05 February 2026

Beansprout

AIMS APAC REIT

(SGX: O5RU)

Consistent DPU growth with resilient portfolio

- **Steady distribution growth remains intact.** AIMS APAC REIT delivered another quarter of resilient performance, lifting 9M FY2026 DPU by 2.5% YoY to 7.250 Singapore cents. Gross revenue increased 1.4% YoY to S$141.1 million, while net property income grew 4.1% YoY to S$103.7 million, attributed to higher rental reversion and lower property expenses, primarily driven by cost efficiencies achieved during the period.
- **Positive rental reversions of 8.0%.** The REIT executed 25 new and 49 renewal leases totalling 161,420 sqm, representing 20.5% of portfolio net lettable area in 9MFY2026, achieving positive rental reversions of 8.0% over the period, led by logistics & warehouse assets (+10.5%).
- **Portfolio defensiveness remains a key anchor.** Portfolio occupancy improved to 95.4% as at 31 December 2025 (or 96.6% including committed leases), up from 93.3% as at 30 September 2025. It also outperformed the JTC national industrial average of 88.7%. The Weighted Average Lease Expiry (WALE) remained steady at 4.1 years, supported by 188 tenants across resilient industries, with 82.7% of gross rental income generated from essential and defensive industries. The portfolio's Singapore core (76.4% of GRI) is complemented by Australian income anchored by long-term leases.
- **Embedded organic growth optionality adds a second engine.** Beyond acquisitions, the REIT's execution track record in AEI and development provides an additional pathway to value creation. Management highlights historical development capability (~2.8m sq ft) and further potential of up to ~800,000 sq ft in Singapore and ~1.5m sq ft of additional GFA in Australia (post lease expiries), offering longer-term pipeline optionality when acquisition markets are less attractive.
- **Framework acquisition strengthens the platform.** The completion of the Framework Building acquisition adds a strategic city-fringe industrial asset with flexible configurations and a value-add angle.
- **Capital management remains prudent and proactive.** AA REIT maintained a resilient balance sheet with aggregate leverage at 36.6% and no debt refinancing requirement until FY2027. Funding costs improved with blended cost of debt at 4.1%, while the S$150m perpetuals issued at 4.10% (post quarter-end) supports a lower cost of capital and financial flexibility to pursue accretive opportunities.
- **Maintain BUY with new target price of S$1.60.** Based on AAREIT's 9MFY26 DPU, AAREIT currently trades at 6.5% annualised DPU yield. We raise our target price to S$1.60 from S$1.50 (implying 7% upside from 4 Feb closing price) as easing funding costs and proactive refinancing (lower cost of capital) provide a clear tailwind to FY2026–FY2027 DPU, on top of firm leasing momentum and a resilient portfolio.

Ticker	O5RU
Rating	Buy
Target Price*	S$1.60
Price (04 Feb)	S$1.49
Upside/Downside	+7.4%
52-week range	$1.099 – 1.55
Market Cap	S$1,218M

* Target price is for 12 months

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PLEASE SEE ANALYST CERTIFICATION(S) AND IMPORTANT DISCLOSURES BEGINNING IN APPENDIX.

Figure 1: AIMS APAC REIT 9M FY26 results summary

(S$ '000)	9M FY2026	9M FY2025	Change (% YoY)
Gross Revenue	141,118	139,122	1.4%
Net Property Income	103,712	99,601	4.1%
Distributions to Unitholders	59,278	57,494	3.1%
No. of Units in issue and to be issued ('000)	818,644	813,994	0.6%
Distribution per unit (cents)	7.25	7.07	2.5%

Source: Company data

Figure 2: AIMS APAC REIT balance sheet summary

	As of 31 December 2025	As of 30 September 2025
Aggregate Leverage	36.6%	35.0%
Blended Debt Funding Cost	4.1%	4.2%
Weighted Average Debt Maturity (years)	2.3	2.5
Fixed rate debt as % of total debt	65%	70%
Net assets (S$ 'million)	1,382.8	1,372.1
Net assets value per unit (S$)	1.23	1.22

Source: Company data

Consistent and stable DPU

For the nine months ended 31 December 2025 (9M FY2026), gross revenue increased 1.4% YoY to S$141.1 million, while net property income grew 4.1% YoY to S$103.7 million, indicating improved operating leverage.

Distributions to unitholders rose 3.1% YoY to S$59.3 million, translating into a 2.5% YoY increase in DPU to 7.250 Singapore cents.

Management attributed the better NPI performance to higher rental reversion and lower property expenses, primarily driven by cost efficiencies achieved during the period.

Constructive leasing momentum

Leasing momentum remained constructive over 9M FY2026, with the manager executing 25 new and 49 renewal leases totalling 161,420 sqm, representing 20.5% of portfolio net lettable area.

The REIT achieved positive rental reversions of 8.0% over the period, with stronger gains seen in logistics & warehouse assets (+10.5%) and hi-tech assets (+11.7%). Portfolio occupancy improved to 95.4% as at 31 December 2025 (or 96.6% including committed leases), up from 93.3% as at 30 September 2025.

Figure 3: Active leasing with 8.0% rental reversions

Signed 25 new and 49 renewal leases over 9M FY2026 totaling over 1.7 million sq ft and representing 20.5% of the portfolio net lettable area

Rental reversion for renewed leases of SG assets[1]

	1Q FY2026	2Q FY2026	3Q FY2026	9M FY2026
Logistics & Warehouse	+7.3%	+17.7%	+12.9%	+10.5%
Industrial	+2.4%	+6.5%	+5.7%	+4.2%
Business Park	-2.0%	+1.8%	+0.0%	+0.3%
Hi-Tech[2]	-	-	+11.7%	+11.7%
Overall Portfolio (SG)	**+5.4%**	**+14.3%**	**+8.5%**	**+8.0%**

Notable Leases signed over the quarter

illumina

Hanwha

Dunlopillo

HENRY BATH A CMST COMPANY

DyStar

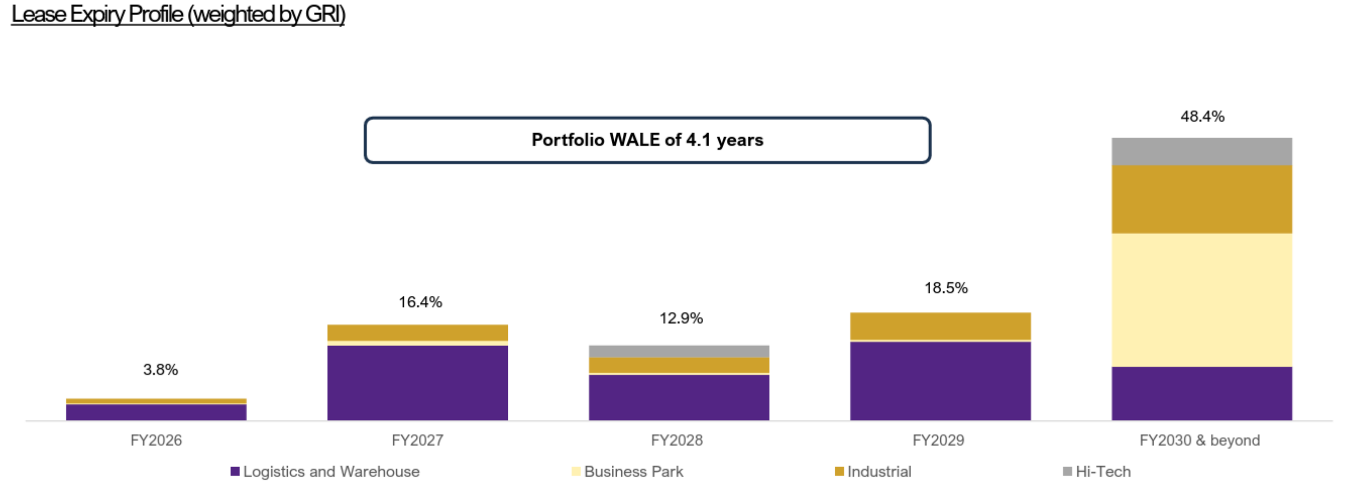
ALPS LOGISTICS

Notes:
All references to "GRI" refers to gross rental income.
1. Rental reversion, passing rents and market rents figures relate to Singapore properties as AA REIT's Australia properties are on long lease terms of between 5.5 to 7.5 years.
2. Refers to one hi-tech building which is leased to a large corporate tenant on a long remaining lease term of 6.1 years.

Source: Company data

AA REIT's lease expiry profile remains well-staggered, with portfolio weighted average lease expiry (WALE) at 4.1 years and limited near-term expiries (~3.8% in FY2026), which supports income visibility. Lease risk is more back-ended, with ~48.4% expiring in FY2030 and beyond, while WALE is longest in Business Park (6.0 years) and Hi-Tech (4.8 years), partially offset by a shorter Logistics & Warehouse WALE (1.9 years).

Figure 4: Well-staggered lease expiry profile



Portfolio WALE	Logistics & Warehouse	Business Park	Industrial	Hi-Tech
4.1	1.9	6.0	3.4	4.8

Source: Company data

Diversified portfolio anchored by resilient assets

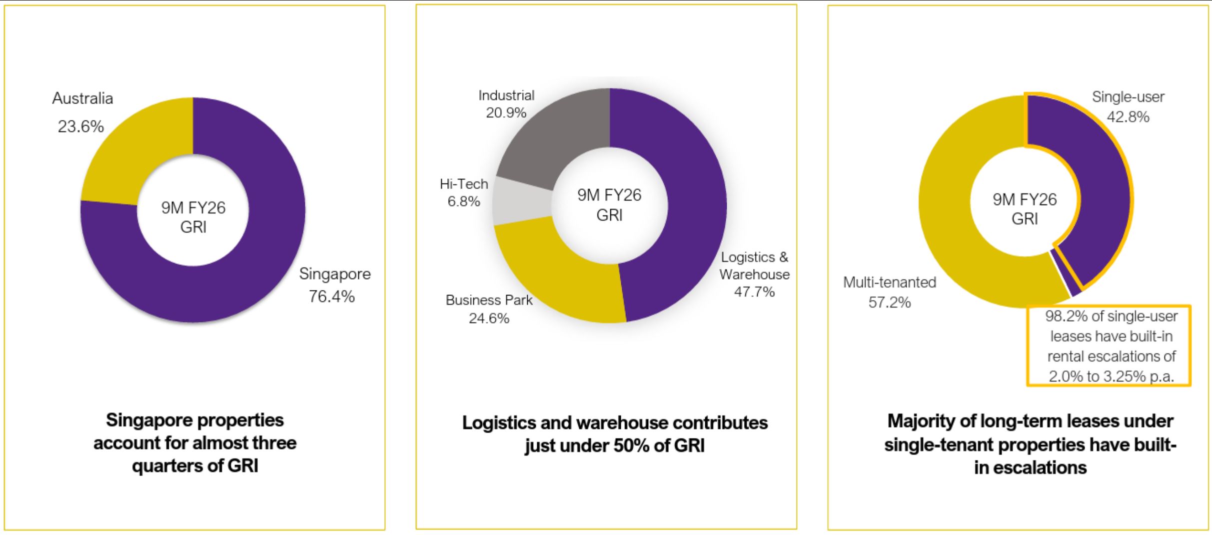
AA REIT manages a modern industrial portfolio across Singapore and Australia with total AUM of approximately S$2.2 billion and net lettable area of 787,546 sqm.

The portfolio is diversified across industrial sub-sectors including logistics and warehouse, business park, industrial and hi-tech assets.

Geographically, Singapore contributes 76.4% of GRI and comprises 25 properties, while Australia comprises three properties and anchors the remainder of income through high-quality, long-term leases.

Sponsor alignment also strengthened, with AIMS increasing its stake in AA REIT by 7% to 18.66% in July 2025.

Figure 5: Diversified portfolio and resilient tenant covenants underpin stable and defensive growth



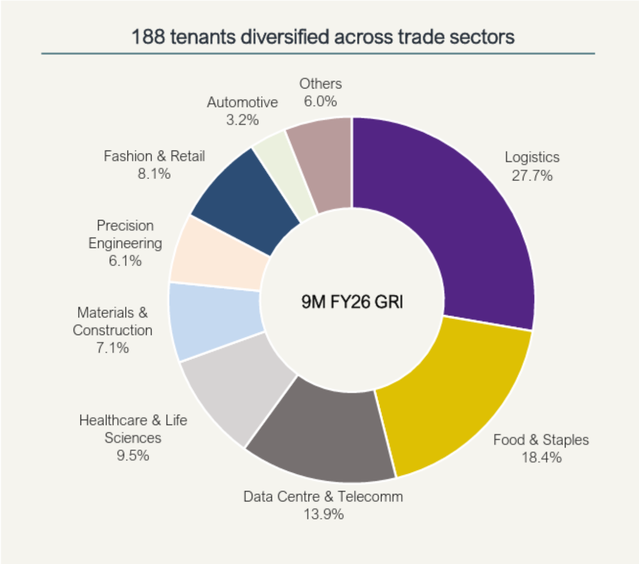
Source: Company data

Tenant diversification remains a key resilience feature, with 188 tenants across trade sectors and 82.7% of gross rental income derived from essential and defensive industries.

Figure 6: Diversified and high quality tenant base

188 Tenants with >80% of income derived from essential and defensive industries

No.	Tenant Name	% GRI[1]	Trade Sector	Lease Expiry (Years)
1	Woolworths	12.4	Food & Consumer Staples	5.7
2	Optus	9.6	Telecommunications	7.5
3	Illumina Singapore	6.6	Life Sciences	4.8
4	KWE-Kintetsu World Express	6.2	Logistics	3.0
5	Schenker Singapore	3.6	Logistics	1.5
6	Beyonics International	3.4	Precision Engineering	2.3
7	ResMed Asia	2.7	Healthcare	4.2
8	Racks Central Pte Ltd	2.0	Data Centre	4.2
9	Blue Water Shipping	1.7	Logistics	3.8
10	Akribis Systems Pte Ltd	1.6	Precision Engineering	7.8
Total		49.8		5.0



Note:
1. All references to "GRI" refers to gross rental income.

Source: Company data

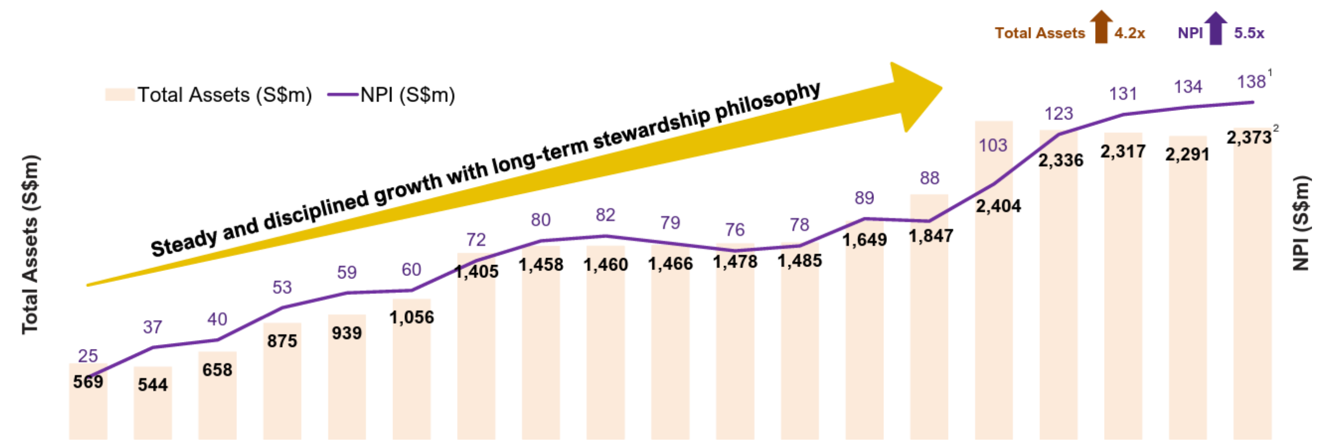
Execution track record

AA REIT's key differentiator is its ability to compound value through a repeatable "transformation" playbook rather than relying solely on market beta. Management continues to frame the platform's success around a set of levers that have been executed consistently across cycles – combining acquisitions with organic initiatives such as AEIs, rejuvenation works and selective development – supported by disciplined capital management.

Proven growth over time

Since AIMS' takeover in 2009, AA REIT points to a long runway of steady growth, with total assets expanding by ~4.2x and NPI increasing by ~5.5x. This track record supports the narrative that the REIT has been able to scale and improve earnings power through multiple market environments, driven by a mix of portfolio expansion and active asset management rather than one-off events.

Figure 6: Since AIMS' takeover in 2009, AA REIT has grown steadily through 3rd party acquisitions and organic growth



Financial Year	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Acquisition		✓	✓				✓						✓	✓	✓				✓
AEI & Re-development				✓		✓	✓	✓	✓		✓		✓	✓	✓		✓	✓	✓

Notes:
1. Extrapolated based on 9M FY2026.
2. Based on the total assets as at 31 December 2025.

Source: Company data

Asset enhancement and rejuvenation

AA REIT has also demonstrated practical, visible results from asset enhancement and rejuvenation initiatives. These projects typically focus on improving building specifications and functionality, which can create incremental lettable area or enhance space efficiency, helping to strengthen occupancy resilience. Just as importantly, upgrading assets often improves leasing outcomes by supporting renewals and extensions – such as master lease extensions in Australia and longer lease commitments in Singapore – thereby lengthening income visibility. Over time, repositioning higher-quality space also enables better rent capture by attracting higher-specification users and securing firmer rental terms alongside longer commitments.

Development capability an embedded pipeline optionality

Beyond AEI execution, AA REIT highlights meaningful in-house development capability, having historically developed approximately 2.8 million sq ft of high-quality logistics and industrial space. This is an important differentiator because it provides an additional growth lever beyond acquisitions, allowing the REIT to create new space where economics are compelling and demand is visible, rather than competing purely in the acquisition market.

Management also points to further embedded optionality, citing development potential of up to ~800,000 sq ft in Singapore and up to ~1.5 million sq ft of additional GFA in Australia (post lease expiries). This pipeline-like flexibility can be particularly valuable in periods when acquisition cap rates are tight or transaction markets are less attractive, as organic development and intensification opportunities can help sustain medium-term growth while preserving discipline on pricing.

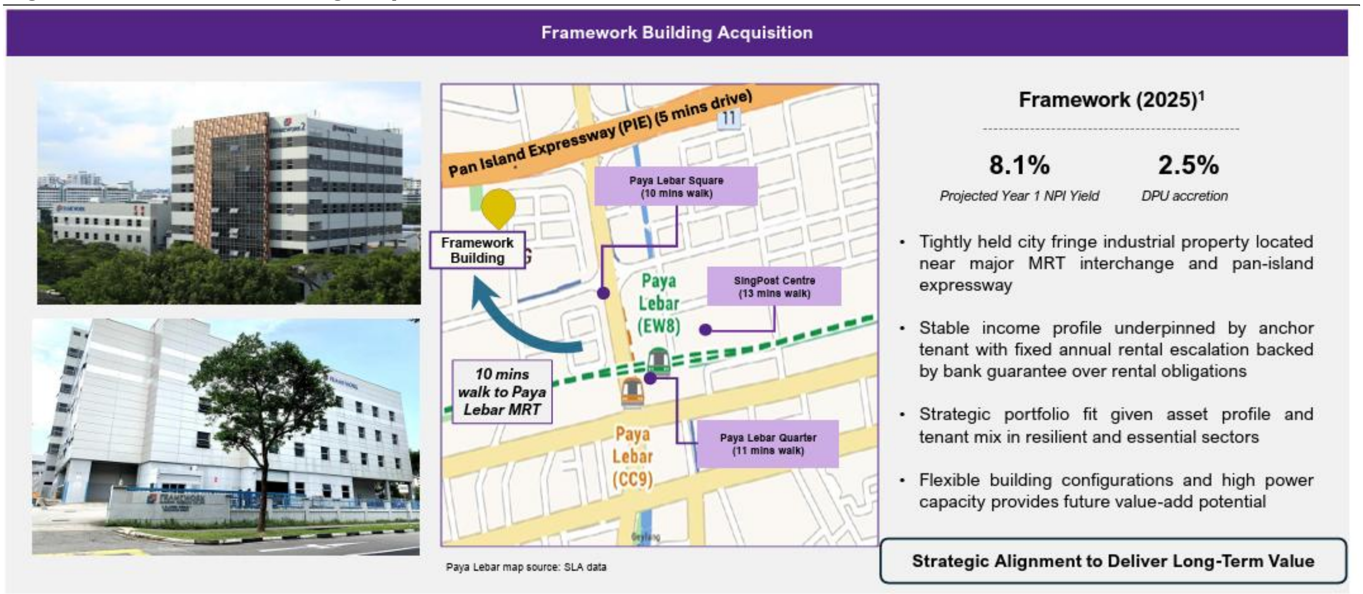
Figure 7: Developed over ~2.8 million sqft of high-quality logistics and industrial space

Source: Company data

Completion of Framework Building acquisition

During the period, the Manager completed the acquisition of Framework Building (2 Aljunied Avenue 14), a strategically located city-fringe industrial asset in Singapore. The property's flexible layout provides scope to enhance specifications and broaden its appeal to higher-quality occupiers, particularly across manufacturing, life sciences and high-technology industries.

Figure 8: Framework Building Acquisition



Source: Company data

Prudent capital management

AA REIT maintained a resilient balance sheet with aggregate leverage at 36.6% and no debt refinancing requirement until FY2027. Financial flexibility remains supported by undrawn committed facilities and bank balances of approximately S$123.5 million, alongside a diversified lending partner base.

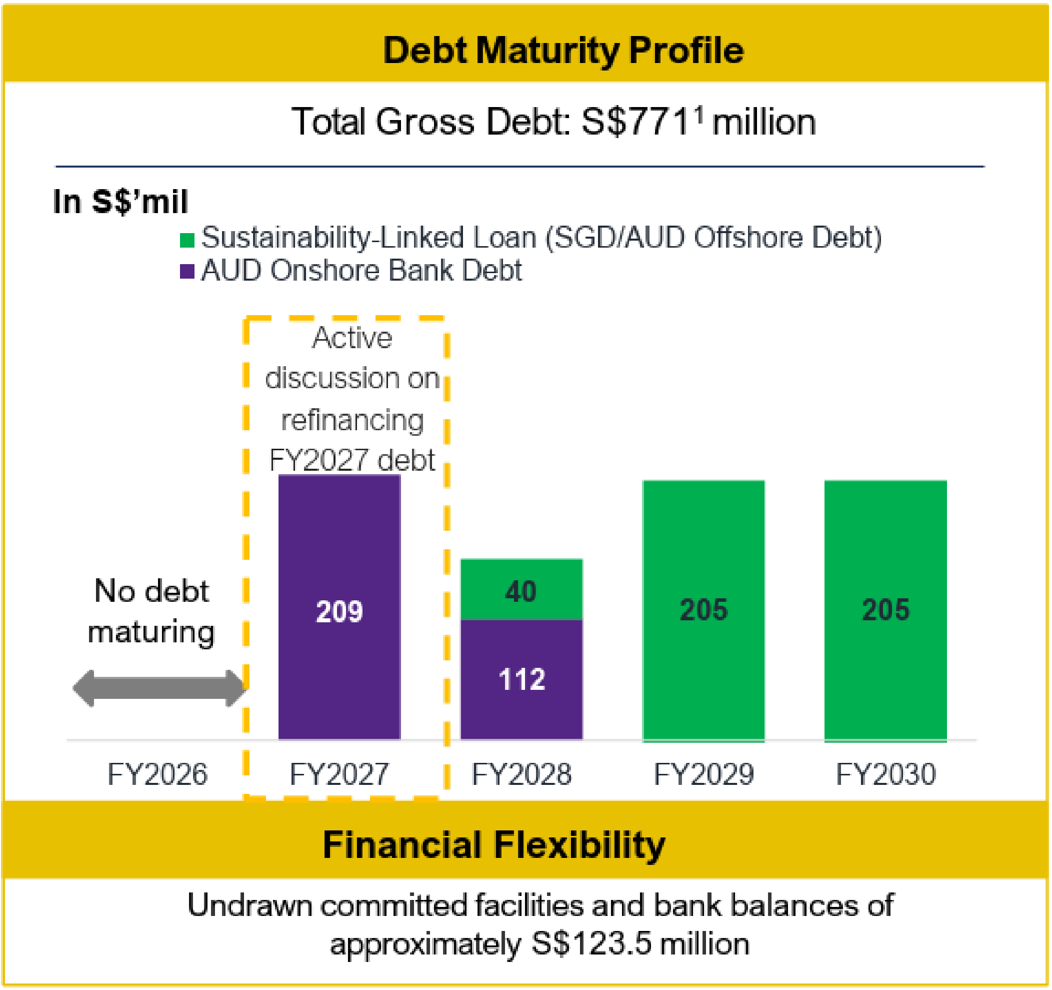
Weighted average debt maturity was 2.3 years and interest coverage ratio improved to 2.6 times this quarter from 2.5x last quarter, while blended debt funding cost fell to 4.1% from 4.2% a quarter earlier, reflecting active liability management.

At quarter-end, 65% of borrowings were on fixed rates, leaving the REIT positioned to benefit if floating rates ease.

The manager also hedges 74% of expected AUD distributable income into SGD on a rolling four-quarter basis to reduce FX volatility.

Post quarter-end, AA REIT issued S$150 million of subordinated perpetual securities at 4.10%, with proceeds intended (among other uses) to partially refinance existing S$250 million perpetual securities carrying a 5.375% distribution rate, supporting a lower cost of capital and improved funding flexibility.

Figure 9: Debt maturity profile



Source: Company data

The management shared that every 25 bps increase in interest rates is expected to have a 0.08 Singapore cents DPU impact per annum, translating to 0.8% of FY25 DPU of S$0.0096.

Structural industrial demand intact despite macro uncertainty

Management expects operating conditions to remain shaped by macro uncertainty, but believes structural demand drivers for well-located industrial assets remain intact.

In Singapore, MAS kept monetary policy unchanged in January 2026 and expects GDP to remain resilient near term, while the manufacturing sector recorded strong 15.0% YoY growth in 4Q 2025 led by biomedical and electronics clusters. These trends, together with structural drivers such as e-commerce expansion and supply chain resilience, continue to support the industrial property market.

In Australia, the RBA raised the cash rate target to 3.85% on 3 February 2026, but demand for high-quality industrial assets in core locations is expected to remain resilient, supported by population growth and an expanding e-commerce ecosystem. The REIT's business parks in Sydney are highlighted as beneficiaries of infrastructure investments and sector tailwinds, with Macquarie Park increasingly relevant for data centre development given land and building characteristics suited for purpose-built construction amid AI and digital storage growth.

Financial summary

Y/E Mar (S$m)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Income Statement						
Revenue	142	167	177	187	192	198
Property expenses	-39	-45	-46	-53	-52	-55
Net property income	103	123	131	134	140	142
Other income	1	0	2	2	0	0
Manager's fees	-15	-16	-11	-13	-11	-11
Other expenses	-5	-7	-5	-5	-6	-6
Share of results of associates & JV	48	16	-25	-18	-18	-18
Change in value of investment properties	-6	25	3	-12	-5	0
Change in value of derivatives	8	4	-3	-1	-1	0
EBIT	135	145	92	87	99	107
Net finance expenses	-23	-33	-35	-37	-35	-36
Profit before tax	112	112	56	49	63	71
Tax	-8	2	7	4	0	0
Minority interests	0	0	0	0	0	0
Perpetual securities dividend	-15	-21	-21	-21	-16	-16
Profit attributable to owners	89	93	42	33	48	55
Balance sheet						
Assets						
Investment properties	1,993	1,957	1,973	1,968	1,975	1,982
Others	381	345	317	273	236	199
Total non-current assets	2,373	2,302	2,290	2,241	2,211	2,180
Cash & cash equivalents	21	13	18	14	38	60
Trade & other receivables	9	8	8	10	10	10
Others	0	13	0	26	1	1
Total current assets	30	34	26	50	49	70
Total assets	2,404	2,336	2,317	2,291	2,259	2,250
Liabilities						
ST borrowings	35	0	100	0	0	0
Trade & other payables	40	38	47	48	48	48
Others	6	6	5	5	5	5
Total current liabilities	81	43	152	53	53	53
LT borrowings	818	791	588	579	709	729
Others	131	135	143	155	154	154
Total non-current liabilities	949	926	730	734	863	883
Total liabilities	1,030	969	882	787	915	935
EQUITY						
Unitholders' funds	1,000	994	1,061	1,006	971	942
Total equity	1,000	994	1,061	1,006	971	942
Perpetual securities	374	374	374	497	372	372
Total equity and liabilities	2,404	2,336	2,317	2,291	2,259	2,250

Y/E Mar (S$m)	FY22A	FY23A	FY24A	FY25A	FY26E	FY27E
Cash Flow						
Operating cash flow						
Pretax profit	112	112	56	49	63	71
Adjustments	-18	-1	63	76	54	54
Working capital changes	5	-2	-3	1	0	0
Others	-5	-10	-8	-24	-16	-17
Cash flow from operations	93	100	109	102	101	108
Investing cash flow						
CAPEX	-493	-3	-4	-25	-12	-12
Others	-5	-8	5	-6	28	5
Cash flow from investments	-498	-11	1	-31	16	-7
Financing cash flow						
Dividends paid	-85	-90	-95	-97	-98	-100
Proceeds from borrowings	252	-6	-108	-101	130	20
Others	248	0	98	124	-125	0
Cash flow from financing	415	-96	-105	-74	-93	-80
Net change in cash	10	-7	5	-3	24	21
Beginning cash	11	21	13	18	14	38
Currency translation	0	-1	-0	-0	0	0
Ending cash	21	13	18	14	38	60
Per share data (S$ cents)						
Book value per unit	139.6	137.1	130.8	123.2	118.1	113.8
Distribution per unit	9.5	9.9	9.4	9.4	10.0	10.1
Earnings per unit	12.5	13.0	5.4	4.0	5.8	6.7
Valuation						
P/E (x)	12.0	11.6	28.5	37.2	25.8	22.4
P/B (x)	1.1	1.1	1.1	1.2	1.3	1.3
EV/NPI (x)	18.4	15.2	14.3	13.3	13.6	13.4
Dividend yield (%)	6.3	6.7	6.3	6.3	6.7	6.8
Ratios						
ROE (%)	8.9	9.4	4.0	3.3	4.9	5.8
ROA (%)	3.7	4.0	1.8	1.4	2.1	2.4
Net gearing (x)	0.61	0.57	0.47	0.38	0.50	0.51
Aggregate leverage (%)	37.5%	36.1%	32.6%	31.9%	31.4%	32.4%
Margins (%)						
EBIT margin	94.9	86.9	51.7	46.4	51.6	54.2
Net margin	62.7	55.8	23.9	17.5	24.8	27.8
NPI yield	5.2	6.3	6.6	6.8	7.1	7.2

Disclosure Appendix

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