UNITED HAMPSHIRE US REIT EXCEEDS IPO FORECAST BY 3.0%, ACHIEVING DISTRIBUTABLE INCOME OF US$31.2 MILLION FOR FY 2021

- ***Distributable Income for 2H 2021 up 6.4% yoy, and 4.6% above Forecast***
  - ***Boosted by contribution from newly acquired Penrose Plaza and Colonial Square***
- ***2H 2021 DPU grew 0.7% yoy to 3.05 US cents[1], FY 2021 DPU of 6.10 US cents exceeds Forecast by 0.2%***
- ***Portfolio valuation increases by 3.7%[2]; with Total Assets growing 15.9%***
- ***Grocery & Necessity Properties maintained a high committed occupancy rate of 95.3%, and long WALE of 8 years[3]***
- ***Strong leasing momentum with the execution of 38 new and renewal leases***
  - ***Minimal leasing risk in 2022, with only 1.5%[4] expiring in 2022, down from 9.2%[5]***
- ***Proposed sale of two Self-Storage Properties at 10.4% premium to latest appraised value***

United Overseas Bank Limited was the sole financial adviser for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited and UBS AG, Singapore Branch were the joint issue managers and global coordinators for the Offering. United Overseas Bank Limited, UOB Kay Hian Private Limited, UBS AG, Singapore Branch, Credit Suisse (Singapore) Limited and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch were the joint bookrunners and underwriters for the Offering.

[1] *DPU of 3.05 US cents for 2H 2021 comprise Advanced Distribution of 1.75 US cents per Unit for the period from 1 July 2021 to 13 October 2021 and a distribution of 1.30 US cents per Unit for the period from 14 October 2021 to 31 December 2021.*
[2] *From 31 December 2020, excluding the two newly acquired properties, Colonial Square and Penrose Plaza.*
[3] *Grocery & Necessity Properties only. Computation included forward committed leases, excluding forward committed leases, the WALE is 7.9 years as at 31 December 2021.*
[4] *Based on base rental income of Grocery & Necessity Properties for the month of December 2021.*
[5] *As at 31 December 2020 and based on base rental income of Grocery & Necessity Properties for the month of December 2020.*

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SINGAPORE, 23 FEBRUARY 2022 – United Hampshire US REIT Management Pte. Ltd., the manager (the "**Manager**") of United Hampshire US Real Estate Investment Trust ("**UHREIT**"), announced today that its distributable income for full year ended 31 December 2021 ("**FY 2021**") of US$31.2 million, was 3.0% higher than IPO Forecast ("**Forecast**") of US$30.3 million, well-supported by a robust portfolio. FY 2021 distribution per unit ("**DPU**") was 6.10 US cents, which exceeded the Forecast, even though the Forecast was made prior to the outbreak of the COVID-19 pandemic. 2H 2021 distributable income rose 6.4% yoy to US$16.0 million, surpassing Forecast by 4.6%. UHREIT completed its inaugural acquisitions of Colonial Square on 12 November 2021 and Penrose Plaza on 24 November 2021. These new acquisitions have contributed to 2H 2021 distributable income. DPU for 2H 2021 grew 0.7% yoy to 3.05 US cents.

Summary of UHREIT Results

	2H 2021[6] Actual US$'000	**2H 2021[6] Forecast US$'000**	**Variance %**	**2H 2020[7] US$'000**	**Variance %**	**FY 2021 Actual US$'000**	**FY 2021 Forecast US$'000**	**Variance %**
Gross Revenue	28,391	28,804	(1.4)	26,305	7.9	55,195	56,563	(2.4)
Net Property Income (NPI)	21,474	21,088	1.8	19,761	8.7	41,946	41,672	0.7
Distributable Income	15,991	15,294	4.6	15,033	6.4	31,195	30,278	3.0
DPU (US cents)	**3.05[1]**	**3.07**	**(0.7)**	**3.03**	**0.7**	**6.10**	**6.09**	**0.2**

2H 2021 gross revenue and net property income ("**NPI**"), aided by contribution from the newly acquired assets, were 7.9% and 8.7% higher than 2H 2020 respectively. FY 2021 gross revenue of US$55.2 million was 2.4% lower than the Forecast of US$56.6 million, largely due to slower leasing activities than the Forecast which was made prior to the outbreak of the COVID-19 pandemic. However, NPI stood at US$41.9 million, 0.7% higher than the Forecast of US$41.7 million.

[6] For six months ended on 31 December 2021.
[7] For six months ended on 31 December 2020.

Due to the strength and resilience of the Grocery & Necessity and Self-Storage sectors, UHREIT saw a portfolio valuation increase of 3.7%[2] in its 31 December 2021 valuations. Together with the two new acquisitions, UHREIT successfully grew its total assets by 15.9% from 31 December 2020 and increased its units in issue by 12.4% with a successful US$35.0 million equity placement in October 2021.

Omnichannel Retailing a Key to Success in New Economy

Mr. Robert Schmitt, Chief Executive Officer of the Manager, said, "We have delivered a strong performance underscored by our resilient portfolio. Income robustness was further boosted by proactive asset management and the recent accretive acquisitions of Penrose Plaza in Philadelphia, Pennsylvania and Colonial Square, Colonial Heights, in Richmond, Virginia, which expanded our portfolio and increased our total property value to US$688.5 million[8] as at 31 December 2021."

"The global pandemic has reshaped consumer behavior and provided an opportunity for our Grocery & Necessity Properties to be key nodes in the last mile delivery process for our tenants. We have devoted larger parking area to facilitate curbside pickup and allocated more space for micro-fulfilment. This supports our tenants' ongoing omnichannel and seamless online/offline retailing efforts while providing multiple methods for their customers to pick-up their online/app purchases. Our tenants have benefitted and continue to see strong sales performance as these multiple fulfilment options facilitate a superior online shopping experience."

[8] *Up from US$585.5 million as at 31 December 2020. Based on carrying value of investment properties as at 31 December 2021.*

“Overall, whilst Grocers and Wholesale Clubs continue to lead the pack with strong demand generated by extended work from-home protocols, other retail categories, such as off-price apparel and fitness centres, have also recovered from their pandemic lows and are seeing a return of foot traffic, with both full-service as well as quick-service restaurants benefiting from substantial pent-up demand to dine out.”

“We will be unlocking value with the proposed sale of Elizabeth and Perth Amboy Self-Storage Properties. We have nurtured these two properties, which were completed in January 2020 and 2021 respectively and achieved robust occupancy growth. Due to high investment demand for good performing self-storage properties such as these, we have received a high level of interest for these properties at a substantial premium to their 31 December 2021 valuations. We believe it will benefit UHREIT and its unitholders to sell these properties at this time and to reinvest the proceeds into currently higher yielding stabilised Grocery & Necessity assets with more attractive yields. The remaining Self-Storage Properties – Carteret and Millburn Self-Storage continue to benefit from positive industry dynamics and growth.”

Commenting on UHREIT’s future strategy, Mr. Schmitt added, “We actively continue to look for suitable assets that fit our investment criteria, focusing on strategically located assets in neighbourhoods with limited competition and high barriers to entry.”

“The pandemic has also brought into greater focus the need to embrace ESG factors. We have started the journey and have every intention to devote more time and energy to this important matter, as an integral part of our commitment to good corporate governance.”

UHREIT was proud to be ranked joint 4th in the Governance Index for Trusts (“**GIFT**”) 2021, out of the 45 REITs and Business Trusts listed on the Singapore Exchange (“**SGX**”). UHREIT was also one of only 95 issuers to be granted the SGX fast track programme, in recognition of the REIT’s high corporate governance standards and good compliance track record.

Portfolio Review and Management

In FY 2021, UHREIT experienced robust leasing momentum for its Grocery & Necessity portfolio with the execution of 38 new and renewal leases totalling approximately 437,528 sq ft. UHREIT made significant progress in addressing the leases expiring in 2022 and as at 31 December 2021, has a minimal 1.5%[4] expiry in 2022, down significantly from 9.2%[5] at the start of the year. Grocery & Necessity Properties maintained a high committed occupancy rate of 95.3% and long WALE of 8 years[3] as at 31 December 2021. UHREIT will also experience organic income growth as most of the leases for Grocery & Necessity Properties have built-in rental increases during their lease terms.

UHREIT's Self-Storage Properties' occupancies have also continued to trend up. Elizabeth and Perth Amboy Self-Storage achieved occupancy of 64.1% and 44.8% respectively as at 31 December 2021, whilst Millburn's occupancy stood at a high of 94.8% and Carteret at 88.1%[9].

Prudent Capital Management

UHREIT adopts a disciplined and prudent approach to capital management. With its diversified sources of capital, including the equity and debt capital markets, UHREIT maintains a proactive approach and will continue exploring re-financing its debt well ahead of their maturities, while maintaining a well staggered debt maturity profile to minimise refinancing risk in any one year; and at the same time, substantially hedging interest rate exposure.

[9] *As at 31 December 2021.*

Moving into 2022, UHREIT is well-positioned to remain resilient in the anticipated volatile market conditions resulting from increased inflation and the expected interest rate hikes. UHREIT has a conservative aggregate leverage of 39.0%, well below the aggregate leverage limit of 50.0% set by the Monetary Authority of Singapore. Together with its healthy cash balances, remaining undrawn committed revolving credit facility and debt headroom, UHREIT has sufficient financial flexibility to prudently pursue new acquisitions and asset enhancement initiatives.

A high 79.6% of UHREIT's total debt has been hedged into fixed rates[10], which removes near-term interest rate risk. The weighted average interest rate is 2.63% and interest coverage ratio stood at 6.5 times. The weighted average debt maturity is 2.5 years with no refinancing requirements until 2023.

U.S. Market Outlook

Based on advance estimates released by the Bureau of Economic Analysis, U.S. fourth quarter GDP in 2021 increased at an annualised rate of 6.9%[11]. According to U.S. Bureau of Labor Statistics, nonfarm payroll employment increased by 467,000 in January 2022 while unemployment rate stayed largely unchanged at 4.0%[12]. Job vacancies remained high at 10.9 million as at 31 December 2021[13].

Consumer Price Index (CPI) rose 7.5% in January 2022[14]. Although inflation has weighed on consumer confidence, it did not dampen consumer spending activity. Total sales for retail and food services in 2021 was up 19.3% from 2020, while total sales for 4Q 2021 was up 17.3%

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[10] Includes floating rate loans that have been swapped to fixed rate.
[11] U.S. Bureau of Economic Analysis, "Gross Domestic Product, Fourth Quarter and Year 2021 (Advance Estimate)", 27 January 2022.
[12] U.S. Bureau of Labor Statistics, "The Employment Situation – January 2022", 4 February 2022.
[13] U.S. Bureau of Labor Statistics, "Job Openings and Labor Turnover Summary - December 2021", 1 February 2022.
[14] U.S. Bureau of Labor Statistics, "Consumer Price Index – January 2022", 10 February 2022.

from 4Q 2020[15]. The grocery sector is expected to continue its growth trend due to uncertainties over the possible emergence of other COVID-19 variants and work-from-home trends. The pandemic has resulted in a boon for grocers as a shift in consumer behaviour saw more home cooking. Anchor occupancy, particularly grocer occupancy, has held up well and demand from national retailers is leading the steady recovery[16]. Grocery-anchored retail saw a 71% yoy increase in transaction volume at US$16.2 billion in 2021 and comprising approximately 21.1% of all retail deals[17].

The self-storage sector is likely to maintain its upward trend largely due to factors such as businesses adopting e-commerce strategies, a flexible remote working model, strong home sale activities, smaller housing arrangements and an increasingly mobile population. UHREIT's Self-Storage occupancy rates remain at high levels owing to a decrease in lease termination as well as an increase in sticky consumer demand.

The Manager continues to focus on optimising UHREIT's assets and strengthening its income stream. It will also actively seek investment opportunities that will deliver long-term accretive value to unitholders.

ENDS

To find out more about UHREIT, please visit https://www.uhreit.com/

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[15] U.S. Census Bureau, "Advance Monthly Sales for Retail and Food Services, December 2021", 14 January 2022.
[16] Green Street Strip Center Sector Outlook, 28 January 2022.
[17] Cushman & Wakefield Research.

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About United Hampshire US REIT

Listed on the Main Board of the Singapore Exchange on 12 March 2020, UHREIT is a Singapore real estate investment trust established with the principal investment strategy of investing in a diversified portfolio of stabilised income-producing (i) grocery-anchored and necessity-based[18] retail properties ("**Grocery & Necessity Properties**"), and (ii) modern, climate-controlled self-storage facilities ("**Self-Storage Properties**"), located in the U.S.

The tenants targeted by UHREIT are tenants resilient to the impact of e-commerce, including but not limited to restaurants, home improvement stores, fitness centers, warehouse clubs and other uses with strong omni-channel platforms[19].

UHREIT's portfolio comprises 20 predominantly freehold Grocery & Necessity Properties and four Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with an appraised value of approximately US$688.5 million[20] and an aggregate net lettable area ("**NLA**") of approximately 3.6 million square feet.

[18] ***"Grocery-anchored and necessity-based"*** *retail properties are assets which are anchored by non-discretionary spending businesses such as supermarkets and grocers (generally accounting for 50 to 70 per cent of the NLA), complemented by smaller inline tenants (generally each accounting for less than 5 per cent of the NLA) for lifestyle services such as hair salons, laundry and dry cleaning stores.*

[19] ***"Omni-channel platforms"*** *means the utilisation of multiple distribution channels, both physical and digital to allow the retailer to be better positioned to engage with the customer. These channels include the physical store, websites, phones, e-mail offers, social media, and traditional advertisement methods (i.e. print media).*

[20] *Based on carrying value of investment properties as at 31 December 2021.*

About the Sponsors

UOB Global Capital LLC

UOB Global Capital LLC is an originator and distributor of private equity, hedge funds, fixed income and real estate products, and a global asset management subsidiary of United Overseas Bank Limited ("**UOB**"), a leading bank in Asia. UOB Global Capital LLC was founded in 1998 and has US$2.9 billion in Asset Under Management ("**AUM**") as of 31 December 2021. It operates from offices in New York and Paris, with representation at UOB's headquarters in Singapore. In this way, the firm can conduct its activities and meet investors' needs across the Americas, Europe, the Middle East and Asia.

The Hampshire Companies, LLC

The Hampshire Companies, LLC is a privately held, fully integrated real estate firm and real estate investment fund manager, which has over 60 years of hands-on experience in acquiring, developing, leasing, repositioning, managing, financing and disposing of real estate. It has a diversified investment platform and derives results from its broad experience in multiple commercial real estate asset classes, including industrial, retails, self-storage, office, industrial and multifamily. The Hampshire Companies, LLC currently owns and operates a diversified portfolio of 150 properties across the U.S. with an AUM in excess of approximately US$2.0 billion in value and totalling over 11.75 million square feet. The Hampshire Companies, LLC is also the asset manager of UHREIT bringing its total non-regulatory AUM to US$2.7 billion[21].

Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US$1.27 billion (as at 31 December 2021) to focus on investment opportunities in income producing real estate assets in the U.S.

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[21] *As at 31 December 2021.*

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