# SIXTH ANNUAL GENERAL MEETING

**29 March 2019**



# Disclaimer

This presentation should be read in conjunction with the financial statements of Soilbuild Business Space REIT for the full year ended 31 December 2018 (hereinafter referred to FY2018).

This presentation is for information only and does not constitute an offer or solicitation of an offer to subscribe for, acquire, purchase, dispose of or sell any units in Soilbuild Business Space REIT ("Soilbuild REIT", and units in Soilbuild REIT, "Units") or any other securities or investment.

Nothing in this presentation should be construed as financial, investment, business, legal or tax advice and you should consult your own independent professional advisors.

This presentation may contain forward-looking statements that involve risks, uncertainties and assumptions. 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. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management of future events.

The value of Units and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Soilbuild REIT is not indicative of the future performance of Soilbuild REIT. Similarly, the past performance of SB REIT Management Pte. Ltd. ("Manager") is not indicative of the future performance of the Manager.

# Agenda

FY2018 Financial Performance

Portfolio Fundamentals

The Year Ahead

# Content


04 Key Highlights

08 Investment Management

17 FY2018 Financial Performance

24 Portfolio Overview

39 Market Update and Outlook

# Key Highlights



# Key Highlights in FY2018

**9.1%**[1]
Distribution Yield

**5.284**
Singapore Cents
FY2018 DPU

**S$0.63**
Net Asset Value per Unit

**S$1.23B**
Investment Properties

**885K**
sqft
FY2018 Leasing Activity

**89.5%**
Portfolio Occupancy

**39.1%**[2]
Aggregate Leverage

**74.0%**
Fixed Borrowings



Note:
(1) Based on FY2018 DPU of 5.284 cents and Unit price of S$0.580 as at 31st December 2018.
(2) Post-acquisition gearing including deferred payment of S$19.3 million due to SB (Solaris) Investment Pte. Ltd and insurance guarantees of S$0.8 million issued to utility supply providers.

# Key Highlights in FY2018

Inghams Burton, Adelaide



14 Mort Street, Canberra



Asia Pacific Best of the Breeds REITs AWARDS™

**21 May 2018:**
Redeemed on maturity S$93.5 million 3.45% Fixed Rate Notes (The "Series 001 Notes")

**2 August 2018:**
Soilbuild REIT clinched Silver award in the Asia Pacific Best of the Breeds REITs Awards 2018 (Industrial REIT Category)

**7 September 2018:**
Announced proposed acquisition of 2 Australia assets

**5 October 2018:**
Completed the acquisition of 2 properties in Australia

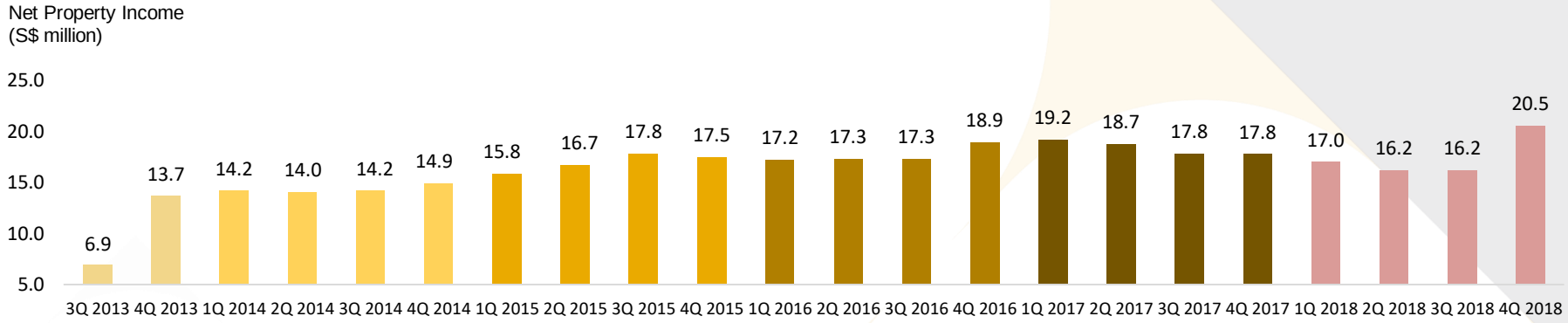
**28 February 2018:**
Completed divestment of KTL Offshore

**14 August 2018:**
Established three wholly-owned Australia trusts of Soilbuild REIT

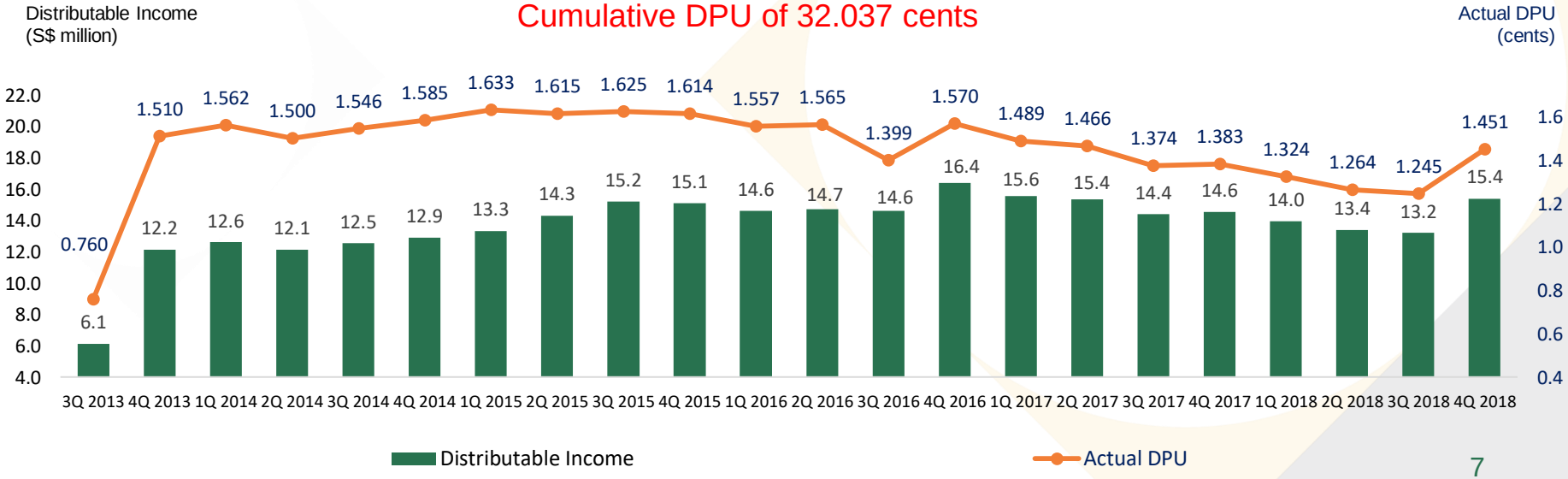
**27 September 2018:**
Issued S$65 million 6.00% subordinated perpetual securities pursuant to the S$500m multicurrency debt issuance programme

# Distributable Income since IPO

## Net Property Income (NPI)




## Distributable Income / DPU



# Investment Management



# Strengthening the portfolio for long-term growth

## Divestment of non-core assets

- Divested KTL Offshore in February 2018
- Signed SPA on divestment of 72 Loyang Way
- Unlocked value
- Recycle capital for higher-yielding investments and other growth opportunities

## Yield-Accretive Acquisitions

- Expanded investment mandate to Australia in Nov 2017 to increase pool of investment targets
- Maiden entry into Australia with successful acquisition of 2 assets
- Sponsor pipeline of three ROFR assets with maximum potential GFA of 2.1 million sq ft

## Enhanced Portfolio positioned for further growth

- Geographical & Income Diversification
- Strong tenants from stable sectors
- Better access to debt and capital markets
- High quality assets offering growth potential

# Enhanced Portfolio positioned for further growth

**Acquisitions in line with Soilbuild REIT's investment strategy**

- Delivering stable distributions and sustainable returns to the Unitholders

**Strategic entry into the attractive Australia office and industrial markets**

- High-quality assets to anchor Soilbuild REIT's expansion into Australia which offers growth potential and scalability

**Revenue and Geographical Diversification for Soilbuild REIT**

- The two Australia assets constitute
  - 8.8% of the portfolio by asset value
  - 9.6% of the portfolio by gross rental income

**Increase Exposure to Tenants from Stable Sectors**

- Defensive and strong high quality tenants
  - Commonwealth of Australia has a S&P AAA Credit Rating
  - Inghams Group is the largest vertically integrated poultry producer across Australia and New Zealand

**Increase in distributable income to Unitholders**

- Acquisitions are expected to be yield accretive

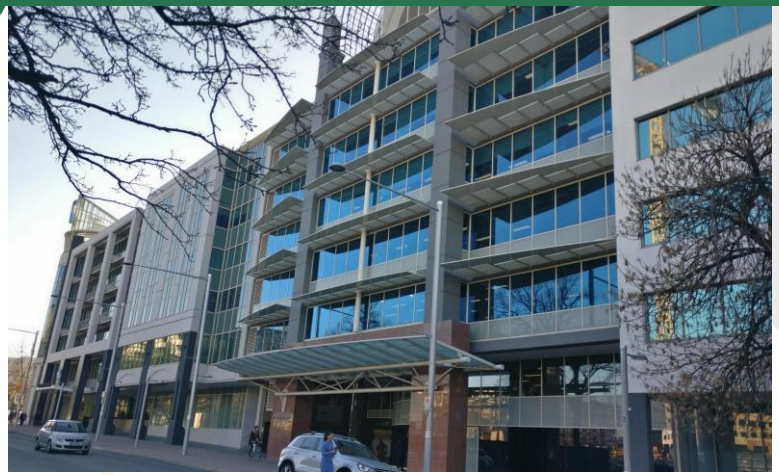
**Strengthened portfolio creates better platform for further acquisition growth**

- Increased portfolio size creates better access to debt and equity capital markets

# Australia Acquisitions

| Acquisition Highlights | |
|---|---|
| Properties | 2 |
| Purchase Consideration | A$116.3m (S$115.5m) (1) (2) |
| Acquisition Fee (to Manager) | A$1.16m (S$1.15m) (1) |
| Stamp Duty & Other Transactions Costs | A$3.55m (S$3.53m) (1) |
| Total Acquisition Costs | A$121.1m (S$120.2m) (1) (2) |
| Aggregate Valuation | A$112.3m (3) (S$107.9m) |
| Total Lettable Area | 30,808 sqm |
| Occupancy | 100% |
| WALE by Income | 11.5 years (4) |
| Initial NPI Yield | 6.42% (6.17% post-cost yield) |
| Completion Date | 5 October 2018 |

## 1 14 Mort Street – Office Building in Canberra City

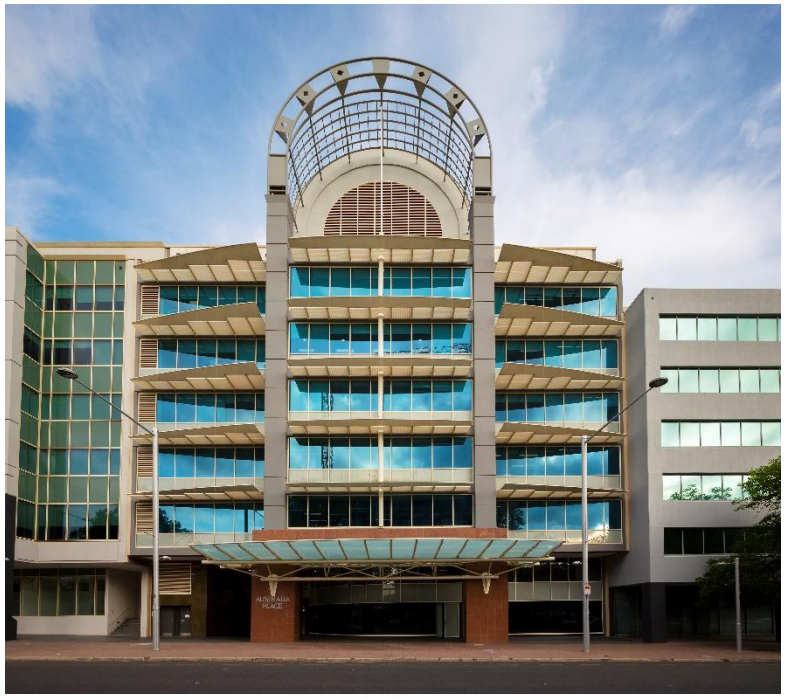


## 2 Inghams Burton – Poultry Processing Facility in Adelaide




(1) Based on exchange rate of A$1:00:S$0.993.
(2) Before deduction of outstanding incentives reimbursed by the Vendor.
(3) The valuation for 14 Mort Street was carried out by Colliers International Valuation & Advisory Services (ACT) and valuation for Inghams Burton by Colliers International Valuation & Advisory Services (SA) as at 31 August 2018 based on exchange rate of A$1:00:S$0.96.
(4) As at 31 December 2018.

# 14 Mort Street – Office Building in Canberra City



| 1 | 14 Mort Street |
|---|---|
| The Property | An 8-storey commercial office building |
| Address | 14 Mort Street, Canberra City, ACT |
| Location | Canberra City |
| Purchase Price | A$55.0m (S$54.6m) (1)(2) |
| Stamp Duty & Other Transaction Costs | A$3.85m (S$3.82m) (1) |
| Total Acquisition Cost | A$58.9m (S$58.5m) (1)(2) |
| Valuation | A$51.0m (S$49.0m) (3) |
| Vendor | 14 Mort Street Property CT Pty Ltd as trustee for Ascot Capital 14 Mort Street Property Trust |
| Land Area | 1,533.0 sqm |
| Lettable Area | 9,383.5 sqm |
| Land Tenure | Crown Leasehold(4) expiring on 6 February 2118 |
| Key Tenant | 100% leased to Commonwealth of Australia (S&P AAA Credit Rating) |
| Occupancy | 100% |
| WALE by income(5) | 6.2 years |
| Initial NPI Yield(6) | 6.31% (5.90% post-cost yield) |
| Rental Escalation | 3.75% per annum |

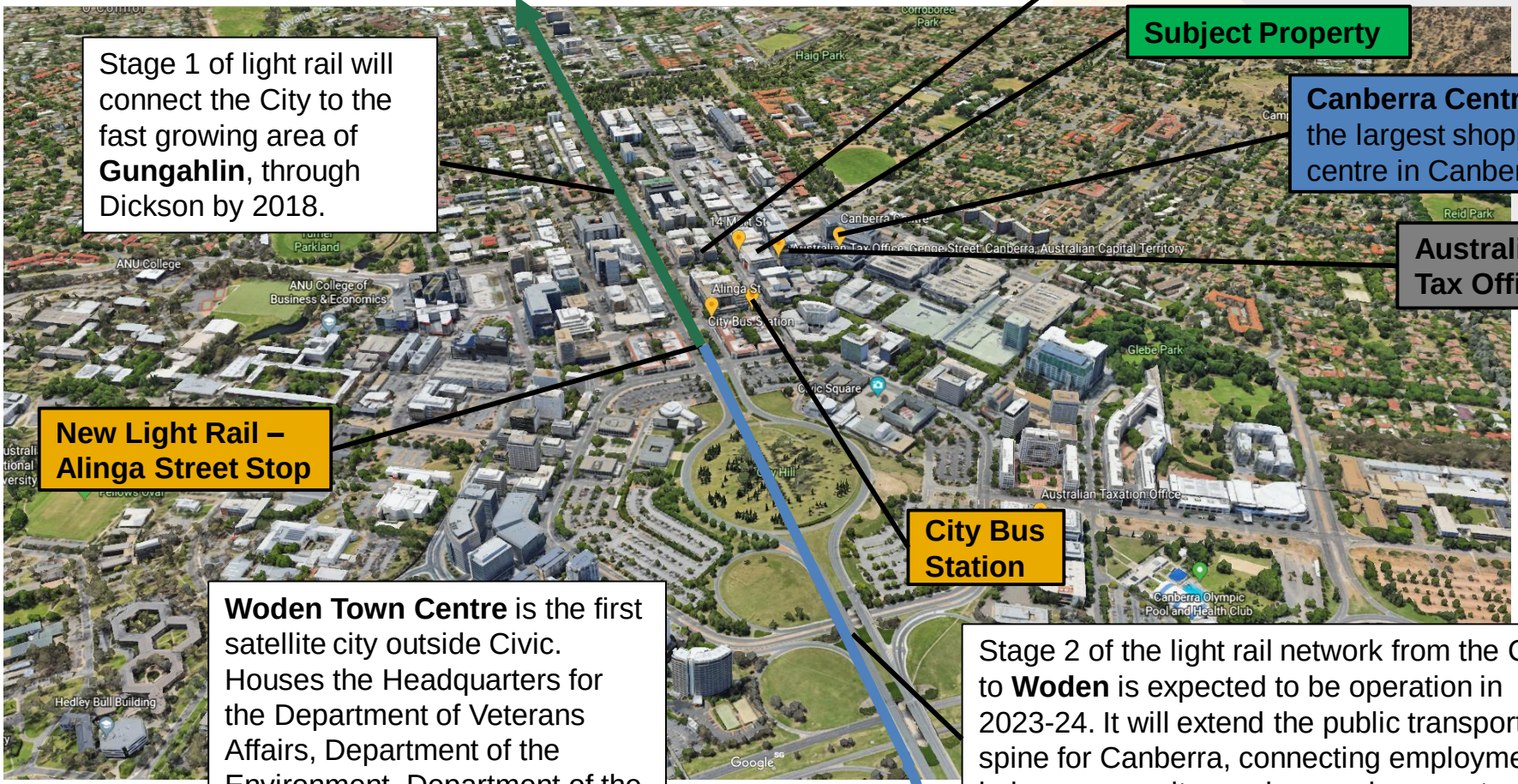
(1) Based on exchange rate of A$1:00:S$0.993.
(2) Before deduction of incentives reimbursed by the Vendor.
(3) The valuation was carried out by Colliers International Valuation & Advisory Services (ACT) as at 31 August 2018 and based on exchange rate of A$1:00:S$0.96.
(4) If neither the state nor the federal government needs the land for a public purpose, it can request for an additional term not exceeding 99 years. Compensation under just terms will be made if the request is not granted.
(5) As at 31 December 2018.
(6) The NPI yield is derived using the estimated net property income expected and before deduction of outstanding incentives which are reimbursed by the Vendor.

# Location of 14 Mort Street

SoilBuild
BUSINESS SPACE REIT

**Civic Quarter** – mixed-use office building to be completed in 2020, retail on ground floor is expected to bring vibrancy to Mort Precinct

**Gungahlin** is Canberra's youngest satellite town which is one of five satellites of Canberra



# Inghams Burton – Poultry Processing Facility in Adelaide



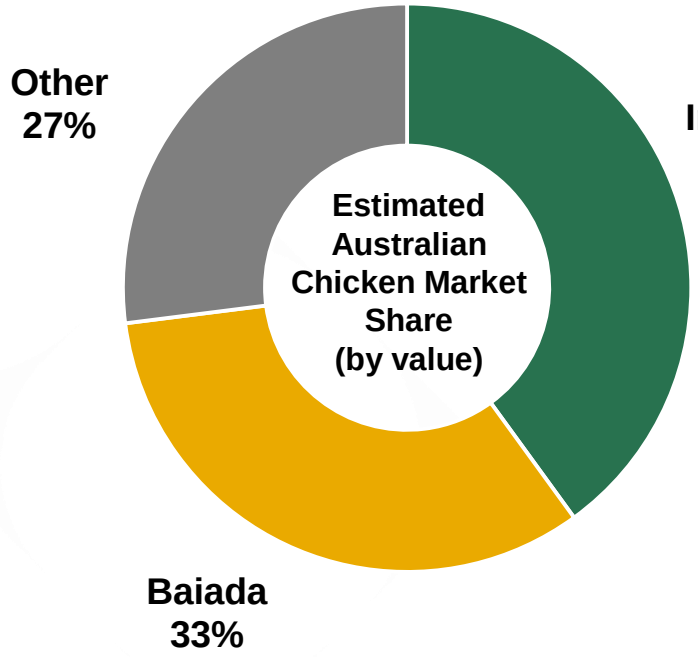



(1) Based on exchange rate of A$1:00:S$0.993.
(2) The valuation was carried out by Colliers International Valuation & Advisory Services (SA) as at 31 August 2018 and based on exchange rate of A$1:00:S$0.96.
(3) As at 31 December 2018.
(4) Based on the Net Property Income upon factoring in the built-in escalation in Oct 2018.
(5) Rent reviews are structured as (i) the lesser of 2.5% and two times the Australia CPI growth on annual rent review dates from October 2018, 2019, 2025 to 2029; and (ii) based on CPI growth on annual rent review dates from October 2020 to 2024 and from October 2030 to 2033.

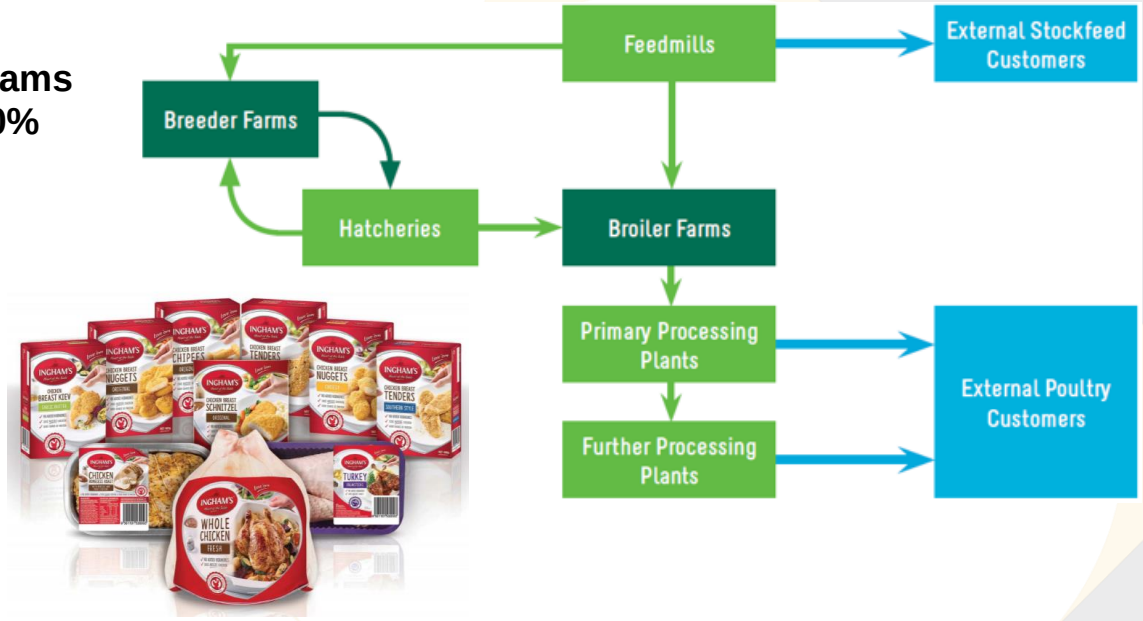
| 2 | Inghams Burton |
|---|---|
| The Property | Poultry Production and Processing Facility |
| Address | 1118 – 1146 Port Wakefield Road, Burton SA |
| Location | 28km north of Adelaide CBD |
| Purchase Price | A$61.3m (S$60.8m) (1) |
| Other Transaction Cost | A$0.86m (S$0.85m) (1) |
| Total Acquisition Cost | A$62.2m (S$61.7m) (1) |
| Valuation | A$61.3m (S$58.9m) (2) |
| Vendor | Burton CT Pty Ltd as trustee for Ascot Capital Burton Property Trust |
| Land Area | 61,424 sqm |
| Lettable Area | 21,424 sqm |
| Land Tenure | Freehold |
| Key Tenant | Inghams Group – the largest vertically integrated poultry producer across Australia and New Zealand |
| Occupancy | 100% |
| WALE by income(3) | 15.8 years |
| Initial NPI Yield(4) | 6.51% (6.42% post-cost yield) |
| Rental Escalation | Pegged to % change in Australia CPI(5) |

# Inghams Enterprises - Strong Dominance in the Australia Poultry Market

## Australia Market Structure




## High Level Poultry Processing Cycle




**Market leader in Australian and New Zealand chicken market**

**Only dual Australian and New Zealand chicken producer**

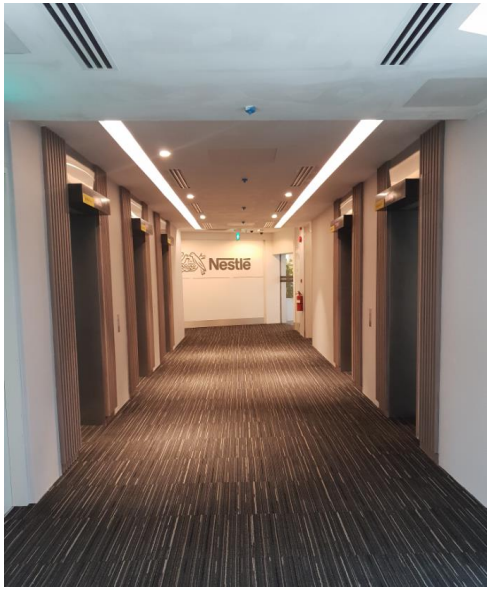
**Largest vertically integrated poultry producer in Australia and New Zealand**

*Source: Inghams Group IPO Prospectus dated 12 October 2016*

# Asset Enhancement Initiatives (AEIs)

## Completion of Refurbishment at Eightrium

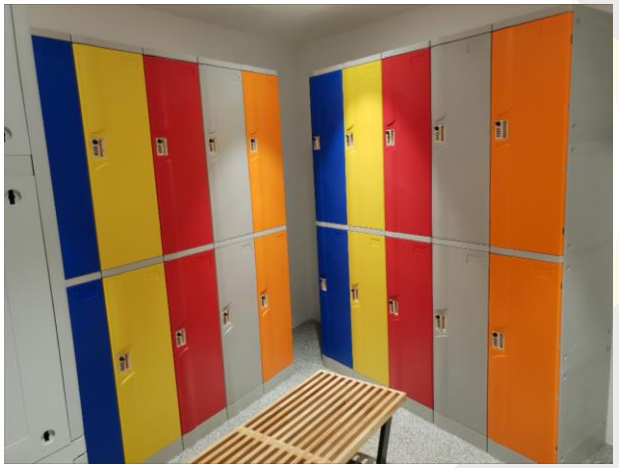
- Lift lobbies refurbishment, lift upgrading and re-grouping, link bridge refurbishment, new café kiosk, new reception counter, toilets refurbishments, and End-of-Trip facilities (EOT) including bicycle parking racks, changing rooms, lockers and shower facilities.




Lift lobbies



Toilets



Changing & locker room

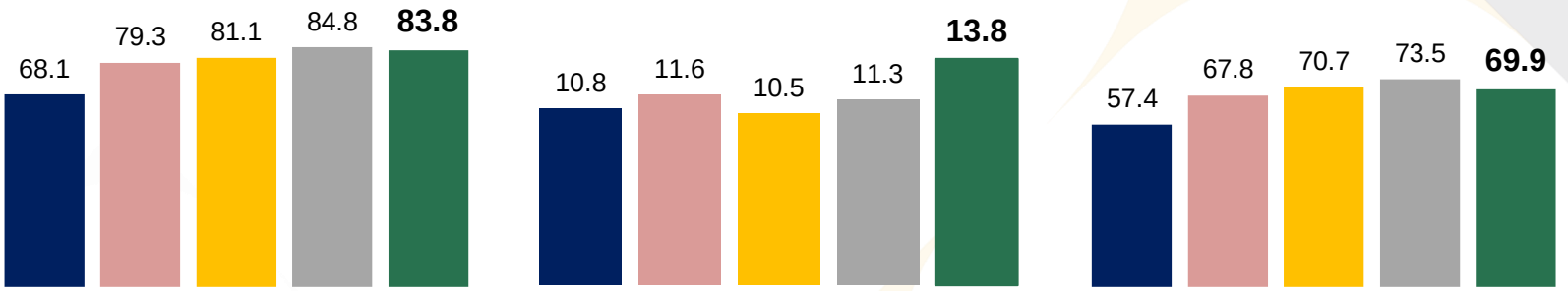
# FY2018 Financial Performance



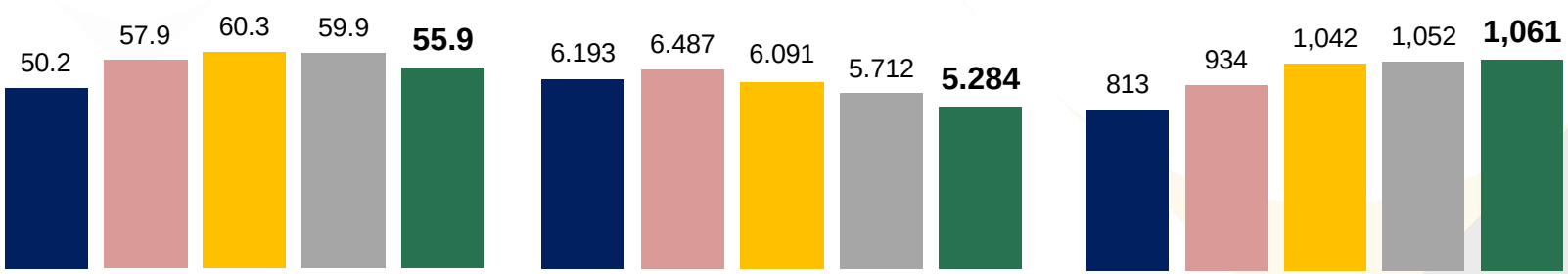
SoilBuild
BUSINESS SPACE REIT

# Financial Highlights

| Gross Revenue | Property Operating Expense | Net Property Income |
|---|---|---|
| S$ 83.8 million | S$ 13.8 million | S$ 69.9 million |
| ↓ 1.2% y-o-y | ↑ 22.1% y-o-y | ↓ 4.8% y-o-y |




| Distributable Income | Distribution Per Unit | Number of Units in issue |
|---|---|---|
| S$ 55.9 million | 5.284 cent | 1,061 million |
| ↓ 6.7% y-o-y | ↓ 7.5% y-o-y | ↑ 0.8% y-o-y |



# FY2018 Financial Results Y-o-Y

| For the period from<br>1 January to 31 December<br>(S$'000) | FY2018 | FY2017 | Variance ('000) | Variance (%) | Remarks |
|---|---|---|---|---|---|
| **Gross Revenue** | **83,765** | **84,817** | **(1,052)** | **(1.2)** | • Divestment of KTL Offshore<br>• Weaker performance for multi-tenanted buildings<br>Partially offset by:<br>• Conversion of Solaris to multi-let building<br>• Australia acquisitions<br>• Loyang Way liquidation proceeds |
| Less Property Expenses | (13,836) | (11,336) | (2,500) | (22.1) | Higher Expenses: Solaris |
| **Net Property Income** | **69,929** | **73,481** | **(3,552)** | **(4.8)** | |
| Interest Income | 1,353 | 1,733 | (380) | (21.9) | |
| Foreign exchange loss | (772) | - | (772) | n.m. | |
| Gain on derivative financial instruments | 40 | - | 40 | n.m. | |
| Gain on divestment of a property held for sale | 1,740 | - | 1,740 | n.m. | Divestment of KTL Offshore |
| Finance Expenses | (15,359) | (15,735) | 376 | 2.4 | |
| Manager's Fees | (5,590) | (5,993) | 403 | 6.7 | |
| Trustee's Fees | (212) | (206) | (6) | (2.9) | |
| Other Trust Expenses | (998) | (1,059) | 61 | 5.8 | |
| **Net Income before Tax** | **50,131** | **52,221** | **(2,090)** | **(4.0)** | |
| Net Change in Fair Value of Investment Properties | 1,410 | (80,515) | 81,925 | 101.8 | |
| **Total Return before Tax** | **51,541** | **(28,294)** | **79,835** | **282.2** | |
| Tax expense | (75) | - | (75) | n.m. | |
| **Total Return before distribution** | **51,466** | **(28,294)** | **79,760** | **281.9** | |
| Amount reserved for distribution to perpetual securities holders | (1,026) | - | (1,026) | n.m. | |
| Add back Non-Tax Deductible Items [(1)] | 5,456 | 88,221 | (82,765) | (93.8) | |
| **Income attributable to Unitholders** | **55,896** | **59,927** | **(4,031)** | **(6.7)** | |



Notes:
(1) Includes manager's fees in units, unrealised/capital foreign exchange gains/losses, unrealised gains/losses on derivative financial instruments, net change in fair value of investment properties, amortised debt arrangement, prepayment and structuring fees, non-tax deductible financing expenses, trustee fees, non-tax deductible funding cost for the Australia acquisitions, etc.
(2) N.m. denotes not meaningful.

# FY2018 Asset Valuation

| S/N | Property | Valuation ($'mil) 2018 | 2017 | Variance (%) | Cap Rate 2018 | 2017 |
|---|---|---|---|---|---|---|
| **Singapore** [1] | | **$1,121.8** | **$1,110.6** | **1.0** | | |
| ***Industrial Cluster*** | | **$650.05** | **$662.6** | **(1.9)** | | |
| 1 | West Park BizCentral | $286.0 | $286.0 | - | 5.75% - 6.75% | 6.00% - 6.50% |
| 2 | Tuas Connection | $117.8 | $117.8 | - | | |
| 3 | NK Ingredients | $54.0 | $54.0 | - | | |
| 4 | COS Printer | $9.75 | $10.6 | (8.0) | | |
| 5 | Beng Kuang Marine | $15.7 | $15.7 | - | | |
| 6 | 39 Senoko Way | $18.15 | $20.0 | (9.3) | | |
| 7 | Speedy Tech | $24.6 | $24.1 | 2.1 | | |
| 8 | 72 Loyang Way | $34.0 | $38.0 | (10.5) | | |
| 9 | Bukit Batok Connection | $90.05 | $96.4 | (6.6) | | |
| ***Business Park Cluster*** | | **$471.7** | **$448.0** | **5.3** | | |
| 10 | Eightrium | $89.7 | $88.0 | 1.9 | 5.25% - 5.35% | 5.75% - 6.25% |
| 11 | Solaris | $382.0 | $360.0 | 6.1 | | |
| **Australia** [2] | | **(In SGD)** | | | | |
| 12 | 14 Mort Street | $49.03 | | N.A. | 6.38% - 6.50% | N.A. |
| 13 | Inghams Burton | $58.89 | | N.A. | | |
| ***Portfolio*** | | **$1,229.7** | **$1,110.6** | **10.7** | | |



Notes:
(1) Based on CBRE & Colliers' valuations dated 31 December 2018 for business park properties and industrial properties respectively.
(2) Based on Colliers' valuations dated 31 August 2018 and on the exchange rate of A$1:00:S$0.96.

# FY2018 Financial Results – Statement of Financial Position

| **Group** (S$'000) | 31 December 2018 | 31 December 2017 | Variance | Variance (%) | Remarks |
|---|---|---|---|---|---|
| Investment Properties | 1,229,671 | 1,110,600 | 119,071 | 10.7 | Acquisition of Australia properties |
| Property held for sale | - | 53,000 | (53,000) | n.m. | Divestment of KTL Offshore |
| Other Assets | 18,288 | 18,003 | 285 | 1.6 | |
| **Total Assets** | **1,247,959** | **1,181,603** | **66,356** | **5.6** | |
| Borrowings | 465,136 | 474,359 | (9,223) | (1.9) | |
| Other Liabilities | 50,583 | 38,606 | 11,977 | 31.0 | Higher rental deposits |
| **Net Assets** | **732,240** | **668,638** | **63,602** | **9.5** | |
| Units in Issue | 1,060,763 | 1,052,111 | 8,652 | 0.8 | |
| **Represented by:** | | | | | |
| Unitholders' funds | 666,575 | 668,638 | (2,063) | (0.3) | |
| Perpetual securities holders | 65,665 | - | 65,665 | n.m. | |
| **Net Asset Value per Unit (S$)** | 0.63 | 0.64 | (0.01) | (1.6) | |



Notes:
(1) n.m. denotes not meaningful.

# Prudent Capital Management

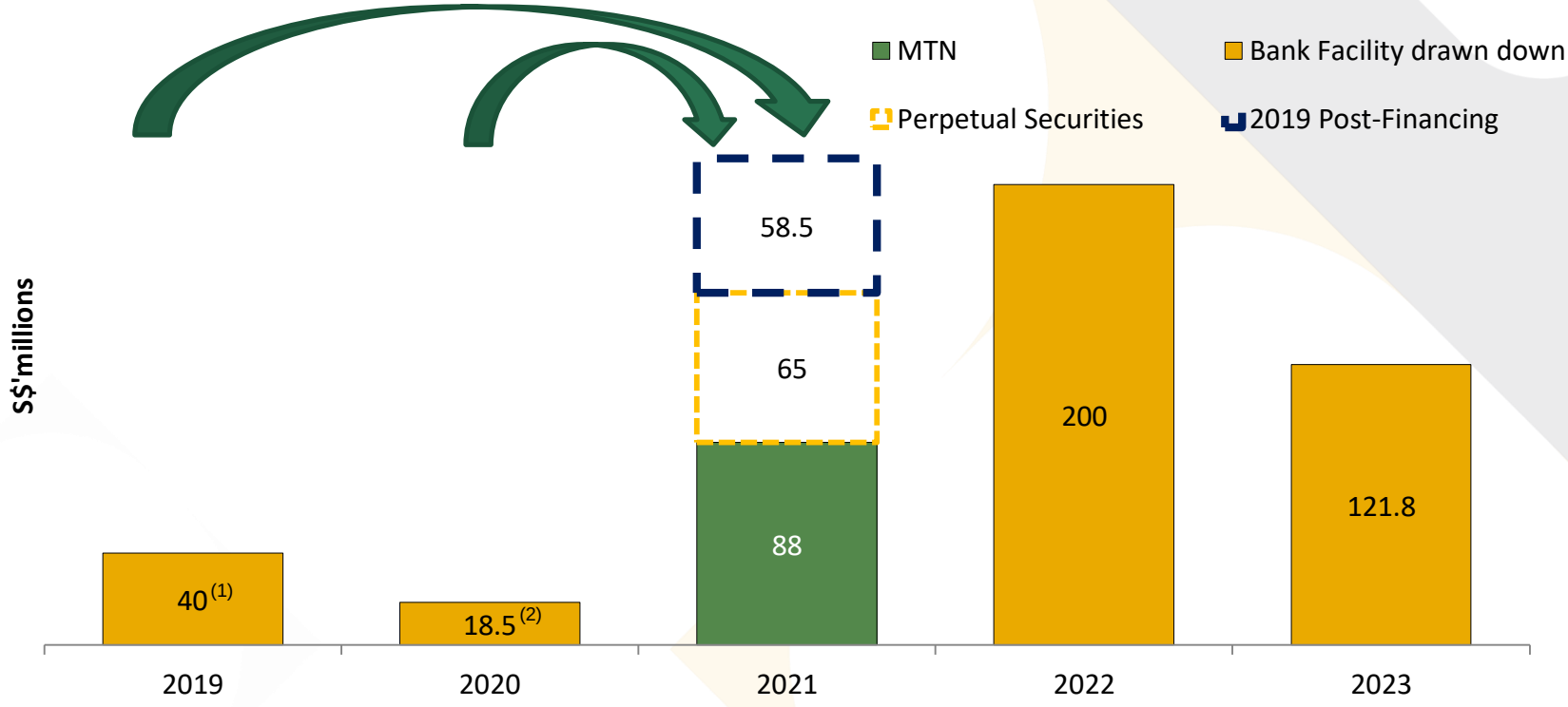
## Aggregate leverage allows headroom of S$18.1 million[(1)]

| | 31 December 2018 | 31 December 2017 |
|---|---|---|
| Total Bank Financing Facilities | S$406.6 million | S$258.5 million |
| Total Bank Debt Drawn Down | S$380.3 million | S$243.5 million |
| Multicurrency Debt Issuance Programme drawn down | S$88.0 million | S$181.5 million |
| Interest-free loan | - | S$55.0 million |
| Total Assets | S$1,248.0 million | S$1,181.6 million |
| Unencumbered investment properties and property held for sale | S$847.7 million | S$803.6 million |
| Aggregate Leverage | 39.1%[(2)] | 40.6%[(3)] |
| Average All-in Interest Cost | 3.52%[(4)] | 3.20% |
| Interest Coverage Ratio | 4.6x[(5)] | 4.7x[(6)] |
| Weighted Average Debt Maturity | 3.2 years | 2.7 years |

Notes:.
(1) Based on target aggregate leverage of 40%.
(2) Post-acquisition gearing including deferred payment of S$19.3 million due to SB (Solaris) Investment Pte. Ltd and insurance guarantees of S$0.8 million issued to utility supply providers.
(3) Includes interest-free loan in relation to the Solaris upfront land premium.
(4) Refers to weighted average borrowing cost for 4Q. Weighted average borrowing cost for FY2018 and FY2017 was 3.38% and 3.31% p.a. respectively.
(5) Computed based on FY2018 EBITDA/Net interest expense (Finance expense – Interest income); 4QFY2018 interest coverage ratio: 4.2x.
(6) Computed based on FY2017 and 4Q FY2017 EBITDA/Net interest expense (Finance expense – Interest Income).

# Prudent Capital Management

- **Fixed interest rate for 74.0% of borrowings**




| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---|---|---|---|---|
| % of Debt and Perpetual Securities Maturing as at 31 December 2018 | 7.5% | 3.5% | 28.7% | 37.5% | 22.8% |
| 2019 Post - Financing | - | - | 39.7% | 37.5% | 22.8% |



Note:
(1) Entered into an amendment and restatement agreement on 6 March 2019 with the lender. The loan expiry has been extended to 5 March 2021.
(2) The loan has been refinanced on 24 January 2019. The new loan expires on 23 January 2021.

# Portfolio Overview



# Portfolio Highlights

**13**
Total No. of Properties

**3.9 yrs**
WALE (by GRI)

**4.03M sqft**
Portfolio NLA

**S$1.23B**
Portfolio Asset Value

**47.4 yrs**[(2)]
Weighted Average Land Lease (by valuation)

**89.5%**
Portfolio Occupancy

**115**
Total no. of tenants

**10 yrs**
Weighted Average Portfolio Age (by valuation)

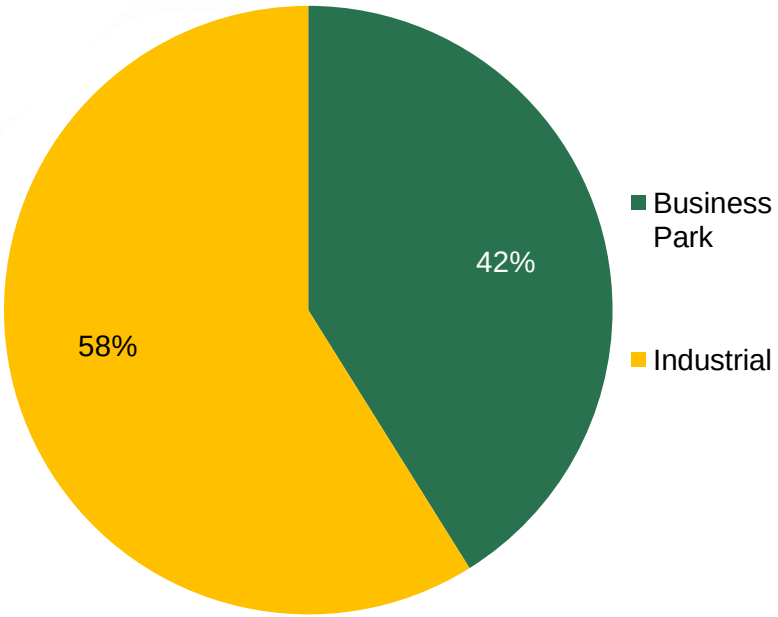
Note:
(1) Information as at 31st December 2018.
(2) As at 7 February 2019.

# Soilbuild Portfolio Overview

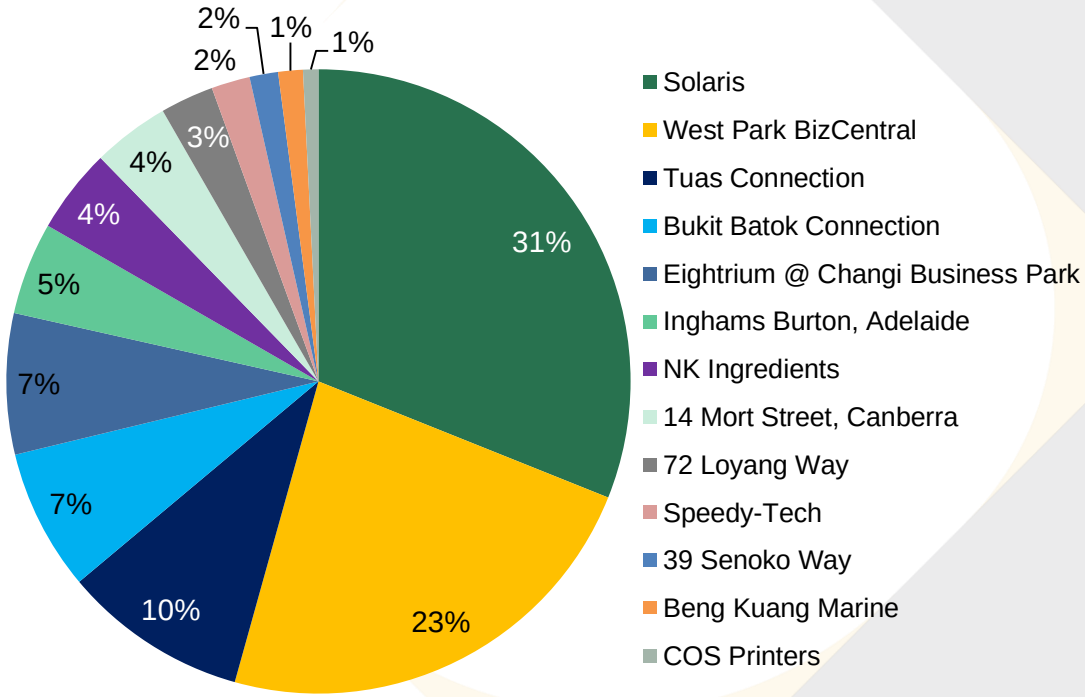
| Portfolio Asset Value | | |
|---|---|---|
| Singapore[2] | S$1,121.8 million | 91.2% |
| Australia[3] | S$107.9 million | 8.8% |
| Total | S$1,229.7 million | 100.0% |

| Portfolio Summary | |
|---|---|
| Total NLA | 4.03 million sq ft |
| WALE (by GRI) | 3.9 years |
| Occupancy | 89.5% |

## Portfolio Asset Value by Asset Class




## Portfolio Property by Asset Value




Notes:
(1) Information as at 4Q 2018
(2) Based on CBRE & Colliers' valuations dated 31 December 2018 for business park properties and industrial properties respectively
(3) Based on Colliers' valuations dated 31 August 2018 and on the exchange rate of A$1:00:S$0.96.

# Singapore Portfolio

- Business Park Properties
- Industrial Properties



**NK Ingredients**
NLA: 312,375 sq ft
Valuation: S$54.0 million



**COS Printers**
NLA: 58,752 sq ft
Valuation: S$9.8 million



**Senoko Way**
NLA: 95,250 sq ft
Valuation: S$18.2 million



**Tuas Connection**
NLA: 651,072 sq ft
Valuation: S$117.8 million



**Loyang Way**
NLA: 171,293 sq ft
Valuation: S$34.0 million



**Eightrium**
NLA: 177,285 sq ft
Valuation: S$89.7 million



**BK Marine**
NLA: 73,737 sq ft
Valuation: S$15.7 million



**Speedy-Tech**
NLA: 93,767 sq ft
Valuation: S$24.6 million



**West Park BizCentral**
NLA: 1,240,583 sq ft
Valuation: S$286.0 million



**Bukit Batok Connection**
NLA: 377,776 sq ft
Valuation: S$90.1 million



**Solaris**
NLA: 441,533 sq ft
Valuation: S$382.0 million




| Singapore Portfolio Summary | |
|---|---|
| Total NLA | 3.69 million sq ft |
| Occupancy | 88.6% |
| WALE (by GRI) | 3.1 years |



Notes:
(1) Information as at 4Q 2018
(2) Based on CBRE & Colliers' valuations dated 31 December 2018 for business park properties and industrial properties respectively

# Australia Portfolio

| Australia Portfolio Summary | |
|---|---|
| Total NLA | 331,612 sq ft |
| Occupancy | 100.0% |
| WALE (by GRI) | 11.5 years |

- Office
- Industrial






**Inghams Burton, Adelaide**

NLA: 230,608 sq ft
Valuation: S$58.9 million



**14 Mort Street, Canberra**

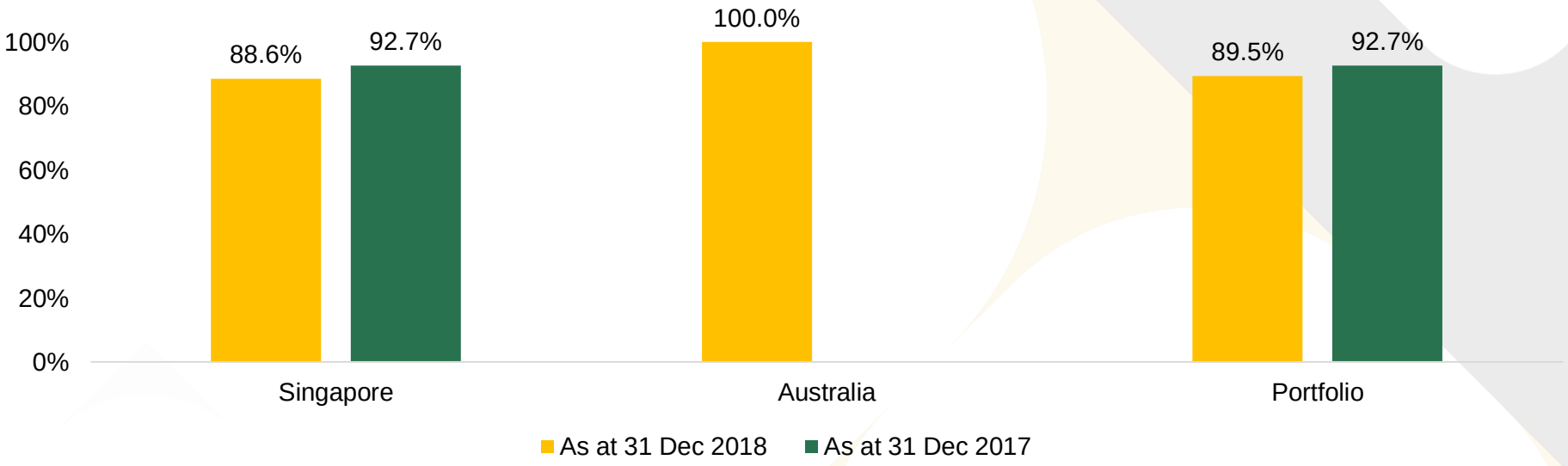
NLA: 101,004 sq ft
Valuation: S$49.0 million

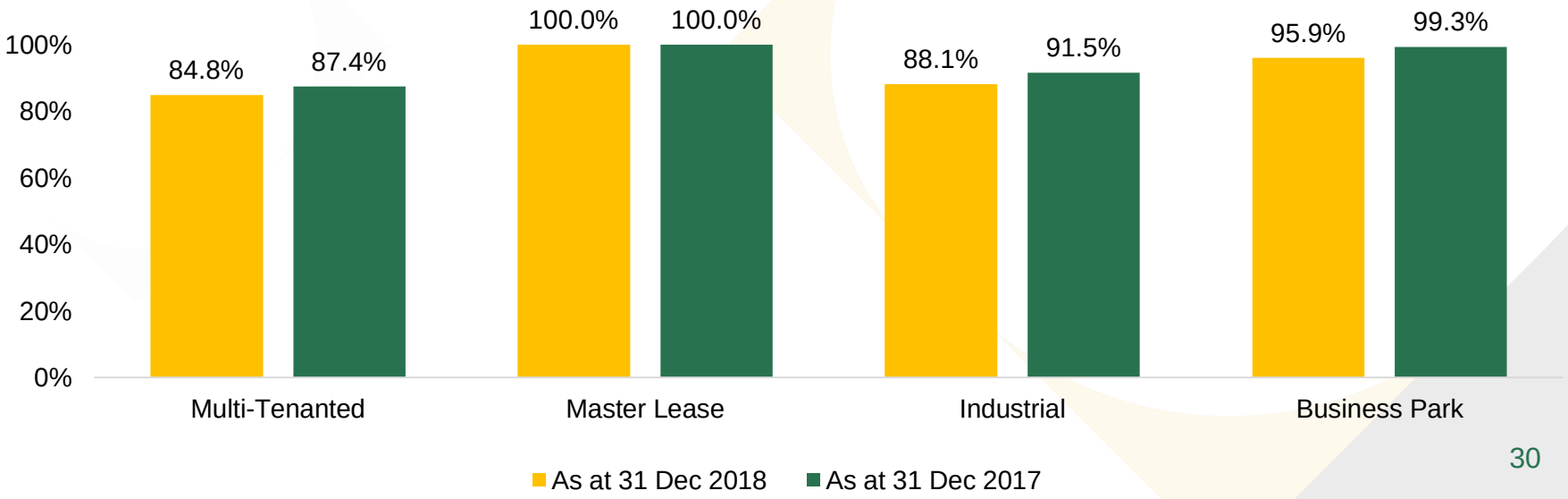
Notes:
(1) Based on Colliers' valuations dated 31 August 2018 and on the exchange rate of A$1:00:S$0.96.

# Portfolio Summary

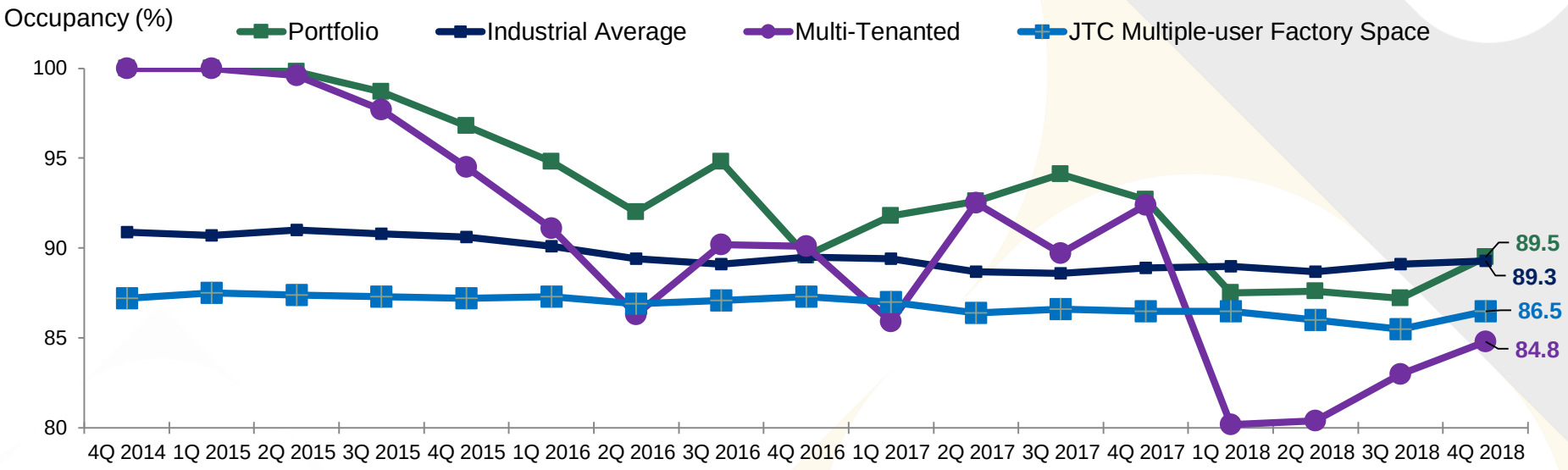
| | 31 December 2018 | 31 December 2017 |
|---|---|---|
| Number of Properties | 13 | 12 |
| Number of Tenants | 115 | 115 |
| Portfolio Gross Floor Area | 4.33 million sq ft | 4.21 million sq ft |
| Portfolio Net Lettable Area | 4.03 million sq ft | 3.90 million sq ft |
| WALE (by Gross Rental Income) | 3.9 years | 3.0 years |
| WALE (by Net Lettable Area) | 3.7 years | 3.1 years |
| Weighted Average Land Lease (by Valuation) | 45.8 years | 43.4 years |
| Weighted Average Portfolio Age (by Valuation) | 10.0 years | 8.0 years |
| Portfolio Occupancy | 89.5% | 92.7% |
| Portfolio Valuation | S$1.23 billion | S$1.16 billion |

# Portfolio Occupancy



# Portfolio Occupancy




| | 4Q 2014 | 1Q 2015 | 2Q 2015 | 3Q 2015 | 4Q 2015 | 1Q 2016 | 2Q 2016 | 3Q 2016 | 4Q 2016 | 1Q 2017 | 2Q 2017 | 3Q 2017 | 4Q 2017 | 1Q 2018 | 2Q 2018 | 3Q 2018 | 4Q 2018 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Multi-Tenanted Properties | 100% | 100% | 99.6% | 97.7% | 94.5% | 91.1% | 86.3% | 90.2% | 90.1% | 85.9% | 92.5% | 89.7% | 87.4% | 80.2% | 80.4% | 83.0% | **84.8%** |
| JTC Multiple-User Factory space[1] | 87.2% | 87.5% | 87.4% | 87.3% | 87.2% | 87.3% | 86.9% | 87.1% | 87.3% | 87.0% | 86.4% | 86.6% | 86.5% | 86.5% | 86.0% | 85.5% | **86.5%** |
| Portfolio | 100% | 100% | 99.8% | 98.7% | 96.8% | 94.8% | 92.0% | 94.8% | 89.6% | 91.8% | 92.6% | 94.1% | 92.7% | 87.5% | 87.6% | 87.2% | **89.5%** |
| JTC Industrial Average[1] | 90.9% | 90.7% | 91.0% | 90.8% | 90.6% | 90.1% | 89.4% | 89.1% | 89.5% | 89.4% | 88.7% | 88.6% | 88.9% | 89.0% | 88.7% | 89.1% | **89.3%** |

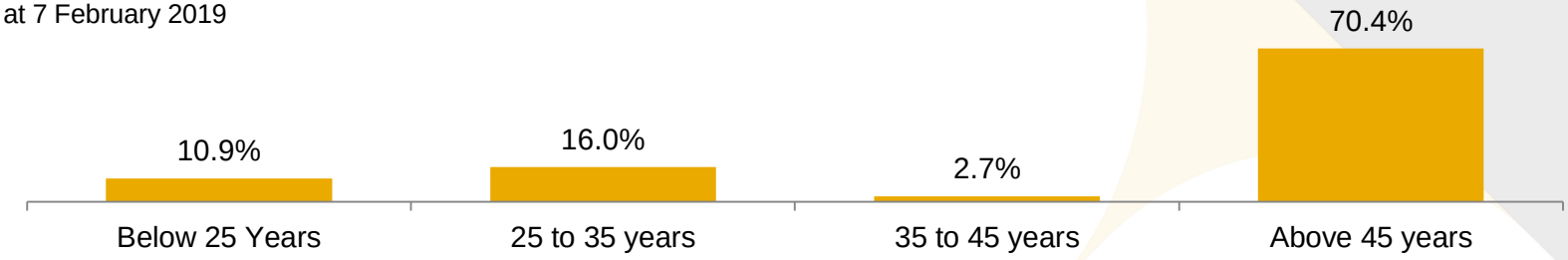
Notes:
(1) Source: JTC statistics as at 4Q 2018.

# Long Land Lease Expiry

## Percentage of Unexpired Land Lease Term

By Valuation

As at 7 February 2019




**Long Average Land Lease Tenure of 47.4 Years [3] (by valuation)**

| Property | Acquisition Date | Land Lease Expiry Date | Valuation (S$'m)[1] |
|---|---|---|---|
| Solaris | 16-Aug-13 | 31-May-68 | 382.0 |
| Eightrium | 16-Aug-13 | 15-Feb-66 | 89.7 |
| West Park BizCentral | 16-Aug-13 | 31-Jul-68 | 286.0 |
| Tuas Connection | 16-Aug-13 | 30-Sep-50 | 117.8 |
| NK Ingredients | 15-Feb-13 | 30-Sep-46 | 54.0 |
| COS Printers | 19-Mar-13 | 31-Jul-42 | 9.8 |
| Beng Kuang Marine | 10-May-13 | 29-Oct-56 | 15.7 |
| 39 Senoko Way (Phase 1)<br>39 Senoko Way (Phase 2) | 26-May-14<br>25-Nov-16 | 15-Feb-54 | 18.2 |
| Speedy-Tech | 23-Dec-14 | 30-Apr-50 | 24.6 |
| 72 Loyang Way | 27-May-15 | 20-Mar-38 | 34.0 |
| Bukit Batok Connection | 27-Sep-16 | 25-Nov-42 | 90.1 |
| 14 Mort Street, Canberra[2] | 5-Oct-18 | 6-Feb-2118 | 49.0 |
| Inghams Burton, Adelaide | 5-Oct-18 | Freehold | 58.9 |

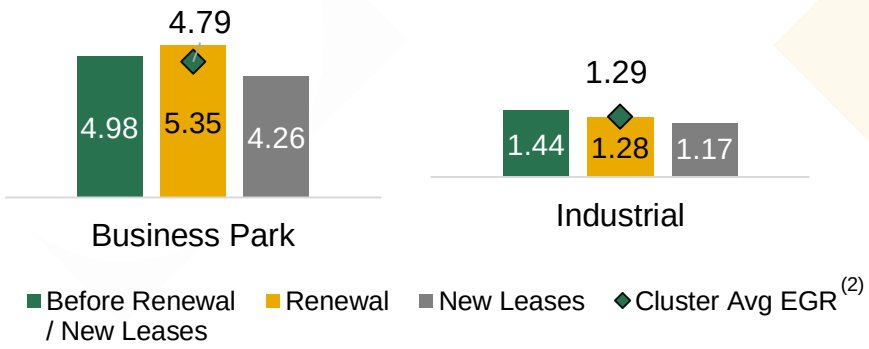
Notes:
(1) Based on CBRE & Colliers' valuations of Singapore assets dated 31 December 2018 and Colliers' valuation of Australia assets as at 31 August 2018, based on the exchange rate of A$1:00:S$0.96
(2) Crown leasehold title - If neither the state nor the federal government needs the land for a public purpose, it can request for an additional term not exceeding 99 years.
(3) For the calculation of average land lease tenure by valuation, Inghams Burton has been assumed as a 99-year leasehold interest.

# Leasing Update – FY 2018

| | No. of Leases | Area (sq ft) | Avg. EGR before Renewal / New Leases ($ psf) | Avg. EGR after Renewal / New Leases ($ psf) | Rental Reversion |
|---|---|---|---|---|---|
| **FY2018** | | | | | |
| **Renewal / Forward Renewal** | **32** | **634,989** | 1.88 | 1.78 | (5.3%) |
| **New Leases** | **20** | **250,401** | 1.80 | 1.49 | (17.2%) |
| **Total** | **52** | **885,390** | 1.86 | 1.70 | (8.6%) |

## Effective Gross Rent (psf/mth) [3]

for leases signed in FY2018 by Cluster[1]



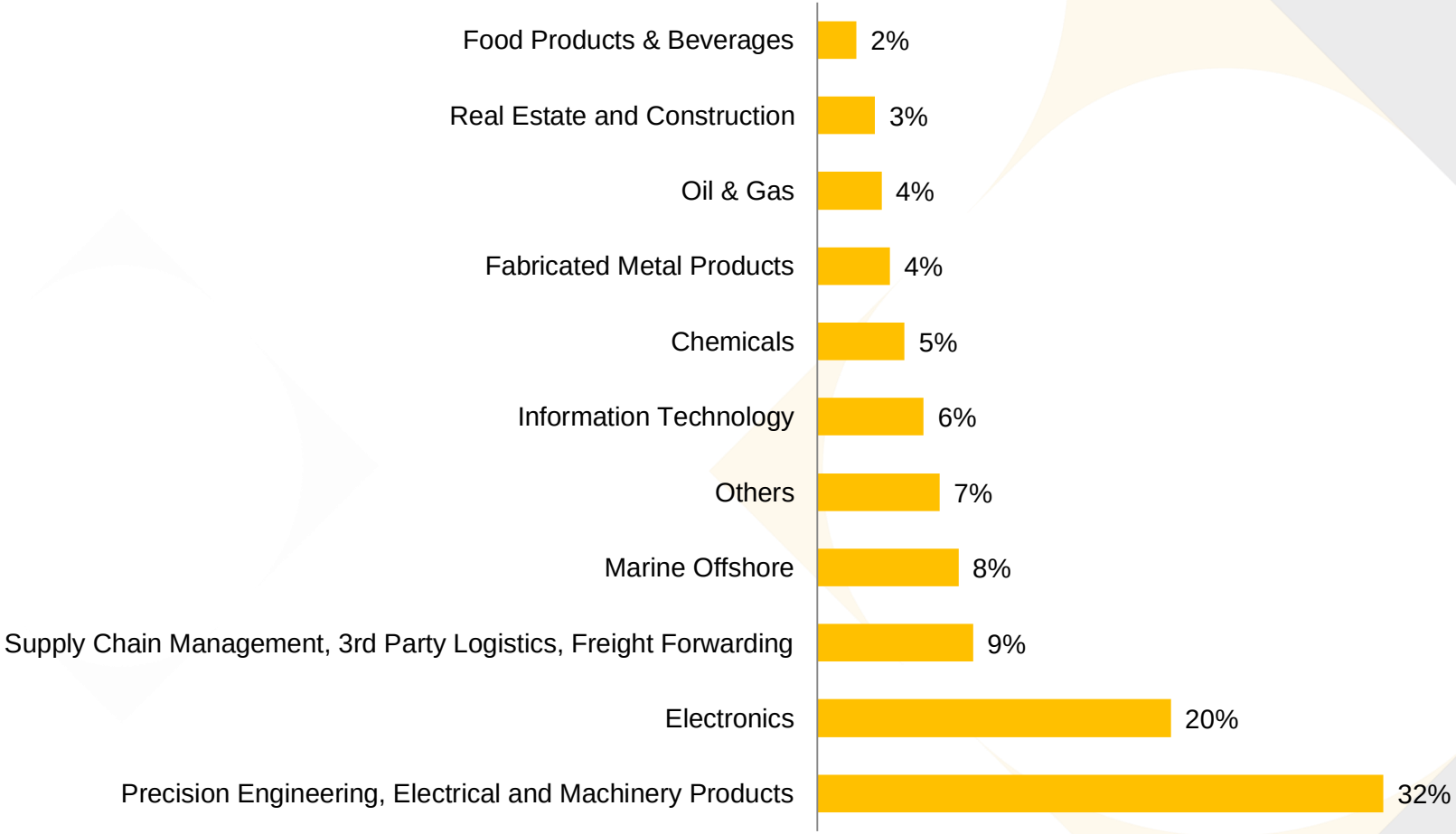

| Business Park | Industrial |
|---|---|
| **Renewal/ Forward Renewal Leases** | |
| 77,644 sqft (8 leases) | 557,345 sqft (24 leases) |
| **New Leases** | |
| 25,867 sqft (7 leases) | 224,534 sqft (13 leases) |

Note:
(1) Business Park cluster comprises Solaris and Eightrium and Industrial Cluster comprises Tuas Connection, West Park BizCentral, 72 Loyang Way and 39 Senoko Way.
(2) Cluster Average EGR indicates the average EGR of leased area for the respective Cluster as at 31 December 2018.
(3) Excludes Australia assets (14 Mort Street and Inghams Burton).

# Trade Sector of Leases Signed

## For leases signed in FY2018

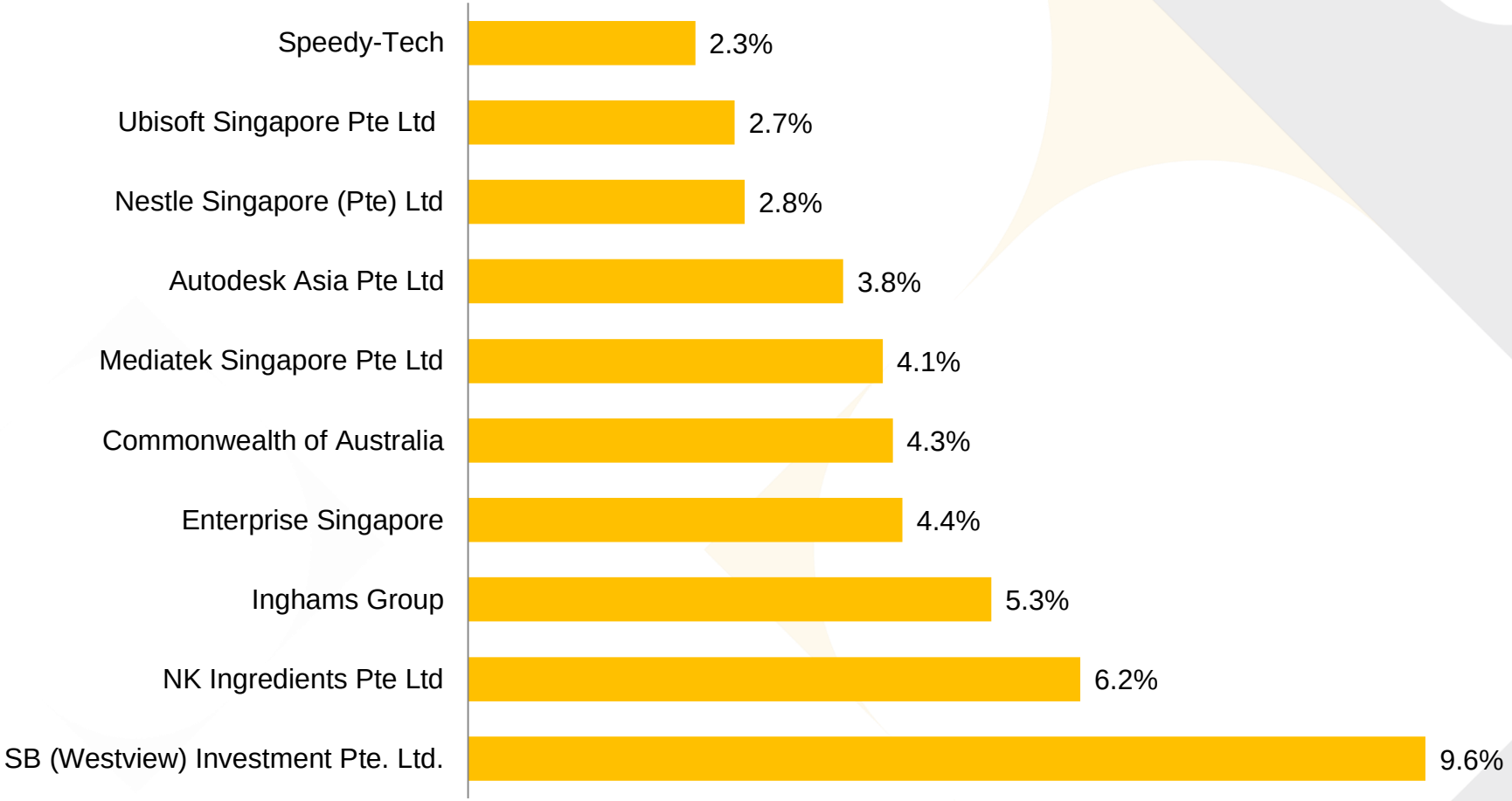
By Gross Rental Income






Note:
(1) Information as at 31 December 2018.

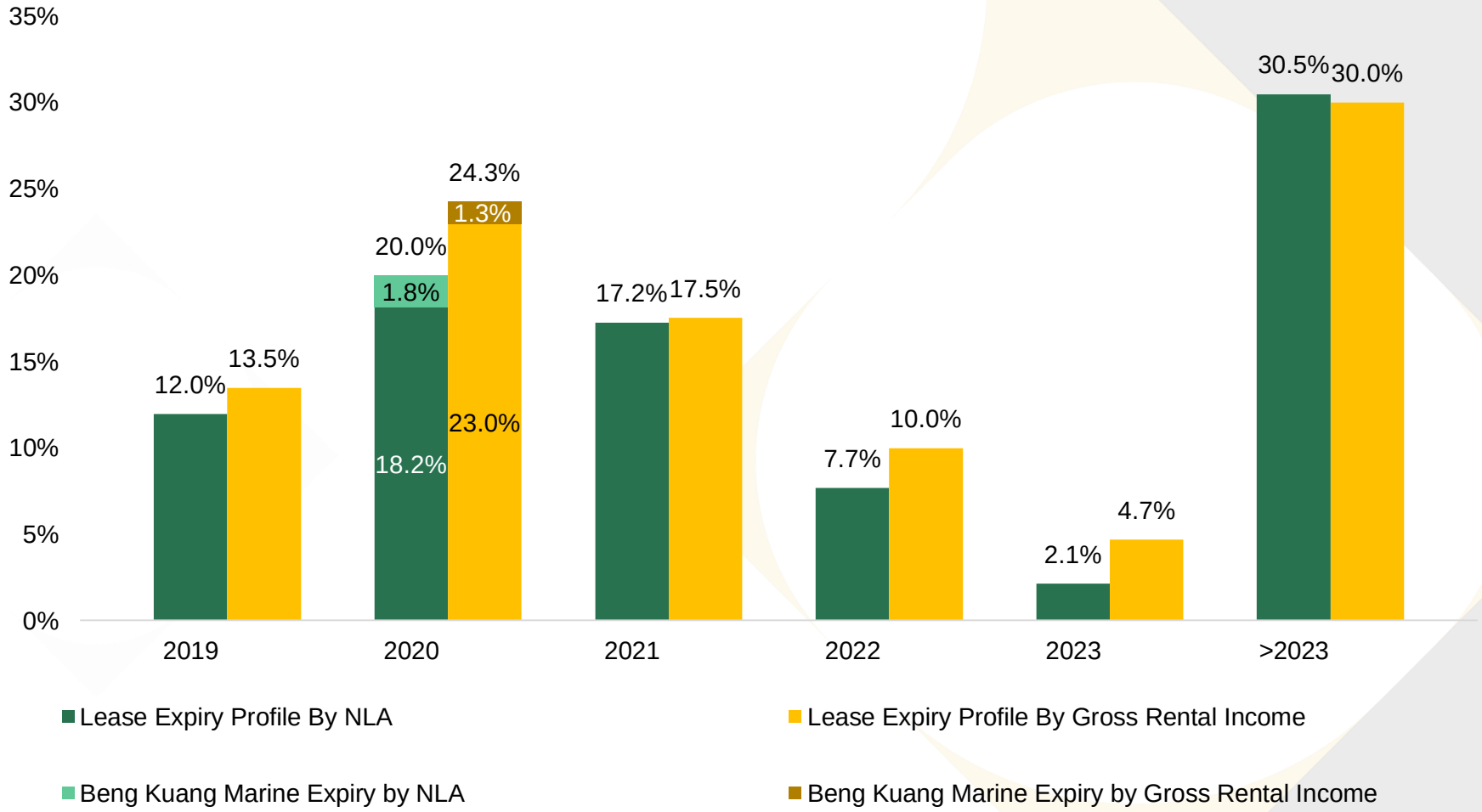
# Diverse Tenant Base




**Top 10 tenants contribute 45.5% of monthly gross rental income.**

# Well Staggered Lease Expiry Profile

| | | | |
|---|---|---|---|
| **WALE** (by NLA) | 3.7 years | **WALE** (by Gross Rental Income) | 3.9 years |

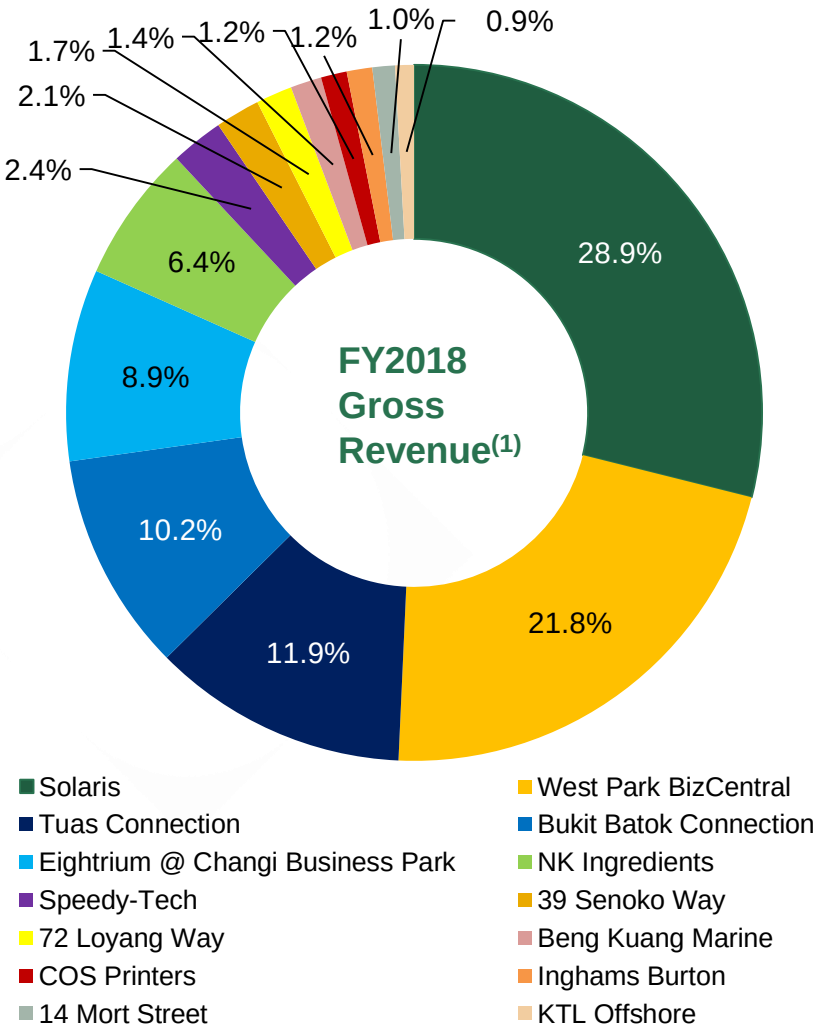



Note:
(1) Information as at 31 December 2018.
(2) Discrepancies between the figures in the chart are due to rounding.

# Well diversified Portfolio

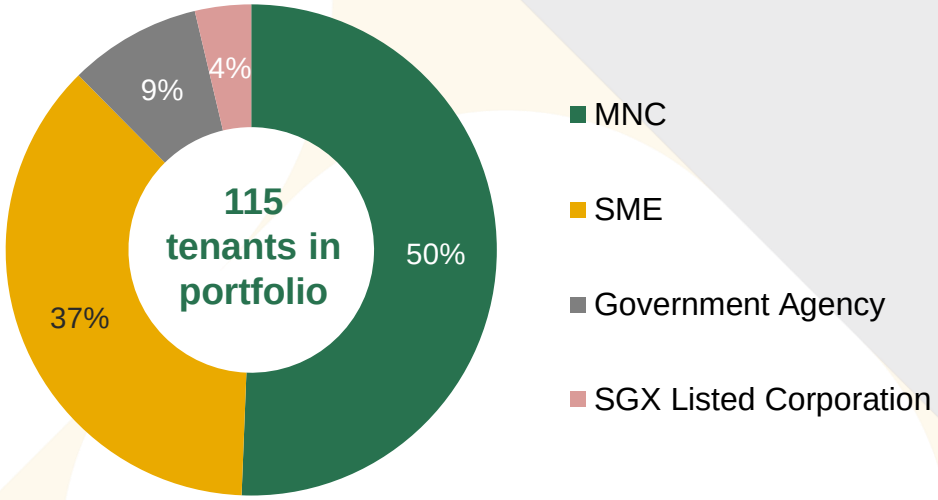
## Portfolio Income Spread

By Property



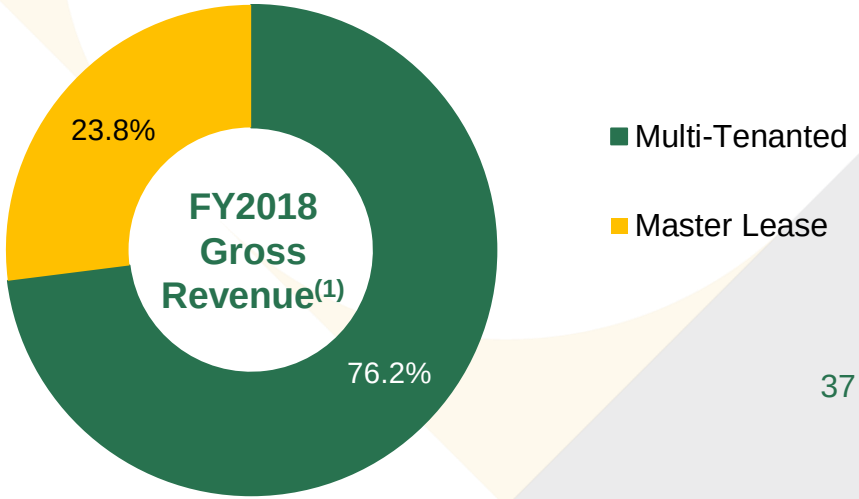

## Diversified Tenant Base

By Gross Revenue (1)




## Portfolio of Multi-tenanted and Master Leases

By Gross Revenue

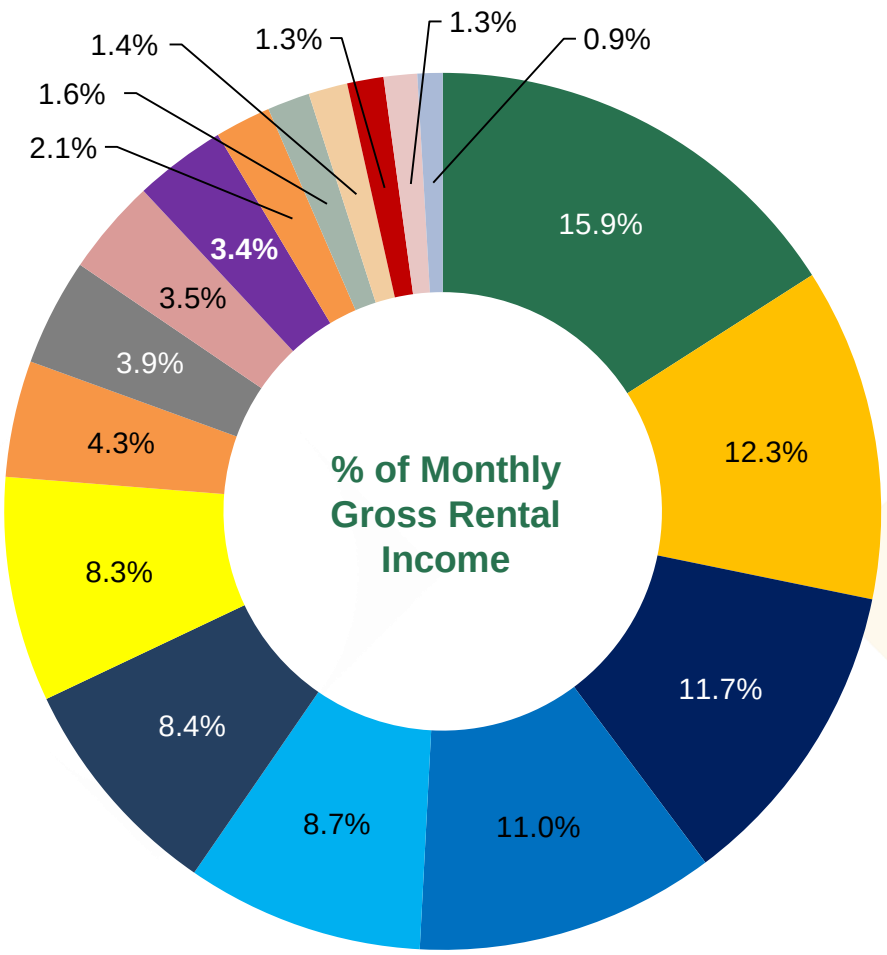



Note:
(1) Excluding one-off liquidation proceeds from Technics Offshore Engineering.
(2) Any discrepancies between the figures in the chart are due to rounding.
(3) Information as at 31 December 2018.

# Well diversified Portfolio

## Well-spread Trade Sectors

By Gross Rental Income




- Precision Engineering, Electrical and Machinery Products
- Information Technology
- Real Estate and Construction
- Others
- Government Agency
- Chemicals
- Electronics
- Fabricated Metal Products
- Publishing, Printing & Reproduction of Recorded Media
- Food Products & Beverages
- Marine Offshore
- Supply Chain Management, 3rd Party Logistics, Freight Forwarding
- Financial
- Telecommunication & Datacentre
- Education & Social Services
- Pharmaceutical & Biological
- Oil & Gas

# Market Update & Outlook

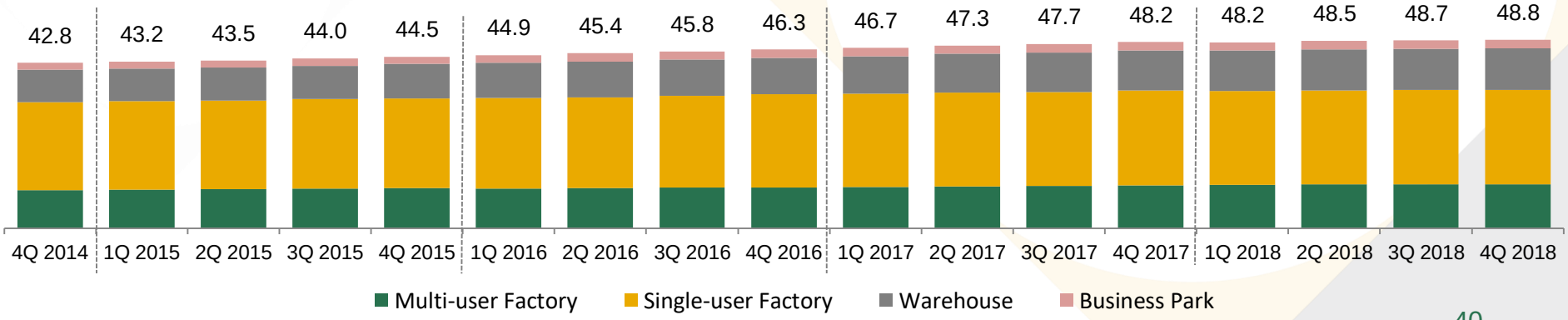


# Industrial Properties Profile

| Change y-o-y | 4Q 2014 vs 4Q 2015 | | 4Q 2015 vs 4Q 2016 | | 4Q 2016 vs 4Q 2017 | | 4Q 2017 vs 4Q 2018 | |
|---|---|---|---|---|---|---|---|---|
| | Vacancy Rate[(1)] | Rental Index | Vacancy Rate[(1)] | Rental Index | Vacancy Rate[(1)] | Rental Index | Vacancy Rate[(1)] | Rental Index |
| **Multi-user** | 0.0% | ↓ 3.3% | ↓ 0.1% | ↓ 7.7% | ↑ 0.8% | ↓ 2.8% | 0.0% | ↓ 0.1% |
| **Single-user** | ↑ 0.6% | ↓ 0.8% | ↑ 1.4% | ↓ 6.6% | ↑ 0.7% | ↓ 2.6% | ↓ 0.7% | ↓ 1.9% |
| **Warehouse** | ↑ 0.4% | ↓ 1.6% | ↑ 1.7% | ↓ 6.4% | ↑ 0.6% | ↓ 5.7% | ↓ 0.4% | ↓ 0.9% |
| **Business Park** | ↓ 4.3% | ↓ 1.2% | ↑ 1.1% | ↑ 0.5% | ↓ 3.6% | ↑ 3.3% | ↑ 1.7% | ↑ 2.8% |

## Total Industrial Stock ('million sq m)

| Increase y-o-y | 4Q 2014 vs 4Q 2015 | 4Q 2015 vs 4Q 2016 | 4Q 2016 vs 4Q 2017 | 4Q 2017 vs 4Q 2018 |
|---|---|---|---|---|
| **Multi-user** | 4.6% | 2.2% | 4.8% | 2.2% |
| **Single-user** | 2.3% | 3.3% | 1.9% | 0.0% |
| **Warehouse** | 5.6% | 6.6% | 10.2% | 2.4% |
| **Business Park** | 10.1% | 11.6% | 0.1% | 2.0% |

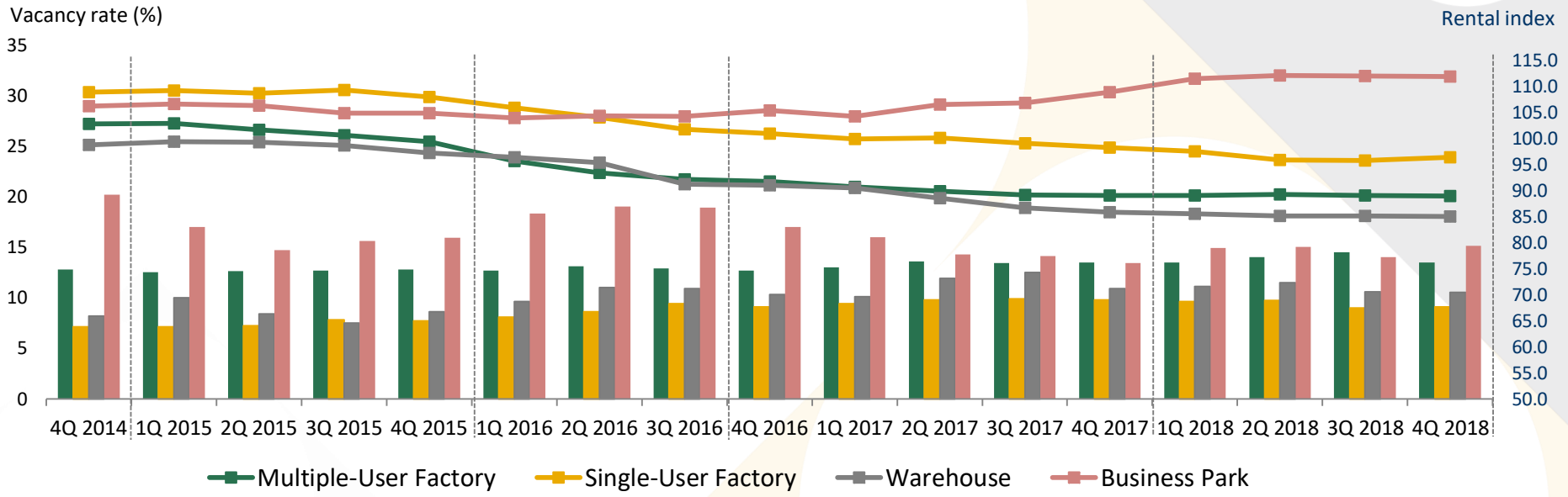





Source: JTC Statistics as at 4Q 2018
(1) In percentage point

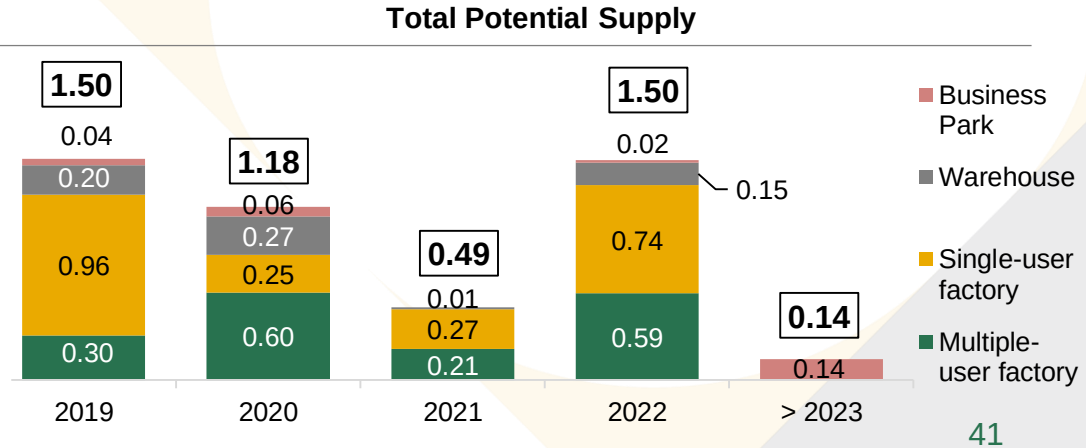
# Industrial Properties Profile

## Vacancy Rate and Rental Index (Base 4Q 2012 = 100)




## Upcoming Supply in the Pipeline ('million sq m)

| Property Type | Stock as at 4Q 2018 ('mil sq m) | Potential Supply in 2019 |
|---|---|---|
| **Multi-user** | 11.3 | 2.7% |
| **Single-user** | 24.6 | 3.9% |
| **Warehouse** | 10.7 | 1.8% |
| **Business Park** | 2.2 | 2.0% |




Source: JTC Statistics as at 4Q 2018

# The Year Ahead

## Australia Economy

- According to the Organisation for Economic Co-operation and Development ("**OECD**"), the Australian economy is projected to continue growing at a moderate pace in 2019, with a GDP growth forecast of 2.7%.
- Accommodative monetary policy and tight labour market conditions are expected to provide ongoing support to growth in household income, consumption and business investment.
- Rental growth for Australia's office asset profile is expected to continue and yields continuing to compress into 2019.

## Singapore Economy

- According to the Ministry of Trade and Industry ("**MTI**"), the Singapore economy is expected to expand at a modest pace between 1.5% and 3.5% in 2019.
- The overall economic outlook for 2019 is likely to ease from 2018's pace of growth, moderating from the 3.2% growth in 2018 given a more challenging global trade backdrop.
- Singapore's Purchasing Manager's Index ("**PMI**") edged down to 50.4 in February 2019 from 50.7 the previous month.

## Industrial Property Sector

- Industrial rents may remain in a -0.5% to +0.5% y-o-y band for 2019 (Savills 2018 Industrial Research).
- Industrial-wide occupancy stood at 89.3% as at 4Q 2018 (JTC, 2019).
- In the near term, rents for industrial space are expected to remain under pressure amid forecasts of high multi-user factory supply in 2020 and 2022.

## Soilbuild REIT

- Completed more than 885,390sq ft of new leases, renewals and forward renewals in FY2018.
- In FY2019, 12.0% or approximately 481,859 sqft of the portfolio's net lettable area is due for renewal.
- DPU accretive Australia acquisitions in Canberra and Adelaide are expected to provide portfolio stability.
- The Manager will continue to look for yield accretive opportunities to grow the Australia portfolio.

# THANK YOU



**Key Contacts:**


Lim Hui Hua
*Chief Financial Officer*
Tel: (65) 6415 5985
Email: lim.huihua@soilbuild.com

Lawrence Ang
*Senior Executive, Investor Relations*
Tel: (65) 6415 7351
Email: lawrence.ang@soilbuild.com