

CPNREIT

Analyst Meeting 1Q22

13 May 2022

Sustainability Yearbook

Member 2022

S&P Global



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Business Updates



Operation Highlights

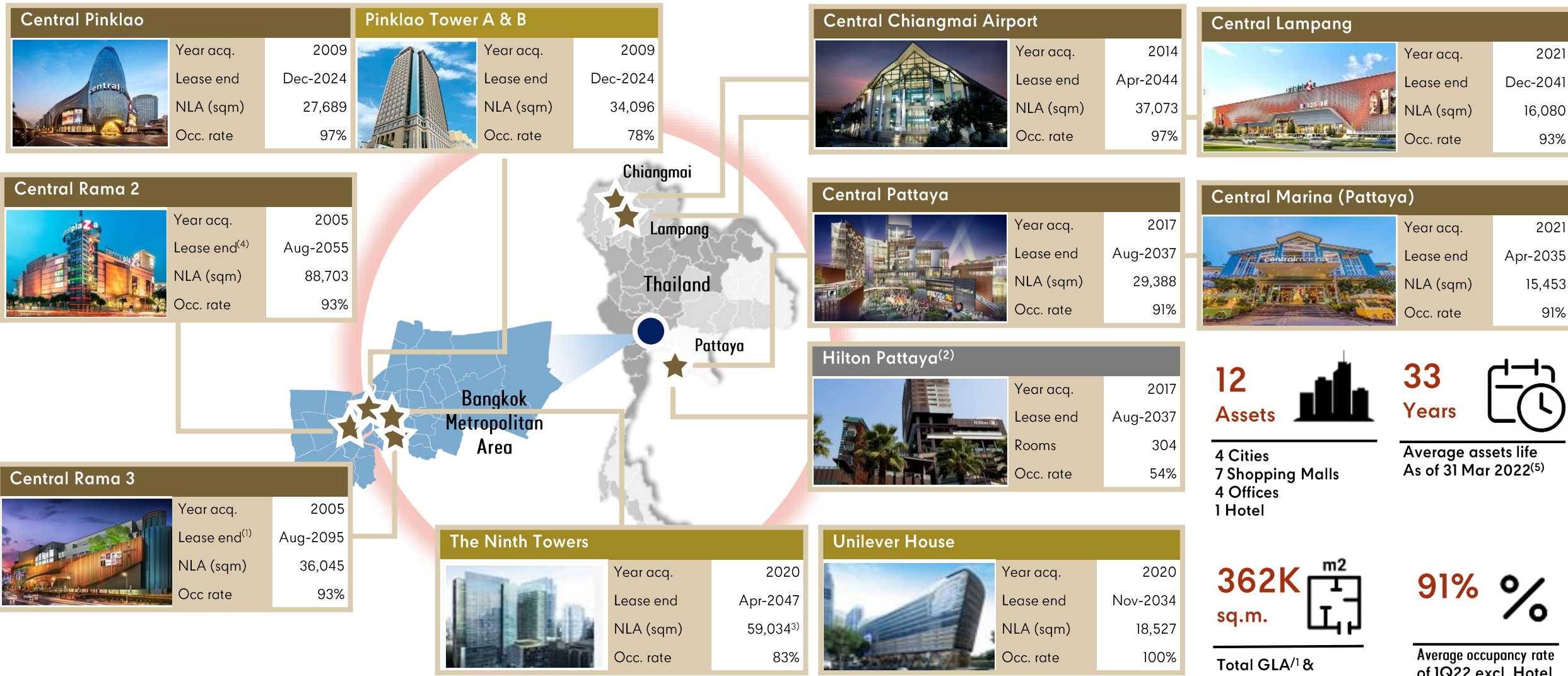


Key Financial Highlights

Business Updates



Front-running properties in Greater Bangkok and major provinces for locals and tourists



Note: Asset information as 31 March 2022 and average occupancy rate in 1Q22

(1) Includes option to extend lease 2 more times at 30 years each.

(3) Exclude meeting room area of 3,068 sq.m.

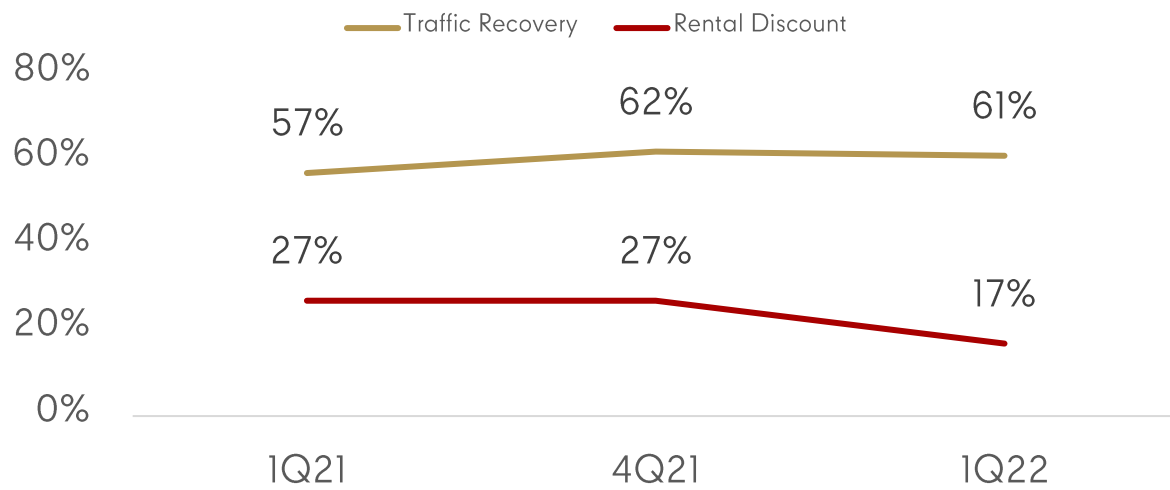
(2) Property subleased to CPN Pattaya Hotel Co., Ltd. in which CPNREIT earns rental income

(4) Include the renewal period from Aug 2025-August 2065

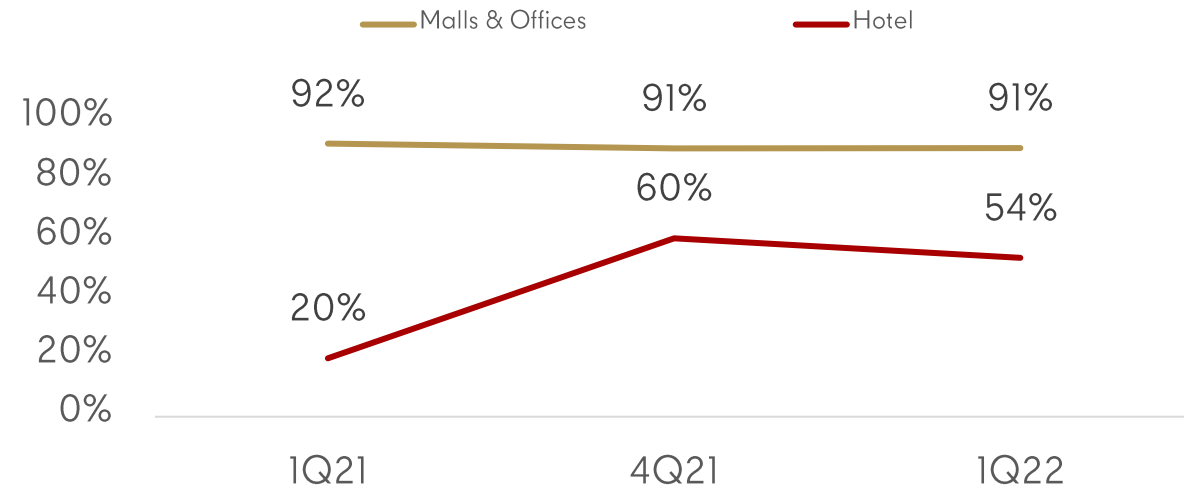
(5) Average assets life including RM2 extension

1Q22 Highlights – Gradually Recovery in Operating Performance

Shopping Malls : Traffic Recovery & Rental Discounts



Average Occupancy Rate (%)



Cost Saving Initiatives



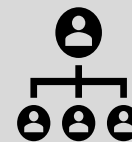
Outsource

- Increase usage of autonomous systems and technology, such as CCTV
- Reallocation of security guards and cleaners
- Reduction of unnecessary headcount for each shopping mall while maintaining productivity and efficiency



Marketing

- Readjust marketing activities and communication channels



Personnel

- Maintaining overhead costs
- Improvement in process and productivity
- Allocation of personnel to match work suitability



Utilities

- Control and monitor the use of water and electricity
- Solar rooftop installation in some projects

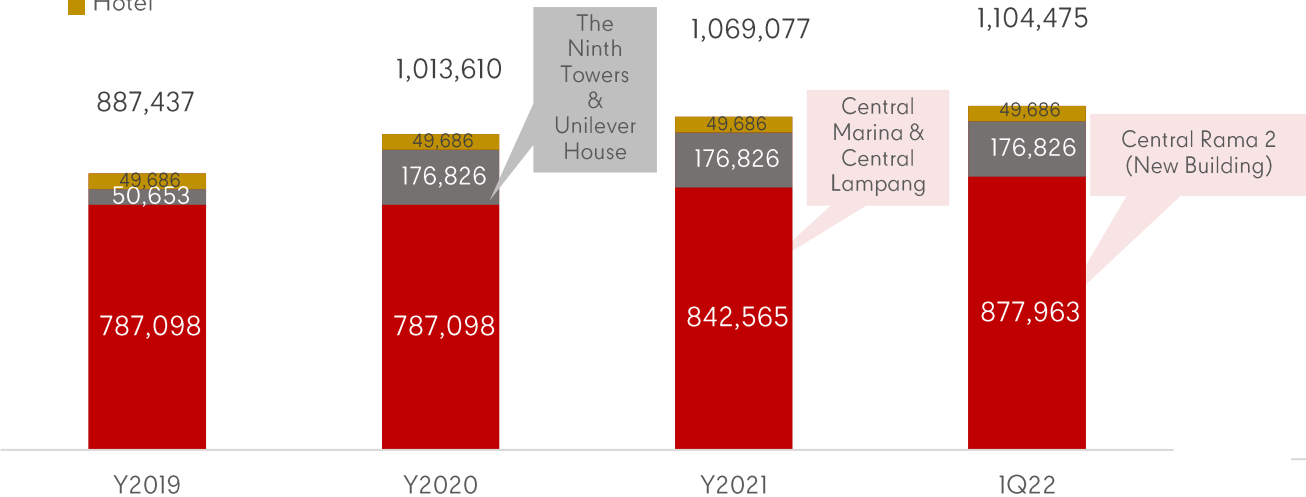
Operation Highlights



NLA and Occupancy Rates

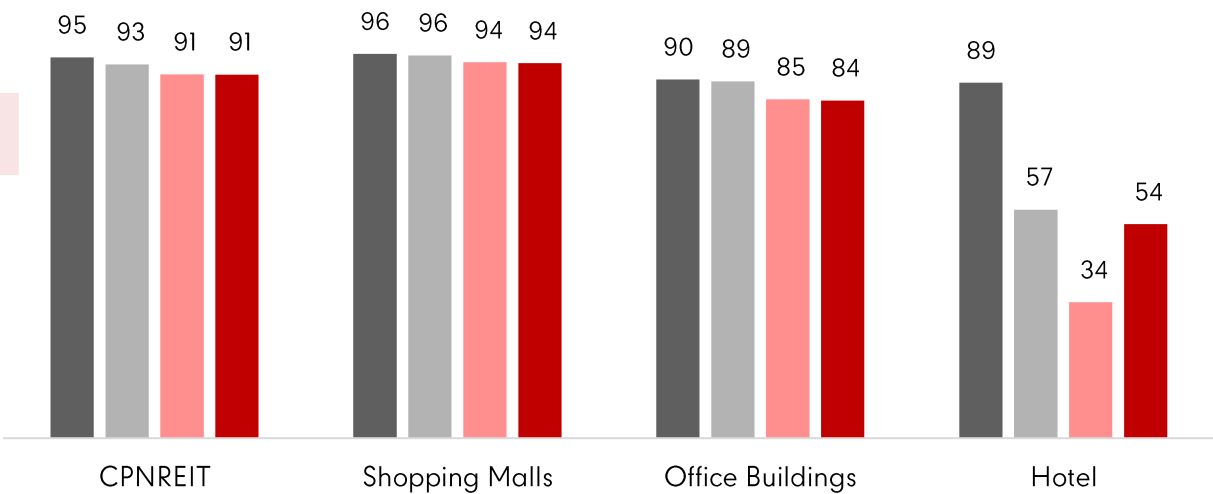
■ Shopping Malls
■ Office Buildings
■ Hotel

Gross Floor Area (sqm.)



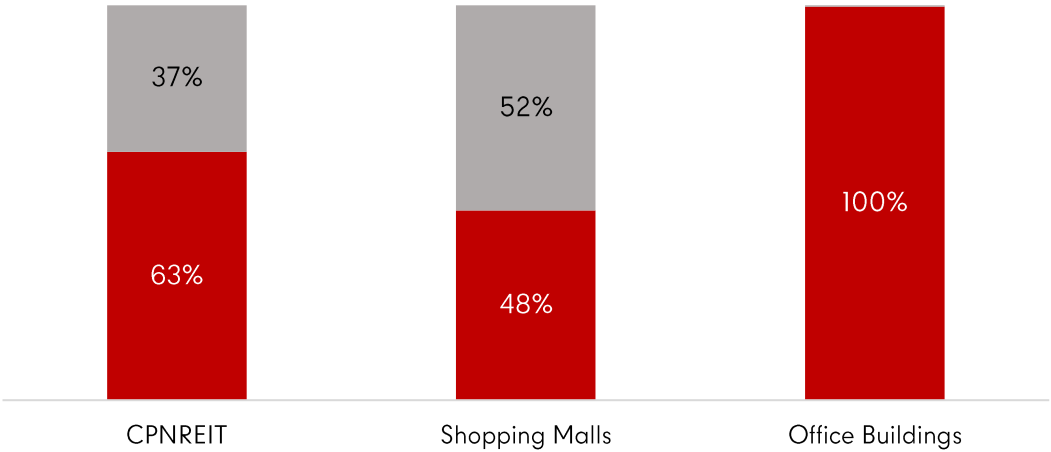
Average Occupancy Rate (%)

■ Y2019
■ Y2020
■ Y2021
■ 1Q22

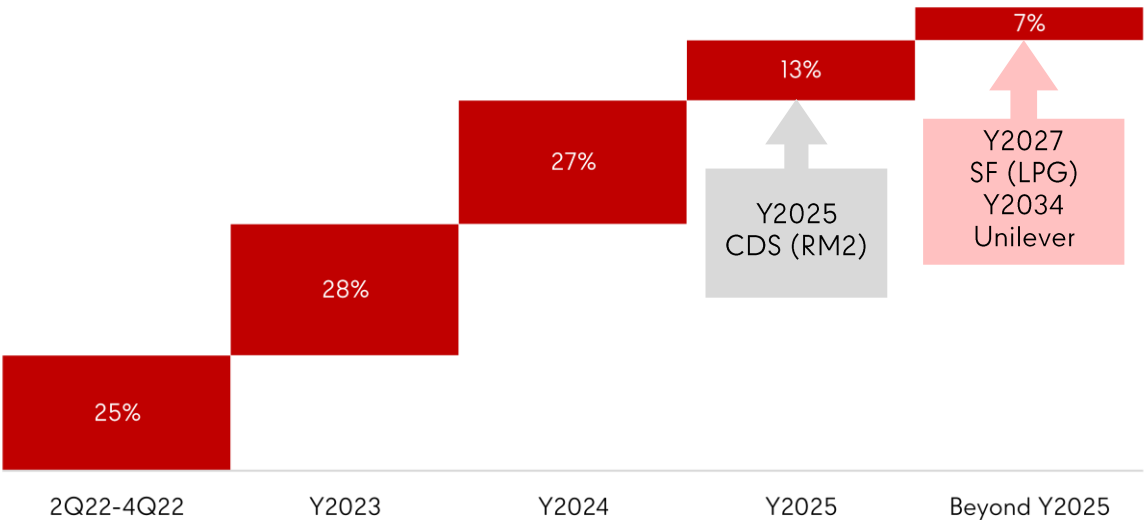


■ % of Tenant Sales
■ Fixed Rent

Rental Structure



Expiry Profile

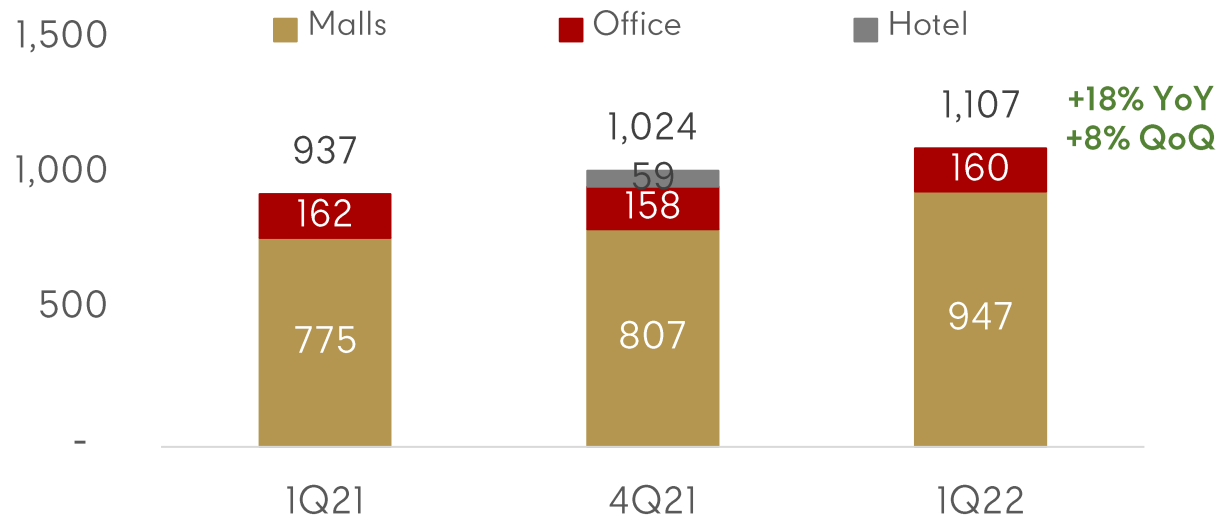




Key Financial Highlights

1Q22 Financial Highlights

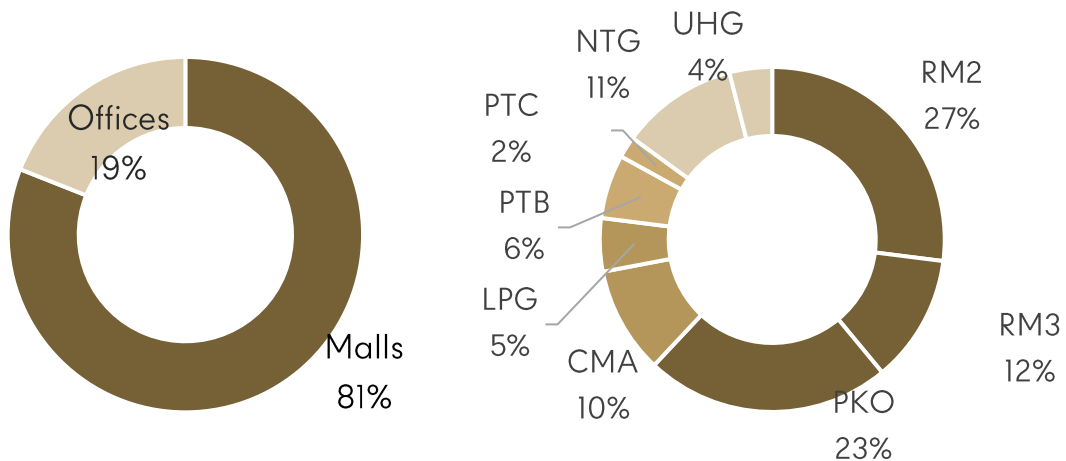
Rental Income (Bt mn)



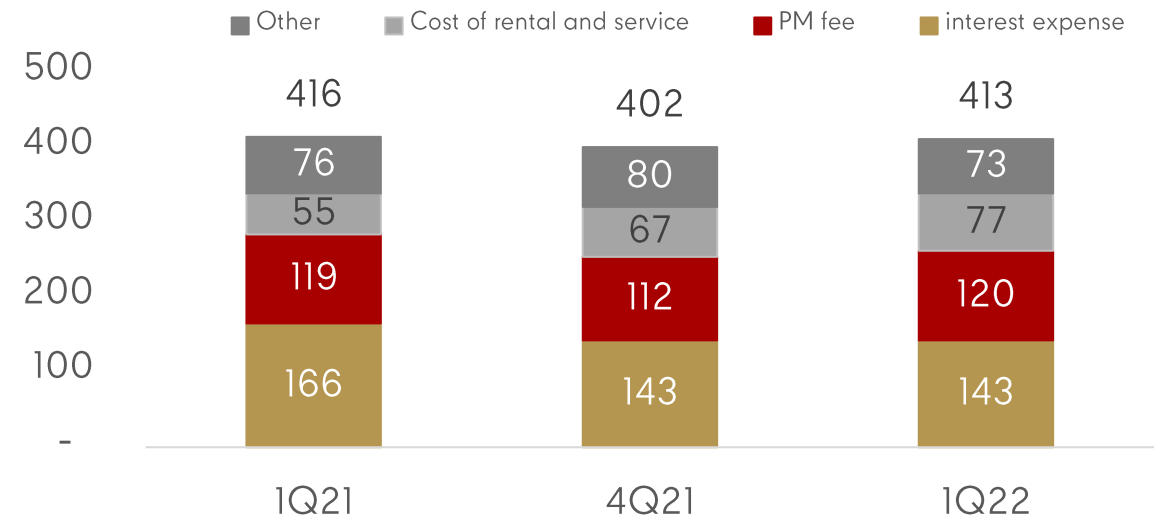
CPNREIT Performance

- Maintain high average occupancy rate > 90%
- Leasable area of Central Rama 2 increased by 3,666 sq.m. and new parking area of 23,800 sq.m.
- Renewal rate >90% of expired leasable areas
- Rental waiver for hotel business under force majeure condition
- Continuing cost saving programs
- No discount for Land and Building Tax in 2022

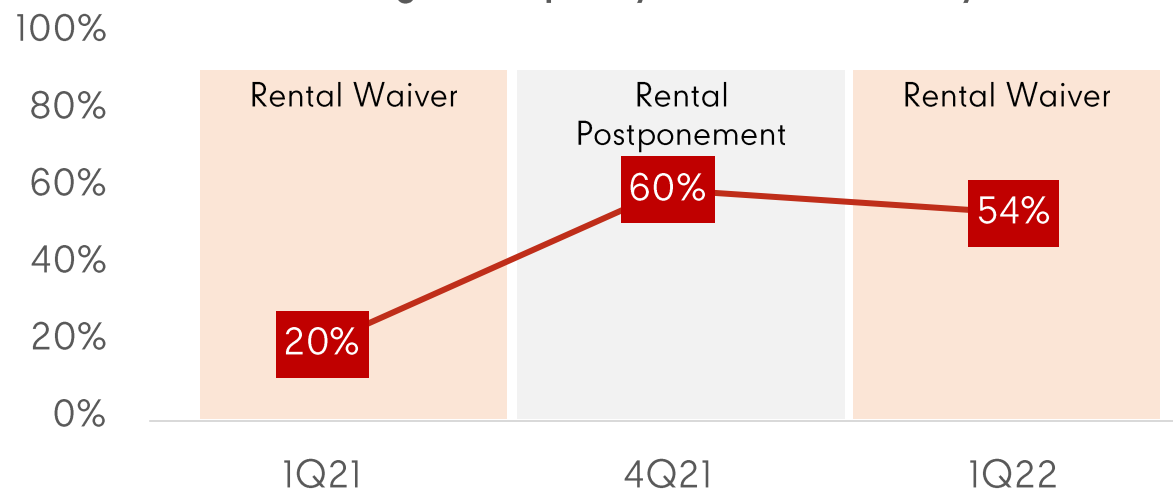
Revenue Contribution



Expense



Average Occupancy Rate & Rental Payment



Criteria for Rental Postponement of Rental Waiver

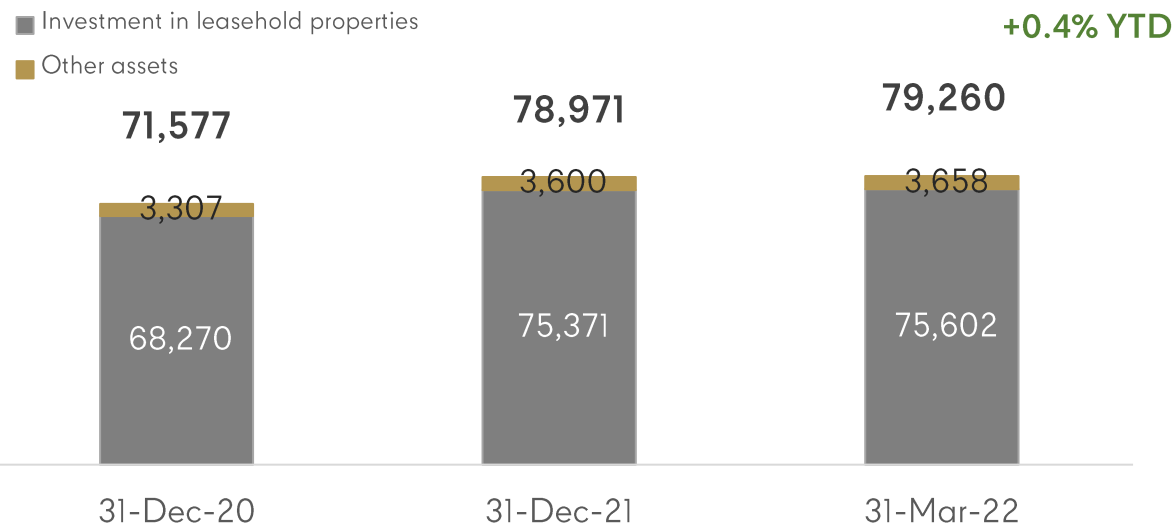
Force Majeure Circumstance	Avg room revenue/month (%YoY)	RevPAR of Industry (Pattaya)(%YoY)
Rental Postponement	-20% =< x < -50%	-15% =< x
	-50% =< x	-15% =< x < -30%
Rental Waiver	-50% =< x	-30% =< x

Hotel Business

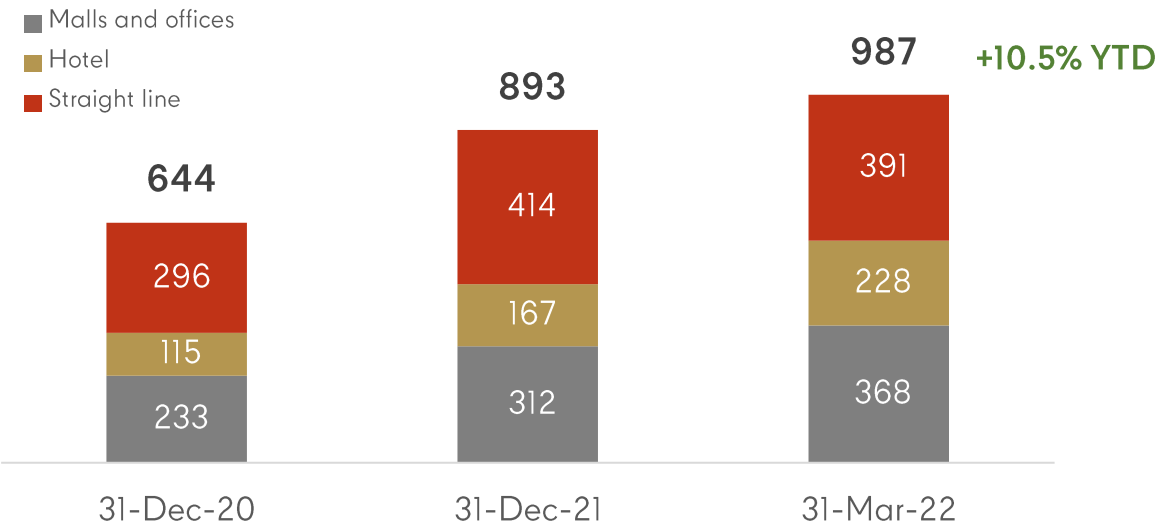
Due to the ongoing COVID-19 which is classified as force majeure circumstance, Fixed-rent income from hotel business in 1Q22 was waived.

Hotel – fixed rent (Bt mn)	Contract	Straight line	Contract rental waiver	Straight line rent waiver	+ / (-) in AR from straight line
2020	225	242	218	235	17
2021	233	247	59	73	14
2022	242	247	182	187	5
Total (9Y)	2,206	2,206	1,965	1,965	

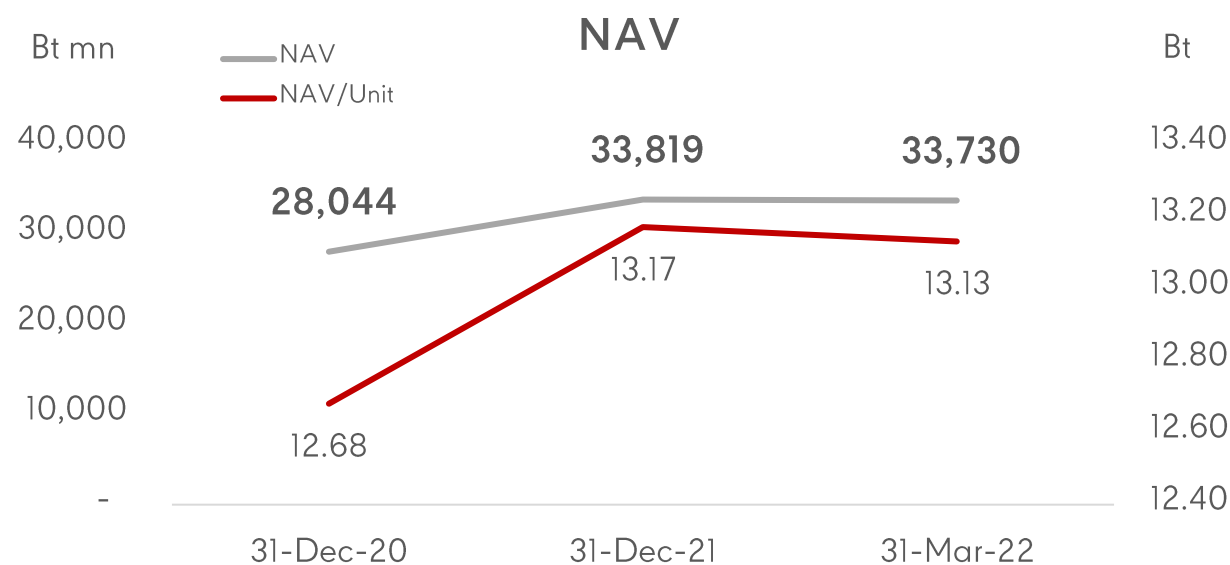
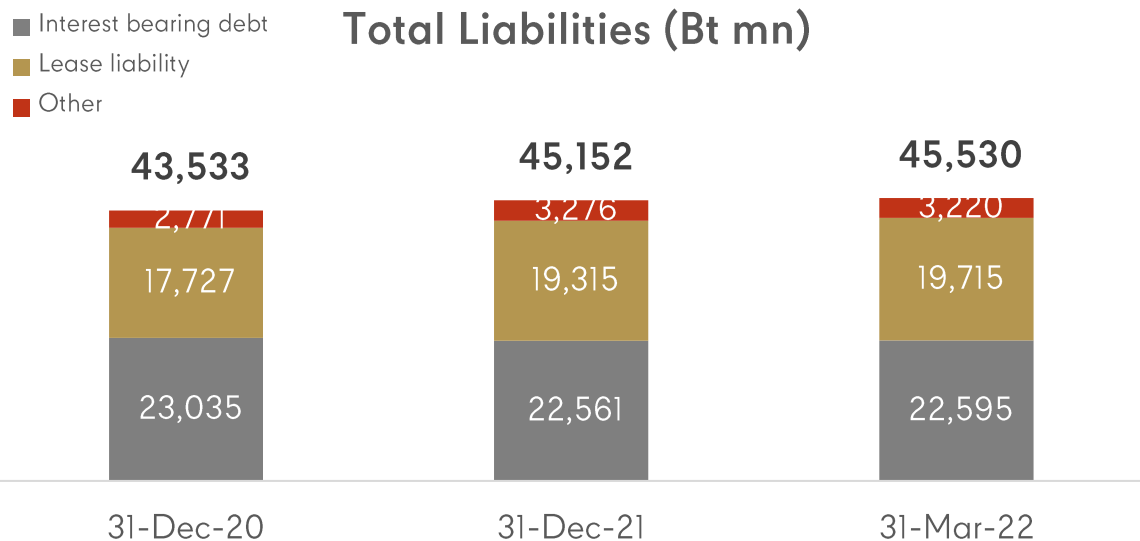
Total Assets (Bt mn)



Accrued Rental and Service Receivables (Bt mn)

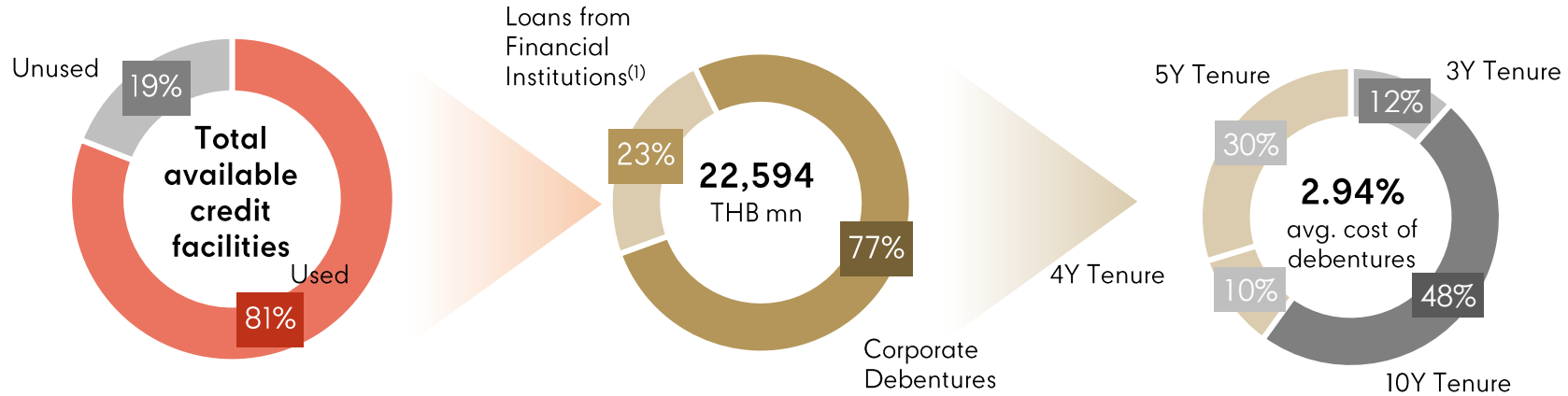


Total Liabilities (Bt mn)



Funding capacity for portfolio expansion

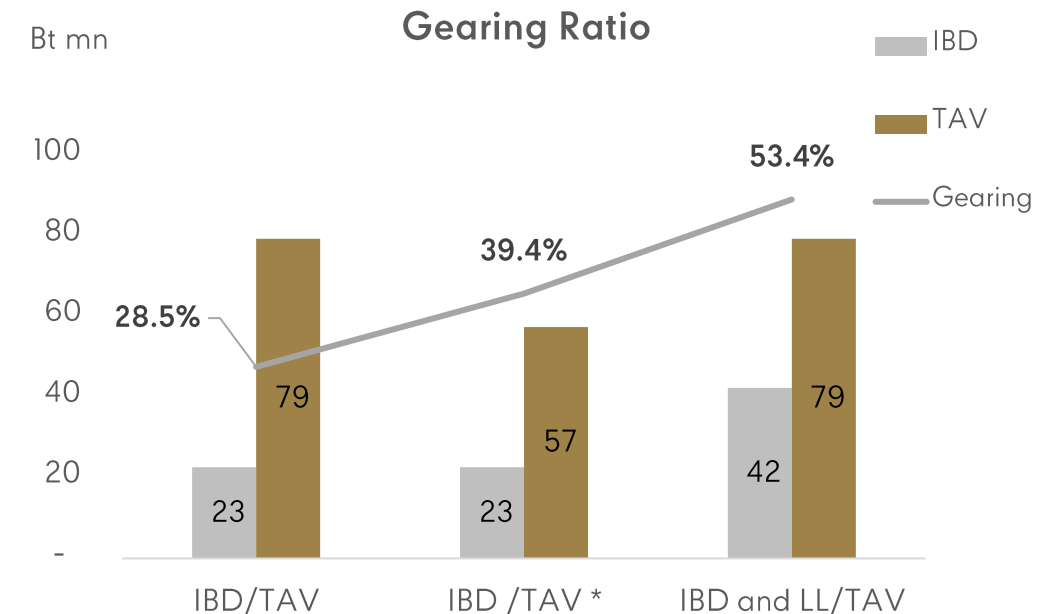
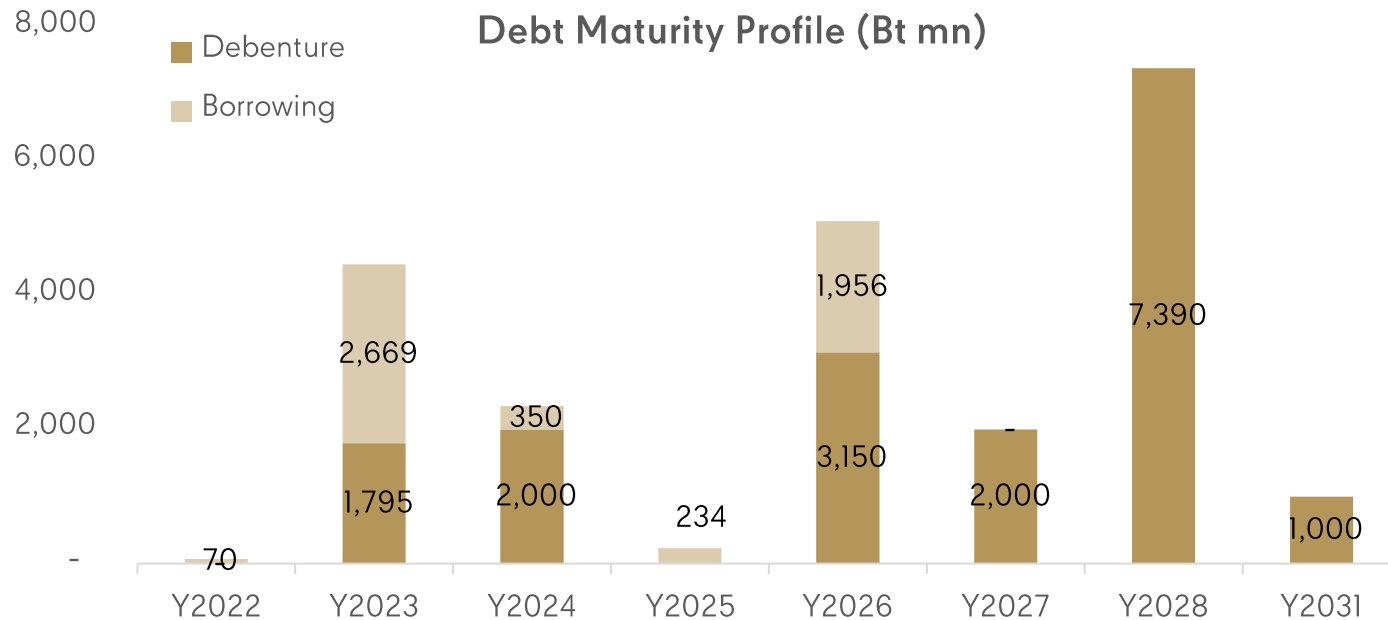
CPNREIT Debt Profile



AA

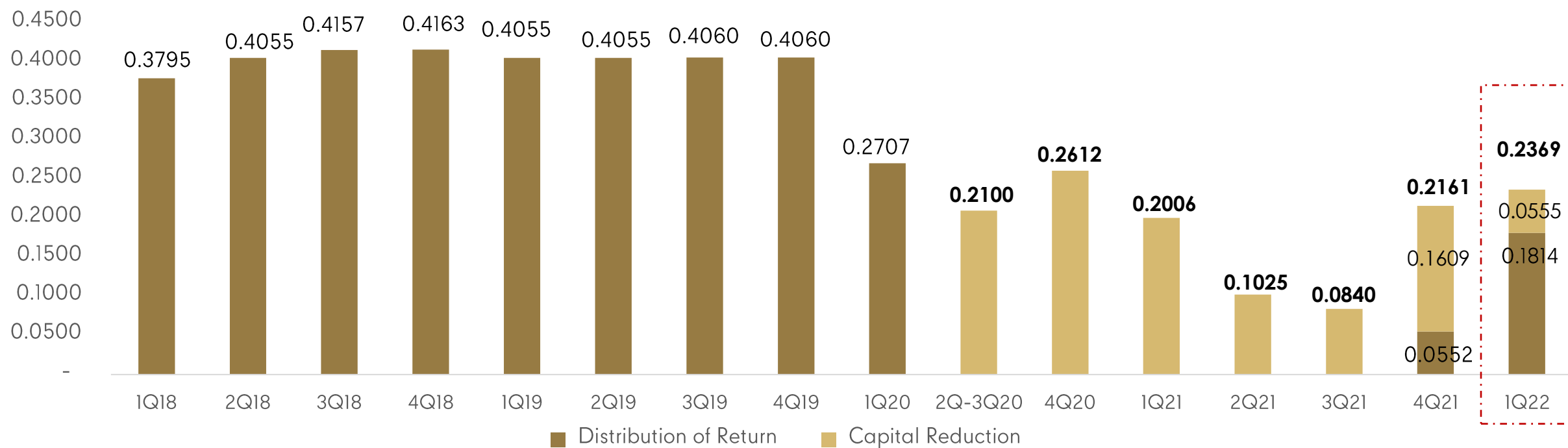
Note: Debt profile as of 31 Mar 2022.

(1) All loans from financial institutions are under fixed and float rate with an average cost of debt at 1.54 – 1.79%



Distribution Payment

Distribution Period	1 Jan – 31 Mar 2022
Distribution of Return	0.1814 Baht/ Unit
Capital Reduction	0.0555 Baht/Unit
XD/XN	18 May 2022
Book Closing	20 May 2022
Payment	6 Jun 2022



Appendix



Right-of-Use Asset & Lease Liability

- Lease over 1-year period is recognized as a rights-of-use asset and corresponding lease liability. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to P&L over the lease period.
- The rights-of-use assets are measured at fair value and recorded under the investments in leasehold properties.
- The lease payment is discounted using the interest rate implicit in the lease, or the lessor’s incremental borrowing rate is used if no interest rate implicit in the lease.

TFRS 16	Balance Sheet	Profit & Loss Statements
Lease of the wastewater treatment of Central Rama 2	+ Assets: rights-of-use asset + Liabilities: lease liability	+ Expense: (non-cash item) finance cost is charged over the lease period
Lease of Central Rama 2 (Renewal) (Apr 2020-Aug 2025)	+ Asset: rights-of-use asset + Liabilities: lease liability	+ Expense: (non-cash item) finance cost is charged over the pre-lease renewal period

Straight-Line Basis

- Rental income and discount from lease over 1-year period is recognized by the lessor on a straight-line basis over the lease term.
- In the early period of the contract, rental income would be higher than the actual revenue as it includes the future rate increases. Towards the end of the period, the positions become inverted.
- Discount amortization may vary based on the best estimated amount provided to tenants at a certain point in time.

TFRS 16	Balance Sheet	Profit & Loss Statements
Rental income	Rental and service receivable The discrepancy between rental income based on contract and straight-line income	Rental & service income: (adjustment item) Lessor recognizes rental income on a straight-line basis
Rental discount	Rental and service receivable The discrepancy between actual rental discount and straight-line rental discount	Rental & service income (adjustment item) Rental discount on a straight-line basis

TFRS 16: Straight-line Rental & Discount Adjustment

1Q22 (Bt mn)	Malls & Pinklao Offices	Hotel	NTG & UHG	P&L
Rental & service income	947	-	160	1,107
- Contract	1,131	-	160	1,291
- Actual discount	(184)	-	-	(184)
- Rental income	2	1	5	8
- Rental discount	(31)	-	-	(31)
Total	918	1	165	1,084

As at 31 Mar 2022 (Bt mn)	Malls & Pinklao Offices	Hotel	NTG & UHG	Balance Sheet
Rental & service receivable	359	228	9	596
<i>AR from straight-line</i>	<i>242</i>	<i>89</i>	<i>60</i>	<i>391</i>
Total	601	317	69	987

Statement of Financial Position

Unit: Bt mn	31 Dec 21	31 Mar 22	Change	(%)	Unit: Bt mn	31 Dec 21	31 Mar 22	Change	(%)
Investments in leasehold properties at fair value					Deposits received from tenants	1,730	1,730	-	-
<i>Central Rama 2</i>	25,694	25,925	231	0.9	Lease liability	19,315	19,715	400	2.1
<i>Central Rama 3</i>	12,753	12,753	-	-	Borrowings	7,237	5,272	(1,965)	(27.2)
<i>Central Pinklao and Offices</i>	3,204	3,204	-	-	Debentures	15,324	17,323	1,999	13.0
<i>Chiangmai Airport</i>	10,435	10,435	-	-	Provision for decommissioning	90	91	1	1.1
<i>Central Pattaya</i>	7,279	7,279	-	-	Other liabilities	1,456	1,399	(57)	(3.9)
<i>Hilton Pattaya</i>	3,668	3,668	-	-	Total liabilities	45,152	45,530	378	0.8
<i>The Ninth Towers</i>	5,860	5,860	-	-	Net Asset	33,819	33,730	(89)	(0.3)
<i>Unilever House</i>	1,356	1,356	-	-	Capital from unitholders	31,475	31,062	(413)	(1.3)
<i>Central Marina</i>	2,188	2,188	-	-	Capital surplus	2,201	2,201	-	-
<i>Cenrtal Lampang</i>	2,934	2,934	-	-	Retained earnings (deficit)	142	466	324	228.2
Total Investments in leasehold properties at fair value	75,371	75,602	231	0.3	NAV per unit (in Baht)	13.1691	13.1343	(0.0348)	(0.3)
Investments measured at fair value through profit or loss	1,073	1,073	-	-					
Cash equivalents	1,159	1,209	50	4.3					
Accrued rental and service receivables	893	987	94	10.5					
Receivable from the Revenue Department	367	337	(30)	(8.2)					
Other assets	108	52	(56)	(51.9)					
Total assets	78,971	79,260	289	0.4					

Statement of Comprehensive Income – Quarter

Unit: Bt mn	Financial Statement		YoY		TFRS16 Adjusted		YoY		Adjusted	QoQ	
	1Q22	1Q21	Change	(%)	1Q22	1Q21	Change	(%)	4Q21	Change	(%)
Income											
Rental and service income	1,084	1,020	64	6.2	1,106	937	169	18.0	1,023	83	8.1
Other income	4	4	(0)	(0.6)	4	4	(0)	(0.6)	8	(5)	(56.0)
Interest income	1	1	0	2.4	1	1	0	2.4	1	0	6.0
Total income	1,089	1,025	64	6.2	1,110	941	169	18.0	1,032	78	7.6
Expense											
Cost of rental and service	77	55	22	39.6	77	55	22	39.6	67	10	14.8
Other expenses	21	24	(3)	(12.6)	21	24	(3)	(12.6)	27	(6)	(21.9)
Property management fee	120	119	2	1.3	120	119	2	1.3	112	8	7.1
Other	52	52	0	0.6	52	52	0	0.6	53	(1)	(2.1)
Interest expense	143	166	(24)	(14.2)	143	166	(24)	(14.2)	143	(0)	(0.0)
Interest on lease liability	407	374	33	8.8	0	0	0	n/a	0	0	n/a
Total expense	819	789	30	3.8	413	416	(3)	(0.7)	402	11	2.7
Net investment income	269	235	34	14.3	698	526	172	32.7	630	68	10.7
Net gain (loss) on investments	0	1	(0)	(31.8)	0	1	(0)	(31.8)	1	(33)	(2,328.8)
Net gain (loss) on change in fair value of investments	196	226	(30)	(13.1)	196	226	(30)	(13.1)	982	(995)	(101.3)
Net increase (decrease) in net assets from operations	466	462	4	0.8	894	752	142	18.9	1,614	(720)	(44.6)
Same store excluded PTC and LPG											
Rental and service income					1,027	907	120	13.2			
Cost of rental and service					46	41	5	13.1			
Other expenses					16	18	(2)	(10.0)			

For more information, please contact:

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