Press Release
For Immediate Release

Ascendas Reit's Total Amount Available for Distribution for 1H FY2021 grew 18.2% y-o-y to S$311.0 million

1. Total amount available for distribution for the six months ended 30 June 2021 (1H FY2021) rose by 18.2% year-on-year (y-o-y) to S$311.0 million, mainly due to contributions from newly acquired properties. 1H FY2021 Distribution per Unit (DPU) rose by 5.4% to 7.66 cents.

2. S$1,723.0 million worth of acquisitions were completed, which increased Ascendas Reit's exposure to data centres and business spaces, such as business parks and suburban offices, to 59% of the portfolio.

3. Portfolio occupancy rate remained healthy at 91.3% and positive average rent reversion of 8.9% was achieved for leases that were renewed during 1H FY2021.

Summary of Ascendas Reit Group Results

	1H FY2021	1H FY2020	Variance
Gross revenue (S$m)	586.0	521.2	12.4%
Net property income (S$m)	445.6	388.0	14.8%
Total amount available for distribution (S$m)	311.0	263.2	18.2%
DPU (cents)	7.660 (1)	7.270 (2)	5.4%
Applicable no. of units (m)	4,060.1	3,620.2	12.2%
No. of properties (as at end of period)	211 (3)	197	-

Notes:
(1) Included taxable, tax exempt and capital distributions of 5.529, 0.045 and 2.086 cents respectively.
(2) Included taxable tax exempt and capital distributions of 5.910, 0.040 and 1.320 cents respectively
(3) As at 30 June 2021, Ascendas Reit had 96 properties in Singapore, 36 properties in Australia, 30 properties in the United States and 49 properties in the United Kingdom (UK)/Europe.

2 August 2021, 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 FY2021 rose by 12.4% y-o-y to S$586.0 million. The increase was mainly due to revenue contribution from two office properties in San Francisco, United States (US), which were acquired in November 2020 and 11 data centres across Europe, which were acquired in March 2021, as well as two suburban offices in Australia, which were acquired in January 2021 and September 2020. This was partially offset by the absence of $10.3 million of COVID-related grants received from the Singapore government in 1H FY2020.

Net property income rose by 14.8% y-o-y to S$445.6 million in tandem with the increase in gross revenue.

The total amount available for distribution in 1H FY2021 rose 18.2% y-o-y to S$311.0 million. Taking into account the enlarged number of units (+12.2%) in issue arising from the equity fund raisings in 4Q 2020 and 2Q 2021 to fund the new acquisitions, DPU rose 5.4% to 7.66 Singapore cents.

Mr William Tay, Chief Executive Officer and Executive Director of the Manager, said: “Despite the uncertain business environment due to COVID-19, we were able to acquire S$1.2 billion of overseas properties comprising 11 data centres in Europe (S$904.6 million) and a suburban office in Australia (S$284.0 million) in 1H FY2021 given our strong financial position. These acquisitions boosted 1H FY2021 DPU growth by 5.4% year-on-year. With business spaces, logistics and data centres now making up 80% of our S$15.9 billion portfolio, Ascendas Reit is well placed to benefit from the key trends of digitalisation and e-commerce.”

Value-adding Investments

During 1H FY2021, Ascendas Reit completed S$1,723.0 million worth of acquisitions which increased its exposure to data centres and business spaces[1] from 52% (as at 31 December 2020) to 59% (as at 30 June 2021) of the portfolio by asset value.

The acquisitions included the remaining 75% stake in Galaxis, a business park property located above the one-north MRT station in Singapore (S$534.4 million), 11 data centres located across key cities in Europe (S$904.6 million) and 1-5 Thomas Holt Drive, a campus style suburban office property located in Macquarie Park, Sydney, Australia (S$284.0 million).

[1] Includes Business & Science Park properties, suburban offices and offices.

Following these acquisitions, Ascendas Reit's total portfolio value grew by approximately 15.7% to S$15.9 billion since 31 December 2020. Singapore now accounts for 62% (S$9.8 billion) of the total portfolio with the remaining 38% comprising properties in Australia (S$2.2 billion or 14%), the US (S$2.1 billion or 13%) and the UK/Europe (S$1.8 billion or 11%).

The built-to-suit business park property for Grab's Headquarters was completed and handed over to Grab on 30 July 2021. Located at one-north, the property is certified as Green Mark Gold^{PLUS} and is fully leased to Grab for 11 years.

The Manager continues to undertake asset enhancement initiatives (AEIs) to upgrade its properties and enhance returns from its existing portfolio. Two AEIs (25 Changi South Avenue 2 in Singapore and 100 & 108 Wickham Street in Brisbane, Australia) were completed in 1H FY2021 for S$15.8 million. Ongoing projects include two AEIs worth S$18.8 million (Changi Logistics Centre and Hansapoint) and two redevelopment projects worth S$119.3 million (UBIX and iQuest@IBP) in Singapore.

Capital Recycling

Four properties in Australia and Singapore have been divested for S$144.7 million since the start of 2021, in line with the Manager's proactive asset management strategy to improve the quality of its portfolio and optimise returns for Unitholders.

In 1H FY2021, 1314 Ferntree Gully Road located in Melbourne, Australia, and 11 Changi North Way located in Singapore, were divested for total sales proceeds of S$40.2 million. Two other logistics properties, 82 Noosa Street and 62 Stradbroke Street, located in Brisbane, Australia were divested on 9 July 2021 for S$104.5 million.

A Diversified and Resilient Portfolio

As at 30 June 2021, Ascendas Reit's S$15.9 billion portfolio had a customer base of more than 1,520 tenants spread across properties[2] in four sub-segments, ranging from business spaces, logistics and distribution centres, industrial properties and data centres.

[2] Includes 96 properties in Singapore (three of which are under redevelopment), 36 properties in Australia, 30 properties in the US and 49 properties in the UK/Europe.

31% of Ascendas Reit's portfolio by asset value consists of single-tenant buildings while 69% are multi-tenant buildings. No single property accounts for more than 3.6% of Ascendas Reit's monthly gross revenue.

Overall portfolio occupancy rate improved to 91.3% quarter-on-quarter (q-o-q) (31 March 2021: 90.6%) driven mainly by improvements in the Singapore and Australia portfolios.

Occupancy rate of the Singapore portfolio rose to 87.9% as at 30 June 2021 from 86.9% a quarter ago. This was mainly attributable to full occupancy achieved at a light industrial property, 31 Joo Koon Circle, which was vacant on 31 March 2021. The property is now fully leased to a single tenant.

Occupancy rate of the Australian portfolio also improved to 95.8% (31 March 2021: 94.9%) mainly due to a new lease secured at 1 Distribution Place in Sydney. The US and the UK/Europe portfolio occupancy rates remained stable at 92.8% (31 March 2021: 92.5%) and 98.2% (31 March 2021: 98.6%) respectively.

For 2Q 2021, the portfolio recorded positive average rental reversion[3] of 8.9% for leases that were renewed in multi-tenant buildings (1Q FY2021: +3.0%). In Singapore, average rental reversion was +3.4% and in the US, average rental reversion was +26.3%. For 1H FY2021, the average rental reversion for the portfolio was +6.4%.

Based on new leases signed, tenants from the Biomedical sector accounted for the largest proportion of new demand by gross rental income in the first half of 2021 (34.0%).

The portfolio's weighted average lease expiry (WALE) stands at 4.0 years. Only about 5.8% of Ascendas Reit's gross rental income will be due for renewal in the second half of 2021.

Proactive Capital Management

As at 30 June 2021, aggregate leverage was healthy at 37.6% (31 December 2020: 32.8%, 30 June 2020: 36.1%). Weighted average all-in cost of borrowing improved to 2.4% (31

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[3] 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.

December 2020: 2.7%, 30 June 2020: 2.9%) and the debt maturity profile remains well-spread out with weighted average tenure of debt outstanding at 3.7 years.

Ascendas Reit's liquidity position remains robust. Operating cashflow is stable, underpinned by a well-diversified portfolio.

A high level of natural hedge of more than 80% was maintained for the overseas investments to minimise the effects of any adverse exchange rate fluctuations. Subsequent to a Euro-denominated bond issuance in June 2021, the natural hedge level in Europe increased to 100% from 75% a quarter ago.

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

Sustainability

Ascendas Reit is committed to incorporating more green initiatives into its core business strategy.

Year-to-date, key sustainability initiatives include:

- S$818.4 million worth of green properties were acquired in Singapore and Australia, bringing the total number of properties with green certifications to 44[4]. These include 36 BCA Green Mark properties in Singapore, the largest amongst Singapore REITs.
- 32 public electric vehicle (EV) charging points were newly installed across seven Singapore properties, increasing the total charging points to 72. This is the largest number provided by a Singapore REIT.
- Solar panels were installed on the rooftop of a property in Singapore, bringing the total to seven properties. Currently, Ascendas Reit has the largest combined solar panel installation in Singapore by a real estate company.
- S$810.7 million of green loans were secured and a US$150 million green interest rate swap was used to hedge an existing US$150 million green loan. To-date, green financing amounts to S$1.2 billion or about 18% of our total borrowings.

[4] Includes four single-tenant properties in Singapore.

Ascendas Reit's sustainability targets include (1) achieving a minimum green target[5] rating for all new acquisitions and developments, (2) achieving the minimum green rating for all its existing properties[6] by 2030, (3) zero-tolerance policy for lapses in corporate governance, corruption or employee misconduct, as well as (4) zero incidents resulting in staff permanent disability or fatality[7].

Outlook

In July 2021, the International Monetary Fund (IMF) maintained its 6% global growth forecast for 2021. The projected recovery, particularly in the advanced economies, is underpinned by vaccine rollouts and supportive fiscal policies which are expected to reduce infections and reopen economies. The IMF cautioned that new strains of COVID-19 may weigh down the speed of economic recovery globally.

Singapore

In Singapore, the economy expanded 14.3% y-o-y in 2Q 2021 largely due to the low base last year as a result of the COVID-19 Circuit Breaker measures. Gross domestic product (GDP) in absolute terms remained 0.9% below pre-pandemic levels in 2Q 2019. As at May 2021, the Ministry of Trade and Industry (MTI) estimates that the economy will return to growth at between "4.0% and 6.0%" in 2021 (source: MTI).

In the near term, leasing demand is expected to stay relatively muted as most companies remain cautious with their business and expansion plans due to market uncertainties globally. In 1H FY2021, half a month of rent rebates amounting to S$0.7 million were provided to support F&B and retail tenants affected by the heightened COVID-19 measures in Singapore. An additional two-week rent rebate is expected to be provided to these tenants pending further details by the Ministry of Law.

The newly acquired 75% interest in Galaxis and the recently completed Grab Headquarters will strengthen Ascendas Reit's business space portfolio and tenant base. With business

[5] Refers to Ascendas Reit's owned and managed properties. In Singapore, the minimum green building target is the BCA Green Mark Gold^{PLUS} award and for overseas, its equivalent certifications by a green rating system administered by a national government ministry/agency or a Green Building Council recognised by the World Green Building Council (WGBC). If the rating is not achievable immediately, capital expenditure will be set aside to enhance the properties to attain green certifications in the future.

[6] Refers to Ascendas Reit's owned and managed properties.

[7] More details are available on Ascendas Reit's sustainability page: https://www.ascendas-reit.com/en/sustainability.html

spaces accounting for approximately 50.0% of its S$9.8 billion total investment properties in Singapore, Ascendas Reit remains well-positioned to tap on demand from new economy sectors such as biomedical sciences and information and communications technologies.

Australia

The Australian economy bounced back to above pre-pandemic levels, expanding 1.1% y-o-y in 1Q 2021 (source: Australian Bureau of Statistics). Household spending rose 1.2% as most states reopened and lifted border restrictions during the quarter. However, the recent spike in COVID-19 cases have resulted in new lockdowns. As at June 2021, the Reserve Bank of Australia (RBA) projected the Australia economy to achieve a GDP growth of 4.75% in 2021 (source: RBA).

The portfolio continues to deliver stable performance due to the good locations of its properties in Sydney, Melbourne and Brisbane, its weighted average lease to expiry (WALE) of 3.8 years and the average rent escalations of approximately 3% per annum.

To optimise returns, three logistics properties in Brisbane and Melbourne were divested for S$128.7 million and a suburban office at Macquarie Park, Sydney was acquired for S$284.0 million in 1H FY2021. Total investment in Australia is expected to grow by 6.7% to S$2.4 billion after taking into account three properties (worth S$251.2 million) that are under development. These are two logistics properties located in Sydney and Brisbane and one suburban office property located in Macquarie Park, Sydney, all three of which are expected to complete within the next 12 months.

United States (US)

In 1Q 2021, the US economy grew 0.4% y-o-y and 6.4% q-o-q as the reopening of establishments and continued assistance provided by the US government helped lift the economy to recovery (source: US Bureau of Economic Analysis). The US GDP is expected to expand by 7.0% y-o-y in 2021 (source: IMF).

As companies evaluate their real estate footprint post pandemic, leasing activity is expected to remain slow. Nevertheless, Ascendas Reit's S$2.1 billion of investment in the US is underpinned by the good locations of its properties within key US technology cities, its long

WALE of 5.0 years and the high proportion of leases with rent escalation clauses of between 2.5% and 4.0% per annum.

United Kingdom and Europe

As a result of another surge in COVID-19 cases, the UK entered a nation-wide lockdown during 1Q 2021. This led to a 6.1% y-o-y and 1.5% q-o-q GDP contraction (source: Office for National Statistics (ONS)). Despite this, UK's economy is forecast to deliver a growth of 7.0% y-o-y in 2021 (source: IMF).

France, the Netherlands and Switzerland also experienced a resurgence of COVID-19 cases and implemented various forms of restrictions in the early part of 2021. However, their economies are expected to rebound in 2021 following the steady rollout of vaccinations and strong policy support.

Ascendas Reit's strategic investment in a portfolio of 11 European data centres in March 2021 lifted its data centre exposure to 10% of the group's portfolio (worth S$15.9 billion) from 4% on 31 December 2020. The data centres will provide an additional stream of resilient income for Ascendas Reit.

Overall, the UK/Europe portfolio, which is worth S$1.8 billion and has a long WALE of 5.9 years, will help to mitigate any uncertainties. Key trends such as strong e-commerce adoption and digitalisation of activities, are expected to support demand for logistics and data centre space.

Conclusion

Whilst the global economic outlook for 2021 is expected to be brighter compared to 2020, the pace of business recovery is likely to vary across sectors and geography. The Manager will continue to exercise prudence, maintain a strong balance sheet and proactively manage its S$15.9 billion portfolio to deliver sustainable returns for its Unitholders.

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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 2021, Ascendas Reit's investment properties under management stood at S$15.9 billion. The portfolio comprises 211 properties across the developed markets of Singapore, Australia, the United States and the United Kingdom/Europe. Ascendas Reit's portfolio includes business spaces, logistics & distribution centres, industrial properties and data centres.

These properties house a tenant base of more than 1,460 international and local companies from a wide range of industries and activities, including research and development, life sciences, information technology, engineering, light manufacturing, logistics service providers, electronics, telecommunications, manufacturing services and back-room office support in service industries. Major tenants include Singtel, Stripe, DSO National Laboratories, SEA Group, Pinterest, DBS, CareFusion, Equinix, Wesfarmers and Citibank.

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 Singapore-listed CapitaLand Limited, one of Asia's largest diversified real estate groups.

About CapitaLand Limited (www.capitaland.com)

CapitaLand Limited (CapitaLand) is one of Asia's largest diversified real estate groups. Headquartered and listed in Singapore, it owns and manages a global portfolio worth about S$137.7 billion as at 31 March 2021. CapitaLand's portfolio spans across diversified real estate classes which includes commercial, retail; business park, industrial and logistics; integrated development, urban development; as well as lodging and residential. With a presence across more than 240 cities in over 30 countries, the Group focuses on Singapore and China as its core markets, while it continues to expand in markets such as India, Vietnam, Australia, Europe and the USA.

CapitaLand has one of the largest real estate investment management businesses globally. It manages six listed real estate investment trusts (REITs) and business trusts as well as over 20 private funds. CapitaLand launched Singapore's first REIT in 2002 and today, its stable of REITs and business trusts comprises CapitaLand Integrated Commercial Trust, Ascendas Real Estate Investment Trust, Ascott Residence Trust, CapitaLand China Trust, Ascendas India Trust and CapitaLand Malaysia Mall Trust.

CapitaLand places sustainability at the core of what it does. As a responsible real estate company, CapitaLand contributes to the environmental and social well-being of the communities where it operates, as it delivers long-term economic value to its stakeholders.

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