



Proposed Acquisition of a Suburban Office at 1 Giffnock Avenue (MQX4), Macquarie Park, Sydney, Australia

18 September 2020

Disclaimers

- **This material shall be read in conjunction with the press release “Ascendas Reit to acquire a suburban office in Sydney’s Macquarie Park for A\$167.2 million” released to the SGX-ST on the same day.**
- This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support Ascendas Reit’s future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view on future events.
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- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

Agenda

- Overview of 1 Giffnock Avenue (MQX4), Macquarie Park
- Acquisition Details
- Pro Forma Financial & Portfolio Impact
- Benefits to Ascendas Reit and Unitholders

Overview of 1 Giffnock Avenue (MQX4), Macquarie Park

Property Description

A new 9-storey suburban office building comprising office space, ground floor retail space, and 204 carpark lots. Targeted to complete in mid-2022.



- **Well-located in the heart of Macquarie Park Innovation District and within 100 metres to the Macquarie Park metro station**
 - Macquarie Park is the largest metropolitan market in Australia and is highly accessible via both rail and road
 - M2 Motorway provides a direct vehicular link to employment and residential growth areas of Norwest and Epping, as well as North Sydney and Sydney CBD
 - The Sydney Metro City Line opening in 2024 provides seamless travel to North Sydney and the Sydney CBD from Macquarie Park (20 mins to Sydney CBD)⁽¹⁾
- **Macquarie Park provides attractive alternative to CBD space**
 - Offers competitive rent vs competing markets (~20% to 30% cheaper) and Sydney CBD (~60% cheaper), providing attractive alternative space for businesses

(1) More information on the Sydney Metro Line here: <https://www.sydneymetro.info/citysouthwest/project-overview>

Overview of 1 Giffnock Avenue (MQX4), Macquarie Park

■ Home to MNCs across resilient industries

- Macquarie Park is home to global players across resilient industries such as the pharmaceutical, technology, electronics and telecommunications sectors
- Tenants include MNCs which have established their corporate offices in the precinct; Novartis Pharmaceuticals, Boehringer Ingelheim Animal Health, Johnson & Johnson Medical, Optus and Fuji Xerox

■ Green and sustainable features

- The Property will be connected to 2,200 sqm of community and green space, allowing the occupiers to socialise and rejuvenate in the campus environment
- Targeting to achieve 6 Star Green Star Design & As Built rating and 5.5 Star NABERS Energy rating upon completion



Acquisition Details

Land and Development Costs ⁽¹⁾⁽²⁾	A\$167.2 m (\$\$161.0 m)
Total Investment Costs ⁽³⁾	A\$166.0 m (\$\$159.8 m)
“As if complete” Valuation as at 1 Jul 2020	A\$167.2 m (\$\$ 161.0 m) ⁽⁴⁾
Developers	Australand Industrial No. 122 Pty Limited and Winten (No 35) Pty Limited
Land Area	3,308 sqm
Land Tenure	Freehold
Net Lettable Area	19,384 sqm: - Office Area: 17,753 sqm - Retail Area: 1,631 sqm
Occupancy upon completion	100% ⁽⁵⁾
Estimated Practical Completion	Mid-2022



- (1) All \$\$ amounts are based on exchange rate of A\$1.000: \$\$0.9628 as at 31 July 2020.
- (2) Refers to Base Purchase Consideration and includes rental guarantee from the Developers. The Base Purchase Consideration is subject to adjustments. Please refer to press release on 18 September 2020 for more details.
- (3) Includes coupon received from the developers (Ascendas Reit will fund the construction cost and is entitled to receive monthly coupons from the Developer at a rate of 5.75% per annum on the progressive payments made over the construction period), stamp duty, professional advisory fees, stamp duty and acquisition fee. In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase consideration. The acquisition fee of A\$1.672 million is currently estimated based on the Base Purchase Consideration, which is subject to adjustment upwards or downwards. Please refer to press release on 18 September 2020 for details.
- (4) The valuation was commissioned by the Manager and The Trust Company (Australia) Limited (in its capacity as trustee of Ascendas Business Park Trust No. 3) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.
- (5) Takes into account 3-year rental guarantee on vacancies.

Pro Forma Financial Impact

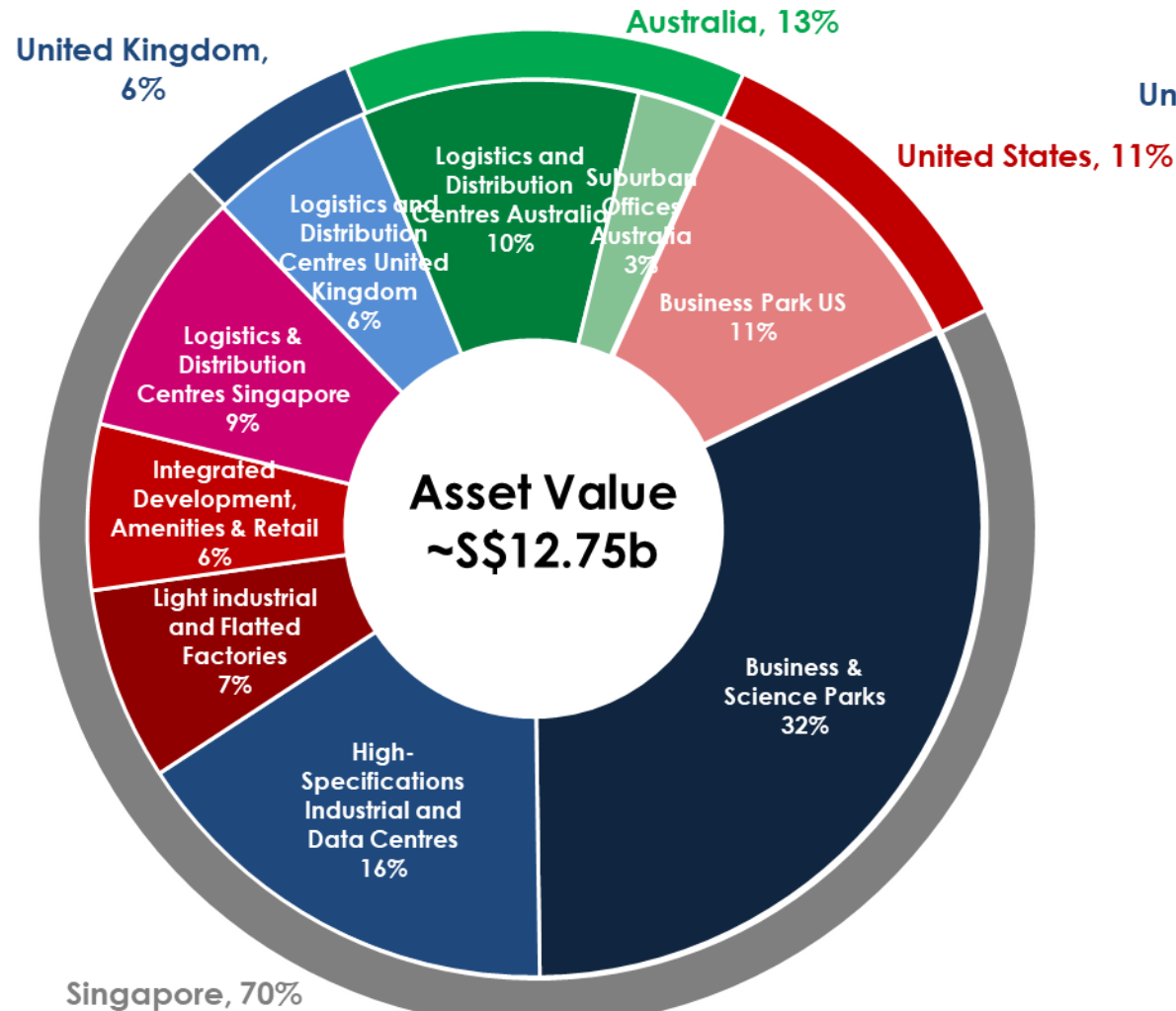
Financial Impact	
DPU Impact ⁽¹⁾ (pro forma annualised impact)	+0.046 Singapore cents
NPI Yield (Post-transaction cost) in Year 1 ⁽²⁾	6.1%

(1) The pro forma DPU for the 12 months ended 31 December 2019 is calculated based on following assumptions a) Ascendas Reit had acquired the completed Property on 1 January 2019, held and operated the Property for the whole of the financial year ended 31 December 2019, b) the acquisition was funded based on a funding structure of 40% debt and 60% equity, c) the distribution includes the rental guarantee for the first year provided by the Developer d) the Manager elects to receive its base fee 80% in cash and 20% in units

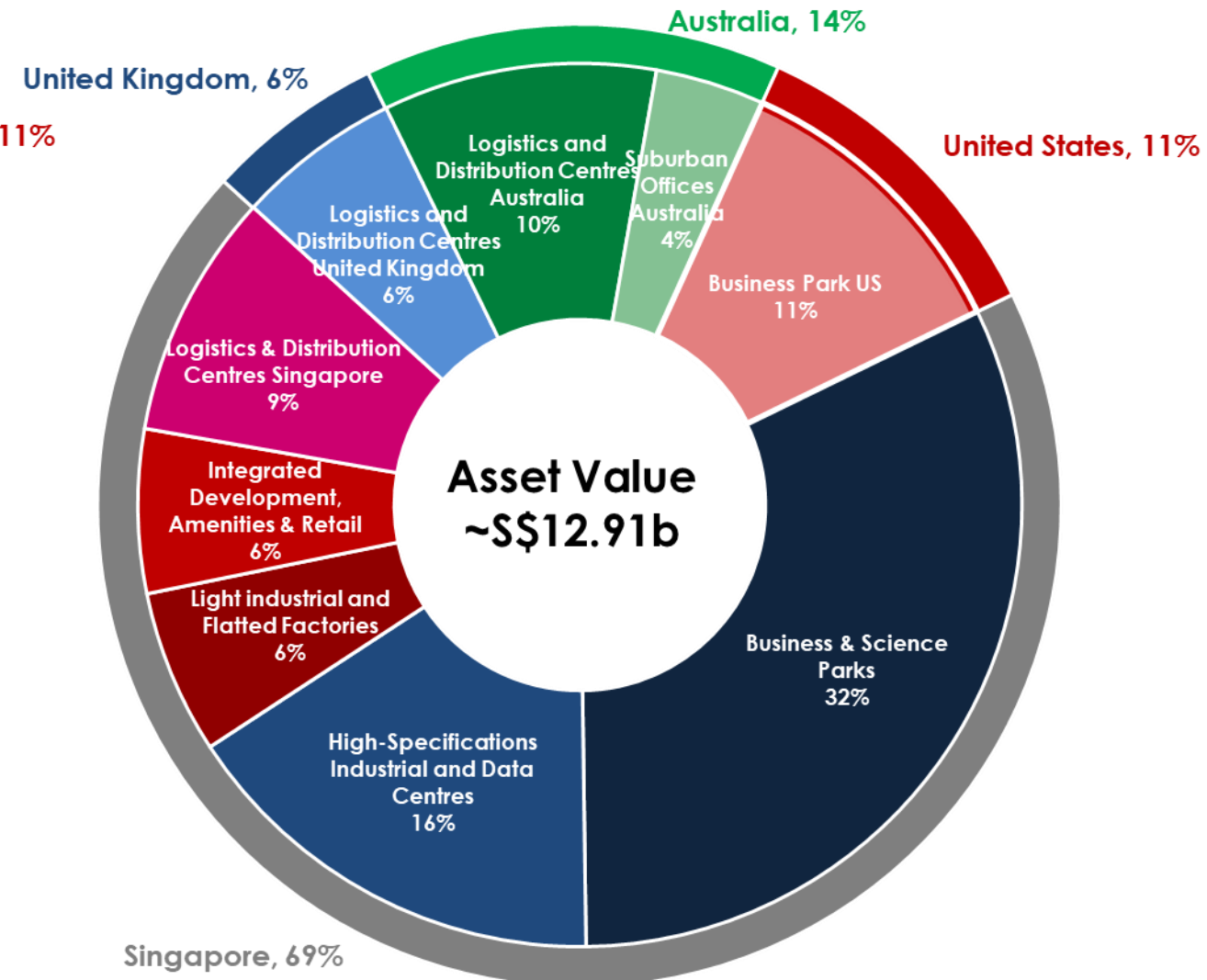
(2) The initial NPI Yield is derived from the estimated NPI expected in the first year of acquisition (equivalent to one year of rental guarantee provided by the Developers for the vacant space).

Pro Forma Portfolio Impact (as at 30 Jun 2020)

Before Acquisition



After Acquisition⁽¹⁾



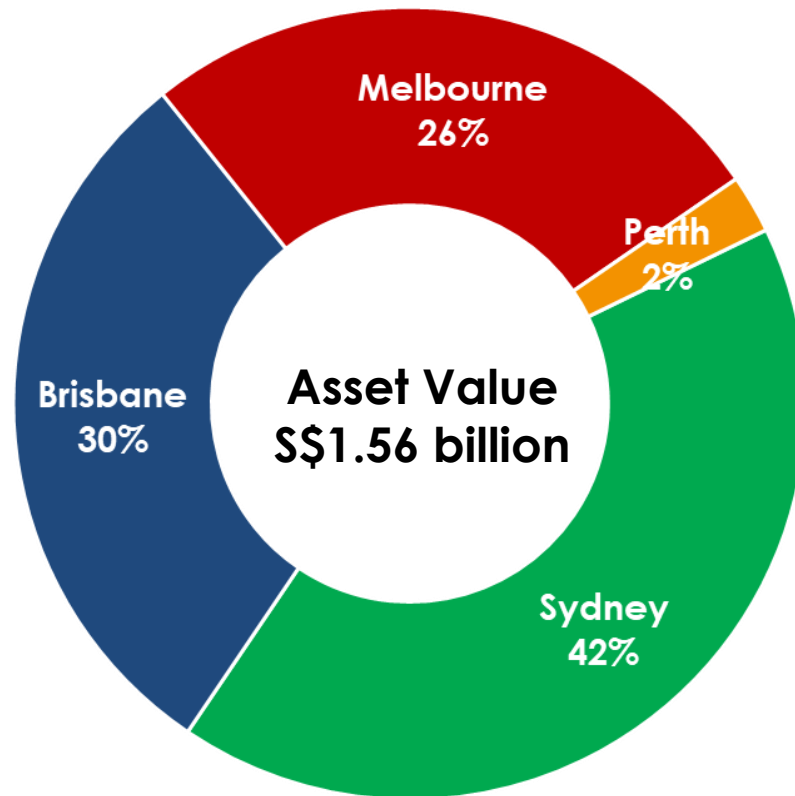
Notes:

(1) Assuming the acquisition/property was completed on 30 Jun 2020.

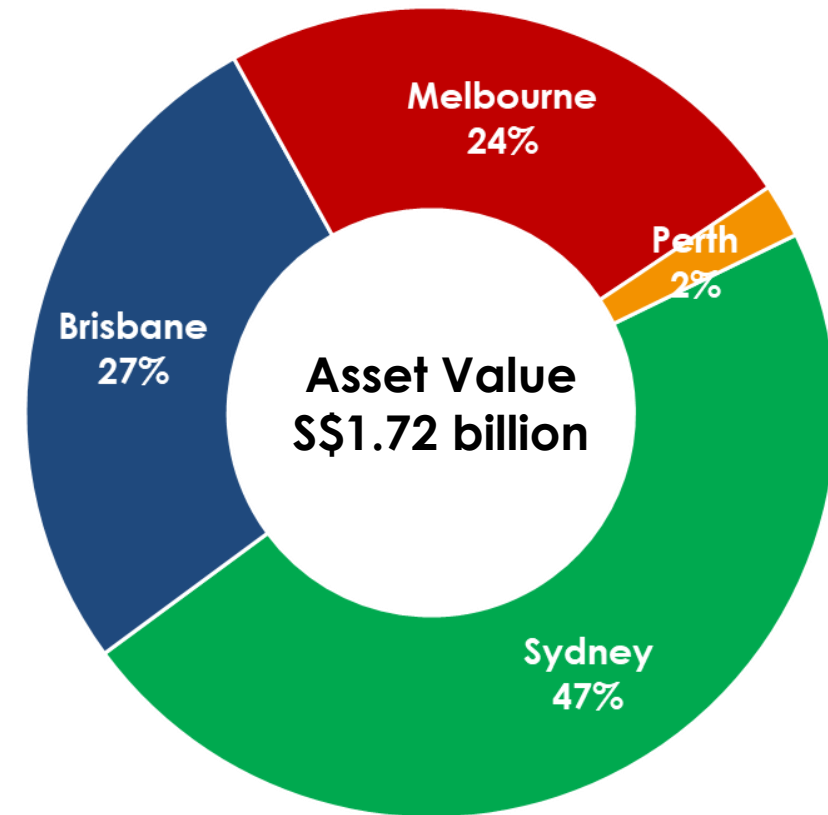
Pro Forma Portfolio Impact (as at 30 Jun 2020)

- by Australian City

Before Acquisition



After Acquisition⁽¹⁾



Notes:

(1) Assuming the acquisition/property was completed on 30 Jun 2020

Benefits to Ascendas Reit & Unitholders

- DPU accretive investment
- Strengthens and diversifies of Australian portfolio
 - MQX4 will be Ascendas Reit's 5th suburban office property in Australia; suburban offices will make up 28% of the Australian portfolio (from 21%)
 - Asset under management (AUM) of Australian portfolio will grow to S\$1.72 billion (+10.2% from S\$1.56 billion) and will make up 14% (from 13%) of Ascendas Reit's total portfolio
 - AUM in Sydney grows to S\$811 million (+25% from S\$651 million) and will make up 47% of the Australian portfolio (from 42%)
 - Net lettable area in Sydney increases to 281,011 sqm (+7% from 261,627 sqm)
- Well located in Macquarie Park, which houses MNCs across resilient industries such as pharmaceutical, technology, electronics and telecommunications. This will help to mitigate leasing and rent risk.
- High quality property that goes beyond minimum sustainability standards, enhancing the resilience of Ascendas Reit's portfolio



Thank you

