

NEWS RELEASE

ASCOTT RESIDENCE TRUST CLINCHES FOURTH STUDENT ACCOMMODATION ASSET WITH ACQUISITION IN USA FOR US\$83.25 MILLION

Singapore, 1 November 2021 – Ascott Residence Trust (ART) will acquire a freehold 548-bed student accommodation asset, named Seven07 in Champaign, Illinois, USA for US\$83.25 million¹ (S\$112.4 million²). Seven07 serves about 56,000 undergraduate and graduate students from the nearby University of Illinois Urbana-Champaign (UIUC). The yield-accretive acquisition is set to increase ART's pro forma FY 2020 Distribution per Stapled Security by approximately 1.2%³. The entry EBITDA⁴ yield is expected to be about 4.5% and is expected to rise to about 4.8% on strong rental growth for Academic Year (AY) 2022. The transaction, which is expected to be completed in mid-November 2021, will be funded by debt and part of the proceeds from ART's private placement launched in September 2021⁵. The acquisition of Seven07 follows ART's recent acquisition of Wildwood Lubbock in Texas and is ART's fourth student accommodation investment within 10 months this year.

Ms Beh Siew Kim, Chief Executive Officer of Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd. (the Managers of ART) said: "ART continues to ramp up our investments in the longer-stay segment to build stable income and the resilience of our portfolio. Seven07 is operational and will start contributing stable income immediately upon acquisition. The student accommodation asset is 100% occupied for AY 2021, with lease terms of about one year. For the AY 2022, Seven07 is about 50% pre-leased with strong rental growth of about 8% over AY 2021."

"ART has successfully replaced distributable income of divested assets at higher yields. We have divested five properties for about S\$501 million⁶ in FY 2020 and 2021 to date, at an average exit yield of around 2%. We have invested a total of about S\$491 million in four student accommodation assets and three rental housing properties at an average EBITDA yield of about 5%⁷. With Seven07, ART will increase our student accommodation and rental housing properties

¹ The purchase consideration, arrived at on a willing-buyer and willing-seller basis, is based on the agreed value of the property and the independent valuation dated 29 October 2021 by Colliers International Valuation and Advisory Services LLC of US\$86.4 million (equivalent to approximately S\$116.6 million)

² Based on the exchange rate of US\$1 to S\$1.35

³ Based on FY 2020 pro forma Distribution per Stapled Security. The pro forma is based on the audited financial statements of ART for the financial year ended 31 December 2020, assuming that (1) the acquisition was completed on 1 January 2020 and ART held and operated the property through to 31 December 2020 and (2) the acquisition will be funded approximately 45% by debt and 55% by equity

⁴ Earnings before interest, tax, depreciation and amortisation

⁵ ART will use about 43% of the S\$150 million raised through its private placement to fund the acquisition of Seven07. About 38% was used to acquire Wildwood Lubbock in September 2021

⁶ Excludes the divestment of partial gross floor area of Somerset Liang Court Singapore; the property is currently undergoing redevelopment. The five divested assets are Ascott Guangzhou, Somerset Azabu East Tokyo, Citadines Didot Montparnasse Paris, Citadines City Centre Grenoble and Somerset Xu Hui Shanghai

⁷ For the student accommodation development in South Carolina, USA, the EBITDA yield is a target yield on a stabilised basis

to about 12% of our total portfolio value, keeping us on target to grow longer-stay lodging assets to about 15-20% in the medium term. Following this acquisition, ART's gearing will be at 35.8%⁸. ART remains in a strong financial position to seek accretive investments in more longer-stay assets to diversify our portfolio, enhancing our resilience and creating more value for our Stapled Securityholders," added Ms Beh.

Seven07 serves UIUC which is commonly known as a 'Public Ivy'⁹ school. The prestigious UIUC is a flagship university of Illinois and is consistently ranked as one of the top schools in USA for its accounting, computer science and undergraduate engineering programmes¹⁰. UIUC's student population has grown consistently at a compound annual growth rate of 2% from 2010 to 2020, twice the national average. Enrolment at UIUC also grew 2% in 2020 despite COVID-19. 87% of its student population are from USA¹¹. UIUC's athletics programme also competes in the Big Ten Conference, one of the 'Power 5' athletics conferences in the National Collegiate Athletic Association. There is minimal new private student accommodation supply in the vicinity of Seven07 in the medium term.

Seven07 is located less than 200 metres from UIUC. From Seven07, students can walk to UIUC in five minutes and its main quad in about 10 minutes, offering students a well-designed and comfortable lodging option while maintaining an active student life on campus. The student accommodation asset is also near to several restaurants, cafés and other lifestyle options.

Opened in 2019, the 15-storey Seven07 has 548 beds across 218 units, comprising studio, one- to four-bedroom apartments. Each apartment has a fully equipped kitchen, smart TV, and washer and dryer. Most bedrooms within the apartments also have a private bathroom. The student accommodation asset has a range of facilities including an outdoor amenities deck with pool, state-of-the-art fitness centre, outdoor lounge with grill stations, indoor basketball court, spa with tanning services and sauna, study rooms, club room, bike storage, lounge café and covered parking lots and garages. Seven07 will be managed by an unrelated third-party operator. For more information on the student accommodation, please see the Annex.

Expanding ART's student accommodation portfolio to build income resilience

With the addition of Seven07, ART's four student accommodation assets in the USA will offer a total of 2,756 beds. In September 2021, ART acquired Wildwood Lubbock, a freehold 1,005-bed student accommodation asset for US\$70.0 million (S\$93.8 million). It has an expected EBITDA yield of about 5.1%. Wildwood Lubbock serves over 40,000 undergraduate and graduate students at Texas Tech University.

In June 2021, ART and its sponsor, The Ascott Limited, announced that they will jointly invest and develop a freehold student accommodation in South Carolina, USA. ART will invest US\$55.2

⁸ Based on the unaudited financial statements of ART as at 30 September 2021 and assuming that the acquisition was completed on 30 September 2021

⁹ 'Public Ivy' refers to public schools with a reputation for academic excellence which provide a college experience similar to an Ivy League school

¹⁰ 2021 U.S. News & World Report

¹¹ Data based on AY 2020

million¹² (S\$73.4 million) in the 678-bed student accommodation which will serve over 35,000 students from the nearby University of South Carolina. Construction of the student accommodation started in 3Q 2021 and is expected to complete in 2Q 2023. Upon stabilisation, the EBITDA yield is expected to be approximately 6.2%¹³.

In February 2021, ART acquired the freehold 525-bed Paloma West Midtown in Atlanta, Georgia for US\$95 million (S\$126.3 million) with an expected EBITDA yield of about 5%. Paloma West Midtown serves close to 40,000 students at Georgia Institute of Technology.

About Ascott Residence Trust

Ascott Residence Trust (ART) is the largest hospitality trust in Asia Pacific with an asset value of S\$7.3 billion as at 30 June 2021. Having listed on the Singapore Exchange Securities Trading Limited (SGX-ST) since March 2006, ART's 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. ART is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index).

ART's international portfolio comprises 89 properties with about 17,000 units in 39 cities across 15 countries in Asia Pacific, Europe and the USA as at 30 September 2021.

ART's properties are mostly operated under the Ascott The Residence, 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.

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

Visit www.ascottresidencetrust.com for more information.

About CapitaLand Investment

Headquartered and listed in Singapore, CapitaLand Investment (CLI) is a leading global real estate investment manager (REIM) with a strong Asia foothold. As at 30 June 2021, CLI had about S\$119.0 billion of real estate assets under management, and about S\$83.0 billion of real estate

¹² Comprises ART's investment in the initial 45% stake, estimated cost of the additional 5% stake which ART will acquire at fair market valuation, and other deal related expenses

¹³ Based on ART's total investment

funds under management (FUM) held via six listed real estate investment trusts and business trusts, and over 20 private funds across the Asia-Pacific, Europe and USA. Its diversified real estate asset classes cover integrated developments, retail, office, lodging and new economy sectors such as business parks, industrial, logistics and data centres.

CLI aims to scale its FUM and fee-related earnings through its full stack of investment management and operating capabilities. As the listed investment management business arm of the CapitaLand Group, CLI has access to the development capabilities of and pipeline investment opportunities from CapitaLand's development arm. Being a part of the well-established CapitaLand ecosystem differentiates CLI from other REIMs.

As part of the CapitaLand Group, CLI places sustainability at the core of what it does. As a responsible real estate company, 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.

Visit www.capitalandinvest.com for more information.

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 Ascott Residence Trust ("ART") is not indicative of future performance. The listing of the stapled securities in ART ("**Stapled Securities**") on the Singapore Exchange Securities Trading Limited ("SGX-ST") does not guarantee a liquid market for the Stapled



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Annex – About the student accommodation asset

Location	707 South Fourth Street, Champaign, Illinois
Completed	2019
Land Tenure	Freehold
Net Rentable Area	202,162 square feet (sq ft)
Units	218
Beds	548
Unit Mix	<p>Studio: 33 units (422 - 539 sq ft) 1-Bedroom: 32 units (492 sq ft) 2-Bedroom: 64 units (696 - 887 sq ft) 3-Bedroom: 1 unit (1,148 sq ft) 4-Bedroom: 88 units (1,229 - 1,447 sq ft)</p> <p>92% of bedrooms come with ensuite bathrooms</p>
Common Area Amenities	<p>Outdoor amenities deck with pool, state-of-the-art fitness centre, outdoor lounge with grill stations, indoor basketball court, spa with tanning services and sauna, study rooms, club room, bike storage, lounge café and covered parking lots and garages</p>