

Proposed Acquisition of 14 Mort Street & Inghams Burton



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Transaction Overview



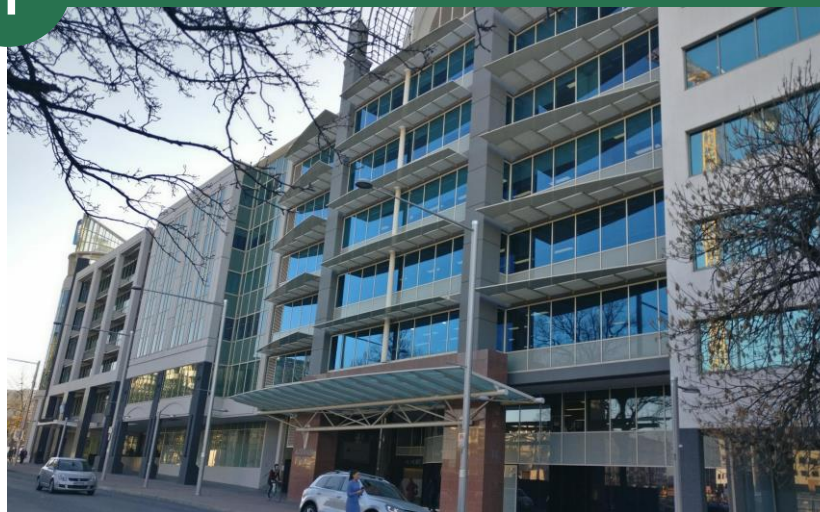
The Proposed Acquisition

Acquisition Highlights

Properties	2
Purchase Consideration	A\$116.25m (S\$116.25m ⁽¹⁾)
Acquisition Fee (to Manager)	A\$1.16m (S\$1.16m)
Stamp Duty & Other Transactions Costs	A\$3.55m ⁽²⁾ (S\$3.55m)
Total Acquisition Costs	A\$120.96m ⁽³⁾ (S\$120.96m)
Aggregate Valuation	A\$116.50m ⁽⁴⁾⁽⁵⁾ (S\$116.50m)
Total Lettable Area	30,807.5 sqm
Occupancy	100%
WALE by NLA	13.2 years
Gross Income	A\$8.6m (S\$8.6m)
Initial NPI Yield	6.42% (6.17% post-cost yield)

- (1) All conversions from Australian Dollar amounts into Singapore Dollar amounts are based on the exchange rate of A\$1.00:S\$1.00.
- (2) As stamp duty on commercial properties in Adelaide has been abolished as at 30 June 2018, no stamp duty fees is expected to be incurred for Inghams Burton.
- (3) Before deduction of outstanding incentives reimbursed by the Vendor.
- (4) The valuation for 14 Mort Street was carried out by Colliers International Valuation & Advisory Services (ACT) and valuation for Inghams Burton by Colliers International Valuation & Advisory Services (SA).
- (5) Before adjustment for outstanding incentives.

1 14 Mort Street – Office Building in Canberra CBD



2 Inghams Burton – Poultry Processing Facility in Adelaide



14 Mort Street, Canberra



14 Mort Street – Office Building in Canberra CBD



1

14 Mort Street

The Property	An 8-storey commercial office building
Address	Australia Place, 14 Mort Street, Canberra City, ACT
Location	Canberra's CBD Civic precinct
Purchase Price	A\$55.00m ⁽¹⁾ (S\$55.00m)
Stamp Duty & Other Transactions Costs	A\$3.85m (S\$3.85m)
Total Acquisition Cost	A\$58.85m ⁽²⁾ (S\$58.85m)
Valuation	A\$55.25m ⁽³⁾⁽⁴⁾ (S\$55.25m)
Vendor	14 Mort Street Property CT Pty Ltd as trustee for Ascot Capital 14 Mort Street Property Trust
Land Area	1,533.0 sqm
Lettable Area	9,383.5 sqm
Land Tenure	Crown Leasehold ⁽⁵⁾ expiring on 10 August 2079
Key Tenant	100% leased to Commonwealth of Australia (S&P AAA Credit Rating)
Occupancy	100%
WALE by income ⁽⁶⁾	6.5 years
Initial NPI Yield ⁽⁷⁾	6.31% (5.90% post-cost yield)
Rental Escalation	3.75% per annum

(1) All conversions from Australian Dollar amounts into Singapore Dollar amounts are based on the exchange rate of A\$1.00:S\$1.00.

(2) Before deduction of incentives reimbursed by the Vendor.

(3) The valuation was carried out by Colliers International Valuation & Advisory Services (ACT).

(4) Before adjustment for outstanding incentives.

(5) If neither the state nor the federal government needs the land for a public purpose, it can request for an additional term not exceeding 99 years. Compensation under just terms will be made if the request is not granted.

(6) As at 30 June 2018.

(7) The NPI yield is derived using the estimated net property income expected and before deduction of outstanding incentives which are reimbursed by the Vendor.

Location of 14 Mort Street

Civic Quarter – mixed-use office building to be completed in 2020, retail on ground floor is expected to bring vibrancy to Mort Precinct

Gungahlin is Canberra's youngest satellite town which is one of five satellites of Canberra

Subject Property

Stage 1 of light rail will connect the City to the fast growing area of **Gungahlin**, through Dickson by 2018.

Canberra Centre, the largest shopping centre in Canberra

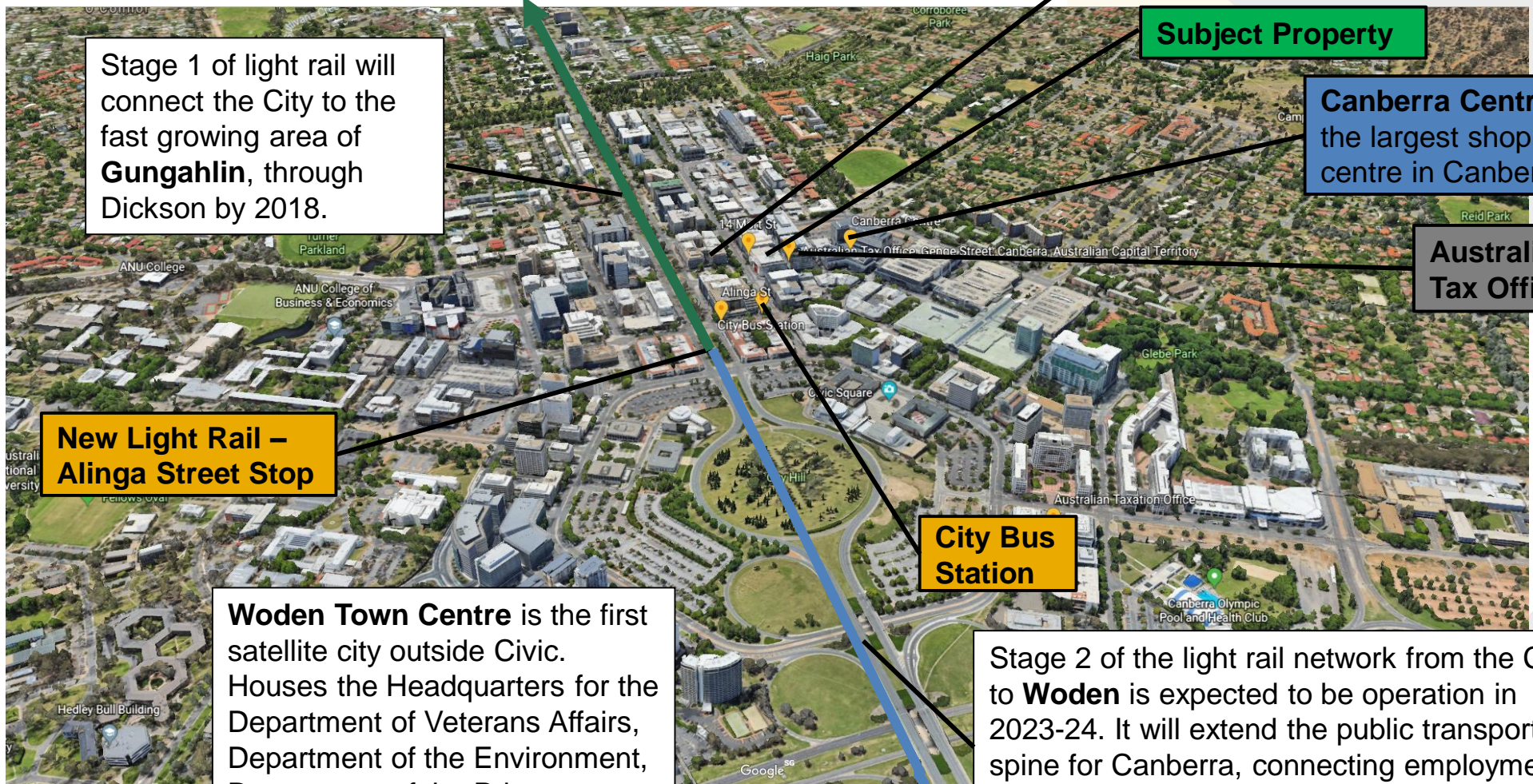
Australian Tax Office

New Light Rail – Alinga Street Stop

City Bus Station

Woden Town Centre is the first satellite city outside Civic. Houses the Headquarters for the Department of Veterans Affairs, Department of the Environment, Department of the Prime Minister and Cabinet. Has a variety of shops and amenities.

Stage 2 of the light rail network from the City to **Woden** is expected to be operation in 2023-24. It will extend the public transport spine for Canberra, connecting employment hubs, community services and commuters from south to north.



Inghams Burton, Adelaide



Inghams Burton – Poultry Processing Facility in Adelaide



- (1) All conversions from Australian Dollar amounts into Singapore Dollar amounts are based on the exchange rate of A\$1.00:S\$1.00.
- (2) As stamp duty on commercial properties in Adelaide has been abolished as at 30 June 2018, no stamp duty fees is expected to be incurred for Inghams Burton.
- (3) The valuation was carried out by Colliers International Valuation & Advisory Services (SA).
- (4) As at 30 June 2018.
- (5) Based on the Net Property Income upon factoring in the built-in escalation in Oct 2018.
- (6) Capped at 2.5% for some stipulated years.

2

Inghams Burton

The Property	Poultry Production and Processing Facility
Address	1118, 1120, 1122-1136 & 1138-1146 Port Wakefield Road, Burton SA 5110
Location	20km north of Adelaide CBD
Purchase Price	A\$61.25m (S\$61.25m ⁽¹⁾)
Other Transactions Costs	A\$0.86m ⁽²⁾ (S\$0.86m)
Total Acquisition Cost	A\$62.11m (S\$62.11m)
Valuation	A\$61.25m ⁽³⁾ (S\$61.25m)
Vendor	Burton CT Pty Ltd as trustee for Ascot Capital Burton Property Trust
Land Area	61,424.3 sqm
Lettable Area	21,424.0 sqm
Land Tenure	Freehold
Key Tenant	Inghams Group – the largest vertically integrated poultry producer across Australia and New Zealand
Occupancy	100%
WALE by income ⁽⁴⁾	16.1 years
Initial NPI Yield ⁽⁵⁾	6.51% (6.42% post-cost yield)
Rental Escalation	Pegged to % change in Australia CPI ⁽⁶⁾

Location Map of Inghams Burton

--- National Highway

	Distance (km)	By Car (min)
CBD	20km	33 min
Airport	27km	32 min
Port	22km	22 min

ADELAIDE CBD

ADELAIDE AIRPORT

PORT OF ADELAIDE

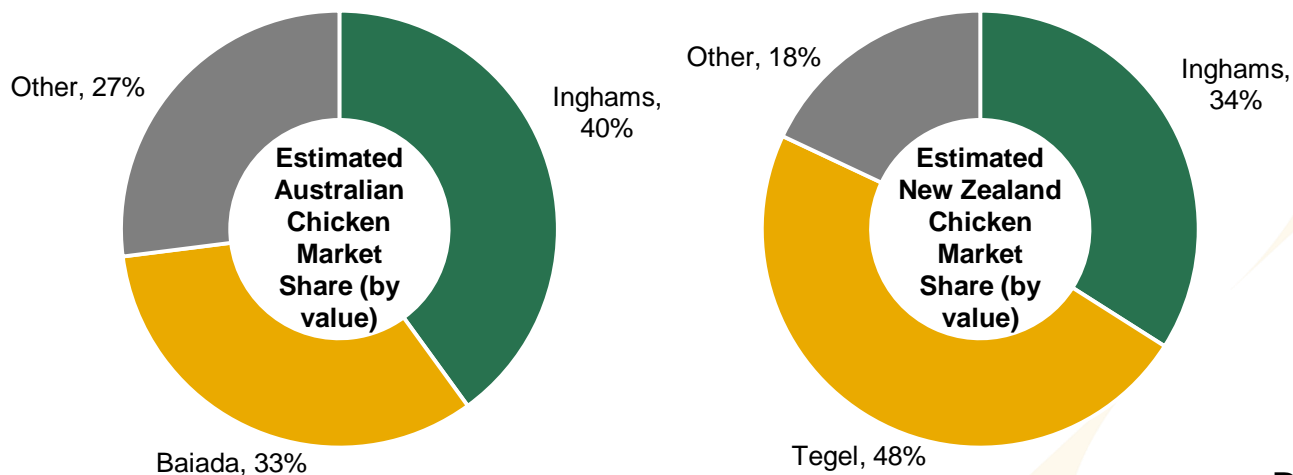
SUBJECT PROPERTY

Outline indicative only



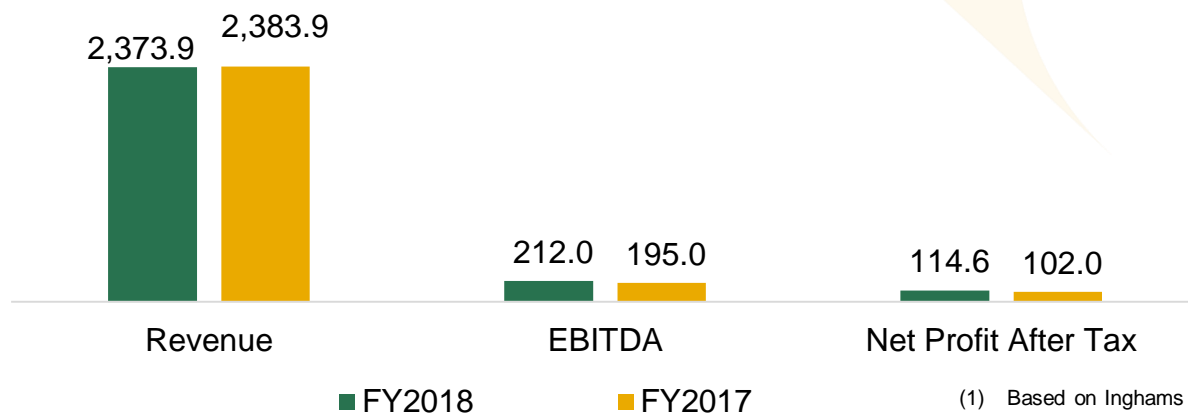
About Inghams Group

1 #1 / #2 Market Position in Australia / New Zealand for Chicken



Source: Inghams Group IPO Prospectus dated 12 October 2016

2 Improved Financial Performance (\$'million)⁽¹⁾



Source: Inghams Group IPO Prospectus, FY2018 Financial Results

- Recorded a net profit after tax of **A\$114.6M**
- Reduced its leverage to **0.7 times⁽²⁾**
- Has a market capitalisation of **A\$1.4B⁽³⁾**

(1) Based on Inghams Group's full year financial results released on 22 August 2018.
 (2) Based on net debt/earnings before interest, taxes, depreciation and amortisation reported by Inghams Group in its full year financial results presentation slides released on 22 August 2018.
 (3) Based on Inghams Group's market capitalisation on 5 September 2018

Portfolio Impact



Pro Forma Financial Impact

FY2017 Financials⁽¹⁾	Before Acquisition	Financed with S\$60m Perpetual Securities and AUD Debt⁽³⁾	Financed with S\$100m Perpetual Securities and AUD Debt⁽³⁾
Distribution per Unit (DPU) (cents)⁽²⁾	5.712	5.780	5.720
DPU Accretion (%)	-	1.19%	0.14%
Net Asset Value per Unit (S\$)	0.64	0.64	0.64

As at 30 June 2018	Before Acquisition	Financed with S\$60m Perpetual Securities and AUD Debt⁽³⁾	Financed with S\$100m Perpetual Securities and AUD Debt⁽³⁾
Aggregate Leverage	37.6%	38.8%	35.6%

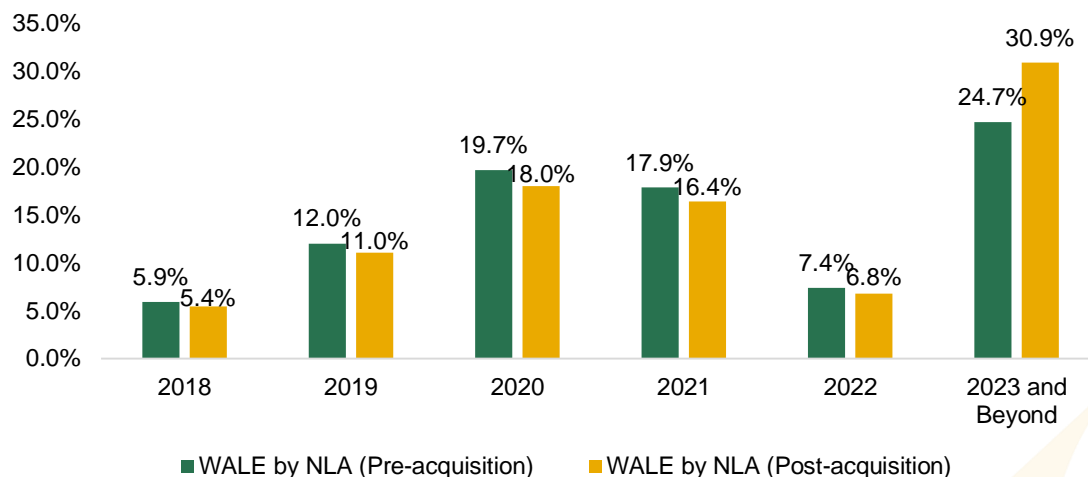
(1) The pro forma financial effects (for FY2017) is calculated based on the assumption that Soilbuild REIT had completed the Acquisition on 1 January 2017, held and operated the property for the whole of the financial year ended 31 December 2017.

(2) The distribution included the outstanding incentives for the first year which are reimbursed by the Vendor.

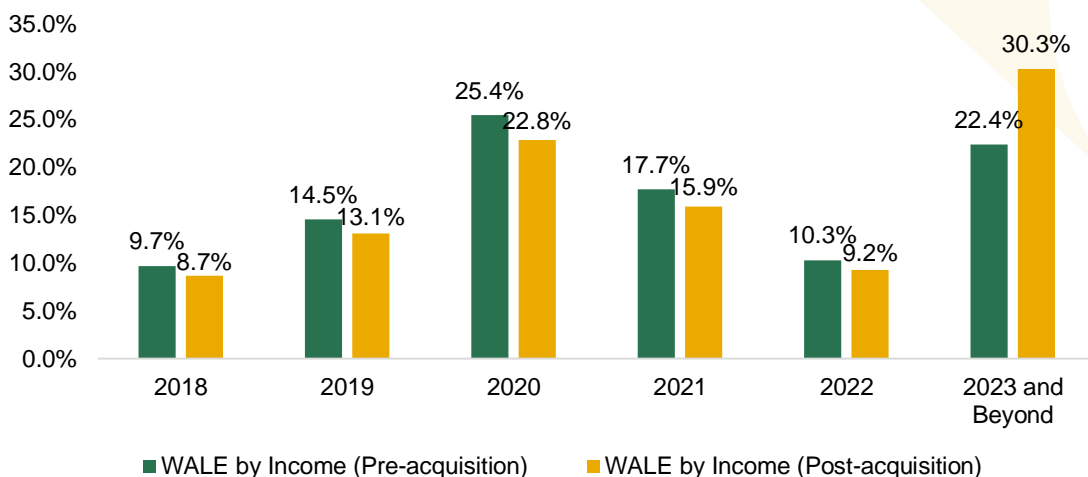
(3) The manager intends to fund the proposed acquisition with a combination of (i) Australian Dollar dominated loans; and (ii) issuance of S\$60m or S\$100m perpetual securities by Soilbuild REIT.

Strengthening the Portfolio: Increase in Weighted Average Lease Expiry

Portfolio Lease Expiry Profile by NLA



Portfolio Lease Expiry Profile by Income

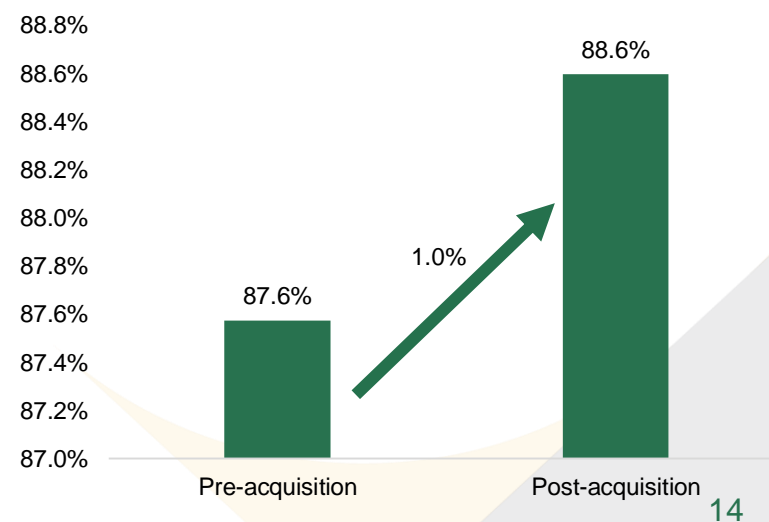


As at 30 June 2018	Before Acquisition	After Acquisition ⁽²⁾
WALE by NLA	3.05	3.89
WALE by Income	3.33	4.14

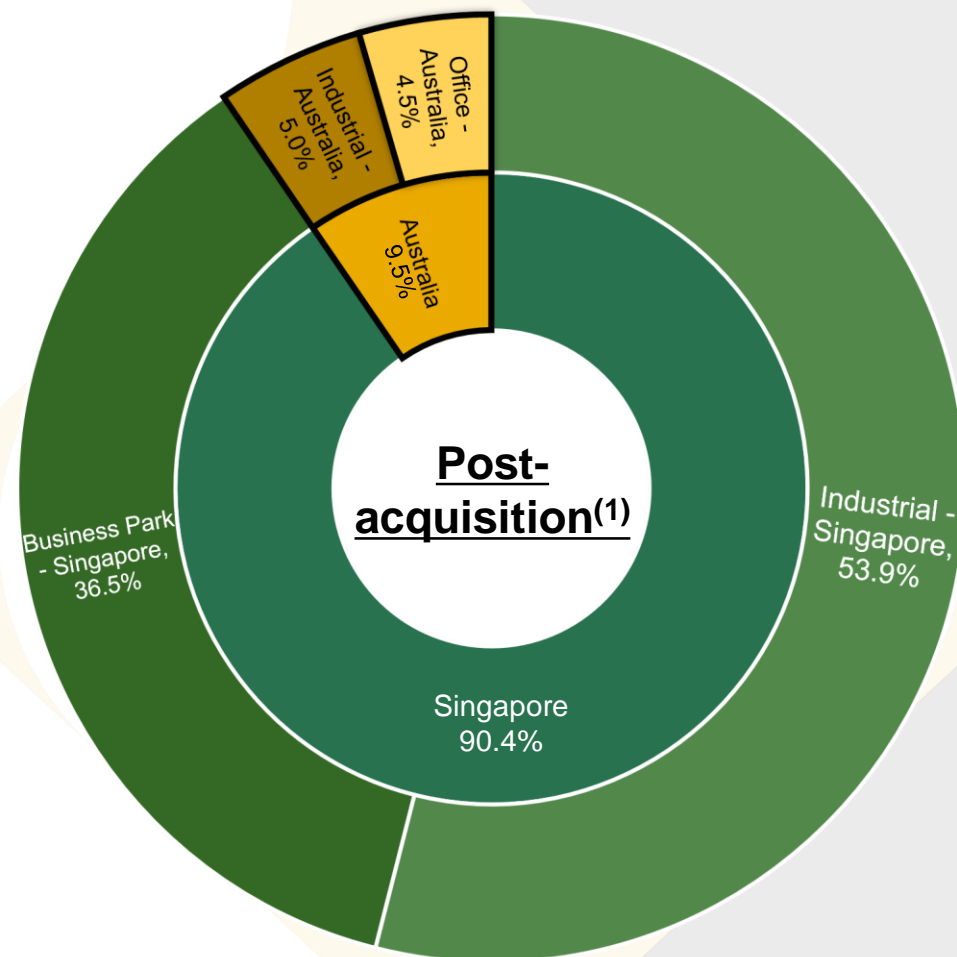
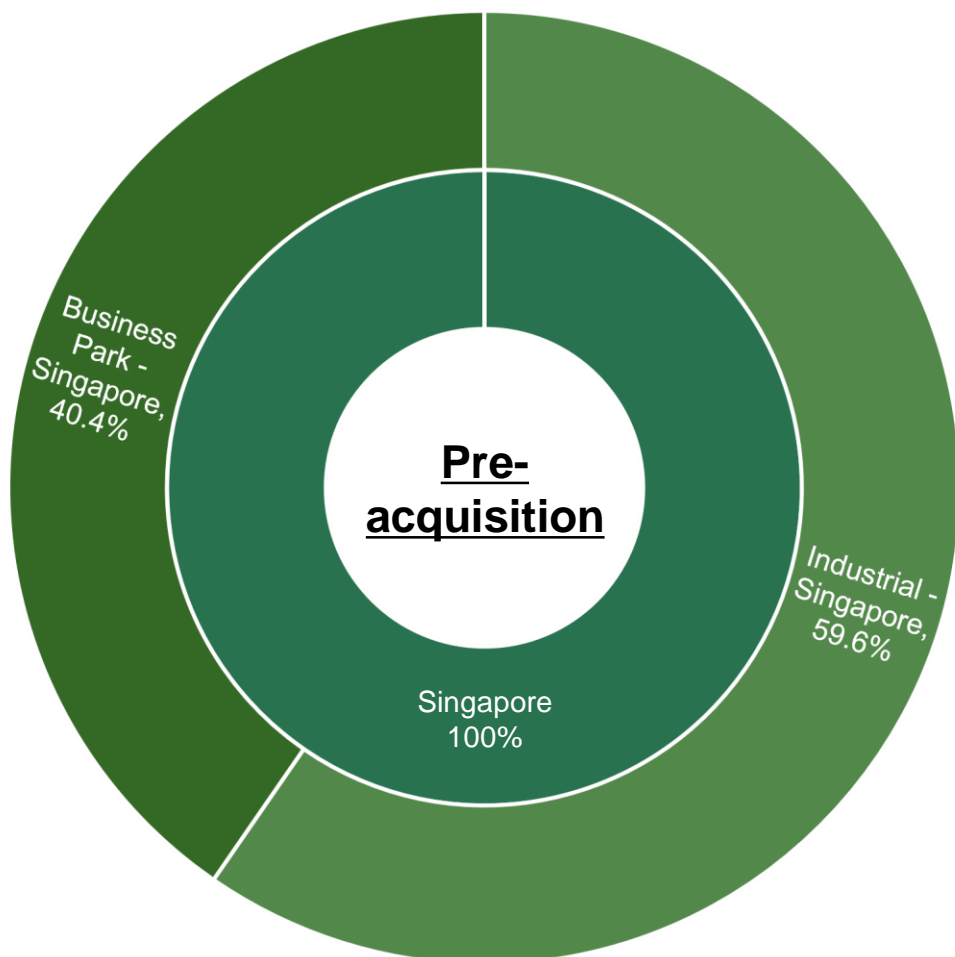
(1) Based on Solaris's underlying tenants.

(2) Assuming the two properties are acquired on 30 June 2018.

With 100% Committed Occupancy with Quality Tenants
Occupancy (%)



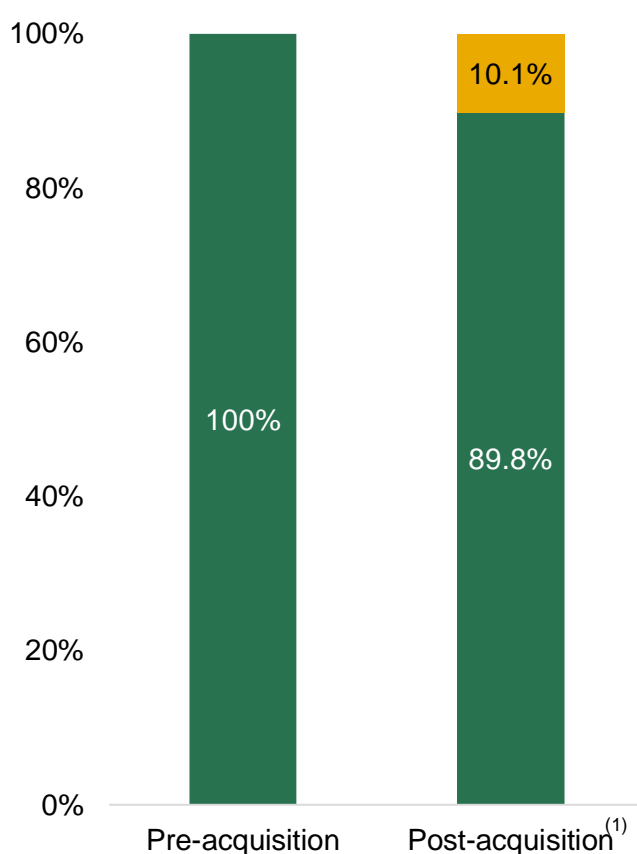
Strengthening the Portfolio: Portfolio Diversification (by Asset Value)



(1) Assuming the two properties are acquired on 30 June 2018.

Strengthening the Portfolio: Portfolio Diversification (by Income)

**Portfolio Income
Geographical Exposure (%)**

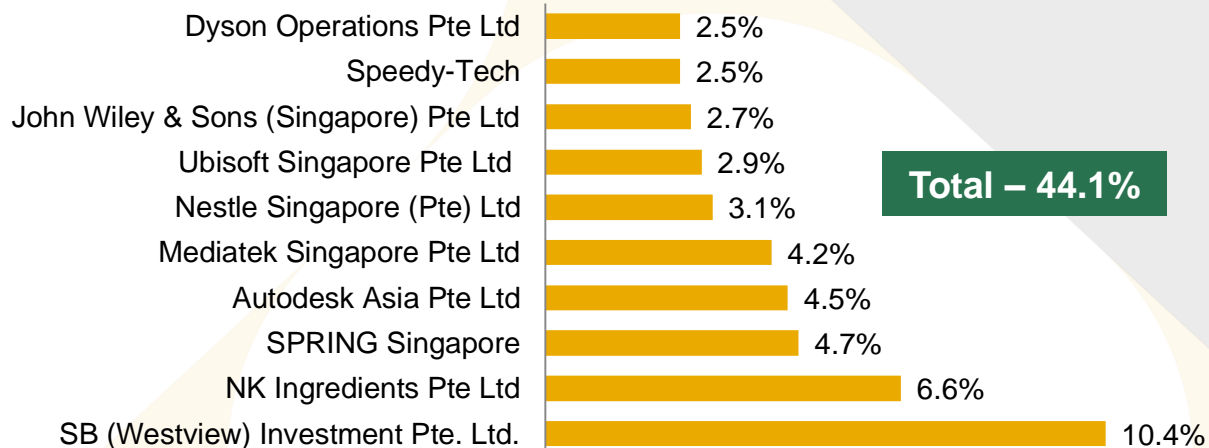


■ Australia's Exposure by Income ■ Total

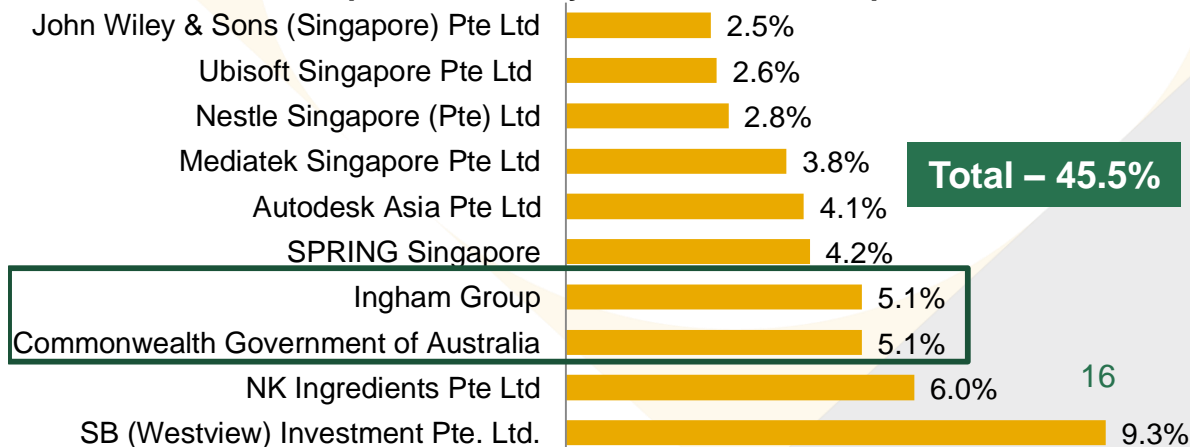
(1) Assuming the two properties are acquired on 30 June 2018.

Increased Exposure to Tenants from Stable Sectors

Top 10 Tenants by Income – Pre-acquisition



Top 10 Tenants by Income – Post-acquisition



Rationale and Benefits of the Proposed Acquisition



Rationale and Benefits to SBREIT Unitholders

- 1 The Proposed Acquisition is in line with Soilbuild REIT's investment strategy**
 - ❖ Delivering stable distributions and sustainable returns to the Unitholders
- 2 Strategic entry into the attractive Australia office and industrial markets**
 - ❖ High-quality assets to anchor Soilbuild REIT's expansion into Australia which offers growth potential and scalability
- 3 Revenue and Geographical Diversification for Soilbuild REIT**
 - ❖ The two Australian assets will constitute
 - 9.5% of the portfolio by asset value and
 - 10.1% of the portfolio by income
- 4 Increase Exposure to Tenants from Stable Sectors**
 - ❖ Defensive and strong high quality tenants
 - Commonwealth of Australia has a S&P AAA Credit Rating
 - Inghams Group is the largest vertically integrated poultry producer across Australia and New Zealand
- 5 Increase in distributable income to Unitholders**
 - ❖ Proposed Acquisition is expected to be yield accretive
- 6 Strengthened portfolio creates better platform for further acquisition growth**
 - ❖ Increased portfolio size creates better access to debt and equity capital markets

THANK YOU

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