

**UHREIT DELIVERS STRONG GROWTH WITH INCREASED
GROSS REVENUE, NET PROPERTY INCOME AND
APPRAISED PORTFOLIO VALUATION**

- **7.1% growth in Gross Revenue and 7.6% rise in Net Property Income in FY 2023**
- **Portfolio Valuation increased 4.7%¹ y-o-y on a like-for-like basis**
- **Grocery & Necessity Properties achieve high committed occupancy of 97.4%**
- **Strong tenant retention rate of 92% coupled with long WALE of 7.1 years²**
- **New Academy Sports store in St Lucie West opened in November 2023, ahead of schedule**
- **No refinancing requirement until November 2026**

SINGAPORE, 22 FEBRUARY 2024 – United Hampshire US REIT Management Pte. Ltd., the manager (the “**Manager**”) of United Hampshire US Real Estate Investment Trust (“**UHREIT**”), announced today that its gross revenue and net property income for the full year ended 31 December 2023 (“**FY 2023**”) grew by 7.1% and 7.6% year-on-year (“**y-o-y**”), to US\$72.2 million and US\$50.7 million respectively.

The growth was supported by new leases and rental escalations from existing leases, as well as contribution from Upland Square which was acquired in July 2022. In addition, the new Academy Sports + Outdoors store at St. Lucie West, which commenced operations in November 2023, ahead of schedule and in time for the peak year end festive shopping season, was a contributor to this growth.

Given the strong characteristics of the portfolio, UHREIT’s portfolio valuation increased 4.7% y-o-y on a like-for-like basis¹ to US\$763.4 million as at 31 December 2023. Despite higher average capitalization and discount rates, UHREIT’s strong operating performance led to the higher portfolio valuation.

The Manager retained distributable income of US\$1.3 million as capital reserve for 2H 2023. These capital reserves will be applied for asset enhancement and development initiatives such as the new Academy Sports + Outdoors store at Port St. Lucie.

To preserve unitholder value and minimise unit base dilution, the Manager has elected to receive 100% of its 2H 2023 base fee in cash instead of units. 2H 2023 Distribution Per Unit (“**DPU**”) after retention and payment of management fee in cash is lower y-o-y at 2.14 US cents. However, excluding these factors, on a like-to-like basis, the adjusted FY 2023 DPU would have been 5.54 US cents, 5.8% lower than FY 2022, as a result of the impact of higher interest expenses. FY 2023 NAV per unit remained stable at US\$0.74.

¹ The like for like basis portfolio valuation computation does not include Big Pine Center, which was divested in August 2023.

² Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.0 years as at 31 December 2023.

Mr. Gerard Yuen, Chief Executive Officer of the Manager said, “We have delivered a commendable set of results in 2023, well supported by our high quality portfolio. We are delighted that our new 63,000 sf store for Academy Sports at Port St Lucie was completed ahead of schedule and opened in November 2023. Our strong leasing momentum in FY 2023 has continued into 1Q 2024 allowing us, over the past two months, to execute several significant new or renewal leases with major tenants including Price Chopper, Home Depot, Dick’s Sporting Goods and LA Fitness.”

“As part of our proactive portfolio and asset management strategy, we divested Big Pine Center at a 7.7% premium to its purchase price. This demonstrates the continued demand for strong performing Grocery & Necessity properties. We will selectively consider opportunistic divestment opportunities to reduce gearing or to re-deploy the capital into better yielding asset enhancement opportunities or acquisitions.”

Portfolio Review and Management

In FY 2023, UHREIT achieved strong leasing momentum for its Grocery & Necessity portfolio, with the execution of 36 new and renewal leases totaling 528,665 sq ft. As at 31 December 2023, there is minimal leasing risk with only 2.2%³ of leases expiring in 2024. The Grocery & Necessity portfolio continued to maintain a high committed occupancy rate of 97.4% and long WALE of 7.1 years². Furthermore, the majority of the leases are triple net, with built-in rental escalations over the lease terms.

For UHREIT’s Self-Storage Properties, occupancy rates and average quarterly net rental rates remained high despite some normalisation across the sector. As at 31 December 2023, the occupancy for Carteret and Millburn Self-Storage was 91.3% and 92.2% respectively, both up from the previous quarter.

In Albany, New York, Wakefern (ShopRite) assigned its lease to Price Chopper. Price Chopper further extended the lease by over 6 years from 30 April 2032 to 31 December 2038. The property is currently being remodelled to reopen under Price Chopper’s popular Market 32 supermarket brand. The store reopening is expected to occur in early 3Q 2024.

Prudent Capital Management

Following the completion of US\$21.1 million mortgage loan refinancing in February 2024, UHREIT has no refinancing requirement until November 2026. 78.8% of UHREIT’s total loans are either fixed rate loans or floating rate loans that have been hedged using interest rate swaps. Weighted average interest rate for the trailing 12-month period stood at 4.32%³, with a weighted average debt maturity of 3.0 years⁴, whilst aggregate leverage is at 41.7%, with an interest coverage ratio of 2.9 times.

U.S. Market Outlook

Based on advance estimates released by the U.S. Bureau of Economic Analysis, U.S. fourth quarter GDP growth in 2023 stabilised to an annualised rate of 3.3%⁵. According to U.S. Bureau of Labor Statistics, nonfarm payroll employment increased by 353,000 in January 2024 while the unemployment rate remains unchanged at 3.7%⁶. The number of job vacancies remained almost unchanged at 9.0 million in December 2023⁷. Meanwhile, the inflation rate in the U.S. continued to ease to 3.1%⁸ in January 2024.

³ *Trailing 12-month and excludes upfront debt-related transaction costs. .*

⁴ *Assuming the loan extension option is fully exercised and successfully refinanced Arundel Plaza Mortgage Loan subsequent to year end.*

⁵ *U.S. Bureau of Economic Analysis, “Gross Domestic Product, Fourth Quarter and Year 2023 (Advance Estimate)”, 25 January 2024.*

⁶ *U.S. Bureau of Labor Statistics, “The Employment Situation – January 2024”, 2 February 2024.*

⁷ *U.S. Bureau of Labor Statistics, “Job Openings and Labor Turnover Summary – December 2023”, 30 January 2024.*

⁸ *U.S. Bureau of Labor Statistics, “Consumer Price Index – January 2024”, 13 February 2024.*

On the consumer spending front, sales for retail and food services for January 2024 were up 0.6% y-o-y. U.S. retail sales has normalised after a large increase in spending during the holiday season. Grocery sales however continued to rise with a 2.3% y-o-y increase⁹.

The Strip Center Sector continues to witness positive comparable sales growth especially for the discounters, grocers, and quick-service restaurant tenants. Also, the heavy exposure to essentials will result in a steadier flow of visitors to Strip Centers as compared to enclosed malls, which are more reliant on discretionary spending. On the supply front, the sector continues to see a lack of new supply as the elevated construction cost makes new development difficult in most markets¹⁰.

In the Self-Storage Sector, while occupancy for 2024 is projected to be flat relative to 2023, the pool of potential customers is estimated to be deeper today due to the rise of new users throughout Covid. Meanwhile, new construction of self-storage facilities continues to face headwinds due to higher construction costs and limited equipment and labour availability¹¹.

Looking Ahead

Whilst global macroeconomic and geopolitical uncertainties remain, the U.S. Fed has indicated the possibility of interest rate cuts in 2024. The Manager will remain nimble, proactive and focused on strengthening UHREIT's income streams and balance sheet by evaluating asset enhancement and development initiatives, potential accretive acquisitions and opportunistic divestments.

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New Development - Academy Sports + Outdoors Building at St. Lucie West, Florida



⁹ U.S. Census Bureau, "Advance monthly sales for retail and food services – January 2024", 15 February 2024.

¹⁰ Green Street, "Strip Center Sector Update", 4 December 2023.

¹¹ Green Street, "Self-Storage Sector Update", 5 December 2023.

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



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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-based¹² 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 platforms¹³.

UHREIT’s portfolio comprises 20 predominantly freehold Grocery & Necessity Properties and two Self-Storage Properties, primarily concentrated in the East Coast of the U.S., with a carrying value of approximately US\$763.4 million¹⁴ and an aggregate net lettable area (“**NLA**”) of approximately 3.8 million square feet.

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\$3.7 billion in Asset Under Management (“**AUM**”) as of 31 December 2023. 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 (“**THC**”) 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. THC currently owns and/or operates a diversified portfolio of 180 properties across the U.S. totaling approximately 13.5 million square feet. THC has an AUM of approximately US\$1.7 billion. THC is also the asset manager of UHREIT bringing its total regulatory and non-regulatory AUM to US\$2.7 billion¹⁵.

Since 2008, UOB Global Capital LLC and The Hampshire Companies, LLC have jointly formed three funds with combined AUM of approximately US\$1.3 billion (as at 31 December 2023) to focus on investment opportunities in income producing real estate assets in the U.S.

¹² “**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.

¹³ “**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).

¹⁴ Based on appraised value of investment properties as at 31 December 2023.

¹⁵ As at 31 December 2023.

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