

CapitaLand Ascott Trust's gross profit rose 31% in 1H 2023 with stronger operating performance and quality acquisitions

- *Distribution per Stapled Security grew 19% to 2.78 cents in 1H 2023*
- *Portfolio revenue per available unit (REVPAU) increased 44% in 1H 2023 on robust lodging demand*

Singapore, 27 July 2023 – CapitaLand Ascott Trust's (CLAS) gross profit for 1H 2023 rose 31% to S\$154.4 million compared to 1H 2022. Revenue for 1H 2023 increased by 30% to S\$346.9 million compared to 1H 2022. This was mainly attributed to the strong operating performance of CLAS' properties as travel continues to pick up pace.

The higher revenue and gross profit were also due to additional contributions from CLAS' 14 quality operating assets acquired in FY 2022 and 2Q 2023¹, which were largely longer-stay assets. On a same-store basis, revenue and gross profit for 1H 2023 increased by 26% and 25% respectively compared to 1H 2022.

With the strong portfolio performance, CLAS has increased its Distribution per Stapled Security (DPS) for 1H 2023 by 19% year-on-year (y-o-y) to 2.78 cents. CLAS' total distribution for 1H 2023 also grew 26% y-o-y to S\$96.3 million compared to 1H 2022. Excluding one-off items², adjusted DPS rose 37% y-o-y to 2.44 cents.

CLAS' REVPAU³ increased 44% y-o-y to S\$138 for 1H 2023. In 2Q 2023, REVPAU was S\$149, a 20% increase y-o-y, reaching 98% of pre-pandemic 2Q 2019 pro forma REVPAU⁴. 2Q 2023 REVPAU for key markets such as Australia, Japan, Singapore, United Kingdom (UK), and USA have performed above pre-pandemic pro forma levels based on same-store comparison.

Mr Bob Tan, Chairman of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (the Managers of CLAS), said: "CLAS' strong performance is supported by the twin pillars of growth and stable income. In 1H 2023, our growth income contribution rose to 42% from 32% in 1H 2022 as we continued to capitalise on the increasing travel demand. Gross profit and REVPAU have further increased, moving

¹ CLAS completed 15 acquisitions in FY 2022 and 2Q 2023. Previously under development, Standard at Columbia received its temporary certificate of occupancy on 30 June 2023, and will begin operations in 3Q 2023

² Excluding one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans and settlement of cross currency interest rate swaps

³ Revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income, excludes master leases, rental housing and student accommodation properties

⁴ The combination with Ascendas Hospitality Trust (A-HTRUST) was completed on 31 December 2019 and the 2019 pro forma figures include the performance of the A-HTRUST portfolio

closer to our pre-pandemic performance. Our yield-accretive investments of largely longer-stay assets further enhanced our stable income, which will strengthen CLAS' resilience and provide downside protection against potential headwinds. CLAS remains committed to delivering sustainable returns to our Stapled Securityholders."

Ms Serena Teo, Chief Executive Officer of the Managers of CLAS, said: "We expect continued demand for CLAS' properties as international arrivals are projected to further recover to between 80% and 95% of pre-pandemic levels by the end of 2023⁵. We also expect international travel to pick up pace as flight capacities increase. Despite macroeconomic uncertainties, CLAS' performance is expected to remain resilient given our geographic diversification, range of lodging asset classes and different contract types."

"In 2Q 2023, we completed the turnkey acquisitions of two rental housing properties in Japan, Eslead Residence Osaka Fukushima East in Osaka and Granfore Hakata Waterfront in Fukuoka. Both properties are well-leased, and our rental housing portfolio continues to register an average occupancy rate of over 95%, contributing stable income to CLAS. As part of our ongoing portfolio reconstitution efforts, we have entered into conditional sale and purchase agreements to divest four mature properties in the regional cities of France. This will give us the flexibility to recycle capital into higher-yielding investments. We will continue to exercise financial discipline as we seek investment, asset enhancement and portfolio reconstitution opportunities across our lodging asset classes," added Ms Teo.

Twining growth with stability

CLAS' growth income sources such as hotels and serviced residences under management contracts contributed 42% of the total gross profit in 1H 2023, while stable income sources⁶ contributed the remaining 58%. CLAS remains focused on maintaining a balanced mix of income streams with a medium-term asset allocation target to have 25-30% of its total portfolio value in longer-stay assets such as rental housing and student accommodation properties, and the remaining 70-75% in hospitality assets.

To further uplift the value and profitability of its assets, five properties will undergo asset enhancement initiatives (AEI) in FY 2023 and are expected to command higher room rates post-refurbishment. The latest asset slated for AEI is La Clef Tour Eiffel Paris by The Crest Collection in France. The five properties⁷ will remain open during the refurbishment and the upgrades are expected to be completed by 1H 2024. Construction of the new Somerset serviced residence at Clarke Quay in Singapore is on track to be completed in 2H 2025.

CLAS' master leases registered a 9% y-o-y increase in gross profit mainly due to higher variable rent and contributions from new acquisitions. CLAS' longer-stay properties, which include student accommodation and rental housing properties, maintained a strong average occupancy rate of over 95%. CLAS' operating student accommodation properties in the USA

⁵ "Tourism set to return to pre-pandemic levels in some regions in 2023" United Nations World Tourism Organization, January 2023

⁶ Stable income sources include properties under master leases, management contracts with minimum guaranteed income, as well as rental housing and student accommodation properties

⁷ In addition to La Clef Tour Eiffel Paris by The Crest Collection, Citadines Les Halles Paris in France, Citadines Kurfürstendamm Berlin in Germany, Citadines Holborn-Covent Garden London in UK and the Riverside Hotel Robertson Quay in Singapore are undergoing AEI in FY 2023

were 98% leased for the academic year (AY) 2022-2023. Pre-leasing for the next AY is healthy, with an expected rent growth of about 6% y-o-y.

To further strengthen its stable income stream, in addition to the completion of two turnkey rental housing acquisitions in Japan, CLAS' student accommodation property in the USA, Standard at Columbia, has received its temporary certificate of occupancy on 30 June 2023. The property has a pre-leased occupancy rate of 87% as at June 2023 and is set to welcome its first batch of students for the AY 2023-2024, starting in August 2023.

CLAS maintains a strong financial position through disciplined capital management

CLAS is in a strong financial position and remains prudent in its capital management. As at 30 June 2023, 80% of its debt are on fixed rates and the weighted average debt to maturity is 3.6 years, mitigating the impact of rising interest rates. CLAS' effective borrowing cost remains low at 2.3% per annum with an interest cover of 4.3 times. It has a debt headroom of S\$1.8 billion and a gearing of 38.6%, which is well below the 50% gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. CLAS has a total of approximately S\$1.11 billion in cash on-hand and available credit facilities. CLAS' geographically diversified portfolio with exposure to 12 foreign currencies mitigates the volatility in foreign exchange.

Summary of Results

	1H 2023	1H 2022	Variance %
Revenue (S\$ million)	346.9	267.4	30
Gross Profit (S\$ million)	154.4	118.2	31
Total distribution (S\$ million)⁽¹⁾	96.3	76.7	26
Distribution Per Stapled Security (DPS) (cents)	2.78	2.33	19
<u>For information only</u>			
DPS (cents) (adjusted for one-off items)⁽²⁾	2.44	1.78	37
Revenue Per Available Unit (REVPAU) (S\$/day)	138	96	44

(1) Total distribution for 1H 2023 and 1H 2022 included one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans and settlement of cross currency interest rate swaps.

(2) Adjusted DPS for the one-off items mentioned in note 1 above.

Distribution and Record Date

CLAS' distributions, made on a semi-annual basis, are as follows:

Distribution	For 1 January 2023 to 30 June 2023
Distribution Per Stapled Security	2.778 cents
Record Date	4 August 2023
Payment Date	29 August 2023

For CLAS' 1H 2023 financial statement and presentation, please visit www.capitalandascotttrust.com.

About CapitaLand Ascott Trust (www.capitalandascotttrust.com)

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S\$8.1 billion as at 30 June 2023. CLAS' objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. CLAS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 107 properties with more than 19,000 units in 47 cities across 15 countries in Asia Pacific, Europe and the United States of America as at 30 June 2023.

CLAS' properties are mostly operated under the Ascott, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT), and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT), and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 March 2023, CLI had about S\$133 billion of real estate assets under management, and about S\$89 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and about 30 private vehicles across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to

the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve net zero emissions by 2050. CLI contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

Important Notice

This release may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, availability of real estate properties, competition from other developments or companies, shifts in customer demands, shifts in expected levels of occupancy rate, property rental income, charge out collections, changes in operating expenses (including employee wages, benefits and training, property operating expenses), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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