

Elite UK REIT

(SGX: MXNU)

Resilient growth in distributable income

- Distributable income grew 9.8% year-on-year.** Elite UK REIT delivered 9.8% year-on-year increase in distributable income in 1Q FY2026. The growth was driven by interest savings from proactive capital management and debt rate optimisation; full-quarter contributions from three properties acquired in June 2025; and reduced holding costs from the divestment of vacant assets and the repositioning of Lindsay House, Dundee.
- Strengthened capital structure.** As at 31 March 2026, net gearing declined to 37.4%, a reduction of 10.1 percentage points from the 2023 peak of 47.5%. NAV per unit rose to £0.45 as at 31 March 2026, representing an increase of 12.5% from 31 December 2025. The uplift was attributed to a £35.6 million increase in portfolio valuation and a £14.7 million reduction in borrowings. Elite UK REIT maintained 92% of its debt at fixed rates, up from 85% at 31 December 2025, anchoring borrowing costs at 4.7%.
- Higher occupancy and portfolio valuation.** Portfolio occupancy increased to 99.9%, following the divestment of vacant Ladywell House, Edinburgh. The portfolio's total valuation rose 8.4% to £460.2 million as at 31 March 2026 (from £424.6 million at 31 December 2025). This increase reflects the capitalised value of the new DWP leases, planning consents received, and other asset management initiatives.
- Updates on lease renewal with UK government for DWP assets.** The completion of the DWP lease regear is the defining event of 1Q 2026. New lease agreements were announced on 5 February 2026 for properties occupied by the Department for Work and Pensions (DWP), covering £24.3 million in annual rent on a triple net basis with no lease breaks. These leases have structurally transformed Elite UK REIT 's risk profile. WALE extended from 2.2 years to 6.9 years. Peak lease expiry concentration in 2028 has been dramatically reduced from 95.7% to 32.0% of gross rental income.
- Asset repositioning initiatives.** Beyond the core exposure to government leases, Elite UK REIT is actively repositioning select assets to unlock alternative use value. The three principal initiatives includes maximising existing income streams at Peel Park ; and expansion into Living Sector at Lindsay Houe and Cambria House.
- Maintain BUY and target price at £0.44.** Elite UK REIT is trading at £0.345, implying FY2026E distribution yield of 9.3%, significantly higher than other REITs in the industrial and living sectors. We expect the FY2026 distribution per unit to increase, driven by full-year contribution of newly acquired assets and interest savings.
- Key risks.** Limited financial flexibility given that gearing is relatively high and a high proportion of secured debt. Cost of debt may increase if the sustainability targets are not met.

Ticker	MXNU
Rating	BUY
Price Target*	£0.44
Price (27 Apr)	£0.35
Upside/Downside:	+25.7%
52-week range	£0.265 – 0.365
Market Cap	£220M

*Target price is for 12 months

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Distributable income grew 9.8% year-on-year, supported by lower interest expense

Figure 1: 1Q 2026 Financial highlights

Financial Highlights

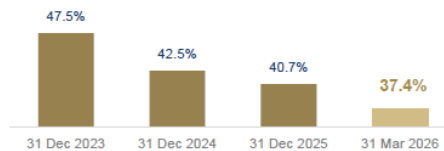
9.8% growth in distributable income; 12.5% rise in NAV



£'000	1Q 2026	1Q 2025	YoY Change	Commentary
Revenue ⁽¹⁾	9,419	9,309	▲ 1.2%	• Revenue growth driven by acquisitions in FY2025
Net Property Income ("NPI") ⁽¹⁾	9,089	10,368	▼ 12.3%	• Adjusted NPI reflects normalisation for one-off dilapidation settlements and lease termination premium received in 1Q 2025
Adjusted NPI ⁽²⁾	9,089	8,743	▲ 4.0%	• Interest savings from capital management and rate optimisation and reduced vacancy costs have further supported growth in distributable income
Distributable Income	5,297	4,823	▲ 9.8%	

Capital Structure	31 Mar 2026	31 Dec 2025
Total Assets	£465.8m	£444.0m
Total Liabilities	£187.7m	£202.3m
Total Debt	£174.9m	£189.6m
Net Assets	£278.0m	£241.7m
NAV per Unit	£0.45	£0.40
Net Gearing Ratio ⁽³⁾	37.4%	40.7%

REIT gearing has been falling steadily since 2023



- (1) Excludes effect of straight-line rent adjustments.
 (2) Net property income excluding one-off revenue items, namely dilapidation settlements and lease termination premium received.
 (3) 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 37.7% and 42.8% as of 31 Mar 2026 and 31 Dec 2025, respectively.

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Source: Company data

Elite UK REIT delivered revenue of £9.4 million in 1Q 2026, a 1.2% increase year-on-year. On an adjusted basis, excluding a one-off lease surrender premium and dilapidation settlement of £1.6 million booked in 1Q 2025, net property income (NPI) grew 4.0% year-on-year to £9.1 million.

Distributable income rose 9.8% year-on-year to £5.3 million. The growth was driven by three key factors: interest savings from proactive capital management and debt rate optimisation; full-quarter contributions from three properties acquired in June 2025; and reduced holding costs from the divestment of vacant assets and the repositioning of Lindsay House, Dundee.

Based on the closing price of £0.345 on 27 April 2026, Elite UK REIT offers a FY 2026E distribution yield of 9.3%.

Strengthened capital structure

Figure 2: Capital management

Capital Management

Safeguarding returns and preserving value with treasury management

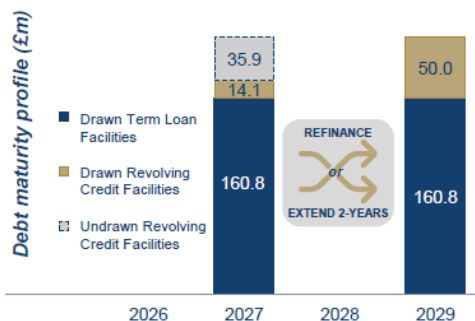


✓ REIT net gearing now at less than 40% for the first time since peak gearing in 2023

✓ Strong interest coverage ratio, with >90% of debt on fixed rates

✓ No refinancing required until 2027, with two-year extension options providing additional flexibility

- ▶ With the DWP leases substantially regeared, extending WALE and enhancing income visibility, the Manager has begun discussions with lenders on potential extension and refinancing plans



(1) A 5% decrease in EBITDA can result in an Interest Coverage Ratio of 2.4x; a 10% decrease in EBITDA can result in an Interest Coverage Ratio of 2.3x.

Debt Management	31 Mar 2026	31 Dec 2025
Borrowing Costs	4.7%	4.7%
Interest Rate Fixed	92%	85%
Interest Coverage Ratio ⁽¹⁾	2.6x	2.6x

Interest Rate Sensitivity	+ 100 bps in Floating Rates Only	+ 100 bps in Floating Rates + Fixed Rates
Impact to DI (£'m)	0.1	0.3
Impact to DPU (%)	0.0%	4.7%
Interest Coverage Ratio	2.5x	2.5x

Debt Optimisation in Action



Source: Company data. Excludes effect of straight-line rent adjustments

As at 31 March 2026, Elite UK REIT's balance sheet is materially stronger across all key metrics. Net gearing declined to 37.4%, falling below the Management's 40% guidance target for the first time since 2023 – a reduction of 10.1 percentage points from the 2023 peak of 47.5%.

NAV per unit rose to £0.45 as at 31 March 2026, representing an increase of 12.5% from 31 December 2025. The uplift was attributed to a £35.6 million increase in portfolio valuation and a £14.7 million reduction in borrowings.

Elite UK REIT maintained 92% of its debt at fixed rates, up from 85% at 31 December 2025, anchoring borrowing costs at 4.7%.

Interest coverage is stable at 2.6x with no refinancing required until 2027, and two-year extension options provide additional flexibility. Management has commenced discussions with lenders on refinancing and capital structure optimisation. The plan is to stagger debt maturities – extending one tranche by two years and refinancing the other – to avoid a maturity concentration in 2027.

Higher occupancy and portfolio valuation

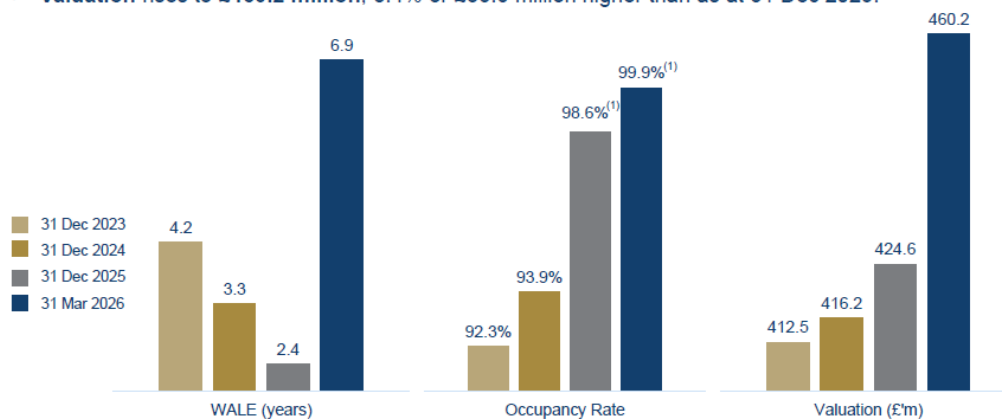
Figure 3: Portfolio Highlights

Portfolio Highlights

Longer Leases, Higher Occupancy, Valuation Growth



- ✓ **WALE** rises to **6.9 years** as at 31 March 2026, after securing new inflation-linked lease agreements with the UK government.
- ✓ **Portfolio occupancy** increases to **99.9%**, after divestment of Ladywell House, Edinburgh for £3.3 million, 8.3% premium above valuation.
- ✓ **Valuation** rises to **£460.2 million**, 8.4% or £35.6 million higher than as at 31 Dec 2025.



(1) Operational assets excluding Lindsay House, Dundee and Cambria House, Cardiff which are earmarked for asset repositioning into purpose-built student accommodation assets.

Source: Company data

Portfolio occupancy increased to 99.9% (operational assets, excluding Lindsay House and Cambria House earmarked for repositioning), following the divestment of vacant Ladywell House, Edinburgh for £3.3 million – an 8.3% premium above its February 2026 valuation of £3.0 million.

The portfolio's total valuation rose 8.4% to £460.2 million as at 31 March 2026 (from £424.6 million at 31 December 2025). This increase reflects the capitalised value of the new DWP leases, planning consents received, and other asset management initiatives. Since 31 December 2023, portfolio value has increased 11.6%, from £412.5 million.

Updates on lease renewal with UK government for DWP assets

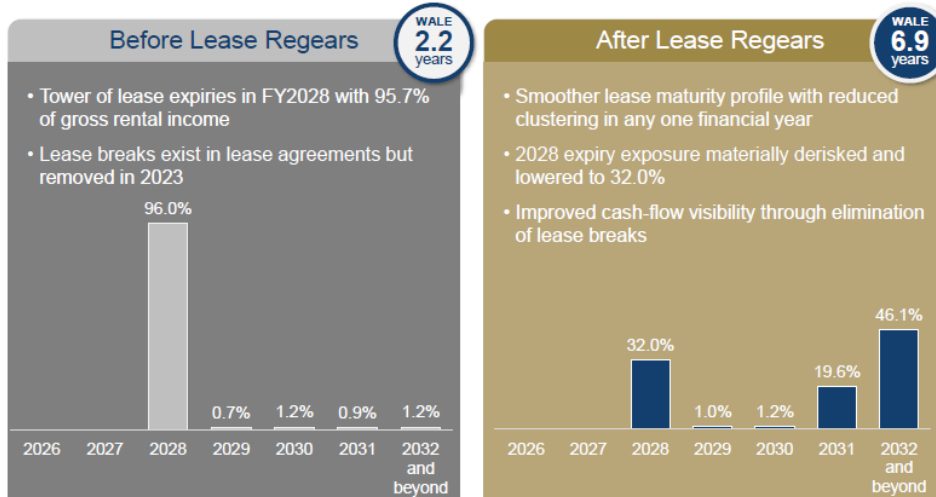
Figure 4: Updates on lease renewal of DWP (Department for Work and Pensions) assets

New leases secured with DWP

Extending WALE to 6.9 years as at 31 March 2026



- ✓ DWP-occupied assets with £24.3m in rent regeared in advance of 2028 lease expiries
- ✓ As majority of assets are regeared to 7–10 years, lease expiry profile smoothed and extended
- ✓ Remaining assets undergoing negotiations



Source: Company data

The completion of the DWP lease regear is the defining event of 1Q 2026. New lease agreements were announced on 5 February 2026 for properties occupied by the Department for Work and Pensions (DWP), covering £24.3 million in annual rent on a triple net basis with no lease breaks.

These leases have structurally transformed Elite UK REIT's risk profile. WALE extended from 2.2 years to 6.9 years – placing Elite UK REIT among the longest WALEs in the Singapore REIT sector.

Peak lease expiry concentration in 2028 has been dramatically reduced from 95.7% to 32.0% of gross rental income.

The leases include CPI-linked rent reviews (minimum 1%, maximum 5%) commencing 1 April 2033, and tenant options to renew for further terms from 1 April 2028. As triple net leases, tenants bear all occupational costs including utilities, maintenance and insurance.

The renewal covered 60 assets out of the 99 assets. Negotiations on the remaining 32.0% of 2028 expiries are ongoing.

Asset Repositioning Initiatives

Beyond the core exposure to government leases, Elite UK REIT is actively repositioning select assets to unlock alternative use value.


The three principal initiatives includes maximising existing income streams at Peel Park ; and expansion into Living Sector at Linday Houe and Cambria House.

Figure 5: Peel Park, Blackpool

Value-add through repositioning

Maximising value from existing income streams



Property	Alternative use case	Milestones	Valuation ⁽¹⁾
Peel Park, Blackpool 	<ul style="list-style-type: none"> 37 acres of freehold land Proposed state-of-the-art data centre facility can be developed on ~20-acres land adjacent to DWP-occupied office buildings Offered 120 MVA power and in proximity to National Grid and renewable energy infrastructure as well as national fibre networks and transatlantic subsea data cables Data centre building on the proposed data centre development site can be up to 14 metres in height, with a rooftop cooling structure rising to 20 metres. Site is also expected to encompass a substation compound; a security office, and associated plant, infrastructure, parking, drainage and landscaping. 	<ul style="list-style-type: none"> ✓ Planning application submitted in Oct 2024 ✓ Planning approval received in Feb 2026 ✓ Commenced evaluation of strategic options, including: <ul style="list-style-type: none"> - Potential marketing of the asset - Buyer engagement and transaction execution, with timing dependent on prevailing market conditions. 	£44.0 million ▲82% since 31 Dec 2023



Source: Company data

Figure 6: Lindsay House and Cambria House

Expansion into Living Sector

Asset repositioning initiatives for value creation



Property	Alternative use case	Milestones	Valuation ⁽¹⁾
Lindsay House, Dundee 	<ul style="list-style-type: none"> 15,682 sq ft of freehold land Located in Dundee's central business district, 3-7 minutes walk to Abertay University and University of Dundee Ongoing redevelopment into a 170-bed 3.5x estimated student-to-bed ratio 	<ul style="list-style-type: none"> ✓ Planning application submitted in Apr 2025 ✓ Planning approval received in Jul 2025 ✓ Appointed development manager ✓ Reviewing vendors for main contractor 	£2.1 million ▲64% since 31 Dec 2023
Cambria House, Cardiff 	<ul style="list-style-type: none"> 9,409 sq ft of freehold land Addressable market size of ~45,690 full-time students in Cardiff major universities Potential for 348-bed PBSA in a market with 6.5x estimated student-to-bed ratio for premium PBSA (<10 years) 	<ul style="list-style-type: none"> ✓ Pre-planning completed and planning application expected to be submitted in 3Q 2026 	£3.5 million Stable since 31 Dec 2023

Source: Company data

Maintain BUY and target price at £0.44

Elite UK REIT is trading at £0.345, implying FY2026E distribution yield of 9.3%. Comparing with other commercial REITs, Elite UK REIT offers an attractive distribution yield. We expect the FY2026 distribution per unit to increase, driven by full-year contribution of newly acquired assets and interest savings. At the current price, Elite UK REIT offers FY2026E distribution yield of 9.3%, significantly higher than other REITs in the industrial and living sectors.

We maintain our BUY rating with a target price at £0.345. Elite UK REIT trades at a compelling valuation when compared to the segment's average DPU yield and Price/Book. Elite UK REIT's FY2026E distribution yield of 9.3% is above the segment's average of 7.0%. Similarly on the Price/Book metric, Elite UK REIT is trading at P/B 0.91x, lower than the segment's average P/B of 1.09x.

We think the management has shown outstanding capabilities in strengthening the capital structure and portfolio resilience.

Amid the current volatility Elite UK REIT's counter-cyclical, government-backed portfolio demonstrates defensive characteristics.

Long-term leases with the UK Government provide stable, predictable income streams immune to economic cyclicality. Triple net lease structure means rising utility costs have minimal direct impact on the Elite UK REIT's net income.

CPI-linked rent reviews provide an inflation hedge over the longer term. Near-full occupancy (99.9%) reduces exposure to leasing risk in a softening market.

Figure 7: Valuation comparison

Name	Ticker	Fiscal Period	Currency	Price	Market cap, S\$ million	Revenue, S\$ million	DPU yield FY2026E, %	DPU yield FY2027E, %	Price/Book 2025	Aggregate Leverage
Elite UK REIT	MXNU	12/2025	GBP	0.35	363.7	66	9.3%	10.3%	0.91	37.4%
Stoneweg European Stapled Trust	SET	12/2025	EUR	1.54	1,277.3	317	8.8%	9.3%	0.94	41.7%
Centurion Accommodation REIT	8C8U	12/2025	SGD	1.09	1,877.5	51	6.1%	6.9%	1.28	22.1%
CapitalLand Ascendas REIT	A17U	12/2025	SGD	2.55	12,089.8	1,574	6.0%	6.2%	1.24	39.7%
Mapletree Industrial Trust	ME8U	03/2025	SGD	2.05	5,851.1	713	6.1%	6.2%	1.20	39.8%
Mapletree Logistics Trust	M44U	03/2025	SGD	1.26	6,439.7	698	5.8%	6.0%	0.96	40.3%
Average							7.0%	7.5%	1.09	

Source: Factset, Beansprout research, prices as at 27 April 2026

Financial summary

Y/E Dec (£m)	FY23A	FY24A	FY25A	FY26E	FY27E	Y/E Dec (£m)	FY23A	FY24E	FY25A	FY26E	FY27E
Income Statement						Cash Flow					
Revenue	45	39	38	40	42	Operating cash flow					
Property expenses	-4	-3	-4	-4	-4	Pretax profit	-21	23	16	33	25
Net property income	41	36	35	37	38	Adjustments	60	10	16	11	10
Other income	0	0	-0	0	0	Working capital changes	9	-5	6	-0	0
Manager's fees	-2	-2	-2	-2	-2	Others	-14	-13	-15	-14	-13
Other expenses	-1	-2	-2	-1	-1	Cash flow from operations	33	15	23	30	22
Share of results of associates & JV	0	0	0	0	0						
Change in value of investment properties	-48	2	-0	0	0	Investing cash flow					
EBIT	-9	35	30	33	35	CAPEX	-4	-4	0	-3	-3
Net finance expenses	-12	-12	-14	-11	-10	Others	3	0	0	0	0
Profit before tax	-21	23	16	33	25	Cash flow from investments	-0	-4	0	-3	-3
Tax	-1	-3	-2	-3	-3						
Minority interests	0	0	0	0	0	Financing cash flow					
Profit attributable to owners	-22	20	14	14	21	Dividends paid	-18	-14	-17	-20	-22
						Proceeds from borrowings	-4	-35	-1	0	0
						Others	0	27	0	0	0
						Cash flow from financing	-23	-21	-18	-20	-22
						Net change in cash	10	-10	4	7	-3
						Beginning cash	5	16	7	7	3
						Currency translation	0	0	0	0	0
						Restricted cash	5	0	0	0	0
						Ending cash	21	5	11	14	-0
Balance sheet						Per share data (pence)					
Assets						Book value per unit	42.91	40.59	39.60	39.52	39.43
PPE	414	413	426	429	433	Distribution per unit	3.07	2.87	3.03	3.21	3.57
Others	0	2	0	0	0	Earnings per unit	(4.59)	3.45	2.27	2.27	3.49
Total non-current assets	414	414	426	429	433						
Cash & cash equivalents	21	7	16	3	-0	Valuation					
Trade & other receivables	3	8	2	2	2	P/E (x)	-	8.6	15.8	15.2	9.9
Others	6	11	0	0	0	P/B (x)	0.7	0.7	0.9	0.9	0.9
Total current assets	30	26	18	5	2	EV/NPI (x)	(15.7)	15.3	24.3	11.9	16.1
Total assets	444	440	444	435	435	Dividend yield (%)	11.0	9.7	8.4	9.3	10.4
Liabilities						Ratios					
ST borrowings	126	0	0	0	0	ROE (%)	(10.7)	8.5	5.7	5.8	8.8
Trade & other payables	5	3	3	3	3	ROA (%)	(5.0)	4.7	3.1	3.2	4.9
Others	11	11	12	12	12	Net gearing	0.96	0.73	0.70	0.75	0.77
Total current liabilities	142	15	15	15	16	Aggregate leverage (%)	50.0	43.4	42.7	42.6	42.5
LT borrowings	94	183	185	185	185						
Others	1	1	2	1	1	Margins (%)					
Total non-current liabilities	95	185	187	186	186	EBIT margin	(20.9)	89.2	78.2	82.0	82.4
Total liabilities	237	199	202	201	202	Net margin	(49.0)	52.4	36.2	34.4	50.5
EQUITY											
Share Capital	308	338	343	343	343						
Unit issue cost	-6	-6	-7	-7	-7						
Accumulated profits	-95	-91	-95	-95	-96						
Total equity	207	241	242	241	241						
Minority interests	0	0	0	0	0						
Total equity and liabilities	444	440	444	442	442						

Disclosure Appendix

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