

**UNITED HAMPSHIRE US REIT'S FY 2022 DISTRIBUTABLE INCOME
RISES 6.2% TO US\$33.1 MILLION**

- **FY 2022 Gross Revenue and Net Property Income increased 22.2% and 12.2% year-on-year (“y-o-y”) respectively**
- **FY 2022 Adjusted DPU grew 9.3% y-o-y to 5.85 US cents; 2H 2022 Adjusted DPU grew 5.7% y-o-y to 2.97 US cents**
- **Appraised portfolio valuation increased by 1.3%¹ y-o-y; NAV per unit remains stable at US\$0.75**
- **Successfully completed the refinancing of existing term loans in December 2022, with no significant refinancing requirement until November 2026²**
- **Grocery & Necessity Properties achieved high committed occupancy rate of 96.9% with 31 new and renewed leases totalling 301,615 sq ft**
- **Long WALE of 7.5 years³ for Grocery & Necessity portfolio, with minimal leasing risk with only 2.6%⁴ expiring in 2023, down from 8.7%⁵ a year ago**

SINGAPORE, 22 FEBRUARY 2023 – 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 the full year ended 31 December 2022 (“**FY 2022**”) of US\$33.1 million increased by 6.2% over the US\$31.2 million achieved in the previous corresponding year (“**FY 2021**”). Adjusted Distribution Per Unit⁶ (“**DPU**”) was 9.3% higher than FY 2021. 2H 2022 DPU is 2.97 US cents and FY 2022 DPU is 5.88 US cents.

Summary of UHREIT’s Results

	2H 2022 US\$’000	2H 2021 US\$’000	Variance %	FY 2022 US\$’000	FY 2021 US\$’000	Variance %
Gross Revenue	35,684	28,391	25.7	67,452	55,195	22.2
Net Property Income (NPI)	24,413	21,474	13.7	47,058	41,946	12.2
Distributable Income	16,826	15,991	5.2	33,131	31,195	6.2
DPU (US cents)	2.97	3.05	(2.6)	5.88	6.10	(3.6)
Adjusted DPU (US cents)	2.97	2.81	5.7	5.85	5.35	9.3

¹ Based on appraised value of investment properties as at 31 December 2022. Excluding Elizabeth and Perth Amboy Self-Storage divested on 22 June 2022, and Upland Square acquired on 28 July 2022.

² Assuming the exercise of loan extension options.

³ Computation included forward committed leases for Grocery & Necessity Properties only. Excluding forward committed leases, the WALE is 7.3 years as at 31 December 2022.

⁴ Based on base rental income of Grocery & Necessity Properties for the month of December 2022.

⁵ Based on base rental income of Grocery & Necessity Properties for the month of December 2021.

⁶ Adjusted DPU excludes Top-Ups and Stipulated Damages.

Due to the strength and resilience of the portfolio, UHREIT saw a y-o-y increase of 1.3%¹ in appraised portfolio valuation in the face of a challenging macro-economic climate. Including the latest acquisition of Upland Square Shopping Center (“**Upland Square**”), UHREIT successfully grew its total property value by 7.3% to US\$738.7 million as at 31 December 2022, from US\$688.5 million as at 31 December 2021.

In 2022, UHREIT reached an important milestone with its inclusion in three indices, namely the iEdge SG Real Estate Index, the iEdge S-REIT Index, as well as the iEdge SG ESG Transparency Index. Inclusion in these prominent indices is expected to boost the profile and overall awareness of UHREIT as well as promote higher trading liquidity for investors in Singapore and throughout the international investment community.

Mr. Robert Schmitt, Chief Executive Officer of the Manager said, “We have delivered strong performance underscored by our resilient portfolio. Income robustness was further boosted by proactive asset management and our third and largest DPU accretive acquisition of Upland Square. The opportunistic divestment of the two Self-Storage Properties, Elizabeth and Perth Amboy at a price above book value, coupled with the acquisition of Upland Square, illustrates UHREIT’s ability to actively recycle capital into higher yielding assets. The acquisition of Upland Square, strategically located in a desirable, suburban Philadelphia sub-market, has also further extended UHREIT’s presence within the US Eastern seaboard.”

“For Grocery & Necessity Properties, UHREIT’s unique positioning in fulfilling the Essential Needs of U.S. consumers continues to be a key factor in providing stability for our unitholders. The majority of our needs-based tenants have continued to adapt New Economy omnichannel strategies by offering multiple options for consumers to purchase their offerings. As we have now moved well into the post pandemic phase of the economy, we have seen a drop off in the growth of e-commerce and a balancing out of digital and physical “in-store” shopping. This revival of brick-and-mortar retailing is due to the consumer’s desire to seek out in-store experiences, such as discount opportunities and new product discovery. As a result, the sales volumes generated by our tenants have remained robust.”

“With respect to our two Self-Storage Properties, Carteret and Millburn, which are located in northern New Jersey, we have continued to see high occupancies and an upward trend in quarterly average net rental rates. These properties are expected to continue to benefit from post pandemic demand drivers such as hybrid work-from-home dynamics, a high rate of suburban home ownership and a growing utility rate especially within the millennial segment of the population. Additionally, with limited new development through the pandemic years, our properties will continue to benefit from the favourable supply/demand balance in the New York Metro area which is well below the national average.”

Portfolio Review and Management

In FY 2022, UHREIT experienced robust leasing momentum for its Grocery & Necessity portfolio with the execution of 31 new and renewal leases totalling 301,615 sq ft. As at 31 December 2022, leases expiring in 2023 were very low at only 2.6%⁴, down significantly from 8.7%⁵ a year ago. The Grocery & Necessity portfolio maintained a high committed occupancy rate of 96.9% and long WALE of 7.5 years³. UHREIT will also experience organic income growth as most of the leases are triple net, with built-in rental escalations.

As part of our portfolio optimisation strategy, we are pleased to announce we have entered into a new 15-year Lease Agreement with Academy Sports + Outdoors ("Academy Sports"), a Fortune 500 corporation and one of the largest sporting goods retailer in the U.S., to develop a new building of approximately 63,000 sq ft on excess land within St. Lucie West property in Florida. In addition to enhancing the property's tenant diversification, upon the completion and opening of the new store estimated in Q1 2025, we anticipate a significant increase in the foot-traffic at this location.

UHREIT's two Self-Storage Properties Carteret and Millburn, have maintained their high occupancies, well above 90% and average quarterly net rental rates have trended upwards.

Overall, with the completion of the acquisitions of three accretive assets – Colonial Square, Penrose Plaza and Upland Square – UHREIT has successfully increased total property value by 26.4% to US\$738.7 million, up from US\$584.6 million⁷ at IPO.

Prudent Capital Management

In December 2022, UHREIT successfully completed the refinancing of its prior term loan credit facilities maturing in 2023 and 2024. This almost doubled its weighted average debt maturity to 4.0 years², from 2.1 years as at 30 September 2022, resulting in UHREIT having no significant refinancing requirements until November 2026², with only a US\$21.1 million mortgage loan due for refinancing in 2024. Aggregate leverage is 41.8%, well below the aggregate leverage limit set by the Monetary Authority of Singapore⁸.

The existing interest rate swaps have been novated to hedge the floating-rate new term loans. Therefore, UHREIT will continue to benefit from the existing interest rate swaps until the maturity of these swaps. As at 31 December 2022, 81.4% of UHREIT's total loans are either fixed rate loans or floating rate loans that have been hedged using interest rate swaps.

U.S. Market Outlook

Based on advance estimates released by the U.S. Bureau of Economic Analysis, U.S. fourth quarter GDP in 2022 increased at an annualised rate of 2.9%⁹. According to U.S. Bureau of Labor Statistics, nonfarm payroll employment increased by 517,000 in January 2023 while the unemployment rate dropped to 3.4%¹⁰. Job vacancies remained high at 11.0 million as at December 2022¹¹.

The annual inflation rate in the U.S. slowed down to 6.4%¹² in January 2023, the lowest seen in the past twelve months, after reaching a peak of 9.1%¹² in June 2022. Although inflation has weighed on consumer confidence, it did not dampen consumer spending activity. Total sales for retail and food services in 2022 were up 9.2% from 2021, while total sales for 4Q 2022 were up 6.7% from 4Q 2021¹³. The grocery sector is expected to maintain its growth trend as work-from-home has become a new normal for large swaths of the U.S. population. The additional flexibility for the US Consumers has led to an increased reliance on nearby strip centers for everything ranging from groceries to picking up coffee and having lunch out at their favourite local restaurants¹⁴.

⁷ As at 12 March 2020.

⁸ On or after 1 January 2022, the aggregate leverage of a property fund should not exceed 45% of the fund's deposited property but may exceed 45% (up to a maximum of 50%) only if the property fund has a minimum adjusted interest coverage ratio of 2.5 times after taking into account the interest payment obligations arising from the new borrowings.

⁹ U.S. Bureau of Economic Analysis, "Gross Domestic Product, Fourth Quarter and Year 2022 (Advance Estimate)", 26 January 2023.

¹⁰ U.S. Bureau of Labor Statistics, "The Employment Situation – January 2023", 3 February 2023.

¹¹ U.S. Bureau of Labor Statistics, "Job Openings and Labor Turnover Summary – December 2022", 1 February 2023.

¹² U.S. Bureau of Labor Statistics, "Consumer Price Index – January 2023", 14 February 2023.

¹³ U.S. Census Bureau, "Advance Monthly Sales for Retail and Food Services, December 2022", 18 January 2023.

¹⁴ Green Street, "U.S. Strip Center Outlook", 27 January 2023.

The Strip Center sector is well prepared for a potentially challenging 2023. Retailers increased the number of their stores in 2022 despite concerns about the slowing economy due to resilient retail sales and a shift in focus from e-commerce to brick-and-mortar businesses. This sector has seen historically high tenant retention rates, which continue to outstrip minimal new strip center supply. UHREIT's cycle-agnostics tenants continue to remain resilient and largely unaffected given their omnichannel distribution capabilities.

Looking Ahead

Against a backdrop of broader macro uncertainties caused by a high inflation rate and rising interest rates, the Manager will continue to focus on portfolio optimisation and asset enhancement to strengthen UHREIT's income streams. The Manager will selectively look for suitable investment opportunities that will provide unitholders with long-term accretive value.

END

Latest Acquisition - Upland Square Shopping Center, Pennsylvania



Anchored by Giant by Ahold Delhaize; and other Fortune 500 corporations such as TJ Maxx, Ross and Burlington

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-based¹⁵ 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 platforms¹⁶.

UHREIT’s portfolio comprises 21 predominantly freehold Grocery & Necessity Properties and two Self-Storage Properties, primarily concentrated in eight states in the East Coast of the U.S., with an appraised value of approximately US\$738.7 million¹⁷ 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 approximately US\$3.0 billion in Asset Under Management (“**AUM**”) as of 31 December 2022. 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, retail, self-storage, office, industrial and multifamily. The Hampshire Companies, LLC currently owns and operates a diversified portfolio of 190 properties across the U.S. with an AUM in excess of approximately US\$2.0 billion in value and totalling over 15.0 million square feet. The Hampshire Companies, LLC is also the U.S. asset manager of UHREIT bringing its total non-regulatory AUM to US\$2.7 billion¹⁸. 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 2022) to focus on investment opportunities in income producing real estate assets in the U.S.

¹⁵ “**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.

¹⁶ “**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).

¹⁷ Based on appraised value of investment properties as at 31 December 2022.

¹⁸ As at 31 December 2022.

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