



Proposed Acquisition of 1-5 Thomas Holt Drive, Macquarie Park, Sydney, Australia for S\$284.0 million

11 December 2020

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Agenda

- Details of Proposed Acquisition
- Key Merits of 1 – 5 Thomas Holt Drive
- Pro Forma Financial and Portfolio Impact
- Benefits to Ascendas Reit and Unitholders

Details of Proposed Acquisition:

1 – 5 Thomas Holt Drive, Macquarie Park

Purchase Consideration	S\$284.0 m ⁽¹⁾⁽²⁾ (A\$288.9 m)
Acquisition Fee ⁽³⁾ , Stamp Duty and Other Transaction Costs	S\$19.3 m (A\$19.6 m)
Total Acquisition Cost	S\$303.3 m (A\$308.5 m)
Valuation as at 1 December 2020	S\$284.0 m (A\$288.9 m) ⁽⁴⁾
Vendor	AMP Capital
Land Tenure	Freehold
Net Lettable Area (NLA)	39,188 sqm
Occupancy Rate	100% ⁽⁵⁾ (physical occupancy: 93%)
Weighted Average Lease to Expiry (WALE) (30 Sep 2020 by rental income)	4.5 years
Lease Structure	Double-net leases, 3.25-3.75% escalation p.a.
Expected completion	1Q 2021



- (1) An illustrative exchange rate of A\$1.000: S\$0.983 is used for all conversions from Australian Dollar amounts into Singapore Dollar amounts in this presentation.
- (2) Includes a two-year rental guarantee provided by the Vendor for vacant space.
- (3) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the Purchase Consideration, which will be paid in cash.
- (4) The valuation was commissioned by the Manager and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas REIT Australia) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.
- (5) Includes two-year rental guarantee provided by the Vendor for vacant space.

Key Merits of 1-5 Thomas Holt Drive (1-5 THD)

- Expands Ascendas Reit's footprint in Macquarie Park, Sydney

- Macquarie Park is the largest metropolitan market in Australia benefiting from significant infrastructure investment from State and Federal governments. It provides an attractive and affordable alternative to CBD space ⁽¹⁾
- The location is home to global players across resilient industries such as the pharmaceutical, technology, electronics and telecommunications sectors
- 1-5 THD is approx. 250m from MQX4, Ascendas Reit's suburban office property that is currently under development⁽²⁾

- Well-connected via multiple transport options

- By metro:** Located approx. 100m from Macquarie Park Sydney Metro Station. The Sydney Metro City Line opening in 2024 will provide seamless travel to North Sydney and the Sydney CBD from Macquarie Park (20 mins to Sydney CBD)⁽³⁾
- By car:** 50m from Waterloo Road - Lane Cove Road intersection and 750m from the arterial M2 motorway
- By bicycle:** on the doorstep of a network of traffic-free cycleways

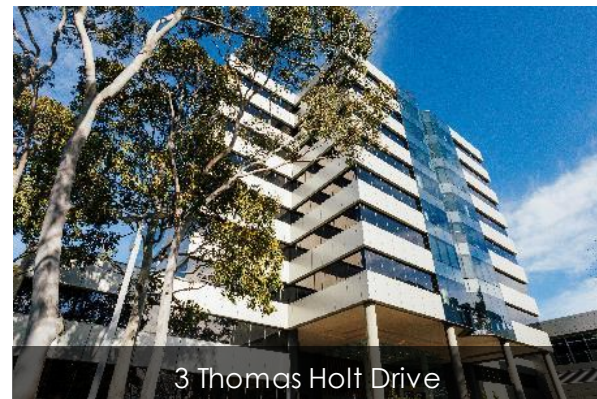


Location map of 1-5 THD in Macquarie Park, Sydney

(1) Offers competitive rent vs competing markets (~20% to 30% cheaper) and Sydney CBD (~60% cheaper)
 (2) Please refer to the press release "Ascendas Reit to acquire a suburban office in Sydney's Macquarie Park for A\$167.2 million" dated 18 September 2020
 (3) More information on the Sydney Metro Line here: <https://www.sydneymetro.info/citysouthwest/project-overview>

Key Merits of 1-5 THD

- **Three adjacent office blocks sited on freehold land**
 - Campus style property comprising NLA of 39,188 sqm located on freehold land
 - Property has one of the highest car parking ratio of 1 space per 35 sqm of NLA for a suburban office property within Macquarie Park (total 1,107 spaces)
- **Good quality property with tenant friendly amenities**
 - The blocks were developed in 1989-1990 and underwent substantial refurbishments in 2015-2016
 - 1 & 3 THD each have 5.0 Star NABERS energy rating
 - 1 THD was awarded Best Business Park redevelopment at PCA⁽¹⁾ Excellence Awards in 2015
 - On-site amenities include: Café, 2 tennis courts, swimming pool and BBQ area



(1) Property Council of Australia

Key Merits of 1-5 THD

- **High occupancy rate, long WALE, annual rent escalations provide stable organic growth**
 - 100% occupancy rate⁽¹⁾ (93% physical occupancy rate) with long WALE of 4.5 years
 - Built-in annual rent escalations of 3.25% to 3.75% provide stable organic growth

- **Leases are underpinned by strong tenant base**
 - Key tenants include:
 - Metcash (ASX: MTS) is Australia's leading wholesale distribution and marketing company with sales of over A\$13b in FY20
 - Foxtel is an innovative and dynamic media company, providing a premium, streamed and live, sport, movies, drama, news and entertainment experience. Foxtel is 65% owned by NewsCorp (US-listed media company with >US\$10b market capitalisation) and 35% owned by Telstra (Australian listed telecommunications company with >A\$36b market capitalisation)

Key Tenants



Headquarters

Australian wholesaler and distributor (FY20 sales >A\$13bn)



Headquarters

Australian Media company providing Pay-TV and streaming services

(1) Includes two-year rental guarantee, provided by the Vendor, for current vacant space.

Pro Forma Financial Impact

Financial Impact	
DPU Impact ⁽¹⁾ (pro forma annualised impact)	+0.059 Singapore cents
Net Property Income Yield in Year 1 ⁽²⁾	
Pre-transaction cost	5.9%
Post-transaction cost	5.6%

Notes:

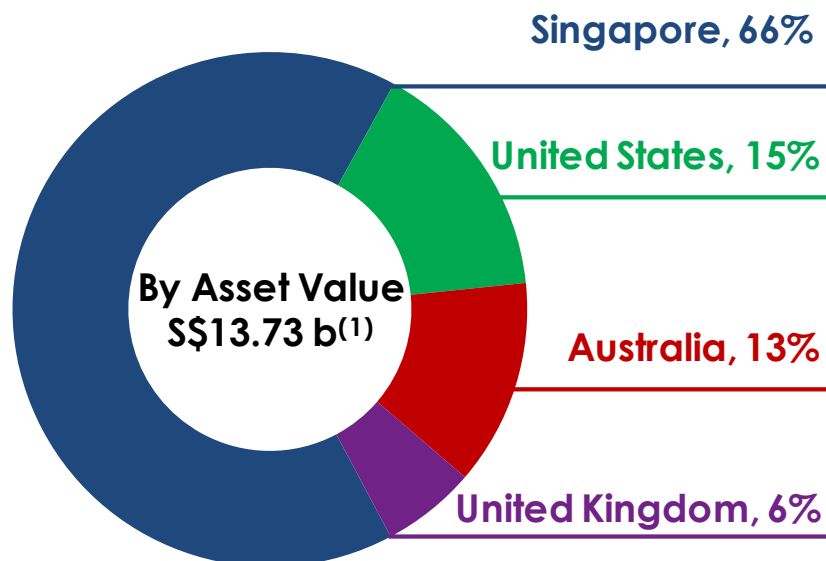
(1) The annualised pro forma DPU impact on FY2019 DPU is calculated based on the following assumptions a) Ascendas Reit had completed the Proposed Acquisition on 1 Apr 2019, held and operated 1-5 THD from 1 Apr 2019 to 31 Dec 2019, b) the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

(2) The Net Property Income (NPI) Yield is derived using the estimated NPI, including the rental guarantee for the vacant space provided by the Vendor, in the first year of acquisition.

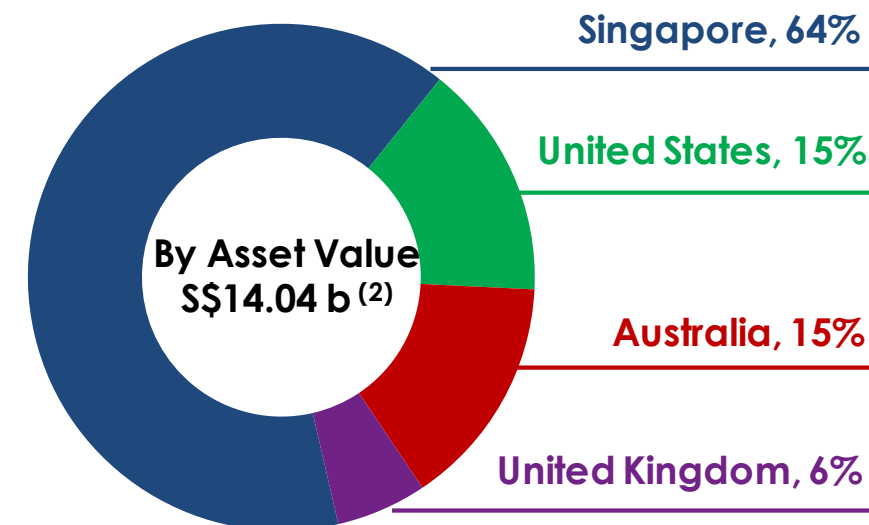
Pro Forma Portfolio Impact

More geographically diversified with 36% of asset value from overseas markets

Before Acquisition



After Acquisition



In line with strategy to remain Singapore-centric with the overseas assets in developed markets accounting for **30% – 40%** of portfolio value over time

Notes:

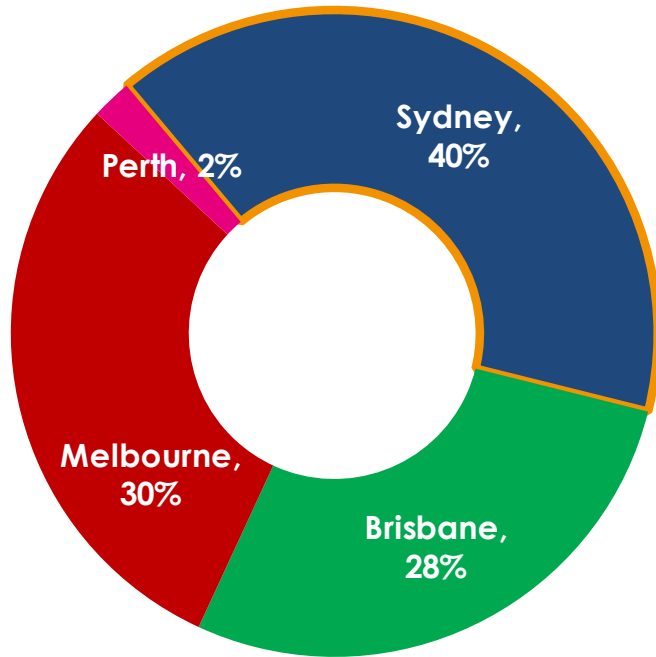
(1) As at 30 Sep 2020, assuming the Proposed Acquisition of Two Office Properties in San Francisco was completed on 30 Sep 2020. Please refer to announcements dated 10 Nov 2020.

(2) Assuming the Proposed Acquisition was completed on 30 Sep 2020.

Pro Forma Portfolio Impact

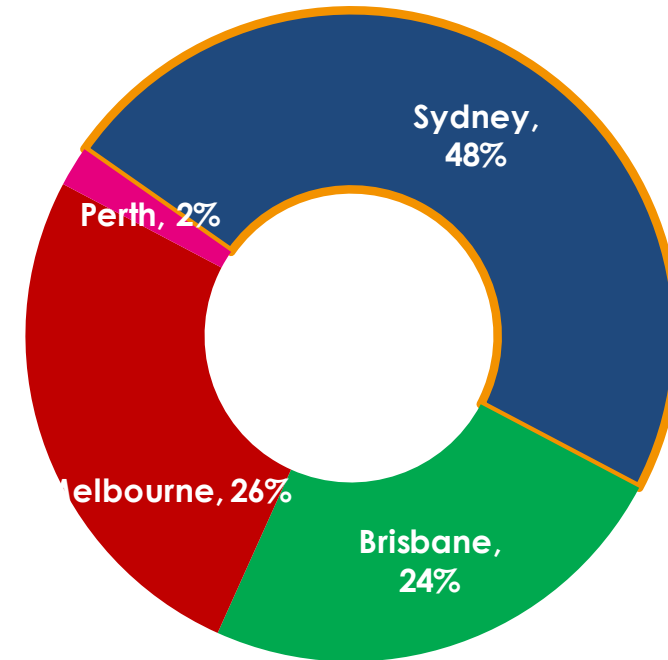
Sydney assets will make up 48% of Australian portfolio

Before Acquisition



By Asset Value
S\$1.78 b ⁽¹⁾

After Acquisition



By Asset Value
S\$2.08 b ⁽²⁾

Notes:

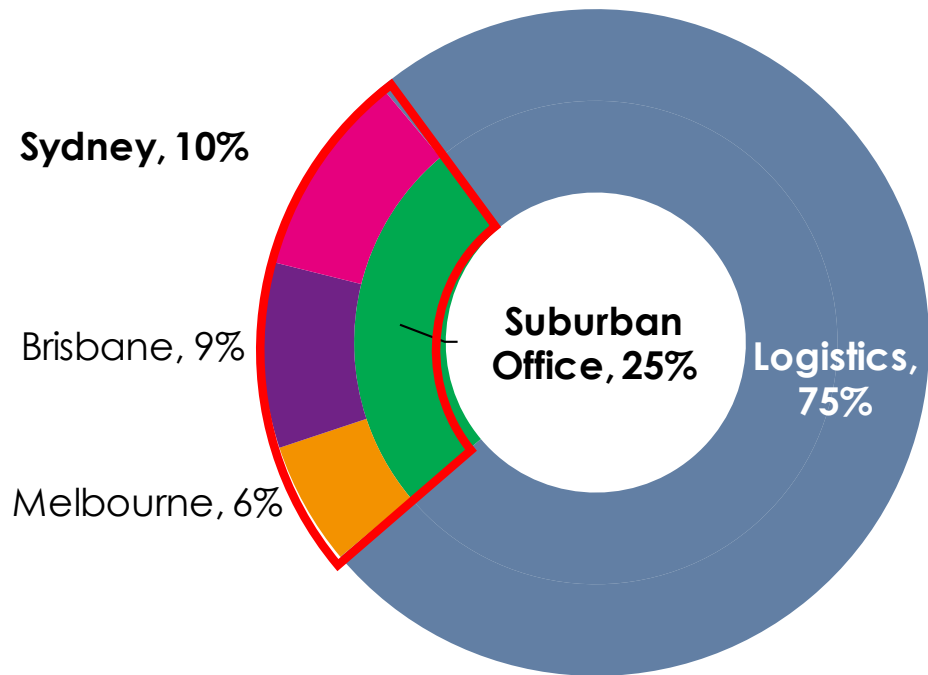
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Pro Forma Portfolio Impact

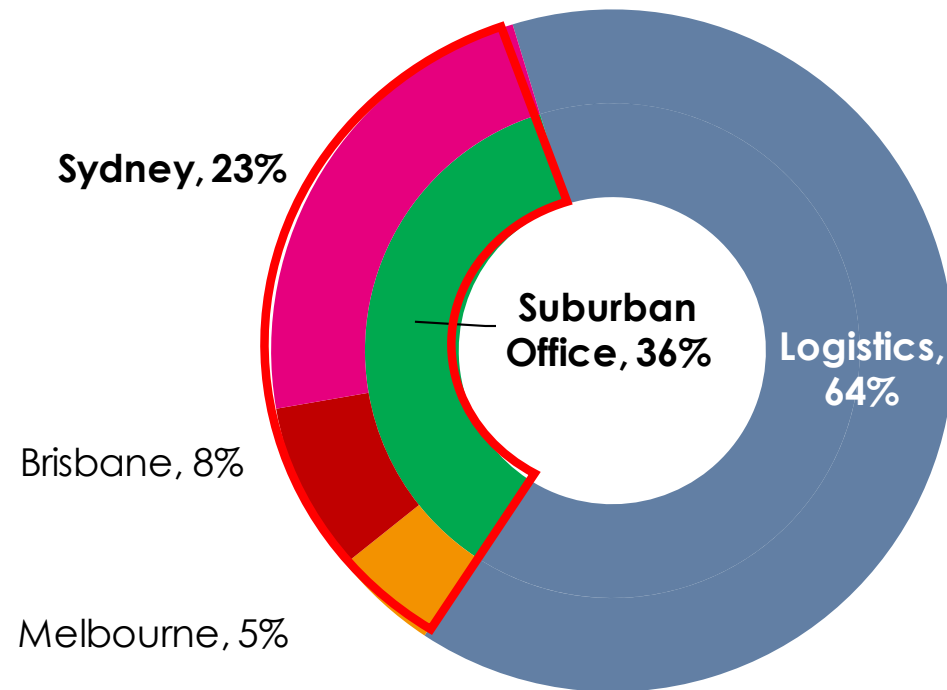
Increases exposure to Sydney's suburban office market, which is expected to benefit from decentralisation post COVID-19

Before Acquisition



By Asset Value
S\$1.78 b ⁽¹⁾

After Acquisition



By Asset Value
S\$2.08 b ⁽²⁾

Notes:

(1) As at 30 Sep 2020, assuming the Proposed Acquisition of Two Office Properties in San Francisco was completed on 30 Sep 2020. Please refer to announcements dated 10 Nov 2020.

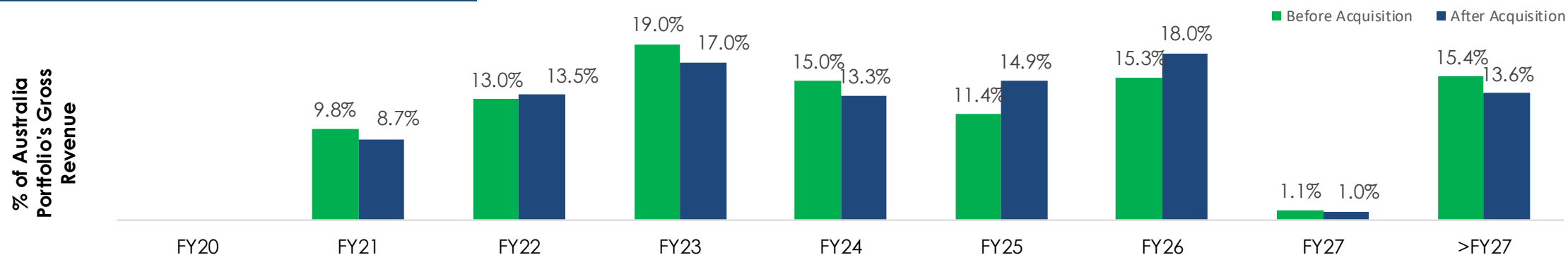
(2) Assuming the Proposed Acquisition was completed on 30 Sep 2020.

Pro Forma Portfolio Impact

Lease expiry profile remains well spread

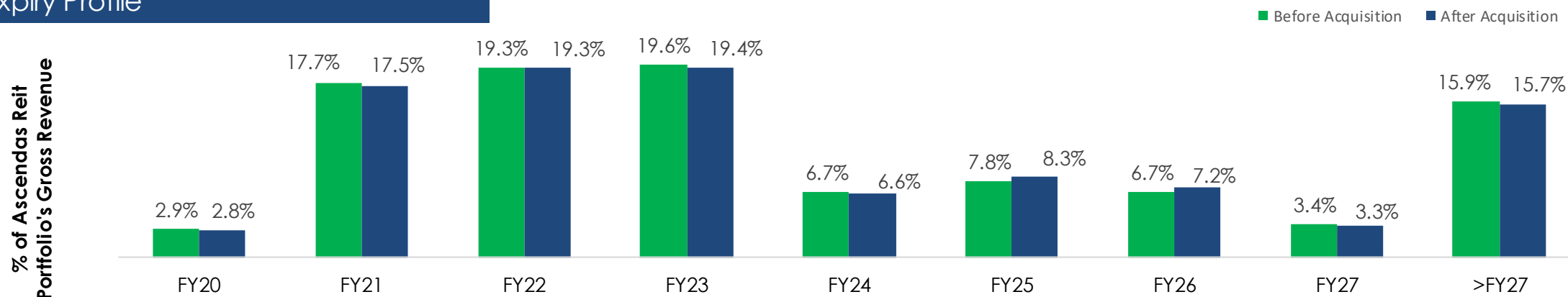
Australia Portfolio Lease Expiry Profile

Australia WALE increases from 4.3 years to 4.4 years



Ascendas Reit Total Portfolio Lease Expiry Profile

Portfolio WALE is maintained at 4.1 years



Notes:
 (1) As at 30 Sep 2020, assuming the Proposed Acquisition of Two Office Properties in San Francisco was completed on 30 Sep 2020. Please refer to announcements dated 10 Nov 2020.
 (2) Assuming the Proposed Acquisition was completed on 30 Sep 2020.

Benefits to Ascendas Reit & Unitholders

- **DPU accretive with sustainable returns**
 - Expects 1st year NPI yield of 5.6% ⁽¹⁾ post transaction cost
 - DPU accretion of 0.059 Singapore cents⁽²⁾
- **Key Merits of 1-5 THD**
 - Well-located in Macquarie Park, which offers an attractive alternative to Sydney CBD space
 - Located on freehold land
 - 100% occupied⁽³⁾ (93% physical occupancy)
 - Attractive contractual terms
 - Long WALE of 4.5 years
 - Double net leases with built-in annual rental escalation
- **Strengthens Ascendas Reit's portfolio**
 - Diversifies portfolio geographically by increasing total overseas portfolio from 34% to 36% of total asset value ⁽⁴⁾
 - Extends Australia portfolio WALE from 4.3 to 4.4 years ⁽⁴⁾
 - Increases proportion of freehold land from 34% to 36% by asset value ⁽⁴⁾

Notes:

(1) The NPI Yield is derived using the estimated NPI expected in the first year of acquisition (including one year of rental guarantee provided by the Vendor for the vacant space).

(2) The annualised pro forma DPU impact on FY2019 DPU is calculated based on the following assumptions a) Ascendas Reit had completed the Proposed Acquisition on 1 Apr 2019, held and operated 1-5 THD from 1 Apr 2019 to 31 Dec 2019, b) the Proposed Acquisition is funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

(3) Includes two-year rental guarantee provided by the Vendor for vacant space.

(4) Pro Forma impact as at 30 Sep 2020.



Thank you

