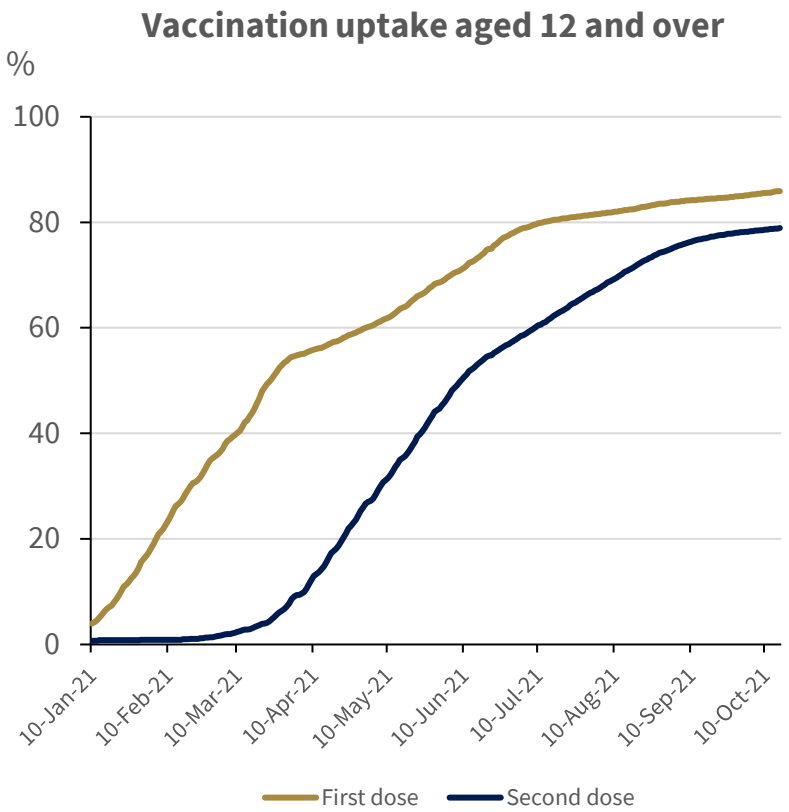
Sources: *Office for National Statistics, Labour Force Survey unemployment rate, Gov.UK*

Covid-19 Updates

ELITE COMMERCIAL REIT

Close to 80% of the UK population is vaccinated

- About 78.9% of the UK population aged 12 and over have received two doses of Covid-19 vaccination, while 85.9% have received the first dose[1][2]
- Links between cases, hospitalisations and deaths have weakened significantly since the start of the pandemic[3]
- Number of deaths and hospital admissions due to Covid-19 has remained relatively stable over the past month[3]



UK's Covid-19 Pandemic Management Plan

- Plan A and Plan B have been outlined to manage the situation
- Hinges on the National Health Service's (NHS) ability to cope with the development of Covid-19 and seasonal flu during winter

1 Plan A

- Continuing with the country's vaccination and tracing efforts and providing support to the NHS

2 Plan B

- Contingency measures should the NHS face unsustainable pressures, which includes mandatory face coverings, vaccinated-only individuals in certain settings and people to work from home again, subject to how the situation pans out

Notes:
1. As at 16 October 2021.
2. Coronavirus.data.gov.uk website.
3. Covid-19 Response: Autumn and Winter Plan 2021, September 2021.

Moving Forward

ELITE COMMERCIAL REIT

Steady Operations

Stable income

- Minimal impact from Covid-19 on business and rental collection
- Long WALE and full occupancy provides income visibility
- Consistent almost 100% rent collection in advance provides stable cashflow

Growth Potential

Acquisition Opportunities

- Right of first refusal (ROFR) pipeline of properties from the Sponsors
- Opportunities from third-party transactions in the open market
- Land banking in the portfolio provides potential for organic growth

Robust Financials

Election of Fees in Cash

- The Manager to elect receiving 100% of its Management Fees in cash from FY2022 onwards
- To strengthen REIT's financial position in the long term
- Preserve Unitholder value by minimising unit base dilution
- Current yield profile allows for a comfortable transition
- The Manager will review the election mix periodically


High Road, Ilford


Holborn House, Derby


Glasgow Benefits Centre, Glasgow



ELITE COMMERCIAL REIT

Thank You

For enquiries, please contact:

Ms CHAI Hung Yin, Investor Relations

Elite Commercial REIT Management Pte. Ltd.

DID: +(65) 6955 9977 Main: +(65) 6955 9999 Email: hungyin.chai@elitecreit.com

Address: 8 Temasek Boulevard, #37-02 Suntec Tower Three, Singapore 038988

https://www.elitecreit.com/

Follow us on LinkedIn:

https://www.linkedin.com/company/elitecreit

LinkedIn Page

ELITECREIT Website

ELITE COMMERCIAL REIT

Section V

Appendix



Nutwood House, Canterbury

Maiden Acquisition Completed on 9 March 2021

ELITE COMMERCIAL REIT

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

About the Acquisition

58	Number of Assets	WALE (Weighted Average Lease Expiry)	7.4 years
98.8%	Annual GRI from UK Government tenants	Acquisition Value	£212.5 mil
100%	Occupancy Rate	London Exposure (by value)	35.9%
92.3%	Freehold Properties (by NIA)	New UK Government Vendors	5

Expansion of Current Portfolio

60% increase in number of properties

39% increase in market cap


Bridgwater


Basildon


South Hampton


Chester

Typical Lease Arrangements for the UK Office Sector

ELITE COMMERCIAL REIT

- **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

Case study—*Front of House*

Department for Work & Pensions

High Road, Ilford





Overview	• Located in Ilford, within the London Borough of Redbridge, 9 miles north east of Central London and 6 miles west of Romford • Modern three storey purpose built office building. Brick clad with double glazing windows • Jobcentre Plus on the ground floor
Connectivity	• Situated on the High Road; eastern periphery of town centre • 0.2 miles from Seven Kings Station; frequent connections to London Liverpool Street Station (20 min journey)
Key statistics	• Site area: 0.12 ha • NIA: 18,741 sq ft • Freehold • Valuation: £6.5m(1) • Rent: £356,394 pa; £19.02 psf • Lease terms(2): 10 year lease with 5 year break

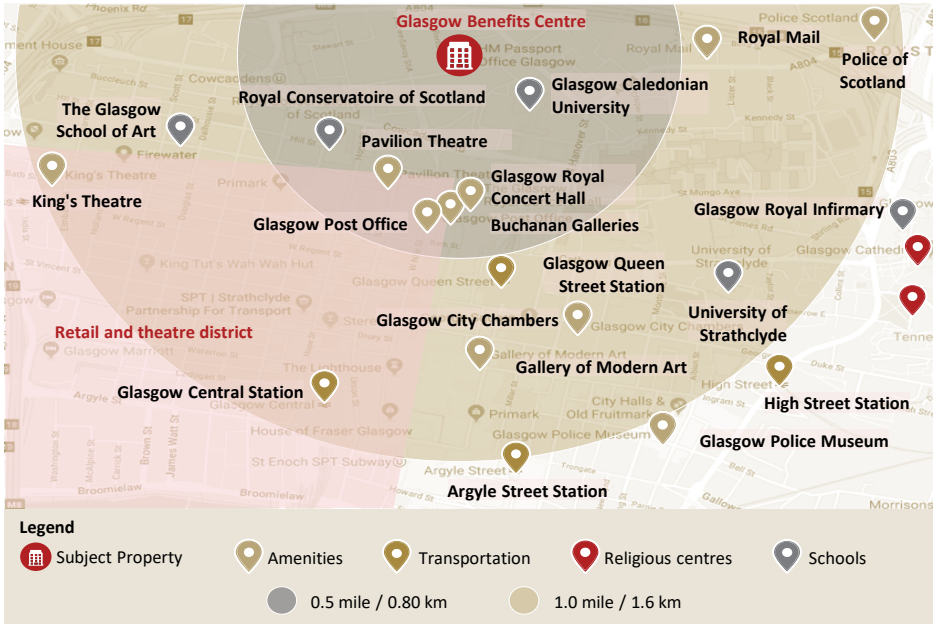
Notes:

1. As at 31 December 2020.
2. As at lease renewal on 31 March 2018.

Case study—*Back of House*

HM Passport Office | Department for Work & Pensions

Glasgow Benefits Centre





Overview	• Located off Milton Street in the Townhead area of Glasgow • Large office building formed over three storeys configured in "U" shaped floor plates with two main wings connected at the western end of the site • Concrete and steel frame construction with curtain wall glazing windows that are double glazed • Houses the only Passport Office in Scotland	
Connectivity	• Situated 0.50 miles north of Glasgow City Centre • Located in mix of surrounding uses including offices, residential, ground floor retail/leisure and a potential student accommodation site	
Key statistics	• Site area: 1.18 ha • NIA: 137,287 sq ft • Heritable interest (i.e. Freehold)	• Valuation: £30.3m(1) • Rent: £1,940,350 pa; £14.13 psf • Lease terms(2): 10 year lease with no break

Notes:
1. As at 31 December 2020.
2. As of lease renewal on 31 March 2018.