

2022 SINGAPORE REITS SYMPOSIUM

DELIVERING ON STRATEGY

21 May 2022



Agenda

- 01** About Us: Sabana Industrial REIT at a Glance
- 02** Key Highlights and Total Returns
- 03** Capital Management
- 04** Portfolio Performance
- 05** Focus Moving Forward

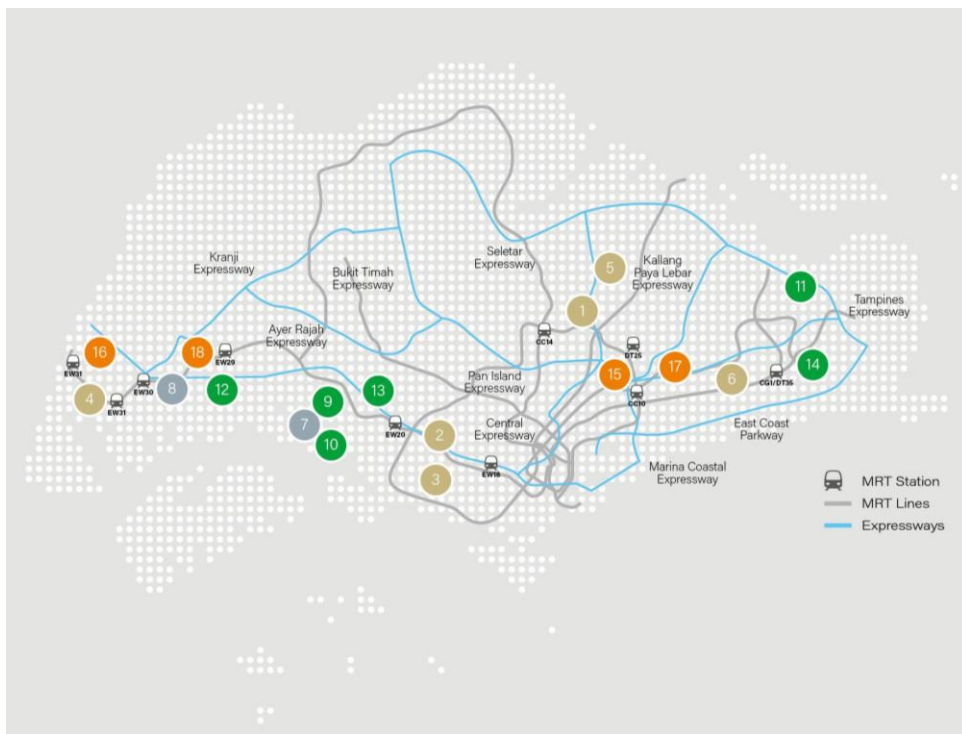
01

About Us



Industrial-Focused REIT With Diversified Portfolio

- Diversified portfolio of 18 industrial properties across four industrial segments in Singapore. We have a wide tenant base of both local and international companies
- Most of our buildings enjoy strong connectivity being in close proximity to expressways, MRT stations and other modes of public transport



**4
Industrial
Segments**

**18
Properties**

**Portfolio
Valuation*
\$866.2m**



**High-Tech
Industrial**

- 1 151 Lorong Chuan
Lorong Chuan (CC14)
- 2 8 Commonwealth Lane
Commonwealth (EW20)
- 3 15 Jalan Kilang Barat
Redhill (EW18)
- 4 1 Tuas Avenue 4
Tuas Crescent (EW31)
- 5 23 Serangoon North
Avenue 5
- 6 508 Chai Chee Lane



**Chemical Warehouse
& Logistics**

- 7 33 & 35 Penjuru Lane
- 8 18 Gul Drive
Gul Circle (EW30)



**Warehouse &
Logistics**

- 9 34 Penjuru Lane
- 10 51 Penjuru Road
- 11 26 Loyang Drive
- 12 3A Joo Koon Circle
Joo Koon (EW29)
- 13 2 Toh Tuck Link
- 14 10 Changi South Street 2
Expo (CG1/DT35)

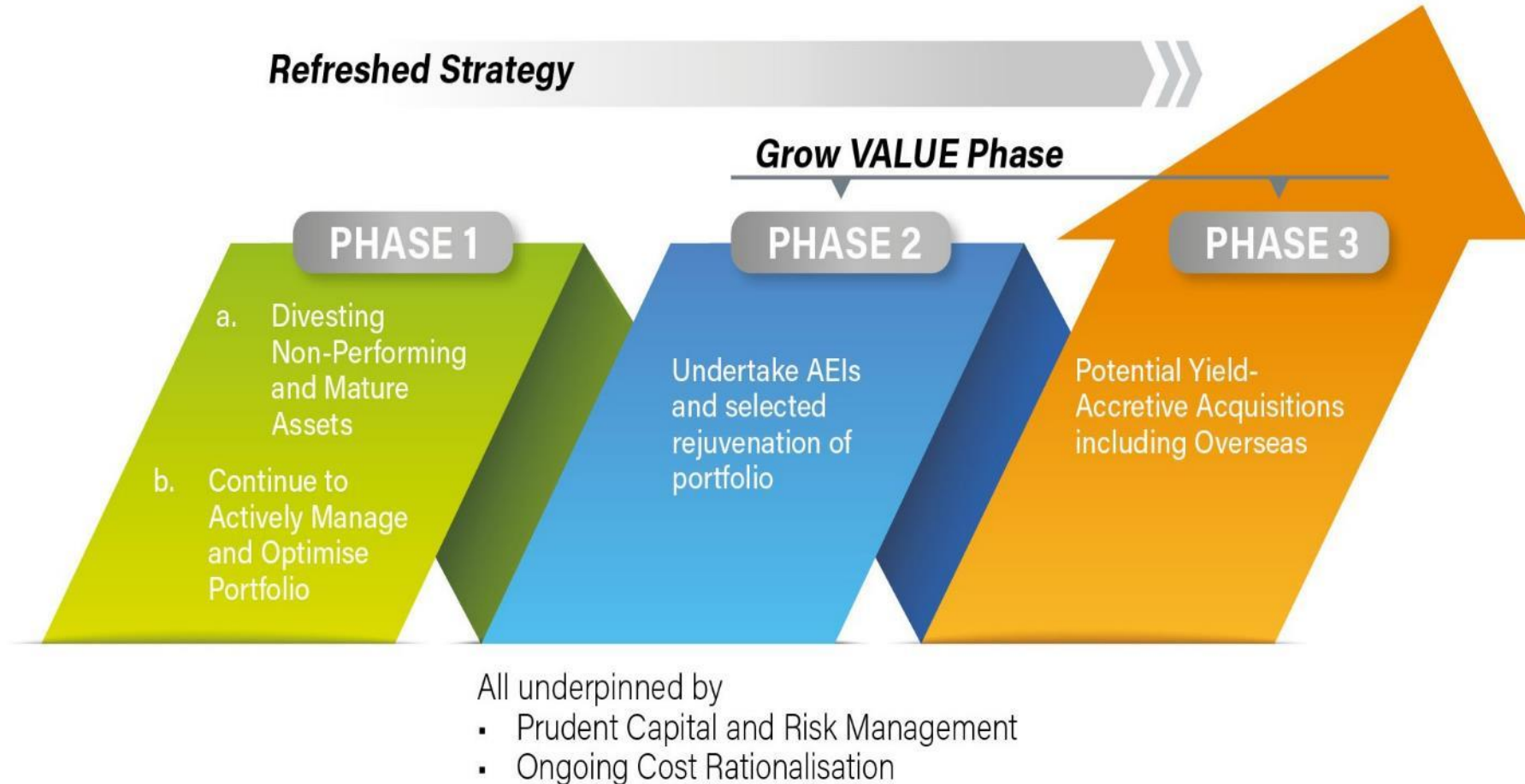


**General
Industrial**

- 15 123 Genting Lane
Mattar (DT25)
- 16 30 & 32 Tuas Avenue 8
Tuas Crescent (EW31)
- 17 39 Ubi Road 1
MacPherson (DT26/CC10)
- 18 21 Joo Koon Crescent
Joo Koon (EW29)

* as at 31 December 2021

Entering the Grow VALUE Phase of Our Refreshed Strategy



Our Strategic Priorities for 2022 and Beyond



VALUE

Building on **Value**, taking advantage of market opportunities with an eye on macro-economic challenges



ACCRETIVE

Pursuing **Accretive** acquisitions and executing AEs



LEVERAGE

Optimising **Leverage** and capital structure



UPSIZED PORTFOLIO

Upsizing portfolio by retaining and attracting expansionary tenants from growth sectors including e-commerce, logistics, healthcare, electronics and technology



ESG

Advancing **ESG** in our goals and investing with sustainability agenda

Targeting to achieve upsized portfolio valuation of more than \$1 billion in three to five years

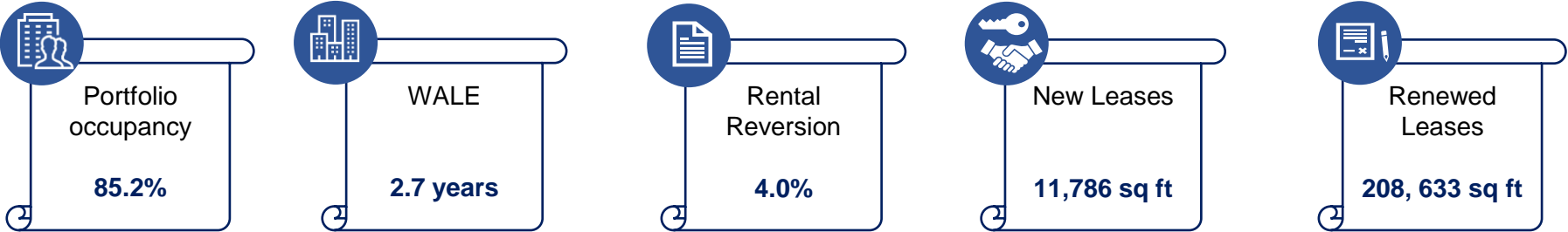
02 Key Highlights and Total Returns



1Q 2022 Key Highlights

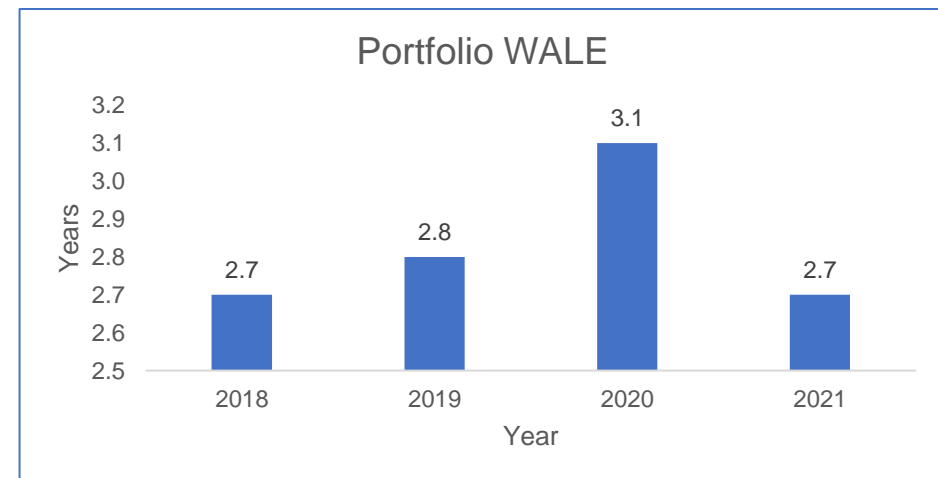
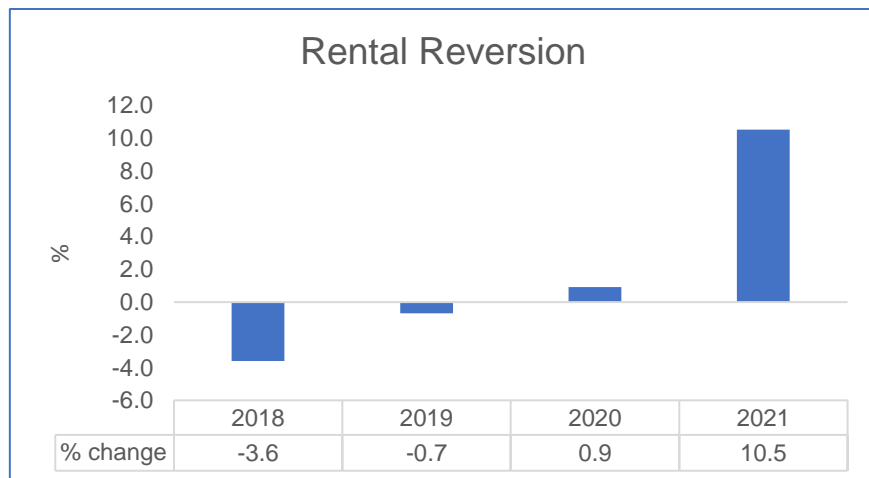
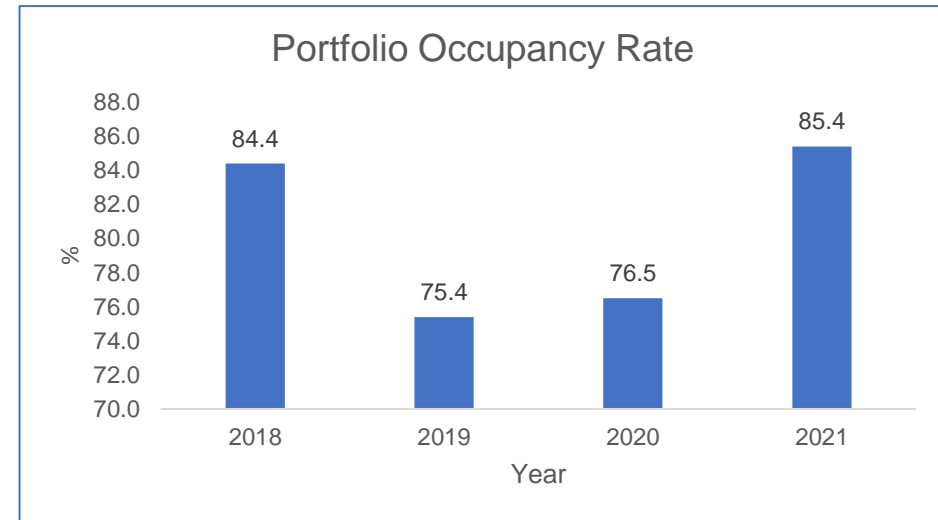
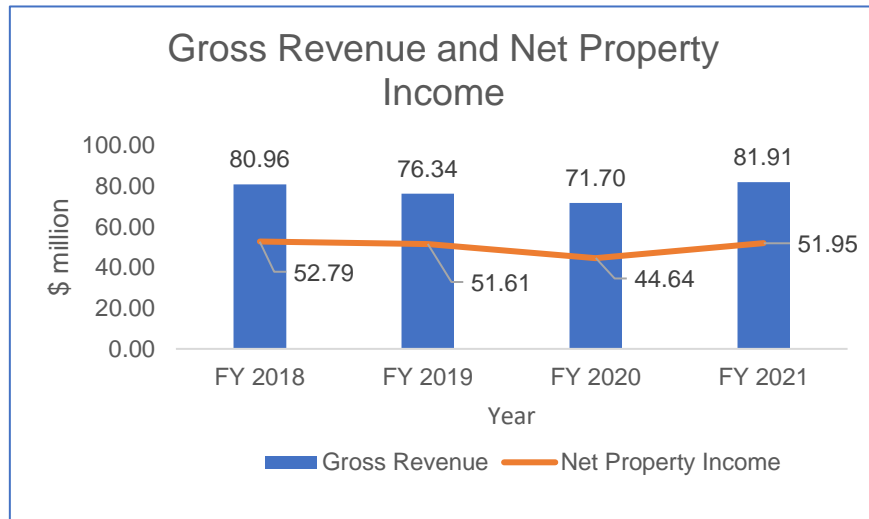
- **Portfolio Management**
 - Portfolio occupancy sits at a healthy 85.2%. Excluding 1 Tuas Avenue 4, which is marked for redevelopment, occupancy would have been 88.2%
 - Signed 11,786 sq ft of new leases
 - Renewed 208,633 sq ft of leases with a positive rental reversion of 4.0%; this is the 8th quarter in the past 9 quarters where positive reversion was achieved
 - Of the 2022 lease expiries, 44.1% has been renewed. No master lease expiring until 2023
 - Proactively engaging key tenants with leases expiring in 2023 to secure their medium and long-term leasing solutions within our portfolio
 - 30 & 32 Tuas Avenue 8 is under advance lease negotiation/lease documentation with a new master tenant
- **Capital Management**
 - Secured \$150 million sustainability-linked loan to support the REIT's focus on ESG as part of its next phase of growth; Interest rates on the loan will be reduced should the REIT meet pre-determined energy and water intensity targets
 - With above facility in place and prior multiple major refinancing exercises to convert all loans to unsecured, current portfolio is 100% unencumbered
 - Application of the REIT's Distribution Reinvestment Plan for 2H 2021 gave Unitholders the opportunity to participate in the longer-term growth of the REIT, and strengthened the REIT's working capital reserves, conserved cash from operations, and increased its financial flexibility

Portfolio and Operational Updates as at 31 March 2022



Report Card: 2018-2021

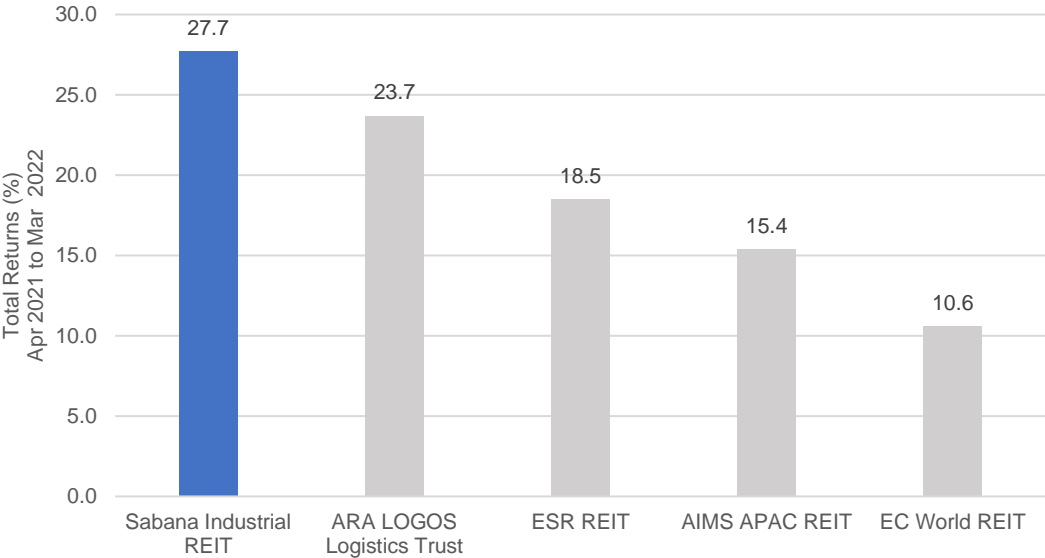
Proactive asset management and selective asset rejuvenation underpinned robust performance, **with significant improvements in portfolio occupancy and rental reversion levels**



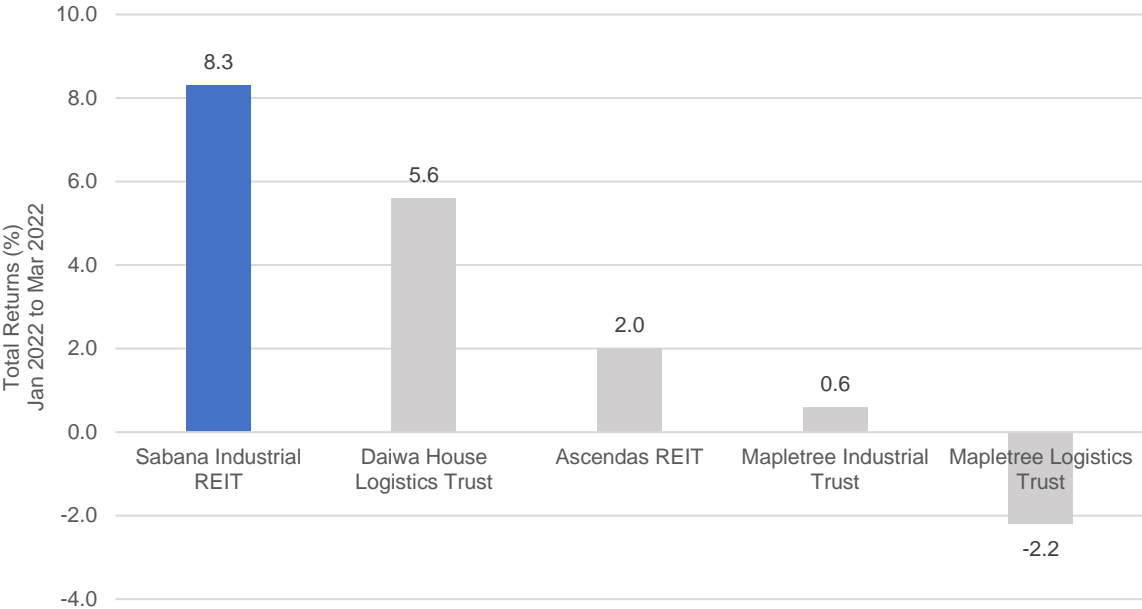
Total Returns to Unitholders

Delivered the highest one year and year-to-date Total Returns within the industrial REIT sector

One Year Total Returns



Year-to-Date Total Returns



Source: Chartbook: SREITs & Property Trusts, Singapore Exchange, April 2022; Data extracted to reflect performance of top 5 Industrial REITs. For more information, please go to <https://bit.ly/3LxFZM7>

03 Capital Management

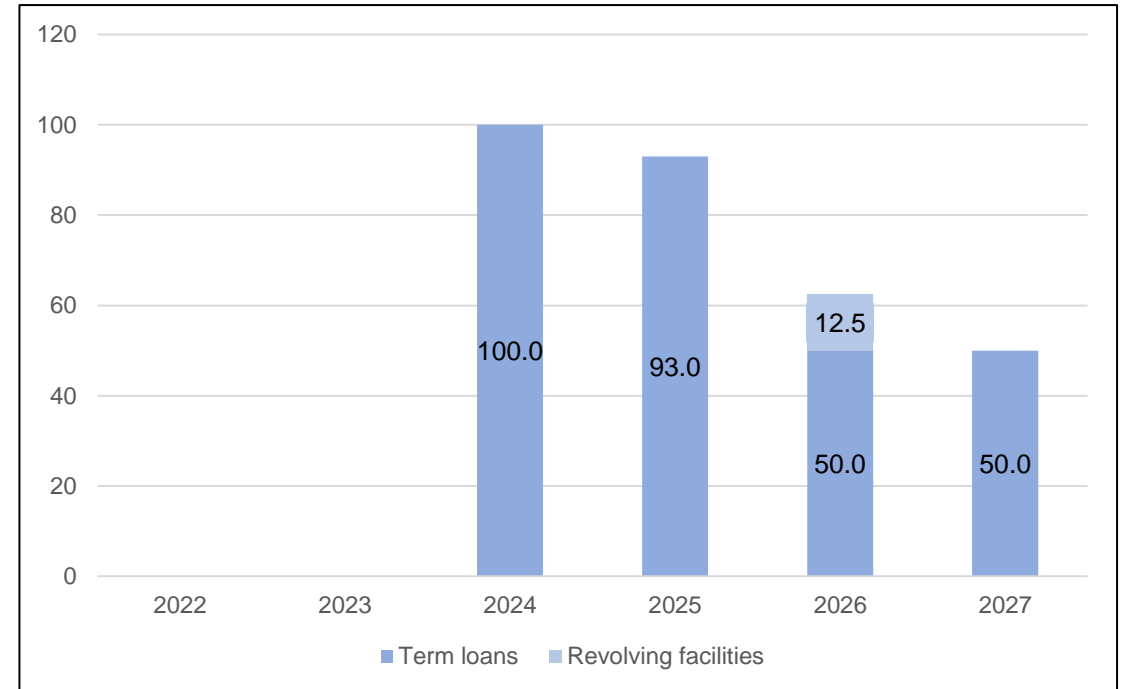


Capital Management

Key Credit Metrics

	As at 31 March 2022	As at 31 December 2021
Total borrowings	\$305.5m ⁽¹⁾	\$315.5m
- Term loans	\$293.0m	\$315.5m
- Revolving Facilities	\$12.5m	-
Aggregate leverage⁽²⁾	34.8%	35.0%
Proportion of total borrowings on fixed rates	72.8%	66.6%
Weighted average fixed debt expiry	2.7 years	2.4 years
Average all-in financing cost	3.07%	3.14%
Interest coverage ratio ⁽³⁾	4.1x	4.4x
Weighted average tenor of borrowings	3.5 years	2.9 years
Debt Headroom⁽⁴⁾	\$133.4m	\$107.7m
Unencumbered assets	100%	63%

Maturities of total outstanding borrowings of \$305.5 million

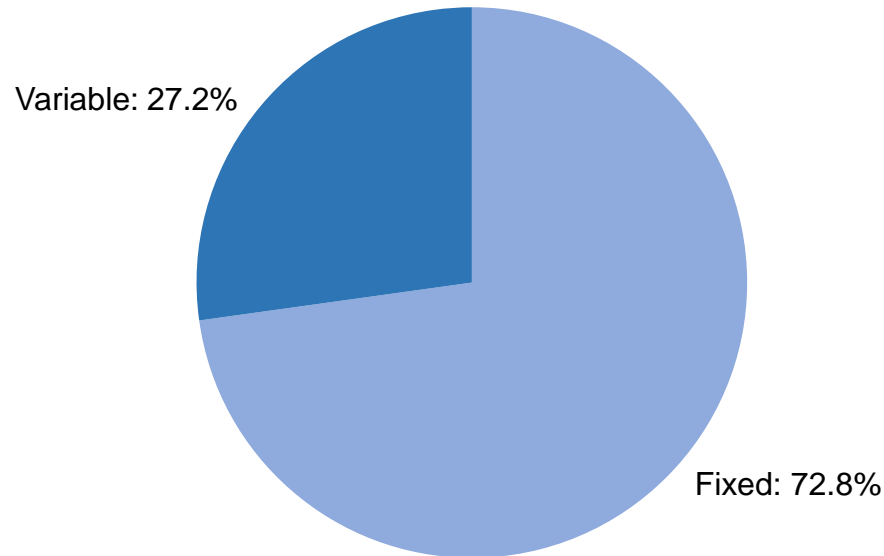


Notes:

- (1) Borrowings have reduced due to the repayment using the cash flow generated from operations and Distribution Reinvestment Plan.
- (2) Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes.
- (3) Based on the interest coverage ratio definition in Appendix 6 of the Code on Collective Investment Schemes (last revised on 28 December 2021).
- (4) On the basis of an aggregate leverage limit of 50.0% pursuant to the Property Funds Appendix, inclusive of undrawn facilities of \$107.5m (31 December 2021: \$95.9m).

Prudent Interest Rate Risk Management

- 72.8% of borrowings are on fixed rates with an average term of 2.7 years
- Every potential 20 bps increase in interest rates may result in \$0.16m decrease in distributable income or 0.02 cents on DPU⁽¹⁾ per annum



Change in interest rates	Impact on Distribution (\$m)	Impact on DPU (cents) ⁽¹⁾	Impact on DPU %
+ 20 bps	(0.16)	(0.02)	(0.5%)
+ 40 bps	(0.33)	(0.03)	(1.0%)
+ 60 bps	(0.50)	(0.05)	(1.5%)
+ 80 bps	(0.66)	(0.06)	(2.0%)
+ 100 bps	(0.83)	(0.08)	(2.5%)

Notes:

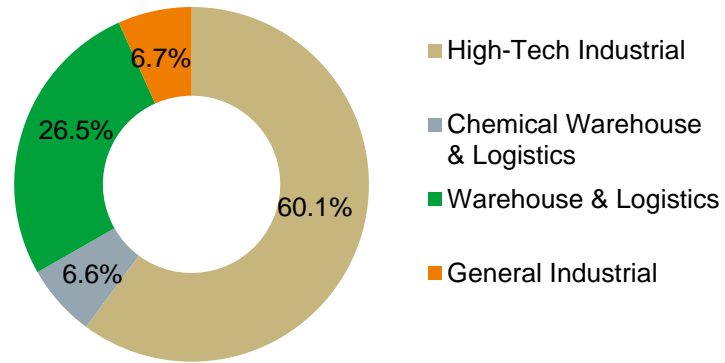
(1) Based on 1,069,950,268 units as at 31 December 2021.

04 Portfolio Performance

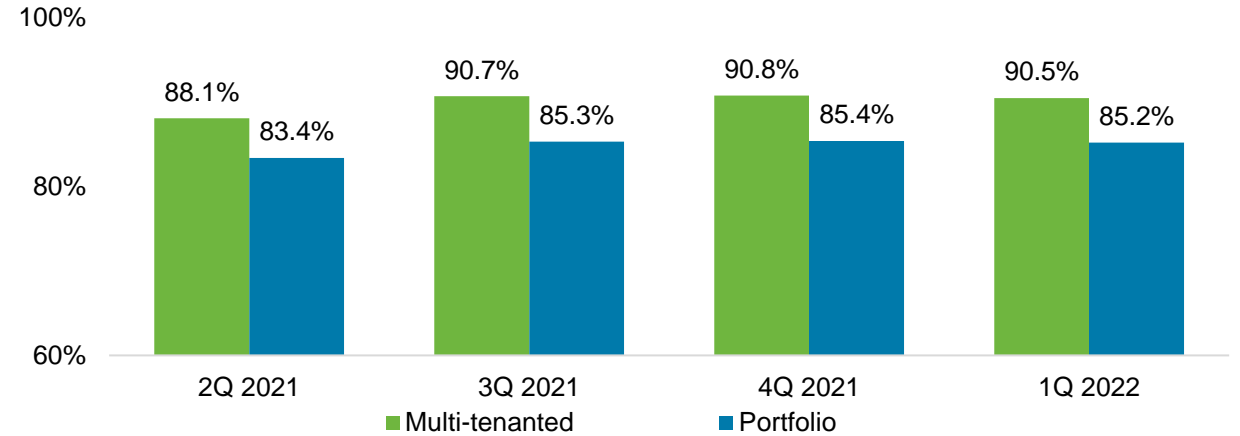


Portfolio Performance as at 31 March 2022

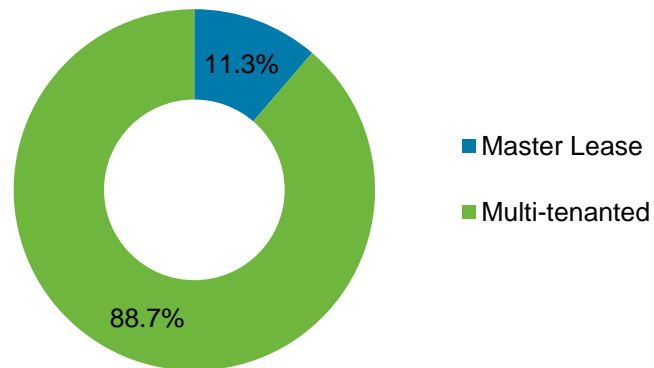
Breakdown of Asset Types
By Gross Rental Income



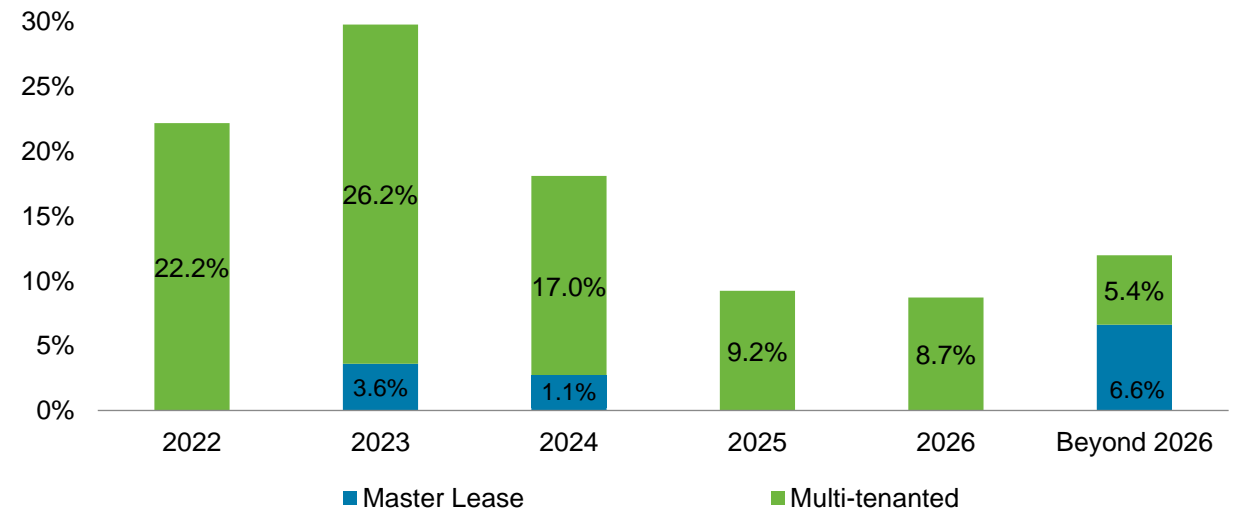
Occupancy Rates



Breakdown of Master-leased and Multi-tenanted Properties
By Gross Rental Income



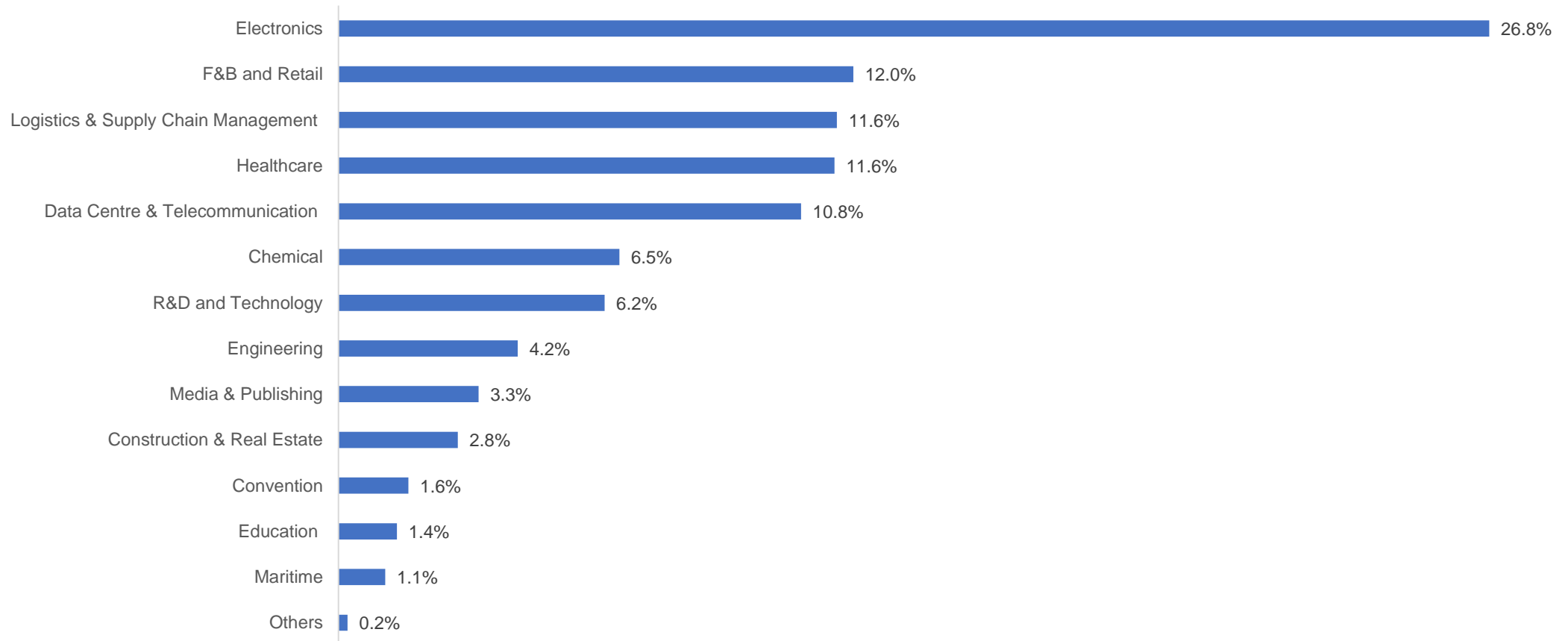
Lease Expiry by Gross Rental Income



Diverse Base of Tenants

152 tenants in 14 diverse trade sectors, led by the expansionary electronics sector

Trade Sector by Gross Rental Income
As at 31 December 2021



05 Focus Moving Forward



Singapore Industrial Market Outlook

Sabana Industrial REIT is well-placed to manage volatility and capture opportunities in the industrial property sector by executing its **Grow VALUE** phase of its Refreshed Strategy

- Knight Frank noted that some 21.1 million sf of GFA of new industrial space is projected to come on stream across 2022, comprising 42.6% of the total stock set to be completed from Q4 2021 to 2025. ⁽¹⁾
- Though a delay in construction could lead to a supply peak in 2022, occupancy is forecasted to remain elevated, CBRE said.⁽²⁾
- Meanwhile, Cushman & Wakefield expects to see a slew of redevelopments to meet the needs of quality and higher specifications' demand. Against this backdrop, it noted that occupancy rates of factory space could come under pressure in 2022 due to substantial upcoming supply in the pipeline. While newer and higher spec developments that are able to better meet evolving end-user requirements would lead growth, older warehouse stock would however likely see stagnant rates.⁽³⁾
- Amid rising environmental concerns, more investors will place their ESG agenda at the forefront of investment decision-making efforts. ⁽⁴⁾

Sources:

- (1) "Singapore Research Industrial Q4 2021". Knight Frank. 12 January 2022.
- (2) "Singapore Figures Q4 2021". CBRE. 14 January 2022.
- (3) "Industrial Marketbeat Report". Cushman & Wakefield. 7 January 2022.
- (4) "Singapore Q4 2021". Edmund Tie. Retrieved 18 January 2022.

Future-Proofing Our Portfolio To Grow VALUE

Selected AEI to enhance assets



1 Tuas Avenue 4

- Targeting second major AEI at **1 Tuas Ave 4** to be carried out in phases for up to approximately 350,000 sq ft in gross floor area; An Expression of Interest for a Build-to-Suit project was conducted in early 2022 and architects have since been invited to present design concepts, floor efficiency plan and costs; Concurrently holding discussions with prospective tenants, including building for a multi-tenancy concept



New Tech Park

- Activation of Phase 3 AEI at **New Tech Park** to maximise plot ratio of 2.5 (additional Business 1 space circa 200,000 sq ft of gross floor area). Outline Planning Application was submitted in February 2022

Sustained progress in portfolio rejuvenation



39 Ubi Road 1

- Started phased upgrading of remaining seven ground floor passenger lift lobbies (B to H) at **New Tech Park**, scheduled for completion in 3Q 2022; phased refurbishment of restrooms
- Refreshing the external façades at **39 Ubi Road 1** and **2 Toh Tuck Link**
- Lift modernisation works at **2 Toh Tuck Link**

Explore acquisitions if accretive opportunities arise

- Explore yield accretive opportunities should they arise; to focus on Singapore over the near term
- Longer term, could access overseas opportunities
- All acquisitions will be managed prudently

Delivering on our ESG focus



508 Chai Chee Lane

- Commencing energy audit for buildings with high power consumption trend; Starting with **508 Chai Chee Lane** with the objective of improving its energy efficiency. Similar initiatives will be rolled out to **New Tech Park**
- Engaging consultants to **review entire portfolio** to identify forward-looking options such as deployment of solar energy and electric vehicle charging stations

Continued proactive lease management



30 & 32 Tuas Avenue 8

- Progressing with lease documentation with prospective master tenant at **30 & 32 Tuas Avenue 8**

Contact Us



Sabana Real Estate Investment Management Pte. Ltd.

(Company registration no: 201005493K, Capital markets services licence no: CMS100169)

151 Lorong Chuan #02-03 New Tech Park Singapore 556741

Tel: +65 6580 7750

Fax: +65 6280 4700

www.sabana-reit.com



For enquiries, please contact:

Ms Low Hooi Hoon

Sabana Real Estate Investment Management Pte. Ltd.

Tel: +65 6580 7857

Email: hooihoon.low@sabana.com.sg

Mr Clarence Fu

WATATAWA Consulting

Tel: +65 9781 0737

Email: cfu@we-watatawa.com

Important Notice

Disclaimer

You are cautioned not to place undue reliance on the information contained in this document as it is for your information only and does not have regard to your specific investment objectives, financial situation or your particular needs. Nothing herein shall be construed as investment or financial advice nor constitute an offer or invitation to invest in Sabana Industrial REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of their affiliates.