



AIMS APAC REIT

FY2021: First Quarter Financial Results Ended 30 June 2020
Results Presentation

23 July 2020

Important notice

Disclaimer

This Presentation is focused on comparing actual results for the financial period from 1 April 2020 to 30 June 2020 (“1Q FY2021”) versus actual results year-on-year (“y-o-y”) and quarter-on-quarter (“q-o-q”). This Presentation shall be read in conjunction with AIMS APAC REIT’s (“AA REIT” or the “Trust”) results for 1Q FY2021 as per the SGXNet Announcement.

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HIGHLIGHTS FOR 1Q FY2021

Highlights for 1Q FY2021

> 1

Resilient Financial Performance

- DPU performance: 2.00 cents per Unit for the quarter¹
- Gross revenue of S\$27.2 million was S\$1.0 million lower than the preceding quarter primarily due to:
 - An estimated provision for waiver of rent for eligible tenants under the Singapore rental relief framework for SMEs of approximately S\$2.6 million
 - The expiry of the master lease for the property at 541 Yishun Industrial Park A on 2 April 2020
- Net property income decreased by S\$1.9 million from the preceding quarter to S\$18.6 million, mainly due to lower gross revenue and higher property operating expenses.

¹ DPU maintained q-o-q compared to 4Q FY2020 of 2.00 cents, decreased 20.0% y-o-y compared to 1Q FY2020.

Highlights for 1Q FY2021 (cont'd)

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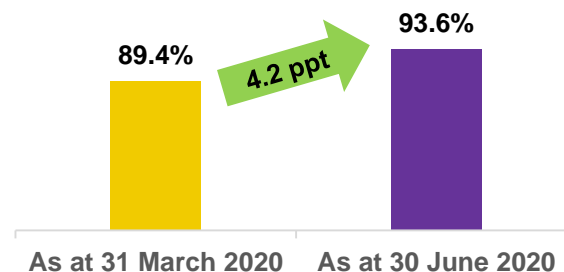
Active lease management

- Executed 20 new and renewal leases in 1Q FY2021, representing 76,998 sqm
- Portfolio occupancy increased to 93.6%¹ mainly due to the additional leases secured at 20 Gul Way and 27 Penjuru Lane due to strong demand for Logistics and Warehouse space during 1Q FY2021 in the midst of the ongoing COVID-19 pandemic

Total Net Lettable Area



Portfolio Occupancy



A high quality, sustainable and stable portfolio

- Inclusion in the MSCI Singapore Small Cap Index²
 - Allows for higher trading liquidity and visibility among global institutional investors, diversify the investor base and maximise value creation for AA REIT's Unitholders over the long term

1 Considerably above JTC 1Q 2020 industrial average of 89.2%.

2 More information about the MSCI Global Small Cap Index is available on the MSCI website at <https://www.msci.com/>

Highlights for 1Q FY2021 (cont'd)

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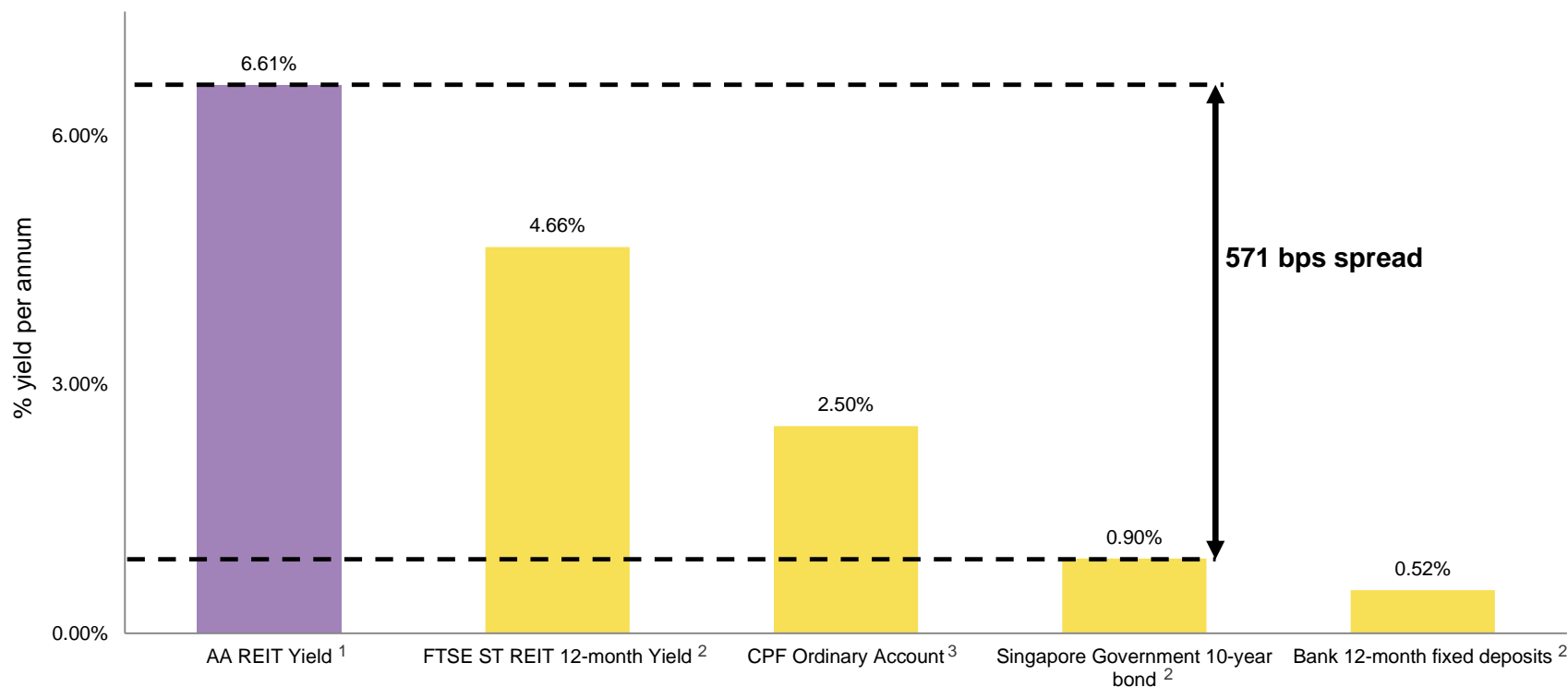
Prudent Capital Management

- Aggregate leverage is at 35.4%¹.
- Overall blended funding cost of 3.3% with 81.1% of the portfolio's interest rates fixed taking into account interest rate swaps and fixed rate notes.
- On 9 July 2020, AA REIT and its indirect wholly-owned trust, AA REIT Macquarie Park Investment Trust entered into a supplemental agreement with existing lenders to refinance the facilities due in 2020 with a new four-year term loan facility of S\$100.0 million and a new three-year term loan facility of A\$32.5 million.
- Weighted average debt maturity of 2.2 years¹. Post refinancing, weighted average debt maturity (on a pro forma basis) will increase to **3.1 years**, with no debt due until November 2021.

¹ As at 30 June 2020.

Attractive return on investment

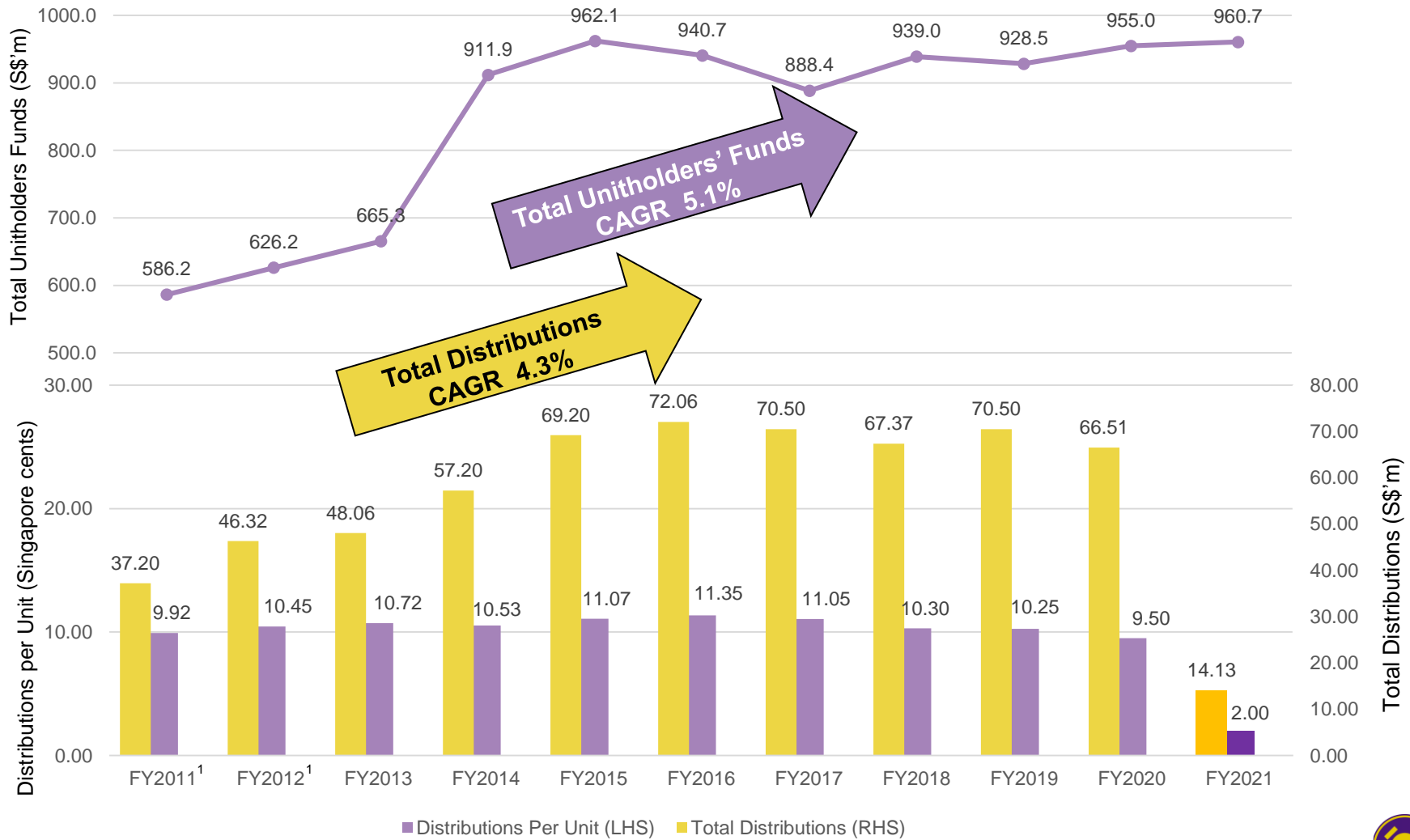
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- 1 Based on closing price of S\$1.21 on 22 July 2020 and annualised FY2021 DPU of 8.00 cents. Annualised DPU is computed based on actual DPU payout for the first quarter of FY2021 and annualised to the full year.
- 2 Source: Bloomberg data as at June 2020.
- 3 Prevailing CPF Ordinary Account interest rate.

Total distribution and unitholders' funds since FY2011

> 1



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

1Q FY2021 FINANCIAL RESULTS

Distribution details

> 2

| Stock counter | Distribution period | DPU (cents) |
|------------------------------|----------------------------------|--------------------|
| AIMS APAC Reit Code: O5RU | For 1 April 2020 to 30 June 2020 | 2.00 |

| Distribution Period | For 1 April 2020 to 30 June 2020 |
|---------------------------------|---|
| Ex-date | 3 August 2020, 9.00am |
| Record date | 4 August 2020, 5.00pm |
| Return of Tax Declaration Forms | 24 August 2020, 5.00pm |
| Distribution payment date | 17 September 2020 |

1Q FY2021 Results

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| | 1Q FY2021 S\$'000 | 4Q FY2020 S\$'000 | Q-o-Q % | 1Q FY2020 S\$'000 | Y-o-Y % |
|---|----------------------|----------------------|------------|----------------------|------------|
| Gross Revenue¹ | 27,240 | 28,218 | (3.5) | 30,589 | (10.9) |
| Net Property Income¹ | 18,629 | 20,513 | (9.2) | 22,941 | (18.8) |
| Share of profits of joint venture (net of tax)^{1,2} | 3,315 | 4,323 | (23.3) | 3,374 | (1.7) |
| Distributions to Unitholders³ | 14,134 | 14,134 | - | 17,371 | (18.6) |
| DPU (cents) | 2.00 | 2.00 | - | 2.50 | (20.0) |
| DPU yield⁴ (%) | 6.6 | | | | |

- 1 Please refer to section 8 of the unaudited financial statement for explanation of the variances. 1Q FY2021 gross revenue and net property income included an estimated provision for waiver of rent for eligible tenants under the Singapore rental relief framework for SMEs of approximately S\$2.6 million.
- 2 The share of profits of joint venture (net of tax) comprised contribution from the Group's 49.0% interest in Optus Centre. 4Q FY2020 included share of revaluation surplus of S\$1.2 million from the valuation of Optus Centre.
- 3 The Manager resolved to distribute S\$14.1 million for 1Q FY2021, comprising (i) taxable income of S\$10.9 million from Singapore operations; and (ii) tax-exempt income and capital distribution of S\$3.2 million remitted from the Group's investment in Optus Centre, Macquarie Park, NSW, Australia and Boardriders Asia Pacific HQ in Gold Coast, Queensland, Australia. AA REIT's distribution policy is to distribute at least 90.0% of the Trust's Singapore taxable income for the full financial year. For 1Q FY2021, the Manager has resolved to distribute 95.5% of the Singapore taxable income available for distribution to the Unitholders.
- 4 Based on closing price of S\$1.21 on 22 July 2020 and annualised DPU of 8.00 cents. Annualised DPU is computed based on actual DPU payout for the first quarter of FY2021 and annualised to the full year.

Balance sheet

> 2

| | As at 30 June 2020 | As at 31 March 2020 |
|-------------------------------------|-----------------------|------------------------|
| Total Assets (S\$m) | 1,687.3 | 1,648.9 |
| Comprising (S\$m): | | |
| - Investment properties | 1,379.8 | 1,366.8 |
| - Joint venture | 278.7 | 252.8 |
| - Trade and other receivables | 8.7 | 8.9 |
| - Cash and cash equivalents | 20.1 | 20.4 |
| Total Liabilities (S\$m) | 726.6 | 693.9 |
| Net Assets (S\$m) | 960.7 | 955.0 |
| NAV per Unit (S\$) | 1.36 | 1.35 |
| Total Debt ¹ (S\$m) | 562.1 | 541.9 |
| Aggregate Leverage ² (%) | 35.4 | 34.8 |

1 Excluding unamortised loan transaction costs.

2 Total debt as a % of total assets. Right-of-use assets and lease liabilities were excluded from the computation of aggregate leverage.

Key financial metrics for 1Q FY2021

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| | 1Q FY2021 | 4Q FY2020 |
|--------------------------------------|---|---|
| Portfolio Value ¹ | S\$1,557.5 million | S\$1,526.7 million |
| Market Capitalisation ² | S\$855.1 million | S\$826.8 million |
| NAV per Unit | S\$1.36 | S\$1.35 |
| Share Price ² | S\$1.21 | S\$1.17 |
| Discount to NAV ² | (11.0)% | (13.3)% |
| Aggregate Leverage ³ | 35.4% | 34.8% |
| Interest Coverage Ratio ⁴ | 3.8 times | 4.0 times |
| Weighted Average Debt Maturity | 2.2 years (3.1 years post refinancing on a pro forma basis) ⁵ | 2.4 years (3.3 years post refinancing on a pro forma basis) ⁵ |

- 1 Based on the book value of investment properties as well as the 49.0% interest in the book value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets.
- 2 Based on the units outstanding and closing price of S\$1.21 on 22 July 2020 and S\$1.17 on 11 May 2020.
- 3 Total debt as a % of total assets. Right-of-use assets and lease liabilities were excluded from the computation of aggregate leverage.
- 4 Based on Interest Coverage Ratio (ICR) definition in Appendix 6 of the Code on Collective Investment Schemes (last revised on 16 April 2020). For the purpose of the computation, interest expense include borrowing costs on lease liabilities.
- 5 In July 2020, AA REIT executed a supplemental agreement with its lenders to refinance the facilities due in 2020 with a new four-year term loan facility of S\$100 million and a new three-year term loan facility of A\$32.5 million.

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PRUDENT CAPITAL MANAGEMENT

Debt facilities as at 30 June 2020

> 3

Secured SGD borrowings

- Total secured facility of **S\$345.0 million** comprising:
 - 4-year term loan facility of S\$100.0 million, maturing in August 2020¹
 - 4-year revolving credit facility of S\$120.0 million, maturing in November 2021
 - 4-year term loan facility of S\$125.0 million, maturing in July 2022

Secured AUD borrowings

- Secured AUD borrowings as natural hedge for the investments in Australia.
- Total secured facility of **A\$261.2 million** comprising:
 - 3-year offshore term loan facility of A\$65.0 million, maturing in November 2020¹
 - 3-year revolving credit facility of A\$65.0 million, maturing in June 2022
 - 5-year term loan facility of A\$110.0 million, maturing in July 2023
 - 5-year term loan facility of A\$21.2 million, maturing in July 2024

¹ In July 2020, AA REIT executed a supplemental agreement with its lenders to refinance the facilities with a new four-year term loan facility of S\$100.0 million and a new three-year term loan facility of A\$32.5 million. AA REIT has adequate undrawn available facilities to repay the balance A\$32.5 million term loan due in November 2020 that was not refinanced.

Debt facilities as at 30 June 2020 (cont'd)

> 3

Unsecured borrowings

- S\$50.0 million 5-year fixed rate notes at 3.60% maturing in March 2022
- S\$100.0 million 5-year fixed rate notes at 3.60% maturing in November 2024 (maiden issuance under the S\$750 million Multicurrency Debt Issuance Programme established in November 2018)

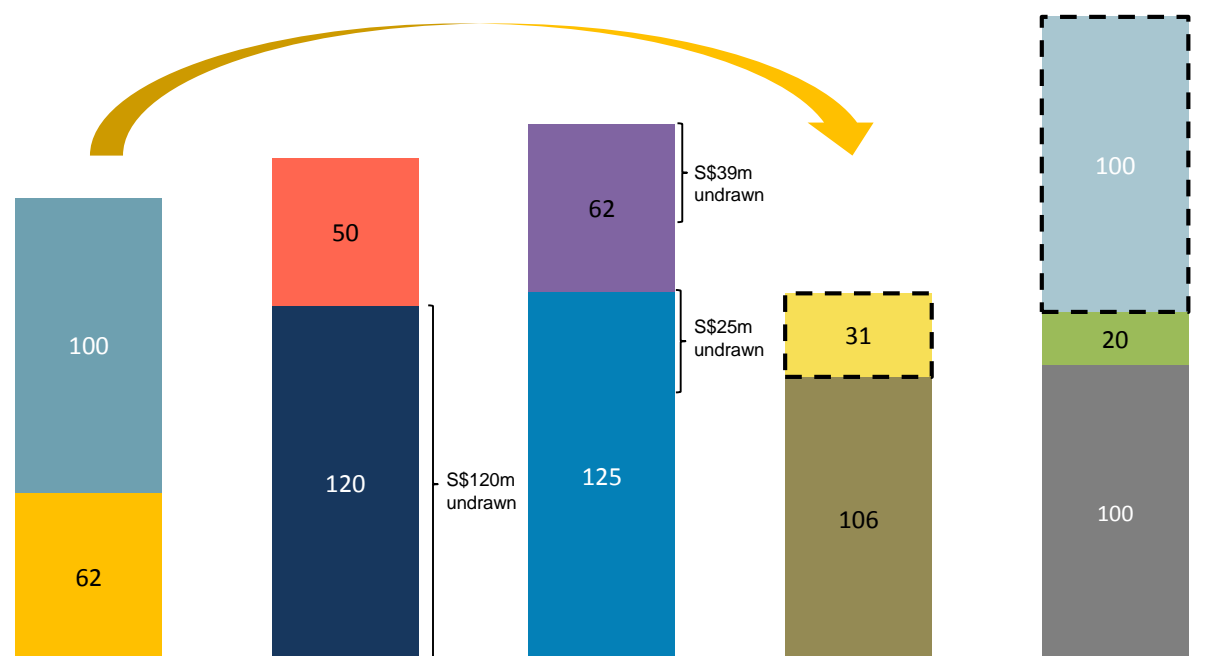
Summary

- Overall blended funding cost of 3.3%
- 81.1% of the portfolio's interest rate is fixed taking into account interest rate swaps and fixed rate notes
- In July 2020, AA REIT executed a supplemental agreement with its lenders to refinance the facilities with a new four-year term loan facility of S\$100.0 million and a new three-year term loan facility of A\$32.5 million
- Weighted average debt maturity of 2.2 years. Post refinancing, weighted average debt maturity (on a pro forma basis) will increase to 3.1 years
- No further debt due till November 2021

Debt facilities as at 30 June 2020 (cont'd)

> 3

Effect of refinancing the existing facilities due in Aug 2020 and Nov 2020 *



| Maturity date | S\$'m |
|-------------------------------------|--------------|
| Due in August 2020 (FY2021) | 100.0 |
| Due in November 2020 (FY2021) | 62.4 |
| Due in March 2022 (FY2022) | 50.0 |
| Due in June 2022 (FY2023) | 23.7 |
| Due in July 2022 (FY2023) | 100.0 |
| Due in July 2023 (FY2024) | 105.7 |
| Due in July 2024 (FY2025) | 20.3 |
| Due in November 2024 (FY2025) | 100.0 |
| Total debt drawn down | 562.1 |
| Undrawn available facilities | 183.8 |
| Total committed facilities | 745.9 |

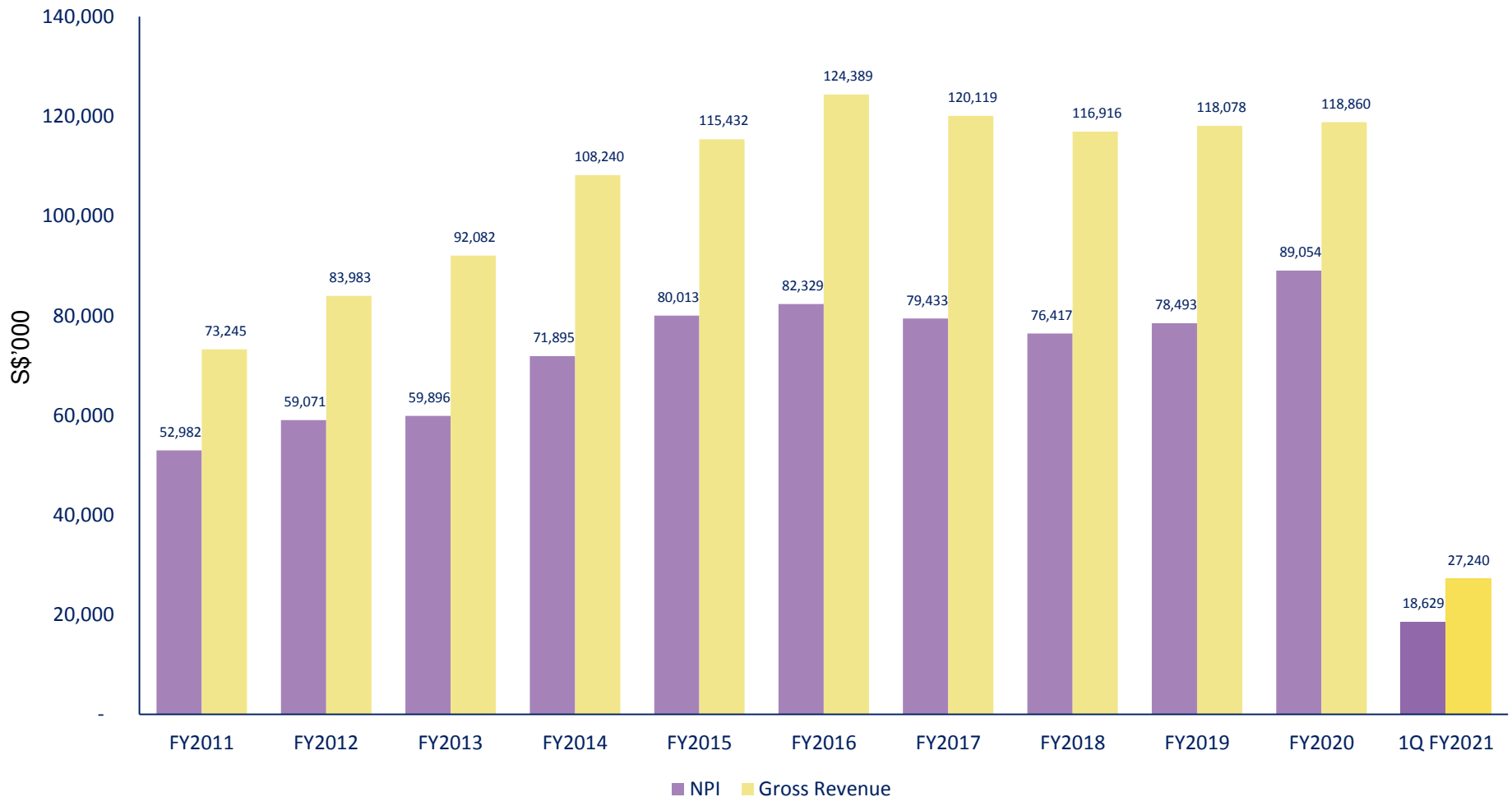
* AA REIT has adequate undrawn available facilities to repay the balance A\$ term loan due in November 2020 that was not refinanced.

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PORTFOLIO PERFORMANCE

Revenue performance since FY2011

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Key portfolio statistics

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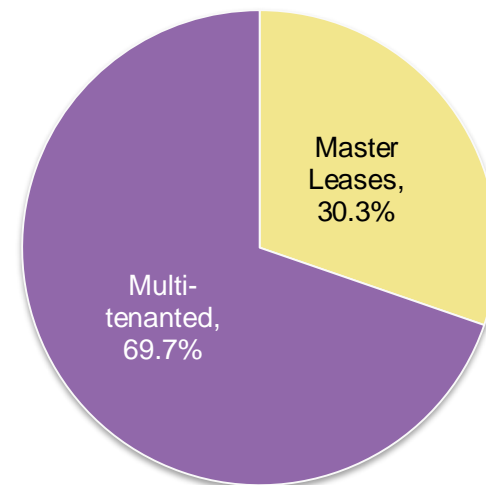
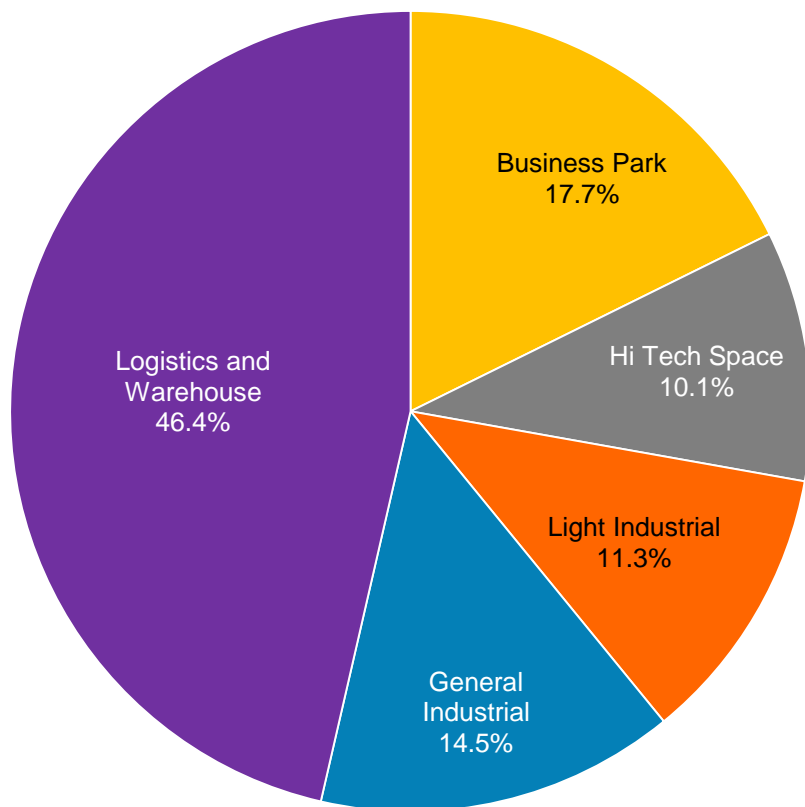
| | As at 30 June 2020 | As at 31 March 2020 |
|---|-----------------------|------------------------|
| Number of Properties | 27 | 27 |
| Portfolio Value (S\$ million) ¹ | 1,557.5 | 1,526.7 |
| Net Lettable Area (sqm) | 672,069 | 671,191 |
| Number of Tenants | 193 | 192 |
| Portfolio Occupancy (%) | 93.6 | 89.4 |
| Weighted Average Lease Expiry (WALE) (years) ² | 4.41 | 4.30 |
| Weighted Average Land Lease Expiry (years) ³ | 36.6 | 36.9 |
| Location of Properties | Singapore, Australia | Singapore, Australia |

- 1 Based on the book value of investment properties as well as the 49.0% interest in the book value of Optus Centre, Macquarie Park, NSW, Australia and excluding right-of-use assets.
- 2 Computation included forward committed leases. Excluding forward committed leases, the WALE is 2.56 years as at 30 June 2020 and 2.59 years as at 31 March 2020.
- 3 For the calculation of the weighted average land lease, AA REIT's interest in the freehold properties, Optus Centre and Boardriders Asia Pacific HQ, have been assumed as 99-year leasehold interests.

Portfolio breakdown

By 1Q FY2021 gross rental income

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Occupancy (%)

| | |
|------------------------------------|------|
| Total Portfolio (27 properties) | 93.6 |
| Master Leases ^{1,2} | 94.1 |
| Multi-tenanted ¹ | 93.5 |

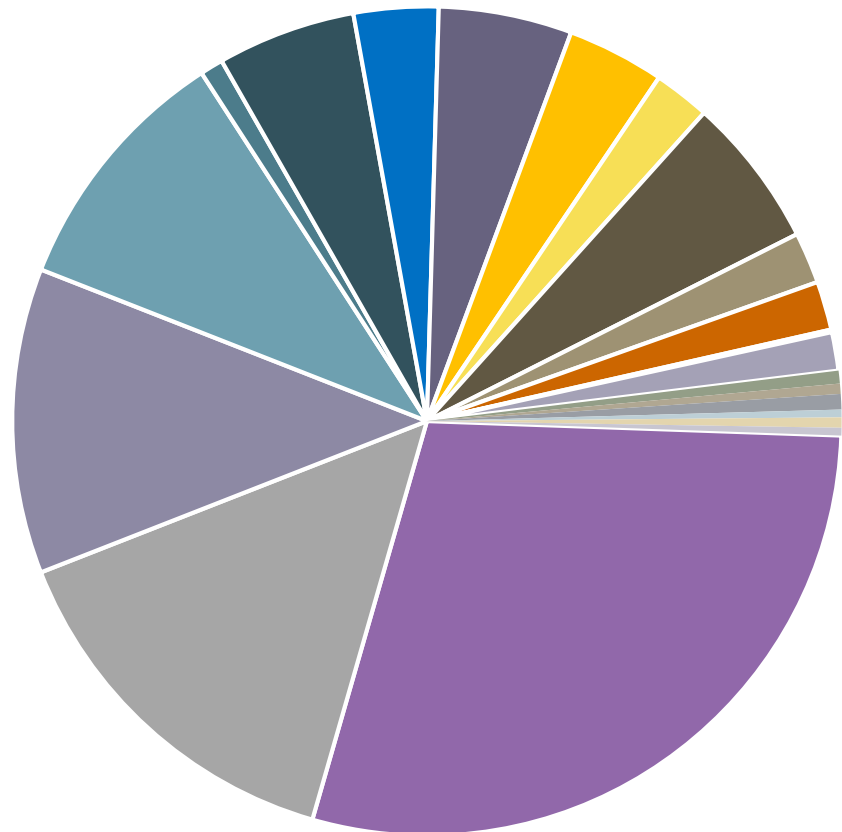
- 1 30 Tuas West Road is partially under master lease and multi-tenanted.
- 2 Master lease at 541 Yishun Industrial Park A expired on 2 April 2020.

Diversified tenant / industry base^{1,2}

> 4

(By 1Q FY2021 Gross Rental Income)

- Logistics, 28.9%
- Telecommunication, 14.6%
- Engineering, 11.9%
- Biotech / Life Sciences, 9.9%
- Infrastructure, 0.9%
- Consumer products, 5.4%
- IT & Electronics, 3.3%
- Fashion and Apparels, 5.2%
- FMCG, 3.8%
- Furniture, 2.2%
- Pharmaceutical/Healthcare/Cosmetics, 5.9%
- Self-storage, 2%
- Data Centre, 1.9%
- Plastic Products and Distribution, 0.1%
- Testing and certification, 1.5%
- F&B, 0.5%
- Paper & Printing, 0.4%
- Design and marketing, 0.6%
- Others / Services, 0.3%
- Education, 0.4%
- Energy, 0.3%



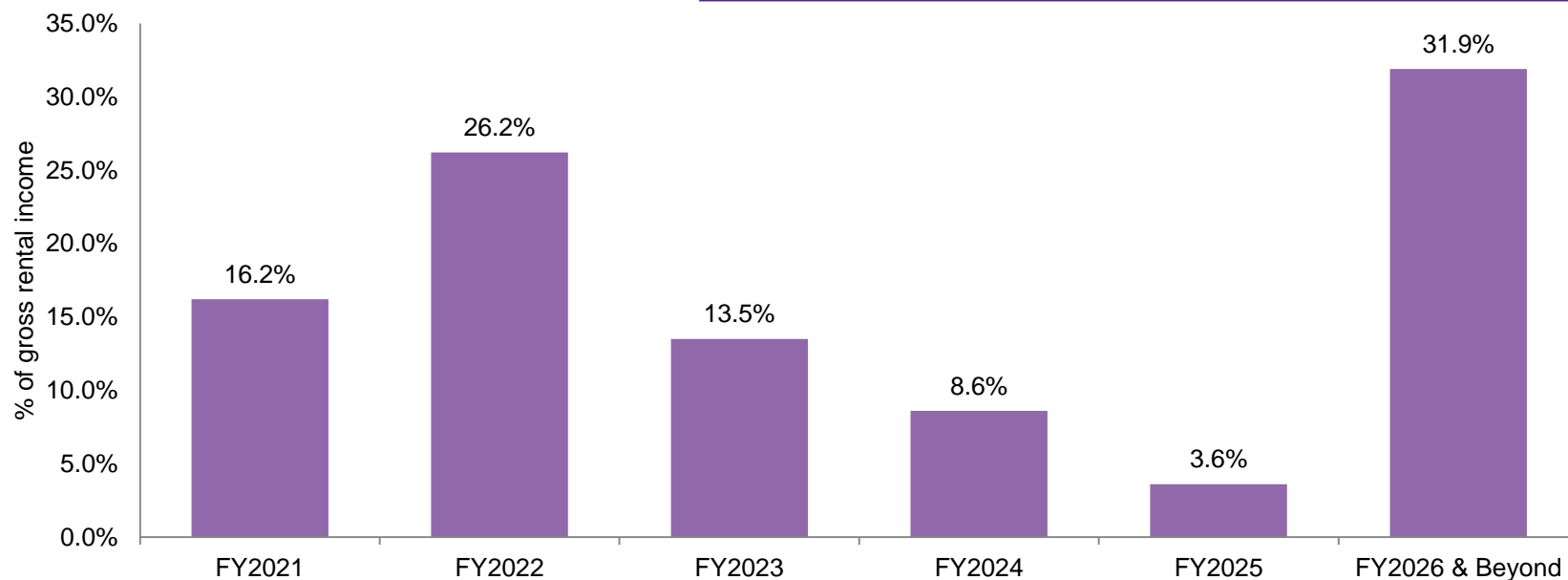
- 1 Tenant base expanded by 29.5% over the last 24 months (193 as at 30 June 2020 vs 149 tenants as at 30 June 2018).
- 2 More than 50% of tenants operate in the essential services.

Active lease management

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Lease Expiry Profile as at 30 June 2020
(By 1Q FY2021 Gross Rental Income)

| | 1Q FY2021 | sqm | % of total NLA |
|--|-----------|--------|----------------|
| Total new leases signed | 11 | 37,162 | 5.5 |
| Total renewal leases signed ¹ | 9 | 39,836 | 5.9 |



¹ Weighted average rental decrease for renewal leases was 9.0%.

Quality tenant base

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Top 10 tenants by 1Q FY2021 Gross Rental Income

| Tenant | % |
|--|-------------|
| Optus Administration Pty Limited | 14.1 |
| Illumina Singapore Pte Ltd | 9.9 |
| Schenker Singapore (Pte) Ltd | 5.1 |
| Beyonics International Pte Ltd | 4.4 |
| Resmed Asia Pte Ltd | 3.7 |
| Focus Network Agencies (Singapore) Pte Ltd | 3.2 |
| GSM (Operation) Pty Ltd | 3.1 |
| CWT Pte Ltd* | 3.0 |
| C & P Logistics Solutions Pte Ltd | 2.0 |
| CIT Cosmececutical Pte Ltd | 2.0 |
| Top 10 tenants | 50.5 |

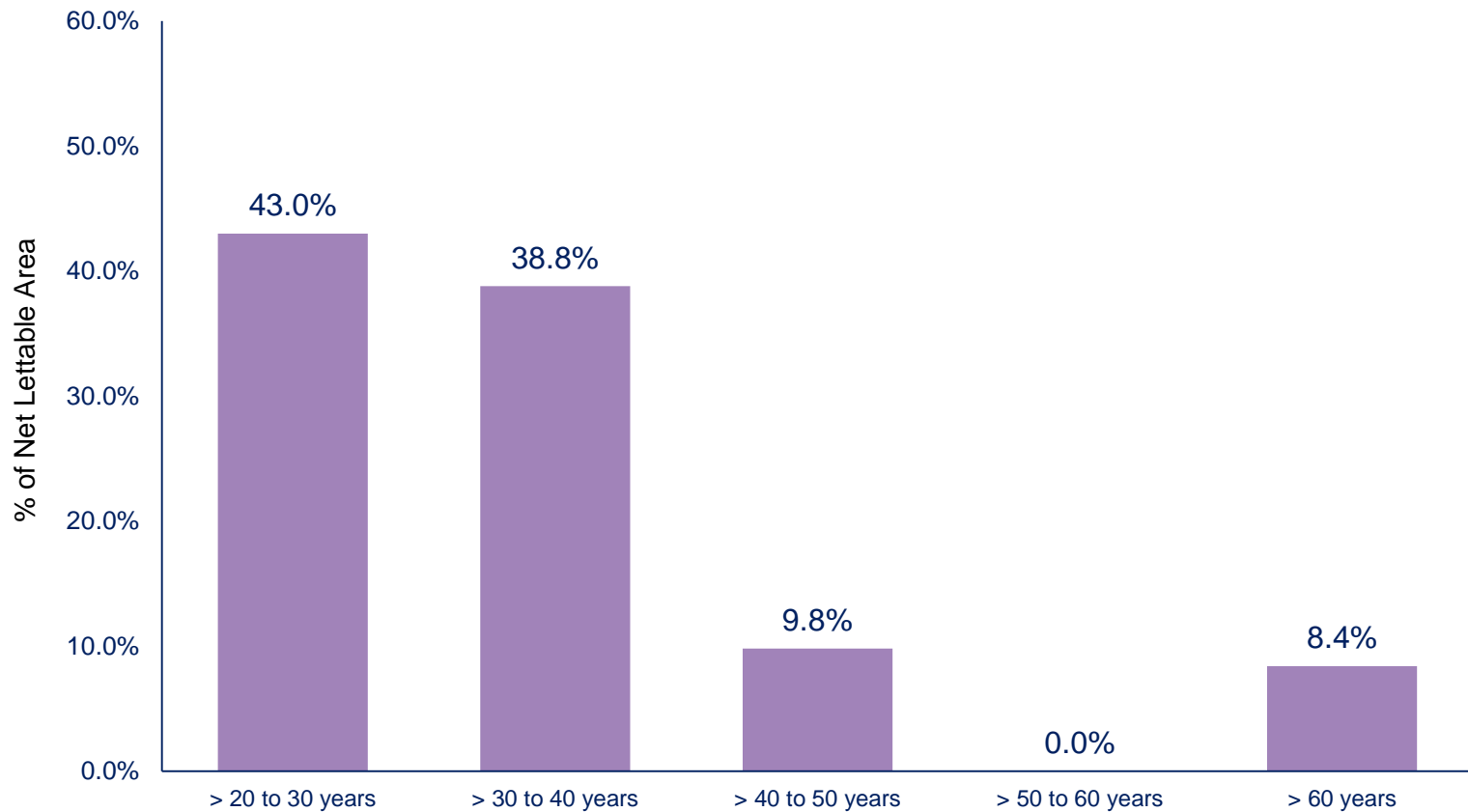


* Exposure to CWT leases will be further reduced due to the expiries of the CWT lease agreements. Approximately 2.8% of AA REIT's 1Q FY2021 gross rental income from the CWT lease agreements will expire in FY2021, with the final CWT lease agreement expiring in July 2021 (FY2022).

Long land lease expiry – 36.6 years

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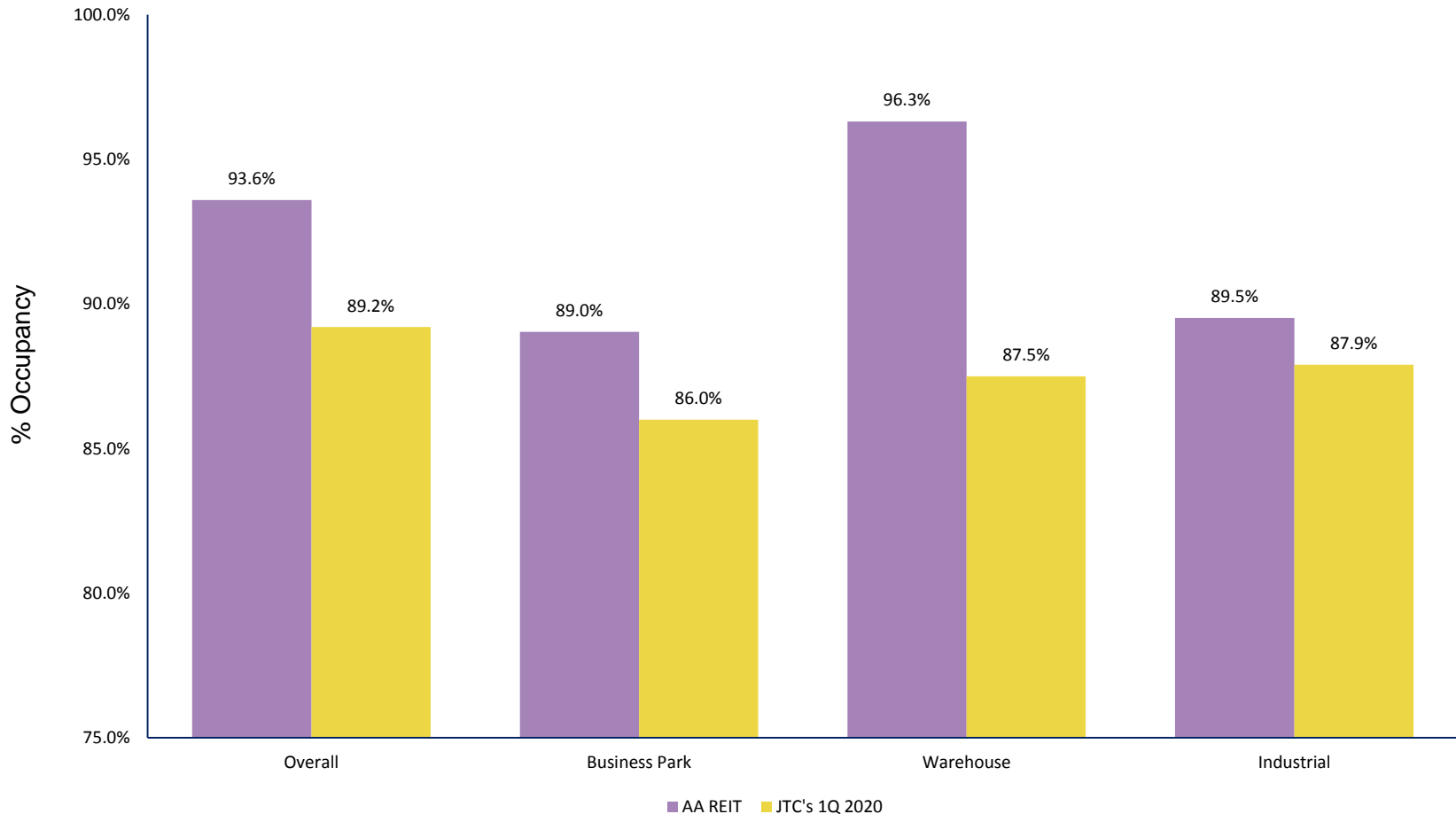
The weighted average unexpired land lease* was 36.6 years as at 30 June 2020



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

Comparisons to Singapore's industrial average occupancy levels

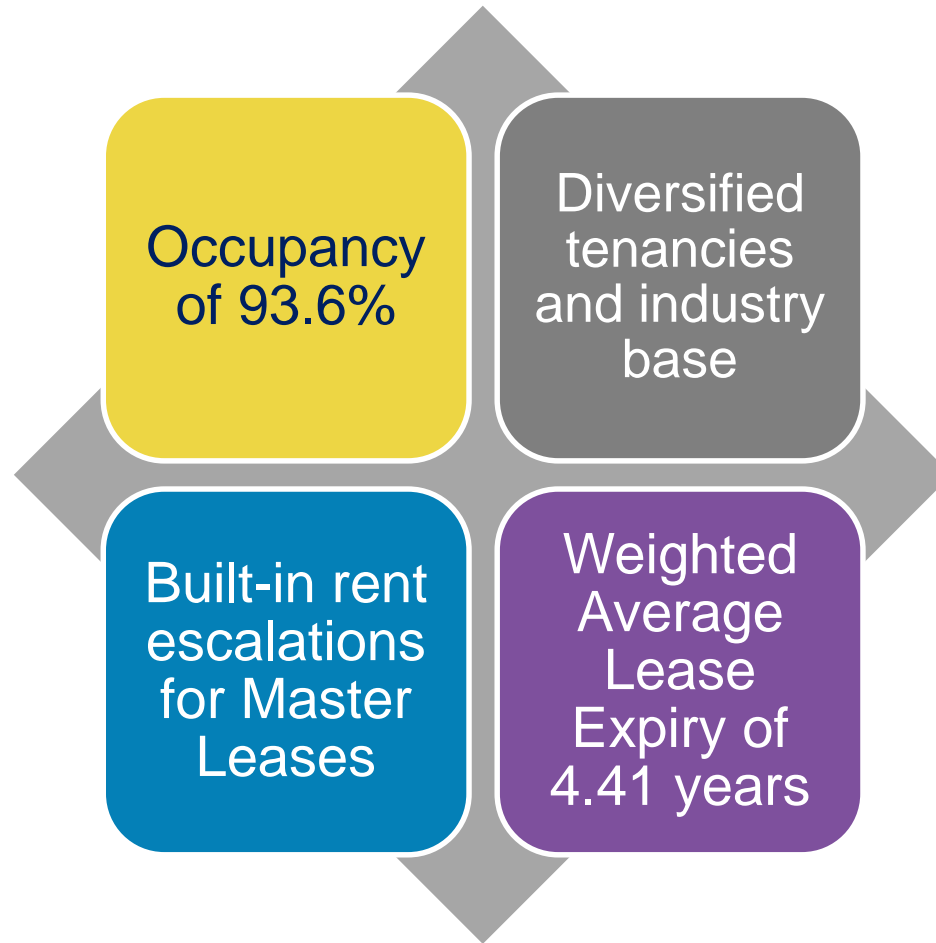
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Source: Based on JTC's 1st Quarter 2020 statistics.

Portfolio summary

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MARKET OUTLOOK AND STRATEGY

Market Update and Outlook

> 5

Macro Environment

- The ongoing COVID-19 outbreak has caused a severe disruption to the global economy, affecting different sectors of the economy to varying degrees, including Singapore and Australia.
- While many countries have successfully contained the spread of COVID-19 and gradually eased lockdown restrictions, there remains a significant degree of uncertainty of a second wave of infection as the situation is fluid and subject to change on an ongoing basis.

Singapore Economy

- The COVID-19 community infection rates have remained generally stable and the country moved into Phase Two of re-opening on 19 June 2020, permitting the resumption of most activities.
- The Ministry of Trade and Industry, taking into account the significant deterioration in the economic environment as well as the expected economic impact of the Circuit Breaker measures, has downgraded Singapore's gross domestic product (GDP) growth forecast for 2020 to between -7.0% to -4.0%, from -4.0% to -1.0%.

Industrial Sector

- Based on JTC 1Q 2020 statistics, the occupancy rate of Singapore's overall industrial property market was unchanged at 89.2% compared to the previous quarter.
- For the next three quarters of 2020, around 2.1 million sqm of industrial space originally estimated to be completed, would likely be delayed due to the disruption in construction activities caused by the ongoing COVID-19 situation.

Looking Ahead

- The COVID-19 situation is still evolving and further measures may be put in place by the authorities in Singapore and Australia. The Manager remains vigilant and will continue to proactively manage the portfolio to protect its long-term value for Unitholders.

Strategy

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Portfolio growth

To pursue accretive investment opportunities in Singapore and Australia.

Pursue development and/or built-to-suit opportunities.

Active asset and leasing management

Continual focus on proactive asset and lease management.

Unlocking value of selected asset(s) within the portfolio through asset enhancement.

Prudent capital and risk management

Prudent capital management by substantially hedging interest rate exposure.

Diversified sources of capital and staggered debt maturities.

Potential opportunities within AA REIT's portfolio

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**A large proportion of current portfolio have under-utilised plot ratios;
with potential organic opportunities.**



2 Ang Mo Kio Street 65



8 Senoko South Road



11 Changi South Street 3



10 Changi South Lane



3 Toh Tuck Link



7 Clementi Loop



541 Yishun Industrial Park A



Potential untapped GFA \approx 502,707 sqft

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UPDATES ON COVID-19

Resilience of the Portfolio

> 6

Diversified tenant base

- AA REIT's portfolio is backed by a diversified tenant base, with 193 tenants across 27 properties in Singapore and Australia operating in a broad range of industries, and a well-balanced mix of both multi-tenanted and master leased properties.
- The REIT's portfolio has displayed resilience amid the COVID-19 outbreak and as Singapore transitioned to Phase Two of re-opening, its tenants are allowed to recommence business operations.
- Singapore portfolio remains resilient as leases to logistics companies are handling Singapore's stockpile of essential items.
 - Increase in demand for industrial space, especially for logistics and warehouse facilities, largely driven by the e-commerce trends which have accelerated during the COVID-19 period.
- Most tenants are still prompt in their rental payment.
 - As at 30 June 2020, there are no significant long outstanding debts and no significant provision for doubtful debts.

Property tax rebate and rent waiver

> 6

Property tax rebate – Singapore Government’s Resilience Budget

- Qualifying non-residential properties will be granted an enhanced property tax rebate for the period of 1 January 2020 to 31 December 2020. The applicable rebate is 30% for premises used for an industrial purpose or business park.
- AA REIT has passed on the property tax rebate to prescribed lessees or licensees within the prescribed timeframe.

Singapore Government’s Fortitude Budget

- From end-July 2020, the Inland Revenue Authority of Singapore will issue notices of cash grants and disburse the Government cash grant, as part of the Fortitude Budget, to qualifying property owners and AA REIT will provide rental waiver to its eligible tenants within the prescribed time frame.
- In addition, AA REIT was also obligated to grant one month’s waiver of rent (Landlord’s Rent Waiver), to be applied for the month of May 2020, to eligible Small and Medium Enterprise tenants. In view of this requirement, a provision for Landlord’s Rent Waiver of approximately S\$2.6 million was included for AA REIT’s Singapore portfolio in its first quarter results ended 30 June 2020.



Awarded Gold Awards for Excellence in Corporate Governance, Social Responsibility and Investor Relations at The Asset Corporate Awards 2019



Awarded Shareholder Communications Excellence Award at the 18th Investors' Choice Awards 2017



Awarded Best Investor Relations Company and Asia's Best CEO in Singapore at the 6th Asian Excellence Awards 2016



Awarded the Honours Award in Traditional Annual Report at the 2018 ARC Awards

Thank you

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