SABANA
INDUSTRIAL REIT

1Q 2024

INTERIM BUSINESS UPDATE

15 April 2024

For the period ended 31 March 2024

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Any discrepancies in the tables included in this presentation between the listed amounts and total thereof are due to rounding.

CAUTIONARY STATEMENT

This presentation is available on SGXNet and Sabana Industrial REIT’s website. The Manager will make further announcements on the SGXNet in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. In the meantime, Unitholders and investors are advised to refrain from taking any action in respect of their Units which may be prejudicial to their interests, and to exercise caution when dealing in the Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

CEO'S MESSAGE

Market outlook

Singapore's GDP growth forecast for 2024 is maintained at 1.0 to 3.0 per cent, according to the Ministry of Trade and Industry. Based on advance estimates, the Singapore economy grew by 2.7 per cent year-on-year in 1Q 2024, exceeding the 2.2 per cent growth in the previous quarter. The economy expanded by 0.1 percent on a quarter-on-quarter seasonally adjusted basis, following the 1.2 per cent expansion in 4Q 2023

Performance review of 1Q 2024

In view of the uncertainties arising from internalisation process of the 7 August 2023 and 8 March 2024 EGMs, it has been a very difficult 1Q 2024 for Sabana Industrial REIT. These challenges have been compounded by the unexpected turn of 33 & 35 Penjuru Lane repossession on 8 March 2024 where portfolio occupancy slid to 83.0%. Excluding this event, portfolio occupancy would have remained stable at 91.3%. That being said, with the recent court decision in the REIT's favour, including the dismissal of the counterclaims by the ex-tenant of 33 & 35 Penjuru Lane against the REIT, the REIT is proceeding with its claims for outstanding rent and other payments due under the lease. Concurrently, re-marketing is progressing well and we are anticipating offers from third party logistic firms.

Our property at 1 Tuas Avenue 4, which has been named Sabana@1TA4, is advancing nicely towards a June 2024 TOP date. We are engaging prospective tenants and will provide the necessary updates. I am heartened that this property has achieved the BCA green mark super low energy certificate, the first such award for the REIT. Based on design, Sabana@1TA4 is expected to be a net positive energy building.

With the progress of our sustainability journey, we are well-positioned to capitalise on alternative solar energy as we expect potential energy price volatility in view of the Middle East conflict.

~ Donald Han, CEO of Sabana Industrial REIT Manager

KEY QUARTERLY HIGHLIGHTS

- **Portfolio Management**
  - Portfolio occupancy of 83.0% due to re-possession of 33 & 35 Penjuru Lane on 8 March 2024. Portfolio occupancy would have remained stable at 91.3% excluding 33 & 35 Penjuru Lane which was previously master-leased
  - New and renewed leases totalling 139,426 sq ft with a positive 23.7% rental reversion, sustaining the positive quarterly rental reversion track record since 1Q 2021
  - Proactively engaging key tenants with leases expiring in 2024 to secure their medium and long-term leasing solutions

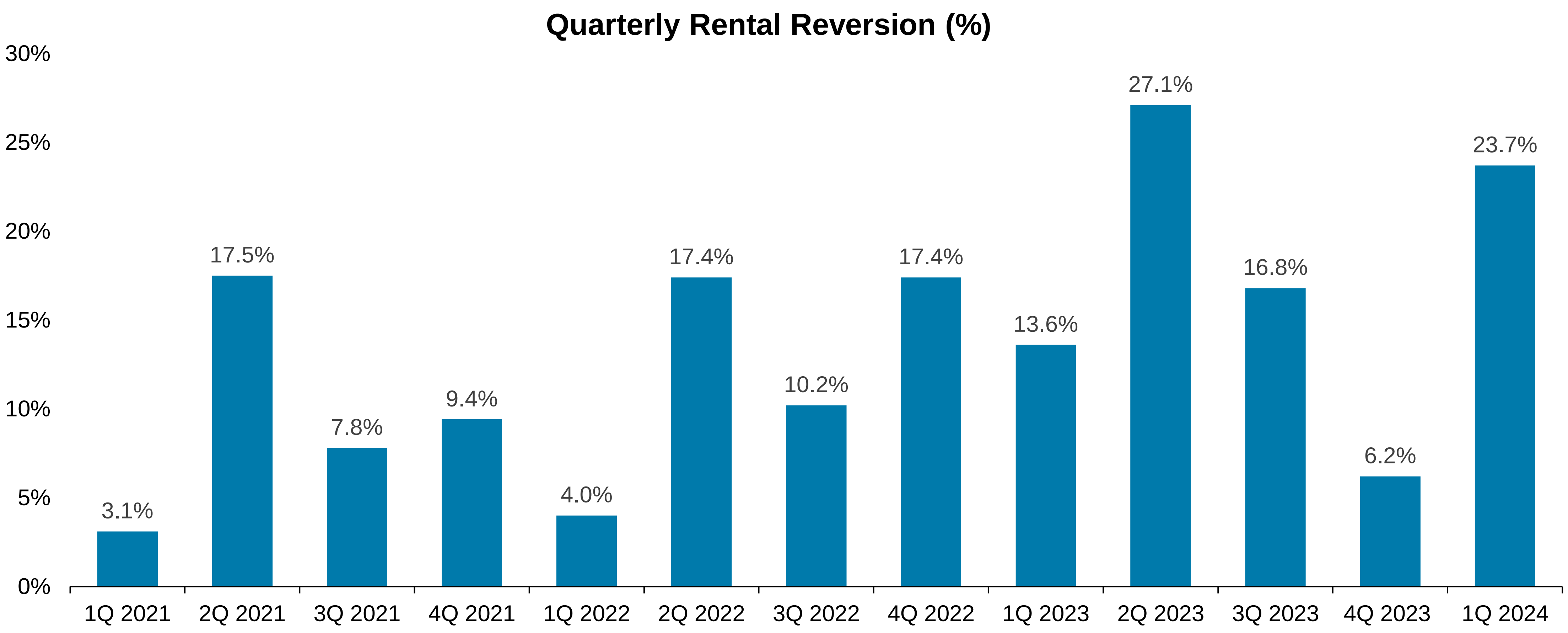
- **Capital Management**
  - Aggregate leverage ratio of 35.6%
  - 51.8% of borrowings are on fixed rates and weighted average fixed debt expiry of 1.2 years
  - Every potential 50 bps increase in interest rates may result in a $0.80m decrease in distributable income or 2.6% reduction (equivalent to 0.07 cents) on DPU per annum
  - Next refinancing in 4Q 2025
  - Average borrowing maturity at 2.7 years and interest coverage ratio of 3.4 times

Portfolio and Operational Updates as at 31 March 2024

Portfolio occupancy	WALE	Rental Reversion	New Leases	Renewed Leases
83.0%	**2.9 years**	**23.7%**	**1,915 sq ft**	**137,511 sq ft**
4Q 2023: 91.2%	4Q 2023: 3.0 years	4Q 2023: 6.2%	4Q 2023: 53,390 sq ft	4Q 2023: 42,651 sq ft

SUSTAINED RENTAL REVERSIONS

Positive quarterly reversion for over THREE YEARS



SABANA'S FIRST BCA GREEN MARK SUPER LOW ENERGY AWARD

BCA GREEN MARK

1 Tuas Avenue 4 has been officially named **Sabana@1TA4** with effect from 14 March 2024

It has been awarded the BCA Green Mark SUPER LOW ENERGY certificate based on the Green Mark Criteria for Green Mark 2021

Sabana@1TA4 is targeted to obtain TOP around June 2024;
Photo above of Sabana@1TA4 taken in early April 2024

Sabana@1TA4 is targeted to obtain its Temporary Occupation Permit ("**TOP**") around June 2024. In line with the REIT's commitment to sustainability, the property will incorporate solar panels that will potentially generate more than 1,000 megawatt-hours of energy per year. Based on design**, Sabana@1TA4** is expected to be a net positive energy building

33 & 35 PENJURU LANE: COURT RULES IN FAVOUR OF SABANA

On **17 November 2023**, the REIT filed an originating claim to the Singapore High Court against Kleio One-Solution Pte. Ltd. (“**Kleio**”), seeking a court order for possession of the Premises and payment of the arrears in rent and other payments owed to the REIT (“**OC 788**”)

- The REIT successfully obtained an Order for Possession on **28 February 2024** and took possession of 33 & 35 Penjuru Lane on **8 March 2024** as per the Order of Court, with legal costs arising out of the application payable to the REIT

- The REIT successfully obtained summary judgment on **5 April 2024** against Kleio on the REIT’s claim for outstanding rent and other payments due under the lease; Also on the same day, the REIT successfully obtained an order that Kleio’s counterclaim in OC 788 is dismissed entirely. The Court had also ordered Kleio to pay to the REIT its legal costs arising out of these applications

- The REIT is pursuing the necessary legal proceedings to claim approximately **S$4 million** from Kleio, being the sum outstanding from May 2023 to March 2024, as well as losses the REIT suffered as a result of Kleio’s non-repayment and pre-termination due to the breach of the lease agreement, to be determined

- The Manager is actively seeking potential tenants to have the asset rented either on a single or multi-tenanted basis

- The Manager will make the relevant announcements on SGXNet as and when there are material developments

33 & 35 Penjuru Lane

Sources:
1. https://sabana.listedcompany.com/news.html/id/2468139
2. https://sabana.listedcompany.com/news.html/id/2486643

NTP+ Mall REFRESH

151 Lorong Chuan, New Tech Park

Mall Refresh

- Revitalising tenant mix at end-March after three years of successful operation
- Onboarding new tenants with established and/or franchised brands and/or track record operating in large malls
- Providing new tenant promotions and exclusive offerings to boost footfall

NTP+ Mall continues to play a crucial role as a destination mall offering diverse F&B and lifestyle choices for New Tech Park office tenants and surrounding community

Luckin Coffee, a global coffee franchise from China

Ah B Bakery, a homegrown bakery with several outlets across Singapore

Tenant Feedback

The NTP+ Mall refresh incorporates feedback from our tenants at New Tech Park, some of whom have requested the addition of more F&B options, including bakeries, fast food and more affordable dining options

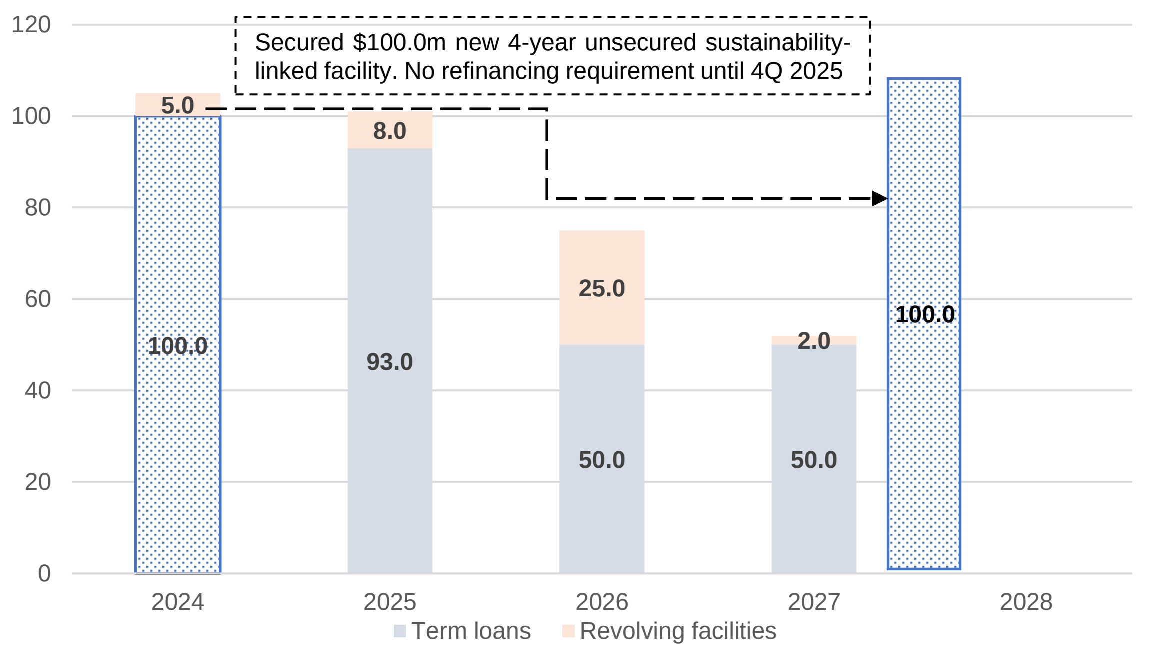
CAPITAL MANAGEMENT

- **Leverage ratio has increased mainly due to the drawdown of loan for CAPEX and liquidity buildup for capital management purposes**
- **Proportion of total borrowings on fixed rates have decreased due to operational constraints amid the internalisation process**

Key Credit Metrics

	As at 31 March 2024	As at 31 December 2023
Total borrowings - Term loans - Revolving facilities	$333.0m (1) $293.0m $40.0m	$318.0m $293.0m $25.0m
Aggregate leverage(2)	**35.6%**	**34.3%**
Interest coverage ratio(3)	3.4x	3.5x
Weighted average tenor of borrowings	2.7 years	2.9 years
Average all-in financing cost	**4.01%**	**3.89%**
Proportion of total borrowings on fixed rates(4)	51.8%	76.3%
Weighted average fixed debt expiry	1.2 years	1.0 years
Debt Headroom(5)	**$134.9m**	**$145.7m**
Unencumbered assets	100%	100%

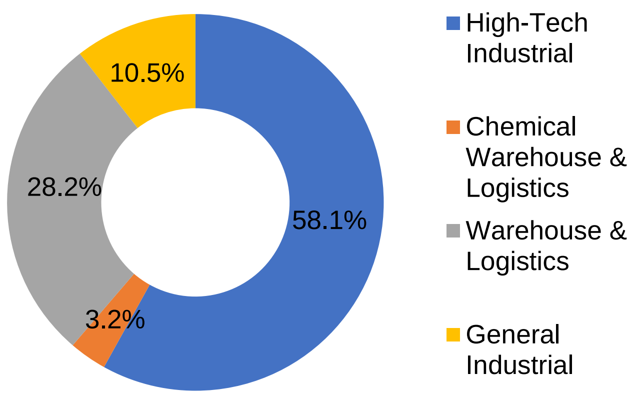
Debt Maturity Profile



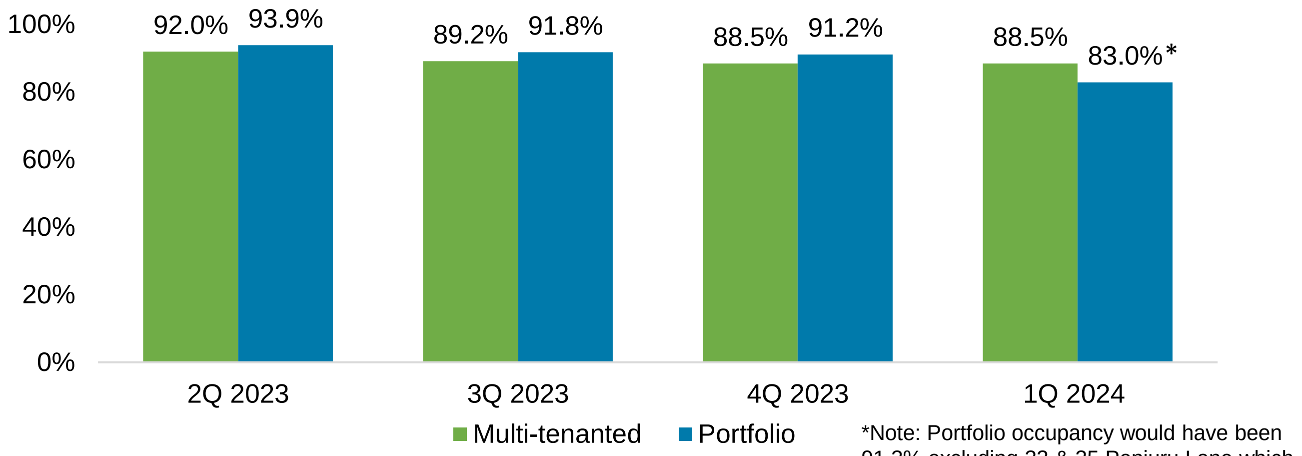
Notes:
(1) Borrowings have increased due to the working capital required for capital expenditure, asset enhancement initiatives and distribution payments
(2) Ratio of total borrowings & deferred payment over deposited property as defined in the Property Funds Appendix of the Code on Collective Investment Schemes
(3) Based on the interest coverage ratio definition in Appendix 6 of the Code on Collective Investment Schemes
(4) Every potential 50 bps increase in interest rates may result in a $0.80m decrease in distributable income or 2.6% reduction (equivalent to 0.07 cents) on DPU per annum. Based on 1,111,788,330 units as at 31 December 2023 and FY2023 DPU
(5) On the basis of an aggregate leverage limit of 50.0% pursuant to the Property Funds Appendix, inclusive of committed and undrawn facilities of $80.0m

PORTFOLIO PERFORMANCE AS AT 31 MARCH 2024

Breakdown of Asset Types
By Gross Rental Income

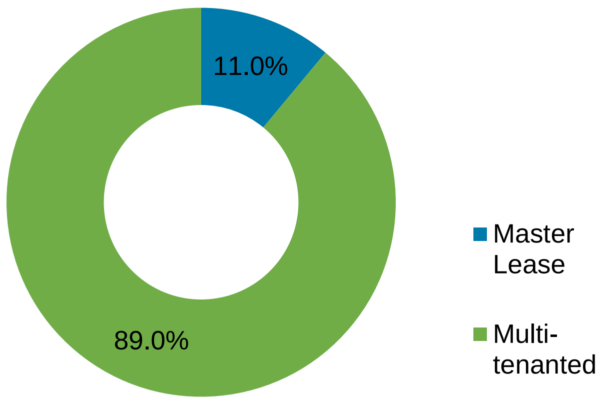


Occupancy Rates

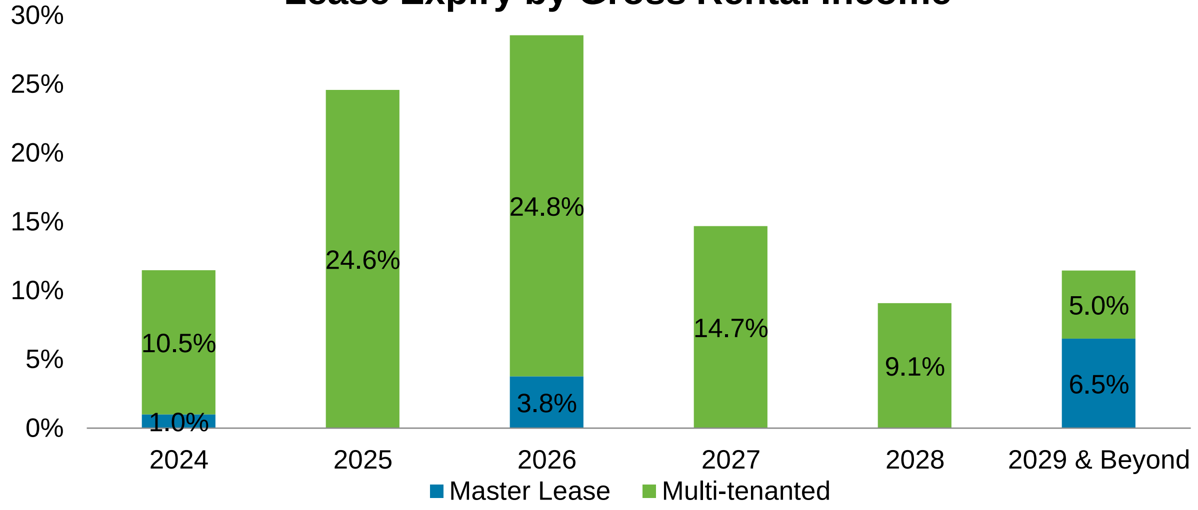


*Note: Portfolio occupancy would have been 91.3% excluding 33 & 35 Penjuru Lane which was repossessed on 8 March 2024

Breakdown of Master-leased and Multi-tenanted Properties
By Gross Rental Income



Lease Expiry by Gross Rental Income



INTERNALISATION COSTS INCURRED UP TO 31 MARCH 2024

- Cumulative **$1.84 million** of expenses[1] incurred in connection with (and up to) the requisition of the 7 August 2023 and 8 March 2024 EGMs, comprising:
  - $1.37 million incurred as at 31 December 2023
  - $0.47 million incurred in 1Q 2024[2]

- Cumulative **$5.40 million** of internalisation expenses incurred in respect of implementation of the resolutions passed on 7 August 2023 and accrued as of 31 March 2024, comprising:
  - $3.27 million incurred as at 31 December 2023
  - $2.13 million incurred in 1Q 2024[2]

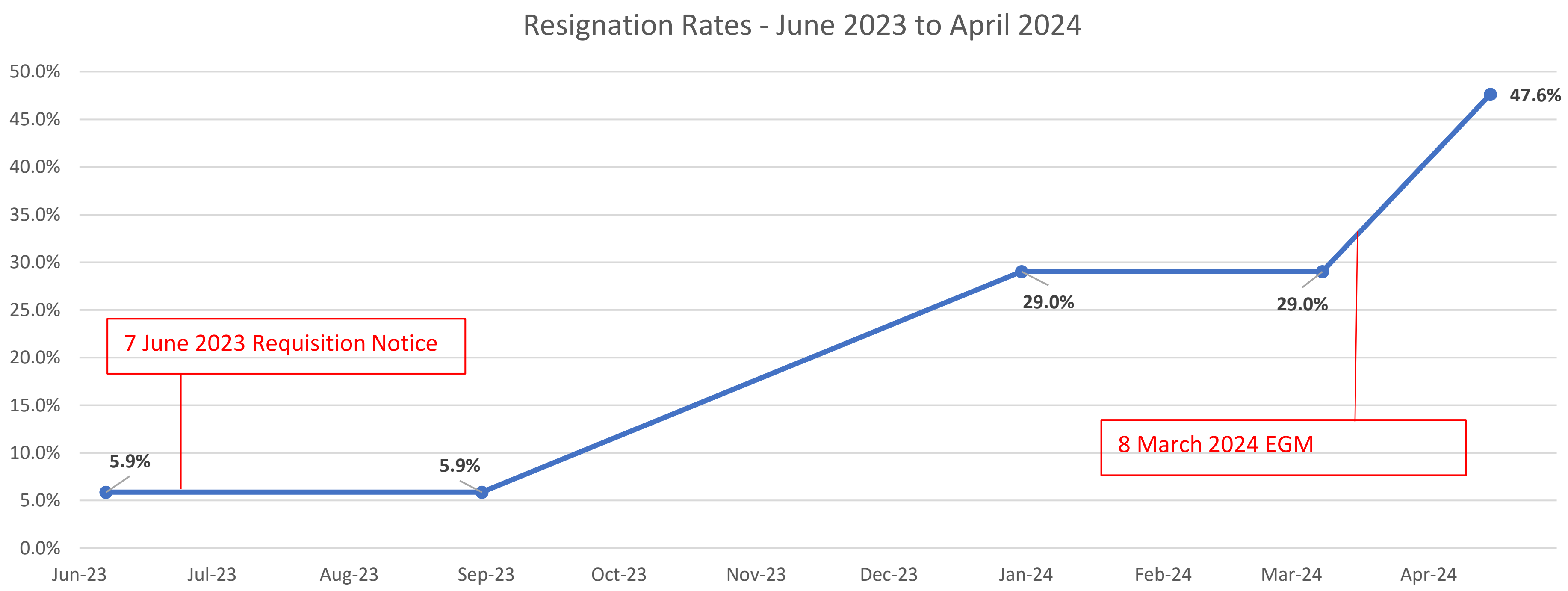
In view of the ongoing internalisation process, the Trustee will provide further updates as and when there are material developments. All updates from the Trustee will be in the form of announcements via SGXNet. Unitholders may direct their enquiries to sabana.trustee@hsbc.com.sg

Note:
1. Expenses comprise costs incurred for the organisation of the EGMs, professional fees, legal fees incurred by both Manager and Trustee, and stakeholder engagement costs, among others
2. On an unaudited basis

MANAGING HIGH STAFF ATTRITION DURING PERIOD OF UNCERTAINTIES

- Total resignation rate since 7 June 2023 (Receipt of requisition notice) to 15 April 2024 stands at 47.6%

- The Manager has hired replacements for the various roles, of which about 26.7% of these positions have been filled by new hires; The Manager will continue to proactively hire to fill vacancies



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