



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

Press Release

ARA LOGOS Logistics Trust's Distributable Income Grows 36.6% Year-on-Year

Key Highlights:

- Continues to deliver a robust performance for the period; 1H FY2021 DPU grew 10.6% year-on-year (“y-o-y”) to 2.570 cents
- Total value of ALOG’s portfolio increased to S\$1.8 billion
- Net Asset Value (“NAV”) per Unit increased 17.5% to S\$0.67 from S\$0.57 as at 31 December 2020 at the back of higher appraised value of investments
- Healthy portfolio occupancy rate of 98.2% with a longer WALE of 4.4 years by NLA and positive rental reversion of 2.4% was achieved for leases secured in 1H FY2021
- Continues to rebalance the portfolio through completion of maiden Australian portfolio acquisition from Sponsor, LOGOS, as well as divestments of Kidman Park in Australia and ALOG Changi DistriCentre 2 in Singapore

Financial Performance

In S\$’000 unless otherwise noted

	1H FY2021	1H FY2020	Change (%)
Gross Revenue	66,552	57,785	15.2
Net Property Income (“NPI”)	51,415	43,921	17.1
Distributable Income Declared to Unitholders	34,574	25,319	36.6
Distribution per Unit (“DPU”) (cents)	2.570⁽¹⁾	2.323	10.6
Adjusted DPU⁽²⁾	2.524⁽³⁾	2.506⁽⁴⁾	0.7

Singapore, 22 July 2021 – ARA LOGOS Logistics Trust Management Limited, the manager (the “**Manager**”) of ARA LOGOS Logistics Trust (“**ALOG**”), is pleased to announce today a Distributable Income of S\$34.6 million for the period 1 January 2021 to 30 June 2021 (“**1H FY2021**”). This translates into a DPU of 2.570 cents⁽¹⁾ for 1H FY2021.

¹ Includes the advanced distribution of 1.563 cents per Unit for the period from 1 January 2021 to 15 April 2021 paid on 28 May 2021.

² For the purpose of like-for-like comparisons only.

³ Excluding the capital distribution consisting of S\$0.6 million.

⁴ Including the S\$2.0 million retained distributable income in 1H FY2020, which was released in 2H FY2020.

Gross Revenue and NPI for 1H FY2021 rose by 15.2% and 17.1% y-o-y to S\$66.6 million and S\$51.4 million respectively, underpinned by incremental revenue generated from the recently completed Australian portfolio acquisition, stronger portfolio performance as well as appreciation of the Australian dollar. Distributable income for 1H FY2021 was S\$34.6 million, up 36.6% y-o-y, mainly due to a higher NPI and contribution⁽⁵⁾ from ALOG's investments in the New LAIVS Trust and Oxford Property Fund respectively. 1H FY2021 DPU also grew by 10.6% to 2.570 cents as compared to 2.323 cents in 1H FY2020 despite the enlarged unit base due to the issuance of new units in relation to the maiden Australian portfolio acquisition from its Sponsor, LOGOS. On a like-for-like basis, adjusting for the S\$2.0 million retained distributable income in 1H FY2020 and the S\$0.6 million capital distribution in 1H FY2021, DPU would have been 0.7% higher y-o-y.

Chief Executive Officer of the Manager, Ms Karen Lee said: "We have had a strong start to the first half of FY2021. In addition to the completion of our maiden Australian portfolio acquisition from our Sponsor, LOGOS, we have also successfully completed the divestments of two lower-yielding assets as part of our proactive asset management strategy and commenced asset enhancement initiatives. This has allowed us to not only scale up ALOG's portfolio, but also continue to enhance the REIT's competitive positioning.

"While the economic climate continues to be challenging, the logistics sector continues to demonstrate its resilience. With ALOG's expanded portfolio strategically located across key logistics clusters, we are confident that it remains well-positioned to leverage on favourable tailwinds and deliver long-term value to our Unitholders."

Healthy Financial Position

As at 30 June 2021, ALOG's financial position remains healthy with aggregate leverage at 39.5%. All-in financing costs have reduced to 2.92% in 1H FY2021 as compared to 3.22% in FY2020. Debt maturity profile remains well-spread out with weighted average tenure of debt outstanding at 3.3 years.

ALOG has also repaid the S\$53.0 million borrowings due in FY2021 and there will be no further refinancing requirements until FY2023.

In line with its proactive efforts to expand its green funding sources, ALOG has successfully launched its inaugural sustainability-linked S\$80.0 million interest rate swap ("IRS"). This bespoke IRS is linked to specific green targets such as the progressive reduction of carbon emission intensity of the multi-tenanted buildings within ALOG's Singapore portfolio and increased annual renewable energy usage, which are aligned with ALOG's commitment to manage its business impact on the environment.

ALOG continues to maintain prudence in its financial management with approximately 65.8% of ALOG's borrowings hedged into fixed interest rates and 84.3% of ALOG's distributable income either derived in Singapore dollars or hedged from foreign currency to Singapore dollars.

⁵ Distribution of S\$2.6 million attributed to ALOG's investments in the New LAIVS Trust and Oxford Property Fund.

Portfolio Update

In view of the evolving market environment, ALOG undertook a mid-year desktop valuation exercise on its property portfolio. The appraised value of its investment properties increased to S\$1.5 billion as at 30 June 2021. This increase was largely due to the addition of the Australian portfolio following the completion of the acquisition in April 2021 and an appreciation in value of several investment properties, offset by the completed divestments. ALOG's fund investments have also appreciated in value to approximately S\$265.4 million. Including the fund investments, ALOG's total portfolio is valued at approximately S\$1.8 billion. Consequently, ALOG's NAV per Unit also rose by 17.5% to S\$0.67 from S\$0.57 as at 31 December 2020.

In 1H FY2021, ALOG executed 127,300 square metres of leases⁽⁶⁾ during the period with a positive rental reversion rate of 2.4%. ALOG's portfolio occupancy stood at a healthy 98.2%. The portfolio's WALE by net lettable area also increased to 4.4 years, following the completion of the Australian portfolio acquisition.

In 1H FY2021, ALOG completed divestments of ALOG Changi DistriCentre 2 in Singapore and Kidman Park in Australia, successfully recycling S\$59.3 million in capital. These selective divestments continue to be in line with the Manager's ongoing strategy to build a more resilient and quality portfolio and to optimise returns for Unitholders.

As at 30 June 2021, ALOG's portfolio comprises of 29 properties, out of which nine properties in Singapore account for 55.3% of portfolio valuation and 20 properties in Australia account for 44.7%. ALOG also has 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively.

Outlook

In a report by MTI, Singapore's GDP grew 14.3% on a y-o-y basis in 2Q 2021, extending the 1.3% growth in 1Q 2021. This growth momentum was mainly due to the low base in 2Q 2020 when GDP was 13.3% lower due to the Circuit Breaker (CB) measures implemented during 7 April to 1 June 2020. 2Q 2021 GDP also remained 0.9% below its pre-pandemic level in comparison to the GDP level in 2Q 2019. On a quarter-on-quarter seasonally-adjusted basis, Singapore's GDP contracted by 2.0% in 2Q 2021, a reversal from the 3.1% growth in the previous quarter⁽⁷⁾.

According to CBRE Research, stable warehouse demand in Singapore continues to be seen in 1Q 2021, with food logistics-related companies as a key demand driver, led by food delivery and central kitchens demand. Food logistics-related demand is expected to remain robust in the mid to long term to accommodate safety stock storage for food supply. While the end of short-term leases relating to government-related stock piling will translate into more vacancy in the market, limited new supply and substantial demand have continued to push prime logistics warehouse vacancy levels low. As Singapore gradually develops as a

⁶ Excluding short-term leases executed.

⁷ Ministry of Trade and Industry, Press Release, Singapore's GDP Grew by 14.3 Per Cent in the Second Quarter of 2021, 14 July 2021.

global biomedical hub, medical logistics needs is also expected to drive more demand for high-specification warehouses moving forward⁽⁸⁾.

In a statement by the Reserve Bank of Australia (“**RBA**”), the stronger recovery of the Australian economy is earlier than expected and is forecasted to continue its momentum. RBA will continue to maintain supportive monetary conditions to support a return to full employment in Australia and an inflation consistent with its target. Cash rate will also not see an increase until actual inflation is sustainably maintained within the 2.0% to 3.0% target range⁽⁹⁾.

According to Dexu Research, the industrial sector outlook in Australia continues to remain robust. Increasing demand from tenants has translated into more supply needs and stronger industrial market fundamentals is likely to position it for another robust year⁽¹⁰⁾. Leasing enquiries for industrial and logistics space across Australia also saw a 20-year high in 1Q 2021, as vacancy levels continue to tighten further. Looking ahead, occupiers are expected to continue to adjust its inventory strategy for more safety stock storage to mitigate any potential supply chain risks, which is expected to generate higher demand for warehouse space in the medium to long term⁽⁸⁾.

Despite the global uncertainties, ALOG’s defensive portfolio has continued to remain resilient. Supported by a healthy balance sheet and financial flexibility, ALOG is also well-positioned for future growth. The Manager will continue to focus on its proactive asset and lease management strategy as well as adopt a disciplined acquisition approach with a view to deliver long-term sustainable returns and value for its Unitholders.

Distribution to Unitholders

Advanced distribution of 1.563 cents per unit for the period 1 January 2021 to 15 April 2021 had been paid to Unitholders on 28 May 2021⁽¹¹⁾. ALOG will pay a distribution of 1.007 cents per unit for the period 16 April 2021 to 30 June 2021 on 27 August 2021.

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⁸ CBRE Research, Asia Pacific Industrial & Logistics Trends, 1Q 2021.

⁹ Statement by Philip Lowe, Governor: Monetary Policy Decision, 6 July 2021.

¹⁰ Dexu Research, Australian Real Estate Quarterly Review, 2Q 2021.

¹¹ For more details on the advanced distribution, please refer to the SGX announcements dated 7 April 2021 and 23 April 2021.



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
22 July 2021

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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 30 June 2021, ALOG’s portfolio comprises 29 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia as well as 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively. The portfolio has a total gross floor area of approximately 1.0 million square metres and is valued at approximately S\$1.8 billion⁽¹²⁾.

For more information, please visit <https://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. It has total Assets Under Management (“**AUM**”) of over US\$16 billion, comprising 8.9 million sqm of property owned and under development across 26 ventures, including ALOG. 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 the largest real assets manager in Asia Pacific with S\$116 billion⁽¹³⁾ in gross AUM. ARA Group operates a multi-product platform diversified across assets, strategies and geographies in both public and private markets, managing real estate investment trusts (REITs) and private funds in real estate, infrastructure and credit globally. ARA’s vertically-integrated business includes development and value-add asset management capabilities, an in-house capital raising team, and property management expertise in local markets where ARA invests and manages assets. With a resolute focus on creating sustainable value, ARA manages funds on behalf of many of the world’s largest pension funds, sovereign wealth funds and financial institutions.

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

¹² Portfolio value includes ALOG’s 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively.

¹³ Includes assets under management by ARA Asset Management Limited and the Group of companies (“ARA Group”) and its Associates as at 31 December 2020.