



DBS – SGX – REITAS Corporate Presentation

November 2023



AIMS
AA REIT



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Agenda

1. Overview of AIMS APAC
2. Track Record
3. 1H FY2024 Key Highlights
4. Portfolio Highlights
5. Sustainability Highlights
6. Outlook and Strategy



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

- 25 properties
- ~64.2% of portfolio value



Australia

- 3 properties¹
- ~35.8% of portfolio value



Resilient portfolio



28

High quality assets



S\$2.2 bn

Total Portfolio Value



786,508 sqm

Net lettable area



98.1%

Occupancy



4.2 years

Portfolio WALE²



195

Tenants

Notes:

All information stated is as at 30 September 2023.

- Include a 49.0% interest in Optus Centre located in Macquarie Park, NSW, Australia.
- Weighted average lease expiry by 1H FY2024 gross rental income

2 Track Record

20 Gul Way, Singapore



Asset Enhancement Track Record

Active rejuvenation of portfolio resulting in long-term value creation



26 Tuas Avenue 7, Singapore

- Two-storey purpose-built factory
- **Built additional 2,077 sq ft of space**



29 Woodlands Industrial Park E1, Singapore

- Four-storey hi-tech industrial building (Life Science)
- Underwent **building upgrades over 2 phases** which led to an **increase take up by anchor tenant and 10-year lease extension**



23 Tai Seng Drive, Singapore

- Six-storey light industrial building (Data Centre)
- Completed asset enhancement works which led to an **increase occupancy by anchor tenant and conversion to a master lease and 7-year lease.**

2014



1 Kallang Way 2A, Singapore

- Eight-storey light industrial building with warehouse space
- **Increased NLA by 13%**

2015

2020



Optus Centre, Australia

- Campus style A Grade business park comprising 6 buildings
- Enhancement of facilities to meet master tenant's occupation requirements which led to **12-year master lease extension**

2021

2022

Development Track Record

Developed over ~2.8 million sq ft of high quality logistics and industrial space



20 Gul Way, Singapore (Phase 1 & 2)

- 1.16 mil sq ft five-storey ramp up warehouse
- Plot ratio increased from 0.46 to 1.4



30 Tuas West Road, Singapore

- 288k sq ft five-storey ramp up warehouse
- Plot ratio increased from 1.15 to 2.07



8 Tuas Avenue 20, Singapore

- 159k sq ft three-storey industrial facility
- Plot ratio increased from 1.03 to 1.40

Development potential of up to 500,000 sq ft of untapped gross floor area (GFA) in Singapore and up to 1.5 million sqft untapped GFA in Australia

2011

2013

2015

2016

2018



20 Gul Way, Singapore (Phase 2E & 3)

- Further development of additional 497k sq ft
- Plot ratio increased from 1.4 to 2.0



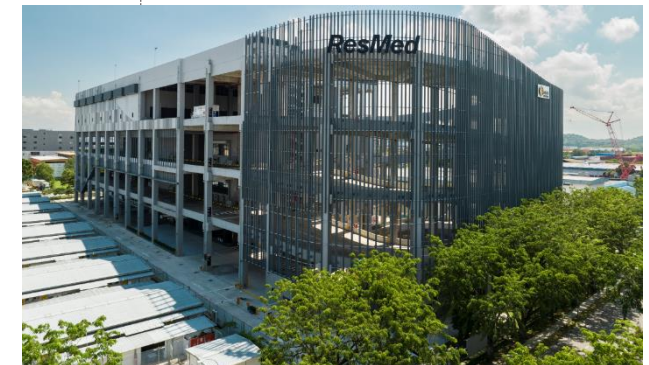
103 Defu Lane 10, Singapore

- Modern 203k sq ft six-storey industrial facility
- Plot ratio increased from 1.20 to 2.50



51 Marsiling Road, Singapore

- 231k sqft greenfield built-to-suit five-storey industrial facility (Advanced manufacturing)
- **Secured 10-year master lease**



3 Tuas Avenue 2, Singapore

- 268k sqft four-storey ramp up industrial facility (Healthcare)
- Plot ratio increased from 0.92 to 1.40
- **Secured 10-year master lease**

Acquisition Track Record

Disciplined selection of quality real estate in strategic locations

- ✓ High-quality asset
- ✓ Strong tenant profile
- ✓ Rental growth profile
- ✓ Strategic location with established infrastructure
- ✓ Future value-add potential



2009

2010

2014

2019

2020

2021



A Curated Portfolio of High Quality Industrial Assets

Disciplined growth through active management and accretive investments

Active Asset Management and Disciplined Acquisitions since AIMS Financial Group became Sponsor

5 Asset Enhancement Initiatives

- Value creation through uplifts in rental and valuation
- Achieved an average NPI yield of 8.8% for its Singapore AEs

6 Development Projects

- Developed over ~2.8 million sq ft of logistics, warehouse and high-specification industrial space
- Achieved an average NPI yield of 8.2%

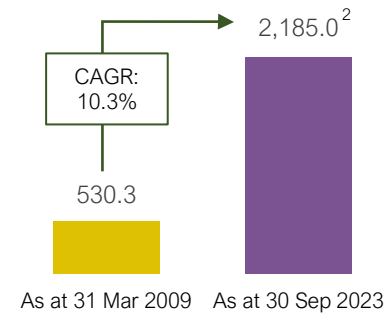
9 Acquisitions

Completed ~S\$984 million¹ of strategic acquisitions

Creation of a high quality portfolio provides AA REIT with a strong foundation for future growth

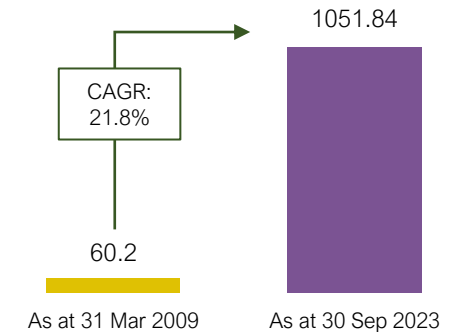
Increased scale

Portfolio Valuation (S\$ mil)



Enhanced investor visibility

Market Capitalisation (S\$' mil)



Inclusion into Key Indices



Sept 2021
FTSE EPRA Nareit Global Developed Index



May 2020
MSCI Singapore Small Cap Index

Delivered total return of 189.6%³ from FY 2010

Notes:

1. Exchange rates used are as at date of the respective acquisitions announcements.
2. Based on the carrying value of investment properties as at 30 September 2023 as well as the 49.0% interest in the carrying value of Optus Centre and excluding right-of-use assets.
3. Total return is calculated based on the closing unit price of S\$0.230 on 31 March 2009 and S\$1.30 on 29 September 2023. Assumes the investor fully subscribes for his/her right entitlement and dividends are not reinvested.



3 1H FY2024 Key Highlights

Woolworths Headquarters, Australia

1H FY2024 Key Highlights

Steady performance with robust balance sheet

Financial Highlights

Revenue

S\$86.8 million

+4.4% y-o-y

Net Property Income

S\$64.3 million

+5.1% y-o-y

Distributions to Unitholders

S\$36.1 million

+7.1% y-o-y

DPU

4.650 Singapore cents

-1.1% y-o-y

Asset Management

Portfolio Occupancy

98.1%

30 Sep 2022: 97.5%

Weighted Average Lease Expiry

4.2 years

30 Sep 2022: 4.8 years

Rental Reversion¹

+37.7%²

1H FY2023: +8.1%

Tenant Retention Rate³

70.1%

1H FY2023: 79.5%

Capital Management

Aggregate leverage

32.1%

30 Sep 2022: 36.5%

Weighted average debt maturity

2.8 years

30 Sep 2022 : 3.5 years

Borrowings on fixed rates

77%

30 Sep 2022 : ~88%⁴

Expected AUD distributable income hedged into SGD

70%

30 Sep 2022 : ~67%

Notes:

1. Rental reversion is computed based on the percentage change in the new rent over the prevailing rent of the expiring lease.
2. For 1H FY2024.
3. Based on renewed leases by net lettable area on a rolling 12-months basis.
4. 30 Sep 2022 included forward interest rate swaps: 65% of borrowings on fixed rate, 23% of borrowings on forward interest rate swaps.



2 Financial Performance

20 Gul Way, Singapore

1H FY2024 Financial Performance

Financial Highlights (S\$'000 unless otherwise stated)	1H FY2024	1H FY2023	Change (%)	
Gross Revenue	86,834	83,200	+4.4	<ul style="list-style-type: none"> Supported by higher rental and recoveries from logistics, warehouse and industrial properties and partially offset by lower revenue from the Australian properties due to weakening of the Australian dollar
Net Property Income ("NPI")	64,290	61,143	+5.1	<ul style="list-style-type: none"> Net property income margin improved to 74.0% (1H FY2023: 73.5%)
Distributions to Unitholders	36,135	33,724	+7.1	<ul style="list-style-type: none"> Largely due to higher net property income, partially offset by higher borrowing costs
Applicable number of Units (‘000 Units)	810,147	718,013	+12.8	<ul style="list-style-type: none"> The increase in number of Units was largely due to the Equity Fund Raising ("EFR") launched on 31 May 2023 where 57,660,000 units were issued on 12 June 2023 in relation to the Private Placement and 25,376,361 units were issued on 3 July 2023 in relation to the Preferential Offering
Distribution per Unit ("DPU") (Singapore cents)	4.650	4.700	-1.1	<ul style="list-style-type: none"> Fall in DPU mainly due to enlarged unit base following the EFR

3 Capital Management

30 Tuas West Road, Singapore



Balance Sheet and Key Financial Indicators

Prudent leverage and resilient financial metrics

Balance Sheet (S\$'000)	As at 30 Sep 2023	As at 30 Sep 2022
Total Assets	2,348.6	2,362.9
Total Liabilities	883.7	985.5
Net assets	1,464.9	1,377.4
Net Asset Value per Unit (S\$)	1.35	1.40

Key Financial Indicators	As at 30 Sep 2023	As at 30 Sep 2022
Aggregate Leverage ¹ (%)	32.1	36.5
Blended Debt Funding Cost ² (%)	4.0	3.0
Weighted Average Debt Maturity (years)	2.8	3.5
Interest Cover Ratio ("ICR") ³ (times)	3.6	4.6
Adjusted ICR ⁴ (times)	2.2	2.5
Fixed rate debt as % of total debt	77%	88% ⁵

Notes:

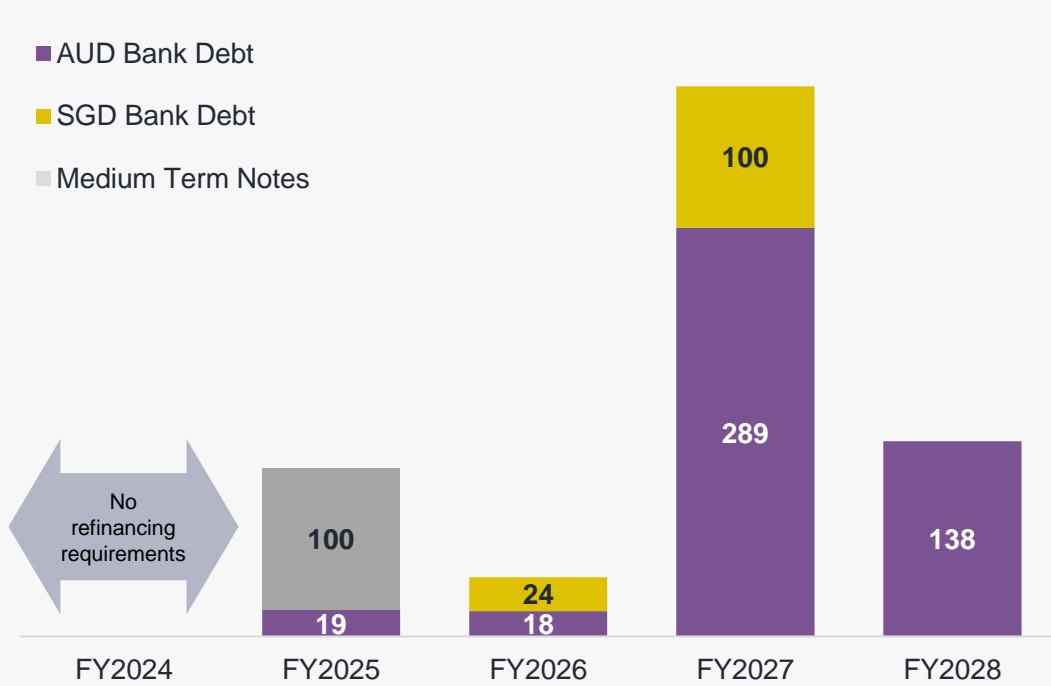
- Aggregate leverage ratio is computed as total borrowings as a percentage of total assets and includes lease liabilities that are entered into in the ordinary course of AA REIT's business on or after 1 April 2019 in accordance with MAS guidelines. The total borrowings excluded Perpetual Securities holders' 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. The borrowing-related fees excludes the unwinding of discounting effect on the present value of lease liabilities and the deferred consideration.
- The adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders. The adjusted ICR excluded the unwinding of discounting effect on the present value of lease liabilities and deferred consideration.
- 65% of borrowings on fixed rates, 23% of borrowings on forward interest rate swaps.

Disciplined and Prudent Capital Management

Fortified balance sheet with no refinancing requirements until 2Q FY2025

Debt Maturity Profile

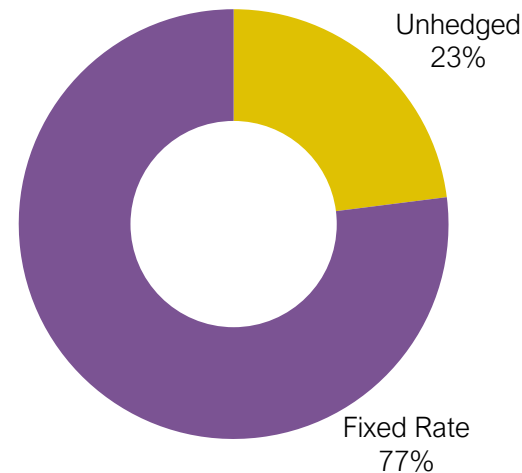
Total Gross Debt: S\$688 million



- No debt maturing until 2Q FY2025
- Undrawn committed facilities and cash and bank balances of approximately S\$188.0 million

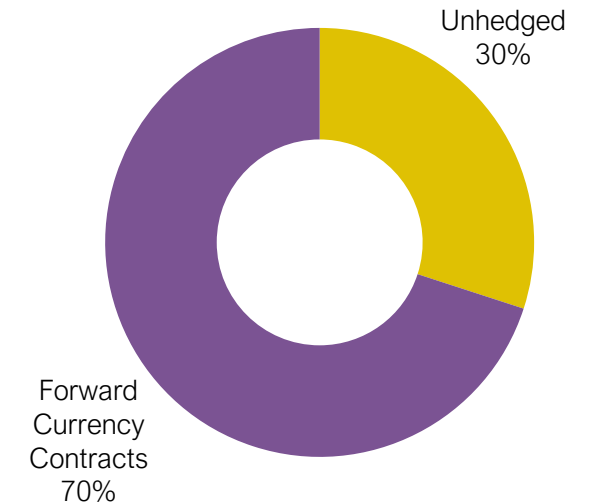
Interest Rate Risk Management

- 77% of borrowings on fixed rates and average fixed debt tenure of ~2.0 years
- Every 25 bps increase in interest rates is expected to have a 0.05 Singapore cents DPU impact per annum



Forex Risk Management

- 70% of expected AUD distributable income is hedged into SGD on a rolling four-quarter basis via forward currency contracts
- Natural hedging strategy adopted for Australian investments



4 Portfolio Highlights

7 Bulim Street, Singapore

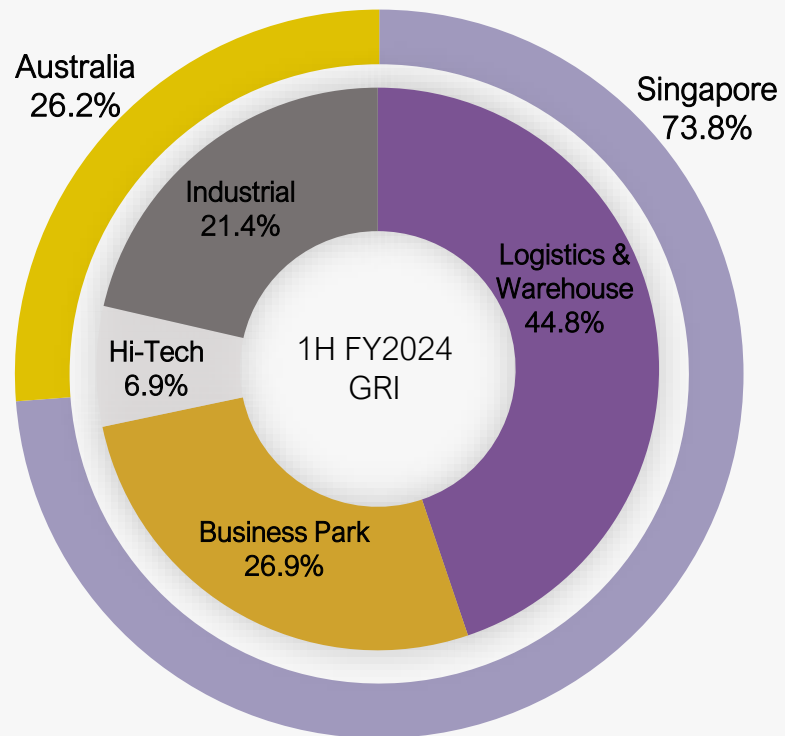


Well-Diversified Portfolio with Balanced Lease Structure

Rental growth complemented with income stability

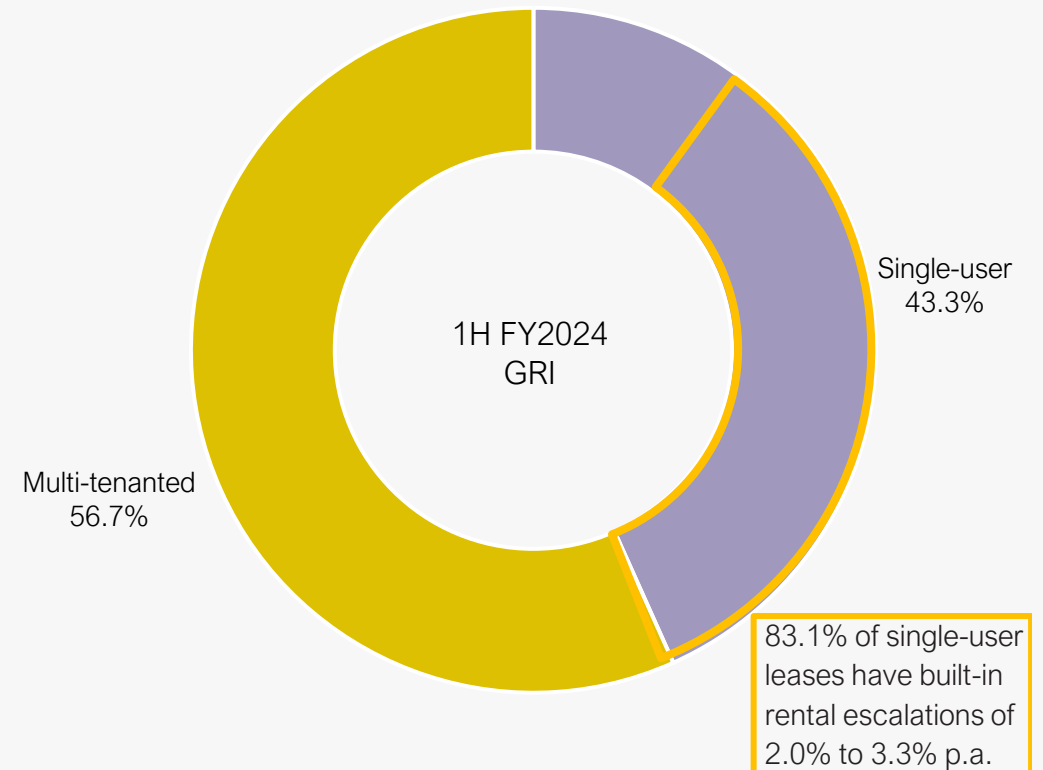
Well-diversified Portfolio by Sub-Sectors and Geography

- Anchored by high-quality Australian business parks and hi-tech space
- Supported by fast-growing logistics and warehouse segment
- 61.7% of leases (by Gross Rental Income or "GRI") have built-in escalations

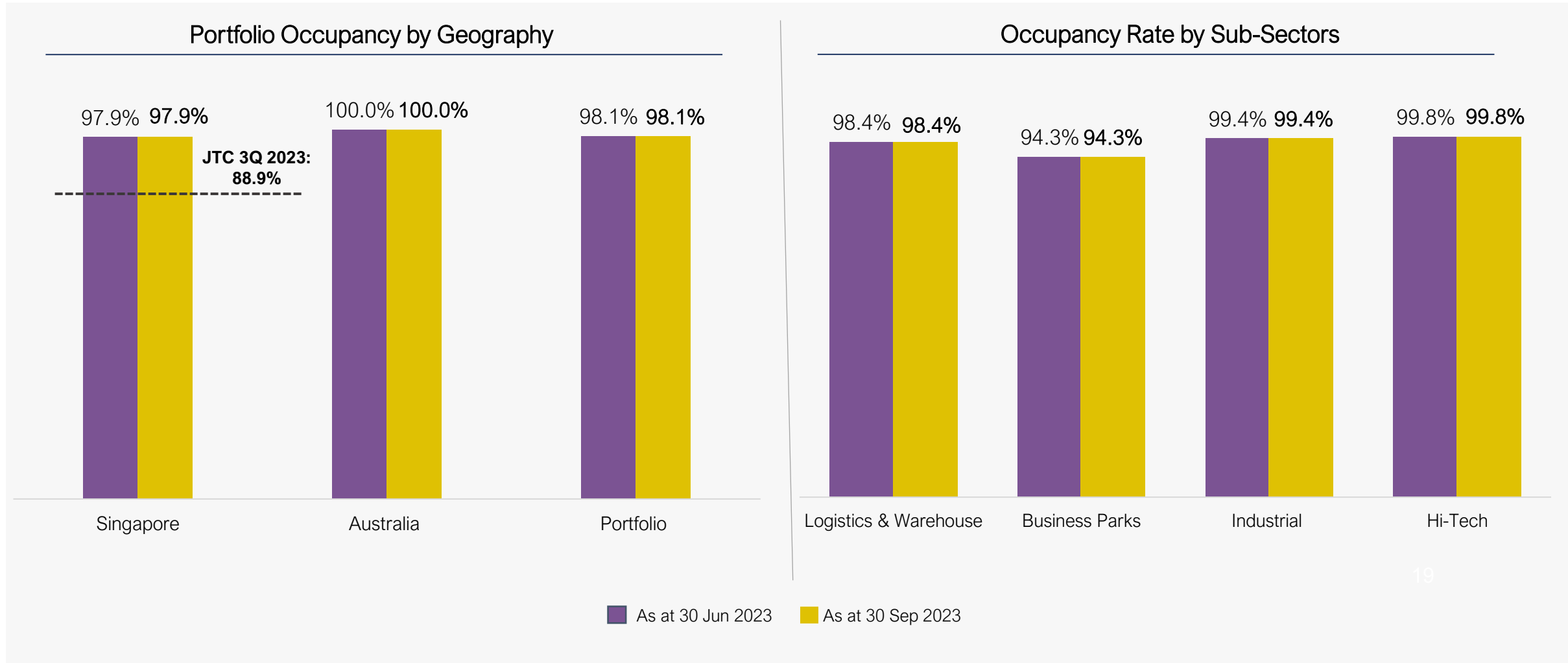


Well-balanced Lease Structure and Profile

- Majority of long-term leases in single-tenant properties have built-in escalations
- Multi-tenanted properties leases are marked to market upon renewal



Stable Portfolio Occupancy Rate of 98.1% vs JTC's national average of 88.9%



Note: JTC refers to JTC Corporation, formerly the Jurong Town Corporation, is a statutory board under Singapore's Ministry of Trade and Industry that champions sustainable industrial development.

Sustained double-digit positive rental reversion

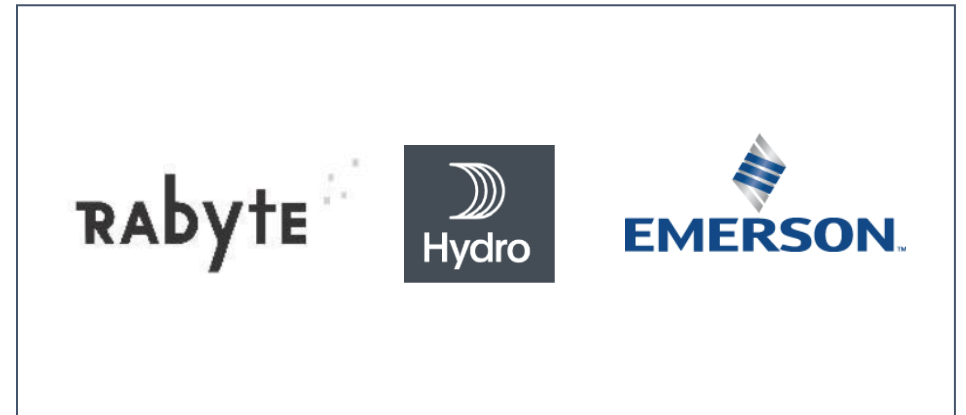
33.7% in 2Q FY2024 and 37.7% in 1H FY2024

- Executed 3 new (6,110 sqm) and 5 renewal leases (5,633 sqm), totaling 11,743 sqm in 2Q FY2024

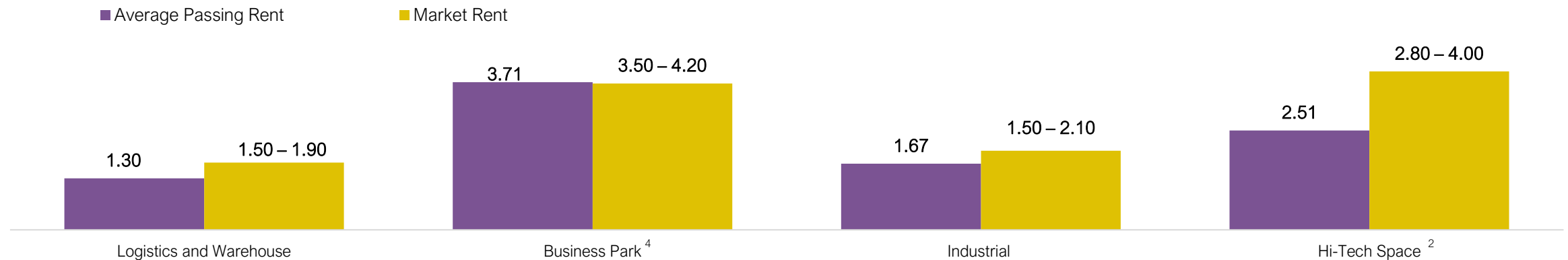
% of rental reversion for renewed leases of Singapore assets¹

	1H FY2024	2Q FY2024	1Q FY2024	2Q FY2023
Logistics & Warehouse	39.1	33.9	39.5	10.3
Industrial	17.8	7.3	18.6	6.8
Business Park	-5.4	-	-5.4	0.7
Hi-Tech ²	-	-	-	-
Overall Portfolio	37.7	33.7	38.0	6.2

Select tenants (new and renewed leases) in 2Q FY2024



Potential for positive rental reversions for upcoming expiries as average passing rents < market rents^{1,3}



Notes:

All references to "GRI" refers to gross rental income.

1. Rental reversion, passing rents and market rents figures relate to Singapore properties as AA REIT's Australia properties are on long lease terms of between 8 to 10 years.

2. Refers to one hi-tech building which is leased to a large corporate tenant on a long remaining lease term of 6.6 years.

3. Market rents are based on Cushman & Wakefield Industrial Asking Rental Guide October 2023 and Management estimates.

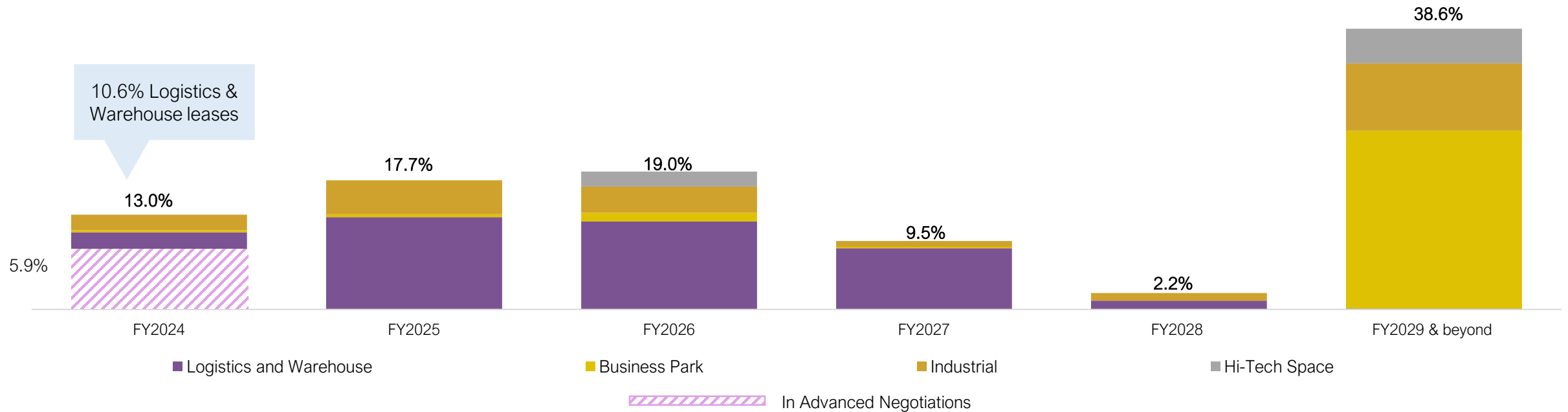
4. Rents in relation to Jurong area.

Well-staggered Lease Expiry Profile

Majority of leases expiring in FY2024 are from high-growth logistics segment

Lease expiry profile

Weighted by GRI



WALE by Sub-Sectors (years)

Portfolio WALE	Logistics & Warehouse	Business Park	Industrial	Hi-Tech
4.2	1.7	8.2	3.5	6.5

Diversified and High Quality Tenant Base

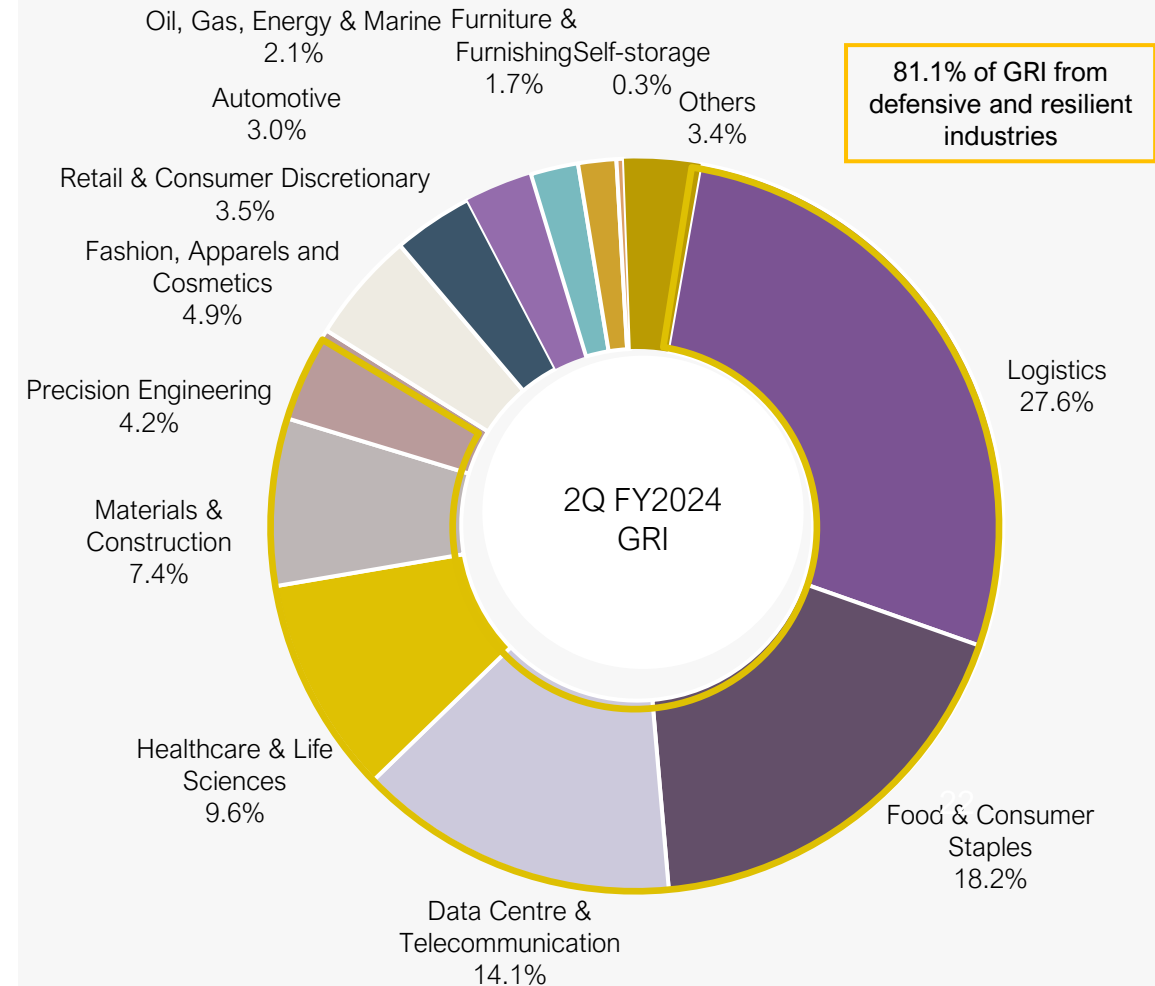
Stable growing income with 81.1% of GRI from tenants in defensive industries

No.	Tenant Name	% GRI	Trade Sector	Lease Expiry (Years)
1	Woolworths	13.9	Food & Consumer Staples	8.0
2	Optus	10.4	Telecommunications	9.8
3	Illumina Singapore	6.7	Life Sciences	6.6
4	KWE-Kintetsu World Express*	5.9	Logistics	0.3
5	Schenker Singapore	3.2	Logistics	1.6
6	Beyonics International	2.9	Precision Engineering	4.6
7	ResMed Asia	2.6	Healthcare	6.4
8	DHL Supply Chain Singapore	2.1	Logistics	1.2
9	Racks Central Pte Ltd	2.0	Data Centre	6.5
10	Boardriders	1.8	Fashion, Apparels & Cosmetics	7.8
Total		51.5		6.3

* In advanced negotiations on lease renewal for another 5 years

Note:
All references to "GRI" refers to gross rental income.

195 tenants diversified across trade sectors





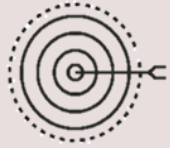
5 Sustainability Highlights

30 Tuas West Road, Singapore

Sustainability Highlights

Progressively advancing our sustainability commitments

ESG Commitments



In-place sustainability framework and roadmap with measurable targets to assess progress



Commit to 42% reduction in Scope 2 emissions by FY2030 (from FY2020 base year)



Generate 15,000 MWh of solar energy annually by FY2025



Enhance disclosures on climate-related risks and opportunities

ESG Initiatives



Completed solar panel installation atop 6 properties in Singapore; exploring phase two of solar panel installations



Completed toilet upgrading for one property in Singapore with water efficient fittings



Achieved 30% Y-o-Y improvement in GRESB score; aims to continually improve GRESB score



Ranked 13th out of 43 in the REIT and Business Trust Category in the Singapore Governance and Transparency Index 2023



Solar panel installation at 20 Gul Way, Singapore



Solar panel installation at 30 Tuas West Road, Singapore



6 Outlook and Strategy

Optus Centre, Australia

Market Outlook in AA REIT's Key Markets

Singapore

Leasing activity remains resilient; New builds to lead rental growth

- Singapore's manufacturing sector remains resilient while continued investment into new facilities will support overall industrial sector, reinforcing Singapore's appeal as an attractive regional hub for businesses¹
- Demand continues to outpace supply; rents of most industrial properties remain on an upward trend and expected to continue, albeit at more moderate pace²
- New builds to meet the business requirements of high-tech, in-demand industries such as biomedical and advanced manufacturing are expected to lead rental growth¹

Australia

New infrastructure improvements will underpin long-term tenant demand in respective precincts

- Anticipated economic growth is likely to remain restrained due to persistent cost-of-living pressures, increasing interest rates and dampening domestic demand
- Infrastructure improvements in Macquarie Park and Norwest Business Park will support growth of the precincts³
- The Sydney Metro's expansion is expected to complete in 2024, will create catchment area of talent pools⁴
- Norwest Business Park to benefit from state-significant development of Bella Vista into a major business precinct and Western Sydney Airport slated for completion in 2026

Notes:

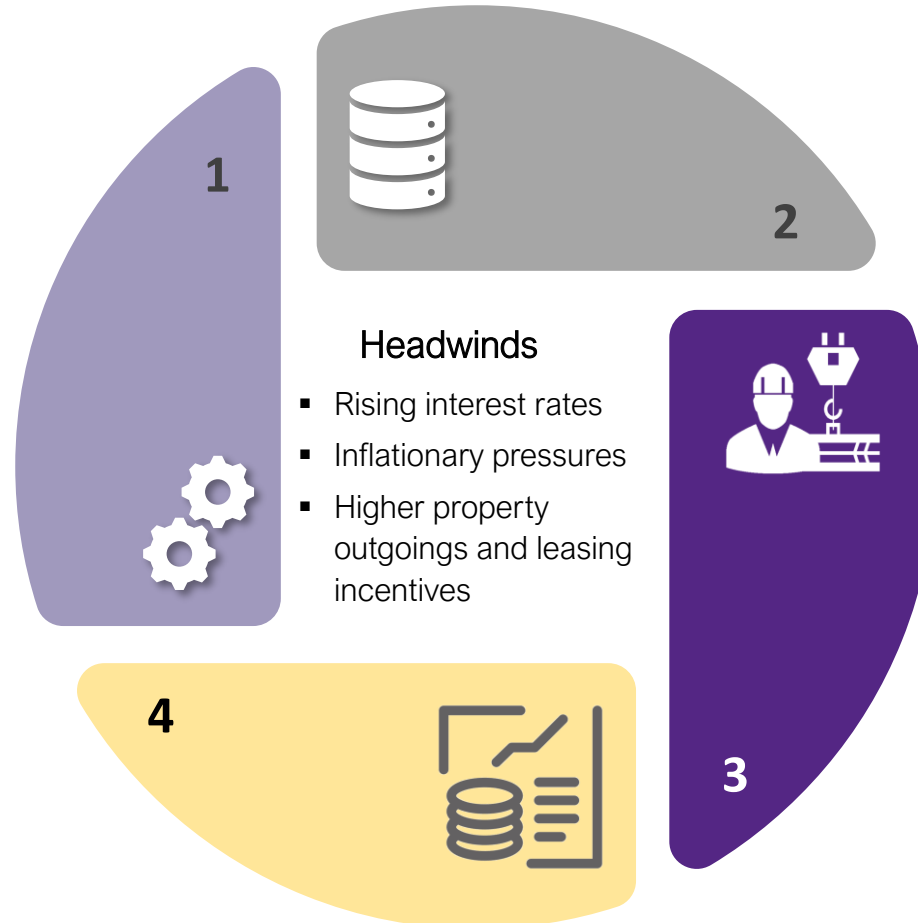
1. Colliers: Q3 2023 Industrial: Slow but steady
2. Savills: Singapore Industrial Briefing Q3 2023.
3. Planning Macquarie Park's future: more housing in next steps for neighbourhoods (connectmpid.com.au).
4. Metro campaign aims to elevate convenience of Macquarie Park

Focused and Disciplined Execution on Our Strategic Pillars

Committed to value creation

1. Selective Investments & Developments

- Disciplined investment approach, with track record in acquiring quality assets in Singapore and Australia that offer long-term sustainable income
- Continuous assessment of potential asset enhancement initiatives (“AEIs”) and redevelopment projects



2. Active Asset Management

- Proactive lease management to maintain high occupancy and drive positive rental reversion
- Identified two AEIs in Singapore to drive growth
 - ✓ Entered into a non-binding Letter of Intent to carry out a building upgrade for a global logistics and warehouse end user under a long-term lease arrangement

4. Strategic Partnerships

- Ongoing collaboration with operators and end-users to occupy newly refurbished and redeveloped properties on long-term leases
- Leverage track record in investments, developments and asset management to form new partnerships for larger and joint projects

3. Prudent Capital & Risk Management

- Maintain strong balance sheet, prudent level of aggregate leverage and disciplined hedging policy in an uncertain macroeconomic environment
- Disciplined capital recycling strategy; divestment of non-core assets and reinvest proceeds to AEIs, redevelopment and quality assets



Thank You

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