

VALUE CREATION & SUSTAINABLE DEVELOPMENT GOALS

The Manager's approach to delivering long-term value for Axis-REIT and its stakeholders is anchored in our core values, purpose, strategic priorities, and well-defined success measures. These elements form the foundation of our value-creation model, guiding how we transform the resources entrusted to Axis-REIT into sustainable outcomes that benefit all stakeholders. To ensure our strategy remains responsive and relevant, we engage regularly with tenants, investors, suppliers, regulators, and other key stakeholder groups. By understanding their evolving needs and expectations, we are able to align our strategic direction with the critical roles each stakeholder plays in our ecosystem, thereby strengthening our ability to create enduring value for Axis-REIT.

OUR BUSINESS CAPITAL

FINANCIAL CAPITAL
Axis-REIT's Unitholders' capital, Sukuk term financing, Islamic revolving credit facilities, investments, and rental income that are used to support Axis-REIT's business and operations

MANUFACTURED CAPITAL
Our structured processes include Axis-REIT's diverse portfolio of properties and management services which provide the framework of how we do business and create value

SOCIAL AND RELATIONSHIP CAPITAL
Stakeholder relationships, including suppliers, regulators, and the communities in which we operate, as we recognise the need for interdependent relationships in building a thriving society

HUMAN CAPITAL
Our culture and people, collective information, skills, and experience enable innovative and competitive developments and initiatives for our tenants and other stakeholders

INTELLECTUAL CAPITAL
The expertise and knowledge inherent to the Manager can be reproduced and shared for sustainable growth

NATURAL CAPITAL
All environmental resources and processes that support current and future prosperity for our business and all our stakeholders through the limitation of negative contributions towards climate change

INPUTS & BUSINESS ACTIVITIES

- Operational cash flows: RM238.2 million (2024: RM306.6 million)
- Undertaking capital raising to pare down financing and provide financial headroom for property acquisitions
- Managing financial resources through the implementation of a disciplined investment strategy
- Maintaining a proactive portfolio management strategy to preserve and enhance the value of properties
- Adopting cost discipline and optimisation of capital structure
- Maintaining an optimal balance of short- and long-term financing through a prudent capital management strategy
- Increasing the proportion of single-tenanted buildings with triple-net leases in the portfolio
- Obtaining sustainability-linked financing facilities

OUR KEY ENABLERS

Our Vision
To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors.

Our Mission
To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.

Six Principles of Management

- Yield-accretive asset purchases
- Prudent capital and risk management
- Excellent investor relations
- Proactive asset and tenant management
- Upholding the highest level of corporate governance
- Development of human capital

Operating Environment
For more details, please see the Operating Environment section on pages 67 to 72 of this Report.

Risks and Opportunities

- Global
- Financial
- Real Estate Management
- Investment
- Development
- Human Resource
- Information Technology
- Environmental

Corporate Strategy 2026-2027

- Real Estate Management
- Capital Management
- Facilities Management
- Investment
- Development
- Governance

For more details, please see the Corporate Strategy 2026-2027 section on pages 92 to 99 of this Report.

OUR KEY ENABLERS

Our Vision
To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors.

Our Mission
To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.

Six Principles of Management

- Yield-accretive asset purchases
- Prudent capital and risk management
- Excellent investor relations
- Proactive asset and tenant management
- Upholding the highest level of corporate governance
- Development of human capital

Operating Environment
For more details, please see the Operating Environment section on pages 67 to 72 of this Report.

Risks and Opportunities

- Global
- Financial
- Real Estate Management
- Investment
- Development
- Human Resource
- Information Technology
- Environmental

Corporate Strategy 2026-2027

- Real Estate Management
- Capital Management
- Facilities Management
- Investment
- Development
- Governance

For more details, please see the Corporate Strategy 2026-2027 section on pages 92 to 99 of this Report.

VALUE CREATION & SUSTAINABLE DEVELOPMENT GOALS

While creating value for our stakeholders, we also contribute to the United Nations Sustainable Development Goals (UN SDGs). These are the UN SDGs that the Manager is aligned with and committed to:

5 **5.5**
Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making

9 **9.4**
Continually upgrade and retrofit our properties with low carbon technology to improve their sustainability and resource-use efficiency

13 **13.1**
Strengthen resilience and adaptive capacity of our buildings to climate-related hazards and natural disasters

16 **16.5**
Uphold a zero-tolerance policy against all forms of bribery and corruption

OUTPUT AND VALUE CREATED

- Improvement in revenue and net property income: RM365.0 million and RM316.2 million respectively (2024: RM322.1 million and RM276.6 million respectively)
- Economic value distributed RM333.7 million (2024: RM285.5 million)
- DPU: 10.55 sen (2024: 9.27 sen)
- Liquidity: RM960.9 million (2024: RM686.7 million)
- Value of committed sustainability-linked financing: RM1.64 billion (2024: RM1.64 billion)
- Total space under management: 15.09 million sq. ft. (2024: 15.15 million sq. ft.)
- Number of acquisitions: 1 (2024: 8)
- Key AEs completed: 13 (2024: 8)
- Completion of development projects: 0 (2024: 1)
- Achieved portfolio occupancy rate of 94% and a positive rental reversion of 3.5% (2024: 95% occupancy rate and a positive rental reversion of 5.3%)
- Secured renewals for 2.8 million sq. ft. of space (representing a 73% tenant retention rate) and secured new tenants for 11% of vacated space during the year
- New green building certifications: 1 (2024: 1)
- Total amount of beneficiaries from our community investment initiatives: 3,203 (2024: 978)
- 100% of qualified suppliers are local entities (2024: 100%)
- Total number of suppliers increased by 3.3%
- Total procurement value (excluding government-related expenses) decreased by 46.8% to RM38.7 million in total procurement
- A total 28 training programmes were offered to our suppliers (2024: 32)
- No. of suppliers and/or contractors de-listed from our panel: 5 (2024: 2)
- Average annual tenant satisfaction survey score: 7.62 out of 10, which exceeds our target of 7 out of 10 (2024: 7.62 out of 10)
- No. of new green leases for the year (i.e., tenancy agreement featuring ESG considerations): 0 (2024: 3)
- Total employee training hours: 1,872.5 hours (2024: 891 hours)
- Average training hours per employee: 23.1 hours (2024: 11.4 hours)
- Proportion of employees receiving regular performance and career development reviews: 100% (2024: 100%)
- New hires rate: 10% (2024: 2.5%)
- Employee turnover rate: 6.3% (2024: 5.1%)
- Gender pay ratio for senior management (male to female): 1.0 : 1.7 (2024: 1.0 : 1.3)
- No. of work-related fatalities: 0 cases (2024: 0 cases)
- No. of lost time injuries (LTI): 0 cases (2024: 2 cases)
- No. of fines or sanctions for non-compliance with OHS-related laws and regulations: 0 (2024: 0)
- Proportion of employees who underwent PDPA training: 100%
- No. of cases of cybersecurity breaches: 0 cases (2024: 0 cases)
- Average Hello Axis Service Request Satisfaction Ratings: 4.27 out of 5, which exceeds our target of 4 out of 5 (2024: 4.25 out of 5)
- Responded to 92% of service request tickets raised from multi-tenanted properties and 97% from single-tenanted properties within 24 hours (2024: 97% from both multi-tenanted and single-tenanted properties)
- Total reduction in energy consumption vs. baseline year: 10.21% (2024: 14.56% reduction)
- Total reduction in Scope 1 and Scope 2 GHG emissions vs. baseline year: 13.28% (2024: 13.96% reduction)
- Total Scope 1 and Scope 2 GHG emissions reduction: 13.28% compared to 2019 baseline (2024: 13.96% reduction)
- Total Scope 3 GHG emissions reported: 262,978 tCO₂e
- Increase in water withdrawal vs. baseline year: 12.1% (2024: 9.8%)
- Increase in general waste generated vs. baseline year: 10.6% (2024: 16.8%)
- Total waste recycled at multi-tenanted properties: 49,630 kg (2024: 44,920 kg)
- Recycling rate: 4.45% (2024: 3.8%)

UN SDGs

Value to Stakeholders
Source of sustained growth through financial market confidence and Unitholders continued access to returns

Value to Stakeholders
A strong value proposition with emphasis on strategic locations and sustainable developments to meet tenants' requirements and expectations

Value to Stakeholders
Business opportunities and growth through strong partnerships with suppliers and being a responsible and ethical community participant

Value to Stakeholders
Employer of choice by ensuring inclusive opportunities, safety and well-being, and a differentiated provider of relevant space for tenants

Value to Stakeholders
Preferred business partner by strengthening relationships with real estate agents and business owners, and providing superior and reliable customer service to tenants

Value to Stakeholders
Strengthening the Fund's resilience and adaptive capacity to changes in the availability and consumption of natural resources over the short, medium, and long-term for all stakeholders

TRADE-OFFS & INTERDEPENDENCIES

Financial Capital largely serves as the input for the other capitals, which include investing, enhancing and maintaining our properties (Manufactured Capital), investing in our people (Human Capital), and funding initiatives to reduce our carbon footprint (Natural Capital). As a REIT, we are also committed to growing our Financial Capital to ensure consistent and rewarding income distributions to our Unitholders.

In addition to having stringent due diligence processes for potential acquisitions, we also undertake proactive AEs for our existing properties to maintain, refurbish and enhance the value of the Fund's portfolio. These rely heavily on our Financial Capital and Human Capital.

Through these efforts, we also aim to meet current market demand and create value for our tenants and potential tenants, thereby boosting our Social & Relationship Capital.

As a responsible corporate citizen, we recognise the importance of regular and meaningful engagements with our stakeholders, namely our tenants, contractors, suppliers, and the community around us, to maintain healthy stakeholder relationships.

In line with our commitment to reduce our carbon footprint, we also involve our tenants, contractors and suppliers to create value for Natural Capital.

In our pursuit of growing our Financial Capital, we also actively contribute to the surrounding communities through our Community Activity & Partnership initiatives.

Human Capital is one of the most important assets in growing the Fund's property portfolio. The Manager invests in its employees through training and development, competitive and fair remuneration packages, employee engagement activities, and by looking after their well-being.

Amid rapid digitalisation, we have actively explored opportunities to digitalise our business operations, from our daily routine tasks, to engaging with our stakeholders through virtual platforms.

As this exposes Axis-REIT to cybersecurity risks, we actively invest in enhancing our cybersecurity defences, which include educating our people on cybersecurity awareness to effectively manage such risks.

We acknowledge the significant implications of climate change on our business and have developed our Carbon Neutrality by 2050 Roadmap. To support this ambition, we continue to explore and implement a range of emission-reduction initiatives, which may have implications for both our Financial Capital and Manufactured Capital.

Concurrently, we also encourage our tenants, suppliers and service providers to uphold similar commitments to create long-term sustainable value for our collective Natural Capital.