Elite Commercial REIT

1H 2022 Financial Results

5 August 2022

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Content

ELITE COMMERCIAL REIT

Section I

Overview & Highlights

Nutwood House, Canterbury

First & Only UK-Focused S-REIT

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

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£517.7m(2)
Portfolio value

155
Office Assets

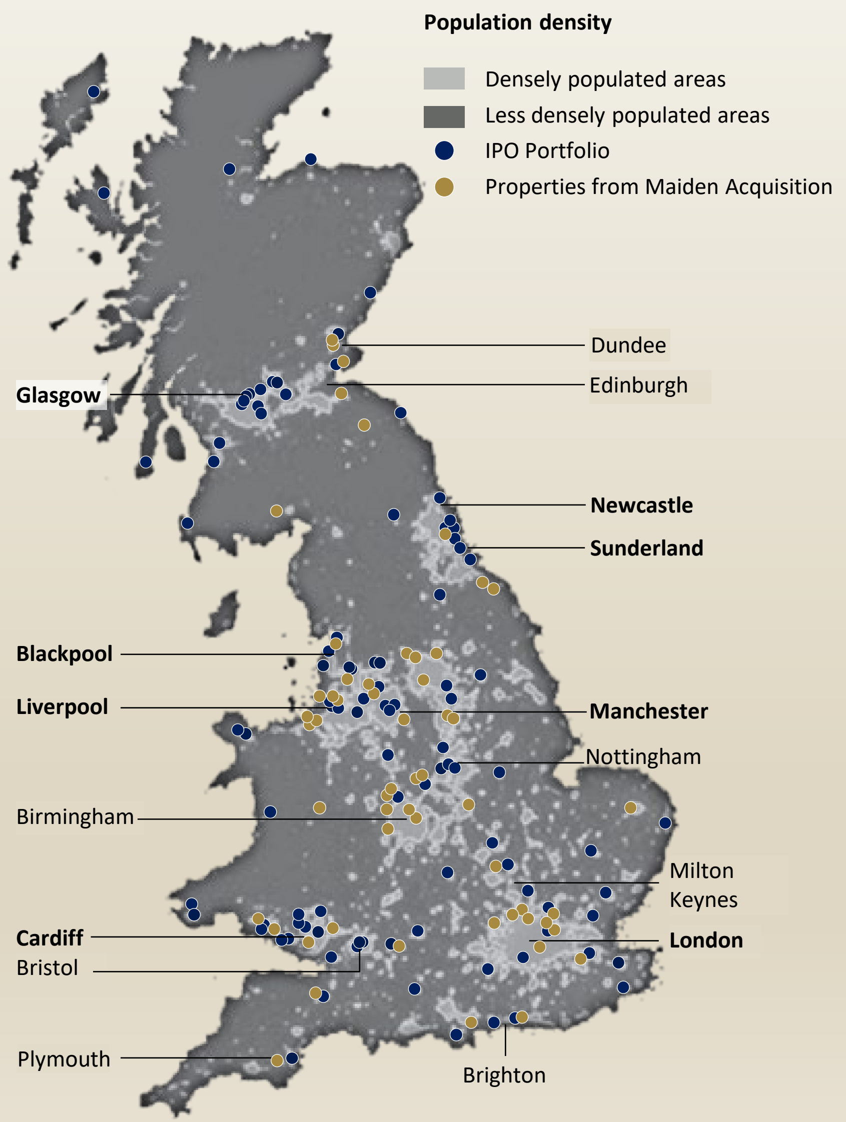
AA-rated
UK Government credit rating

97%
Freehold(3)

Triple Net
Full Repairing & Insuring Leases(4)

2023 Rent Review
Built in Inflation-linked Rent Uplift(5)

Geographically Diversified with a network of strategically well-located assets across the UK



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 30 June 2022. The valuer's opinion of value has reflected the £7.3 million of sustainability contribution made in 2Q 2022.
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.
5. A small proportion of the portfolio has rental review based on open market rental value.

1H 2022 Highlights

Resilient Financial Performance

Distributable Income generated during the period

9.7% y-o-y

Distribution per Unit ("DPU") (pence)

2.56 pence

Gearing Ratio

41.9%

as at 30 June 2022, improvement from 42.8% as at 31 March 2022

Strengthened Portfolio

Rental income secured up to March 2028 for

87.5%

of the total REIT portfolio[1] following removal of lease break options

Mid-year portfolio valuation

£517.7m[2]

as at 30 June 2022, up 3.5% from £500.1m as at 31 December 2021

Net asset value per unit

£0.62

as at 30 June 2022, up from £0.61 as at 31 December 2021

Notes:

1. Based on annualised gross rental income as at 30 June 2022.
2. The valuer's opinion of value has reflected the £7.3 million of sustainability contribution made in 2Q 2022.

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Section II

Financial Performance

Holborn House, Derby

Distributable Income Grew 9.7% y-o-y

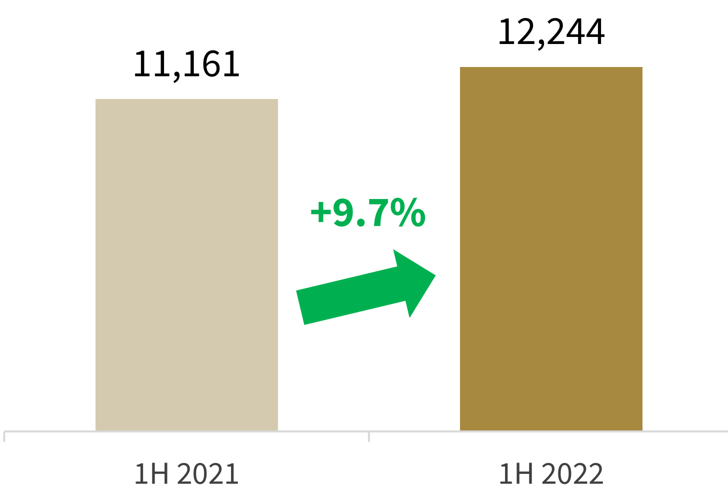
1H 2022 Distributable Income

£12.2 million

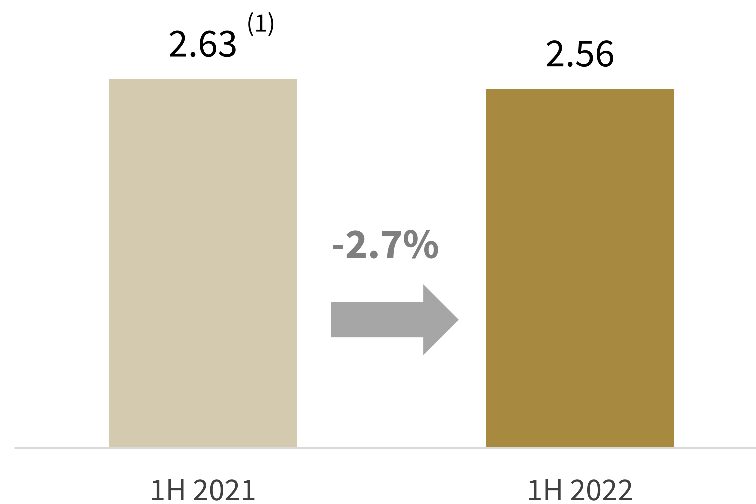
1H 2022 Distribution per Unit

2.56 pence

Distributable Income generated during the period (£'000)



Distribution per Unit (pence)



Key drivers of performance:

- Full half-year rental contribution from maiden acquisition
- Tax savings from a lower headline tax rate

Offset by:

- Increased borrowings for the full period and interest cost on borrowings
- Marginally lower occupancy rate
- An enlarged equity base

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 – 1H 2022 vs 1H 2021

	1H 2022	1H 2021	
	Actual **£'000**	Actual **£'000**	Variance %
Revenue	18,708	15,896	▲ 17.7
Amount generated during the period for distribution to Unitholders	12,244	11,161	▲ 9.7
Distribution per unit ("**DPU**") - pence	2.56	2.63[1]	▼ 2.7

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

	30 Jun 2022 £'000	31 Dec 2021 £'000
Non-current assets [1]	512,512	501,855
Current assets	27,636	31,509
Total assets	**540,148**	**533,364**
Non-current liabilities	131,481	222,290
Current liabilities	111,426	22,055
Total liabilities	**242,907**	**244,345**
Net assets / Unitholders' funds	**297,241**	**289,019**
Units in issue and issuable ('000)	**478,923**	**476,506**
Net asset value per unit (£)	**0.62**	**0.61**

Note:

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

Prudent Capital Management

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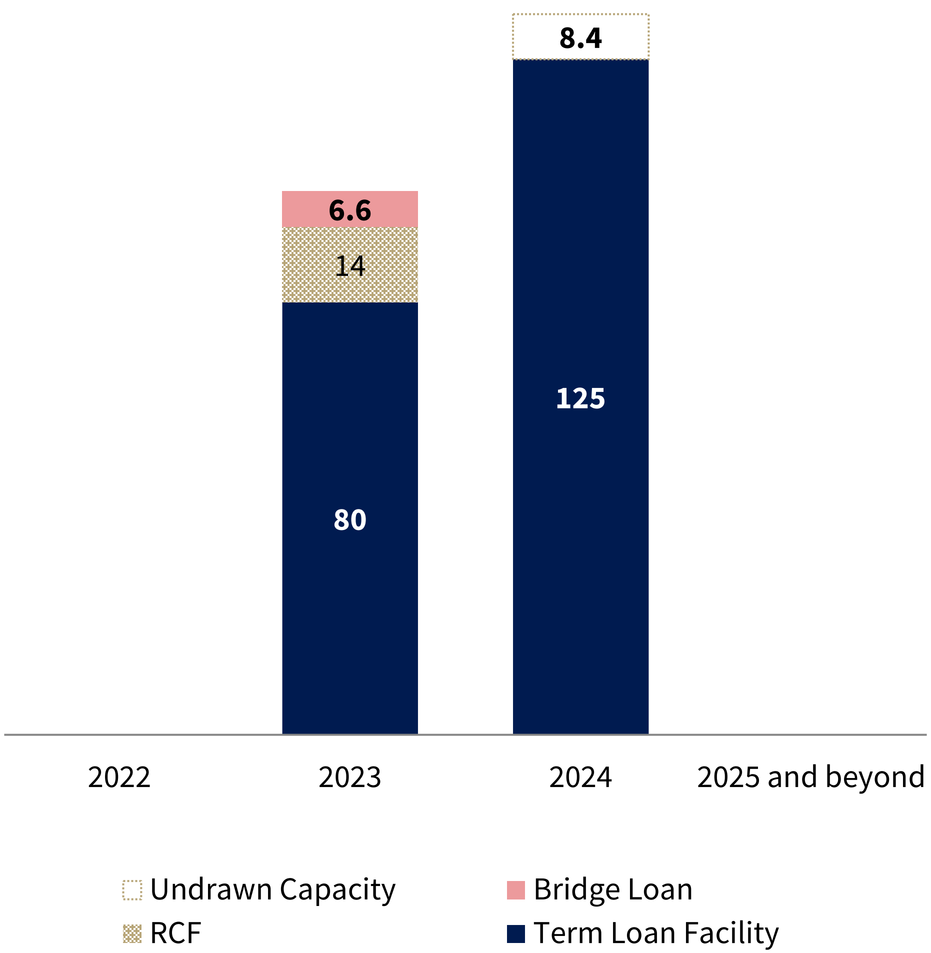
Debt Maturity Profile (£ m)



Credit Metrics

£225.6m	Total Debt
Gearing Ratio	41.9%
2.3%	Borrowing Costs
Weighted Average Debt Maturity	1.6 years
5.7 X	Interest Coverage Ratio
Interest Rate Fixed	63%
63%	Proportion of Unencumbered Assets[1]
Available Debt Headroom[2]	~£30m

Notes:

1. Based on valuations; unencumbered assets refer to properties without land mortgages.
2. Based on gearing ratio of 45%; available debt headroom is ~£87m based on gearing ratio of 50%.

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Section III

Portfolio Performance

Tannery House, Alfreton

Valuation Rises to £517.7 million[1]

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Driven by the removal of lease break options for majority of leases in the portfolio, leading to enhanced lease stability and income visibility, offset by a reduction in the values of vacant and vacating assets

Resilient Valuation compared to the overall UK Commercial Property Investment Market

Average Transaction Yields Moved Out in Q2 2022 [2][3]

- With property yields potentially rising further in the coming months, income growth is likely to be the sole driver of returns[3]

UK Real Estate Market Trends

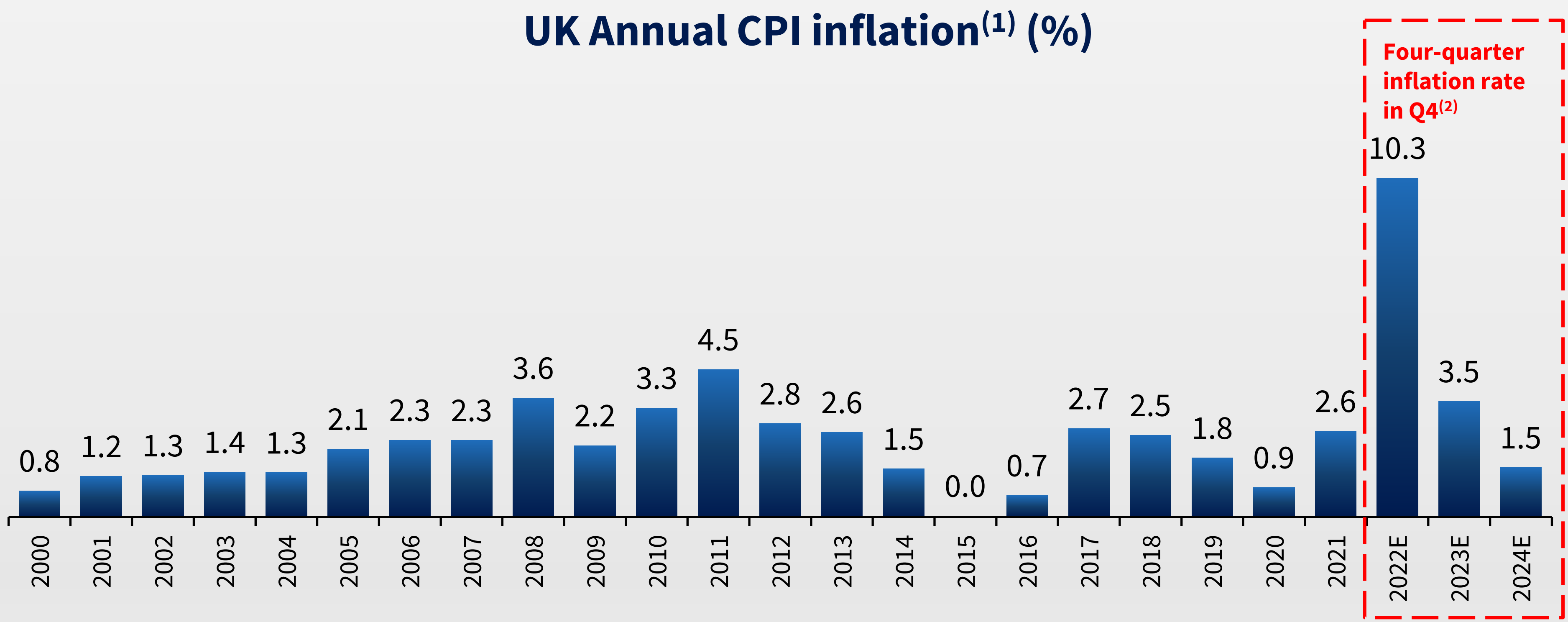
- Occupier markets remain strong across the board[4]
- In the regional office market, vacancy has fallen to 9.4%, 300 bps lower than the long-term average, and occupier demand is edging towards pre-Covid levels for the first time since the onset of the pandemic[4]
- Rising costs for materials and supply chain disruption are leading to higher fit-out costs and longer construction times[5]

Notes:

1. As at 30 June 2022. The valuer's opinion of value has reflected the £7.3 million of sustainability contribution made in 2Q 2022.
2. Based on observations on deals of £5 million or more.
3. CoStar Analytics, "First Signs of Softening in Commercial Property Yields As Investor Demand Cools", 22 July 2022.
4. Savills UK, Market in minutes: UK Commercial, 12 July 2022.
5. Savills UK, Spotlight: Savills Prime Office Costs – Q2 2022, 15 July 2022.

Built-in CPI-linked Rental Growth

- Potential upside at upcoming rent review in April 2023
- Rental uplift 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 May 2022.

Income Certainty and Visibility

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Portfolio Occupancy Rate

98.0%

as at 30 June 2022

Positive Outcome from Lease Re-gearing

109

Lease break options removed from assets occupied by the Department for Work and Pensions and the Ministry of Defence


Upper Huntbach Street, Stoke-On-Trent


Glasgow Benefits Centre, Glasgow


High Road, Ilford

Long Portfolio WALE at 5.2 years

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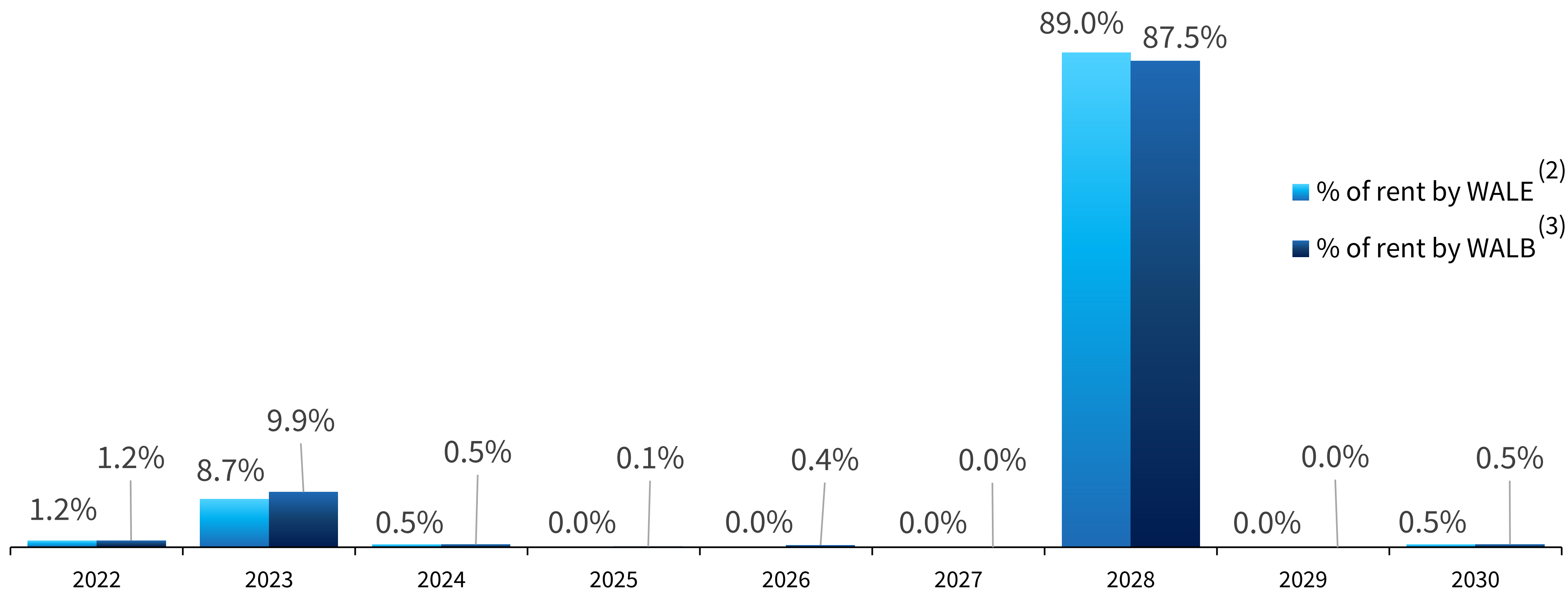
Lease Expiry Profile as at 30 June 2022 (% of total portfolio rent)[1]



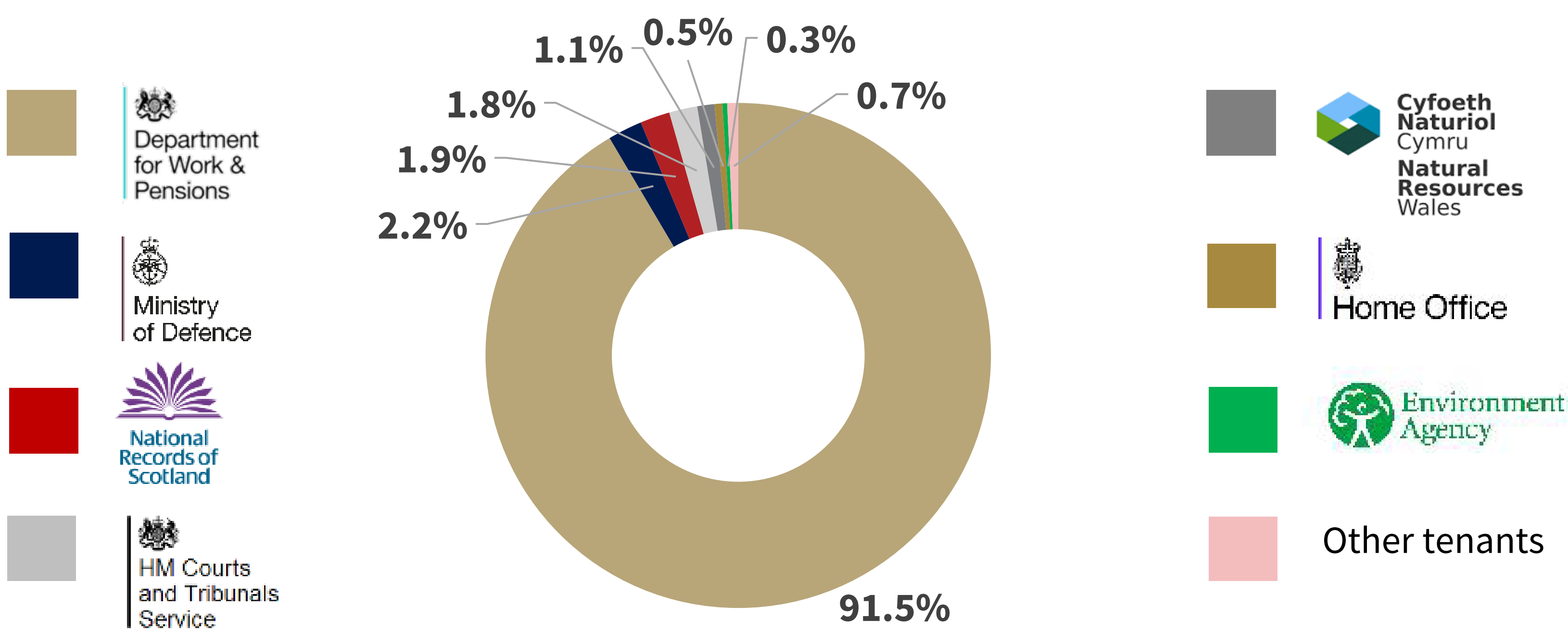
Notes:

1. Discrepancies between the listed figures and totals thereof are due to rounding.
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.

Strong Underlying Tenant Base

- Backed by AA-credit rated UK Government, with leases signed directly with the Secretary of State[(1)], providing credit stability and income certainty
- Consistent rental collection in advance since listing
  - 99.9% of rent for the period of three months to 30 September 2022 was collected in advance, within seven days of due date

Tenant Breakdown by Gross Rental Income[(2)]



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 30 June 2022.

Geographically Diversified Portfolio

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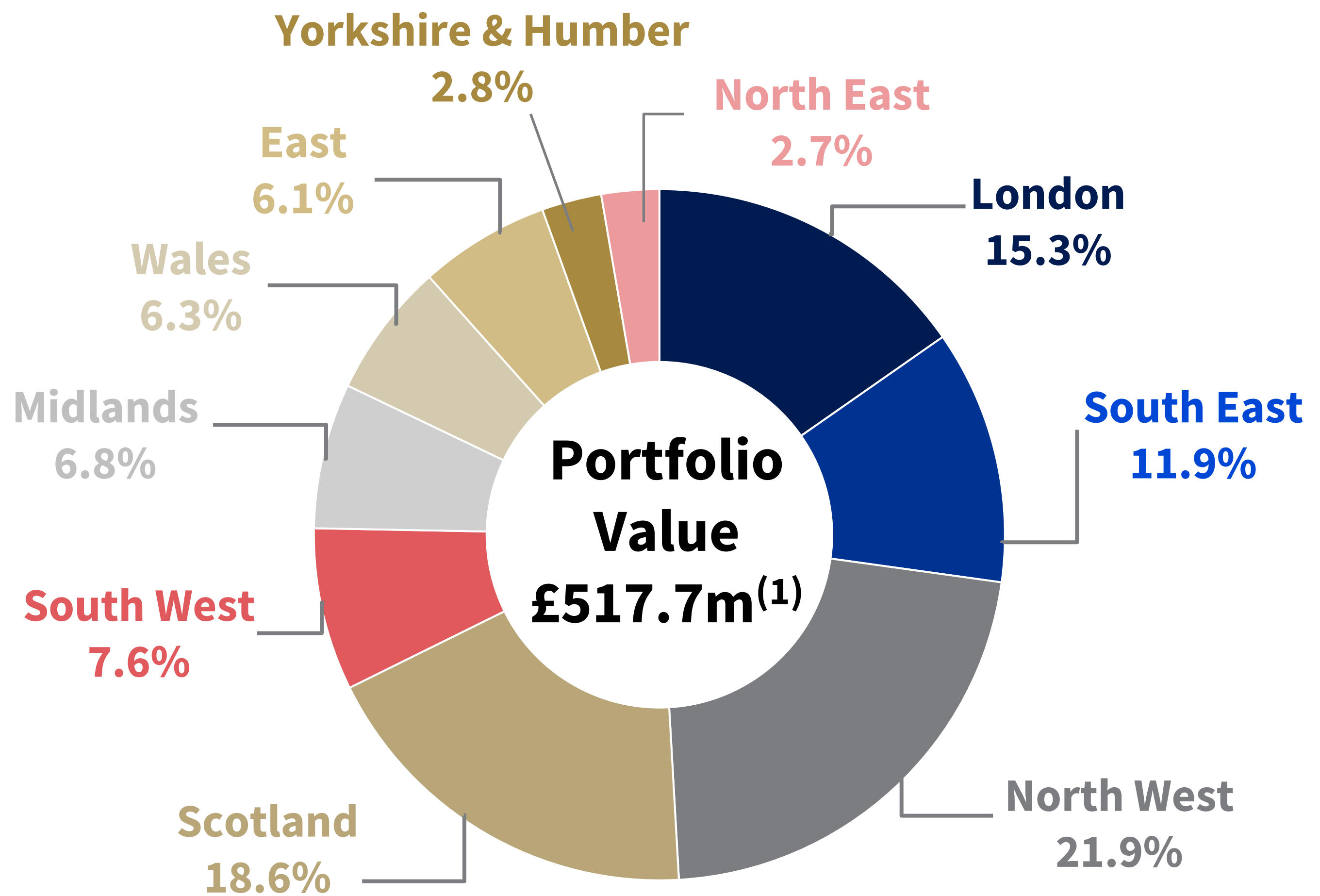
A network of social infrastructure assets strategically located across the UK covering regional cities, providing a strong base of assets

Geographical Breakdown by Valuation[1]



Note:
1. As at 30 June 2022. The valuer's opinion of value has reflected the £7.3 million of sustainability contribution made in 2Q 2022.

Proactive Asset Management

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Regular and active engagements with current and potential occupiers

Property Updates

Leases pertaining to DWP

- The Manager has received the notice to exercise the lease break option for Lindsay House, Dundee, the sole balance DWP-occupied asset that was pending an outcome following the Lease Re-gearing exercise
- The asset will be actively marketed to potential occupiers, with potential alternative uses being considered

Leases pertaining to non-DWP occupiers

- The Manager has received the notice to exercise the lease break option for Ladywell House, Edinburgh, currently occupied by the National Records of Scotland
- Proactive tenant engagement is ongoing to maximise space use and derive the best outcome from active asset management and will update the market in due course

Lease Renewal and Restructuring

- The Manager has renewed and restructured the leases for two retail tenants at The Forum, Stevenage, aligning lease expiries closer to DWP's expiry in 2028
- One was renewed with a rental uplift of 4.6% and another had a mutual lease break moved to 2028, allowing for flexibility of dealing with the asset as a whole in 2028


Lindsay House, Dundee

Ladywell House, Dundee

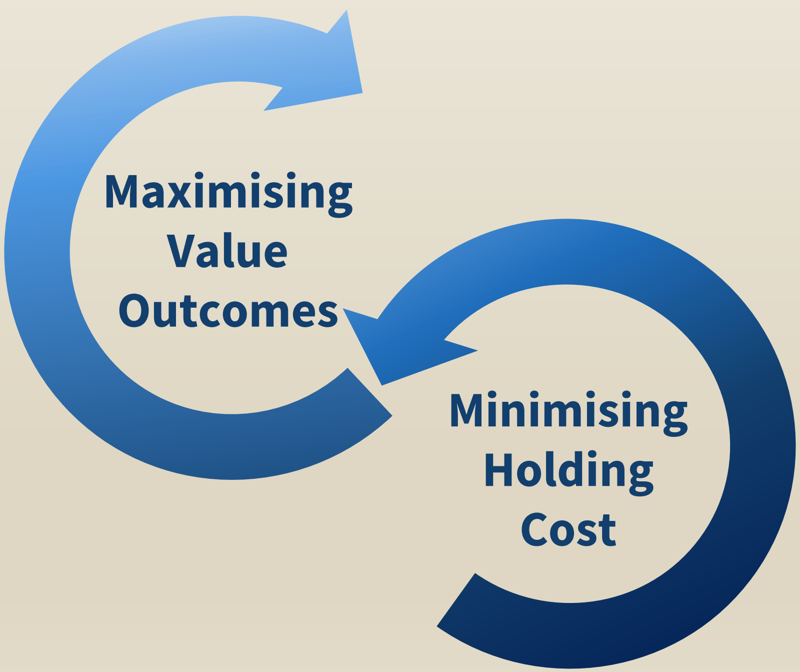
Value Maximising Potential

- Assets are strategically located primarily in town centres, close to transportation nodes and amenities
- Various potential alternative uses are available for the assets, depending on the real estate market conditions and economic dynamics of the submarkets

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



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Section IV

Sustainability Efforts

Crown House, Grantham

‘Greening’ the Portfolio

Asset enhancement works to boost energy efficiency of buildings

Commitment to Sustainability

The Manager has made the first tranche of sustainability contribution amounting to £7.3 million to the Department for Work and Pensions (“**DWP**”), as part of the sustainability collaboration with the DWP to ‘green’ DWP-occupied assets

Driving Sustainable Value for the Long Term

Sustainability enhancement works on various DWP-occupied properties across the REIT’s portfolio have been planned so far to optimise energy use

Examples of works being planned include:

- ✓ Replacement of existing variable refrigerant system and to expand the use of the variable refrigerant system
- ✓ Replacement of gas- or oil-fueled boilers with new, higher efficiency or non-carbon-based heating system solution
- ✓ Replacement of air-conditioning system with variable refrigerant system
- ✓ Replacement of air handling unit (“**AHU**”) including direct expansion cooling, modifications to existing ductwork and replacement of Building Management System (“**BMS**”)
- ✓ Roofing replacement projects

High Road, Ilford

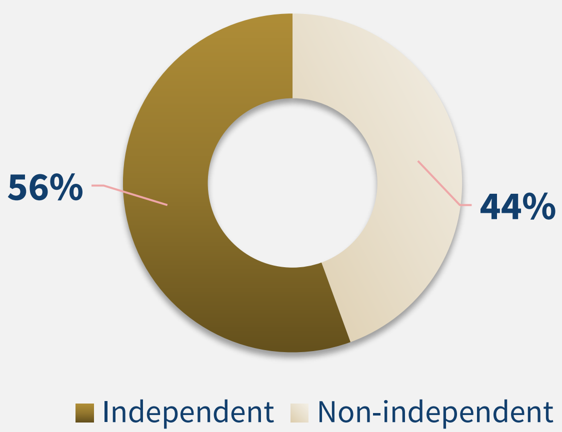
Glasgow Benefits Centre, Glasgow

Upper Huntbach Street, Stoke-On-Trent

Anchored by Strong Governance

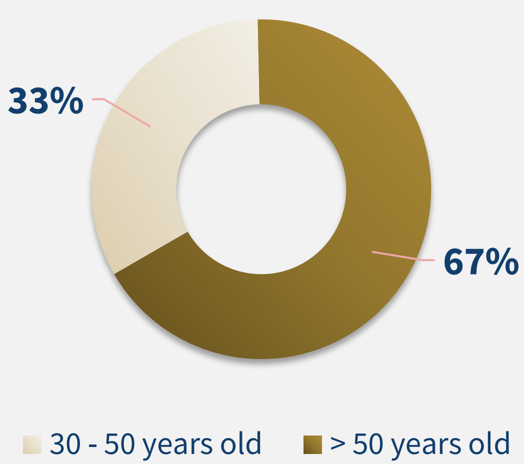
In driving sustainable value and performance

Board Independence



- 9 Board Members
- Chairman of the Board is an Independent Director and also chairs the Sustainability Committee
- 55.6% of the Board are Independent Directors
- All members of the Audit and Risk Committee (“**ARC**”), including the Chairman of the ARC, are Independent Directors
- Chairman of the Nominating and Remuneration Committee (“**NRC**”) is an Independent Director

Board Age Composition



Sustainability Governance Structure

**Members include representatives from across the business functions: Investor Relations, Asset Management, Finance and Compliance.*

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Section V

Strategy and Outlook

Tannery House, Alfreton

Market Outlook

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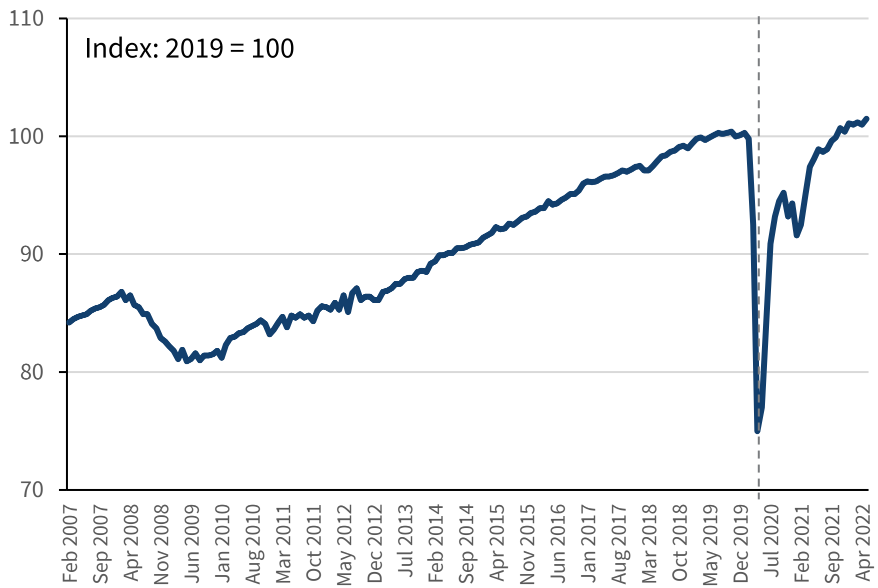
UK economy grew above its pre-pandemic level

Economy

- UK GDP rose by 0.5% in May 2022 and is now estimated to be 1.7% above its pre-pandemic level in February 2020. All main sectors contributed positively to growth in May 2022
- UK GDP growth was expected to slow sharply over the first half of the forecast period, reflecting significant adverse impact of the sharp rises in global energy and tradable goods prices on most UK households' real incomes and many UK companies' profit margins

Monthly estimate of UK GDP



Inflation

- Consumer Prices Index ("**CPI**") rose by 9.4% in the 12 months to June 2022, up from 9.1% in May. This is the highest 12-month CPI inflation rate in the National Statistics series, which began in January 1997
- Inflation is expected to rise to slightly above 11% in October, reflecting higher projected household energy prices following a prospective additional large increase in the energy regulator Ofgem's price cap
- However, upward pressures on inflation are expected to dissipate over time, reflecting the stabilisation of commodity prices and other tradeable goods as well as the combined impact of weaker real incomes and tighter monetary policy on domestic demand

Interest Rate

- The Bank of England Monetary Policy Committee ("**MPC**") voted by a majority at the June 2022 meeting to increase Bank Rate by a further 0.25 percentage points to 1.25%
- The MPC will take the actions necessary to return inflation to the 2% target sustainably in the medium term
- The scale, pace and timing of any further increases in Bank Rate will reflect MPC's assessment of the economic outlook and inflationary pressures

Sources: *Gov.UK, Office for National Statistics, Bank of England Monetary Policy Report, May 2022, Bank of England Monetary Policy Summary, June 2022.*

Hedge against rising inflation

ELITE COMMERCIAL REIT

1. **Lease stability & income visibility**
   Removal of lease break options from 109 assets in the portfolio

2. **All leases are on full repairing and insuring (FRI) basis**
   Responsibility for repair and maintenance is placed with the tenant

3. **In-built inflation-linked rental growth**
   Compounded yearly with an annual floor and cap of 1% and 5%, uplift in April 2023

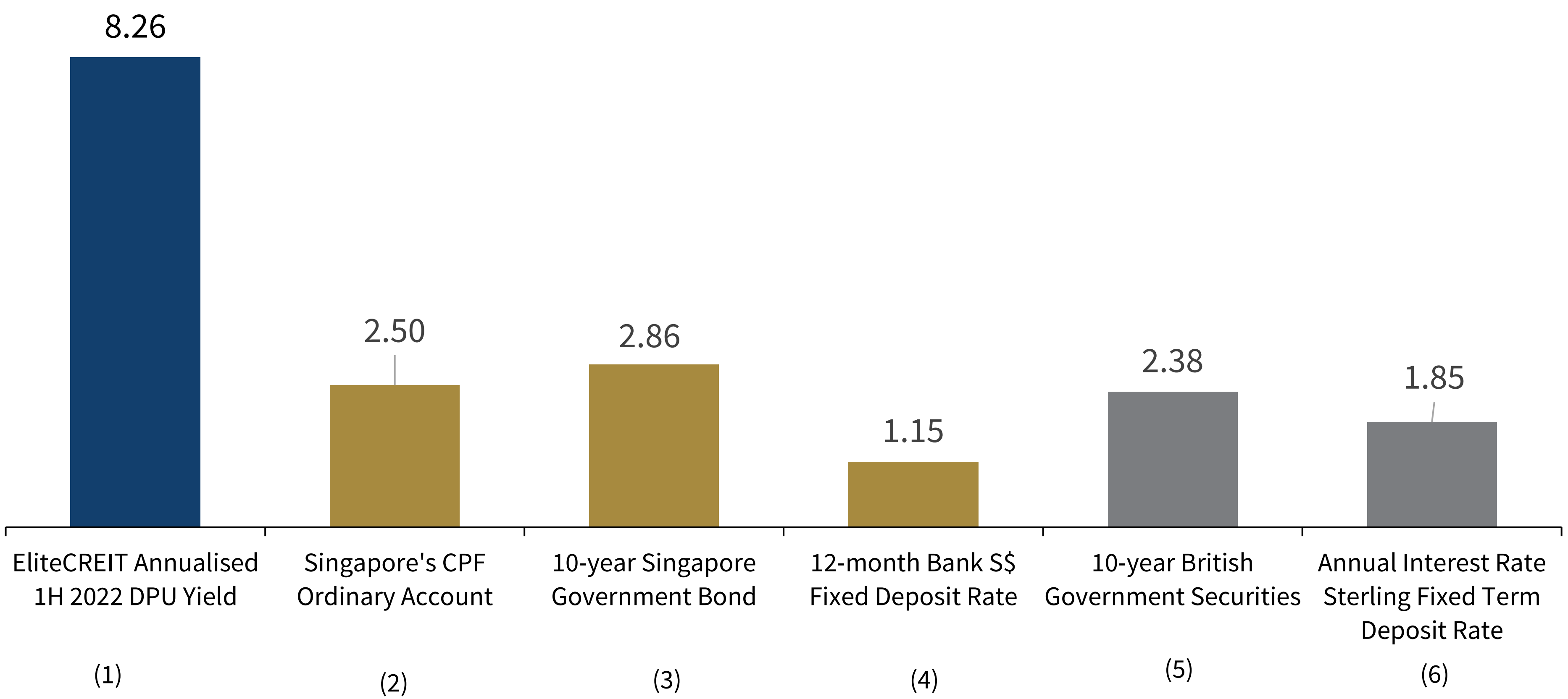
4. **Naturally hedged against forex fluctuations**
   Assets and liabilities as well as distributions are denominated in GBP

5. **Largely insulated from interest rate hikes**
   About 63% of interest rate exposure is fixed

6. **Secured distributions**
   Consistently achieved ~100% of rental collection in advance since listing

Attractive and Defensive Yield

Resilient portfolio that continues to perform throughout economic cycles



Notes:

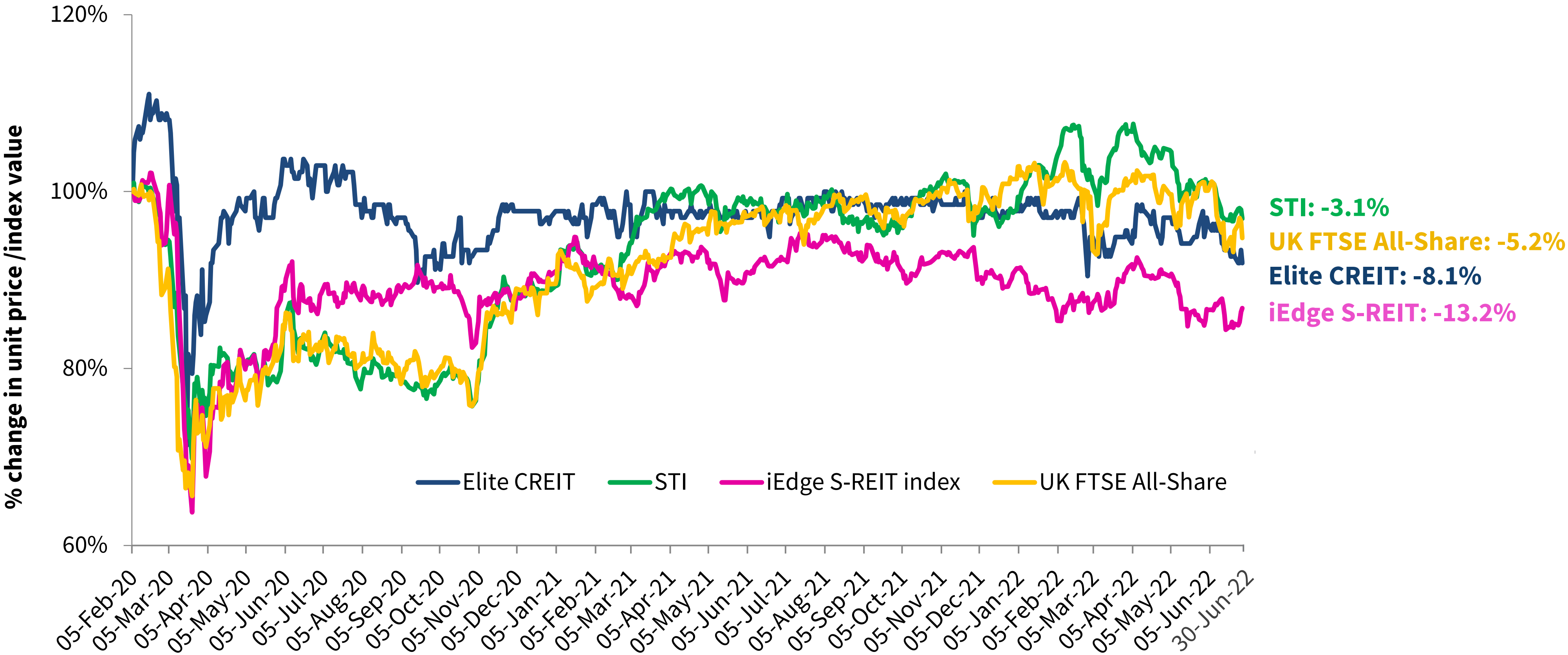
1. Based on Elite Commercial REIT's closing price of £0.625 per unit as at 30 June 2022 and annualised 1H 2022 DPU.
2. Based on interest paid on Central Provident Fund ("**CPF**") ordinary account in June 2022 (Source: CPF website).
3. As at 30 June 2022 (Source: Singapore Government Securities website).
4. As at 22 July 2022, for deposits below S$20,000. For deposits S$20,000 and above, the fixed deposit rate is 0.05%. (Source: DBS website).
5. As at 30 June 2022. Monthly average yield from British Government Securities, 10-year Nominal Par Yield (Source: Bank of England website).
6. As at 22 July 2022 (Source: Llyods Bank International website).

Resilience amidst Adversity

Outperforming the wider industry benchmark amid macroeconomic and geopolitical uncertainties

Relative unit price performance of Elite Commercial REIT against indices[1]

(From Listing to 30 June 2022)



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.

Value Creation Strategies

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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

High Road, Ilford

Holborn House, Derby

Glasgow Benefits Centre, Glasgow

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Thank You

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Section VI

Additional Information

Tannery House, Alfreton

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

Key Milestones Since Listing

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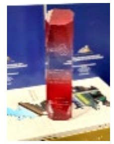
2022

- **DEC** – Inclusion into SGX Fast Track Programme
- **FEB** – FY 2021 results: DPU exceeded projection by 11.3%
- **FEB** – Won Excellence in Tax Management and Optimisation at FutureCFO Excellence Awards 2022



- **FEB-MAR** – Landmark Lease Re-gearing & first Sustainability Collaboration
- **APR** – Publication of inaugural Sustainability Report

- **MAY** – Annual Report 2021 won global Hermes Creative Awards 2021
- **AUG** – 1H 2022 results: Distributable income grew 9.7%
- **AUG** – Mid-year valuation rises 3.5% to £517.7m

2021

- **NOV** – Ranked joint 6th out of 45 REITs and Business Trusts in its debut on the Governance Index for Trusts 2021
- **OCT** – Maybank Kim Eng initiated unrated report
- **AUG** – Completed technical listing of ECHL on TISE; UK entities qualified as a UK REIT group
- **AUG** – Inaugural Annual Report won a Bronze in global ARC Awards 2021
- **AUG** – 1H 2021 results: DPU exceeded projection by 8.7%
- **JUL** – DBS initiated coverage
- **MAY** – One of RHB 20 Jewels' Top 20 Small Cap Companies

- **FEB** – Completed £212.5mil maiden acquisition

- **FEB** – FY 2020 results: Full year DPU surpassed forecast by 2.3%

2020

- **FEB** – Listed on SGX on 6 Feb 2020
- **FEB** – Singapore public offer was 8.3x subscribed
- **MAR** – UBS initiated coverage
- **MAY** – UOB Kay Hian initiated coverage
- **JUN** – CGS-CIMB initiated coverage
- **JUL** – 1H 2020 results: DPU exceeded forecast by 1.0%

Crucial Public Infrastructure

Primary occupier is Department for Work & Pensions (“DWP”)

UK’s Largest Public Service Department

- Responsible for welfare, pensions and child maintenance policy
- While the DWP no longer hold a complete count of the number of claimants across the Great Britain following the devolution of social security benefits to the Scottish Government[1], **£217 billion** was paid out in benefits and pensions for the year ended 31 March 2022[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

Strategically Located Assets

- Functional buildings located strategically in town and city centres near transportation nodes and amenities to enable the REIT’s primary occupier to better serve the community

Notes:

1. “National Statistics, DWP benefits statistics: May 2022”, Gov.UK, 17 May 2022.
2. “Corporate report, DWP Annual Report & Accounts 2021 to 2022”, Gov.UK, 28 July 2022.
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

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Front of house – primarily Jobcentre Plus and other ancillary services

Front of House[1]
85.5%[2]

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***

- 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
14.5%[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 as at 30 June 2022.

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

Sustainability Collaboration

Integration of sustainability considerations into overall strategy

ELITE COMMERCIAL REIT

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

Department for Work & Pensions | Ministry of Defence

Key terms of the collaboration

1 Sustainability Contribution

Notwithstanding the FRI[1] leases, the REIT commits to invest an aggregate of ~£14.8 million[2] 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[3] 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[4]

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.
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.

Energy Performance Certificates

Regulatory requirements

For England and Wales[1]

- The current minimum Energy Performance of Buildings for non-domestic private rented property[2] 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[1]

- 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.)