



# Proposed Acquisition of new logistics property at 500 Green Road, Crestmead, Brisbane, Australia

23 December 2020

# Disclaimers



- **This material shall be read in conjunction with the press release “Ascendas Reit continues to grow its Australian logistics portfolio with S\$69.1 million acquisition” released to the SGX-ST on the same day.**
- 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.
- The value of Units in Ascendas Reit (“Units”) and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that unit holders of Ascendas Reit may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.
- Any discrepancies between the figures in the tables and charts and the listed amounts and totals thereof are due to rounding.

# Agenda

- Details of the Proposed Acquisition
- Key Merits of 500 Green Road
- Pro Forma Financial & Portfolio Impact
- Benefits to Ascendas Reit and Unitholders

# Details of the Proposed Acquisition: 500 Green Road, Crestmead (to be developed)

Land and Development Costs (Acquisition Consideration)	S\$69.1 m <sup>(1)(2)</sup> (A\$70.3 m)
Acquisition Fee <sup>(3)</sup> , Stamp Duty and Other Transaction Costs	S\$1.4 m (A\$1.4 m)
Total Investment Cost	S\$70.5 m (A\$71.7 m)
“As if complete” Valuation as at 10 Nov 2020	S\$69.1 m (A\$70.3 m) <sup>(4)</sup>
Vendor/Developer	GA 12 Crestmead Trust / Goodman Property Services (Aust) Pty Limited <sup>(5)</sup>
Land Area	62,512 sqm
Land Tenure	Freehold
Net Lettable Area (NLA)	38,650 sqm
Occupancy upon completion	100% <sup>(6)</sup>
Estimated Practical Completion	4Q 2021



Artist Impressions of the Property

(1) An illustrative exchange rate of A\$1,000: S\$0.983 is used for all conversions from Australian Dollar amounts into Singapore Dollar in this presentation.

(2) Includes 2.5-year rental guarantee for vacant space in the property from practical completion.

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

(4) The valuation was commissioned by the Manager and Perpetual Corporate Trust Limited (in its capacity as trustee of Ascendas REIT Australia) and was carried out by Jones Lang LaSalle Advisory Services Pty Limited using the capitalisation and discounted cash flow methods.

(5) The land sale agreement was entered into with the custodian for GA12 Crestmead Trust, the trustee of which is Goodman Funds Management Australia Limited, for the acquisition of the freehold land at 500 Green Road. A development management agreement was entered into with the Developer, Goodman Property Services (Aust) Pty Limited for the ensuing development of the Property.

(6) Takes into account 2.5-year rental guarantee on vacancies.

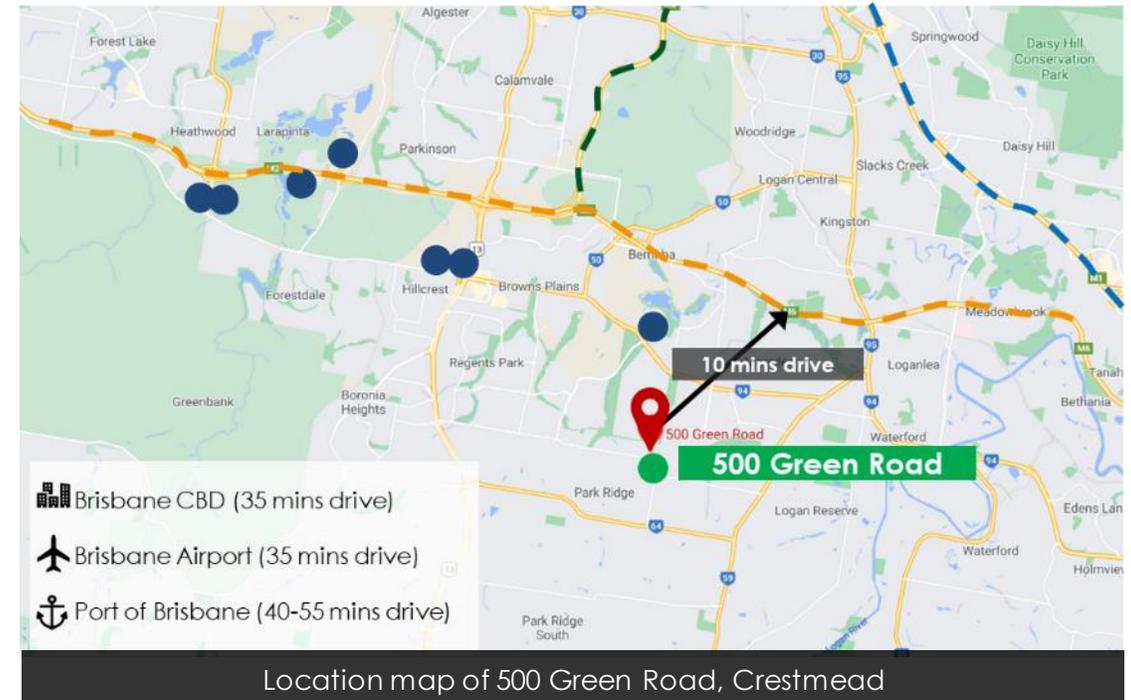
# Key Merits of 500 Green Road (the Property)

## ■ Complements existing logistics portfolio in Brisbane

- The Property will be Ascendas Reit's 10<sup>th</sup> logistics property in Brisbane
- Brisbane logistics portfolio NLA is expected to increase by ~21% to 220,532 sqm

## ■ Prime location in Crestmead, a well-established distribution hub

- Crestmead is located in Brisbane's south corridor and a preferred location for interstate, intrastate and metropolitan distribution
- Low vacancy rate of 2.4% in the south corridor <sup>(1)</sup>
- The Property enjoys excellent road connectivity and is in close proximity to the Logan, Gateway and Pacific Motorways that provide connection to key population areas on the eastern seaboard



(1) Source: CBRE

# Key Merits of 500 Green Road (the Property)



## ■ High quality and new warehouse facility

- When completed in 2021, the new property will have a highly efficient and flexible design, offering warehouse sizes from 9,000 sqm to 38,000 sqm
- 12.2m ceiling height (ridge), 23 on-grade electric roller shutter doors, 15 m wide cantilevered awning
- Full LED lighting and solar panels will be fitted on the roof structure
- Targeting 5 Star Green Star Design & As Built rating <sup>(1)</sup>

## ■ Benefit from large domestic consumption and growing e-commerce sector

- Allows Ascendas Reit to capture a wide spectrum of market demand for logistics space which has been driven by the growth in the e-commerce sector
- In the 12 months to September 2020, around 12.0% of Australia's total retail trade estimate was spent on online retail, which is about 38.7% higher than the 12 months to September 2019 <sup>(2)</sup>

(1) By the Green Building Council of Australia.

(2) Source: National Australia Bank Limited: NAB Online Retail Sales Index Sep 2020.

# Pro Forma Financial Impact

## Financial Impact

### DPU Impact <sup>(1)</sup>

(pro forma annualised impact)

**+0.014**

**Singapore cents**

### Net Property Income Yield - Year 1 <sup>(2)</sup>

Pre-transaction cost

**5.6%**

Post-transaction cost

**5.4%**

#### Notes:

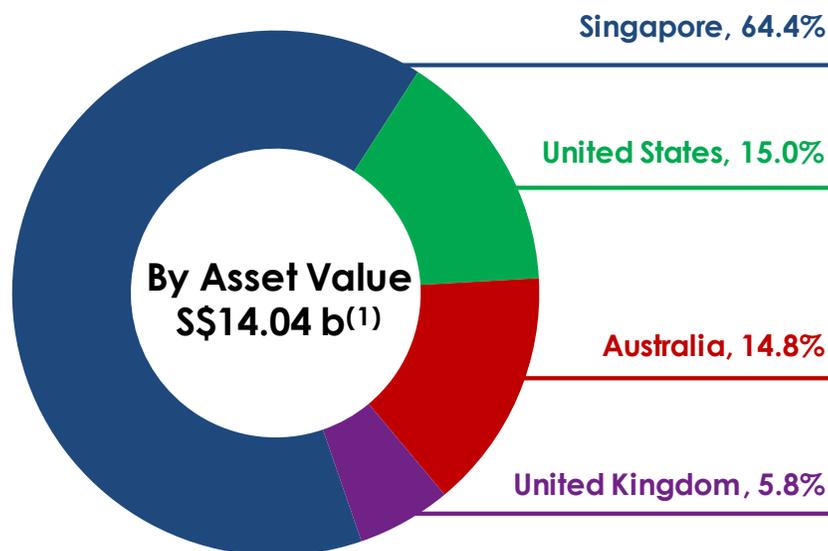
(1) The annualised pro forma DPU impact on FY2019 DPU is calculated based on the following assumptions a) Ascendas Reit had acquired the completed Property on 1 Apr 2019, held and operated the completed Property from 1 Apr 2019 to 31 Dec 2019, b) the Proposed Acquisition was funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

(2) The Net Property Income (NPI) Yield is derived using the estimated NPI expected in the first year of acquisition (equivalent to one year of rental guarantee provided by the Developer for the vacant space).

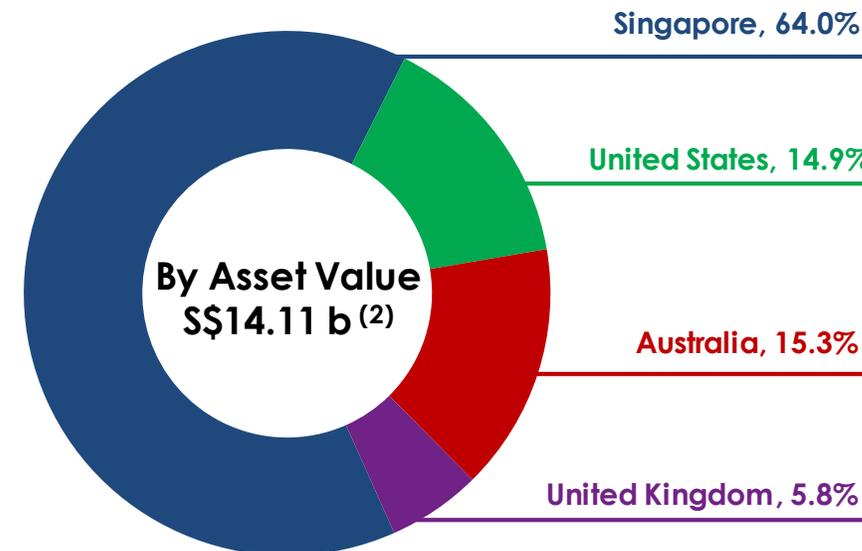
# Pro Forma Portfolio Impact

Australia will be the second largest market making up 15.3% of total AUM

## Before Acquisition



## After Acquisition



In line with strategy to remain Singapore-centric with the overseas assets in developed markets accounting for **30% – 40%** of portfolio value over time

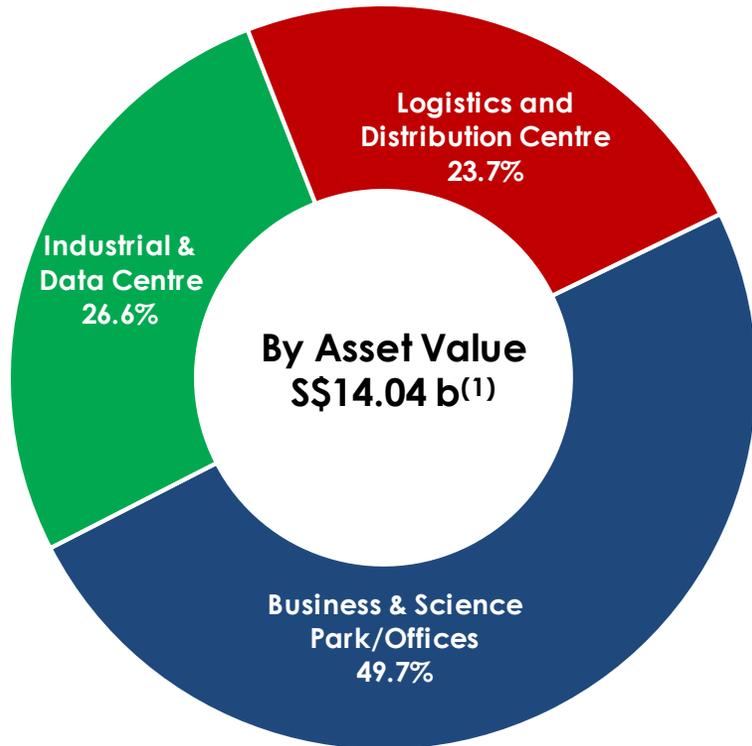
Notes:

- (1) As at 30 Sep 2020, assuming the Acquisitions of Two Office Properties in San Francisco, United States and 1-5 Thomas Halt Drive in Sydney, Australia was completed on 30 Sep 2020. Please refer to the announcements dated 10 Nov 2020 and 11 Dec 2020.
- (2) Assuming the Proposed Acquisition was completed on 30 Sep 2020.

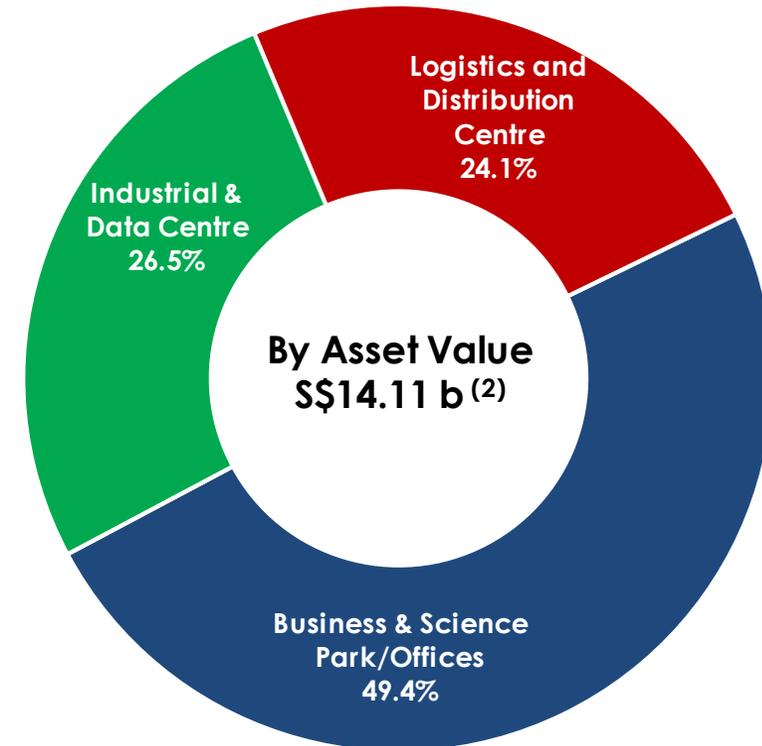
# Pro Forma Portfolio Impact

Complementary to Ascendas Reit's strategy to grow its logistics portfolio

### Before Acquisition



### After Acquisition



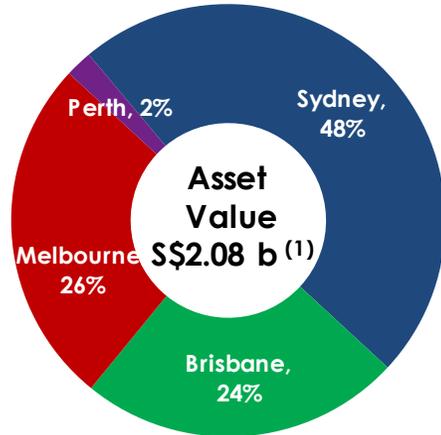
Notes:

- (1) As at 30 Sep 2020, assuming the Acquisitions of Two Office Properties in San Francisco, United States and 1-5 Thomas Halt Drive in Sydney, Australia was completed on 30 Sep 2020. Please refer to the announcements dated 10 Nov 2020 and 11 Dec 2020.
- (2) Assuming the Proposed Acquisition was completed on 30 Sep 2020.

# Pro Forma Australian Portfolio Impact

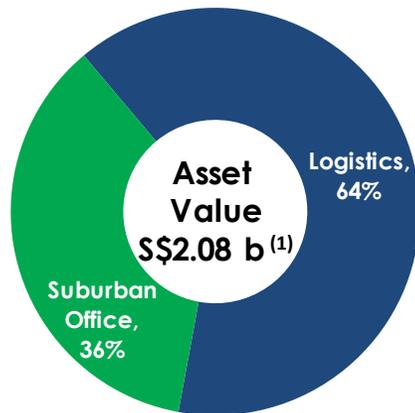
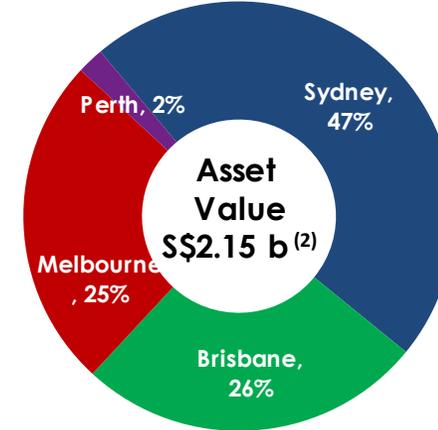
## Maintains a well-diversified Australian Portfolio

### Before Acquisition

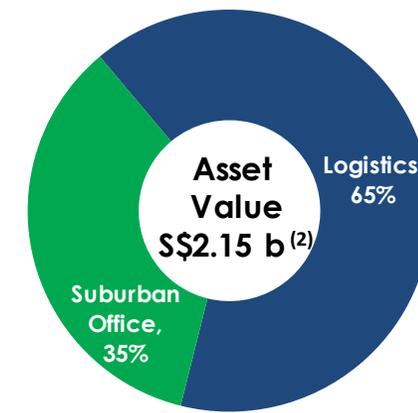


### By Australian City

### After Acquisition



### By Asset Class



Notes:

- (1) As at 30 Sep 2020, assuming the Acquisitions of Two Office Properties in San Francisco, United States and 1-5 Thomas Halt Drive in Sydney, Australia was completed on 30 Sep 2020. Please refer to the announcements dated 10 Nov 2020 and 11 Dec 2020.
- (2) Assuming the Proposed Acquisition was completed on 30 Sep 2020.

# Benefits to Ascendas Reit & Unitholders

- **DPU accretive with sustainable returns**
  - Expects 1<sup>st</sup> year NPI yield of 5.4% <sup>(1)</sup> post transaction costs
  - Pro forma DPU accretion of 0.014 Singapore cents<sup>(2)</sup>
- **Merits of the Property**
  - Well-located in Crestmead, an established distribution hub with excellent road connectivity
  - Allows Ascendas Reit to benefit from strong demand for logistics space driven by the growing e-commerce sector
- **Strengthens Ascendas Reit's portfolio**
  - Enhances Australian portfolio with a high quality and new logistics property
  - Proportion of freehold properties will increase from 35.6% to 36.0% <sup>(3)</sup>

Notes:

(1) The NPI Yield is derived using the estimated NPI expected in the first year of acquisition (equivalent to one year of rental guarantee provided by the Developer for the vacant space).

(2) The annualised pro forma DPU impact on FY2019 DPU is calculated based on the following assumptions a) Ascendas Reit had acquired the completed Property on 1 Apr 2019, held and operated the completed Property from 1 Apr 2019 to 31 Dec 2019, b) the Proposed Acquisition was funded based on a funding structure of 40% debt and 60% equity, and c) the Manager elects to receive its base fee 80% in cash and 20% in units.

(3) Pro Forma impact as at 30 Sep 2020.



# Thank you

