AIMS
AA REIT

AIMS APAC REIT

1st Quarter Business Update Ended 30 June 2022
(1Q FY2023)

26 July 2022

Important Notice

Disclaimer

This Presentation is focused on comparing the financial results for the financial period from 1 April 2022 to 30 June 2022 (“1Q FY2023”) 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”) business update for 1Q FY2023 as per the SGXNET Announcement.

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Optus Centre, Australia

20 Gul Way, Singapore

AIMS AA REIT

HIGHLIGHTS: 1Q FY2023

Business Update

Healthy Financials

Strong Gross Revenue Growth

S$41.3 million
+29.8% compared with 1Q FY2022

Solid Net Property Income (NPI) Growth

S$31.0 million
+34.3% compared with 1Q FY2022

Steady Distribution Per Unit (DPU)

2.28 cents
+1.3% compared with 1Q FY2022

Proactive Asset Management

High Portfolio Occupancy

97.9%
+2.2 ppt compared with 1Q FY2022

Long WALE[1]

4.93 years *WALE*
maintained at around 5 years

Strong Rental Reversion in the Quarter

+9.5%

Diversified Tenant Base

201 *global and local companies*
in 22 trade sectors

Prudent Capital Management

Aggregate Leverage in line with Target Range

37.0% *+2.7 ppt compared with 1Q FY2022*

Low Blended Debt Funding Cost

2.7% *-10 bps from 1Q FY2022*

Interest Coverage Ratio[2]

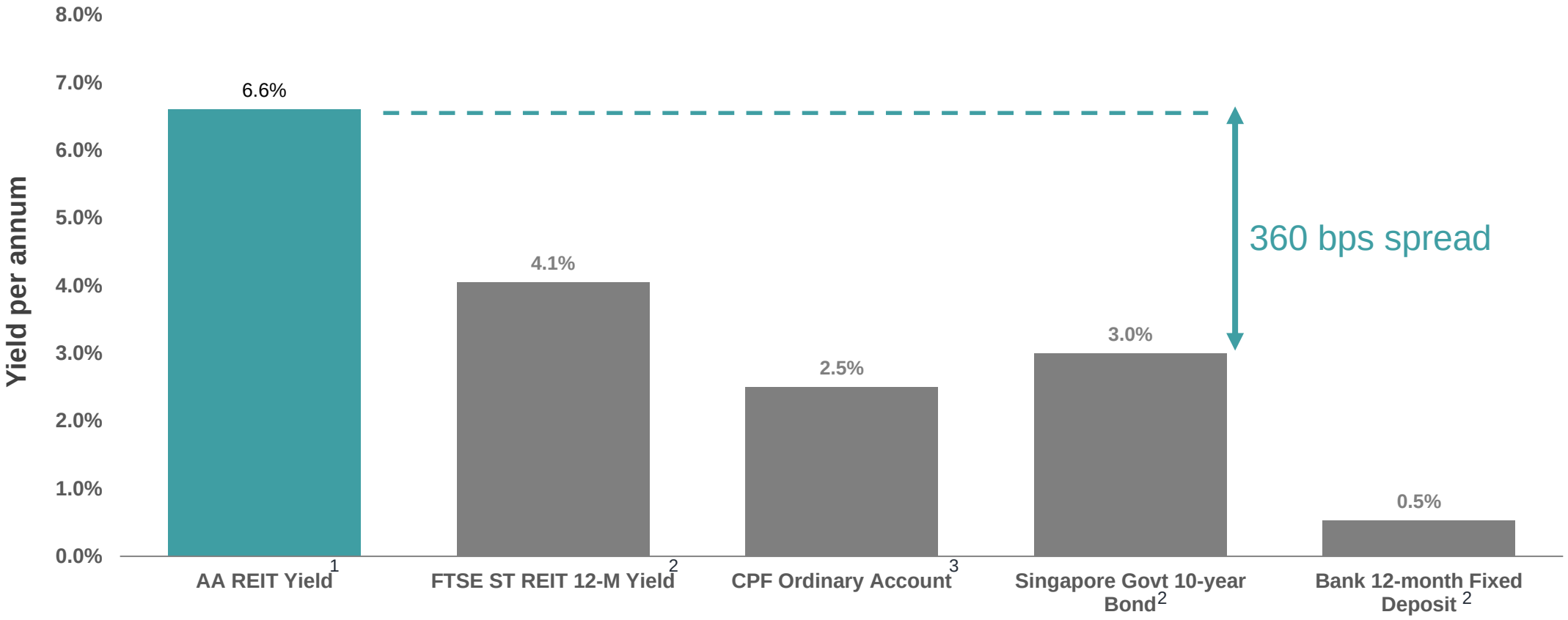
5.0x (adjusted 2.7x)
compared with 4.3x (adjusted 3.3x) in 1Q FY2022

Healthy Liquidity Position

Undrawn Committed Facilities and Cash and Bank Balances **S$231.7 million**
compared with S$137.3 million in 1Q FY2022

1. Computation included forward committed leases. Excluding forward committed leases, the WALE is 4.84 years as at 30 June 2022.
2. 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 adjusted ICR includes the amount reserved for distribution to Perpetual Securities. The ICR and Adjusted ICR excluded interest expense on lease liabilities.

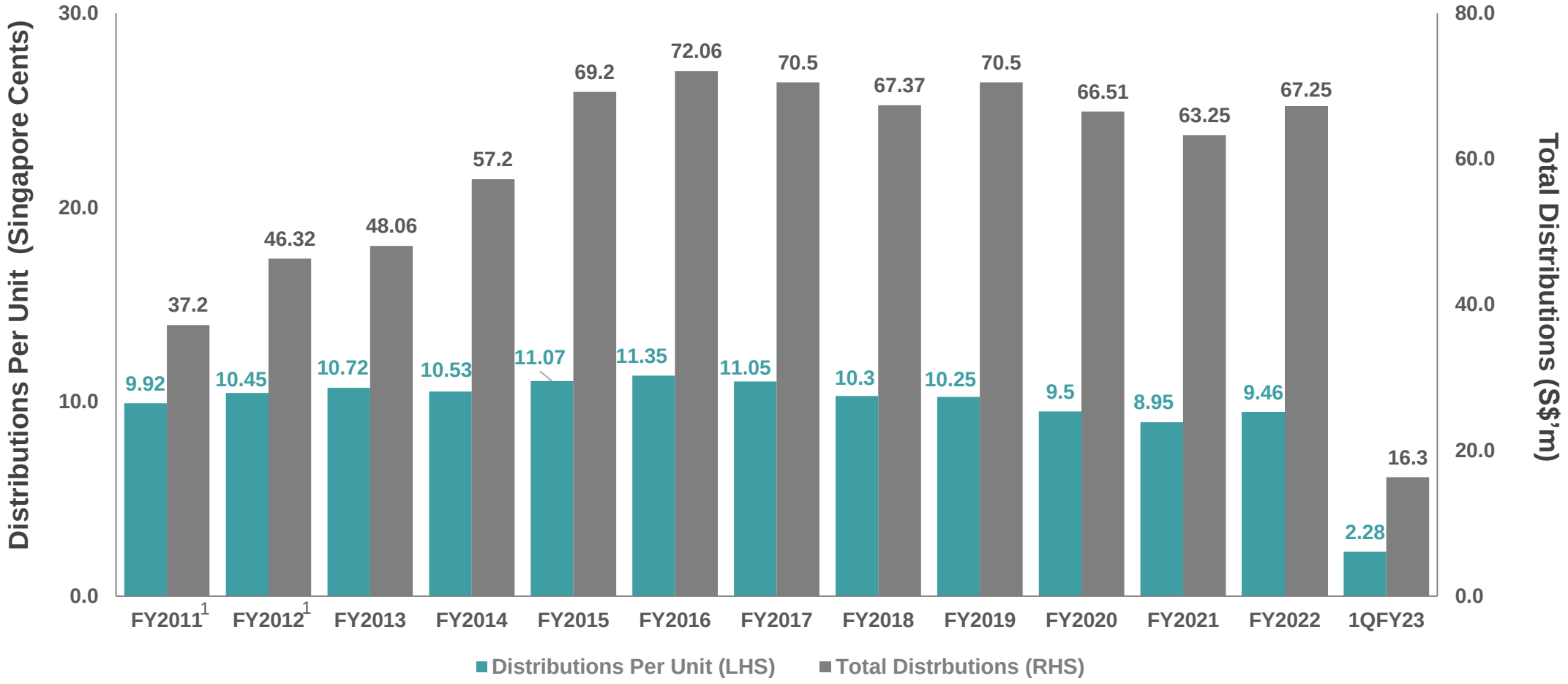
Attractive Return on Investment



1 Based on the closing price of S$1.39 on 25 July 2022 and annualised FY2023 DPU of 9.12 cents. Annualised DPU is computed based on actual DPU payout for the first quarter of FY2023 and annualised to the full year
2 Source: Bloomberg data as at June 2022
3 Prevailing CPF Ordinary Account interest rate

Total Distributions Since 2011

Total Distributions CAGR 5.5% (FY2011 to FY2022)



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.

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1Q FY2023 Financial Highlights

29 Woodlands Industrial Park E1, Singapore

Distribution Details

Stock Counter	Distribution Period	DPU Cents
AIMS APAC REIT Code: O5RU	**For 1 April 2022 to 30 June 2022**	**2.28**

Distribution Period	For 1 April 2022 to 30 June 2022
Ex-Date	3 August 2022, 9.00am
Record Date	4 August 2022, 5.00pm
Return of Tax Declaration Forms	25 August 2022, 5.00pm
Distribution Payment Date	23 September 2022

1Q FY2023 Results

(S$ million unless otherwise stated)	1Q FY2023	1Q FY2022	Δ Y-o-Y (%)
Gross Revenue	**41,301**	31,813	+29.8
Net Property Income	**30,990**	23,080	+34.3
Share of Profits of Joint Venture (net of tax)	**4,029**	3,978[1]	+1.3
Distributions to Unitholders	**16,348**	15,917	+2.7
DPU (cents)	**2.28**	2.25	+1.3

1 Includes the reclassification of interest income earned on a proportionate unitholder loan to a joint venture.

1Q FY2023 Balance Sheet

(S$ million unless otherwise stated)	As at 30 June 2022	As at 31 March 2022
Total Assets	**2,376.7**	2,403.7
Total Liabilities	**1,002.7**	1,029.9
Net Assets	**1,374.0**	1,373.8
NAV per Unit	**1.39**	1.40
Total Gross Borrowings	**830.7**	858.9

1Q FY2023 Key Financial Metrics

	1Q FY2023	1Q FY2022
Portfolio Value (S$ million) [1]	**2,222.0**	1,724.5
NAV per Unit (S$)	**1.39**	1.35
Aggregate Leverage (%) [2]	**37.0**	34.3
Interest Coverage Ratio (times)	**5.0**	4.3
Weighted Average Debt Maturity (years)	**3.8**	2.0

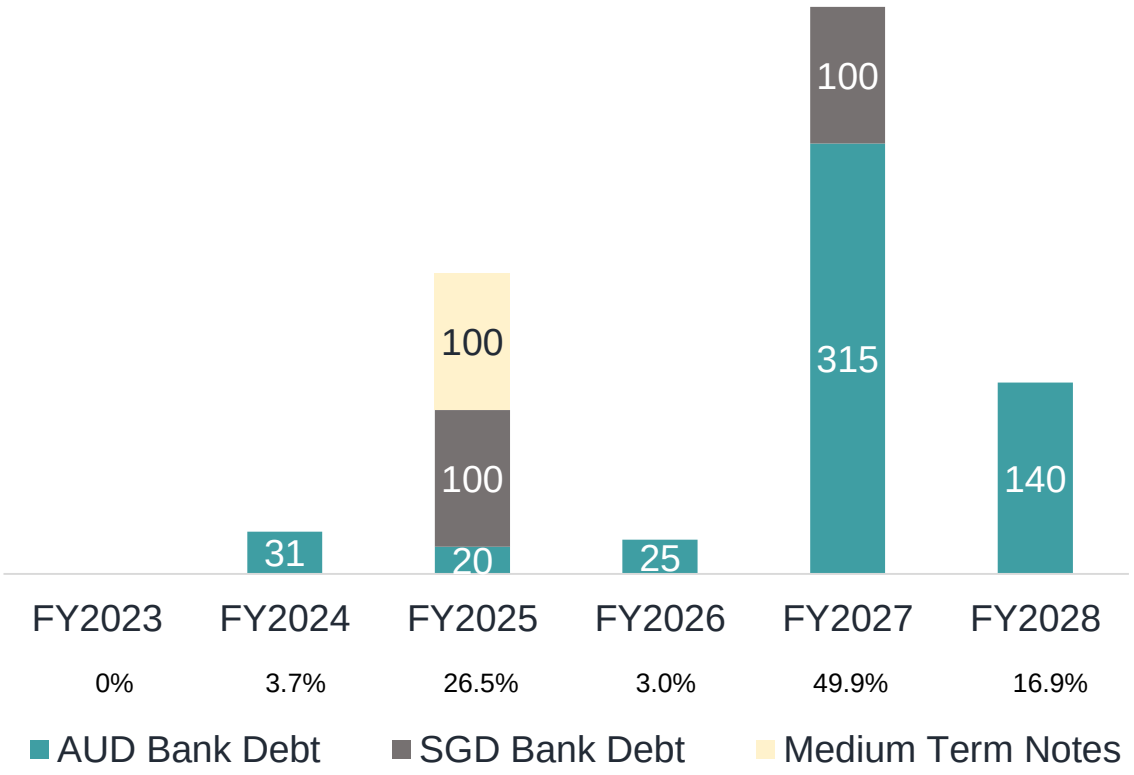
1 Based on the carrying value of investment properties as well as the 49.0% interest in the carrying value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets.
2 Aggregate leverage ratio is computed as total borrowings as a percentage of total assets and includes lease liabilities 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.

Prudent Capital Management

Proactive refinancing activities; Healthy liquidity position

- During 1Q FY2023, existing debt of approximately S$140 million maturing in FY2023 and FY2024 were refinanced
  - **No debt maturing in FY2023**
  - Debt due in FY2024 reduced to 3.7% of total borrowings
  - Refinanced debt extended to FY2028 maturity, accounting for 16.9% of total borrowings
  - **Extended average debt maturity to 3.8 years** as compared to 2.0 years for 1Q FY2022
- Undrawn Committed Facilities and Cash and Bank Balances of **S$231.7 million**

Debt Maturity Profile (S$'million)
As at 30 June 2022

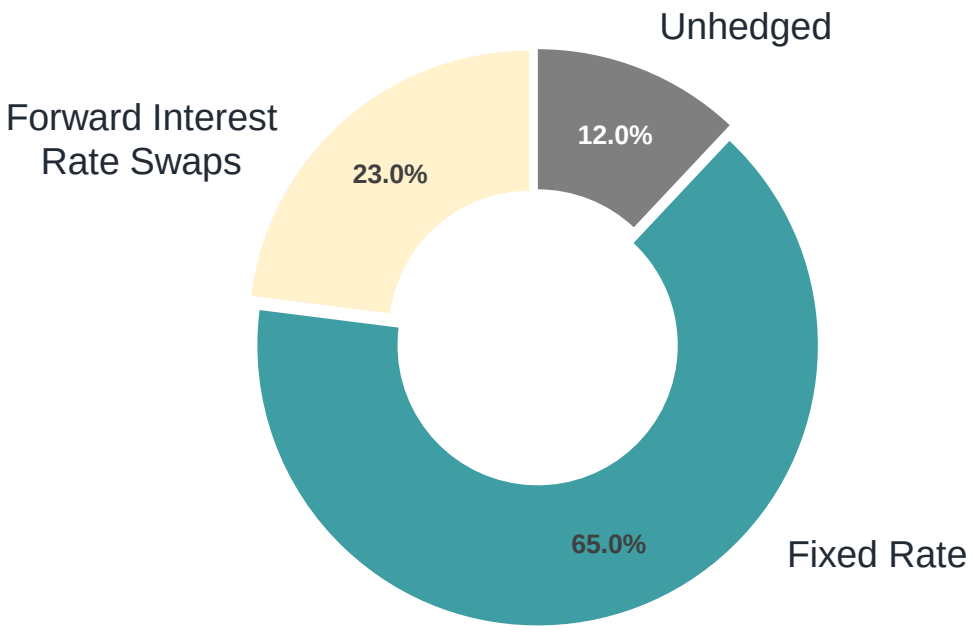


Interest Rate and Forex Risk Management

Disciplined risk management

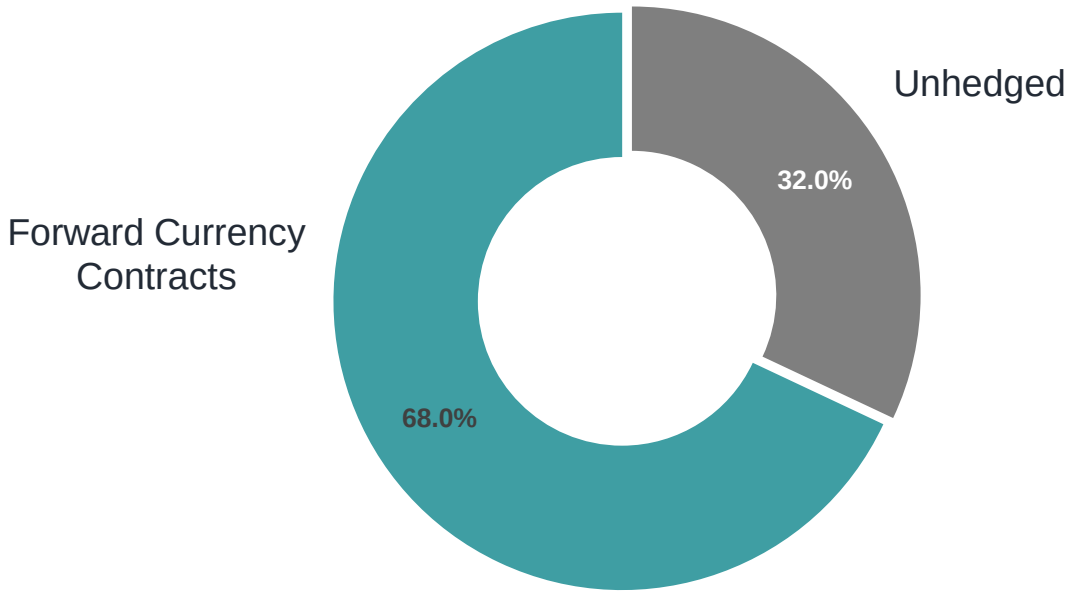
Interest Rate Risk Management

- 65% of borrowings are on fixed rate (or 88% including forward interest rate swaps) with current blended debt funding cost of 2.7%



Forex Risk Management

- 62% of book value of investments in Australia is subject to a natural hedge via AUD denominated debt
- 68% of expected AUD cashflow for FY2023 is hedged to SGD via Forward Currency Contracts



1 Based on the number of Units issued and to be issued as at 30 June 2022.

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PORTFOLIO HIGHLIGHTS

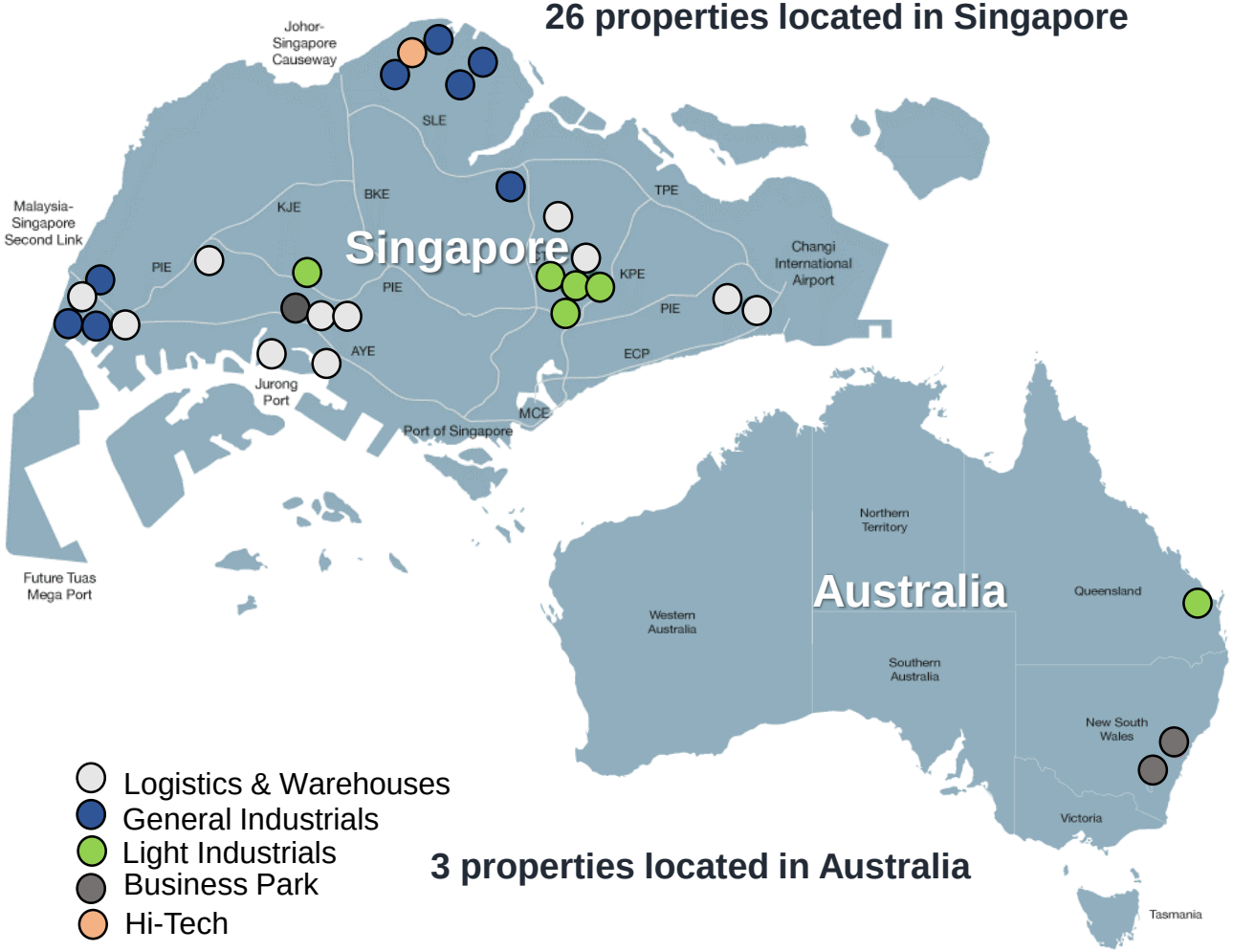
Woolworths Headquarters, Australia

Our Portfolio Statistics

High-quality assets in established locations and close to key infrastructure and amenities

	1Q FY2023	4Q FY2022
Total Assets	S$2,376.7m	S$2,403.7m
Portfolio Occupancy	97.9%	97.6%
Weighted Average Lease Expiry	4.93 years	5.05 years
Weighted Average Land Lease Expiry	56.8 years	57.0 years
Rental Reversion Rate	+9.5%	+14.7%
New / Renewal Leases (% of total NLA)	3.9%	5.9%

26 properties located in Singapore

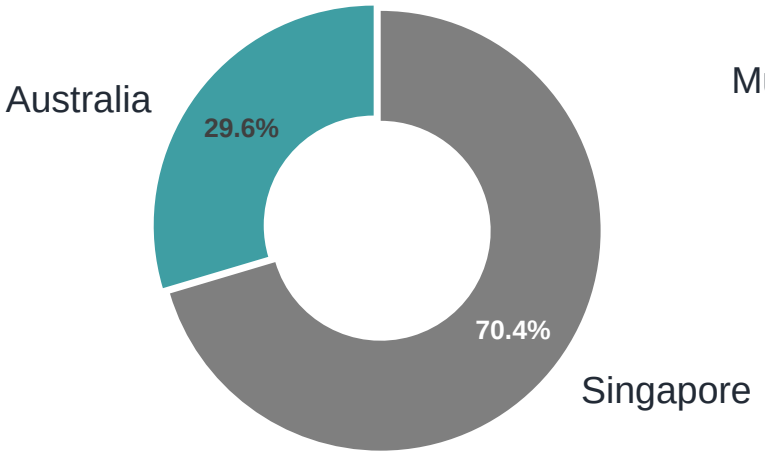


3 properties located in Australia

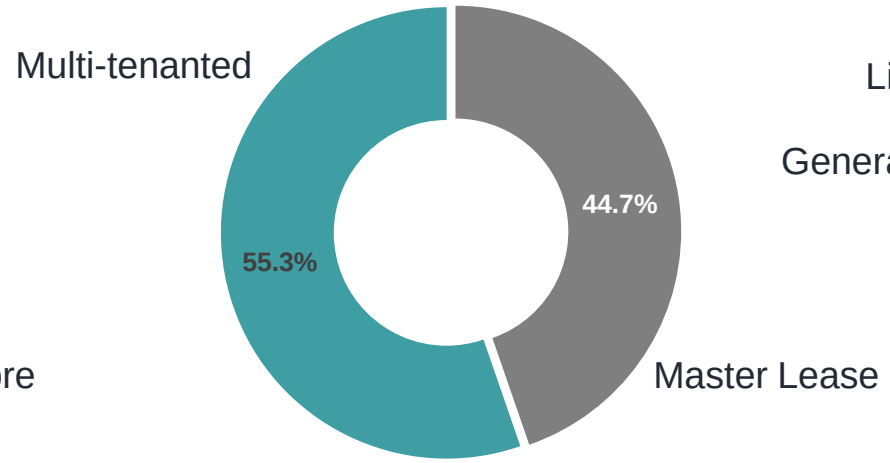
Key Portfolio Metrics[1]

Portfolio well diversified across geography, lease structure and asset type

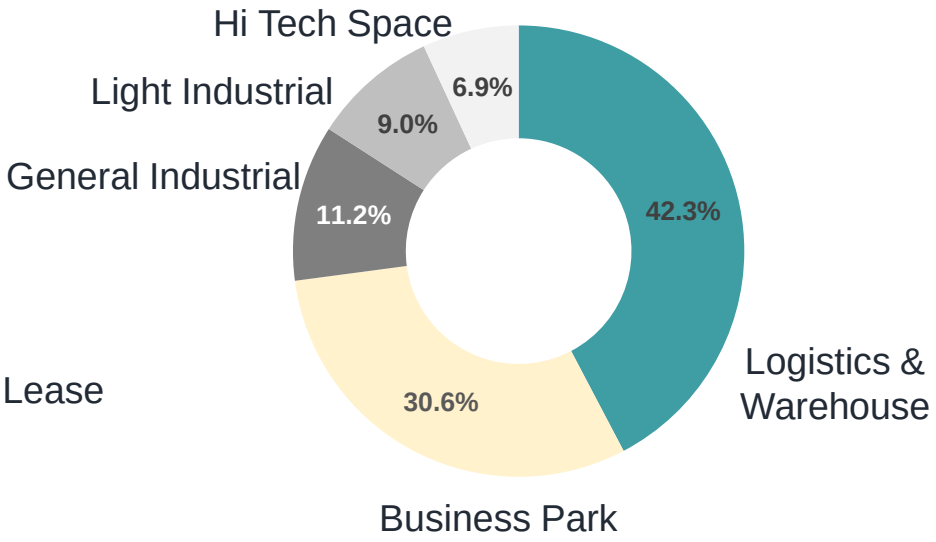
Geographic Breakdown



Lease Structure



Asset Type

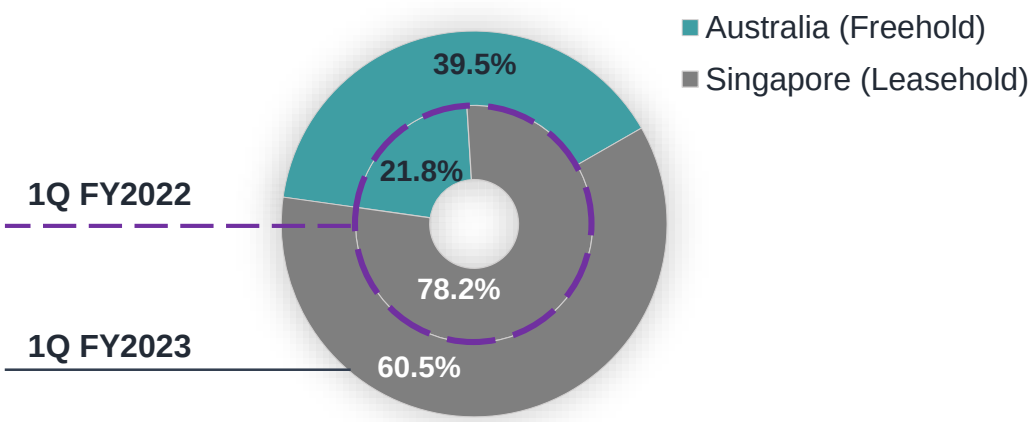


1. *By 1Q FY2023 Gross Rental Income*

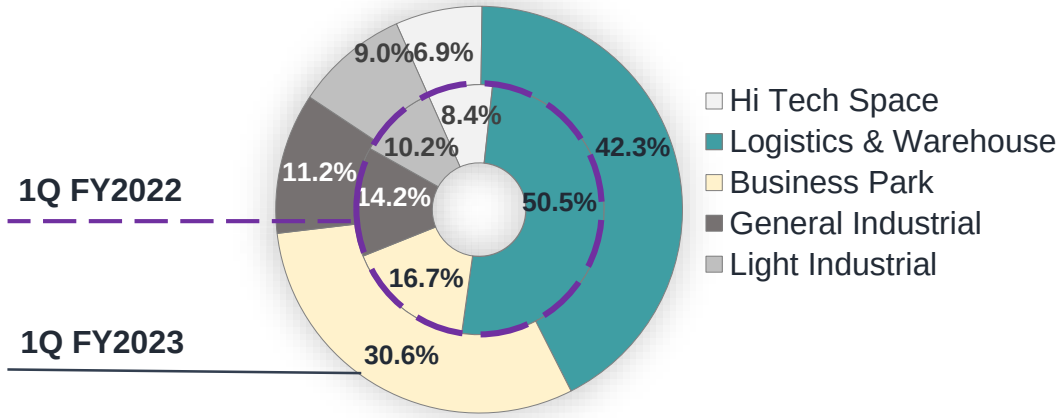
Diversified Portfolio

Anchored by Freehold Business Parks in Australia and Logistics & Warehouse properties in Singapore

Portfolio Breakdown by Geography[1]



Portfolio Breakdown by Asset Type[2]



- Progressive rebalancing of portfolio to longer tenure or freehold properties

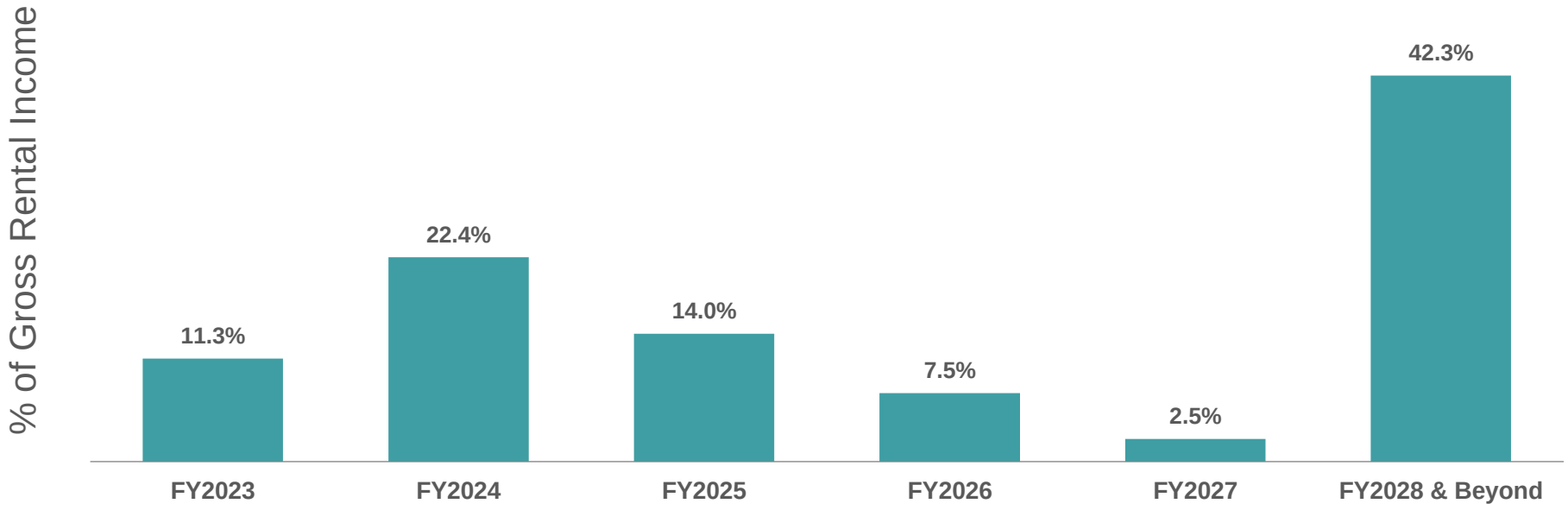
- Active portfolio management to generate long-term total returns

1. *By valuation as at 31 March 2022 and 31 March 2021.*
2. As at 30 June 2022; By 1Q FY2023 GRI

Lease Expiry Profile

Well-staggered lease expiry profile provides income stability and ability to capture rental reversions

- Long WALE: **4.93 years**
- Successfully executed new and renewal leases: **3.9%** of total NLA in 1Q FY2023
- Average rental increase for renewal leases: **+9.5%**



Data as at 30 June 2022; By 1Q FY2023 GRI

MARKET OUTLOOK & STRATEGY

3 Tuas Avenue 2, Singapore

Market Outlook

MACRO

- The International Monetary Fund is projecting global economic growth to slow to 3.6% in 2022 and 2023, due to the conflict in Ukraine which has contributed to shortages in the energy and agricultural sectors, leading to soaring commodity prices and elevated inflation.
- Inflationary concerns have led central banks to tighten monetary policy and raise interest rates.

SINGAPORE'S ECONOMY

- The Ministry of Trade and Industry on 14 July 2022 reported that Singapore's economy grew by 4.8% year-on-year in the second quarter of 2022, extending the 4.0% growth in the previous quarter.
- The manufacturing sector expanded by 8.0% year-on-year in the second quarter of 2022, with electronics and precision engineering clusters recording strong output growth.
- The Monetary Authority of Singapore ("MAS") further tightened its monetary policy on 14 July 2022 to slow inflation and help ensure medium-term price stability. MAS also raised its overall inflation forecast range for 2022 at 5.0% to 6.0%.

AUSTRALIA'S ECONOMY

- The Australian economy rose by 0.8% in 1Q 2022 over the previous quarter; forecast to grow by 4.25% over 2022.
- Following the reopening of cities, workers have gradually returned to their workplaces, supporting demand for business parks and decentralized locations.
- With inflation expected to hit 7% in 2022, the Reserve Bank of Australia increased the cash rate by 50 bps to 1.35% in July 2022.

LOOKING AHEAD

- Overall, demand for industrial space remains robust due to ongoing expansion from various sectors such as technology, manufacturing and logistics.
- Notwithstanding macroeconomic uncertainties such as rising interest rates, higher commodity prices and inflationary pressures, expansionary demand from occupiers across various industry clusters will continue to provide support for the industrial and business park sectors.

Our Strategy

1 Accretive Investments & Developments

Pursue accretive investments and build-to-suit development opportunities in Singapore and Australia that offer stable and growing income yield and long-term capital growth

Anchor portfolio with high quality modern industrial, logistics, and business park assets that provide resilient and sustainable long-term returns

2 Active Asset Management

Active asset and lease management. Continuously seeking to unlock value of assets within portfolio through building enhancements, conversions and leasing as well as through divestment and capital recycling of non-core assets

3 Prudent Capital & Risk Management

Prudent capital management such as diversifying funding sources, proactive refinancing activities and capitalising on low cost of funding when market conditions are favourable

4 Strategic Capital & Business Partnership

Leveraging on our track record in investments, developments and asset management to form new capital partnerships for joint projects as well as collaboration with business partners and end users to develop, enhance and hold modern facilities that meet their occupational and business requirements

1 Bukit Batok St 22, Singapore

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ESG / CONCLUSION

Our ESG Focus

We are adopting an ESG mindset across our business processes, new investments and capital projects

Green Portfolio

- Conducting carbon baseline study
- Evaluating long-term targets such as electricity intensity
- Attaining BCA[1] Green Mark certifications for assets

Renewable Energy

- Proposed adoption of renewable energy through installation of solar panels
- Evaluating installation of public Electric Vehicle (EV) charging points

Technology

- Leveraging on relevant technological solutions such as the adoption of smart metering systems to monitor utility consumption

1A International Business Park, Singapore
Awarded BCA Green Mark Gold Award

3 Tuas Avenue 2, Singapore
Awarded BCA Green Mark Gold Award

29 Woodlands Industrial Park E1, Singapore
Awarded BCA Green Mark Certified Award

1. The Building and Construction Authority (BCA) is a Singapore government statutory board that champions the development and transformation of the built environment sector, in order to improve Singapore's living environment.

Key Takeaways

Resilient Portfolio

Anchored by high quality Australian business parks, and augmented with modern logistics and warehouse properties in Singapore, accounting for three-quarters of the portfolio

Prudent Capital Management

Aggregate Leverage of 37.0% provides debt headroom for further growth; Financial flexibility of S$231.7 million comprising undrawn committed facilities and available cash and bank balances

Diversified Tenant Base

201 tenants across resilient sectors including logistics, supermarket, life science, medical, telecommunications & data centre across 29 properties

Disciplined Risk Management

Disciplined risk management; 88% of borrowings are hedged (including forward swaps) and 68% of FY23 AUD cashflows are hedged

Strong Leasing Activity

Executed 10 new and 14 renewal leases, representing 30,525 sqm or 3.9% of total net lettable area of the portfolio in 1Q FY2023; Achieved high portfolio occupancy of 97.9%

Untapped Redevelopment Potential

Strong redevelopment track record; Potential to unlock over 2 million sq ft of new GFA in Singapore and Australia

51 Marsiling Road, Singapore

AIMS AA REIT

THANK YOU

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