

Results Presentation for FY 2021

21 February 2022

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II. FY 2021 Financial Highlights



III. FY 2021 Portfolio Highlights



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V. Appendix



Section I

About Elite Commercial REIT



Nutwood House, Canterbury

First & Only UK-Focused S-REIT

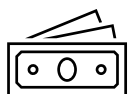
Over 99% Leased to the AA-rated UK Government⁽¹⁾



£500.1m⁽²⁾
Portfolio value



155
Office Assets



AA-rated
UK Government
credit rating



97%
Freehold⁽³⁾



Triple Net
Full Repairing &
Insuring Leases⁽⁴⁾



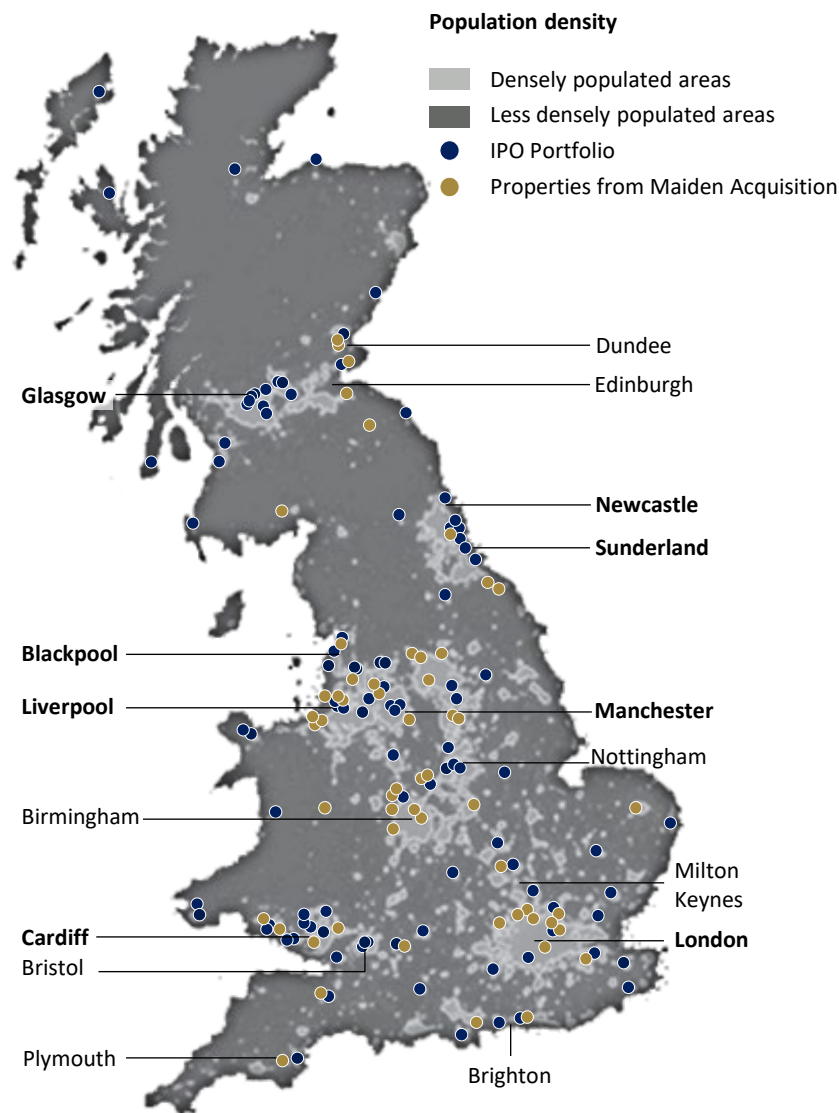
Every 5 years
Built in Inflation-
linked Rent Uplift⁽⁵⁾

Notes:

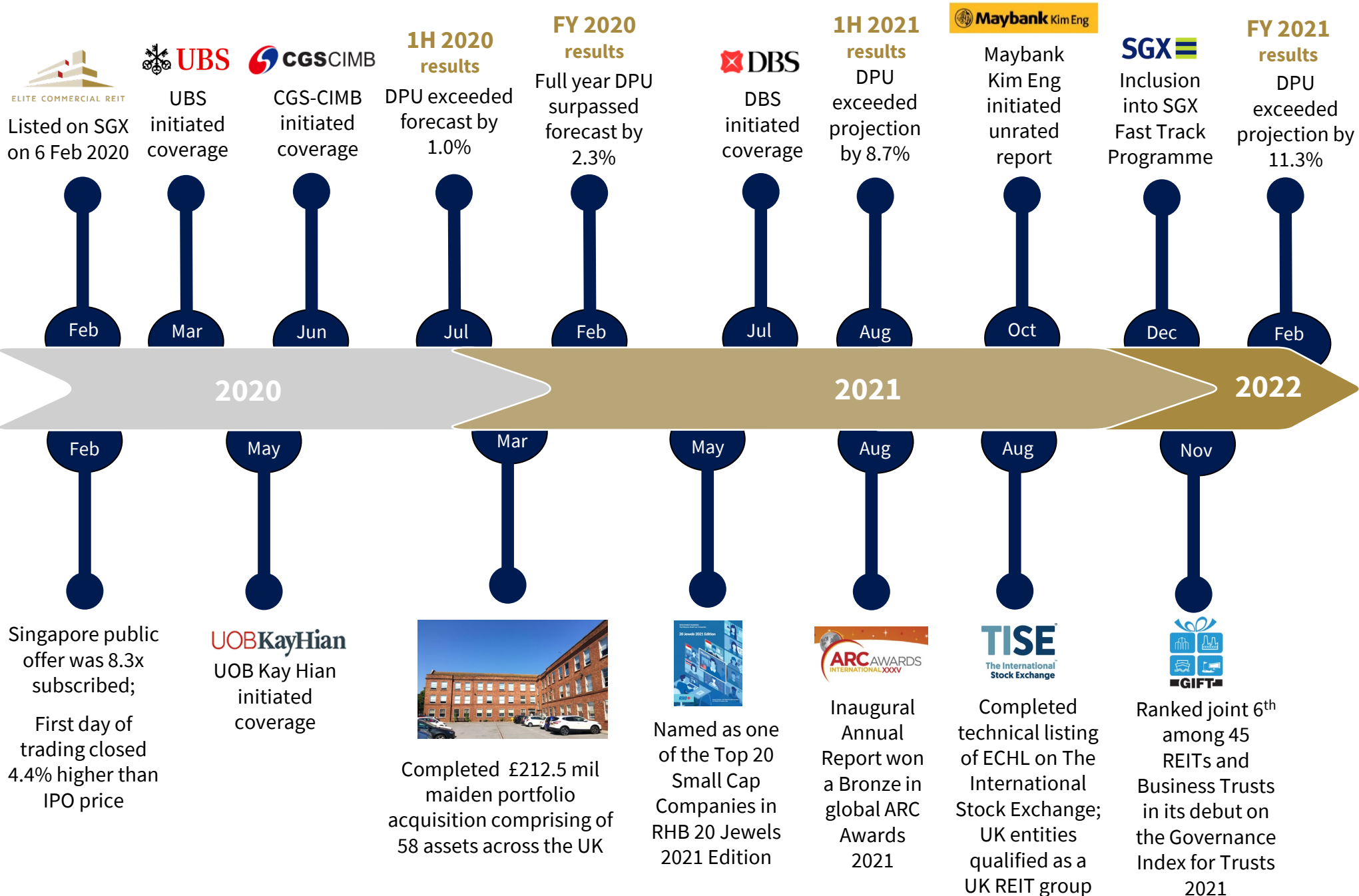
1. Majority of the leases are signed by the Secretary of State for Levelling Up, Housing and Communities (formerly known as the Secretary of State for Housing, Communities and Local Government), which is a Crown Body.
2. As at 31 December 2021.
3. 150 properties are on freehold tenures and 5 properties are on long leasehold tenures.
4. The 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.
5. A small proportion of the portfolio has rental review based on open market rental value.

Geographically Diversified

A network of well-located assets across the UK



Key Milestones Since Listing



Section II

FY 2021 Financial Highlights



Nutwood House, Canterbury

FY 2021 DPU Exceeded Projection

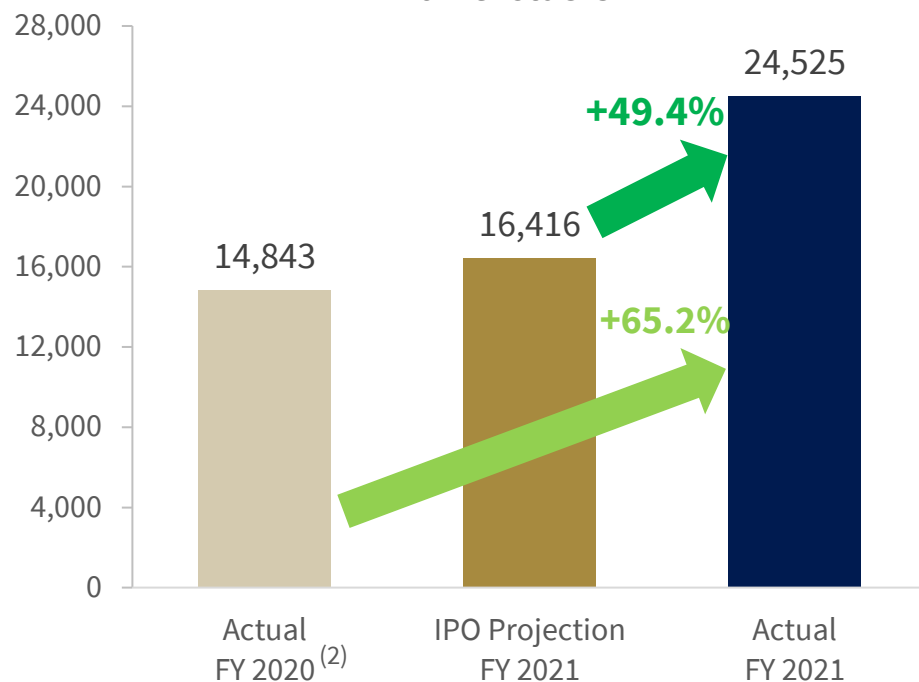
Consistently delivering on IPO promises



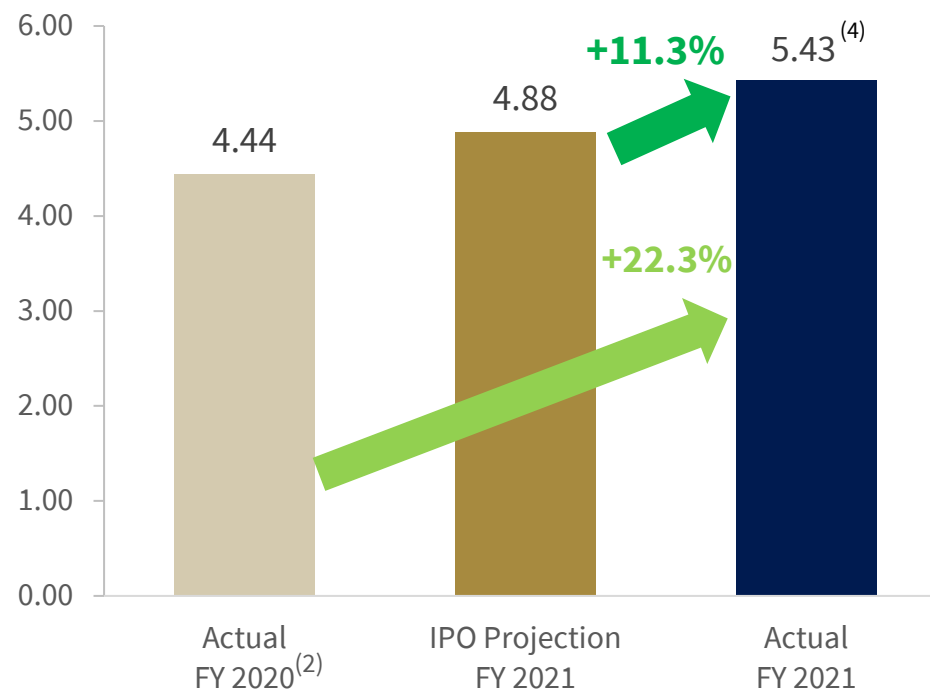
Outperformance over IPO Projection⁽¹⁾ and Actual FY 2020⁽²⁾

Boosted by **contribution** from newly acquired portfolio⁽³⁾

Income available for distribution to unitholders



Distribution per unit (pence)



Notes:

1. IPO Projection for FY 2021 refers to the profit projection for the period from 1 January 2021 to 31 December 2021. The projection figures were derived by pro-rating the financials of IPO Projection Year 2021 as disclosed in the Prospectus.
2. Actual FY 2020 refers to the financial period from listing date of 6 February 2020 to 31 December 2020.
3. The portfolio of 58 properties acquired on 9 March 2021 contributes approximately £11.4million to the topline revenue for FY 2021.
4. The DPU of 5.43 pence includes the advanced distribution of 0.90 pence per Unit for the period from 1 January 2021 to 8 March 2021 that was paid on 15 April 2021.

Stable cashflow with income visibility

FY 2021 Key Highlights



Sound Financials

1

Proactive capital deployment

Proceeds from maiden Dividend Reinvestment Plan (DRP) used to partially retire some loans

2

Stable financial position

Gearing ratio remains stable at 42.4% as at 31 Dec 2021; Interest coverage ratio (ICR) remains robust at 6.0x

3

Completion of TISE listing

UK entities joined UK REIT regime on 26 Aug 2021, leading to tax savings and elimination of previously recognised deferred tax liabilities

4

Stable Net Asset Value

Net asset value per unit stood at £0.61 as at 31 Dec 2021

Resilient portfolio



1

Consistently strong rental collection since listing

Achieved ~99.9% advance rental collection for the period of three months to March 2022

2

Maiden acquisition of 58 properties

Portfolio size grew 60% and 39% in terms of number of properties and market capitalisation

3

Proactive asset management

- Positive outcome for leases with break options exercised such as a new five-year lease for East Street, Epsom, or rent review such as Dallas Court Units 1-2, Salford, both with a rental uplift
- Multiple options for Sidlaw House, Dundee and John Street, Sunderland, whose lease break options were exercised
- Proactive tenant engagement through ongoing regular active dialogues
- Boots-on-the-ground approach with management reinforcement in the UK

Financial Highlights – Actual vs Financial Year 2020

	2H 2021	2H 2020		FY 2021	FY 2020 ⁽¹⁾	
	Actual £'000	Actual £'000	Variance %	Actual £'000	Actual £'000	Variance %
Revenue	18,835 ⁽²⁾	11,647	▲ 61.7	34,731 ⁽²⁾	20,963	▲ 65.7
Amount available for distribution to Unitholders	13,364	8,342	▲ 60.2	24,525	14,843	▲ 65.2
Distribution per unit ("DPU") - pence	2.80	2.49	▲ 12.4	5.43	4.44	▲ 22.3

Notes:

1. Actual FY 2020 refers to the financial period from listing date of 6 February 2020 to 31 December 2020. 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. The portfolio of 58 properties acquired on 9 March 2021 contributes approximately £7.1million and £11.4million to the topline revenue for 2H 2021 and FY 2021 respectively.

Financial Highlights – Actual vs IPO Projections

	FY 2021		
	Actual £'000	Projection ⁽¹⁾ £'000	Variance %
Revenue	34,731 ⁽²⁾	23,274	▲ 49.2
Amount generated during the period for distribution to Unitholders	24,525	16,416	▲ 49.4
Distribution per unit (“ DPU ”) - pence	5.43	4.88	▲ 11.3

Notes:

1. IPO Projection for FY 2021 refers to the profit projection for the period from 1 January 2021 to 31 December 2021, as disclosed in the Prospectus.
2. The portfolio of 58 properties acquired on 9 March 2021 contributes approximately £11.4million to the topline revenue for FY 2021.

Healthy Balance Sheet

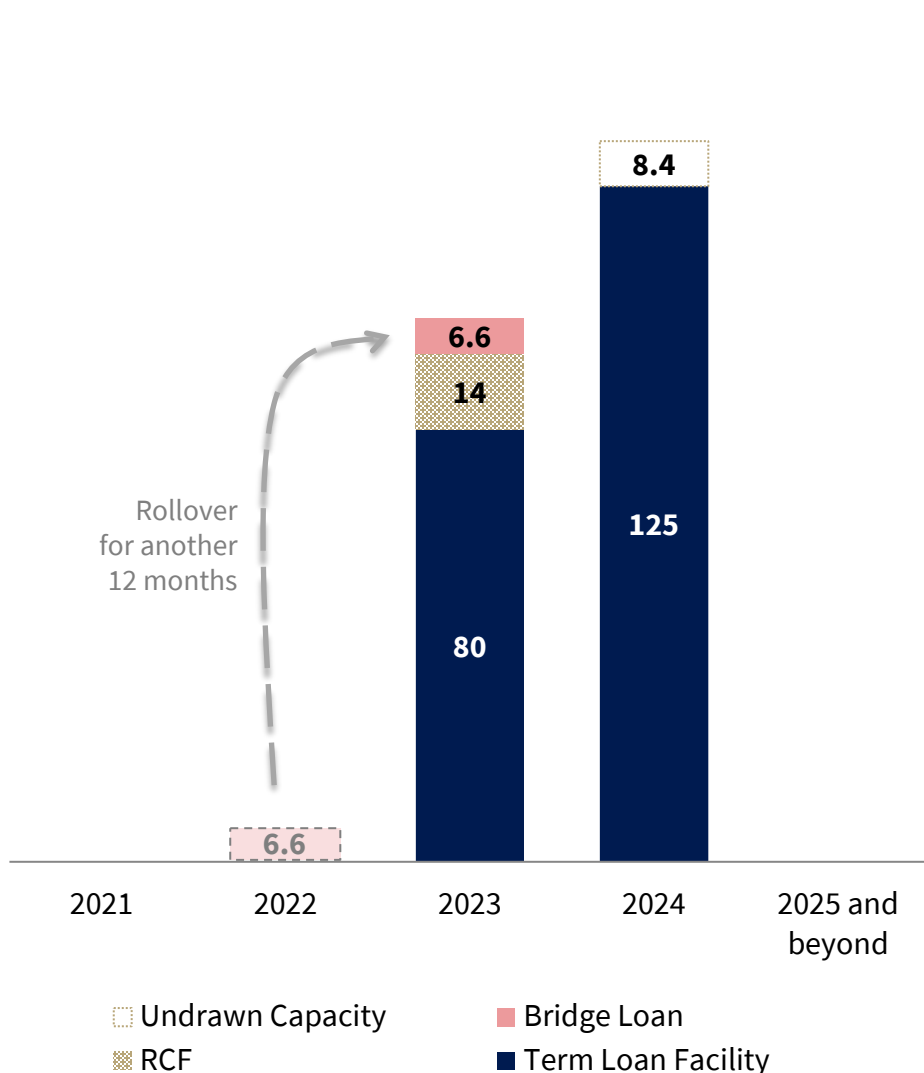
	31 Dec 2021 £'000
Non-current assets	501,855 ⁽¹⁾
Current assets	31,509
Total assets	533,364
Non-current liabilities	222,290
Current liabilities	22,055
Total liabilities	244,345
Net assets / Unitholders' funds	289,019
Units in issue and issuable ('000)	476,506
Net asset value per unit (£)	0.61

Note:

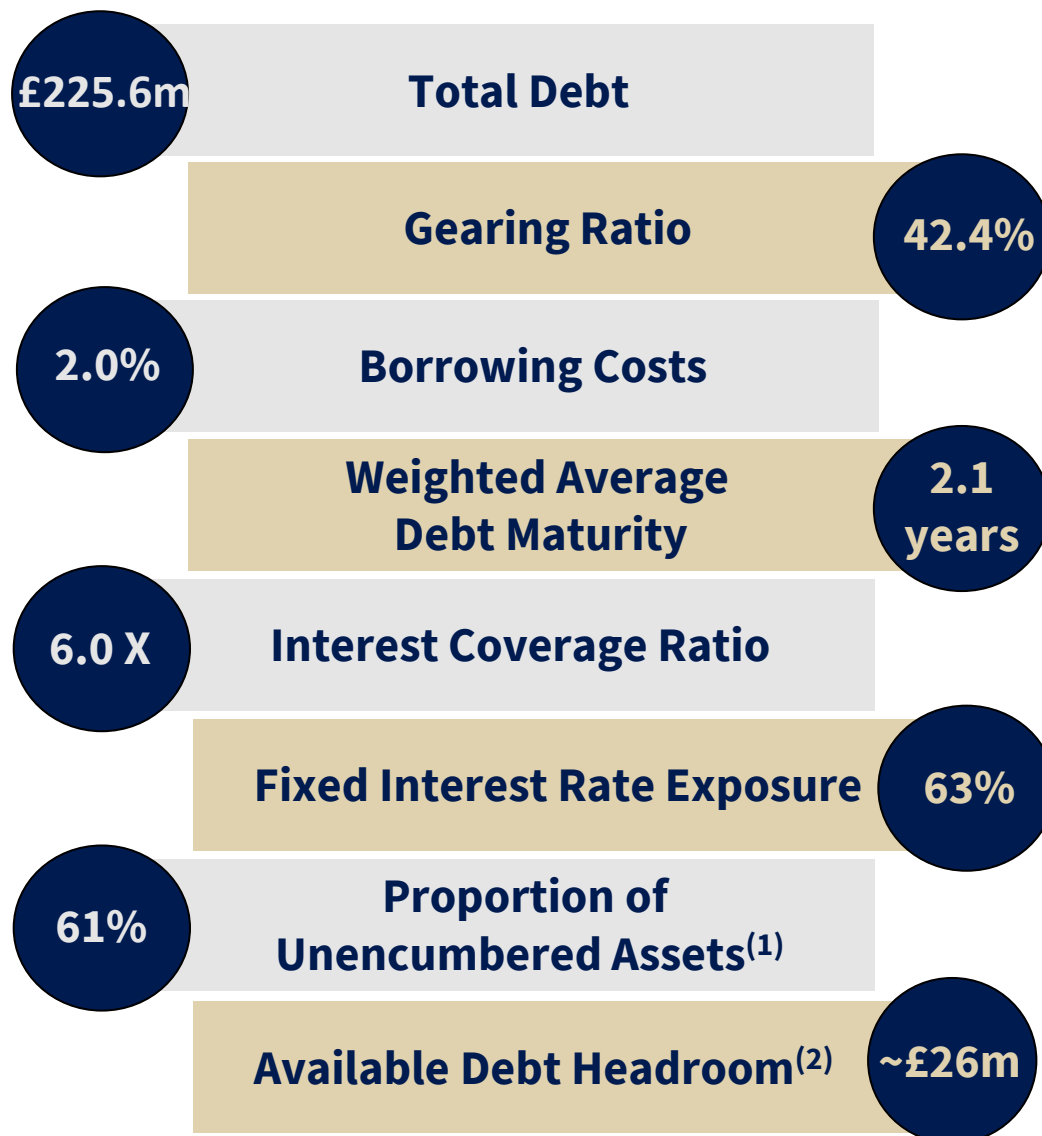
1. Non-current assets comprise mainly of investment properties, which are stated at their fair values as of 31 December 2021, based on independent professional valuations undertaken by Knight Frank LLP.

Prudent Capital Management

Debt Maturity Profile (£ m)



Credit Metrics



Notes:

1. Based on valuations; unencumbered assets refer to properties without land mortgages
2. Based on gearing ratio of 45%; available debt headroom is ~£81m based on gearing ratio of 50%

Section III

FY 2021 Portfolio Highlights



Nutwood House, Canterbury

Resilient Portfolio with Income Visibility

Assets stay relevant as utilisation by tenant remains high

Steady Portfolio Performance

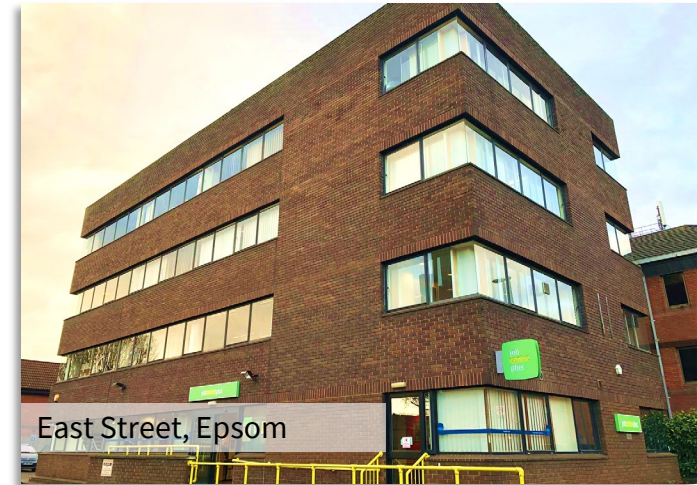
- **100% portfolio occupancy rate** as at 31 December 2021
- Long weighted average lease to expiry (WALE) of **6.0 years**

Consistent Rent Collection in Advance

- **Received in advance 99.9% of the rent** for the three-month period of January 2022 to March 2022, within seven days of the due date
- **Consistently** achieved ~100% of rent collection **in advance** since listing, amid Brexit and UK lockdowns

Lease Events

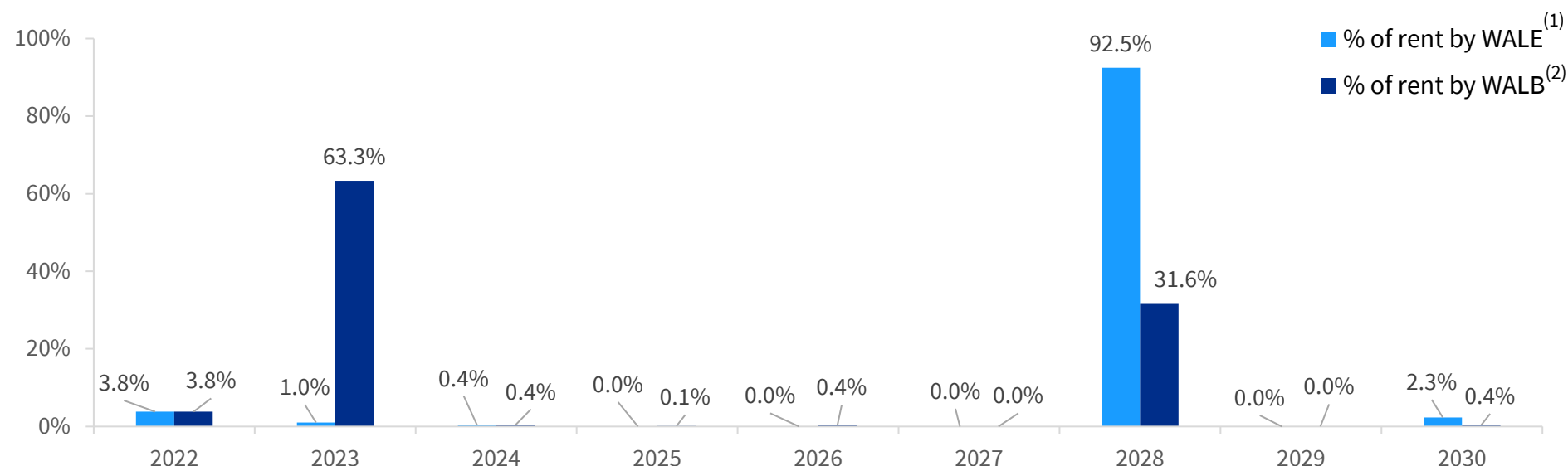
- **East Street, Epsom**
 - A new five-year lease for East Street, Epsom, with ~11% in rental uplift to start in April 2023 and a break option at year three
- **Sidlaw House, Dundee**
 - Lease break option has been exercised; Multiple options, including disposal, re-marketing or redevelopment of the site, are being evaluated



Resilient Portfolio and Income Visibility

Full occupancy, Long WALE of 6.0 years

Lease Expiry Profile as at 31 December 2021 (% of total portfolio rent)



Proactive asset management steps taken



Tenant Engagement

Regular active dialogue with tenants



Management Reinforcement

Additional boots on the ground



Data Collection & Analysis

Insight into utilisation of assets by tenants

Notes:

1. Percentage of rent by WALE (Weighted Average Lease to Expiry) – Based on the final termination date of the agreement (assuming the tenant does not terminate the lease on the permissible break dates)
2. Percentage of rent by WALB (Weighted Average Lease to Break) – Based on the next permissible break date at the tenant's election and pursuant to the lease agreement

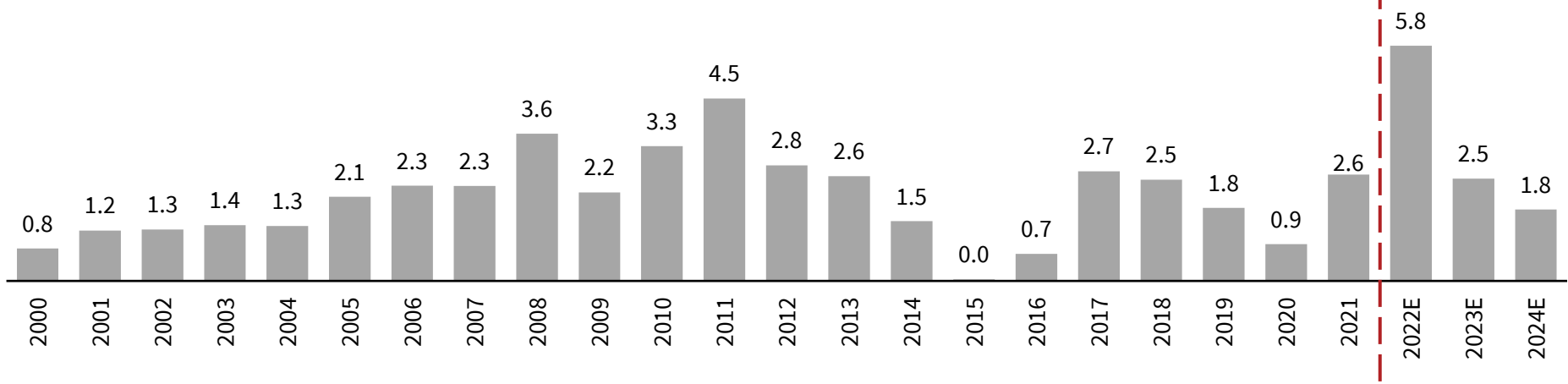
Built-in Rental Growth

Potential upside at upcoming rent review in 2023



ELITE COMMERCIAL REIT

UK Annual CPI inflation⁽¹⁾ (%)



Inflation-linked Escalation

- Despite increasing inflation rate in the UK, the built-in inflation-linked rental escalation clauses present potential upside at the upcoming rent review in the fifth year, with the new rental rates to start in April 2023
- The rental uplift is 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 February 2022.

Diversified and Resilient Tenant Mix

Multiple government agencies and across regions

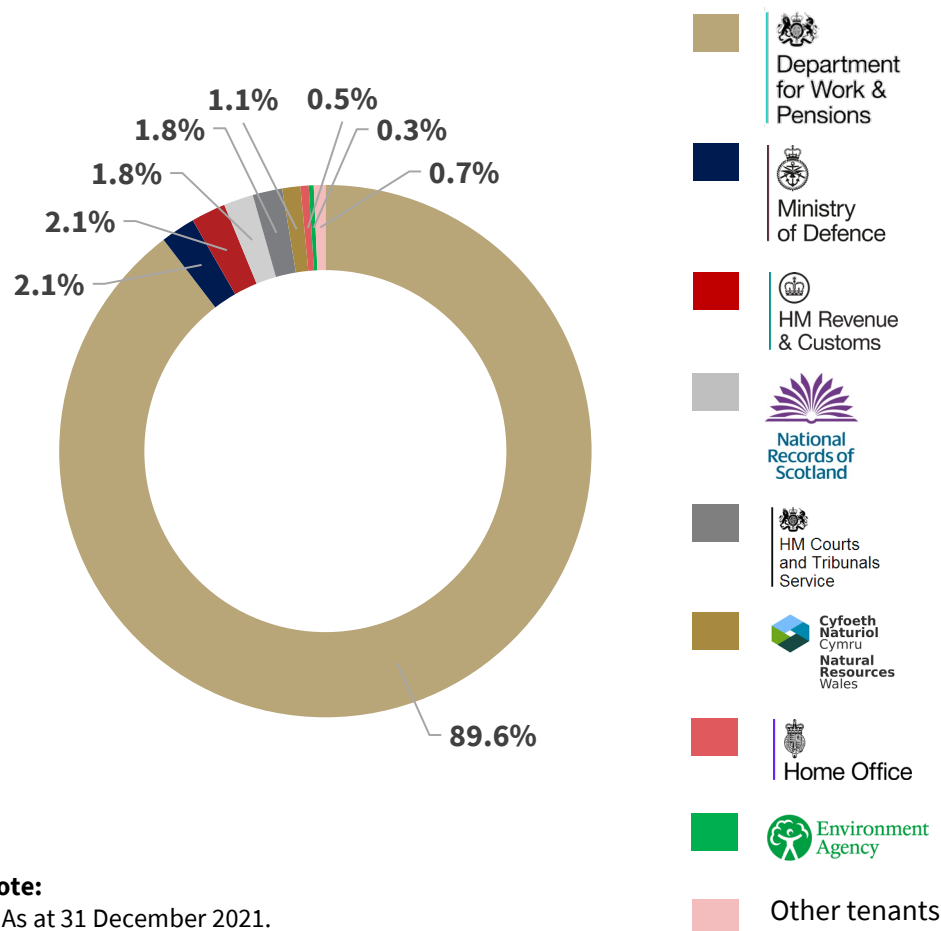


Varied exposure to UK sovereign credit

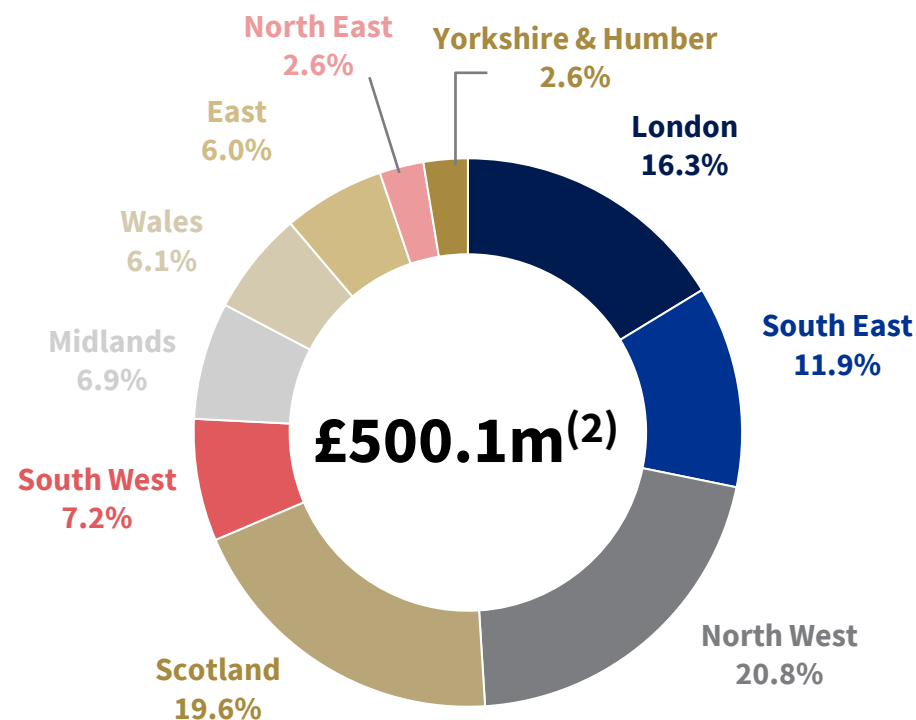
Strategic regional cities



Tenant Breakdown by Gross Rental Income⁽¹⁾



Portfolio Breakdown by Valuation⁽²⁾



Notes:

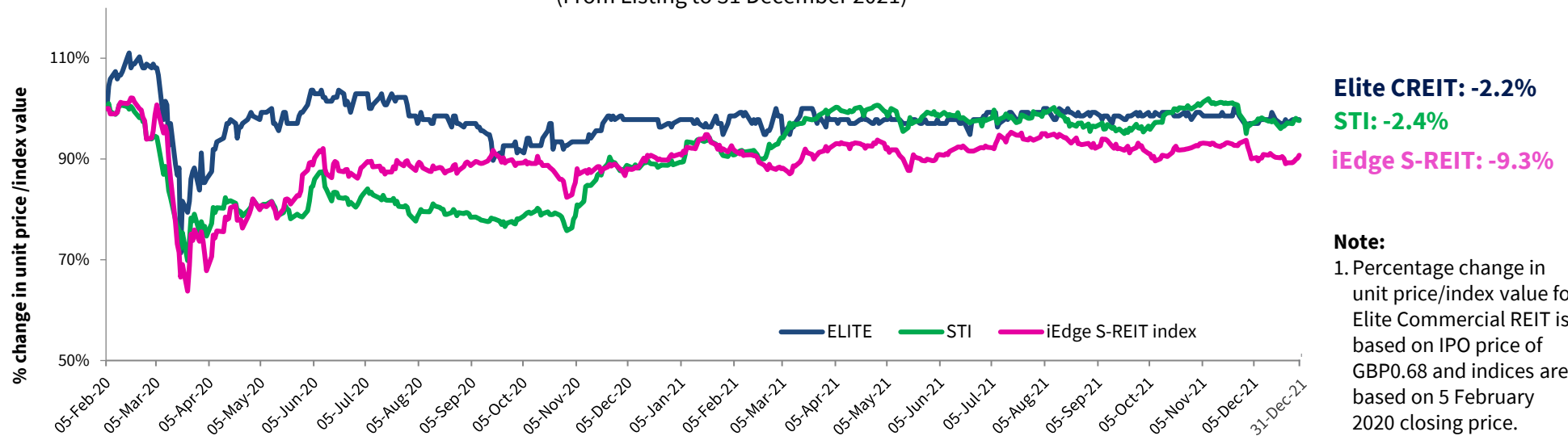
2. The Manager undertook a reclassification of the properties into regions based on the regional classifications provided by the Office for National Statistics. Majority of the properties that were reclassified were from the South East to the East region.

3. As at 31 December 2021.

Resilient Trading Performance

Recession-proof amid COVID-19 Pandemic and Brexit

Relative unit price performance of Elite Commercial REIT against indices⁽¹⁾
(From Listing to 31 December 2021)



Intensified Investor Relations Efforts

Research House Coverage



“BUY”

Target price
£0.75



“ADD”

Target price
£0.83



“BUY”

Target price
£0.95



Initiated coverage

“BUY”

Target price
£0.80



Issued **inaugural** unrated research report on Elite Commercial REIT

Public Outreach Efforts and CSR

- Supported **SGX Cares Bull Charge Virtual Charity Run 2021**, an annual fund-raising event that supports underprivileged children and families, persons with disabilities and the elderly
- Care pack distribution to the elderly in collaboration with **Lion Befrienders** and our Sponsor
- Featured in **The Business Times Singapore's** Topline column
- Phillip Securities** and **Lim & Tan Securities** Trading Representatives teach-in sessions;
- Exclusive investor webinar by **UOB Kay Hian**
- CLSA Singapore Hidden Jewels Access Day 2022**

Awards and Accolades

Recognition for sound stewardship

Corporate Governance



Inclusion into

SGX Fast Track Programme for listed issuers

- Joins the ranks of 94 other listed issuers – among top ~15% of SGX-listed companies – that have been publicly recognised to have upheld high standards of corporate governance and maintained a good compliance track record



Ranked **Joint 6th** out of 45 REITs and Business Trusts on the 5th Governance Index for Trusts 2021

- Elite Commercial REIT's debut on the list
- Overall ranking: Based on independent assessment of the REIT's governance and business risk score

Inaugural Annual Report



Won a Bronze in global **ARC Awards 2021** (REIT: Commercial/ Industrial/ Office category)

- Overall excellence in terms of writing and design; renowned for its independence, integrity and fairness in judging
- Evaluated by a global panel of judges based on creativity, clarity and effectiveness, with entries received from more than 80 countries worldwide



Awarded a **Certificate for Excellence in Investor Relations** at the **IR Magazine Awards – South East Asia 2021**

Shortlisted as a finalist in the **Best Annual Report (Small Cap)** category, amongst other listed companies from the South East Asia region

Section IV

Market Outlook & Moving Forward

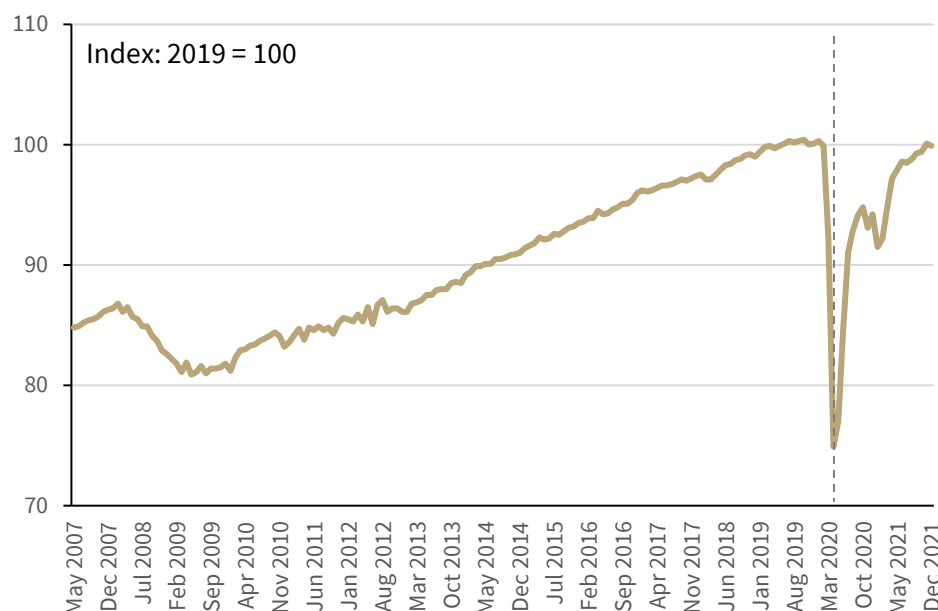


Nutwood House, Canterbury

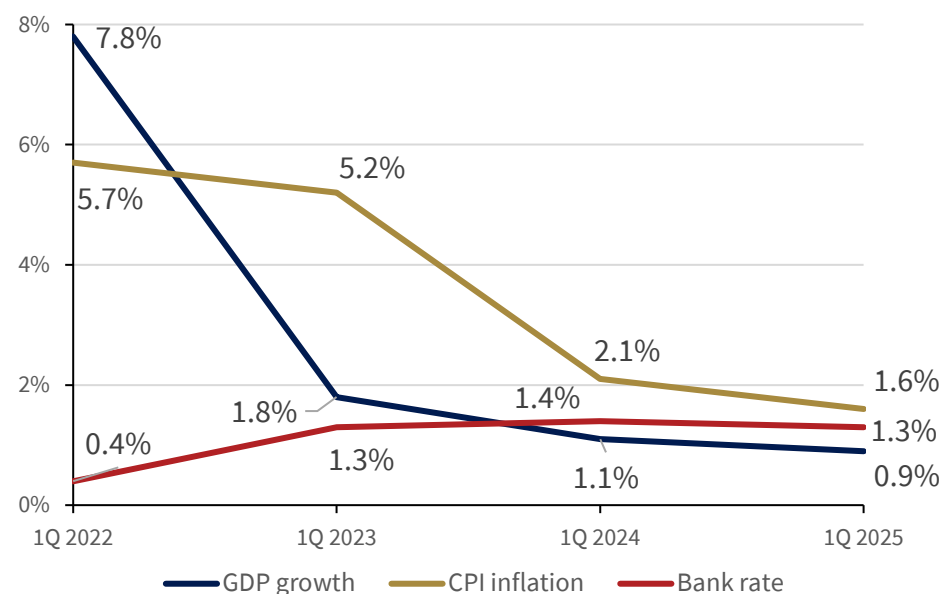
UK GDP growth rebounded but remains below its pre-pandemic level

- UK economy is estimated to have grown by 1.0% in Q4 2021 but remains 0.4% below its pre-pandemic level in Q4 2019, driven mainly by human health and social work activities. On an annual basis, UK economy grew 7.5% in 2021
- Twelve-month Consumer Prices Index (CPI) inflation rose from 5.1% in November 2021 to 5.4% in December 2021 – the highest 12-month inflation rate since September 2011 when it stood at 5.2%. Inflation is expected to increase further in the coming months, peaking at around 7.25% in April 2022, mainly reflecting global energy and tradeable goods prices. However, upward pressures on CPI inflation are expected to dissipate over time
- The Bank of England Monetary Policy Committee (MPC) voted by a majority at the February 2022 meeting to increase bank rate a second time under two months by 0.25 percentage points to 0.5%. Some modest tightening of monetary policy over the forecast period is likely to be necessary to meet the 2% inflation target sustainably. Based on market-implied path, bank rate is expected to reach around 1.5% by the middle of 2023

Monthly estimate of UK GDP



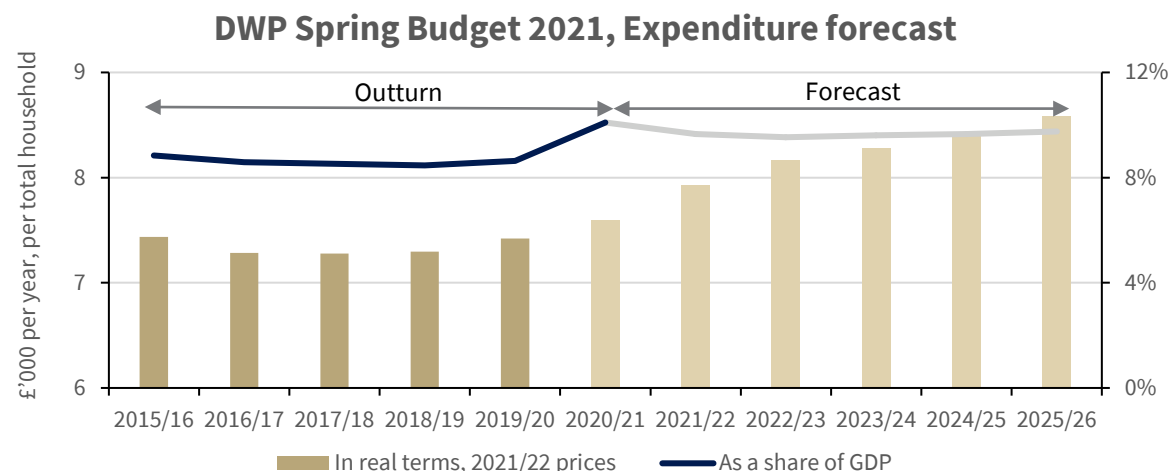
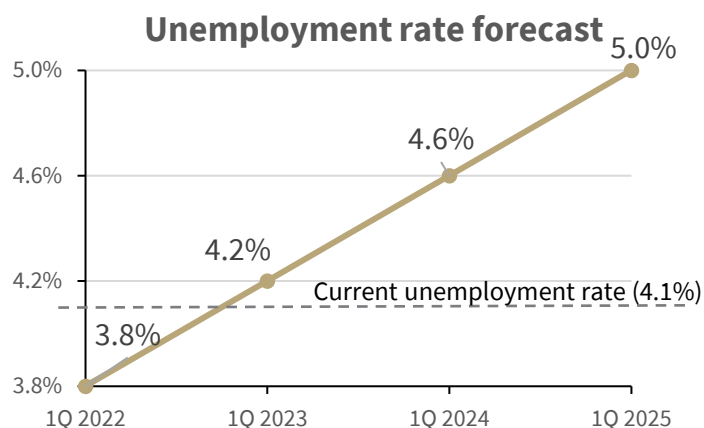
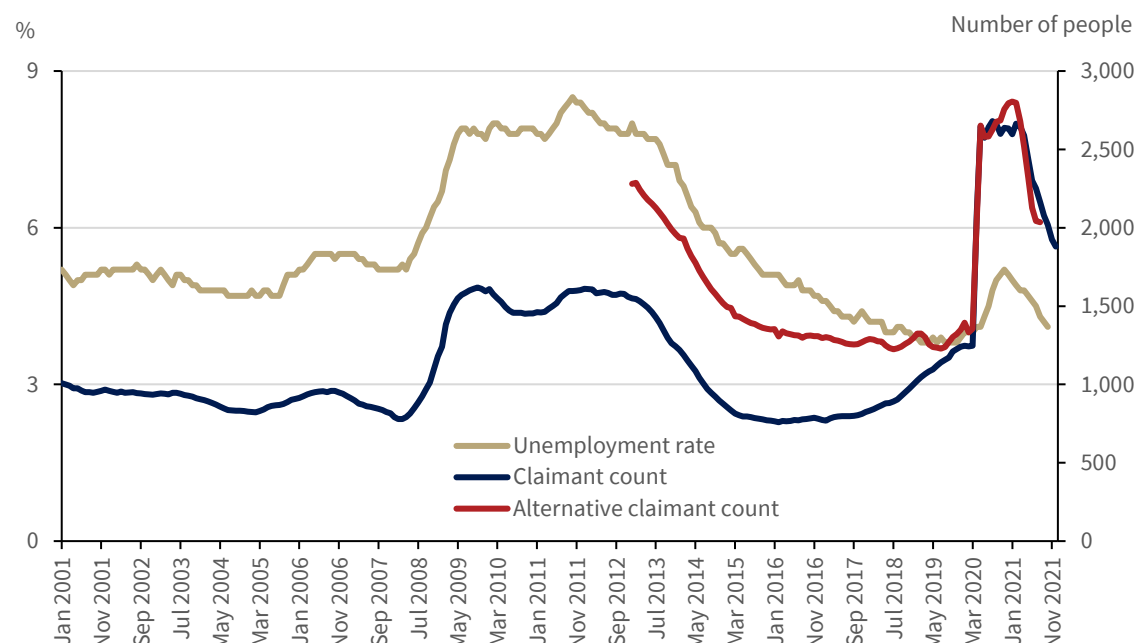
GDP growth, CPI inflation & bank rate forecast



Market Outlook

Claimant count & alternative claimant count remain above pre-pandemic levels

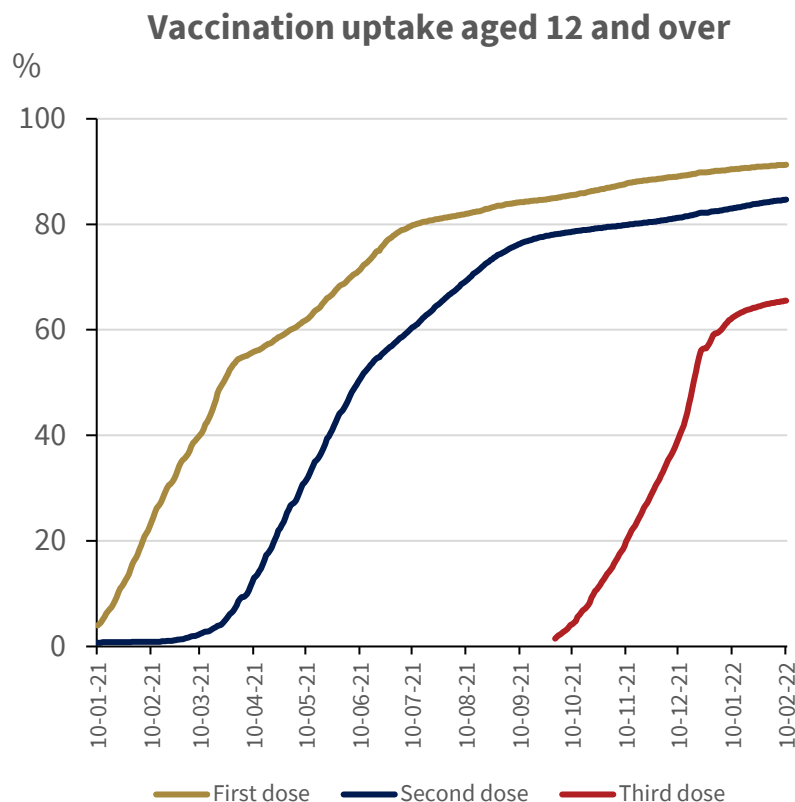
- Unemployment rate in UK stood at 4.1% in the three months to November 2021 and the labour market is expected to tighten further in the very near term
- DWP's claimant count of 1.96 million in November 2021 remains high compared to pre-pandemic
- Following the end of furlough scheme in September 2021, the UK government announced a £500 million Plan for Jobs Expansion to support the labour market in the near term



Covid-19 Updates

Close to 85% of the UK population is vaccinated

- About 84.6% of the UK population aged 12 and over have received two doses of Covid-19 vaccination, while 91.2% have received the first dose. About 65.5% has received booster or third dose⁽¹⁾⁽²⁾
- Almost all Covid-19 restrictions in England was ended in July 2021 and in January 2022, 'Plan B' measures that have been temporarily imposed to slow the spread of the more recent Omicron variant of the coronavirus have been lifted⁽³⁾



Notes:

1. Up to and including 11 February 2022.
2. Coronavirus.data.gov.uk website.
3. Reuters, UK PM Johnson speeds up plan to end Covid-19 self-isolation rule, 9 February 2022
4. Covid-19 Response: Autumn and Winter Plan 2021, September 2021.

UK's Covid-19 Pandemic Management Plan⁽⁴⁾

- Plan A and Plan B have been outlined to manage the situation
- Hinges on the National Health Service's (NHS) ability to cope with the development of Covid-19 and seasonal flu during winter

1

Plan A

- Continuing with the country's vaccination and tracing efforts and providing support to the NHS

2

Plan B

- Contingency measures should the NHS face unsustainable pressures, which includes mandatory face coverings, vaccinated-only individuals in certain settings and people to work from home again, subject to how the situation pans out

Key Investment Merits

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



Thank You

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Website



Section V

Appendix



Nutwood House, Canterbury

Crucial Public Infrastructure

Primary occupier is Department for Work & Pensions



UK's Largest Public Service Department

- Responsible for welfare, pensions and child maintenance policy
- **Over 23 million claimants⁽¹⁾; £212.4 billion** benefit spent in FY20/21 and **£218.3 billion** benefit planned for FY21/22⁽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

Built-in Upside from Inflation-Linked Rental Uplift

- Rent reviews in the fifth year (2023) for UK Government leases
- Based on the UK Consumer Price Index (“CPI”), subject to an annual **minimum increase of 1.0% and maximum of 5.0%**

Notes:

1. “National Statistics, DWP benefits statistics: August 2021”, Gov.UK, 3 September 2021
2. “Corporate report, DWP Annual Report & Accounts 2020 to 2021”, Gov.UK, 15 July 2021
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

Front of house – primarily Jobcentre Plus and other ancillary services

Front of
House⁽¹⁾
85.6%⁽²⁾

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



Department
for Work &
Pensions

Back of house – various support functions without public-facing element

Back of
House
14.4%⁽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 post-maiden acquisition.

Future-Proofing the REIT

Enhancing tax efficiencies by joining the UK REIT regime



Successful technical listing of UK entity, Elite UK Commercial Holdings Limited⁽¹⁾ (“ECHL”), on The International Stock Exchange (“TISE”) with effect from 26 Aug 2021

What this means:

- 1 Level playing field**
ECHL and its subsidiaries qualified as a UK REIT group and tax treatment is now broadly on par with that of other listed UK REITs
- 2 Tax exemption**
UK entities enjoy UK corporate tax exemption for its UK property rental business income and gains under the UK REIT regime
- 3 Technical listing**
100% of the shares in ECHL continue to be held by Elite Commercial REIT; there is no trading of ECHL shares
- 4 Elimination of deferred tax liabilities**
Individual properties’ historical valuation is allowed to be rebased to the current valuation upon entry, compared to non-UK REITs

Therefore, the corresponding provision of deferred tax liabilities is expected to be eliminated

Immediate Benefits:



Lower tax expenses

Reduced applicable headline tax rate from 19% to 15%⁽²⁾

Future Benefits:



Protects from future tax rises

Exemption from UK corporation tax, which is currently at 19% and is legislated to rise to 25% from 1 April 2023



On future corporate acquisitions

Any unrealised gains⁽³⁾ on the properties upon entry is expected to be eliminated

Notes:

1. Independent Director Nicholas David Ashmore and Chief Investment Officer Jonathan Edmunds have been appointed as directors of ECHL to meet the UK resident director requirement of a listed REIT entity.
2. Pursuant to the Double Taxation Treaty between the UK and Singapore, any UK withholding tax applicable on UK property income distributed by ECHL to Elite Commercial REIT is expected to be limited to 15%.
3. And its corresponding provision of deferred tax liabilities.