

CPNREIT

Investor Presentation 3Q22

November 2022

Sustainability Yearbook

Member 2022

S&P Global



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Business Updates



Operation Highlights



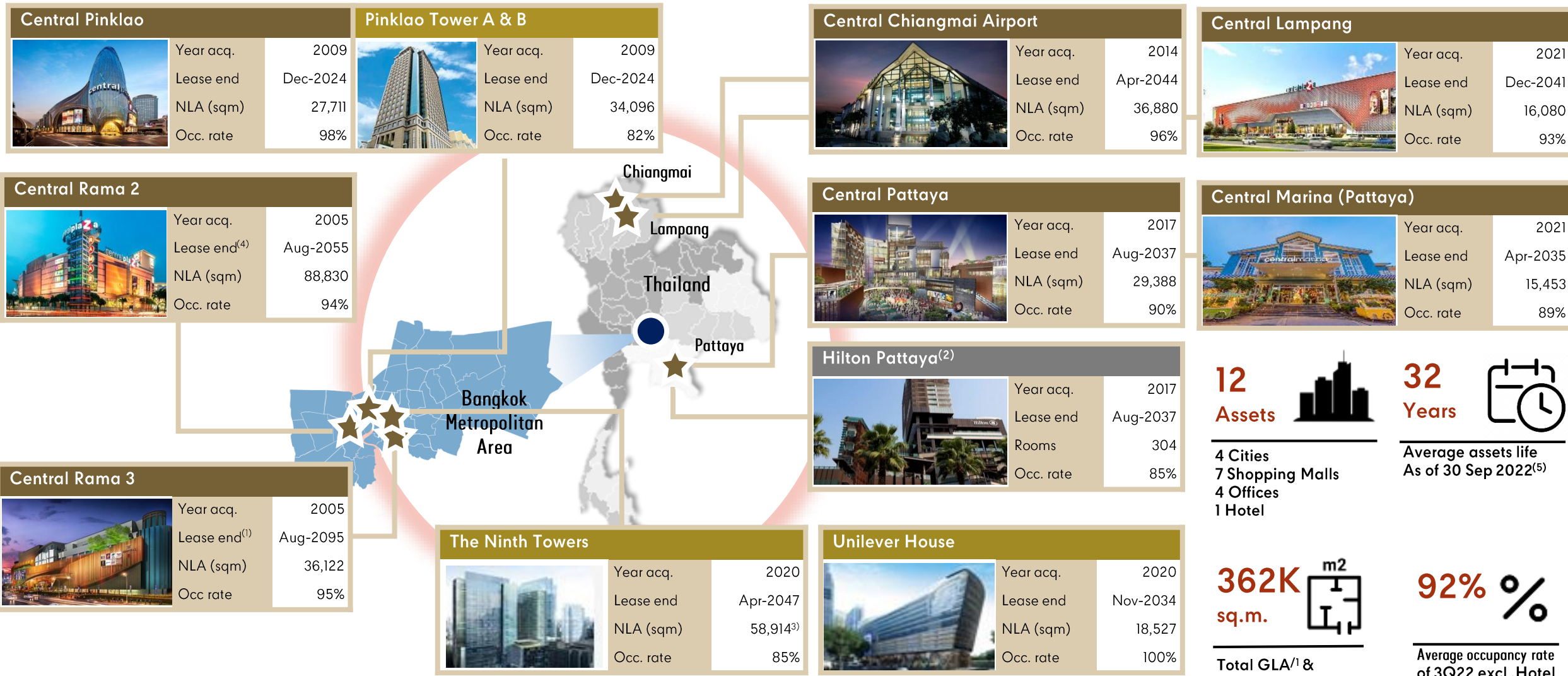
Key Financial Highlights



Business Updates

Agenda

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



Note: Asset information as 30 September 2022 and average occupancy rate in 3Q22

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

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

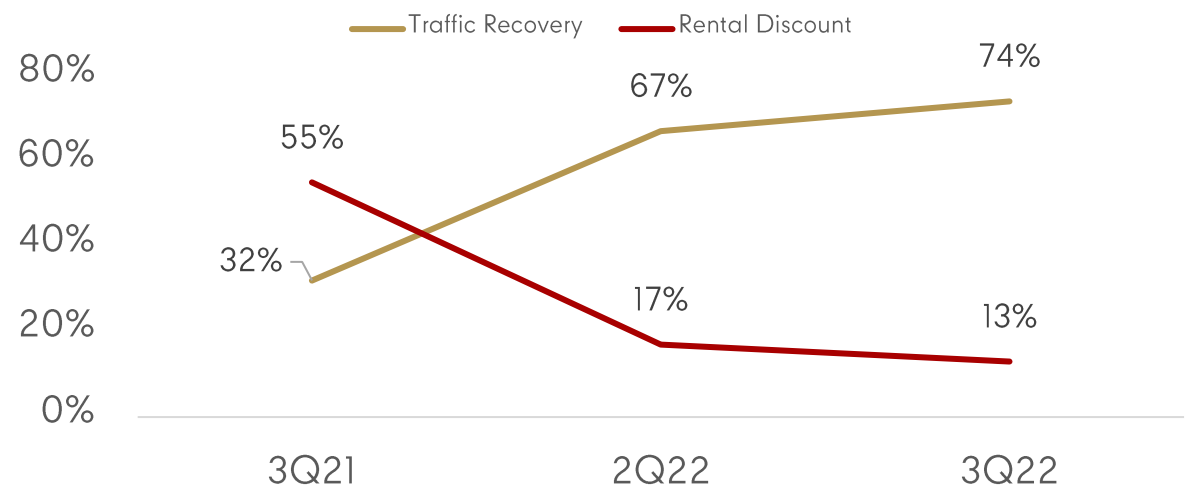
(3) Exclude meeting room area of 3,068 sq.m.

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

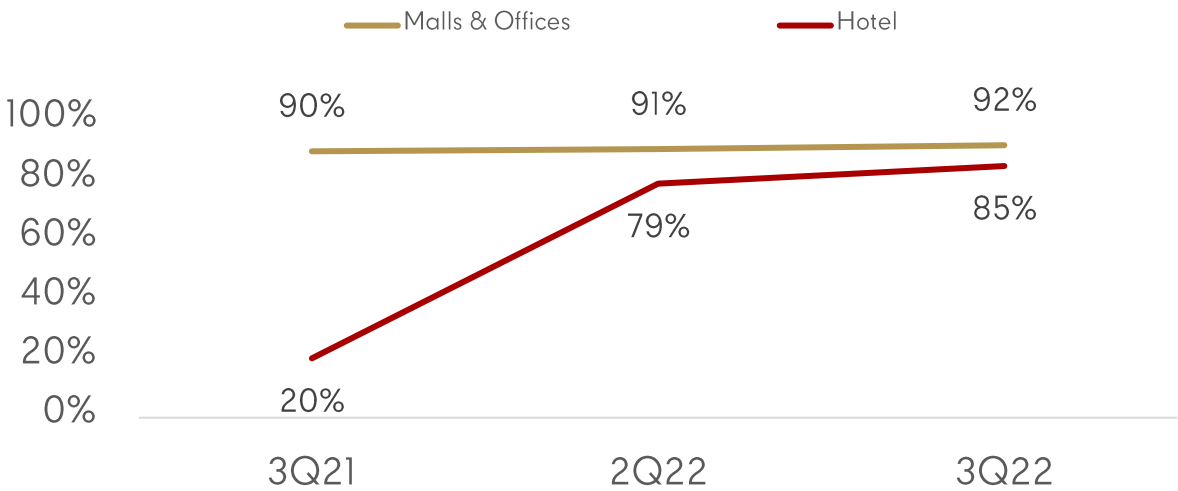
(5) Average assets life including RM2 extension

3Q22 Highlights – Continuous Recovery in Operating Performance

Shopping Malls : Traffic Recovery & Rental Discounts



Average Occupancy Rate (%)



Cost Saving Initiatives



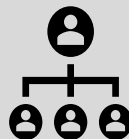
Outsource

- 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



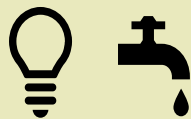
Marketing

- Readjust marketing activities and communication channels



Personnel

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



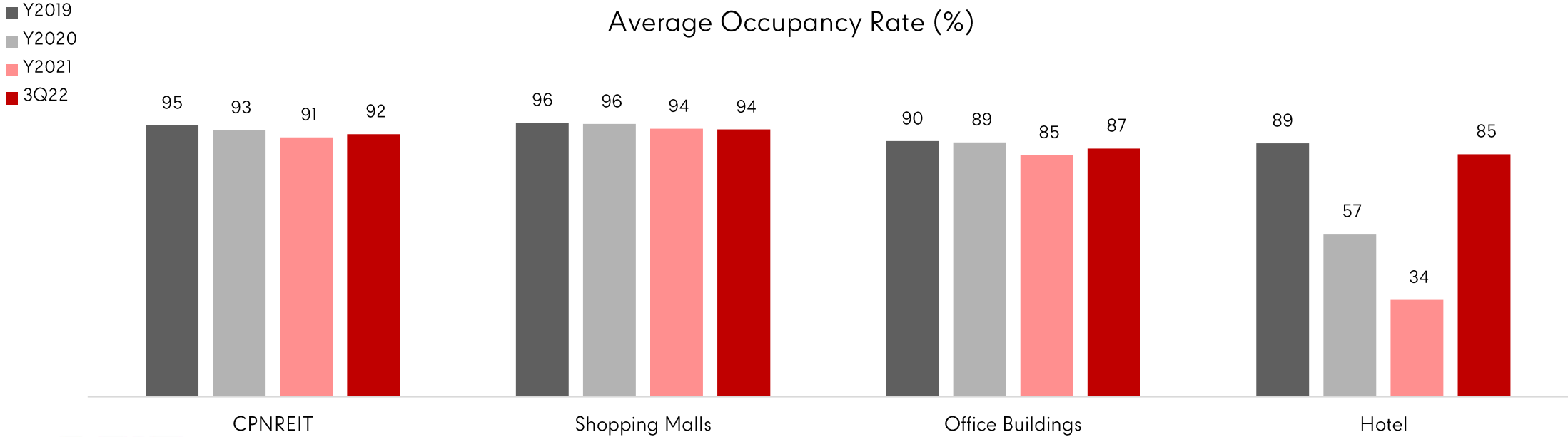
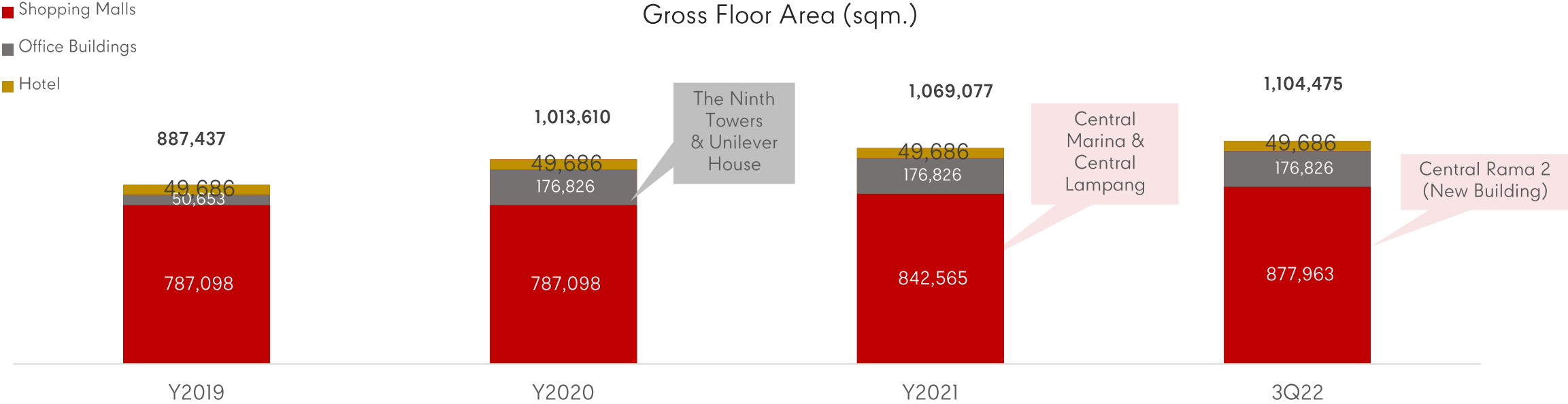
Utilities

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



Operation Highlights

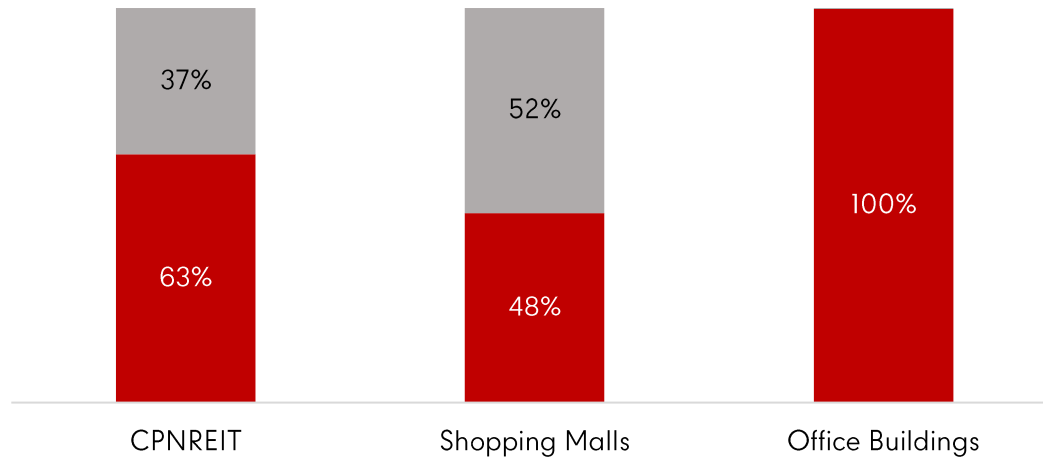
GFA and Occupancy Rates



Rental Structure & Expiry Profile

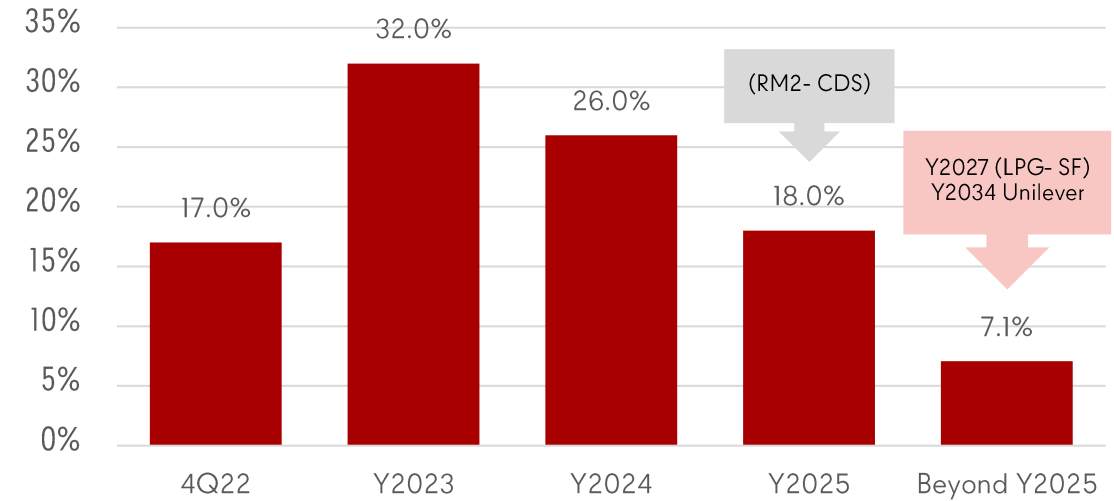
■ % of Tenant Sales
■ Fixed Rent

Rental Structure



Project	Rental Structure (%)	
	Fixed Rent	% of Sales
Central Rama 2	37	63
Central Rama 3	58	42
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	61	39
Total/Average	63	37

Expiry Profile



Project	From 1 July to 30 September 2022		
	Renewals and New Leases ^{/1}		
	No. of Leases	Area (sqm)	% of Total ^{/2}
Central Rama 2	46	3,368	9%
Central Rama 3	11	2,044	10%
Central Pinklao	7	1,261	7%
Pinklao Tower A and B	15	3,299	11%
Central Chiangmai Airport	4	384	2%
Central Pattaya	8	1,250	8%
The Ninth Towers	4	866	2%
Central Marina	-	-	-
Central Lampang	7	751	10%
Total/Average	102	13,222	6%

Note: ^{/1} Exclude rental agreements < 1 year and Anchor tenants

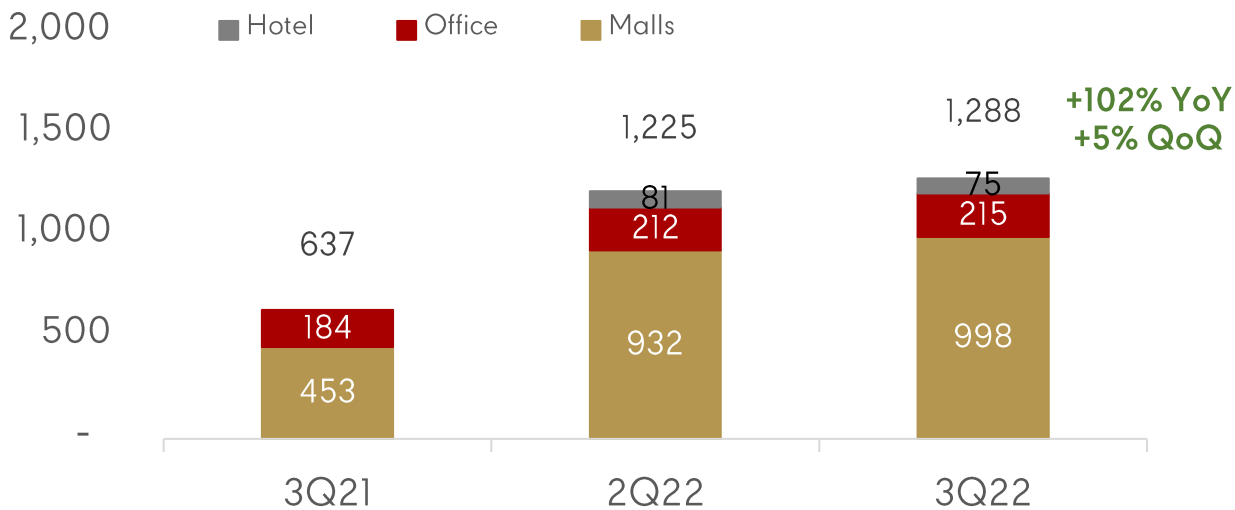
^{/2} Percentage of in-line tenants' leasable area as of 30 September 2022



Key Financial Highlights

3Q22 Financial Highlights

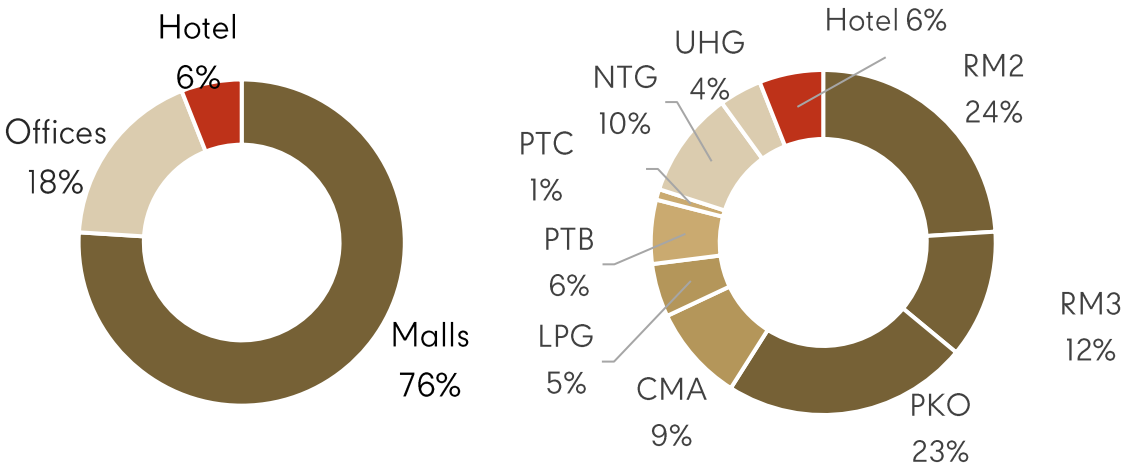
Rental Income (Bt mn)



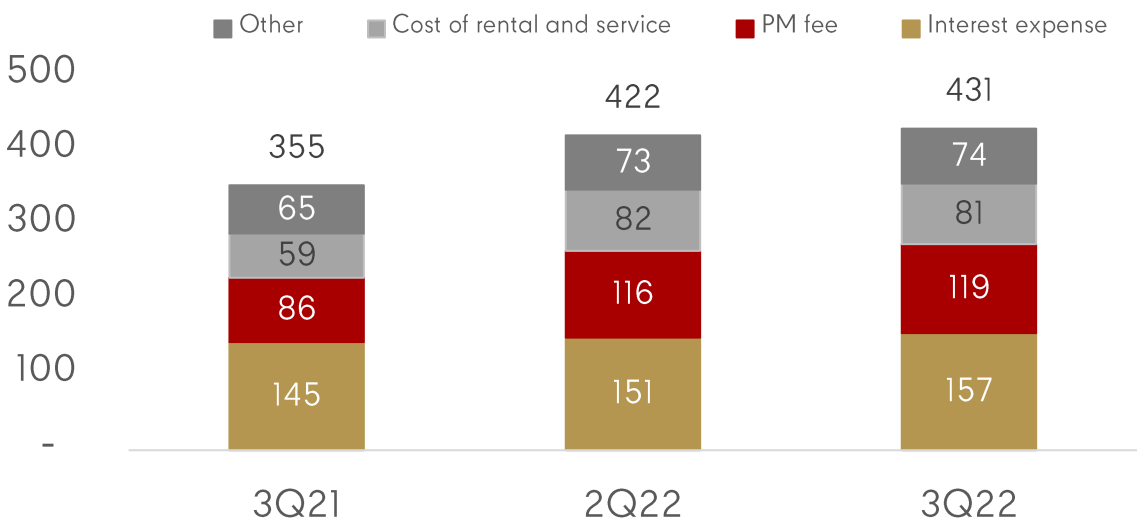
CPNREIT Performance

- Mall traffic recovery at 74% of normal level and lower rental discount
- 92% average occupancy rate, increased from office buildings
- Renewal rate >90% of expired leasable areas
- Strong improvement in hotel business both occupancy and room rate
- Continuing cost saving programs
- Expenses increased from higher electricity cost, no 90% discount for Land and Building Tax, and interest expense

Revenue Contribution

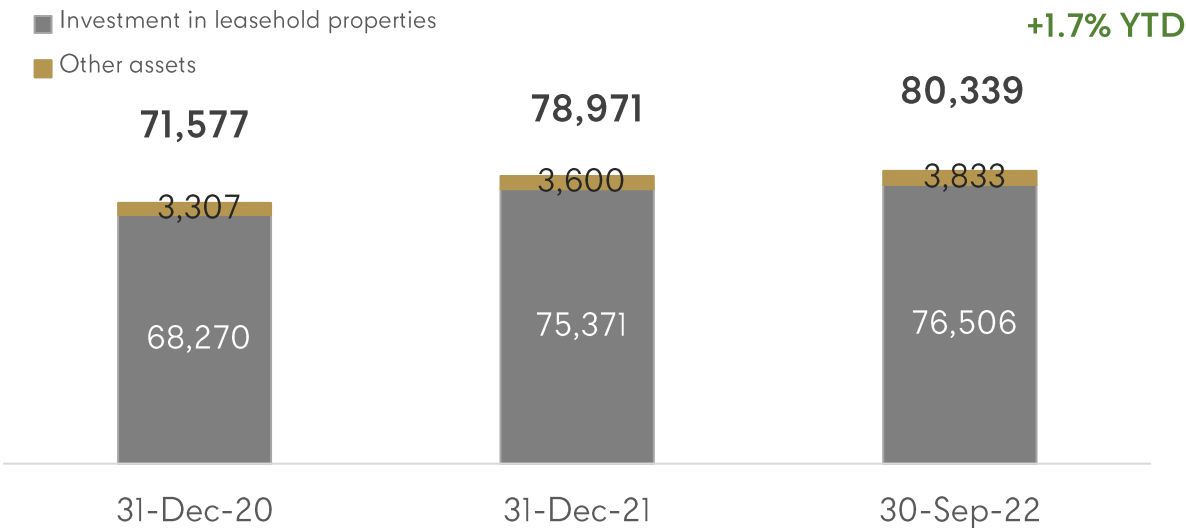


Expense (Bt mn)

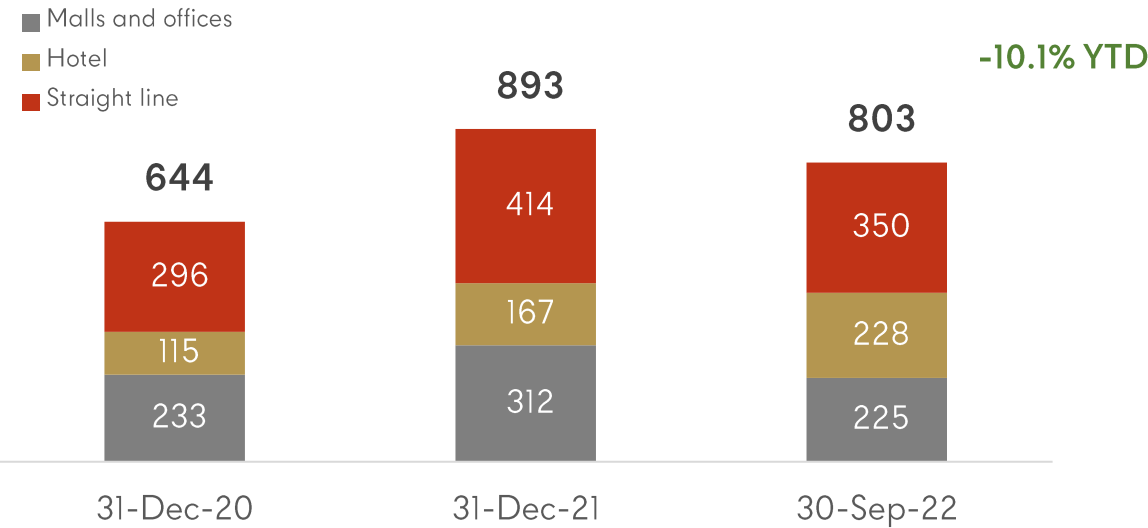


3Q22 Financial Highlights

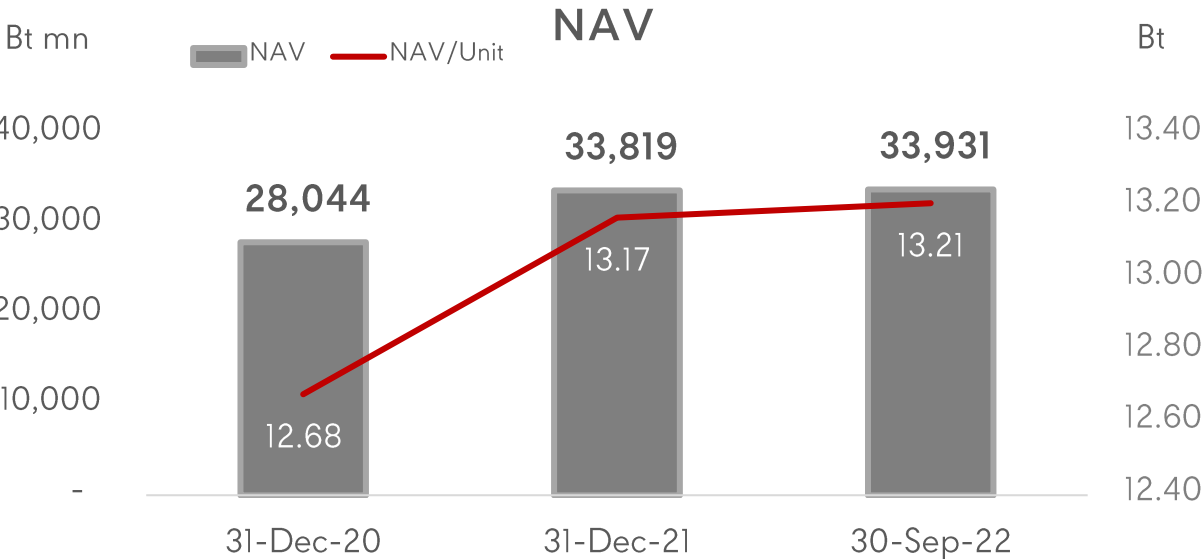
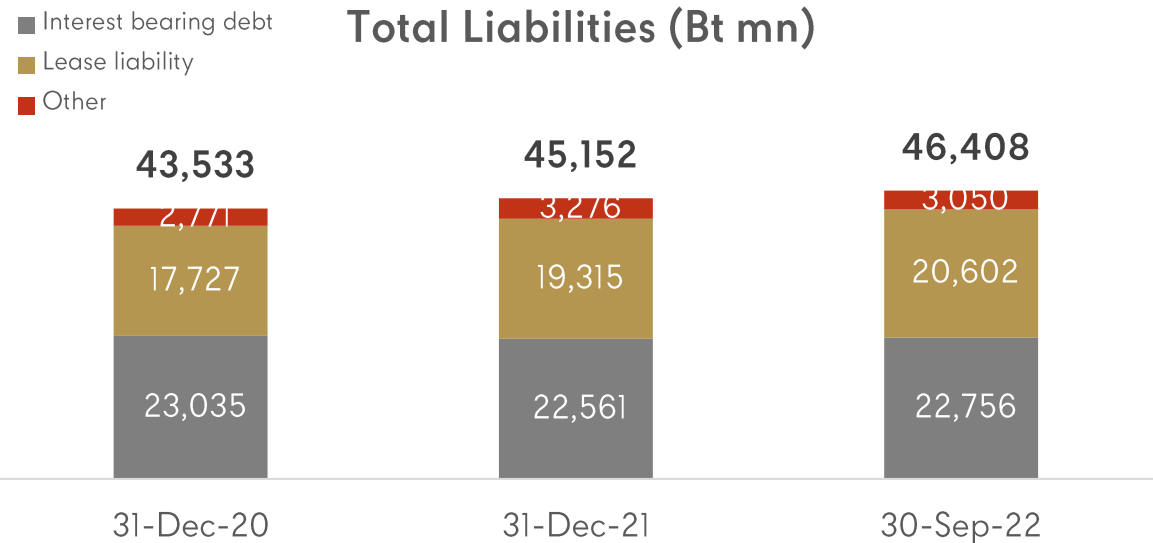
Total Assets (Bt mn)



Accrued Rental and Service Receivables (Bt mn)



Total Liabilities (Bt mn)



Statement of Financial Position

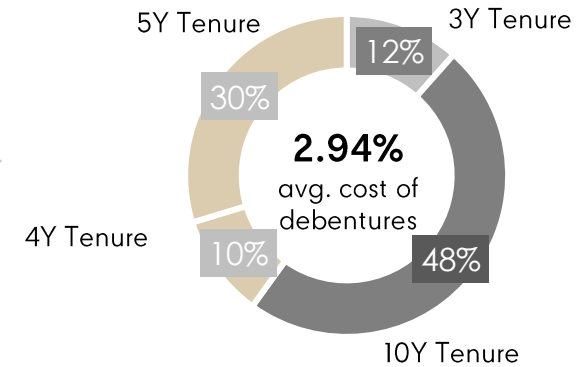
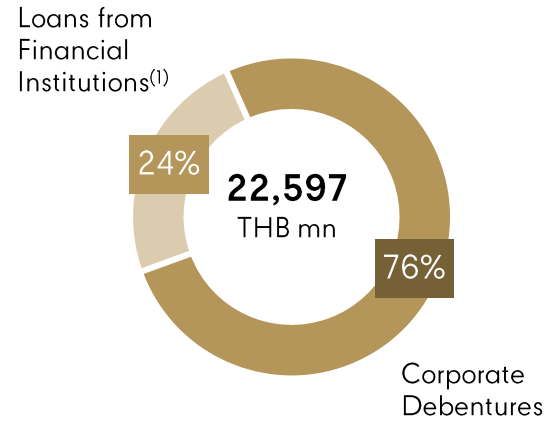
Unit: Bt mn	31 Dec 21	30 Sep 22	Change	(%)
Investment in leasehold properties				
<i>Central Rama 2</i>	25,694	26,828	1,134	4.4
<i>Central Rama 3</i>	12,753	12,753	-	-
<i>Central Pinklao and Offices</i>	3,204	3,204	-	-
<i>Central Chiangmai Airport</i>	10,435	10,435	-	-
<i>Central Pattaya</i>	7,279	7,279	-	-
<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>Cenrtal Lampang</i>	2,934	2,934	-	-
Total investment in leasehold properties	75,371	76,505	1,134	1.5
Investment in securities	1,073	874	(199)	(18.6)
Cash equivalents	1,159	1,747	588	50.7
Accrued rental and service receivables	893	803	(90)	(10.1)
Receivable from the Revenue Department	367	285	(82)	(22.3)
Other assets	108	124	16	15.3
Total assets	78,971	80,338	1,367	1.7

Unit: Bt mn	31 Dec 21	30 Sep 22	Change	(%)
Deposits received from customers	1,730	1,766	36	2.1
Lease liability	19,315	20,602	1,287	6.7
Borrowings	7,237	5,431	(1,806)	(25.0)
Debentures	15,324	17,324	2,000	13.1
Provision for decommissioning	90	92	2	2.0
Other liabilities	1,456	1,193	(263)	(18.1)
Total liabilities	45,152	46,408	1,256	2.8
Net Assets	33,819	33,930	111	0.3
Capital received from unitholders	31,475	30,920	(555)	(1.8)
Capital surplus	2,201	2,201	-	-
Retained earning (deficit)	142.0	809	667	470.1
NAV per unit (in Baht)	13.1691	13.2126	0.0435	0.3

Statement of Comprehensive Income – Quarter

Unit: Bt mn	Financial Statement		YoY		TFRS16 Adjusted		YoY		Adjusted	QoQ	
	3Q22	3Q21	Change	(%)	3Q22	3Q21	Change	(%)	2Q22	Change	(%)
Income											
Rental and service income	1,253	685	569	83.1	1,288	637	650	102.0	1,225	63	5.1
Other income	7	3	4	142.8	7	3	4	142.8	3	4	139.2
Interest income	2	1	1	149.6	2	1	1	149.6	1	1	61.7
Total income	1,262	688	574	83.4	1,296	641	655	102.3	1,229	68	5.5
Expense											
Cost of rental and service	81	59	22	37.2	81	59	22	37.2	82	(1)	(1.1)
Other expenses	27	12	15	123.0	27	12	15	123.0	25	1	4.9
Property management fee	118	86	32	37.2	118	86	32	37.2	116	2	2.0
Other	48	53	(5)	(8.8)	48	53	(5)	(8.8)	48	0	0.9
Interest expense	157	145	12	8.2	157	145	12	8.2	151	7	4.4
Interest on lease liability	443	407	37	9.0	0	0	0	n/a	0	0	n/a
Total expense	875	762	112	14.7	431	355	76	21.3	421	10	2.3
Net investment income	387	(74)	461	623.1	865	286	580	203.0	807	58	7.2
Net gain (loss) on investments	(4)	(6)	2	35.1	(4)	(6)	2	35.1	1	5	881.6
Net gain (loss) on change in fair value of investments	289	(766)	1,055	138	289	(766)	1,055	137.7	498	209	42.0
Net increase (decrease) in net assets from operations	672	(846)	1,518	179.5	1,150	(486)	1,637	336.5	1,306	(156)	(11.9)

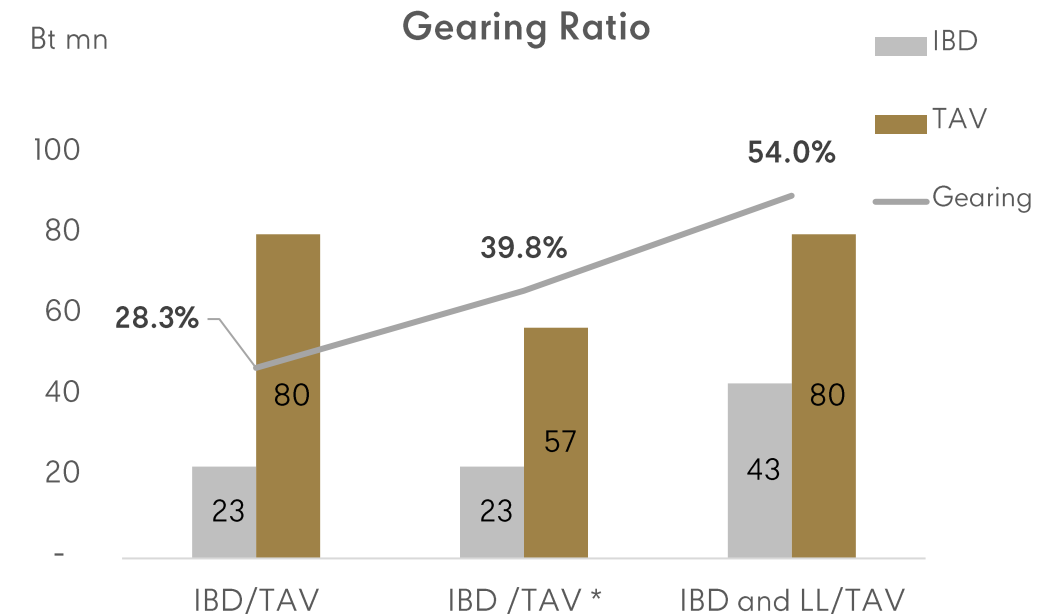
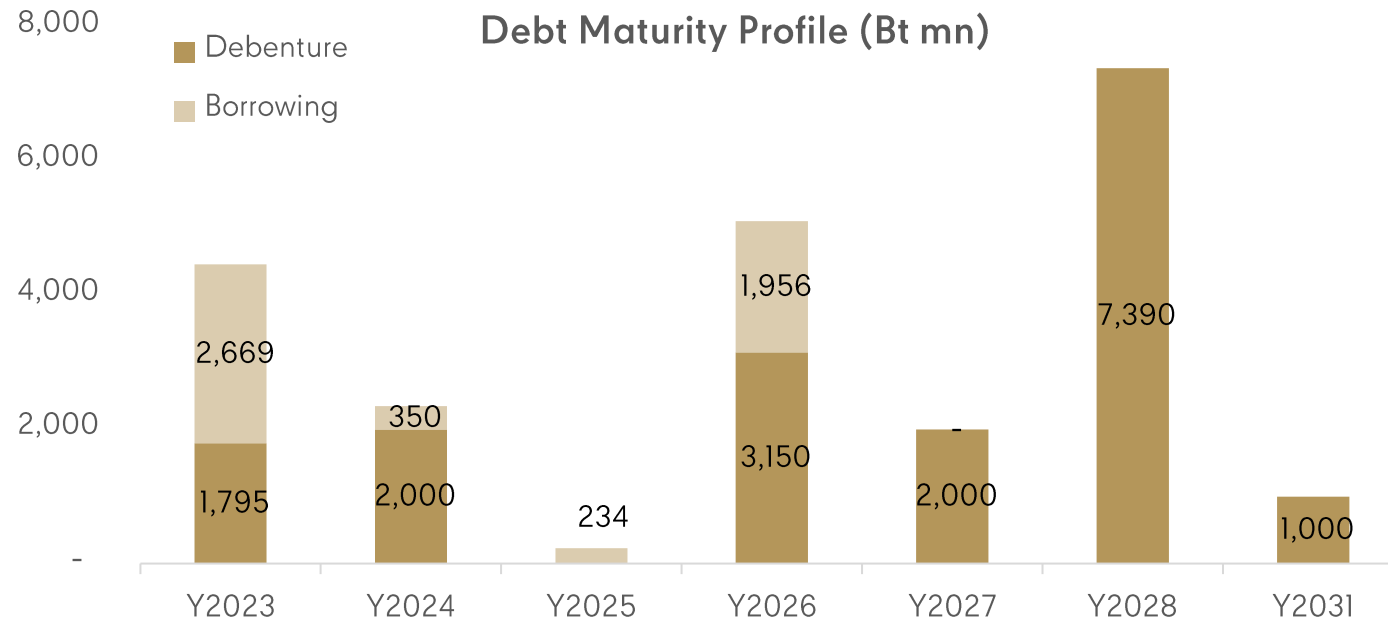
CPNREIT Debt Profile



Note: Debt profile as of 30 Sep 2022.

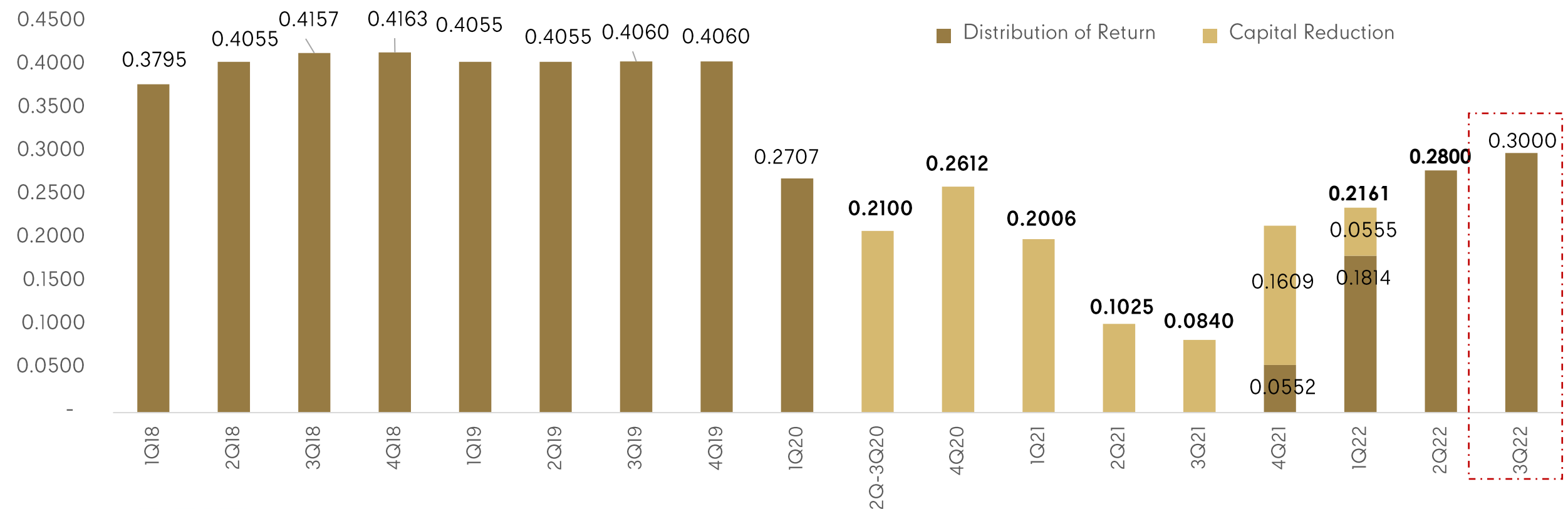
CPNREIT has credit facilities amounting to 1,018 THB mn for working capital and repayment of asset renovation

(1) All loans from financial institutions are under float rate with an average cost of debt at 1.58 – 2.05%



Distribution Payment

Distribution Period	1 Jul– 30 Sep 2022
Distribution of Return	0.3000 Baht/ Unit
XD	16 Nov 2022
Book Closing	18 Nov 2022
Payment	2 Dec 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

9M22 (Bt mn)	Malls	Offices	Hotel	P&L
Rental & service income	2,829	634	156	3,619
- Contract	3,331	644	156	4,131
- Actual discount	(502)	(10)	-	(512)
- Rental income	4	18	3	25
- Rental discount	(73)	(16)	-	(89)
Total	2,760	636	159	3,555

As at 30 Sep 2022 (Bt mn)	Malls	Offices	Hotel	Balance Sheet
Rental & service receivable	199	26	228	453
<i>AR from straight-line</i>	<i>177</i>	<i>82</i>	<i>91</i>	<i>350</i>
Total	376	108	319	803

Statement of Comprehensive Income – YTD

Unit: Bt mn	Financial Statement		YoY		TFRS16 Adjusted		YoY	
	9M22	9M21	Change	(%)	9M22	9M21	Change	(%)
Income								
Rental and service income	3,556	2,538	1,018	40.1	3,619	2,361	1,258	53.3
Other income	13	14	(1)	(7.0)	13	14	(1)	(7.0)
Interest income	4	2	1	65.3	4	2	1	65.3
Total income	3,573	2,554	1,019	39.9	3,636	2,378	1,258	52.9
Expense								
Cost of rental and service	239	182	57	31.2	239	182	57	31.2
Other expenses	73	57	16	28.6	73	57	16	28.6
Property management fee	355	301	54	18.0	355	301	54	18.0
Other	148	159	(10)	(6.6)	148	159	(10)	(6.6)
Interest expense	451	457	(6)	(1.3)	451	457	(6)	(1.3)
Interest on lease liability	1,293	1,187	106	8.9	-	-	-	n/a
Total expense	2,559	2,342	217	9.3	1,265	1,155	111	9.6
Net investment income	1,014	212	802	377.5	2,371	1,223	1,148	93.8
Net gain (loss) on investments	(3)	(6)	3	47.9	(3)	(6)	3	47.9
Net gain (loss) on change in fair value investments	983	(489)	1,472	301.2	983	(489)	1,472	301.2
Net increase (decrease) in net assets from operations	1,994	(282)	2,276	806.4	3,351	728	2,623	360.0
Same store excluded PTC and LPG								
			Rental and service income		3,374	2,204	1,170	53.1
			Cost of rental and service		158	121	38	31.4
			Other expenses		63	50	13	26.2

For more information, please contact:

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Establishment and Investment Track Record

A robust and diversified portfolio of high-quality assets



7

Shopping Centers



4

Office Buildings



1

Hotel

Acquisition of
Central Rama 2
Central Rama 3

2005

Initial Public
Offering of
CPNrf⁽¹⁾

Acquisition of
Central Pinklao

2009

1st Follow-on
Offering

Acquisition of
Central Chiangmai
Airport

2014

2nd Follow-on
Offering

2017
Conversion to
CPNREIT
& 3rd Follow-on
Offering

Acquisition of
Central Pattaya
Hilton Pattaya

2020

Acquisition of
The Ninth Towers Office
Unilever House Office

Registration of lease
extension for
Central Rama 2
(Renewal Period)

2021

4th Follow-on
Offering

Acquisition of
Central Marina
Central Lampang

CPNREIT Transparent Management Structure



AA



Trust Unitholders

REIT Manager



Management Services



Management Fees

Property Management Services



Property Management Fees

Property Manager



Sterling

Investment in CPNREIT



Distribution

CPNREIT

No. of Unit: 2,568,034,000 shares/¹

Represent Interest of Unitholders



Trustee Fee

Trustee



Invest in Assets



Net Property Income

Assets Portfolio

Hotel Manager



CENTRAL RAMA 2



CENTRAL RAMA 3



CENTRAL PINKLAO



CENTRAL CHIANGMAI AIRPORT



CENTRAL PATTAYA



Unilever



THE TOWERS



CENTRAL MARINA



CENTRAL LAMPANG

Total Net Leasable Area 362,088 sq.m.



Hilton PATTAYA 304 Rooms/²

Sub leases



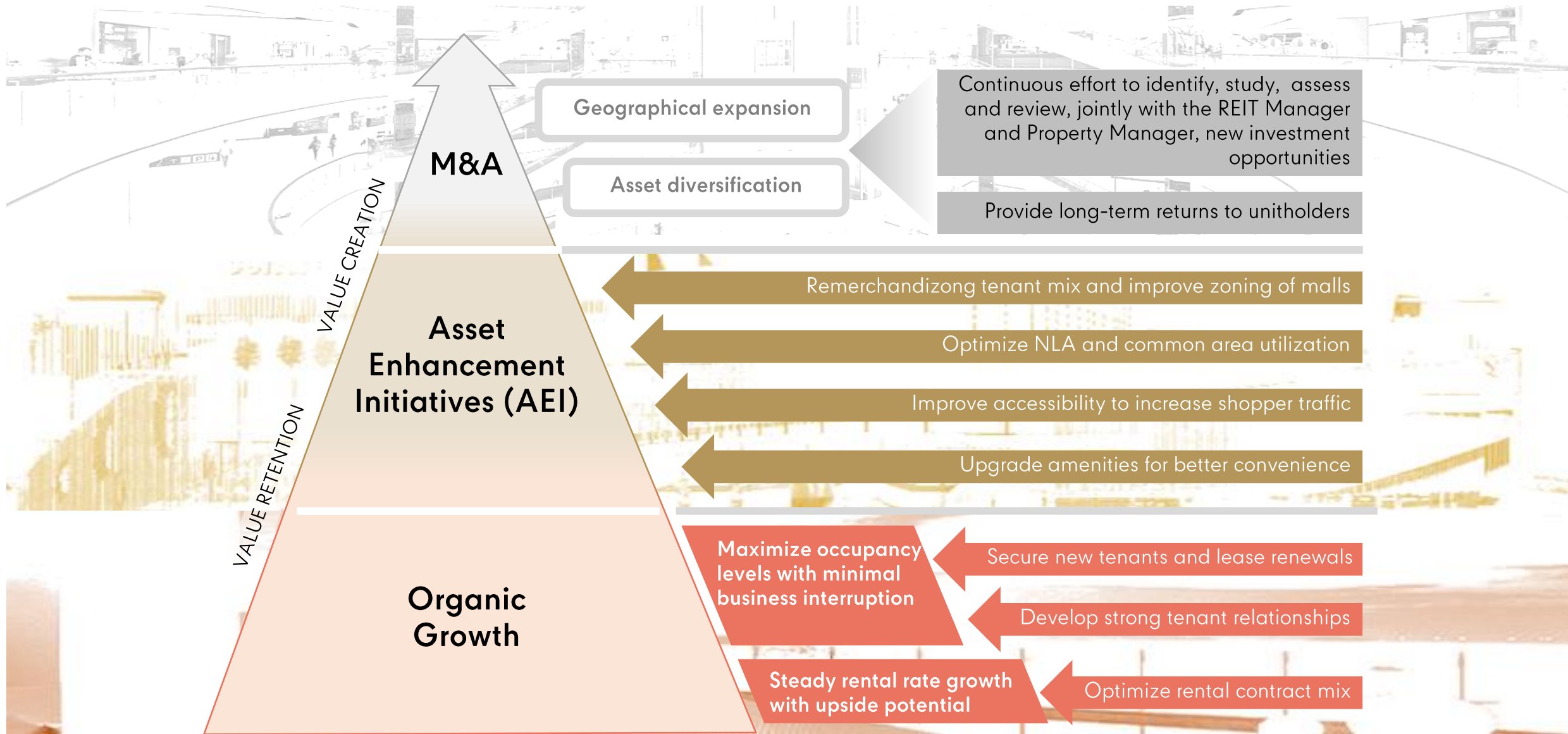
Rental Income

CPN Pattaya Hotel Co., Ltd.

Remarks:/1 Including new additional units totaling 355,557,300 units issued for investment in Central Marina and Central Lampang in Feb 2021.

/2 After renovation , the number of rooms has increased by 2 rooms, bringing the total number of rooms to 304, the additional rooms are under registration with the relevant government agencies.

Growth Strategy and Focus Areas



Investment in Additional Assets

- 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).

Asset information

	Rama 2	Rama 3	Pinklao	Chiangmai Airport	Pattaya	Hilton Pattaya	Central Marina	Lampang
Location	Bangkok	Bangkok	Bangkok	Chiangmai	Pattaya, Chonburi	Pattaya, Chonburi	Pattaya, Chonburi	Lampang
Gross Floor Area incl. Parking (sqm)	251,182	169,740	188,345	122,991	70,095	49,686	29,190	31,723
Net Leasable Area (sqm)	85,156	36,028	61,785	37,073	29,169	304 rooms	15,453	16,080
Land Area (rai-ngan-sqw)	53-2-38.4	12-2-44.6	24-2-84	32-3-56.85	-	-	-	-
Land Tenure	Leasehold tenure of 20 years ending 15 Aug 2025 (Renewal to Aug 2055)	Leasehold tenure of 30+30+30 years ending 15 Aug 2095	Leasehold tenure of approximately 15 years ending 31 Dec 2024	Leasehold tenure of 15 years ending 22 Apr 2044	-	-	-	-
Building & Utility Systems	Leasehold tenure of 20 years ending 15 Aug 2025 (Renewal to Aug 2055)	<ul style="list-style-type: none"> • Building – Leasehold same tenure as land • Utility Systems – Ownership 	Leasehold tenure of approximately 15 years ending 31 Dec 2024	Leasehold tenure of 15 years ending 22 Apr 2044	Leasehold tenure of approximately 20 years ending 31 Aug 2037	Leasehold tenure of approximately 20 years ending 31 August 2037	Leasehold tenure of 15 years ending 30 Apr 2035	Leasehold tenure of 21 years ending 16 Dec 2041
Movable Assets	Ownership	Ownership	Ownership	Ownership	Ownership	Ownership	Ownership	Ownership
Fair Value As at 30 Sep 2022 (THB million)	26,718	12,753	3,204	10,435	7,279	3,668	2,188	2,934

	The Ninth Towers	Unilever House
Location	Bangkok	Bangkok
Gross Floor Area incl. Parking (sqm)	164,788	50,317
Net Leasable Area (sqm)	59,150 excluding meeting room area of 3,068 sq.m.	18,527
Land Tenure	27 years 1 month 18 days ending 18 April 2047	14 years 8 months 13 days ending 14 November 2034
Building & Utility Systems	27 years 1 month 18 days ending 18 April 2047	14 years 8 months 13 days ending 14 November 2034
Movable Assets	Ownership	Ownership
Fair Value As at 30 Sep 2022 (THB million)	5,860	1,356

CPNREIT Bonds	CPNREIT 232A	CPNREIT 243A	CPNREIT 263A	CPNREIT 268A	CPNREIT 272A	CPNREIT 288A	CPNREIT 318A
Size (THB mn)	1,795	2,000	1,500	1,650	2,000	7,390	1,000
Coupon	3.30%	1.50%	2.13%	1.65%	2.40%	3.80%	2.96%
Term	4 years	3 years	5 years	5 years	5 years	10 years	10 years
Issue Date	8 Feb 2019	31 Mar 2021	31 Mar 2021	13 Aug 2021	28 Feb 2022	17 Aug 2018	13 Aug 2021
Maturity Date	8 Feb 2023	31 Mar 2024	31 Mar 2026	13 Aug 2026	28 Feb 2027	17 Aug 2028	13 Aug 2031
Payment Frequency	Semi-annually	Semi-annually	Semi-annually	Semi-annually	Semi-annually	Semi-annually	Semi-annually
Objective	Debt Repayment	Debt Repayment	Debt Repayment	Refinance CPNREIT218A	Debt Repayment	Debt Repayment	Refinance CPNREIT218A
Distribution	PP (II/HNW)	PP10	PP10	PP (II/HNW)	PP (II/HNW)	PP (II/HNW)	PP (II/HNW)
Registrar	SCB	BAY	BAY	BAY	BAY	SCB	BAY
DHR	BAY	-	-	BAY	BAY	BAY	BAY