

FY2021 Audited Financials

ARA Asset Management Limited and its subsidiaries (the “Group”)

11 April 2022

- The consolidated financial statements of ARA Asset Management Limited and its subsidiaries (“ARA Group” or the “Group”) for the financial year ended 31 December 2021 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 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.
- Following the merger with ESR Cayman Limited (“ESR”), the Group changed its presentation currency from Singapore Dollar to United States Dollar so as to align the presentation of its financial statements with ESR. For comparability purposes, the change in presentation currency of the Group was applied to the earliest period for which the retrospective information was presented, i.e. 1 January 2020.

Statement of financial position
As at 31 December 2021



		Group	1 January
	2021	2020	2020
		Re-	Re-
	US\$'000	presented	presented
		US\$'000	US\$'000
Assets			
Property, plant and equipment	3,903	4,031	4,237
Right-of-use assets	14,547	16,120	11,792
Investment properties	115,488	–	–
Intangible assets	447,085	410,465	32,762
Associates and joint ventures	1,429,933	1,023,868	875,782
Financial assets	697,127	654,263	618,847
Financial derivative assets	5,595	–	–
Deferred tax assets	1,994	1,347	924
Other non-current assets	13,475	3,757	49,491
Total non-current assets	2,729,147	2,113,851	1,593,835
Financial assets	13,060	54,222	10,442
Financial derivative assets	11	–	–
Trade receivables	49,355	46,070	18,475
Prepayments, other receivables and other assets	116,625	119,874	93,225
Cash and cash equivalents	552,940	311,419	163,558
	731,991	531,585	285,700
Assets held for sale	87,974	7,763	–
Total current assets	819,965	539,348	285,700
Total assets	3,549,112	2,653,199	1,879,535

Statement of financial position (cont'd)

As at 31 December 2021



		Group	1 January
	2021	2020	2020
		Re-	Re-
	US\$'000	presented	presented
		US\$'000	US\$'000
Equity			
Share capital	1,708	1,497	1,497
Reserves	1,114,495	800,683	696,027
Perpetual securities	704,860	704,860	704,860
Equity attributable to equity holders of the Company	1,821,063	1,507,040	1,402,384
Non-controlling interests	404,834	331,562	7,760
Total equity	2,225,897	1,838,602	1,410,144
Liabilities			
Loans and borrowings	907,080	434,219	326,593
Lease liabilities	11,746	13,122	10,665
Financial derivative liabilities	296	–	–
Trade and other payables	20,230	15,693	60,251
Contingent consideration payables	–	2,302	–
Deferred tax liabilities	13,629	11,815	5,645
Total non-current liabilities	952,981	477,151	403,154
Loans and borrowings	97,819	35,113	4,604
Lease liabilities	4,434	4,648	2,853
Trade and other payables	144,205	264,037	48,448
Contingent consideration payables	16,773	16,747	–
Current tax payable	54,300	16,901	10,332
	317,531	337,446	66,237
Liabilities directly associated with assets held for sale	52,703	–	–
Total current liabilities	370,234	337,446	66,237
Total liabilities	1,323,215	814,597	469,391
Total equity and liabilities	3,549,112	2,653,199	1,879,535

	Group	
	2021	2020
	US\$'000	US\$'000
		Re-presented
Continuing operations		
Fee revenue	406,300	255,300
Co-investment income	29,172	24,799
Finance income	8,856	7,249
Share of profit of equity-accounted investees, net of tax	156,951	44,393
Other income	5,732	6,017
Total other income	<u>200,711</u>	<u>82,458</u>
Total income	<u>607,011</u>	<u>337,758</u>
Less:		
Employee-related costs	(141,290)	(81,623)
Legal and professional fees	(22,852)	(19,687)
Property related expenses	(9,354)	(6,049)
Administrative expenses	(37,673)	(22,276)
Fair value gains and exchange gains	5,517	7,023
Depreciation and amortisation	(14,538)	(11,054)
Finance costs	(26,528)	(13,464)
Total expenses	<u>(246,718)</u>	<u>(147,130)</u>
Transaction costs and one-off expenses	<u>(27,021)</u>	<u>(19,183)</u>
Profit before tax	333,272	171,445
Tax expense	(66,182)	(37,260)
Profit for the year	<u>267,090</u>	<u>134,185</u>
Profit attributable to:		
Ordinary equity holders of the Company	171,197	75,906
Perpetual securities holders	38,793	37,968
Non-controlling interests	57,100	20,311
Profit for the year	<u>267,090</u>	<u>134,185</u>

	Group	
	2021	2020
	US\$'000	US\$'000
		Re-presented
Profit for the year	267,090	134,185
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")	90,396	(33,826)
Share of fair value reserve of associates and joint ventures	14,339	(1,727)
<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	(92,676)	75,774
Share of other comprehensive income of associate and joint ventures	(3,379)	(321)
Other comprehensive income for the year, net of tax	<u>8,680</u>	<u>39,900</u>
Total comprehensive income for the year	<u><u>275,770</u></u>	<u><u>174,085</u></u>
Total comprehensive income attributable to:		
Ordinary equity holders of the Company	167,941	104,913
Perpetual securities holders	38,793	37,968
Non-controlling interests	69,036	31,204
	<u><u>275,770</u></u>	<u><u>174,085</u></u>

Consolidated statement of cash flows
Year ended 31 December 2021



	Group	
	2021	2020
	US\$'000	US\$'000
	Re-presented	
Cash flows from operating activities		
Profit for the year	267,090	134,185
Adjustments for:		
Amortisation of intangible assets	6,962	4,879
Bad debts written off	184	44
Depreciation of property, plant and equipment	2,100	1,733
Depreciation of right-of-use assets	5,476	4,442
Distribution income	(29,172)	(24,799)
Equity settled share-based payment transactions	1,724	–
Loss/(Gain) on modification of lease contracts	16	(2)
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	(33)	–
Gain on fair value of derivative financial assets	(5,489)	–
Gain on unrealised foreign exchange	–	(571)
Intangible asset written off	–	6
Interest expense	26,528	13,464
Interest income	(8,856)	(7,249)
Loss on disposal of financial assets at FVTPL	419	1,983
Loss on disposal of subsidiaries	256	–
Loss on fair value of investment properties	4,433	–
Loss on partial disposal of associates and/or joint ventures	1,299	4,467
Management fees received/receivable in units of real estate investment trusts	(60,227)	(54,140)
Gain on fair value of financial assets at FVTPL	(5,754)	(3,494)
Property, plant and equipment written off	5	47
Share of profit of associates and joint ventures	(156,951)	(44,393)
Tax expense	66,182	37,260
	108,248	67,862
Change in trade and other receivables	(7,377)	30,687
Change in trade and other payables	(6,145)	(26,851)
Cash generated from operations	94,726	71,698
Distribution income received	28,891	24,393
Proceeds from sale of units in real estate investment trusts	46,514	5,991
Tax paid	(27,944)	(26,612)
Net cash from operating activities	142,187	75,470

Consolidated statement of cash flows (cont'd)

Year ended 31 December 2021



	Group	
	2021	2020
	US\$'000	US\$'000
	Re-presented	
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	(200,749)	(20,289)
Capital return in associates and joint ventures	3,973	–
Dividends received from associates and joint ventures	53,143	49,554
Interest received	7,509	10,616
Net cash outflows arising from acquisition of subsidiaries	(28,568)	(208,821)
Payment of contingent consideration payables	(11,581)	–
Payment of software development expenditure	(396)	(96)
Proceeds from disposal of assets held for sale	32,686	–
Proceeds from disposal of associates and joint ventures	34,072	14,506
Proceeds from disposal of financial assets	28,150	–
Proceeds from disposal of property, plant and equipment	52	11
Proceeds from redemption of financial assets	70,540	24,290
Purchase of financial assets	(92,066)	(72,265)
Purchase of intangible assets	(485)	–
Purchase of property, plant and equipment	(1,914)	(794)
Net cash used in investing activities	(288,288)	(203,288)
Cash flows from financing activities		
Acquisition of non-controlling interests	(2,451)	(2,882)
Advances from immediate holding company	–	632,371
Capital distribution to non-controlling interests	(99)	(847)
Contributions from non-controlling interests	8,011	118,582
Dividends paid to non-controlling interests	(4,362)	(8,750)
Distribution paid to perpetual securities holders	(38,793)	(37,968)
Interest paid	(28,089)	(16,250)
Issuance of ordinary shares, net of issue costs	487,749	–
Payment of lease liabilities	(5,206)	(4,745)
Proceeds from loans and borrowings	520,232	116,305
Repayment of advances from immediate holding company	(372)	(439,544)
Repayment of loans and borrowings	(532,481)	(46,667)
Repayment of loan from immediate holding company	–	(47,500)
Net cash from financing activities	404,139	262,105



	Group	
	2021	2020
	US\$'000	US\$'000
		Re-presented
Net increase in cash and cash equivalents	258,038	134,287
Cash and cash equivalents at beginning of the year	311,419	163,558
	569,457	297,845
Effect of exchange rate fluctuations on cash held	(16,517)	13,574
Cash and cash equivalents at 31 December	552,940	311,419

These slides may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of uncertainties, risks and assumptions. Representative examples of these factors include but are not limited to general market and economic conditions, interest rate trends, competition from other real estate investors, changes in operating expenses including employee wages and benefits, changes in government policies, and the continued availability of financing in the amounts and terms necessary to support future business. You are cautioned not to place undue reliance on the forward-looking statements in these slides, which are based on the current view of management on future events. Information from external sources in these slides has not been independently verified by us nor have the external sources quoted consented to the inclusion of the information.

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