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(Constituted in the Republic of Singapore pursuant to a trust deed dated 9 October 2002 (as amended))

LAUNCH OF EQUITY FUND RAISING TO RAISE GROSS PROCEEDS OF APPROXIMATELY S\$1,200.0 MILLION

| Principal Terms of the Issue | Description |
|--------------------------------|---|
| Issue Price Range | Between S\$3.026 and S\$3.121 for each Private Placement New Unit Between S\$2.960 and S\$3.050 for each Preferential Offering New Unit |
| Discount | <p>The Private Placement Issue Price Range (as defined herein) represents a discount of between:</p> <ul style="list-style-type: none"> (i) approximately 2.8% and 5.7% to the VWAP of S\$3.2096 per Unit of all trades in the Units on the SGX-ST for the preceding Market Day on 9 November 2020, up to the time the Underwriting Agreement (as defined herein) was signed on 10 November 2020; and (ii) (for illustrative purposes only) approximately 1.0% and 4.0% to the Adjusted VWAP of S\$3.1522 per Unit. <p>The Preferential Offering Issue Price Range (as defined herein) represents a discount (the “Preferential Offering Issue Price Range Discount”) of between:</p> <ul style="list-style-type: none"> (i) approximately 5.0% and 7.8% to the VWAP of S\$3.2096 per Unit; and (ii) (for illustrative purposes only) approximately 3.2% and 6.1% to the Adjusted VWAP of S\$3.1522 per Unit. <p>The Preferential Offering Issue Price Range and the Preferential Offering Issue Price Range Discount have been determined after taking into account precedent transactions, the transaction size and discussions with the Joint Global Co-ordinators and Bookrunners (as defined herein).</p> |
| Allotment Ratio | The allotment ratio for the Preferential Offering will be announced by the Manager via SGXNET once the Preferential Offering Issue Price (as defined herein) has been determined. |
| Use of Proceeds | Please refer to paragraph 3 below. |
| Purpose of Equity Fund Raising | Please refer to paragraphs 3 and 4 below. |

1. Introduction

Ascendas Funds Management (S) Limited, in its capacity as manager of Ascendas Real Estate Investment Trust ("**Ascendas Reit**", and as manager of Ascendas Reit, the "**Manager**"), wishes to announce the proposed equity fund raising comprising an offering of new units in Ascendas Reit ("**Units**", and such new units, the "**New Units**") to raise gross proceeds of approximately S\$1,200.0 million by way of:

- (i) private placement of between 256,329,000 and 264,376,000 New Units (the "**Private Placement New Units**") to institutional and other investors at an issue price of between S\$3.026 and S\$3.121 (per New Unit (both figures inclusive) (the "**Private Placement Issue Price Range**") to raise gross proceeds of approximately S\$800.0 million (the "**Private Placement**"); and
- (ii) a pro rata and non-renounceable preferential offering (the "**Preferential Offering**") of up to 133,948,782 New Units (the "**Preferential Offering New Units**") to Eligible Unitholders (as defined herein) at an issue price of between S\$2.960 and S\$3.050 per New Unit (the "**Preferential Offering Issue Price Range**") to raise gross proceeds of approximately S\$400.0 million,

(the Private Placement and the Preferential Offering are hereinafter collectively referred to as the "**Equity Fund Raising**").

2. Details of the Equity Fund Raising

The Manager, DBS Bank Ltd. ("**DBS**") and J.P. Morgan (S.E.A.) Limited ("**JPM**", and together with DBS, the "**Joint Global Co-ordinators and Bookrunners**") have today entered into an underwriting agreement (the "**Underwriting Agreement**") pursuant to which each of the Joint Global Co-ordinators and Bookrunners has severally (and not jointly nor jointly and severally) agreed to:

- (i) procure subscribers for, or failing which, to subscribe for such proportion of the Private Placement New Units at the Private Placement Issue Price; and
- (ii) procure subscribers for, or failing which, to subscribe for such proportion of the Preferential Offering New Units at the Preferential Offering Issue Price to the extent that they remain unsubscribed for after satisfaction of all applications (if any) for Excess Preferential Offering Units (as defined herein) (save for the Preferential Offering Units to be subscribed and/or applied for by the Sponsor (as defined herein) and AFM (as defined herein) pursuant to their respective Irrevocable Undertakings (as defined herein)),

in each case as set out in the Underwriting Agreement. The Equity Fund Raising shall be subject to certain conditions precedent set out in the Underwriting Agreement, including the approval in-principle of Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of and quotation for the New Units on the Main Board of the SGX-ST.

In relation to the Equity Fund Raising, Ascendas Land International (Investments) Pte. Ltd. (the "**Sponsor**") and Ascendas Funds Management (S) Limited ("**AFM**") (in its personal capacity) have each provided an irrevocable undertaking to the Manager and the Joint Global Co-ordinators and Bookrunners, the details of which are set out in paragraph 9 below

(collectively, the “**Irrevocable Undertakings**” and each an “**Irrevocable Undertaking**”).

The Private Placement Issue Price Range of between S\$3.026 and S\$3.121 per New Unit (both figures inclusive) represents a discount of between:

- (i) 2.8% and 5.7% to the volume weighted average price (“**VWAP**”) of S\$3.2096 per Unit for all trades in the Units done on the SGX-ST for the preceding Market Day¹ on 9 November 2020, up to the time the Underwriting Agreement was signed on 10 November 2020; and
- (ii) (for illustrative purposes only) 1.0% and 4.0% to the adjusted VWAP² (the “**Adjusted VWAP**”) of S\$3.1522 per Unit.

The Preferential Offering Issue Price Range of between S\$2.960 and S\$3.050 per New Unit (both figures inclusive) represents a discount of between:

- (i) 5.0% and 7.8% to the VWAP of S\$3.2096 per Unit; and
- (ii) (for illustrative purposes only) 3.2% and 6.1% to the Adjusted VWAP² of S\$3.1522 per Unit.

The issue price per Private Placement New Unit (the “**Private Placement Issue Price**”) will be determined by the Manager and the Joint Global Co-ordinators and Bookrunners following a book-building process. The Manager will make an announcement via SGXNET once the Private Placement Issue Price has been determined. The issue price per Preferential Offering New Unit will be determined once the Private Placement Issue Price has been determined.

3. Use of Proceeds

Subject to relevant laws and regulations, the Manager intends to use the gross proceeds of approximately S\$1,200.0 million from the Equity Fund Raising in the following manner:

- (i) approximately S\$390.0 million³ (which is equivalent to approximately 32.5% of the gross proceeds of the Equity Fund Raising) to partially fund the proposed acquisition of two office properties in San Francisco⁴ (the “**Proposed US Acquisition**”) and the associated costs;
- (ii) approximately S\$614.0 million (which is equivalent to approximately 51.2% of the gross proceeds of the Equity Fund Raising) to partially fund the acquisition of a

1 “**Market Day**” refers to a day on which the SGX-ST is open for securities trading.

2 The adjusted VWAP is computed based on the VWAP of all trades in the Units on the SGX-ST for the Market Day on 9 November 2020 (being the Market Day on which the Underwriting Agreement was signed) and subtracting the Advanced Distribution (as defined herein) of approximately 5.74 cents per Unit. This amount is only an estimate based on information currently available to the Manager and the Manager’s estimate of Ascendas Reit’s revenue and expenses, and the actual Advanced Distribution may differ.

3 For optimal capital management purposes, amounts set aside for potential acquisition may be used to repay some debt around the time of the acquisition while Ascendas Reit takes on additional debt to fund the acquisition.

4 On 10 November 2020, the Manager had announced the Proposed US Acquisition of two office properties located in San Francisco, the United States of America.

portfolio of data centres in Europe (the “**Potential Europe Acquisition**”) and the associated costs, subject to completion of negotiations with the vendor and satisfactory due diligence⁵;

- (iii) approximately S\$180.0 million (which is equivalent to approximately 15.0% of the gross proceeds of the Equity Fund Raising) to partially fund the acquisition of a suburban office property located in Australia (the “**Potential Australia Acquisition**” and together with the Potential Europe Acquisition, the “**Potential Acquisitions**”) and the associated costs, subject to completion of negotiations with the vendor and satisfactory due diligence⁶; and
- (iv) approximately S\$16.0 million (which is equivalent to approximately 1.3% of the gross proceeds of the Equity Fund Raising) to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the Equity Fund Raising,

with the balance of the gross proceeds of the Equity Fund Raising, if any, to be used for general corporate and/or working capital purposes.

The Manager expects the distribution per unit (“**DPU**”) of the Proposed US Acquisition and the Potential Acquisitions to be accretive on a pro forma basis.⁷

Notwithstanding its current intention, in the event that the Equity Fund Raising is completed but the Proposed US Acquisition and/or the Potential Acquisitions does not proceed for whatever reason, the Manager may, subject to relevant laws and regulations, use the net proceeds from the Equity Fund Raising at its absolute discretion for other purposes, including, without limitation, funding future acquisitions, funding asset enhancement initiatives, the repayment of existing indebtedness and for funding capital expenditures.

Pending the deployment of the net proceeds from the Equity Fund Raising, the net proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions or used to repay outstanding borrowings or for any other purpose on a short-term basis as the Manager may, in its absolute discretion, deem fit.

The Manager will make periodic announcements on the utilisation of the net proceeds of the Equity Fund Raising via SGXNET as and when such funds are materially utilised and whether such a use is in accordance with the stated use and in accordance with the

5 The Manager is currently in the process of evaluating the Potential Europe Acquisition and it may or may not proceed with the Potential Europe Acquisition. The Manager will make appropriate announcements in relation to the Potential Europe Acquisition in due course in accordance with the SGX-ST Listing Manual.

6 The Manager is currently in the process of evaluating the Potential Australia Acquisition and it may or may not proceed with the Potential Australia Acquisition. The Manager will make appropriate announcements in relation to the Potential Australia Acquisition in due course in accordance with the SGX-ST Listing Manual.

7 For illustrative purposes only, the estimated pro forma DPU accretion of the Proposed US Acquisition is 0.85% and the estimated pro forma DPU accretion of the Proposed US Acquisition and the Potential Acquisitions is between 2.0% to 2.5%, assuming the Proposed US Acquisition and the Potential Acquisitions were completed on 1 April 2019. See paragraph 5 of the announcement titled “Proposed Acquisition of Two United States Office Properties Located at 505 Brannan Street & 510 Townsend Street, San Francisco, California, United States” dated 10 November 2020 for further information regarding the assumptions and basis of the pro forma financial effects on the DPU. For the avoidance of doubt, the above pro forma financial effects on the DPU are purely for illustrative purposes only and are subject to the terms and conditions of the Potential Acquisitions, the terms of the Equity Fund Raising and the terms of any debt financing. Further, such Potential Acquisitions may or may not proceed.

percentage allocated. Where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Ascendas Reit's announcements on the use of proceeds and in Ascendas Reit's annual report and where there is any material deviation from the stated use of proceeds, the Manager will announce the reasons for such deviation.

4. Rationale for the Equity Fund Raising

The Manager intends to use the net proceeds from the Equity Fund Raising towards the Proposed US Acquisition, the Potential Europe Acquisition and the Potential Australia Acquisition, which will bring the following benefits to unitholders of Ascendas Reit ("**Unitholders**") as set out below.

4.1 Benefits of the Proposed US Acquisition

The Proposed US Acquisition will bring the following benefits to Unitholders:

- (i) Increases exposure to US technology cities and diversifies Ascendas Reit's portfolio;
- (ii) Strategic location in San Francisco, a leading technology city in the US;
- (iii) Well-located in South of Market, an attractive submarket in San Francisco;
- (iv) High quality and newly completed properties;
- (v) High occupancy rates, long remaining lease tenures and annual rent escalations;
- (vi) Increases proportion of freehold land held by Ascendas Reit;
- (vii) Strengthens Ascendas Reit's US tenant base; and
- (viii) DPU and net asset value accretive to Unitholders.

(See announcement titled "Proposed Acquisition of Two United States Office Properties Located at 505 Brannan Street & 510 Townsend Street, San Francisco, California, United States" dated 10 November 2020 for further information.)

4.2 Benefits of the Potential Europe Acquisition

The Potential Europe Acquisition will provide Ascendas Reit the opportunity to gain immediate exposure to a portfolio of large scale European data centres strategically located within Tier 1 data centre hubs across Europe. This transaction will allow Ascendas Reit to acquire a mix of well-let triple net powered shells and strong operational turnkey data centres.

The Potential Europe Acquisition is expected to strengthen Ascendas Reit's current portfolio, providing stable and secure income and enlarging tenant base with additional quality tenants. The Manager expects to acquire the properties at attractive property yields. The Manager believes that this will enhance distributable income to Unitholders, and the transaction is expected to be DPU accretive.

Data centre is a resilient asset class and is expected to be exposed to economic cycles. Growth in demand for data centres is underpinned by growth in data creation and traffic,

increasing adoption of cloud computing and e-commerce, continuing trend of data centre outsourcing by companies and increasing data security requirements imposed by regulators. In view of the ongoing COVID-19 pandemic and factoring in existing restrictions that will remain in place or new restrictions that may be implemented, the reliance of network support is unlikely to ease in the near term..

4.3 Benefits of the Potential Australia Acquisition

The Potential Australia Acquisition is in line with Ascendas Reit's disciplined investment strategy of acquiring good quality, income-producing assets with established tenants, strengthening Ascendas Reit's ability to fulfil its mission to generate stable and predictable income streams and long term capital stability.

The Potential Australia Acquisition comprises a suburban office property located in an established business precinct in a prime Tier 1 city in Australia, with good connectivity and high occupancy rate. The property is situated in a market with high net absorption, driven by demand from multi-national corporations across pharmaceutical, technology, electronics, and telecommunications industries.

The Manager expects to acquire the property at attractive net property income yields and the transaction is also expected to be DPU accretive.

The Potential Australia Acquisition will increase Ascendas Reit's exposure to suburban office in Australia. The Potential Australia Acquisition is expected to strengthen Ascendas Reit's current portfolio, complementing Ascendas Reit's established Australia platform and enlarging Ascendas Reit's tenant base with additional quality tenants.

4.4 Strengthen Ascendas Reit's balance sheet and capital structure and enhance its financial flexibility

Ascendas Reit's Aggregate Leverage⁸ is expected to decrease from 34.9% to 26.3% immediately after the Equity Fund Raising assuming that pending deployment of net proceeds of the Equity Fund Raising, the net proceeds from the Equity Fund Raising are fully used to repay debt facilities as illustrated in the table below.

FOR ILLUSTRATIVE PURPOSES ONLY: Ascendas Reit's Aggregate Leverage would be approximately 30.2%, immediately after the Equity Fund Raising, assuming that the Proposed US Acquisition will be funded immediately after the Equity Fund Raising.

8 "Aggregate Leverage" is defined in the Property Funds Appendix (Appendix 6 of the Code on Collective Investment Schemes issued by the Monetary Authority of Singapore as the ratio of Ascendas Reit's borrowings and deferred payments (including deferred payments for assets whether to be settled in cash or Units) to the value of its deposited property.

| (in SGD million) | As of 30 September 2020 | Immediately after the Equity Fund Raising and pending deployment of the net proceeds of the Equity Fund Raising for their intended use ⁽¹⁾ | Immediately after the Equity Fund Raising and taking into account the Proposed US Acquisition only ⁽²⁾ |
|--|-------------------------|---|---|
| Borrowings and Deferred Payment | 4,809 | 3,625 | 4,409 |
| Deposited Property | 13,797 | 13,797 | 14,582 |
| Aggregate Leverage | 34.9% | 26.3% | 30.2% |

Notes:

- (1) Based on Ascendas Reit's unaudited financial statements as at 30 September 2020 and assuming that pending deployment of the net proceeds of the Equity Fund Raising as described in the section "Use of Proceeds" above, the net proceeds are fully used to repay debt facilities.
- (2) Based on Ascendas Reit's unaudited financial statements as at 30 September 2020 and assuming the deployment of the part of the net proceeds of the Equity Fund Raising for its intended use in relation to only the Proposed US Acquisition as described in the section "Use of Proceeds" above.

The Equity Fund Raising will provide Ascendas Reit with greater financial capacity to capitalise on and pursue further growth opportunities, including acquisitions of income-producing properties and built-to-suit development projects, as and when they may arise to create greater value and returns for Unitholders.

With the proceeds from the Equity Fund Raising, Ascendas Reit will be able to act more expeditiously and be more responsive when pursuing potential growth opportunities, which are essential in a competitive environment where the timelines in making bids and making payment for acquisition of income-producing properties are important.

4.5 Possible increase in trading liquidity of Units

The New Units to be issued under the Equity Fund Raising will increase the number of Units in issue by 386,657,545 to 398,324,782 Units, which represents an increase of 10.7% to 11.0% of the total number of Units currently in issue.

This increase in the total number of Units in issue and enlarged Unitholder base are expected to improve the trading liquidity of the Units.

5. Authority to Issue New Units

The New Units will be issued pursuant to a general mandate (the "**General Mandate**") given to the Manager at the annual general meeting ("**AGM**") held on 29 June 2020, pursuant to which the Manager may, during the period from 29 June 2020 to (i) the conclusion of the next AGM of Ascendas Reit or (ii) the date by which the next AGM of Ascendas Reit is required by applicable regulations to be held, whichever is earlier, issue new Units and/or securities, warrants, debentures or other instruments convertible into Units ("**Convertible Securities**") such that the number of new Units (and/or Units into which the Convertible

Securities may be converted) does not exceed 50.0% of the total number of Units in issue (excluding treasury Units, if any) as at 29 June 2020 (the “**Base Figure**”), of which the aggregate number of new Units (and/or Units into which the Convertible Securities may be converted) issued other than on a pro-rata basis to existing Unitholders, shall not be more than 20.0% of the Base Figure.

As at 29 June 2020, the number of Units in issue was 3,620,237,368.

The amount of Units that can be issued under the General Mandate is 1,810,118,684 Units, of which no more than 724,047,473 Units may be issued for a non pro-rata placement. The Manager has not issued any Units since 29 June 2020 on a non pro-rata basis.

The between 256,329,000 and 264,376,000 Private Placement New Units to be issued would constitute between 7.1% to 7.3% of the Base Figure, which is within the 20.0% limit for issue of new Units other than on a pro-rata basis. The maximum number of 133,948,782 Preferential Offering New Units to be issued would, together with the maximum number of 264,376,000 Private Placement New Units to be issued, constitute 11.0% of the Base Figure, which is within the 50.0% limit for issue of new Units on a pro-rata basis. Accordingly, the prior approval of the Unitholders is not required for the issue of the New Units under the Equity Fund Raising.

6. Eligibility to Participate in the Private Placement

The offer of Private Placement New Units under the Private Placement will be made to eligible institutional, accredited and other investors.

The Private Placement New Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) or the securities laws of any state or other jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction except pursuant to an exemption from the registration requirements of the U.S. Securities Act and in compliance with applicable laws.

The Manager, along with the Joint Global Co-ordinators and Bookrunners, reserve the absolute discretion in determining whether to allow such participation as well as the persons who may be allowed to do so.

7. Details of the Preferential Offering

In connection with the Preferential Offering, the Manager intends to issue up to 133,948,782 Preferential Offering New Units at the Preferential Offering Issue Price to Eligible Unitholders (the “**Existing Units**”) held as at 5.00 p.m. on 18 November 2020 (the “**Preferential Offering Record Date**”) in order to raise gross proceeds of approximately S\$400.0 million. The allotment ratio for the Preferential Offering will be announced by the Manager via SGXNET once the Preferential Offering Issue Price has been determined.

As the Preferential Offering is made on a non-renounceable basis, the provisional allotment of Preferential Offering New Units cannot be renounced in favour of a third party or traded

on the SGX-ST. Each Eligible Unitholder will be provisionally allotted the Preferential Offering New Units on the basis of their unitholdings in Ascendas Reit as at the Preferential Offering Record Date. In this regard, fractions of a New Unit will be disregarded.

Eligible Unitholders are at liberty to accept or decline their provisional allotments of Preferential Offering New Units and are eligible to apply for additional Preferential Offering New Units in excess of their provisional allotments under the Preferential Offering (“**Excess Preferential Offering New Units**”). Eligible Unitholders are prohibited from trading, transferring, assigning or otherwise dealing with (in full or in part) their (a) provisional allotments of Preferential Offering New Units or (b) eligibility to apply for Excess Preferential Offering New Units.

The Preferential Offering New Units represented by (i) the provisional allotments of Eligible Unitholders who decline or do not accept, in full or in part, their provisional allotments of Preferential Offering New Units, (ii) the provisional allotments of ineligible Unitholders, and/or (iii) the aggregate of fractional entitlements, may be issued to satisfy applications for Excess Preferential Offering New Units as the Manager may, in its absolute discretion, deem fit. In the allotment of Excess Preferential Offering New Units, preference will be given to the rounding of odd lots. Directors of the Manager and substantial Unitholders who have control or influence over the Ascendas Reit or the Manager in connection with the day-to-day affairs of Ascendas Reit or the Manager or the terms of the Preferential Offering, or have representation (direct or through a nominee) on the board of directors of the Manager will rank last in priority for the rounding of odd lots and allotment of Excess Preferential Offering New Units.

8. Eligibility to participate in the Preferential Offering

Eligible Unitholders. Only Eligible Depositors (as defined below) and Eligible QIBs (as defined below) are eligible to participate in the Preferential Offering.

Eligible Depositors. “**Eligible Depositors**” are Unitholders with Units standing to the credit of their respective securities accounts with The Central Depository (Pte) Limited (“**CDP**”) as at the Preferential Offering Record Date and (a) whose registered addresses with CDP are in Singapore as at the Preferential Offering Record Date; or (b) who have at least three Market Days prior to the Preferential Offering Record Date provided CDP with addresses in Singapore for the service of notices and documents, but exclude, subject to certain exceptions, Unitholders located, resident or with a registered address outside of Singapore. Eligible Depositors will be provisionally allotted with New Units under the Preferential Offering then standing to the credit of their securities accounts with CDP. The allotment ratio for the Preferential Offering will be announced by the Manager via SGXNET once the Preferential Offering Issue Price has been determined.

Eligible QIBs. “**Eligible QIBs**” are qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) that meet certain requirements which will be specified in the Instruction Booklet (as defined below).

Foreign Unitholders. The making of the Preferential Offering may be prohibited or restricted in certain jurisdictions under their relevant securities laws. Thus, for practical reasons and in order to avoid violating applicable securities laws outside Singapore, the

Preferential Offering will not be extended to Unitholders whose registered addresses with CDP are not in Singapore as at the Preferential Offering Record Date, and who have not, at least three Market Days prior to the Preferential Offering Record Date, provided CDP or the Unit Registrar (as the case may be) with addresses in Singapore for the service of notices and documents. Unitholders whose registered addresses with CDP are outside Singapore and who wish to participate in the Preferential Offering will have to provide CDP with addresses in Singapore for the service of notices and documents at least three Market Days prior to the Preferential Offering Record Date.

Details of the Preferential Offering and procedures for acceptance of and payment for provisional allocations of Preferential Offering New Units by Unitholders whose registered addresses with CDP are in Singapore will be set out in an instruction booklet to be despatched to Eligible Unitholders in due course. A further announcement on the despatch will be made by the Manager at the appropriate time.

For the avoidance of doubt, even if a Unitholder has provided a Singapore address as aforesaid, the offer of Preferential Offering New Units to him will be subject to compliance with applicable securities laws outside Singapore. The Manager, along with the Joint Global Co-ordinators and Bookrunners, reserves the absolute discretion whether to allow such participation as well as the persons who may be allowed to do so.

Notwithstanding the foregoing, the Manager may in its sole discretion determine whether to allow the participation in the Preferential Offering by Unitholders who are located, resident or with a registered address outside of Singapore, subject to and in compliance with the applicable securities and other laws of the relevant jurisdiction.

The Preferential Offering New Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or jurisdiction of the United States, or under the securities laws of any other jurisdiction, and may not be offered, sold, resold, granted, delivered, allotted, taken up or transferred, directly or indirectly, in the United States or any other jurisdiction, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable laws.

9. Commitment by the Sponsor and AFM

To demonstrate its support for Ascendas Reit and the Equity Fund Raising, (i) the Sponsor which owns an aggregate interest of approximately 19.05% of the total number of Units in issue as at the date of this announcement, and (ii) AFM (in its own capacity) which owns an interest of approximately 0.15% of the total number of Units in issue as at the date of this announcement, have each irrevocably undertaken to the Manager and Joint Global Co-ordinators and Bookrunners, subject to any prohibitions or restrictions imposed by the relevant regulatory authorities (including the SGX-ST), the Sponsor and AFM (in its own capacity) will respectively accept, subscribe and pay in full for, and/or procure their respective subsidiaries accept, subscribe and pay in full for, their respective total provisional allotment of the Preferential Offering New Units.

10. Status of the New Units

10.1 Entitlement to Advanced Distribution

Ascendas Reit's policy is to distribute its distributable income on a semi-annual basis to Unitholders.

In connection with the Private Placement, the Manager intends to declare, in respect of the Existing Units in issue on the day immediately prior to the date on which the Private Placement New Units are issued, a distribution of the distributable income for the period from 1 July 2020 to the day immediately prior to the date on which the Private Placement New Units are issued (the "**Advanced Distribution**").

The Private Placement New Units are expected to be listed on 19 November 2020. The current expectation of the Manager is that the quantum of distribution per Unit under the Advanced Distribution will be approximately 5.74 cents⁹. A further announcement on the actual amount of Advanced Distribution (which may differ from the estimate above) will be made by the Manager in due course after the management accounts of Ascendas Reit for the relevant period have been finalised.

The next distribution thereafter will comprise Ascendas Reit's distributable income for the period from the day the Private Placement New Units are issued pursuant to the Private Placement to 31 December 2020 (the "**Relevant Period Distribution**"). Semi-annual distributions will resume thereafter.

The Advanced Distribution is intended to ensure that the distributable income accrued by Ascendas Reit up to the day immediately preceding the date of issue of the Private Placement New Units (which at this point, will be entirely attributable to the Existing Units) is only distributed in respect of the Existing Units, and is being proposed as a means to ensure fairness to holders of the Existing Units.

10.2 Status of Private Placement New Units

The Private Placement New Units will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Private Placement New Units are issued, including the right to the Relevant Period Distribution as well as all distributions thereafter, other than in respect of the Advanced Distribution and the eligibility to participate in the Preferential Offering.

For the avoidance of doubt, the holders of the Private Placement New Units to be issued pursuant to the Private Placement will not be entitled to the Advanced Distribution and will not be eligible to participate in the Preferential Offering.

10.3 Status of Preferential Offering New Units

The Preferential Offering New Units will, upon issue, rank *pari passu* in all respects with the Units in issue on the day immediately prior to the date on which the Preferential Offering New Units are issued, including the right to the Relevant Period Distribution as well as distributions thereafter, other than in respect of the Advanced Distribution.

⁹ This amount is an estimate only based on information currently available to the Manager and the Manager's estimate of Ascendas Reit's revenue and expenses and the actual Advanced Distribution may differ. The actual quantum of the distribution will be announced on a later date after the closure of the Transfer Books and Register of Unitholders.

For the avoidance of doubt, the holders of the Preferential Offering New Units to be issued pursuant to the Preferential Offering will not be entitled to the Advanced Distribution.

11. Statement by the Board

As at the date of this announcement, the board of directors of the Manager (the “**Directors**”) are of the opinion that after taking into consideration Ascendas Reit’s internal resources and its available loan facilities, the working capital available to Ascendas Reit is not sufficient to meet its present requirements, specifically due to the cost of financing the Proposed US Acquisition and/or the Potential Acquisitions which will be funded in part by the net proceeds of the Equity Fund Raising.

Accordingly, the Directors are proposing the Equity Fund Raising to partially fund the Proposed US Acquisition and/or the Potential Acquisitions.

Having considered the rationale for the Proposed US Acquisition, the Potential Acquisitions and the Equity Fund Raising as set out in paragraph 4 of this announcement and the factors taken into account in arriving at the Preferential Offering Issue Price Range Discount, the Directors believe that the Equity Fund Raising would be beneficial to, and is in the interests of, Ascendas Reit and its minority Unitholders.

12. Application to the SGX-ST for Approval in-Principle

Approval in-principle for the New Units has been obtained from the SGX-ST.

The SGX-ST’s approval in-principle is subject to, *inter alia*, compliance with the SGX-ST’s listing requirements. The SGX-ST’s in-principle approval is not to be taken as an indication of the merits of the Equity Fund Raising, Ascendas Reit and/or its subsidiaries. The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained and opinions expressed in this Announcement.

The SGX-ST’s in-principle approval is subject to the following:

- (i) a written undertaking from the Manager that it will comply with Rules 704(30) and 1207(20) of the Listing Manual of the SGX-ST (the “**Listing Manual**”) in relation to the use of the proceeds from the Equity Fund Raising and where proceeds are to be used for working capital purposes, the Manager will disclose a breakdown with specific details on the use of proceeds for working capital in Ascendas Reit’s announcements on use of proceeds and in the annual report;
- (ii) a written undertaking from the Manager that it will comply with Rule 803 of the Listing Manual;
- (iii) a written undertaking from the Joint Global Co-ordinators and Bookrunners that it will ensure that the Manager will comply with Rule 803 of the Listing Manual;
- (iv) a written confirmation from the Manager that it will not issue the Private Placement New Units to persons prohibited under Rule 812(1) of the Listing Manual;

- (v) a written confirmation from the Joint Global Co-ordinators and Bookrunners that the Private Placement New Units will not be placed out to persons prohibited under Rule 812(1) of the Listing Manual; and
- (vi) a written undertaking from the Manager that it will comply with Rule 818 of the Listing Manual in relation to the Preferential Offering.

13. Previous Equity Fund Raising in the last 12 months

The Manager had announced a pro rata renounceable rights issue on 1 November 2019 (the “**2019 Rights Issue**”) which completed on 6 December 2019. The 2019 Rights Issue raised gross proceeds of approximately S\$1,310 million and net proceeds of approximately S\$1,294.8 million to partially fund the acquisition of a portfolio of United States properties and two Singapore properties. Pursuant to the 2019 Rights Issue, Ascendas Reit issued 498,040,904 Units at an issue price of S\$2.63 per Unit on 6 December 2020.

Approximately S\$1,295.7 million (which is equivalent to approximately 98.9% of the gross proceeds of the 2019 Rights Issue) of the gross proceeds from the 2019 Rights Issue was used to partially fund the acquisition of a portfolio of United States properties and two Singapore properties. Approximately S\$15.0 million (which is equivalent to 1.1% of the gross proceeds of the 2019 Rights Issue) was used to pay the estimated fees and expenses, including professional fees and expenses, incurred or to be incurred by Ascendas Reit in connection with the 2019 Rights Issue.

The net proceeds from the 2019 Rights Issue have therefore been entirely utilised.

14. Indicative Timetable

| Indicative Date | Event |
|--|---|
| Tuesday, 10 November 2020 | Launch of Private Placement |
| Tuesday, 10 November 2020 | Close of Private Placement |
| 5.00 p.m., Wednesday, 18 November 2020 | Record Date for entitlement to the Advanced Distribution and eligibility to participate in the Preferential Offering |
| 9.00 a.m., Thursday, 19 November 2020 | Listing and Trading of the Private Placement New |
| 9.00 a.m., Monday, 23 November 2020 (9.00 a.m. for Electronic Applications) | Opening date and time for the Preferential Offering |
| 5.00 p.m., Tuesday, 1 December 2020 (9.30 p.m. for Electronic Applications) | Last date and time for acceptance, application (if applicable) and payment for provisional allotments of Preferential Offering Units and Excess Preferential Offering Units |

| | |
|---------------------------------------|--|
| 9.00 a.m., Wednesday, 9 December 2020 | Listing and trading of the Preferential Offering New Units |
|---------------------------------------|--|

The Manager may, in consultation with the Joint Global Co-ordinators and Bookrunners and with the approval of the SGX-ST, modify the above timetable subject to any limitation under any applicable laws. In such an event, the Manager will announce the same via SGXNET. However, as at the date of this announcement, the Manager does not expect the above timetable to be modified.

BY ORDER OF THE BOARD

Ascendas Funds Management (S) Limited

(Company Registration No. 200201987K)

(as manager of Ascendas Real Estate Investment Trust)

Mary Judith de Souza

Company Secretary

10 November 2020

Important Notice

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions.

This announcement is for information only and does not constitute or form part of an offer, invitation or solicitation of any securities of Ascendas Reit in Singapore or any other jurisdiction nor should it or any part of it form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

This announcement is not for release, publication or distribution, directly or indirectly, in or into the United States, European Economic Area the United Kingdom, Canada, Japan or Australia, and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

The securities referred to herein have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold in the United States absent registration or an exemption from registration under the U.S. Securities Act or under the securities laws of any state or other jurisdiction of the United States, and any such new Units may not be offered or sold within the United States except pursuant to an exemption from, or transactions not subject to, the registration requirements of the U.S. Securities Act and in compliance with any applicable state securities laws. Any public offering of securities to be made in the United States would be made by means of a prospectus that may be obtained from an issuer and would contain detailed information about such issuer and the management, as well as financial statements. There will be no public offering of the securities referred to herein in the United States.

The value of Units and the income derived from them, if any, may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on the SGX-ST. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The past performance of Ascendas Reit is not necessarily indicative of the future performance of Ascendas Reit.

All figures in this announcement unless expressed differently or otherwise stated are rounded off to one decimal place.

This publication has not been reviewed by the Monetary Authority of Singapore.

Notification under Section 309B of the Securities and Futures Act, Chapter 289 of Singapore:

The New Units are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).