

FY2022 Audited Financials

31 May 2023



Disclaimer



The presentation may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance and are subject to certain risks, uncertainties and assumptions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "continue", "could", "estimate", "forecast", "plan", "prepare", "project", "anticipate", "expect", "intend", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. By their nature, forward-looking statements involve known and unknown risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors and assumptions, many of which are beyond the Company's control. Prospective investors are cautioned not to rely on such forward-looking statements. Neither the Company nor any of its affiliates, advisors, representatives or underwriters has any obligation to, nor do any of them undertake to, revise or update the forward-looking statements contained in this presentation to reflect future events or circumstances, except where they would be required to do so under applicable law.

FY2022 Audited Financial Statements



- The consolidated financial statements of ARA Asset Management Limited and its subsidiaries (“ARA Group” or the “Group”) for the financial year ended 31 December 2022 as set out in this presentation have been extracted from the audited consolidated financial statements of ARA Group.
- ARA Group’s auditors, KPMG LLP had issued an unmodified audit opinion. In their opinion, the consolidated financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Statement of financial position

As at 31 December 2022



	Group	
	2022	2021
	US\$'000	US\$'000
Assets		
Property, plant and equipment	3,476	3,903
Right-of-use assets	9,849	14,547
Investment properties	—	115,488
Intangible assets	390,166	447,085
Associates and joint ventures	1,333,493	1,429,933
Financial assets	700,601	697,127
Financial derivative assets	10,765	5,595
Deferred tax assets	2,241	1,994
Other non-current assets	50,209	13,475
Total non-current assets	2,500,800	2,729,147
Financial assets	21,883	13,060
Financial derivative assets	189	11
Trade receivables	108,137	49,355
Prepayments, other receivables and other assets	116,223	116,625
Cash and cash equivalents	223,824	552,940
	470,256	731,991
Assets held for sale	85,265	87,974
Total current assets	555,521	819,965
Total assets	3,056,321	3,549,112

Statement of financial position

As at 31 December 2022



	Group	
	2022	2021
	US\$'000	US\$'000
Equity		
Share capital	1,925	1,708
Reserves	1,350,454	1,114,495
Equity attributable to equity holders of the Company	1,352,379	1,116,203
Perpetual securities	481,836	704,860
Non-controlling interests	13,126	404,834
Total equity	1,847,341	2,225,897
Liabilities		
Loans and borrowings	804,626	907,080
Lease liabilities	7,090	11,746
Financial derivative liabilities	–	296
Trade and other payables	105,429	20,230
Contingent consideration payables	672	–
Deferred tax liabilities	25,108	13,629
Total non-current liabilities	942,925	952,981
Loans and borrowings	88,765	97,819
Lease liabilities	4,832	4,434
Financial derivative liabilities	78	–
Trade and other payables	112,868	144,205
Contingent consideration payables	2,581	16,773
Current tax payable	24,946	54,300
	234,070	317,531
Liabilities directly associated with assets held for sale	31,985	52,703
Total current liabilities	266,055	370,234
Total liabilities	1,208,980	1,323,215
Total equity and liabilities	3,056,321	3,549,112

Consolidated statement of profit or loss

For the year ended 31 December 2022



	2022 US\$'000	2021 US\$'000
Continuing operations		
Fee revenue	382,318	406,300
Co-investment income	62,115	29,172
Finance income	5,465	8,856
Share of profit of equity-accounted investees, net of tax	41,027	156,951
Other income	24,482	5,732
Total other income	<u>133,089</u>	<u>200,711</u>
Total income	<u>515,407</u>	<u>607,011</u>
Less:		
Development costs	(9,658)	–
Employee-related costs	(125,666)	(141,290)
Legal and professional fees	(15,876)	(22,852)
Property related expenses	(14,826)	(9,354)
Administrative expenses	(54,281)	(37,673)
Fair value gains and exchange gains (net)	81,331	5,517
Depreciation and amortisation	(15,168)	(14,538)
Finance costs	(36,514)	(26,528)
Total expenses	<u>(190,658)</u>	<u>(246,718)</u>
Transaction costs and one-off expenses	<u>(34,965)</u>	<u>(27,021)</u>
Profit before tax	289,784	333,272
Tax expense	(53,226)	(66,182)
Profit for the year	<u>236,558</u>	<u>267,090</u>
Profit attributable to:		
Ordinary equity holders of the Company	196,938	171,197
Perpetual securities holders	30,316	38,793
Non-controlling interests	9,304	57,100
Profit for the year	<u>236,558</u>	<u>267,090</u>

Consolidated statement of comprehensive income

For the year ended 31 December 2022



	Group	
	2022	2021
	US\$'000	US\$'000
Profit for the year	236,558	267,090
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
Net fair value changes in financial assets carried at fair value through other comprehensive income ("FVOCI")	(93,017)	90,396
Share of fair value reserve of associates and joint ventures	8,780	14,339
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Foreign currency translation differences relating to financial statements of foreign operations	(127,427)	(92,676)
Share of other comprehensive income of associate and joint ventures	1,104	(3,379)
Other comprehensive income for the year, net of tax	(210,560)	8,680
Total comprehensive income for the year	<u>25,998</u>	<u>275,770</u>
Total comprehensive income attributable to:		
Ordinary equity holders of the Company	(12,163)	167,941
Perpetual securities holders	30,316	38,793
Non-controlling interests	7,845	69,036
	<u>25,998</u>	<u>275,770</u>

Consolidated statement of cash flows

Year ended 31 December 2022



	Group	
	2022	2021
	US\$'000	US\$'000
Cash flows from operating activities		
Profit for the year	236,558	267,090
Adjustments for:		
Amortisation of intangible assets	7,737	6,962
Impairment loss on trade receivables	15,033	184
Depreciation of property, plant and equipment	1,960	2,100
Depreciation of right-of-use assets	5,471	5,476
Distribution income	(62,115)	(29,172)
Equity settled share-based payment transactions	868	1,724
Loss on modification of lease contracts	–	16
Gain on disposal of assets held for sale	–	(1,696)
Gain on disposal of previously held interest in associates and/or joint ventures	–	(6,248)
Gain on disposal of property, plant and equipment	(139)	(33)
(Gain)/loss on disposal of subsidiaries	(236)	256
Gain on fair value of derivative financial assets	(6,248)	(5,489)
Gain on fair value of financial assets at FVTPL	(78,369)	(5,754)
Impairment loss on intangible assets	31,990	–
Interest expense	36,514	26,528
Interest income	(5,465)	(8,856)
Loss on disposal of financial assets at FVTPL	892	419
Loss on fair value of investment properties	282	4,433
Loss on partial disposal of associates and/or joint ventures	8	1,299
Management fees received/receivable in units of real estate investment trusts	(45,599)	(60,227)
Property, plant and equipment written off	4	5
Share of profit of associates and joint ventures	(41,027)	(156,951)
Tax expense	53,226	66,182
Write back of management fee rebate	(10,982)	–
	140,363	108,248
Change in trade and other receivables	(139,463)	(7,377)
Change in trade and other payables	(35,581)	(6,145)
Cash (used in)/generated from operations	(34,681)	94,726
Distribution income received	62,269	28,891
Proceeds from sale of units in real estate investment trusts	5,998	46,514
Tax paid	(70,237)	(27,944)
Net cash (used in)/from operating activities	(36,651)	142,187

Consolidated statement of profit or loss

Year ended 31 December 2022



	Group	
	2021	2020
	US\$'000	US\$'000
Cash flows from investing activities		
Acquisition of investment properties	–	(119,691)
Acquisition of investment properties classified as asset held for sale	–	(62,963)
Capital contributions in associates and joint ventures	(36,973)	(200,749)
Capital return in associates and joint ventures	1,625	3,973
Dividends received from associates and joint ventures	63,111	53,143
Interest received	5,628	7,509
Net cash outflows arising from acquisition of assets	(5,598)	–
Net cash outflows arising from acquisition of subsidiaries	–	(28,568)
Payment of contingent consideration payables	(4,626)	(11,581)
Payment of software development expenditure	(328)	(396)
Proceeds from disposal of assets held for sale	–	32,686
Proceeds from disposal of associates and joint ventures	317	34,072
Proceeds from disposal of financial assets	12,791	28,150
Proceeds from disposal of property, plant and equipment	356	52
Proceeds from disposal of subsidiaries	38,375	–
Proceeds from redemption of financial assets	49,356	70,540
Purchase of financial assets	(34,780)	(92,066)
Purchase of club membership	(1,832)	(485)
Purchase of property, plant and equipment	(1,887)	(1,914)
Net cash generated from/(used in) investing activities	85,535	(288,288)
Cash flows from financing activities		
Acquisition of non-controlling interests	(9,168)	(2,451)
Capital distribution to non-controlling interests	(90)	(99)
Contributions from non-controlling interests	3,139	8,011
Dividends paid to non-controlling interests	(5,986)	(4,362)
Dividends paid to ordinary shareholders	(44,254)	–
Distribution paid to perpetual securities holders	(35,461)	(38,793)
Interest paid	(37,991)	(27,332)
Issuance of ordinary shares, net of issue costs	–	487,749
Payment of lease liabilities	(6,144)	(5,963)
Proceeds from loans and borrowings	541,485	520,232
Redemption of perpetual securities	(220,085)	–
Repayment of advances from immediate holding company	–	(372)
Repayment of loans and borrowings	(546,192)	(532,481)
Net cash (used in)/from financing activities	(360,747)	404,139

Consolidated statement of profit or loss

Year ended 31 December 2022



	Group	
	2021	2020
	US\$'000	US\$'000
Net (decrease)/increase in cash and cash equivalents	(311,863)	258,038
Cash and cash equivalents at beginning of the year	552,940	311,419
	241,077	569,457
Effect of exchange rate fluctuations on cash held	(17,253)	(16,517)
Cash and cash equivalents at 31 December	223,824	552,940

ARA Asset Management Limited

5 Temasek Boulevard, #12-01
Suntec Tower Five, Singapore 038985
T +65 635 9232 | www.esr.com