

CapitaLand Ascott Trust increased FY 2023 Distribution per Stapled Security by 16% through stronger operating performance and new acquisitions

- ***Revenue per available unit for FY 2023 grew 23% year-on-year to pre-pandemic levels***
- ***Achieves about S\$156 million or 2% increase in portfolio valuation with better operating performance and outlook for properties***

Singapore, 29 January 2024 – CapitaLand Ascott Trust (CLAS) has increased its distribution per Stapled Security (DPS) for FY 2023 by 16% year-on-year (y-o-y) to 6.57 cents. Despite the pandemic, its DPS has increased every year since FY 2020. Excluding one-off items¹, adjusted DPS for FY 2023 rose 14% y-o-y to 5.44 cents. Total distribution for FY 2023 rose 25% y-o-y to S\$237.0 million. The rise was due to stronger operating performance and contributions from 18 new acquisitions. DPS for 2H 2023 was up 14% y-o-y to 3.80 cents and CLAS' total distribution for 2H 2023 grew 24% y-o-y to S\$140.8 million.

CLAS' properties saw strong demand as international travel continued to recover. CLAS' revenue per available unit (REVPAU²) in 2H 2023 reached 103% of pre-pandemic levels in 2H 2019 on a pro forma basis³, increasing by 10% y-o-y to S\$157. REVPAU also rose 23% y-o-y to S\$148 for FY 2023. In 4Q 2023, majority of CLAS' key markets such as China, Japan, United States of America (USA) and Vietnam also registered y-o-y REVPAU growth.

CLAS' gross profit for 2H 2023 rose 12% y-o-y to S\$183.9 million compared to 2H 2022. This is 106% of pre-pandemic levels. Revenue for 2H 2023 also increased by 12% to S\$397.6 million compared to 2H 2022. This was mainly attributed to higher revenue received from CLAS' existing portfolio and contributions from its new acquisitions. On a same-store basis excluding the new acquisitions, gross profit and revenue increased by 5% and 8% respectively compared to 2H 2022. In 2H 2023, stable income sources contributed about 54% of CLAS' gross profit, while the remaining 46% was generated from growth income sources.

CLAS achieved a fair value gain of S\$156 million, about 2% increase in portfolio valuation due to stronger operating performance and outlook for its portfolio despite higher capitalisation rates and discount rates. Markets with valuation gains include Australia, Europe, Japan, Singapore and United Kingdom.

¹ Excluding one-off items comprising realised exchange gain in FY 2022 and FY 2023.

² Revenue per available unit of properties excludes master leases, rental housing and student accommodation.

³ The combination with Ascendas Hospitality Trust (A-HTRUST) was completed on 31 Dec 2019 and the 2019 pro forma figures include the performance of the A-HTRUST portfolio.

Mr Bob Tan, Chairman of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (the Managers of CLAS), said: “CLAS continued to deliver strong performance. Our balanced portfolio of stable and growth income streams enables CLAS to capture growth opportunities while remaining resilient amidst uncertainties. As part of CLAS’ active portfolio reconstitution strategy, we completed 18 yield-accretive acquisitions in the past two years, boosting CLAS’ income. In the last seven months, we also announced the divestment of nine mature properties⁴ at a premium to book value. Our strengthened financial position will enable us to redeploy capital towards more optimal uses such as investments into higher-yielding assets, funding our asset enhancement initiatives (AEI) or paring down debt. We remain committed to delivering sustainable returns to Stapled Securityholders.”

Ms Serena Teo, Chief Executive Officer of the Managers of CLAS, said: “Through our active portfolio reconstitution and AEI, we are enhancing the quality of our portfolio to create further value for Stapled Securityholders. We have eight properties undergoing or will undergo AEI. The AEI is expected to uplift the value of the properties post completion. Looking ahead, the diversification of CLAS’ portfolio across geographies, lodging asset classes and contract types will continue to provide income stability.”

Delivering returns through CLAS’ active portfolio reconstitution strategy

CLAS has announced divestments of S\$260.1 million of assets at a premium to book value in the last seven months. The divestment of nine assets will unlock S\$24.3 million in net gains, at an average exit yield of about 4.3%⁵. Other than deploying capital to higher-yielding assets or AEI, the divestments also boost CLAS’ financial flexibility, potentially enabling CLAS to strengthen its balance sheet and lower its gearing.

CLAS completed the S\$530.8 million yield-accretive acquisition of three prime lodging properties⁶ in London, Dublin and Jakarta in November 2023, delivering EBITDA yield of 6.2%⁷, about 1.9 percentage points higher than the average exit yield on its divestments. In January 2024, CLAS also completed the turnkey acquisition of Teriha Ocean Stage, a 258-unit rental housing property in Fukuoka, Japan at an estimated net operating income yield of about 4% on a stabilised basis.

Uplifting the value and profitability of CLAS’ portfolio through new developments and asset enhancement initiatives

Previously under development, Standard at Columbia in the USA, a student accommodation property was topped out in June 2023 and received its first batch of students in August 2023. In Singapore, construction of the new Somerset serviced residence at the popular riverfront lifestyle and entertainment precinct of Clarke Quay is slated for completion in 2H 2025.

⁴ The nine properties comprise four properties in regional France, two properties in Australia and three properties in Japan.

⁵ The exit yield of the France and Australia properties is computed based on FY 2022 Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA). The exit yield of the Japan portfolio is not meaningful and has not been included in the average exit yield computation as the properties were largely closed in 2022. If included, the average exit yield will be about 2.6%.

⁶ The Cavendish London, Temple Bar Hotel in Dublin and Ascott Kuningan Jakarta.

⁷ Excluding the Milestone Payments which are to be made only when 70% of the renovations of The Cavendish London and Temple Bar Hotel are completed. Including the Milestone Payments, the EBITDA yield is 5.1% on a FY 2022 pro forma basis.

CLAS also announced AEI for eight properties to create additional tailwind beyond the travel recovery. Unlocking growth potential, the uplift in performance post renovation is expected to enhance the properties' profitability and valuation. Riverside Hotel Robertson Quay was rebranded and unveiled as The Robertson House by The Crest Collection in October 2023. The AEI is on track for full completion in 1Q 2024. AEI for the seven other properties⁸ are set to be completed between 2024 and 2026.

CLAS' strong financial capacity and healthy liquidity position

CLAS is in a strong financial position and continues to be prudent in its capital management. Despite a high interest rate environment, CLAS' average cost of debt remains low at 2.4% per annum as at 31 December 2023. CLAS increased its proportion of debt on fixed rates to 81% and has a total of approximately S\$1.32 billion in cash on-hand and available credit facilities. CLAS' interest rate cover is also healthy at 4 times. It has a debt headroom of about S\$2 billion and a gearing of 37.9%, which is well below the 50% gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore.

Summary of Results

	2H 2023	2H 2022	Variance %	FY 2023	FY 2022	Variance %
Revenue (S\$ million)	397.6	353.8	12	744.5	621.2	20
Gross Profit (S\$ million)	183.9	164.6	12	338.2	282.8	20
Total distribution (S\$ million) ^{(1), (2)}	140.8	113.2	24	237.0	189.8	25
Distribution Per Stapled Security (DPS) (cents)	3.80	3.33	14	6.57	5.67	16
<u>For information only</u> DPS (cents) (adjusted for one-off items) ⁽³⁾	3.00	3.00	-	5.44	4.79	14
Revenue Per Available Unit (REVPAU) (S\$/day)	157	143	10	148	120	23%

(1) Total distribution for 2H 2023 and FY 2023 included one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans and settlement of cross currency interest rate swaps.

(2) Total distribution for 2H 2022 and FY 2022 included one-off items relating to realised exchange gain arising from repayment of foreign currency bank loans.

(3) Adjusted DPS for the one-off items mentioned in notes 1 and 2 above.

⁸ The seven properties are Citadines Holborn-Covent Garden London, Citadines Les Halles Paris, Citadines Kurfürstendamm Berlin, La Clef Tour Eiffel Paris, Temple Bar Hotel, The Cavendish London and Novotel Sydney Central.

Distribution and Book Closure Date

On 14 August 2023, 191,755,000 new Stapled Securities were issued through CLAS' private placement.

For the existing Stapled Securityholders, CLAS paid an advanced distribution of 0.701 cents per Stapled Security on 11 October 2023. This distribution was for the period from 1 July 2023 to 13 August 2023, in lieu of the semi-annual distribution.

CLAS will pay 3.095 cents to Stapled Securityholders on 29 February 2024 based on the distribution income from 14 August 2023 to 31 December 2023. Semi-annual distributions will resume thereafter.

Distribution	For 1 January 2023 to 30 June 2023	For 1 July 2023 to 13 August 2023	For 14 August 2023 to 31 December 2023	For 1 July 2023 to 31 December 2023
Distribution Per Stapled Security	2.778 cents	0.701 cents	3.095 cents	3.796 cents
Book Closure Date	4 August 2023	11 August 2023	6 February 2024	
Payment Date	29 August 2023	11 October 2023	29 February 2024	

For CLAS' FY 2023 financial statement and presentation, please visit www.capitalandascotttrust.com

About CapitaLand Ascott Trust (<https://www.capitalandascotttrust.com>)

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S\$8.7 billion as at 31 December 2023. CLAS' objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. CLAS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 106 properties with more than 19,000 units in 45 cities across 16 countries in Asia Pacific, Europe and the United States of America as at 31 December 2023.

CLAS' properties are mostly operated under the Ascott, Somerset, Quest and Citadines brands. They are mainly located in key gateway cities such as Barcelona, Berlin, Brussels, Hanoi, Ho Chi Minh City, Jakarta, Kuala Lumpur, London, Manila, Melbourne, Munich, New York, Paris, Perth, Seoul, Singapore, Sydney and Tokyo.

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT) and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager are wholly

owned subsidiaries of Singapore-listed 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 30 September 2023, CLI had S\$133 billion of real estate assets under management, and S\$90 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and more than 30 private vehicles across Asia Pacific, Europe and USA. Its diversified real estate asset classes cover retail, office, lodging, business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through fund management, lodging management and its full stack of operating capabilities, and maintain effective capital management. As the investment management arm of CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm.

As a responsible company, CLI places sustainability at the core of what it does and has committed to achieve Net Zero carbon emissions for scope 1 and 2 by 2050. 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.

Important Notice

This 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 release. Neither CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. ("Managers") nor any of their 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 release or its contents or otherwise arising in connection with this release.

The past performance of CapitaLand Ascott Trust ("CLAS") is not indicative of future performance. The listing of the Stapled Securities in CLAS ("Stapled Securities") on the Singapore Exchange Securities Trading Limited ("SGX-ST") does not guarantee a liquid market for the Stapled Securities. The value of the Stapled Securities and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers or any of their affiliates. An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Investors have no right to request that the Managers redeem or purchase their Stapled

Securities while the Stapled Securities are listed on the SGX-ST. It is intended that holders of Stapled Securities may only deal in their Stapled Securities through trading on the SGX-ST.

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

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