

NEWS RELEASE

ASCOTT RESIDENCE TRUST DOUBLES ITS STUDENT ACCOMMODATION ASSETS WITH US\$213 MILLION ACQUISITION OF FOUR PROPERTIES IN USA

Grows longer-stay lodging assets to 16% of total portfolio to further enhance income resilience

Singapore, 27 December 2021 – Ascott Residence Trust (ART) will acquire four student accommodation assets in the USA for US\$213.0 million¹ (S\$291.2 million²). The four assets have a total of 1,651 beds, serving more than 100,000 students across five universities in three states. The Link University City is located in Pennsylvania, while Latitude on Hillsborough and Uncommon Wilmington are in North Carolina, and Latitude at Kent is in Ohio.

The yield-accretive acquisition is set to increase ART's pro forma FY 2020 Distribution per Stapled Security by approximately 3.0%³ and the EBITDA⁴ yield is expected to be about 4.9%. The acquisition is expected to be completed in phases from end-December 2021. The acquisition will be 92% funded by debt and 8% funded by the remaining proceeds from ART's private placement launched in September 2021.

With the new acquisition, ART has built a diversified and quality portfolio of eight student accommodation assets with about 4,400 beds in under a year. Seven of the student accommodation assets are operating assets that are contributing stable income while one is under development. ART's student accommodation assets are located across seven states, with each state accounting for less than 23% of total beds, reducing portfolio concentration risk through its diversified geographical presence. They are strategically located predominantly in USA's Sunbelt states, Ivy League and 'Power 5' athletics conference markets⁵. Situated near their respective key educational institutions, the eight student accommodation assets will serve over 250,000 students from reputable universities with large student populations, steady enrolment growth and a strong athletics programme. The seven operating assets are new with an average age of two years, offering students well-designed apartments equipped with best-in-class facilities.

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: "With the new acquisition, ART has doubled the number of student accommodation assets in our portfolio. Our

¹ The purchase consideration arrived at on a willing-buyer and willing-seller basis, is based on the agreed value of the properties and the independent valuation of the properties dated 10 December 2021 by Newmark Knight Frank Valuation & Advisory, LLC of US\$222.6 million (equivalent to approximately S\$304.3 million)

² Based on the exchange rate of US\$1 to S\$1.367

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 properties through to 31 December 2020 and (2) the acquisition will be funded approximately 92% by debt and 8% by funds raised from private placement in September 2021

⁴ Earnings before interest, tax, depreciation and amortisation

⁵ Membership in such athletics conferences helps to boost the universities' brand recognition and provides them with a profitable revenue source

student accommodation assets and rental housing properties now make up about 16% of our total portfolio value, surpassing our initial target of 15%. We remain on track to grow this longer-stay portfolio to 20% in the medium term, building a sizeable stable income base. In FY 2020 and 2021 to date, ART divested five assets⁶ for about S\$501 million at an average exit yield of around 2%. In 2021, ART has invested a total of about S\$780 million⁷ in eight student accommodation assets and three rental housing properties at an average EBITDA yield of about 5%⁸, replacing the distributable income from our divested assets at higher yields. We would successfully deploy our funds from the private placement upon completion of the acquisition of the four new student accommodation assets and ART's gearing will be at 37.8%⁹. ART remains in a strong financial position to seek further yield-accretive investments and generate long-term value for our Stapled Securityholders."

"ART's student accommodation assets in the USA have proven to be resilient throughout COVID-19. We are investing more into the sector given the favourable conditions of the overall student accommodation market in the USA. Occupancy rates have recovered to pre-COVID-19 levels and the 2.3% year-on-year increase in rents for Academic Year (AY) 2021 is the strongest rental growth rate across the country since Fall 2016¹⁰. The latest four student accommodation assets we are acquiring were newly completed between 2019 and 2020. They have a weighted average occupancy rate of about 94% for the AY 2021. With longer lease terms of about a year and continued rental growth given the positive demand-supply dynamics, this yield-accretive acquisition will not only increase our stable income, but also enhance the resilience of ART's portfolio," added Ms Beh.

Four new quality assets that augment ART's student accommodation portfolio

The four new student accommodation assets are predominantly freehold. They serve five reputable universities with strong athletics programmes. The universities also have large student populations with a collective student population of more than 100,000 students. The assets are also well-located within walking distance to campus or close to amenities. The four new student accommodation assets will be managed by unrelated third-party operators.

For more information on the four new student accommodation assets, please see Annex A. For information on ART's first four student accommodation assets, please see Annex B.

⁶ 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 Refers to the total purchase consideration for the student accommodation and rental housing properties, as well as ART's investment in Standard at Columbia, which is under development (comprising 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)

⁸ For Standard at Columbia, which is under development, the EBITDA yield is a target yield on a stabilised basis

⁹ Based on the unaudited financial statements of ART as at 30 September 2021 and assuming that the acquisition was completed on 30 September 2021

¹⁰ RealPage, Student Housing Sees Highest Rent Growth in Years, September 2021

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 Limited, a leading global real estate investment manager with a strong Asia foothold.

Visit www.ascottresidencetrust.com for more information.

About CapitaLand Investment Limited

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 2021, CLI had about S\$120.8 billion of real estate assets under management, and about S\$84.3 billion of real estate funds under management (FUM) held via six listed real estate investment trusts and business trusts, and 30 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.

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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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Annex A – About the four new student accommodation assets in the USA

The Link at University City

The Link at University City in Pennsylvania offers modern, fully-furnished apartments comprising 251 beds in 126 units across three to five storeys. Students can choose from studios to one- to three-bedroom apartments. Located in the heart of Philadelphia’s University City, the student accommodation asset will serve over 45,000 students at the University of Pennsylvania (UPenn) and Drexel University (DU) which are both within a 10-minute walk away. Philadelphia is the second largest city in the East Coast and the University City is home to prestigious universities, academic research operations, healthcare and life science companies. The student accommodation asset is also a 10-minute walk to key campus buildings and adjacent to uCity Square, a life science and technology hub with retail, residential, clinical, office, and laboratory space. As part of uCity Square’s master plan, an additional 4 million square feet (sq ft) of space will be developed over the next 10 years, growing the development to 6.5 million sq ft.

Occupancy at The Link at University City is expected to pick-up in AY 2022 with the return to in-person classes, on-campus activities, a significant increase in freshmen intake and limited supply of student accommodation assets in the short term.

UPenn is the top Ivy League university in the state and one of the best universities in the world, while DU is one of the top ranked universities in the state. UPenn and DU compete at the USA National Collegiate Athletics Association (NCAA) Division 1 level and UPenn also competes in the Ivy League. The student population at UPenn has grown at a compound annual growth rate (CAGR) of about 0.9% from 2011 to 2019 while enrolment at DU is stable¹¹.

Latitude on Hillsborough

The largest student accommodation amongst the four assets, Latitude on Hillsborough serves about 36,000 students at North Carolina State University (NCSU). The stylish and spacious townhome student accommodation has 523 beds across 180 units and students can choose from one- to five-bedroom apartments. The property is situated in Raleigh, one of the fastest-growing cities in the USA. Together with Durham and the town of Chapel Hill, they form the Research Triangle, a leading life science and technology hub anchored by major universities. Latitude on Hillsborough is located about two kilometres (km) west of the NCSU campus. Via Raleigh’s network of well-planned roads, Latitude on Hillsborough is a three-minute drive to the campus. A direct shuttle bus is also available.

For AY 2021, Latitude on Hillsborough is well-leased at 97%, outperforming the market average of 93%. Apart from NCSU, demand could also come from numerous smaller colleges within Raleigh. There is also no upcoming supply of private student accommodation assets which bodes well for the continued demand for Latitude on Hillsborough.

NCSU is the flagship state university of North Carolina and the largest university in both North and South Carolina. One of the best public universities in North Carolina, NCSU is ranked fourth

¹¹ University of Pennsylvania and Drexel University’s websites and Common Data Set (CDS), 2020

in the state. Its student population has grown consistently at a CAGR of 0.5% from 2011 to 2019 and 98% of its student population are from the USA¹². It also has a strong athletics programme, participating in the Atlantic Coast Conference, one of the ‘Power 5’ athletics conferences in the US NCAA.

Uncommon Wilmington

The other student accommodation asset in North Carolina, Uncommon Wilmington has 493 beds across 150 units in a two- to four-storey spacious, resort-style townhome development. Students can choose from one-, two- and four-bedroom apartments. One of the newer student accommodations in the market, Uncommon Wilmington serves about 18,000 students at the University of North Carolina Wilmington (UNCW). Uncommon Wilmington is located about 1.5 km from UNCW, and students can take a three-minute drive to campus or take the direct shuttle bus. Uncommon Wilmington is also within a 10-minute drive to the downtown area with retail amenities.

Uncommon Wilmington is well-leased at 94% for AY 2021. Demand is expected to remain healthy in the next few years, given the continued growth in enrolment at UNCW and limited upcoming supply of private student accommodation assets.

UNCW is one of the top ranked universities in the state, and its student population has grown healthily at a CAGR of 3.6% from 2011 to 2019, with 99% of its students from the USA¹³. UNCW participates in Division 1 of the NCAA in the Football Bowl Subdivision and is a member of the Colonial Athletic Association.

Latitude at Kent

In Ohio, Latitude at Kent has 384 beds across 126 units in a five-storey apartment building, serving about 27,000 students at Kent State University (KSU). Students can choose from one- to four-bedroom apartments. Latitude at Kent is the newest private student accommodation asset that is located closest to KSU. The asset is just across the street from KSU’s academic core and within walking distance to major faculties and facilities.

Latitude at Kent is well-leased at 98% for AY 2021. Student enrolment is also stable from 2011 to 2019¹⁴. With the asset’s prime location and lack of private student accommodation supply in the near term, Latitude at Kent is poised to perform well.

KSU is a leading regional university in North-east Ohio, with 96% of its students from the USA¹⁰. KSU also competes at the US NCAA Division 1 level and is part of the Mid-American Conference.

¹² North Carolina State University’s website and CDS, 2020

¹³ University of North Carolina Wilmington’s website and CDS, 2020

¹⁴ Kent State University’s website and CDS, 2020



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Details of each student accommodation asset

Name	The Link University City	Latitude on Hillsborough	Uncommon Wilmington	Latitude at Kent
Location	3600 Lancaster Ave, Philadelphia, Pennsylvania	5701 Hillsborough St, Raleigh, North Carolina	2421 Playa Way, Wilmington, North Carolina	1450 E Summit St, Kent, Ohio
Purchase Consideration	US\$65.5 million	US\$64.0 million	US\$54.0 million	US\$29.5 million
Independent Valuation	US\$68.5 million	US\$66.6 million	US\$56.4 million	US\$31.1 million
Completed	2019	2020	2020	2019
Tenure	Freehold	Freehold	Freehold	Leasehold, expiring on 31 Dec 2117
Net Rentable Area	Residential 105,129 square feet (sq ft) (93%) Commercial 7,466 sq ft (7%)	212,210 sq ft	Residential 184,284 sq ft (97%) Commercial 4,965 sq ft (3%)	152,307 sq ft
Key Educational Institution	University of Pennsylvania and Drexel University	North Carolina State University	University of North Carolina Wilmington	Kent State University
Academic Year 2021 Occupancy	84%	97%	94%	98%
Building Height	3 to 5 storeys	3 storeys	2 to 4 storeys	5 storeys
Units	126	180	150	126
Beds	251	523	493	384
Unit Mix / (Unit Size)	<ul style="list-style-type: none"> • Studio: 2 / (570 sq ft) • 1-Bedroom: 40 / (519-660 sq ft) • 2-Bedroom: 43 / (745-1,111 sq ft) 	<ul style="list-style-type: none"> • 1-Bedroom: 21 / (591 sq ft) • 2-Bedroom: 58 / (821-841 sq ft) • 3-Bedroom: 27 / (1,075 sq ft) 	<ul style="list-style-type: none"> • 1-Bedroom: 17 / (534-722 sq ft) • 2-Bedroom: 28 / (795 sq ft) 	<ul style="list-style-type: none"> • 1-Bedroom: 10 / (752-804 sq ft) • 2-Bedroom: 23 / (891-897 sq ft)



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	<ul style="list-style-type: none"> • 3-Bedroom: 41 / (902-1,375 sq ft) <p>Majority of the bedrooms come with ensuite bathrooms</p>	<ul style="list-style-type: none"> • 4-Bedroom: 65 / (1,630-1,682 sq ft) • 5-Bedroom: 9 / (1,754 sq ft) <p>100% of the bedrooms come with ensuite bathrooms</p>	<ul style="list-style-type: none"> • 4-Bedroom: 105 / (1,317-1,533 sq ft) <p>100% of the bedrooms come with ensuite bathrooms</p>	<ul style="list-style-type: none"> • 3-Bedroom: 44 / (1,114-1,301 sq ft) • 4-Bedroom: 49 / (1,387-1,612 sq ft) <p>100% of the bedrooms come with ensuite bathrooms</p>
Common Area Amenities	Best-in-class amenities include a two-storey 24-hour fitness and wellness centre, coworking and research lounges, front-lobby lounge with breakfast and coffee bar, and community kitchen	Best-in-class amenities include a fitness centre that offers on-demand classes, heated swimming pool with poolside cabanas & hot tub, on-site café & lightbox lounge	Best-in-class amenities include a resort-style pool with cabanas and a fitness/yoga studio that offers on-demand classes, club room with gaming tables, arcade and hydration station	Best-in-class amenities include a 24-hour fitness and wellness centre, resort-style pool, outdoor courtyard, game room, coworking and research lounges

Annex B – About ART’s first four student accommodation assets

In November 2021, ART acquired Seven07, a freehold 548-bed student accommodation asset for US\$83.25 million (S\$112.4 million) with an EBITDA yield of about 4.5%. It serves about 56,000 undergraduate and graduate students from the nearby University of Illinois Urbana-Champaign.

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. Named ‘Standard at Columbia’, ART will invest US\$55.2 million¹⁵ (S\$73.4 million) in the 678-bed asset 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%¹⁶.

In February 2021, ART acquired the freehold 525-bed Paloma West Midtown in Atlanta, Georgia for US\$95.0 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.



¹⁵ 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

¹⁶ The EBITDA yield is a target yield on a stabilised basis