ELITE COMMERCIAL REIT

Results Presentation for the Period from 6 February 2020 (Listing Date) to 30 June 2020

23 July 2020

Important Notice

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An investment in the Units is subject to investment risks, including the possible loss of principal amount invested. Holders of Units (“Unitholders”) have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Elite Commercial REIT is not necessarily indicative of the future performance of Elite Commercial REIT.

This announcement 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, uncertainties and assumptions. Predictions, projections and forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of Elite Commercial REIT. The forecast financial performance of Elite Commercial REIT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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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").

Contents

Crown House, Grantham


Upper Huntbach Street, Stoke On Trent

Executive Summary
6 February 2020 (Listing date) – 30 June 2020

ELITE COMMERCIAL REIT

- **Outperformance Against IPO Forecast**
  - Actual Distribution per Unit (“**DPU**”) of 1.95 pence exceeded IPO forecast by 1.0%
- **Rent Received in Advance; Recession-resistant Cash Flow**
  - Collected in advance 99.8% of the three-months rent for the period spanning across the months of July to September 2020
  - Recession-resistant cash flow, underpinned by AA-rated tenant (the UK Government) with uniquely counter-cyclical operations and minimal business disruption caused by COVID-19
- **Stable Portfolio with Enhanced Income Visibility**
  - 82.5% of the 97 assets in the portfolio are used to provide key front-of-house services, primarily Jobcentre Plus unemployment services
  - Secured waivers/ extension of break option for two properties, enhancing income visibility
- **Prudent Capital Management and Strong Balance Sheet**
  - Adequate working capital and debt headroom to meet ongoing obligations
  - No refinancing requirements till FY2024
  - Sound aggregate leverage and interest coverage ratios

St Andrew’s House, Hexham

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Financial Highlights

Parklands, Falkirk

DPU Outperformance against IPO Forecast

6 February 2020 (Listing date) – 30 June 2020

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	Actual[1] £'000	Forecast[2] £'000	Variance %
Revenue	9,316	9,284	▲ 0.3
Profit before tax	4,919	4,727	▲ 4.1
Profit after tax	3,877	3,622	▲ 7.0
Income available for distribution to Unitholders	6,517	6,431	▲ 1.3
Distribution per unit ("DPU") - pence	1.95	1.93	▲ 1.0

Notes:

1. Actual financial results from Listing Date to 30 June 2020 is the first reporting period incorporating the results of the portfolio held 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. Other than unit issue costs which were charged to the statement of comprehensive income, the forecast results for the period from the Listing Date to 30 June 2020 was derived by pro-rating the forecast results as disclosed in the Prospectus.

Strong Balance Sheet
As at 30 June 2020

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	£'000
Non-current assets	295,968[1,2]
Current assets	20,352
Total assets	**316,320**
Non-current liabilities	104,090
Current liabilities	9,005
Total liabilities	**113,095**
Net assets / Unitholders' funds	**203,225**

Units in issue ('000)	**333,380**
Net asset value per unit (£)	**0.61**

Notes:
1. Non-current assets comprise of investment properties, which are stated at their fair values based on the average of the valuations of the Properties as at 31 August 2019 by Colliers and Knight Frank based on the price that would be received for the sale of each Property, in accordance with the relevant accounting standard.
2. Colliers are of the opinion that the aggregate market value, as at 31 August 2019, of the 97 properties is £319,055,000. This figure represents the aggregate of the individual values of the properties and the fact the portfolio is held within an SPV.

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Portfolio Overview & Operational Highlights

Nutwood House, Canterbury

Steady and Resilient Cash Flow Underpinned by Uniquely Counter-Cyclical Tenant

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- **Over 99.0% of rental income is derived from triple net leases with the UK Government, which has:**
  - One of the lowest debt-to-GDP ratios amongst the G7 countries
  - Ratings of AA and Aa2 by S&P and Moody's respectively
- **Received in advance 99.8% of the 3-months rent for the period spanning across the months of July 2020 to September 2020, within 7 days of the due date**
- **Portfolio income visibility enhanced:**
  - Lodge House, Bristol – break option not exercised, lease will expire on 31 March 2028
  - John Street, Sunderland – extended the break option by 12 months to 31 March 2022
- **Minimal business disruption caused by COVID-19**
  - Jobcentre Plus ("JCP") locations remained open during lockdown from late March 2020, 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
  - The UK Government pledged to double the number of work coaches at job centres (13,500 more) as part of an economic recovery package


Lodge House, Bristol


John Street, Sunderland

First & Only UK-Focused S-REIT with Over 99% Leased to the AA-rated UK Government[1]

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97 Office Assets	99% Freehold[2]	Long WALE 7.8 years[3]	Properties are 100% Unencumbered


High Road, Ilford


Holborn House, Derby


Glasgow Benefits Centre, Glasgow

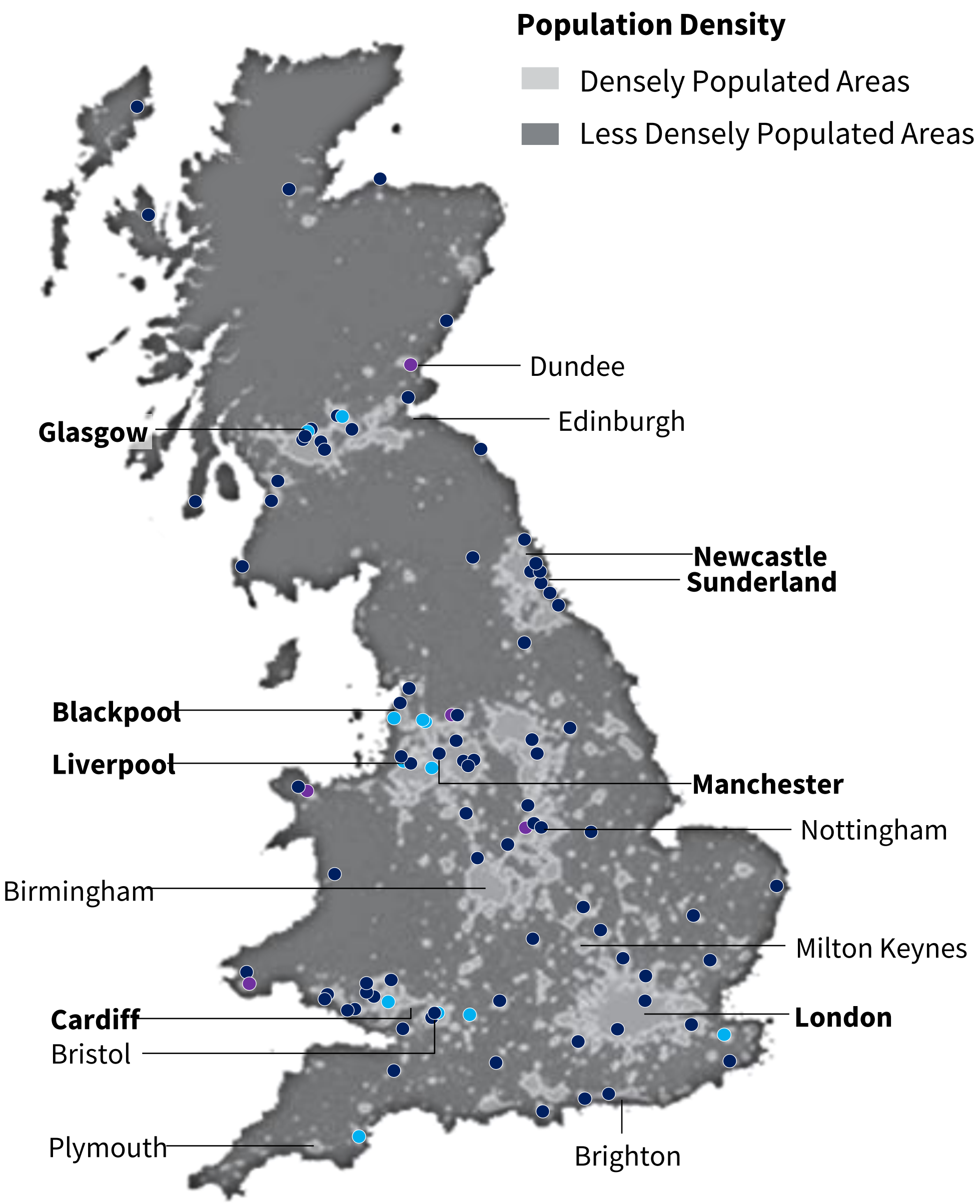

Blackburn Road, Burnley


Parklands, Falkirk


Peel Park, Blackpool

Notes:
1. The leases are signed by the Secretary of State for Housing, Communities and Local Government, which is a Crown Body
2. 96 properties are freehold properties and one Property is on a long leasehold tenure expiring on 19 May 2255 (c.235 years remaining)
3. As at 30 June 2020

Geographically Diversified Portfolio and Occupied by DWP



- Key occupier is **Department for Work & Pensions (DWP)**, UK's largest public service department
  - Responsible for welfare, pensions and child maintenance policy
  - **Over 20 million claimants**; **£191.8 billion** benefit spent in FY19/20
  - Services provided primarily via Jobcentre Plus centres

Department for Work & Pensions

- **Full Repairing and Insuring Leases**: 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

- Built-in upside from **inflation-linked rental uplifts**[2]

Notes:
1. Including mixed use properties with a medical centre, back office or retail component in addition to the Jobcentre Plus
2. The leases to the UK Government have rent reviews in the fifth year (2023) based on the UK Consumer Price Index ("CPI"), subject to an annual minimum increase of 1.0% and maximum of 5.0%

Portfolio is Used to Provide Crucial DWP Services

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Over 20 million
DWP benefits claimants in FY19/20 (~1/3 of the UK population)

>£9,000
Spend p.a. per DWP claimant (31% of UK median wage)

A **ministerial department**, supported by 14 agencies and public bodies

Integral to the social fabric of the UK

Front of house – 82.5%[1] of Portfolio, primarily Jobcentre Plus and other ancillary services

Department for Work & Pensions

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***

- Onsite 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 – 17.5%[1] of Portfolio, various support functions without public-facing element

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

Note:
1 Based on number of assets

Source: Independent Market Report, Department for Work & Pensions

Well-located, Predominantly Freehold Office Assets

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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

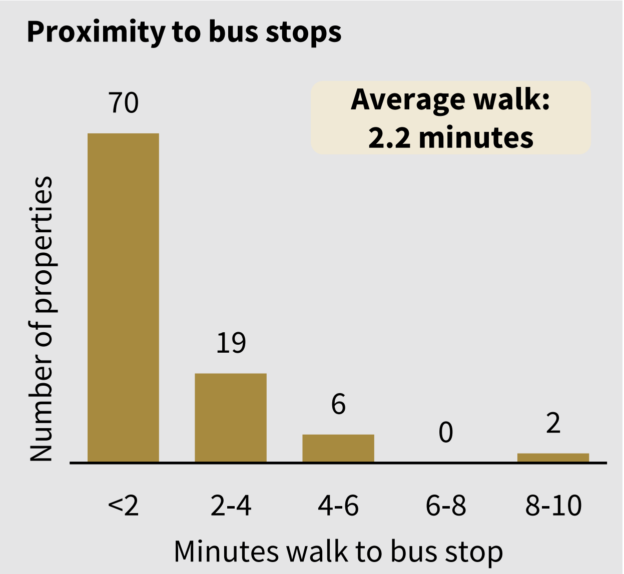
Proximity to Amenities

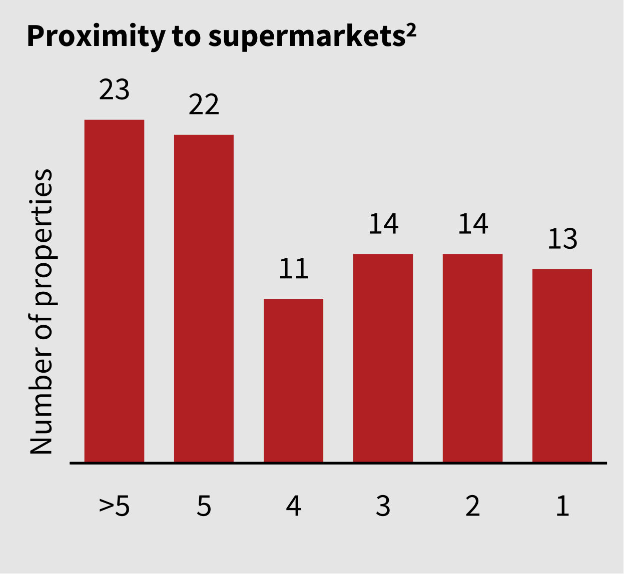
Average **4** supermarkets[2] within ½ mile radius

Average **5** medical facilities[3] within ½ mile radius

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

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





Notes:
96 properties are freehold properties and one Property is on a long leasehold tenure expiring on 19 May 2255 (c.235 years remaining)
1 Percentage based on number of properties
2 Supermarkets comprises small to large supermarkets
3 Medical facilities comprise hospitals and general practices
4 Schools comprise primary schools, secondary schools and independent schools

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Capital Management

Tannery House, Alfreton

Prudent Capital Structure and No Refinancing Requirements till FY2024

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32.6% Aggregate Leverage

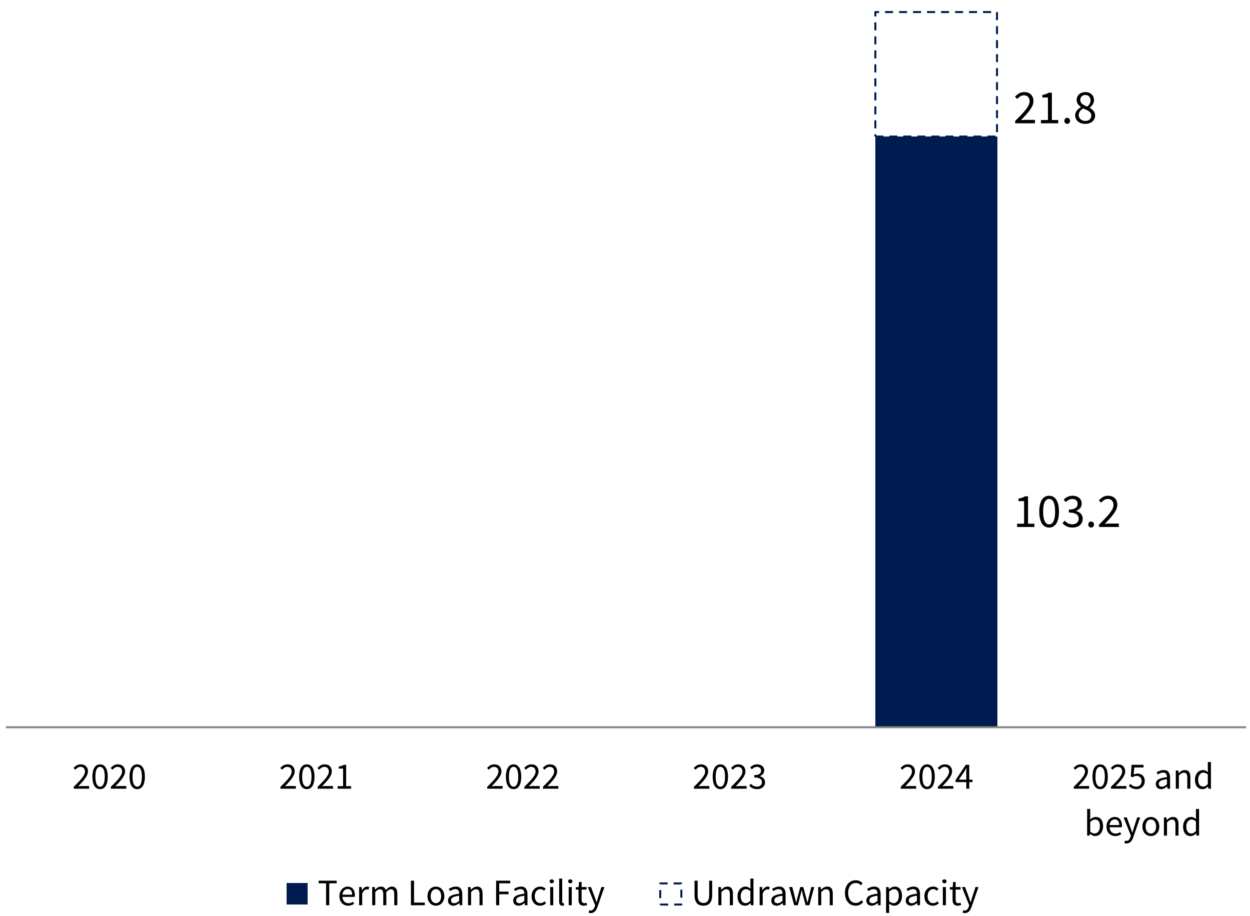
Effective interest rate of **~2.0%;**
50% of borrowings on fixed rate

7.4x interest coverage ratio

Properties are **100%** unencumbered

Minimal FX exposure as assets and liabilities are GBP denominated

Debt Maturity Profile (£ m)



Resilient Trading Performance Amid COVID-19

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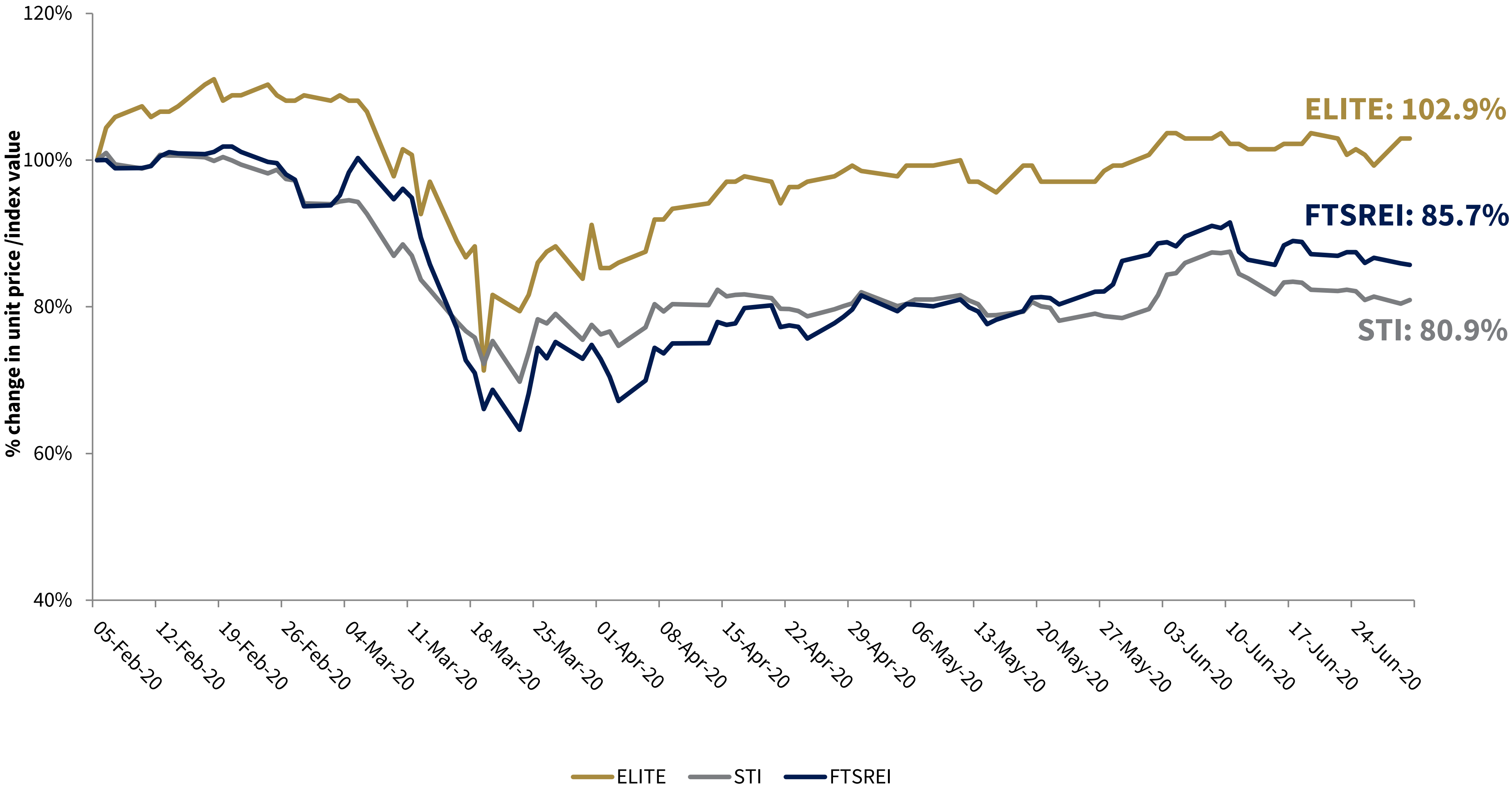

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Outlook

Crown House, Worthing

Outlook

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- The UK economy is expected to contract by 20% in the first half of 2020, and more than 10% in 2020 due to the pandemic
- Analysts forecast a decline in UK real GDP by 7.8% in 2020, and unemployment rate to peak at slightly below 8% in 3Q 2020, averaging 7% in 2020
- Unemployment claims rose to ~3 million since the lockdown with ~9 million people on the UK Government's furlough scheme, with various other support measures introduced such as the Coronavirus Job Retention Scheme (CJRS) and self-employed income support scheme
- Elite Commercial REIT continues to provide stable income to its unitholders as COVID-19 has minimal impact on business and rent collection
- The Manager remains focused on strengthening the portfolio and will closely monitor the market to explore opportunities for growth via yield-accretive acquisitions
  - Granted a right of first refusal to acquire properties in Sponsor's pipeline, most of which have been leased long-term by various ministries of the government

Tannery House, Alfreton

Thank You

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Appendix

Holborn House, Derby

Attractive yield spread in a "lower for longer" interest rate environment

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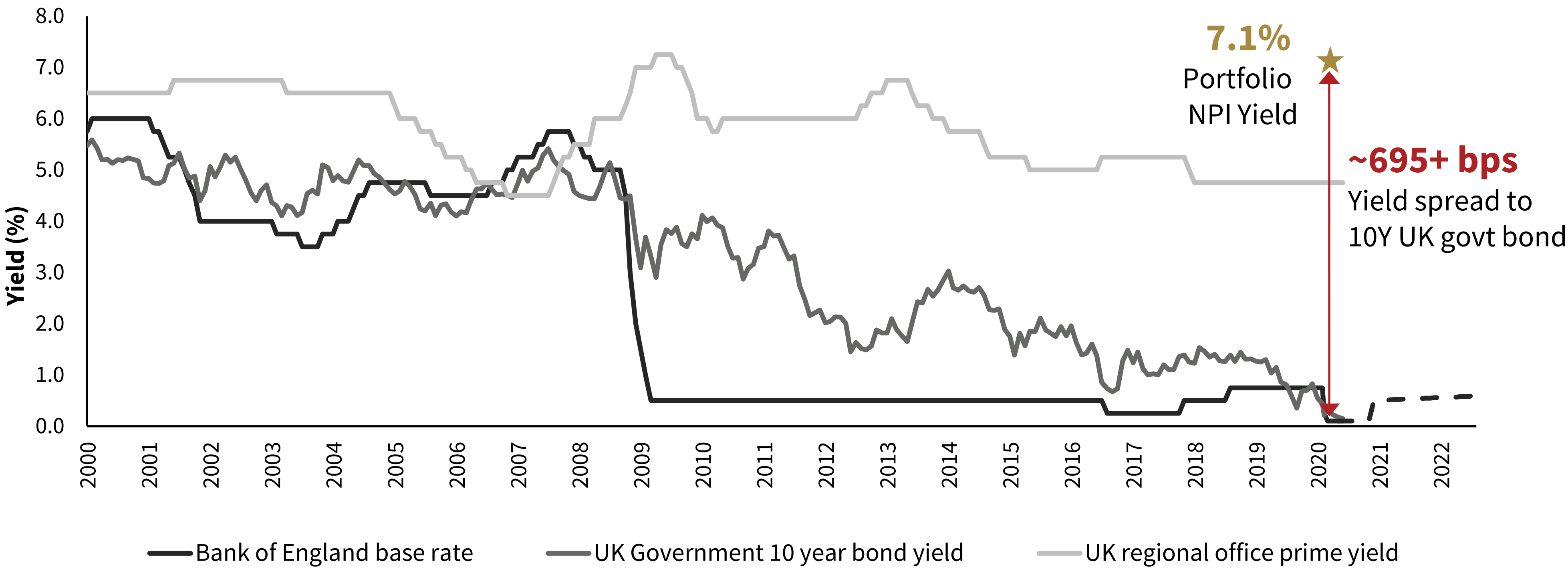
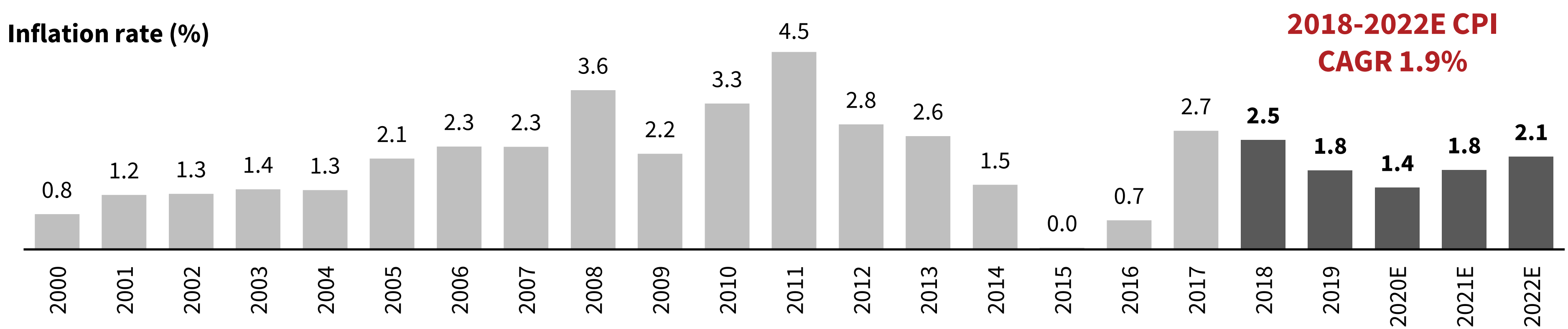
Portfolio NPI yield against comparable benchmarks



Annual increase in CPI



Source: Office for Budget Responsibility

Typical Lease Arrangements for the UK Office Sector

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- **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

Elite Commercial REIT Sponsors

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Elite Partners Capital

Ho Lee Group

SUNWAY®

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 that 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
- HLG also has ventured into development of industrial and residential properties
- HLG was one of the major sponsors of Viva Industrial Trust during its IPO listing on the SGX-ST in November 2013

Sunway RE Capital Pte. Ltd. ("Sunway")

- Sunway is a wholly-owned subsidiary of Sunway Berhad, one of Malaysia’s largest conglomerates
- Sunway Berhad has businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing
- The Sunway Berhad Group comprises three public listed entities, Sunway Berhad, Sunway Construction Group Berhad, and Sunway REIT