

Woolworths Headquarters, Australia



**AIMS**  
AA REIT

# AIMS APAC REIT

*13<sup>th</sup> Annual General Meeting*

26 July 2022, 2.00 p.m. by electronic means

# Important Notice



## Disclaimer

This Presentation is focused on comparing the financial results for the financial period from 1 April 2021 to 31 March 2022 (“FY2022”) versus financial results year-on-year (“y-o-y”). This Presentation shall be read in conjunction with AIMS APAC REIT’s (“AA REIT” or the “Trust”) Annual Report 2022 as per the SGXNet Announcement.

The information contained in this presentation is for information purposes only and does not constitute an offer to sell or any solicitation of an offer or invitation to purchase or subscribe for units in AIMS APAC REIT (“Units”) in Singapore or any other jurisdiction, nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract or commitment whatsoever.

The past performance of the Units and AA REIT is not indicative of the future performance of AA REIT. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of AA REIT.

The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the AIMS APAC REIT Management Limited (the “Manager”). An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem their Units while the Units are listed. It is intended that holders of Units (“Unitholders”) may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

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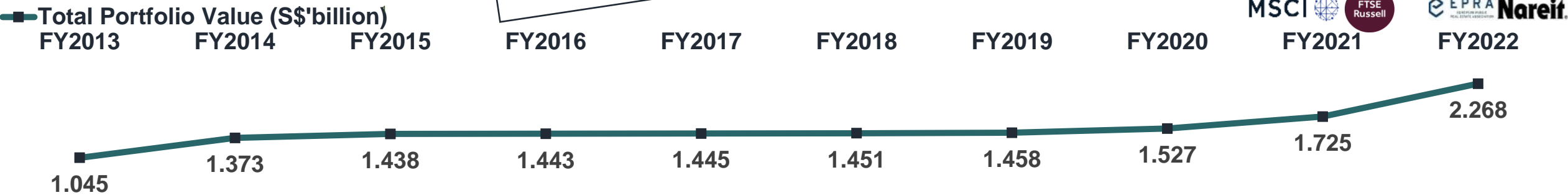
*Optus Centre, Australia*

# OUR GROWTH PATH & STRATEGY

# 10-Year Growth Path

Demonstrated strong AUM Growth, supported by asset enhancement initiatives and acquisitions

10-year CAGR<sup>2</sup>: 9.3%



AEI / Development



20 Gul Way (Phases 1&2)



1 Kallang Way 2A



103 Defu Lane 10



20 Gul Way (Phases 2E&3)



30 Tuas West Road



26 Tuas Avenue 7



8 Tuas Avenue 20



51 Marsiling Road



NorthTech



3 Tuas Avenue 2

Acquisition



Optus Centre



Boardriders APAC HQ



7 Bulim Street



Woolworths Headquarters

(Based on TOP completion dates of projects)

1. Based on the carrying value of investment properties as well as the 49.0% interest in the carrying value of Optus Centre and excluding right-of-use assets as at 31 March.  
 2. CAGR computed from FY2012 to FY2022.

The 4 strategic pillars guides our day-to-day execution and long-term planning and vision

## 1 Accretive Investments & Developments



Pursue accretive investments and build-to-suit development opportunities in Singapore and Australia that offer stable and growing income yield and long-term capital growth

Anchor portfolio with high quality modern industrial, logistics, and business park assets that provide resilient and sustainable long-term returns

## 2 Active Asset Management



Active asset and lease management. Continuously seeking to unlock value of assets within portfolio through building enhancements, conversions and leasing as well as through divestment and capital recycling of non-core assets

## 3 Prudent Capital & Risk Management



Prudent capital management such as diversifying funding sources, proactive refinancing activities and capitalising on low cost of funding when market conditions are favourable

## 4 Strategic Capital & Business Partnership



Leveraging on our track record in investments, developments and asset management to form new capital partnerships for joint projects as well as collaboration with business partners and end users to develop, enhance and hold modern facilities that meet their occupational and business requirements

illumina

# FY2022 HIGHLIGHTS

# Transformative Acquisition in FY2022

1 Woolworths Way, Sydney, New South Wales

Purchase Consideration <sup>1</sup>	A\$463.25 million (S\$454.0 million)
Total Acquisition Cost	A\$494.25 million (S\$484.4 million)
Land Tenure	Freehold
Land Area	90,010 sqm
Net Lettable Area	44,972 sqm
Master Tenant	Woolworths Group Limited
Existing Lease Term	10 years commencing from completion, with annual rental escalation of 2.75%
Occupancy	100%
NPI Yield <sup>2</sup>	5.17%
Acquisition Completion Date	15 November 2021

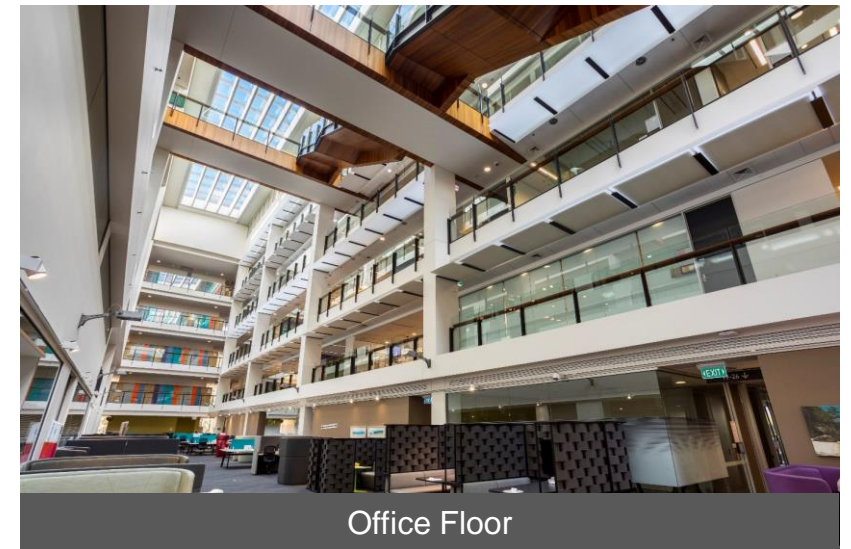
**Re-development potential to provide up to 1.5 million sq ft under current planning rules**

1. An exchange rate of A\$1: S\$0.98 is adopted for all S\$ amounts.

2. Initial NPI Yield based on Year 1 NPI of A\$23.94 million divided by Purchase Consideration.



Woolworths Headquarters, Australia



Office Floor



# Long-term Tenant Partnership

Building relationship with Illumina Singapore Pte. Ltd. (“Illumina”) at NorthTech, Singapore

Property Details	
Valuation (as at 31 March 2022)	S\$128.0 million
Land Tenure	Leasehold
Land Area	17,955 sqm
Gross floor area	45,478 sqm
Net Lettable Area	36,645 sqm
Occupancy	100%
Annual gross revenue (FY2022)	S\$11.02 million

**Executed 10-year renewal lease with Illumina, a leading global life science tenant**

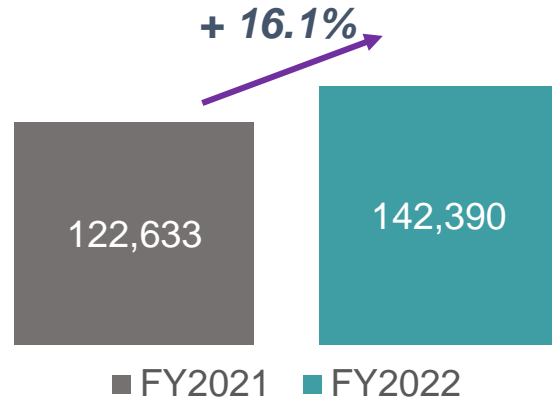


**Long-term partnership with Illumina to allow them to scale up their space throughout their growth journey**

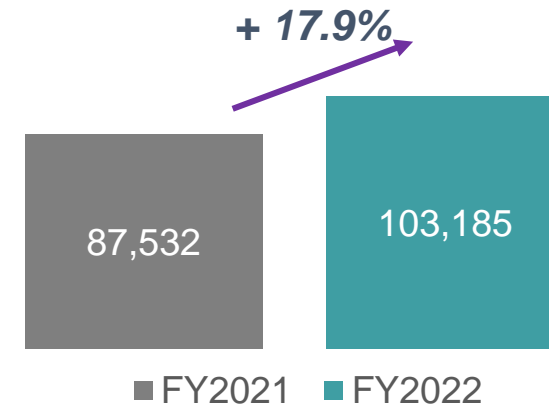
# FY2022 Financial Highlights

Delivered strong results despite COVID-19 challenges

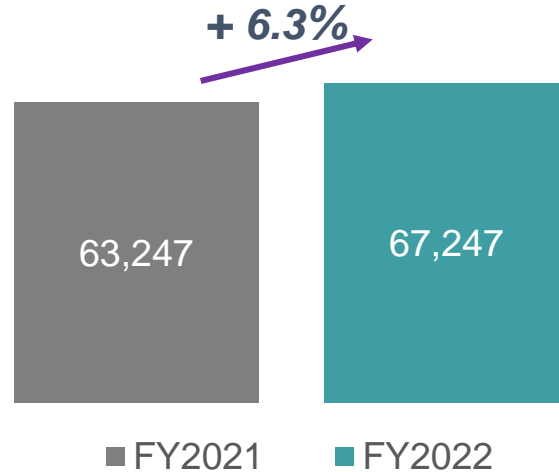
Gross Revenue (S\$'000)



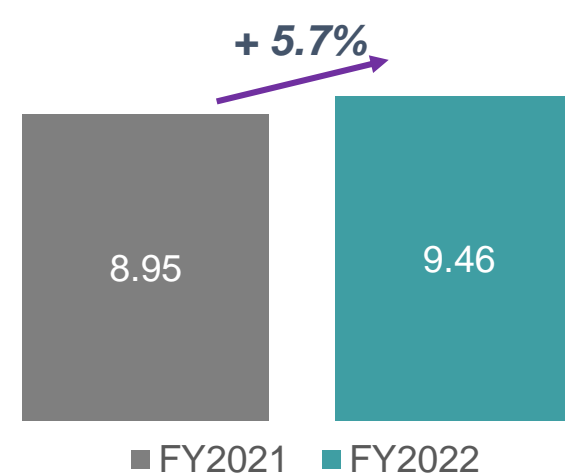
Net Property Income (S\$'000)



Distributable Income (S\$'000)



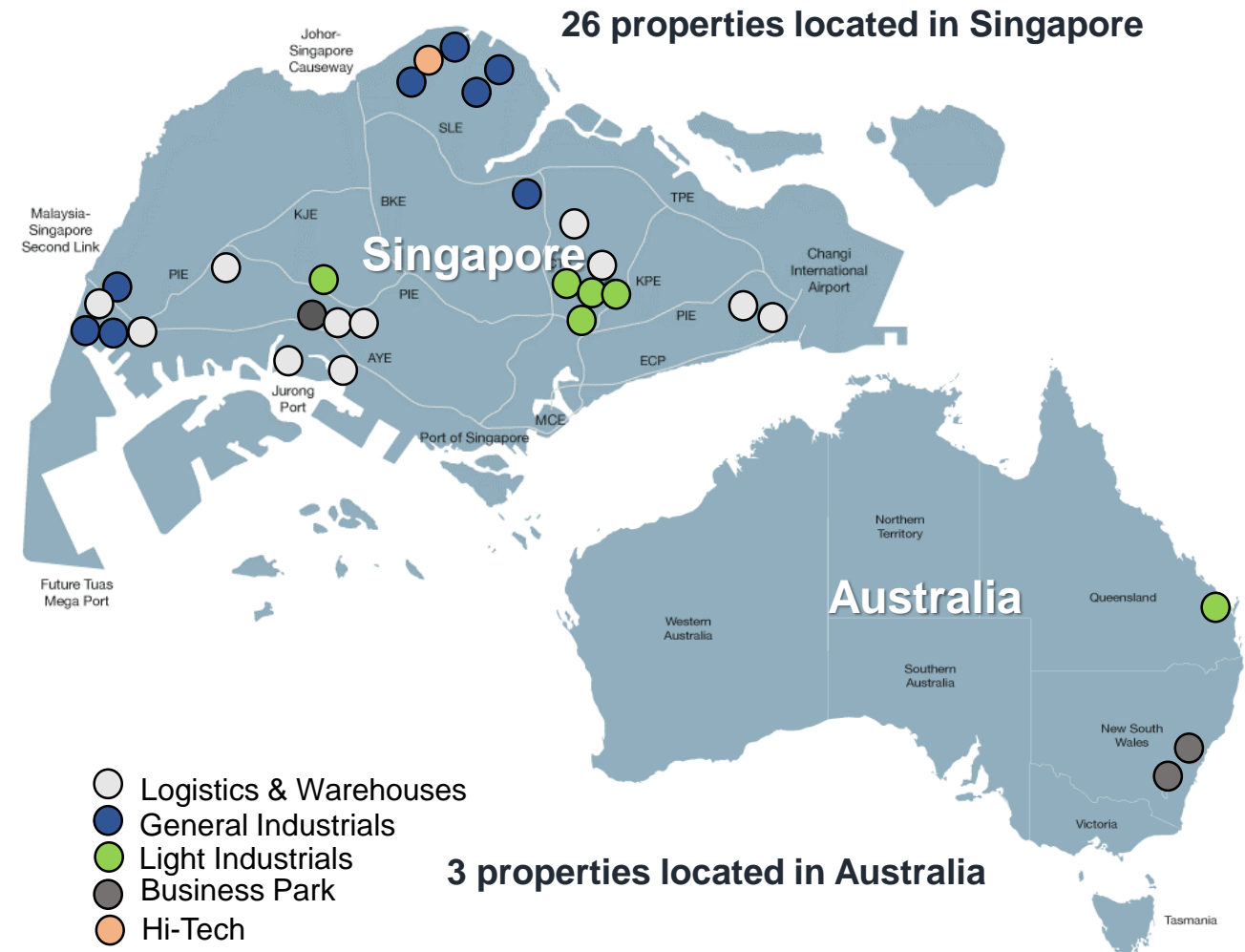
DPU (cents)



# Portfolio Highlights

High-quality, well-diversified portfolio

As at 31 March	2021	2022	Δ Y-o-Y
Total Assets	S\$1,847m	S\$2,404m	+30.2%
Portfolio Occupancy	95.4%	97.6%	+2.2 ppt
Weighted Average Lease Expiry	3.95 years	5.05 years	+1.1
Weighted Average Land Lease Expiry	45.5 years	57.0 years	+11.5
Rental Reversion Rate	(2.0%)	+7.4%	N.M.
New and Renewal Leases (% of total NLA)	44.3% <sup>1</sup>	27.1%	N.M.



1. Including the acquisition of 7 Bulim Street in FY2021

# Prudent Capital Management



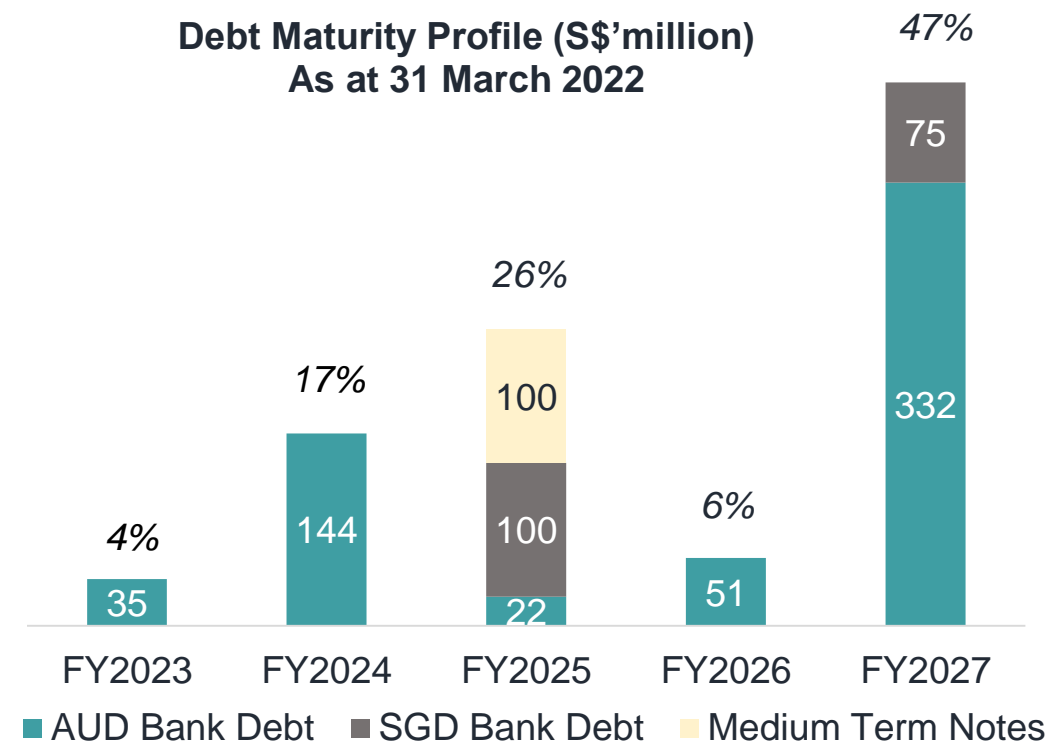
Healthy financial metrics and strong liquidity position

- Entered into 2 new bank facilities in October 2021 and May 2022, extending debt maturity tranches by 4 and 5 years, at competitive margins

- \$S250 million 5.375% perpetual securities issued in September 2021 to partially fund the acquisition of Woolworths Headquarters

As at 31 March	2021	2022	Δ Y-o-Y
Aggregate Leverage (AL) <sup>1</sup>	33.9%	37.5%	+3.6%
Blended Debt Funding Cost	3.0%	2.7%	-0.3%
Weighted Average Debt Maturity	2.3 years	3.3 years	+1 year
% of Borrowings at Fixed Rates	78.3%	91.6% <sup>2</sup>	+13.3%
Interest cover ratio (ICR) <sup>3</sup>	4.0 times	5.1 times <sup>4</sup>	+1.1 times
Undrawn Committed Facilities	S\$135.2m	S\$160.4m	+S\$25.2m
Cash and Bank Balances	S\$11.2m	S\$21.4m	+S\$10.2m
Debt Headroom to 50% AL	S\$563m	S\$570m	+S\$7m

Debt Maturity Profile (S\$'million)  
As at 31 March 2022



1. The AL 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.

2. Includes forward starting interest rate swaps.

3. Adjusted ICR for FY22 was 2.9x and FY21 was 3.4x.

4. ICR is calculated by dividing the trailing twelve months ("TTM") EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), by the TTM interest expense and borrowing-related fees. The interest expense for adjusted ICR includes the amount reserved for distribution to Perpetual Securities holders. Following recent clarification by MAS, the ICR and adjusted ICR as at 31 March 2022 excluded interest expense on lease liabilities.

# PORTFOLIO HIGHLIGHTS

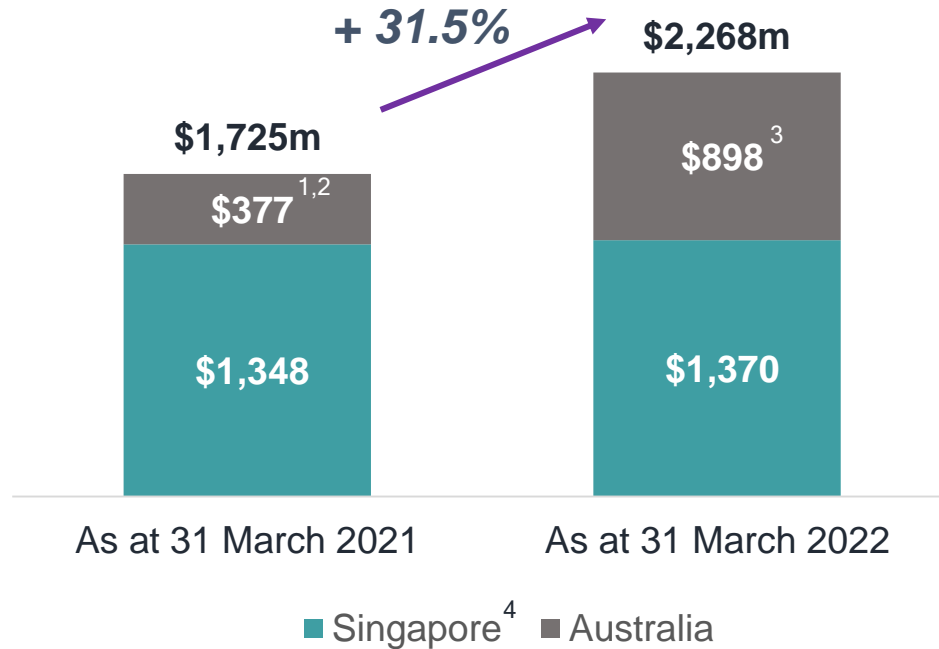


# Diversified Portfolio

Increased contribution from Freehold Business Parks in Australia

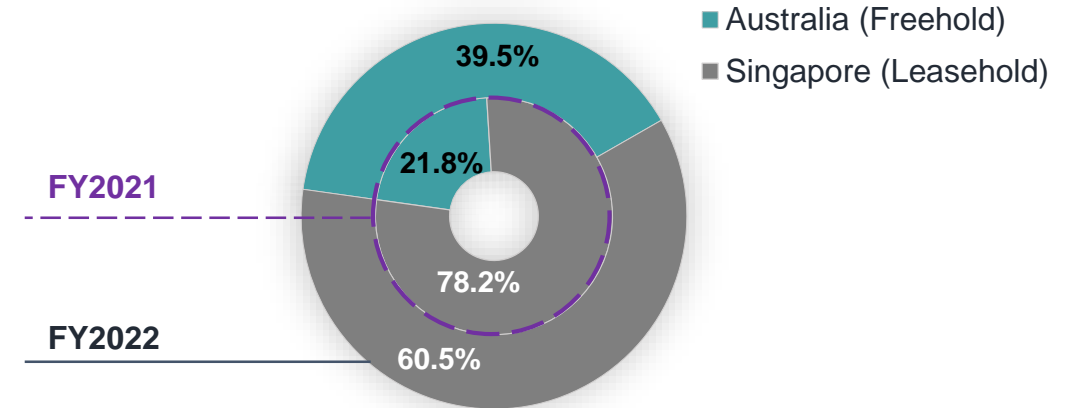
- Anchored by Australian business parks and Singapore logistics & warehouse assets

**Growth in Portfolio Value**

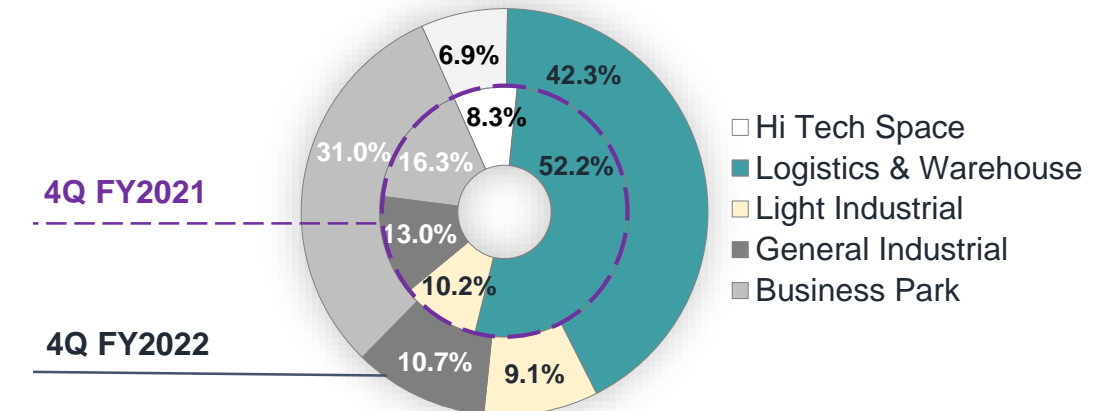


1. An exchange rate of A\$1:S\$1.023385 is adopted as at 31 March 2021.  
 2. Excluding Woolworths Headquarters as acquisition was completed on 15 November 2021.  
 3. An exchange rate of A\$1:S\$1.0131 is adopted as at 31 March 2022.  
 4. Portfolio value excludes ROU assets.  
 5. By valuation as at 31 March 2022.

**Portfolio Breakdown by Geography<sup>5</sup>**



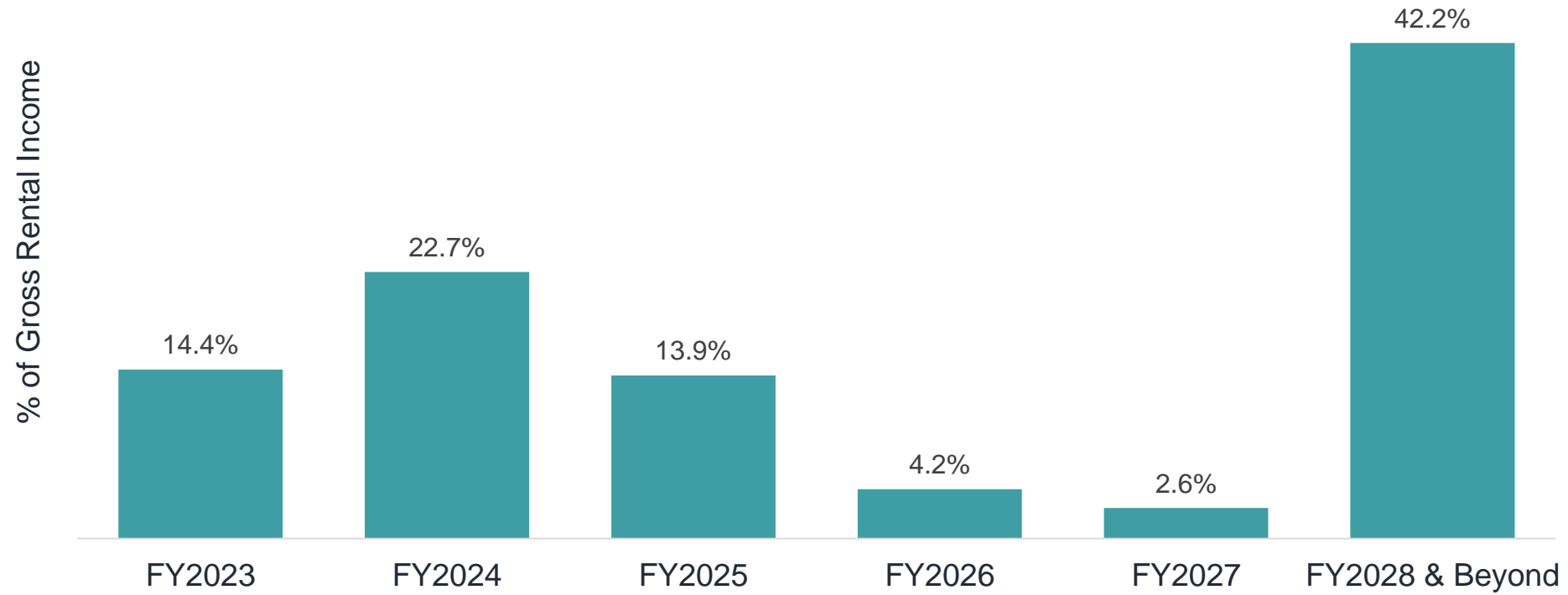
**Portfolio Breakdown by Asset Type<sup>5</sup>**



# Lease Expiry Profile

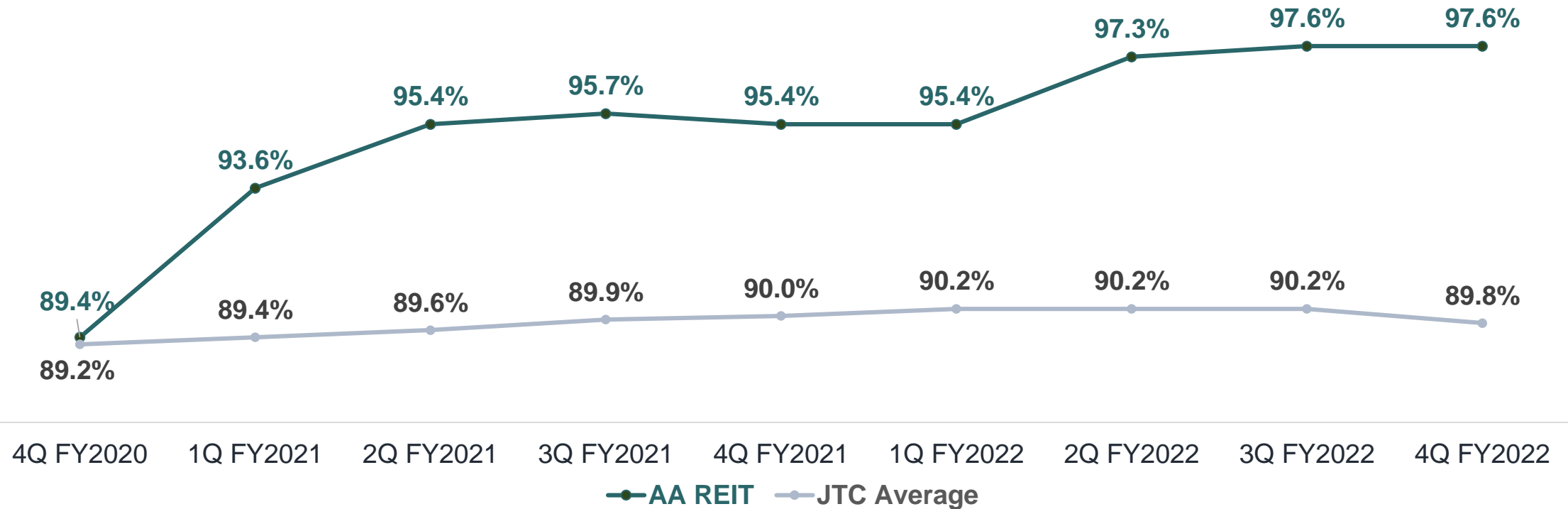
A well staggered lease expiry profile, providing stability of income

- Long WALE - 5.05 years
- Successfully executed new and renewal leases - 27.1% of total NLA in FY2022
- Well-spread lease expiry profile, with no more than 22.7% of leases expiring each year in the next 5 years



# High Occupancy Rate

Consistently above industrial average<sup>1</sup>, despite pandemic-related disruptions

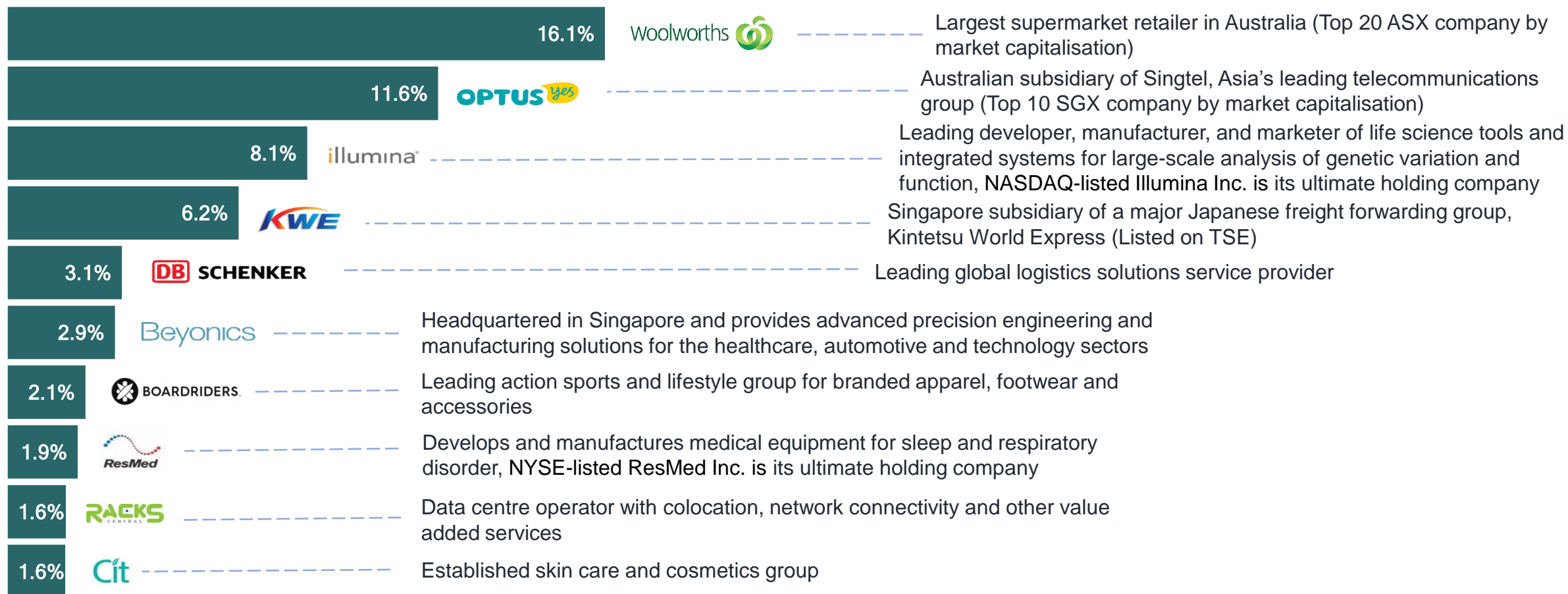


1. Source: JTC, 28 April 2022. Industrial Property Statistics – Industrial Stock – Occupancy Rate of Industrial Properties.



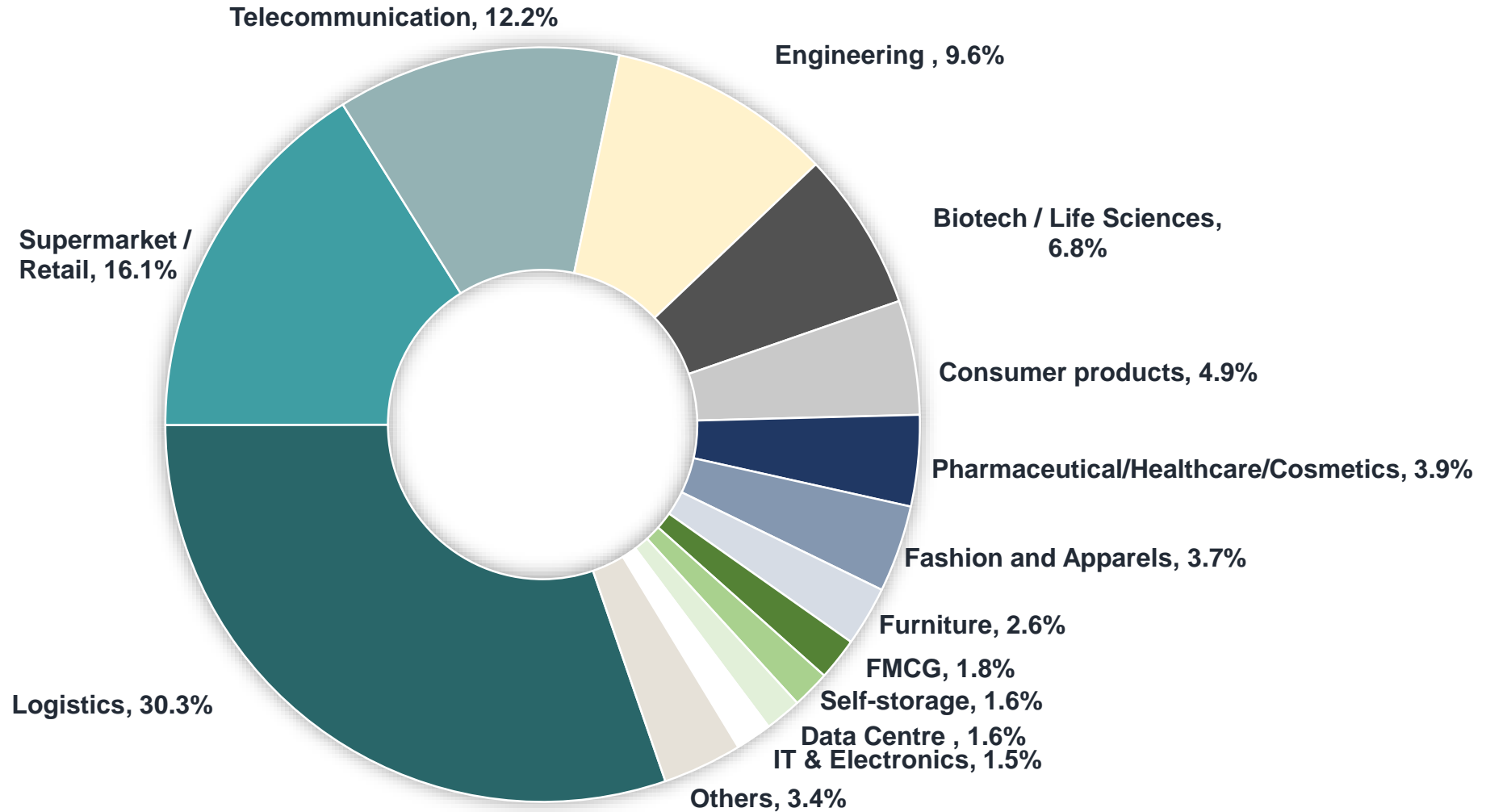
# Quality Tenant Base

Our top 10 tenants comprise leading global, regional and local companies in their respective sectors



# Diversified Tenant Industry Base

Diversified portfolio of 199 tenants in 22 trade sectors ensures cash flow resilience



# ESG FOCUS

## Achievements in FY2022



### Environment

- 1A International Business Park: Awarded **BCA Green Mark Gold Award**<sup>1</sup>
- Optus Centre: Improvement in **NABERS Energy and Water ratings to 5 stars**<sup>2</sup>



### Social

- Community engagements: Packed and distributed food bundles to households in partnership with **The Foodbank Singapore** and **Thye Hua Kwan Moral Charities**



### Governance

- Governance Index for Trusts (GIFT) 2021: AA REIT ranked **joint-16<sup>th</sup>** out of 45 trusts



1. The Building and Construction Authority (BCA) is a Singapore government statutory board that champions the development and transformation of the built environment sector, in order to improve Singapore's living environment.  
2. NABERS is a national initiative managed by the NSW Government – Department of Planning, Industry and Environment.

# SUBSTANTIAL Q&A

## With the rising interest rate environment in Australia, how will this impact the three Australian assets in terms of the loans and the exchange rate?

The 3 Australian investments comprise 39.5% of AA REIT's portfolio by valuation and are leased to high quality master tenants operating in resilient industries on long lease terms with rental escalations.

As part of the Manager's capital management strategy, 92% of the REIT's total debt, inclusive of 83% of Australian debt, is hedged as at 31 March 2022. This includes forward interest rate swaps and fixed rate notes.

The Manager also announced the entry into new Australian dollar loan facilities at competitive margins on 20 October 2021 and 30 May 2022, and extended its respective debt maturity tranches by a further 4 and 5 years.

To manage foreign exchange risk, the Manager adopts a natural hedging strategy by using Australian dollar borrowings to partly fund its Australian investments. In addition, the Manager has entered into foreign currency forward contracts to hedge the Australian dollar distributable income from AA REIT's investments in Australia on a rolling basis.

As a cornerstone of our strategy, the Manager will continue to proactively manage the REIT's interest rate, refinancing and foreign exchange risks.

# RESOLUTIONS

**To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of AA REIT for the financial year ended 31 March 2022 and the Auditors' Report thereon.**



# Ordinary Resolution 1

## Results

To receive and adopt the Trustee's Report, the Manager's Statement, the Audited Financial Statements of AA REIT for the financial year ended 31 March 2022 and the Auditors' Report thereon.

	No. of Votes	Percentage
<b>For</b>	322,156,694	99.98%
<b>Against</b>	49,460	0.02%

# Ordinary Resolution 2

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**To re-appoint KPMG LLP as Auditors and authorise the Manager to determine the Auditors' remuneration.**

# Ordinary Resolution 2

## Results

To re-appoint KPMG LLP as Auditors and authorise the Manager to determine the Auditors' remuneration.

	No. of Votes	Percentage
<b>For</b>	318,863,954	98.87%
<b>Against</b>	3,649,900	1.13%

# Ordinary Resolution 3

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**To authorise the Manager to issue Units and to make or grant convertible instruments.**

# Ordinary Resolution 3

## Results

To authorise the Manager to issue Units and to make or grant convertible instruments.

	No. of Votes	Percentage
<b>For</b>	174,968,707	76.21%
<b>Against</b>	54,621,214	23.79%

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# THANK YOU

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