



AIMS APAC REIT

15th Annual General Meeting, 29 July 2024

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The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the AIMS APAC REIT Management Limited (the “Manager”). An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem their Units while the Units are listed. It is intended that holders of Units (“Unitholders”) may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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AGM Notice and Circular



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 15th Annual General Meeting ("AGM") of the holders of units of AIMS APAC REIT ("AA REIT", and the holders of units of AA REIT, "Unitholders") will be held at the Stephen Riady Auditorium @ NTUC 1 Marina Boulevard, #07-01, Singapore 018989 on Monday, 29 July 2024 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS

- To receive and adopt the Report of HSBC Institutional Trust Services (Singapore) Limited, as trustee of AA REIT ("Trustee"), the Statement by AIMS APAC REIT Management Limited, as manager of AA REIT ("Manager"), the Audited Financial Statements of AA REIT for the financial year ended 31 March 2024 and the Auditors' Report thereon. *(Ordinary Resolution 1)*
- To re-appoint KPMG LLP as Auditors of AA REIT and to hold office until the conclusion of the next AGM and to authorise the Manager to determine their remuneration. *(Ordinary Resolution 2)*

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolutions, with or without any modifications:

- That authority be and is hereby given to the Manager, to: *(Ordinary Resolution 3)*
 - Issue units in AA REIT ("Units") whether by way of rights, bonus or otherwise; and / or
 - make or grant offers, agreements or options that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units (collectively, "Instruments"),at any time and upon such terms and conditions and for such purposes and to such persons as the Manager may in its absolute discretion deem fit; and
 - Issue Units in pursuance of any Instrument made or granted by the Manager while this Resolution was in force (notwithstanding that the authority conferred by this Resolution may have ceased to be in force at the time such Units are issued),

provided that:

- the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the total number of Issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a *pro rata* basis to Unitholders (including Units to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed twenty per cent. (20%) of the total number of Issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);

CIRCULAR DATED 27 JUNE 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

Singapore Exchange Securities Trading Limited (the "SGX-ST") takes no responsibility for the accuracy of any statements or opinions made, or reports contained, in this Circular. If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your Units, you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.



(a unit trust constituted in the Republic of Singapore pursuant to a trust deed dated 5 December 2006 (as amended and restated))

Managed by

AIMS APAC REIT MANAGEMENT LIMITED
(Company Registration No. 200615904N)

CIRCULAR TO UNITHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE UNIT BUY-BACK MANDATE

IMPORTANT DATES AND TIMES FOR UNITHOLDERS

Last date and time for submission of Proxy Forms	: Friday, 26 July 2024 at 11.00 a.m.
Date and time of Annual General Meeting	: Monday, 29 July 2024 at 11.00 a.m.
Place of Annual General Meeting	: Stephen Riady Auditorium @ NTUC 1 Marina Boulevard, #07-01, Singapore 018989



FY2024 Performance Highlights



FY2024 Key Highlights

Resilient financial and portfolio performance and strengthened balance sheet

Financial Performance

Revenue
\$177.3m
+5.9% y-o-y

Net Property Income
\$131.0m
+6.9% y-o-y

Distributions to Unitholders
\$74.3m
+3.8% y-o-y

DPU
9.360 Singapore cents
-5.9% y-o-y

Robust Balance Sheet

Aggregate Leverage
32.6%
31 March 2023: 36.1%

Borrowings on fixed rates³
75.0%
31 March 2023: 88%

Weighted average debt maturity
2.3 years
31 March 2023: 3.1 years

Expected AUD distributable income hedged into SGD
73.0%
31 March 2023: 70%

Notes:
3. Include forward interest rate swaps.

Active Asset Management

Portfolio Occupancy
97.8%
31 March 2023: 98.0%

Rental Reversion¹
+24.3%
FY2023: +18.5%

Portfolio WALE
5.1 years
31 March 2023: 4.4 years

Tenant Retention Rate²
79.1%
FY2023: 78.4%

Notes:
1. Rental reversion is computed based on the percentage change in the new rent over the prevailing rent of the expiring lease.
2. Based on renewed leases by net lettable area on a rolling 12-months basis.



FY2024 Key Highlights

Renewal of major leases at positive rental reversions

- ✓ 5 year master lease renewal with KWE-Kintetsu World Express for 5 years
- ✓ 10 year master lease extension with Aalst Chocolate, a wholly owned subsidiary of Cargill
- ✓ 15 year master lease with a global storage and information management company
- ✓ Advanced negotiation with a global precision engineering and technology group as anchor tenant for new long-term lease



Driving organic growth via two asset enhancement initiatives (“AEI”)

- ✓ AEI Project 1: Upgrading of warehouse asset to GreenMark Gold Plus certification
- ✓ AEI Project 2: Repositioning of industrial building progressively
- ✓ Improved building and sustainability specifications
- ✓ Secure quality tenant covenants on long term leases
- ✓ Generate higher rental income and capital growth



Completion of S\$100 million equity fund raising in Q2 FY2024

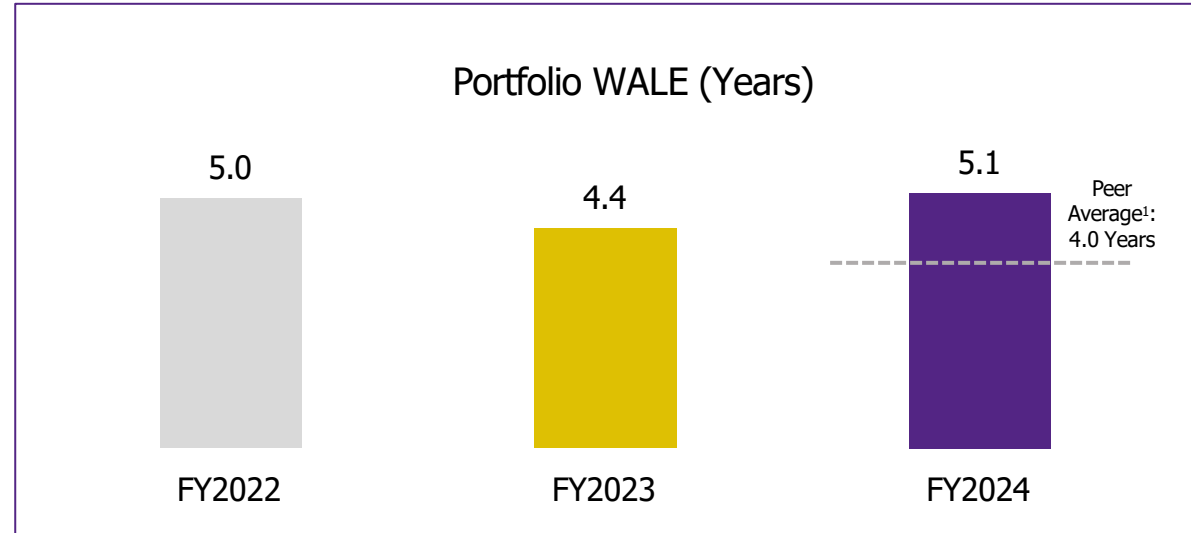
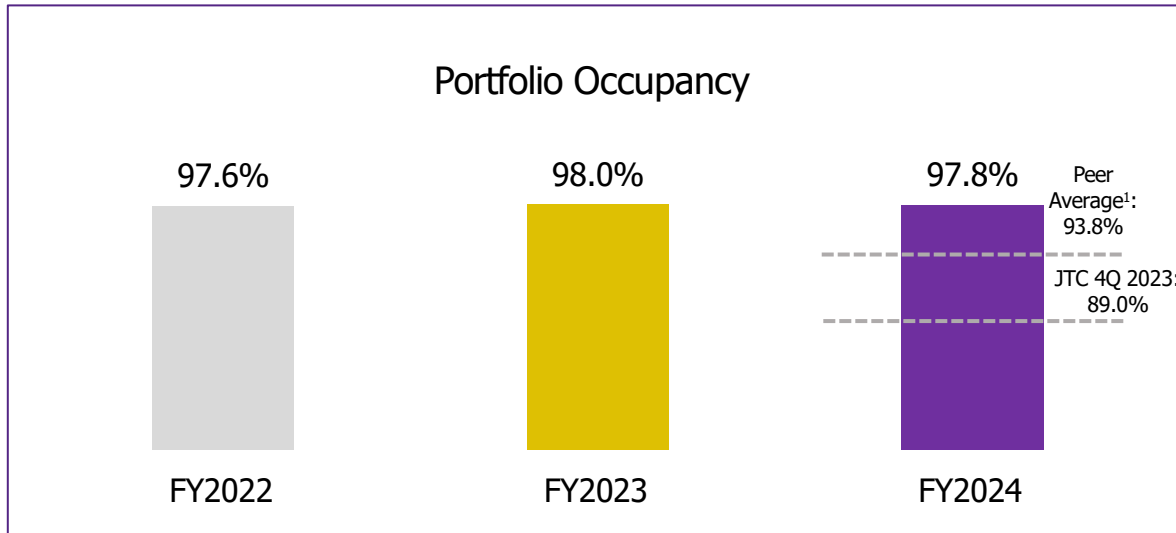
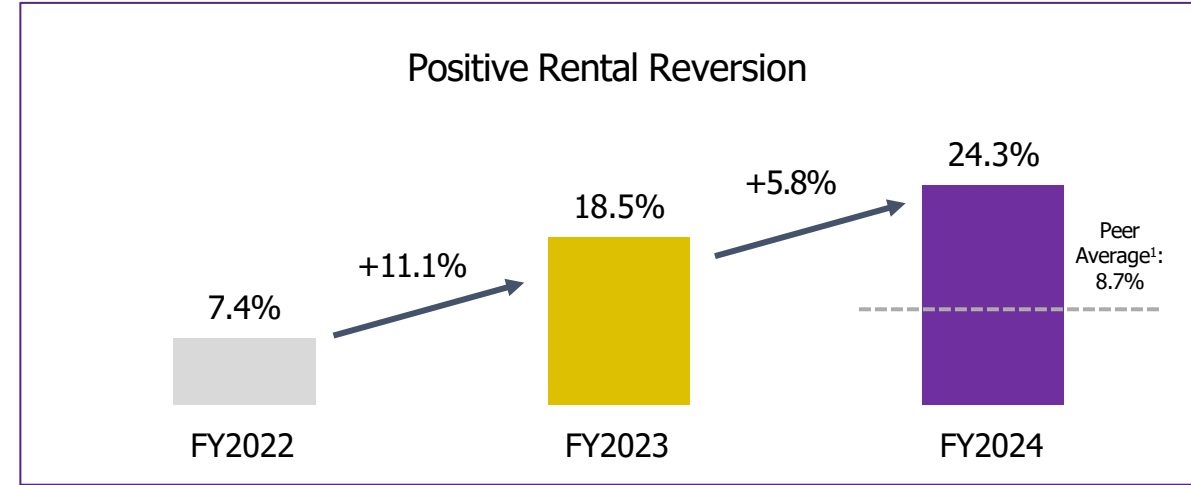
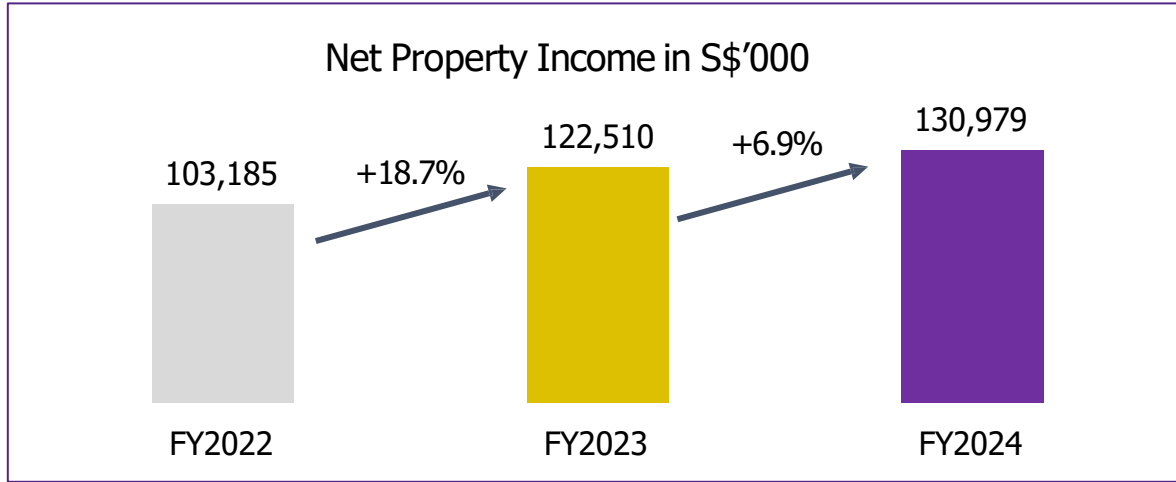
- ✓ Reduced gearing provides safety and financial flexibility for AEs, acquisitions and other strategic initiatives

Progressing on our sustainability commitment to create long term value

- ✓ Rooftop Solar panel installation: Phase 1 (10.8 MWp) across 6 properties completed; Phase 2 underway
- ✓ Major energy saving projects awarded at 135 Joo Seng and 20 Gul Way
- ✓ Fast Charging EV Station to be installed at 4 sites

Resilient Operating Performance over FY2022-2024

Strong NPI growth supported by record rental reversion and resilient portfolio

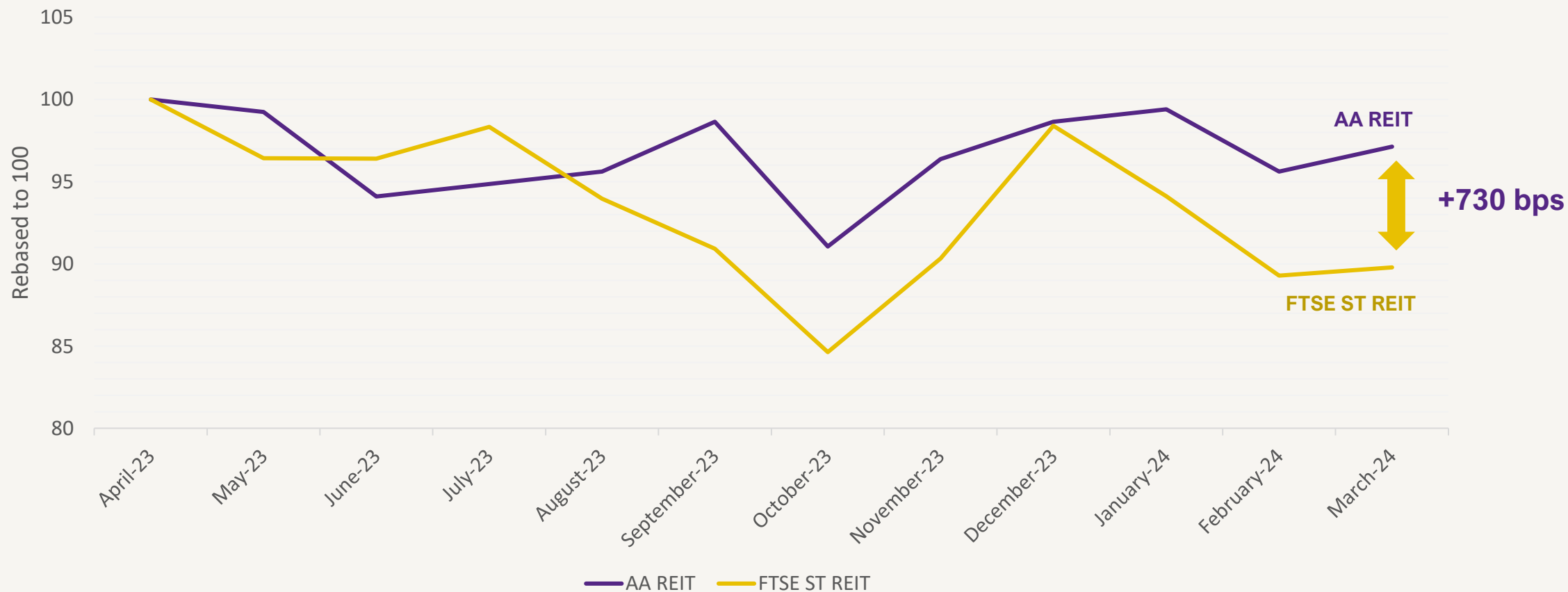


Notes:

1. Peer includes CapitalLand Ascendas REIT, Cromwell European REIT, Daiwa House Logistics Trust, Digital Core REIT, EC World REIT, ESR-LOGOS REIT, Frasers Logistics & Commercial Trust, Keppel DC REIT, Mapletree Industrial Trust, Mapletree Logistics Trust and Sabana Industrial REIT. Peer Average Data as at 31st December 2023.

Superior Unit Price Performance over FY2024

AA REIT Unit Price Performance vs FTSE ST REIT Index (1 Apr 23 to 31 Mar 24)





Portfolio & Capital Management Highlights



Woolworths Sydney HQ, Australia

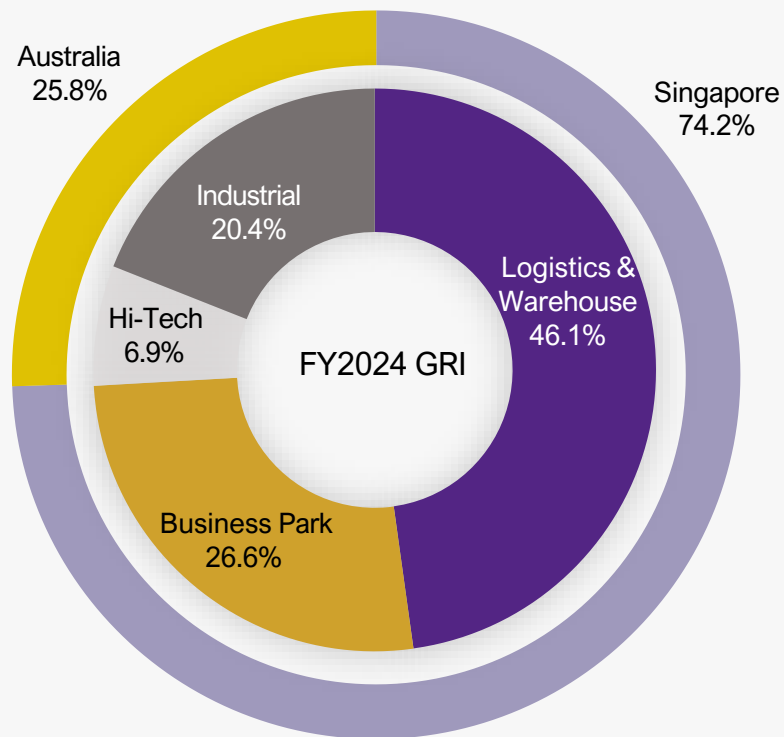


8 & 10 Pandan Crescent, Singapore

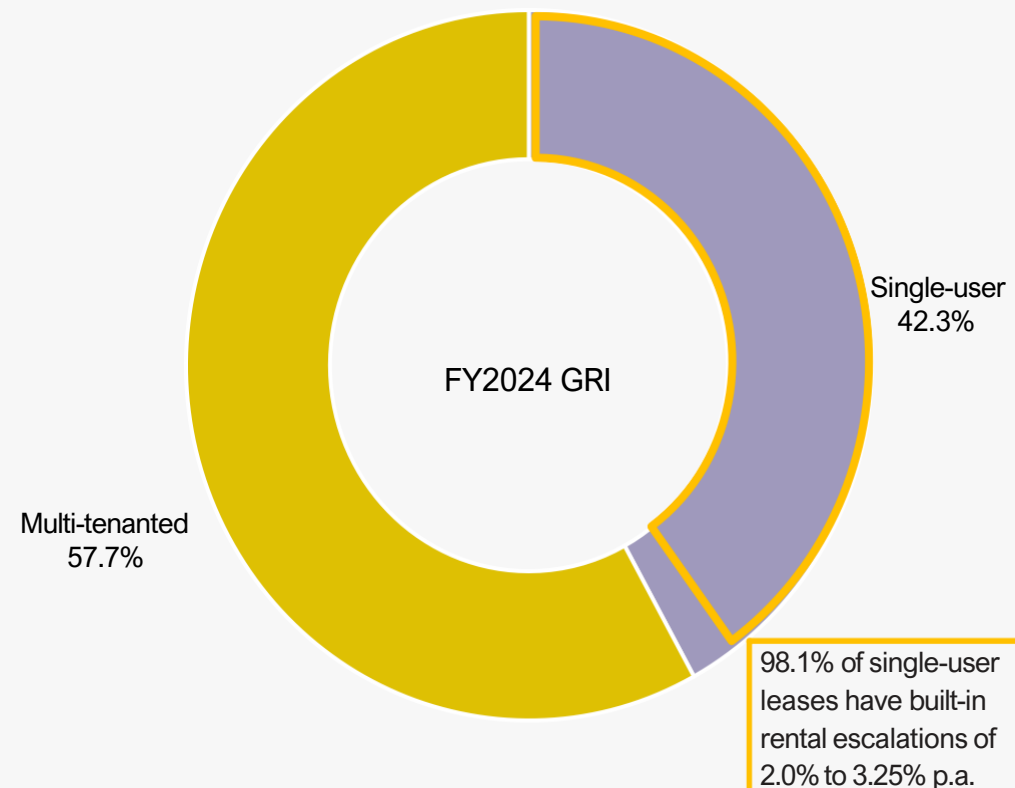
Well-Diversified Portfolio with Balanced Lease Structure

Rental growth complemented with income stability

Well-diversified Portfolio by Sub-Sectors and Geography



Well-balanced Lease Structure and Profile



Note:
All references to "GRI" refers to Gross Rental Income.

Sustained Double-Digit positive Rental Reversion

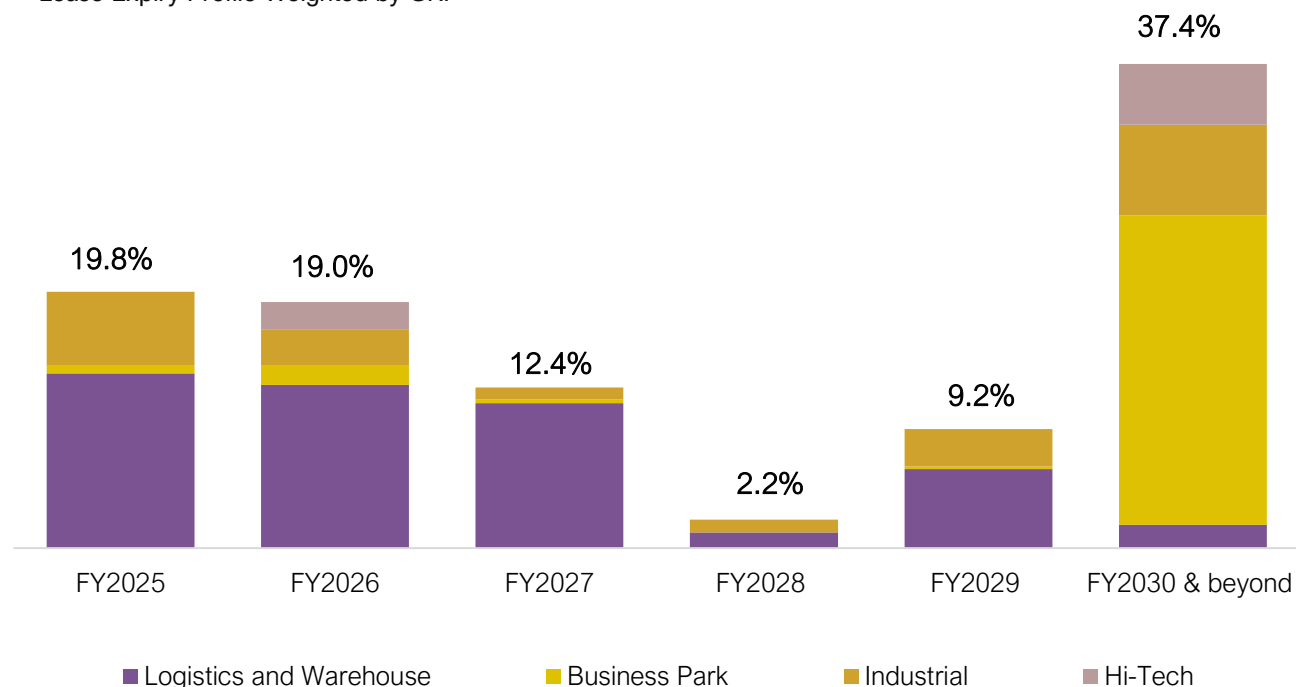
Underpinned by lease renewals from the logistics and warehouse segment

% of rental reversion for renewed leases of Singapore assets¹

	1Q FY2024	2Q FY2024	3Q FY2024	4Q FY2024	Full Year FY2024
Logistics & Warehouse	39.5	33.9	13.5	51.2	26.5
Industrial	18.6	7.3	7.9	5.2	7.2
Business Park	-5.4	-	-	-	-5.4
Hi-Tech ²	-	-	-	-	-
Overall Portfolio	38.0	33.7	13.0	31.7	24.3

Portfolio WALE of 5.1 Years

Lease Expiry Profile Weighted by GRI



Notes:

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

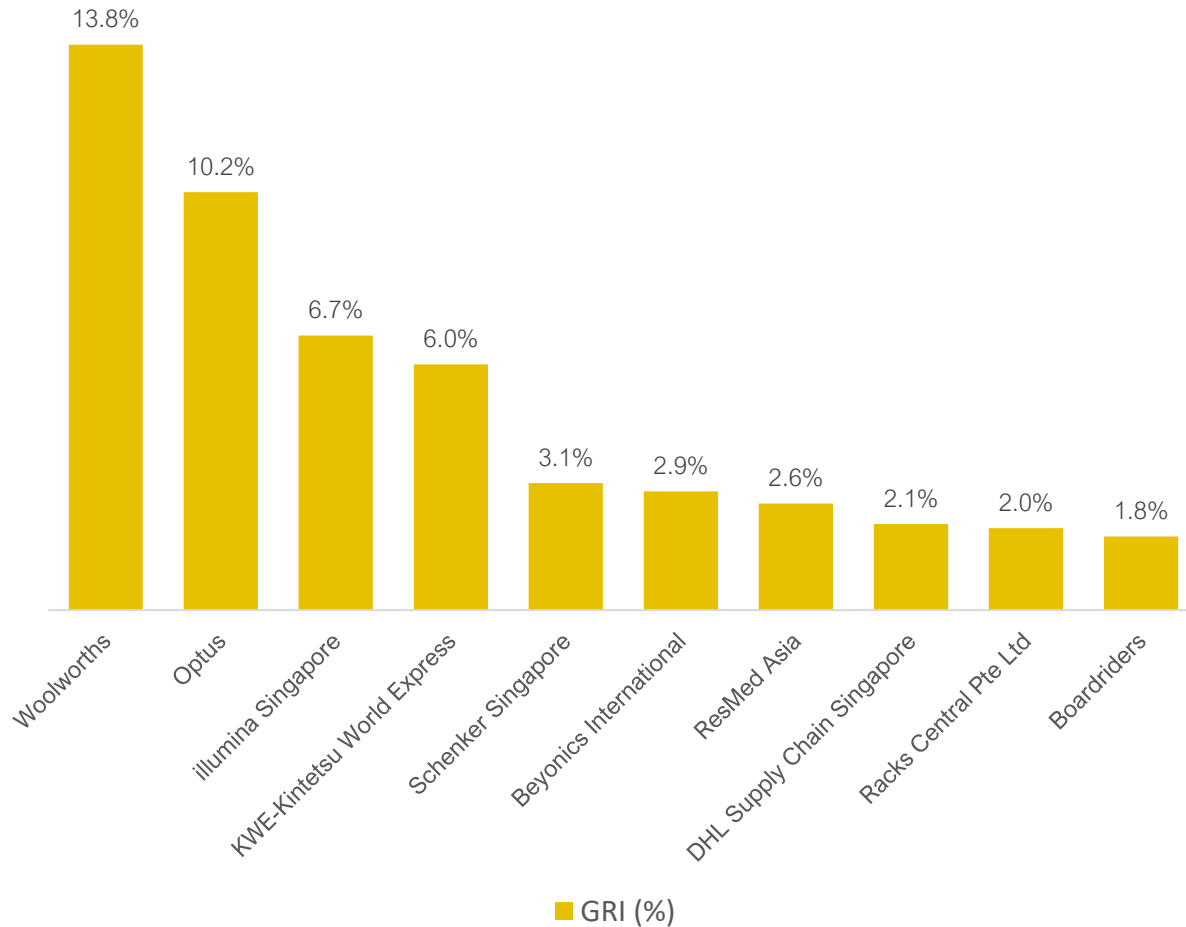
1. Rental reversion, passing rents and market rents figures relate to Singapore properties as AA REIT's Australia properties are on long lease terms of between 8 to 10 years.

2. Refer to one hi-tech building which is leased to a large corporate tenant on a long remaining lease term of 6.4 years.

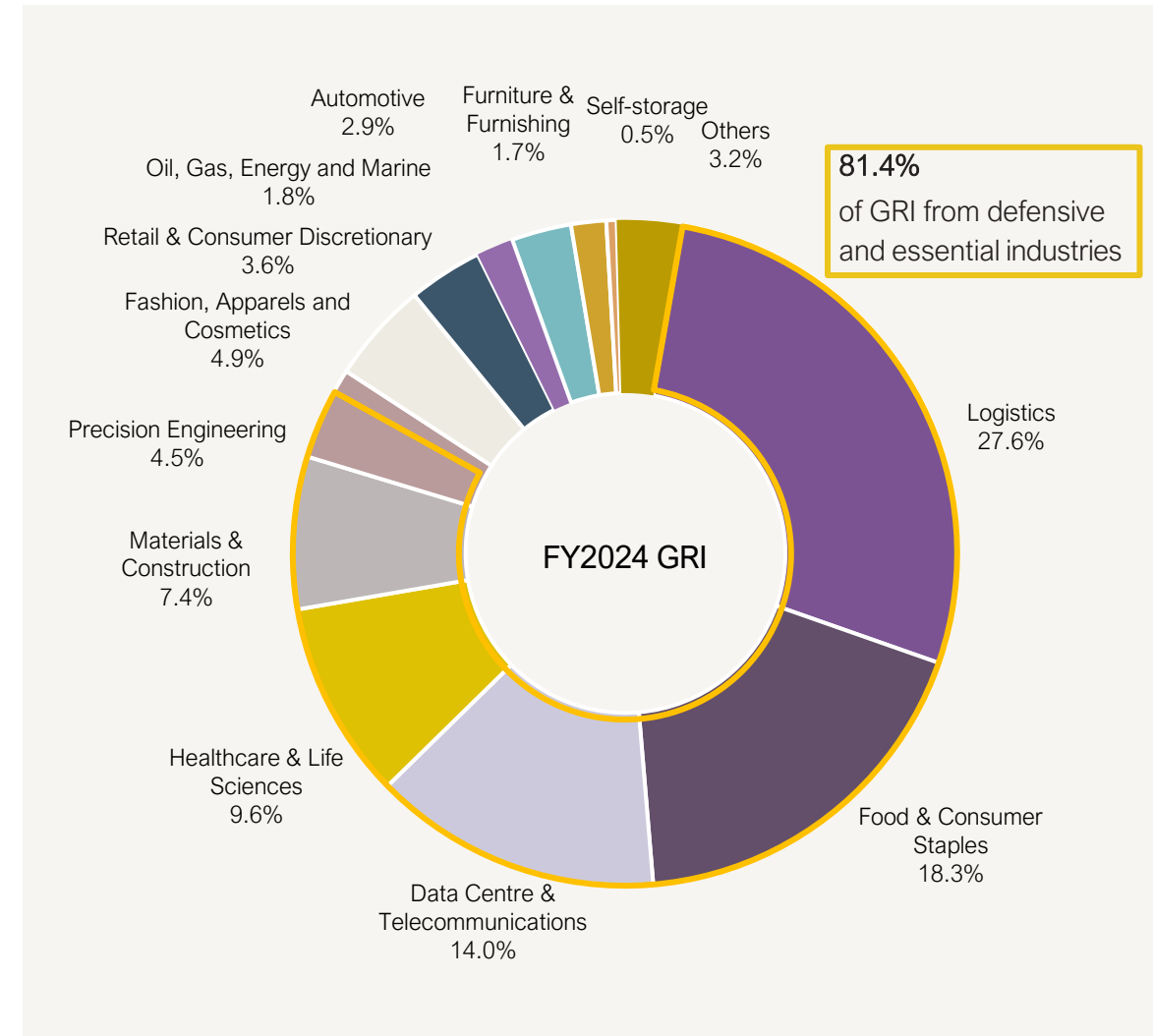
Top 10 Tenants and Industry Mix

Resilient income base; Majority of tenants from defensive and essential industries

Top 10 tenants are leading global, regional and local companies

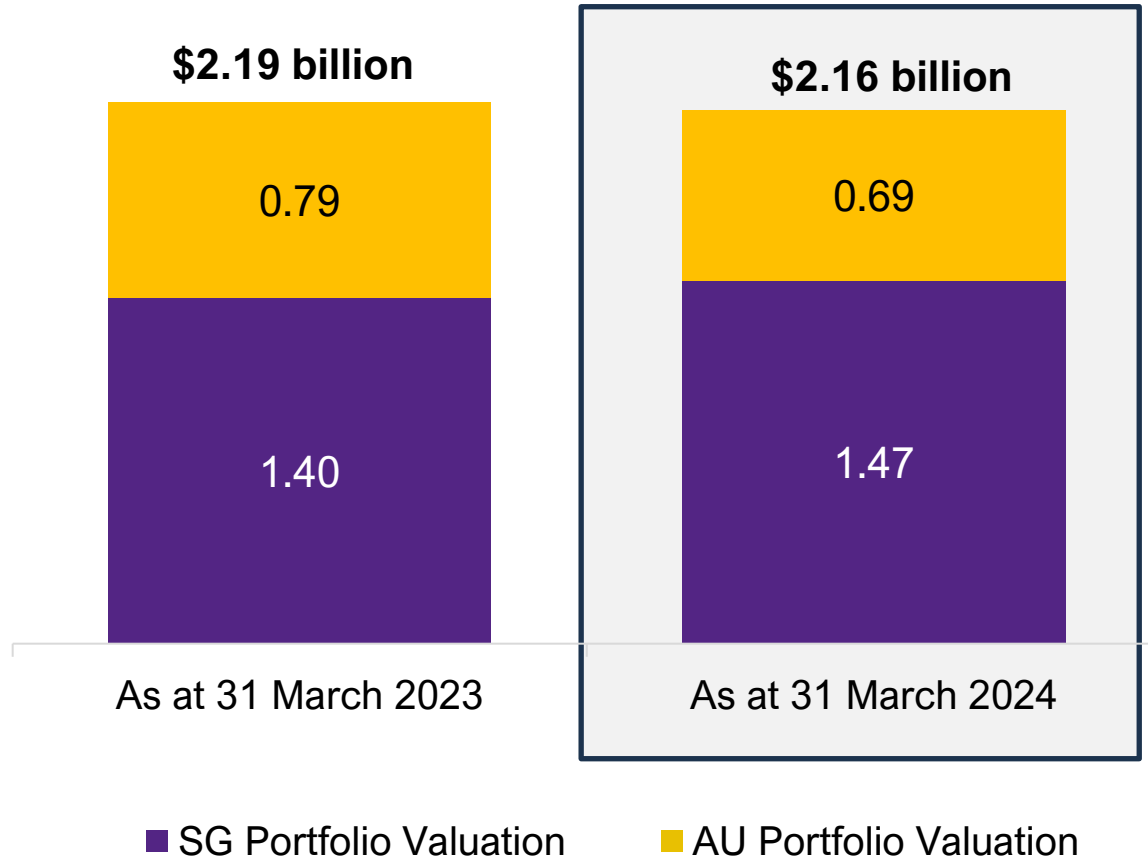


Note: All references to "GRI" refers to Gross Rental Income.



Portfolio Valuation

Stable year-on-year valuation supported by sub-sector and geography diversification



Singapore		Cap Rate Range
Logistics and Warehouse		5.50% - 6.50%
Business Park		5.75%
Industrial		5.75% - 6.50%
Hi-Tech Space		5.75%
Australia		Cap Rate Range
Business Park		5.50% - 6.13%
Industrial		7.00%

Portfolio Rejuvenation Through Identified AEs

Driving organic growth and value creation

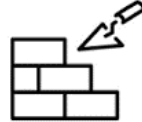
AEI Project 1 (Logistic and Warehouse)

Upgrade of warehouse asset to achieve GreenMark Gold Plus certification and meet occupational requirements of master tenant

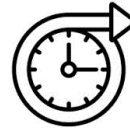
Secured 15 year master lease with a global storage and information management company. Lease expected to commence by Q1 FY2026 following completion of works

NPI Yield (post AEI) : Over 7%

Targeted AEI Strategy



Long Term Secure Cashflow



Enhanced Yield and Returns



AEI Project 2 (Industrial)

Repositioning of an industrial building via targeted building upgrades to attract higher value and hi-tech tenants to capture strong positive rental reversion

In advanced negotiation to secure global precision engineering and technology group for a long term lease, for approximately one-third of the building area. Lease proposed to commence in Q3 FY2025

NPI Yield (post AEI) : Over 7%

Robust Balance Sheet and Key Financial Indicators

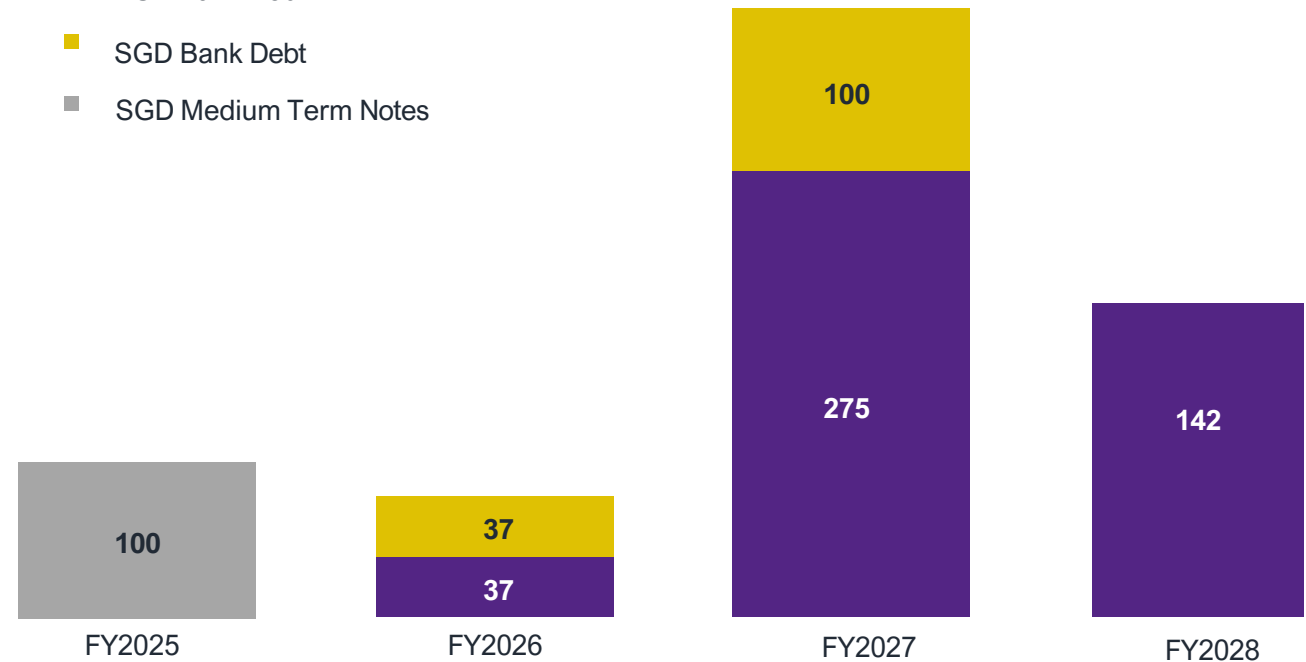
Prudent leverage and greater financial flexibility following S\$100 million EFR

Key Financial Indicators - As at 31 Mar 2024

Aggregate Leverage ¹	32.6%
Blended Debt Funding Cost ²	4.1%
Interest Cover Ratio ("ICR") ³	4.1 times
Adjusted ICR ⁴	2.4 times
Undrawn committed facilities & cash	S\$153.5 million
Weighted average debt to maturity	2.3 years
Fixed rate debt as % of total debt	75.0%
AUD distributable income hedged	73.0%

Debt Maturity Profile (in S\$'mil)

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



Notes:

1. 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.
2. Based on year-to-date figures.
3. 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 and interim insurance compensation for property damage), 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.
4. The adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders in the interest expense. The adjusted ICR excluded the unwinding of discounting effect on the present value of lease liabilities and deferred consideration.



Sustainability Progress



FY2024 Sustainability Highlights

Advancing on our Commitments towards a Sustainable Future



Completed one of the largest rooftop solar installation by any Singapore-listed REITs amounting to 10.8MWp



Installation of recycling bins in all our multi-tenanted properties



Achieved 17% carbon reduction from FY2020 baseline; On track to meet SBTi goal of 42% reduction by FY2030



Implemented water-efficient fittings for toilet upgrades across three properties



Executed Agreement to install EV fast chargers at 4 properties



Carried out two CSR initiatives with Club Rainbow with a 66% participation rate



Partnership with GoNetZero in the Renewable Energy Certificate market



Clocked 25.2 training hours per employee

Long-term value created through:

Lower operating costs from utilities

Incremental revenue from sale of renewable energy to grid

Future proofing our assets against climate change

Accessing new tenant pools with increasing ESG demands



Key Market Trends & Strategy



20 Gul Way, Singapore



Optus Centre, Australia

Key Market Trends and Our Response

Cyclical Drivers



Global Economic Uncertainties



High Interest Rate Environment and Inflationary Pressures



Elevated and Volatile Energy Costs



AA REIT Response

- Build resilient foundation through constant rejuvenation of portfolio and divestment of non-core assets
- Maintaining financial flexibility for growth and having appropriate interest rate and foreign income hedges in place
- Implement energy saving initiatives to reduce energy cost and minimise carbon footprint

Structural Drivers



Promote Industry Development - Manufacturing 2030



Transition towards Higher-Value Industries



Flight Towards Quality



Sustainable Development and Climate Change



AA REIT Response

- Progress on AEs and re-developments to meet increasing occupier demand for modern building specifications
- Target tenants from higher value-added industries such as advanced manufacturing, life science and supply chain players
- Selective acquisitions at locations undergoing infrastructure enhancements and focus on adding premium spaces to portfolio
- Enhance sustainability profile through targeted ESG initiatives

Our Strategy to Deliver Long Term Value



1. Selective Investments & Developments

- Disciplined investment approach
- Track record in acquiring quality assets in Singapore and Australia that offer long-term sustainable income
- Continuous portfolio rejuvenation through targeted redevelopment projects



2. Active Asset Management

- Proactive lease management to maintain high occupancy and drive positive rental reversion
- Ongoing upgrading projects to improve building specifications to meet requirements of corporate occupiers
- Two asset enhancement initiatives (AEIs) underway to drive organic growth



3. Prudent Capital & Risk Management

- Maintain resilient and flexible balance sheet in uncertain times and headroom for growth
- Disciplined hedging policy
- Capital recycling strategy; divestment non-core assets and re-invest proceeds to AEIs, redevelopment and quality assets



4. Strategic Partnerships

- Collaborate 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 capital partnerships for larger and joint projects

Our Distinct Foundational Advantages

High Quality Portfolio



Diversified and Strong Tenant Base



Robust Financials



Experienced Team



Established Track Record



Thank You

For enquiries, please contact:

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3 Tuas Avenue 2, Singapore

