



CapitaLand Ascott Trust
Annual General Meeting

18 April 2023

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Overview of CLAS



Citadines Connect Sydney Airport

CapitaLand
Ascott Trust

Largest Lodging Trust in Asia Pacific

Constituent of FTSE EPRA Nareit Global Developed Index

S\$8.0b

Total Assets

>18,000¹

Units

105¹

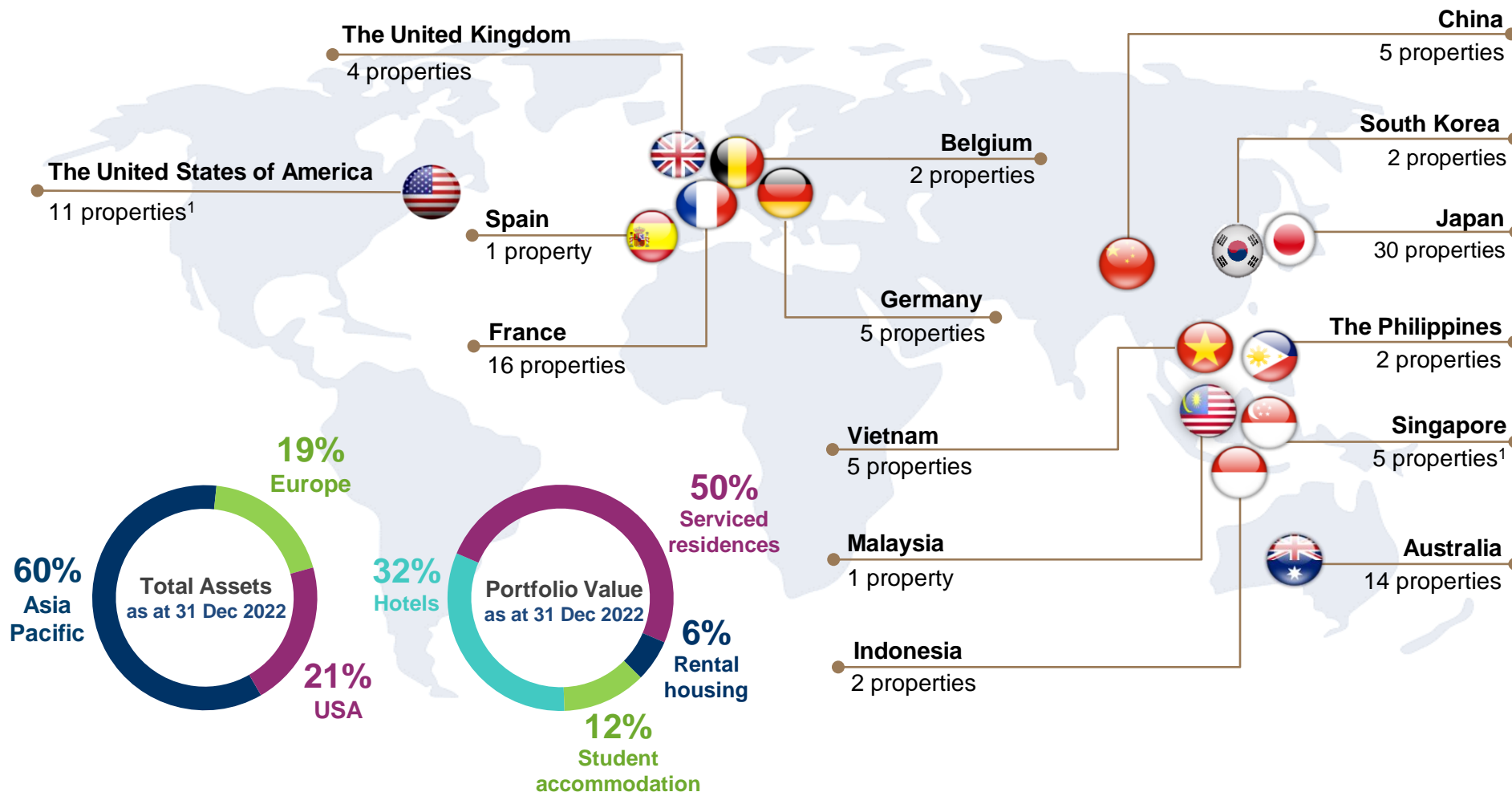
Properties

47

Cities in 15 countries

S\$3.6b

Market Capitalisation



Notes: Above as at/for period ended 31 Dec 2022 unless otherwise stated

1. Including Somerset Liang Court Singapore and Standard at Columbia which are currently under development

CapitaLand Ascott Trust's Positioning

Committed to delivering sustainable returns to Stapled Securityholders

Geographical Allocation

Global in Presence,
Anchored in Asia Pacific



Predominantly in Asia Pacific

Remainder in Europe/USA

- Largest lodging trust in Asia Pacific
- Diversified across 15 countries, Asia Pacific remains core
- Presence in large domestic markets and key gateway cities

Target Asset Allocation

Stable Income Base from Longer-stay Lodging

25-30% in longer-stay accommodation

Resilient and counter-cyclical assets

Capturing Growth as Travel Restarts

70-75% in serviced residences and hotels

Beneficiaries of travel recovery



- Backed by strong sponsor, The Ascott Limited, one of the leading international lodging owner-operators

Commitment to Sustainability & Corporate Governance

Aligned with CapitaLand's 2030 Sustainability Master Plan



Accolades & Awards

Constituent of

- iEdge-UOB APAC Yield Focus Green REIT Index
- iEdge-OCBC Singapore Low Carbon Select 50 Capped Index

Global Sector Leader (Listed – Hotel)
Only hospitality trust in APAC with 5-star rating
GRESB 2021 & 2022

Ranked 1st
Singapore Governance and Transparency Index 2021 & 2022
 REITs and Business Trusts

Best Investor Relations – Gold
Singapore Corporate Awards 2022
 REITs and Business Trusts

Best Annual Report
Best ESG Materiality Reporting
 IR Magazine Awards – SEA 2022
 Mid-cap category



Targets in alignment with CapitaLand's Sustainability Master Plan



Reduce by 2030 *(using 2008 as a base year)*

- **Carbon** emissions intensity by **78%** ----- 30% in 9M 2022¹
- **Energy** consumption intensity by **35%** ----- 19% in 9M 2022¹
- **Water** consumption intensity by **45%** ----- 37% in 9M 2022¹

CLAS' performance

CLAS' Belgium, Germany and UK properties procure 100% of energy from renewable sources



Increase proportion of total electricity from **renewable sources** to **35%**



Green certification

- **50%** of gross floor area by **2025** ----- 37% as at Dec 2022, up from 33% as at Dec 2021
- **100%** of gross floor area by **2030**



Sustainable Finance

- **Sustainability-linked Finance Framework published in 2022, with second party opinion by Moody's ESG**
- **c.S\$460 mil in sustainable financing to date, including:**
 - First hospitality trust in Singapore to secure a green loan in Jan 2021
 - First hospitality trust globally to issue a sustainability-linked bond (SLB) in Apr 2022
 - Partnered International Finance Corporation to launch its first SLB in the hospitality sector in Nov 2022



Commitment from the Top

- **CLAS Sustainability Committee set up in 2022**
- ESG targets and performance linked to **remuneration of staff and management**

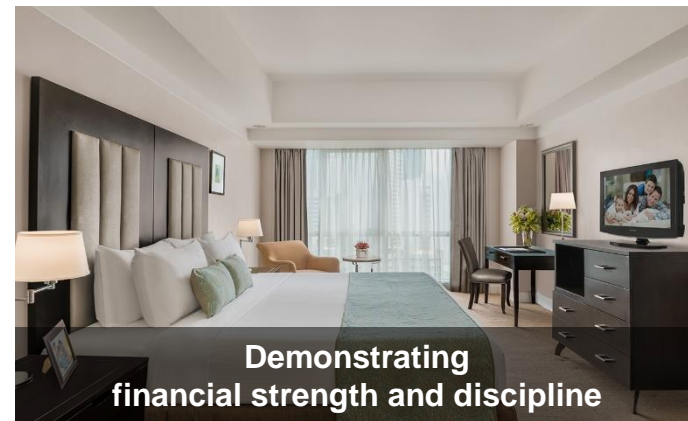
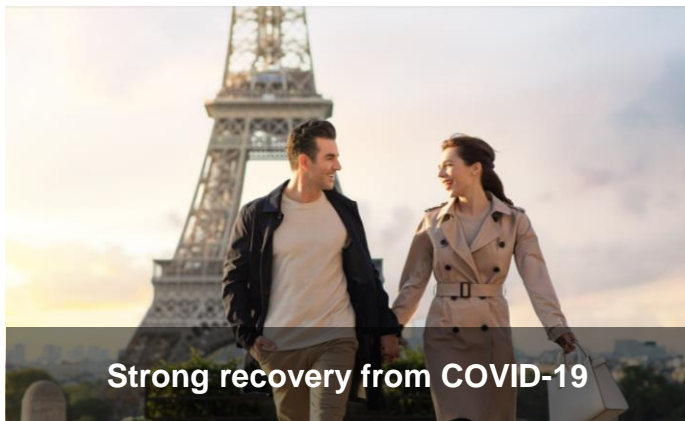
Note:

1. Excludes new properties which are in operation for less than 12 months, properties undergoing asset enhancement programmes and third-party operated properties

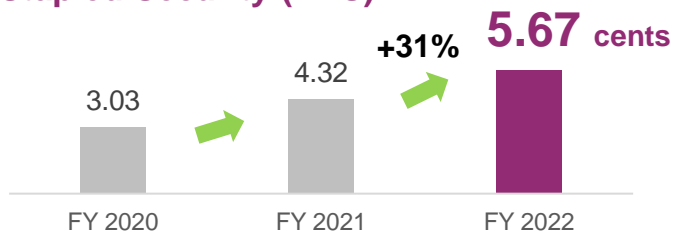
FY 2022 Highlights

FY 2022 Performance and Portfolio Highlights

Building a stronger portfolio, delivering higher distributions



Continued recovery in distribution per Stapled Security (DPS)



>2% increase in portfolio valuation

- c.S\$200 mil in fair value gain due to stronger operating performance and outlook

Notes:

1. Refers to rental housing and student accommodation properties
2. Based on property valuations as at 31 Dec 2022, value of acquisitions announced or completed up to 30 Jan 2023

Building a balanced mix of stable and growth income streams

- Investing c.S\$420 mil in 12 longer-stay properties¹ and 3 serviced residences
- Increasing longer-stay asset allocation from 16% in 2021 to 19%²
 - Rental housing remained resilient with occupancies of >95%
 - Student accommodation 99% leased with rent growth of c.6% y-o-y

Maintained BBB- (stable outlook) investment grade credit rating

- Healthy gearing of 38.0% and low average cost of debt of 1.8% per annum
- Interest cover of 4.4X

Strong lender and investor support

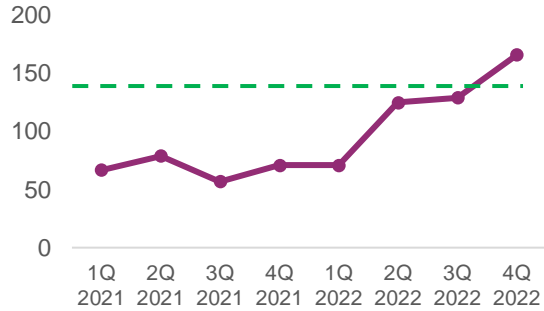
- Refinanced c.S\$740 mil of debt in 2022, of which c.S\$420 mil was issued as sustainable financing
- Successfully raised S\$170 mil in equity despite challenging market conditions

Strong Recovery Across Most Key Markets

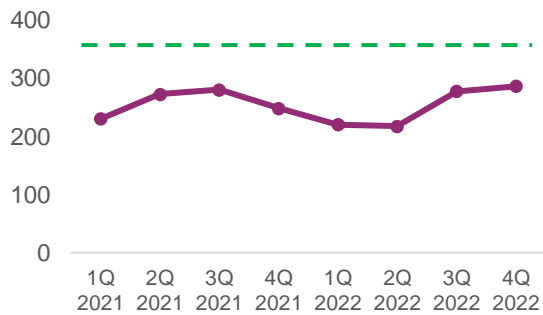
Portfolio RevPAU rose 74% y-o-y in FY 2022; reached pre-COVID 4Q 2019 *pro forma*¹ levels in 4Q 2022



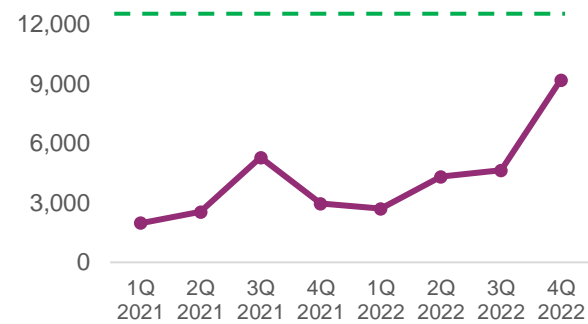
Australia
RevPAU (AUD)



China
RevPAU² (RMB)



Japan Serviced Residences
RevPAU (JPY)

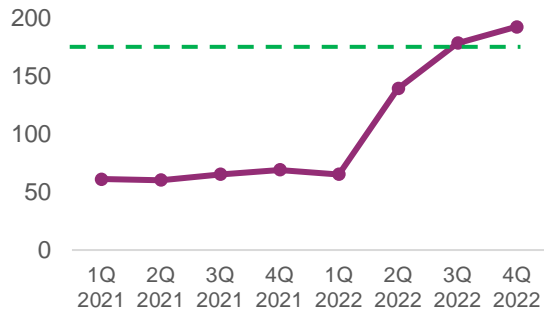


France
(All master leases)

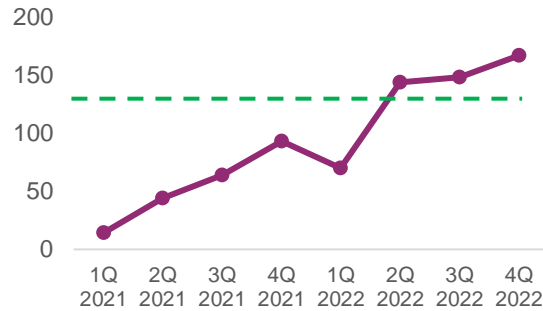
On a same-store basis³, FY 2022 revenue increased by 13% YoY in EUR terms mainly due to higher variable rent received by the properties



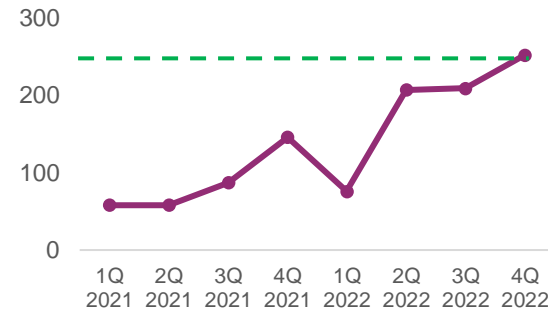
Singapore
RevPAU⁴ (SGD)



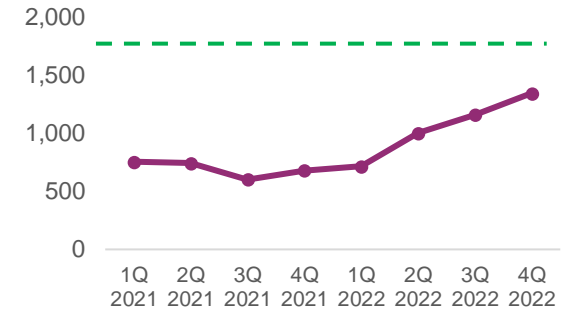
United Kingdom
RevPAU (GBP)



United States
RevPAU (USD)



Vietnam
RevPAU⁵ (VND'000)



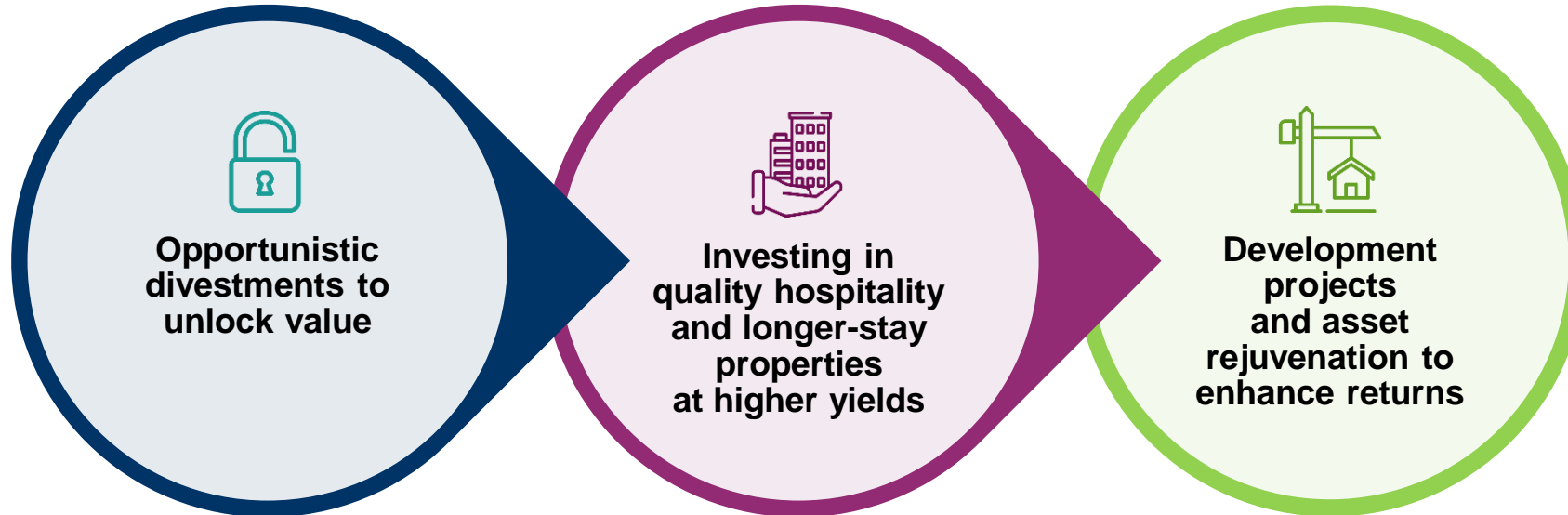
Notes: Revenue per available unit (RevPAU) relates to properties under management contracts and MCMGI, excludes master leases, rental housing and student accommodation

1. 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
2. RevPAU for China is on a same-store basis and excludes Somerset Xu Hui Shanghai which was divested in May 2021
3. Excluding La Clef Tour Eiffel Paris which was acquired in Nov 2022, Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble which were divested in May 2021 and Mar 2021 respectively
4. RevPAU for Singapore is on a same-store basis and pertains to Citadines Mount Sophia Singapore only
5. RevPAU for Vietnam is on a same-store basis and excludes Somerset Central TD Hai Phong City which was acquired in Nov 2022
6. 4Q 2019 same-store pro forma RevPAU includes the A-HTRUST portfolio and excludes properties that were divested from 2019 to 2022

--- 4Q 2019 same-store pro forma RevPAU⁶

Investment & Portfolio Reconstitution Strategy

With its healthy financial position, CLAS has the flexibility to reconstitute and enhance its portfolio to drive sustainable returns



- **Stable income base:** Target to increase asset allocation in longer-stay accommodation to **25-30%** in the medium term
 - Including the acquisitions made in 2022, **c.19%** of CLAS' portfolio value¹ is currently in longer-stay accommodation
- **Capturing growth:** Pursuing suitable acquisition, asset enhancement and development opportunities

Note:

1. Portfolio value is based on property valuations as at 31 Dec 2022, value of acquisitions announced or completed up to 30 Jan 2023

Creating Value for Stapled Securityholders

Distribution income from the investments over the past three years more than replaced the distribution income lost from the divested properties



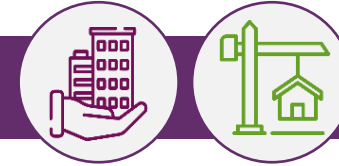
FY 2020 and FY 2021

- c.S\$580 mil in proceeds from the divestment of 6 properties; unlocked S\$225 mil in net gains
- Divested properties at premium to book despite COVID-19



FY 2021

- c.S\$780 mil¹ invested across 11 longer-stay properties
- Expanded investment mandate to include **student accommodation**; invested in 7 operational properties and 1 development project in USA within a year
- Acquired 3 rental housing properties in Japan



FY 2022

- Entered into c.S\$420 mil² in acquisitions across 15 properties
- Acquired 3 serviced residences, 5 rental housing properties and additional 45% stake in Standard at Columbia, USA from Sponsor
- Entered into 6 turnkey acquisitions³ in Japan – 5 in rental housing and CLAS' first student accommodation property in Japan

Notes:

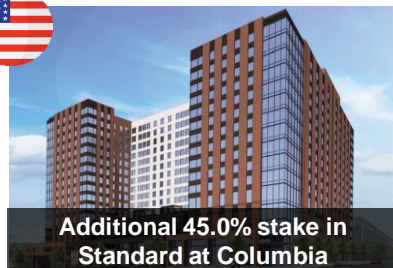
1. Refers to the total purchase consideration for the student accommodation and rental housing properties, as well as CLAS' investment in Standard at Columbia (comprising CLAS' investment in the initial 45% stake, estimated cost of the additional 5% stake which CLAS will acquire at fair market valuation, and other deal related expenses).
2. Refers to the total purchase consideration for the 15 properties
3. As at Apr 2022, 4 of the turnkey acquisitions have completed, and the remaining 2 are expected to complete between 2Q 2023 and 2024

Acquisition of S\$318.3 mil¹ in Assets to Strengthen Presence in Key Markets

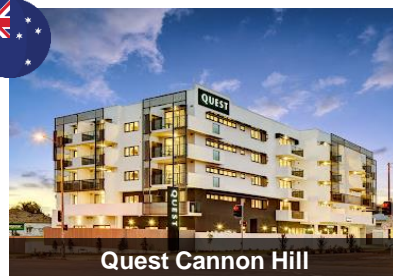
Growing total assets and increasing proportion of stable income



La Clef Tour Eiffel Paris



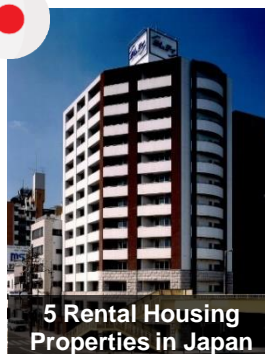
Additional 45.0% stake in Standard at Columbia



Quest Cannon Hill



Somerset Central TD Hai Phong City



5 Rental Housing Properties in Japan

Acquisition of 3 serviced residences, 5 rental housing properties and additional 45% stake in Standard at Columbia from Sponsor

▲ **3.0%** DPS accretion

based on 54% debt funding and placement price of S\$1.12

Private placement

2.7x

oversubscribed and upsized to S\$170 mil

Placement price at **tight discount of c.3.7%** to the adjusted VWAP²

c.73%

of placement proceeds to partially fund the acquisition and related fees and expenses

c.27% (S\$45.1 mil) to partially fund future potential acquisitions³

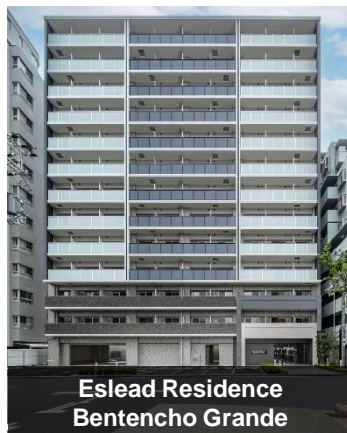
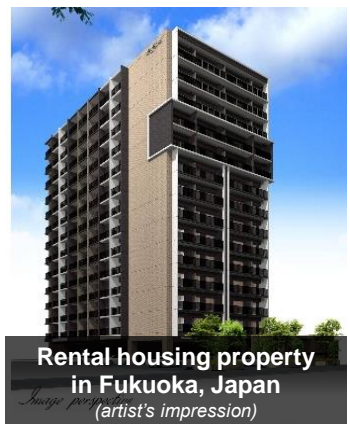
Stapled Securityholder approval obtained, acquisition completed in 4Q 2022

Notes:

1. Total capitalised costs excluding the outstanding development cost and interest expense to be incurred for Standard at Columbia
2. The adjusted volume weighted average price (VWAP) is computed based on the VWAP of all trades in the Stapled Securities on the SGX-ST for the preceding market day on 12 Aug 2022 up to the time the placement agreement was signed on 15 Aug 2022 and excluding the advanced distribution
3. The balance of the proceeds, if any, shall be used for general corporate and/or working capital purposes

Entered Into S\$207.6 mil in Turnkey Longer-stay Acquisitions

Building on the success of CLAS' rental housing portfolio in Japan



Acquisition of 6 properties in Japan – 5 in rental housing and CLAS' first student accommodation property in Japan

>95%

Average occupancy

4.0%

Average NOI yield¹

- Expanding in **Japan's growth cities**, where demand for rental accommodation outstrips supply
- Despite COVID-19, CLAS' rental housing properties performed well and registered **average occupancy of >95%** as they serve Japan's domestic corporate segment
- The long average length of stay of c.2 years for rental housing and fixed rent under the master lease for the student accommodation property provide income stability
- Low debt funding cost which enhances **cash yield**
- As at 31 Dec 2022, CLAS has 21 rental housing properties and 1 student accommodation property in Japan

Of the 6 acquisitions entered into in FY 2022, 4 have completed², and the remaining 2 are expected to complete between 2Q 2023 and 2024

Notes:

1. Expected stabilised net operating income yield
2. As at April 2023

Capital Management

Strong financial capacity and healthy liquidity position



Strong capital management

S\$1.15¹

NAV per Stapled Security

52%

Total assets in foreign
currency hedged

2.8% (loss)

Impact of foreign exchange after hedges on
gross profit for FY 2022



Robust financing flexibility

38.0%

Gearing
(c. S\$1.8 bil debt
headroom²)

Interest cover

4.4X³

1.8%

per annum

Low effective
borrowing cost

61%

of property value
unencumbered

BBB- (Stable Outlook)

Fitch Ratings



Fortifying liquidity reserves

c.S\$1.43 bil

Total available funds

=

c.S\$365 mil

Cash on-hand

+

c.S\$1,065 mil

Available credit facilities⁴

Notes: Above as at/for period ended 31 Dec 2022

1. The adjusted NAV per Stapled Security excluding distribution is S\$1.13
2. Refers to the amount of additional debt before reaching aggregate leverage of 50%; based on an aggregate leverage limit of 45%, the debt headroom is c.S\$1.0 bil
3. The adjusted interest cover ratio, including distributions on perpetual securities, is 3.6X
4. Balances as at 31 Dec 2022; includes committed credit facilities amounting to approximately S\$534 mil

Capital Management

Successfully refinanced c.S\$740 mil of debt in 2022, of which c.S\$420 mil was issued as sustainable financing

68% : 32%

Bank loans : Medium Term Notes

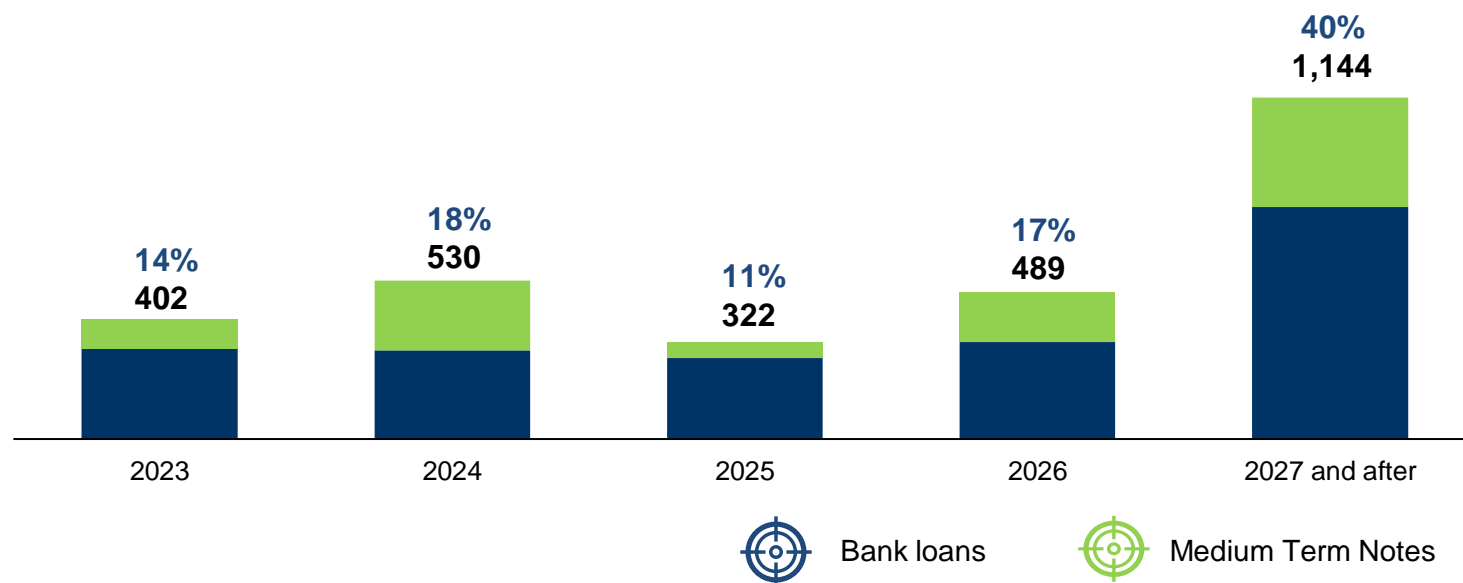
c.78%

Total debt on fixed rates

4.0 years

Weighted average debt to maturity

Managing liquidity risks through diversified funding sources



Note: Above as at 31 Dec 2022

Key Highlights

- Partnered International Finance Corporation (IFC) to launch JPY16.5 bil (c.S\$168.6 mil) sustainability-linked bond in Nov 2022, IFC's first in the hospitality sector
- Total debt on fixed rates increased from 74% as at 31 Dec 2021 to 78% as at 31 Dec 2022; weighted average debt to maturity extended from 2.7 years to 4.0 years
- Gearing increased post-completion of acquisition in Nov 2022 but remained healthy at 38.0%
- Interest cover improved from 3.7X as at 31 Dec 2021 to 4.4X as at 31 Dec 2022



Looking Ahead



Asset Enhancement Initiatives for FY 2023

Uplifting the value and profitability of CLAS' properties

Riverside Hotel Robertson Quay



To be rebranded as
The Robertson House
by The Crest Collection

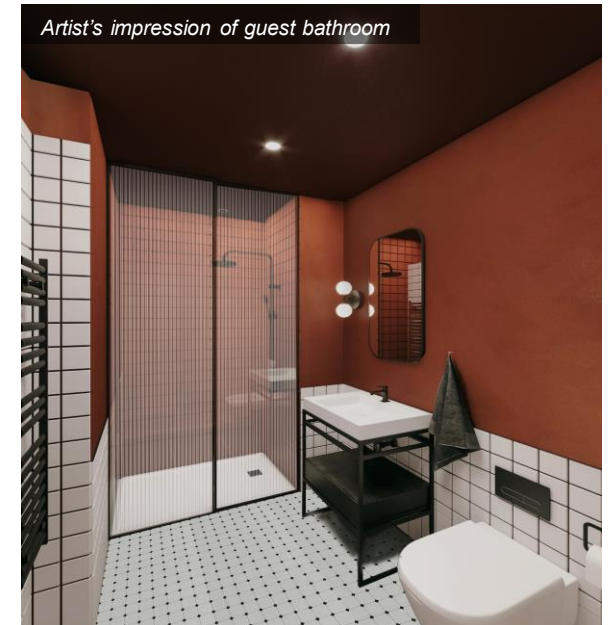
Renovation to commence
in 1H 2023, expected to
complete by end-2023

Refurbishment of guest rooms,
lobby, restaurant, gym, function
rooms and executive lounge,
and other M&E works

Asset Enhancement Initiatives for FY 2023

Uplifting the value and profitability of CLAS' properties

Citadines Holborn-Covent Garden London



Renovation to commence in 2Q 2023, expected to complete in 1Q 2024

Refurbishment of guest rooms, public areas, gym and meeting rooms, and other M&E works

Asset Enhancement Initiatives for FY 2023

Uplifting the value and profitability of CLAS' properties

Citadines Les Halles Paris



Renovation to commence in 2Q 2023, expected to complete in 1Q 2024

Refurbishment of guest rooms, lobby, breakfast area, mezzanine and other M&E works

Asset Enhancement Initiatives for FY 2023

Uplifting the value and profitability of CLAS' properties

Citadines Kurfürstendamm Berlin



Renovation to commence in 2Q 2023, expected to complete in 4Q 2023

Refurbishment of guest rooms, public areas and other M&E works



Artist's impression of guest room

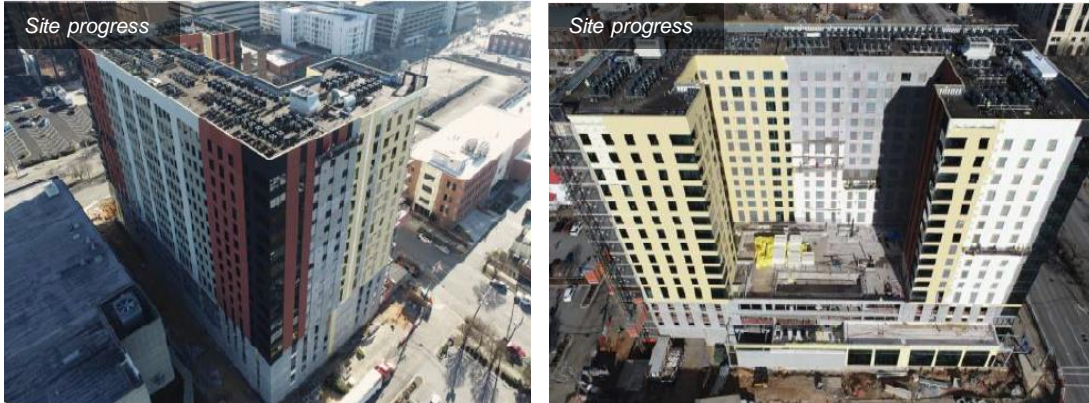


Artist's impression of lobby

Rejuvenating the Portfolio with New Developments

New product offerings to cater to the new normal

Development of student accommodation in South Carolina, USA



- **678-bed freehold student accommodation** in South Carolina, USA
- Started as a joint development with Sponsor, The Ascott Limited, and a third-party partner
- CLAS acquired Sponsor's 45% stake in 4Q 2022 and currently owns a 90% stake in the property
- Development **on track to complete in 2Q 2023, ready to receive students for AY 2023-2024** which begins in Aug 2023

Note: Expected opening dates and property details are subject to change

Redevelopment of Somerset Liang Court Singapore



- 192-unit Somerset serviced residence with hotel licence in the popular riverfront lifestyle and entertainment Clarke Quay precinct
- Development update:
 - Site works commenced in mid-Jul 2021
 - Foundation piling works completed in 4Q 2022
 - Substructure works are ongoing
- Development expected to **complete in 2H 2025**

Managing Macroeconomic and Operational Challenges

Impact from headwinds cushioned by mitigation strategies



- CLAS has built a **strong stable income base** and invested in counter-cyclical lodging types which have proven their resilience through COVID-19
- **Strong pent-up demand** driven by reopening of more borders for international travel

Recession Concerns



- CLAS has a high proportion of debt effectively on **fixed rates**, which are locked in for a weighted average of c.4.0 years
- Relatively **low amount of debt (14%, about S\$400 mil) due for refinancing** in 2023

Rising Interest Rates



- CLAS has a **geographically diversified** portfolio with 12 foreign currencies, and the strengthening of some currencies balances out the weakening of others
- CLAS adopts a **natural hedge** wherever possible by borrowing in the currency of the underlying assets
- **Hedging** reduces the impact of foreign exchange on CLAS' gross profit

Volatility in Foreign Exchange



- Electricity costs have increased but remain <10% of CLAS' opex and **mitigated by higher ADR**
- Some properties have **fixed-rate contracts**, while properties under **master leases** receive stable rent and are not directly impacted
- UK government to provide support until 2024
- Long-stay guests have **utility caps**; rental housing and student accommodation tenants **pay for consumption**
- **Go-green initiatives** to reduce consumption

Rising Electricity Costs



- CLAS' predominantly long-stay properties have **lower Manning requirements and leaner cost structures** than the typical full-service hospitality property
- Guests are offered the choice to opt out of daily housekeeping, and **technology-enabled features** such as self check-in kiosks have been introduced, to reduce labour requirement

Labour Shortages

Well-Poised to Capture Further Recovery

Proxy to recovery of hospitality sector, underpinned by stable income base and strong fundamentals

Continued recovery expected for the sector



2022
63%
of pre-pandemic levels



2023 Forecast
80% - 95%
of pre-pandemic levels

- Despite macroeconomic and geopolitical challenges, UNWTO¹ expects **international arrivals to reach 80% to 95% of pre-pandemic levels in 2023**, supported by pent-up demand, particularly in Asia Pacific, and China's reopening
- **Flight frequencies yet to return to pre-COVID levels** – as of Jan 2023, global airlines are running only 11% of 2019 capacity levels to and from China, and the figure is expected to increase to 25% by Apr 2023²

Positioned to benefit from recovery while staying resilient

- **Cautiously optimistic of the continued recovery** in the hospitality industry
- CLAS is **well-positioned to capture opportunities** with its geographically diversified portfolio, range of lodging asset classes and balanced mix of stable and growth income streams

Exercising prudence, delivering sustainable returns

- Amid the macroeconomic uncertainties, CLAS will continue to **exercise financial discipline** in its investment and portfolio reconstitution plans
- CLAS will undertake asset enhancement initiatives to uplift the value and profitability of its properties
- **Healthy financial position** and **prudent capital management** enable CLAS to manage rising interest rates and foreign exchange volatility

Notes:

1. World Tourism Barometer, World Tourism Organization, Jan 2023
2. Cirium, Jan 2023

Thank You