



AIMS
AA REIT

Investor Presentation

January 2023



20 Gul Way, Singapore



Woolworths HQ, Australia



3 Tuas Avenue 2, Singapore

Agenda

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3Q FY2023 Financial and Portfolio Highlights

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Outlook and Strategy



Optus Centre, Australia



Overview of AA REIT

20 Gul Way, Singapore

Overview of AIMS APAC REIT

Curated portfolio of high-quality assets in Singapore and Australia

Sponsor: AIMS Financial Group

- Established in 1991, AIMS is a diversified financial services and investment group, active in the areas of fund management, mortgage lending, investment banking and property investment
- Headquartered in Sydney, with businesses across Australia, China, Hong Kong SAR and Singapore
- Owner of the Sydney Stock Exchange

Investment Mandate

To invest in a diversified portfolio of income-producing industrial, logistics and business park real estate throughout the Asia Pacific region

Diversified across industrial sub-sectors

Logistics & Warehouse



Business Park



General & Light Industrial



Hi-Tech



Diversified geographic presence

Singapore

- 26 properties
- 62.4% of portfolio value²



Australia

- 3 properties¹
- 37.6% of portfolio value²



Resilient portfolio



29
High quality assets¹



S\$2.3bn
Total assets



786,463 sq ft
Net lettable area



97.8%
Occupancy



4.5 years
Portfolio WALE



199
Tenants

Notes:

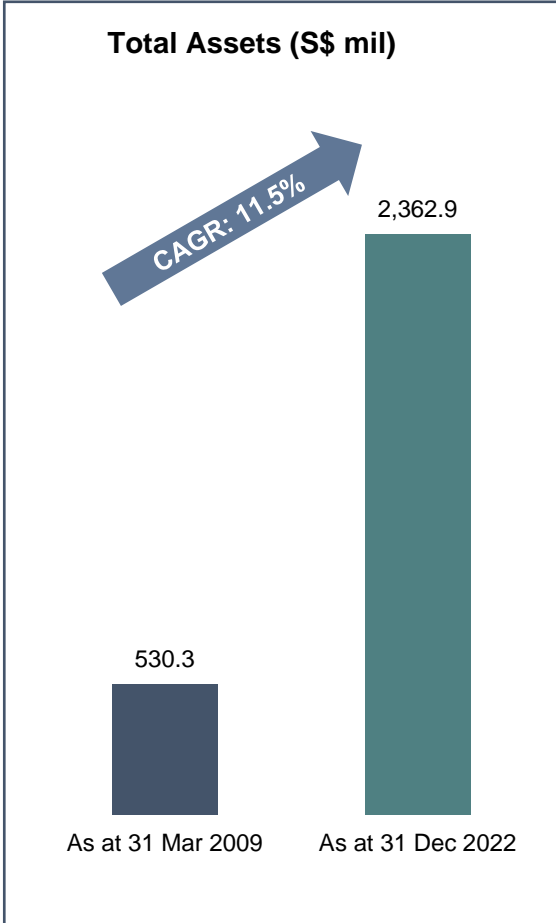
All information stated is as at 31 December 2022, unless otherwise stated.

1. Includes 49% interest in Optus Centre.

2. As at 30 September 2022.

Creation of unitholder value from active management

Transformational growth backed by established Sponsor

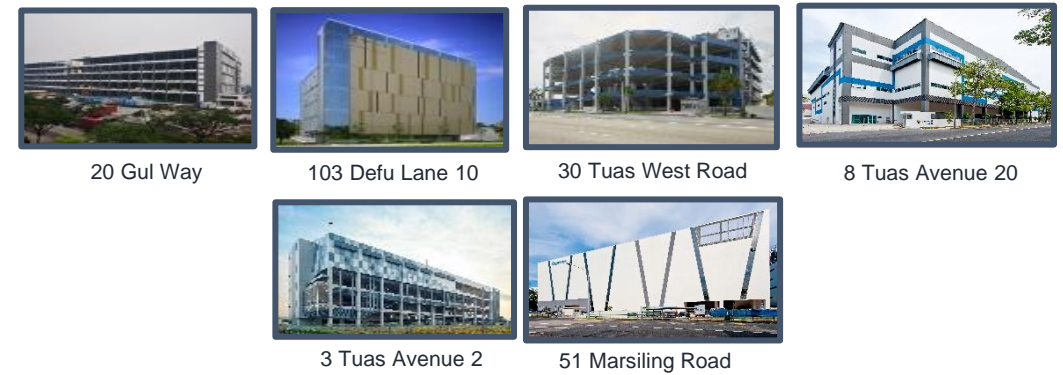


Inclusion into Key Indices

Sept 2021
FTSE EPRA Nareit Global Developed Index

May 2020
MSCI Singapore Small Cap Index

6 Development Projects



3 Asset Enhancement Initiatives



4 Targeted Acquisitions



Delivered total return of 253.4%¹ from FY2010

These 13 completed developments, AEs and acquisitions are today valued at S\$1.6 billion and account for 70.3% of our total portfolio value²

Notes:
 1. Total return for the period 1 April 2009 to 31 December 2022 and is calculated based on the closing unit price of S\$0.230 on 31 March 2009 and the closing unit price of S\$1.24 on 31 December 2022. Assumes the investor fully subscribes for his/her right entitlement and distributions are fully reinvested into the Trust (i) at the closing price on the ex-distribution date; and (ii) on the day distributions were paid out.
 2. Based on the carrying value of investment properties as at 30 September 2022 as well as the 49.0% interest in the carrying value of Optus Centre and excluding right-of-use assets.

Proactive asset and lease management

Well-diversified portfolio anchored by Australian business parks and strong credit covenants

Active Lease Management

FY2020

Optus Centre



Completed a 12-year lease extension with AA REIT's largest tenant, Optus Administration, Australia's second largest telecommunications company

3 Tuas Avenue 2



Secured 10-year master lease agreement prior to completion of the redevelopment with ResMed, a global medical device design and development, storage and distribution company

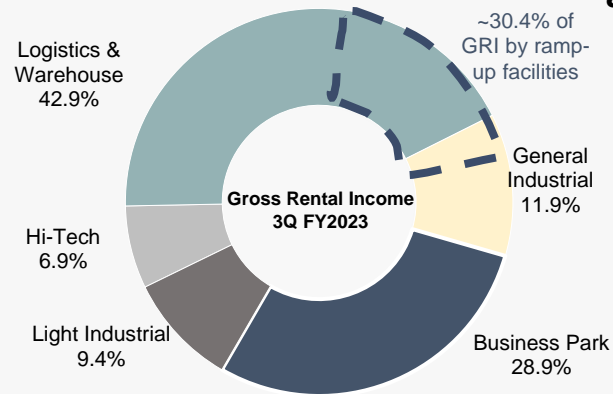
FY2022

NorthTech



Executed 10-year lease renewal with Illumina Singapore, a leading global developer, manufacturer and marketer of life science tools

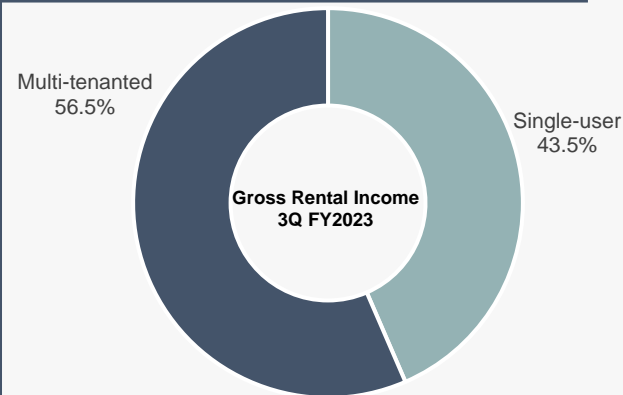
Gross Rental Income¹ by Sub-Sectors



Diversification in sub-sectors underpin business resilience amid market volatility

- Anchored by high-quality Australian business parks (25.9% of GRI) master tenanted on long lease terms with rental escalation
- Exposure to hi-tech space (6.9% of GRI) with a large corporate tenant and long lease
- Ramp-up facilities account for ~30.4% of portfolio GRI and offer potential for strong rental reversion

Gross Rental Income¹ by Property Type



Balanced exposure to single-user and multi-tenanted buildings with long WALE of 4.5 years

- All single-user assets are at market rent with long lease terms providing income stability, majority (82.7%¹) have built-in escalations
- Multi-tenanted assets, of which majority (65.0%²) are logistics properties, have shorter WALE with potential for rental growth

Notes:

All references to "GRI" refers to 3Q FY2023 gross rental income.

1. Refers to gross rental income of single-user assets.
2. Refers to gross rental income of multi-tenanted assets.

Track record in redevelopment and asset enhancement

Active development and enhancement strategy to unlock portfolio value

- Developed over ~2.8 million¹ sq ft of logistics, warehouse and high-specification industrial space
- Development potential of up to 500,000 sq ft of untapped gross floor area (GFA) in Singapore and up to 1.5 million sq ft of untapped GFA in Australia

2011	2013	2014	2015	2016	2018
 <p>20 Gul Way (Phase 1 & 2)</p> <ul style="list-style-type: none"> ▪ 1.16 mil sq ft five-storey ramp up warehouse ▪ Increased plot ratio from 0.46 to 1.4 	 <p>103 Defu Lane 10</p> <ul style="list-style-type: none"> ▪ Modern 203k sq ft six-storey industrial facility ▪ Increased plot ratio from 1.20 to 2.50 	 <p>26 Tuas Avenue 7</p> <ul style="list-style-type: none"> ▪ Two-storey purpose built factory ▪ Built additional 2,077 sq ft of space 	 <p>30 Tuas West Road</p> <ul style="list-style-type: none"> ▪ 288k sq ft five-storey ramp up warehouse ▪ Plot ratio increased from 1.15 to 2.07 	 <p>8 Tuas Avenue 20</p> <ul style="list-style-type: none"> ▪ 159k sq ft three-storey industrial facility ▪ Plot ratio increased from 1.03 to 1.40 	 <p>3 Tuas Avenue 2</p> <ul style="list-style-type: none"> ▪ 268k sqft four-storey ramp up industrial facility ▪ Plot ratio increased from 0.92 to 1.40
 <p>20 Gul Way (Phase 2E & 3)</p> <ul style="list-style-type: none"> ▪ Further development of additional 497k sq ft ▪ Increased plot ratio from 1.4 to 2.0 	 <p>1 Kallang Way 2A</p> <ul style="list-style-type: none"> ▪ Eight-storey light industrial building with warehouse space ▪ Increased net lettable area by 13% 	 <p>51 Marsiling Road</p> <ul style="list-style-type: none"> ▪ 231k sq ft greenfield BTS² five-storey industrial facility ▪ Valued at \$43.0 million upon completion 	 <p>NorthTech</p> <ul style="list-style-type: none"> ▪ Four-storey hi-tech industrial building ▪ Property value increased to S\$131.0 mil³ from \$72.0 mil⁴ 		

 **Development**

 **Asset enhancement**

Notes:

1. Refers to space added from development projects
2. Refers to built-to-suit.
3. Based on 30 September 2022 valuation.
4. Based on purchase price as at acquisition date 21 February 2011.

Focused execution on yield accretive investments

Disciplined and targeted acquisitions to deliver Unitholder value

February 2014 49% interest in Optus Centre, Australia

- Maiden entry into Australia
- Freehold asset leased to Australia's 2nd largest telecommunications company, and subsidiary of Singtel
- Long lease term of 8.1 years¹ (triple-net) with annual escalations



**A\$184.25 million²
Purchase Price**

**A\$369.95 million²
Current Value**

July 2019 Boardriders Asia Pacific HQ, Australia

- Sale-and-leaseback of a freehold asset to a global leading action sports and lifestyle company
- Long lease term of 12 years¹ (triple-net) with in-built rental escalations



**A\$38.46 million
Purchase Price**

**A\$56.50 million
Current Value**

October 2020 7 Bulim Street, Singapore

- Modern ramp-up building strategically located within the Jurong Innovation District
- Master leased to major Japanese freight forwarding and logistics group which is a wholly-owned subsidiary of Japanese railway holding company Kintetsu Group



**S\$129.60 million
Purchase Price**

**S\$130.50 million
Current Value**

November 2021 Woolworths HQ, Australia

- Freehold asset strategically located to benefit from future infrastructure investment and urban regeneration
- Master leased (triple-net) to Australia's largest supermarket retailer and one of the top 10 ASX-listed companies (by market capitalization) for 10 years¹ with built-in rental escalations



**A\$463.25 million
Purchase Price**

**A\$468.0 million
Current Value**

Notes:

References to "Current Value" refers to valuation obtained as at 30 September 2022.

1. As at date of announcement.
2. Reflects 49.0% interest in the property..



3Q FY2023 Financial and Portfolio Highlights

NorthTech, Singapore

3Q FY2023 Overview

Robust financial performance backed by high-quality portfolio and healthy balance sheet

Robust Financial Performance

- Strong organic growth
- Attractive distribution yield of 8.4%¹



Revenue

S\$42.0 million
+14.1% y-o-y

Net Property Income

S\$30.9 million
+14.0% y-o-y

Distributions to Unitholders

S\$18.7 million
+11.7% y-o-y

DPU

2.59 cents
+10.2% y-o-y

Active Portfolio Management

- Consistently high occupancy rate
- Sustained positive rental reversions



Portfolio Occupancy

97.8%
30 September 2022: 97.5%

Weighted Average Lease Expiry

4.5 years
30 September 2022: 4.8 years

Rental Reversion

+21.2%
1H FY2023: +8.1%

Tenant Retention Rate²

79.0%
1H FY2023: 85.4%

Prudent Capital Management

- Proactive hedging strategy
- Strong financial flexibility



Aggregate leverage ratio

36.4%
30 September 2022: 36.5%

Weighted average debt maturity

3.2 years
30 September 2022: 3.5 years

Borrowings on fixed rates³

88%
30 September 2022: ~88%

Hedged expected AUD distributable income

70%
30 September 2022: ~67%

Notes:

1. Based on annualised 3Q FY2023 DPU and closing unit price of S\$1.24 as at 31 December 2022.
2. Based on trailing 12 months and by net lettable area.
3. Include forward interest rate swaps.

3Q FY2023 and 9M FY2023 Financial Performance

Strong organic growth

- Increases in gross revenue and NPI were mainly driven by higher rental income from Singapore and Australia properties, as well as full quarter and nine-month period contribution from the acquisition of Woolworths Headquarters which was completed on 15 November 2021

Financial Highlights (S\$'000 unless otherwise stated)	3Q FY2023 ¹	3Q FY2022	Change (%)	9M FY2023 ¹	9M FY2022	Change (%)
Gross Revenue	42,014	36,807	14.1	125,214	102,053	22.7
Net Property Income (“NPI”)	30,860	27,070	14.0	92,003	74,779	23.0
Distributions to Unitholders	18,657	16,709	11.7	52,380	50,312	4.1
Distribution per Unit (Singapore cents)	2.59	2.35	10.2	7.29	7.10	2.7

Note:

1. 3Q FY2023 and 9M FY2023 included the full quarter and nine-month period contribution from the acquisition of Woolworths Headquarters in New South Wales which was completed on 15 November 2021.

Prudent Capital Management

Strong financial position and healthy credit metrics

Key Balance Sheet Items (S\$' million)	As at 31 December 2022	As at 30 September 2022
Total Assets	2,346.1	2,362.9
Total Liabilities	973.8	985.5
Net Assets	1,372.3	1,377.4
Net Asset Value per Unit (Singapore cents)	1.38	1.40

Credit Metrics	As at 31 December 2022	As at 30 September 2022
Aggregate Leverage¹ (%)	36.4	36.5
Blended Debt Funding Cost (%)²	3.2	3.0
Weighted Average Debt Maturity (years)	3.2	3.5
Interest Cover Ratio ("ICR")³ (times)	4.1	4.6
Adjusted ICR⁴ (times)	2.3	2.5
Fixed rate debt as % of total debt⁵	88% ⁶	88% ⁷

Notes:

- Aggregate leverage ratio is computed as total borrowings as a percentage of total assets and includes lease liabilities that are entered into in the ordinary course of AA REIT's business on or after 1 April 2019 in accordance with MAS guidelines. The total borrowings excluded Perpetual Securities holders' funds.
- Based on year-to-date figures.
- The interest coverage ratio ("ICR") is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (excluding interest expense on lease liabilities). The ICR excluded interest expense on lease liabilities.
- The adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders and excluded interest expense on lease liabilities.
- Includes forward interest rate swaps.
- 71% of borrowings on fixed rates, 17% of borrowings on forward interest rate swaps.
- 65% of borrowings on fixed rates, 23% of borrowings on forward interest rate swaps.

Prudent Capital Management

Low refinancing risks and forward-looking hedging strategy

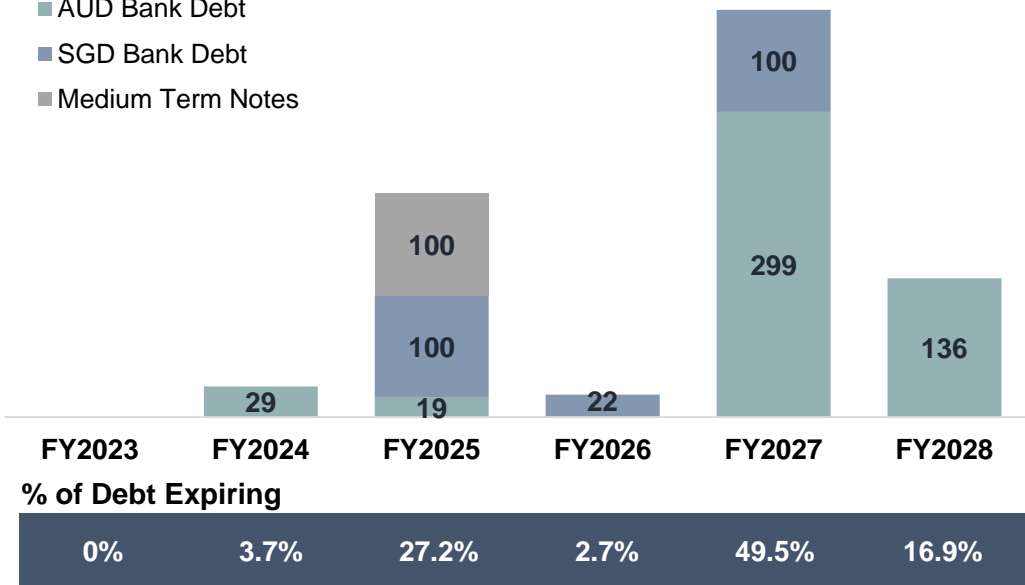
Proactive Approach to Capital Management

- Strong financial flexibility with undrawn committed facilities and cash and bank balances of S\$220.0 million
- Debt due in FY2024 can be covered via existing committed debt facilities
- Refinanced debt extended to FY2028 maturity accounts for 16.9% of total borrowings

Debt Maturity Profile – Weighted Average Debt Maturity of 3.2 years

Total Gross Debt: S\$805.2 million

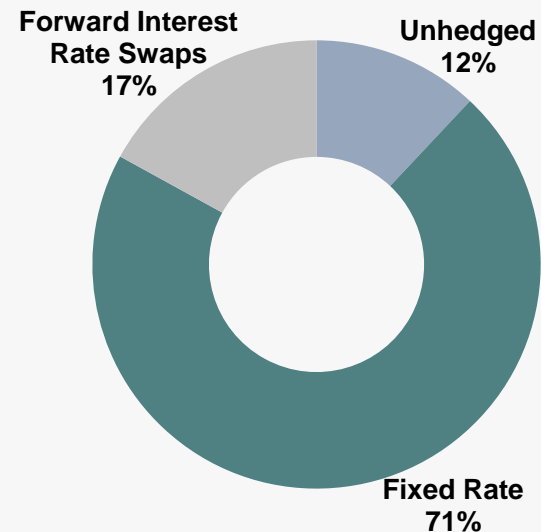
- AUD Bank Debt
- SGD Bank Debt
- Medium Term Notes



Disciplined Hedging

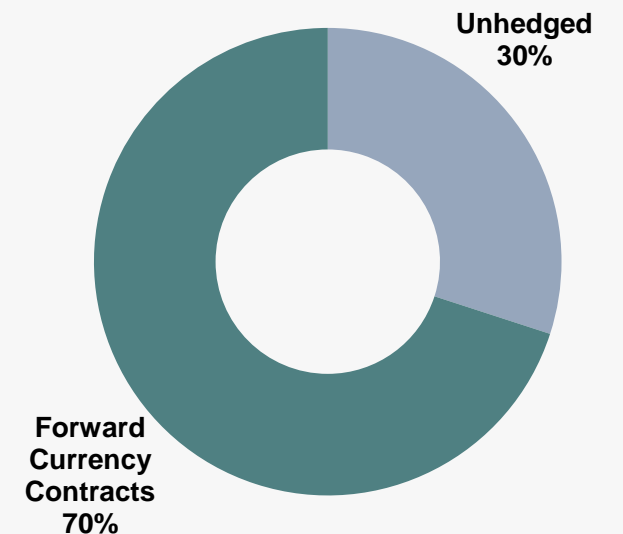
Interest Rate Risk Management

- 88% of borrowings on fixed rates (including forward interest rate swaps)
- Every 25 bps increase in interest rates is expected to have a 0.08 cents DPU impact per annum¹



Forex Risk Management

- 70% of expected AUD distributable income is hedged into SGD via forward currency contracts
- Adopts natural hedging strategy for Australian investments



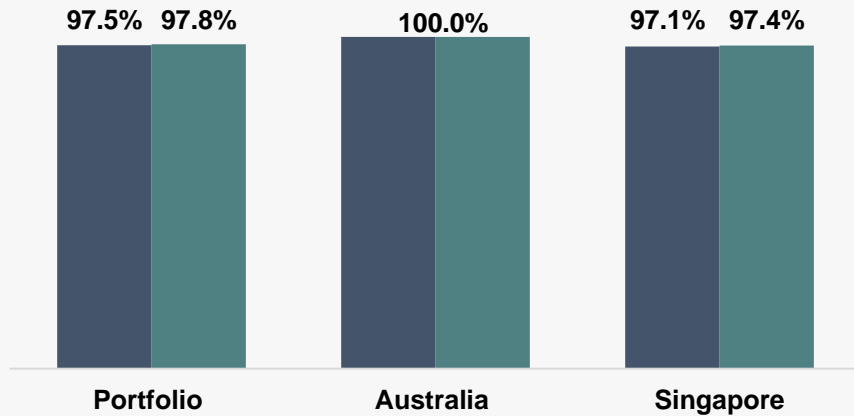
Note:

1. Based on fixed rates excluding forward interest rate swaps.

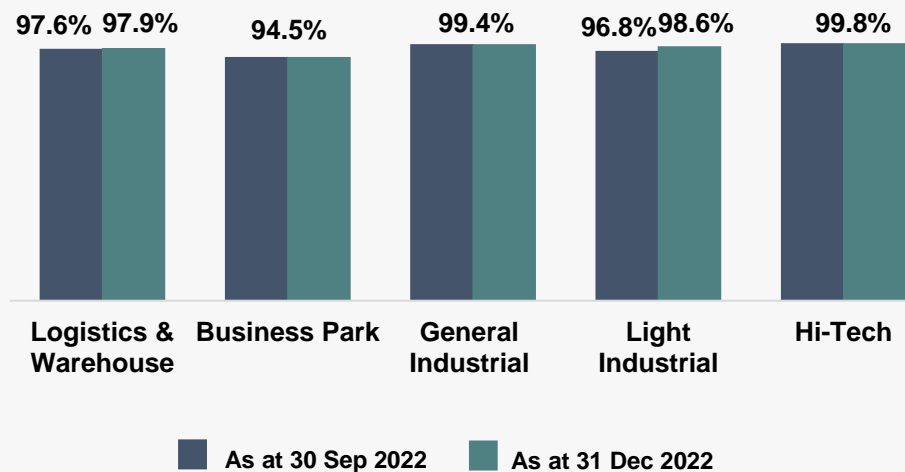
High Portfolio Occupancy Rate of 97.8%

Active asset management ensures consistent high occupancy

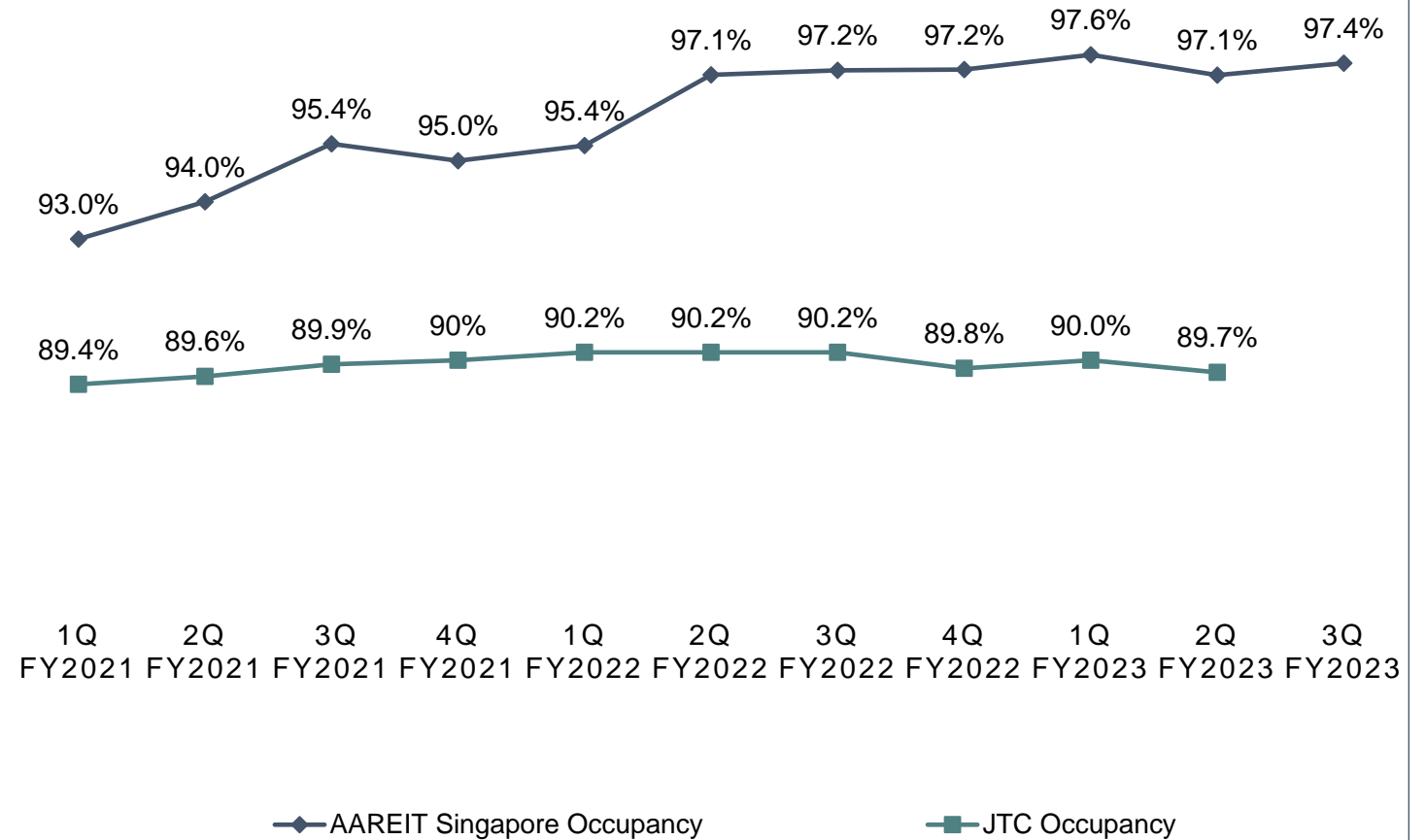
Portfolio Occupancy by Geography



Occupancy Rate by Sub-Sectors



Consistently high and increasing occupancy for Singapore's portfolio



Strong Leasing Momentum

Positive rental reversion with high tenant retention and well-staggered lease expiry profile

- Executed 11 new (23,478 sqm) and 16 renewal leases (29,180 sqm), representing 6.7% (52,658 sqm) of the portfolio's total net lettable area
- Achieved strong average portfolio reversion rate of 21.2% for 3Q FY2023 and high tenant retention rate of 79.0%¹

Rental reversion by sub-sectors (%)	3Q FY2023	2Q FY2023	1Q FY2023
Logistics & Warehouse	25.9	10.3	16.5
Business Park	-6.4	0.7	-2.2
General Industrial	22.2	N.A.	8.0
Light Industrial	6.7	6.8	2.8
Hi-Tech	N.A.	N.A.	N.A.
Overall Portfolio	21.2	6.2	9.5

Key tenants secured during 3Q FY2023



LF Logistics is a subsidiary of Maersk, a global leader in shipping services which operates in 130 countries.

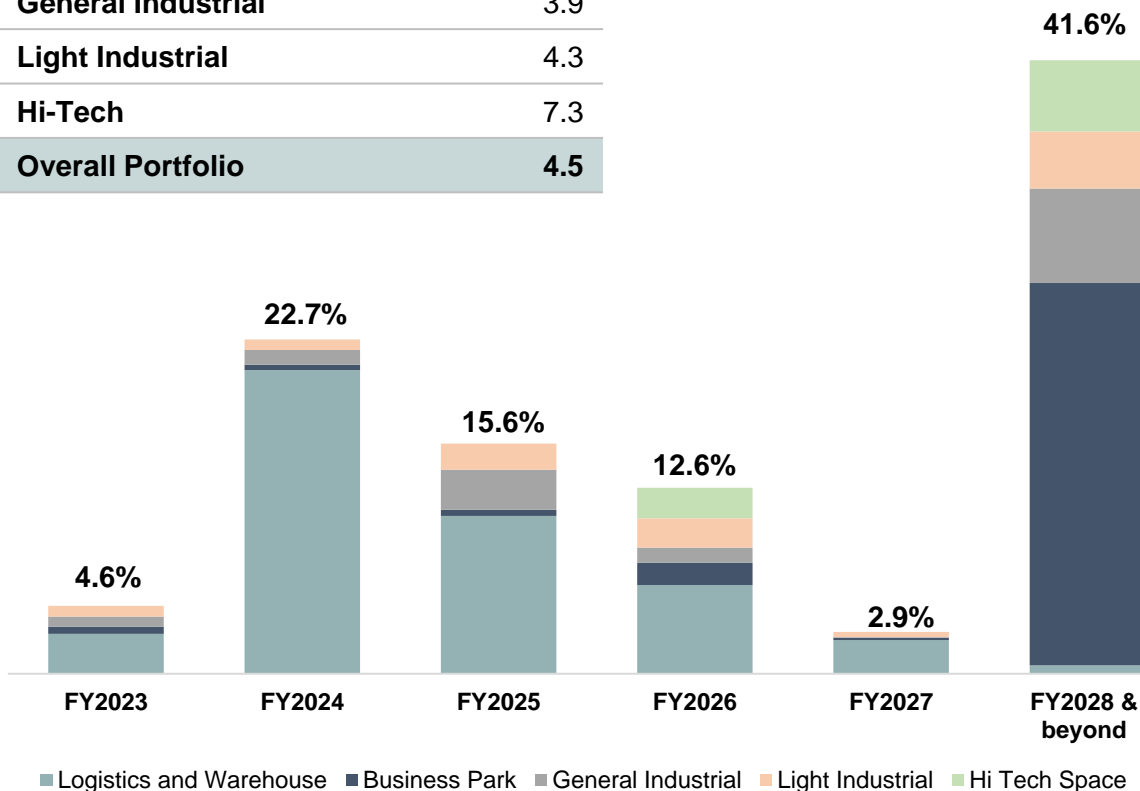


Listed on the New York Stock Exchange, Emerson is a global software and engineering leader providing innovative solutions for customers with a global sales footprint

Lease expiry profile²

WALE by sub-sectors (years)

Logistics & Warehouse	1.4
Business Park	8.8
General Industrial	3.9
Light Industrial	4.3
Hi-Tech	7.3
Overall Portfolio	4.5



Notes:

- Based on trailing 12 months and by net lettable area.
- Weighted by 3Q FY2023 gross rental income.

Diverse and High-quality Tenant Base

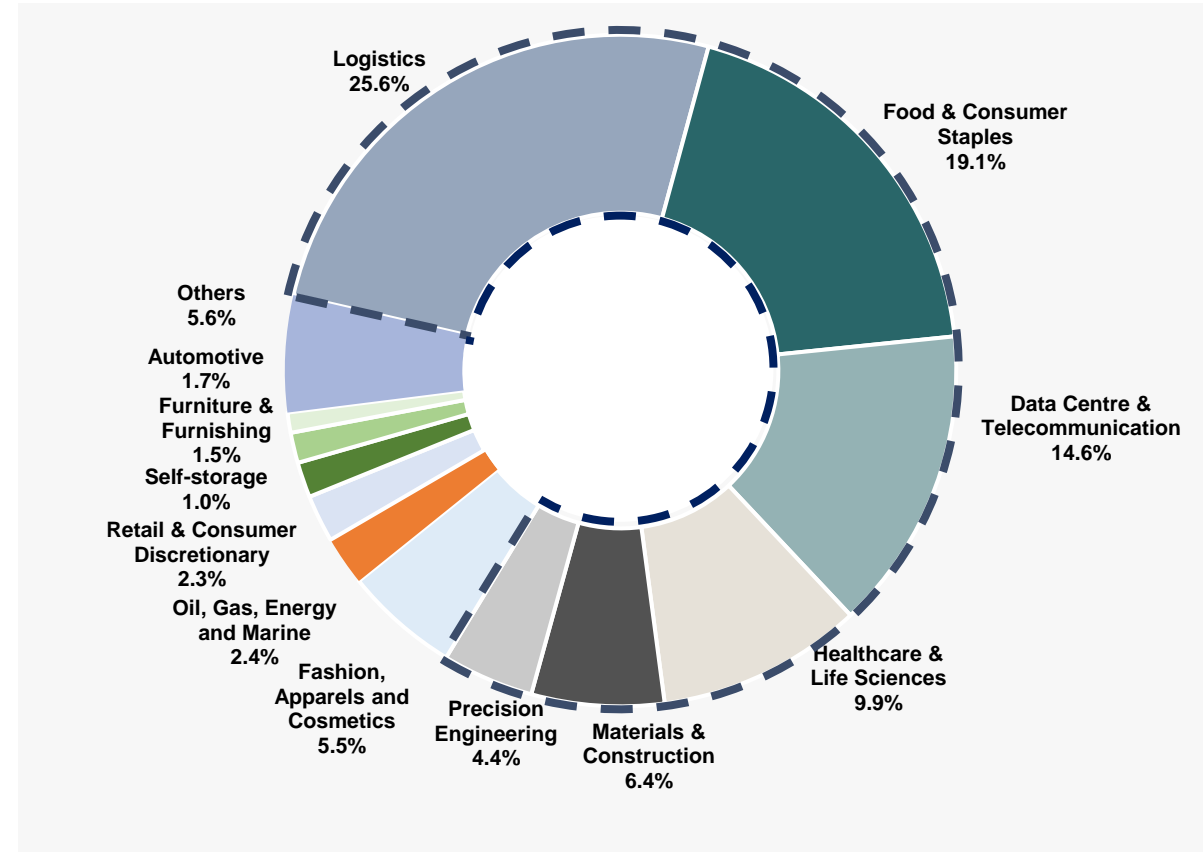
Stable top 10 tenants; 199 tenants diversified across trade sectors

No.	Tenant Name	% GRI	Trade Sector	Lease Expiry (Years)
1	Woolworths	14.8%	Food & Consumer Staples	8.8
2	Optus	11.1%	Data Centre & Telecommunication	10.5
3	Illumina Singapore	6.7%	Healthcare & Life Sciences	7.4
4	KWE-Kintetsu World Express	6.2%	Logistics	1.0
5	Beyonics International	3.0%	Precision Engineering	5.3
6	Schenker Singapore	2.8%	Logistics	1.7
7	ResMed Asia	2.7%	Healthcare & Life Sciences	7.2
8	Boardriders	1.9%	Fashion, Apparels and Cosmetics	8.5
9	CIT Cosmeceutical	1.7%	Fashion, Apparels and Cosmetics	1.3
10	Racks Central Pte Ltd	1.6%	Data Centre & Telecommunication	7.3

- **52.5% of GRI** contribution from Top-10 quality tenants with the majority being leading global, regional and local companies in their respective sectors
- In advanced negotiations with KWE on lease renewal
- WALE¹ for Top-10 tenants is **7.1 years**

Notes:
All references to "GRI" refers to 3Q FY2023 gross rental income.
1. By 3Q FY2023 gross rental income.

Diversified across trade sectors¹



- **80.0% of GRI** contributed by tenants operating in defensive and resilient industries

Sharpening Our ESG Focus

Continued Progress on Sustainability

Progress YTD in FY 2023	
<h3>Environment</h3> <ul style="list-style-type: none">  Stepping up efforts to implement energy conservation projects across selected portfolio properties  Introducing green lease clauses to tenants  Installation of large-scale rooftop solar system across six Singapore properties by December 2023  Green building certifications account for ~24% of AA-REIT's total portfolio by GFA 	<h3>Social</h3> <ul style="list-style-type: none">  Partnered with Habitat for Humanity to rehabilitate homes for vulnerable persons and family  Conducted and reviewed tenants' satisfaction survey participation rate to improve customer experience  Enhanced employee engagement through health and wellness initiatives and corporate team bonding sessions
	<h3>Governance</h3> <ul style="list-style-type: none">  Singapore Governance and Transparency Index 2022¹ - REIT and Business Trust Ranked 13th out of 45 trusts






Solar panel to be installed atop 20 Gul Way, Singapore



Achieved BCA Greenmark Gold Plus for 7 Bulim Street, Singapore



Home rehabilitation in partnership with Habitat for Humanity

Focus Areas	
	<h3>ESG Roadmap</h3> <p>Establish an ESG Roadmap with clear targets</p>
	<h3>Decarbonisation Journey</h3> <p>Reduction in Scope 1 and Scope 2 carbon emissions to achieve science-based emissions reduction targets, in line with the Science-Based Targets Initiative¹</p>
	<h3>Climate Resilience</h3> <p>To assess assets within the portfolio against climate risks</p>

Note:
1. The Singapore Governance and Transparency Index (SGTI) is the leading index for assessing corporate governance practices of Singapore-listed companies.

Outlook and Strategy



3 Tuas Avenue 2, Singapore

Singapore

Growth in industrial market underpinned by favourable demand-supply dynamics

- Based on advance estimates, Singapore's economy grew 2.2% in 4Q 2022, moderating from the 4.2% growth in 3Q 2022¹. Singapore Manufacturing PMI in December 2022 decreased 0.1 point from the previous month to post a fourth month of continuous contraction at 49.7²
- In the industrial market, favourable demand-supply dynamics continue to support healthy occupancy rates
- Tight supply conditions and resilient long-term demand from the life science and high-value manufacturing sectors will continue to support rental rates for high-quality assets, in particular the prime logistics segment

Australia

Flight to quality, infrastructure improvements and limited supply to benefit city-fringe business parks

- Australia's growth forecast is expected to slow from 3.8% in 2022 to around 1.5% in 2023, as rising inflation and higher interest rates curb household consumption³
- In Sydney, the flight to quality assets and infrastructure improvements continue to drive demand for high-quality spaces in the Macquarie Park precinct and Norwest Business park
- In the Gold Coast, strong population growth, a fast-growing economy and major infrastructure improvements, coupled with a chronic undersupply of industrial space will continue to keep vacancy rates at low levels

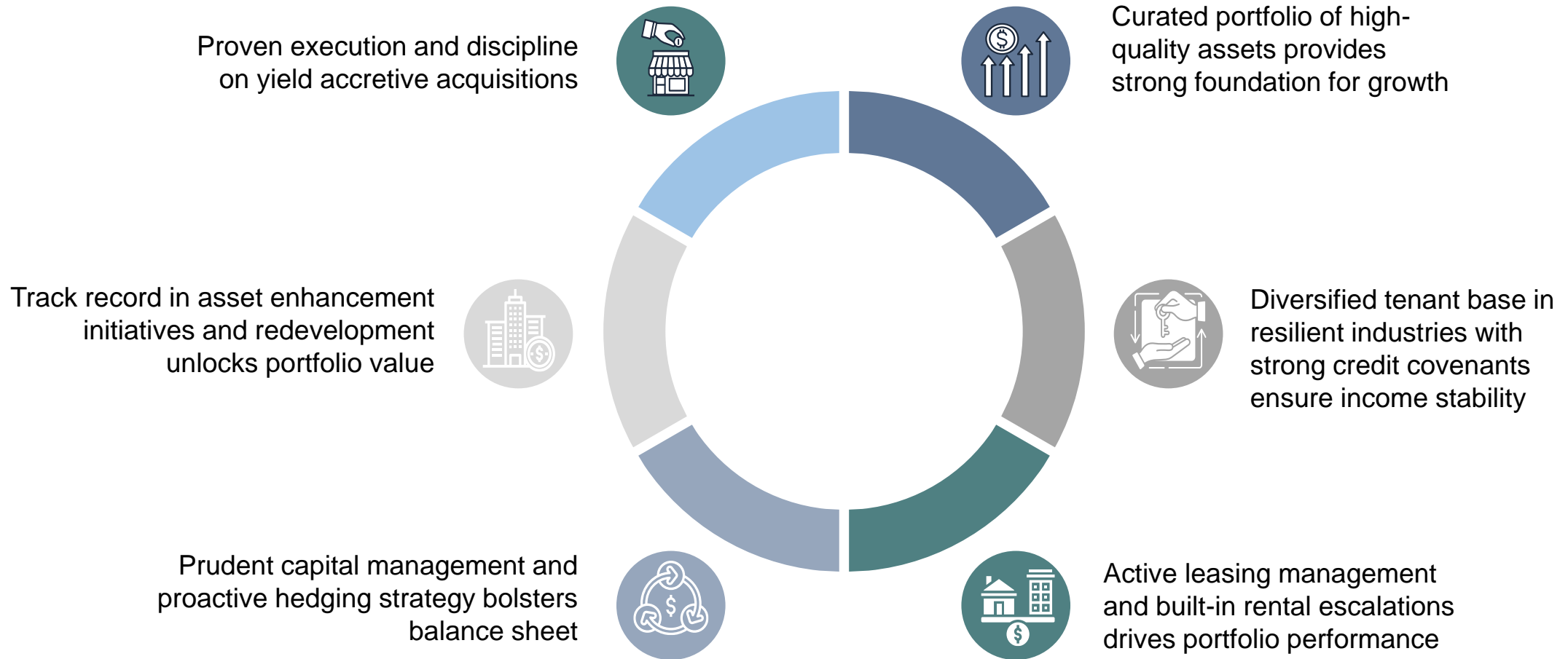
Strategy

- Tenant retention to maintain high occupancy
- Pursue opportunities for asset enhancements, re-development and divestments to improve portfolio quality and to drive organic growth
- Monitor the market and exercise prudence when assessing inorganic growth opportunities
- Adopt a disciplined approach to capital management as well as maintaining a well-capitalised balance sheet

Notes:

1. Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022, Ministry of Trade and Industry Singapore.
2. Singapore PMI summary as of December 2022, Singapore Institute of Purchasing and Materials Management (SIPMM)
3. Statement by Philip Lowe, Governor: Monetary Policy Decision, 6 December 2022, Reserve Bank of Australia.

Key Investment Merits



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AA REIT

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