SABANA

Shari'ah Compliant Industrial REIT

Phillip Securities

Investor Presentation

11 March 2021

Important Notice

Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Shari'ah Compliant Industrial Real Estate Investment Trust ("Sabana REIT" or the "REIT") for the financial year ended 31 December 2020 ("FY 2020").

This presentation may contain forward-looking statements that involve 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, 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 future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of management on future events.

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

01 Sabana REIT Overview

Sabana REIT is differentiated and poised for growth

Standalone Singapore industrial property REIT with clear value proposition

- Resilient balance sheet
- Strong hands-on management team

Disciplined execution of Refreshed Strategy for growth

- 68 new and renewed leases secured for FY 2020, totalling >1.3 million sq ft;
- Positive rental reversion for the year

Focused on upcoming growth catalysts

- AEI: NTP+ has received its TOP, expects to open to public in 2Q 2021
- Attracting tenants in expansionary sectors like in electronics, logistics and healthcare

Sabana REIT Overview

- Diversified portfolio of 18 industrial properties in Singapore with a wide tenant base of both local & international companies;
- Total assets(1) currently valued at approximately $0.9 billion;

High-tech Industrial

Chemical Warehouse & Logistics

Warehouse & Logistics

General Industrial

(1) As at 31 December 2020

(2) As at 11 March 2021

Market Cap(2): $400.17 million

Sponsor: ESR Cayman Limited

Balancing growth and the ability to navigate daunting near-term challenges

2021 & beyond

a. Divesting Non-Performing and Mature Assets **b. Continue to Actively Manage and Optimise Portfolio**	**a. Undertake Asset Enhancement Initiatives ("AEIs")** **b. Rejuvenation of Select Properties**	**Potential Yield-Accretive Acquisitions including Overseas**

All underpinned by

- Prudent Risk and Capital Management
- Ongoing Cost Rationalisation

Portfolio Overview

As at 31 December 2020

NUMBER OF PROPERTIES	PORTFOLIO WALE
18	3.1 Years

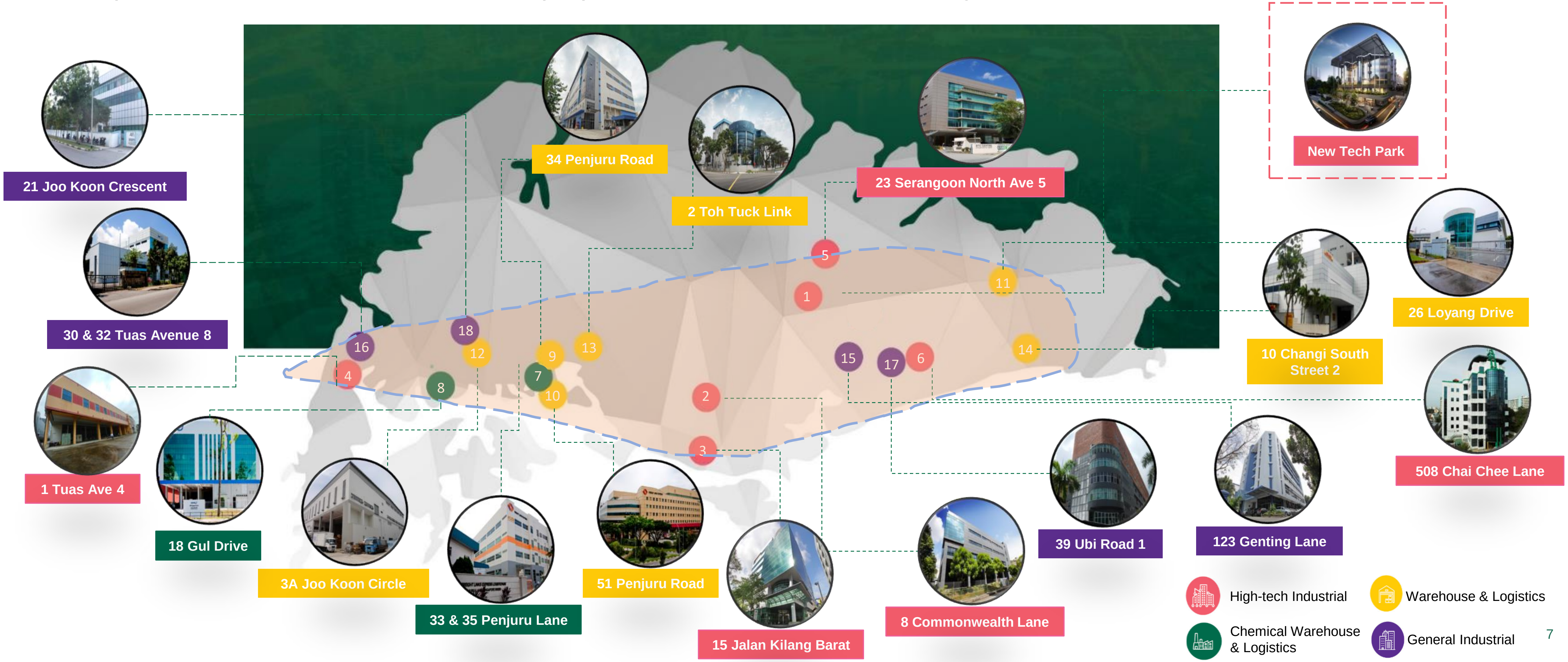
PORTFOLIO VALUE	TOTAL GFA (SQ FT)
$840.1m	4.1 million

TENANT BASE	TOTAL NLA (SQ FT)
124 Tenants	3.3 million

Strategically located properties

As at 31 December 2020

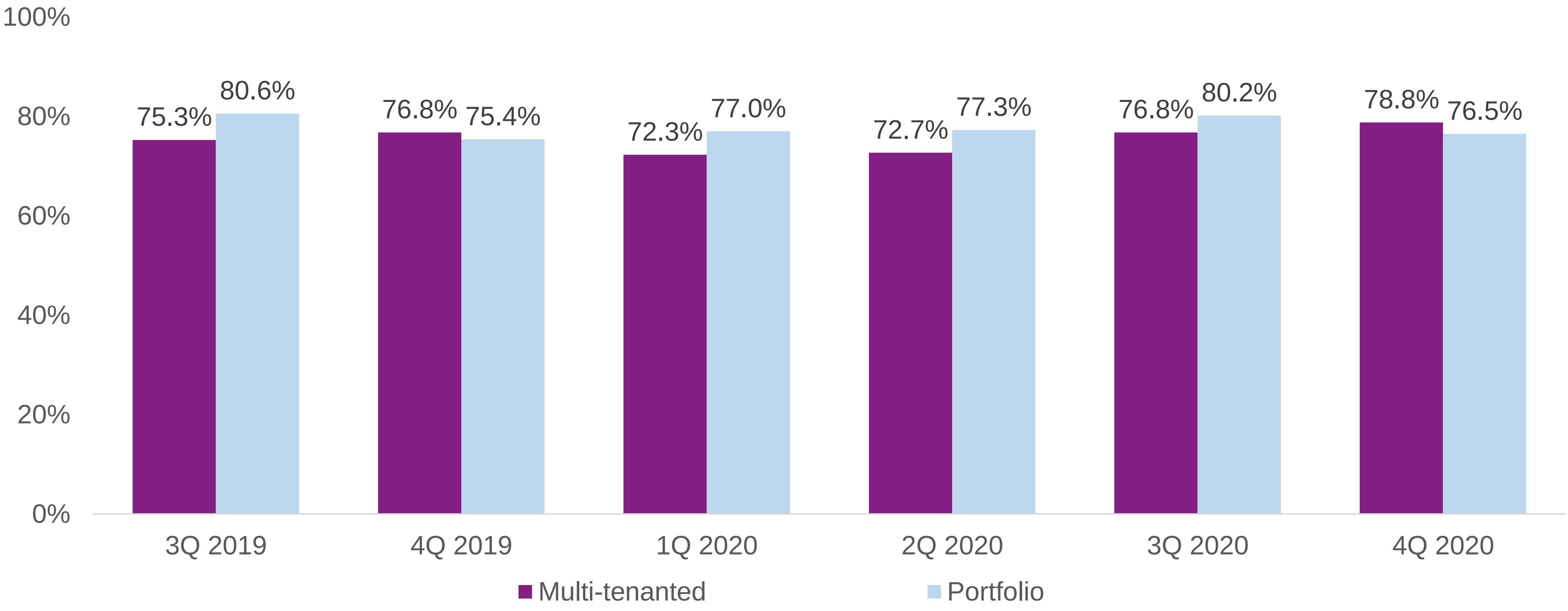
- Our diversified portfolio of 18 industrial properties are located close to expressways and public transportation;
- Encompass assets within key strategic economic growth areas such as port, airport and central locations for diverse corporate tenant mix, almost 50.0% of properties are within 15-min walking distance to MRT stations



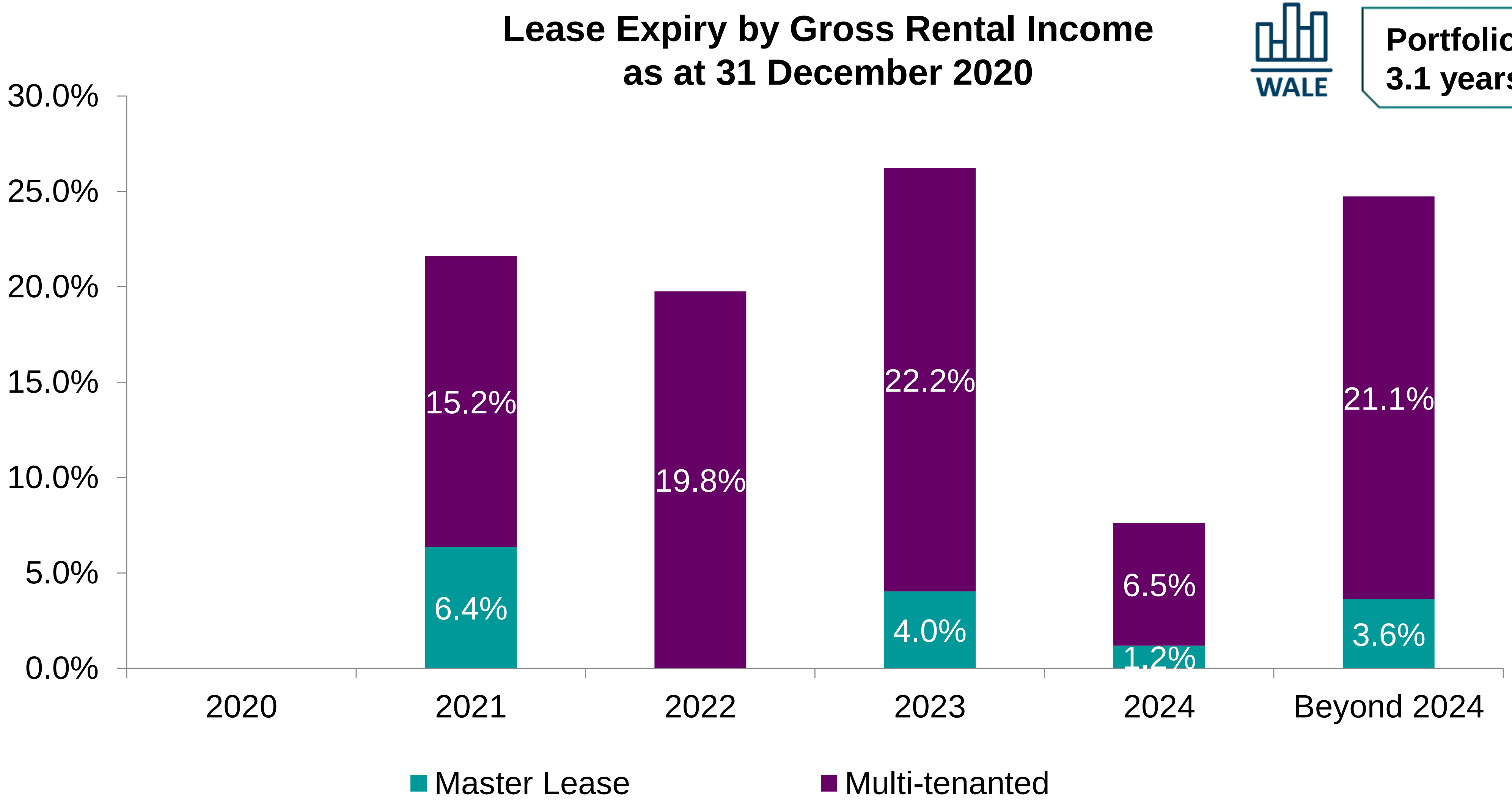
02 Portfolio Performance

Higher YoY Occupancy due to Active Portfolio Optimisation

Occupancy rates as at 31 December 2020



Proactive Lease Management

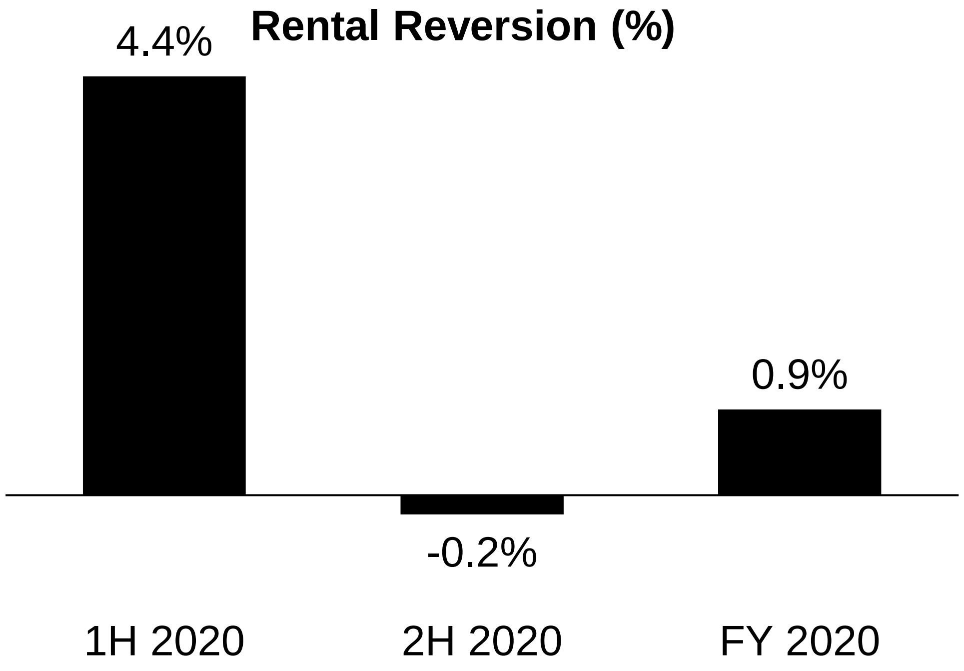


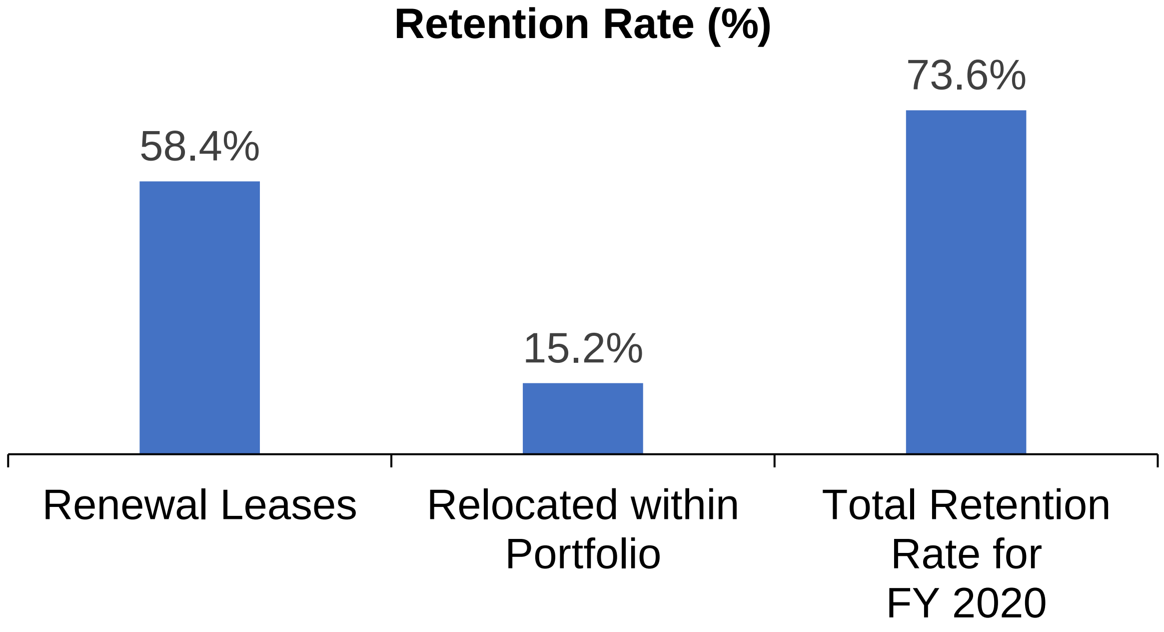
Portfolio WALE: 3.1 years

Leasing Update: High Retention Rate

68 new and renewed leases secured for FY 2020, totalling >1.3 million sq ft; Positive rental reversion for the year

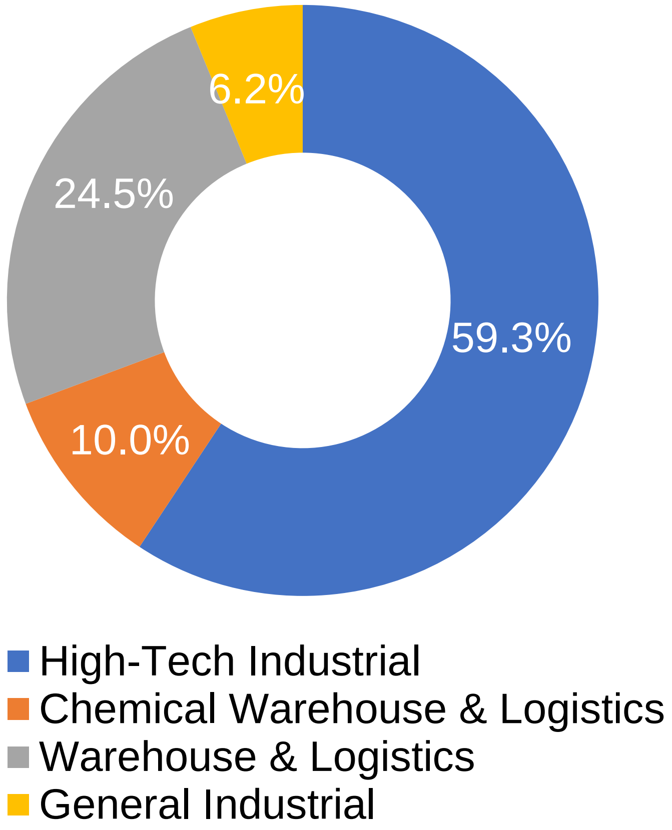
	1H 2020	2H 2020	FY 2020
Renewal (sq ft) (No. of Leases)	161,437 (10)	634,795 (20)	796,232 (30)
New Leases (sq ft) (No. of Leases)	176,009 (15)	368,708 (23)	544,717 (38)



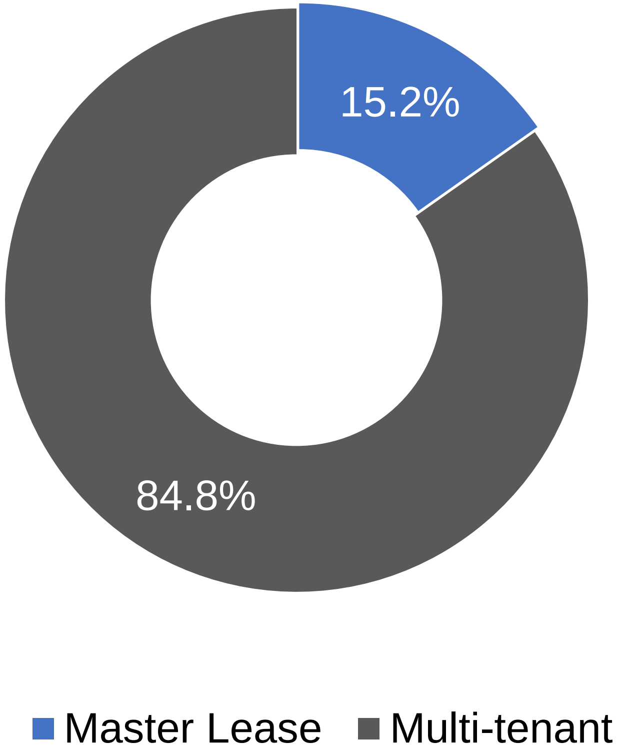


Well-diversified Portfolio

Breakdown of Asset Types
By Gross Rental Income



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



Diverse Base of 124 Tenants: Focusing on those in expansionary mode

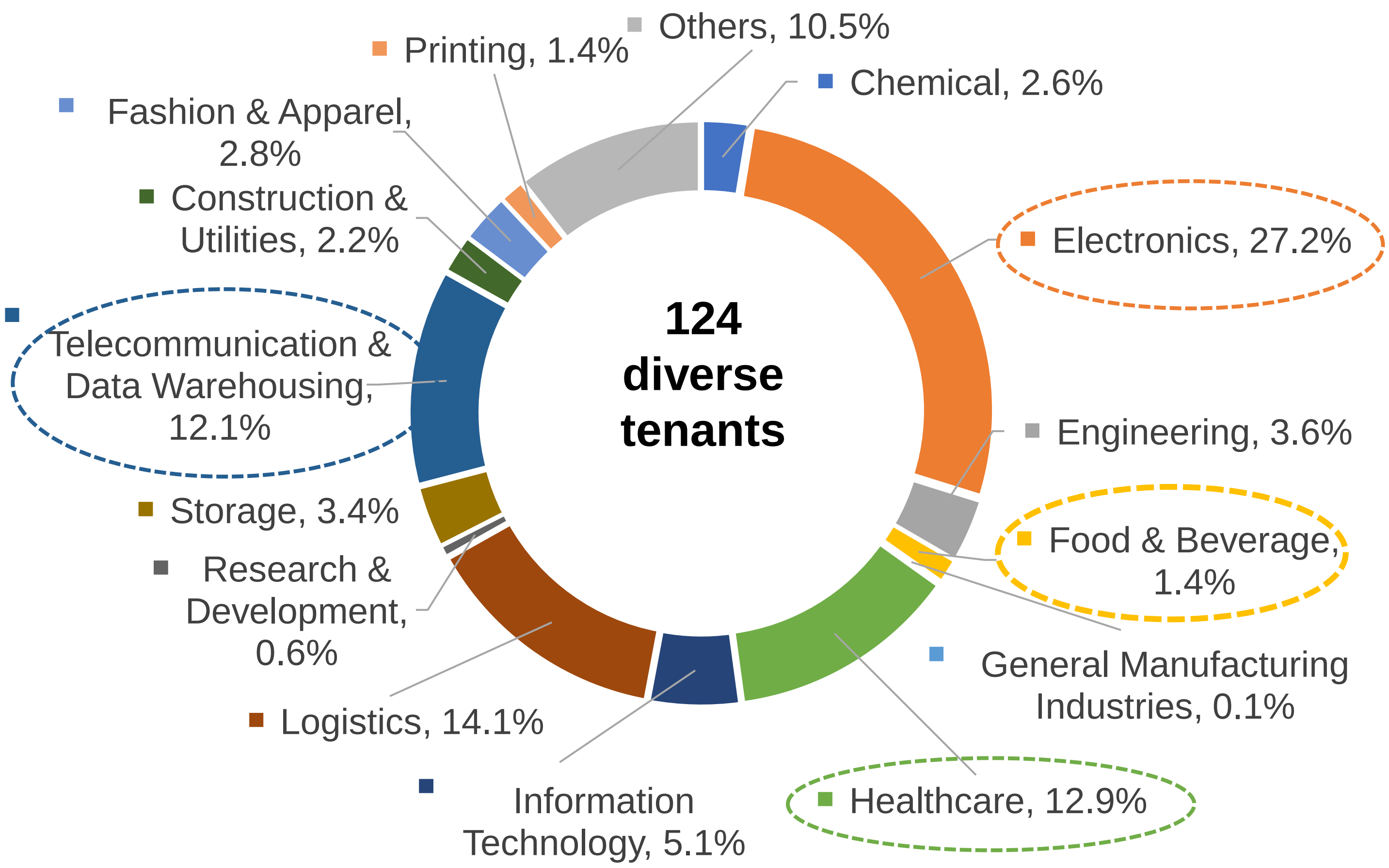
Focused on onboarding quality tenants in expansionary mode to enhance portfolio's resilience

- Selective in process of attracting tenants in expansionary mode
- E.g. Onboarded U.S. electronics company as a new anchor tenant at 23 Serangoon North Avenue 5 ("**23SNA5**")
- Converted 3A Joo Koon Circle as a healthcare cluster

Increase in F&B tenants due to increased retail at NTP+

- Tenants secured include Collins, Wine Connection, Dutch Colony Coffee, Saveur Thai and D'Penyet.
- Ace Signature, a new full range supermarket specialising in international produce, will be making its Singapore debut at NTP+.
- Many tenants are new to market and run by large, experienced operators
- Two-thirds of units are F&B tenants, providing eclectic dining options.

Trade Sectors By Gross Rental Income
as at 31 December 2020



03 Key Property Highlights

Progressing on AEI and Rejuvenation of select assets

AEI and Rejuvenation of Select Assets

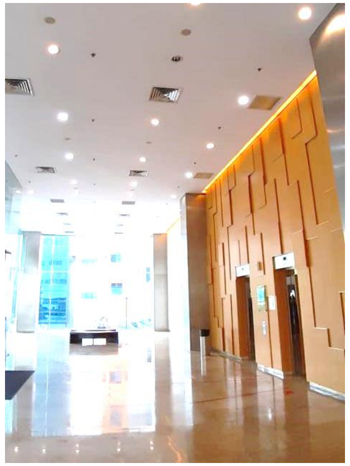
- Increased retail take-up at NTP+ mall (~80.2% of units on level 1 have been taken up, as at 10 March 2021); another 13.5% of units are under offer
- Set to open to public in 2Q 2021
  - Total occupancy for the entire NTP+ at 83.4% as at 10 March 2021
- Food court on 2nd level has been leased

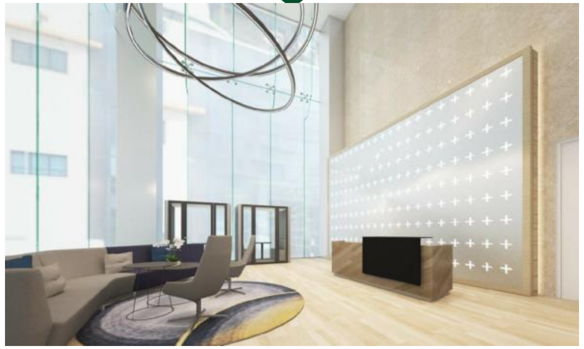
- Completed rejuvenation works of 23SNA5 i.e., upgrading of building amenities, selected common toilets and ground floor lobby area
  - Onboarded a U.S. based electronics company as a new anchor tenant
  - Achieved 17.4% increase in valuation of $36.4 million in 31 December 2020, compared to a valuation of $31.0 million in 30 June 2020.

Portfolio updates during challenging outlook

- 43 new and renewed leases secured in 2H 2020 totalling ~1 million sq ft
  - Expiry of master-lease at 51 Penjuru Road replaced by tenancy of 73.1%
  - Renewed 100.0% of 33 and 35 Penjuru Lane
  - Expiry of master-lease of 30 and 32 Tuas Avenue 8 in negotiations with interested parties

Rejuvenation works 23SNA5





Asset Enhancement Initiative: New Tech Park

New Tech Park Flagship represents approx. 40% of portfolio value

Unlocking Value in Untilised Plot Ratio at New Tech Park

Rationale for AEI (~43,000 sf retail/F&B)

- In need to rejuvenate flagship building with improved amenities (e.g. Auditorium, gym), new retail facilities and increased dining options for existing office/industrial tenants and attract new ones
- Helps to inject new tenant demand for building, not only via increasing occupancy rates but improve rental rates as well
- Sits well with government's decentralisation plan, supported by the government as the property provides a key source of employment for the area
- Under-utilised plot ratio of approximately 200,000 sf GFA

Solid Slate of Tenants

- More than 30 corporate tenants, including MNCs like Lenovo, Epsilon, ASML, Qala, Nickelodeon & America II
- New tenants are from data centre and electronic sectors
- Premise serving as regional and global HQs for 70% of tenants

Opportunities From Captive Surrounding Developments:

- Affluent/mid-income residential developments
- >7,000 student population from educational institutions including Australian International School, within 5 to 15 min walking radius

NTP+: Set to open in 2Q 2021

NTP+ MALL AT NEW TECH PARK RECEIVES TEMPORARY OCCUPATION PERMIT, SET TO OPEN IN 2Q 2021

Ground Floor

- 25 retail and food and beverage ("F&B") units
- 83.4% of retail units have been leased
  - *Tenants include: Collins, Wine Connection, Dutch Colony Coffee, Saveur Thai, D'Penyetz and other 'new to the market' concepts, run by established operators*

Façade of new NTP+ lifestyle mall after receiving TOP, set to open to the public in 2Q 2021

Level 2

- Food court space on level 2 has been leased
- Rental contribution for NTP+ are expected to start from 2Q 2021 onwards

04 Financial Performance

FY 2020 At a Glance amid COVID-19

For the year ended 31 December 2020

GROSS REVENUE

$71.70m

FY 2019: $76.34m

TOTAL AMOUNT AVAILABLE FOR DISTRIBUTION

$29.11m(1)

FY 2019: $30.74m(2)

NET PROPERTY INCOME ("NPI")

$44.64m

FY 2019: $51.61m

DISTRIBUTION AMOUNT DECLARED PER UNIT ("DPU")

2.76 cents(1)

FY 2019: 2.92 cents(2)

RENTAL REVERSION

+0.9%

FY 2019: -0.7%

OCCUPANCY

76.5%

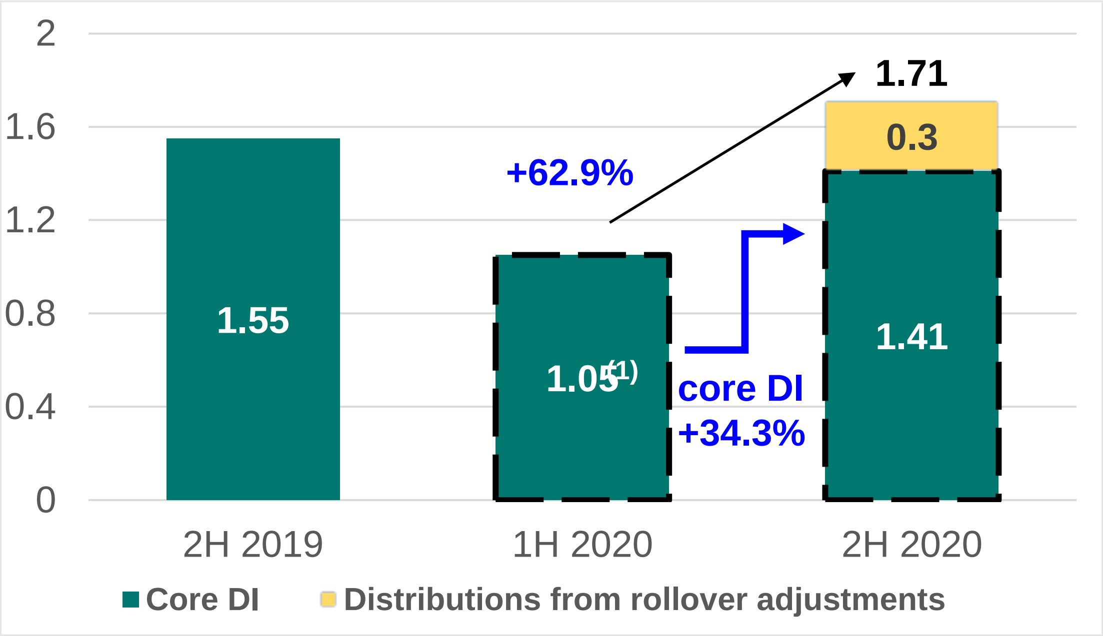
FY 2019: 75.4%

(1) Amount available for distribution includes approximately $3.2 million (DPU: 0.30 cents) of rollover adjustments from prior years.
(2) Distribution includes approximately $1.24 million (DPU: 0.12 cents) of capital gains arising from the divestment of properties.

Stable Financial Performance

Underlying DPU growth for 2H 2020 excluding exceptional items – driven by business recovery post "Circuit Breaker" and proactive engagement by the Manager

Distributable Amount Available Per Unit (cents)



(1) In view of the COVID-19 situation, the Manager made the decision to temporarily retain 55.0% of its 1H 2020 distributable income to conserve capital, which will be distributed together with 2H 2020 distribution.

- Stripping out the release of the previously withheld distribution amount of $6.1 million for 2H 2020, distributable income for 2H 2020 would have been 1.71 cents, a 62.9% growth over 1H 2020

- Excluding the 0.30 cents distributable income uplift from one-time rollover adjustments from prior years, underlying core distributable income ("**core DI**") for 2H 2020 would have still been a 34.3% increase from 1H 2020.

- This improvement in core DI represented general business recovery post "Circuit Breaker" and continued proactive engagement by the Manager to manage its leases and asset portfolio

- Still, core DI for 2H 2020 was lower than for 2H 2019, a reflection of the economic impact from COVID-19 and continued uncertain outlook over the near term

Proactive Capital Management

	As at 31 December 2020	As at 31 December 2019
Total Borrowings ($ m)	284.8	276.5
Aggregate leverage (%)	**33.5**	**31.1**
Proportion of total borrowings on fixed rates (%)	50.0	36.2
Average all-in financing cost (%)	**3.1**	**3.9**
Profit cover (times)	4.2	4.2
Weighted average tenor of borrowings (years)	1.2	2.1
Undrawn committed facilities available ($ m)	**59.2**	**37.5**

- **Completed with new $148.9 m financing facilities,** intended to be used to refinance the loan due in March 2021 and for general corporate funding purposes. This expected to improve our debt expiry profile.
- **No further debt due till November 2021.**

05 Market Update & Outlook

Robust Strategy amid a Challenging Market Outlook

- **Macroeconomic landscape still challenging but will continue all efforts to remain resilient**
  - Resilient balance sheet
  - Strong hands-on management team
  - Attracting tenants in expansionary sectors

- **Remain focused on executing Refreshed Strategy**
  - Through proactive lease and asset management: 68 new and renewed leases secured for FY 2020, totalling >1.3 million sq ft;
  - Positive rental reversion in 2020
  - AEI and rejuvenation of select assets: Positive catalysts with NTP+ set to open in 2Q 2021
  - Underpinned by continued fiscal prudence

- **Will continue to explore all viable options for growth to create sustainable value for Unitholders**
  - As a standalone Singapore industrial property REIT with clear value proposition

Q&A

Contact Us

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