



ASCENDAS REIT

3Q FY2020 Business Updates

26 October 2020

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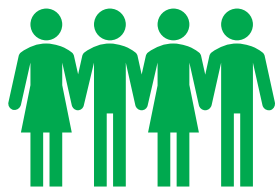
Appendix: Portfolio Resilience & Sustainability

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3Q FY2020 Key Highlights

3Q FY2020 Key Highlights

Asset Management



Portfolio
Occupancy

91.9%

30 Jun 2020: 91.5%



Portfolio
Rental Reversion[#]

-2.3%

2Q FY2020: +4.3%

Capital Management



Healthy Aggregate
Leverage

34.9%

30 Jun 2020: 36.1%



High Level of
Natural Hedge

>76%

30 Jun 2020: >77%

Investment Management

- Acquired two properties that are under development in Sydney, Australia (1 suburban office and 1 logistics property) for S\$182.1 m
- Completed the acquisition of a suburban office at 254 Wellington Road, Melbourne, Australia, for S\$100.6 m
- Completed two asset enhancement initiatives worth S\$10.1 m



[#] 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 3Q FY2020 and average gross rents are weighted by area renewed.

Investment Management

15378 Avenue of Science
San Diego, United States

Investment Highlights

- Completed one acquisition (\$\$100.6 m) in Australia and two asset enhancement initiatives (\$\$10.1 m)
- Announced two fund-through acquisitions (\$\$182.1 m) in Australia (properties are under development)

| 3Q FY2020 | Country | Sub-segment | Land and Development Cost / Total Cost (\$\$m) | Completion Date |
|---|----------------------|------------------|--|-----------------|
| Completed Acquisition | | | 100.6 | |
| 254 Wellington Road | Melbourne, Australia | Suburban Office | 100.6 ⁽¹⁾ | 11 Sep 2020 |
| Acquisitions (under development) | | | 182.1 | |
| Lot 7, Kiora Crescent, Yennora | Sydney, Australia | Logistics | 21.1 ⁽²⁾ | 2Q 2021 (est.) |
| MQX4, Macquarie Park | Sydney, Australia | Suburban Office | 161.0 ⁽³⁾ | Mid 2022 (est.) |
| Asset Enhancement Initiatives | | | 10.1 | |
| 52 & 53 Serangoon North Avenue 4 | Singapore | Light Industrial | 8.5 | 22 Jul 2020 |
| 197 – 201 Coward Street | Sydney, Australia | Suburban Office | 1.6 ⁽⁴⁾ | 30 Sep 2020 |

(1) Based on exchange rate of A\$1.000: S\$0.9628 as at 31 July 2020

(2) Based on exchange rate of A\$1.00: S\$0.89957 as at 31 May 2020

(3) Based on exchange rate of A\$1.000: S\$0.9628 as at 31 July 2020

(4) Based on exchange rate of A\$1.000: S\$0.9830 as at 30 Sep 2020

Acquisition **(Completed)** :

254 Wellington Road, Melbourne, Australia

| | |
|---|--------------------------------------|
| Land and Development Costs ⁽¹⁾⁽²⁾ | A\$104.5m (\$\$100.6 m) |
| Acquisition Fee⁽³⁾ , Stamp duty and Other Transaction Costs | A\$1.3 m (\$\$1.25 m) |
| Total Acquisition Cost | A\$105.8m (\$\$101.9 m) |
| Vendor/Developer | ESR FPA (WellingtonRoad) Pty Limited |
| Valuation (as if complete basis) ⁽⁴⁾ | A\$104.5m (\$\$100.6 m) |
| Land Area | 11,113 sqm |
| Land Tenure | Freehold |
| Net Lettable Area | 17,507 sqm |
| Occupancy Rate ⁽⁵⁾ | 100% |
| Key Tenant | Nissan |
| Initial Net Property Income Yield | 5.9% pre cost (5.8% post cost) |
| Completion Date | 11 Sep 2020 |



The Property:

- The 8-level state-of-the-art office with 17,507 sqm net lettable area is expected to achieve 5-star NABERS energy rating and 5 Star Green Star Design.
- Nissan has leased 65.2% of the space for a 10-year lease period and the property will serve as its head office and training centre with emphasis on electric vehicles.

Located in innovation precinct:

- Located 21km south east of the Melbourne CBD. Well located in one of Australia's most important innovation precincts, the Monash Technology Precinct houses prestigious research organisations and high-technology industries.

(1) All \$\$ amounts are based on exchange rate of A\$1.000: \$\$0.9628 as at 31 July 2020

(2) Includes incentives to be reimbursed by the Vendor.

(3) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase consideration (includes land and development cost) of the property.

(4) The valuation dated 1 Aug 2019 was commissioned by the Manager and The Trust Company (Australia) Limited, in its capacity as trustee of Ascendas Business Park Trust No. 2, and was carried out by Urbis Valuations Pty Ltd, using the capitalisation method and discounted cashflow methods.

(5) 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.

Acquisition :

Lot 7 Kiora Crescent, Yennora, Sydney, Australia

| | |
|--|-----------------------------------|
| Land and Development Costs⁽¹⁾⁽²⁾ | A\$23.5 m (S\$21.1 m) |
| Acquisition Fee⁽³⁾, Stamp Duty and Other Transaction Costs | A\$1.43 m (S\$1.29 m) |
| Total Acquisition Cost | A\$24.93 m (S\$22.39 m) |
| Vendor/Developer | Larapinta Project Pty Ltd |
| Valuation (as if complete basis) ⁽⁴⁾ | A\$29.3 m (S\$26.4 m) |
| Land Area | 26,632 sqm |
| Land Tenure | Freehold |
| Net lettable area | 13,100 sq m |
| Occupancy Rate Upon Completion | 100% ⁽⁵⁾ |
| Initial Net Property Income Yield | 6.2% (5.8% post transaction cost) |
| Estimated Practical Completion Date | 2Q 2021 |

(1) Includes 9.5 months of rental guarantee provided by the Vendor.

(2) All S\$ amounts are based on exchange rate of A\$1.00: S\$0.89957 as at 31 May 2020.

(3) In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase consideration (which includes land and development cost) of the property

(4) The valuation dated 30 Jun 2020 was commissioned by Ascendas Funds Management (Australia) Pty Ltd and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas Longbeach Trust No. 10), and was carried out by Knight Frank NSW Valuation & Advisory Pty Ltd using the capitalisation and discounted cash flow methods.

(5) Takes into account rental guarantee.



The Property:

- The Property to be developed, is a logistics warehouse with an approximate lettable floor area of 13,100 sqm. It is designed to be functional and efficient for a wide range of users.
- The Property will sit on a vacant parcel of freehold land (26,632 sqm).

Well-Located in Yennora:

- The Property is well located in the established inner-western Sydney industrial precinct of Yennora, an area that enjoys renewed growth given its proximity to central western Sydney and the trend towards last mile logistics.

Acquisition :

MQX4, Macquarie Park, Sydney, Australia

| | |
|--|--|
| Land and Development Costs⁽¹⁾⁽²⁾ | A\$167.2m (\$\$161.0m) |
| Total Investment Cost⁽³⁾ | A\$166.0m (\$\$159.8m) |
| Vendors/Developers | Australand Industrial No. 122 Pty Limited and Winten (No 35) Pty Limited |
| Valuation (as if complete basis) ⁽⁴⁾ | A\$167.2m (\$\$ 161.0m) |
| Land Area | 3,308 sqm |
| Land Tenure | Freehold |
| Net Lettable Area | 19,384 sqm - Office Area: 17,753 sqm - Retail Area: 1,631 sqm |
| Occupancy Rate Upon Completion | 100% ⁽⁵⁾ |
| Initial Net Property Income Yield | 6.1% (post transaction cost) |
| Estimated Practical Completion Date | Mid-2022 |

(1) All S\$ amounts are based on exchange rate of A\$1.000: S\$0.9628 as at 31 July 2020.

(2) Refers to Base Purchase Consideration and includes rental guarantee from the Developers. The Base Purchase Consideration is subject to adjustments. Please refer to press release on 18 September 2020 for more details.

(3) Includes coupon received from the developers (Ascendas Reit will fund the construction cost and is entitled to receive monthly coupons from the Developer at a rate of 5.75% per annum on the progressive payments made over the construction period), stamp duty, professional advisory fees, stamp duty and acquisition fee. In accordance to Ascendas Reit's Trust Deed, the Manager is entitled to an acquisition fee of 1.0% of the purchase consideration (which includes land and development cost). The acquisition fee of A\$1.672 million is currently estimated based on the Base Purchase Consideration, which is subject to adjustment upwards or downwards. Please refer to press release on 18 September 2020 for details.

(4) The valuation dated 1 Jul 2020 was commissioned by the Manager and The Trust Company (Australia) Limited (in its capacity as trustee of Ascendas Business Park Trust No. 3) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.

(5) Takes into account 3-year rental guarantee on vacancies.



Artist's Illustration of MQX4

The Property:

- A new 9-storey suburban office building comprising office space, ground floor retail space, and 204 carpark lots.
- Targeting to achieve 6 Star Green Star Design & As Built rating and 5.5 Star NABERS Energy rating upon completion

Well-located in Macquarie Park:

- Property is within 100 metres to the Macquarie Park metro station
- The Sydney Metro City Line opening in 2024 provides seamless travel to North Sydney and the Sydney CBD from Macquarie Park (20 mins to Sydney CBD)
- Macquarie Park is home to global players across resilient industries such as the pharmaceutical, technology, electronics and telecommunications sectors

Asset Enhancement Initiative *(Completed)*: 52 & 53 Serangoon North Avenue 4, Singapore

Description

Completed works include:

- Conversion of roof level to a new production area to maximise the plot ratio
- Enhanced building frontage with open fencing design
- Upgraded drop-off point canopy, main lobby and toilets

Property Segment

Light Industrial

Net Lettable Area

18,894 sqm

Occupancy Rate (as at 30 Sep 2020)

52 Serangoon North Ave 4: 100%
53 Serangoon North Ave 4: 72.5%

Cost

S\$8.5 m

Completion Date

22 Jul 2020



Asset Enhancement Initiative *(Completed)*:

197 – 201 Coward Street, Mascot, Sydney, Australia

Description

Completed works include:

- New end-of-trip (cyclist) facilities
- Landscaping of external garden beds
- Outdoor seating area in front of the café

Property Segment

Suburban Offices

Net Lettable Area

22,534 sqm

Occupancy Rate (as at 30 Sep 2020)

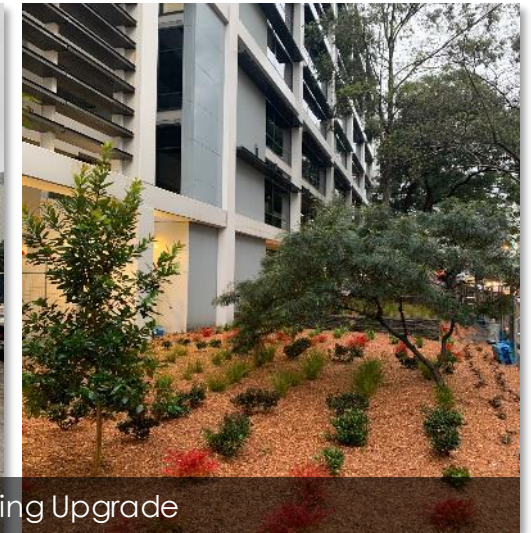
86.0%

Cost

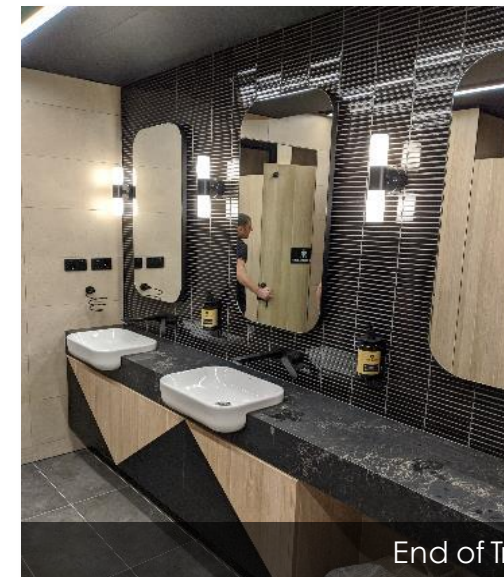
A\$1.6 m (S\$1.6 m¹)

Completion Date

30 Sep 2020



Landscaping Upgrade



End of Trip Facilities

(1) S\$ amount is based on exchange rate of A\$1.00: S\$0.9830 as at 30 Sep 2020

Capital Management

Healthy Balance Sheet

- Aggregate leverage is healthy at 34.9% ⁽¹⁾⁽²⁾
- Available debt headroom of ~S\$4.2 b ⁽¹⁾⁽²⁾ to reach 50.0% aggregate leverage
- Issued S\$300m non-call 5 green perpetual securities at 3.00% in Sep 2020
- Total assets include cash and equivalent of ~S\$289 m to meet current financial and operational obligations

| | As at 30 Sep 2020 | As at 30 Jun 2020 | As at 30 Sep 2019 |
|--------------------------------------|-----------------------|-----------------------|----------------------|
| Total Debt (S\$m) ⁽¹⁾⁽³⁾ | 4,809 ⁽²⁾ | 4,963 ⁽²⁾ | 4,135 |
| Total Assets (S\$m) ⁽¹⁾ | 13,797 ⁽²⁾ | 13,739 ⁽²⁾ | 11,425 |
| Aggregate Leverage ⁽¹⁾ | 34.9% ⁽²⁾ | 36.1% ⁽²⁾ | 36.2% |
| Unitholders' Funds (S\$m) | 7,852 | 7,956 | 6,938 |
| Net Asset Value (NAV) per Unit | 217 cents | 220 cents | 213 cents |
| Adjusted NAV per Unit ⁽⁴⁾ | 213 cents | 213 cents | 205 cents |
| Units in Issue (m) | 3,620 | 3,620 | 3,113 |

(1) Excludes the effects of FRS 116.

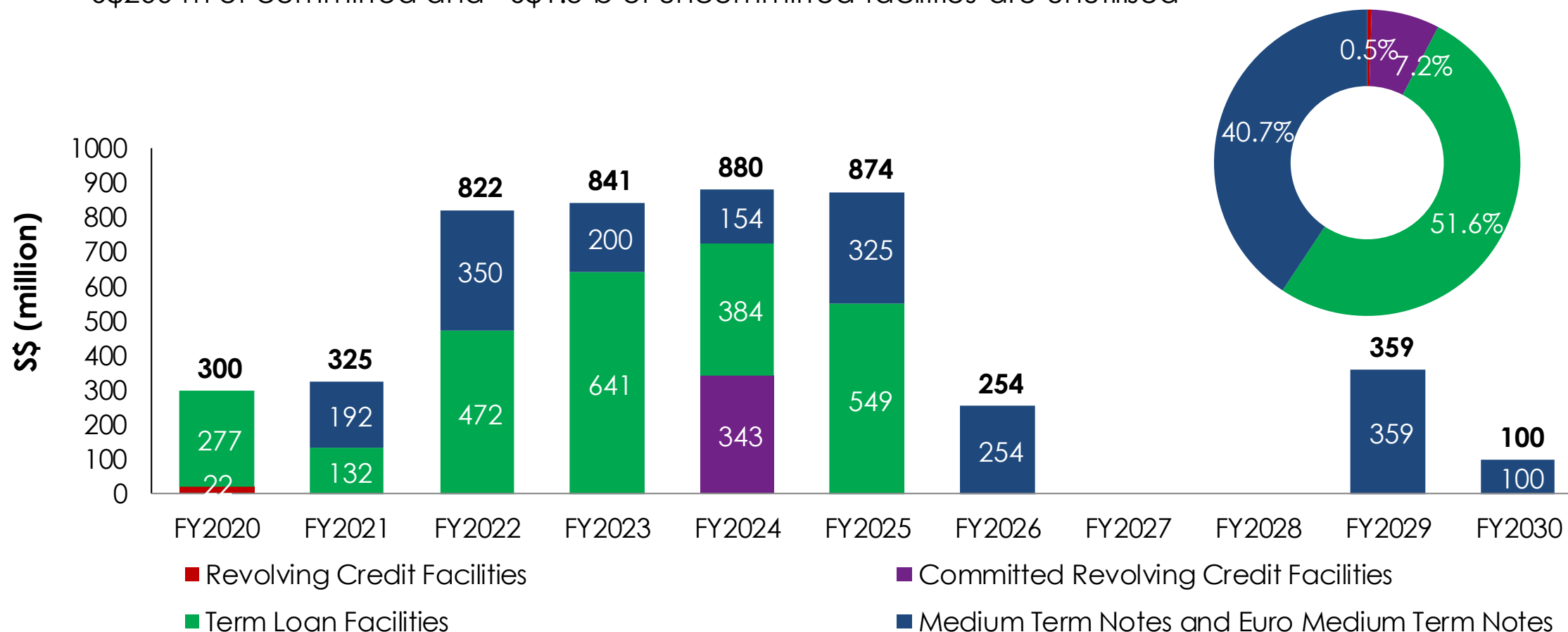
(2) Includes interests in JV

(3) Excludes fair value changes and amortised costs. Borrowings denominated in foreign currencies are translated at the prevailing exchange rates except for JPY/HKD-denominated debt issues, which are translated at the cross-currency swap rates that Ascendas Reit has committed to.

(4) Adjusted for the amount to be distributed for the relevant period after the reporting date.

Well-spread Debt Maturity Profile

- Well-spread debt maturity with the longest debt maturing in FY2030
- Average debt maturity improved to 3.7 years following the issuance of S\$100 m 10-year green bond at 2.65%
- S\$200 m of committed and ~S\$1.3 b of uncommitted facilities are unutilised



Key Funding Indicators

- Robust financial metrics that exceed bank loan covenants by a healthy margin
- A3 credit rating facilitates good access to wider funding options at competitive rates

| | As at 30 Sep 2020 | As at 30 Jun 2020 |
|--|----------------------|----------------------|
| Aggregate Leverage ⁽¹⁾⁽²⁾⁽³⁾ | 34.9% | 36.1% |
| Unencumbered Properties as % of Total Investment Properties ⁽⁴⁾ | 91.5% | 92.0% |
| Interest Cover Ratio ⁽⁵⁾ | 4.3 x | 4.2 x |
| Net Debt ⁽⁶⁾ / EBITDA | 7.7 x | 7.6 x |
| Weighted Average Tenure of Debt (years) | 3.7 | 3.6 |
| Fixed rate debt as % of total debt | 81.9% | 80.9% |
| Weighted Average all-in Debt Cost | 2.8% | 2.9% |
| Issuer Rating by Moody's | A3 | A3 |

(1) Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings (including perpetual securities) to unitholders' funds is 63.3%.

(2) Exclude the effects of FRS 116.

(3) Computation includes interests in JV.

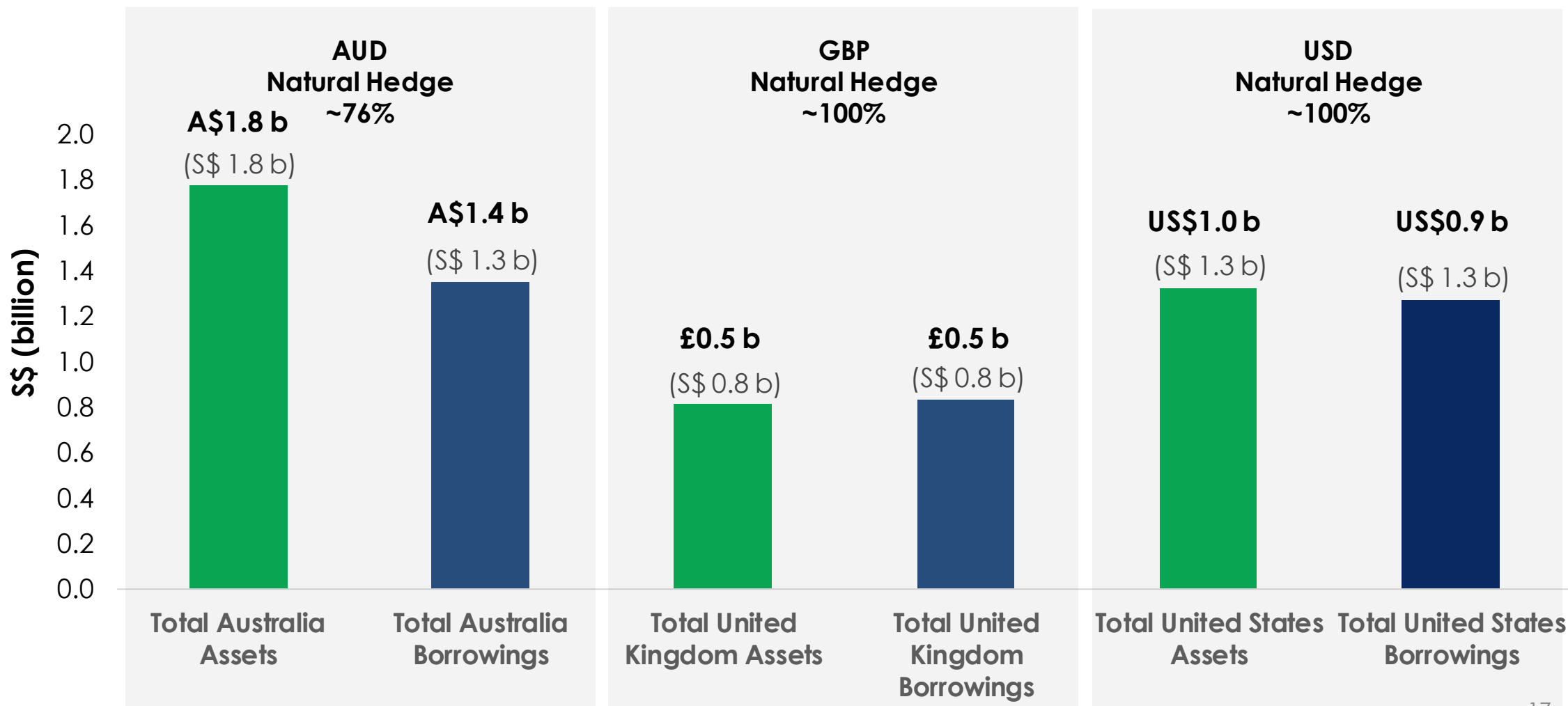
(4) Total investment properties exclude properties reported as finance lease receivable.

(5) 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.

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

High Natural Hedge

- Maintained high level of natural hedge for Australia (~76%), the United Kingdom (~100%) and United States (~100%) to minimise the effects of adverse exchange rate fluctuations

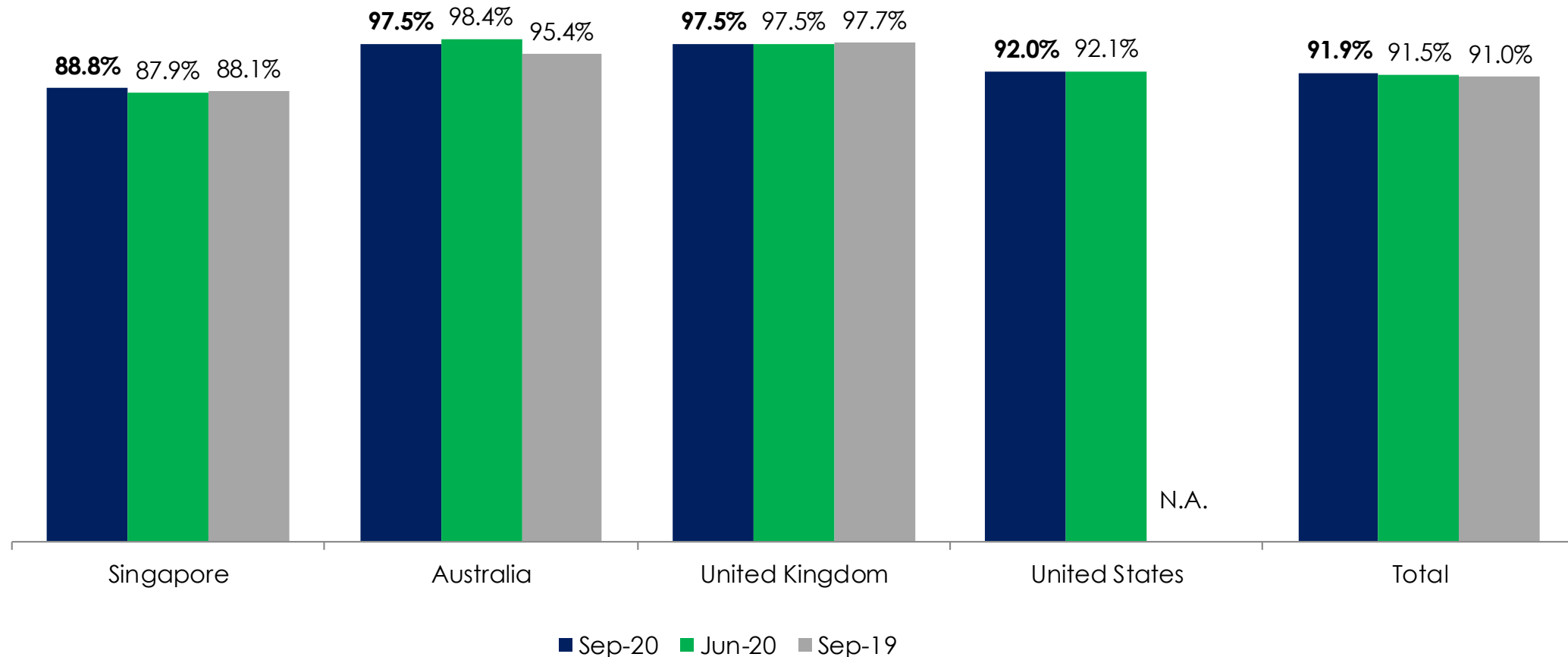


A low-angle, upward-looking photograph of the Infineon Building in Singapore. The building's facade is a complex, white, undulating structure made of large, curved panels held together by a network of dark cables and bolts. The panels create a series of sharp, rhythmic peaks and valleys. The building rises steeply against a bright blue sky filled with wispy white clouds. The overall effect is one of dynamic, organic movement.

Asset Management

Infineon Building , Singapore

Overview of Portfolio Occupancy



**Gross Floor
Area (sqm) ⁽¹⁾**

2,985,406

828,195 ⁽²⁾

509,907 ⁽³⁾

313,059

4,636,567

(1) Gross Floor Area as at 30 Sep 2020.

(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.

Singapore: Occupancy

- Occupancy rose to 88.8% mainly due to higher occupancy at Cintech II (30 Sep 2020: 100%, 30 Jun 2020: 0%) and 40 Penjuru Lane (30 Sep 2020: 98.8%, 30 Jun 2020: 85.5%)

| As at | 30 Sep 2020 | 30 Jun 2020 | 30 Sep 2019 |
|--|-----------------------------------|-----------------------------------|--------------------------|
| Total Singapore Portfolio GFA (sqm) | 2,985,406 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ | 3,001,471 ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾ | 3,003,420 ⁽¹⁾ |
| Singapore Portfolio Occupancy (same store) ⁽⁵⁾ | 88.6% | 87.8% | 88.2% |
| Singapore MTB Occupancy (same store) ⁽⁶⁾ | 86.2% | 85.0% | 85.0% |
| Occupancy of Singapore Investments Completed in the last 12 months | 94.5% | 93.7% | N.A. |
| Overall Singapore Portfolio Occupancy | 88.8% | 87.9% | 88.1% |
| Singapore MTB Occupancy | 86.5% | 84.7% | 84.6% |

(1) Excludes 25 Ubi Road 4 and 27 Ubi Road 4 which were decommissioned for redevelopment since Jun 2019

(2) Excludes 8 Loyang Way 1 which was divested on 18 Sep 2019.

(3) Excludes 190 Macpherson Road which was divested on 23 Jan 2020; 202 Kallang Bahru divested on 4 Feb 2020 and 25 Changi South Street 1 divested on 6 Mar 2020.

(4) Excludes iQuest@IBP which was decommissioned for redevelopment since Jan 2020.

(5) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2020, excluding new investments completed in the last 12 months and divestments.

(6) Same store MTB occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2020, excluding new investments completed in the last 12 months, divestments and changes in classification of certain buildings from single-tenant to multi-tenant buildings or vice-versa.

Australia: Occupancy

- Occupancy declined to 97.5% mainly due to non-renewal at 92 Sandstone Place, Brisbane

| As at | 30 Sep 2020 | 30 Jun 2020 | 30 Sep 2019 |
|---|--------------|--------------|--------------|
| Total Australian Portfolio GFA (sqm) | 828,195 | 810,536 | 810,536 |
| Australian Portfolio Occupancy (same store) ⁽¹⁾ | 97.5% | 98.4% | 95.4% |
| Occupancy of Australian Investments Completed in the last 12 months | 100% | N.A. | N.A. |
| Overall Australian Portfolio Occupancy | 97.5% | 98.4% | 95.4% |

(1) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2020, excluding new investments completed in the last 12 months.

United Kingdom: Occupancy

- Occupancy remained high at 97.5%

| As at | 30 Sep 2020 | 30 Jun 2020 | 30 Sep 2019 |
|---|--------------|--------------|-------------|
| Total United Kingdom Portfolio GFA (sqm) | 509,907 | 509,907 | 509,907 |
| Occupancy of United Kingdom Investments Completed in the last 12 months | N.A. | N.A. | 97.7% |
| Overall United Kingdom Portfolio Occupancy | 97.5% | 97.5% | 97.7% |

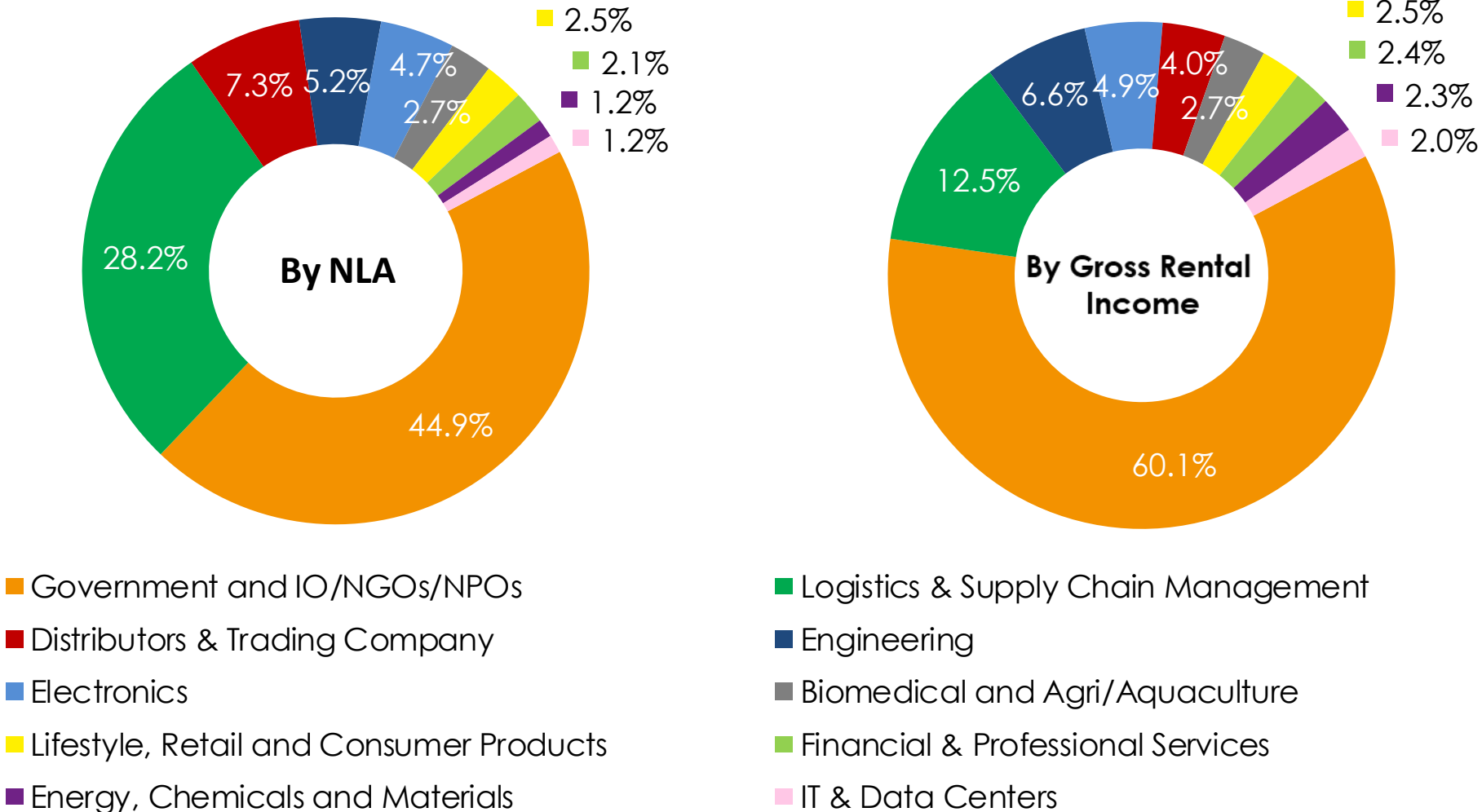
United States: Occupancy

- Occupancy remained stable at 92.0%.

| As at | 30 Sep 2020 | 30 Jun 2020 |
|--|--------------|--------------|
| Total United States Portfolio GFA (sqm) | 313,059 | 313,059 |
| Occupancy of United States Investments Completed in the last 12 months | 92.0% | 92.1% |
| Overall United States Portfolio Occupancy | 92.0% | 92.1% |

Singapore: Sources of New Demand in 3Q FY2020

- Continues to attract demand from a wide spectrum of 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.

Portfolio Rental Reversions

- Average portfolio rent reversion for leases renewed in 3Q FY2020 was -2.3%; YTD was +4.2%.
- Expect to achieve a low single digit positive rent reversion in FY2020 in view of the current uncertainties

| % Change in Renewal Rates for Multi-tenant Buildings ⁽¹⁾ | 3Q FY2020 (Jul-Sep 2020) | 2Q FY2020 (Apr – Jun 2020) | 3Q 2019 (Jul-Sep 2019) |
|---|-----------------------------|-------------------------------|---------------------------|
| Singapore | -2.8% | 4.0% | 4.0% |
| Business & Science Parks | 4.5% | 16.3% | 3.9% |
| High-Specifications Industrial and Data Centres | -3.3% | -30.6% | 3.1% |
| Light Industrial and Flatted Factories | -1.4% | 5.1% | 3.9% |
| Logistics & Distribution Centres | -16.2% | 0.5% | 7.0% |
| Integrated Development, Amenities & Retail | 0.0% | 19.8% | 0.0% |
| Australia | - (2) | 16.6% | -% |
| Suburban Offices | - (2) | - (2) | -% |
| Logistics & Distribution Centres | - (2) | 16.6% | -% |
| United Kingdom | - (2) | - (2) | - (2) |
| Logistics & Distribution Centres | - (2) | - (2) | - (2) |
| United States | 11.5% | 16.2% | N.A. |
| Business Parks | 11.5% | 16.2% | N.A. |
| Total Portfolio : | -2.3% | 4.3% | 4.0% |

(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 renewals signed in the period for the respective segments.

Weighted Average Lease Expiry

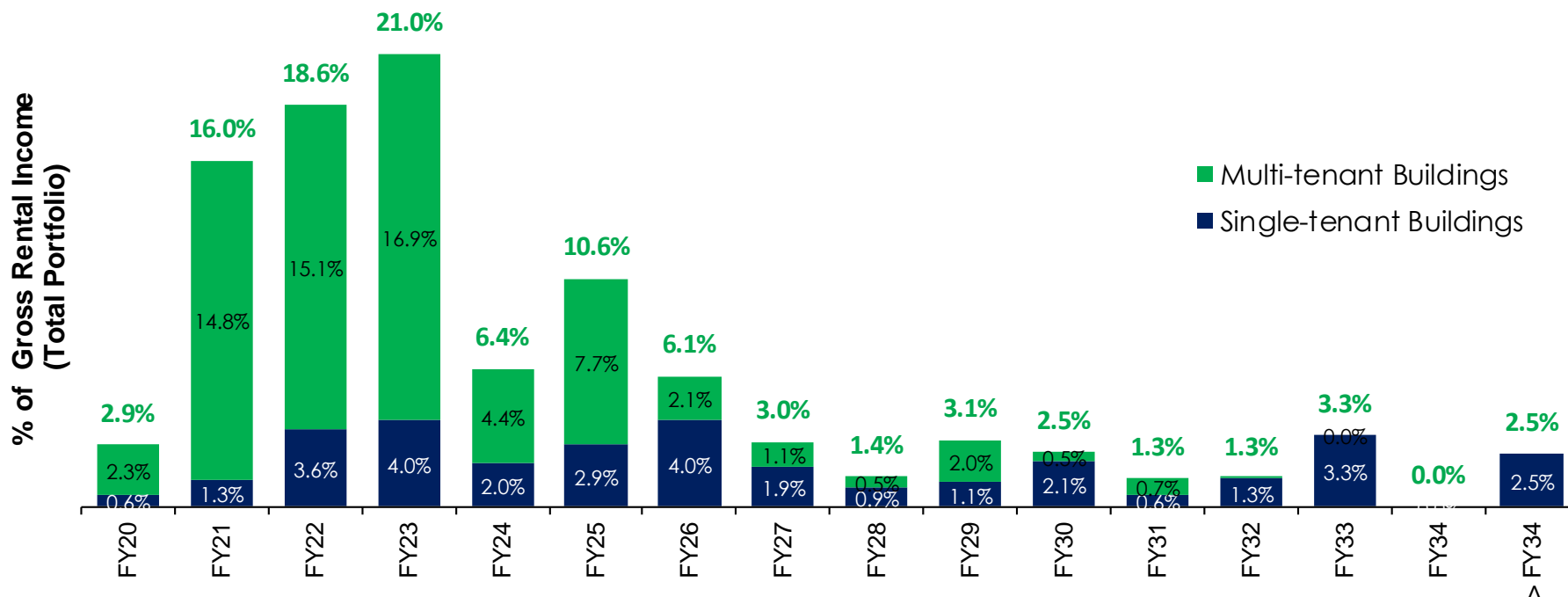
(By gross revenue)

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

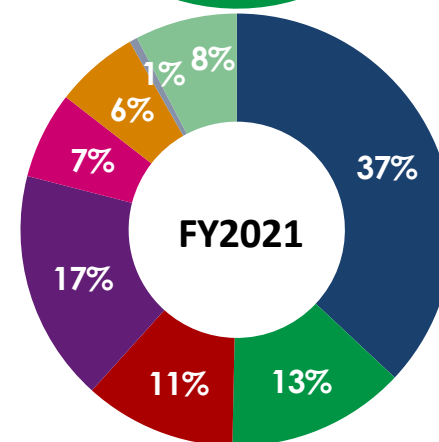
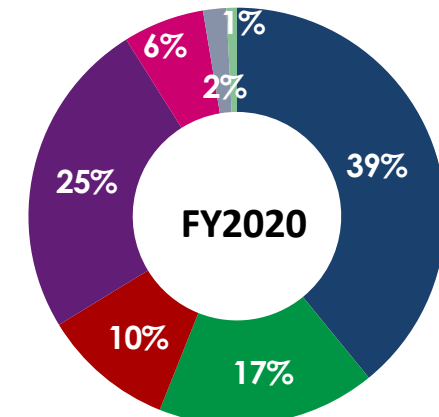
| WALE (as at 30 Sep 2020) | Years |
|--------------------------|------------|
| Singapore | 3.5 |
| Australia | 4.3 |
| United Kingdom | 9.0 |
| United States | 3.6 |
| Portfolio | 3.9 |

Portfolio Lease Expiry Profile (as at 30 Sep 2020)

- Portfolio weighted average lease to expiry (WALE) of 3.9 years.
- Lease expiry is well-spread, extending beyond FY2034
- About 2.9% of gross rental income is due for renewal in FY2020
- Weighted average lease term of new leases ⁽¹⁾ signed in 3Q FY2020 was 4.0 years and contributed 2.2% of 3Q FY2020 total gross revenue



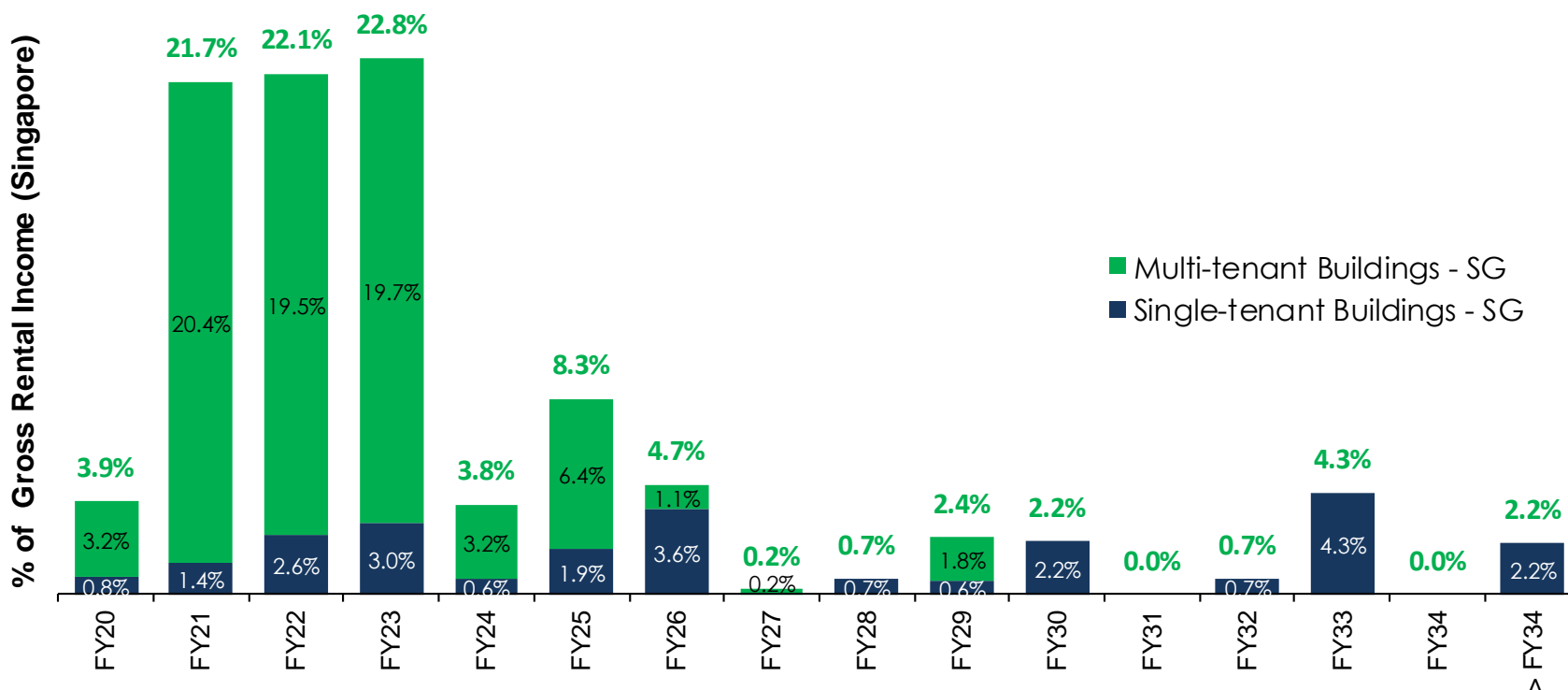
(1) New leases refer to new, expansion and renewal leases. Excludes leases from new acquisitions.



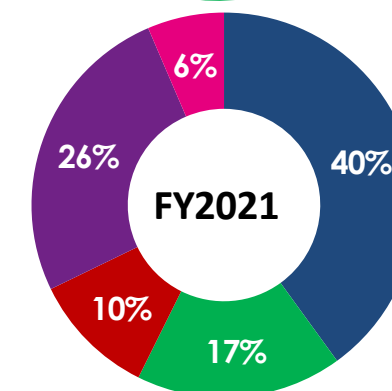
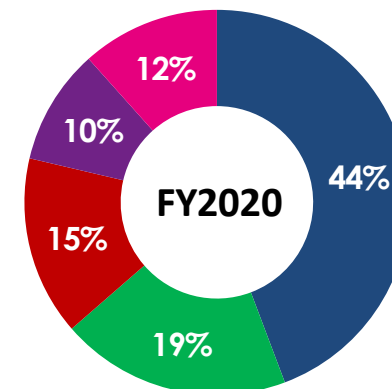
- Business and Science Parks
- High-Specifications Industrial and Data Centres
- Light Industrial and Flatted Factories
- Logistics & Distribution Centres
- Integrated Development, Amenities & Retail
- Logistics & Suburban Offices (Australia)
- Logistics & Suburban Offices (United Kingdom)
- Business Parks (US)

Singapore: Lease Expiry Profile (as at 30 Sep 2020)

- Singapore portfolio weighted average lease to expiry (WALE) of 3.5 years
- Lease expiry is well-spread, extending beyond FY2034
- 3.9% of Singapore's gross rental income is due for renewal in FY2020



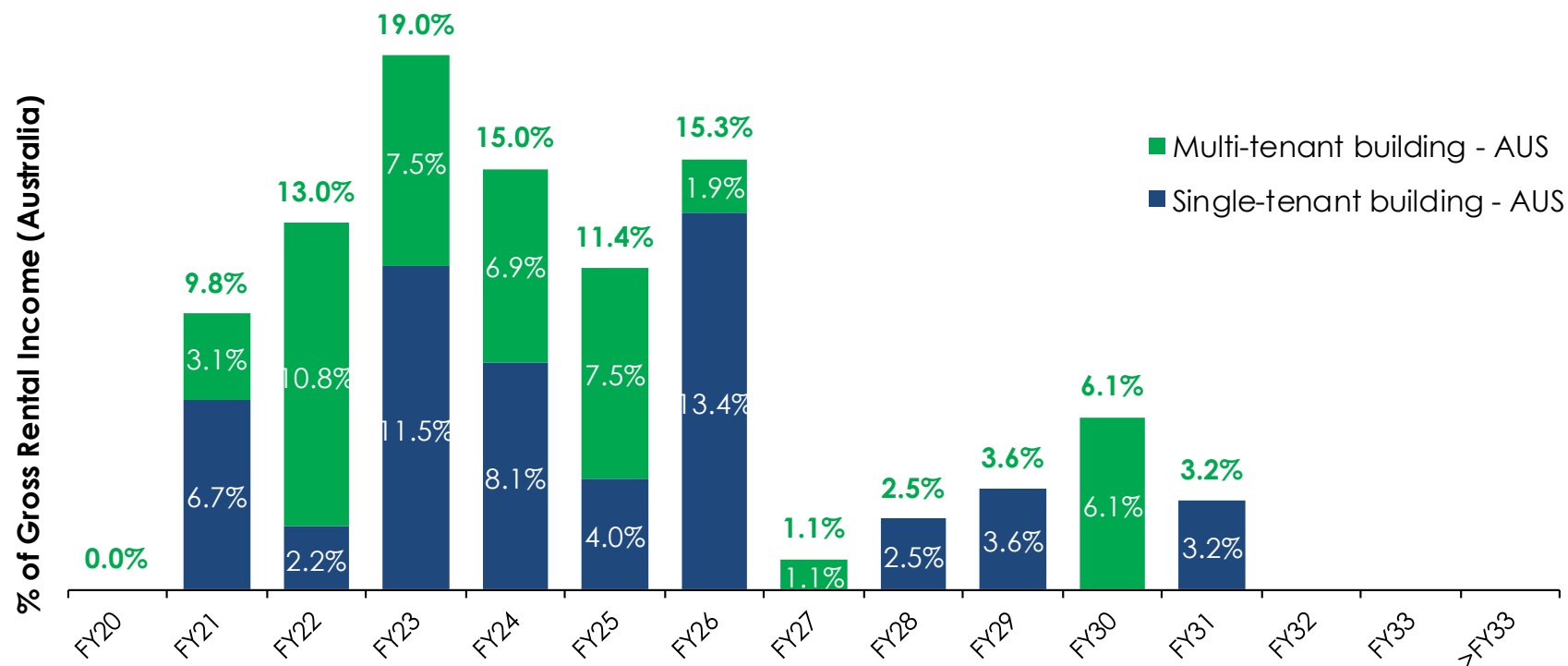
Breakdown of expiring leases
for FY2020 and FY2021



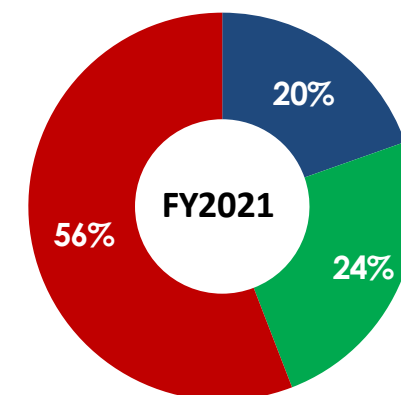
- Business and Science Parks
- High-Specifications Industrial and Data Centres
- Light Industrial and Flatted Factories
- Logistics & Distribution Centres
- Integrated Development, Amenities & Retail

Australia: Lease Expiry Profile (as at 30 Sep 2020)

- Australia portfolio weighted average lease to expiry (WALE) of 4.3 years
- Lease expiry is well-spread, extending beyond FY2030



Breakdown of expiring leases for FY2021

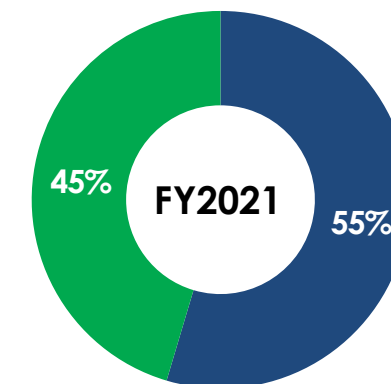
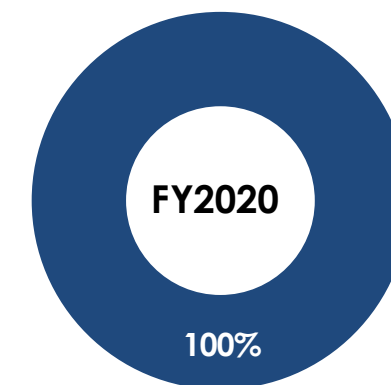
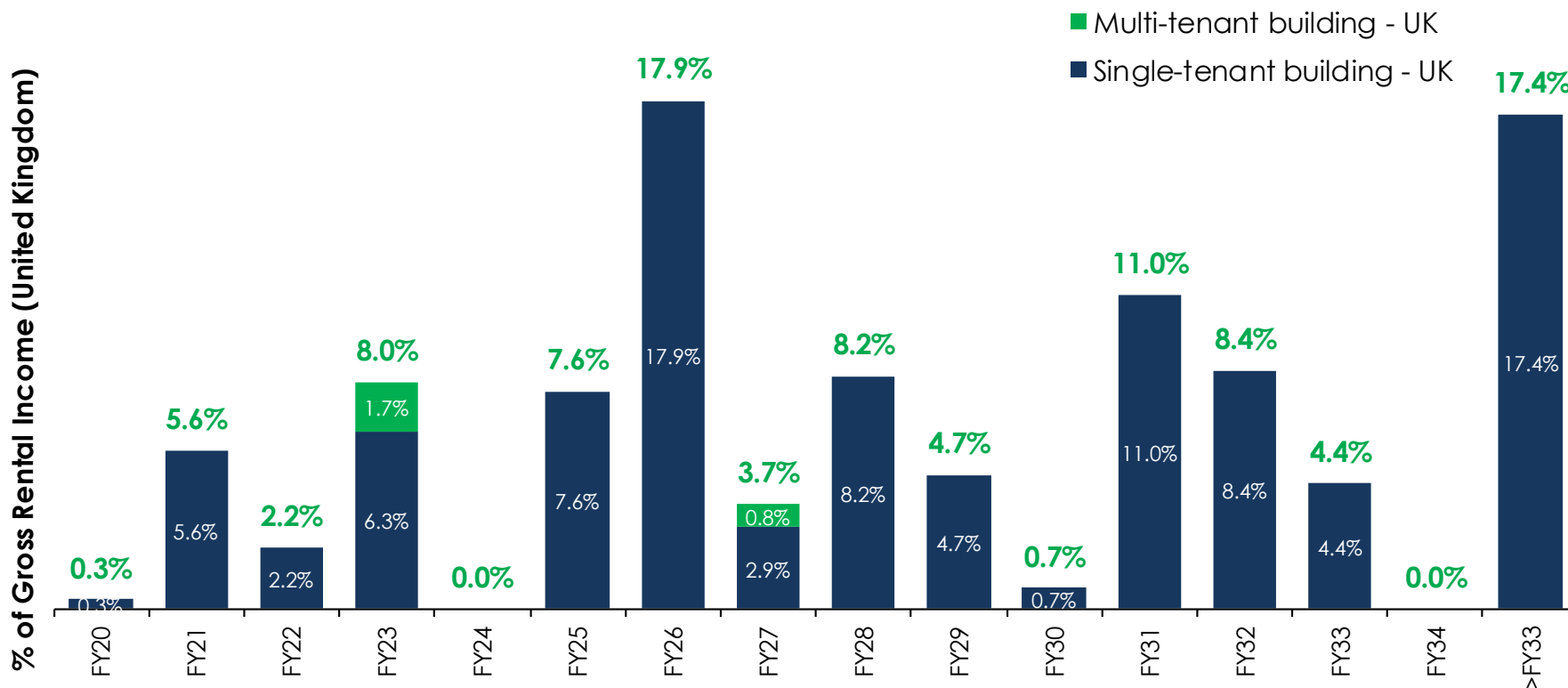


- Sydney
- Melbourne
- Brisbane

United Kingdom: Lease Expiry Profile (as at 30 Sep 2020)

Breakdown of expiring leases for FY2020 and FY2021

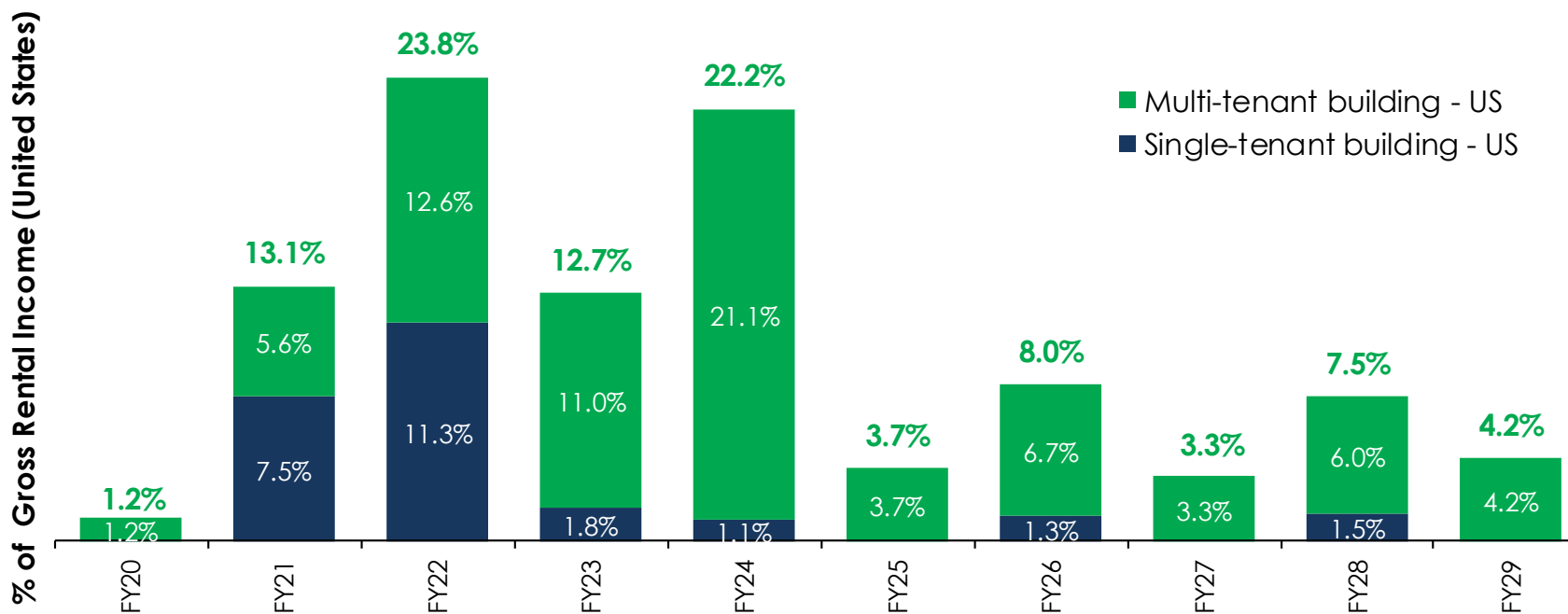
- United Kingdom portfolio weighted average lease to expiry (WALE) of 9.0 years
- Lease expiry is well-spread, extending beyond FY2033
- 0.3% of United Kingdom's gross rental income is due for renewal in FY2020



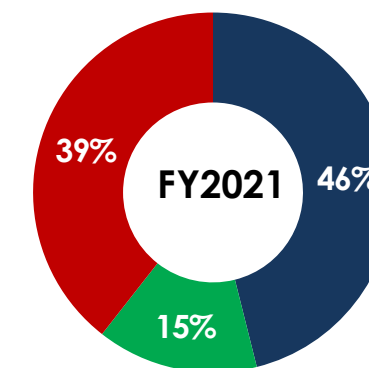
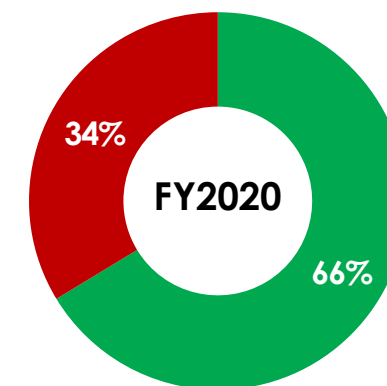
■ West Midlands
■ North West

United States: Lease Expiry Profile (as at 30 Sep 2020)

- United States portfolio weighted average lease to expiry (WALE) of 3.6 years
- Lease expiry is well-spread, extending beyond FY2028
- 1.2% of United States' gross rental income is due for renewal in FY2020



Breakdown of expiring leases
for FY2020 and FY2021



- San Diego
- Raleigh
- Portland

Ongoing Projects: Improving Portfolio Quality

| | Country | Land & Development Cost / Total Cost (\$\$m) | Estimated Completion Date |
|---|---------------------|---|------------------------------|
| Acquisitions (under development) | | 182.1 | |
| Lot 7 Kiora Crescent, Yennora | Sydney, Australia | 21.1 | 2Q 2021 |
| MQX4, Macquarie Park | Sydney, Australia | 161.0 | Mid-2022 |
| Development | | 181.2 | |
| Built-to-suit business park development for Grab | Singapore | 181.2 | 2Q 2021 |
| Redevelopments | | 119.3 | |
| UBIX (formerly 25 & 27 Ubi Road 4) | Singapore | 35.0 | 4Q 2021 |
| iQuest@IBP | Singapore | 84.3 | 1Q 2023 |
| Asset Enhancement Initiatives | | 16.0 | |
| Aperia | Singapore | 1.2 | 4Q 2020 ⁽¹⁾ |
| 21 Changi South Avenue 2 | Singapore | 4.7 | 1Q 2021 |
| 100 & 108 Wickham Street | Brisbane, Australia | 10.1 | 4Q 2020 |

(1) Delayed from 3Q 2020

COVID-19 Updates

COVID-19 Country Update



Singapore



Australia

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)
- Landlord assistance, for qualifying SMEs⁽¹⁾:
 - ✓ Additional rent waiver
 - ✓ Instalment repayment scheme for rental arrears; interest capped at 3% p.a.
- Further S\$8b government stimulus announced on 17 Aug 2020 including extension of Jobs Support Scheme up to Mar 2021
- Extension of relief period under Part 2 of the COVID-19 (Temporary Measures) Act⁽²⁾ by 1 to 5 months (depending on the category of contract), announced on 12 Oct 2020.

- 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
- Jobkeeper wage subsidy extended by 6 months to Mar 2021 (previously to terminate in Sep 2020), but reduced from A\$1,500 to A\$1,200 per fortnight
- Jobseeker supplement will continue for another 3 months to Dec 2020 but eligibility requirements tightened

Impact



- Qualifying retail/F&B/amenities SME tenants will receive 4 months of base rent waiver, inclusive of government's property tax rebate and cash grant⁽³⁾
- Qualifying industrial SME tenants will receive 2 months of base rent waiver, inclusive of government's property tax rebate and cash grant⁽⁴⁾
- Provided S\$11.3 m of rent rebates YTD which includes additional 0.5 months waiver to retail tenants for both months in Aug and Sep 2020

- 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
- Offered rent waiver and/or deferment to four SME tenants
- Pro-active discussions with tenants to offer assistance via existing lease incentives/rent deferral

Outlook



- 2020 GDP forecast: -7% to -5% (source: MTI)
- To date, 9 tenants have pre-terminated their leases (Total combined NLA : <1800 sqm)
- Leasing activities picked up after the commencement of Phase 2 of the post circuit breaker on 19 Jun 2020 when physical viewings are allowed.

- 2020 GDP forecast: -3.9% (source: Bloomberg)
- To date, no tenant has 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.

(1) Eligibility criteria for qualifying SMEs include substantial drop in average monthly revenue during COVID-19 (average monthly revenue from Apr 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) Part 2 of Act enables parties, upon service of a Notification for Relief, to obtain temporary relief from certain legal and enforcement actions for their inability to perform contractual obligations due to COVID-19.

(3) To-date 4 months of gross rent waiver disbursed. Further adjustments will be made in 4Q 2020 (if necessary) as IRAS' Cash Grant Notices were progressively received in Sep 2020.

(4) Qualifying industrial SME tenants (based on Ascendas Reit's records) will receive 1 month of gross rent waiver in Jun 2020 on top of property tax rebates. Further adjustments will be made by 4Q 2020 as IRAS' Cash Grant Notices were progressively received in Sep 2020 to ensure that all qualifying industrial SME tenants will receive 2 months of base rent waiver.




COVID-19 Country Update



United Kingdom



United States

| | | |
|---|--|---|
| Government Measures Implemented  | <ul style="list-style-type: none"> Up until 31 Dec 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 | <ul style="list-style-type: none"> Landlords are not allowed to evict tenants due to non-payment of rents during the moratorium period in Portland, Oregon (until 31 Mar 2021), San Diego, California (until 30 Dec 2020) and Raleigh, North Carolina (until 20 Dec 2020) |
| Impact  | <ul style="list-style-type: none"> 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 help them with their cashflow management Defer the VAT payment by one year to Mar 2021 Offering available space for short-term leases | <ul style="list-style-type: none"> Provided rental rebate to one small café operator in Portland Restructured lease of a tenant whose supply chain was disrupted by COVID-19; rental relief provided in exchange for extension of lease term |
| Outlook  | <ul style="list-style-type: none"> 2020 GDP forecast: -10.0% (source: Bloomberg) To date, no tenant has 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 | <ul style="list-style-type: none"> 2020 GDP forecast: -4.0% (source: Bloomberg) To date, no tenant has pre-terminated due to COVID-19 Majority of our tenants are operating with skeleton crew serving essential functions on site, with rest of staff working remotely Slowdown in leasing activity as tenants hold back expansion plans; trend towards shorter-term extensions for near-term expiries |

Market Outlook



7 Grevillea Street, Sydney, Australia

Market Outlook

- The International Monetary Fund (IMF) projected global growth for 2020 to be -4.4%, an improvement from the 4.9% contraction projected in Jun 2020, due to better than expected 2Q GDP performance mostly in advanced economies.
- The Singapore economy contracted 7% y-o-y in 3Q 2020 (2020 GDP forecast: -7.0% to -5.0%). Uneven recovery is expected as sectors such as manufacturing, technology and financial services should contribute positively whilst the hospitality and aviation sectors remain challenging.
 - Between 2021 and 2024, around 4.4m sqm of industrial space (~8.8% of existing stock) is expected to be completed.
 - Companies remain cautious and are expected to continue to put their business and expansion plans on hold until there is greater clarity on the COVID-19 situation in Singapore and globally.
 - The lacklustre demand coupled with the high amount of new completions are expected to weigh on rents and occupancy rates for industrial space.
- The Australian economy contracted by 6.3% y-o-y in 2Q 2020 (2020 GDP forecast: -3.9%). China and Australia's souring relationship will add to the headwinds faced by businesses. The Australian government announced a stimulus budget that could result in a record A\$214b deficit to cut income tax, create jobs and stimulate the business investment.
 - The Australian logistics portfolio continues to deliver stable performance as they are well-located in key cities of Sydney, Melbourne and Brisbane, has a long WALE of 4.3 years and enjoys average rent escalations of ~3% per annum. The logistics sector remains one of the most resilient amongst all major property sectors.

Market Outlook

- In 2Q 2020, the UK economy contracted by 21.5 % y-o-y (2020 GDP forecast: -10.0%). The economy remains fragile amidst challenging Brexit negotiations and rising COVID-19 cases.
 - Ascendas Reit's UK portfolio has a long WALE of 9.0 years, which will help to mitigate the on-going uncertainties.
- The US economy shrank 9.0% y-o-y in 2Q 2020 (2020 GDP forecast: -4.0%). Whilst some economists are predicting an uptick in 3Q, the high unemployment rate (still above pre COVID-19 levels), resurgence of COVID-19 cases and US election uncertainties could bring disruption to the economy recovery.
 - Ascendas Reit's properties located in US tech cities are well-positioned to benefit from the growing technology and healthcare sectors.
- Generally, there remains uncertainty worldwide due to the resurgence of COVID-19. The economic outlook is expected to be challenging and this could impact the performance of Ascendas Reit. The Manager will continue to work closely with its tenants through these difficult times and keep a close eye on the changing situation so that we will be able to respond accordingly to protect Unitholders' interests. Ascendas Reit's well-diversified portfolio and tenant base should help us to mitigate the challenges ahead.

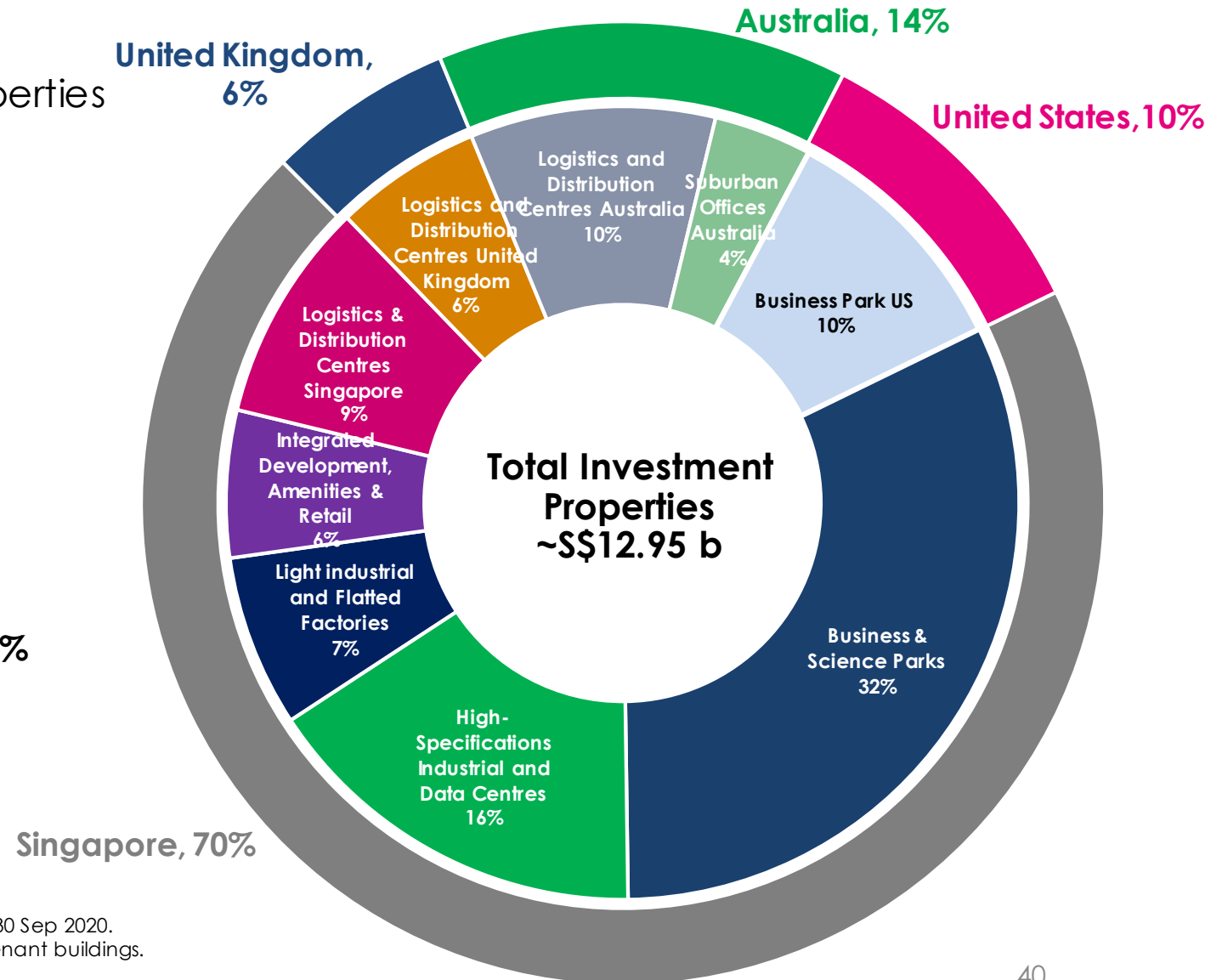
Appendix:

- Portfolio Resilience
- Sustainability

Well Diversified Portfolio

By Value of Investment Properties

- As at 30 Sep 2020, total investment properties stood at **S\$12.95 b** (198 Properties)
- Well-diversified **geographically**:
 - Singapore portfolio: **S\$9.03 b**
 - Australia portfolio: **S\$1.78 b**
 - United Kingdom portfolio: **S\$0.81 b**
 - United States portfolio: **S\$1.32 b**
- Well-diversified by **asset class**:
 - Business & Science Park/ Suburban office: **45%**
 - Industrial: **29%**
 - Logistics & Distribution Centre: **26%**

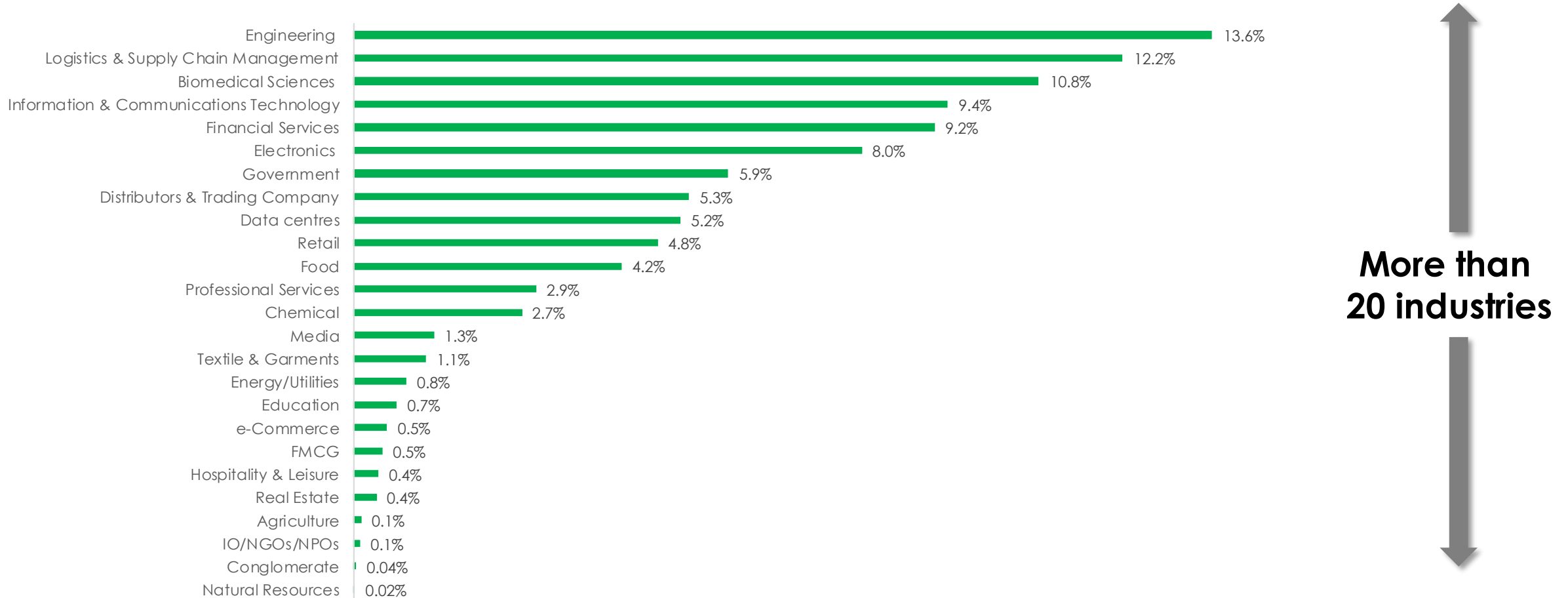


Notes:

Multi-tenant buildings account for 71.9% of Ascendas Reit's portfolio by asset value as at 30 Sep 2020. Within Hi-Specs Industrial, there are 3 data centres (4.2% portfolio), of which 2 are single-tenant buildings. Within Light Industrial, there are 2 multi-tenant flatted factories (2.6% of portfolio).

Customers' Industry Diversification (By Monthly Gross Revenue)

- Well-diversified customer base across more than 20 industries

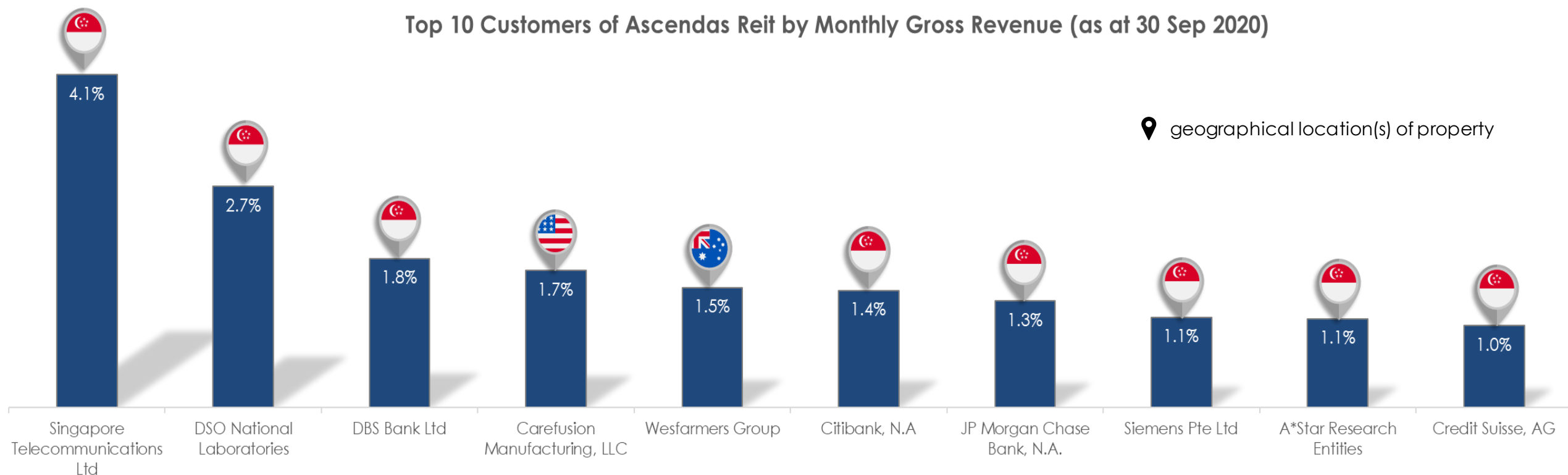


Note: Customers' Industry classifications have been updated to better reflect the organisation's primary industry sector. Previous industry classifications were based on the Singapore Standard Industrial Classification (SSIC) which may be outdated due to changes in business activities.

Quality and Diversified Customer Base

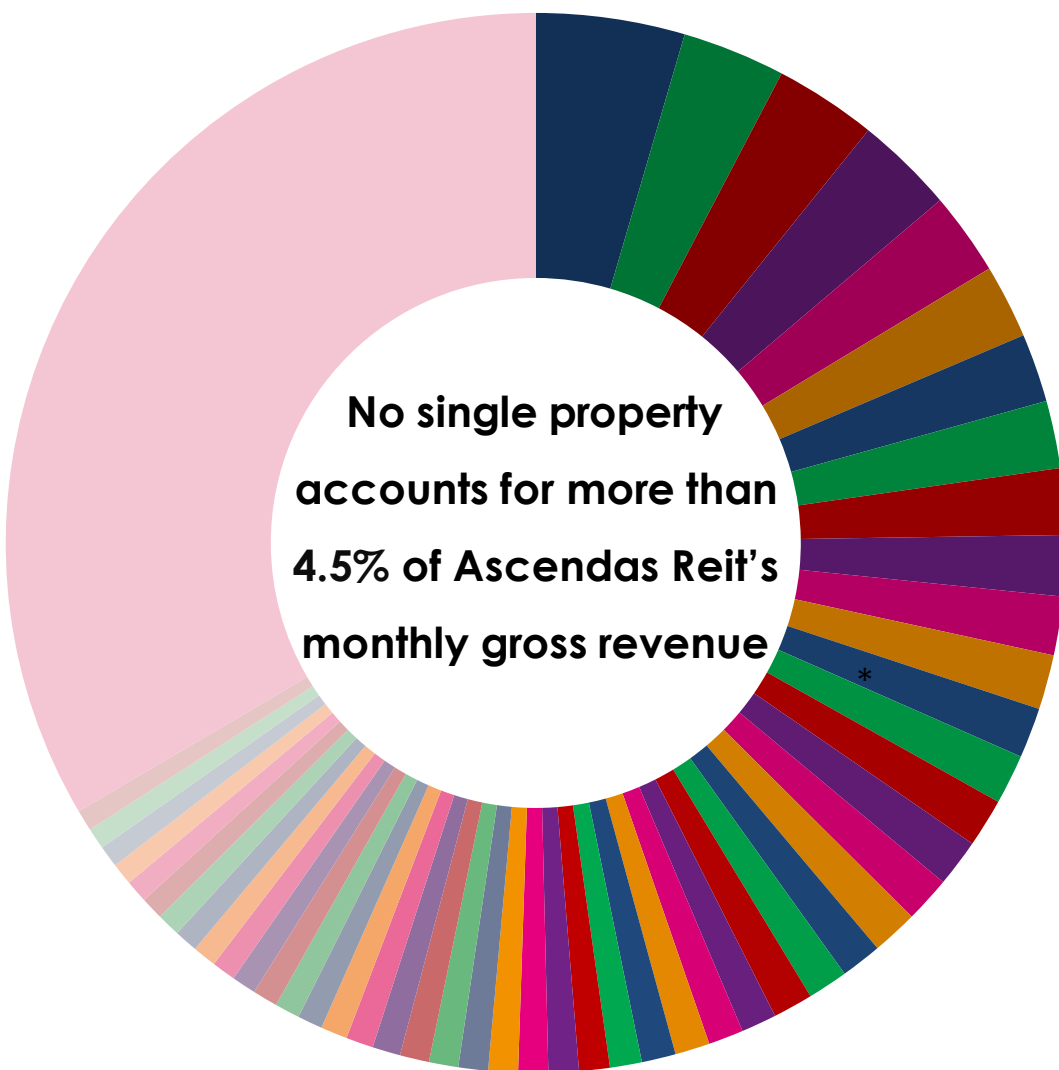
- Total customer base of more than 1,450 tenants
- Top 10 customers (as at 30 Sep 20) account for about 17.7% of monthly portfolio gross revenue*
- On a portfolio basis, weighted average security deposit is about 5.3 months of rental income.

Top 10 Customers of Ascendas Reit by Monthly Gross Revenue (as at 30 Sep 2020)



* Monthly gross revenue has been adjusted to exclude the government grant related to property tax and rent relief support provided to tenants amid the COVID-19 pandemic.

Diversified Portfolio



| | |
|--|--|
| ■ Aperia, 4.5% | ■ ONE @ Changi City, 3.1% |
| ■ 12, 14 & 16 Science Park Drive, 3.1% | ■ Nucleous, 3.0% |
| ■ 1, 3 & 5 Changi Business Park Crescent, 2.5% | ■ Kim Chuan Telecommunication Complex, 2.3% |
| ■ Neuros & Immunos, 2.1% | ■ Pioneer Hub, 2.1% |
| ■ TelePark, 2.0% | ■ 40 Penjuru Lane, 1.9% |
| ■ TechPlace II, 1.8% | ■ The Aries, Sparkle & Gemini, 1.7% |
| ■ Nexus@One North, 1.5% | ■ DBS Asia Hub (Phase I & II), 1.5% |
| ■ TechPoint, 1.5% | ■ Techview, 1.5% |
| ■ Corporation Place, 1.4% | ■ 80 Bendemeer Road, 1.4% |
| ■ Siemens Centre, 1.2% | ■ TechPlace I, 1.2% |
| ■ The Kendall, 1.2% | ■ 31 International Business Park, 1.1% |
| ■ Carefusion Campus II, 1.1% | ■ Techlink, 1.1% |
| ■ FoodAxis @ Senoko, 1.0% | ■ HansaPoint @ CBP, 1.0% |
| ■ Infineon Building, 0.9% | ■ Perimeter 3, 0.9% |
| ■ The Galen, 0.9% | ■ Cintech III & IV, 0.9% |
| ■ 10 Toh Guan Road, 0.9% | ■ 197-201 Coward Street, 0.9% |
| ■ Nordic European Centre, 0.9% | ■ The Capricorn, 0.9% |
| ■ Giant Hypermart, 0.8% | ■ 5200 East and West Paramount Parkway, 0.8% |
| ■ 138 Depot Road, 0.8% | ■ Perimeter 1, 0.8% |
| ■ 5005 and 5010 Wateridge, 0.8% | ■ 19 & 21 Pandan Avenue, 0.7% |
| ■ Perimeter 2, 0.7% | ■ 7 Grevillea Street, 0.7% |
| ■ Courts Megastore, 0.7% | ■ Changi Logistics Centre, 0.7% |
| ■ The Alpha, 0.7% | ■ LogisTech, 0.7% |
| ■ 108 Wickham Street, 0.7% | ■ Perimeter 4, 0.7% |
| ■ Pacific Tech Centre, 0.7% | ■ 50 Kallang Avenue, 0.6% |

* Monthly gross revenue has been adjusted to exclude the government grant related to property tax and rent relief support provided to tenants amid the COVID-19 pandemic.

Sustainability Achievements

Aug 2020: Issued **first** S\$100 m **Green Bond**
Sep 2020: Issued **first real estate** S\$300 m **Green Perpetual Securities in Asia** ⁽¹⁾



Largest no. of BCA Green Mark Properties amongst S-REITs – 34 Properties



1st industrial building in Singapore awarded Green Mark Platinum **Super Low Energy (SLE)** status by BCA ⁽²⁾



LogisTech, Singapore

Best-in-class energy efficient building

Largest no. of public Electrical Vehicle (EV) charging points in Singapore by S-REIT



80 Bendemeer Road, Singapore

40 lots across 8 properties providing high-speed charging

Largest combined solar farm by a real estate company in Singapore



40 Penjur Lane, Singapore

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

(1) The Green Bond and Green Perpetual Securities were issued under a newly established Green Finance Framework. Please refer to https://ir.ascendas-reit.com/green_financing.html for details.

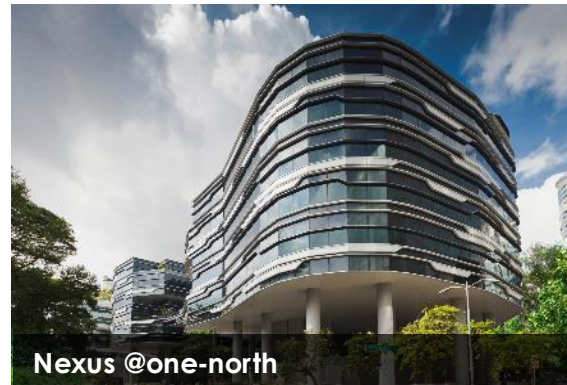
(2) Building and Construction Authority, Singapore

Powering Properties with Renewable Energy

Common facilities' electricity usage at three buildings located at one-north will be 100% powered with renewable energy generated from Ascendas Reit's solar farms by 2022



By 2020



By 2021



By 2022

Power 1,300 four-room
HDB flats for a year

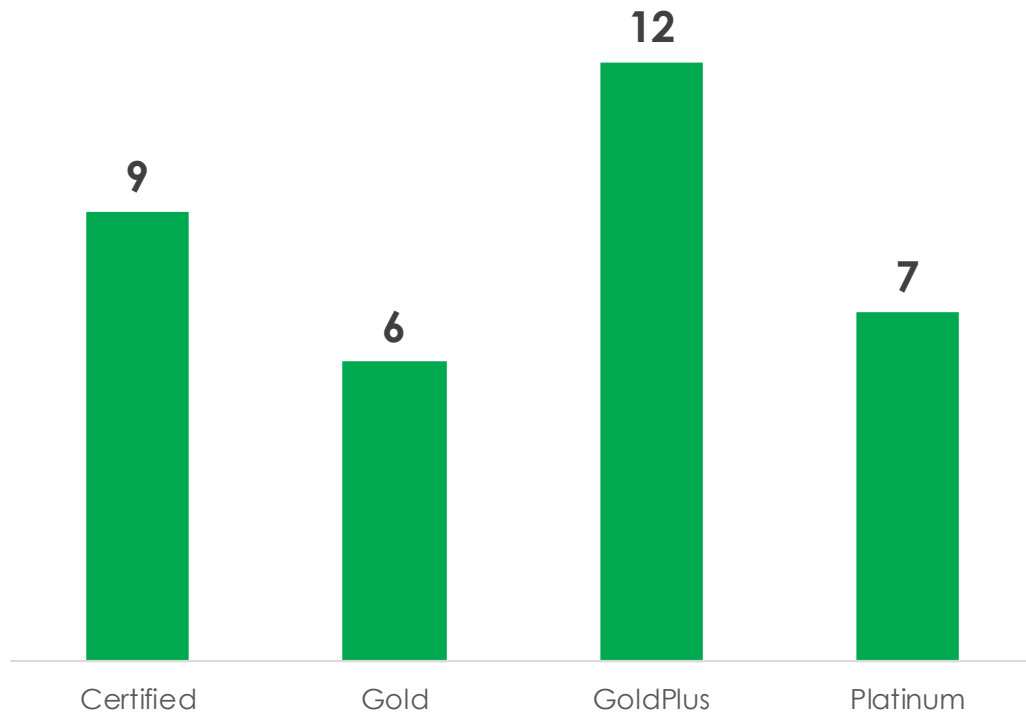


Avoid 2.4 mil
kg of CO₂



Building a Green and Sustainable Portfolio

34 Properties with BCA Green Mark Certifications



Incorporating Green and Community Spaces

New Developments



Existing Properties



* Target rating



Thank you

