

CapitaLand Ascendas REIT

2023 Annual General Meeting

Friday, 28 April 2023, 3.00 p.m.

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- This presentation 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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- This presentation is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units.

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Outlook



Our Growth Journey

1-7 Wayne Goss Drive, Brisbane, Australia

20 Years of Par Excellence

20 Celebrating Years

CapitaLand
Ascendas REIT

At IPO
A Singapore-focused REIT

Today
A global REIT anchored in Singapore, with a strong focus on tech and logistics properties in developed markets



Management and Staff of the Manager

2022

↑
S\$16.4 billion

2021

Europe

MAR 2021:
11 Data Centres in UK, Netherlands, France & Switzerland (S\$0.9 billion)

2019

United States

DEC 2019:
28 Business Parks (S\$1.3 billion)

2018

United Kingdom

AUG/SEP 2018:
38 Logistics Properties (S\$0.8 billion)

2015

Australia

OCT/NOV 2015:
26 Logistics Properties (S\$1.0 billion)

←
TOTAL INVESTMENT PROPERTIES
S\$0.6 billion

2002

NOV 2002:
LISTED ON SGX-ST

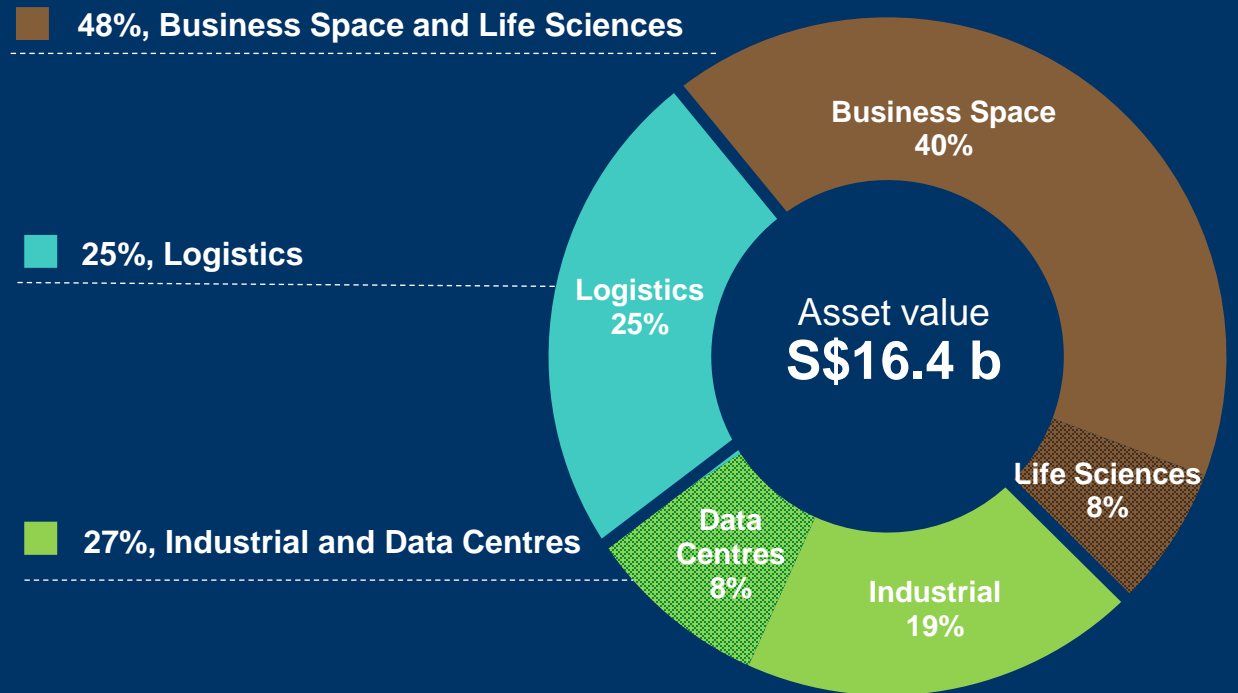
S\$8.2 billion →

Portfolio Strategy – Steering Towards Growth Sectors

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

Multi-asset portfolio consist the 3 key segments:

- **Business Space and Life Sciences**
- **Logistics**
- **Industrial and Data Centres**



**FY2022
Achievements**

540-570 Congress Circle South, Chicago, United States

Delivering Healthy Returns

FY2022



Financial Performance

Distributable Income

S\$663.9 m

+5.4% y-o-y

Contributions from newly acquired properties in 2021 and 2022, a completed BTS development in Singapore and better performance from Singapore properties

Distribution per Unit

15.798 cents

+3.5% y-o-y

Mainly due to the increase in NPI and absence of the Manager's performance fee

Investment Properties

S\$16.43 b

+0.8% vs 31 Dec 2021

Completed S\$223.4 m of acquisitions in Australia and US

Robust Operational & Capital Management Metrics

FY2022



Asset Management

Improved Portfolio Occupancy

94.6%

31 Dec 2021: 93.2%

**Positive Portfolio Rental
Reversion[#]**

+8.0%

FY2021: +4.5%



Capital Management

Healthy Aggregate Leverage

36.3%

31 Dec 2021: 35.9%

High Level of Natural Hedge

~74%

31 Dec 2021: ~76%

[#] 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 in multi-tenant buildings that were signed in FY2022 and average gross rents are weighted by area renewed.

Resilient Unit Price Performance

Relative to FTSE ST REIT Index



Source: Bloomberg

Focused Growth Strategy

510 Townsend Street, San Francisco, United States

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Building a Strong Portfolio

Completed S\$261.6 m of acquisitions / redevelopments and S\$16.3 m of asset enhancement initiatives



United States
S\$133.2 m
7 logistics properties
in Chicago

Singapore
S\$38.2 m
UBIX

Australia
S\$90.2 m
2 logistics properties
500 Green Road in Brisbane
7 Kiora Crescent in Sydney



Building a Strong Portfolio (cont'd)

Completed S\$296.7 m of acquisitions in first quarter of 2023



622 Toa Payoh Lorong 1, Singapore

**Purchase
Consideration:**
S\$104.8 m

- Six-storey modern campus comprising laboratory, research and development, warehouse and ancillary office space
- Centrally located within Toa Payoh Town, which is a 3-minute walk from Caldecott MRT station and 15-minute drive to the Central Business District
- Achieved BCA Green Mark Gold^{PLUS}



1 Buroh Lane, Singapore

**Purchase
Consideration:**
S\$191.9 m

- Five-storey ramp up logistics distribution centre offering chiller/freezer, air-conditioned, ambient storage space and ancillary office space
- Situated in the western region of Singapore within the Jalan Buroh Food Zone and is within 5-minute drive to Ayer Rajar Expressway and close proximity to major sea ports

Improving Returns

Estimated completion in 2023



MQX4, Sydney, Australia

Business Space located in the heart of Macquarie Park, home to many technology and biomedical companies

Purchase Consideration:
S\$161.0 m



The Alpha, Singapore

Refurbishment of the main lobby, new collaboration spaces and upgrading of current facilities to cater to a larger capacity of users

Estimated AEI Cost:
S\$15.5 m



Lusk Boulevard, San Diego, US

Transformation of an office space to a cutting-edge, high-performance and LEED Gold-certified life sciences building

Estimated Convert-to-suit cost:
S\$56.4 m

Estimated completion in 2025 and beyond



iQuest@IBP, Singapore

To be repositioned into a modern Business Space with double the gross floor area

Estimated Development Cost:
S\$84.3 m



1 Science Park Drive, Singapore

Development of a world-class life science and innovation campus

Estimated Development Cost (34%):
S\$300.2 m



Prudent Capital Management

Reynolds House, Manchester, United Kingdom

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Healthy Balance Sheet and Financial Metrics



Aggregate Leverage⁽¹⁾⁽²⁾

36.3%



Interest Cover Ratio⁽³⁾

5.2 times



% of Borrowings on Fixed Rates

~79%



Net Debt/Annualised EBITDA⁽⁴⁾

7.8 times



Weighted Average all-in Debt Cost

2.5%



Moody's Credit Rating Maintained since 2010

A3

(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 63.4%.

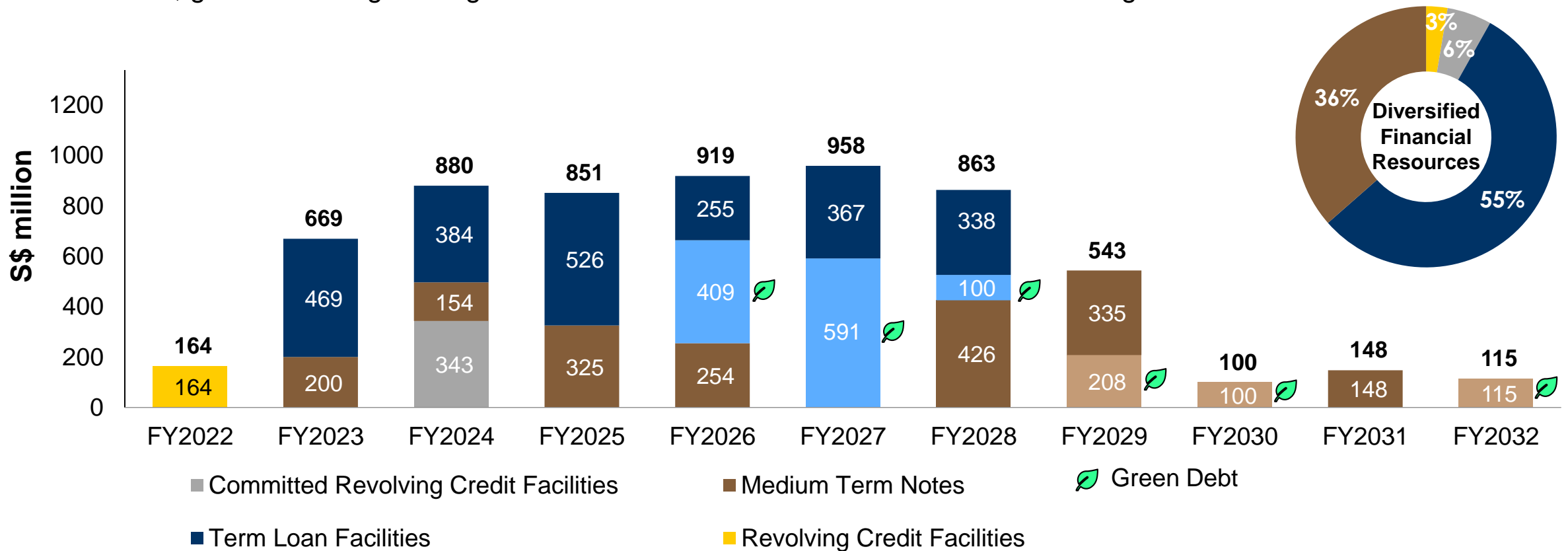
(2) Excludes the effects of FRS 116.

(3) 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.

(4) 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.

Proactively Extended Debt Maturity to 3.7 years

- Average debt maturity healthy at **3.7 years** (FY2021: 3.5 years)
- Well-spread debt maturity with the longest debt maturing in FY2032
- To date, green financing totaling S\$1.8 b⁽¹⁾ accounts for about 28% of total borrowings



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

High Proportion of Fixed Rate Debt Moderates Increase in Interest Expense

Proportion of Borrowings on Fixed Rates

- ~79% of borrowings are on fixed rates with an average term of 3.3 years
- Based on the variable rate portion, a 100 bps increase in interest rate is expected to have a pro forma impact of S\$13.0 m decline in distribution or 0.31 cents decline in DPU

Refinancing in FY2023

- S\$669 m** of borrowings are due to be refinanced in FY2023
- A 100 bps increase in interest rate is expected to have a pro forma impact of S\$6.7 m decline in distribution or 0.16 cents decline in DPU

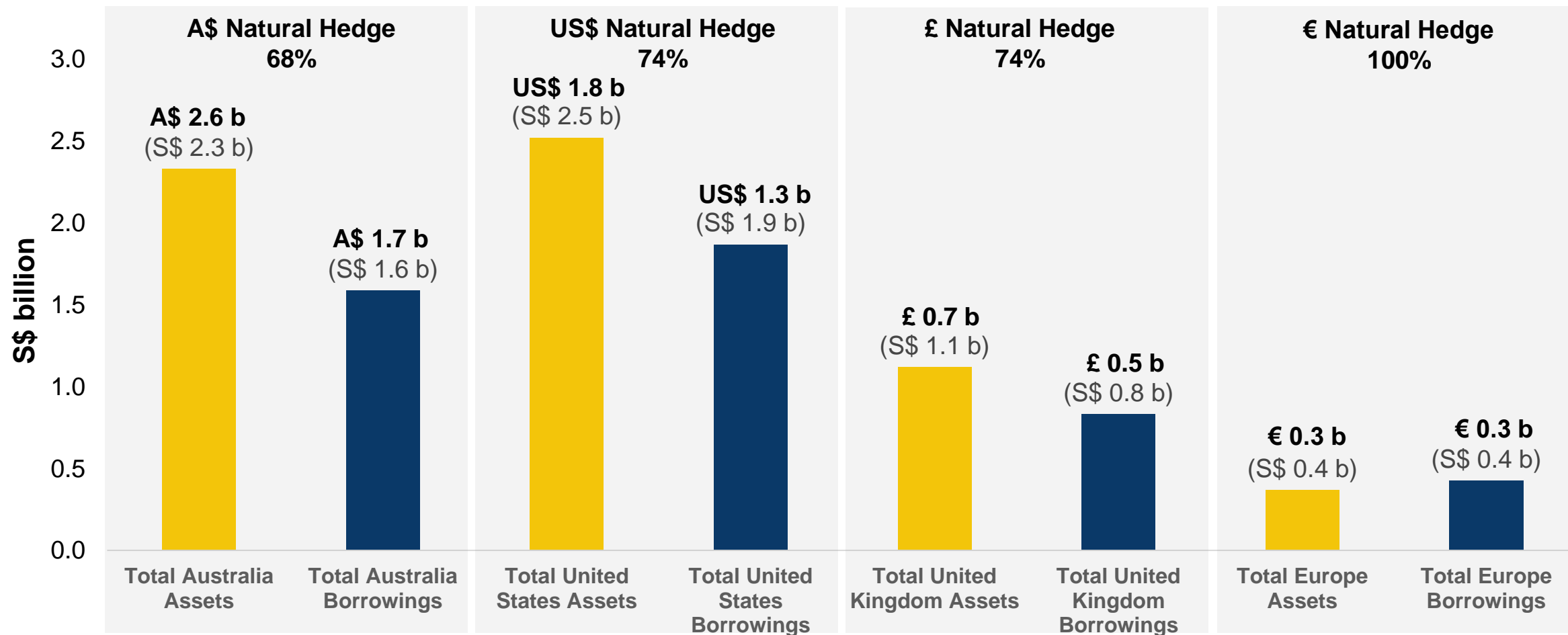
Change in Interest Rates	Decrease in Distributable Income (S\$m)	Change as % of FY2022 Distribution	Pro Forma DPU Impact (cents) ⁽¹⁾
+ 50bps	6.5	-1.0%	-0.15
+ 100bps	13.0	-2.0%	-0.31
+ 150bps	19.4	-2.9%	-0.46
+ 200bps	25.9	-3.9%	-0.62

Change in Interest Rates	Decrease in Distributable Income (S\$m)	Change as % of FY2022 Distribution	Pro Forma DPU Impact (cents) ⁽¹⁾
+ 50bps	3.3	-0.5%	-0.08
+ 100bps	6.7	-1.0%	-0.16
+ 150bps	10.0	-1.5%	-0.24
+ 200bps	13.4	-2.0%	-0.32

(1) Based on number of Units in issue of 4,204m as at 31 Dec 2022.

High Level of Natural Hedge

- Maintained high level of natural hedge of ~74% for overseas investment to minimise the effects of any adverse exchange rate fluctuations
- With EUR fully-hedged, and if AUD, USD and GBP weaken by 15%, overall impact to NAV is less than 3%



Stable Property Revaluation

- Total valuation of 227 investment properties⁽¹⁾ was **S\$16.43 b**
- There is no significant change in the valuation of our property portfolio. Same-store valuation for 217 properties⁽²⁾ was stable at S\$16.11 b
- In local currency terms: Higher valuations were achieved in Singapore, Australia and USA

As at 31 Dec 2022	Valuation (S\$'b)	Weighted Average Cap Rates	Cap Rates Range
Singapore portfolio (94 properties)	10.10	5.79%	5.25% - 7.00%
Australia portfolio (36 properties) ⁽³⁾	2.33	4.99%	4.00% - 6.75%
United States portfolio (48 properties) ⁽⁴⁾	2.52	5.91%	5.00% - 7.50%
United Kingdom/Europe portfolio (49 properties) ⁽⁵⁾	1.48	6.33%⁽⁶⁾	4.90% - 8.56%⁽⁶⁾
Total Portfolio (227 properties)	16.43	5.81%	4.00% - 8.56%

(1) Excludes iQuest@IBP in Singapore, which is under redevelopment.

(2) Excludes UBIX which obtained Temporary Occupation Permit on 7 Jan 2022 in Singapore; 9 properties acquired in 2022: 500 Green Road and 7 Kiora Crescent in Australia, and 7 logistics properties in the USA.

(3) All S\$ amount based on exchange rate of A\$1.00: S\$0.9028 as at 31 Dec 2022.

(4) All S\$ amount based on exchange rate of US\$1.00: S\$1.37068 as at 31 Dec 2022.

(5) All S\$ amount based on exchange rate of £1.00: S\$1.62643 and €1.00: S\$1.4184 as at 31 Dec 2022.

(6) Refers to equivalent yield for UK logistics properties, which reflects the current level of return on property investments in the United Kingdom.



nucleos



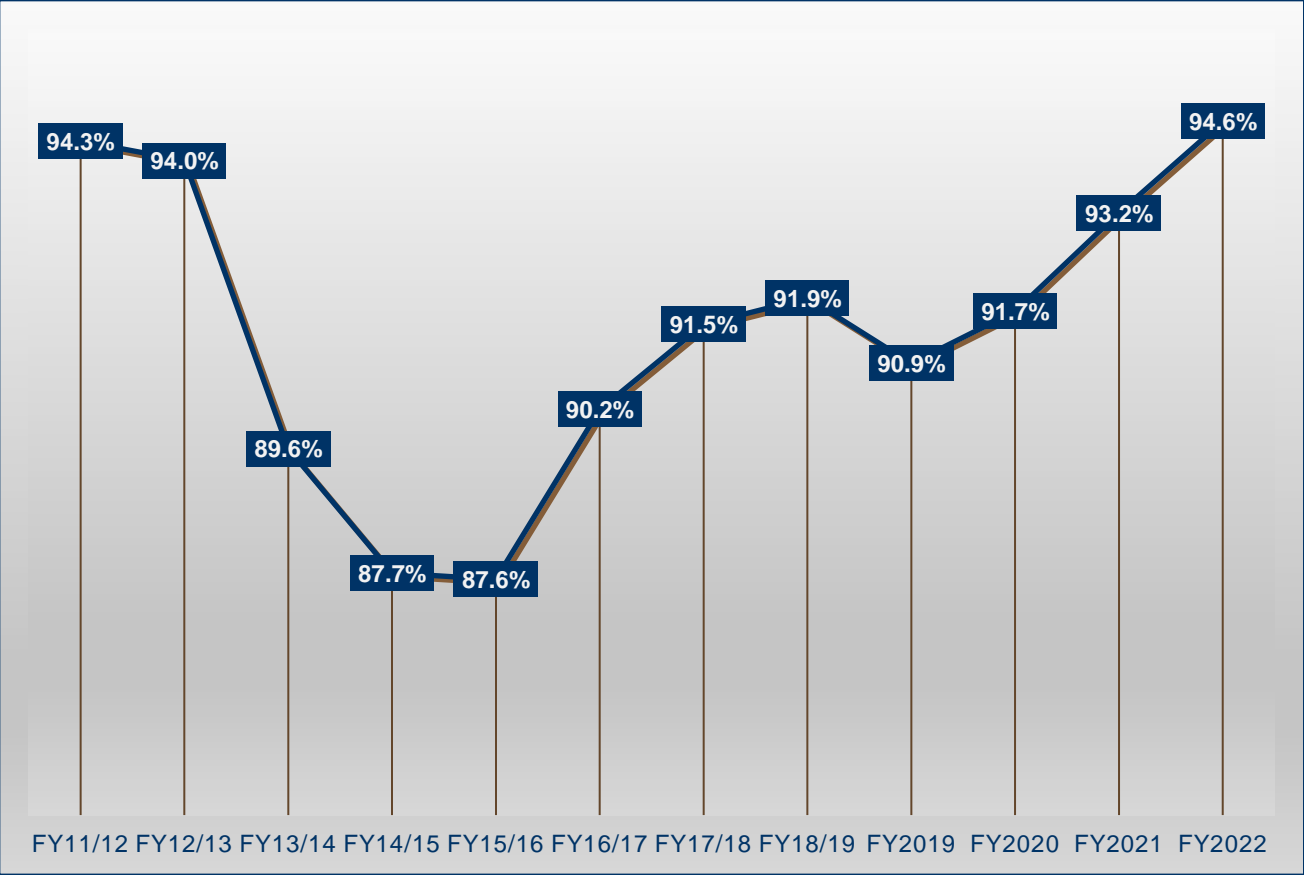
Proactive Asset Management

Nucleos, Singapore

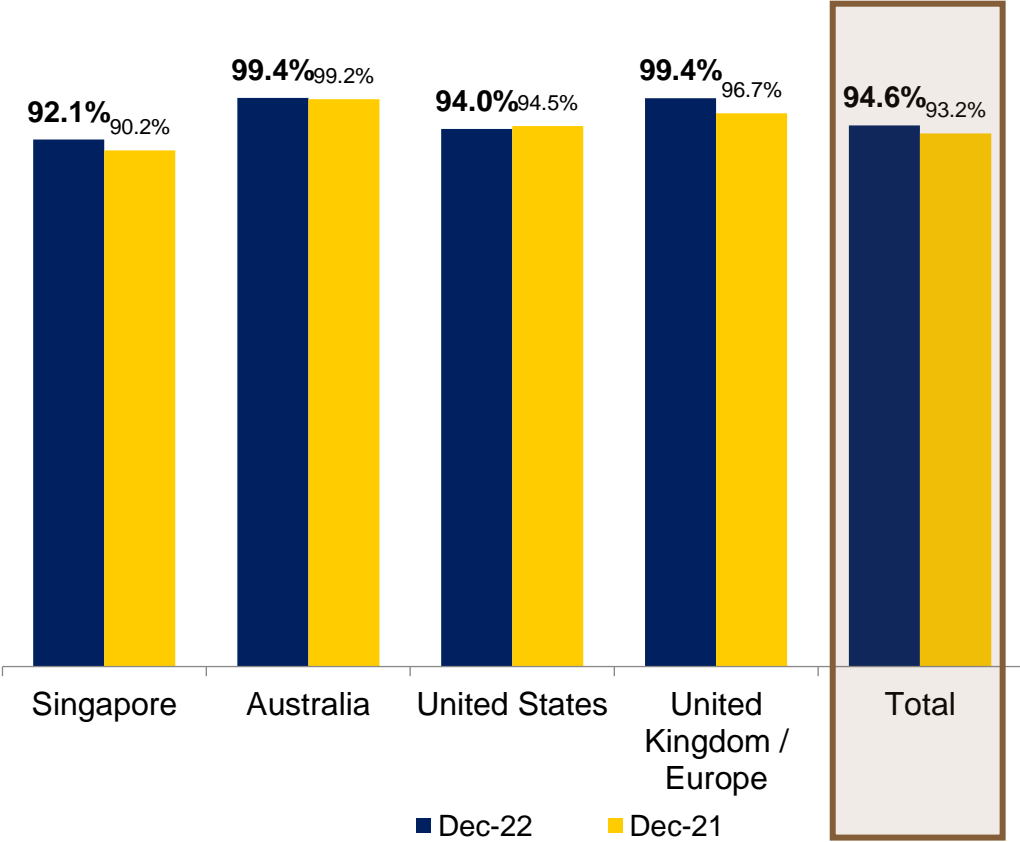
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Portfolio Occupancy at 10-year high

10-year Occupancy Rate



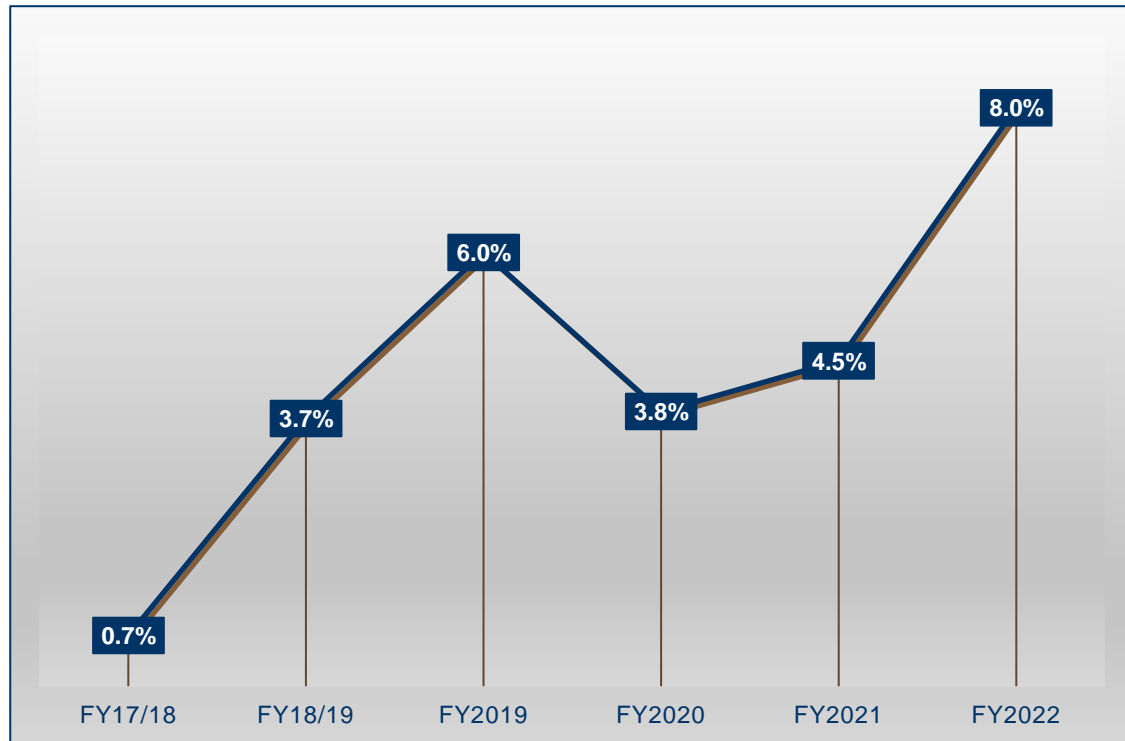
By Geography (y-o-y)



Strong Rental Reversion Momentum

- Average portfolio rent reversion of **+8.0%** was recorded for leases renewed in FY2022.
- Rental reversion for FY2023 is expected to be in the positive mid single-digit range.

5-year Trend



By Geography (y-o-y)

% Change in Renewal Rates for Multi-tenant Buildings ⁽¹⁾	FY2022	FY2021
Singapore	7.0%	2.9%
Australia	14.2%	- ⁽²⁾
United States	29.2%	22.6%
United Kingdom/Europe	11.7%	6.2%
Total Portfolio :	8.0%	4.5%

(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) There were no renewals signed in the period for the segment.

Stable Weighted Average Lease Expiry

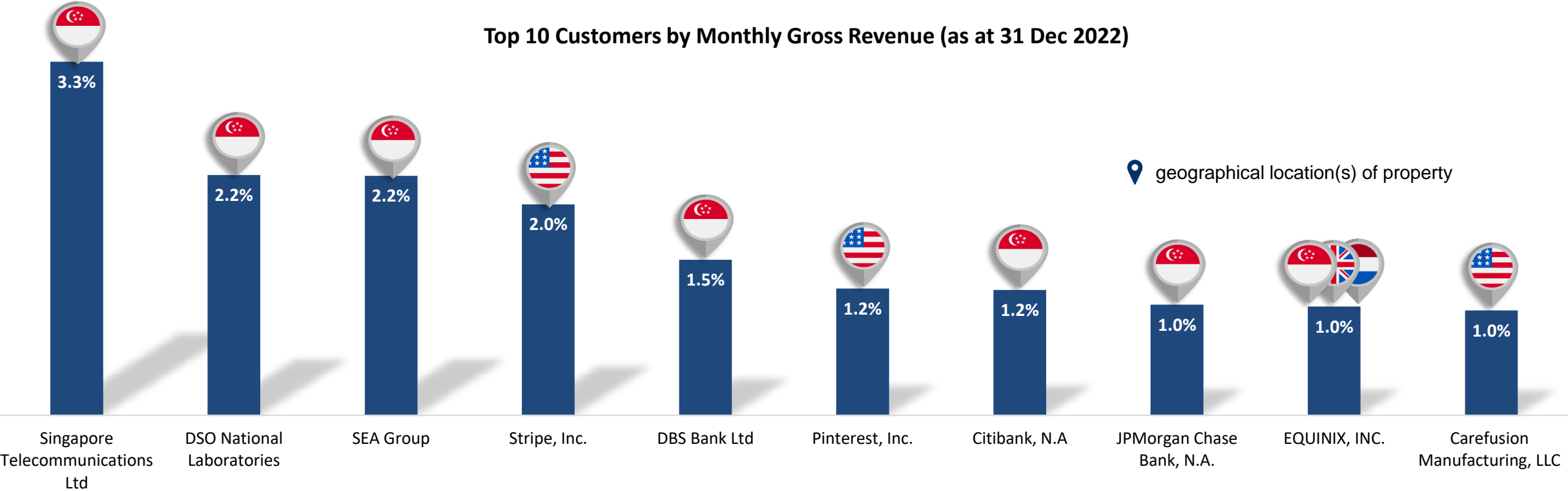
By Gross Revenue

- Portfolio Weighted Average Lease Expiry (WALE) stood at **3.8 years**

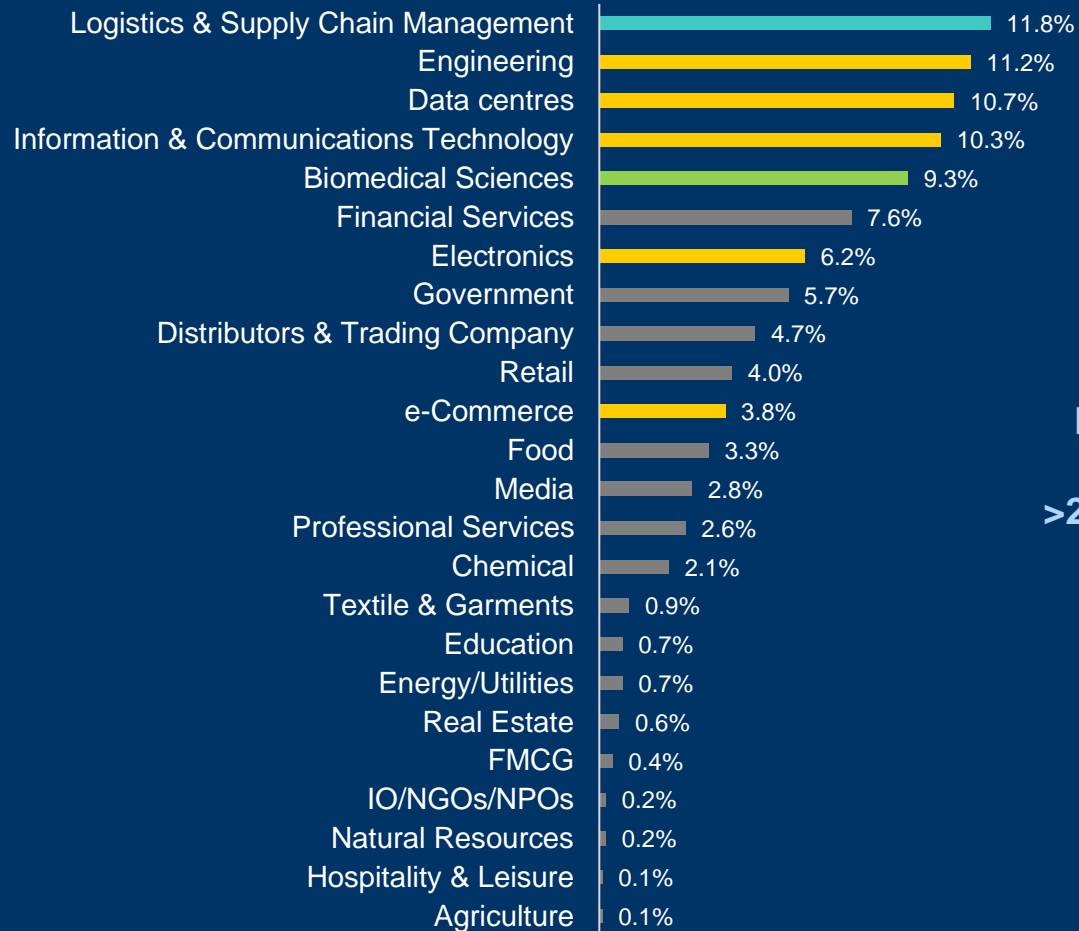
WALE (as at 31 Dec 2022)	Years
Singapore	3.5
Australia	3.2
United States	4.6
United Kingdom/Europe	5.9
Portfolio	3.8

Quality and Diversified Customer Base

- Total customer base of more than 1,720 tenants.
- Top 10 customers (as at 31 Dec 2022) account for about 16.6% of monthly portfolio gross revenue.
- On a portfolio basis, weighted average security deposit is about 5.0 months of rental income.



Tapping the Tech, Logistics and Life Sciences Industries



63.3% of our customer base is from the technology, logistics and life sciences industries



Technology (ICT, Data Centres, Engineering, Electronics, e-Commerce), 42.2%

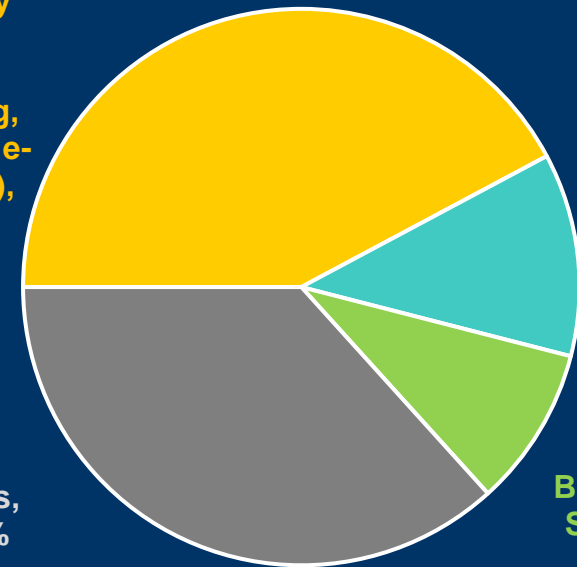


Logistics & Supply Chain Management, 11.8%



Biomedical Sciences, 9.3%

Others, 36.7%



Tenant Industries By Monthly Rental Income

As at 31 Dec 2022

Sustainability



254 Wellington Road, Melbourne, Australia

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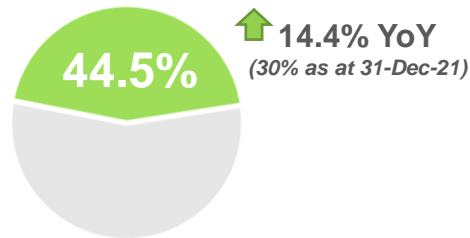
Continued Momentum for Green Initiatives



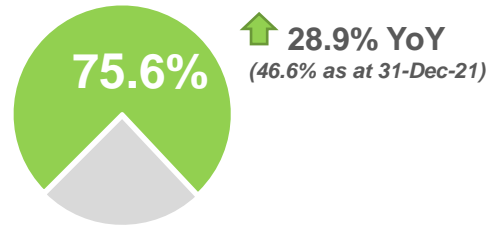
Green Buildings

Green Certification (by GFA)

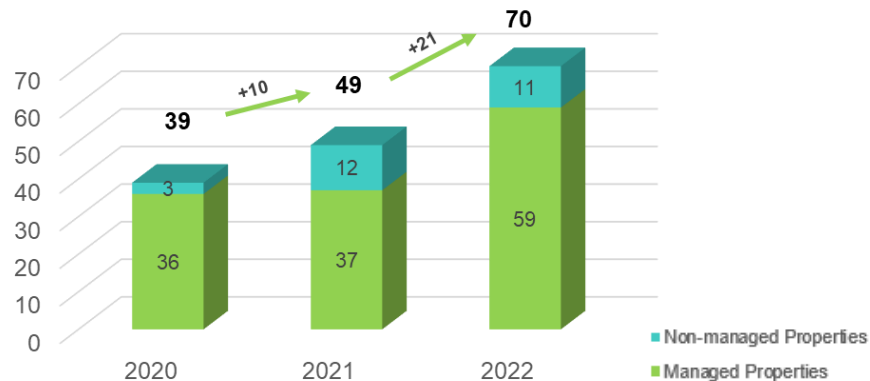
Total Properties



Managed Properties



Number of Green Properties



Renewable Energy

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

>18,000 MWh
Solar power generated annually
(projection)

17
(+10 in 2022)
Properties installed with solar panels

- To achieve 100% renewable energy usage for all one-north buildings¹
- 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: **197**

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 31 Dec 2022

(1) Aim to power the common facilities' electricity usage at Nucleos, Singapore, with renewable energy; in addition to the existing three properties at one-north (Neuros & Immunos, Nexus@one-north and Galaxis)

(2) Reynolds House, Paul van Vlissingenstraat (PVV), Cressex Business Park, Croydon (except for a tenant who procures its own electricity).

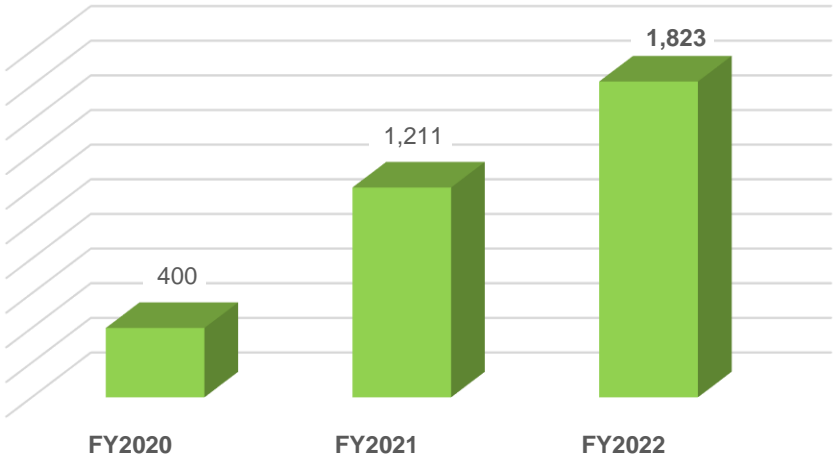
Steadfast in Commitments



Green Financing

- Established Green Finance Framework in FY2020
- Total of **~S\$1.8 b** comprising Green Bond, Green Perpetual Securities, Green Loans (*Additional S\$623m for 2 Green Bond and 2 Green Loan launched in 2022*)
- Green Interest Rates Swap (~S\$202 m)

Green Financing (S\$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



External Validation



Information as at 31 Dec 2022

Unit 5 Wellesbourne Distribution Park, West Midlands, United Kingdom

CLAR is Well-positioned to Deliver Sustainable Returns to Unitholders

- We continue to face challenges from rising interest rates, inflation and global economic uncertainties.
- These ongoing issues may have some impact on tenants' businesses as well as on CLAR's operating costs.
- The Manager will proactively manage these challenges in a prudent manner and is well-positioned to leverage on CLAR's strong financial position to take advantage of any growth opportunities should they arise to deliver sustainable returns to Unitholders.

2023 Annual General Meeting
Thank you