

1H 2024

**RESULTS
PRESENTATION**

23 July 2024

For the period ended 30 June 2024



Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Industrial Real Estate Investment Trust (“Sabana Industrial REIT” or the “REIT”) for the full year from 1 January 2023 to 31 December 2023 (“FY 2023”) and the published 1Q Interim Business Update for FY 2024.

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Agenda

- 01** Key Highlights
- 02** Financial Performance
- 03** Capital Management
- 04** Portfolio Performance
- 05** Market Outlook & Strategy



01
**Key
Highlights**

KEY HIGHLIGHTS



Successive positive rental reversion of 16.8% in 1H 2024 and 8.8% in 2Q 2024, marking our 14th consecutive quarter with positive rental reversion

- Attained retention rate of 90.5% for the multi-tenanted properties
- Supported by Manager's proactive tenant management and leasing strategy



Net property income in 1H 2024 unchanged from a year ago at \$27.2 million

- Total portfolio occupancy stands at 78.8%¹ as at 30 June 2024
- Multi-tenanted portfolio occupancy increased to 89.2% as at 30 June 2024 from 88.5% as at 31 March 2024
- Impact from termination of master leases at 30 & 32 Tuas Avenue 8 and 33 & 35 Penjuru Lane during the period largely offset by the improved performance of the multi-tenanted properties



Successful issuance of \$100 million 5-year 4.15% sustainability-linked bonds due 2029

- The bonds are unconditionally and irrevocably guaranteed by Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank
- Received long-term issue rating of 'AA' from Standard & Poor Global Ratings
- Proceeds used primarily for refinancing of existing term loans
- Post bond-issuance, proportion of total borrowings on fixed rates at 80.1% as at 30 June 2024



Proactive capital management with majority of the REIT's financing being sustainability-linked

- 83.3% of the REIT's total debt as at 30 June 2024 is sustainability-linked; continuing with target to convert all financing to sustainability-linked and/or green loans by 2025
- Aggregate leverage stood at 35.8%, amongst lowest for Singapore-listed REITs
- Next refinancing in March 2026

1. Excludes 1 Tuas Avenue 4 which was undergoing asset enhancement initiative as at 30 June 2024, and includes 30 & 32 Tuas Avenue 8 and 33 & 35 Penjuru Lane which are both currently vacant due to landlord repossession ; Portfolio occupancy would have been 91.8% excluding 33 & 35 Penjuru Lane and 30 & 32 Tuas Avenue 8 which were repossessed on 8 March 2024 and 14 June 2024 respectively

KEY HIGHLIGHTS



Increased portfolio valuation to \$914.5m as at 30 June 2024 compared to \$903.9m as at 31 December 2023



Completion of asset enhancement initiative (“AEI”) at Sabana@1TA4

- Temporary Occupation Permit (“TOP”) received on 9 July 2024
- Lease documentation underway with prospective tenant for approximately 64% of total lettable area



33 & 35 Penjuru Lane master lease termination

- Court dismissed Kleio One-Solution Pte. Ltd.’s (“Kleio”) appeal against the Court orders made on 5 April 2024
- Kleio filed a notice of appeal on 4 June 2024 to the Appellate Division of the High Court to appeal against part of the orders made by the court on 21 May 2024
- Subsequent to 30 June 2024, circa 42% of total lettable area has been leased out and one month booking fee received for circa 27% of total lettable area; property has been converted from a single-tenanted building to a multi-tenanted building



30 & 32 Tuas Avenue 8 master lease termination

- Tenant, GDMC Pte. Ltd., has been placed in creditors’ voluntary liquidation; Manager is taking legal advice and will take active steps to mitigate any losses
- Tenant was previously prompt in its rental payments throughout 2023 and had met its full rental obligations up to the month of April 2024
- Re-entry of premises took place on 14 June 2024; Site viewings have been conducted by prospective tenants

KEY FINANCIAL HIGHLIGHTS

Gross Revenue

1H 2024	\$55.2m (-0.2% y-o-y)
1H 2023	\$55.3m

NPI

1H 2024	\$27.2m (unchanged)
1H 2023	\$27.2m

Income available for distribution per unit

1H 2024	1.47 cents (-8.7% y-o-y)
1H 2023	1.61 cents

Distribution per unit (declared)

1H 2024	1.34 cents (-16.8% y-o-y)
1H 2023	1.61 cents

All in borrowing cost/ LTV

As at 30 June 2024	4.30% / 35.8%
As at 31 December 2023	3.89% / 34.3%

1H 2024 Results

- Gross revenue declined marginally by 0.2% year-on-year (“y-o-y”) while NPI remained stable
- Income available for distribution per unit decreased 8.7% y-o-y to 1.47 cents, mainly due to the increase in finance costs on the back of higher borrowings and borrowing costs, as well as an enlarged unit base following the distribution reinvestment plan
- Declared DPU¹ of 1.34 cents compared to 1.61 cents a year ago after approximately 10% of the total income available for distribution was retained for prudent capital management in view of costs incurred and to be incurred in connection with the internalisation

Capital Management

- Successful issuance of \$100 million 5-year 4.15% S&P ‘AA’-rated sustainability-linked bonds due 2029
- Average all-in financing cost of 4.30%, with a healthy interest coverage ratio of 3.3 times
- Aggregate leverage of 35.8%
- Weighted average debt maturity at 3.4 years

Interest Exposure

- 80.1% of borrowings are on fixed rates
- Every potential 20 bps increase in interest rates may result in \$0.14m decrease in distributable income or 0.4% reduction (equivalent to 0.01 cents) on DPU² per annum

1. Based on 1,102,156,128 units as at 30 June 2023 and 1,125,055,242 units as at 30 June 2024

2. Based on 1,111,788,330 units as at 31 December 2023

KEY PORTFOLIO HIGHLIGHTS

Occupancy

1H 2024	78.8% (-15.1 pp)
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1H 2023	93.9%
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Rental Reversion

1H 2024	+16.8%
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1H 2023	+20.1%
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Valuation

1H 2024	\$914.5m (+1.2%)
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FY 2023	\$903.9m
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WALE

As at 30 June 2024	2.7 years
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As at 30 June 2023	2.8 years
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Portfolio Occupancy

- Overall portfolio occupancy at 78.8% as at 30 June 2024
- Excluding 30 & 32 Tuas Avenue 8 and 33 & 35 Penjuru Lane, which have been repossessed by the Manager, portfolio occupancy would have been 91.8%
- Multi-tenanted portfolio occupancy increased to 89.2% as at 30 June 2024 from 88.5% as at 31 March 2024
- Occupancy rate of 151 Lorong Chuan (“New Tech Park”) increased to 80.8%, an improvement from the 78.3% as at 31 December 2023 and which is higher than the 78.0% occupancy rate of Business Parks in 1Q 2024¹

1H 2024 New and Renewed Leases

- 42 new and renewed leases concluded in 1H 2024 totaling 269,110 sq ft
- 53.5% of leases expiring in 2024 have been renewed or replaced by new leases
- 42.6% of leases expiring in 2024 under lease negotiation/lease documentation
- Tenant retention rate of 90.5% for the multi-tenanted properties

Rental Reversion

- Achieved double-digit rental reversion of 16.8% for 1H 2024, following three consecutive years of positive double-digit rental reversions in FY 2021, FY 2022 and FY 2023

Portfolio Valuation

- Improved portfolio valuation of \$914.5 million as at 30 June 2024 compared to \$903.9 million as at 31 December 2023

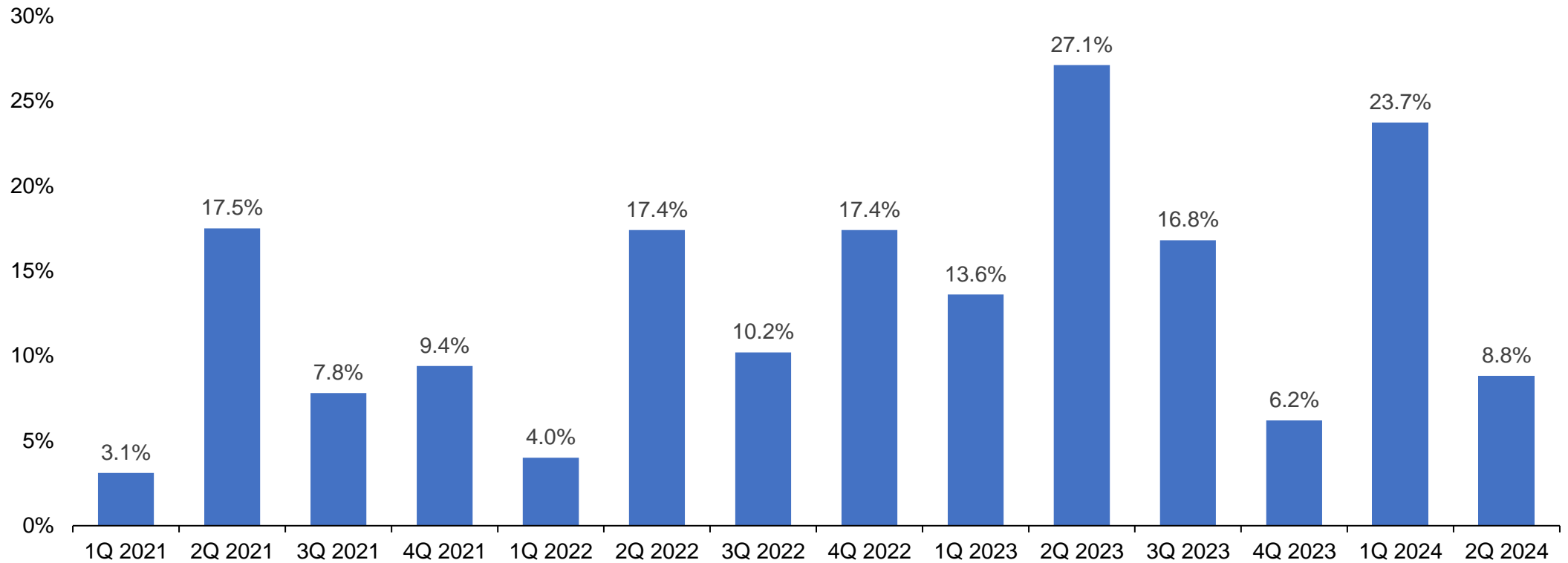
Weighted Average Lease Expiry (WALE)

- Portfolio WALE by gross rental income stood at 2.7 years as at 30 June 2024

1. “JTC Quarterly Market Report for 1Q 2024”. JTC. 25 April 2024

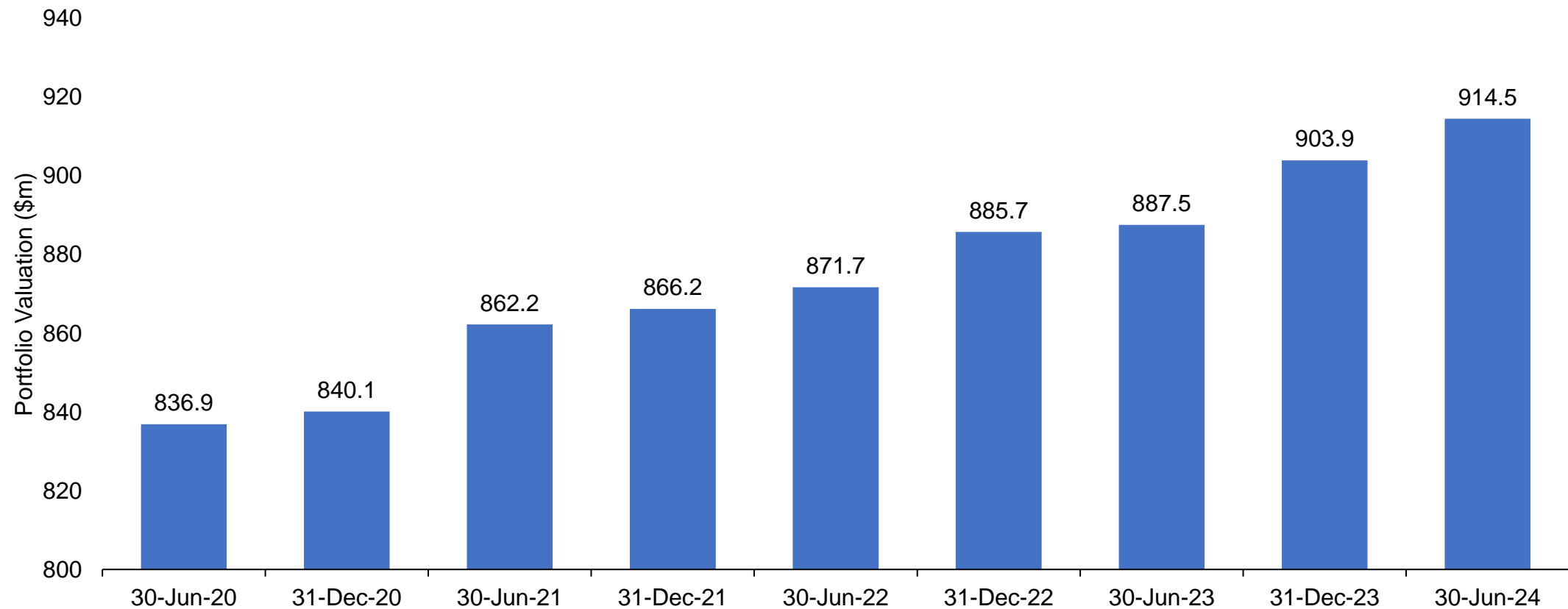
SUSTAINED POSITIVE RENTAL REVERSIONS

Achieved 14 consecutive quarters of positive rental reversion



IMPROVEMENT IN PORTFOLIO VALUATION

Portfolio valuation has increased since the pandemic to \$914.5m despite declining land tenure



Note: Half-year desktop valuations and full year valuations are conducted for periods as at 30 June and as at 31 December respectively

INTERNALISATION COSTS INCURRED UP TO 30 June 2024

- **\$1.37¹ million** of expenses incurred in connection with (and up to) the requisition of the 7 August 2023 Extraordinary General Meeting (“**EGM**”)
- **\$3.27 million** of internalisation expenses in respect of implementation of the resolutions passed on 7 August 2023 and incurred as of 31 December 2023
- **\$4.28 million⁴** of internalisation expenses incurred between 1 January 2024 – 30 June 2024 comprising:
 - \$0.75 million incurred by the Manager in preparing and convening the 8 March 2024 EGM² and the 24 May 2024 EGM^{2,3}
 - \$3.53 million incurred in respect of implementation of the resolutions passed on 7 August 2023 to effect internalisation*
- **Cumulative expenses incurred up to 30 June 2024 totalling \$8.92 million, comprising:**
 - \$1.86 million expenses incurred by the Manager
 - \$7.06 million expenses incurred by the Trustee*

* This is in respect of all expenses incurred in connection with the internalisation including (i) costs incurred in considering and responding to correspondence and proposals from certain unitholders in relation to the internalisation, (ii) additional requisitioned EGMs, and stakeholder engagement in connection with the requisitioned EGMs, that were not contemplated in the Trustee’s indicative internalisation timeline, (iii) the Order 32 Application, (iv) interactions with the Internalisation Committee, and (v) the AD 37 Appeal (Q2 2024).

- **Note: in the application to the High Court of Singapore in HC/OA 19/2024 (“Order 32 Application”), the Court ordered that Quarz’s and the ESR Entities’ costs of the proceedings be paid out of Sabana Industrial REIT (“REIT”), save that Quarz may only claim 70% of its costs out of the REIT. With respect to HC/AD 37/2024 (“AD 37 Appeal”), the Appellate Division of the High Court has not yet determined whether parties’ costs should be paid out of the REIT. The quantum of costs in both the Order 32 Application and AD 37 Appeal remains undetermined at this juncture.**
- **Approximately 10% of distributable income for 1H 2024 retained for prudent capital management** given costs incurred and to be incurred in connection with the internalisation; further retention of distributable income may be required for 2H 2024 and FY 2025

In view of the ongoing internalisation process, the Trustee will provide further updates as and when there are material developments. All updates from the Trustee will be in the form of announcements via SGXNet. Unitholders may direct their enquiries to sabana.trustee@hsbc.com.sg

Note:

1. This comprises \$1.11 million expenses incurred by the Manager, and \$0.26 million expenses incurred by the Trustee.

2. Expenses comprise costs incurred for the organisation of the EGMs, including professional and legal fees, among others

3. Further to the postponement of the EGM originally scheduled on 24 May 2024 pursuant to an order from the High Court (in HC/OA 460/2024), the requisitionists for the EGM issued a letter requesting to “modify” the resolutions proposed, which amounted to a withdrawal of their requisition notice. Accordingly, the Manager did not issue a notice of the postponed meeting.

4. On an unaudited basis.

SABANA@1TA4 HAS RECEIVED TOP



- Sabana@1TA4 has received its TOP on 9 July 2024
- The annex block, comprising a 3-storey warehouse, production and ancillary office which accounts for approximately 64% of total lettable area, is under lease documentation with a prospective tenant
- Installation of solar panels scheduled to take place in 3Q 2024; the property will incorporate solar panels that will potentially generate more than 1,000 megawatt hours of energy per year. Sabana@1TA4 is expected to be a net positive energy building

Exterior façade of Sabana@1TA4



12 loading/unloading bays with dock levellers



Warehousing Area

PROGRESS OF SOLAR PANEL INSTALLATION AND ACTIVATION

Phase 1	Status	Phase 2	Status
10 Changi South Street 2	Turned-on	51 Penjuru Road	Installation in progress
34 Penjuru Lane	Turned-on	39 Ubi Road 1	Installation in progress
3A Joo Koon Circle	Turned-on	23 Serangoon North Avenue 5	Installation in progress
1 Tuas Avenue 4	Target 4Q 2024 turn-on	8 Commonwealth Lane	Target 4Q 2024 turn-on
		2 Toh Tuck Link	Target 4Q 2024 turn-on

Phase 1
 ⚡ Installed capacity of 4.7 Megawatt peak;
 Potentially generate more than 5,700 Megawatt hours per year

Phase 2
 ⚡ Installed capacity of 2.4 Megawatt peak;
 Potentially generate more than 2,700 Megawatt hours per year



51 Penjuru Lane



23 Serangoon North Avenue 5



39 Ubi Road 1

NTP+ MALL REFRESH



The NTP+ Mall refresh aims to deepen our niche as a destination mall with the captive market comprising offices, schools and nearby residential enclaves

Onboarding soon



Mall Refresh

- Revitalising tenant mix in 2H 2024 after three years of successful operation
- Onboarded new tenants Kopi & Tarts and Burger King which have established and/or franchised brands and/or track record operating in large malls
- Providing new tenant promotions and diverse offerings to boost footfall
- Complementary F&B offerings with varied cuisine

02 Financial Performance



BALANCE SHEET

(\$'000)	As at 30 June 2024	As at 31 December 2023
Investment properties ⁽¹⁾	991,427	979,987
Other assets	38,154	24,894
Total assets	1,029,581	1,006,091
Borrowings, at amortised cost	335,019	315,370
Other liabilities	114,933	114,183
Total liabilities	449,952	429,553
Net assets attributable to Unitholders	579,629	576,538
Units in issue (units)	1,125,055,242	1,111,788,330
NAV per unit (S\$)	0.52	0.52

(1) Movement in investment properties mainly due to the revaluation of investment properties based on the independent valuations of the properties undertaken by independent valuers and the capital expenditure spent.

DISTRIBUTION STATEMENT

(\$'000)	1H 2024	1H 2023	Variance (%)	2H 2023	Variance (%)
Gross Revenue ⁽¹⁾	55,165	55,277	(0.2)	56,598	(2.5)
NPI ⁽¹⁾	27,165	27,168	-	27,806	(2.3)
Finance Costs ^{(1) (2)}	7,290	6,099	19.5	6,216	17.3
Total Income Available for Distribution	16,640	17,819	(6.6)	15,895	4.7
Income Available for Distribution per Unit (cents)	1.47	1.61	(8.7)	1.44	2.1
Total Distribution Amount Declared	15,076 ⁽³⁾	17,819	(15.4)	12,786 ⁽³⁾	17.9
Distribution Amount Declared per Unit (cents) ⁽⁴⁾	1.34 ⁽³⁾	1.61	(16.8)	1.15 ⁽³⁾	16.5

(1) Please refer to the other information section of the Interim Financial Information for explanation of the variances.

(2) Excluding amortisation of transaction costs, please refer to note 10 of the interim financial information for detailed breakdown.

(3) The REIT's policy is to distribute at least 90.0% of its distributable income to Unitholders. Approximately 10% of distributable income for 1H 2024 and FY 2023 was retained for prudent capital management in view of costs incurred and to be incurred in connection with the internalisation; further retention of distributable income may be required for 2H 2024 and FY 2025. In view of the ongoing internalisation process, the Trustee will provide further updates as and when there are material developments. All updates from the Trustee will be in the form of announcements via SGXNet. Unitholders may direct their enquiries to sabana.trustee@hsbc.com.sg

(4) Based on 1,102,156,128 units as at 30 June 2023, 1,111,788,330 units as at 31 December 2023 and 1,125,055,242 as at 30 June 2024

03
Capital
Management



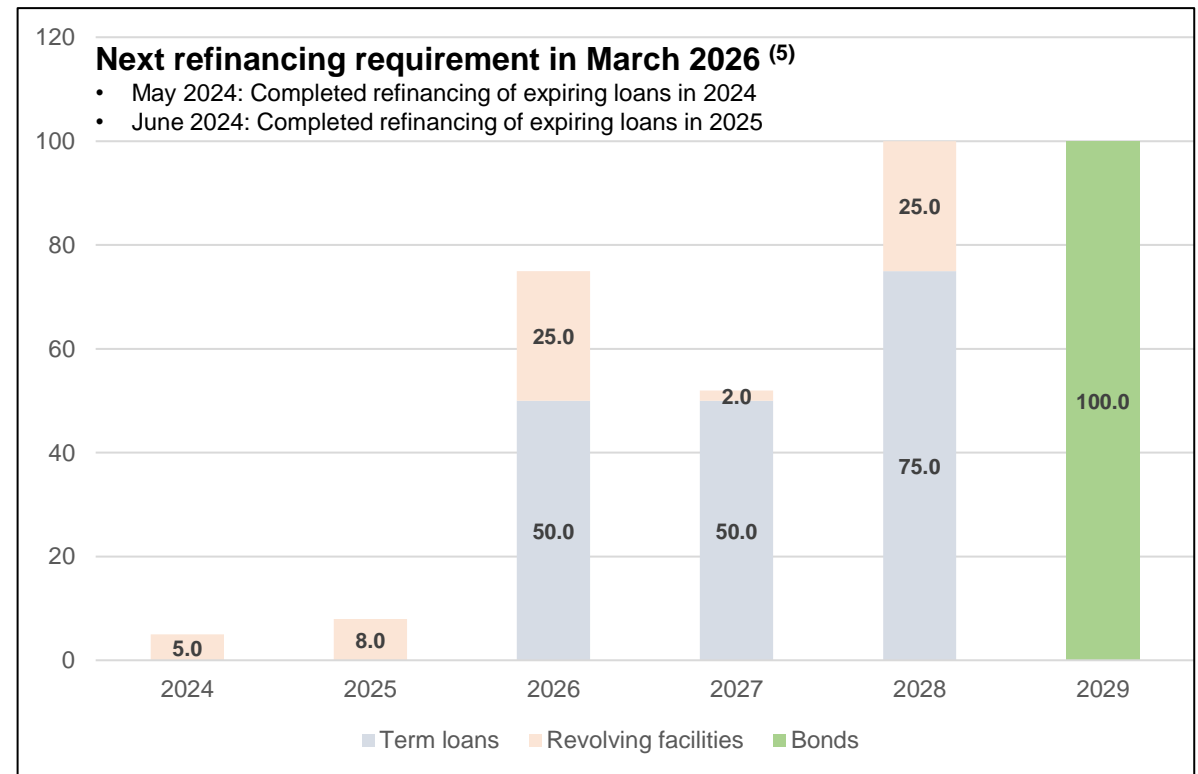
CAPITAL MANAGEMENT

- Increase in total borrowings mainly due to the drawdown of loan for AEI, Capex and liquidity buildup for capital management purposes
- Higher financing cost mainly due to increased proportion of borrowings being pegged to floating rates in 1H 2024 prior to the bond issuance

Key Credit Metrics

	As at 30 June 2024 (1H 2024)	As at 31 December 2023 (FY 2023)	As at 30 June 2023 (1H 2023)
Total borrowings	\$340.0m	\$318.0m	\$295.0m
Aggregate leverage⁽¹⁾	35.8%	34.3%	32.5%
Interest coverage ratio ⁽²⁾	3.3x	3.5x	3.5x
Weighted average tenor of borrowings	3.4 years	2.9 years	3.3 years
Average all-in financing cost⁽³⁾	4.30%	3.89%	3.89%
Proportion of total borrowings on fixed rates	80.1%	76.3%	82.2%
Debt Headroom⁽⁴⁾	\$136.3m	\$145.7m	\$155.6m
Unencumbered assets	100%	100%	100%

Debt Maturity Profile



Notes:

- (1) Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes
- (2) Based on the interest coverage ratio definition in Appendix 6 of the Code on Collective Investment Schemes
- (3) Based on year-to-date figures
- (4) On the basis of an aggregate leverage limit of 50.0% pursuant to the Property Funds Appendix, inclusive of available cash and committed undrawn facilities of \$105.7m
- (5) The existing revolving credit facilities expiring in 2024 and 2025 are expected to be repaid when due

CAPITAL MANAGEMENT: ISSUANCE OF SUSTAINABILITY-LINKED BONDS

- Proactive and prudent practice for refinancing REIT's debt tranche expiring in 2025
- Diversifying sources of funding for the REIT
- Improve and lower the overall cost of funding for the REIT amid the operational challenges in obtaining hedging arrangements in light of the ongoing internalisation. As reported 1Q 2024 IBU, the REIT's proportion of fixed rate borrowing dropped to 51.8%, exposing the REIT to the volatility of the interest rate market
- **NO new terms and conditions have been introduced under this Bond Issuance that will or might substantially complicate or impede the internalisation process.** Bond documentation has taken into account and incorporated concessions for the internalisation process (including allowing the Trustee to make amendments to its principal business activities and borrowing powers in relation to the internalisation of the REIT manager)
- While the Manager is aware of the interest rate movement globally, ultimately, the Manager has no control and does not speculate on the interest rate market as the primary objective of the REIT Manager is to reduce the risks of the REIT being subject to the volatility of the interest rate market and provide stability to the REIT's cost of funding via disciplined hedging strategy/ fixed rate borrowing.
- For the benefit of all Unitholders, the Manager believes that prudent capital and risk management efforts, including the refinancing of the REIT's FY2025 debts, should not be held in abeyance on account of the ongoing internalisation exercise.

DISTRIBUTION DETAILS

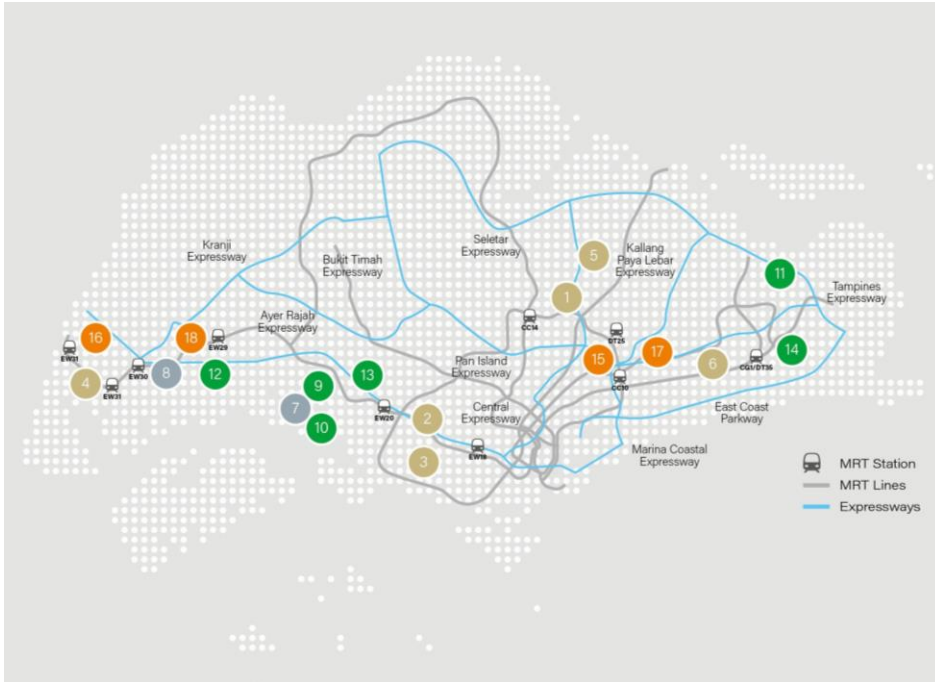
Sabana Industrial REIT Code: M1GU

Distribution Period	DPU (cents)
1 January 2024 to 30 June 2024	1.34
Distribution Timetable	
Last date that the Units are quoted on a “cum”- distribution basis	Monday, 29 July 2024
Ex-date	Tuesday, 30 July 2024
Books closure date	Wednesday, 31 July 2024, 5pm
Distribution payment date	Thursday, 29 August 2024

04
Portfolio
Performance



PORTFOLIO OVERVIEW



- 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, commercial nodes and public transportation nodes including MRT stations and bus stops

Portfolio Value
\$914.5 million

Tenant Base
178 tenants

Total GFA (sq ft)
4.2 million

Portfolio Occupancy
78.8%

Total NLA (sq ft)
3.5 million

Portfolio WALE
2.7 years



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



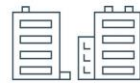
Chemical Warehouse & Logistics

- 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)

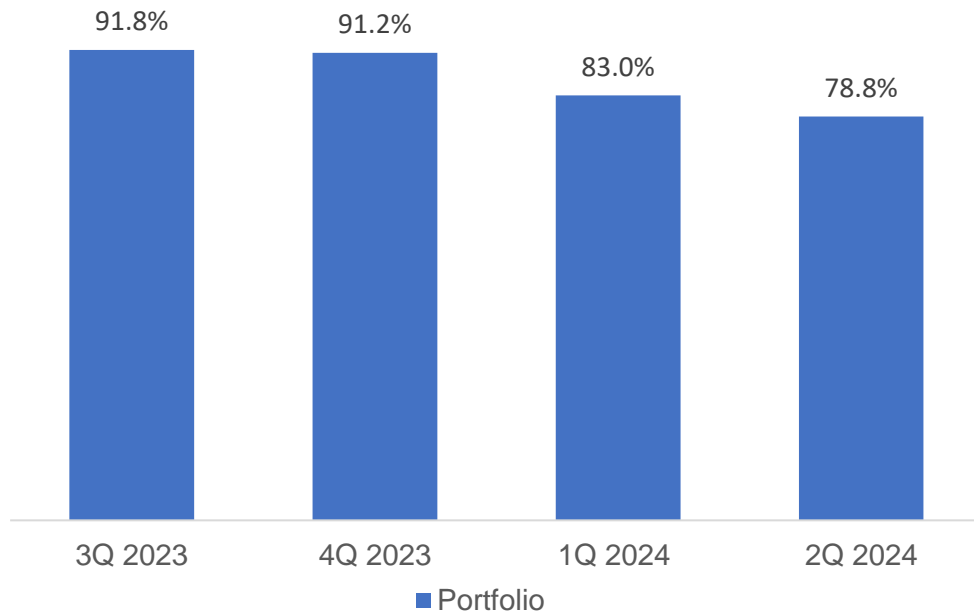


General Industrial

- 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)

PORTFOLIO OVERVIEW

Portfolio Occupancy



Key Portfolio Attributes

	As at 30 June 2024	As at 31 December 2023
Portfolio GFA	4.2m sq ft	4.2m sq ft
Total portfolio occupancy ¹	78.8%	91.2%
Weighted average master lease term to expiry ²	3.6 years	5.1 years
Weighted average portfolio lease term to expiry ³	2.7 years	3.0 years
Weighted average unexpired lease term for the underlying land ⁴	26.9 years	27.4 years

(1) By Net Lettable Area ("NLA"), and computation of total portfolio occupancy excludes 1 Tuas Avenue 4 which was undergoing AEI as at 30 June 2024. Portfolio occupancy would have been 91.8% excluding 33 & 35 Penjuru Lane and 30 & 32 Tuas Avenue 8 which were repossessed on 8 March 2024 and 14 June 2024 respectively.

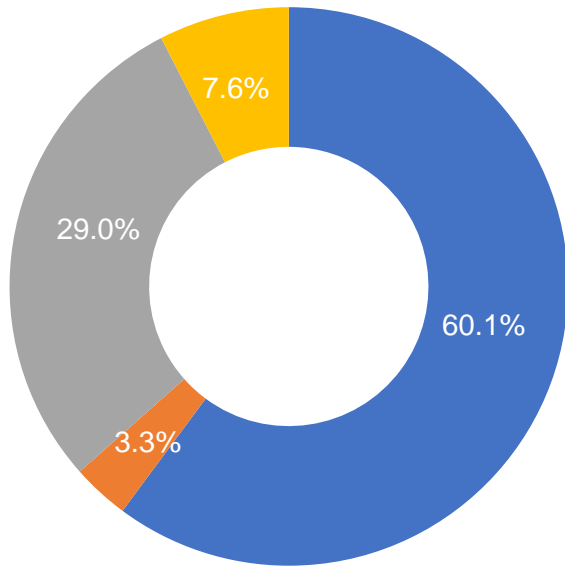
(2) Weighted by gross rental income (master leases of 5 properties, of which 2 are currently vacant due to repossession)

(3) Weighted by gross rental income (5 master leases, of which 2 are currently vacant due to repossession, and 12 multi-tenanted properties)

(4) Weighted by Gross Floor Area ("GFA")

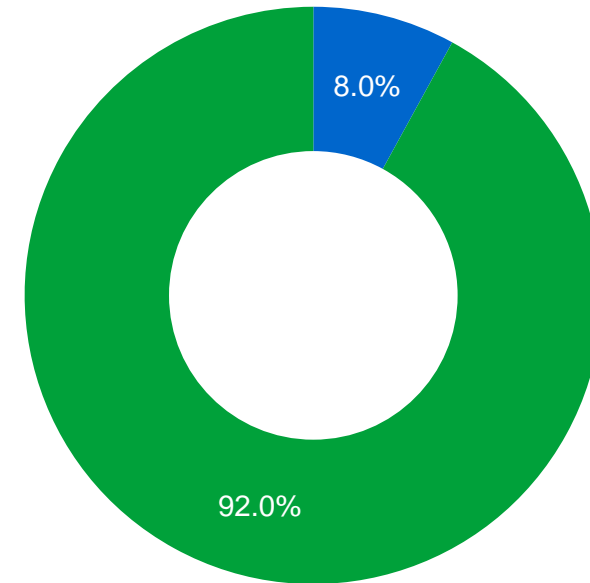
WELL-DIVERSIFIED PORTFOLIO

Breakdown of Asset Types By Gross Rental Income⁽¹⁾



- High-Tech Industrial
- Warehouse & Logistics
- Chemical Warehouse & Logistics
- General Industrial

Breakdown of Master-leased and Multi-tenanted Properties By Gross Rental Income⁽¹⁾

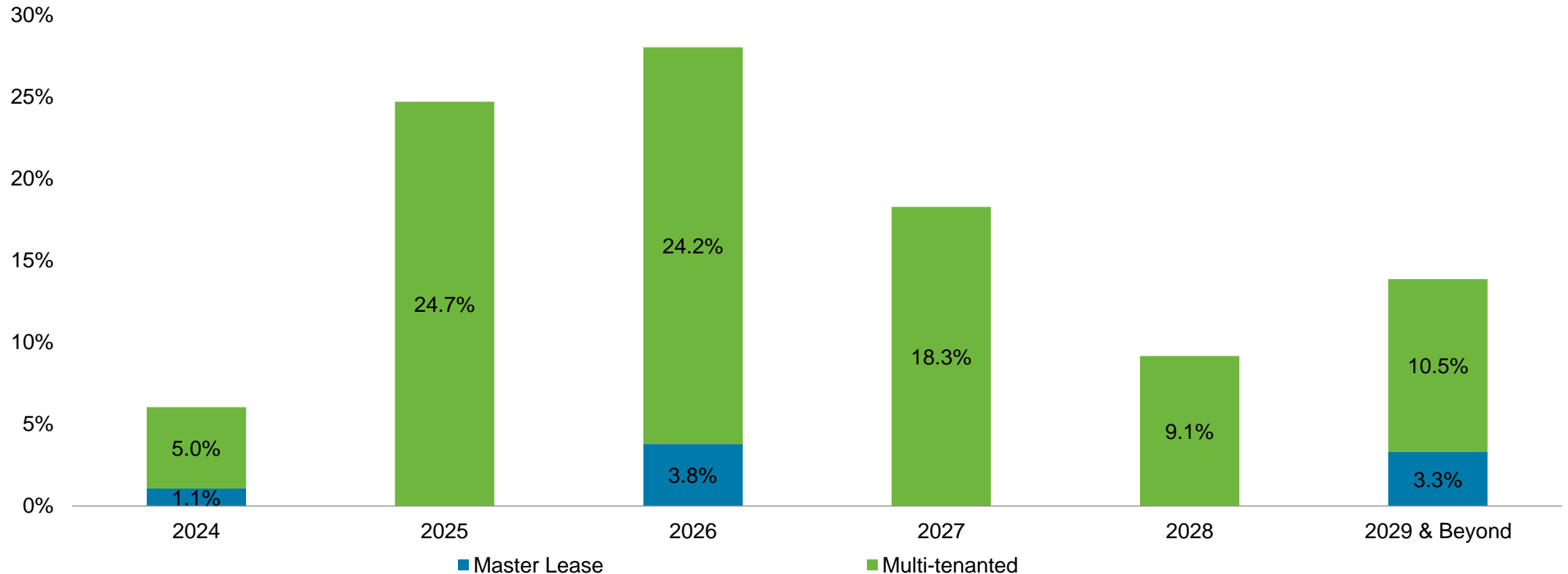


- Master Lease
- Multi-tenanted

(1) As at 30 June 2024

PROACTIVE LEASE MANAGEMENT

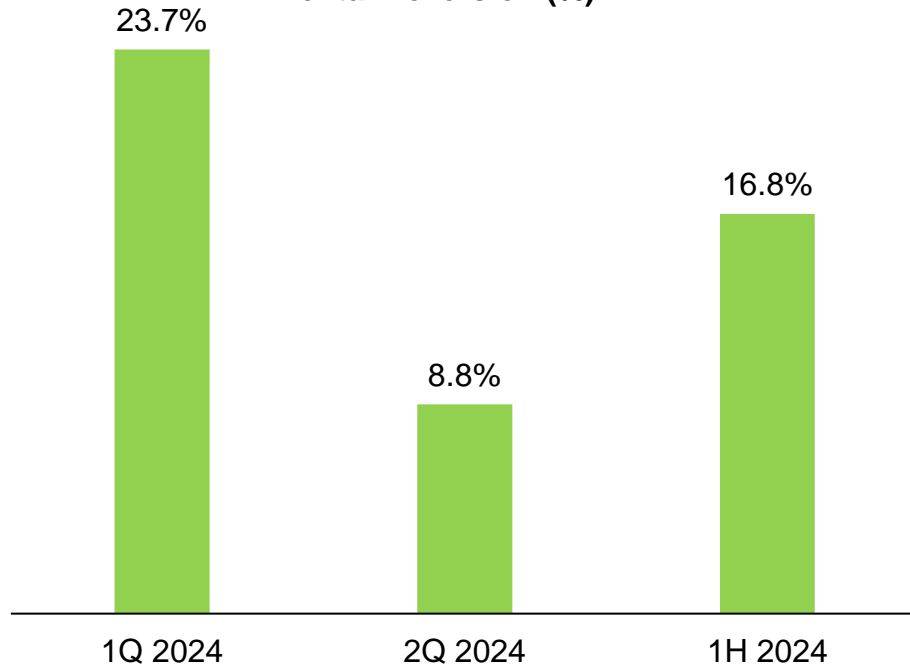
Lease Expiry by Gross Rental Income as at 30 June 2024



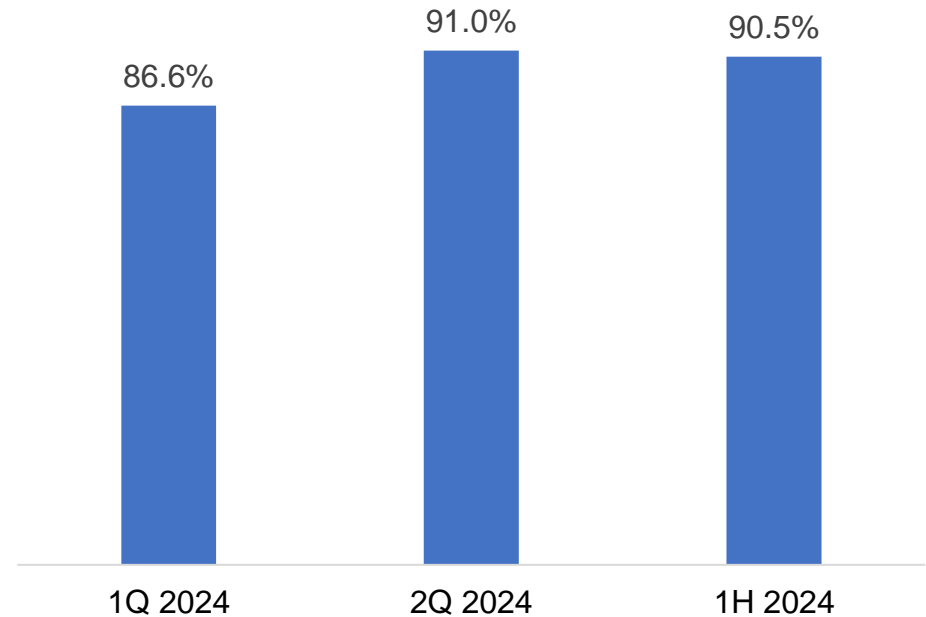
LEASING UPDATE

	1Q 2024	2Q 2024	1H 2024
Renewal (sq ft) (No. of Leases)	137,511 (14)	83,777 (15)	221,288 (29)
New Leases (sq ft) (No. of Leases)	1,915 (3)	45,907 (10)	47,822 (13)

Rental Reversion (%)

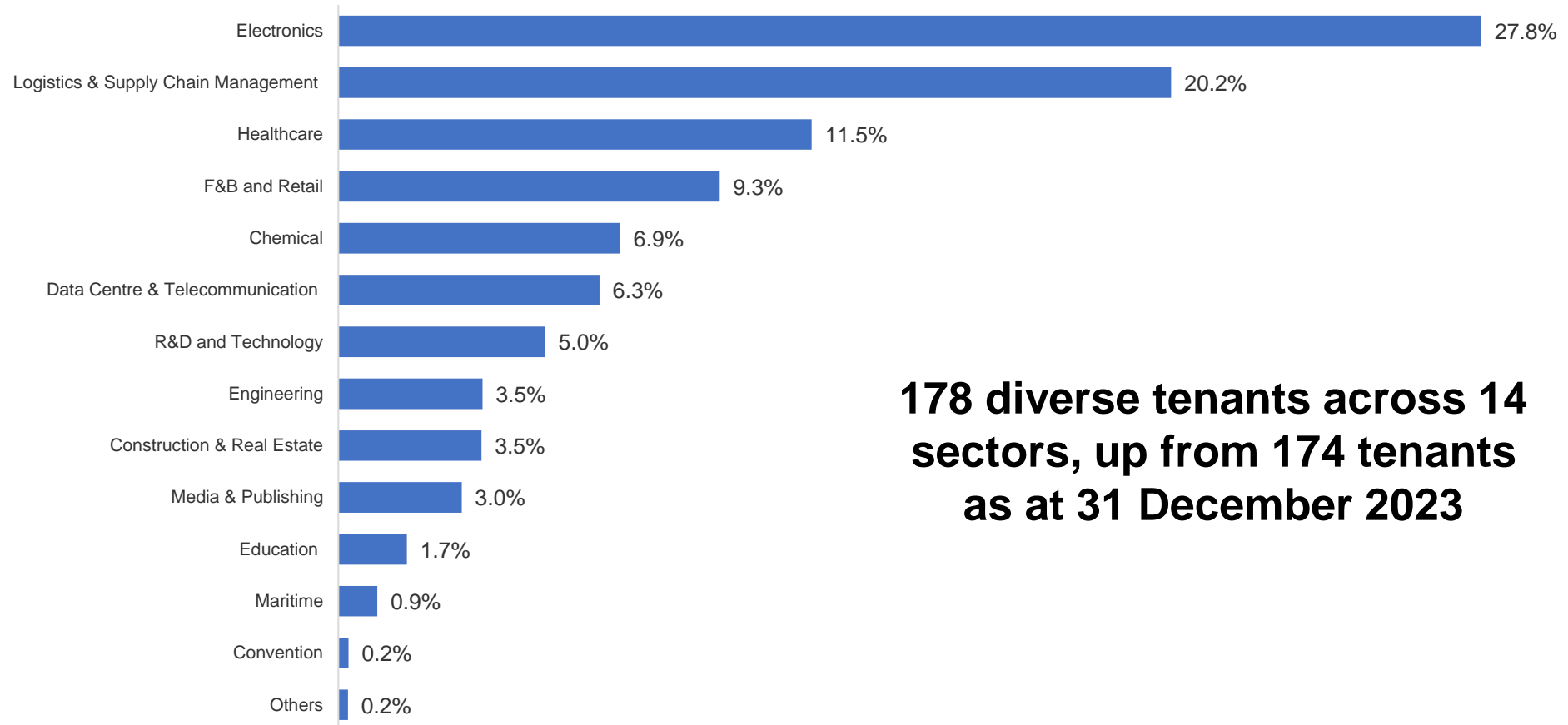


Retention Rate (%)



DIVERSE BASE OF TENANTS

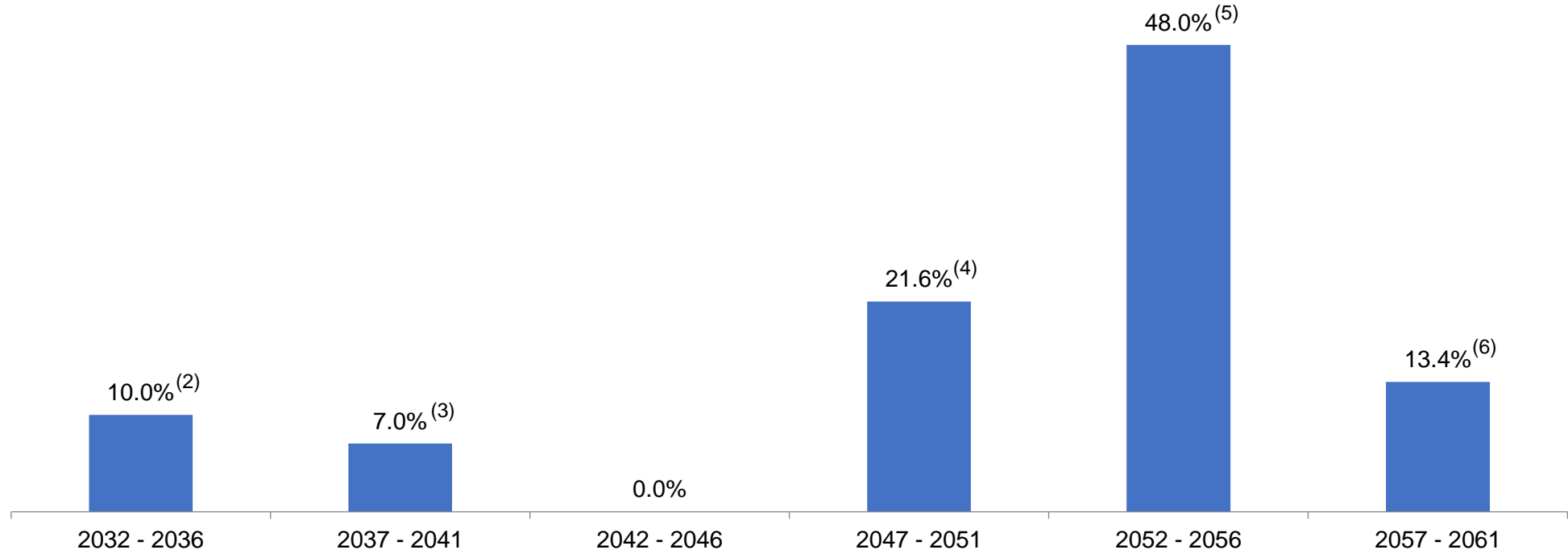
**Trade Sectors By Gross Rental Income
as at 30 June 2024**



178 diverse tenants across 14 sectors, up from 174 tenants as at 31 December 2023

LONG WEIGHTED AVERAGE LEASEHOLD FOR UNDERLYING LAND

Long underlying land leases, with an average of 26.9 years by GFA



Percentage of unexpired land lease term by GFA⁽¹⁾

(1) As at 30 June 2024

(2) 34 Penjuru Lane

(3) 18 Gul Drive & 123 Genting Lane

(4) 1 Tuas Ave 4, 3A Joo Koon Circle, 33 & 35 Penjuru Lane & 10 Changi South Street 2

(5) 39 Ubi Road 1, 26 Loyang Drive, 21 Joo Koon Crescent, 51 Penjuru Road, 151 Lorong Chuan, 30 & 32 Tuas Avenue 8, 23 Serangoon North Avenue 5 & 2 Toh Tuck Link

(6) 8 Commonwealth Lane, 508 Chai Chee Lane & 15 Jalan Kilang Barat

05
Market
Outlook &
Strategy



Market Outlook & Strategy

Singapore Economic Outlook

- Singapore's Ministry of Trade and Industry¹ ("MTI") reported that Singapore's economy grew by 2.9 per cent y-o-y in 2Q 2024, extending the 3.0 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.4 per cent, slightly faster than the 0.3 per cent in the first quarter.
- According to The Monetary Authority of Singapore ("MAS"), both headline and core inflation are projected to average between 2.5% and 3.5% for 2024².

Industrial Property Outlook

- Overall occupancy rate for the industrial property market fell 0.3 percentage points to 88.7% in 1Q 2024 when compared to the previous quarter, driven by a surplus of supply over demand, according to JTC. Occupancy rate of business parks in 1Q 2024 was 78.0%, compared to 78.4% in 4Q 2023³.
- According to Knight Frank, the return of growth in the manufacturing sector will underpin stability for the outlook for the industrial and logistics market. Key industrial indicators such as prices, rents and occupancy levels are expected to remain relatively stable across the various industrial property types for the rest of the year⁴.

Sabana Industrial REIT

- With macroeconomic conditions remaining uncertain, global interest rates staying at elevated levels and operating costs remaining a key concern, these factors will put pressure on the REIT's performance.
- The Manager will focus on proactive lease and portfolio management and prudent capital management as it navigates these uncertainties and challenges.
- The Manager would like to draw attention to the Rule 704(5) announcement that states that the Independent Auditor's Review Report has included an emphasis of matter in respect of a material uncertainty that may cast significant doubt on the Group's and Sabana Industrial REIT's ability to continue as a going concern depending on the outcome of the internalisation exercise⁵.

Sources:

- (1) "Singapore's GDP Grew by 2.9 Per Cent in the Second Quarter of 2024", Ministry of Trade and Industry Singapore. 12 July 2024.
- (2) "MAS Monetary Policy Statement - April 2024". Monetary Authority of Singapore. 12 April 2024.
- (3) "JTC Quarterly Market Report for 1Q 2024". JTC. 25 April 2024.
- (4) "Singapore Industrial and Logistics Market Update - Q1 2024". Knight Frank. 12 April 2024.
- (5) This shall be read in conjunction with the "Announcement Pursuant to Rule 704(5) of the Listing Manual" that is available on <https://sabana.listedcompany.com/newsroom.html>.

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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.

33 & 35 PENJURU LANE

- The REIT successfully obtained summary judgment on **5 April 2024** against Kleio on the REIT's claim for outstanding rent and other payments due under the lease; the REIT also successfully obtained an order for the dismissal of Kleio's counterclaim in OC 788 in its entirety. The Court had also ordered Kleio to pay the REIT its legal costs arising out of these applications¹.
- On **19 April 2024**, the REIT Manager updated that Kleio had filed a notice to appeal against the Court orders made on 5 April 2024²
- On **21 May 2024**, the REIT Manager updated that the Court had, amongst others, dismissed Kleio's appeal against the Court orders made on 5 April 2024³
- Kleio filed a notice of appeal on **4 June 2024**⁴ to the Appellate Division of the High Court to appeal against part of the orders made by the court on **21 May 2024**. This appeal is presently before the Appellate Division and the REIT Manager will provide updates on the outcome in due course
- Subsequent to 30 June 2024, circa 42% of total lettable area has been leased out and one month booking fee received for circa 27% of total lettable area; property has been converted from a single-tenanted building to a multi-tenanted building

30 & 32 TUAS AVENUE 8

- The tenant, GDMC Pte. Ltd. has been placed in creditors' voluntary liquidation⁵; The Tenant had about 8.5 years left on the lease at the point of notification of provisional liquidation on **10 June 2024**
- Since the commencement of the lease, the Tenant has been prompt in its rental payments throughout 2023 and has met its full rental obligations up to the month of April 2024
- Manager is taking legal advice and will take active steps to mitigate any losses
- Repossession of premises completed; site viewings have been conducted by prospective tenants

1 to 4: Please refer to SGXNet announcements on 5 April 2024, 19 April 2024, 21 May 2024 and 6 June 2024

5: Please refer to SGXNet announcements on 11 June 2024 and 14 June 2024