ELITE COMMERCIAL REIT

Results Presentation for 2H2020 and the Period from 6 February 2020 (Listing Date) to 31 December 2020

1 February 2021

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Oversea-Chinese Banking Corporation Limited ("OCBC") and UBS AG, Singapore Branch ("UBS") are the joint issue managers for the Offering. OCBC, UBS, CGS-CIMB Securities (Singapore) Pte. Ltd. and China International Capital Corporation (Singapore) Pte. Limited are the joint bookrunners and underwriters for the Offering (collectively, the "Joint Bookrunners").

Contents

Crown House, Grantham


Upper Huntbach Street, Stoke On Trent

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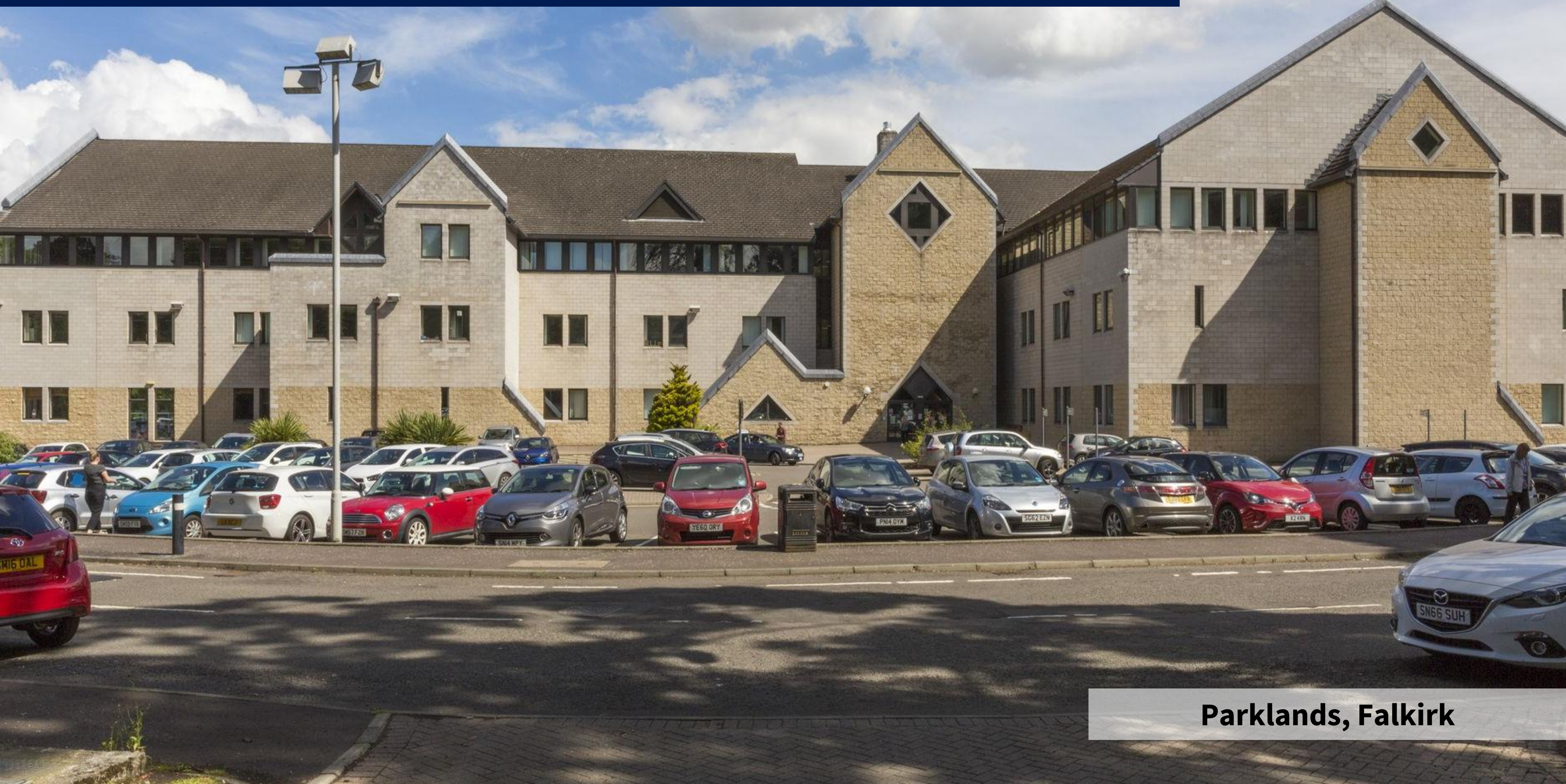
Financial Highlights



Parklands, Falkirk

Outperformance in a challenging environment

6 February 2020 (Listing date) – 31 December 2020

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- **Outperformance of actual distributable income to unitholders and DPU against IPO Forecast**
  - Actual distributable income to unitholders **exceeds 2.1%** **:** **£14.8 million** vs £14.5 million
  - Actual DPU **exceeds 2.3%**: **4.44 pence** vs 4.34 pence
- **Uplift in portfolio valuation**
  - Fair value gain of investment properties of **£15.9 million**
  - Fully occupied as of 31 December 2020
- **Stable cashflow with approximately 100% rent collection achieved in advance, despite UK lockdowns and Brexit**
  - Collected over 99.6% of rent in advance for the period of January to March 2021
  - Backed by AA-rated tenant (the UK Government) with DWP's uniquely counter-cyclical operations despite Brexit and UK's battle against COVID-19
- **Resilient portfolio with enhanced income visibility**
  - 82.5% of the 97 assets in the portfolio are used to provide key front-of-house services, primarily Jobcentre Plus unemployment services
  - Secured waivers/ extension of break option for two properties, enhancing income visibility
- **Prudent capital management and strong balance sheet**
  - Adequate working capital and debt headroom to meet ongoing obligations
  - No refinancing requirements till FY2024
  - Sound aggregate leverage and interest coverage ratios

St Andrew's House, Hexham

Key Highlights
6 February 2020 (Listing date) – 31 December 2020

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	2H2020			6 Feb to 31 Dec 2020		
	Actual[1] **£'000**	Forecast[2] **£'000**	Variance %	Actual[1] **£'000**	Forecast[2] **£'000**	Variance %
Revenue	11,647	11,701	▼ 0.5	20,963	20,985	▼ 0.1
Profit before tax[3]	24,196	8,292	▲ 191.8	29,099	13,019	▲ 123.5
Profit after tax[3]	19,497	6,899	▲ 182.6	23,358	10,521	▲ 122.0
Income available for distribution to Unitholders	8,340	8,105	▲ 2.9	14,841	14,536	▲ 2.1
Distribution per unit ("DPU") - pence	2.49	2.42	▲ 2.9	4.44	4.34	▲ 2.3

Notes:
1. Unaudited consolidated financial results for 2H2020 and from Listing Date to 31 December 2020 are the first reporting periods incorporating the results of the Initial Portfolio held by Elite Commercial REIT. 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. Other than unit issue costs which were charged to the statement of comprehensive income, the forecast results for the period from the Listing Date to 31 December 2020 was derived by pro-rating the forecast results as disclosed in the Prospectus.
3. Actual profit before tax includes fair value gains on investment properties of £15.9 million while the profit after tax includes the net fair value gains on investment properties of £12.3 million.

Strong Balance Sheet
As at 31 December 2020

	£'000
Non-current assets	311,855[1]
Current assets	21,034
Total assets	**332,889**
Non-current liabilities	107,826
Current liabilities	7,905
Total liabilities	**115,731**
Net assets / Unitholders' funds	**217,158**

Units in issue and issuable ('000)	**333,858**
Net asset value per unit (£)	**0.65**

Notes:
1. Non-current assets comprise investment properties, which are stated at fair values based on the valuations as at 31 December 2020 prepared by Colliers International Valuation UK LLP

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Portfolio Overview & Operational Highlights

Nutwood House, Canterbury

Steady and Resilient Cash Flow Underpinned by Uniquely Counter-Cyclical Tenant

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- **Over 99.0% of rental income is derived from triple net leases with the UK Government, which has:**
  - One of the lowest debt-to-GDP ratios amongst the G7 countries
  - Ratings of AA and Aa2 by S&P and Moody's respectively
- **Received in advance 99.6% of the rent for the period spanning across the months of January to March 2021, within 7 days of the due date**
  - Consistently achieved approximately 100% of rent collection in advance since listing, notwithstanding UK lockdown and Brexit
- **Portfolio income visibility enhanced:**
  - Lodge House, Bristol – break option not exercised, lease will expire on 31 March 2028
  - John Street, Sunderland – extended the break option by 12 months to 31 March 2022
- **Minimal business disruption caused by COVID-19**
  - Jobcentre Plus ("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
  - The UK Government have committed to increase the number of work coaches at job centres to 27,000 by March 2021 as part of an economic recovery package

First & Only UK-Focused S-REIT with Over 99% Leased to the AA-rated UK Government[1]

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97 Office Assets	99% Freehold[2]	Long WALE 7.3 years[3]	Properties are 100% Unencumbered


High Road, Ilford


Holborn House, Derby


Glasgow Benefits Centre, Glasgow

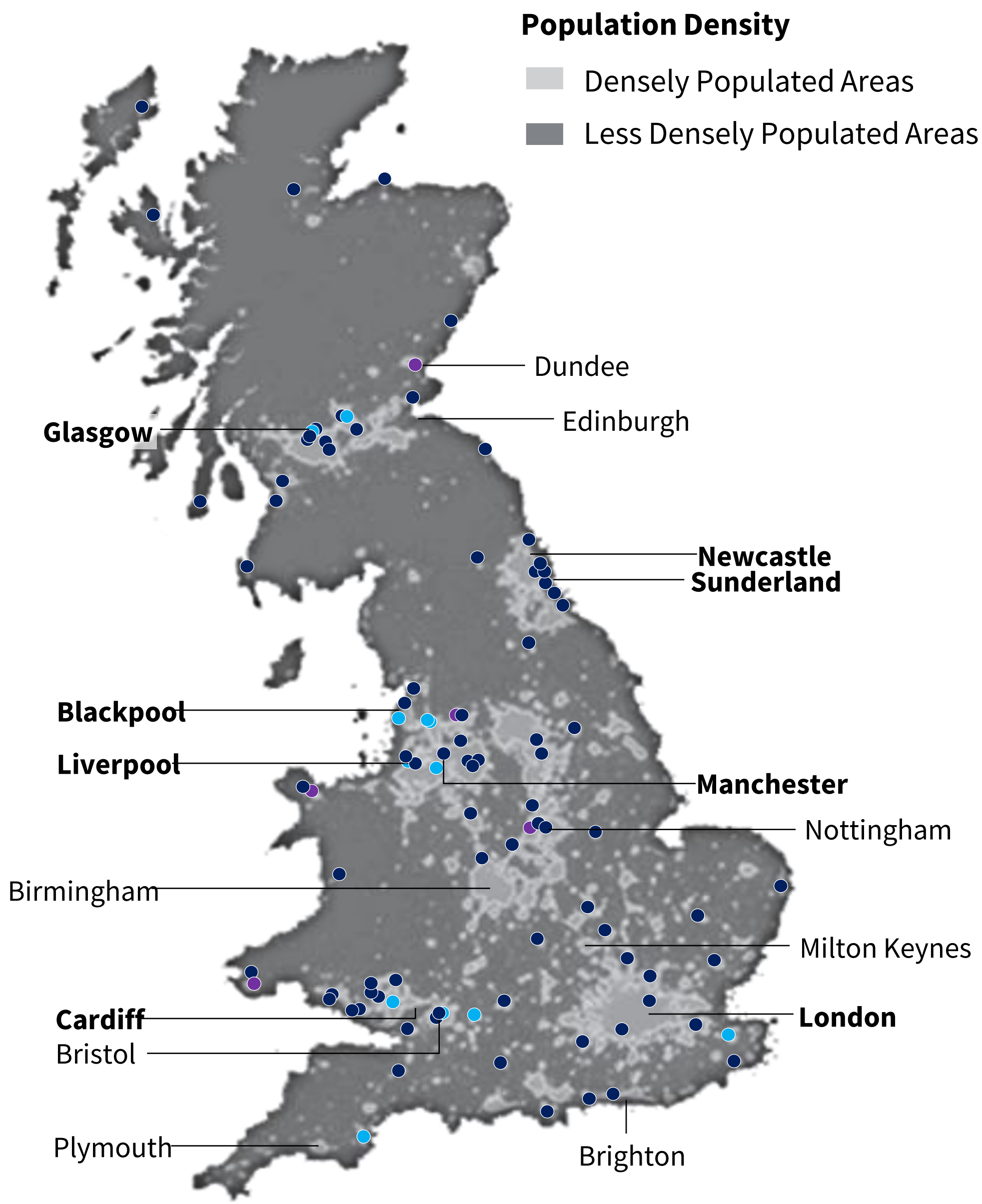

Blackburn Road, Burnley


Parklands, Falkirk


Peel Park, Blackpool

Notes:
1. The leases are signed by the Secretary of State for Housing, Communities and Local Government, which is a Crown Body
2. 96 properties are freehold properties and one Property is on a long leasehold tenure expiring on 19 May 2255 (c.235 years remaining)
3. As at 31 December 2020

Geographically Diversified Portfolio and Occupied by DWP



- Key occupier is **Department for Work & Pensions (DWP)**, UK's largest public service department
  - Responsible for welfare, pensions and child maintenance policy
  - **Over 20 million claimants**; **£191.8 billion** benefit spent in FY19/20
  - Services provided primarily via Jobcentre Plus centres
- **Full Repairing and Insuring Leases**: 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
- Built-in upside from **inflation-linked rental uplifts**[2]

Notes:
1. Including mixed use properties with a medical centre, back office or retail component in addition to the Jobcentre Plus
2. The leases to the UK Government have rent reviews in the fifth year (2023) based on the UK Consumer Price Index ("CPI"), subject to an annual minimum increase of 1.0% and maximum of 5.0%

Portfolio is Used to Provide Crucial DWP Services

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Over 20 million DWP benefits claimants in FY19/20 (~1/3 of the UK population)	**>£9,000** Spend p.a. per DWP claimant (31% of UK median wage)	A **ministerial department**, supported by 14 agencies and public bodies	Integral to the social fabric of the UK

Front of house – 82.5%[1] of Portfolio, primarily Jobcentre Plus and other ancillary services

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*

- Onsite 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 – 17.5%[1] of Portfolio, various support functions without public-facing element

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

Note:
1 Based on number of assets

Source: Independent Market Report, Department for Work & Pensions

Well-located, Predominantly Freehold Office Assets

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Centrally Located[1]

74% located in town centres, city centres and suburbs

Easily Accessible[1]

100% within **10** minutes walk from bus stop

60% within **15** minutes walk from train station

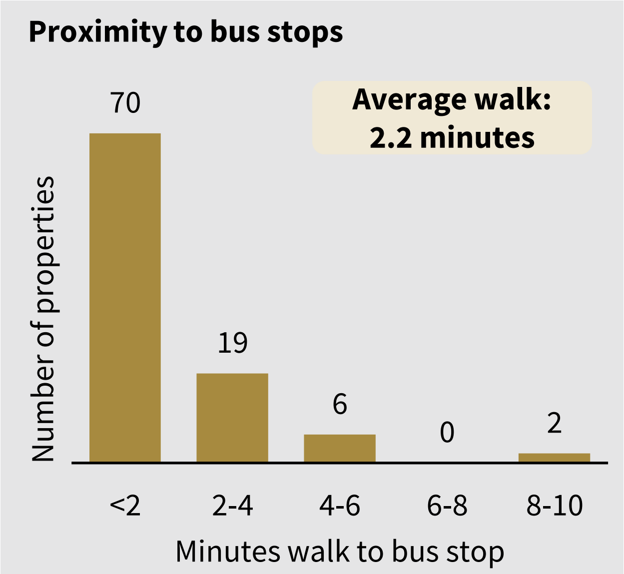
Proximity to Amenities

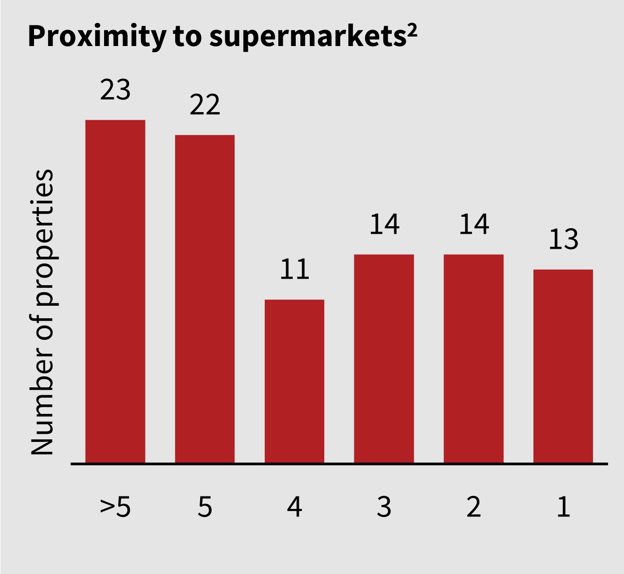
Average **4** supermarkets[2] within ½ mile radius

Average **5** medical facilities[3] within ½ mile radius

Average **4** schools[4] within ½ mile radius

Average **12** F&B outlets within ½ mile radius





Notes:
96 properties are freehold properties and one Property is on a long leasehold tenure expiring on 19 May 2255 (c.235 years remaining)
1 Percentage based on number of properties
2 Supermarkets comprises small to large supermarkets
3 Medical facilities comprise hospitals and general practices
4 Schools comprise primary schools, secondary schools and independent schools

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Capital Management

Tannery House, Alfreton

Prudent Capital Structure and No Refinancing Requirements till FY2024

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31.0% Aggregate Leverage

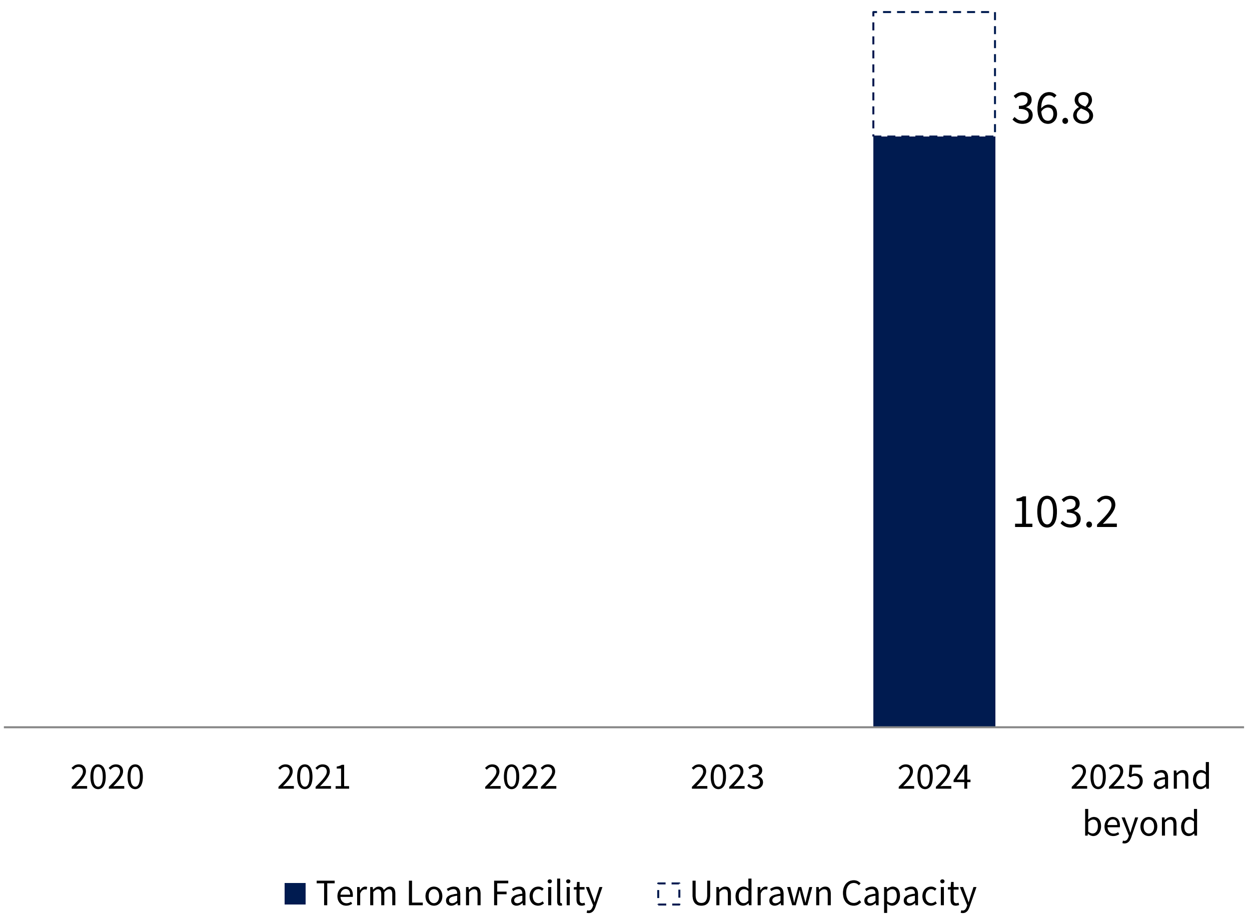
Effective interest rate of **~1.9%**; **50%** of borrowings on fixed rate

7.7x interest coverage ratio

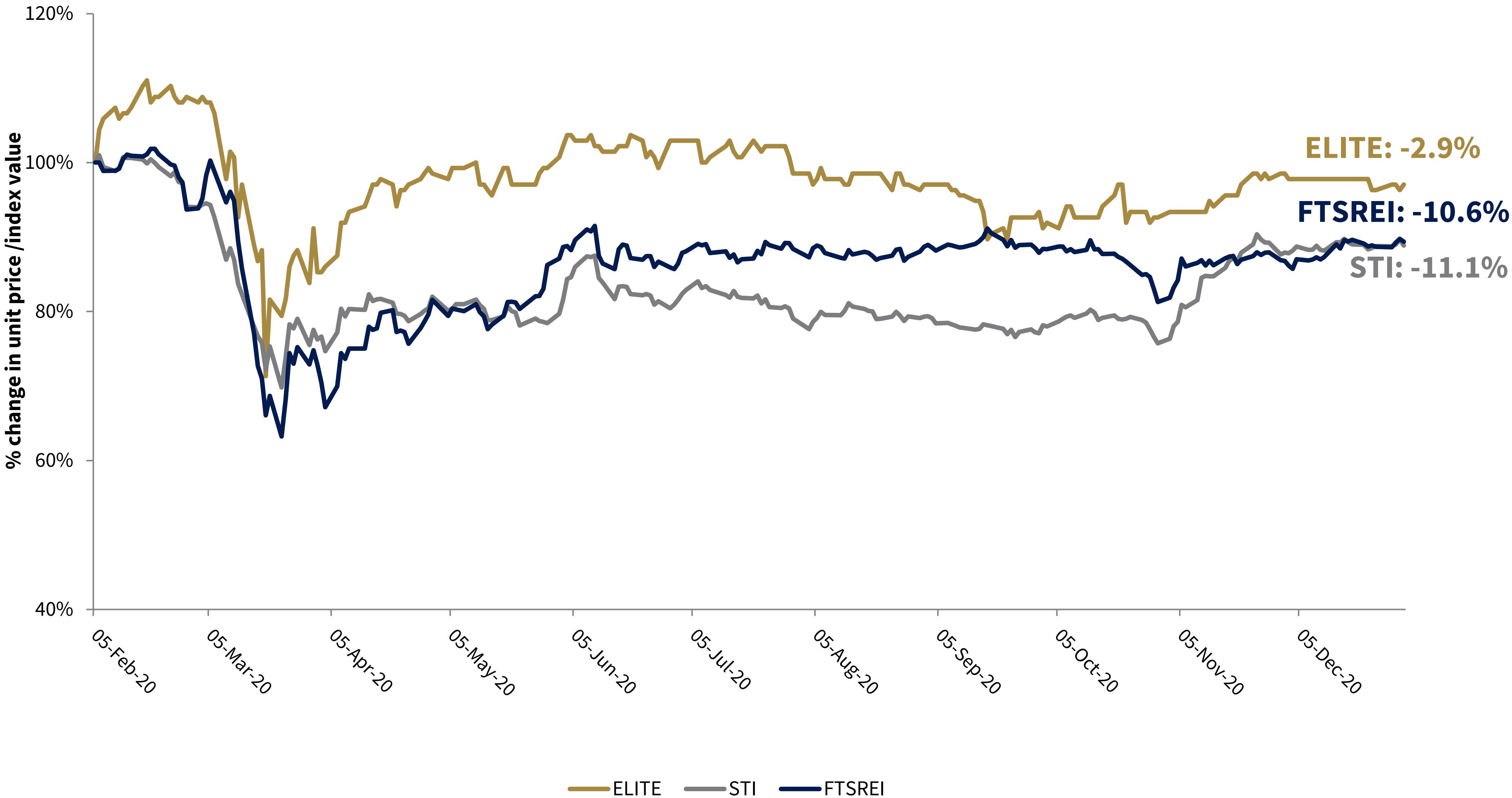
Properties are **100%** unencumbered

Minimal FX exposure as assets and liabilities are GBP denominated

Debt Maturity Profile (£ m)



Resilient Trading Performance Amid COVID-19 & Brexit



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Maiden portfolio acquisition since listing

Crown House, Worthing

Proposed Acquisition
– reinforces the Manager's investment strategy

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58 commercial properties primarily leased to UK Government entities, with a WALE of 7.4 years[(1)]

Agreed Value of £212.5m, with a transaction structure which provides completion certainty regardless of Equity Fund Raising

Summary of the New Properties

Agreed Value	£212.5m
No. of assets	58
Occupancy	100%
WALE[(1)]	7.4 years
% of annual GRI from UK Government tenants	98.8%
% of value in London	35.9%
% of Freehold (by NIA)	92.3%

- **Received Unitholders' approval (99.99%) during an EGM held on 25 January 2021 in relation to the Proposed Acquisition:**
  - Approve the Proposed Acquisition, as an interested person transaction
  - Approve the issue of Consideration Units
  - Approve the proposed transfer of a controlling interest to Elite UK Commercial Fund II as a result of the issue of Consideration Units; and
  - Approve the proposed Whitewash Resolution

Notes:
1 As at 14 August 2020, by annual GRI

Rationale for the Proposed Acquisition

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Executing the Manager's stated growth strategy at IPO

1. **Extends the REIT's exposure to UK sovereign credit, whilst diversifying occupier mix**
2. **Stable cashflows and CPI-linked growth from uniquely counter-cyclical occupier**
3. **Increases exposure to London**
4. **Increases size, market cap, free float and liquidity**
5. **DPU accretive, with attractive yields relative to Existing Portfolio**

Portfolio Quality

36% London exposure(1)

5 new UK Government tenants

Size and Liquidity

67% increase in total assets

57% increase in market cap(2)

DPU Accretion

3.2% DPU accretion(3)

Notes:

1 By Colliers valuation as of 14 August 2020

2 Assuming no Equity Fund Raising and Elite Commercial REIT finances the acquisition through the issuance of Consideration Units, bank borrowings and a Vendor Loan, the increase in market cap is 43% based on the 10d VWAP of £0.6398, as of 16 October 2020

3 Assuming no Equity Fund Raising and Elite Commercial REIT finances the acquisition through the issuance of Consideration Units, bank borrowings and a Vendor Loan, the DPU accretion is 8.3%

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Outlook

Holborn House, Derby

Outlook

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- Analysts forecast a GDP contraction of 1.5% in Q1 2021 while the Office for Budget Responsibility opined that UK GDP will be 4% lower in the long-term
- DWP's claimant count more than doubled to 2.7 million in November 2020 with increased utilisation of its services.
- Approximately 2.4 million people on the government's furlough scheme as at September 2020. Unemployment rate is expected to increase once the furlough scheme ends in April 2021; to peak at 7.5% by mid-year
- Elite Commercial REIT continues to provide stable income to its unitholders as COVID-19 has minimal impact on business and rent collection
- The Manager remains focused on strengthening the portfolio and will closely monitor the market to explore opportunities for growth via yield-accretive acquisitions
  - Granted a right of first refusal to acquire properties in Sponsor's pipeline, most of which have been leased long-term by various ministries of the UK government

Tannery House, Alfreton

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Details and Timeline of Distribution

Nutwood House, Canterbury

Details and Timeline of Distribution

For Period From 1 July to 31 December 2020

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Distribution per unit – pence	2.49 pence
Ex-Date[1] & Time	10 February 2021 (Wednesday), 9.00 a.m.
Record Date & Time	11 February 2021 (Thursday), 12.00 p.m.
Despatch date of Distribution Election Notice	25 February 2021 (Thursday)
Deadline for unitholders to complete & return the Distribution Election Notice to CDP in order to receive distribution in GBP	8 March 2021 (Monday), 5.00 p.m.
Distribution Payment Date	19 March 2021 (Friday)

Notes:
1 Date that units will be traded ex-dividend

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Thank You

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Appendix

Holborn House, Derby

Attractive yield spread in a “lower for longer” interest rate environment

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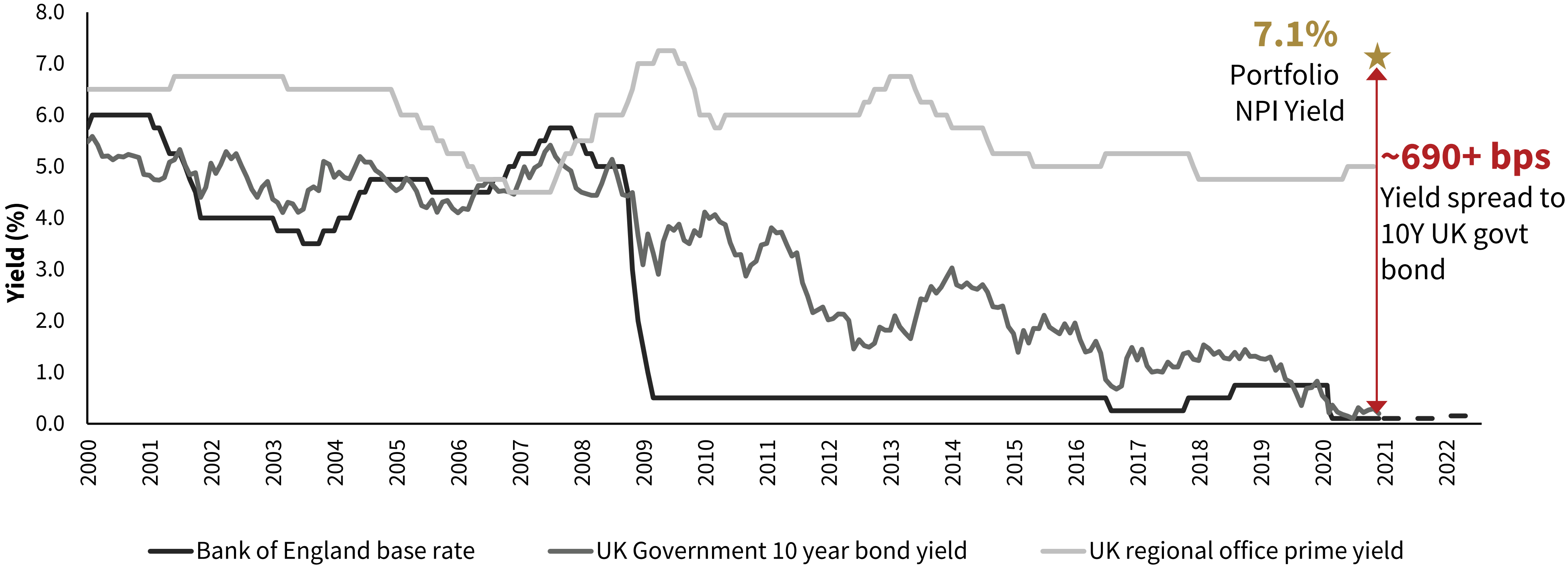
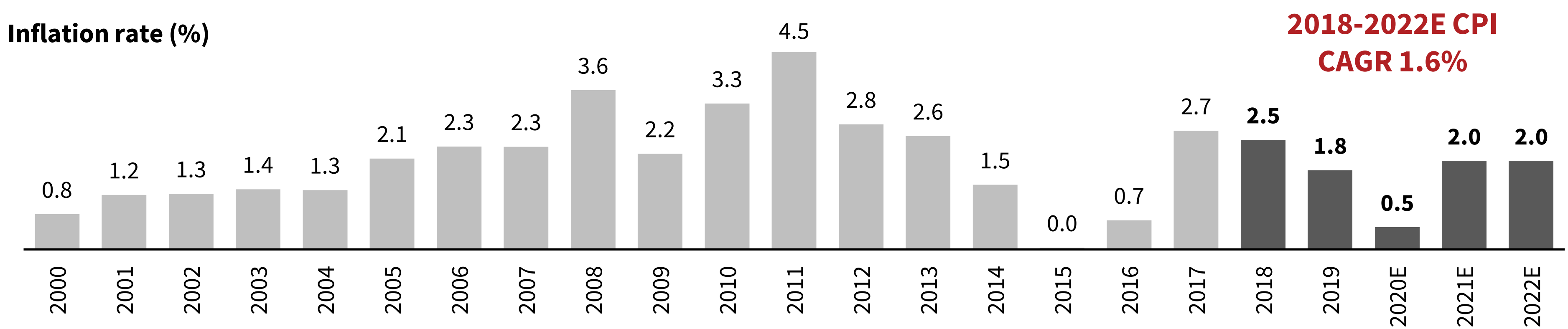
Portfolio NPI yield against comparable benchmarks



Annual increase in CPI



Source: FactSet, Bloomberg, Savills UK Regional Office Investment Market Watch, Office for Budget Responsibility, Bank of England Monetary Policy Report (November 2020)

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

Elite Commercial REIT Sponsors

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Elite Partners Capital

HO LEE GROUP

SUNWAY®

Elite Partners Holdings Pte. Ltd. ("EPH")

- The investment holding firm for Elite Partners Group, established to deliver lasting value for investors based on common interests, long-term perspectives and a disciplined approach
- Backed by a team with proven expertise in private equity and REITs
- Investment philosophy aims to protect investors' initial capital, enhance investment value and create new growth opportunities

Ho Lee Group Pte. Ltd. ("HLG")

- Incorporated in 1996 through the amalgamation of various construction-related businesses, and acquired Wee Poh Construction Co. Pte. Ltd. in 2005
- Extensive experience in development of industrial and residential properties
- One of the major sponsors of Viva Industrial Trust during its IPO listing in November 2013

Sunway RE Capital Pte. Ltd. ("Sunway")

- Wholly-owned subsidiary of Sunway Berhad, one of Malaysia's largest conglomerates
- Has businesses in property development, property investment and REIT, construction, healthcare, hospitality, leisure, quarry, building materials, and trading and manufacturing
- Sunway Berhad Group comprises three public listed entities: Sunway Berhad, Sunway Construction Group Berhad and Sunway REIT