

**CapitaLand Ascott Trust's gross profit up 80% in 2H 2022,
boosted by 81% growth in REVPAU to pre-pandemic levels
and quality acquisitions**

- ***Distribution per Stapled Security (DPS) rose to 5.67 cents on stronger operating performance in FY 2022; excluding one-off items, DPS increased 106% year-on-year***
- ***Achieved gross fair valuation gain of S\$200 million with better operating performance and outlook for properties***

Singapore, 30 January 2023 – CapitaLand Ascott Trust (CLAS) achieved an 80% increase in gross profit for 2H 2022 to S\$164.6 million compared to 2H 2021. This was mainly attributed to higher revenue from CLAS' existing portfolio and contributions from its expanded portfolio of longer-stay assets, comprising student accommodation and rental housing properties in the United States of America (USA) and Japan, newly acquired serviced residences in Australia, France and Vietnam, as well as from Iyf one-north Singapore which soft opened in 4Q 2021. On a same-store basis, gross profit for 2H 2022 increased by 67% compared to 2H 2021.

CLAS' properties continued to achieve strong operating performance as international travel recovers. Revenue per available unit (REVPAU¹) increased 81% year-on-year (y-o-y) to S\$143 for 2H 2022. 4Q 2022 REVPAU rose 78% y-o-y to S\$155, reaching pre-pandemic levels in line with 4Q 2019 pro forma REVPAU². All of CLAS' key markets registered quarter-on-quarter REVPAU growth, with the biggest improvements in Japan, Australia and the USA.

With the strong portfolio performance, CLAS increased its Distribution per Stapled Security (DPS) for 2H 2022 by 47% y-o-y to 3.33 cents. DPS for FY 2022 increased 31% y-o-y to 5.67 cents; and excluding one-off items³, adjusted DPS for FY 2022 rose 106% y-o-y to 4.79 cents.

CLAS recorded a gross fair value gain of about S\$200 million⁴ on the value of its portfolio, notwithstanding higher capitalisation and discount rates. This was due to stronger operating performance and improving outlook for its properties. Key markets with valuation gains include Australia, Singapore, United Kingdom (UK) and USA.

¹ Revenue per available unit of properties excludes master leases, rental housing and student accommodation

² CLAS' 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

³ Excluding one-off items comprising (1) divestment gain of S\$45 million distributed in FY 2021, (2) realised exchange gain in FY 2021 and FY 2022 and (3) termination fee income of S\$9.8 million received upon termination of the sale of two China properties in FY 2021

⁴ The fair value gain (net of tax and minority interest) is S\$166.7 million

Mr Bob Tan, Chairman of CapitaLand Ascott Trust Management Limited and CapitaLand Ascott Business Trust Management Pte. Ltd. (the Managers of CLAS) said: “CLAS’ robust performance is underpinned by our diversified and well-balanced portfolio. Growth income contribution increased to 48% in 2H 2022 as our properties saw an upswing in demand with the recovery in the hospitality sector post COVID-19, while our stable income streams offered resilience against downside risks. To further enhance our stable income portfolio, CLAS invested S\$420 million in 15 accretive acquisitions in FY 2022, predominantly in the longer-stay segment. We remain committed to delivering sustainable returns to Staped Securityholders.”

Ms Serena Teo, Chief Executive Officer of the Managers of CLAS said: “While macroeconomic challenges remain, we are cautiously optimistic of the continued recovery in the hospitality industry. We expect CLAS to continue to benefit from the reopening of more destinations and the pent-up demand for travel. In the coming year, we will be carrying out asset enhancement initiatives (AEI) for four properties in Singapore, France, Germany and UK. The AEI will uplift the value and profitability of these properties and further enhance our income streams.

“We remain prudent in our capital management approach as we seek opportunities to reconstitute our portfolio. Our latest acquisition of a rental housing property in Fukuoka will enhance CLAS’ income resilience. It is situated in one of the fastest growing cities in Japan and our existing rental housing properties in Fukuoka have performed well.” added Ms Teo.

New developments and AEI to uplift the value and profitability of CLAS’ portfolio

The student accommodation property, Standard at Columbia, in the USA has topped out in 2Q 2022 and is on track for completion in 2Q 2023. Construction of the new Somerset serviced residence at Clarke Quay in Singapore is slated for completion in 2H 2025.

Four properties are scheduled to undergo AEI and the properties will remain operational during the refurbishment. The refurbishment for Citadines Les Halles Paris in France and Citadines Holborn-Covent Garden London in the UK are expected to commence in 2Q 2023 and complete in 1Q 2024. For Citadines Kurfürstendamm Berlin in Germany, refurbishment is expected to commence in 2Q 2023 and complete in 4Q 2023. In Singapore, Riverside Hotel Robertson Quay will be rebranded as The Robertson House by The Crest Collection and refurbishment is expected to commence in 1H 2023 and complete by end 2023.

Marrying growth with stability

In 2H 2022, CLAS’ stable income sources⁵ contributed about 52% of the total gross profit. CLAS’ master leases registered an increase in gross profit of 6% y-o-y, mainly due to the stronger performance of the existing properties and contributions from new acquisitions. Gross profit for the management contracts with minimum guaranteed income was 99% higher y-o-y as the properties continued to recover from COVID-19.

CLAS’ student accommodation and rental housing properties recorded a strong average occupancy rate of over 95%. CLAS’ operating student accommodation properties in the USA

⁵ Stable income sources include properties under master leases, management contracts with minimum guaranteed income; as well as rental housing and student accommodation properties

are 99% leased for the 2022-2023 academic year, up from the over 95% last academic year, with above-market rent growth of about 6% y-o-y.

CLAS' strong financial position through disciplined capital management

CLAS has a strong financial position and remains prudent in its capital management. It has increased its proportion of debt on fixed rates to 78% as at 31 December 2022, further mitigating the impact of rising interest rates. It has also successfully refinanced about S\$740 million of debt in 2022, of which about S\$420 million was issued as sustainable financing.

As at 31 December 2022, CLAS had a total of approximately S\$1.43 billion in cash on-hand and available credit facilities. It has a debt headroom of S\$1.8 billion and a gearing of 38%, which is well below the 50% gearing limit allowable under the property funds appendix issued by the Monetary Authority of Singapore. CLAS improved its interest cover to 4.4 times and its effective borrowing cost remains low at 1.8% per annum.

Summary of Results

	2H 2022	2H 2021	Variance %	FY 2022	FY 2021	Variance %
Revenue (S\$ million)	353.8	209.4	69	621.2	394.4	58
Gross Profit (S\$ million)	164.6	91.2	80	282.8	173.3	63
Total distribution (S\$ million) ^{(1), (2)}	113.2	73.5	54	189.8	137.3	38
Distribution Per Stapled Security (DPS) (cents)	3.33	2.27	47	5.67	4.32	31
<u>For information only</u>						
DPS (cents) (adjusted for one-off items) ⁽³⁾	3.00	1.51	99	4.79	2.32	106
Revenue Available Per Unit (REVPAU) (S\$/day)	143	79	81	120	69	74

(1) Total distribution for 2H 2022 and FY 2022 included realised exchange gain arising from repayment of foreign currency bank loans.

(2) Total distribution for 2H 2021 included one-off distribution of divestment gain of S\$25 million to share divestment gains with Stapled Securityholders, replace income loss from divested assets and mitigate the impact of COVID-19 on distributions.

Total distribution for FY 2021 included:

- (a) one-off distribution of divestment gain of S\$45 million to share divestment gains with Stapled Securityholders, replace income loss from divested assets and mitigate the impact of COVID-19 on distributions;
- (b) termination fee income received upon termination of the sale of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan;
- (c) realised exchange gain on the receipt of the divestment proceeds; and

(d) realised exchange gain arising from the repayment of foreign currency bank loans with the divestment proceeds.

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

Distribution and Book Closure Date

CLAS' distributions, made on a semi-annual basis, are as follows:

Distribution	For 1 January 2022 to 30 June 2022	For 1 July 2022 to 23 August 2022	For 24 August 2022 to 31 December 2022	For 1 July 2022 to 31 December 2022
Distribution Per Stapled Security	2.332 cents	1.078 cents	2.255 cents	3.333 cents
Book Closure Date	8 August 2022	23 August 2022	7 February 2023	
Payment Date	29 August 2022	18 October 2022	1 March 2023	

For CLAS' FY 2022 financial statement and presentation, please visit www.capitalandascotttrust.com

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

CapitaLand Ascott Trust (CLAS), formerly known as Ascott Residence Trust, is the largest lodging trust in Asia-Pacific with an asset value of S\$8 billion as at 31 December 2022. 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 105 properties with more than 18,000 units in 47 cities across 15 countries in Asia-Pacific, Europe and the United States of America as at 31 December 2022.

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), formerly known as Ascott Real Estate Investment Trust (Ascott REIT), and CapitaLand Ascott Business Trust (CapitaLand Ascott BT), formerly known as Ascott Business Trust (Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT), formerly known as Ascott Residence Trust Management Limited, and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT), formerly known as Ascott Business Trust Management Pte. Ltd. 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 2022, CLI had about S\$130 billion of real estate assets under management, and about S\$86 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and about 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 emissions 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.

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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.

Issued by:

CapitaLand Ascott Trust Management Limited

CapitaLand Ascott Business Trust Management Pte. Ltd.

168 Robinson Road, #30-01 Capital Tower, Singapore 068912

Tel: (65) 6713 2888 Fax: (65) 6713 2121

Website: <https://www.capitalandascotttrust.com>

For more information, please contact:

Analyst contact

Denise Wong

Head, Investor Relations & Sustainability

Tel: +65 6713 2151

Email: denise.wong@the-ascott.com

Media contact

Joan Tan

Vice President, Group Communications

Tel: +65 6713 2864 / HP: +65 9743 9503

Email: joan.tanzm@capitaland.com