

**ELITE UK REIT REPORTS DPU OF 1.40 PENCE<sup>1</sup> FOR 1H 2024;  
SUCCESSFULLY REFINANCED ALL DEBT AS SUSTAINABILITY-LINKED LOAN  
FACILITIES WITH NO REFINANCING UNTIL 2027;  
JUNE 2024 PORTFOLIO VALUATIONS HIGHER BY 0.6%**

- **Successfully completed refinancing for all debts due between 2024 and 2026 with no further refinancing requirements until 2027**
- **Portfolio value as at 30 June 2024 rose by 0.6% to £415 million as compared to valuations as at 31 December 2023**
- **Positive asset management outcomes with ~30% rental reversion for lease renewal at Dallas Court, Salford<sup>2</sup>, negotiations on dilapidation settlements for three assets concluded and offers received for three vacant properties**
- **£215 million sustainability-linked loan facilities with interest-savings as Elite UK REIT improves the energy performance of its asset portfolio**
- **Distributions per Unit (“DPU”) for 1H 2024 is 1.40<sup>1</sup> pence**

**Summary of Financial Results**

	1H 2024 (£'000)	1H 2023 (£'000)	Variance (%)
<b>Revenue<sup>(3)</sup></b>	18,612	18,730	(0.6)
<b>Net Property Income<sup>(3)</sup></b>	18,732	19,629	(4.7)
<b>Amount generated during the period for distribution to Unitholders</b>	9,183	9,340	(1.7)
<b>Distribution per Unit<sup>(1)</sup> – pence</b>	1.40	1.74	(19.5)
<b>Adjusted DPU – pence</b>	1.40	1.43 <sup>(4)</sup>	(2.1)

<sup>1</sup> Based on 90% payout ratio. At 100% payout ratio, the DPU in respect of 1H 2024 and 1H 2023 are 1.56 pence and 1.94 pence respectively.

<sup>2</sup> Lease renewal for 10 years commencing in June 2024 and maturing in June 2034.

<sup>3</sup> Excludes the effect of straight-line rent adjustments.

<sup>4</sup> Adjusted 1H 2023 DPU based on units in issue of 587.1m as of 30 June 2024.

**SINGAPORE, 7 August 2024** – Elite UK REIT Management Pte. Ltd., the manager (the “**Manager**”) of Elite UK REIT, today announced Elite UK REIT’s financial results for the six months ended 30 June 2024 (“**1H 2024**”).

### **Resilient Financial Performance**

Elite UK REIT’s portfolio generated a total of £18.6 million of revenue in 1H 2024, about 0.6% lower year-on-year, mainly due to lower asset base as compared with 1H 2023, offset by rent escalations in April 2023. Net property income and the amount generated during the period for distribution to Unitholders in 1H 2024 was £18.7 million and £9.2 million respectively, about 4.7% and 1.7% lower year-on-year, mainly due to the increase in vacancy holding costs due to timing.

With an enlarged equity base following its £28.0 million preferential offering that concluded on 18 January 2024, Elite UK REIT reported 1H 2024 DPU of 1.40 pence<sup>1</sup>. Based on the closing unit price of £0.24, the annualised dividend yield<sup>5</sup> is 11.7%. Net asset value (“**NAV**”) per unit came in at £0.41 as at 30 June 2024.

When adjusted based on 1H 2024 number of units in issue of 587.1 million units as of 30 June 2024 for a like-for-like comparison, 1H 2023 DPU would come in at 1.43 pence, 2.1% lower compared to 1H 2024’s DPU.

### **Strengthened Capital Structure through Strategic Debt Refinancing**

As at 30 June 2024, Elite UK REIT’s net gearing ratio<sup>6</sup> stood at 41.4% and debt headroom increased to £57.9 million<sup>7</sup>. As at 30 June 2024, approximately 63% of Elite UK REIT’s borrowings are hedged on fixed interest rates and interest coverage ratio remains healthy at 3.0 times.

In July 2024, Elite UK REIT secured £215 million of sustainability-linked term and revolving loan facilities from a diverse group of relationship banks, extended via their UK and Asia-based units, to refinance all of Elite UK REIT’s loan facilities due

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<sup>5</sup> Based on the closing unit price of £0.24 as at 28 June 2024 and annualised 1H 2024 DPU of 1.40 pence at 90% payout ratio.

<sup>6</sup> Net gearing is calculated as aggregate debt less cash over total assets less cash. Aggregate Leverage calculated as per the Property Funds Appendix would be 43.4% as at 30 June 2024.

<sup>7</sup> Based on gearing limit of 50%.

between 2024 and 2026. The loan facilities include two-year extension options which will provide flexibility to Elite UK REIT in managing its debt maturity profile beyond the initial term of 39 months. With refinancing completed ahead of maturities, there will be no further refinancing requirements until 2027, providing stability and credit certainty to Elite UK REIT.

Elite UK REIT will also enjoy potential savings in borrowing costs as it achieves its sustainability target to improve the energy performance of its asset portfolio. Through this strategic debt refinancing exercise, 100% of Elite UK REIT's debt will now be financed through sustainable financing.

### **Higher Portfolio Valuations at Mid-Year**

Elite UK REIT's portfolio of 150 properties were independently valued at about £415.0 million as on 30 June 2024, about 0.6% or £2.5 million higher than the portfolio valuation of £412.5 million as on 31 December 2023. The valuation uplift is attributed to positive leasing activity, inclusive of a renewal at about 30% rental reversion as well as better ongoing letting prospects and land value at the Peel Park site in Blackpool.

**Mr. Joshua Liaw, Chief Executive Officer of the Manager**, said: "The past year has been a year of building resilience and transformation. We started 2024 with a mission to strengthen Elite UK REIT's capital structure through the strategically important step of raising £28 million via a preferential offering which was well-supported by unitholders and our Sponsors. Using the proceeds from fundraising and capital recycling, we reduced our borrowings by £38 million and lowered our gearing to 41.4%. We followed up with the refinancing of all debt for Elite UK REIT.

"I am heartened to report that our portfolio valuations rose by 0.6% for the first half of 2024. 1H 2024 distributable income has stabilised, buttressed by rental escalations from lease re-gearing and cost savings from lower debt.

"Apart from the capital structure, also high on my priority list is to manage Elite UK REIT's assets well. I am pleased that dilapidation settlements have been substantially

concluded and we are making progress on long-term plans for the vacant assets. Earlier this year, we expanded our investment strategy to capture new opportunities with a focus on the Living Sector which benefits from favourable supply-demand dynamics and potential for rent growth. Our geographically diversified assets in accessible locations are suitable for conversion into student housing or build-to-rent residential assets, which will help with the national homebuilding agenda in the UK.

“Early dialogues have also started with the aim to renew or extend leases beyond 2028 expiry. The recent changes to the UK political landscape could bode well for us as our assets continue to be relevant as critical social infrastructure in serving the local communities.”

### **Positive Asset Management Outcomes**

The Manager secured a lease renewal for Dallas Court, Salford, with a 30% rental reversion for the next 10 years<sup>8</sup>, pushing out lease expiry to June 2034. Meanwhile, the lease for Newport Road, Cardiff has been extended to March 2025. Following these developments, the Manager has dealt with all lease expiries in FY2024 and continues to pursue proactive asset management and active tenant engagement.

Building on strong relationships with the occupiers and tenants, the Manager has commenced early dialogue with Elite UK REIT’s key occupier and other tenants to extend and diversify leases expiring in March 2028.

Negotiations on dilapidation settlements have also been concluded with the outgoing tenants on three assets. In addition, the Manager has received offers for three vacant assets at favourable valuations. More information will be provided in due course when the transactions are completed.

As at 30 June 2024, Elite UK REIT’s portfolio occupancy remains stable at 92.3%, with a weighted average lease expiry (“**WALE**”) of 3.8 years. The Manager continues to

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<sup>8</sup> Lease renewal for 10 years commencing in June 2024 and maturing in June 2034.

consistently collect in advance 100% of rent for the period of three months to September 2024.

### **Brightening Market Outlook**

The Labour Party, which won the 2024 General Elections in July, has outlined its key priorities for the next five years, one of which is to boost growth through a planning system reform to allow for more homebuilding and infrastructure projects. It also plans to restructure employment support, which includes bringing Jobcentre Plus and the National Careers Service together to help people get employment.

The Manager expects its primary occupier, the Department for Work and Pensions (“DWP”), to continue to play a key role in delivering essential public services to the community. Elite UK REIT’s portfolio of assets serve as critical social infrastructure that support the DWP in executing the UK’s welfare, pensions and child maintenance policy, as well as in administering the state pension and a range of working age, disability and ill health benefits. Nearly 90% of Elite UK REIT’s assets are used as public-facing Jobcentre Plus to serve the local communities, especially those who need financial assistance and career guidance.

The Manager is expected to continue providing a stable income to its Unitholders as it continues to collect 100% of its rent a quarter in advance, with its fit-for-purpose portfolio of assets, with all leases on a triple net basis<sup>9</sup> and supported by a stable government-backed income stream with AA-rated sovereign credit strength.

– End –

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<sup>9</sup> Known as a full repairing and insuring 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 for occupied assets.



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**About Elite UK REIT**

Elite UK REIT is a Singapore real estate investment trust established with the investment strategy of principally investing, directly or indirectly, in real estate and real estate-related assets in the United Kingdom (“**UK**”). Elite UK REIT is the only UK REIT listed in Pound sterling on the Singapore Exchange.

Elite UK REIT’s portfolio (“**Portfolio**”) comprises mostly freehold properties strategically located mainly in town centres, near amenities and transportation nodes. The Portfolio offers a government-backed income stream with over 99% of the gross rental income derived from the UK Government. The leases are on triple net basis<sup>9</sup> and Elite UK REIT is one of the largest providers of critical social infrastructure to the Department for Work and Pensions (“**DWP**”) and other UK Government departments. DWP is the UK’s largest public service department that is responsible for welfare, pensions and child maintenance policy, serving over 20 million claimants and customers.

Elite UK REIT’s key objectives are to provide Unitholders with regular and stable distributions and to achieve long-term growth in distribution and net asset value per unit, while maintaining an optimal capital structure through disciplined execution of its key strategies.



For more information, please visit

<https://www.eliteukreit.com/>



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