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ProsperCap 1H FY24 Results Denotes Positive Industry Outlook

- Revenue increased 3% YoY from S\$112.6M to S\$116.0M mainly due to the foreign currency exchange effects
- Net finance costs reduced by 31.4% from S\$29.9M to S\$20.5M
- Loss before tax of S\$19.7 million for 1H FY24 includes one-off deemed listing expenses of S\$10.0M
- 1H FY24 normalised loss before tax is S\$6.7 million, 66.9% lower than the loss of S\$20.2 million in 1H FY23
- ADR & RevPAR of portfolio hotels attained 3.1% and 1.3% increases YoY, denoting a positive industry outlook

Singapore, 14 August 2024 – ProsperCap Corporation Limited (“**ProsperCap**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) today announced its unaudited consolidated financial results for the half year ended 30 June 2024 (“**1H FY24**”).

Financial Highlights

(S\$'000)	1H FY24	1H FY23	Change %
Revenue	116,026	112,638	3.0
Gross profit	61,994	61,842	0.2
Net finance costs	(20,484)	(29,881)	31.4
(Loss)/profit before tax	(19,683)	46,147	N.M.
Normalised loss before tax	(6,709)⁽ⁱ⁾	(20,254)⁽ⁱⁱ⁾	66.9

(i) Excludes one-off deemed listing expenses, insurance claims and fair value loss on derivative financial assets, at fair value through profit or loss amounting to S\$13.0 million

(ii) Excludes reversal of impairment loss on land and buildings amounting to S\$66.4 million

N.M.: Not meaningful

Overview

Revenue for the Group grew marginally in 1H FY24 at 3.0% year-on-year (“**YoY**”) at S\$116.0 million when compared to S\$112.6 million during the same period in 2023 (“**1H FY23**”) mainly due to foreign exchange effects following the strengthening of the pound sterling (“**£**” or “**GBP**”) against Singapore Dollar (“**S\$**”) in 1H FY24 (£1: S\$1.7077)

as compared to 1H FY23 (£1: S\$1.6578). In addition, the Group's revenue was negatively impacted by a fire incident at one of our hotels, Crowne Plaza Stratford-upon-Avon ("**CP Stratford**") in April 2024, which affected the room availability in May and June 2024 and therefore revenue for 1H FY24. However, all net financial effects for CP Stratford, including business disruption, were mitigated through the Group's existing insurance coverage.

There was a significant reduction in the net finance costs by 31.4% YoY, from S\$29.9 million in 1H FY23 to S\$20.5 million in 1H FY24 mainly due to the conversion of loans from the immediate holding company into equity.

Conversely, the cost of sales increased by 6.4% YoY, from S\$50.8 million in 1H FY23 to S\$54.0 million in 1H FY24, in addition to the 7.8% YoY rise on administrative expenses, from S\$52.7 million in 1H FY23 to S\$56.8 million in 1H FY24. The increases were mainly due to higher payroll cost resulting from a statutory wage increase of 9.8% with effect from 1 April 2024 and the increase in hotel operations' headcount in 1H FY24, in line with the Group's strategy to reduce reliance on outsourced housekeeping services, which was partially offset by the foreign exchange effects following the strengthening of £ against S\$ in 1H FY24 (£1: S\$1.7077) as compared to 1H FY23 (£1: S\$1.6578).

For 1H FY24, ProsperCap reported a loss before tax of S\$19.7 million, down from the profit of S\$46.1 million in 1H FY23 due primarily to one-off deemed listing expenses, as explained further below.

Normalised Loss Before Tax

The Group recognised one-off deemed listing expenses of S\$10.0 million for its Reverse-Take-Over ("**RTO**") transaction on 23 January 2024, as well as a fair value loss of S\$5.5 million on derivative financial assets, through profit and loss. Conversely, the Group recognised a S\$66.4 million reversal of impairment loss on land and buildings in 1H FY23.

Excluding one-off income and expenses, the normalised loss before tax of S\$6.7 million for 1H FY24 is a 66.9% improvement over the loss of S\$20.3 million in 1H FY23.

Performance of Portfolio Hotels

ProsperCap owns 17 predominantly upscale hotels strategically distributed across key regional cities in the United Kingdom ("**UK**"). Valor Hospitality Europe Limited, one of the leading hotel operators with extensive experience in international and multi-brand hotel portfolios, manages the hotels.

“According to Mordor Intelligence¹, the UK hospitality industry is expected to grow at a compound annual growth rate of 2.53% from 2024 to 2029. The Group is focused on growing and improving the performance of our hotels, leveraging on the market momentum,” said Chief Executive Officer and Executive Director of ProsperCap, Mr. Iqbal Jumabhoy.

To demonstrate the growth and performance of the Company’s hotels, Column C in the table below shows the adjusted data without contributions from CP Stratford for May and June 2023, setting the basis for an analogous comparison against 1H FY24 numbers. The numbers are stated in £ to demonstrate performance rather than currency effects.

Summary of Key Performance Indicators of Portfolio Hotels

	A	B	%	C	%
	1H FY24	1H FY23	Change	1H FY23	Change
	Actual	Actual	(A-B)	(w/o CPSF)	(A-C)
Occupancy	76.5%	77.9%	(1.4%)	77.8%	(1.3%)
ADR (£)	99.90	96.85	3.1%	96.70	3.3%
RevPAR (£)	76.41	75.44	1.3%	75.19	1.6%
Revenue (£'000)	67,942	67,947	0.0%	65,632	3.5%
Gross Operating Income (£'000)	36,446	36,958	(1.4%)	35,396	3.0%

Notes: Columns A & B refer to the actual performance attained in 1H FY24 & 1H FY23 while Column C contains adjusted figures excluding the performance of CP Stratford for May and June 2023 for an analogous comparison. Allowances for variable costs incurred during the same period were considered to derive the gross operating income figure.

The slight decline in occupancy rate from 77.8% in 1H FY23 (Column C) to 76.5% in 1H FY24 was predominantly due to room refurbishment works carried out at DoubleTree By Hilton Manchester Piccadilly from July 2023 which has been completed in May 2024 and DoubleTree By Hilton Leeds City Centre commenced in October 2023. There was also lower demand due to the reduced number of events held in various locations.

More importantly, when the effect of CP Stratford’s temporary closure is excluded, the key performance indicators displayed growth of ProsperCap’s portfolio of hotels. The Average Daily Rate (“**ADR**”) and Revenue Per Available Room (“**RevPAR**”) grew

¹ Mordor Intelligence, [Hospitality Industry in UK Size & Share Analysis - Growth Trends & Forecasts \(2024 - 2029\)](#)

by 3.3% and 1.6% YoY, reaching £99.90 and £76.41 in 1H FY24 respectively. Total revenue and gross operating income both rose by 3.5% and 3.0%, from £65.6 million and £35.4 million in 1H FY23 to £67.9 million and £36.4 million in 1H FY24.

Update on Crowne Plaza Stratford-upon-Avon

The fire incident in April 2024 has limited CP Stratford's economic contributions to the Group's overall performance for 1H FY24, from the date of the incident.

The hotel's operations were paused for repairs and refurbishments after the event. For 1H FY24, ProsperCap recognized insurance income of S\$6.4 million in other operating income due to insurance claims received for CP Stratford of which S\$3.9 million was for business interruption and S\$2.5 million was for compensation of damages relating to buildings, machinery and inventory. The hotel is expected to re-open in stages from September 2024 onwards, due to an extension of the scope of renovations.

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About ProsperCap Corporation Limited

ProsperCap Corporation Limited is a real estate investment and management platform based in Singapore and publicly listed on the Catalist of the Singapore Exchange (SGX). The Company was established to build a portfolio of multiple real estate asset classes across different geographies and stages of operation, with a focus on ownership and management of global hospitality and lodging assets. The Group currently owns a portfolio of 17 predominantly upscale hotels with a total of 3,383 keys located in key regional cities in the United Kingdom. The properties are managed by one of the leading hotel operators experienced with international and multi-brand hotel portfolios and operated under franchise agreements with well-known international hotel brands, namely Hilton, IHG and Marriott. Future strategic initiatives include expanding the portfolio and enhancing guest experiences. The Group is committed to a long-term value-added investment strategy that focuses on innovation in keeping with its financial and societal objectives for sustainable operations.

This press release has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made, or reports contained in this press release.

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