NEWS RELEASE **For immediate release**

Ascendas Reit's Total Amount Available for Distribution for 1H 2022 grew 6.3% y-o-y to S$330.7 million

1. The total amount available for distribution for the six months ended 30 June 2022 (1H 2022) rose by 6.3% year-on-year (y-o-y) to S$330.7 million. This was mainly due to contributions from new investments across Singapore, United Kingdom (UK)/Europe, the United States (USA) and Australia. 1H 2022 Distribution per Unit (DPU) rose by 2.8% y-o-y to 7.873 cents.

2. The acquisitions of nine logistics properties across the USA and Australia, and one redevelopment in Singapore were completed for a total investment cost of S$261.6 million. Total investments stood at S$16.6 billion.

3. Our operational performance was strong, with portfolio occupancy improving to 94.0% as at 30 June 2022 and positive average rent reversion of 9.4% achieved for leases that were renewed in 1H 2022.

Summary of Ascendas Reit Group Results

	1H 2022	1H 2021	Variance
Gross revenue (S$ million)	666.5	586.0	13.7%
Net property income (S$ million)	476.9	445.6	7.0%
Total amount available for distribution (S$ million)	330.7	311.0	6.3%
DPU (cents)	7.873 (1)	7.660 (2)	2.8%
Applicable no. of units (million)	4,201	4,060	3.5%
No. of properties (as at end of period)	228 (3)	211	-

Notes:
(1) Included taxable, tax-exempt and capital distributions of 5.772, 0.372 and 1.729 cents respectively.
(2) Included taxable, tax-exempt and capital distributions of 5.529, 0.045 and 2.086 cents respectively.
(3) As at 30 June 2022, Ascendas Reit had 95 properties in Singapore, 48 properties in USA, 36 properties in Australia, and 49 properties in the UK/Europe.

2 August 2022, Singapore – The Board of Directors of Ascendas Funds Management (S) Limited (the Manager), the Manager of Ascendas Real Estate Investment Trust (Ascendas Reit), is pleased to report that gross revenue for 1H 2022 rose by 13.7% y-o-y to S$666.5 million. The increase was mainly attributable to contributions from newly acquired properties in Singapore, UK/Europe, USA and Australia and a built-to-suit development in Singapore during FY 2021 and 1H 2022.

Property operating expenses rose as a result of new acquisitions as well as higher net utilities expenses from the properties in Singapore.

Net property income rose 7.0% y-o-y to S$476.9 million and the total amount available for distribution rose 6.3% y-o-y to S$330.7 million. Taking into account the enlarged number of applicable units (+3.5%) in issue[1], the DPU rose 2.8% to 7.873 Singapore cents.

Mr William Tay, Chief Executive Officer and Executive Director of the Manager, said: "In the first half, we achieved strong results across our markets. Ascendas Reit's total investments increased to S$16.6 billion (vs S$15.9 billion in 1H 2021), and revenue increased by 13.7% to S$666.5 million. At the operating level, Ascendas Reit's portfolio occupancy rate rose to 94.0% (vs 91.3% in 1H 2021) and the average portfolio rental reversion was 9.4% for leases renewed in the first half of 2022.

DPU rose by 2.8% to 7.873 cents in 1H 2022. While we have delivered DPU growth consecutively for the past three periods since 1H 2021 and prospects for our business remain healthy, we are closely monitoring the ongoing uncertainty in the global economy."

Value-adding Investments

Ascendas Reit completed S$261.6 million worth of acquisitions and development in the first half of 2022. In Australia, the acquisitions of two newly developed logistics properties, 500 Green Road (S$69.1 million) located in Brisbane, and 7 Kiora Crescent (S$21.1 million) located in Sydney, were completed in February 2022. Both properties were 100% occupied as of 30 June 2022.

Ascendas Reit also expanded its logistics footprint in USA with the acquisition of seven last-mile logistics properties in Chicago, for S$133.2 million in June 2022. The portfolio has a long weighted average lease expiry (WALE) period of 4.2 years and was fully occupied as of 30 June 2022.

[1] Arising mainly from the issuance of Consideration Units and acquisition fee in Units in relation to the acquisition of the remaining 75% interests in Ascendas Fusion 5 Pte Ltd (AF5PL) (which holds Galaxis) on 30 June 2021, as well as divestment fee units for the divestment of 1 Science Park Drive in December 2021.

The redevelopment of 25 and 27 Ubi Road 4 was completed for S$38.2 million in January 2022. The five-storey industry property, which was renamed UBIX, now features enlarged floor plates of up to 4,300 square metres, ceiling heights of up to seven metres and a full glass façade. UBIX is highly sought after by a wide range of companies given its high quality space and close proximity to the UBI MRT station. Within six months from its completion, occupancy rose to 51.5%.

The Manager will also continue to undertake redevelopment and asset enhancement initiatives (AEIs) to reposition and upgrade its properties to enhance returns from its existing portfolio. The AEI at Changi Logistics Centre, a logistics property in Singapore, was completed in April 2022 for S$11.3 million.

A new enhancement project has commenced at The Alpha, a business space property located at Singapore Science Park 2. The S$15.5 million initiative will include a refurbishment of the main lobby to include modern collaborative spaces such as meeting rooms and pods, a new drop-off point, and improvement works to the lift lobbies, common corridors and toilets. Including this project at The Alpha, there are a total of five on-going development and AEI projects worth S$566.0 million. These projects are expected to complete between 4Q 2022 and 2Q 2025.

A Diversified and Resilient Portfolio

As of 30 June 2022, Ascendas Reit's S$16.6 billion portfolio had a customer base of more than 1,600 tenants. The portfolio is diversified geographically across the developed markets of Singapore (61%), USA (15%), Australia (14%), and UK/Europe (10%). Its 228 properties span across three key segments: Business Space and Life Sciences[2] (47%), Logistics (25%), and Industrial[3] and Data Centres (28%).

Overall, the portfolio occupancy rate improved to 94.0% (31 Mar 2022: 92.6%) driven by improvements in Singapore, USA and UK/Europe.

The occupancy rate of the Singapore portfolio rose to 91.9% as of 30 June 2022 from 90.0% a quarter ago. This was mainly attributable to full occupancy at 1 Changi South Lane, a

[2] Includes business & science park/suburban offices.
[3] Includes high specifications industrial properties, light industrial properties/flatted factories, and integrated development, amenities & retail properties.

logistics property that was vacant in the previous quarter, as well as higher occupancy at the newly redeveloped industry property, UBIX (30 Jun 2022: 51.5% vs 31 Mar 2022: 18.0%).

In USA, the occupancy rate of the portfolio improved to 95.3% from 94.0% (as at 31 March 2022). The addition of the seven fully occupied logistics properties in Chicago contributed to the improvement.

In UK/Europe, Unit 13 Wellesbourne Distribution Park, a logistics property which was vacant as of 31 March 2022, was fully leased to a tenant during the last quarter. Consequently, the occupancy rate of the UK/Europe portfolio rose to 97.7% from 96.7% (as at 31 March 2022).

The portfolio in Australia continued to record a healthy occupancy of 96.6% as of 30 June 2022 (96.8% as at 31 March 2022).

A positive average rental reversion[4] of 13.2% was achieved for leases that were renewed in multi-tenant buildings in 2Q 2022. Average rental reversions of +13.0%, +15.3%, +15.2% and +11.7% were achieved in Singapore, USA, Australia and UK/Europe respectively. The average rental reversion for leases signed in 1H 2022 was +9.4%.

Tenants from the Engineering sector accounted for 20.5%, the largest proportion, of new demand by gross rental income in 1H 2022. This was followed by the Logistics & Supply Chain Management sector at 17.6%.

The portfolio's weighted average lease expiry (WALE) period stood at 3.7 years and about 10.2% of Ascendas Reit's gross rental income will be due for renewal in the remainder of FY 2022.

Proactive Capital Management

As of 30 June 2022, the aggregate leverage was healthy at 36.7% (31 December 2021: 35.9%, 30 June 2021: 37.6%). Ascendas Reit's weighted average all-in cost of borrowing improved to 2.1% (31 December 2021: 2.2%, 30 June 2021: 2.4%). This was achieved with active management of the debt portfolio. In 2H 2021, some of Ascendas Reit's borrowings were refinanced at attractive interest rates via the issuances of EUR 300 million of 7-year Notes

[4] 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 the respective period and average gross rents are weighted by area renewed.

with a fixed interest rate of 0.75% and HKD 950 million of 10-year Notes which was swapped into GBP with a fixed interest rate of about 2.2%. In 1H 2022, some revolving credit facilities were termed out and debt facilities were refinanced before the steep increases in interest rates globally.

The debt maturity profile remained well-spread out with a weighted average tenure of debt outstanding at 3.9 years.

About 80% of Ascendas Reit's borrowings are on fixed rates for an average term of 3.7 years. A high level of natural hedge of approximately 75% was maintained for the overseas investments to minimise the effects of any adverse exchange rate fluctuations.

Ascendas Reit continues to enjoy the A3 credit rating by Moody's.

Sustainability Efforts

Ascendas Reit is committed to improving the environmental sustainability of its portfolio. As of 30 June 2022, 74% of its managed properties (31 March 2022: 48%) or 44% of its total properties (31 March 2022: 31%) by gross floor area were green certified.

In 1H 2022, solar panels were installed at Changi Logistics Centre in Singapore, which is estimated to generate about 2.16 GWh of renewable energy annually. Ascendas Reit's combined rooftop solar farm across eight of its properties will help to avoid over 5,560 tonnes of carbon emissions. This is equivalent to the carbon emissions from the electricity consumption of about 3,000 households annually[5]. Another thirteen properties in Singapore are expected to be fitted with solar panels by the end of 2022.

Outlook

Inflation rates have soared globally driven by supply chain disruptions exacerbated by the Russian-Ukraine war and pent-up consumer spending. Central banks around the world have taken action to contain inflation by raising interest rates.

The International Monetary Fund (IMF) expects these challenges to weigh on global economic growth in 2022. In its July 2022 report, the IMF projects global growth to slow to 3.2% in 2022 from 6.1% in 2021. This latest forecast is 40 basis points lower than its April 2022 projection.

[5] Average annual consumption of a four-room HDB household is based on Singapore's Energy Market Authority's 2021 Singapore Energy Statistics, pg 44.

Singapore

The Singapore economy expanded by 4.8% y-o-y in 2Q 2022 higher than the 4.0% y-o-y growth in 1Q 2022. The Ministry of Trade and Industry (MTI) maintained its GDP growth forecast of between 3.0% and 5.0% for 2022 but expects growth to come in at the lower half of this range in view of the deterioration in the external environment.

Singapore's core inflation rate (excluding accommodation and private transport) rose to 4.4% y-o-y in June 2022 as a result of price increases across services, food, retail & other goods, as well as electricity & gas. In July 2022, the Monetary Authority of Singapore (MAS) tightened its monetary policy for the fourth time since October 2021 to slow the inflation momentum.

Ascendas Reit's multi-asset portfolio in Singapore worth S$10.0 billion, 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 Ascendas Reit's asset rejuvenation plan, several asset enhancement initiatives and a redevelopment project were completed recently to upgrade property specifications, unlock value through repositioning or meet green rating requirements. These properties are expected to generate higher returns for us.

Australia

In 1Q 2022, the Australian economy grew 3.3% y-o-y and 0.8% quarter-on-quarter (q-o-q). Household spending rose 1.5% in the quarter following the easing of COVID-19 restrictions (source: Australian Bureau of Statistics). The IMF projected the Australian economy to achieve a GDP growth of 3.8% in 2022.

In 2Q 2022, Australia's consumer price index rose 6.1% y-o-y (source: Australian Bureau of Statistics). The Reserve Bank of Australia raised its interest rate by 50 basis points to 1.35% in July 2022 and expects to implement further rate hikes to return inflation to its target level of 2 - 3%.

The two newly completed logistics properties, 7 Kiora Crescent in Sydney and 500 Green Road in Brisbane are 100% occupied and have started to contribute positively to the rental income of the Australian portfolio. MQX4, Ascendas Reit's new suburban office in Sydney, is expected to complete in 1Q 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$2.5 billion after the inclusion of MQX4.

United States (USA)

In 2Q 2022, the USA economy shrank for a second consecutive quarter. GDP declined by 0.9% q-o-q following a 1.6% q-o-q contraction in 1Q 2022. Whilst consumer spending and exports grew during the quarter, this was offset by a decline in business inventories (source: US Bureau of Economic Analysis).

Inflation accelerated to a 40-year high at 9.1% y-o-y (CPI for All Urban Consumers) in June 2022 (source: US Bureau of Labour Statistics). To return inflation back to the 2% target, the US Federal Reserve raised interest rates by a total of 225 basis points to a range of 2.25% to 2.50% since the beginning of 2022. The IMF projected USA's GDP to expand by 2.3% in 2022.

To diversify its exposure in USA, Ascendas Reit acquired a total of 18 last mile logistics properties in the last 12 months across Kansas City and Chicago. The portfolio was worth S$2.5 billion as of 30 June 2022, and comprises business spaces and logistics properties. Underpinned by a long WALE period of 4.1 years, the portfolio is expected to generate stable returns.

United Kingdom (UK) / Europe

UK's GDP rose 8.7% y-o-y and 0.8% q-o-q in 1Q 2022. In May 2022, GDP grew by 0.5% month-on-month, contributed by growth across the services, production and construction sectors. UK's economy is projected to expand by 3.2% in 2022 (source: IMF).

UK's Consumer Price Index (including owner occupiers' housing costs) rose 8.2% in the 12 months to June 2022 (source: Office for National Statistics). Since December 2021, the Bank of England has increased its interest rates by 115 basis points from 0.1% to 1.25%.

The growth 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 (source: European Commission).

In UK/Europe, Ascendas Reit's assets under management amounted to S$1.7 billion as of 30 June 2022. The portfolio comprising logistics properties and data centres has a long WALE period of 5.3 years and is expected to benefit from the strong adoption of e-commerce and digitalisation of activities.

Conclusion

The war in Ukraine has injected greater uncertainty into the global economy. Supply chain disruptions, higher prices and interest rates have affected trade, commodity and financial markets. These could have some impact on tenants' businesses as well as on Ascendas Reit's operating costs.

On a positive note, there are deep structural trends that continue to present tailwinds for Ascendas Reit. For example, companies expanding logistics capacities to build resilience in their supply chains and the digitalisation of the economy are expected to drive demand for Ascendas Reit's logistics properties, as well as business space and data centres respectively.

Overall, Ascendas Reit's diversified portfolio in developed markets, A3 Moody's credit rating and experienced team will help it to stay ahead of the curve, weather the economic uncertainties and continue to grow in a healthy manner.

- End –

About Ascendas Real Estate Investment Trust (www.ascendas-reit.com)

Ascendas Real Estate Investment Trust (Ascendas Reit) is Singapore's first and largest listed business space and industrial real estate investment trust. It was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in November 2002.

As at 30 June 2022, Ascendas Reit's investment properties under management stood at S$16.6 billion. It owns a total of 228 properties across three segments, namely Business Space and Life Sciences; Logistics; and Industrial and Data Centres. These properties are located in the developed markets of Singapore, Australia, the United States and the United Kingdom/Europe.

These properties house a tenant base of more than 1,600 international and local companies from a wide range of industries and activities, including data centres, information technology, engineering, logistics & supply chain management, biomedical sciences, financial services (back room office support), electronics, government and other manufacturing and services industries. Major tenants include Singtel, DSO National Laboratories, SEA Group, Stripe, DBS, Citibank, Pinterest, CareFusion, Equinix and J.P. Morgan.

Ascendas Reit is listed in several indices. These include the FTSE Straits Times Index, the Morgan Stanley Capital International, Inc (MSCI) Index, the European Public Real Estate Association/National Association of Real Estate Investment Trusts (EPRA/NAREIT) Global Real Estate Index and Global Property Research (GPR) Asia 250. Ascendas Reit has an issuer rating of 'A3' by Moody's Investors Service.

Ascendas Reit is managed by Ascendas Funds Management (S) Limited, a wholly owned subsidiary of 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 2022, CLI had about S$124 billion of real estate assets under management, and about S$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 29 private funds across Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

As part of CapitaLand Group, CLI places sustainability at the core of what it does. As a responsible real estate company, 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.

For investor and media queries, please contact:

Ms Yeow Kit Peng
Head, Capital Markets & Investor Relations
Ascendas Funds Management (S) Limited
Tel: +65 6713 1153
Email: yeow.kitpeng@capitaland.com

Important Notice

This press 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.

You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management regarding future events. No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this press release. Neither Ascendas Funds Management (S) Limited ("**Manager**") nor any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use of, reliance on or distribution of this press release or its contents or otherwise arising in connection with this press release.

The past performance of Ascendas Real Estate Investment Trust ("**Ascendas Reit**") is not indicative of future performance. The listing of the units in the Ascendas Reit ("**Units**") on the Singapore Exchange Securities Trading Limited (SGX-ST) does not guarantee a liquid market for the Units. The value of the Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed on the SGX-ST. It is intended that holders of Units may only deal in their Units through trading on the SGX-ST.

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