



ASCENDAS REIT

Annual General Meeting

29 June 2020

Disclaimers

- This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income and occupancy, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support Ascendas Reit's future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view on future events.
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- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

Agenda

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Making an Impact in FY2019

Making an Impact in FY2019



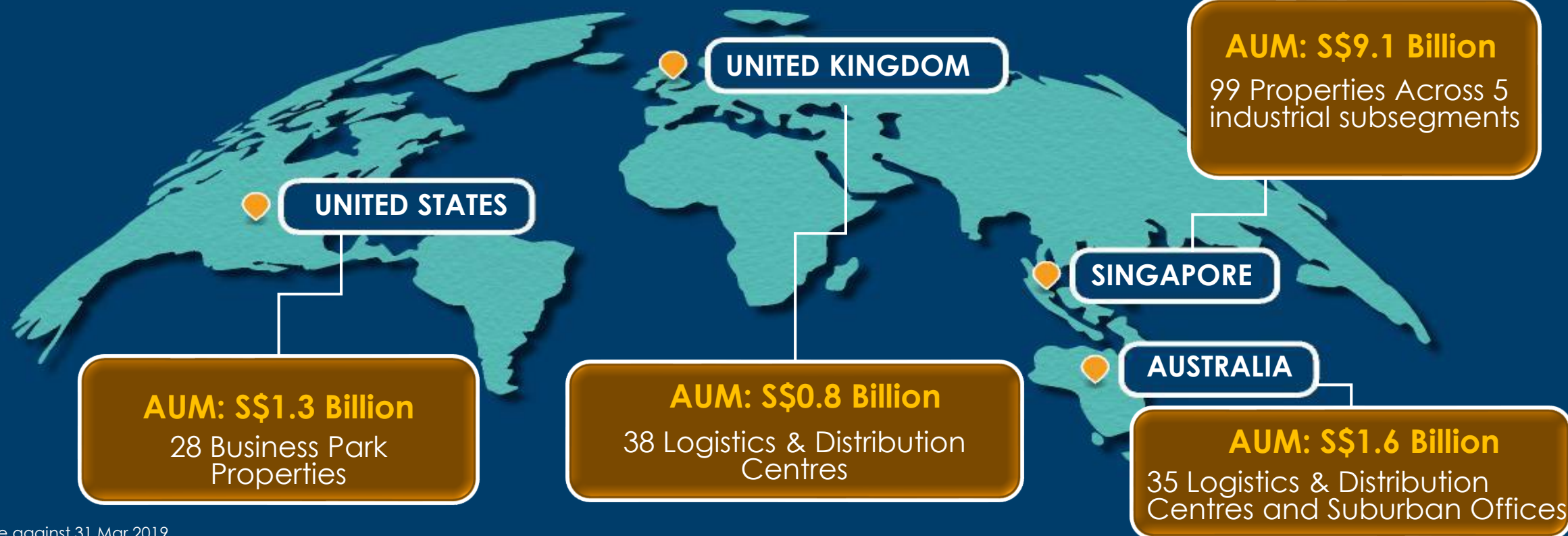
INVESTMENT PROPERTIES

**GREW 15%⁽¹⁾ TO
S\$12.8 Billion**



DIVERSIFIED PORTFOLIO ACROSS 4 DEVELOPED MARKETS

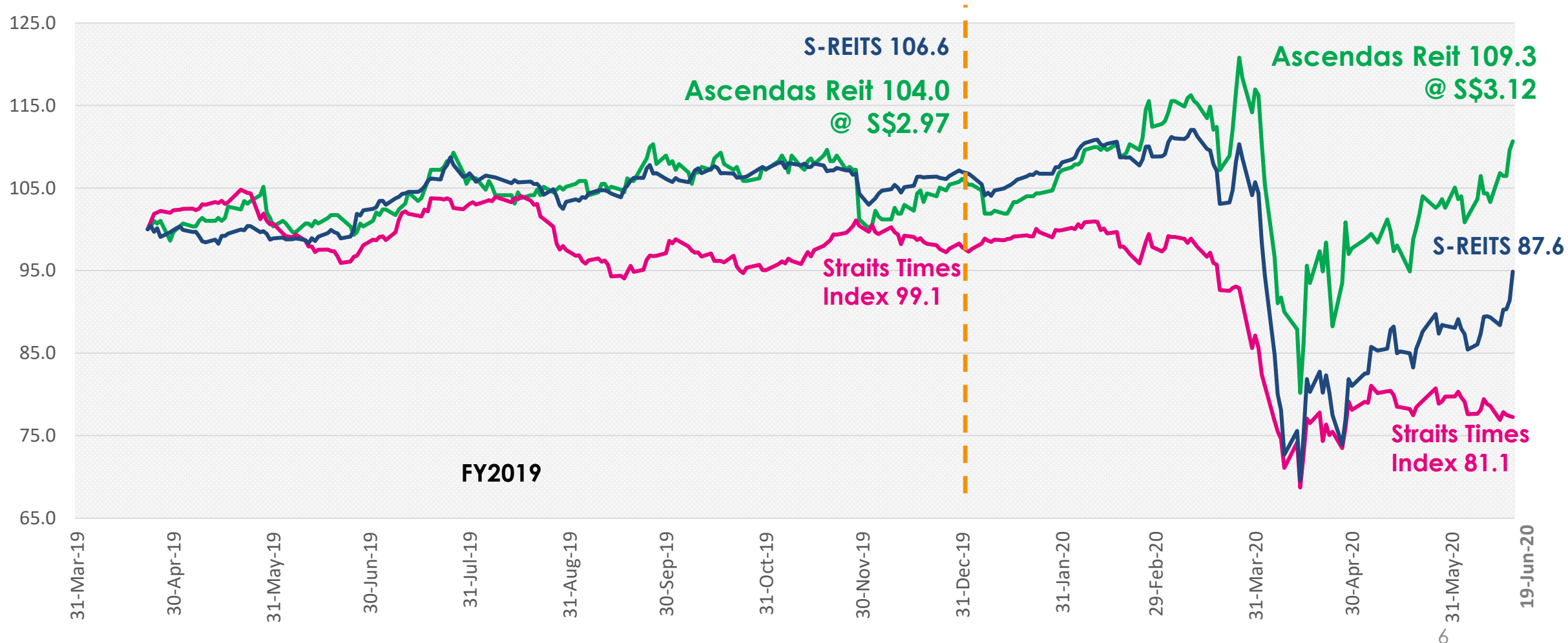
**72% SINGAPORE
28% OVERSEAS**



(1) Variance against 31 Mar 2019.

Ascendas Reit Unit Price Outperformed

- In FY2019, Ascendas Reit (+4%) outperformed the STI (-0.9%)





Financial Performance & Key Highlights

FY2019 Financial Highlights (April to Dec)*



Distributable Income
S\$375.4 m
+5.2% y-o-y ⁽¹⁾

Mainly attributed
to newly acquired
properties in UK, US
and Singapore



Distribution per Unit
11.490 cents
-3.3% y-o-y ⁽¹⁾

Due to mismatch in
timing between the
contributions from
newly acquired
properties and
additional Units
issued from Rights
Issuance



Total Assets
S\$13.9 b
As at 31 Dec 2019

Acquired S\$1.77 b
of properties across
the US, Singapore
and Australia

* Ascendas Reit has changed its financial year end from 31 Mar to 31 Dec. Therefore, FY2019 is a nine-month period from 1 Apr 2019 to 31 Dec 2019.

(1) Variance against nine months ended 31 Dec 2018.

FY2019 Key Highlights (April to Dec)*



**Stable Portfolio
Occupancy**

90.9 %

As at 31 Dec 2019



**Lower Aggregate
Leverage at**

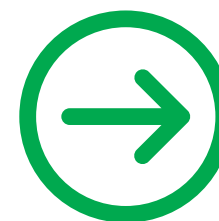
35.1%

From 36.3% as at
31 Mar 2019



**Positive Portfolio
Rental Reversion[#]**

+6.0%



**Stable Same-store
Valuation**

S\$11.13 b

(vs. S\$11.10 b as at
31 Mar 2019)

* Ascendas Reit has changed its financial year end from 31 Mar to 31 Dec. Therefore, FY2019 is a nine-month period from 1 Apr 2019 to 31 Dec 2019.

Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases in multi-tenant buildings that were signed in FY2019 and average gross rents are weighted by area renewed.

Investment Management

15378 Avenue of Science
San Diego, United States

Investment Highlights

**A Record Year of
Acquisitions
S\$1.77 b**



United States
S\$1,282 m

- ✓ A portfolio of 28 business park properties



Dec

Singapore
S\$380 m

- ✓ Nucleos
- ✓ FM Global



Dec

Australia
S\$104 m

- ✓ 254 Wellington Road



Oct



Recycled Capital: S\$27 m
8 Loyang Way 1 (Sep)



**Completed Asset Enhancement
Initiative: S\$4.5 m**
ONE @Changi City (Oct)

FY 2019

Deepening Presence in Australia



- (1) S\$ amounts is based on exchange rate of A\$1.000: S\$0.941 as at 30 Sep 2019
(2) WALE and Occupancy Rate is based on pre-committed lease to Nissan for 10 years. Physical occupancy is 65.2% (space pre-committed to Nissan). From practical completion date, the Vendor will provide a 3-year rental guarantee for any remaining vacant space.

Profile

- ✓ **Well located in Monash Technology Precinct**
- ✓ 8-level state-of-the-art office accorded with **5-star NABERS energy rating** and **5 Star Green Star Design**
- ✓ Nissan will lease 65.2% of the space and the property will serve as its head office and training centre with emphasis on electric vehicles
- ✓ Completion expected in 3Q 2020

Land and Development cost

S\$104.4 m⁽¹⁾
(A\$110.9 m)

NPI Yield (post transaction cost)

5.7%

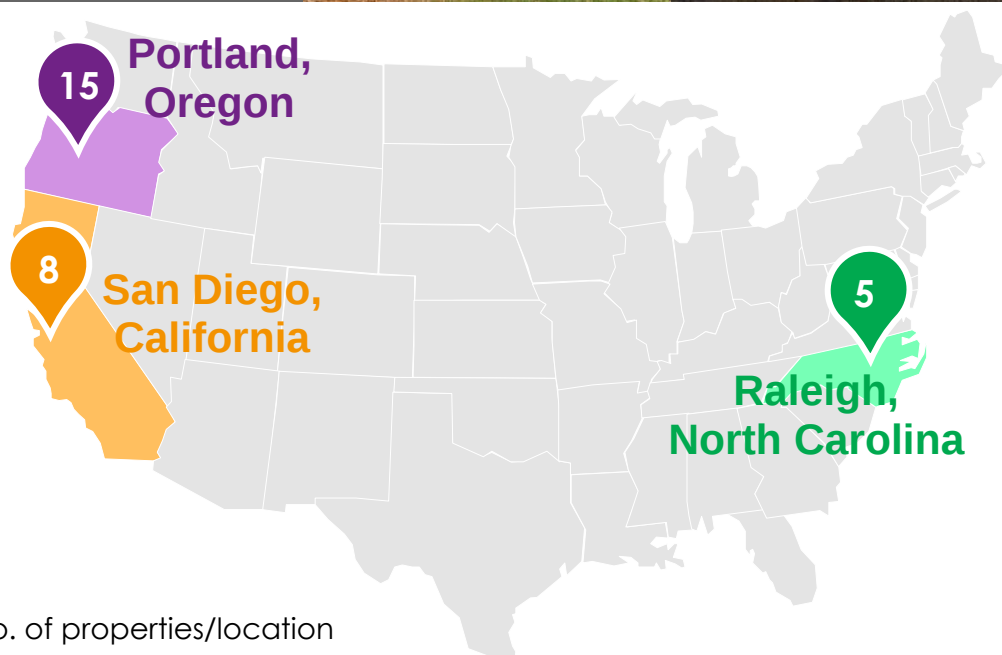
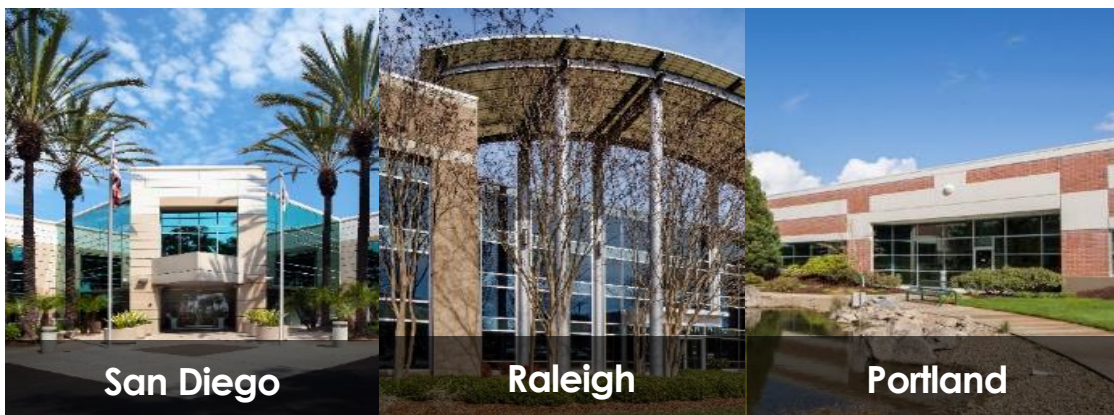
Land Tenure

Freehold

WALE
10 years ⁽²⁾

Occupancy
100% ⁽²⁾

Diversifying Geographically with US Portfolio



Profile

- ✓ 28 business park properties across the **US tech cities** of San Diego, Raleigh and Portland
- ✓ Well-located in **close proximity to renowned universities and leading corporations**
- ✓ >65% of tenants are in the growing information, medical and financial tech sectors e.g. CareFusion, Teleflex Medical, Northrop Grumman Systems

Agreed Portfolio

Value S\$1,281.7 m⁽¹⁾
(US\$937.6 m)

NPI Yield (post transaction cost)
6.2%

Land Tenure
Freehold

WALE
4.1 years

Occupancy
93.9%

(1) S\$ amount is based on exchange rate of US\$1.00: S\$1.3708 as at 30 Sep 2019.

Strengthening Singapore Business Park Portfolio



Nucleos, Singapore

Profile

- ✓ 7-storey twin tower business park property located at **one-north**
- ✓ **BCA Green Mark Gold^{Plus}**
- ✓ Reputable bioscience tenants including DuPont, Takeda, Ingredion

Purchase Price
S\$289.0 m

NPI Yield (post transaction cost)
6.7%

Land Tenure
52 years

WALE
2.2 years

Occupancy
92.9%



FM Global Centre, Singapore

Profile

- ✓ 6-storey **built-to-suit business park property** located within Singapore Science Park 2
- ✓ **BCA Green Mark Gold**
- ✓ Leased to FM Global, a Fortune 1000 mutual insurance company

Purchase Price
S\$91.0 m

NPI Yield (post transaction cost)
5.5%

Land Tenure
72 years

WALE
>25 years

Occupancy
100%

Recent Investment Activities (1Q FY2020)

Acquired 25% stake in Galaxis for S\$102.9m



Galaxis, Singapore

- ✓ **Premium business park** property with a 17-storey business park/office space, a 2-storey retail/F&B podium and a 5-storey building with work lofts
- ✓ **BCA Green Mark Platinum**
- ✓ Well-located within Fusionopolis in one-north, with **direct access to the MRT** station
- ✓ Reputable tenants such as Canon, Oracle, and Sea (formerly Garena)

Purchase Price: S\$102.9 m ⁽¹⁾

NPI Yield (post transaction cost): 6.1%

Land Tenure: 52 years

WALE: 2.5 years

Occupancy: 99.6%

(1) Purchase price is based on 25% of the adjusted net asset value of the holding entity for Galaxis. Agreed property value of the property of S\$630.0 million, is about 3.1% lower than the independent market valuation of the Property of S\$650.0 million as at 26 March 2020.

3 Divestments Generated Total Sales Proceeds of S\$125.3 m



Wisma Gulab,
Singapore



202 Kallang Bahru,
Singapore



25 Changi South
Street 1, Singapore

On-going Build-to-Suit and Redevelopment

Build-to-Suit Development (\$\$181.2 m)



- Business park property located within the vibrant **one-north precinct**
- **BCA Green Mark Gold^{Plus}** building
- **11-year lease to Grab for 100% of the space**
- Est completion date: 1Q 2021

Redevelopment (\$\$35.0 m)



- Redeveloping two existing light industrial buildings into a single **High-Specifications building**
- Maximise rental potential given the locational advantage, being **1-2 mins walk to Ubi MRT station**
- Est completion date: 2Q 2021

Redevelopment (\$\$84.3 m)



- Redevelopment to **maximise plot ratio and double Gross Floor Area**
- Designed to achieve **BCA Green Mark Platinum** rating
- Will include a gym, skydeck, food court and end-of-trip facilities
- Connected to **Jurong Region Line**
- *Est completion date: 3Q 2022*

Capital Management

Unit 2 Wellesbourne Distribution Park,
West Midlands, United Kingdom

Healthy Balance Sheet

- Robust financial metrics that **exceed bank loan covenants** by a healthy margin
- Available debt headroom of ~\$3.8 b to reach 50% aggregate leverage

	 Aggregate Leverage ⁽¹⁾	 Weighted Tenure Of Debt	 Average all-in Debt Cost	 Moody's Rating
As at 31 Dec 2019	35.1%	4.0 years	2.9%	A3
As at 31 Mar 2020	36.2%	3.8 years	2.9%	
	 Interest Cover	 Unencumbered Properties as % of Total Investment Properties ⁽⁴⁾	 Net Debt ⁽⁵⁾ / EBITDA	
As at 31 Dec 2019	4.9x ⁽²⁾⁽³⁾	91.8%	8.1x	
As at 31 Mar 2020	5.0x	92.5%	8.0x	

(1) Based on total gross borrowings divided by total assets.

(2) Exclude the effects of FRS 116.

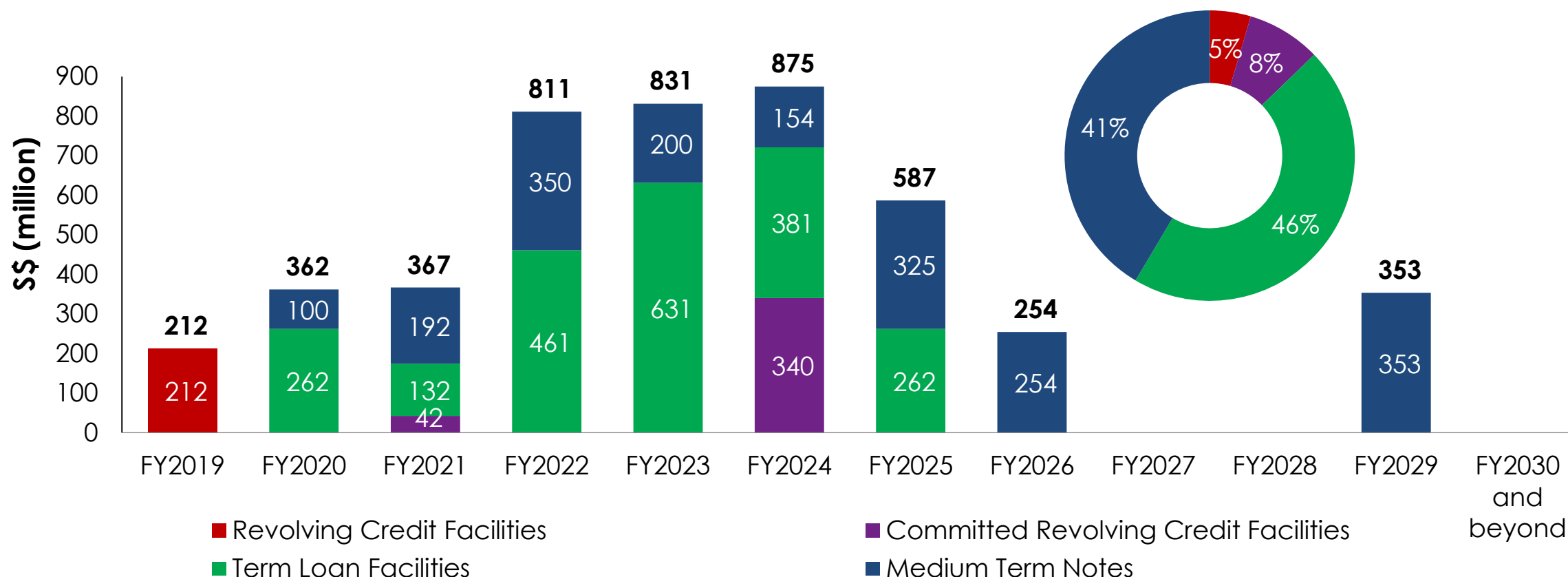
(3) Based on the trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), divided by the trailing 12 months interest expense and borrowing-related fees.

(4) Total investment properties exclude properties reported as finance lease receivable.

(5) Net debt includes lease liabilities arising from FRS 116, 50% of perpetual securities, offset by cash and fixed deposits

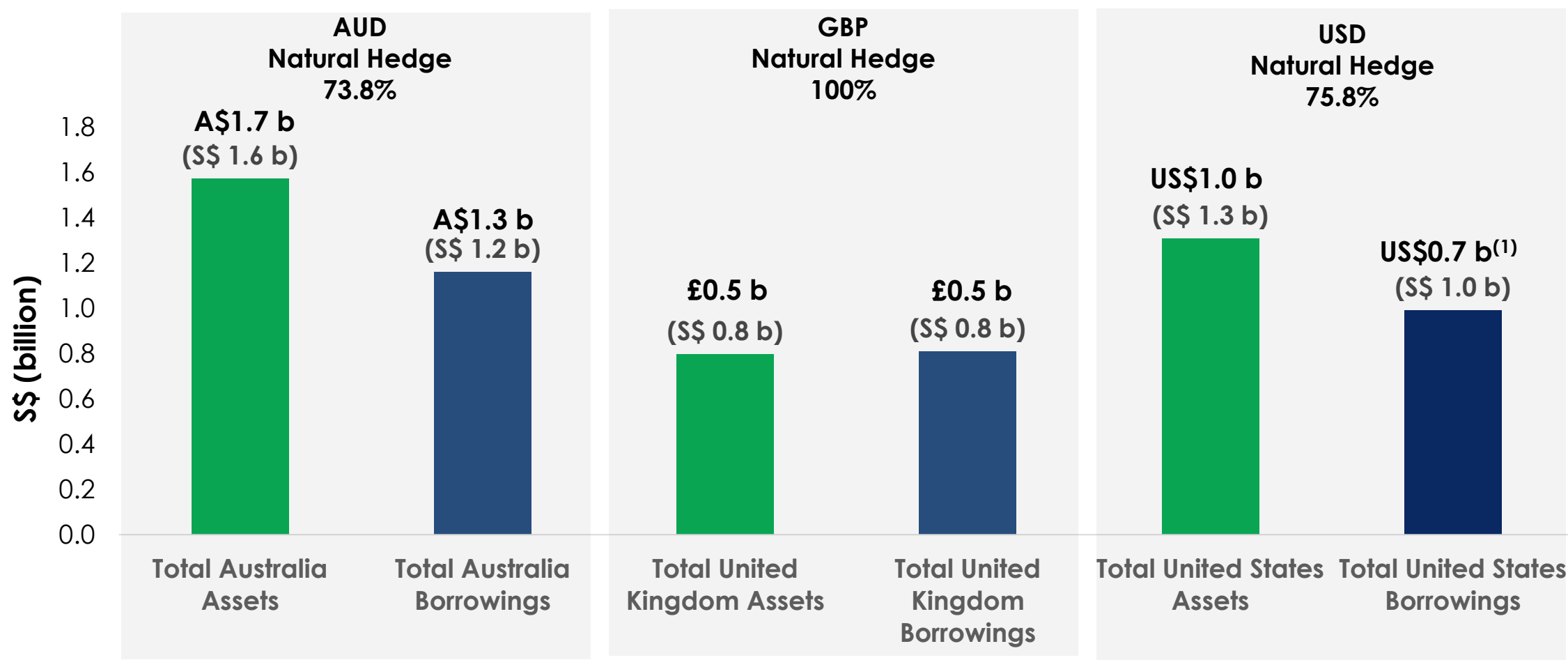
Well-Spread Debt Maturity Profile

- **Well-spread debt maturity** with the longest debt maturing in FY2029
- Average debt maturity maintained to 4.0 years as at 31 Dec 2019 (Mar 2019: 4.0 years)
- No refinancing requirements in 1H2020



High Level of Currency Hedge

- Maintained **high level of natural hedge** for Australia (73.8%), the UK (100%) and the US (75.8%) to minimise the effects of adverse exchange rate fluctuations.



(1) As at 31 Mar 2020, the US natural hedge has increased to 100%.

Annual Property Revaluation

- Total valuation of 198 properties ⁽¹⁾ was **S\$12.84 b**
- **Stable same-store valuation** for 168 properties ⁽²⁾ at S\$11.13 b (vs. S\$11.10 b @ 31 Mar 2019)

As at 31 Dec 2019	Valuation (\$b)	Weighted Average Cap Rates	Cap Rates Range
Singapore portfolio (97 properties)	9.16	6.02%	5.25% - 7.25%
Australia portfolio (35 properties) ⁽³⁾	1.57	5.88%	5.00% - 6.75%
United Kingdom portfolio (38 properties) ⁽⁴⁾	0.80	5.82% ⁽⁵⁾	4.42% - 8.15% ⁽⁵⁾
United States portfolio (28 properties) ⁽⁶⁾	1.31	6.27%	5.75% - 7.25%
Total Portfolio (198 properties)	12.84		

(1) Excludes 25 & 27 Ubi Road 4 which are under redevelopment.

(2) Excludes 1 property which was divested in FY2019 (8 Loyang Way 1), 2 properties under redevelopment (25 & 27 Ubi Road 4) and 30 properties acquired in FY2019 (US properties, Nucleos and FM Global Centre).

(3) All S\$ amount based on exchange rate of A\$1.00: S\$0.92791 as at 31 Dec 2019.

(4) All S\$ amount based on exchange rate of £1.00: S\$1.75468 as at 31 Dec 2019.

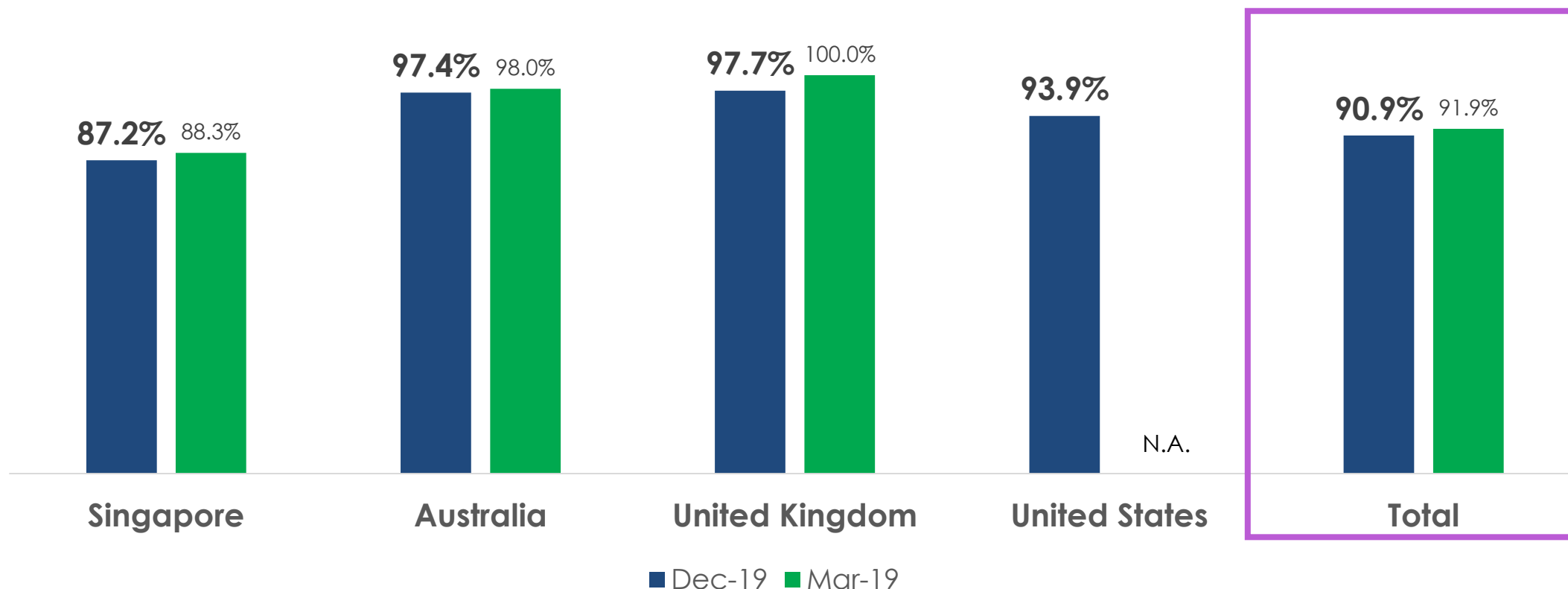
(5) Refers to equivalent yield, which reflects the current level of return on property investments in the United Kingdom.

(6) All S\$ amount based on exchange rate of US\$1.00: S\$1.36055 as at 31 Dec 2019.

Asset Management

Healthy Portfolio Occupancy

- Stable portfolio occupancy rate



Gross Floor
Area (sqm) ⁽¹⁾

3,061,210

792,039 ⁽²⁾

509,907 ⁽³⁾

313,059

4,676,215

(1) Gross Floor Area as at 31 Dec 2019.

(2) Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.

(3) Gross Floor Area for United Kingdom portfolio refers to the Gross Internal Area.

Positive Rental Reversions in FY2019

- Average portfolio rent reversion of +6.0% was recorded for leases renewed in FY2019
- Rental reversion for FY2020 is expected to be flat in view of the current uncertainties

% Change in Renewal Rates for Multi-tenant Buildings ⁽¹⁾	FY2019	FY18/19
Singapore	6.2%	3.7%
Australia	1.0%	– ⁽²⁾
United Kingdom	– ⁽²⁾	– ⁽²⁾
United States	– ⁽²⁾	N.A.
Total Portfolio :	6.0%	3.7%

(1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.

(2) There were no multi-tenant lease renewals signed during the period.

Stable Weighted Average Lease Expiry

(By gross revenue)

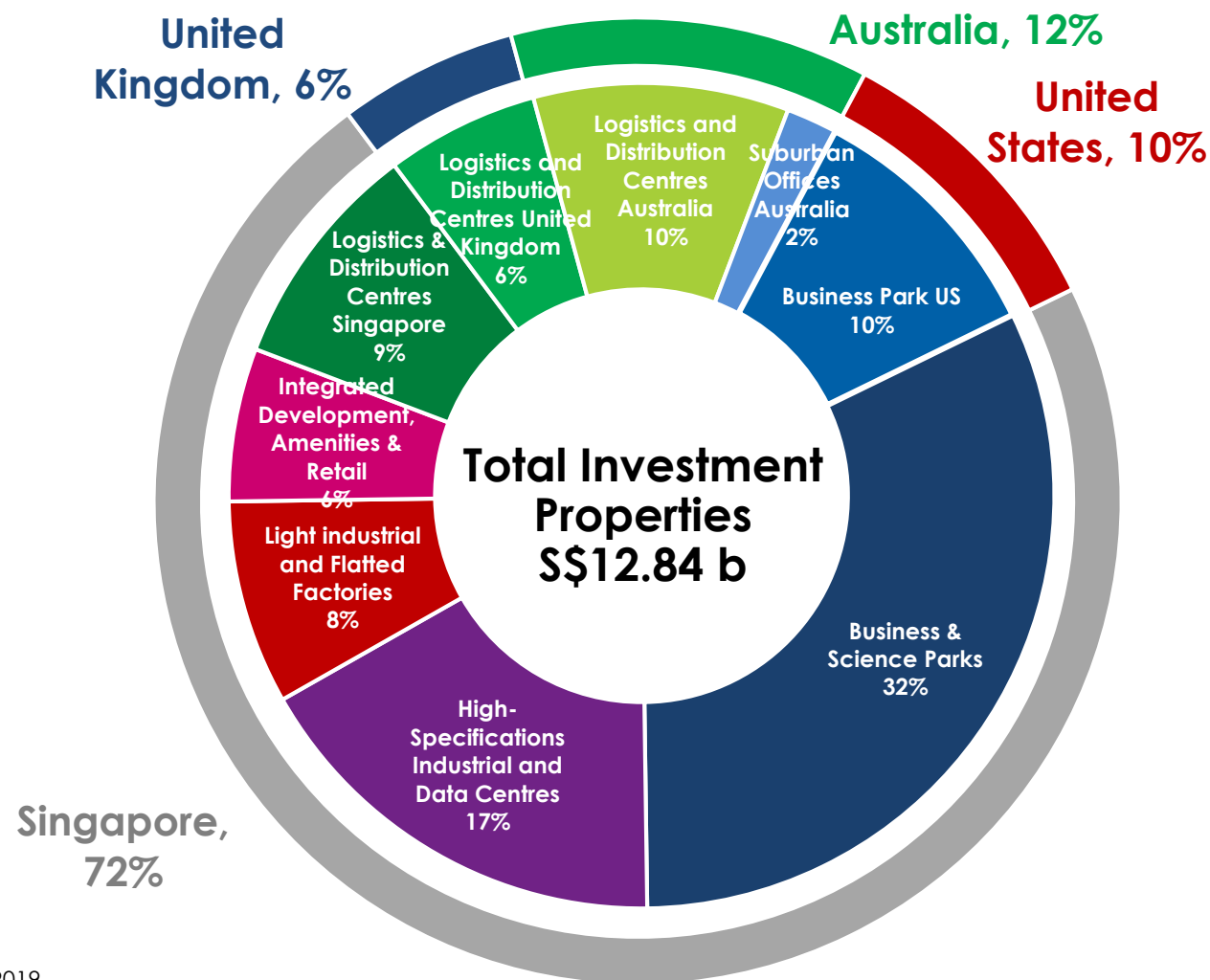
- Portfolio Weighted Average Lease Expiry (WALE) stood at 3.9 years

WALE (in years)	As at 31 Dec 2019
Singapore	3.5
Australia	4.4
United Kingdom	8.8
United States	4.1
Portfolio	3.9

Well-Diversified Portfolio

By Value of Investment Properties

- As at 31 Dec 2019, total investment properties stood at **S\$12.84 b**
- Well-diversified **geographically**:
 - Singapore portfolio: S\$9.16 b
 - Australia portfolio: S\$1.57 b
 - United Kingdom portfolio: S\$0.80 b
 - United States portfolio: S\$1.31 b
- Well-diversified by **asset class**:
 - Business & Science Park/ Suburban office: 44%
 - Industrial: 31%
 - Logistics & Distribution Centre: 25%



Notes:

Multi-tenant buildings account for 71.0% of Ascendas Reit's portfolio by asset value as at 31 Dec 2019.

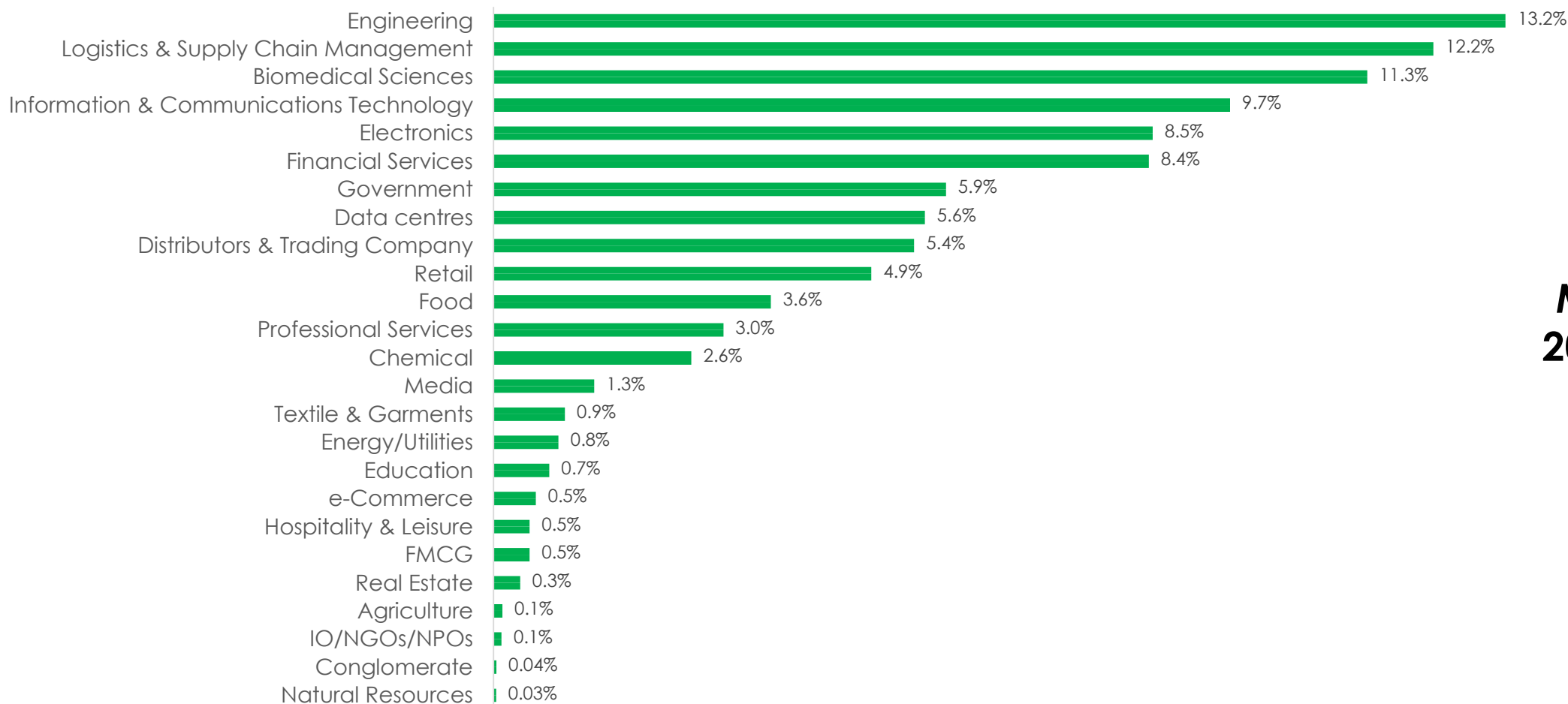
About 65.1% of Logistics & Distribution Centres in Singapore (by gross floor area) are multi-storey facilities with vehicular ramp access.

Within Hi-Specs Industrial, there are 3 data centres (4.2% of portfolio), of which 2 are single-tenant buildings.

Within Light Industrial, there are 2 multi-tenant flatted factories (2.6% of portfolio).

Well-Diversified Customers' base (By Monthly Gross Revenue)

- Customers are operating in **more than 20 industries**

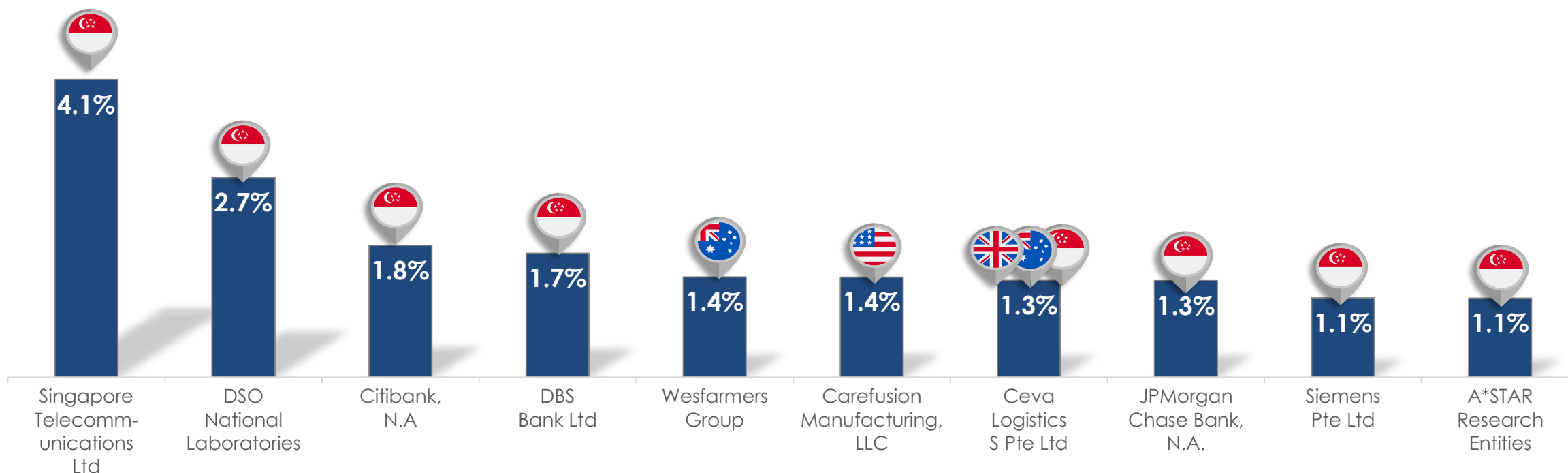


**More than
20 industries**

Note: Customers' Industry classifications have been updated to better reflect the organisation's primary industry sector. Previous industry classifications were based on the Singapore Standard Industrial Classification (SSIC) which may be outdated due to changes in business activities.

Quality and Diversified Customer Base

- Total customer base of around 1,490 tenants
- Top 10 customers (as at 31 Dec 2019) account for about 17.9% of monthly portfolio gross revenue
- On a portfolio basis, weighted average security deposit is about 4.7 months of rental income



Sustainability

TECH POINT

Sustainability Achievements

1st industrial building in Singapore awarded Green Mark Platinum **Super Low Energy (SLE)** status by BCA⁽¹⁾



LogisTech, Singapore

Best-in-class energy efficient building

Largest number of electrical Vehicle (EV) charging lots in Singapore



80 Bendemeer Road, Singapore

40 lots across 8 properties providing high-speed charging

Largest combined solar installation by a real estate company in Singapore



40 Penjuru Lane, Singapore

>21,000 solar panels across 6 properties generating over 10,000 MWh of solar energy



SIAS Investors' Choice Awards 2019
Sustainability Award – Runner Up (REITs & Business Trust Category)

(1) Building and Construction Authority, Singapore

A photograph of an Amazon warehouse building. The building has a grey upper section and a dark grey lower section with a yellow horizontal stripe. Large yellow doors are visible, some labeled with unit numbers 8, 9, and 10. The Amazon logo is on the grey section. A semi-transparent white and yellow graphic overlay is on the left side of the image.

amazon

COVID-19 Updates

Units 1a, 1b, 2 & 3 Upwell Street,
Yorkshire & the Humber, United Kingdom

COVID-19 Country Update:

Singapore – Providing support to SME tenants

Government Measures Implemented 	• Government assistance: ✓ Property tax rebate (Retail/F&B/amenities: 100%, Industrial: 30%) ✓ For SMEs: additional cash grant (Retail/F&B/amenities: 0.8 months, Industrial: 0.64 months) • For qualifying SMEs ⁽¹⁾: ✓ Additional rent waiver by landlord ✓ Instalment repayment scheme for rental arrears; interest capped at 3% p.a.
Impact 	• Retail/F&B/amenities SME tenants will receive 4 months of base rent waiver, inclusive of government's property tax rebate and cash grant ⁽²⁾ • Qualifying industrial SME tenants will receive 2 months of base rent waiver, inclusive of government's property tax rebate and cash grant ⁽³⁾
Outlook 	• 2020 GDP forecast: -4% to -7% (source: MTI) • To-date, no tenants have pre-terminated due to COVID-19 • Challenging leasing environment

(1) Eligibility criteria for qualifying SMEs include substantial drop in average monthly revenue during COVID-19 (average monthly revenue from April to May 2020 on an outlet level reduced by 35% or more, compared to April to May 2019). Source: <https://www.mlaw.gov.sg/covid19-relief/rental-relief-framework-for-smes#eligibility>

(2) To-date 3 months disbursed; remaining to be disbursed by Sep 2020.

(3) Qualifying industrial SME tenants (based on Ascendas Reit's records) will receive 1 month of base rent waiver in Jun 2020 on top of property tax rebates. Further adjustments will be made by Sep 2020, to ensure that all qualifying industrial SME tenants will receive 2 months of base rent waiver.

COVID-19 Country Update

Australia – Reopening of retail outlets and leisure activities

Government Measures Implemented



- Mandatory code of conduct (for SMEs): landlords unable to terminate leases/draw on deposits and to offer reductions in rent (as waivers or deferrals) based on the tenant's reduction in trade during COVID-19, tenants to honour leases

Impact



- Suspended rent collection from F&B tenants (<1% of Australia portfolio by rental income) from Apr until they reopen
- Restructured lease of one leisure/hospitality tenant, providing rental rebate
- Pro-active discussions with tenants to offer assistance via existing lease incentives or rent deferral

Outlook



- 2020 GDP forecast: -4.5% (source: Bloomberg)
- To-date, no tenants have pre-terminated due to COVID-19
- New leasing enquiry to remain subdued, but existing tenants may be more likely to renew than relocate on lease expiry.

COVID-19 Country Update

United Kingdom – Easing lockdown in England

Government Measures Implemented



- Up until 30 Jun 2020, landlords are not allowed to terminate leases for any missed payments. The UK government has the option to extend this if needed. Tenants will still be liable to pay rent i.e. no rent holiday
- Deferment of VAT payments for Mar – Jun 2020 to the end of the financial year

Impact



- No rent rebates given to-date
- Allowed some tenants to change their rental payment from quarterly to monthly in advance and some to defer rent payments to the latter part of the year, to help them with their cashflow management
- Defer the VAT payment by one year to Mar-21
- Extending available space for short-term leases

Outlook



- 2020 GDP forecast: -7.8% (source: Bloomberg)
- To-date, no tenants have pre-terminated due to COVID-19
- More leasing challenges expected as many interests have been aborted or put on hold. However leases in the final stages are continuing to progress

COVID-19 Country Update

United States – Cautious outlook

Government Measures Implemented



- Landlords are not allowed to evict tenants due to non-payment of rents in Portland, Oregon (until 7 Jul 2020), San Diego, California (until 25 Sep 2020) and Raleigh, North Carolina (until 20 Dec 2020)

Impact



- Provided rental rebate to one small café operator in Portland

Outlook



- 2020 GDP forecast: -5.7% (source: Bloomberg)
- To-date, no tenants have pre-terminated due to COVID-19
- Majority of our tenants are operating with skeleton crews serving essential functions on site, with rest of staff working remotely
- Slowdown in leasing activity as tenants are holding back expansion plans; trend towards shorter-term extensions for near-term expiries

Key Policy

New Measures

(By Monetary Authority of Singapore, Ministry of Finance and Inland Revenue Authority of Singapore)

- Higher aggregate leverage (gearing) limit to 50% (from 45%)
- Extension to distribute at least 90% of S-REIT's taxable income for FY ending in 2020 from 3 months (after the end of the FY) to 31 Dec 2021 to qualify for tax transparency
- Banks' assurance that there will be no automatic enforcement of loan covenant breaches for landlords impacted by the requirements under the rental relief framework for SMEs⁽¹⁾

Ascendas Reit

Aggregate Leverage



Healthy aggregate leverage at ~36% with available debt headroom of ~\$3.8 b⁽²⁾⁽³⁾ before reaching 50.0% aggregate leverage

Distribution Policy



Whilst Ascendas Reit has been distributing 100% of taxable Income available for distribution, its policy is to distribute at least 90% of the taxable income

(1) Please refer to Ministry of Law Singapore's news release "[New Rental Relief Framework for SMEs](#)" dated 3 June for details on the framework.

(2) Excludes the effects of FRS 116.

(3) Includes interests in JV.

Prudent Capital Management

Robust Financial Metrics



- Healthy aggregate leverage at ~36%
- Financial metrics exceed key bank covenant thresholds
- **Sufficient cashflow to meet financial and operational obligations** as they come due
- Has **reserves of S\$490 m**, comprising of S\$290 m in cash and S\$200 m in committed facilities

Outlook & Strategy



- The onset of the COVID-19 outbreak since the beginning of the year has caused varying knock-on effect on all of us – tenants, landlord and Unitholders.



- We will continue to assess and respond to the changing situation



- Strong financial profile and well diversified portfolio will help Ascendas Reit navigate the uncertainties in 2020



- We look forward to the early end of the COVID-19 pandemic worldwide. This will enable our economies and tenants to restart and recover to normalcy.



Thank you