

CPNREIT

Opportunity Day 2Q22

17 Aug 2022

Sustainability Yearbook
Member 2022

S&P Global



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Business Updates



Operation Highlights

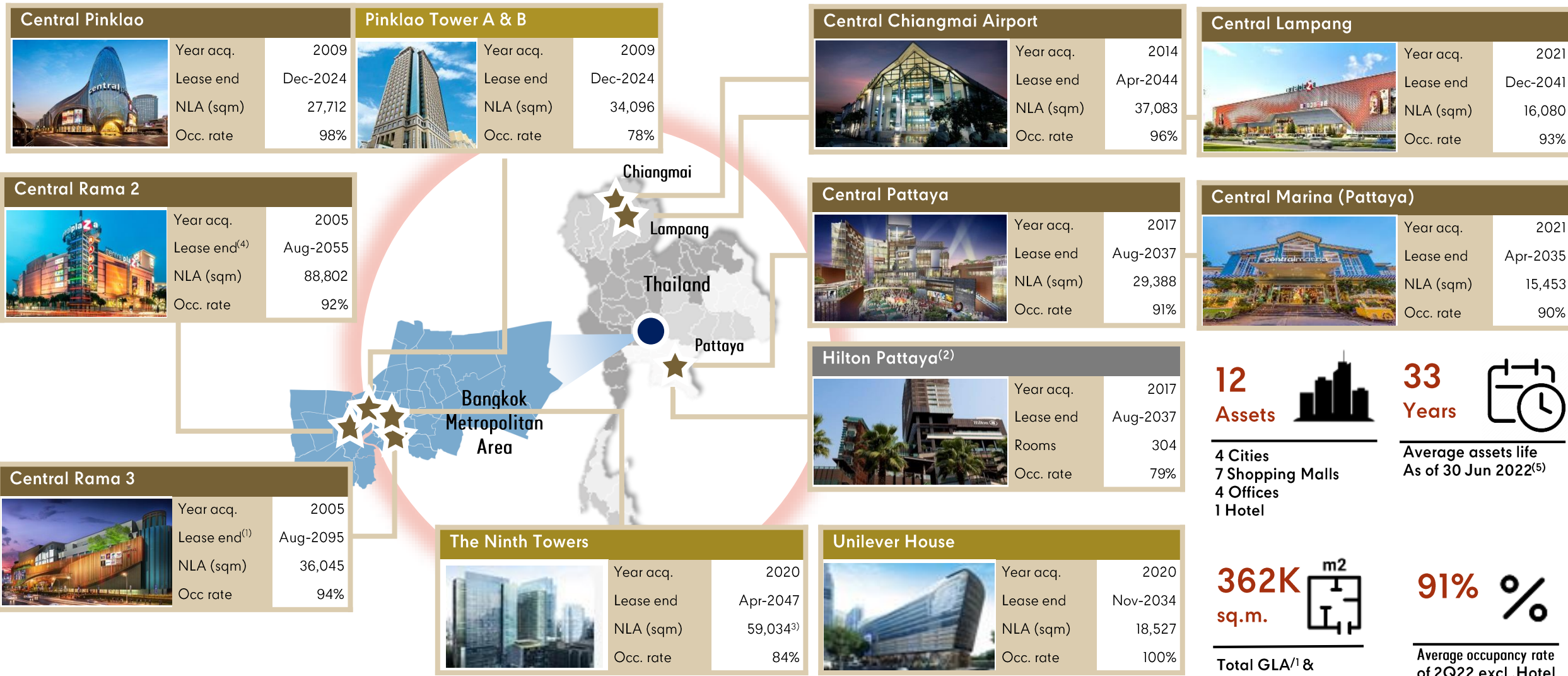


Key Financial Highlights

Business Updates



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



Note: Asset information as 30 June 2022 and average occupancy rate in 2Q22

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

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

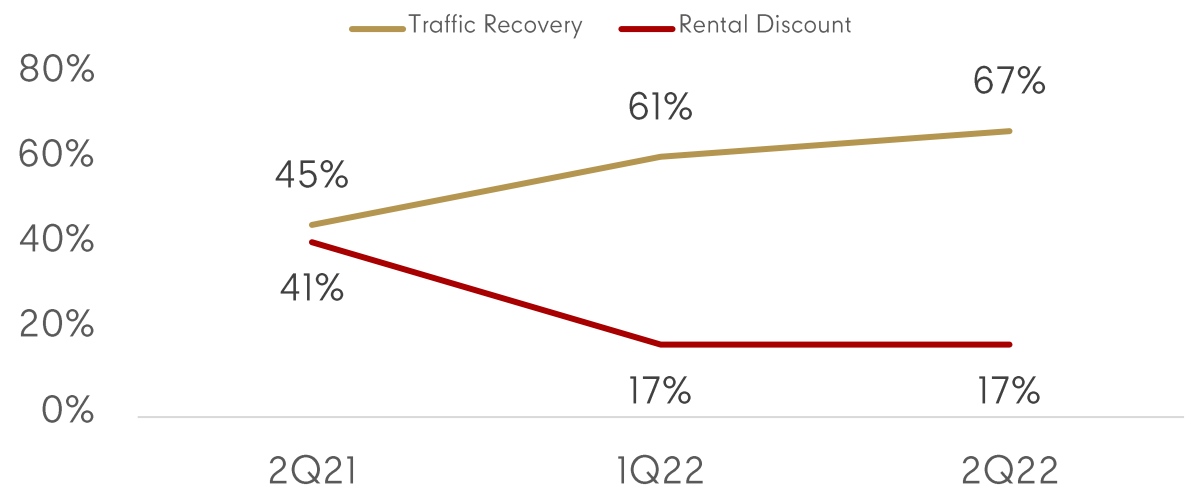
(2) Property subleased to CPN Pattaya Hotel Co., Ltd. in which CPN REIT earns rental income

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

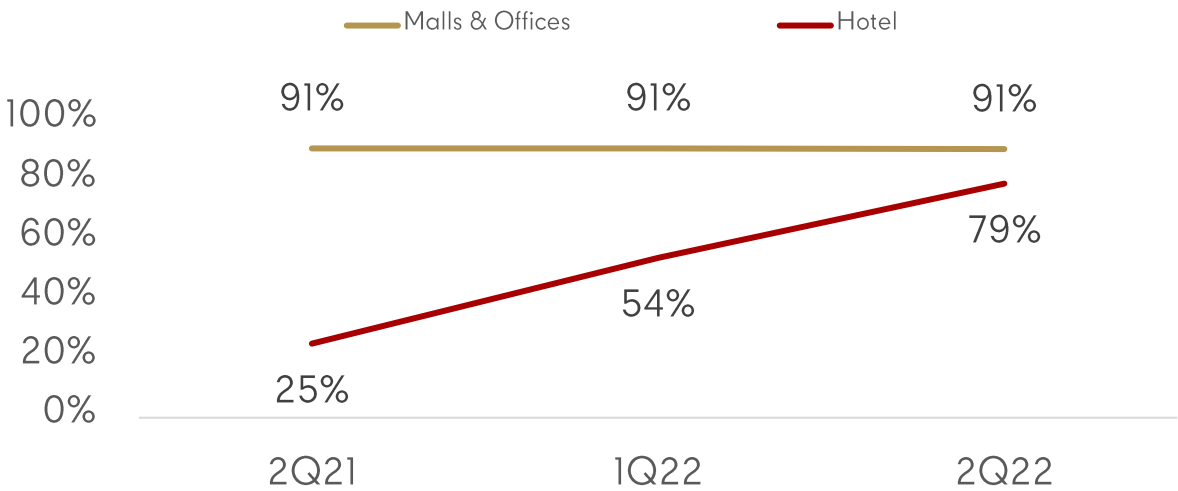
(5) Average assets life including RM2 extension

2Q22 Highlights – Continuous Recovery in Operating Performance

Shopping Malls : Traffic Recovery & Rental Discounts



Average Occupancy Rate (%)



Cost Saving Initiatives



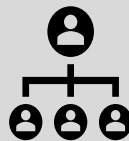
Outsource

- 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



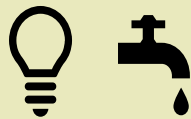
Marketing

- Readjust marketing activities and communication channels



Personnel

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



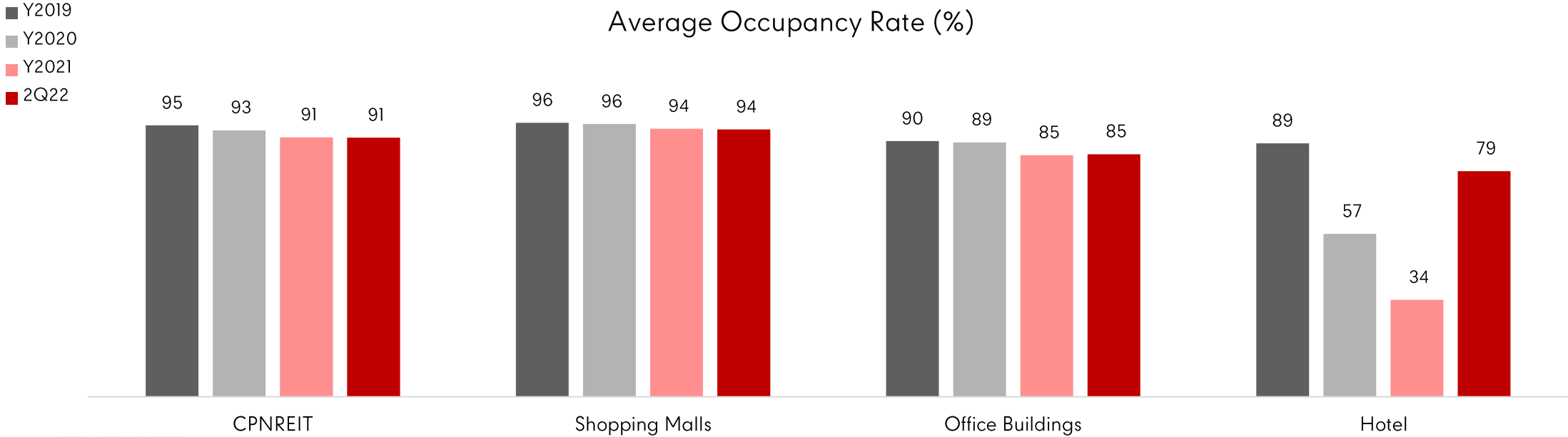
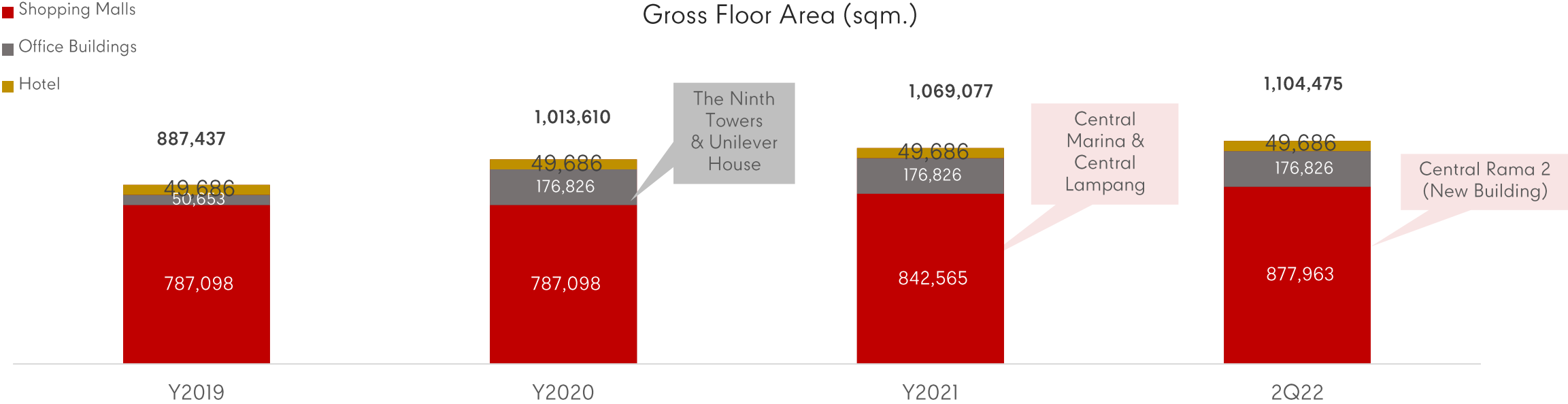
Utilities

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

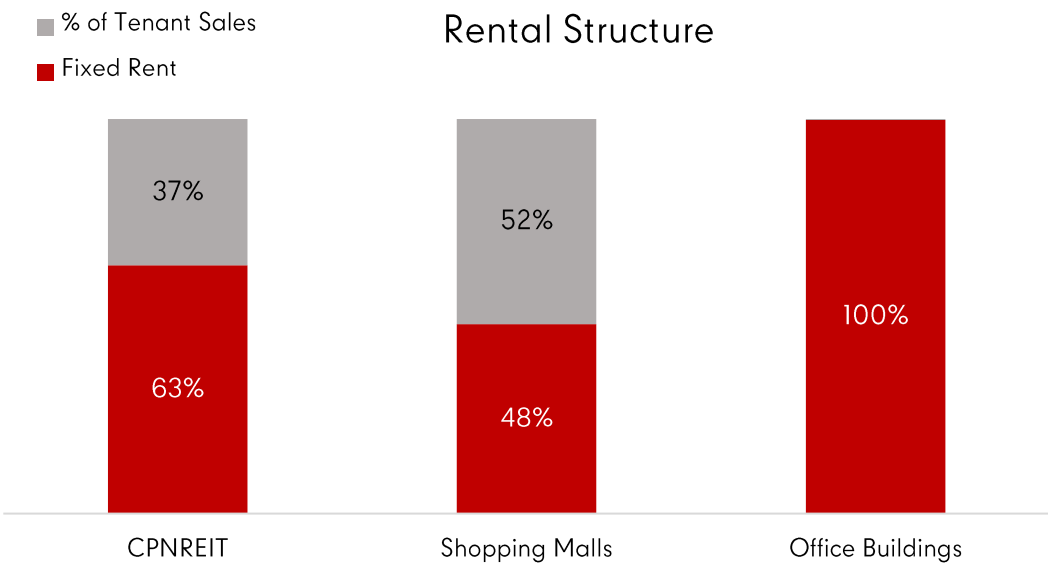
Operation Highlights



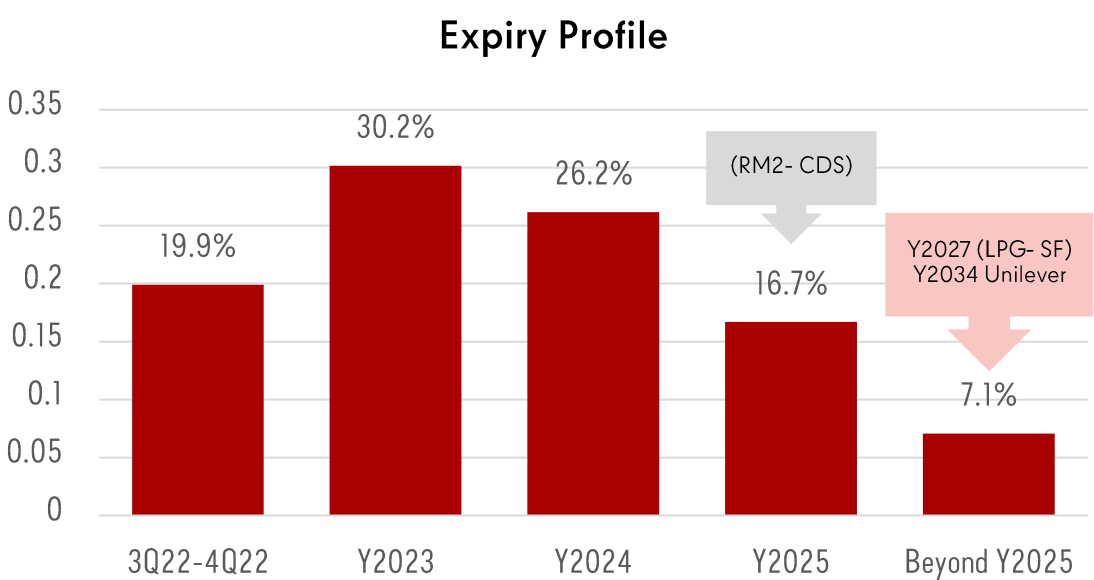
GFA and Occupancy Rates



Rental Structure & Expiry Profile



Project	Rental Structure (%)	
	Fixed Rent	% of Sales
Central Rama 2	37	63
Central Rama 3	59	41
Central Pinklao	62	38
Pinklao Tower A and B	99	1
Central Chiangmai Airport	56	44
Central Pattaya	41	59
The Ninth Towers	100	-
Central Marina	38	62
Central Lampang	60	40
Total/Average	63	37



Project	From 1 April to 30 June 2022		
	Renewals and New Leases ^{/1}		
	No. of Leases	Area (sqm)	% of Total ^{/2}
Central Rama 2	32	4,628	13%
Central Rama 3	13	1,531	7%
Central Pinklao	17	2,107	11%
Pinklao Tower A and B	15	3,888	15%
Central Chiangmai Airport	21	3,065	13%
Central Pattaya	12	1,266	8%
The Ninth Towers	4	1,090	2%
Central Marina	2	558	8%
Central Lampang	9	1,079	9%
Total/Average	125	19,211	9%

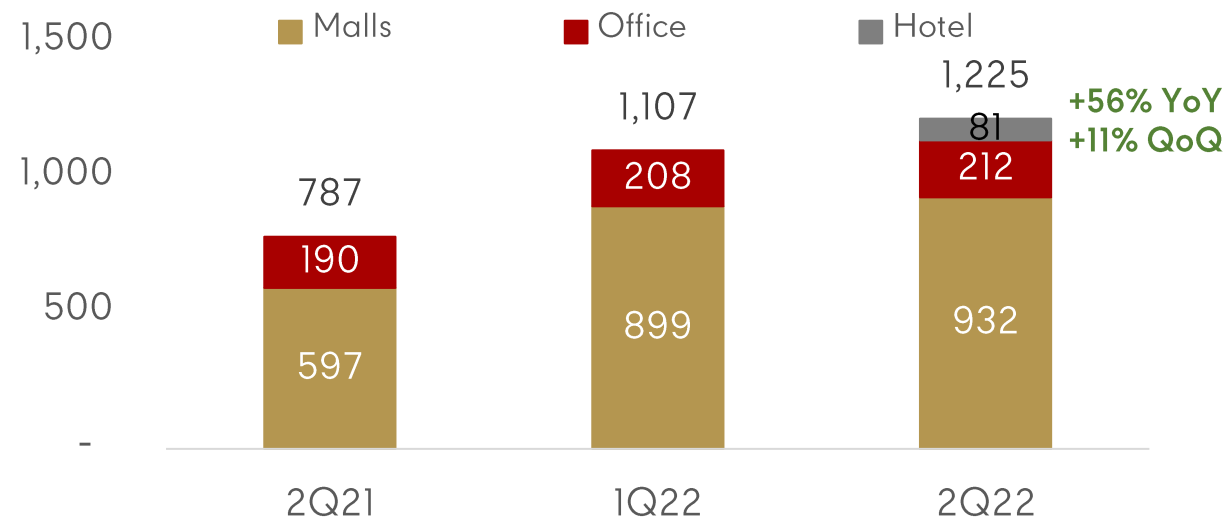
Note:^{/1} Exclude rental agreements < 1 year and Anchor tenants
^{/2} Percentage of in-line tenants' leasable area as of 30 June 2022



Key Financial Highlights

2Q22 Financial Highlights

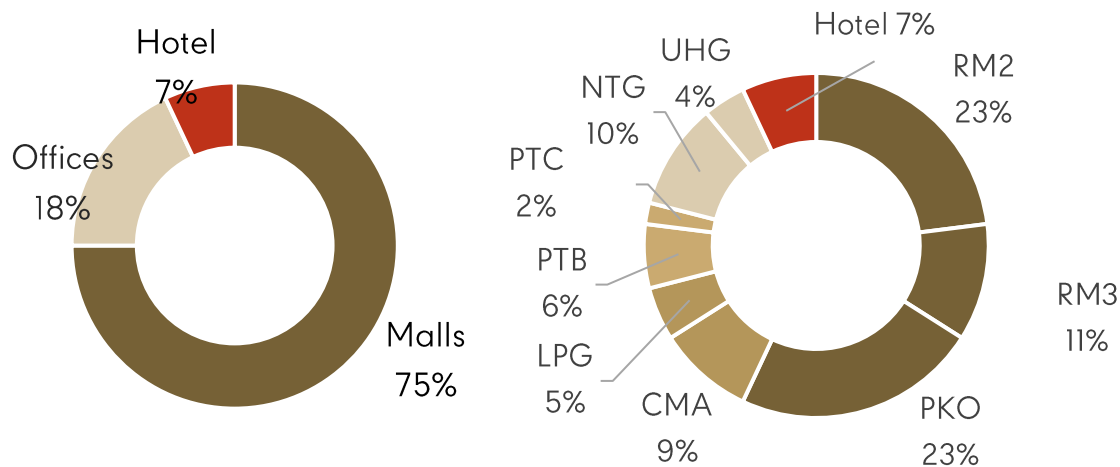
Rental Income (Bt mn)



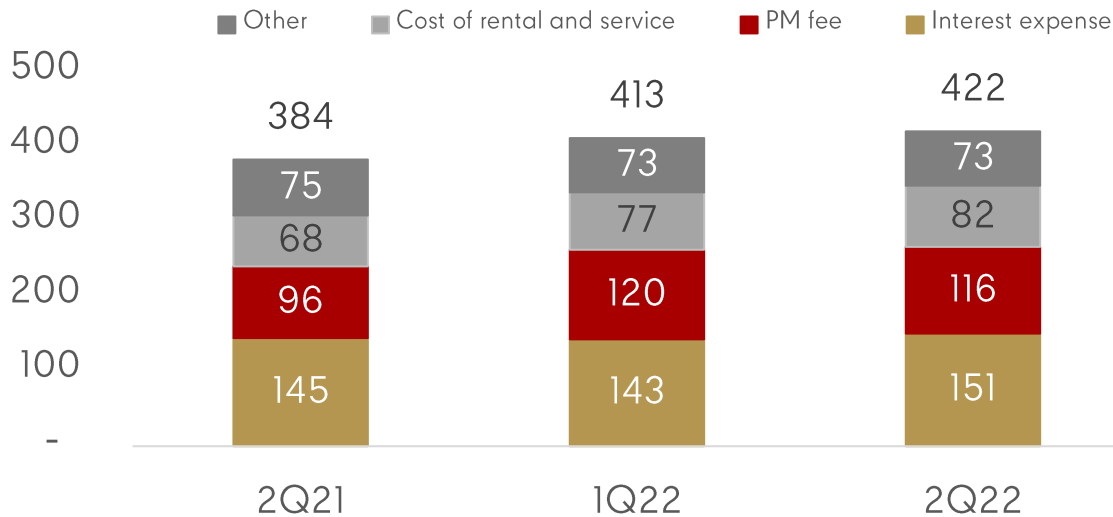
CPNREIT Performance

- Mall traffic recovery
- Maintain high average occupancy rate > 90%
- Renewal rate >90% of expired leasable areas
- Strong improvement in hotel business both occupancy and room rate
- Continuing cost saving programs
- No discount for Land and Building Tax in 2022

Revenue Contribution

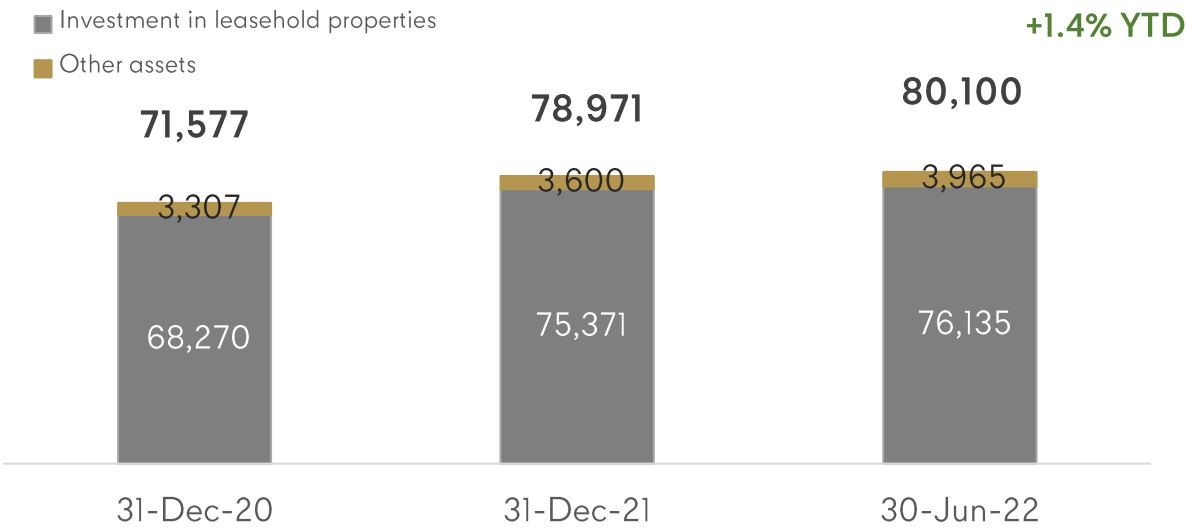


Expense (Bt mn)

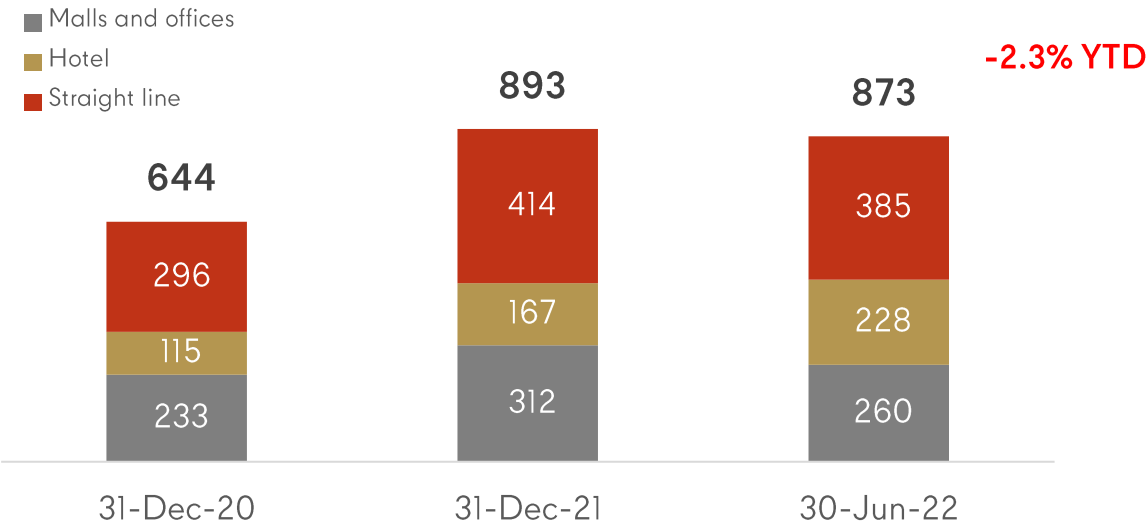


2Q22 Financial Highlights

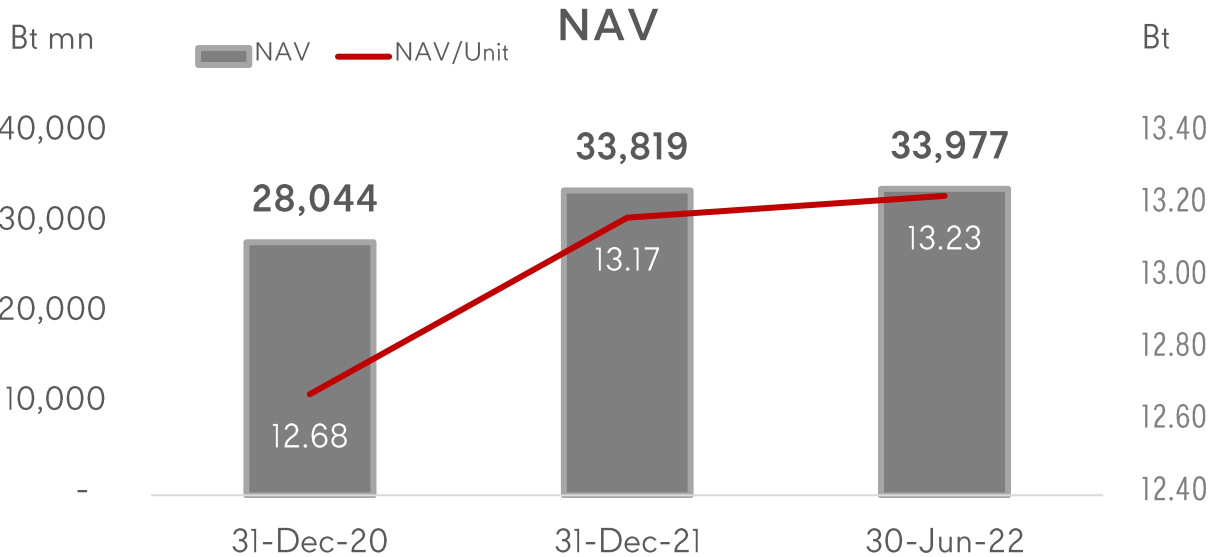
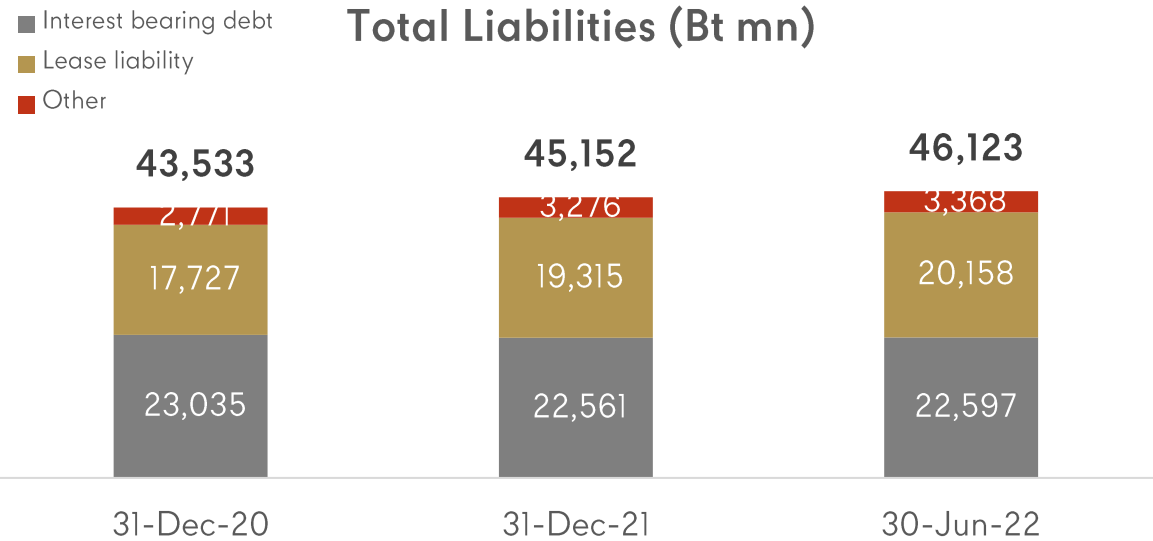
Total Assets (Bt mn)



Accrued Rental and Service Receivables (Bt mn)



Total Liabilities (Bt mn)



Statement of Financial Position

Unit: Bt mn	31 Dec 21	30 Jun 22	Change	(%)
Investment in leasehold properties				
<i>Central Rama 2</i>	25,694	26,458	764	3.0
<i>Central Rama 3</i>	12,753	12,753	-	-
<i>Central Pinklao and Offices</i>	3,204	3,204	-	-
<i>Central Chiangmai Airport</i>	10,435	10,435	-	-
<i>Central Pattaya</i>	7,279	7,279	-	-
<i>Hilton Pattaya</i>	3,668	3,668	-	-
<i>The Ninth Towers</i>	5,860	5,860	-	-
<i>Unilever House</i>	1,356	1,356	-	-
<i>Central Marina</i>	2,188	2,188	-	-
<i>Central Lampang</i>	2,934	2,934	-	-
Total investment in leasehold properties	75,371	76,135	764	1.0
Investment in securities	1,073	1,173	100	9.4
Cash equivalents	1,159	1,481	322	27.7
Accrued rental and service receivables	893	873	(20)	(2.3)
Receivable from the Revenue Department	367	313	(54)	(14.8)
Other assets	108	125	17	15.6
Total assets	78,971	80,100	1,129	1.4

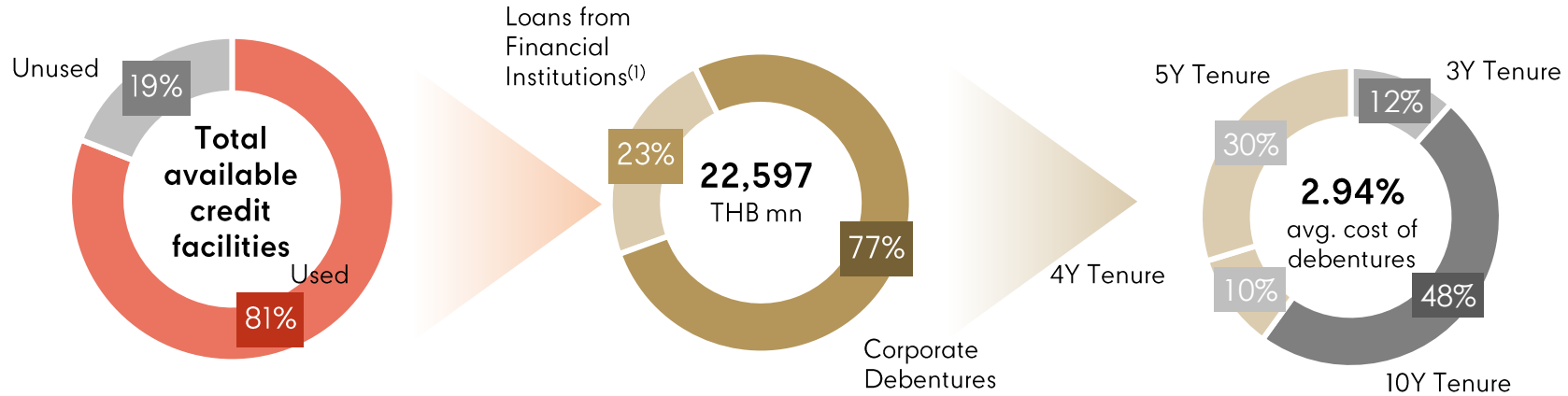
Unit: Bt mn	31 Dec 21	30 Jun 22	Change	(%)
Deposits received from customers	1,730	1,758	28	1.6
Lease liability	19,315	20,158	843	4.4
Borrowings	7,237	5,274	(1,963)	(27.1)
Debentures	15,324	17,324	2,000	13.0
Provision for decommissioning	90	92	2	1.4
Other liabilities	1,456	1,518	62	4.3
Total liabilities	45,152	46,124	972	2.1
Net Assets	33,819	33,976	157	0.5
Capital received from unitholders	31,475	30,920	(555)	(1.8)
Capital surplus	2,201	2,201	-	-
Retained earning (deficit)	142.0	856.0	714	503.0
NAV per unit (in Baht)	13.1691	13.2308	0.0617	0.5

Statement of Comprehensive Income – Quarter

Unit: Bt mn	Financial Statement		YoY		TFRS16 Adjusted		YoY		Adjusted	QoQ	
	2Q22	2Q21	Change	(%)	2Q22	2Q21	Change	(%)	1Q22	Change	(%)
Income											
Rental and service income	1,218	832	386	46.3	1,225	787	438	55.6	1,106	119	10.7
Other income	3	8	(5)	(63.6)	3	8	(5)	(63.6)	4	(1)	(20.9)
Interest income	1	1	0	46.5	1	1	0	46.5	1	0	47.0
Total income	1,222	841	381	45.3	1,229	796	433	54.4	1,110	118	10.7
Expense											
Cost of rental and service	82	68	13	19.3	82	68	13	19.3	77	5	6.2
Other expenses	25	21	5	22.0	25	21	5	22.0	21	4	20.5
Property management fee	116	96	20	21.3	116	96	20	21.3	120	(4)	(3.3)
Other	48	54	(6)	(11.3)	48	54	(6)	(11.3)	52	(4)	(8.1)
Interest expense	151	145	6	4.1	151	145	6	4.1	143	8	5.5
Interest on lease liability	443	407	37	9.0	0	0	0	n/a	0	0	n/a
Total expense	865	790	75	9.4	421	383	38	9.9	413	9	2.1
Net investment income	358	51	307	601.8	807	412	395	95.8	698	110	15.7
Net gain (loss) on investments	1	(0)	1	252.0	1	(0)	1	252.0	0	(0)	(19.0)
Net gain (loss) on change in fair value investments	498	51	447	872	498	51	447	872.4	196	(302)	(153.9)
Net increase (decrease) in net assets from operations	856	102	754	740.7	1,306	463	843	181.9	894	412	46.0

Funding capacity for portfolio expansion

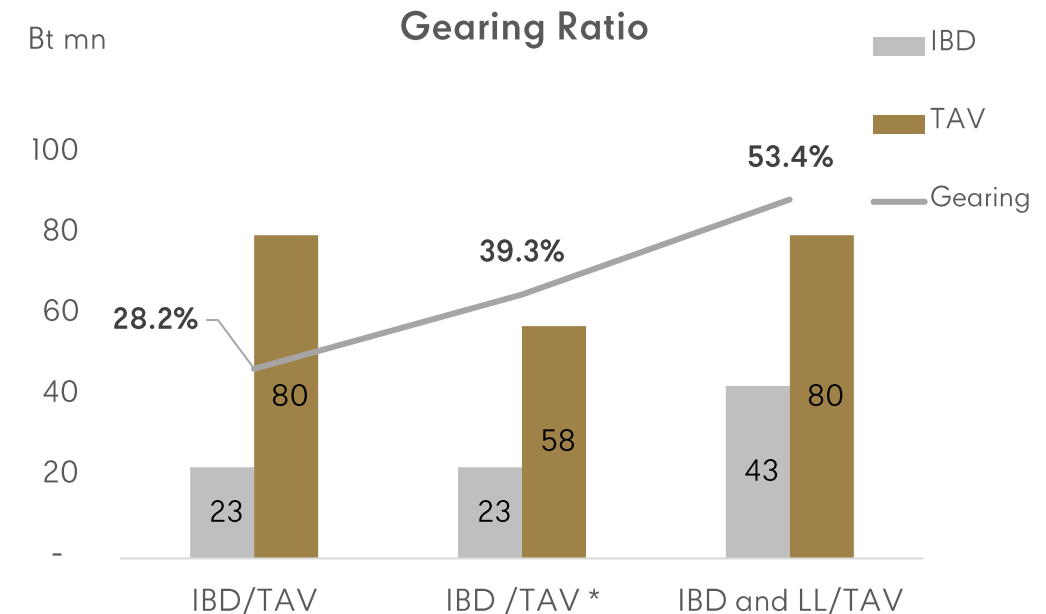
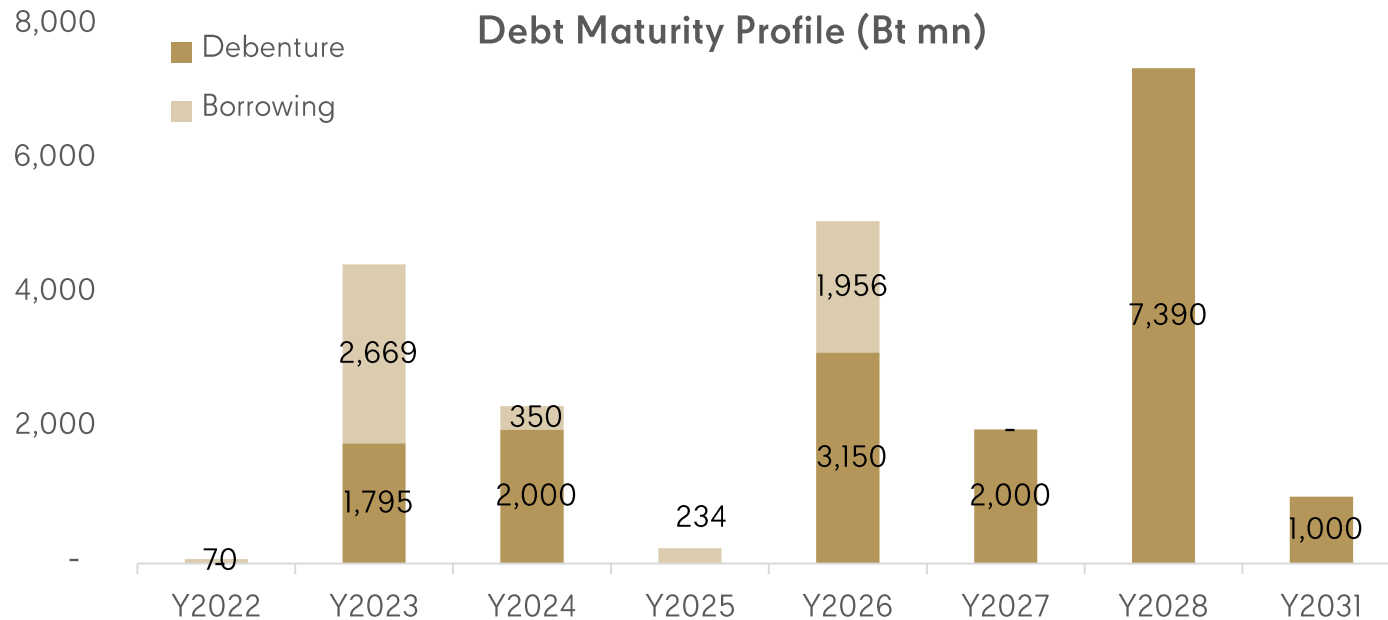
CPNREIT Debt Profile



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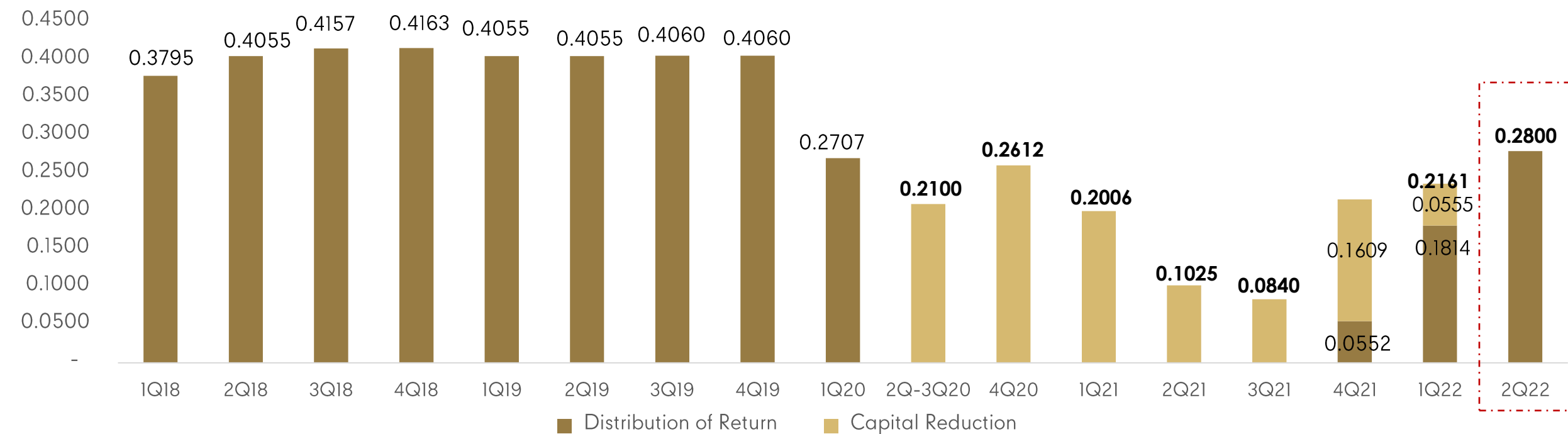
Note: Debt profile as of 30 Jun 2022

(1) All loans from financial institutions are under fixed and float rate with an average cost of debt at 1.54 – 1.87%



Distribution Payment

Distribution Period	1 Apr – 30 Jun 2022
Distribution of Return	0.2800 Baht/ Unit
XD	17 Aug 2022
Book Closing	19 Aug 2022
Payment	2 Sep 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

1H22 (Bt mn)	Malls	Offices	Hotel	P&L
Rental & service income	1,831	419	81	2,331
- Contract	2,193	426	81	2,700
- Actual discount	(362)	(7)	-	(369)
- Rental income	2	15	2	19
- Rental discount	(35)	(13)	-	(48)
Total	1,798	421	83	2,302

As at 30 Jun 2022 (Bt mn)	Malls	Offices	Hotel	Balance Sheet
Rental & service receivable	233	27	228	488
<i>AR from straight-line</i>	<i>213</i>	<i>82</i>	<i>90</i>	<i>385</i>
Total	446	109	318	873

Statement of Comprehensive Income – YTD

Unit: Bt mn	Financial Statement		YoY		TFRS16 Adjusted		YoY	
	1H22	1H21	Change	(%)	1H22	1H21	Change	(%)
Income								
Rental and service income	2,302	1,853	449	24.3	2,331	1,724	608	35.3
Other income	6	12	(5)	(43.7)	6	12	(5)	(43.7)
Interest income	2	2	0	24.7	2	2	0	24.7
Total income	2,311	1,866	445	23.8	2,340	1,737	603	34.7
Expense								
Cost of rental and service	158	123	35	28.4	158	123	35	28.4
Other expenses	46	45	2	3.4	46	45	2	3.4
Property management fee	236	214	22	10.2	236	214	22	10.2
Other	100	106	(6)	(5.5)	100	106	(6)	(5.5)
Interest expense	293	311	(18)	(5.7)	293	311	(18)	(5.7)
Interest on lease liability	850	780	70	8.9	-	-	-	n/a
Total expense	1,684	1,580	104	6.6	834	799	35	4.4
Net investment income	627	286	340	118.8	1,506	937	568	60.6
Net gain (loss) on investments	1	0	1	220.8	1	0	1	(220.8)
Net gain (loss) on change in fair value investments	694	277	417	150.6	694	277	417	- 150.6
Net increase (decrease) in net assets from operations	1,322	564	758	134.5	2,201	1,215	986	81.2
Same store excluded PTC and LPG								
Rental and service income					2,169	1,629	540	33.1
Cost of rental and service					107	83	25	30.1
Other expenses					40	40	(1)	(1.3)

Investment in Additional Assets (EGM No. 1/2019)

- o The proposed transaction has been approved in **the EGM No. 1/2019** of CPN Retail Growth Leasehold REIT held on 22 November 2019. According to the EGM resolution, CPNREIT will invest in 7 assets (5 CPN assets and 2 GLANDRT assets).

Completion of Asset Acquisition

Early March 2020

- The Ninth Towers and Unilever House

31 March 2020

- Registration of lease extension for **Central Rama 2** (Renewal Period) - 30 years starting from 2025. Lease payment will be made in 2025.



**CENTRAL
RAMA 2**

Completion of Asset Acquisition in Feb 2021

**CENTRAL
MARINA**

**CENTRAL
LAMPANG**

Capital Increase (Baht)	6,577,810,050
Additional Units	355,557,300
Offering Price (Baht/Unit)	18.50
Objective: Investment in new assets of THB 5,672mn and Debt repayment of THB 650mn	

**CENTRAL
SURATTHANI
CENTRAL
UBON**

- REIT Manager will consider investing in **Central Suratthani & Central UbonRatchathani** when market conditions are favorable for offering of the trust units, so it will accomplish the investment in accordance with resolutions of the EGM No. 1/2019.

(Bt mn)

Appraisal

Investment

• The 9 th (~27 yrs)	4,744	5,847
• Unilever (~14 yrs)	1,284	1,583
• RM2 (30 yrs from 2025) (Registered the leasehold renewal)	25,394	25,394 ^{/1}
Total	31,422	32,824
• PTC(~15 yrs)	1,980	2,574
• LPG(~21 yrs)	2,678	3,098
Total	4,658	5,672

Remarks:

/1 The investment value that CPNREIT will pay will be on the commencement date of the lease term (on 16 August 2025).

For more information, please contact:

Investor Relations
CPN Retail Growth Leasehold REIT (CPNREIT)



CPN REIT Management Company Limited
31st Fl, the Offices at CentralWorld
999-9 Rama I Rd., Patumwan District
Bangkok 10330
Thailand



ir_cpnreit@centralpattana.co.th



+662 667 5555 ext. 1660



<http://www.cpnreit.com>