

SAFEGUARDING UNITHOLDER VALUE

Investor Day
5 July 2023

Disclaimer

This presentation shall be read in conjunction with the financial information of Sabana Industrial Real Estate Investment Trust (“Sabana Industrial REIT” or the “REIT”) for the full financial year from 1 January 2022 to 31 December 2022 (“FY 2022”) and the published 1Q Interim Business Update for FY 2023.

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

Cautionary Statement

This presentation is available on SGXNet and Sabana Industrial REIT's website. The Manager will make further announcements on the SGXNet in the event there are any material developments which warrant disclosure, in compliance with its obligations under the Listing Manual. In the meantime, Unitholders and investors are advised to refrain from taking any action in respect of their Units which may be prejudicial to their interests, and to exercise caution when dealing in the Units. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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BACKGROUND

On 8 June 2023, the Manager announced that it had on 7 June 2023 received a letter (the “**Requisition Notice**”) from Quarz Capital ASIA (Singapore) Pte. Ltd. (“**Quarz**”) requesting the Manager to convene an extraordinary general meeting of Sabana Industrial REIT. As at 5 April 2023, Quarz held 13.19% of the total issued units of Sabana Industrial REIT.

REQUISITIONIST'S PROPOSED RESOLUTIONS

“RESOLUTION 1: That Sabana Real Estate Investment Management Pte. Ltd. be removed as the Manager of Sabana Industrial REIT as soon as practicable after this resolution is passed.

RESOLUTION 2: That the Trustee of Sabana Industrial REIT, HSBC Institutional Trust Services (Singapore) Limited, be directed to:

- i) effect the internalization of the REIT Management function by incorporating a subsidiary (“Internal Manager”) wholly owned by the Trustee and appointing such a subsidiary to act as the manager of Sabana Industrial REIT (the “Management Subsidiary”);
- ii) hire and appoint qualified candidates as directors and staff of the Internal Manager in accordance with the applicable requirements of the Securities and Futures Act 2001;
- iii) consider the retention of Sabana REIT’s existing staff in order to maintain the continuity of Sabana REIT’s operations;
- iv) amend the provisions of the Deed such that each director of the Internal Manager may be appointed and/or removed by a simple majority of unitholders;
- v) amend the provisions of the Deed such that each director of the Internal Manager must be endorsed or re-endorsed by unitholders at every 3rd annual general meeting of Sabana REIT; and
- vi) amend the provisions of the Deed such that any change of control in the Internal Manager may only be effected upon approval of a simple majority of unitholders.”

NOTICE OF EGM AND EGM CIRCULAR

The Manager is currently considering the Requisition Notice (including the proposed resolutions set out therein) and is seeking legal advice. The Manager will make further announcements on the Notice of EGM and EGM Circular on SGXNet in due course.



01
UNKNOWN
TERRITORY –
INHERENT RISKS

RISKS OF INTERNALISATION

- **No** clear strategies or specific proposals
- **No** clear plans to effect internalisation
- **No** certainty of continuing financing
 - Triggers removal of manager clause in bank documents
 - Potential mandatory prepayment of debts
- **No** quick fix
 - Regulatory approval & licence required for internalisation
 - Further steps required for internalisation including the need to find qualified and experienced staff for the new manager
 - Trustee may have to convene further EGMs to seek further directions from unitholders to implement internalisation

RISKS OF INTERNALISATION

- **No** estimate of financial costs of setting up office, installing systems and processes, purchasing hardware, licensing software and intellectual properties, etc.
- **No** guarantee that current external management team will stay during transition
- **No** estimate of cost of recruiting full internal management team
- **No** supporting data on the annual operating budget of internal management team
- **No** assurance or replacement of competent Board and Management

NO CERTAINTY ABOUT THE REIT'S CONTINUITY

1. Quarz has not provided its strategies and plans for the REIT's continuity
2. Trustee may have to seek further approvals from unitholders to effect transition from external manager to new internal manager
3. Should both the EGM resolutions be passed, Quarz has not stated that it is prepared to fund the interim operations and establishment of the new internal manager

NO CERTAINTY ABOUT THE REIT'S CONTINUITY

4. Quarz has not identified qualified and competent replacements for the Board, CEO & Management. To provide assurance to unitholders, Quarz should name them
5. Quarz has not provided timeline for internalisation process and for new internal manager to take over
6. The removal of the Manager may trigger mandatory prepayment of existing loans and Quarz has not indicated that it has assurance of continued financing from the relevant banks
 - In this regard, **the Manager has written to the relevant lenders to seek a waiver from the review event and the banks have replied that they are unable to grant the waiver at this juncture.** The lenders will require more information before they can make a decision. From the Manager's understanding, such information may include the track record of the replacement manager and its personnel

NO CERTAINTY ABOUT THE REIT'S CONTINUITY

7. Quarz has not provided assurance that it will have the support from unitholders to effect the transition from an external manager to an internalised manager
8. Quarz has not indicated a back up plan if internalisation fails. End outcome may lead to winding up the REIT and forced disposal of assets at potentially depressed prices

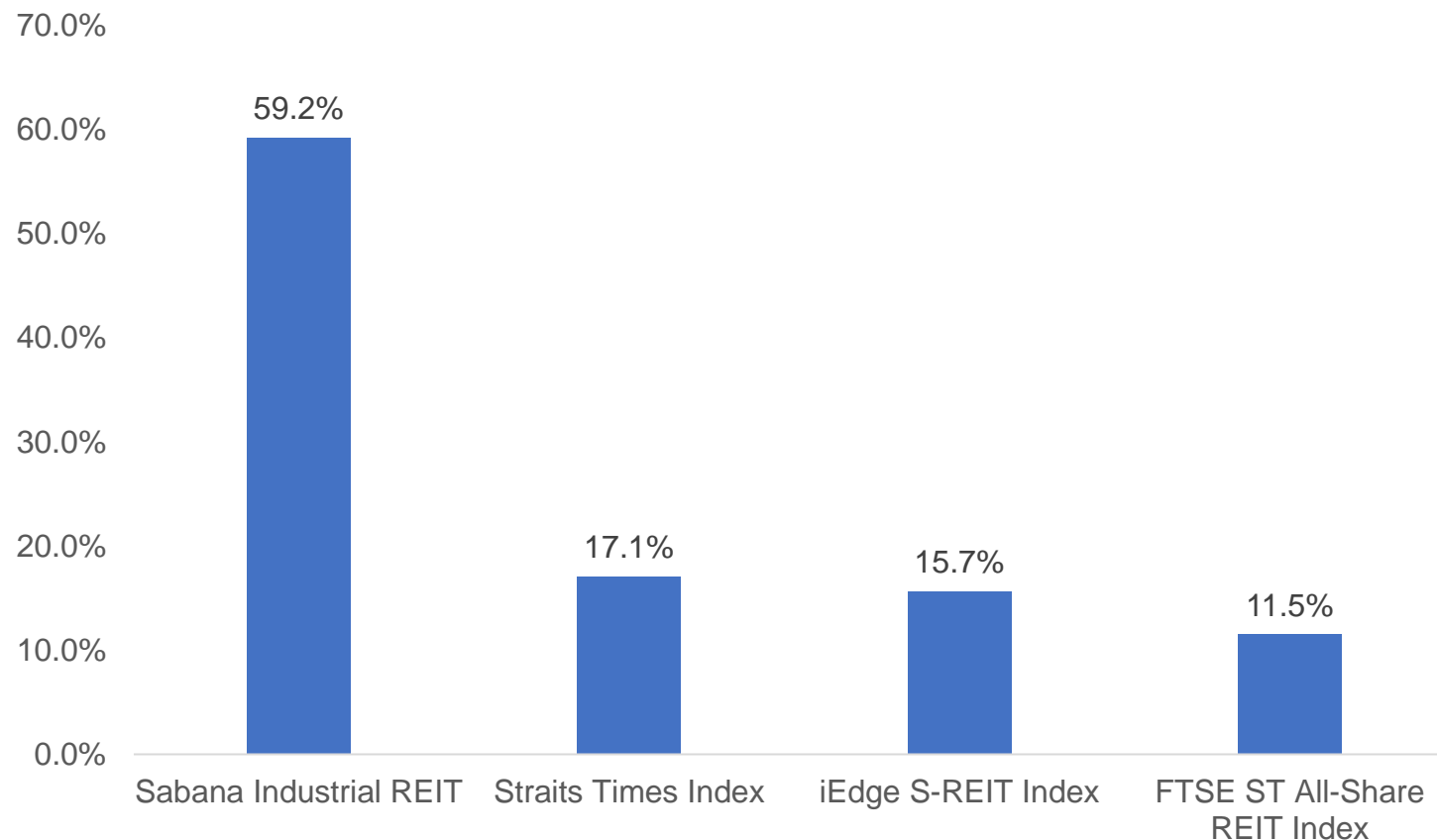
**QUARZ MUST ASSURE UNITHOLDERS THAT THEIR PROPOSALS ARE WORKABLE
AND WILL NOT DESTROY VALUE
IN THE POTENTIALLY UNSTABLE TRANSITION**

A low-angle, black and white photograph of modern architectural structures. On the left, a building with a grid-like facade rises. In the center, a large, curved, dark structure with a grid pattern arches over. On the right, another building with a grid facade is visible. The sky is bright and clear.

02
OUR
PERFORMANCE
AND THE WAY
FORWARD

POSITIVE TOTAL RETURNS TO UNITHOLDERS SINCE 2018

Total Returns¹



The total returns of **Sabana Industrial REIT** to Unitholders since 2018 has outperformed the STI Index, iEdge S-REIT Index and FTSE ST All-Share REIT Index despite industry headwinds

The Manager has delivered strong total unitholder returns since the reconstitution of its board of directors and the appointment of its current Chief Executive Officer in early 2018

Total unitholder returns¹:
Since 2018: 59.2%
Since IPO : 21.7%

1. Source: Bloomberg, as at 30 June 2023

TOP 5 BEST PERFORMING S-REITS 2022

NAME	STOCK CODE	MARKET CAP (S\$M)	2022 TOTAL RETURNS %	DIVIDEND YIELD %	PB RATIO
CDL Hospitality Trusts	J85	1,542.1	11.3	4.3	0.95
Far East Hospitality Trust	Q5T	1,229.5	10.4	4.9	0.72
CapitaLand Ascott Trust	HMN	3,608.2	6.7	4.8	0.82
Sabana Industrial Reit	M1GU	475.5	4.9	7.5	0.83
CapitaLand Integrated Commercial Trust	C38U	13,499.4	2.6	5.0	0.96

Source: Bloomberg, Refinitiv, SGX (data as at Dec 31, 2022). Dividend yields are as of S-Reits & Property Trusts Chartbook December 2022.

Highest 2022 total returns among industrial REITS

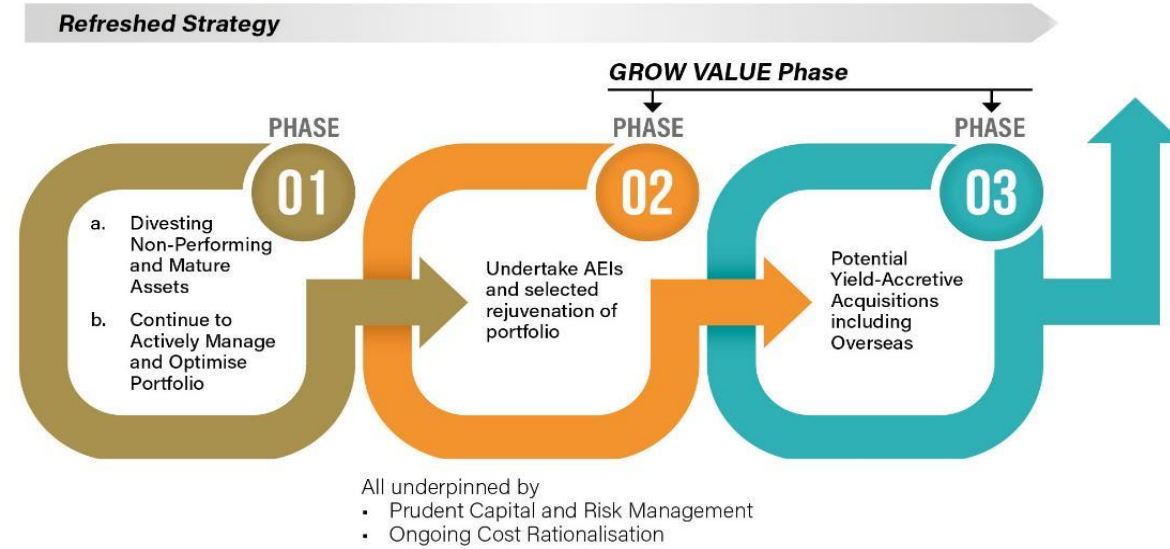
Sabana Industrial REIT was the **best performing industrial REIT in 2022** amid challenging market conditions which saw the convergence of high energy prices, rising interest rates and significant risks in the global economy

Source: SGX Research Chartbook: SREITs & Property Trusts, January 2023

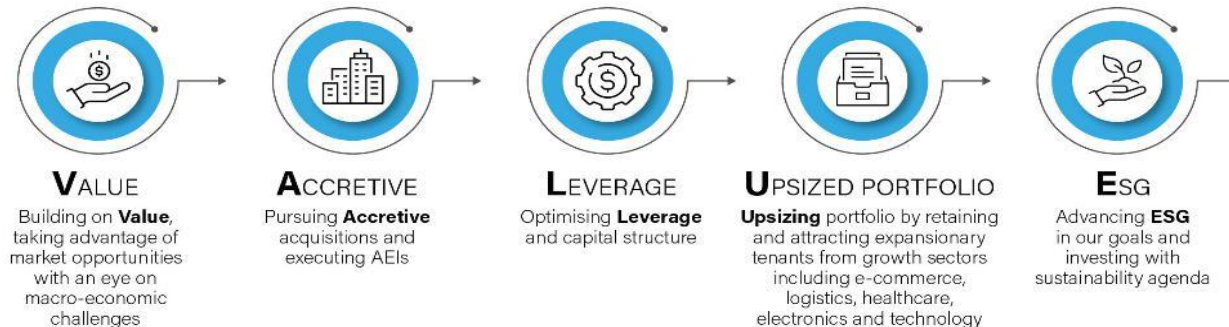
REFRESHED STRATEGY: INTENSIFYING OUR GROW VALUE PHASE

The Manager's current focus is to further intensify the REIT's progress under Phase 2 and move into Phase 3 to **GROW VALUE** and deliver long-term and sustainable Unitholder value

On the GROW VALUE phase of Refreshed Strategy with five strategic priorities



Five Strategic VALUE Priorities for Phases 2 and 3 of Refreshed Strategy



Targeting to achieve upsized portfolio valuation of more than \$1 billion between 2025 and 2027

UPDATES ON 1 TUAS AVENUE 4 ASSET ENHANCEMENT INITIATIVE

Since its ground-breaking on 4 April 2023, 1 Tuas Avenue 4 has undergone major works involving the demolition of the double slab at the Annex Block, demolishing of the non-structural members and the removal of existing M&E services

Removal of Existing Vermiculite



Touch Up Soffit of Slab @ L2



Artist's Impression of 1 Tuas Avenue 4



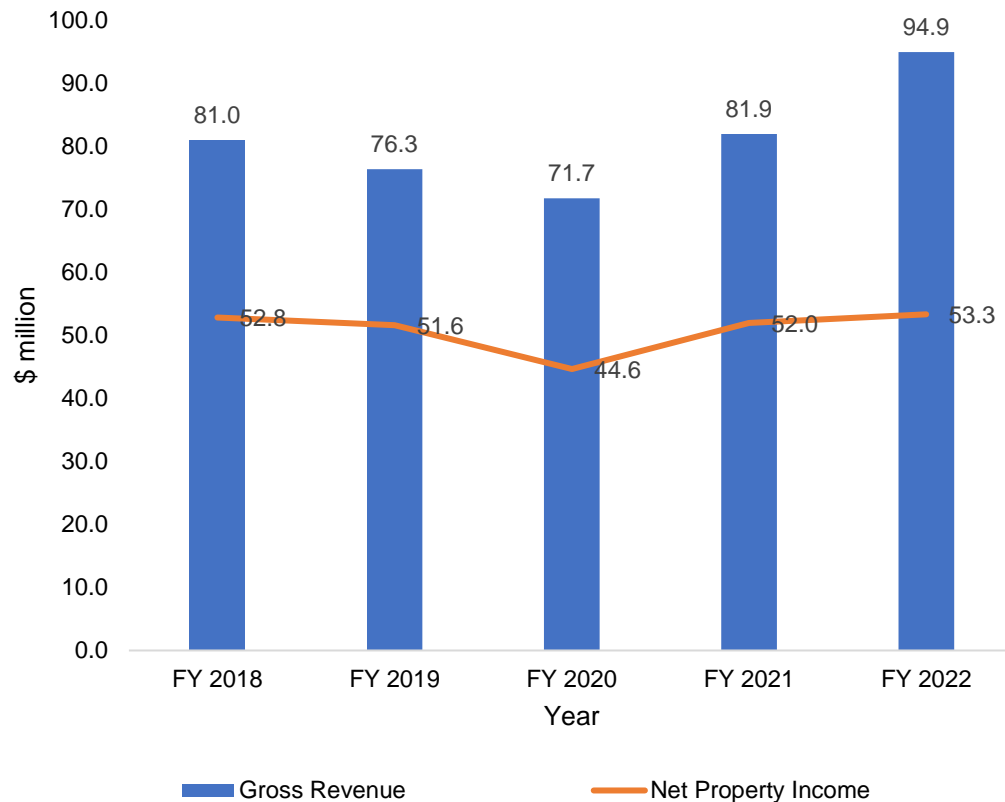
Removal of Existing M&E Services

Vermiculite Removal and Cleaning



MANAGER HAS DELIVERED IMPROVED RESULTS SINCE FY 2018

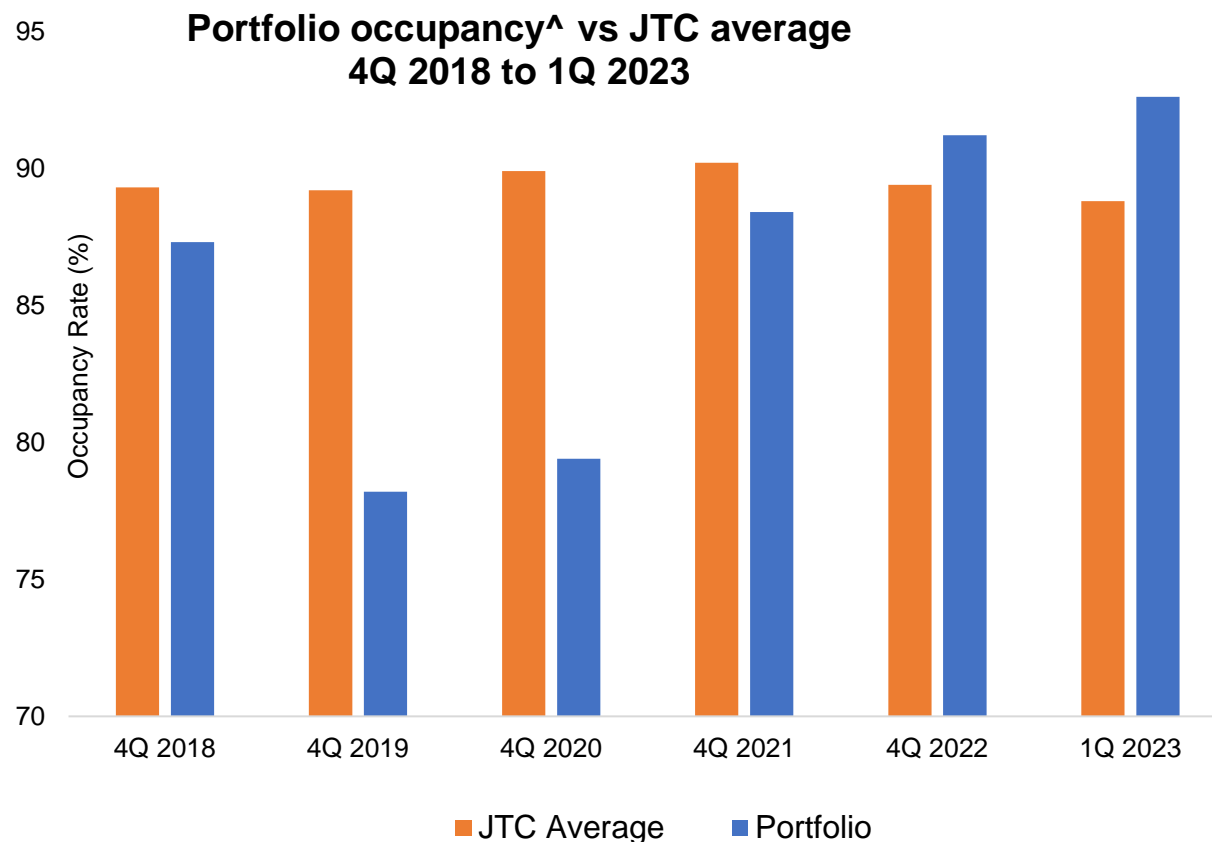
**Gross Revenue and Net Property Income
FY 2018 – FY 2022**



- **Despite challenging and volatile conditions, the REIT**
 - Recovered from the pandemic to deliver steadfast performance
 - Achieved resilient DPU in FY 2021 and FY 2022

This is despite a decline in the number of portfolio properties from 20 in early 2018 to the current 18
- **Successful completion of NTP+ AEI**
 - Resulted in higher rentals for new and renewed leases in New Tech Park
 - No project management fee charged by Manager (typically 2% - 3% of total development costs) for NTP+ AEI

PORTFOLIO OCCUPANCY HAS OUTPERFORMED JTC AVERAGE



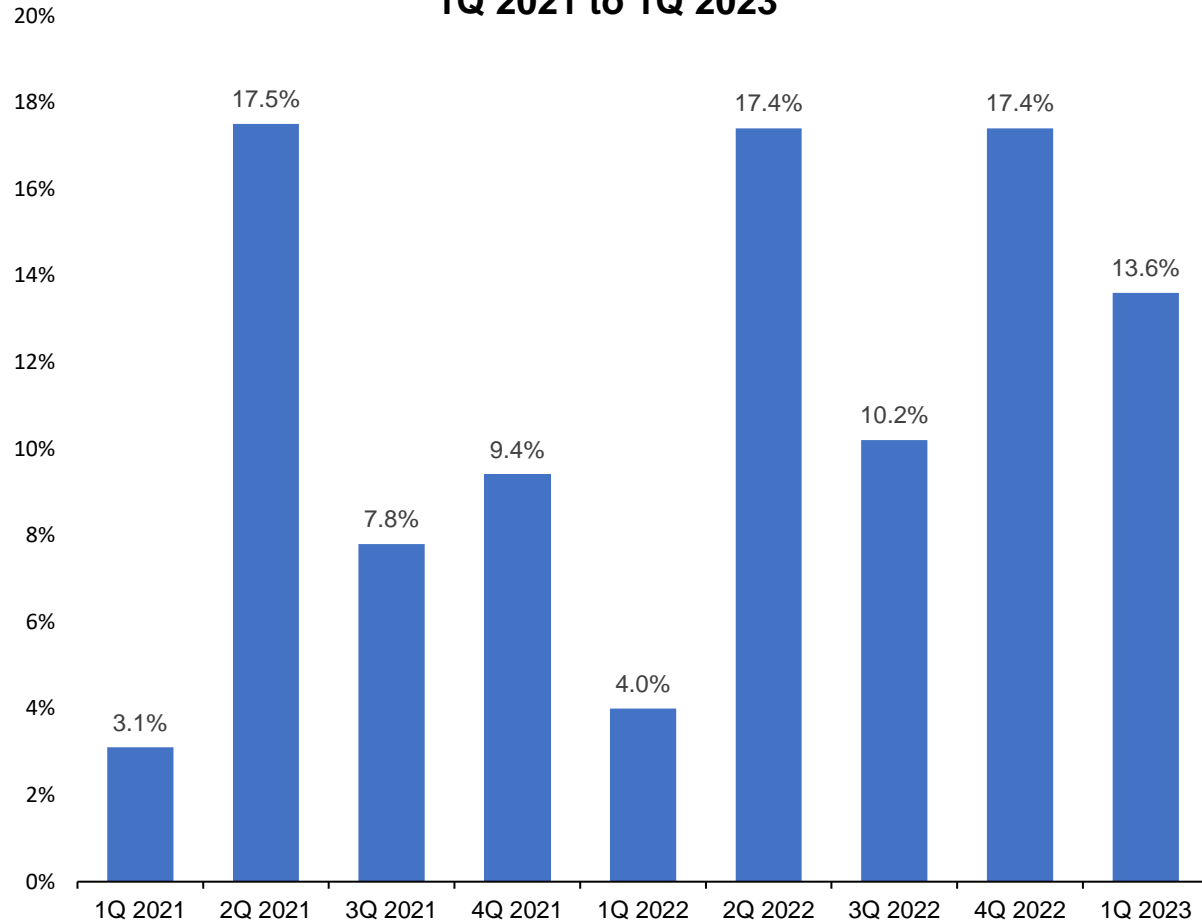
- **Total portfolio occupancy of 92.6% as at 31 March 2023 exceeded JTC average in 4Q 2022 and 1Q 2023***
 - Reached a new high since 1Q 2021
 - Harnessed benefit from strong demand in the Warehouse and Logistics segment

*Source: JTC Quarterly Market Report – Industrial Properties 1Q 2023;
<https://stats.jtc.gov.sg/content/static/Documents/Quarterly%20Market%20Report%202023Q1.pdf>

^Excluding 1 Tuas Avenue 4

POSITIVE RENTAL REVERSIONS AMONGST THE HIGHEST IN INDUSTRIAL S-REIT SECTOR

Quarterly Rental Reversion
1Q 2021 to 1Q 2023



- **Sustained positive quarterly rental reversion since 1Q 2021:**
 - Supported by renewals from tenants in the expansionary sectors
 - Reflection of strong landlord-tenant relationships and proactive leasing efforts by the Manager
 - Strategic focus on rentals to support valuation and net asset value

STRENGTHENED FINANCIAL FUNDAMENTALS

- Converted all borrowings from secured to unsecured facilities in less than six months*
- Secured maiden sustainability-linked loan in February 2022
- Gearing ratio of 33.1% as of 31 March 2023, amongst lowest for Singapore-listed REITs
- Obtained an unsecured sustainability-linked term loan and revolving credit facilities of up to S\$100 million in June 2023
 - On track to convert all financing to sustainability-linked loans/green loans by 2025
- Next refinancing in 2025

Prudent Capital Management Provides For Stability and Long-Term Growth

**Upon the completion of Sabana Industrial REIT's de-Shariah process in October 2021*

03
OUR
COMMITMENT TO
GOOD CORPORATE
GOVERNANCE

IMPROVEMENT IN CORPORATE GOVERNANCE RANKINGS

Governance Index for Trusts (“GIFT”)

- Ranked 14th of 43 Singapore-listed REITS, Business Trusts, and Stapled Trusts
- The 2022 ranking (overall GIFT score of 71.5 in 2022) reflects an upward improvement of 24 positions, compared to Sabana Industrial REIT’s ranking at 38th place in 2021 (overall GIFT score of 54.0 in 2021)
- Biggest year-on-year improvement in ranking among Singapore-listed REITs, Business Trusts, and Stapled Trusts with a 17.5 point improvement in GIFT score

Singapore Governance and Transparency Index (“SGTI”)

- Ranked 35th of 44 Singapore-listed REITS and Business Trusts in the SGTI in 2022
- The 2022 ranking (overall SGTI score of 74.4 in 2022) reflects an improvement of eight positions compared to Sabana Industrial REIT’s ranking at 43rd place in 2021 (overall SGTI score of 61.1 in 2021)
- Among the top five REITs and Business Trusts with the most year-on-year improvements in overall SGTI scores

04
VOTE
TO PROTECT
YOUR
INVESTMENT

NOTICE OF EGM AND EGM CIRCULAR

Sabana Industrial REIT will convene an EGM pursuant to the Requisition Notice, to be held in accordance with paragraph 4.2 of the Property Funds Appendix, read with Section 176 of the Companies Act 1967.

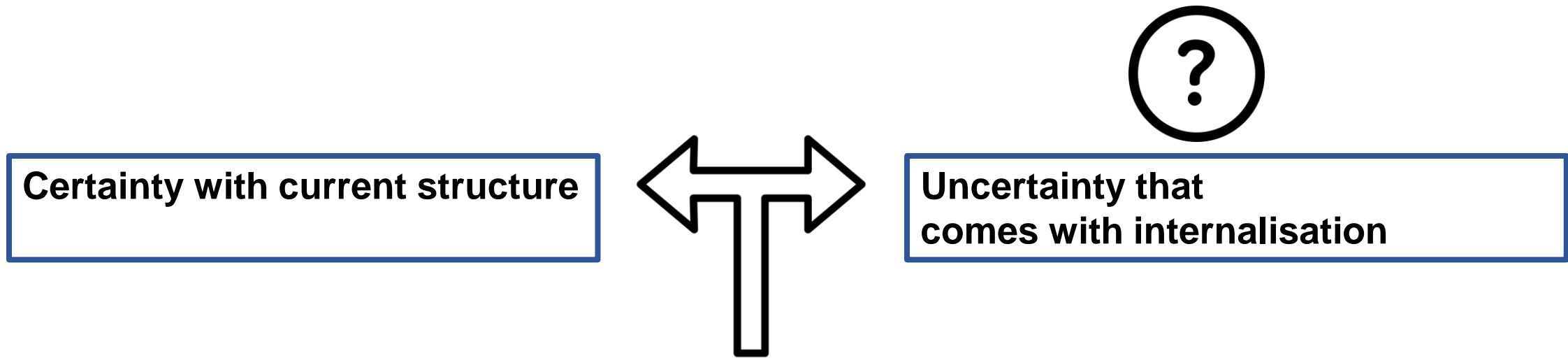
Date : Friday, 4 August 2023

Time : 2.00 p.m. – 4.00 p.m.

Location : Hope@New Tech Park, 151 Lorong Chuan, #02-06 (Lobby F) Singapore 556741

The Manager will make further announcements on the Notice of EGM and EGM Circular on the SGXNet in due course.

IN CONCLUSION



Sabana Industrial REIT

- Offers stable, passive income
- Appeals to risk averse investors
- Approx 11,000 Sabana Unitholders

IN CONCLUSION

Quarz's proposals may result in uncertainties and major disruptions, potentially destroying value for unitholders

SAFEGUARDING UNITHOLDER VALUE

More information can be found on the
Sabana Industrial REIT corporate website and on SGXNet