



AIMS APAC REIT

12th Annual General Meeting

28 July 2021, 2.00 p.m. by electronic means



3 TUAS AVE 2, SINGAPORE

Important Notice



Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 April 2020 to 31 March 2021 (“FY2021”) and from 1 April 2021 to 30 June 2021 (“1Q FY2022”) versus actual results year-on-year (“y-o-y”). This Presentation shall be read in conjunction with AIMS APAC REIT’s (“AA REIT” or the “Trust”) Annual Report 2021 and results for 1Q FY2022 as per the SGXNet Announcement.

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3 TUAS AVE 2, SINGAPORE

Highlights for FY2021 / Recent Developments



7 BULIM STREET, SINGAPORE

Portfolio Expansion

Continued pursuit of yield-accretive opportunities for portfolio growth

Completed acquisition of 7 Bulim Street on 9 October 2020

- Close proximity to the future Tuas Mega Port
- Master leased to KWE – Kintetsu World Express (S) Pte Ltd, a wholly-owned subsidiary of a major Japanese freight forwarding and logistics group

Purchase Consideration¹ S\$129.6 million	Leasehold Title Expiry 30 years commencing from 1 September 2012
Initial NPI Yield² 7.0%	Master Tenant Lease 10 years commencing on 1 January 2014, with a 5-year option
Gross Floor Area 68,190 sqm	Occupancy 100.0%



¹ The total cost of the Proposed Acquisition is estimated at approximately S\$135.5 million, comprising the purchase consideration of S\$129.6 million and transaction costs (including stamp duty, acquisition fee payable to Manager, professional advisory fees and other costs, etc.) of approximately S\$5.9 million

² Based on the Property's Net Property Income in the first year of ownership of S\$9.2 million over the Purchase Consideration of S\$129.6 million

Portfolio Expansion

Continued pursuit of yield-accretive opportunities for portfolio growth

Announced proposed acquisition of 315 Alexandra Road on 27 January 2021

- Maiden acquisition in a city fringe location
- Long asset WALE, anchored for 10 years by anchor tenant upon completion

Purchase Consideration

S\$102.0 million

Leasehold Title Expiry

99 years commencing from 2 March 1956

Initial NPI Yield¹

6.2%

Anchor Tenant Lease²

10 years lease, commencing from date of completion

Gross Floor Area

16,647 sqm

Occupancy

98.3%



315 ALEXANDRA ROAD, SINGAPORE

¹ Initial NPI Yield based on Purchase Consideration of S\$102.0 million

² Refer to announcement on 27 January 2021 for further details

Long-Term Tenant Partnership

Building momentum through active asset and lease management

541 Yishun Industrial Park A

Secured new master tenant, a subsidiary of a major Japanese energy and environment group for entire premises of 541 Yishun Industrial Park A in 3QFY2021

Gross Floor Area
8,770.90 sqm

Master Tenant Lease
3 years commencing
mid-December 2020

Occupancy
100.0%



Highlights for FY2021

Proactive Lease Management, Establishing Resilient Portfolio



- Executed a total of 105 new and renewal leases in FY2021, representing 259,933 sqm (35.1% of portfolio's net lettable area)
- Achieved healthy occupancy rate of **95.4%**, above JTC's industrial average of 90.0% for the quarter ended 31 March 2021

Prudent Capital Management



- Healthy Leverage of **33.9%** (as at 31 March 2021)
- Successfully issued S\$125 million perpetual securities in August 2020, as part of the S\$750 million multicurrency debt issuance programme
- Received mandate letter in May 2021 for new upsized debt facilities, enabling the Trust to refinance several secured debts and repay fixed rate notes due in March 2022
- Maintained healthy Interest Coverage Ratio of **4.0 times**, with approximately **78%** of debt exposure hedged

Highlights for FY2021

Inclusion into Indices



- AA REIT was included in the:
 - **MSCI Singapore Small Cap Index** (29 May 2020)
 - **FTSE Russell ST Singapore Shariah Index** (21 December 2020)
- Higher trading liquidity and visibility among global institutional investors, helping to diversify the investor base and maximise value creation for our Unitholders over the long term

1Q FY2022 Financial Highlights



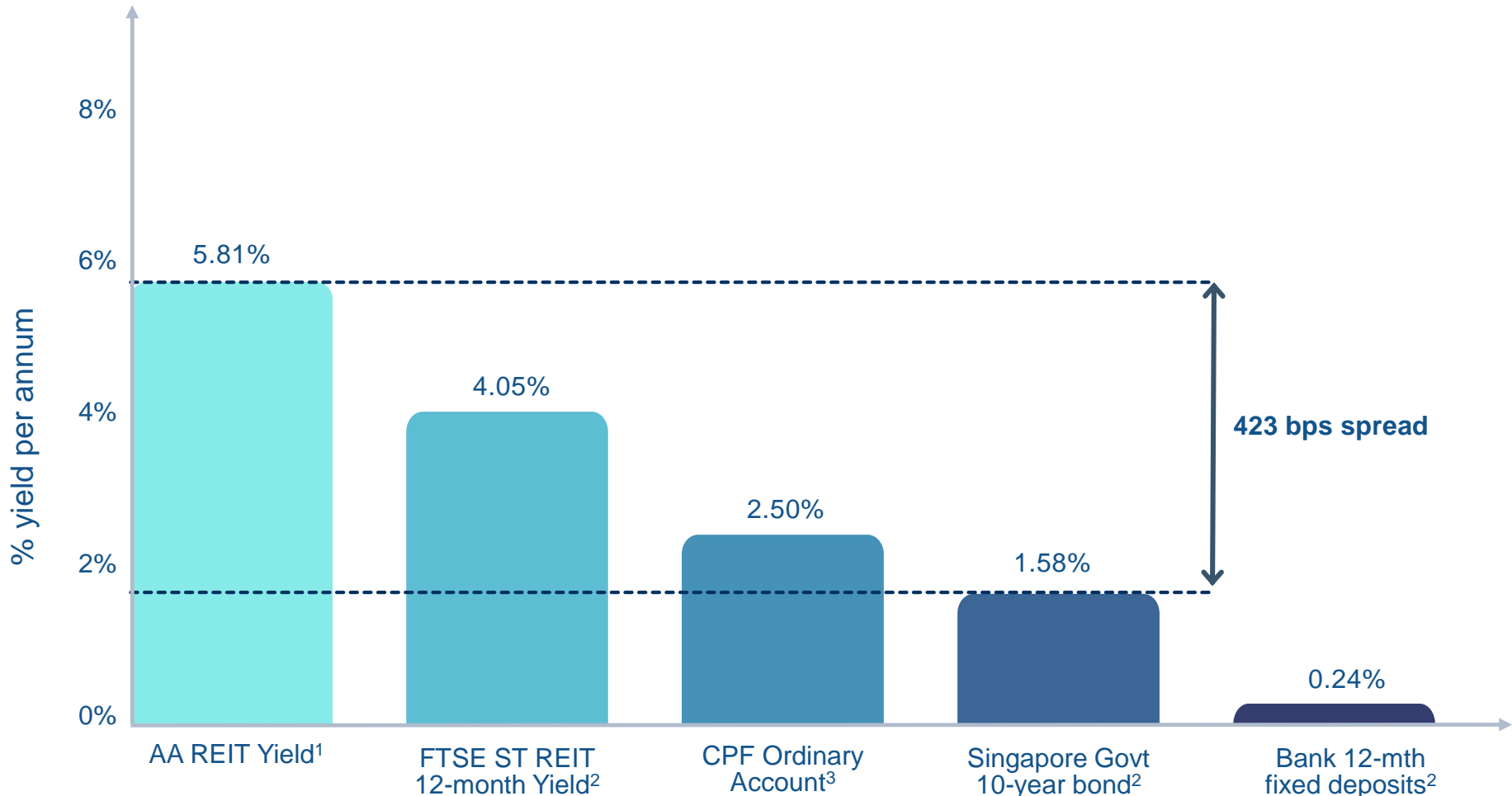
29 WOODLANDS INDUSTRIAL PARK E1, SINGAPORE

1Q FY2022 Results

(S\$'000 unless otherwise stated)	1Q FY2022	1Q FY2021	Y-o-Y (%)
Gross Revenue	31,813	27,240	16.8
Net Property Income	23,080	18,629	23.9
Share of Profits of Joint Venture (net of tax)	3,774	3,315	13.8
Distributions to Unitholders ¹	15,917	14,134	12.6
DPU (cents)	2.25	2.00	12.5

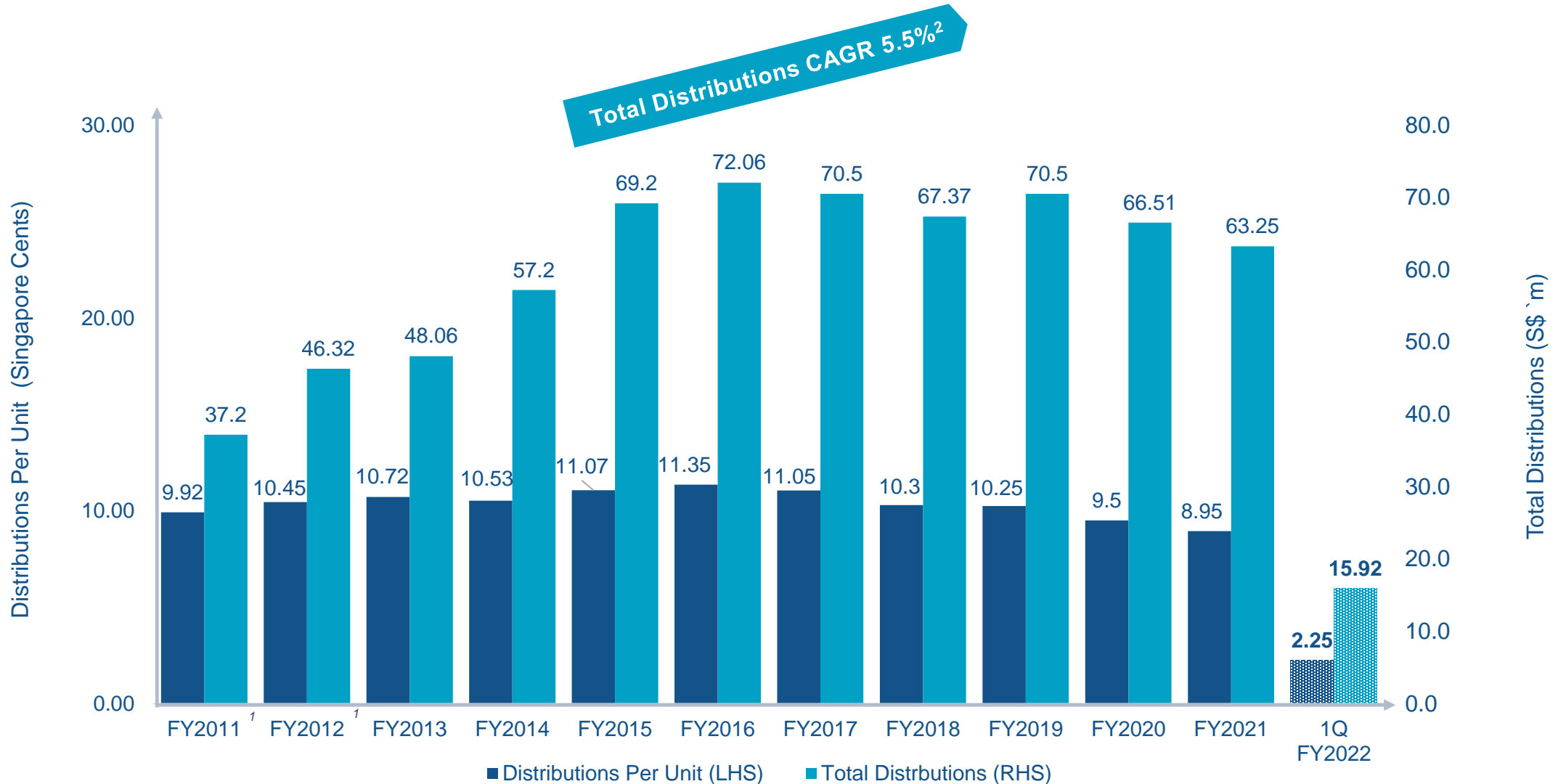
¹ The Manager resolved to distribute S\$15.9 million to Unitholders for 1Q FY2022, comprising (i) taxable income of S\$13.3 million from Singapore operations; and (ii) capital distribution of S\$2.6 million remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia and Boardriders Asia Pacific HQ in Gold Coast, Queensland, Australia. AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 1Q FY2022, the amount available for distribution from Singapore taxable income is S\$13.8 million, the Manager has resolved to distribute S\$13.3 million or 96.4% of the Singapore taxable income available for distribution to the Unitholders

Attractive Return on Investment



¹ Based on the closing price of S\$1.55 on 27 July 2021 and annualised FY2022 DPU of 9.00 cents. Annualised DPU is computed based on actual DPU payout for the first quarter of FY2022 and annualised to the full year
² Source: Bloomberg data as at June 2021
³ Prevailing CPF Ordinary Account interest rate

Total Distributions Since 2011



¹ The number of Units used to calculate the Distribution per Unit has been adjusted for the effect of the Unit Consolidation to allow for comparison

² CAGR (compound annual growth rate) computed from FY2011 to FY2021

Key Financial Metrics – 1Q FY2022

	1Q FY2022	1Q FY2021
Portfolio Value (S\$ million) ¹	1,724.5	1,557.5
Market Capitalisation (S\$ million) ²	1,096.5	885.1
NAV per Unit (S\$)	1.35	1.36
Share Price (S\$)	1.55	1.21
Premium over / (Discount to) NAV (%) ²	14.8	(11.0)
Aggregate Leverage (%) ³	34.3	35.4
Interest Coverage Ratio (times) ⁴	4.3	3.8
Weighted Average Debt Maturity (years)	2.0 (3.3 post refinancing on a proforma basis) ⁵	2.2

¹ Based on the book value of investment properties as well as the 49.0% interest in the book value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets

² Based on the units outstanding and closing price of S\$1.55 on 27 July 2021, and S\$1.21 on 22 July 2020 respectively

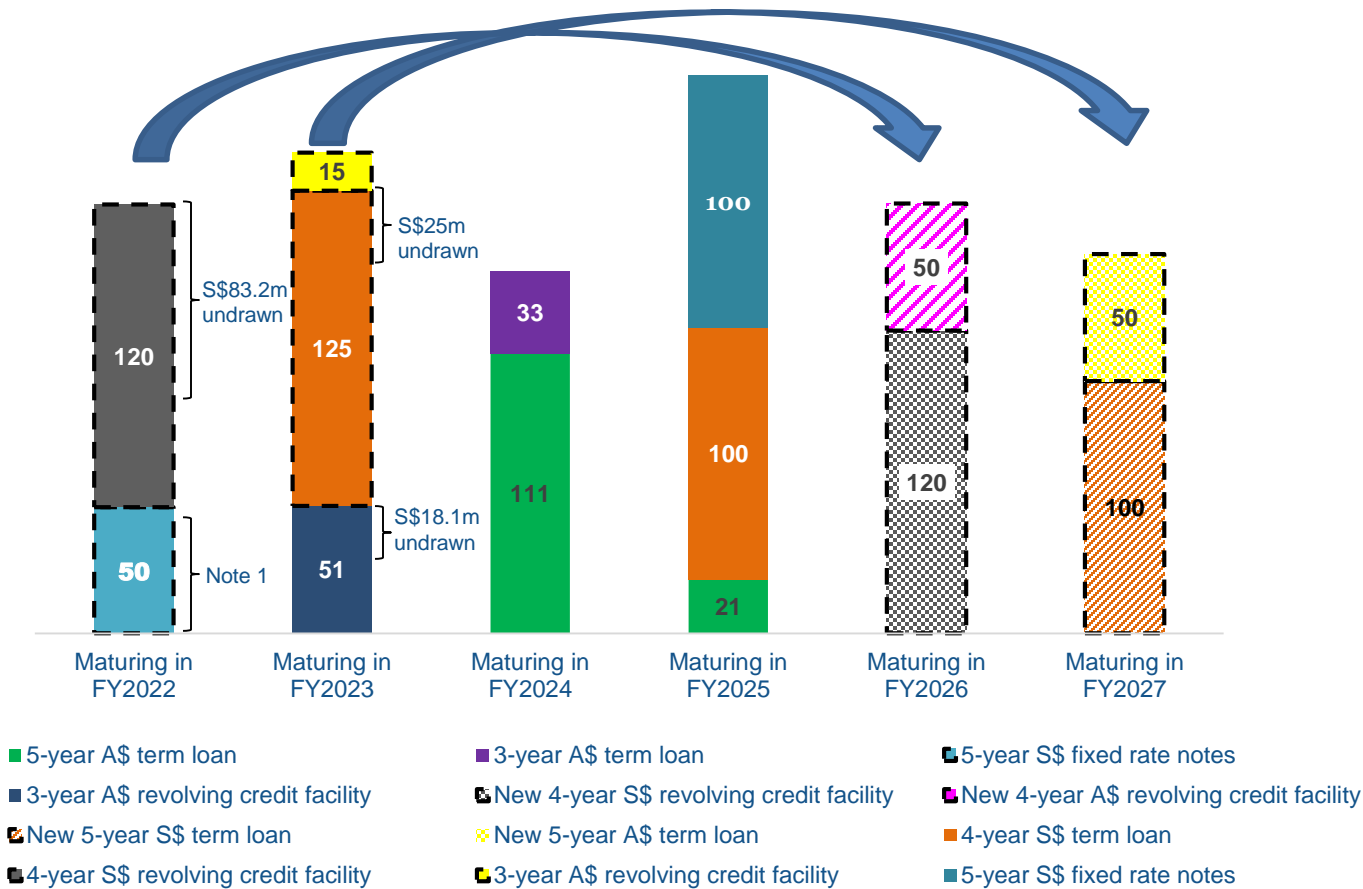
³ Aggregate leverage ratio is computed as total borrowings as a percentage of total assets. Right-of-use assets and lease liabilities were excluded from the computation of aggregate leverage. The total borrowings excluded Perpetual Securities holders' funds

⁴ Based on Interest Coverage Ratio (ICR) definition in Appendix 6 of Code of Collective Investment Schemes (last revised on 16 April 2020). For purpose of the computation, interest expense included borrowing costs on lease liabilities. As at 30 June 2021, the Adjusted ICR was 3.3 times (31 March 2021: 3.4 times) where the interest expense for Adjusted ICR further included the amount reserved for distribution to Perpetual Securities holders

⁵ In July 2021, AA REIT obtained commitments of up to S\$220 million and A\$100 million to refinance several of its secured debt facilities totalling S\$245.0 million and A\$15 million which are due in 2021 and 2022.

Debt Facilities as at 30 June 2021

Pro Forma refinancing of existing secured facilities



MATURITY DATE	S\$'M
2021 November (FY2022)	36.9
2022 March (FY2022)	50.0
2022 June (FY2023)	47.4
2022 July (FY2023)	100.0
2023 July (FY2024)	110.9
2023 November (FY2024)	32.8
2024 July (FY2025)	121.3
2024 November (FY2025)	100.0
Total Debt Drawn Down	599.3
Undrawn Available Facilities	126.3
Total Committed Facilities	725.6

Note 1: The refinancing of the secured debt facilities will enable AA REIT to have sufficient undrawn committed facilities to repay the fixed rate notes due in March 2022

Portfolio Performance



15 TAI SENG DRIVE, SINGAPORE



Active Lease Management



Lease Expiry Profile as of 30 June 2021 (By 1QFY2022 Gross Rental Income)

1Q FY2022

New Leases Signed: 15
Renewal Leases Signed¹: 23

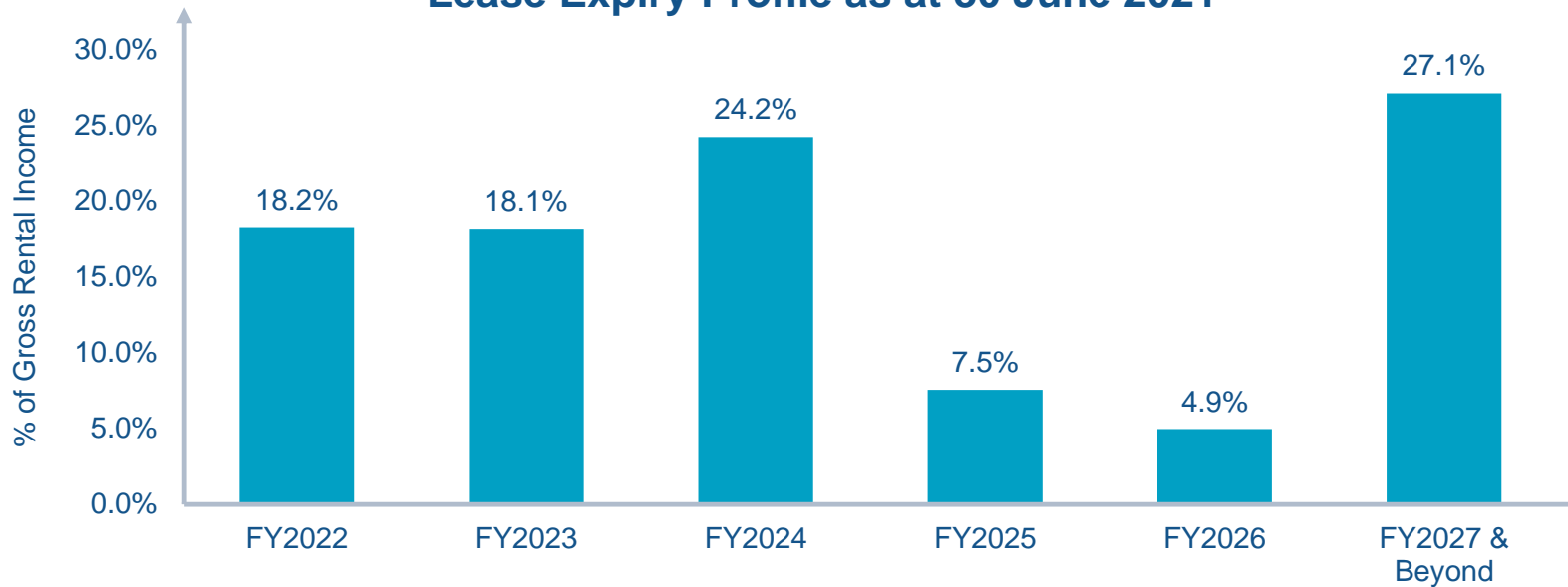
NET AREA

New Leases: 24,641 sqm
Renewal Leases: 48,074 sqm

% OF TOTAL NLA

New and Renewal Leases represent 9.8% of total NLA executed in 1Q FY2022

Lease Expiry Profile as at 30 June 2021



¹ Weighted average rental decrease for renewal leases was 0.4%

Key Portfolio Statistics

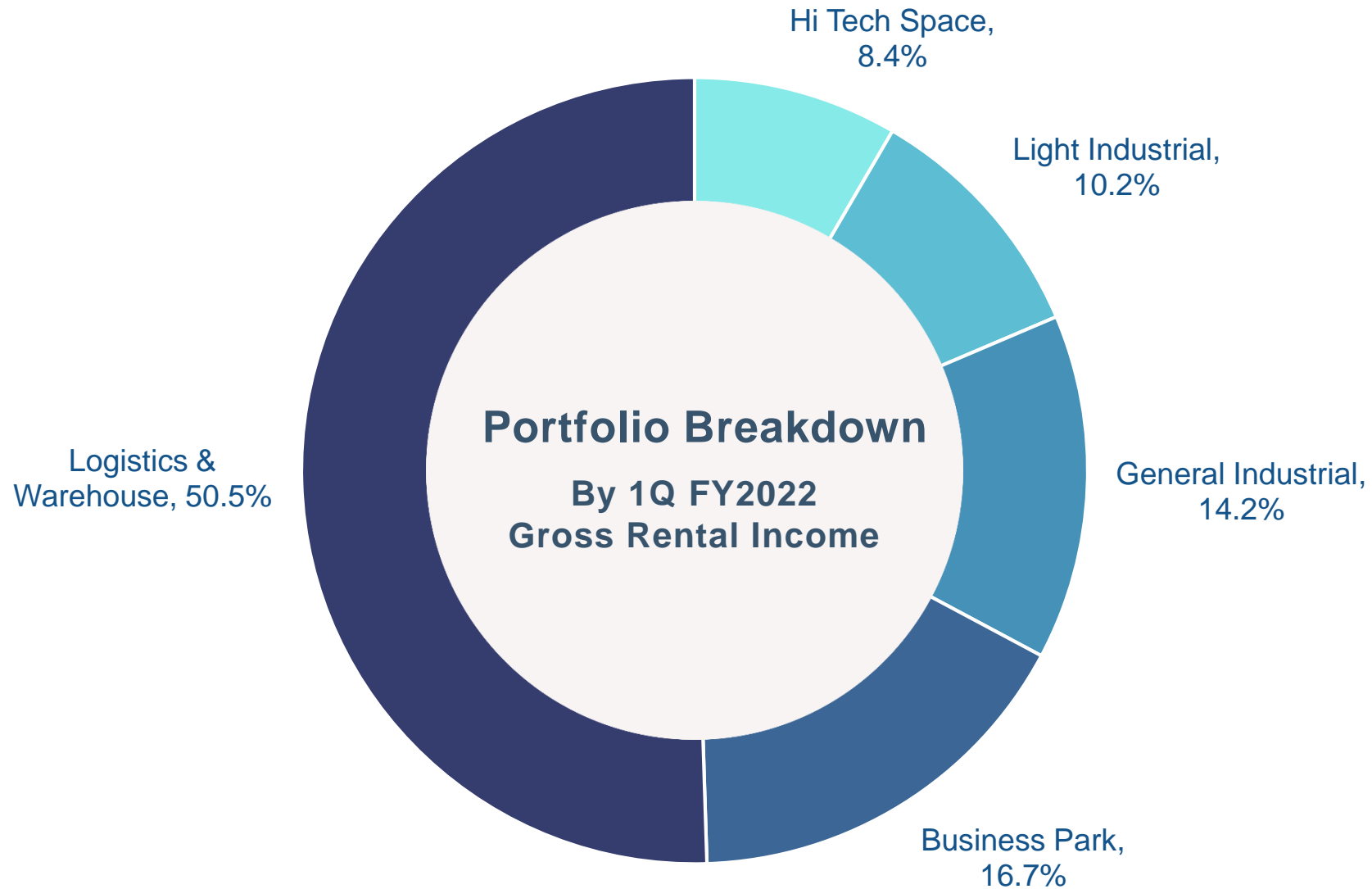
	As at 30 June 2021	As at 31 March 2021
Number of Properties	28	28
Portfolio Value (S\$ million) ¹	1,724.5	1,724.7
Net Lettable Area (sqm)	740,942	740,738
Number of Tenants	188	193
Portfolio Occupancy (%)	95.7	95.4
Weighted Average Lease Expiry (WALE) (years) ²	3.98	3.95
Weighted Average Land Lease Expiry (years) ³	45.3	45.5
Location of Properties	Singapore, Australia	Singapore, Australia

¹ Based on the book value of investment properties and investment property under development as well as the 49.0% interest in the book value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets

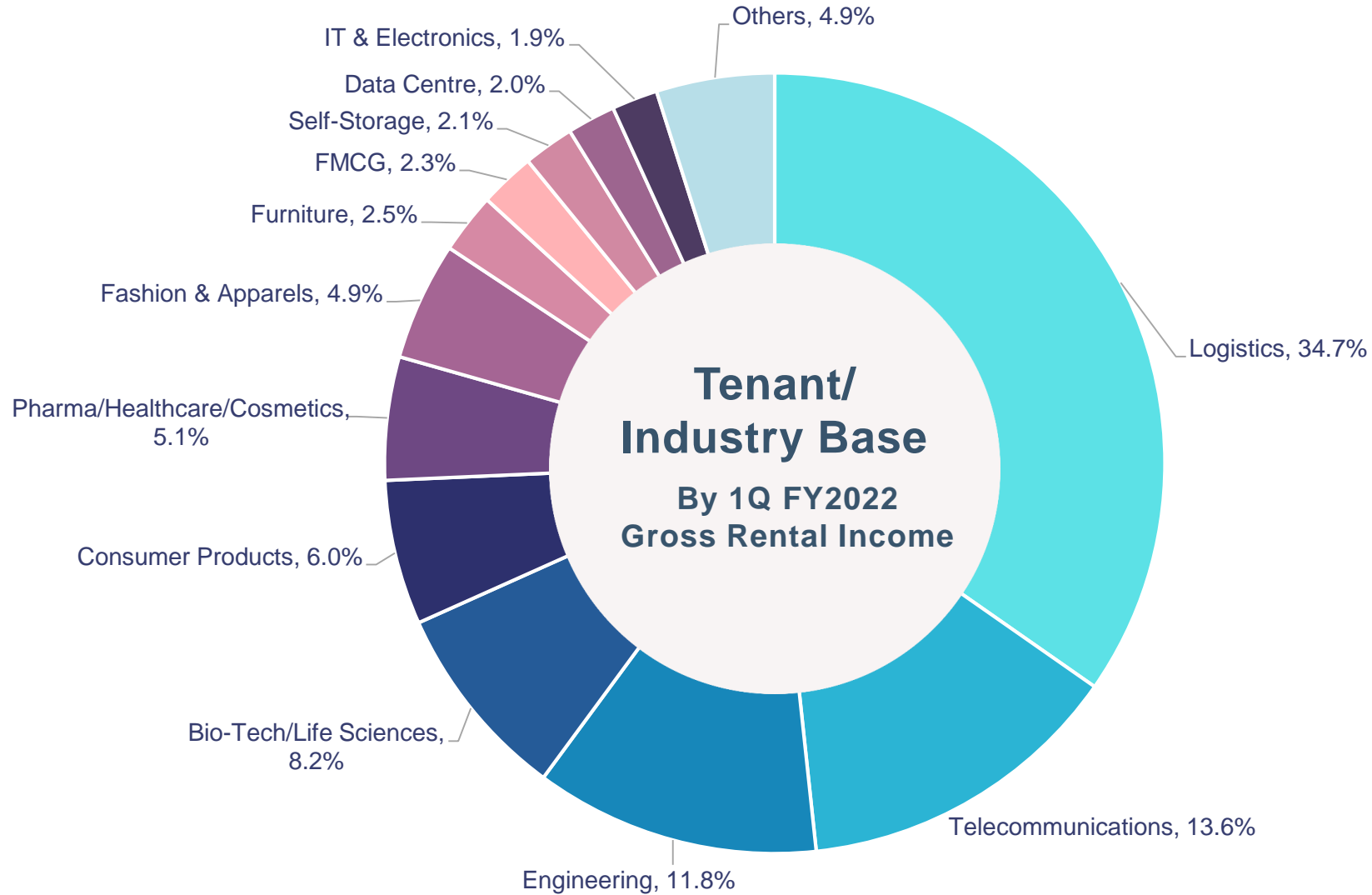
² Computation included forward committed leases. Excluding forward committed leases, the WALE is 2.33 years as at 30 June 2021 and 2.42 years as at 31 March 2021

³ Computation based on the market valuations of the properties as at 31 March 2021. For the calculation of the weighted average land lease, AA REIT's interest in the freehold properties, Optus Centre and Boardriders Asia Pacific HQ, have been assumed as 99-year leasehold interests

Portfolio Breakdown



Diversified Tenant/Industry Base¹

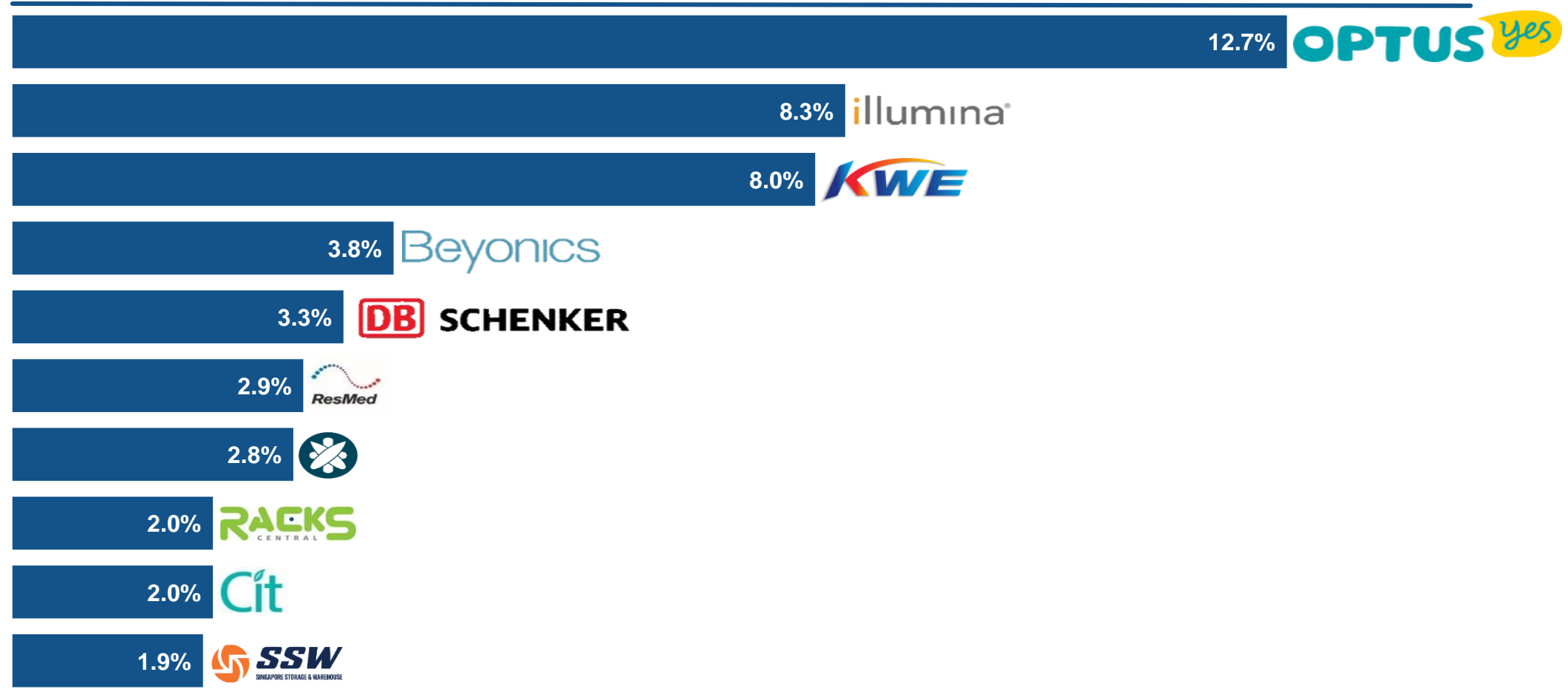


¹ Tenant base expanded by 11.2% over the last 24 months (188 as at 30 June 2021 vs 169 tenants as at 30 June 2019).

Quality Tenant Base

Resilient sectors such as logistics & warehouse, bio-medical & life science, telecommunications & data centre operators account for **7 of our top 10 tenants**

TOP 10 TENANTS BY 1Q FY2022 GROSS RENTAL INCOME



Market Outlook & Strategy



29 WOODLANDS INDUSTRIAL PARK E1, SINGAPORE

Market Outlook

MACRO



- Overall, economic growth is recovering after the pandemic-related slowdown in 2020, though growth is likely to remain below the pre-pandemic growth trend. Global growth is projected at 6% in 2021, moderating to 4.4% in 2022.

SINGAPORE'S ECONOMY



- Based on advance estimates for the second quarter of 2021 by the Ministry of Trade and Industry (“MTI”), the Singapore economy expanded by 14.3% year-on-year, extending the 1.3% growth from the previous quarter.
- This was largely due to the low base in the second quarter of 2020, when GDP fell due to the Circuit Breaker measures implemented.
- On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy contracted by 2.0% in the second quarter of 2021, a reversal from the 3.1% growth in the preceding quarter.

INDUSTRIAL



- Based on JTC Corporation’s market report for 2Q 2021 released on 22 July 2021, the occupancy rate for the overall industrial property market rose slightly by 0.1 percentage point to 90.1%, compared to the previous quarter.

LOOKING AHEAD



- Despite the resurgence in COVID-19 cases globally, demand for industrial real estate has been underpinned by the manufacturing sector which has been attributable to the expansion of the electronics, precision engineering and chemical sectors. Manufacturing firms are also anticipating favourable business sentiments for the second half of the year.
- Amidst the current macroeconomic environment, AA REIT will continue to proactively manage its portfolio to deliver sustainable distributions and create long-term value for Unitholders.

Our Strategy

Strategic Investments



Continued evaluation of total return investment and built-to-suit development opportunities that offer income yield and long-term capital growth, with an increased focus on longer tenure and freehold properties

Active Asset & Leasing Management



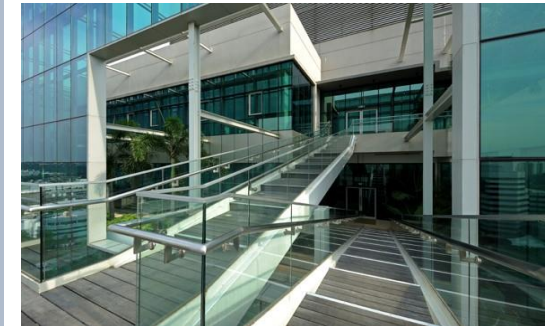
Unlocking value of selected assets within the portfolio through enhancements and an active leasing strategy to maintain high portfolio occupancy

Prudent Capital & Risk Management



Staggering of debt maturities, maintaining a conservative gearing ratio, diversifying funding sources and capitalising on low cost of funding when market conditions are favourable

Capital & Business Partnerships for Growth



Building new capital partnerships to diversify risk via joint investments with different risk-return profiles, and collaborating with business partners on new investment and development opportunities

Redevelopment Opportunities within Portfolio

A large proportion of the current portfolio has under-utilised plot ratios; with potential organic growth opportunities



2 Ang Mo Kio St 65



8 Senoko South Rd



11 Changi South St 3



10 Changi South Lane



3 Toh Tuck Link



7 Clementi Loop



541 Yishun Industrial Park A

Potential Untapped
GFA \approx 502,707 sqft



Our Resilient Portfolio



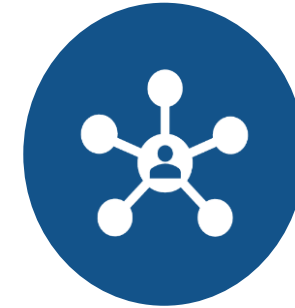
HIGH OCCUPANCY

High portfolio occupancy rate of **95.7%** versus JTC's industry average stands at 90.1%¹



HIGHLY RESILIENT SECTOR

Logistics & Warehouse account for **50.5%** of AA REIT's portfolio by Gross Rental Income; largely driven by resilient e-commerce and logistics sectors



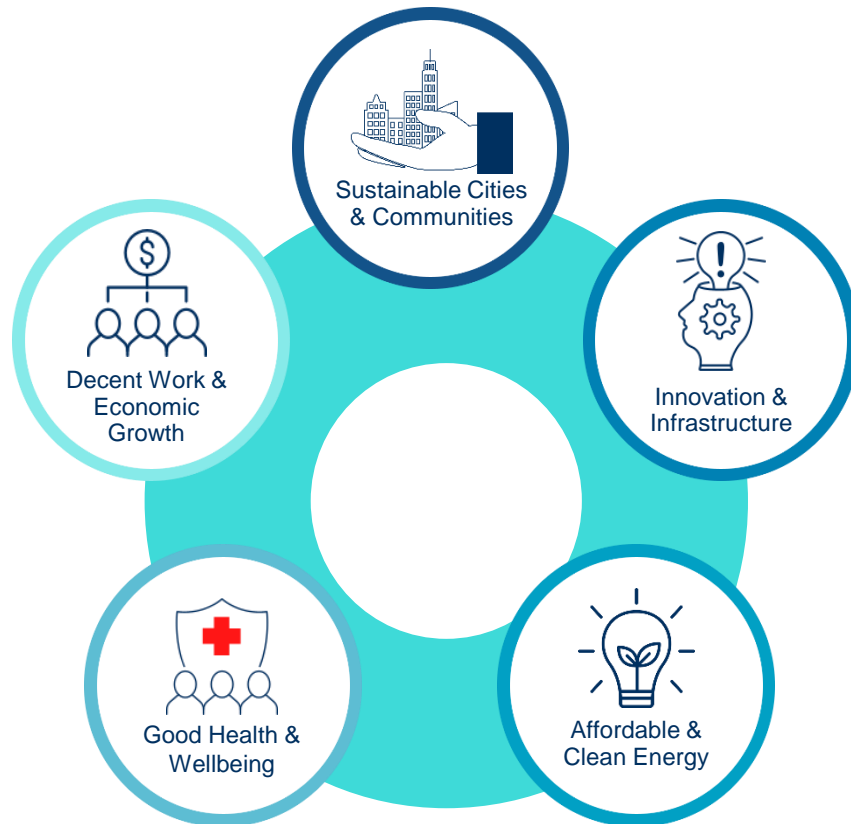
HIGHLY DIVERSIFIED

AA REIT's portfolio is backed by **188 tenants** across **28 properties** in Singapore & Australia from a wide range of industry sectors

¹ Portfolio occupancy above JTC 2Q 2021 industrial average of 90.1%

Environment, Social & Governance

We are committed to incorporating ESG factors into AA REIT's strategy and operations, to ensure Unitholders with long-term sustainable returns



Our ESG Focus Area

- Improve and minimise environmental impact
- Promote inclusive and sustainable economic growth
- Understanding and serving interests of all stakeholders
- Ensuring robust governance framework

Strong Investor Base with Institutional Investors

- Majority held by institutional investors
- MSCI Singapore Small-Cap Index and FTSE Russell ST Singapore Shariah Index inclusion likely to further attract and expand unitholder base

Recognised for Corporate Governance & Social Responsibility

- Ranked 3rd out of 45 REITs and Business Trusts for Governance Index Trusts (GIFT) 2020
- Accolades – Gold Award at The Asset ESG Corporate Awards 2020

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Substantial Q&A



1A INTERNATIONAL BUSINESS PARK, SINGAPORE

Substantial Q&A – Business Strategy

1. Does AA REIT have any plans to enter into data centre sector, once the moratorium on data centres in Singapore is lifted, or in Australia? Is there potential to convert or re-develop existing properties in AA REIT's current portfolio into a data centre asset?

- We are open to investing in data centres or converting some assets to data centres in Singapore, once the moratorium on data centres ends.
- There are however, many factors when considering a possible conversion:
 - Suitability of asset profile and existing building specifications;
 - Approvals from the relevant authorities (e.g. zoning of the industrial precinct); and
 - Availability of power within the relevant precinct/location.
- As at 30 June 2021, data centre segment makes up 1.8% of our portfolio by gross revenue income. Our property at 23 Tai Seng Drive, Singapore is a light industrial building that has been converted for primary data centre usage and is occupied by a data centre operator.
- We will actively review potential deals, including overseas freehold assets, data centres, logistics and business park assets, which meet our criteria for addition to the REIT's portfolio.

Substantial Q&A – Business Strategy



2. What are management's plans to grow DPU for the next 3 years?

- We do not provide guidance or forecast on our DPU.
- We have consistently distributed at least 90% of our taxable income since we listed in April 2007, as stipulated by the authorities, to qualify for tax transparency.
- We are continuously pursuing potential acquisitions, asset enhancement initiatives and built-to-suit projects to add to the portfolio, which will help drive DPU growth over the medium to long-term.

3. Has there been any interest in M&A from other S-REITs? Is there potential for AA REIT to merge with other REITs?

- We will consider opportunities that are in line with the REIT's strategies and that are in the best interests of all Unitholders.
- The Manager, Board and Sponsor's principal focus is on delivering long-term sustainable total returns for our Unitholders, through the disciplined execution of our investment, asset management and capital management strategy.

Substantial Q&A – Capital Management

4. Is it possible to limit fundraising to rights issues and borrowings without external placements?

- Bank borrowings are limited as REITs have an aggregate leverage limit of 50%. AA REIT has a conservative leverage of 34.3% as at 30 June 2021.
- Besides debt, REITs can also raise funds from the equity capital markets and perpetual securities.
- Right issues or preferential offerings allow Unitholders to subscribe for a proportionate number of units, which does not dilute a Unitholders' stake. This assumes all existing Unitholders participates in the offering.
- Placements is another method of raising equity. Some benefits of raising funds through placements include a faster speed of completion as compared to rights issues or preferential offering.
- As part of our prudent capital management approach, we will consider the most optimal funding structure at the time. Having funding flexibility will enable AA REIT to stay focused and nimble and be in a position to take advantage of opportunities as they arise for the benefit of Unitholders.

Resolutions



20 GUL WAY, SINGAPORE

Ordinary Resolution 1

To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of AA REIT for the financial year ended 31 March 2021 and the Auditors' Report thereon.

Ordinary Resolution 1 - Results

To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of AA REIT for the financial year ended 31 March 2021 and the Auditors' Report thereon.

	No. of Votes	Percentage
For	267,357,825	100%
Against	3,800	0%

Ordinary Resolution 2

To re-appoint KPMG LLP as Auditors and authorise the Manager to determine the Auditors' remuneration.

Ordinary Resolution 2 - Results

To re-appoint KPMG LLP as Auditors and authorise the Manager to determine the Auditors' remuneration.

	No. of Votes	Percentage
For	266,107,925	99.40%
Against	1,615,100	0.60%

Ordinary Resolution 3

To authorise the Manager to issue Units and to make or grant convertible instruments.

Ordinary Resolution 3 - Results

To authorise the Manager to issue Units and to make or grant convertible instruments.

	No. of Votes	Percentage
For	260,579,660	97.33%
Against	7,143,365	2.67%



1 KALLANG WAY 2A, SINGAPORE

Thank you!

More information can be found [AA REIT's corporate website](#)
as well as [SGX Announcements page](#)

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