


Morgan Stanley Twenty-First Annual Asia Pacific Summit

# CapitaLand Ascendas REIT

16 November 2022

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FM Global Centre, Singapore



# Key Highlights

1-7 Wayne Goss Drive, Brisbane, Australia

# 3Q 2022 Key Highlights

## Investment Management



### Proposed Acquisitions in Singapore

1. High-tech Industrial
2. Cold Storage Logistics

## Capital Management



### Healthy Aggregate Leverage

**37.3%**

30 Jun 2022: 36.7%

### High Level of Natural Hedge

**~75%**

30 Jun 2022: ~75%

## Asset Management



### Portfolio Occupancy

**94.5%**

30 Jun 2022: 94.0%

### Portfolio Rental Reversion

**+5.4%**

# Investment Management




510 Townsend Street, San Francisco, United States

Celebrating 20 Years

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# 3Q 2022 Investment Highlights

- Announced S$296.7 m of proposed acquisitions in Singapore.

| 3Q 2022 | City/Country | Sub-segment | Purchase Consideration / Total Cost (S$ m) | Estimated Completion Date |
|---|---|---|---|---|
| **Proposed Acquisitions** | | | | |
| 622 Toa Payoh Lorong 1 | Singapore | Industrial | 104.8 | 4Q 2022 / 1Q 2023 |
| 1 Buroh Lane | Singapore | Logistics | 191.9 | 4Q 2022 / 1Q 2023 |
| | | **TOTAL:** | **296.7** | |

# Acquisition *(New)*

## 622 Toa Payoh Lorong 1, Singapore

| | |
|---|---|
| Total Purchase Consideration | S$104.8 m |
| Acquisition Fee(1), Stamp Duty and Other Transaction Costs | S$5.24 m |
| Total Acquisition Cost(2) | S$110.04 m |
| Vendor | Philips Electronics Singapore Pte Ltd |
| Valuation as at 31 May 2022(3) | S$111.5 m |
| Land Tenure | 21 years remaining |
| Gross Floor Area | 37,975 sqm |
| Occupancy Rate (as at 30 Jun 2022) | 95.7% |
| WALE (as at 30 Jun 2022) | 4.5 years |
| Initial NPI Yield(4) | 7.2% pre-transaction cost<br>6.8% post-transaction cost |
| Estimated Completion Date | 4Q 2022/1Q 2023 |

(1) In accordance to CLAR's Trust Deed, the Manager is entitled to receive an acquisition fee of 1% of the Total Purchase Consideration, which will be paid in cash.
(2) The total acquisition cost will be funded by CLAR through internal resources and/or existing debt facilities.
(3) The independent valuer, Jones Lang LaSalle Property Consultants Pte Ltd was commissioned by HSBC Institutional Trust Services (Singapore) Limited (in its capacity as trustee of CLAR) and has carried out the valuation using the discounted cashflow analysis and income capitalisation approach.
(4) The NPI yield is derived using the estimated NPI in the first year after acquisition.



622 Toa Payoh Lorong 1, Singapore

**Property:**
- ✓ High-tech campus for healthcare and technology
- ✓ Six-storey building comprising laboratory, research and development, warehouse and ancillary office space

**Location:**
- ✓ Centrally located within Toa Payoh town, which is a 15 minutes' drive to the CBD
- ✓ In close proximity to the pan-island and central expressways and is a 3-minute walk to the Caldecott MRT station

# Acquisition *(New)*

## 1 Buroh Lane, Singapore

| | |
|---|---|
| Total Purchase Consideration | S$191.9 m |
| Acquisition Fee(1), Stamp Duty and Other Transaction Costs | S$4.3 m |
| Total Acquisition Cost(2) | S$196.2 m |
| Vendor | A3 Lux Alpha S.a.r.l |
| Valuation as at 10 May 2022(3) | S$195.0 m |
| Land Tenure | 21 years remaining |
| Gross Floor Area | 59,971 sqm |
| Occupancy Rate (as at 30 Jun 2022) | 100% |
| WALE (as at 30 Jun 2022) | 7.0 years |
| Initial NPI Yield(4) | 7.0% pre-transaction cost<br>6.9% post-transaction cost |
| Estimated Completion Date | 4Q 2022/1Q 2023 |

(1) In accordance to CLAR's Trust Deed, the Manager is entitled to receive an acquisition fee of 1% of the Total Purchase Consideration, which will be paid in cash.
(2) The total acquisition cost will be funded by CLAR through internal resources and/or existing debt facilities.
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(4) The NPI yield is derived using the estimated NPI in the first year after acquisition.



1 Buroh Lane, Singapore

**Property:**

- ✓ Five-storey ramp up logistics distribution centre offering chiller/freezer, air-conditioned and ambient storage space as well as ancillary office space.
- ✓ Occupied by well-established tenants including a supermarket chain and leading distributors of fruits and vegetables.

**Location:**

- ✓ Situated in the western region of Singapore within the Jalan Buroh Food Zone where over 30 licensed food establishments are located.
- ✓ Within a 5-minute drive to Ayer Rajah Expressway and in close proximity to Singapore's major seaports e.g., Jurong Port and Tuas Mega Port

# Capital Management



Reynolds House, Manchester, United Kingdom

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# Healthy Balance Sheet

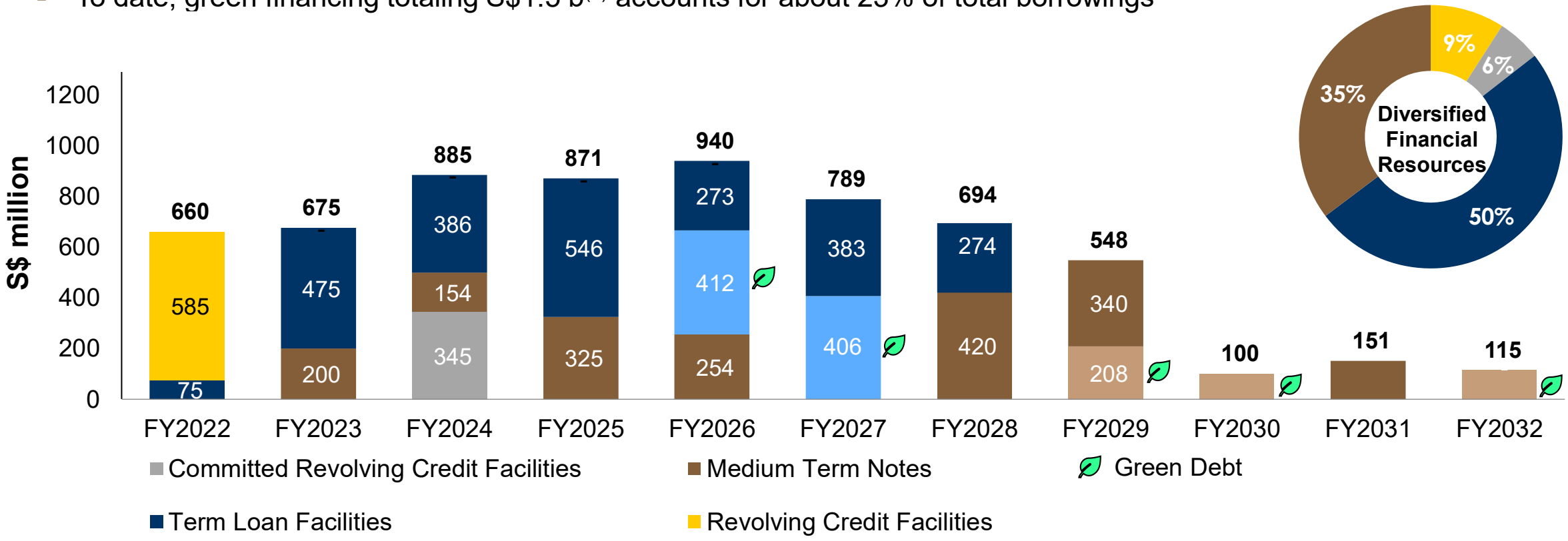
| | As at 30 Sep 2022 | As at 30 Jun 2022 |
|---|---|---|
| Aggregate Leverage (1)(2) | 37.3% | 36.7% |
| Unencumbered Properties as % of Total Investment Properties (3) | 92.4% | 92.4% |
| Interest Cover Ratio (4) | 5.9 x | 6.1 x |
| Adjusted Interest Cover Ratio (5) | 5.6 x | 5.7 x |
| Net Debt / Annualised EBITDA (6) | 8.1 x | 7.8 x |
| Weighted Average Tenure of Debt (years) | 3.5 | 3.9 |
| Fixed rate debt as % of total debt | 78% | 80% |
| Weighted Average all-in Debt Cost (7) | 2.2% | 2.1% |
| Issuer Rating by Moody's | A3 | A3 |

- Aggregate leverage is healthy at 37.3%(1)(2)
- Robust financial metrics that exceed bank loan covenants by a healthy margin
- A3 credit rating facilitates good access to wider funding options at competitive rates
- Available debt headroom of ~$4.4 b to reach MAS' aggregate leverage limit of 50.0%

(1) In accordance with Property Funds Appendix, CLAR's proportionate share of its joint ventures' borrowings and deposited property values are included when computing the aggregate leverage. The ratio of total gross borrowings to total net assets is 66.0%.
(2) Excludes the effects of FRS 116.
(3) Total investment properties exclude properties reported as finance lease receivable.
(4) Based on the trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), divided by the trailing 12 months interest expense and borrowing-related fees. With reference to MAS Circular No. CFC 01/2021, the interest expense on lease liabilities was excluded as it is an accounting classification and does not reflect the serviceability of debt.
(5) Accounts for distributions on perpetual securities.
(6) Net debt includes lease liabilities arising from FRS 116, 50% of perpetual securities, offset by cash and fixed deposits, while annualised EBITDA does not pro-rate for full year EBITDA from new acquisitions.
(7) Based on year-to-date figures.

# Well-spread Debt Maturity Profile

- Well-spread debt maturity with the longest debt maturing in FY2032
- Average debt maturity healthy at **3.5 years**
- To date, green financing totaling S$1.5 b[(1)] accounts for about 23% of total borrowings




(1) Includes Green Perpetual Securities of S$300m.

# Prudent Interest Rate Risk Management

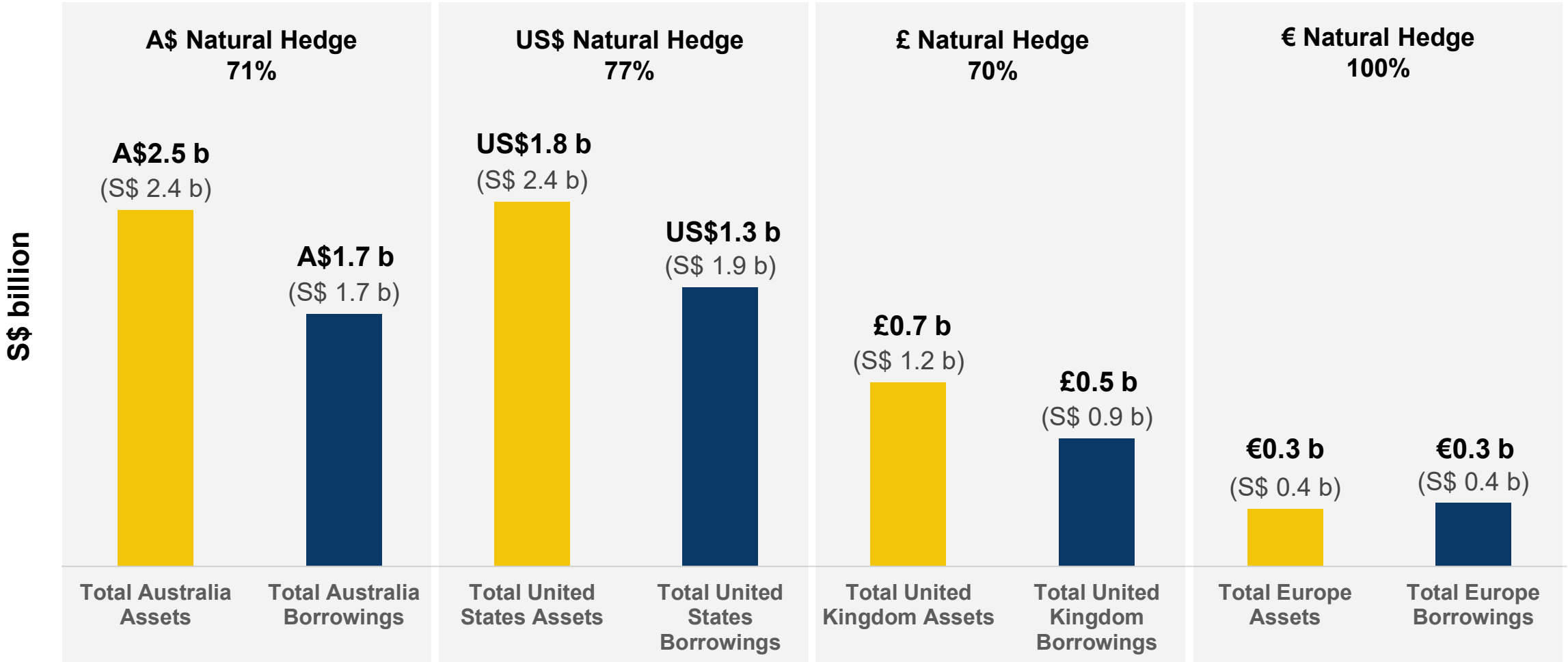
- **~78%** of borrowings are on fixed rates with an average term of 3.4 years
- 50 bps increase in interest rate is expected to have a pro forma impact of S$7.0 m decline in distribution or 0.17 cents decline in DPU

| Change in Interest Rates | Decrease in Distributable Income (S$m) | Change as % of FY2021 Distribution | Pro Forma DPU Impact (cents) (1) |
|---|---|---|---|
| + 50bps | 7.0 | -1.1% | -0.17 |
| + 100bps | 14.0 | -2.2% | -0.33 |
| + 150bps | 21.0 | -3.3% | -0.50 |
| + 200bps | 28.0 | -4.4% | -0.67 |
| + 250bps | 35.0 | -5.6% | -0.83 |
| + 300bps | 42.0 | -6.7% | -1.00 |

(1) Based on number of Units in issue of 4,198 m as at 31 Dec 2021.

# High Natural Hedge

- Maintained high level of natural hedge of **~75%** for overseas investment to minimise the effects of any adverse exchange rate fluctuations.





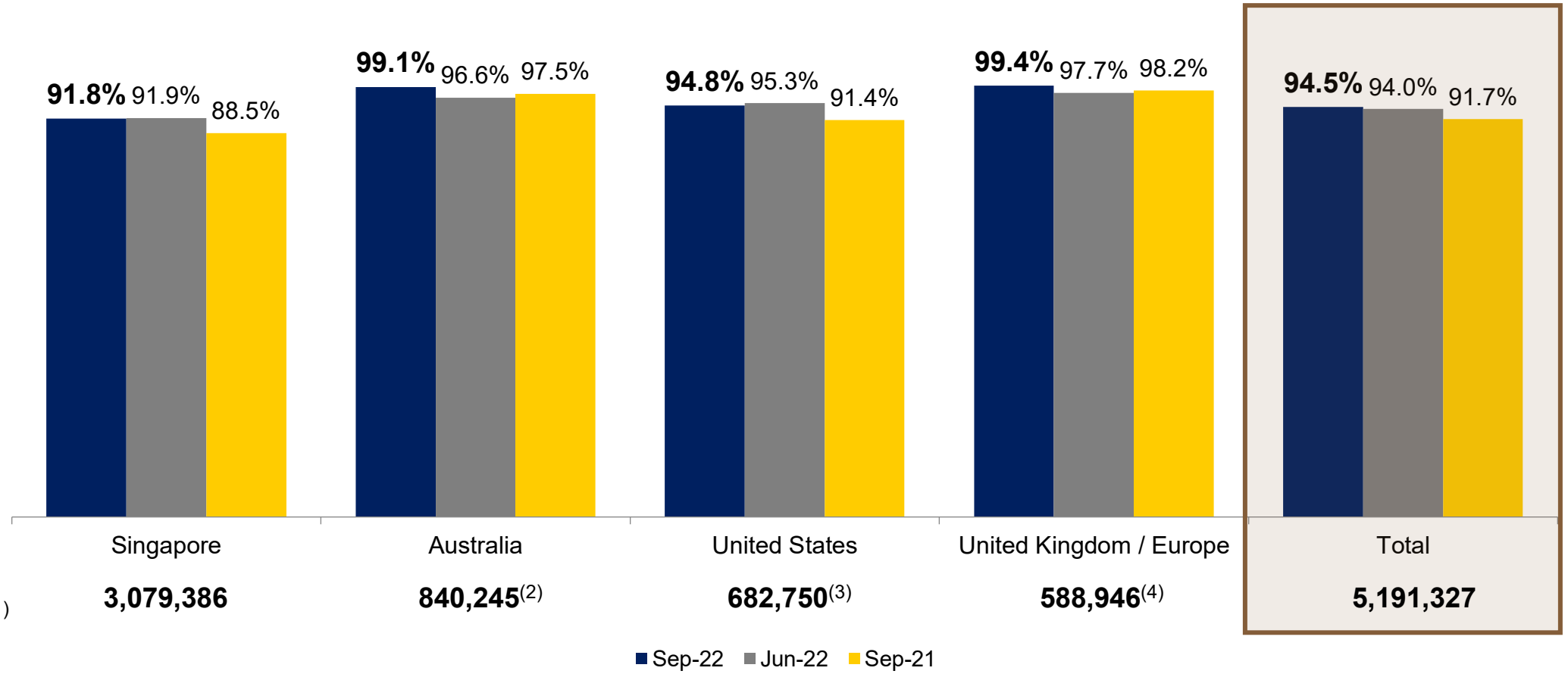

# Asset Management

Nucleos, Singapore

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# Overview of Portfolio Occupancy




(1) Gross Floor Area as at 30 Sep 2022.
(2) Gross Floor Area for Australia portfolio refers to the Gross Lettable Area/Net Lettable Area.
(3) Gross Floor Area for USA Portfolio refers to Gross Lettable Area.
(4) Gross Floor Area for United Kingdom/Europe portfolio refers to the Gross Internal Area.

# Singapore

## Occupancy

- Occupancy remains stable at around 91.8%

| As at | 30 Sep 2022 | 30 Jun 2022 | 30 Sep 2021 |
|---|---|---|---|
| Total Singapore Portfolio GFA (sqm)[1] | 3,079,386[2][3] | 3,079,386[2][3] | 3,094,298 |
| Singapore Portfolio Occupancy (same store) [4] | 92.0% | 92.1% | 89.2% |
| Occupancy of Investments Completed in the last 12 months | 51.6%[3] | 87.8%[3][5] | N.A. |
| **Overall Singapore Portfolio Occupancy** | **91.8%** | **91.9%** | **88.5%** |
| **Singapore MTB Occupancy** | **89.5%** | **89.8%** | **85.2%** |

(1) Excludes iQuest@IBP which was decommissioned for redevelopment since Jan 2020.
(2) Excludes 1 Science Park Drive which was divested on 30 Nov 2021.
(3) Includes UBIX which obtained Temporary Occupation Permit on 7 Jan 2022.
(4) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2022, excluding new investments completed in the last 12 months and divestments.
(5) Includes Grab Headquarters which was completed on 30 Jul 2021.

# Australia

## Occupancy

- Occupancy rose to 99.1% due to positive leasing momentum for logistics spaces:
  (i) 92 Sandstone Place, Brisbane – 30 Sep 2022: 100%; 30 Jun 2022: 29.1%
  (ii) 162 Australis Drive, Melbourne – 30 Sep 2022: 100%; 30 Jun 2022: 48.3%

| As at | 30 Sep 2022 | 30 Jun 2022 | 30 Sep 2021 |
|---|---|---|---|
| Total Australian Portfolio GFA (sqm) | 840,245(1) | 840,368(1) | 788,652 |
| Australian Portfolio Occupancy (same store)(2) | 99.0% | 96.4% | 97.5% |
| Occupancy of Investments completed in the last 12 months | 100%(1) | 100%(1) | 93.2%(3) |
| **Overall Australian Portfolio Occupancy** | **99.1%** | **96.6%** | **97.5%** |

(1) Includes 500 Green Road in Brisbane and 7 Kiora Crescent in Sydney, which were acquired on 11 Feb 2022 and 24 Feb 2022 respectively.
(2) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2022, excluding new investments completed in the last 12 months.
(3) Refers to the acquisition of 1-5 Thomas Holt Drive in Sydney which was acquired on 13 Jan 2021.

# United States

## Occupancy

- Occupancy declined marginally to 94.8% due to lower occupancies in the business space portfolio

| As at | 30 Sep 2022 | 30 Jun 2022 | 30 Sep 2021 |
|---|---|---|---|
| Total United States Portfolio GFA (sqm) | 682,750[1][2][3] | 691,390[1][3] | 350,536 |
| United States Portfolio Occupancy (same store)[4] | 89.5% | 90.5% | 91.0% |
| Occupancy of Investments completed in the last 12 months | 100%[1] | 100%[1] | 100%[5] |
| **Overall United States Portfolio Occupancy** | **94.8%** | **95.3%** | **91.4%** |

(1) Includes the seven logistics properties in Chicago which were acquired on 10 Jun 2022 and 11 logistics properties in Kansas City which were acquired on 5 Nov 2021.
(2) Excludes 6055 Lusk Boulevard in San Diego which was decommissioned for convert-to-suit for Life Sciences tenant in Sep 2022.
(3) Includes the recommission of Greenbrier Court in Portland in Jun 2022.
(4) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2022, excluding new investments completed in the last 12 months.
(5) Refers to two business space properties in San Francisco which were acquired on 21 Nov 2020.

# United Kingdom / Europe

## Occupancy

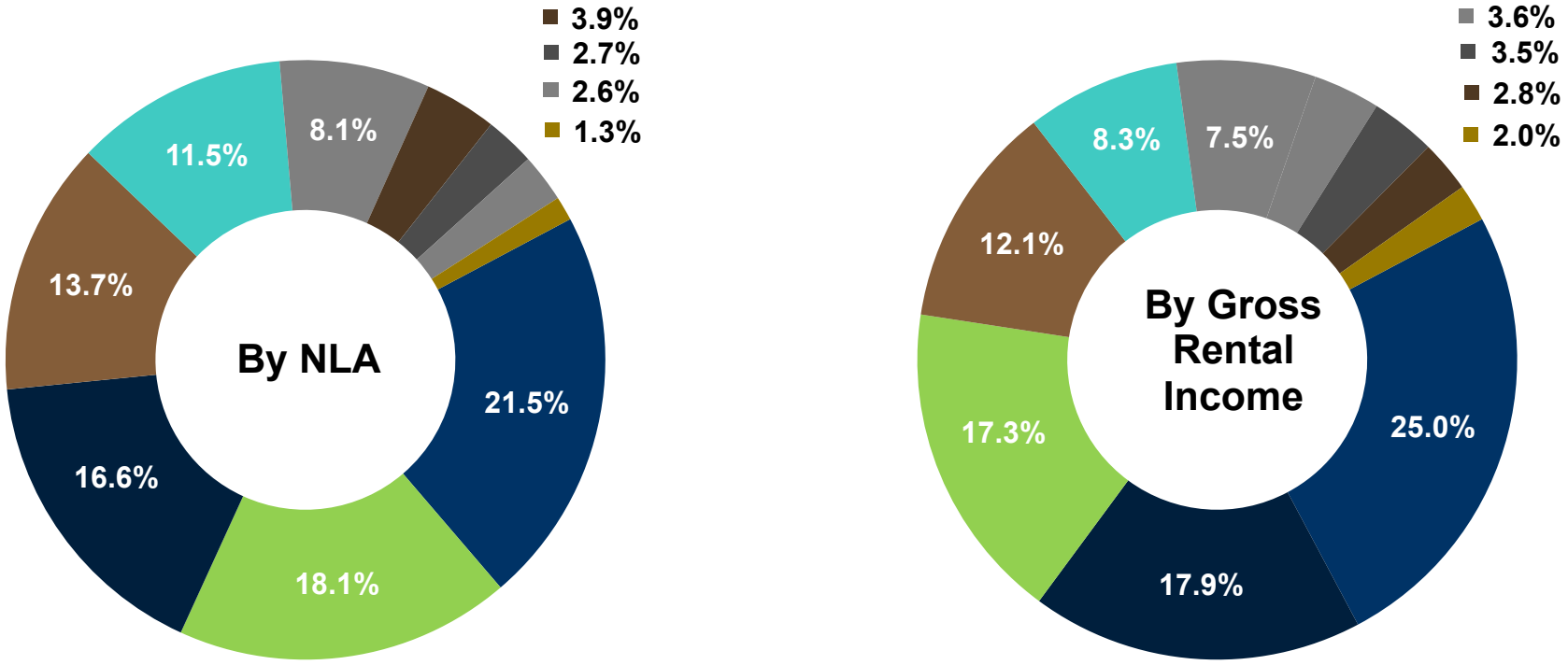
- Occupancy rose to 99.4% mainly due to full occupancy at a logistics property:
  (i) Transpennine 200, Greater Manchester – 30 Sep 2022: 100%; 30 June 2022: 0%

| As at | 30 Sep 2022 | 30 Jun 2022 | 30 Sep 2021 |
|---|---|---|---|
| Total UK/Europe Portfolio GFA (sqm) | 588,946(1) | 590,393 | 590,393 |
| UK/Europe Portfolio Occupancy (same store)(2) | 99.4% | 97.7% | 98.2% |
| Occupancy of Investments completed in the last 12 months | N.A. | N.A. | 97.9%(3) |
| **Overall UK/Europe Portfolio Occupancy** | **99.4%** | **97.7%** | **98.2%** |

(1) Reduction in GFA due to completed refurbishment works at two logistics properties.
(2) Same store portfolio occupancy rates for previous quarters are computed with the same list of properties as at 30 Sep 2022, excluding new investments completed in the last 12 months.
(3) Refers to the 11 data centres located in UK/Europe which were acquired on 17 Mar 2021.

# Singapore

## Sources of New Demand in 3Q 2022



# Portfolio Rental Reversions

- Average portfolio rent reversion of leases renewed in 3Q 2022 and YTD 2022 was 5.4% and 8.0% respectively.
- Rental reversion for FY2022 is expected to be in the positive mid single-digit range.

| % Change in Renewal Rates for Multi-tenant Buildings [1] | 3Q 2022 | 2Q 2022 | 3Q 2021 |
|---|---|---|---|
| **Singapore** | **4.4%** | **13.0%** | **3.6%** |
| Business Space[2] and Life Sciences[3] | 3.2% | 19.9% | 3.7% |
| Logistics[4] | 14.6% | 7.5% | 4.6% |
| Industrial[5] and Data Centres | 2.8% | 4.4% | 3.2% |
| **Australia** | **0.2%** | **15.2%** | -[6] |
| Business Space[2] | 0.2% | -[6] | -[6] |
| Logistics | -[6] | 15.2% | -[6] |
| **United States** | **48.0%** | **15.3%** | **15.0%** |
| Business Space[2] | 10.6% | 15.3% | 15.0% |
| Logistics | 60.0% | -[6] | N.A. |
| **United Kingdom/Europe** | -[6] | **11.7%** | -[6] |
| Data Centres | -[6] | 11.7% | -[6] |
| Logistics | -[6] | -[6] | -[6] |
| **Total Portfolio :** | **5.4%** | **13.2%** | **3.7%** |

(1) Percentage change of the average gross rent over the lease period of the renewed leases against the preceding average gross rent from lease start date. Takes into account renewed leases that were signed in their respective periods and average gross rents are weighted by area renewed.
(2) Business Space segment comprises of properties located in business & science parks in Singapore; suburban offices in Australia; business park and office properties in USA.
(3) Life Sciences segment comprises properties with lab-ready specifications (currently 7 business park properties in Singapore)
(4) Includes Courts Megastore and Giant Hypermart which have been reclassified from Integrated development, amenities and retail (IDAR) segment. These properties have large warehouse spaces (under the Retail Warehouse Scheme).
(5) Comprises high-specifications and light industrial properties (includes Aperia which has been reclassified from IDAR segment given its predominant industrial space offering).
(6) There were no renewals signed in the period for the respective segments.

# Weighted Average Lease Expiry

By Gross Revenue

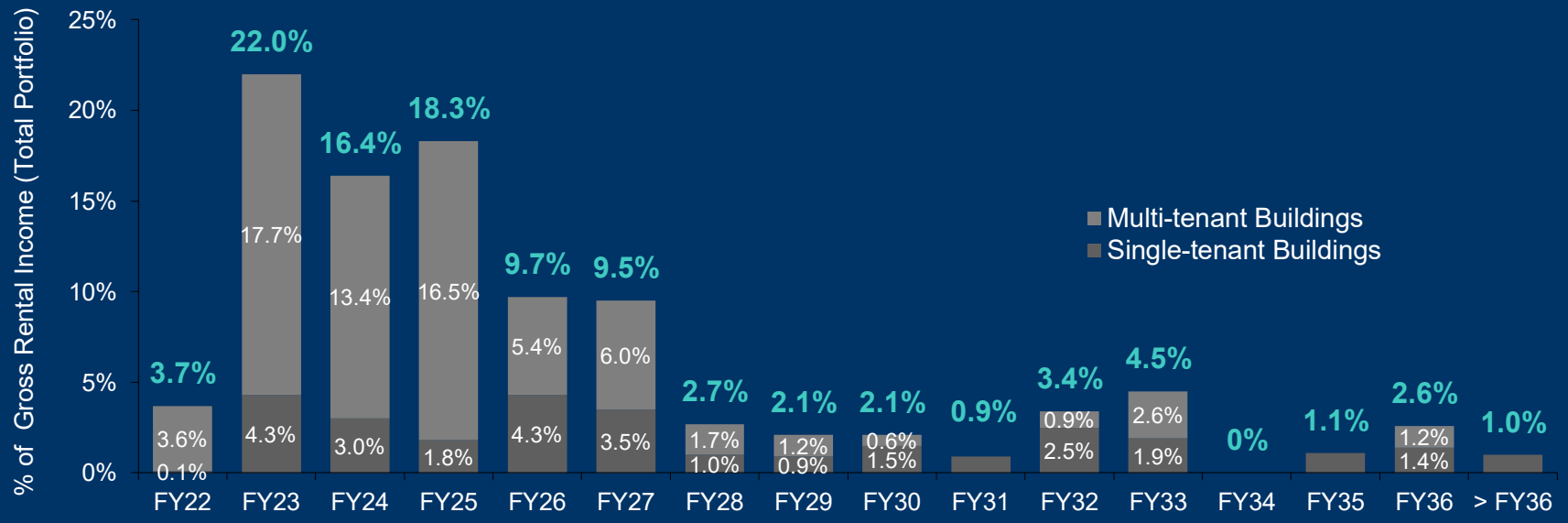
- Portfolio Weighted Average Lease Expiry (WALE) stood at 3.9 years

| WALE (as at 30 Sep 2022) | Years |
|---|---|
| Singapore | 3.5 |
| Australia | 2.9 |
| United States | 4.6 |
| United Kingdom/Europe | 6.1 |
| **Portfolio** | **3.9** |

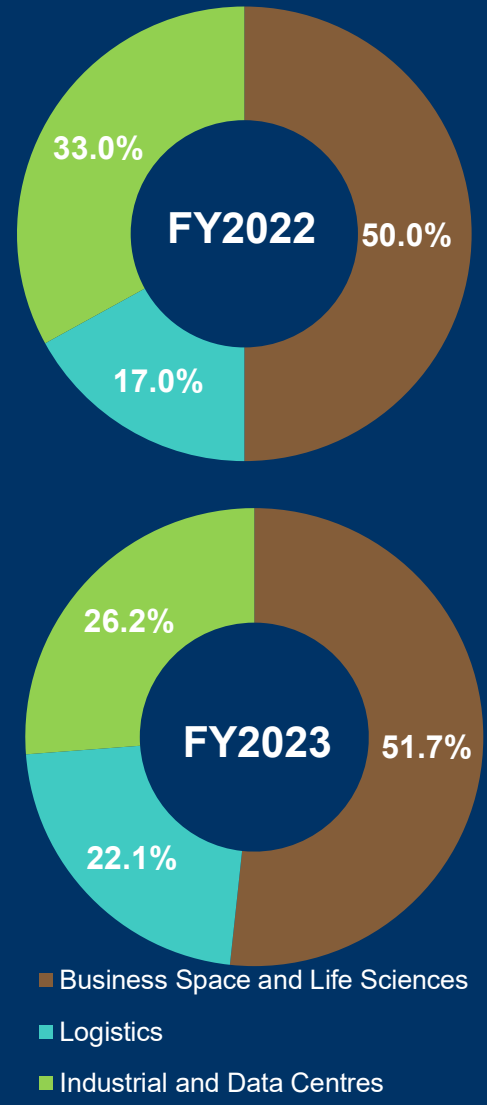
# Portfolio Lease Expiry Profile

As at 30 Sep 2022

- Portfolio WALE of 3.9 years
- Lease expiry is well-spread, extending beyond FY2036
- Most of the leases for FY2022 have been renewed. About 3.7% of gross rental income is left for the remaining of FY2022
- Weighted average lease term of new leases (1) signed in 3Q 2022 was 5.4 years and contributed 2.3% of 3Q 2022 total gross revenue




**Breakdown of expiring leases for FY2022 and FY2023**

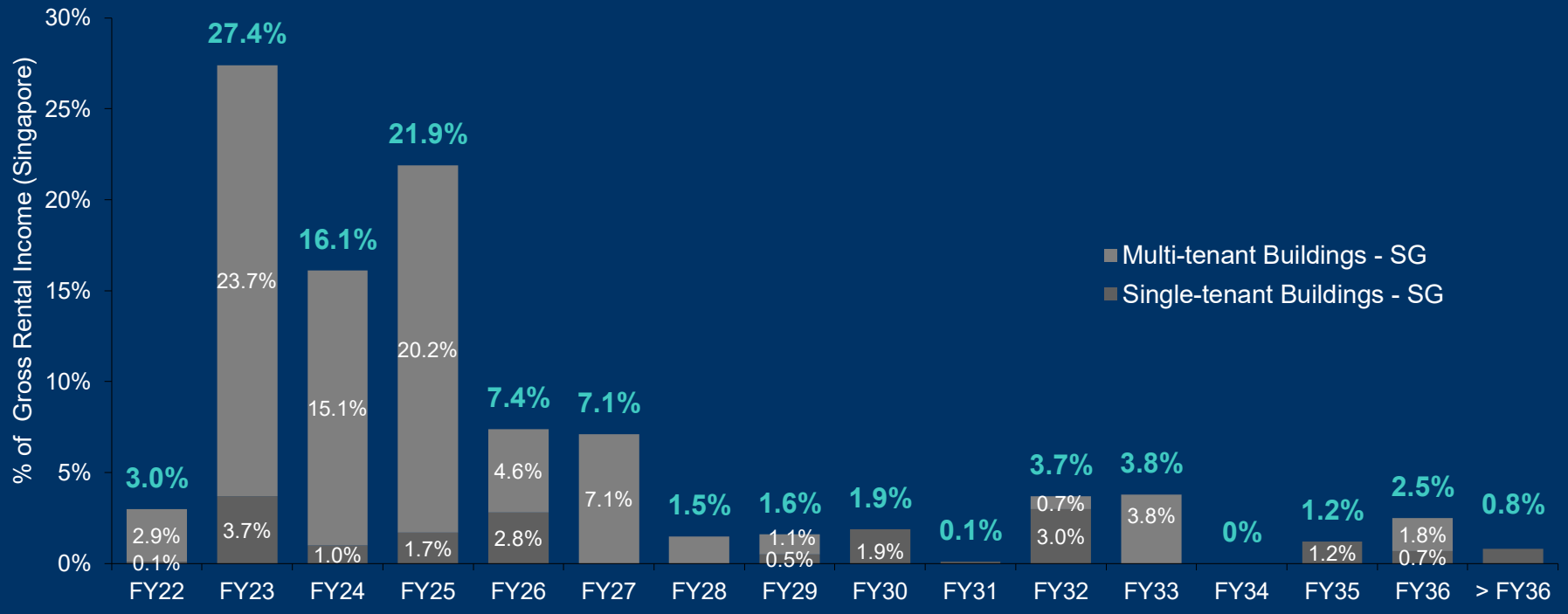



(1) New leases refer to new, expansion and renewal leases. Excludes leases from new acquisitions.

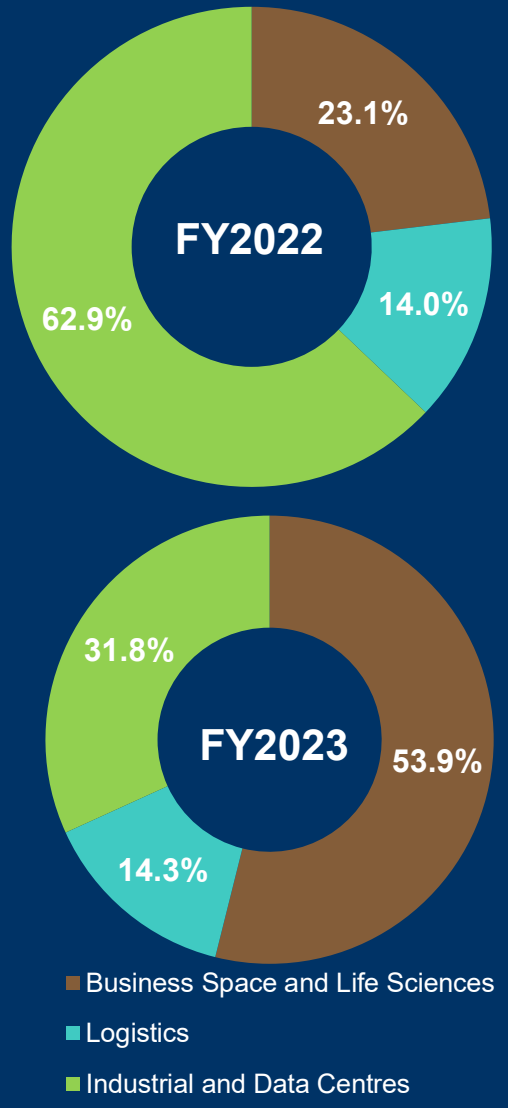
# Singapore: Lease Expiry Profile

As at 30 Sep 2022

- Singapore portfolio WALE of 3.5 years
- Lease expiry is well-spread, extending beyond FY2036
- About 3.0% of Singapore's gross rental income is due for renewal in the remaining of FY2022



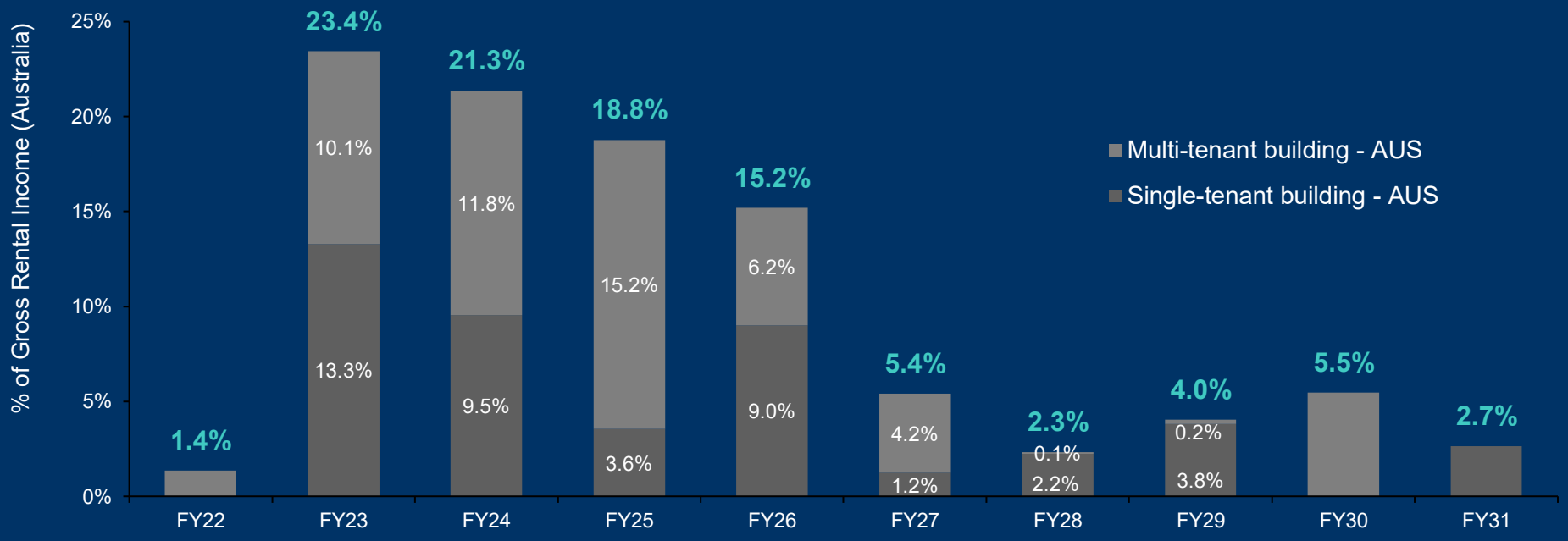

**Breakdown of expiring leases for FY2022 and FY2023**



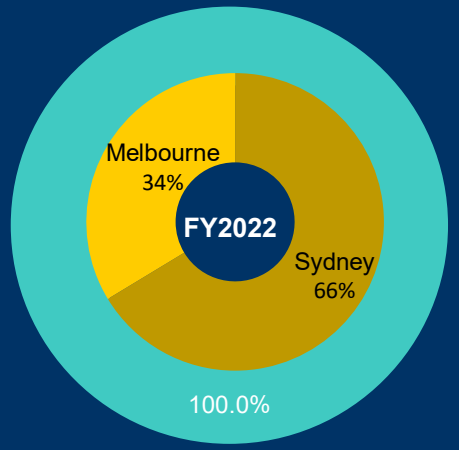
# Australia: Lease Expiry Profile

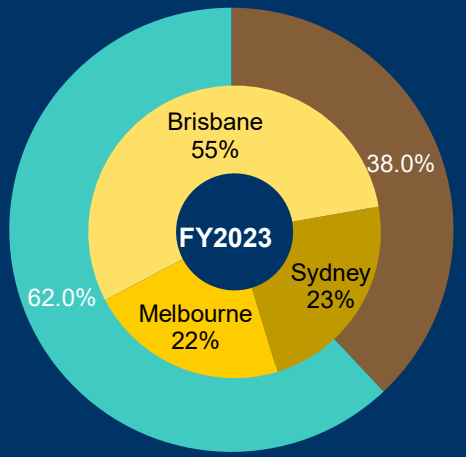
As at 30 Sep 2022

- Australia portfolio WALE of 2.9 years
- Lease expiry is well-spread, extending till FY2031
- About 1.4% of Australia's gross rental income is due for renewal in the remaining of FY2022




**Breakdown of expiring leases for FY2022 and FY2023**



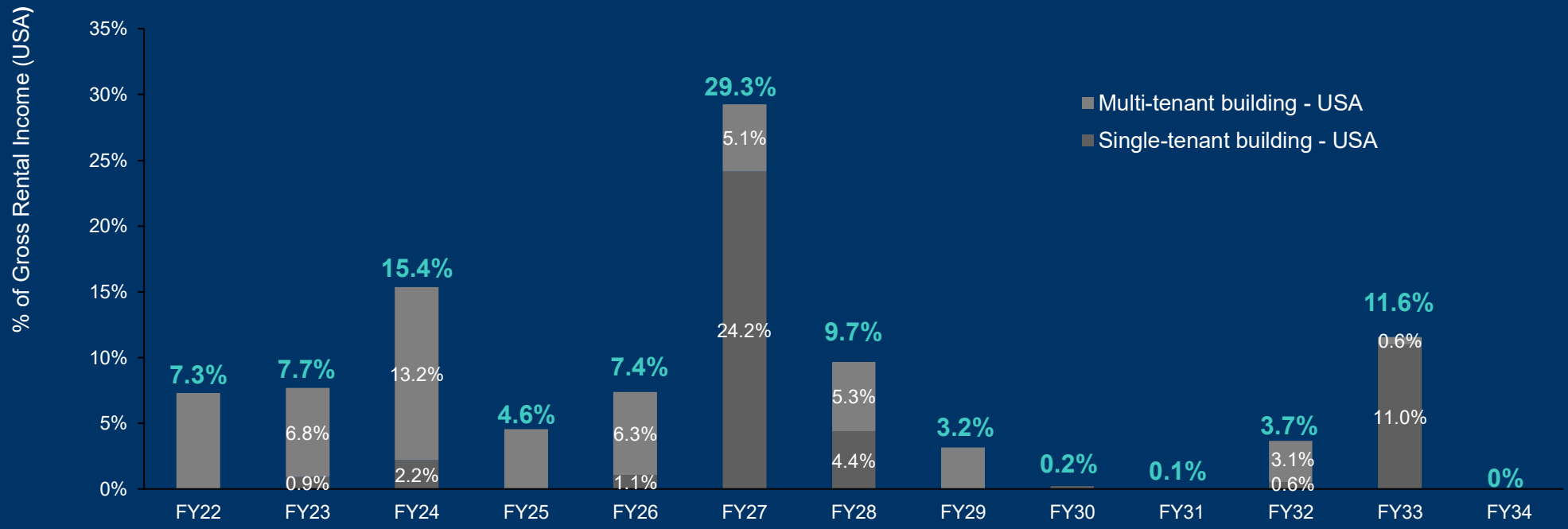




Business Space  Logistics

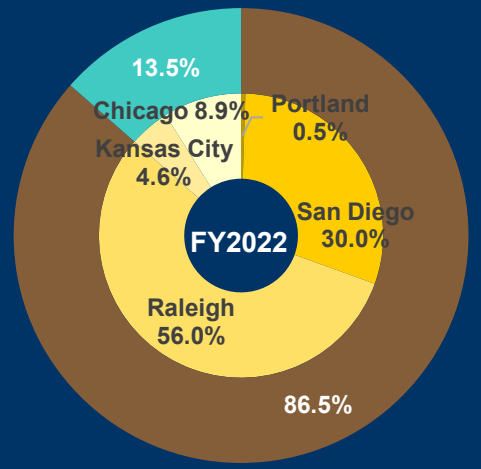
# United States: Lease Expiry Profile

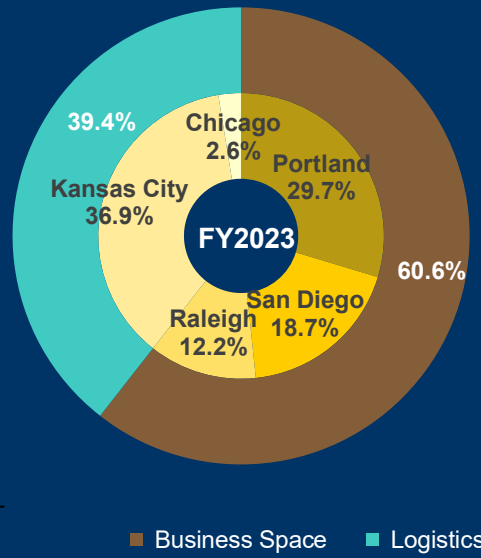
As at 30 Sep 2022

- United States portfolio WALE of 4.6 years
- Lease expiry is well-spread, extending beyond FY2033
- About 7.3% of United States' gross rental income is due for renewal in the remaining of FY2022




**Breakdown of expiring leases for FY2022 and FY2023**

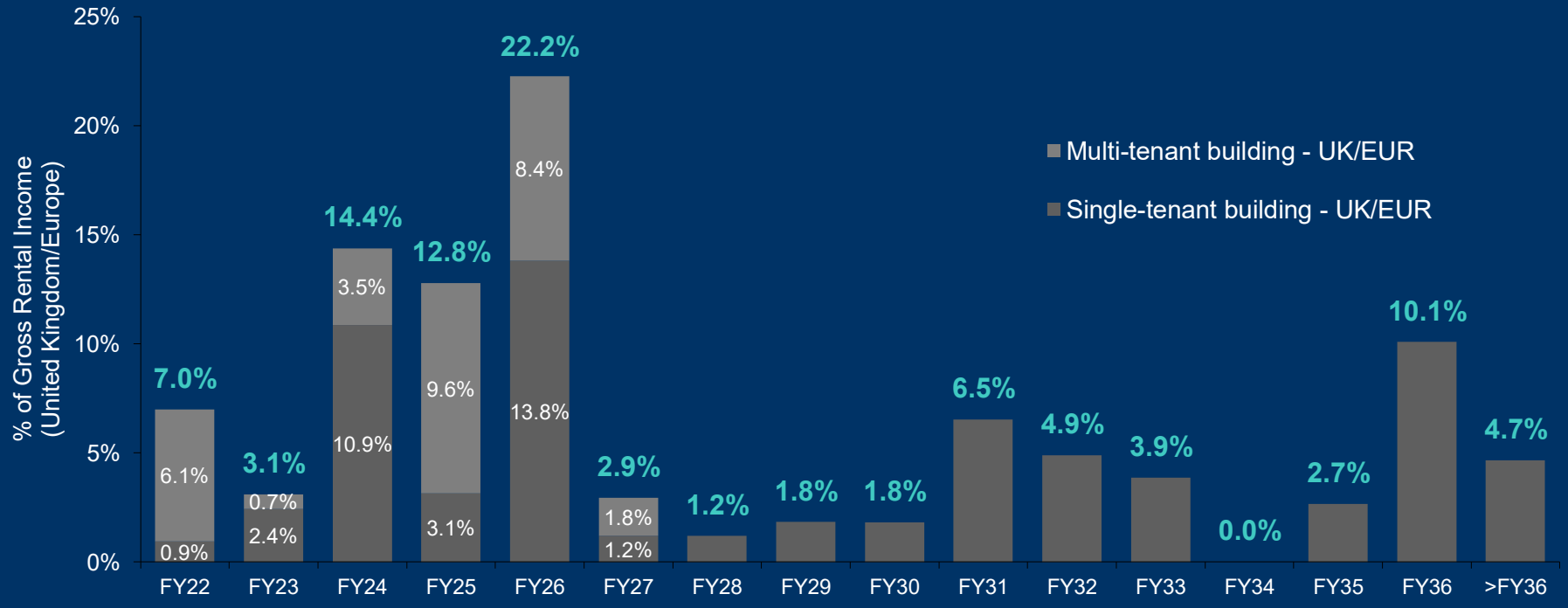


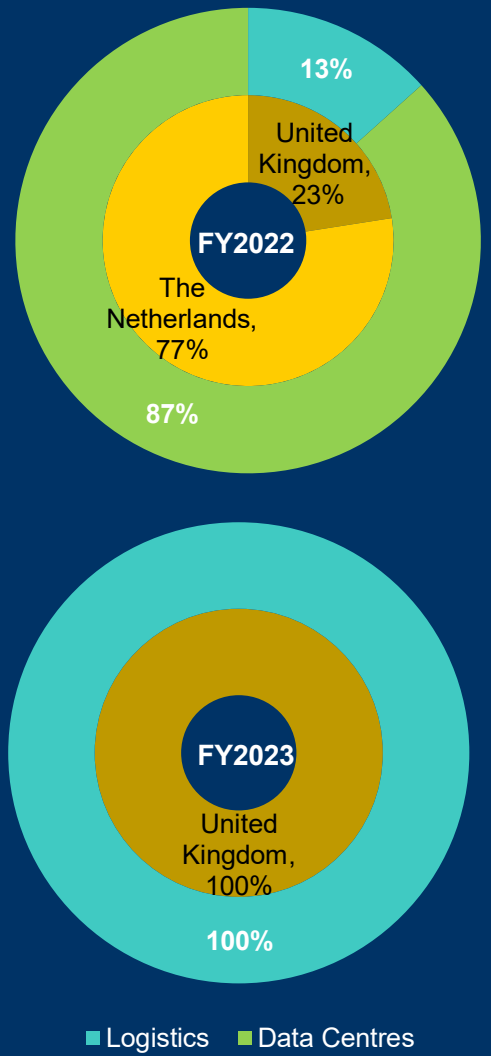
# United Kingdom/Europe: Lease Expiry Profile

As at 30 Sep 2022

- United Kingdom/Europe portfolio WALE of 6.1 years
- Lease expiry is well-spread, extending beyond FY2036
- About 7.0% of United Kingdom/Europe's gross rental income is due for renewal in the remaining of FY2022




**Breakdown of expiring leases for FY2022 and FY2023**



# Improving Portfolio Quality

## Ongoing Projects

| | City/Country | Estimated Total Cost (S$m) | Estimated Completion Date |
|---|---|---|---|
| **Acquisitions Under Development** | | **161.0** | |
| MQX4, Macquarie Park | Sydney, Australia | 161.0[1] | 2Q 2023[2] |
| **Redevelopments** | | **384.5** | |
| 1 Science Park Drive (34% stake) | Singapore | 300.2[3] | 2Q 2025 |
| iQuest@IBP | Singapore | 84.3 | 4Q 2024 |
| **Asset Enhancement Initiatives** | | **20.5** | |
| 17 Changi Business Park Central 1 | Singapore | 5.0 | 4Q 2022 |
| The Alpha | Singapore | 15.5 | 4Q 2023 |
| **Convert-to-Suit** | | **56.4** | |
| 6055 Lusk Boulevard ***(new)*** | San Diego, United States | 56.4[4] | 4Q 2023 |
| | **TOTAL:** | **622.4** | |

(1) Based on exchange rate of A$1.000: S$0.9628 as at 31 Jul 2020.
(2) Delayed from 4Q 2022.
(3) Based on CLAR's proportionate share of the project.
(4) Based on an illustrative exchange rate of US$1.000: S$1.409 as announced on 30 Sep 2022.

# Convert-to-suit development *(New)*

## 6055 Lusk Boulevard, San Diego, United States

| | |
|---|---|
| **Description** | Located in Sorrento Mesa, one of the top life sciences submarkets in the United States, the property will undergo transformation from an office space to a cutting-edge, high-performance and LEED Gold-certified life sciences building.<br><br>The property will be outfitted with new mechanical, electrical and plumbing (MEP) systems, roof, windows and interior improvements, which include state-of-the-art laboratories, office and vivarium spaces. The energy efficient building will have solar panels as well as extensive indoor and outdoor spa-like amenities to improve employee well-being. |
| **Net Lettable Area** | 8,754 sqm |
| **Estimated Cost** (1) | US$40.0 m (S$56.4 m) |
| **Estimated NPI Yield**(2) | 9.0% |
| **Estimated Completion Date** | 4Q 2023 |



6055 Lusk Boulevard, San Diego, United States

(1) S$ amount based on an illustrative exchange rate of US$1.000: S$1.409 as announced on 30 Sep 2022
(2) The NPI yield is derived using the net property income expected in the stabilized year of operation of the property




# Market Outlook

Perimeter Two, Raleigh, United States

# Market Outlook

**Macro Environment**

- In its October 2022 report, the International Monetary Fund (IMF) projected global growth to slow from 6.0% in 2021 to 3.2% in 2022 and 2.7% in 2023. This is the weakest growth profile since 2001 except for the global financial crisis and the acute phase of the COVID-19 pandemic.

- According to the IMF, “global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades. The cost-of-living crisis, tightening financial conditions in most regions, Russia’s invasion of Ukraine, and the lingering COVID-19 pandemic all weigh heavily on the outlook”.

Source for Singapore GDP and GDP growth forecast: MTI

# Market Outlook

**Singapore**

- Based on advance GDP estimates by the Ministry of Trade and Industry (MTI) for 3Q 2022, the Singapore economy grew by 4.4% y-o-y easing slightly from the 4.5% growth in 2Q 2022. The manufacturing sector grew by 1.5% y-o-y, slower than the 5.7% growth in the previous quarter, supported by output expansions in the transport engineering, general manufacturing and precision engineering clusters, which outweighed output declines in the electronics and chemical clusters.
- In August 2022, MTI narrowed its GDP growth forecast for 2022 to “3.0% to 4.0%”, from its previous forecast of “3.0% to 5.0%”, after taking into account the performance of the Singapore economy in the first half of 2022, as well as the latest global and domestic economic developments.
- Consumer Price Index (CPI-All Items) rose 7.5% y-o-y in September 2022, reflecting higher inflation for food, accommodation, services and retail & other goods, offset by lower private transport. MAS Core Inflation, which excludes the costs of housing and private road transport, rose 5.3% y-o-y in September 2022, mainly driven by food, services and retail & other goods. MAS expects CPI-All Items inflation to average around 6.0% for 2022, while MAS Core Inflation is projected to around 4.0%.
- In October 2022, the Monetary Authority of Singapore (MAS) further tightened its monetary policy, its fifth tightening move since October 2021, to dampen inflation in the near term and to ensure medium-term price stability. It will re-centre the midpoint of the Singapore dollar nominal effective exchange rate (S$NEER) policy band up to its prevailing level. There is no change to the slope and width of the policy band.
- CapitaLand Ascendas REIT’s (CLAR) multi-asset portfolio in Singapore, worth S$10.1 b as at 30 September 2022, serves a wide range of customers from industries such as technology, biomedical sciences, manufacturing and logistics across their entire chain of operations.
- As part of CLAR’s asset rejuvenation plan, several asset enhancement initiatives and redevelopment projects are ongoing to upgrade property specifications, unlock value through repositioning or meet green rating requirements.

Sources: MTI, MAS

# Market Outlook

**Australia**

- The Australian economy rose 0.9% q-o-q in 2Q 2022, following a rise of 0.7% in 1Q 2022. The continued growth was aided by the first full quarter of re-opened domestic and international borders since the pandemic began. IMF projects the Australian economy to grow by 3.8% in 2022.

- In 2Q 2022, All groups CPI rose 6.1% y-o-y and 1.8% q-o-q. The most significant price rises in the quarter were new dwellings, automotive fuel and furniture in all capital cities.

- At its October 2022 meeting, the Reserve Bank of Australia (RBA) raised its cash rate by 25 basis points to 2.6% and the interest rate on Exchange Settlement balances by 25 basis points to 2.5%. The Australian economy continued to grow and national income was boosted by a record level of the terms of trade. RBA believed this increase in interest rates will help achieve a more sustainable balance of demand and supply in the Australian economy that is necessary to bring inflation back down. The Board expects to increase interest rates further over the period ahead.

- MQX4, a new suburban office property in Sydney, is expected to complete in 2Q 2023, which will expand its footprint within the Macquarie Park innovation district. The total value of properties in Australia is expected to grow to S$2.6 b after the inclusion of MQX4.

Sources: ABS, RBA

# Market Outlook

**United States (US)**

- Based on advance estimates for 3Q 2022, the US economy grew by an annualised rate of 2.6% following two consecutive quarterly contractions of 0.6% in 2Q 2022 and 1.6% in 1Q 2022. The increase in GDP reflected increases in exports, consumer spending, nonresidential fixed investment, federal government spending, and state and local government spending, that were partly offset by decreases in residential fixed investment and private inventory investment.
- IMF estimates the GDP growth for the US to be 1.6% y-o-y for 2022.
- The CPI All Items index increased 8.2% over the last 12 months ended September 2022. The All Items less food and energy index rose 6.6% y-o-y. The energy index rose 19.8%, a smaller increase than the 23.8% recorded for August 2022. The food index increased 11.2% y-o-y.
- In September 2022, the US Fed raised interest rates by another 75 basis points to a target range of 3% to 3.25%, the highest it has been since early 2008. The Fed also indicated it will keep hiking well above the current level in order to return inflation to its 2% objective. It will also continue to reduce its holdings of Treasury securities and agency debt and agency mortgage-backed securities.
- With the completion of the seven logistics properties in Chicago in June 2022, CLAR's diversified US portfolio was worth S$2.4 b as at 30 September 2022. The US portfolio comprises business spaces and logistics properties, underpinned by a long WALE period of 4.6 years.

Sources: U.S. Bureau of Economic Analysis, Federal Reserve

# Market Outlook

**United Kingdom (UK)**

- UK's GDP expanded 0.2% q-o-q in 2Q 2022. The level of real GDP is now estimated to be 0.2% below where it was pre-COVID-19 at 4Q 2019. Based on IMF projections, UK GDP forecast for 2022 is 3.6%.
- The Consumer Prices Index (including owner occupiers' housing costs) rose 8.6% in the 12 months to August 2022, down from 8.8% in Jul 2022. The largest upward contributions to the inflation rate came from housing and household services (principally from electricity, gas and other fuels, and owner occupiers' housing costs), transport (principally motor fuels), and food and non-alcoholic beverages.
- In September 2022, the Bank of England's Monetary Policy Committee (MPC) increased the Bank Rate by 0.5% percentage points to 2.25%. The MPC noted that the risks around its projections from both external and domestic factors were exceptionally large, given the very large increase in wholesale gas prices and the consequent impact on real incomes for UK households and on CPI inflation. The labour market remains tight and domestic cost and price pressures remain elevated.
- The GBP and British government bonds recovered on 25 Oct 2022 following the appointment of Rishi Sunak as Britain's prime minister.

**Europe**

- The outlook of the economies in Western Europe have been affected by Russia's invasion of Ukraine. Headwinds from higher commodity prices and renewed supply chain disruptions have led to slower growth expectations in 2022. The European Commission reduced its 2022 GDP growth expectations for the European Union to 2.7% in 2022, from 4.0% in its earlier forecast.

- In UK/Europe, CLAR's assets under management amounted to S$1.6 b as at 30 September 2022. The Europe portfolio comprising logistics properties and data centres has a long WALE period of 6.1 years.

Sources: UK Office for National Statistics, Bank of England, European Commission

# Market Outlook

**Summary**

- The heightened risk environment continues to put pressure on the global outlook. In addition to rising interest rates and inflation, the export bans by the US of certain advanced materials and technologies to China has added to the uncertainty and volatility in the global supply chains. The ongoing Russian-Ukraine war will continue to have some destabilizing effect on global markets. These ongoing issues may have some impact on tenants' businesses as well as on CapitaLand Ascendas REIT's operating costs.

- On a brighter note, we have maintained steady portfolio occupancy rate of 94.5% and positive rental reversion of 5.4% in 3Q FY2022. The Manager's proactive portfolio management and prudent capital management will help to navigate and mitigate the rising utility and interest expenses. In this respect, we have implemented higher service charge for our Singapore leases from October 2022.

- The Manager is confident that CapitaLand Ascendas REIT's diversified and quality portfolio in developed markets should help it ride through this turbulent period.

# Portfolio Resilience & Sustainability




254 Wellington Road, Melbourne, Australia

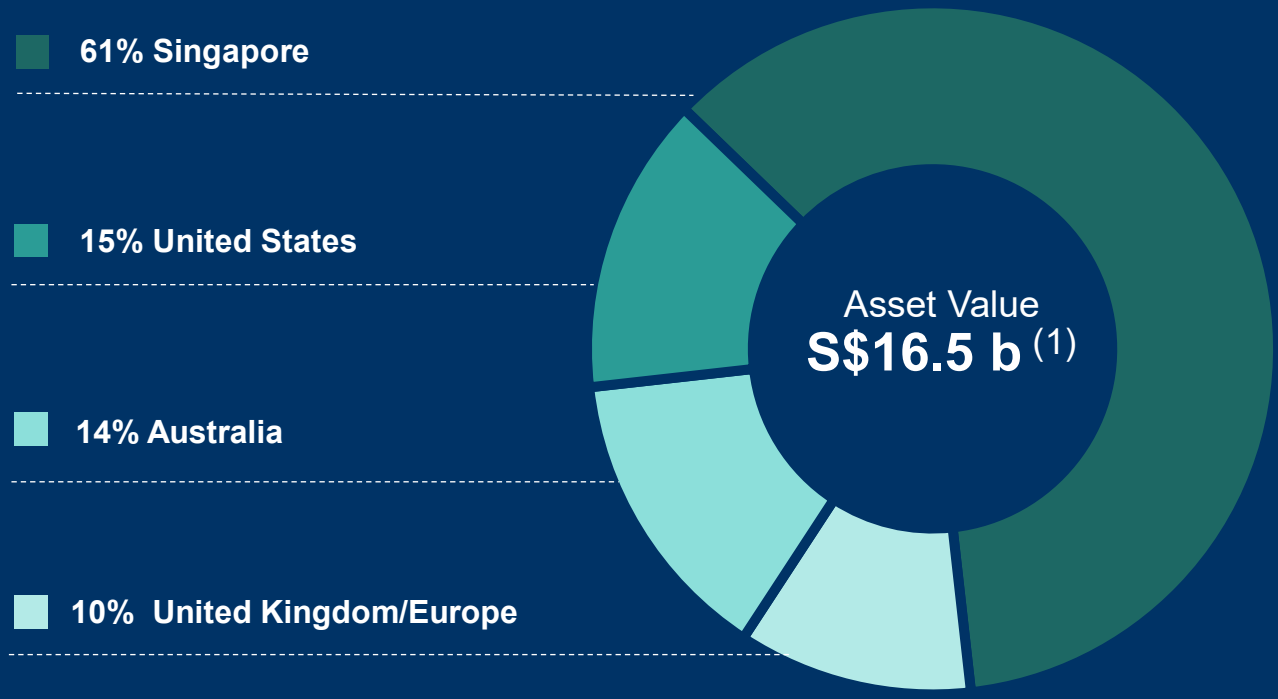
20 Celebrating Years

CapitaLand Ascendas REIT

# Diversified Portfolio Across Developed Markets

Investment Properties stood at **S$16.5 b**(1) as at 30 Sep 2022

- Singapore: ***S$10.1 b***
- United States: ***S$2.5 b***
- Australia: ***S$2.3 b***
- United Kingdom/Europe: ***S$1.6 b***



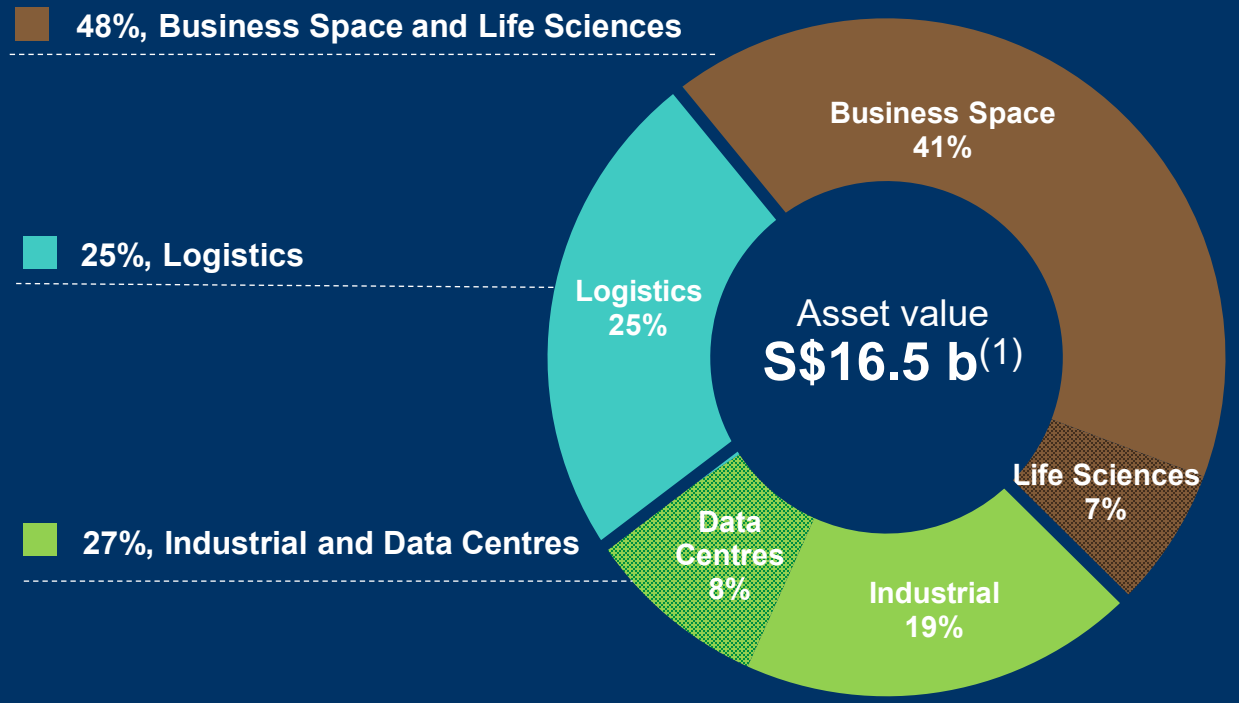

(1) Comprises 226 properties, which excludes two properties in Singapore and USA which are under redevelopment. Multi-tenant buildings account for 68.2% of CapitaLand Ascendas REIT's total investment properties (by asset value) as at 30 Sep 2022.

# Multi-Asset Portfolio

## Steering Towards Growth Sectors

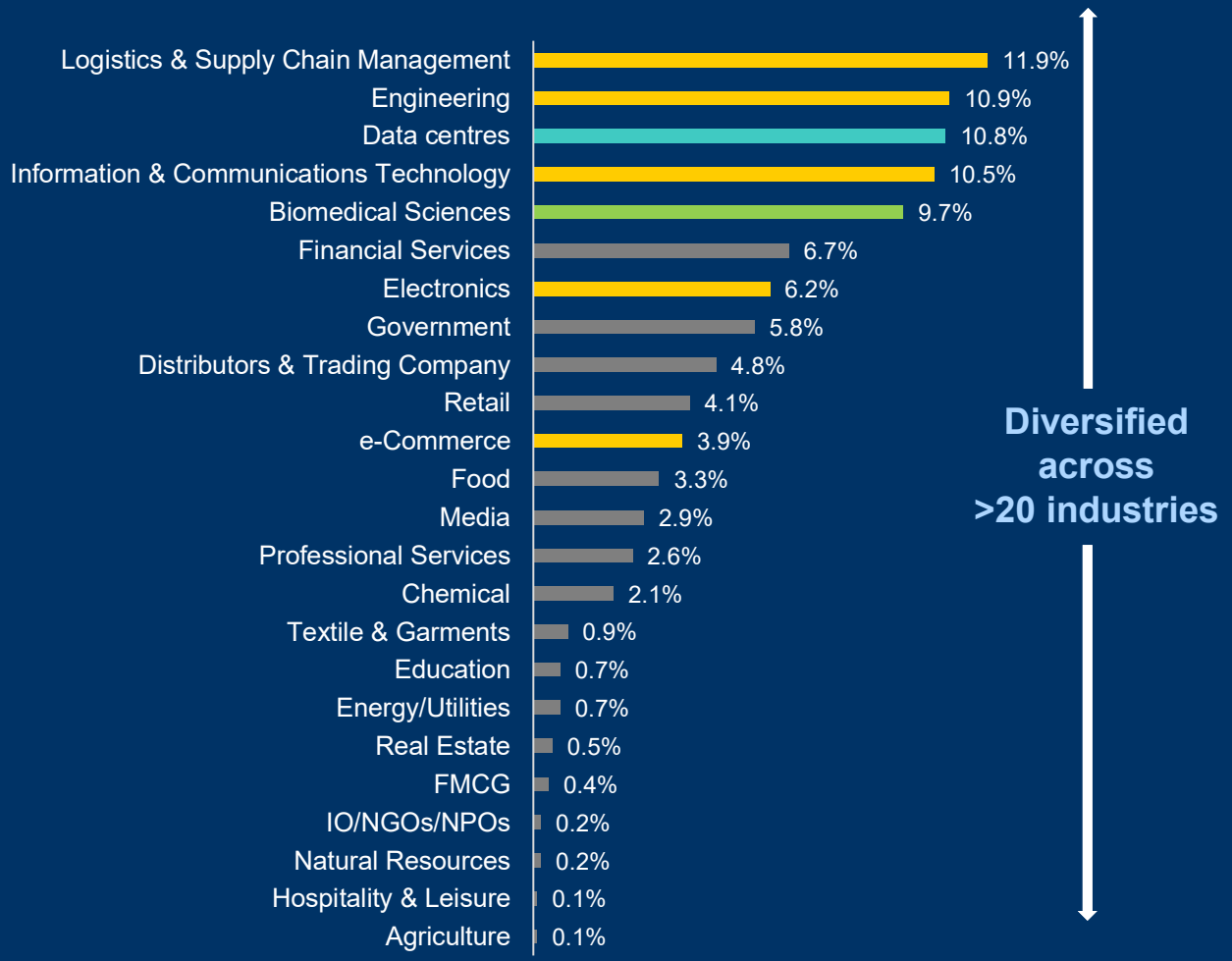
Steering our portfolio towards asset classes to cater to the changing market and tenant requirements arising from structural trends and changing consumption patterns such as digitalisation, e-commerce, etc.

- Business Space and Life Sciences[2]: ***S$7.9 b***
- Logistics[3]: ***S$4.1 b***
- Industrial and Data Centres[4]: ***S$4.5 b***

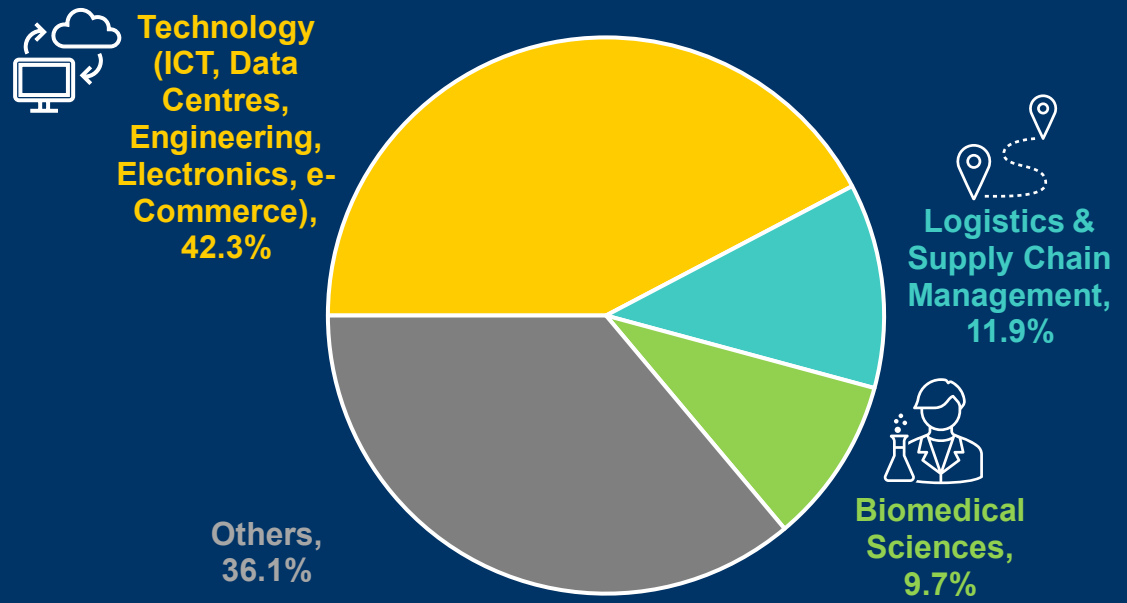



(1) Comprises 226 properties which excludes two properties in Singapore and USA which are under redevelopment. Multi-tenant buildings account for 68.2% of CLAR's total investment properties (by asset value) as at 30 Sep 2022.
(2) Business Space segment comprises of properties located in business & science parks in Singapore; suburban offices in Australia; business park and office properties in USA. Life Sciences segment comprises properties with lab-ready specifications (currently 7 business park properties in Singapore)。Business Space and Life Sciences properties are located in Singapore (30%), USA (13%) and Australia (5%).
(3) Includes Courts Megastore and Giant Hypermart which have been reclassified from Integrated development, amenities and retail (IDAR) segment. These properties have large warehouse spaces (under the Retail Warehouse Scheme). Logistics properties are located in Singapore (8%), Australia (10%), UK (5%) and USA (2%).
(4) Industrial properties are all located in Singapore and comprise high-specifications and light industrial properties (includes Aperia which has been reclassified from IDAR segment given its predominant industrial space offering). Data centres are located in Singapore (3%) and UK/Europe (5%).

# Tapping the Growing Technology, Logistics & Life Sciences Industries




63.9% of our customer base is from the growing technology, logistics and life sciences industries

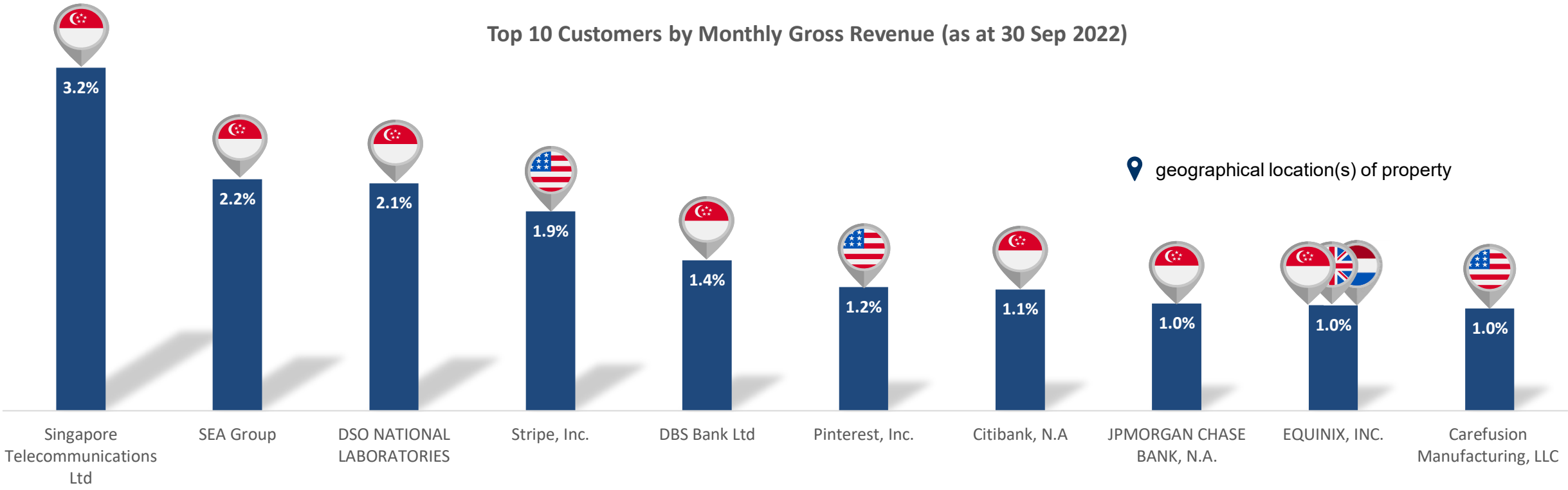



**Tenant Industries By Monthly Rental Income**

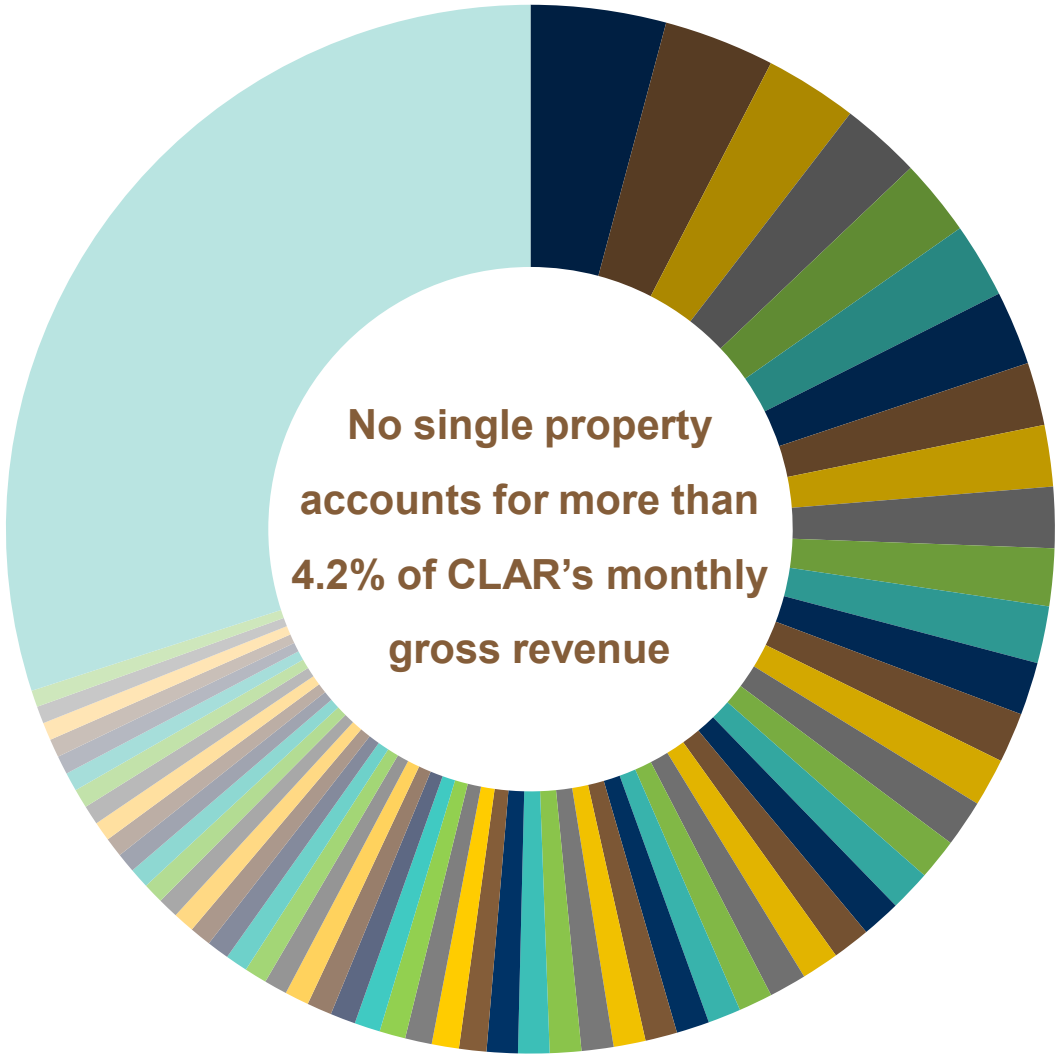
As at 30 Sep 2022

# Quality and Diversified Customer Base

- Total customer base of more than 1,690 tenants.
- Top 10 customers (as at 30 Sep 2022) account for about 16.1% of monthly portfolio gross revenue.
- On a portfolio basis, weighted average security deposit is about 4.7 months of rental income.



# Diversified Portfolio




- Galaxis,4.2%
- Croydon,2.9%
- ONE @ Changi City,2.4%
- Paul van Vlissingenstraat,2.3%
- 510 Townsend Street,1.9%
- Neuros & Immunos,1.8%
- TelePark,1.6%
- 40 Penjuru Lane,1.5%
- Corporation Place,1.3%
- Nexus@one-north,1.2%
- 505 Brannan Street,1.2%
- The Galen,1.0%
- Techlink,1.0%
- TechPoint,1.0%
- Siemens Centre,1.0%
- 10020 Pacific Mesa Boulevard,1.0%
- Grab Headquarters,0.8%
- 10 Toh Guan Road,0.8%
- 197-201 Coward Street,0.8%
- Infineon Building,0.7%
- Giant Hypermart,0.7%
- Reynolds House,0.7%
- Nordic European Centre,0.7%
- Cintech III & IV,0.6%
- 5005 & 5010 Wateridge,0.6%
- 108 Wickham Street,0.6%
- Perimeter 2,0.6%
- 18 Woodlands Loop,0.6%
- LogisTech,0.5%
- Hansapoint,0.5%
- Aperia,3.4%
- 12, 14 & 16 Science Park Drive,2.5%
- Nucleos,2.3%
- Pioneer Hub,1.9%
- 1, 3 & 5 Changi Business Park Crescent,1.9%
- Kim Chuan Telecommunication Complex,1.8%
- TechPlace II,1.5%
- Techview,1.4%
- The Aries, Sparkle & Gemini,1.3%
- 1-5 Thomas Holt Drive,1.2%
- DBS Asia Hub,1.1%
- TechPlace I,1.0%
- 31 International Business Park,1.0%
- The Kendall,1.0%
- 80 Bendemeer Road,1.0%
- FoodAxis @ Senoko,0.8%
- Welwyn Garden City,0.8%
- 138 Depot Road,0.8%
- The Capricorn,0.8%
- Changi Logistics Centre,0.7%
- The Alpha,0.7%
- 100 Wickham Street,0.7%
- 5200 East and West Paramount Parkway,0.6%
- Perimeter 1,0.6%
- 1 Sun Street,0.6%
- Courts Megastore,0.6%
- 7 Grevillea Street,0.6%
- Perimeter 3,0.6%
- 20 Tuas Ave 1,0.5%
- Others,30.0%

# Sustainability Committees

## Strategic Oversight & Implementation of Strategies

**CapitaLand Investment (CLI / Sponsor) Board of Directors**

**CLI Strategy Committee**
Strategic oversight of ESG policies and integration

**CLI Leadership Council**
Strategic management of ESG implementation across CLI Group

**CLI Sustainability Management Committee**
Strategic management of ESG implementation across CLI Group

**Various Sustainability Work Teams**
Group Sustainability Implementation Committee (GSIC)

**Staff**

**The Manager's Sustainability Committee (Established in 2020)**

**Chairman: CEO**

**Committee Members: Management Team Members**

- Portfolio Management
- Investment
- Finance, Risk and Sustainability
- Capital Markets & Investor Relations

Management and implementation of CLAR's sustainability objectives and strategies

**The Manager's Sustainability Working Committee**

**Working Committee Members: Representatives from Various Functions (Headed by Chief Financial Officer)**

**Board of the Manager**

Note:
(1) For more details about CapitaLand 2030 Sustainability Master Plan, please refer to https://www.capitaland.com/content/dam/capitaland-sites/international/about-capitaland/sustainability/CapitaLand_2030_Sustainability_Master_Plan.pdf

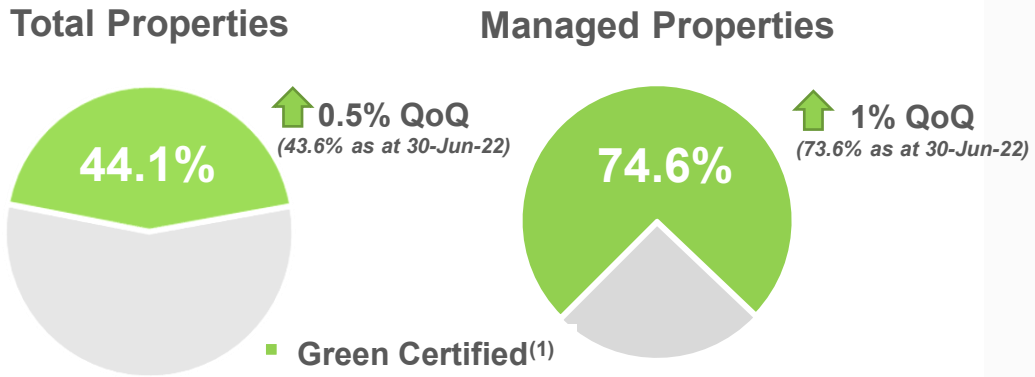
# CapitaLand Ascendas REIT's ESG Targets

| | Targets | Timeline |
|---|---|---|
| **Environmental** | • Green Certification for new acquisitions/developments to meet a minimum green rating target set(1)<br>  ○ Singapore – Green Mark Gold$^{PLUS}$ award<br>  ○ Overseas – certification by a green rating system administered by a national government ministry/agency or a World Green Building Council (WGBC) recognised Green Building Council(2) | - |
| | • All existing properties to achieve a minimum green rating(3) | By 2030 |
| | • To power the common facilities' electricity usage at Nucleos, Singapore, with renewable energy; in addition to the existing three properties(4) at one-north and Singapore's first Super Low Energy (SLE) industrial building, LogisTech. | By 2022 |
| **Social** | • Zero incidents resulting in staff permanent disability or fatality<br>• To ensure that at least 92% of vendors(5) attain a Level 3 in bizSAFE and above<br>• To achieve zero cases of validated discrimination | Perpetual targets |
| **Governance** | • To achieve zero lapses in corporate governance, corruption/employee misconduct<br>• Train all licensed employees on compliance with relevant governance policies<br>• Achieve full compliance with Personal Data Protection Act (PDPA) requirements | Perpetual targets |

(1) Refers to CLAR's owned and managed properties. If this is not achievable immediately, capital expenditure will be set aside to enhance the properties to attain green certifications in the future.
(2) Includes certifications for new building construction, core & shell, design and as-built etc.
(3) Refers to CLAR's owned and managed properties
(4) Refers to Neuros & Immunos, Nexus@one-north and Galaxis in Singapore.
(5) Refers to vendors appointed by the procurement team for CLAR's Singapore property management services.

# Green Initiatives

## Green Buildings




**61**
**(Q3 2022: +2)**
**Green Certified Managed Properties**

**20**
**(Q3 2022: +2)**
**Green Certifications Obtained in 2022**

## Renewable Energy

- **One of the largest combined rooftop solar installations in Singapore amongst S-REITs**

**>15,000 MWh**
**Solar power generated annually**
*(projection)*

**14**
**(Q3 2022: +6)**
**Properties installed with solar panels**

- 100% renewable energy is procured for four co-location data centres² in Europe/UK.
- **Largest no. of public Electric Vehicle (EV) charging points** in Singapore by a S-REIT: **76**
- Total no. of EV points in overseas portfolio: **164**

**LogisTech is the first industrial building in Singapore awarded Green Mark Platinum Super Low Energy (SLE) status. Energy generated from solar panels on its rooftop is used to power the building.**

Information as at 30 Sep 2022
(1) Green certification by GFA
(2) Reynolds House, Paul van Vlissingenstraat (PVV), Cressex Business Park, Croydon (except for a tenant who procures its own electricity).

# Green Initiatives

## Green Financing

- Established Green Finance Framework in FY2020
- Total of **~S$1.5b** comprising Green Bond, Green Perpetual Securities, Green Loans
- Green Interest Rates Swap (~S$202 m)

## GRESB Participation

- **Public Disclosure** - Retained “A” rating for three continuous years
- Participated in **Real Estate Assessment** for the first time - Achieved 3-Star rating

## Leveraging Technology

- Smart Urban Co-Innovation Lab located at The Galen, Singapore, is **Southeast Asia’s first industry-led innovation lab for smart cities solutions development**
- Bringing together industry leaders and the community to foster collaborations, co-create and test innovations within the Singapore Science Parks and Changi Business Park

## External Validation

BCA GREEN MARK

U.S. GREEN BUILDING COUNCIL LEED USGBC

GRESB ★★★☆☆ 2022

NABERS

CODE FOR A SUSTAINABLE BUILT ENVIRONMENT BREEAM UK

greenstar

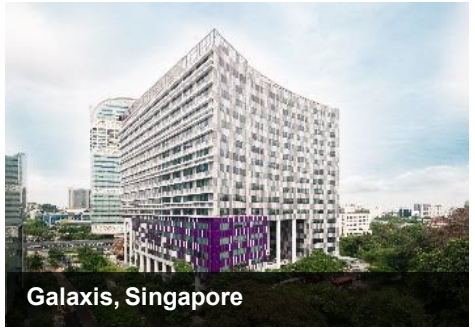
Information as at 30 Sep 2022

# Our Commitment

## Committed to Reduce Carbon Footprint

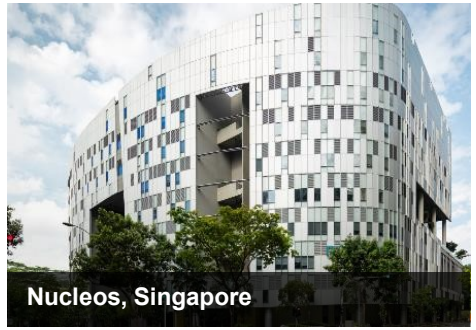
- By 2022, CapitaLand Ascendas REIT aims to power the common facilities' electricity usage at Nucleos, Singapore, with renewable energy; in addition to the existing three properties at one-north[(1)] and Singapore's first SLE industrial building, LogisTech.


Neuros & Immunos, Singapore


Galaxis, Singapore


Nexus @one-north, Singapore


LogisTech, Singapore


Nucleos, Singapore

**Achieved in 2020** | **Achieved in 2021** | **By 2022**

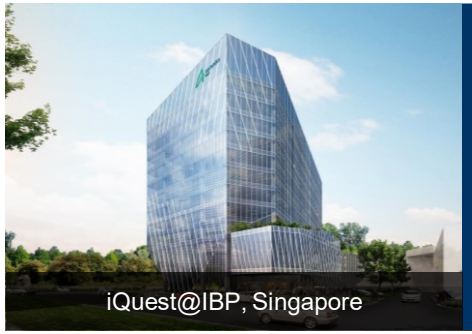
## Upcoming Green Certifications


500 Green Road, Brisbane, Australia

5-Star Green Star Design & As-Built (target)


MQX4, Sydney, Australia

6-Star Green Star Design & As-Built and 5.5 Star NABERS Energy (target)


iQuest@IBP, Singapore

BCA Green Mark Platinum (Recently certified on 21 Oct 2022)

Information as at 30 Sep 2022

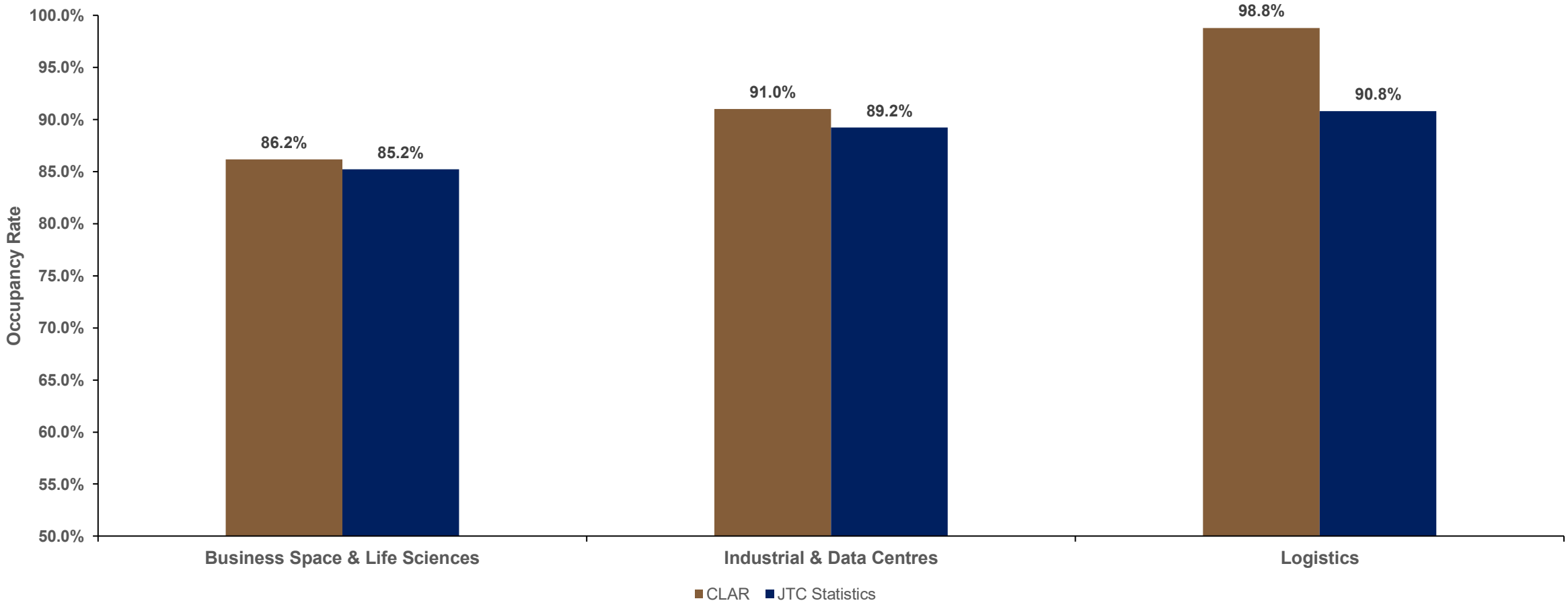
(1) Refers to Neuros & Immunos, Nexus@one-north and Galaxis in Singapore.

# Appendix



Unit 5 Wellesbourne Distribution Park, West Midlands, United Kingdom

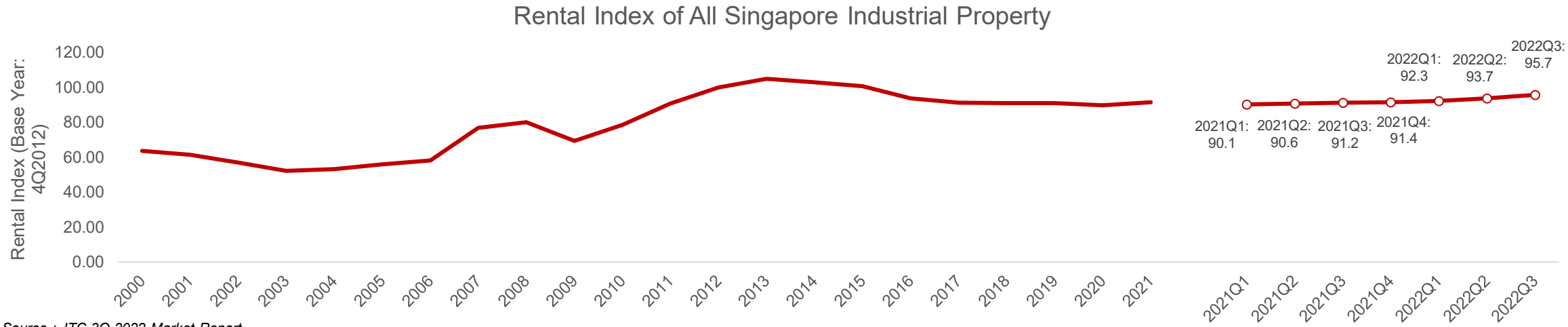
# CLAR's Singapore Occupancy vs Industrial Average



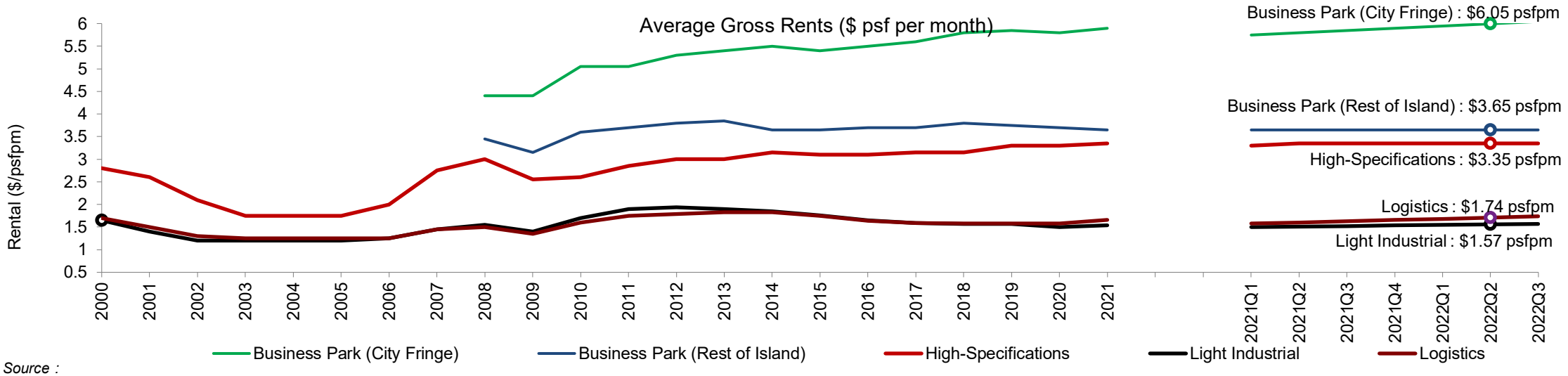

*Source :*
*CLAR's Singapore portfolio as at 30 Sep 2022. Market: 3Q 2022 JTC statistics.*
*The occupancy rate (89.2%) for the multiple-user factory is taken as a proxy for Industrial & Data Centres*

# Average Market Rents (Singapore)

## By Segment




*Source : JTC 3Q 2022 Market Report*




*Source :*
*CBRE Market View Report 3Q 2022 for Business Park (City Fringe), Business Park (Rest of Island), High-Specifications, Light Industrial and Logistics.*


Thank you
20 Celebrating Years
CapitaLand
Ascendas REIT