

CapitaLand Ascott Trust proposes S\$530.8 million acquisition of three lodging assets in London, Dublin and Jakarta

- ***Proposed acquisition is 1.8% accretive to Distribution per Staped Security (DPS)***
- ***Two existing CLAS properties in central Sydney and London to undergo asset enhancement initiatives (AEIs) with estimated yields on AEI cost of approximately 11%***
- ***Property value of the two existing properties and new acquisition in London expected to increase by S\$385.5 million¹ after AEIs and stabilisation***

Singapore, 2 August 2023 – CapitaLand Ascott Trust (CLAS) has signed a Memorandum of Understanding (MOU) with its sponsor, The Ascott Limited (Ascott), for a proposed DPS-accretive acquisition of three lodging assets in the United Kingdom (UK), Ireland and Indonesia at an agreed property value of S\$530.8 million. The three assets are a hotel in London, The Cavendish London; a hotel in Dublin, Temple Bar Hotel; and a serviced residence in Jakarta, Ascott Kuningan Jakarta. The acquisition will enable CLAS to enhance its income streams and capitalise on the travel recovery and robust lodging demand.

Upon completion of the proposed acquisition, CLAS is expected to increase its total distribution by S\$13.5 million and its DPS by 1.8% on a FY 2022 pro forma basis². The earnings before interest, taxes, depreciation and amortisation (EBITDA) yield of the proposed acquisition is 6.2%³ on a FY 2022 pro forma basis.

All three properties are in prime locations within key capital cities. The 230-unit The Cavendish London is well-located in the exclusive Mayfair high-end shopping district of central London and the 136-unit Temple Bar Hotel is in the Temple Bar district, both of which are high-traffic areas near iconic attractions. The 185-unit Ascott Kuningan Jakarta is in the capital city's central business district, close to embassies and commercial offices. For more information on The Cavendish London, Temple Bar Hotel and Ascott Kuningan Jakarta, please see Annex A.

¹ Based on independent valuations by Colliers International Consultancy & Valuation (Singapore) Pte Ltd (Colliers) and SG&R Valuation Services Company LLC (HVS London) (HVS).

² Part of the payment of the purchase consideration in relation to The Cavendish London and Temple Bar Hotel will be made upon substantial completion of the renovations of each of the properties (Milestone Payment). The Milestone Payment amounts for The Cavendish London and Temple Bar Hotel are GBP37.0 million (approximately S\$64.1 million) and EUR20.6 million (approximately S\$30.5 million) respectively. The effects of the renovations and the costs of financing the Milestone Payment are not taken into account in determining the pro forma financial effects, as the Milestone Payment will be made only upon substantial completion of the respective property renovations.

³ The EBITDA yield of 6.2% is based on agreed property value of the properties excluding the Milestone Payment and before AEIs, if any. Including the Milestone Payment, the EBITDA yield is 5.1%.

The Cavendish London presents an excellent value-add opportunity for CLAS. The property will be renovated and rebranded under The Crest Collection brand, a luxury collection brand managed by Ascott. The property's valuation is expected to be GBP316.0 million (approximately S\$547.2 million⁴) following the renovation and stabilisation of the property in 2027. This is an increase of approximately GBP101.0 million (S\$174.9 million) from the as-is valuation of GBP215.0 million (approximately S\$372.3 million) as at 30 June 2023. The property is expected to achieve an EBITDA yield⁵ on total capitalised cost of approximately 6.5% at stabilisation. The renovation for The Cavendish London will be carried out in phases from 4Q 2024 to 4Q 2025. Temple Bar Hotel will also undergo renovation from 1Q 2024 to 4Q 2024.

Ms Serena Teo, Chief Executive Officer of the Managers of CLAS, said: "Our accretive acquisition of the three prime lodging assets will enhance the quality and yield of CLAS' portfolio. They are well-positioned to capture travel demand and the expected growth trajectory of these assets will continue to strengthen CLAS' income streams. London has been one of our stronger performing markets and Jakarta has been a historically resilient market for us. Our entry to Ireland offers an additional boost to our revenue. Dublin is an attractive destination for leisure visitors, home to some of the world's largest pharmaceutical companies, and one of the IT hubs of Europe. In keeping with our focus to marry growth with stability, The Cavendish London and Temple Bar Hotel provide CLAS with upside as travel demand continues to recover and downside protection through minimum guaranteed income, while Ascott Kuningan Jakarta's higher proportion of long-stay guests provides added income resilience."

"AEIs are also in place for two of our existing properties – Novotel Sydney Central and Citadines Holborn-Covent Garden London. Both properties are in prime, city-centre locations, and the AEIs are expected to enhance the assets' value and yield. Novotel Sydney Central's AEI includes a significant brownfield initiative to increase room inventory by approximately 28%. Combined with the AEI of The Cavendish London, we expect a S\$385.5 million increase in property value for the three properties upon completion and post-stabilisation. The proposed acquisition and AEIs are excellent opportunities to increase accretion and asset value," added Ms Teo.

The market revenue per available unit (RevPAU) in London, Dublin and Jakarta have exceeded pre-pandemic levels of 2019. London's market RevPAU for the first half of 2023 was 112% of the same period in 2019⁶. In the first half of 2023, Dublin's market RevPAU was 110% of pre-COVID-19 levels over the same period⁶ and is poised to grow even stronger as international travel resumes⁷. In Indonesia, Jakarta's market RevPAU in the first half of 2023 was 111% of the pre-COVID-19 levels over the same period⁶.

⁴ Based on the exchange rate of GBP1.00 to S\$1.73159 unless stated otherwise.

⁵ Based on stabilised EBITDA before Furniture, Fixtures, and Equipment (FF&E) reserves in year 2027/28 over The Cavendish London's agreed property value (GBP215.0 million (approximately S\$372.3 million), estimated capitalised costs (GBP3.8 million (approximately S\$6.6 million)), and estimated proportion of project cost attributable to CLAS (GBP 27.5 million (approximately S\$47.6 million)), which is expected to be funded by bank borrowings. Such EBITDA figures are from the HVS valuation on a stabilised basis as commissioned by the Manager.

⁶ Source: Extracted from STR database.

⁷ Source: STR (November 2022) – "Ireland's hotel industry is well-positioned heading into 2023".

With the acquisition of the three lodging assets, CLAS' proportion of green certified properties (by gross floor area) is also expected to increase to approximately 39%, bringing CLAS closer to its target to green 50% of its global portfolio by 2025.

AEIs for two existing assets in Sydney and London expected to increase property values by S\$210.6 million and provide yields on AEI cost of approximately 11%

Novotel Sydney Central in Australia and Citadines Holborn-Covent Garden London in the UK will remain operational during the AEIs.

Novotel Sydney Central will undergo extension and renovation, adding 72 rooms across eight more floors, an approximate 28% increase from the hotel's current inventory. This brownfield initiative is expected to increase revenue for the property and expand its gross floor area by approximately 10%. Development approval has been obtained. A new retail space will be added on the ground floor; the hotel's existing 255 rooms, lift lobbies, corridors and façade will also be refreshed. The AEI is expected to take place from 4Q 2024 to 1Q 2026. Post AEI and stabilisation, the property is expected to achieve a valuation of A\$339.8 million (approximately S\$312.6 million⁸) in 2028, an increase of approximately A\$173.3 million (S\$159.5 million) from the valuation as at 31 December 2022. Based on the valuation by Colliers, the incremental EBITDA on stabilisation is expected to amount to A\$10.1 million (approximately S\$9.3 million) which translates to a yield on AEI cost of approximately 11.3%⁹.

Citadines Holborn-Covent Garden London is located at the heart of London's historical and cultural precinct. The AEI for Citadines Holborn-Covent Garden London will take place from 3Q 2023 to 1Q 2024, refreshing the design of the serviced residence's 192 units and façade. The property's common areas and facilities such as the gym, meeting rooms and corridors will also be upgraded. The valuation is expected to be GBP125.3 million (approximately S\$217.0 million) following the renovation and stabilisation of the property in 2025, which is approximately GBP29.5 million (S\$51.1 million) higher than the valuation as at 31 December 2022. Based on the valuation by HVS, the incremental EBITDA is expected to amount to GBP1.2 million (approximately S\$2.1 million) which translates to a yield on AEI cost of approximately 10.6%¹⁰. For more information on Novotel Sydney Central and Citadines Holborn-Covent Garden London, please see Annex B.

With the completion of AEIs for Novotel Sydney Central, Citadines Holborn-Covent Garden London and The Cavendish London, the total property value of the three properties is expected to increase by S\$385.5 million post-stabilisation.

⁸ Based on the exchange rate of A\$1.00 to S\$0.9201 unless stated otherwise.

⁹ Based on stabilised EBITDA before FF&E reserves in 2028 versus EBITDA in 2019 over estimated project cost attributable to CLAS of A\$90.0 million (approximately S\$82.8 million).

¹⁰ Based on stabilised EBITDA before FF&E reserves in 2025 versus EBITDA in 2019 over estimated project cost attributable to CLAS of GBP11.5 million (approximately S\$19.9 million).

About CapitaLand Ascott Trust (www.capitalandascotttrust.com)

CapitaLand Ascott Trust (CLAS) is the largest lodging trust in Asia Pacific with an asset value of S\$8.1 billion as at 30 June 2023. CLAS' objective is to invest primarily in income-producing real estate and real estate-related assets which are used or predominantly used as serviced residences, rental housing properties, student accommodation and other hospitality assets in any country in the world. CLAS was listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

CLAS' international portfolio comprises 107 properties with more than 19,000 units in 47 cities across 15 countries in Asia Pacific, Europe and the United States of America as at 30 June 2023.

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

CLAS is a stapled group comprising CapitaLand Ascott Real Estate Investment Trust (CapitaLand Ascott REIT), and CapitaLand Ascott Business Trust (CapitaLand Ascott BT). CLAS is managed by CapitaLand Ascott Trust Management Limited (as manager of CapitaLand Ascott REIT), and CapitaLand Ascott Business Trust Management Pte. Ltd. (as trustee-manager of CapitaLand Ascott BT). The manager and trustee-manager are wholly owned subsidiaries of Singapore-listed CapitaLand Investment Limited, a leading global real estate investment manager with a strong Asia foothold.

About CapitaLand Investment Limited (www.capitalandinvest.com)

Headquartered and listed in Singapore, CapitaLand Investment Limited (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 31 March 2023, CLI had about S\$133 billion of real estate assets under management, and about S\$89 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.

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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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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 queries, 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

Annex A – Details of the three lodging assets in the proposed acquisition

The Cavendish London

The Cavendish London is located in the exclusive Mayfair high-end shopping district in central London, within a five- to ten-minute drive from the city's iconic attractions such as the Buckingham Palace, Big Ben and the National Gallery, as well as royal parks such as Green Park and Hyde Park. Guests can also catch a variety of musicals and theatre performances at the West End or shop at the city's prime retail district around Piccadilly Circus and Oxford Street, which are just a stone's throw away.

The 230-unit hotel is conveniently located close to many public transport links, allowing guests to easily get around the city. London's St Pancras International train station is a 15-minute tube ride away, enabling guests to easily reach Paris or Brussels via the Eurostar. London Heathrow Airport is about 50 minutes away via public transport. For more information, please visit: <https://www.discoverasr.com/en/others/united-kingdom/the-cavendish-london>

Temple Bar Hotel

The Temple Bar Hotel is in the Temple Bar area, a key tourist destination and entertainment district of Dublin. It is located between O'Connell Street, Dublin's main thoroughfare, and Trinity College, Ireland's oldest university. The hotel is a five- to ten-minute walk to Dublin's shopping streets and renowned landmarks such as Grafton Street, Henry Street, Dublin Castle and National Gallery of Ireland.

The Westmoreland tram stop is just a one-minute walk from the hotel and the Abbey Street tram stop is a five-minute walk away, making the 136-unit Temple Bar Hotel an ideal base to explore the city. Guests arriving in Dublin by train can take a 14-minute walk from O'Connell Station to Temple Bar Hotel. From Dublin Airport, guests can take the shuttle bus to O'Connell Bridge and walk to the hotel within two minutes. For more information, please visit: <https://www.discoverasr.com/en/others/ireland/temple-bar-hotel-dublin>

Ascott Kuningan Jakarta

Located in Jakarta's central business district, Ascott Kuningan Jakarta is part of Ciputra World 1, an integrated development that comprises an upscale shopping centre, Lotte Shopping Avenue, an office tower as well as the Artpreneur Centre which comprises a museum, art gallery and theatre. The 185-unit serviced residence is located just a stone's throw away from some of Jakarta's main business and entertainment hotspots.

Guests can choose from a range of one- to three-bedroom apartments that come with a well-equipped kitchenette, washing machine and dryer. The serviced residence also features a host of facilities such a business centre, gym, residents' lounge, a children's playground and playroom, swimming pool, and badminton, basketball and tennis courts. For more information, please visit: <https://www.discoverasr.com/en/ascott-the-residence/indonesia/ascott-kuningan-jakarta>

Annex B – Details of the two existing assets to undergo asset enhancement initiatives

Novotel Sydney Central

Novotel Sydney Central is within walking distance to Sydney Darling Harbour and International Convention Centre in Sydney's central business district. The hotel is in close proximity to Central Station, the University of Technology Sydney, Haymarket and Paddy's Market. The area around Central Station has been designated as a State Significant Precinct, which has been earmarked by the New South Wales government in its master plan to become a technology precinct, comprising offices, retail offerings, hotels and homes. For more information, please visit:

<https://www.capitalandascotttrust.com/portfolio/australia/novotel-sydney-central>

Citadines Holborn-Covent Garden London

Citadines Holborn-Covent Garden London is situated in the city's main theatre and entertainment district. Guests can immerse themselves in the city's rich historical and cultural heritage with the multiple theatres close by and the British Museum just an eight-minute walk away. The serviced residence is also near a plethora of shops, cafes and restaurants, including Covent Garden, a well-known shopping, dining and entertainment hub a 12-minute walk away.

The serviced residence is a two-minute walk to the Holborn tube station, enabling guests to easily explore the rest of the city. The St Pancras International Station and London Heathrow Airport are a 10-minute and 55-minute tube ride away respectively. Citadines Holborn-Covent Garden London offers a range of studio and one-bedroom units which come with a fully equipped kitchen. The serviced residence has a gym, business centre and meeting rooms. For more information, please visit: <https://www.discoverasr.com/en/citadines/united-kingdom/citadines-holborn-covent-garden-london>