

ARALOGOS

LOGISTICS TRUST

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 11 February 2010 as amended and restated)

Press Release

ALOG's 2H FY2020 Distributable Income Up 14.9% Year-on-Year to S\$33.5 million

Key Highlights:

- 2H FY2020 Distributable Income 14.9% higher at S\$33.5 million; successfully inked 2.6 million sq ft of leases in FY2020 on the back of proactive leasing efforts
- Retained S\$2.5 million distributable income in 1Q FY2020 has been fully released back to Unitholders
- Announced maiden acquisition post rebranding - Demonstrates ability to leverage on Sponsor's pipeline to drive ALOG's growth and optimise Unitholder's returns
- Stronger operational performance driven by high portfolio occupancy levels and commencement of new leases at several properties during the year

Financial Performance

In S\$'000 unless otherwise noted

	2H FY2020	2H FY2019	Change (%)	FY2020	FY2019	Change (%)
Gross Revenue	59,647	54,923	8.6	117,432	113,555	3.4
Net Property Income ("NPI")	46,069	41,622	10.7	89,990	85,844	4.8
Distributable Income Declared to Unitholders	33,509	29,154	14.9	58,828	59,770	(1.6)
Distribution per Unit ("DPU") (cents)	2.927 ⁽¹⁾	2.689	8.9	5.250 ⁽¹⁾	5.523	(4.9)
Adjusted DPU ⁽²⁾	2.646 ⁽³⁾	2.275 ⁽⁴⁾	16.3	5.152 ⁽⁵⁾	4.736 ⁽⁶⁾	8.8
No. of Units in Issue and to be issued (mil)	1,278.1	1,085.8	17.7	1,278.1	1,085.8	17.7

Singapore, 26 January 2021 – ARA LOGOS Logistics Trust Management Limited, the manager (the "Manager") of ARA LOGOS Logistics Trust ("ALOG"), announced today a Distributable Income of S\$33.5

¹ DPU for 2H FY2020 and FY2020 factored in the enlarged unit base with Private Placement Units issued on 11 November 2020 and Preferential Offering Units issued on 25 January 2021.

² For the purpose for like-for-like comparisons to exclude capital and one-off distribution items only.

³ Excluding the one-off distribution consisting of S\$2.0 million of the remaining retained distributable income released as part of 2H FY2020 distributable income and capital distribution of S\$1.3 million.

⁴ Excluding the one-off distribution of S\$3.4 million tax-exempt income from the divestment of Jinshan Chemical Warehouse and S\$1.1 million capital distribution.

⁵ Excluding the one-off capital distribution of S\$1.3 million in FY2020.

⁶ Excluding the one-off distribution of S\$6.6 million in relation to 51 Alps Avenue and the divestment of Jinshan Chemical Warehouse and capital distribution of S\$1.8 million in FY2019.

million for the period 1 July 2020 to 31 December 2020 (“2H FY2020”). The distribution per unit (“DPU”) for 2H FY2020 was 2.927 cents ⁽⁷⁾.

Year-on-year (“y-o-y”), ALOG reported a stronger performance where FY2020 Gross Revenue and NPI saw an increase of 3.4% and 4.8% to S\$117.4 million and S\$90.0 million respectively as compared to S\$113.6 million and S\$85.8 million in FY2019. This was mainly due to the commencement of new leases at certain properties as well as additional revenue from DHL Supply Chain ARC, partially offset by transitory downtime between leases at Pandan Logistics Hub and ALOG Cold Centre and the lease expiry at 11-19 Kellar Street, Berrinba. FY2020 DPU was 4.9% lower at 5.250 cents ⁽⁸⁾ as compared to FY2019 on the back of one-off distributions in FY2019 and an enlarged unit base due to the Private Placement on 11 November 2020 and Preferential Offering on 25 January 2021 to fund the Proposed Acquisitions and Fund Investments ⁽⁹⁾. On a like-for-like basis, excluding capital and one-off distributions, DPU would have been 8.8% higher y-o-y.

In 2H FY2020, Gross Revenue and NPI was 8.6% and 10.7% higher at S\$59.6 million and S\$46.1 million respectively as compared to S\$54.9 million and S\$41.6 million in 2H FY2019. Similarly, DPU increased 8.9% to 2.927 cents⁽¹⁰⁾ in 2H FY2020 from 2.689 cents in 2H FY2019. On a like-for-like basis, excluding capital and one-off distributions, DPU would have been 16.3% higher y-o-y.

After prudent consideration, the Manager has also further released the remaining S\$1.0 million retained distributable income to Unitholders. The total distributable income of S\$2.5 million retained in 1Q FY2020 has been fully released back to Unitholders as at 31 December 2020.

Chief Executive Officer of the Manager, Ms Karen Lee commented: “We are pleased to have concluded FY2020 with a strong performance for our Unitholders. Our robust financial and operational performance, which were achieved despite the challenges resulting from the COVID-19 pandemic, reflects the strength and defensiveness of ALOG’s portfolio. Backed by our Sponsor, LOGOS, we will continue to execute our Portfolio Rebalancing and Growth Strategy to drive long-term sustainable returns for our Unitholders.”

Proactive Capital Management

As at 31 December 2020, aggregate leverage was lower at 39.0% as compared to 40.1% as at 31 December 2019. All-in financing costs was also lower at 3.22% as compared to 3.45% in 1H FY2020 and 3.84% in FY2019 on the back of lower floating rates and refinancing secured during the year. ALOG’s balance sheet remains well-positioned with sufficient debt headroom for future growth.

⁷ DPU of 2.109 cents per unit for the period from 1 July 2020 to 10 November 2020 had been distributed to Unitholders on 27 November 2020. DPU of 0.818 cents to be paid to Unitholders on 26 February 2021.

⁸ The restated FY2020 DPU, including the effects of the Preferential Offering, is 5.220 cents.

⁹ On 11 November 2020, 90.5 million new units were issued in relation to the Private Placement (please refer to the announcement dated 11 November 2020). On 25 January 2021, 91.1 million new units were issued in relation to the Preferential Offering (please refer to the announcement on 25 January 2021). Please refer to the announcement dated 26 October 2020 for the full details of the Proposed Acquisitions and Fund Investments.

¹⁰ The restated 2H FY2020 DPU, including the effects of the Preferential Offering, is 2.913 cents.

On foreign exchange exposure, approximately 88.8% of ALOG's distributable income is either derived in Singapore dollars or hedged to reduce foreign currency risk.

Portfolio Update and Disciplined Execution of Portfolio Rebalancing & Growth Strategy

As at end-December 2020, committed occupancy was at a high 98.5% with approximately 2.6 million square feet of leases successfully inked in FY2020⁽¹¹⁾ on the back of proactive leasing efforts. The portfolio's WALE by net lettable area stood at 2.8 years as at 31 December 2020.

ALOG's portfolio achieved significant positive rental reversion of 9.8% and 4.8% in 2H FY2020 and FY2020 respectively. In addition, the Manager had also successfully renewed another long-term lease with Schenker Singapore for the entire building at 51 Alps Avenue. As part of its lease and asset management strategy, the Manager will continue its proactive efforts to secure forward commitments so as to maintain high occupancy across the portfolio.

On 26 October 2020, ALOG announced its maiden acquisition from its Sponsor, LOGOS Group ("LOGOS"), which comprises of five logistics properties in Brisbane, Australia, and fund investments of 49.5% interest in the New LAIVS Fund and 40.0% interest in the OP Fund⁽¹²⁾. As this is an interested party transaction, an Extraordinary General Meeting was held on 23 December 2020 to seek Unitholders' approval and all resolutions were successfully passed. The acquisition is also targeted for completion in the first quarter of FY2021.

Ms Lee commented: "FY2020 has been a transformational year for ALOG, marking a significant milestone with the maiden acquisition from our Sponsor, just six months post-rebranding. In addition, ALOG's portfolio has also continued to remain resilient, delivering a strong portfolio performance for FY2020."

Outlook

According to MTI's advanced estimates for 4Q 2020, the Singapore economy tightened by 3.8% on a y-o-y basis, an improvement from the 5.6% contraction in 3Q 2020. On a q-o-q seasonally-adjusted basis, the economy improved by 2.1% following the 9.5% expansion in 3Q 2020, aided by the phased resumption of activities following the circuit breaker period, as well as the rebound in major economies during the quarter as they emerged from their own lockdowns. For the year of 2020, the Singapore economy has tightened by 5.8% as a whole⁽¹³⁾.

Based on JTC's 3Q 2020 quarterly report, warehouse vacancy for 3Q 2020 stood at 10.9%⁽¹⁴⁾. CBRE Research also reported that 4Q 2020's overall leasing activity saw an improvement as compared to 3Q 2020, with majority of the transactions comprising of renewals and relocations. In particular, third-party logistics and e-commerce players has significantly contributed to strong leasing demand for warehouses. Healthy

¹¹ Excluding short-term leases executed.

¹² SGX announcement on 26 October 2020.

¹³ Ministry of Trade and Industry, Press Release, "Singapore's GDP Contracted by 3.8 Per Cent in the Fourth Quarter of 2020", 4 January 2021.

¹⁴ JTC Quarterly Report, Industrial Properties, 3Q 2020.

leasing appetite for warehouses has also translated into higher rents in 4Q 2020, thus bringing rental levels back to pre-COVID-19 levels on a y-o-y basis⁽¹⁵⁾.

In a statement by the Reserve Bank of Australia (“RBA”), the recovery of the Australian economy is under way and recent data have shown that it is performing better than expected. However, recovery is expected to be uneven and drawn out and remains dependent on significant policy support. Based on RBA's central scenario, it will not be until the end of 2021 that the GDP level reaches the level attained at the end of 2019. RBA will also not increase the cash rate until actual inflation is sustainably maintained within the 2% to 3% target range⁽¹⁶⁾.

According to Dexus Research, robust demand from the transport, warehousing and retail trade sectors continues to drive strong take-up for industrial assets. Rapid growth in e-commerce has also been one of the strong factors resulting in many retailers looking at supply chain expansion⁽¹⁷⁾.

Distribution to Unitholders

2H FY2020 distribution amounted to 2.927 cents⁽¹⁸⁾. Distribution of 2.109 cents per unit for the period 1 July 2020 to 10 November 2020, including advanced distribution for the period 1 October 2020 to 10 November 2020, has been distributed to Unitholders on 27 November 2020.

<END>

By Order of the Board
ARA LOGOS Logistics Trust Management Limited (as manager of ARA LOGOS Logistics Trust)
(Company registration no. 200919331H)

Karen Lee
Chief Executive Officer
26 January 2021

For enquiries, please contact:

ARA LOGOS Logistics Trust Management Limited

Cassandra Seet

Manager, Investor Relations

Tel: +65 6512 1420

Email: cassandraset@ara-group.com

¹⁵ CBRE Research, Singapore MarketView, 20/20 in Hindsight, 4Q 2020, 8 January 2021.

¹⁶ Statement by Philip Lowe, Governor: Monetary Policy Decision, 1 December 2020.

¹⁷ Dexus Research, 4Q 2020 Industrial & Logistics Market Update.

¹⁸ Based on 1,278,078,909 units issued and to be issued as at 31 December 2020. For more details on the advanced distribution, please refer to the announcement dated 19 November 2020.



ABOUT ARA LOGOS LOGISTICS TRUST (“ALOG”)

Listed on the Singapore Exchange on 12 April 2010, ARA LOGOS Logistics Trust (“**ALOG**”) is a real estate investment trust (“**REIT**”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific. ALOG is managed by ARA LOGOS Logistics Trust Management Limited.

As at 31 December 2020, ALOG’s portfolio comprises 27 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia. The portfolio has a total gross floor area of approximately 9.0 million square feet valued at approximately S\$1.28 billion.

For more information, please visit www.aralogos-reit.com.

ABOUT ARA LOGOS LOGISTICS TRUST MANAGEMENT LIMITED

ALOG is managed by ARA LOGOS Logistics Trust Management Limited (the “**Manager**”), a wholly-owned subsidiary of LOGOS. ARA Asset Management Limited (“**ARA**” or the “**Group**”) is a majority shareholder of LOGOS, which operates as ARA’s global logistics real estate platform.

LOGOS is one of Asia Pacific’s leading logistics property groups with over 7.3 million sqm of property owned and under development, and a completed AUM of S\$14.4 billion across 24 ventures. As a vertically integrated business, LOGOS manages every aspect of logistics real estate, from sourcing land or facilities, to undertaking development and asset management, on behalf of some of the world’s leading global real estate investors.

ARA is a leading APAC real assets fund manager with a global reach. With S\$110 billion⁽¹⁹⁾ in gross assets under management as at 30 June 2020, ARA manages listed and unlisted real estate investment trusts (REITs), private real estate equity and credit funds, and infrastructure funds in 28 countries. As part of its investor-operator philosophy, ARA also operates a real estate management services division with local teams to manage its assets worldwide.

ARA’s multi-platform, multi-product global fund management business is supported by dedicated local teams with in-depth knowledge and expertise and empowered by a forward-looking real estate technology strategy. Built on a foundation of strong corporate governance and business integrity, ARA counts some of the world’s largest pension funds, sovereign wealth funds, financial institutions, endowments and family offices as its investors.

For more information on LOGOS and ARA, please visit <https://www.logosproperty.com> and <http://www.ara-group.com>.

IMPORTANT NOTICE

The value of units in ALOG (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA LOGOS Logistics Trust Management Limited (as the manager of ALOG) (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 ALOG is not necessarily indicative of the future performance of ALOG.

¹⁹ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 30 June 2020.