



1Q FY2024 Business Update

27 July 2023



AIMS
AA REIT



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Agenda

1. 1Q FY2024 Key Highlights
2. Financial Performance
3. Capital Management
4. Portfolio Highlights
5. Sustainability Progress
6. Outlook & Strategy





1

1Q FY2024

Key Highlights

Woolworths Headquarters, Australia

1Q FY2024 Key Highlights

Robust Balance Sheet with Strong Leasing Momentum

Financial Highlights

Revenue

S\$43.2 million

+4.5% y-o-y

Net Property Income

S\$32.3 million

+4.2% y-o-y

Distributions to Unitholders

S\$17.2 million

+5.1% y-o-y

DPU

2.310 Singapore cents

+1.3% y-o-y

Asset Management

Portfolio Occupancy

98.1%

30 June 2022: 97.9%

Weighted Average Lease Expiry

4.3 years

30 June 2022: 4.9 years

Rental Reversion¹

+38.0%

1Q FY2023: +9.5%

Tenant Retention Rate²

68.0%

1Q FY2023: 82.5%

Capital Management

Gearing ratio

32.9%

30 June 2022: 37.0%

Weighted average debt maturity

3.0 years

30 June 2022 : 3.8 years

Borrowings on fixed rates³

87%

30 June 2022 : ~88%

Expected AUD distributable income hedged into SGD

69%

30 June 2022 : ~68%

Notes:

1. Rental reversion is computed based on the percentage change in the new rent over the prevailing rent of the expiring lease.
2. Based on renewed leases by net lettable area on a rolling 12-months basis.
3. Forward interest rate swaps are included.

1Q FY2024 Key Highlights

Advancing on Our Strategic Pillars

Active Asset Management

- Healthy leasing momentum and positive rent reversions with signing of 30 leases totalling 91,320 sqm
- Announced divestment of 541 Yishun Industrial Park A on 24 April 2023 at an 8.2% premium to latest valuation¹
- Conversion of multi-tenanted industrial building to a master tenanted building on triple-net lease
 - ✓ Property will be progressively leased to an advanced manufacturing company, on a total lease term of 10 years² with built-in rental escalations
 - ✓ With the shift to a master lease, the leasable area of the property will increase by ~16% and lead to incremental revenue

Prudent Capital & Risk Management

- Completed S\$100 million Equity Fund Raising (“EFR”) and fortified balance sheet in an uncertain environment (ongoing inflationary pressures, rising interest rates and geopolitical tensions)
 - ✓ Part of the use of proceeds will be used to fund two AEs in Singapore
 - ✓ Lower gearing provides headroom for the Manager to capture opportunities in a challenging market environment to deliver long-term sustainable returns for Unitholders
 - ✓ In the interim, the Manager had utilised the proceeds to repay existing debt facilities of S\$67 million³ expiring in FY2025

Notes:

1. Based on property valuation as at 31 March 2023.

2. From the initial take-up date.

3. In addition to the S\$67 million, on 6 July 2023 and 24 July 2023, the Manager announced that approximately S\$22 million and S\$8 million respectively, had been used to repay existing debts, pending the use of such amount in the manner set out under paragraph 3 (Use of Proceeds) of the announcement of AA REIT dated 1 June 2023 titled “Results of the Private Placement and Pricing of New Units under the Private Placement and the Preferential Offering” (the “Close of Private Placement Announcement”).

2 Financial Performance

20 Gul Way, Singapore



1Q FY2024 Financial Performance

Financial Highlights (S\$'000 unless otherwise stated)	1Q FY2024	1Q FY2023	Change (%)
Gross Revenue	43,151	41,301	+4.5
Net Property Income ("NPI")	32,301	30,990	+4.2
Distributions to Unitholders	17,177	16,348	+5.1
Applicable number of Units (million) ¹	809	717	+12.8
Distribution per Unit (Singapore cents)	2.310	2.280	+1.3

Note:

- The increase in number of Units was due to the Equity Fund Raising launched on 31 May 2023. The 57,660,000 units issued on 12 June 2023 in relation to the Private Placement and 25,376,361 units issued on 3 July 2023 in relation to the Preferential Offering were entitled to the distributions for the period from 12 June 2023 to 30 June 2023.

Distribution Details and Timetable

Stock Counter	Distribution Period	DPU Singapore Cents
AIMS APAC REIT Code: O5RU	For 1 April 2023 to 30 June 2023	<p style="text-align: center;">2.310</p> <p style="text-align: center;"><i>(Distribution of 1.800 Singapore cents based on 725,038,894 Units paid on 20 July 2023; Balance distribution of 0.510 Singapore cents based on 809,106,978 Units to be paid on 22 September 2023)</i></p>
Distribution Period for Balance Distribution		For Period 12 June 2023 to 30 June 2023
Ex-Date	4 August 2023, 9.00am	
Record Date	7 August 2023, 5.00pm	
Return of Tax Declaration Forms	25 August 2023, 5.00pm	
Distribution Payment Date for the Balance Distribution for Period 12 June 2023 to 30 June 2023	22 September 2023	

3 Capital Management

30 Tuas West Road, Singapore



Balance Sheet and Key Financial Indicators

Prudent gearing and resilient financial metrics

Balance Sheet (S\$'000)	As at 30 June 2023	As at 30 June 2022
Total Assets	2,391.0	2,376.7
Total Liabilities	926.7	1,002.7
Net assets	1,464.3	1,374.0
Net Asset Value per Unit (Singapore cents)	1.34	1.39

Key Financial Indicators	As at 30 June 2023	As at 30 June 2022
Aggregate Leverage ¹ (%)	32.9	37.0
Blended Debt Funding Cost ² (%)	3.9	2.7
Weighted Average Debt Maturity (years)	3.0	3.8
Interest Cover Ratio ("ICR") ³ (times)	3.6	5.0
Adjusted ICR ⁴ (times)	2.2	2.7
Fixed rate debt as % of total debt ⁵	87%	88%

Notes:

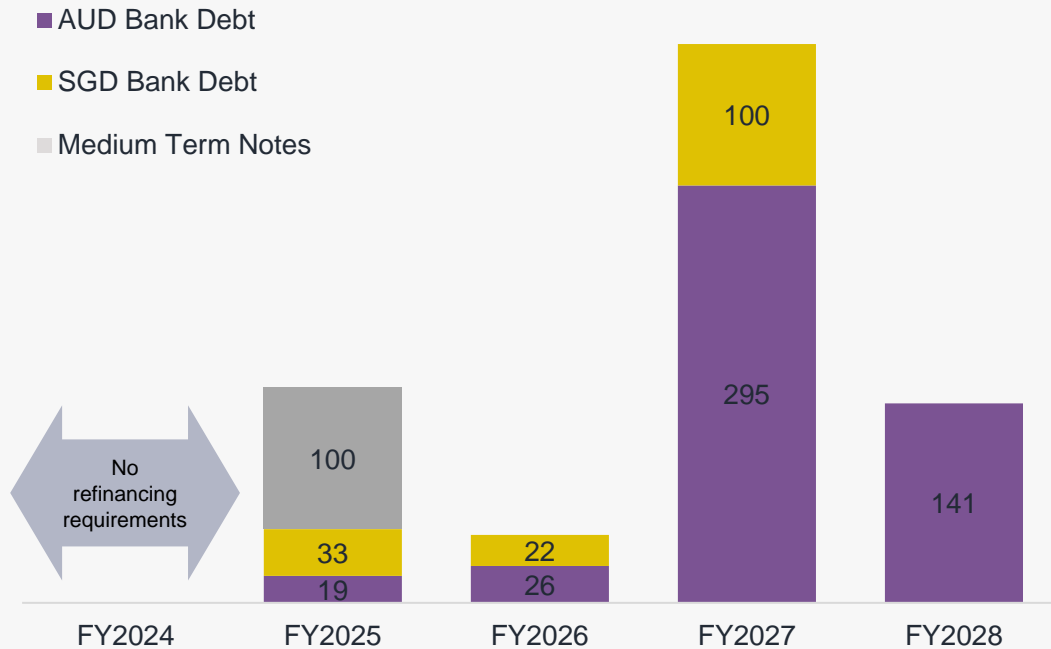
- Aggregate leverage ratio is computed as total borrowings as a percentage of total assets and includes lease liabilities that are entered into in the ordinary course of AA REIT's business on or after 1 April 2019 in accordance with MAS guidelines. The total borrowings excluded Perpetual Securities holders' funds.
- Based on year-to-date figures.
- The interest coverage ratio ("ICR") is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding effects of any fair value changes of derivatives and investment properties, foreign exchange translation), by the trailing 12 months interest expense and borrowing-related fees (excluding interest expense on lease liabilities and deferred consideration).
- The adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders.
- Include forward interest rate swaps. 30 June 2023: 81% of borrowings on fixed rates, 6% of borrowings on forward interest rate swaps (30 June 2022: 65% of borrowings on fixed rates, 23% of borrowings on forward interest rate swaps).

Disciplined and Prudent Capital Management

Fortified balance sheet with no refinancing requirements in FY2024

Debt Maturity Profile

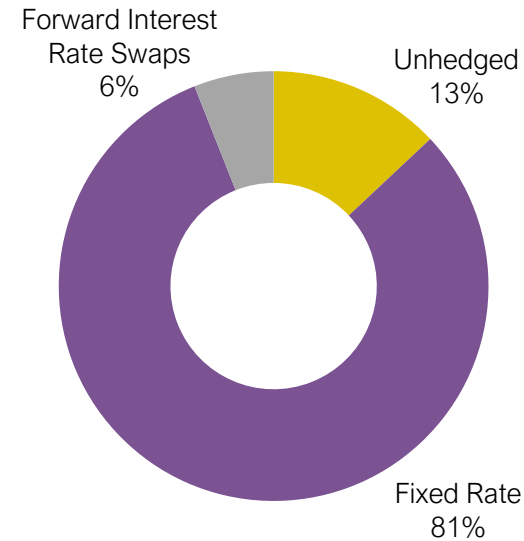
Total Gross Debt: S\$736 million



- No debt maturing through FY2024
- As at 30 June 23, gross proceeds from the EFR have been used to repay debt in FY2025 in the interim, pending deployment for the identified AEIs
- Undrawn committed facilities and cash and bank balances of S\$182.4 million

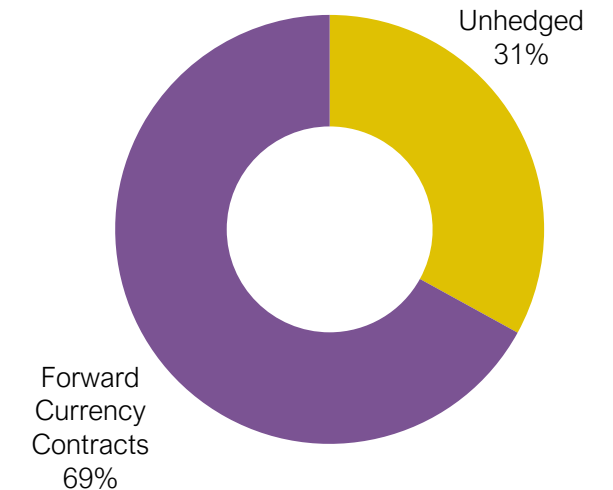
Interest Rate Risk Management

- 87% of borrowings on fixed rates and average fixed debt tenure of ~1.9 years (including forward interest rate swaps)
- Every 25 bps increase in interest rates is expected to have a 0.04 Singapore cents DPU impact per annum



Forex Risk Management

- 69% of expected AUD distributable income is hedged into SGD on a rolling four-quarter basis via forward currency contracts
- Natural hedging strategy adopted for Australian investments



4 Portfolio Highlights

7 Bulim Street, Singapore

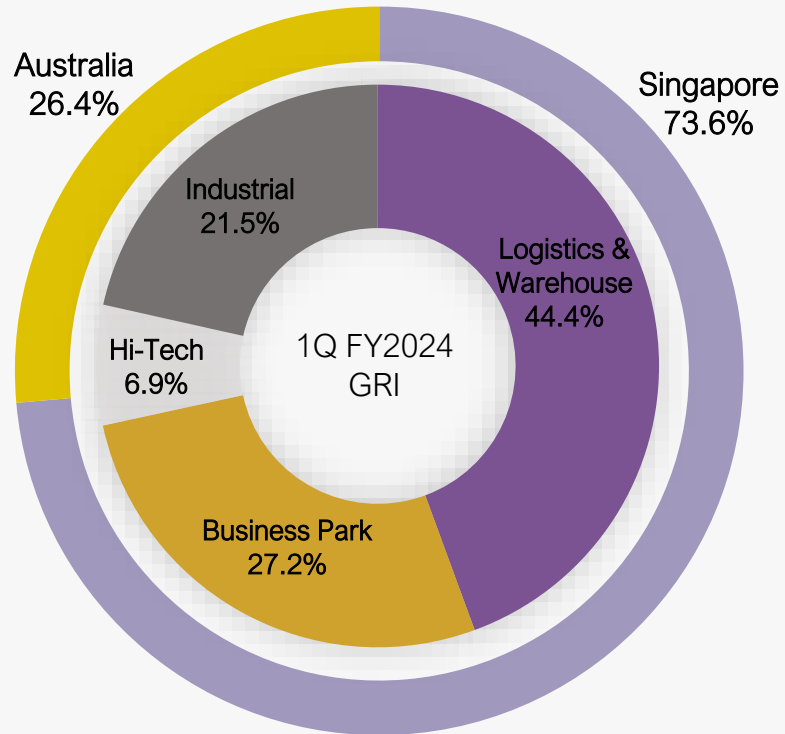


Well-Diversified Portfolio with Balanced Lease Structure

Rental growth complemented with income stability

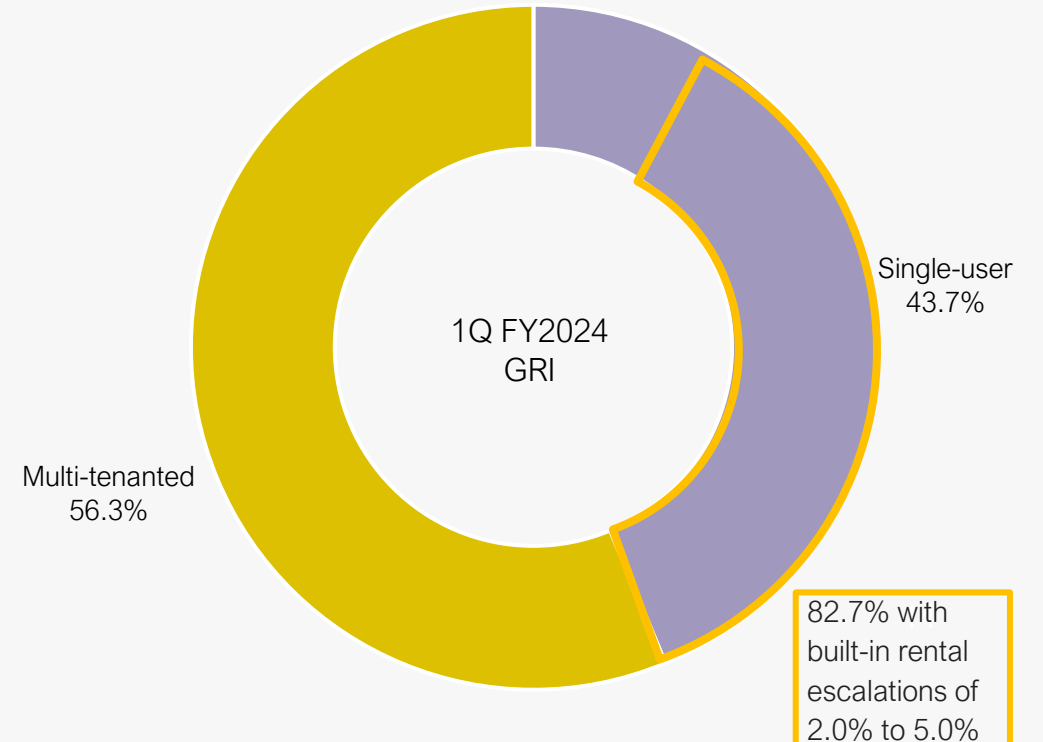
Well-diversified Portfolio by Sub-Sectors and Geography

- Anchored by high-quality Australian business parks and hi-tech space
- Supported by fast-growing logistics and warehouse segment
- 68% of leases (by GRI) have built-in escalations



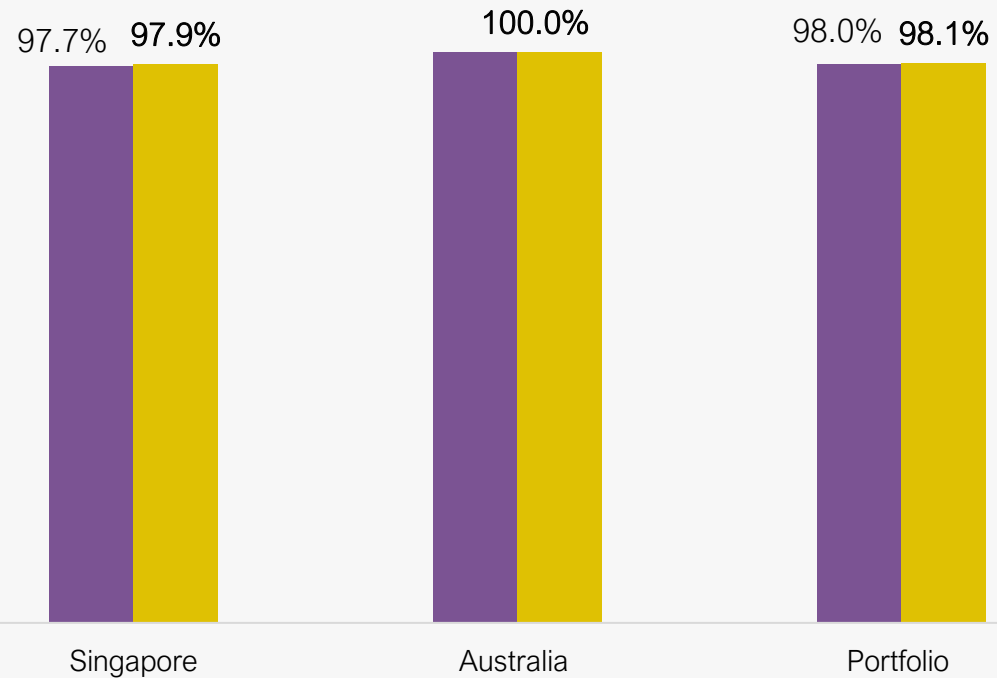
Well-balanced Lease Structure and Profile

- Majority of long-term leases in single-tenant properties have built-in escalations
- Multi-tenanted properties leases are marked to market upon renewal

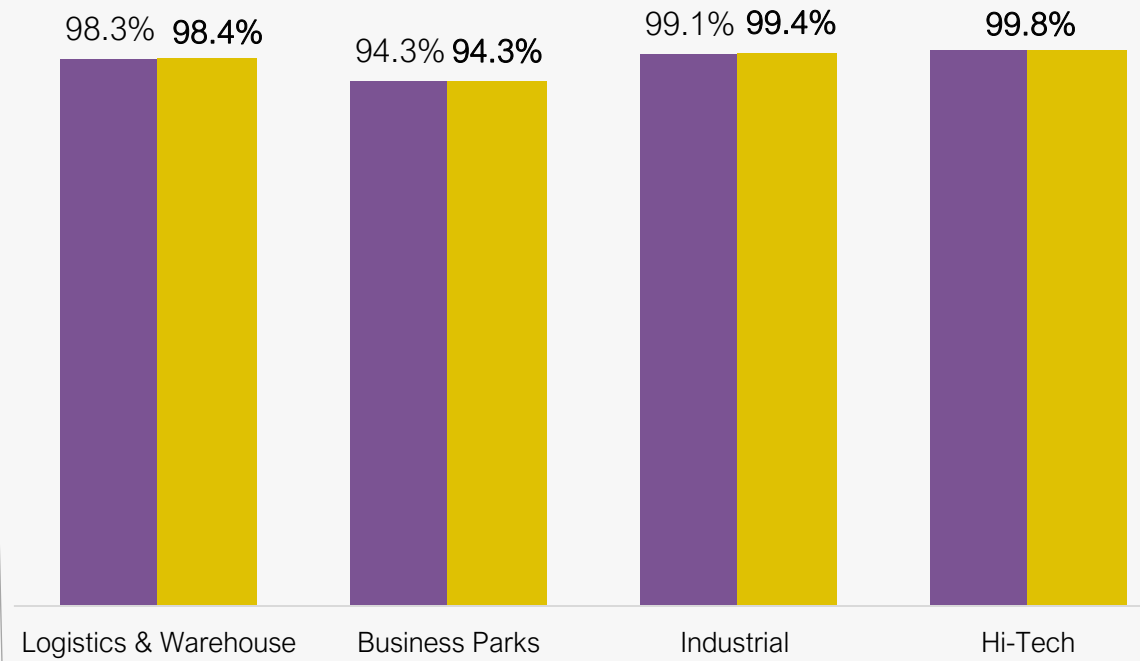


High Portfolio Occupancy Rate of 98.1%

Portfolio Occupancy by Geography



Occupancy Rate by Sub-Sectors



As at 31 Mar 2023 As at 30 Jun 2023

Delivered Strong Leasing Outcomes

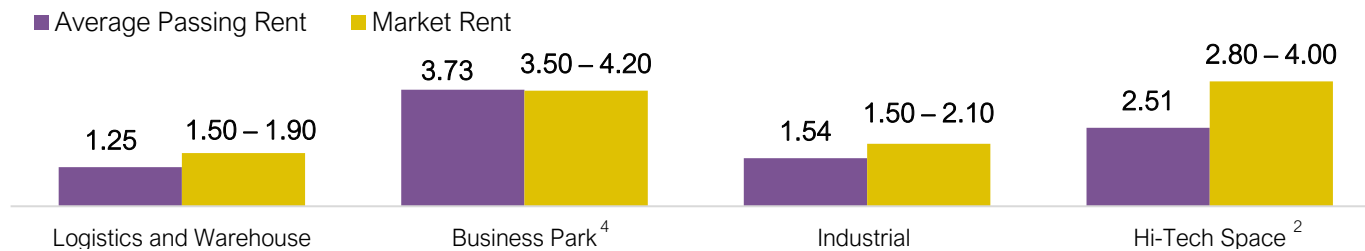
Robust rental reversion of 38.0% in 1Q FY2024

- Executed 9 new (31,294 sqm) and 21 renewal leases (60,026 sqm), totaling 91,320 sqm

% of rental reversion for renewed leases of Singapore assets¹

	1Q FY2024	4Q FY2023	1Q FY2023
Logistics & Warehouse	39.5	41.6	16.5
Industrial	18.6	23.0	3.4
Business Park	-5.4	-1.2	-2.2
Hi-Tech ²	-	-	-
Overall Portfolio	38.0	36.8	9.5

Potential for positive rent reversions for upcoming expiries as average passing rents < market rents^{1,3}



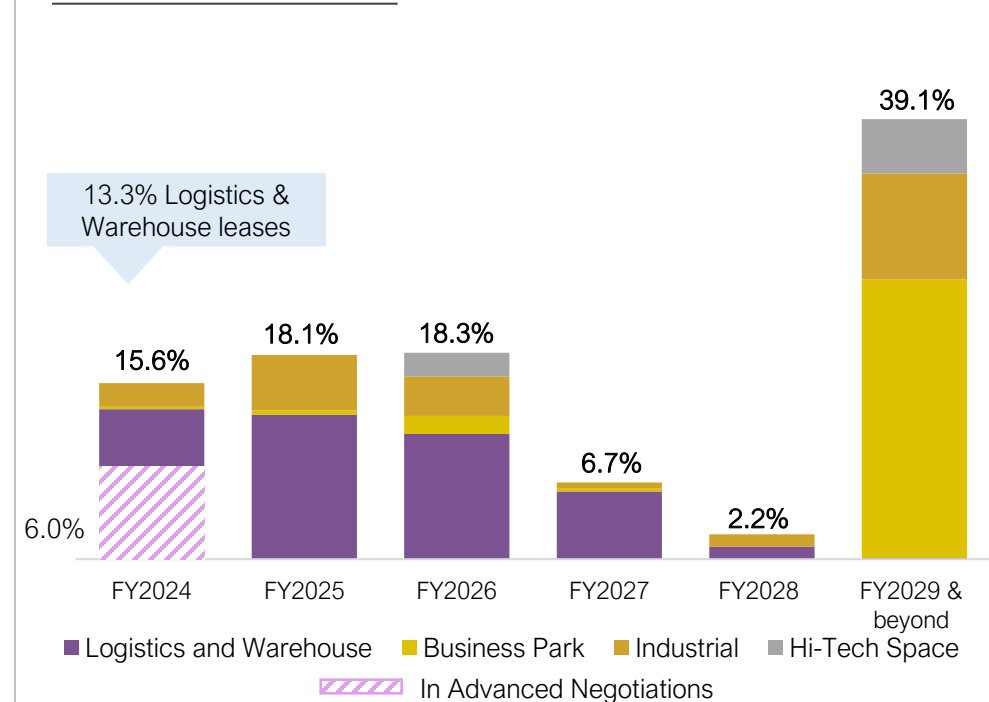
Select tenants (new and renewed leases) in 1Q FY2024



Notes:
 All references to "GRI" refers to gross rental income.
 1. Rental reversion, passing rents and market rents figures relate to Singapore properties as AA REIT's Australia properties are on long lease terms of between 8 to 10 years.
 2. Refers to one hi-tech building which is leased to a large corporate tenant on a long remaining lease term of 6.9 years.
 3. Market rents are based on Cushman & Wakefield Industrial Asking Rental Guide June 2023 and Management estimates.
 4. Rents in relation to Jurong area.

Lease expiry profile

Weighted by GRI



WALE by Sub-Sectors (years)

Portfolio WALE	Logistics & Warehouse	Business Park	Industrial	Hi-Tech
4.3	1.6	8.3	3.7	6.8

Diversified and High Quality Tenant Base

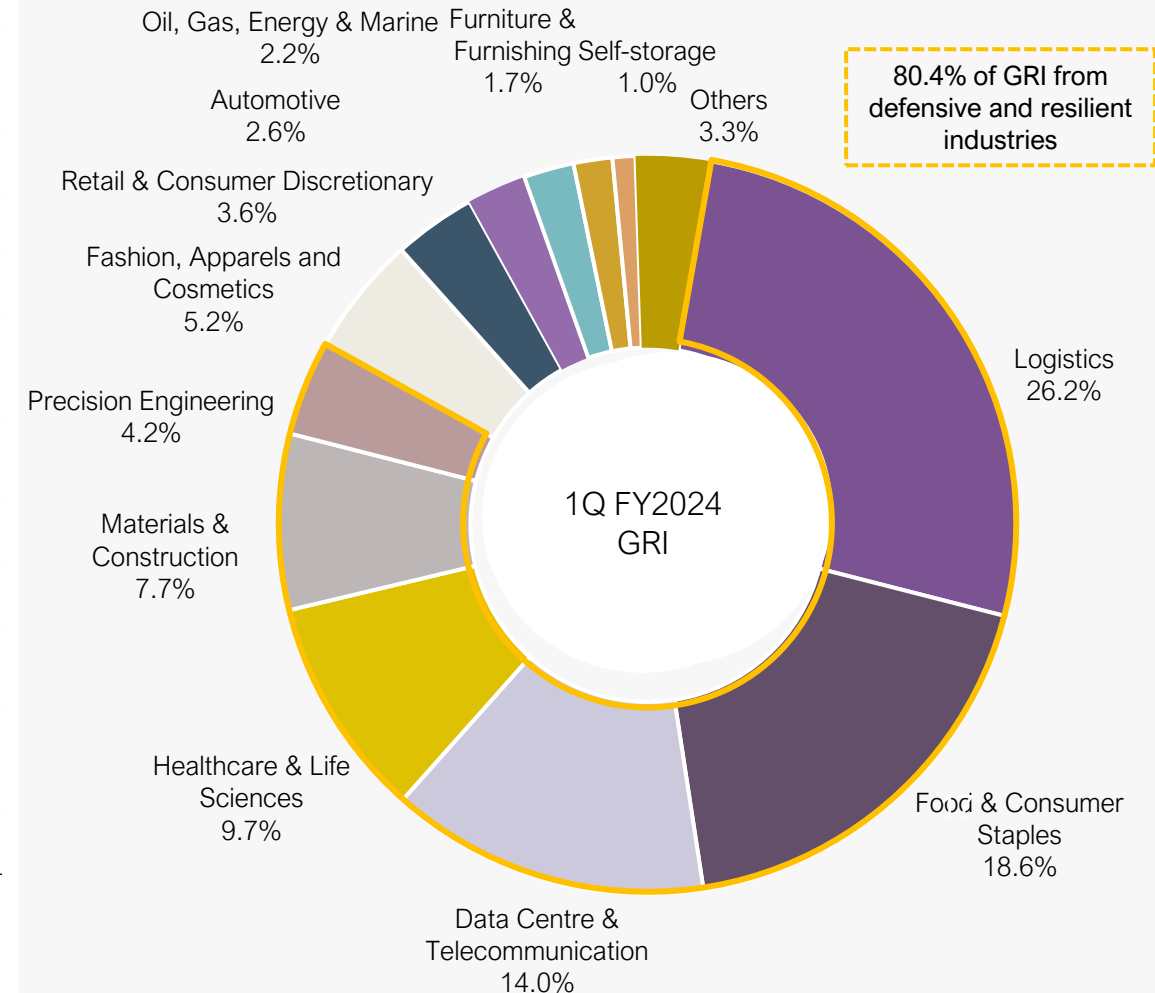
Stable growing income with 80.4% of GRI from tenants in defensive industries

No.	Tenant Name	% GRI	Trade Sector	Lease Expiry (Years)
1	Woolworths	14.3	Food & Consumer Staples	8.3
2	Optus	10.2	Telecommunications	10.0
3	Illumina Singapore	6.8	Life Sciences	6.9
4	KWE-Kintetsu World Express*	6.0	Logistics	0.5
5	Beyonics International	3.0	Precision Engineering	4.8
6	Schenker Singapore	2.8	Logistics	1.8
7	ResMed Asia	2.6	Healthcare	6.7
8	DHL Supply Chain Singapore	2.2	Logistics	1.5
9	Racks Central Pte Ltd	2.0	Data Centre	6.8
10	Boardriders	1.9	Fashion, Apparels & Cosmetics	8.0
Total		51.8		6.5

* In advanced negotiations on lease renewal for another 5 years

Note:
All references to "GRI" refers to gross rental income.

202 tenants diversified across trade sectors





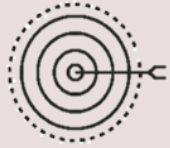
5 Sustainability Progress

30 Tuas West Road, Singapore

Sustainability Highlights

Progressively advancing our sustainability commitments

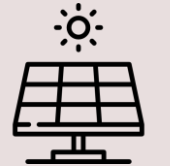
ESG Commitments



In-place sustainability framework and roadmap with measurable targets to assess progress



Commit to 42% reduction in Scope 2 emissions by base year) FY2030 (from FY2020 base year)



Generate 15,000 Mwh of solar energy annually by FY2025



Enhance disclosures on climate-related risks and opportunities

ESG Initiatives



Completed solar panel installation on 4 out of 6 properties in Singapore; will explore phase two of solar panel installations



LED lighting installations and energy-efficient air-conditioning systems in two Singapore properties



Evaluating the installation of EV charging stations at the REIT's properties



Introducing green fit-out manuals with green clauses and green procurement policy



30 Tuas West Road



8 Tuas Avenue 20



6 Outlook & Strategy

Optus Centre, Australia

Market Outlook in AA REIT's Key Markets

Singapore

Leasing activity remains resilient amid tight supply

- In the medium to long-term, Singapore remains an attractive hub for supply chain diversification for high value-added segments of the electronics industry
- Continues to attract pharmaceutical and life sciences companies as well as global multinational corporations to anchor their global or regional operations, and headquarters
- Leasing demand from third-party logistics (“3PLs”) providers, life sciences and food manufacturing segments remain active¹, with modern and high specifications properties leading growth
- Demand continues to outpace supply, but overall rental growth is expected to moderate in view of elevated macroeconomic headwinds

Australia

New infrastructure will underpin long-term demand

- Government investments and improved infrastructure in Macquarie Park and Norwest Business Park will support growth
- Macquarie Park is undergoing significant transformation into a world-class innovation precinct and to play a key role as an economic powerhouse in Sydney's North District²
- Norwest Business Park to benefit from state-significant development of Bella Vista into a major business precinct³ and Western Sydney Airport slated for completion in 2026

Notes:

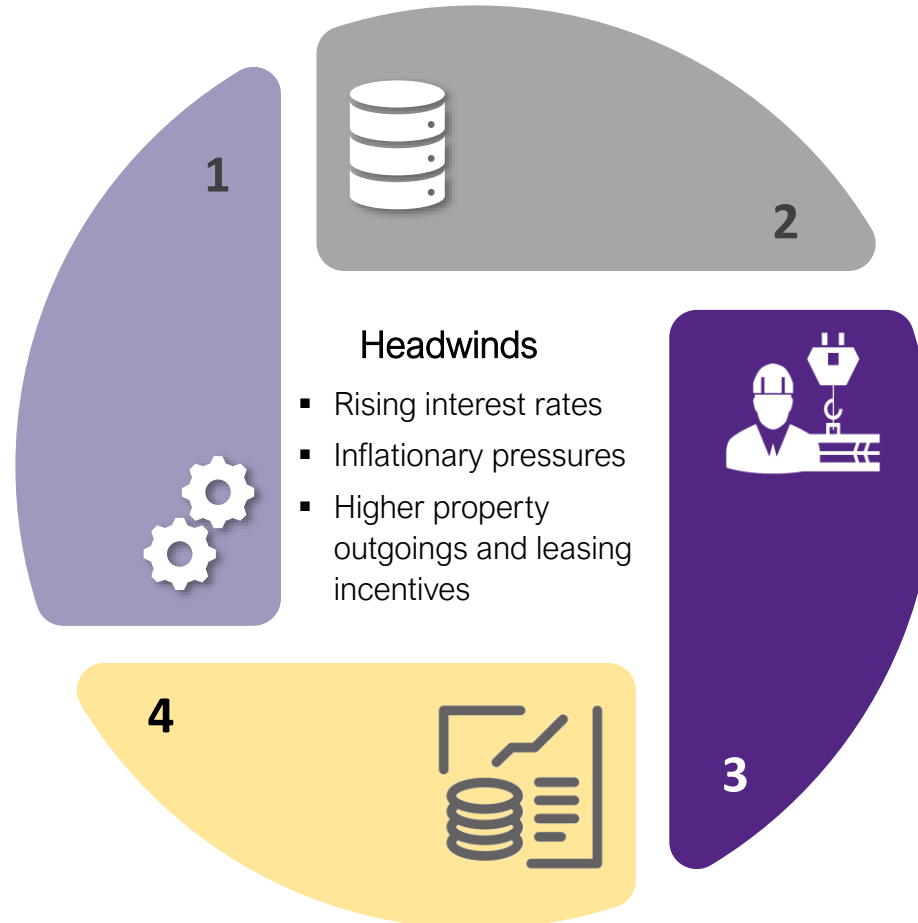
1. CBRE's Commentary on JTC's Announcement on Q1 2023 Statistics, CBRE, 27 April 2023. Industrial Marketbeat report, 11 April 2023, Cushman & Wakefield.
2. Macquarie Park, NSW Government, 23 February 2023.
3. 5,700 new homes to transform Sydney's Northwest, Landcom, 2 December 2022.

Focused and Disciplined Execution on Our Strategic Pillars

Committed to value creation

1. Selective Investments & Developments

- Disciplined investment approach, with track record in acquiring quality assets in Singapore and Australia that offer long-term sustainable income
- Continuous assessment of potential asset enhancement initiatives (“AEIs”) and redevelopment projects



2. Active Asset Management

- Proactive lease management to maintain high occupancy and drive positive rental reversion
- Have identified two AEIs in Singapore to drive organic growth

4. Strategic Partnerships

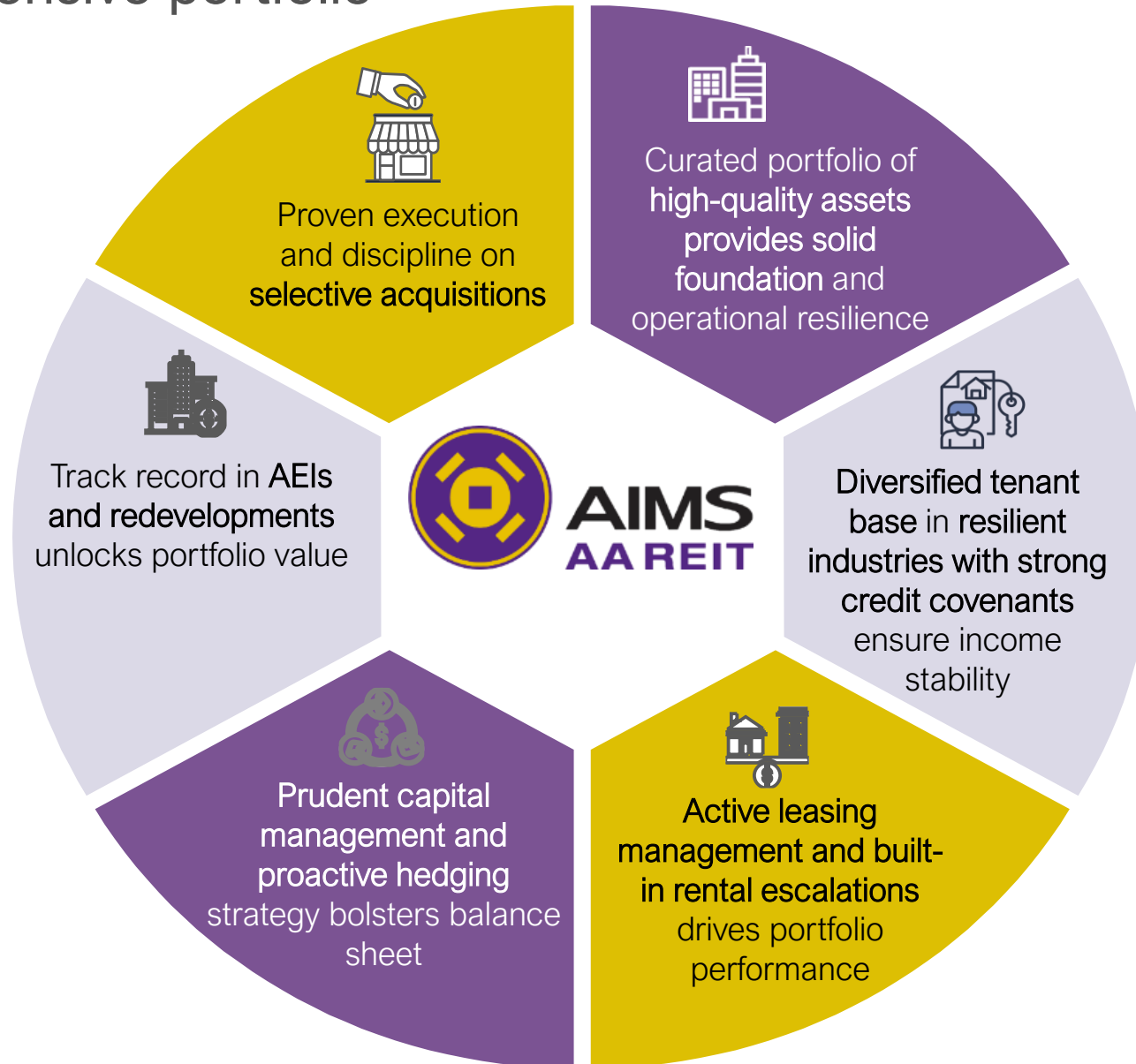
- Ongoing collaboration with operators and end-users to occupy newly refurbished and redeveloped properties on long-term leases
- Leverage track record in investments, developments and asset management to form new partnerships for larger and joint projects

3. Prudent Capital & Risk Management

- Maintain strong balance sheet, prudent level of aggregate leverage and disciplined hedging policy in an uncertain macroeconomic environment
- Disciplined capital recycling strategy; divestment of non-core assets and reinvest proceeds to AEIs, redevelopment and quality assets

Summary of Investment Merits

High-quality defensive portfolio





Thank You

For enquiries, please contact:

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Woolworths HQ, Australia



Appendix

Boardriders HQ, Australia

Overview of AIMS APAC REIT

Curated portfolio of high-quality assets in Singapore and Australia

Sponsor: AIMS Financial Group

- Established in 1991, AIMS is a diversified financial services and investment group, active in the areas of fund management, mortgage lending, investment banking and property investment
- Headquartered in Sydney, with businesses across Australia, China, Hong Kong SAR and Singapore
- Owner of the Sydney Stock Exchange

Investment Mandate

To invest in a diversified portfolio of income-producing industrial, logistics and business park real estate throughout the Asia Pacific region

Diversified across industrial sub-sectors

Logistics & Warehouse



Business Park



General & Light Industrial



Hi-Tech



Diversified geographic presence

Singapore

- 26 properties
- 64.1% of portfolio value



Australia

- 3 properties¹
- 35.9% of portfolio value



Resilient portfolio



29¹

High quality assets



S\$2.2 bn

Total Portfolio Value



786,508 sqm

Net lettable area



98.1%

Occupancy



4.3 years

Portfolio WALE²



202

Tenants

Notes:

All information stated is as at 30 June 2023.

- Include a 49.0% interest in Optus Centre located in Macquarie Park, NSW, Australia.
- Weighted average lease expiry by 1Q FY2024 gross rental income

Asset Enhancement Track Record

Active rejuvenation of portfolio resulting in long-term value creation



26 Tuas Avenue 7, Singapore

- Two-storey purpose-built factory
- Built additional 2,077 sq ft of space



29 Woodlands Industrial Park E1, Singapore

- Four-storey hi-tech industrial building (Life Science)
- **10-year master lease extension**



23 Tai Seng Drive, Singapore

- Six-storey light industrial building (Data Centre)
- **7 years master-lease** with valuation uplift of 32%

2014

2015

2020

2021

2022



1 Kallang Way 2A, Singapore

- Eight-storey light industrial building with warehouse space
- Increased NLA by 13%



Optus Centre, Australia

- Enhancement of facilities to meet Optus' needs
- **12-year master lease extension**

Development Track Record

Developed over ~2.8 million sq ft of high quality space



20 Gul Way, Singapore (Phase 1 & 2)

- 1.16 mil sq ft five-storey ramp up warehouse
- Plot ratio increased from 0.46 to 1.4



30 Tuas West Road, Singapore

- 288k sq ft five-storey ramp up warehouse
- Plot ratio increased from 1.15 to 2.07



8 Tuas Avenue 20, Singapore

- 159k sq ft three-storey industrial facility
- Plot ratio increased from 1.03 to 1.40

Development potential of up to 500,000 sq ft of untapped gross floor area (GFA) in Singapore and up to 1.5 million sqft untapped GFA in Australia

2011



20 Gul Way, Singapore (Phase 2E & 3)

- Further development of additional 497k sq ft
- Plot ratio increased from 1.4 to 2.0

2013



103 Defu Lane 10, Singapore

- Modern 203k sq ft six-storey industrial facility
- Plot ratio increased from 1.20 to 2.50

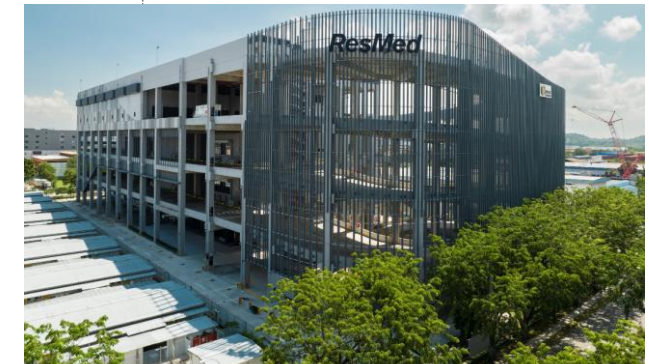
2015



51 Marsiling Road, Singapore

- 231k sqft greenfield built-to-suit five-storey industrial facility (Advanced manufacturing)
- **10-year master lease**

2016



3 Tuas Avenue 2, Singapore

- 268k sqft four-storey ramp up industrial facility (Healthcare)
- Plot ratio increased from 0.92 to 1.40
- **10-year master lease**

2018

Acquisition Track Record

Disciplined selection of quality real estate in strategic locations

- ✓ High-quality asset
- ✓ Strong tenant profile
- ✓ Rental growth profile
- ✓ Strategic location with established infrastructure
- ✓ Future value-add potential



2009

2010

2014

2020

2021

2022



A Curated Portfolio of High Quality Industrial Assets

Disciplined growth through active management and accretive investments

Active Asset Management and Disciplined Acquisitions since AIMS Financial Group became Sponsor

5 Asset Enhancement Initiatives

- Value creation through uplifts in rental and valuation
- Achieved an average NPI yield of 8.8% for its Singapore AEs

6 Development Projects

- Developed over ~2.8 million sq ft of logistics, warehouse and high-specification industrial space
- Achieved an average NPI yield of 8.2%

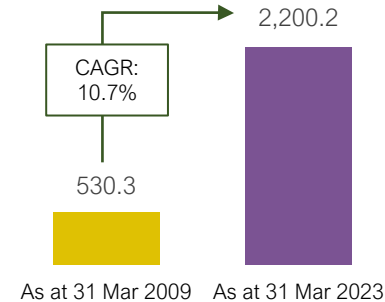
9 Acquisitions

Completed ~S\$984 million¹ of strategic acquisitions

Creation of a high quality portfolio provides AA REIT with a strong foundation for future growth

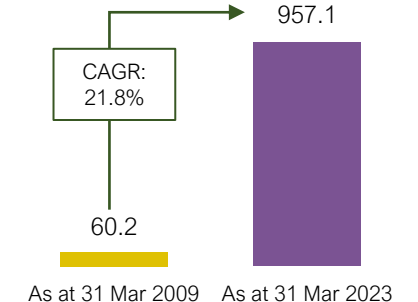
Increased scale

Portfolio Valuation (S\$ mil)



Enhanced investor visibility

Market Capitalisation (S\$' mil)



Inclusion into Key Indices



Sept 2021
FTSE EPRA Nareit Global Developed Index



May 2020
MSCI Singapore Small Cap Index

Delivered total return of 180.5³ from FY 2010

Notes:

1. Exchange rates used are as at date of the respective acquisitions announcements.
2. Based on the carrying value of investment properties as at 31 March 2023 as well as the 49.0% interest in the carrying value of Optus Centre and excluding right-of-use assets.
3. Total return for the period 1 April 2009 to 30 June 2023 and is calculated based on the closing unit price of S\$0.230 on 31 March 2009 and the closing unit price of S\$1.24 on 30 June 2023. Assumes the investor fully subscribes for his/her right entitlement.