



AIMS APAC REIT

**FY2022: Second Half Financial Results
ended 31 March 2022**
Results Presentation

27 April 2022



WOOLWORTHS HEADQUARTERS, AUSTRALIA

Important Notice



Disclaimer

This Presentation is focused on comparing the financial results for the financial period from 1 April 2021 to 31 March 2022 (“FY2022”) and 1 October 2021 to 31 March 2022 (“2H FY2022”) versus financial results year-on-year (“y-o-y”) and half year-on-half year (“h-o-h”). This Presentation shall be read in conjunction with AIMS APAC REIT’s (“AA REIT” or the “Trust”) financial results for 2H FY2022 as per the SGXNet Announcement.

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OPTUS CENTRE, AUSTRALIA

Highlights: 2H FY2022 & Full Year



20 GUL WAY, SINGAPORE

Highlights: 2H FY2022 & Full Year



Healthy Financials

- **2H Revenue:** S\$77.1 million
 - +18.9% y-o-y
- **2H NPI:** S\$55.5 million
 - +16.6% y-o-y
- **2H Distributable Income:** S\$33.6 million
 - -3.8% y-o-y
- **2H DPU:** 4.71 cents
 - -4.8% y-o-y
- **FY2022 DPU:** 9.46 cents
 - +5.7% y-o-y



Proactive Asset Management & Resilient Portfolio

- **Portfolio Occupancy:** 97.6%
- **WALE:** 5.05 years
- **6 New and 19 Renewal Leases in 4Q FY2022:** 46,626 sqm or 5.9% of Total NLA
 - § Rental Reversion +14.7%
 - § Successfully executed 10 year lease renewal with Illumina at North Tech
- **Portfolio anchored by Australian business parks**
 - Master tenanted by quality tenants on long lease terms with rental escalation of between 2.75% to 3.25% p.a.

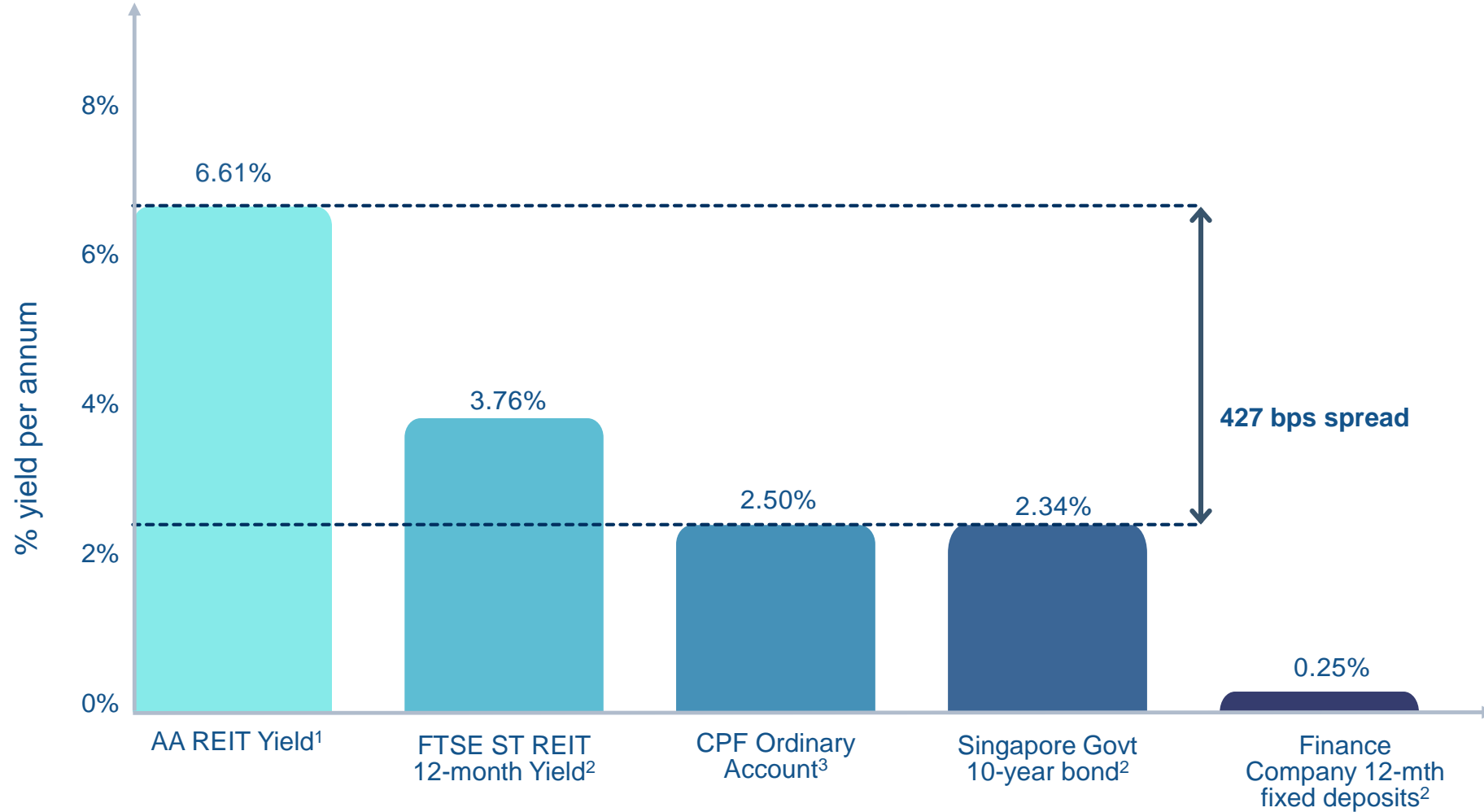


Prudent Capital Management

- **Aggregate Leverage:** 37.5%
 - (31 March 2021: 33.9%)
- **FY2022 Blended debt funding cost:** 2.7%
 - (31 March 2021: 3.0%)
- **Interest Coverage Ratio¹ (ICR):** 5.1 times
 - **Adjusted ICR¹:** 2.9 times
- **Undrawn Committed Facilities, and Cash and Bank Balances:** S\$181.8 million

¹ 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, and foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees. As at 31 March 2022, the Adjusted Interest Coverage Ratio is 2.9 times (31 Mar 21: 3.4 times) where interest expense includes the amount reserved for distribution to Perpetual Securities holders. The ICR and Adjusted ICR as at 31 March 2022 excluded interest expense on lease liabilities.

Attractive Return on Investment

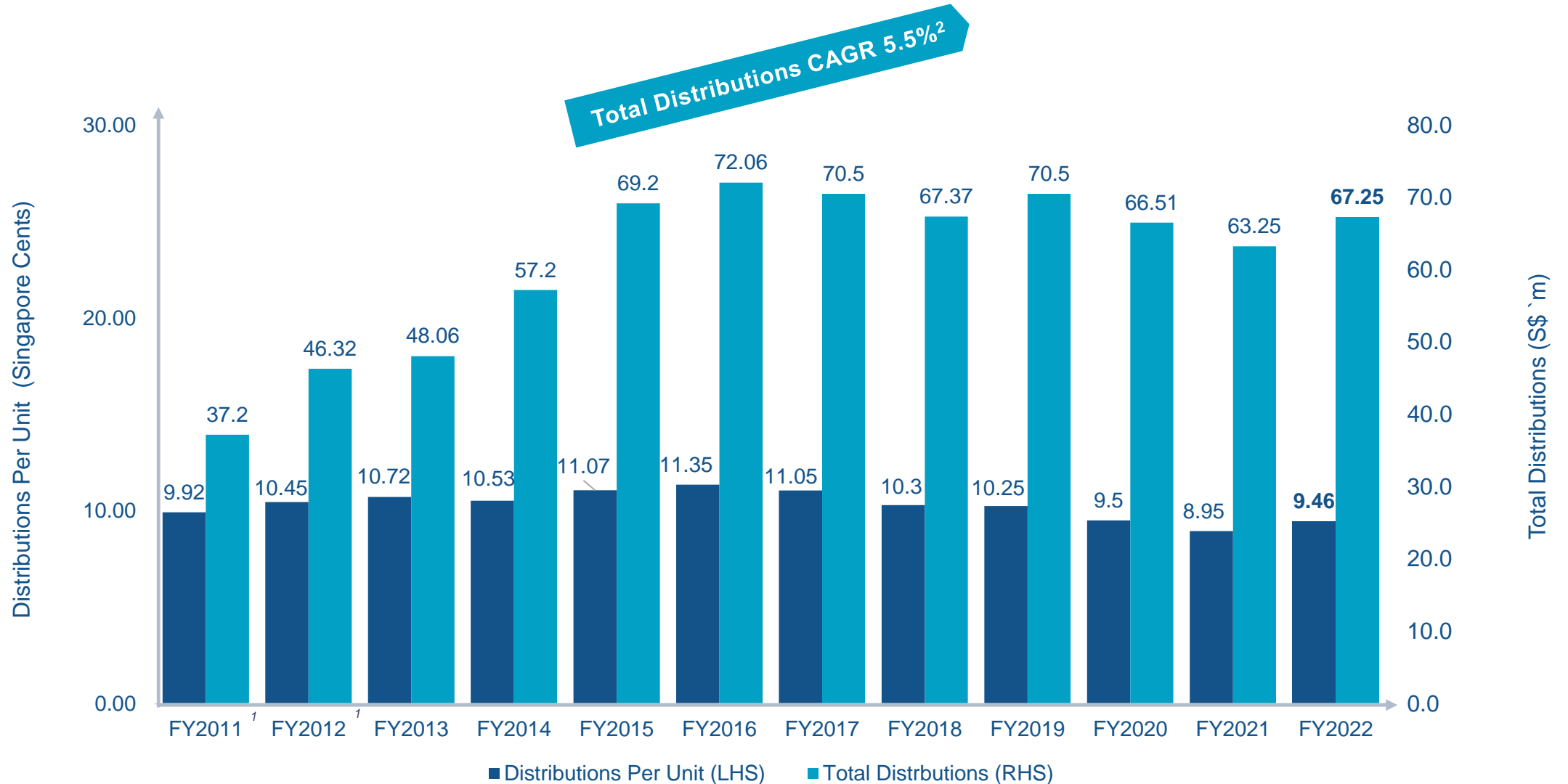


¹ Based on the closing price of S\$1.43 on 26 April 2022 and actual FY2022 DPU of 9.46 cents

² As at 31 March 2022

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 Compound annual growth rate ("CAGR") computed from FY2011 to FY2022.

Investment Properties – Valuation Uplift

AA REIT's portfolio value increases to S\$2.27 billion mainly due to Woolworths acquisition

	No. of Properties	Valuation as at 31 March 2022 (\$'000)	Valuation as at 31 March 2021 (\$'000)	Change (\$'000)	Change (%)
Singapore ¹	26	S\$1,370,200	S\$1,348,200	S\$22,000	1.6
Australia ²	3	S\$897,668 ³ (A\$886,060)	S\$376,503 ^{4,5} (A\$367,900)	S\$521,165 (A\$518,160)	>100
Total	29	S\$2,267,868	S\$1,724,703	S\$543,165	31.5

¹ Portfolio value excludes ROU assets.

² Based on 49% interest in Optus Centre.

³ An exchange rate of A\$1: S\$1.0131 is adopted as at 31 March 2022.

⁴ An exchange rate of A\$1: S\$1.023385 is adopted as at 31 March 2021.

⁵ Excluding Woolworths HQ as acquisition was completed on 15 November 2021.

2H FY2022 & Full Year Financial Results



7 BULIM STREET, SINGAPORE

Distribution Details

Stock Counter	Distribution Period	DPU Cents
AIMS APAC REIT Code: O5RU	For 1 January 2022 to 31 March 2022	2.36

Distribution Period	For 1 January 2022 to 31 March 2022
Ex-Date	9 May 2022, 9.00am
Record Date	10 May 2022 5.00pm
Return of Tax Declaration Forms	30 May 2022, 5.00pm
Distribution Payment Date	24 June 2022

2H FY2022 and FY2022 Results¹

(S\$'000 unless otherwise stated)	2H FY2022	2H FY2021	Y-o-Y (%)	FY2022	FY2021	Y-o-Y (%)
Gross Revenue	77,144	64,901	18.9	142,390	122,633	16.1
Net Property Income	55,476	47,579	16.6	103,185	87,532	17.9
Share of profits of joint venture (net of tax)²	20,876	27,730	(24.7)	48,140	35,354	36.2
Distributions to Unitholders	33,644	34,979	(3.8)	67,247	63,247	6.3
DPU (cents)	4.71	4.95	(4.8)	9.46	8.95	5.7

¹ Please refer to Section 3 "Review of performance of the Group" of the interim financial statements for further explanation of the variances.

² The decrease in the share of profits of joint venture in 2H FY2022 was mainly due to the lower share of revaluation surplus recognised from the valuation of Optus Centre of S\$7.8 million.

Balance Sheet

(S\$ million unless otherwise stated)	As at 31 March 2022	As at 31 March 2021
Total Assets	2,403.7	1,846.6
Comprising:		
▪ Investment properties	1,992.6	1,489.0
▪ Joint venture	367.8	335.7
▪ Trade and other receivables	11.9	9.6
▪ Derivative financial instruments	10.0	1.1
▪ Cash and cash equivalents	21.4	11.2
Total Liabilities	1,029.9	759.2
Net Assets	1,373.8	1,087.4
Comprising:		
▪ Unitholders' funds	1,000.2	962.8
▪ Perpetual Securities holders' funds	373.6 ¹	124.6
NAV per Unit	1.40	1.36
Total Borrowings²	858.9	593.8
Aggregate Leverage³ (%)	37.5	33.9

¹ On 1 September 2021, the Trust issued S\$250.0 million of Perpetual Securities under its S\$750 million Multicurrency Debt issuance Programme. The net proceeds was for the acquisition of 1 Woolworths Way, Bella Vista, New South Wales, Australia.

² Excluding unamortised loan transaction costs.

³ The aggregate leverage 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.

Prudent Capital Management



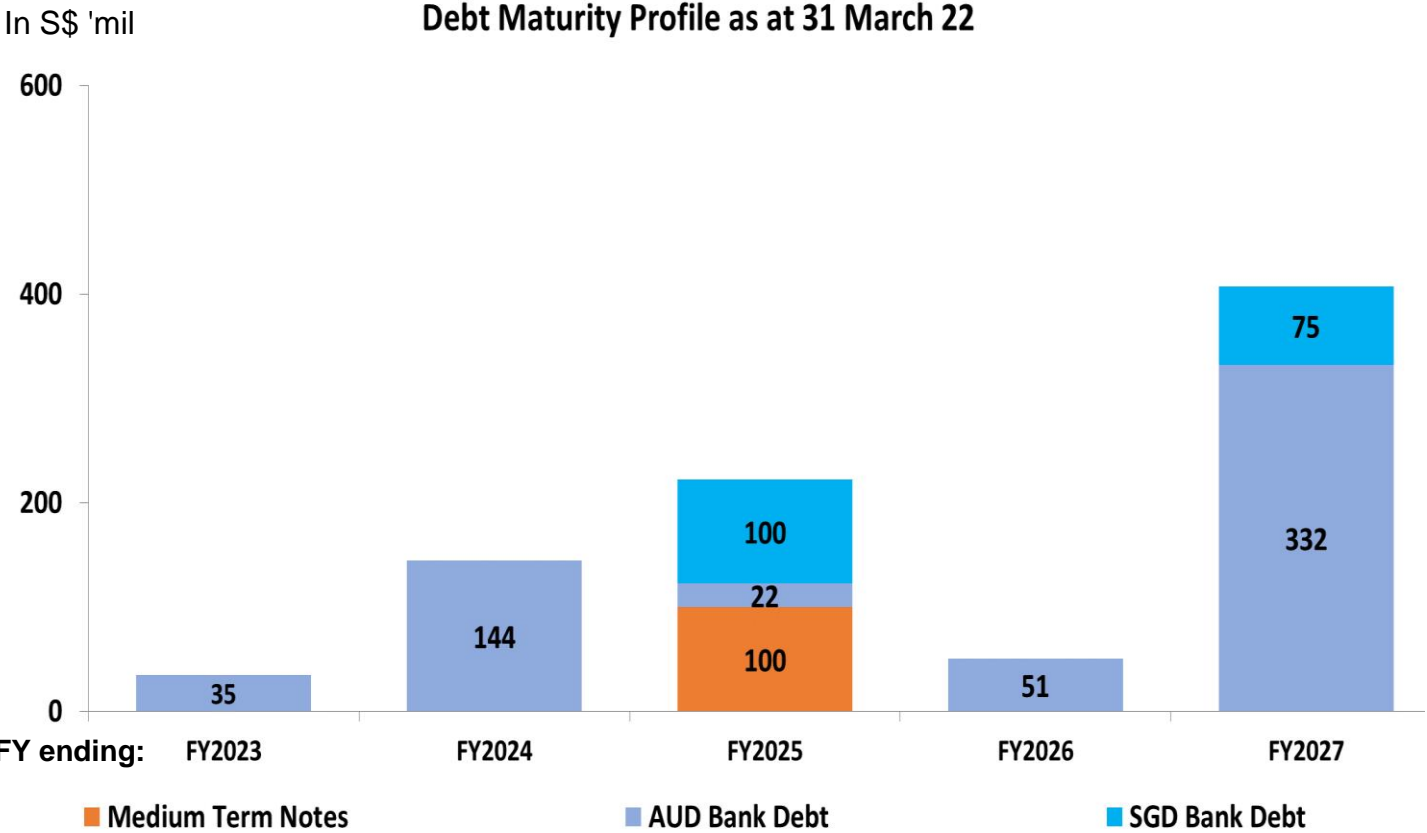
1A INTERNATIONAL BUSINESS PARK, SINGAPORE

Debt Maturity Profile as at 31 March 2022

AS AT 31 MARCH 2022

- Healthy liquidity position - AA REIT's Undrawn Committed Facilities remained strong and resilient at **S\$160.4 million**, and total cash and bank balances of **S\$21.4 million**
- Weighted Average Debt Maturity of **3.3 years**
- Fixed Debt - **62%** (or **92%** including forward started interest rate swaps) hedged via interest rate swaps and fixed rate notes

Total debt maturing in FY ending: FY2023 FY2024 FY2025 FY2026 FY2027



Portfolio Highlights



29 WOODLANDS INDUSTRIAL PARK E1, SINGAPORE

Key Portfolio Statistics

	As at 31 March 2022	As at 31 December 2021
Number of Properties	29	29
Portfolio Value (S\$ million) ¹	2,267.9	2,234.3
Net Lettable Area (sqm)	785,603	785,603
Number of Tenants	199	198
Portfolio Occupancy (%)	97.6	97.6
Weighted Average Lease Expiry ("WALE") (years) ²	5.05	4.85
Weighted Average Land Lease Expiry (years) ³	57.0	56.5
Location of Properties	Singapore, Australia	Singapore, Australia

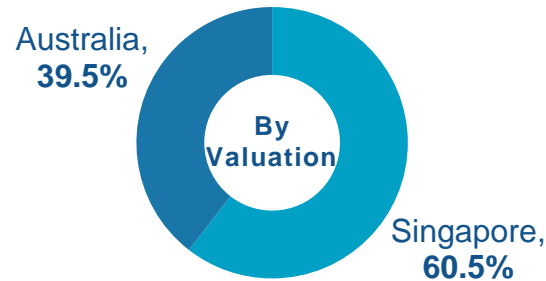
¹ Based on the carrying value of investment properties as well as the 49.0% interest in the carrying value of Optus Centre and excluding right-of-use assets.

² Computation included forward committed leases. Excluding forward committed leases, the WALE is 4.74 years as at 31 December 2021 and 5.02 years as at 31 March 2022.

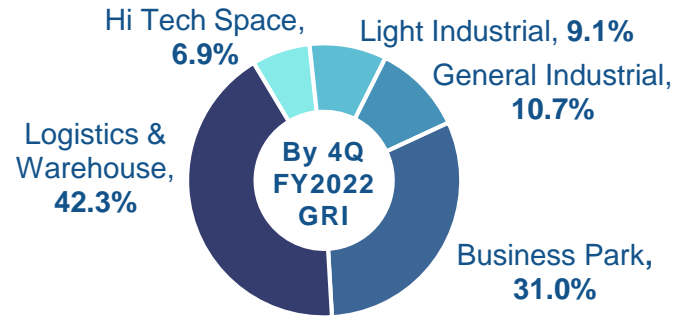
³ Computations based on the market valuations of the properties as at 31 March 2022 (as at 30 September 2021 for 31 December 2021). For the calculation of the weighted average land lease, AA REIT's interest in the freehold properties, Woolworths HQ, Optus Centre and Boardriders Asia Pacific HQ, have been assumed as 99-year leasehold interests.

Key Portfolio Metrics

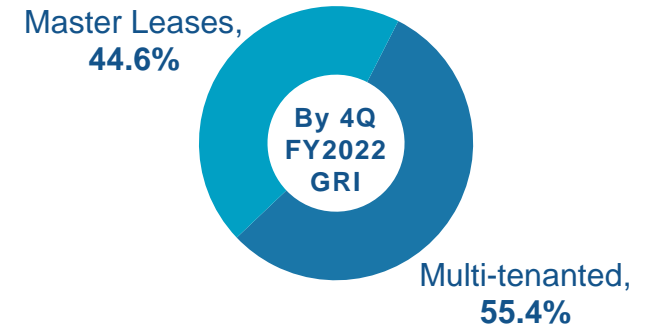
GEOGRAPHIC BREAKDOWN



PORTFOLIO BREAKDOWN



LEASE STRUCTURE



Lease Expiry Profile as of 31 March 2022 (By 4Q FY2022 GRI)

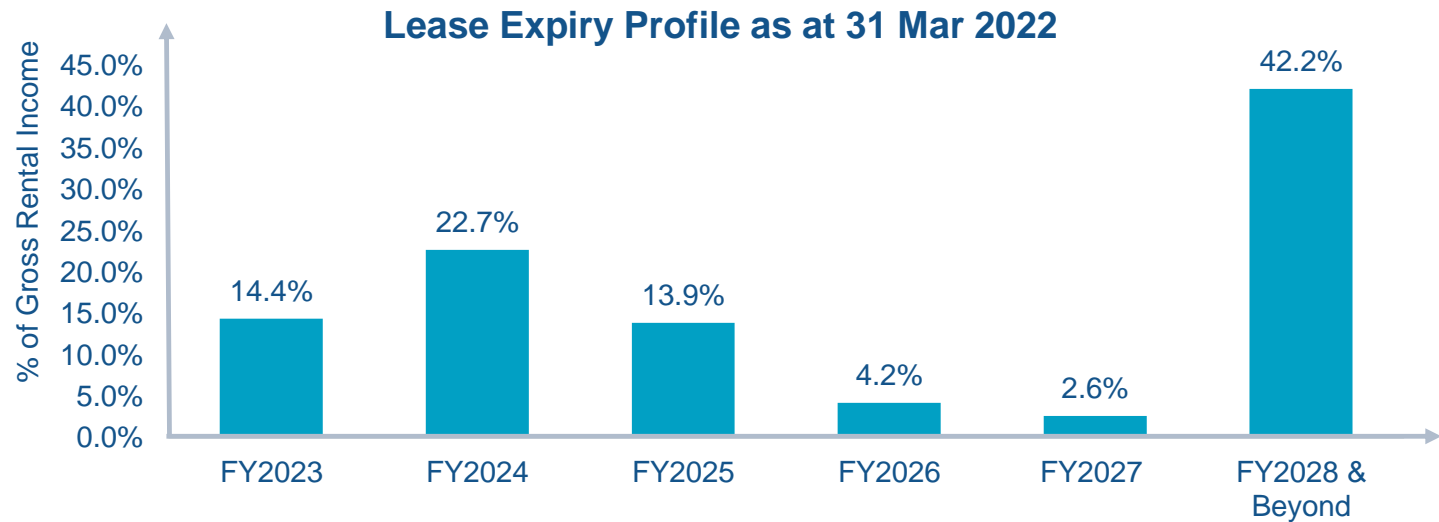
4Q FY2022

6 New Leases Signed: 7,188 sqm

19 Renewal Leases Signed¹: 39,437 sqm

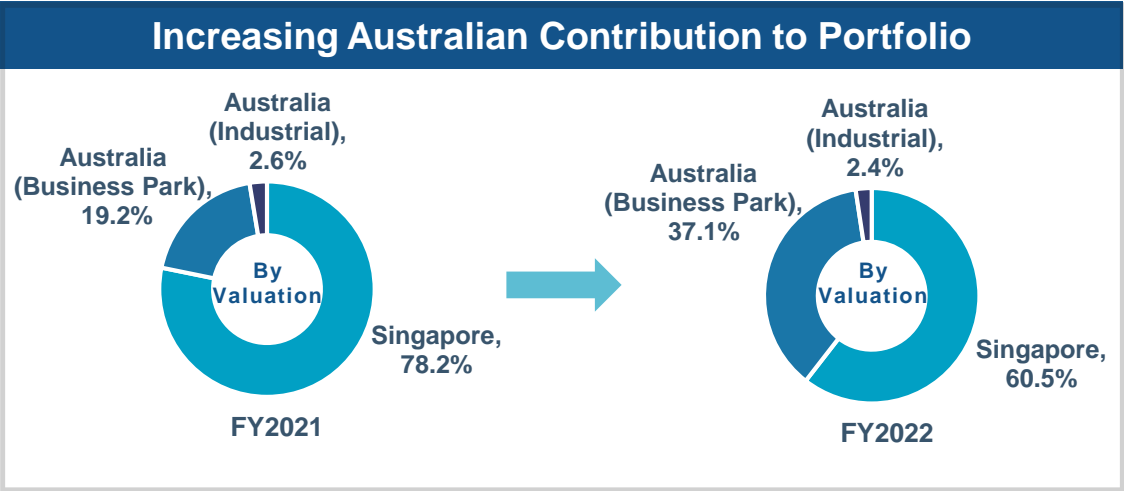
% of Total NLA: 5.9%

Successfully executed 10 year lease renewal with Illumina at North Tech

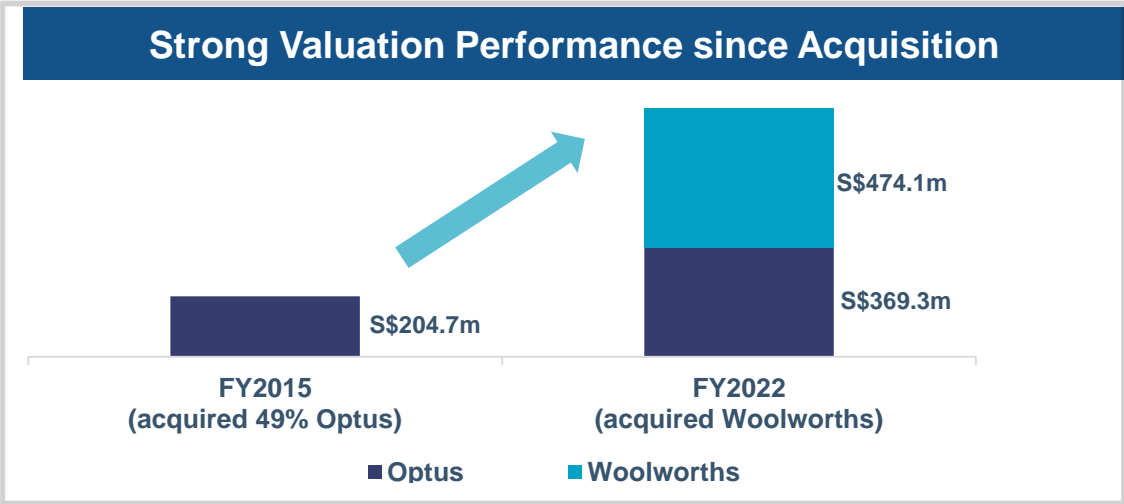


¹ Weighted average rental increase for renewal leases was +14.7%

Portfolio Anchored by Australian Business Parks



- ### Resilient Investment Attributes
- High quality modern business parks on freehold land title
 - Master tenanted by quality tenants on long lease term
 - Built-in rental escalations from 2.75% to 3.25% p.a.

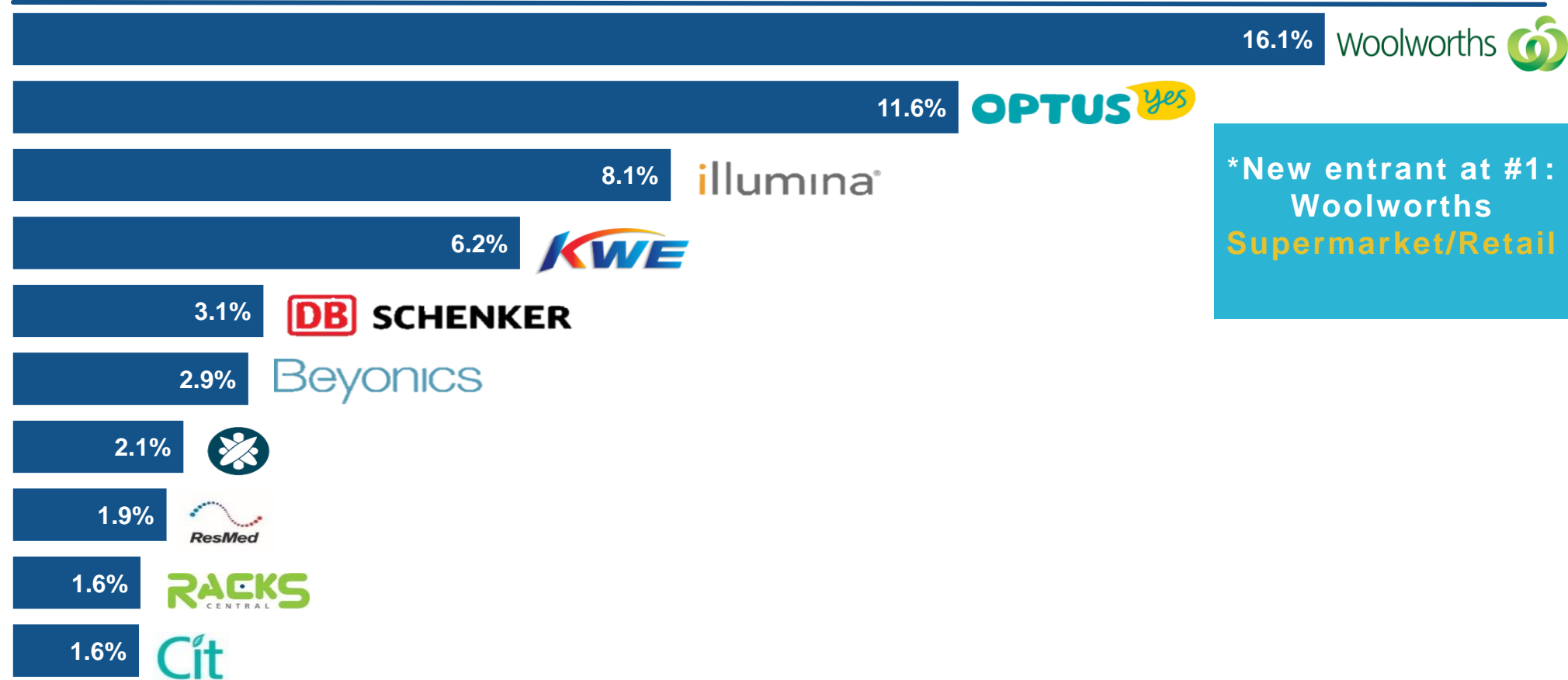


- ### Tenant Covenant Strength
- **Woolworths** – Top 10 Australian Securities Exchange (ASX) company by market capitalisation
 - **Optus** – Wholly-owned subsidiary of SingTel, Asia's leading telecommunication group (Top 10 Singapore Exchange company by market capitalisation)

Quality Tenant Base

Resilient sectors such as logistics & warehouse, supermarket/retail, life science, medical, telecommunications & data centre operators account for **7 of our Top 10 tenants**

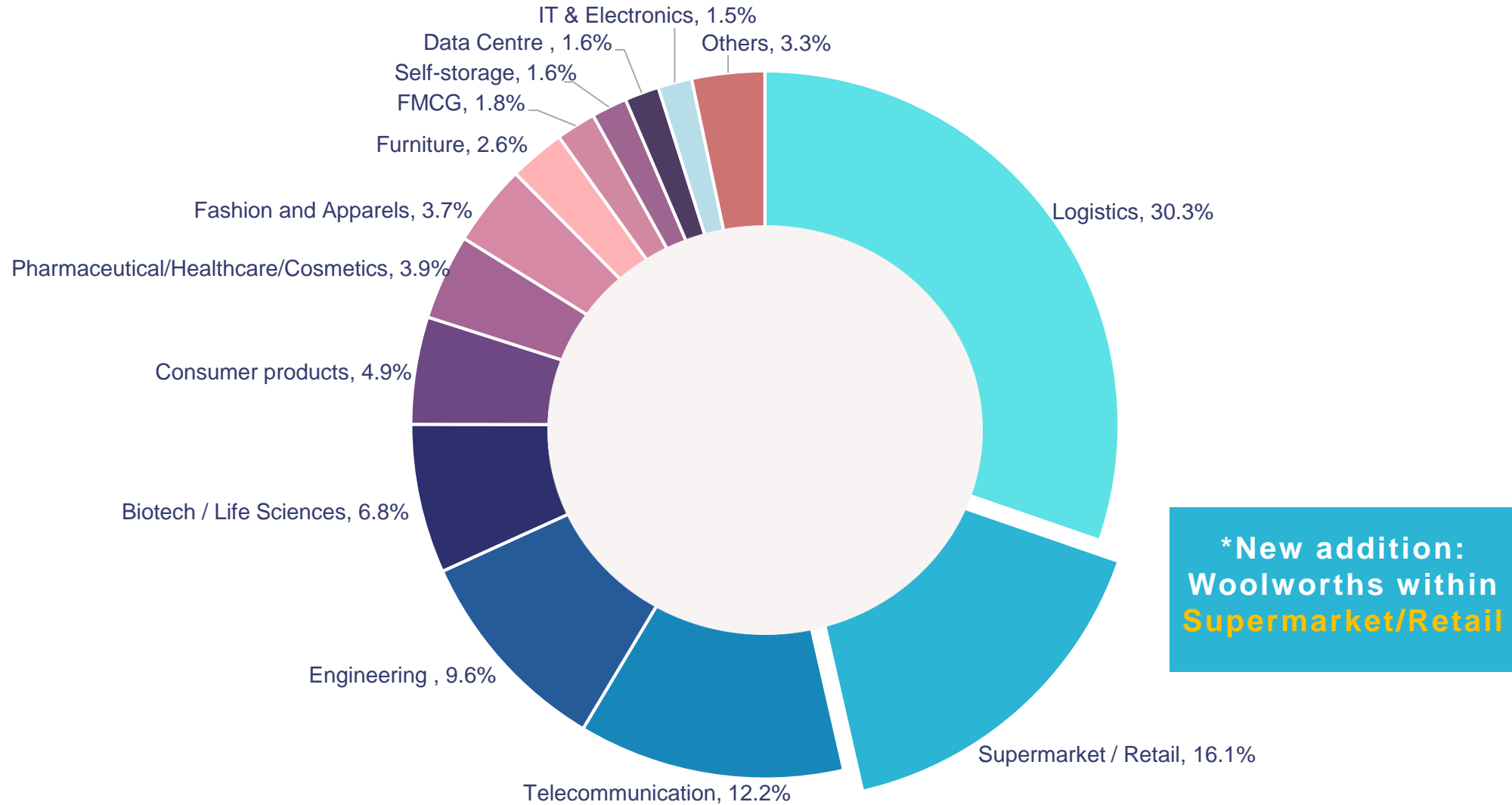
TOP 10 TENANTS BY 4Q FY2022 GROSS RENTAL INCOME



***New entrant at #1:
Woolworths
Supermarket/Retail**

Diversified Tenant/Industry Base¹

(By 4Q FY2022 Gross Rental Income)

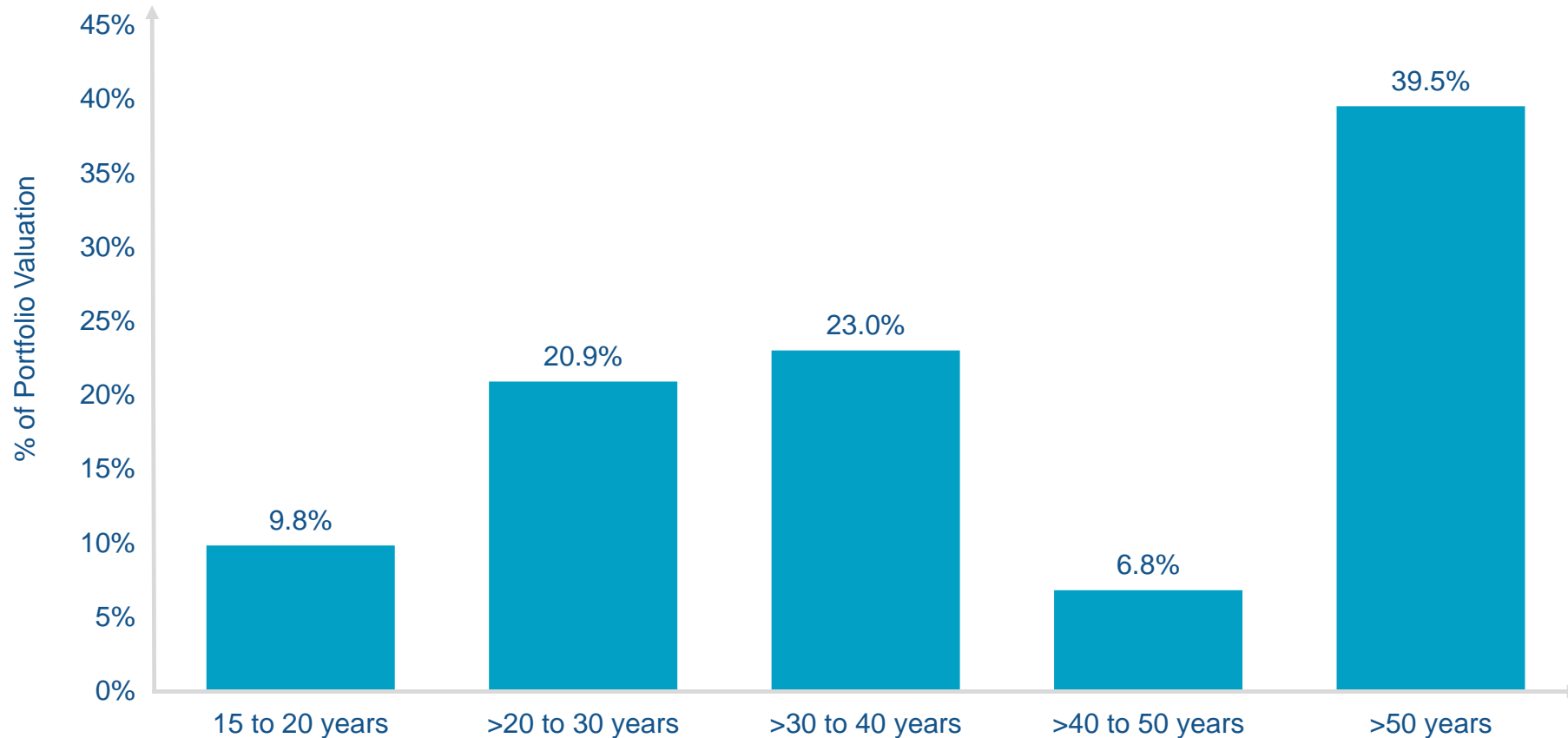


¹ Tenant base expanded by 3.6% over the last 24 months (199 as at 31 March 2022 vs 192 tenants as at 31 March 2020).

Long Land Lease Expiry* of 57.0 years

As at 31 March 2022

Our portfolio land lease tenure (by valuation) is one of the longest amongst our peers



* For the calculation of the weighted average land lease of AA REIT, AA REIT's interests in the freehold properties, Optus Centre, Woolworths HQ and Boardriders Asia Pacific HQ, have been assumed as 99-years leasehold interests

Market Outlook & Key Takeaways



29 WOODLANDS INDUSTRIAL PARK E1, SINGAPORE

Market Outlook

MACRO



- The International Monetary Fund expects global growth to slow to 3.6% for 2022 and 2023.
- The ongoing Russia-Ukraine conflict will accentuate the risks of higher inflation and slower growth.
- Central Banks have continued to tighten monetary policies.

SINGAPORE'S ECONOMY



- The Singapore economy expanded by 3.4% y-o-y for the first quarter of 2022.
- MAS tightened its monetary policy to slow inflation momentum.
- Based on JTC Corporation's market report for 4Q 2021, the occupancy rate for the overall industrial property market remained unchanged from the previous quarter at 90.1% as delays in completion continue to persist.

AUSTRALIA'S ECONOMY



- Australia's GDP rose by 3.4% for the fourth quarter of 2021.
- RBA will be maintaining its cash rate at 0.10% until actual inflation is sustainably within target range.
- Resilient economy during the pandemic has allowed the reopening of cities - workers gradually returning to offices; demand for commercial space in suburban CBD locations expected to be supported.

LOOKING AHEAD



- The broad recovery in the Singapore and Australia economies has provided support for the industrial and business park sectors. Factors such as rising rentals and prices of industrial space underpinned by the demand for industrial space have continued to reinforce the resilience of the industrial sector.
- Amidst the current macroeconomic environment and heightened geo-political risks, AA REIT will continue to proactively manage its portfolio to deliver sustainable distributions and create long-term value for Unitholders.

Key Takeaways

Resilient Portfolio



High quality Australian business parks augmented with our modern ramp up and cargo-lift logistics and warehouse properties comprise over 73% of the portfolio

Strong Leasing Activity



25 leases accounting for 5.9% of portfolio NLA signed in 4Q FY2022; Portfolio occupancy of 97.6% well above market benchmark

Diversified Tenant Base



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

Untapped Redevelopment Potential



Strong redevelopment track record; Potential to unlock over 500,000 sq ft of new GFA

Prudent Capital Management



Aggregate Leverage of 37.5% provides debt headroom for further growth; Financial flexibility of S\$181.8 million comprising undrawn committed facilities and available cash and bank balances

Experienced Sponsor & Management Team



History of delivering stable distribution and capital growth through re-development and strategic acquisitions



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Thank you!

Looking forward to your support.

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