



Media / Analyst Briefing
Proposed Privatisation of PARAGON REIT

11 February 2025



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The pro forma information in slides 8 and 9 of this presentation is based on assumptions and adjustments which are described in further detail in Schedule 4 of the Joint Announcement and accordingly they should be read in conjunction with the Joint Announcement. Citi, acting in its capacity as financial adviser to TPPL, has reviewed the rationale and supporting data for the assumptions and adjustments in Schedule 4 of the Joint Announcement, and discussed the basis for these assumptions and adjustments with TPPL. The rationale and supporting data have been provided by TPPL and Citi has relied upon and assumed the accuracy and completeness of such information provided. Based on the foregoing, Citi concurs with TPPL's view that the assumptions are reasonable for illustrating the hypothetical impact of a potential significant asset enhancement initiative ("**Potential AEI**") in Schedule 4 of the Joint Announcement, from which the pro forma information in slides 8 and 9 of this presentation is extracted. Citi acts solely as the financial adviser of TPPL, and it does not accept any responsibility to any other person in connection with its aforementioned assessment.

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Cuscaden Peak and PARAGON REIT Jointly Propose to Privatisise PARAGON REIT

Transaction

- **Privatisation of PARAGON REIT**, to be effected by way of a trust scheme of arrangement (the “**Scheme**”)⁽¹⁾

Offeror

- **TPPL, a wholly owned subsidiary of Cuscaden Peak**
 - Adenium (wholly-owned by CLA) and Mapletree Fortress⁽²⁾ each own 50% of Cuscaden Peak’s ordinary shares
- **Cuscaden Peak and its subsidiaries own 61.5% in PARAGON REIT, and will abstain from voting on the Scheme**
 - Outcome of Scheme will be decided solely by Minority Unitholders

Scheme Consideration

- **Scheme Consideration of S\$0.9800 per Unit in 100% cash**, implying:
 - 7.1% premium to Adjusted NAV⁽³⁾, translating to a Price / Adjusted NAV multiple of 1.07x
 - 10.9% and 12.8% premium to the 1-month VWAP and 12-month VWAP
- **PARAGON REIT will also pay 2H FY2024 Distribution of 2.33 Singapore cents per Unit in cash**
 - Scheme Consideration will not be reduced by this amount

Source: Bloomberg as of 10 February 2025

Notes:

1. The Scheme is in compliance with the Code and the PARAGON Trust Deed, as may be amended, supplemented or varied from time to time; PARAGON Trust Deed means the Deed of Trust dated 9 July 2013 constituting PARAGON REIT (formerly known as SPH REIT) entered into between the PARAGON Manager and the PARAGON Trustee, as supplemented by a first supplemental deed dated 7 November 2016, a second supplemental deed dated 6 January 2017, a third supplemental deed dated 29 July 2022, and a fourth supplemental deed dated 3 January 2023.

2. Adenium Pte. Ltd. (“**Adenium**”) is a wholly-owned subsidiary of CLA Real Estate Holdings Pte. Ltd. (“**CLA**”) and Mapletree Fortress Pte. Ltd. (“**Mapletree Fortress**”) is a wholly-owned subsidiary of Mapletree Investments Pte. Ltd.

3. Based on FY2024 NAV per Unit of S\$0.9385 less 2H FY2024 Distribution per Unit of S\$0.0233.

Scheme Consideration Delivers Attractive Value to Unitholders



Price / Adjusted NAV multiple of 1.07x exceeds peer benchmarks and historical averages

- 8.4% premium to precedent comparable privatisations⁽¹⁾ (*average: 0.99x*)
- 34.2% premium to current trading multiples of Singapore retail REITs (*average: 0.80x*)
- 8.3% premium to PARAGON REIT's historical Price / Adjusted NAV over the last 5 years (*average: 0.99x*)



Attractive premium over current and historical traded prices

- 10.9% and 12.8% premium to the 1-month VWAP and 12-month VWAP
- Exceeds the highest ever traded price over the last 2 years
- Premium of 9.0 Singapore cents per Unit to Last Transacted Price represents ~2 years of distributions⁽²⁾



Opportunity to realise investment in cash, with no trading costs, at a premium

- Ability to immediately reinvest cash proceeds into other opportunities
- Also an opportunity for Unitholders facing challenges exiting their investment due to low trading liquidity / odd lots

Rationale for the Scheme

1

Challenging Trading Conditions

- PARAGON REIT experiences low liquidity, analyst coverage and institutional investor flows
- Resulting in limited ability to access capital markets and expand portfolio
- Total portfolio value grew only 1.3x since July 2013 IPO, vs. peers at 2.9x

2

Mounting Competition Affecting Key Asset, Paragon

- Portfolio heavily reliant on Paragon, which accounts for 72% of portfolio value
- However, mall is over 30 years old with no significant AEI in the last 15 years (since 2009)
- Premier upscale status being challenged by rising competition from surrounding malls
- International luxury spending is currently only at 74% of its 2019 peak⁽¹⁾

3

Major AEI Required, but Poses Significant Risks

- Offeror believes a major AEI is necessary to rejuvenate Paragon to remain competitive, but could take several years
- Such AEI could also require sizeable capital investment and carries execution risks
- May result in significant NPI fluctuations, as well as distributable income and unit price volatility

4

Scheme Offers Exit with Attractive Premium while Avoiding Potential AEI-related Volatility

- Scheme enables Potential AEI without exposing Unitholders to associated risks and volatility
- **If successful, Unitholders can monetise their investment fully in cash at an attractive premium, and if desired, reinvest in other opportunities**

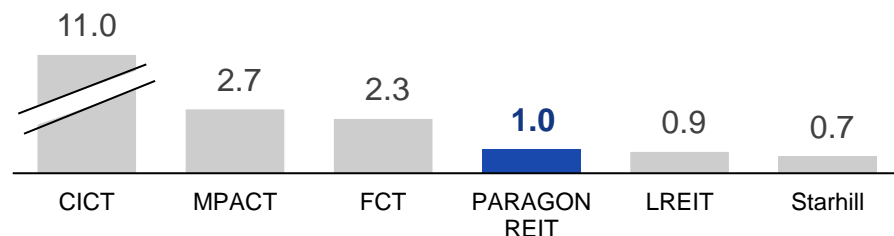
Note:

1. Intercontinental Group of Department Stores (May 2024).

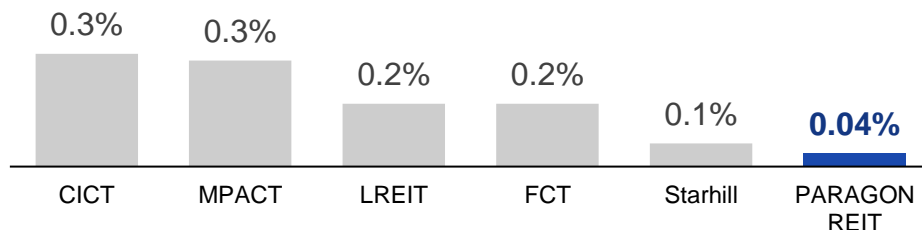
PARAGON REIT's Trading Conditions Constrain its Potential for Sustained Growth

Low Free Float, Liquidity and Analyst Coverage
Driving Limited Institutional Investor Flow

Retail S-REIT Free Float by Market Capitalisation (S\$bn)



12M Average Daily Trading Volume (% of Total Units Outstanding)

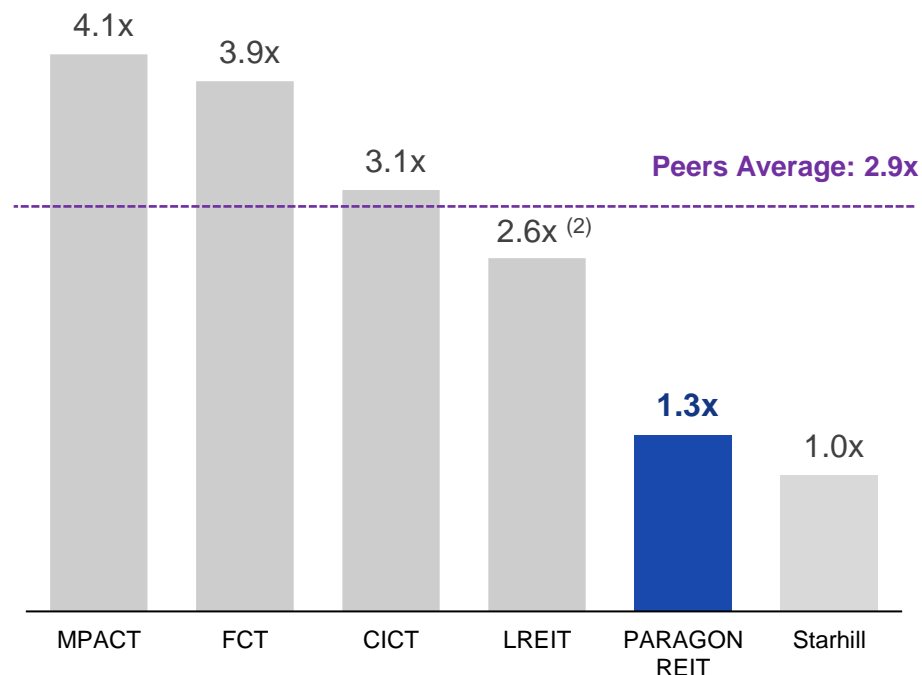


Analyst Coverage (# of Analysts)



Resulting in Limited Ability to Access
Capital Markets for Portfolio Expansion

Total Portfolio Growth Since PARAGON REIT's July 2013 IPO⁽¹⁾ (x)



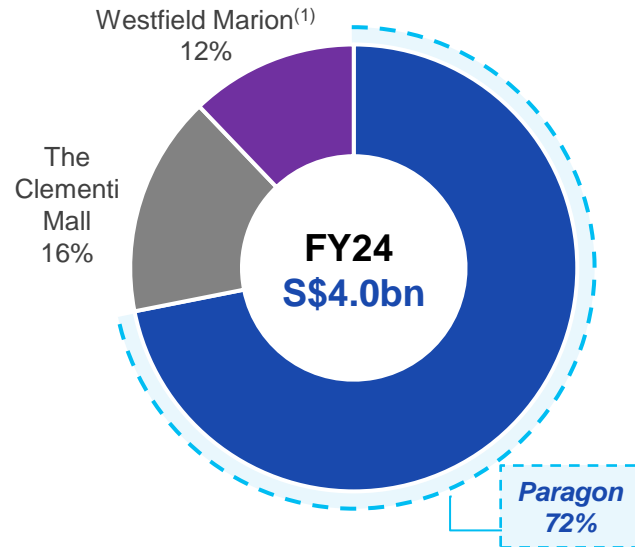
Source: Company filings, FactSet as of 10 February 2025

Notes:
1. Based on latest total assets disclosed as at 10 February 2025, being the last full trading day (the "Last Full Trading Day") immediately prior to the date of the Scheme announcement on 11 February 2025 by the PARAGON REIT Manager.
2. For the period between 31 July 2019 and 10 February 2025.

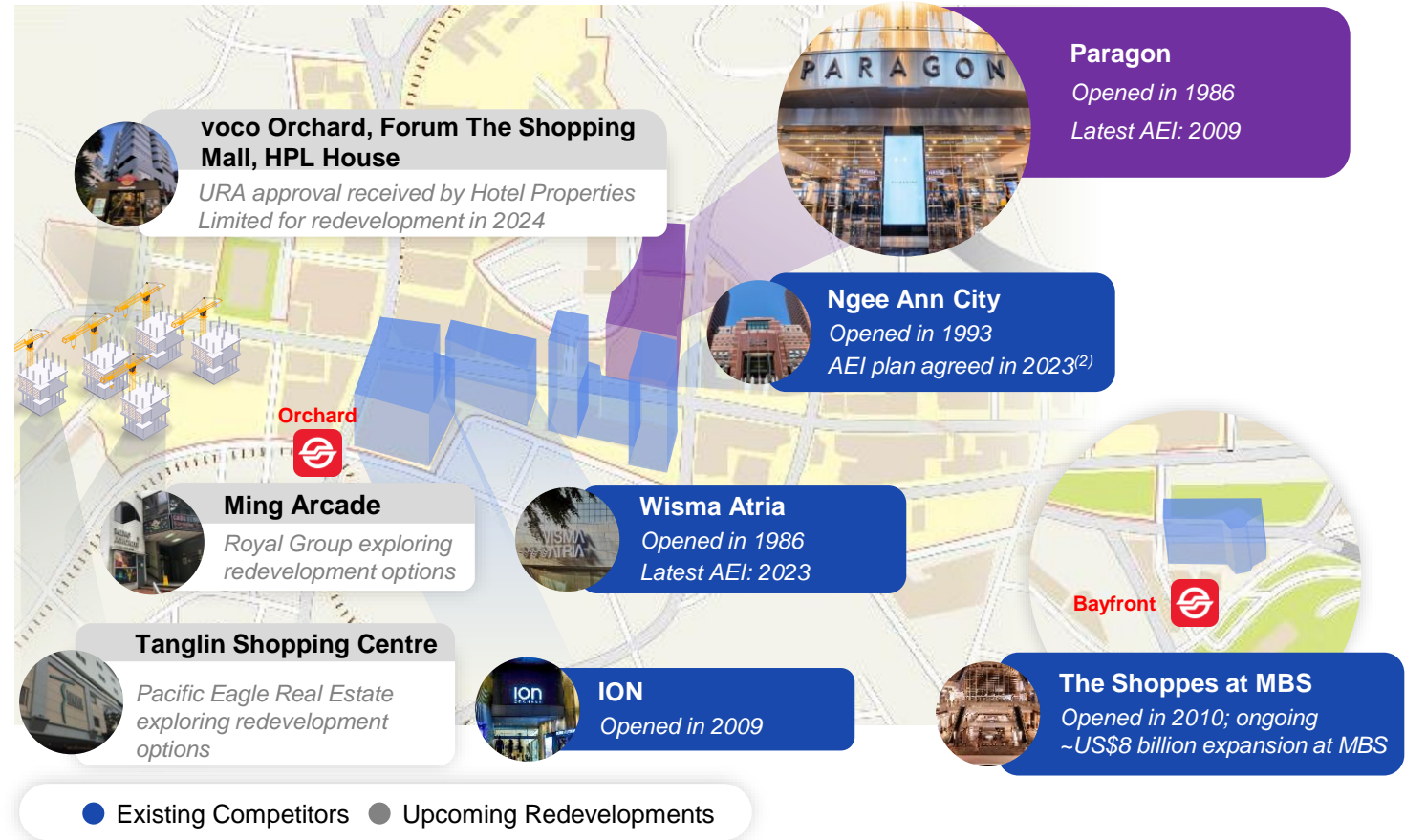
Portfolio Relies Heavily on Paragon, Which is Experiencing Mounting Competition

Paragon Represents 72% of Value

PARAGON REIT Total Portfolio Value (S\$bn)



Premier Upscale Status Increasingly Challenged by Surrounding Malls



Source: Savills, company filings and press releases

Notes:

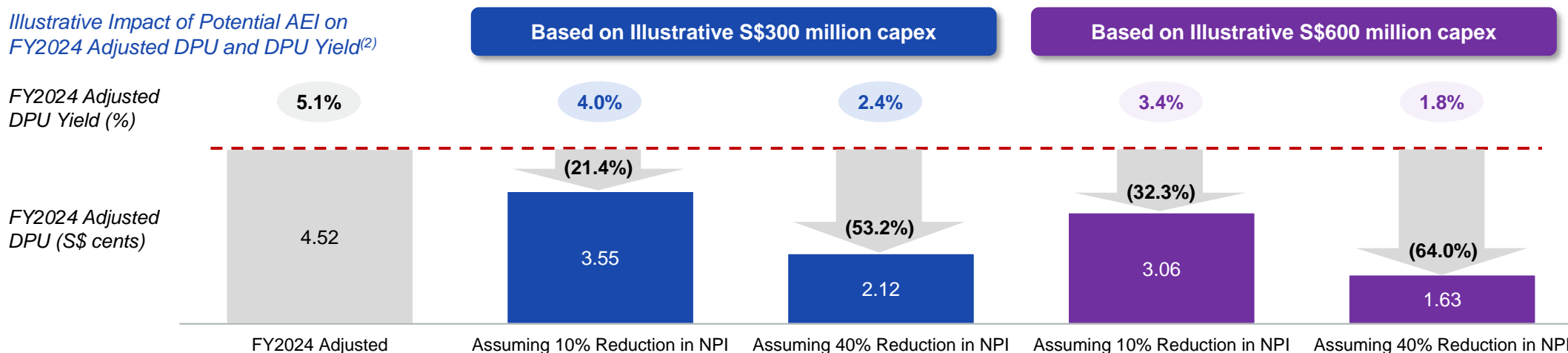
1. Represents value of PARAGON REIT's 50% stake in Westfield Marion.
 2. Renovation and upgrading works agreed to be carried out as part of renewed master lease with Toshin Development in 2023.

Major AEI Necessary to Rejuvenate Paragon, but Poses Significant Risks

- Offeror expects sizeable capital investment to rejuvenate Paragon to remain competitive
 - Est. S\$300 – 600 million for Paragon’s GFA, based on precedents⁽¹⁾, representing 10 – 21% of Paragon’s FY24 Valuation
 - Potentially 3 – 4 years to complete, with potential extension subject to construction delays
- Concepts still preliminary but scope may include upgrades to Paragon’s façade and interiors, reconfiguration of spaces, connectivity improvements, and mechanical & electrical upgrades, among others

Potential AEI may expose Unitholders to significant NPI fluctuations, as well as DPU and unit price volatility⁽³⁾

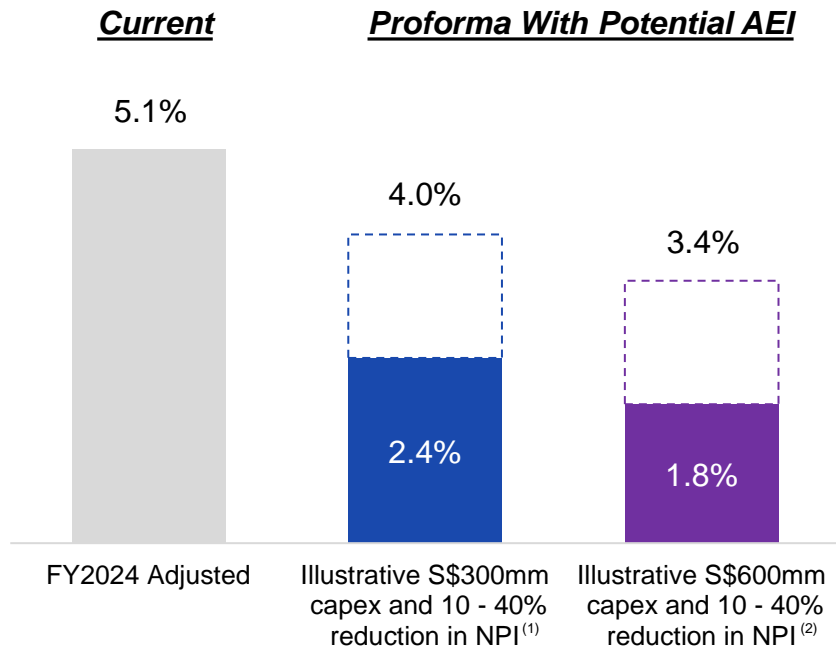
Illustrative Impact of Potential AEI on FY2024 Adjusted DPU and DPU Yield⁽²⁾



Given potential uncertainties and risks, the Offeror believes a major AEI is more suitably executed in a private setting

Scheme Offers Opportunity to Monetise Investment in Cash for Reinvestment

PARAGON REIT FY24 Adj. DPU Yield



By accepting the Scheme:

- ✓ Unitholders can monetise their investment at a premium⁽³⁾
- ✓ Unitholders will not need to bear volatility and execution risks of a Potential AEI
- ✓ Scheme proceeds can be reinvested in other opportunities, if desired

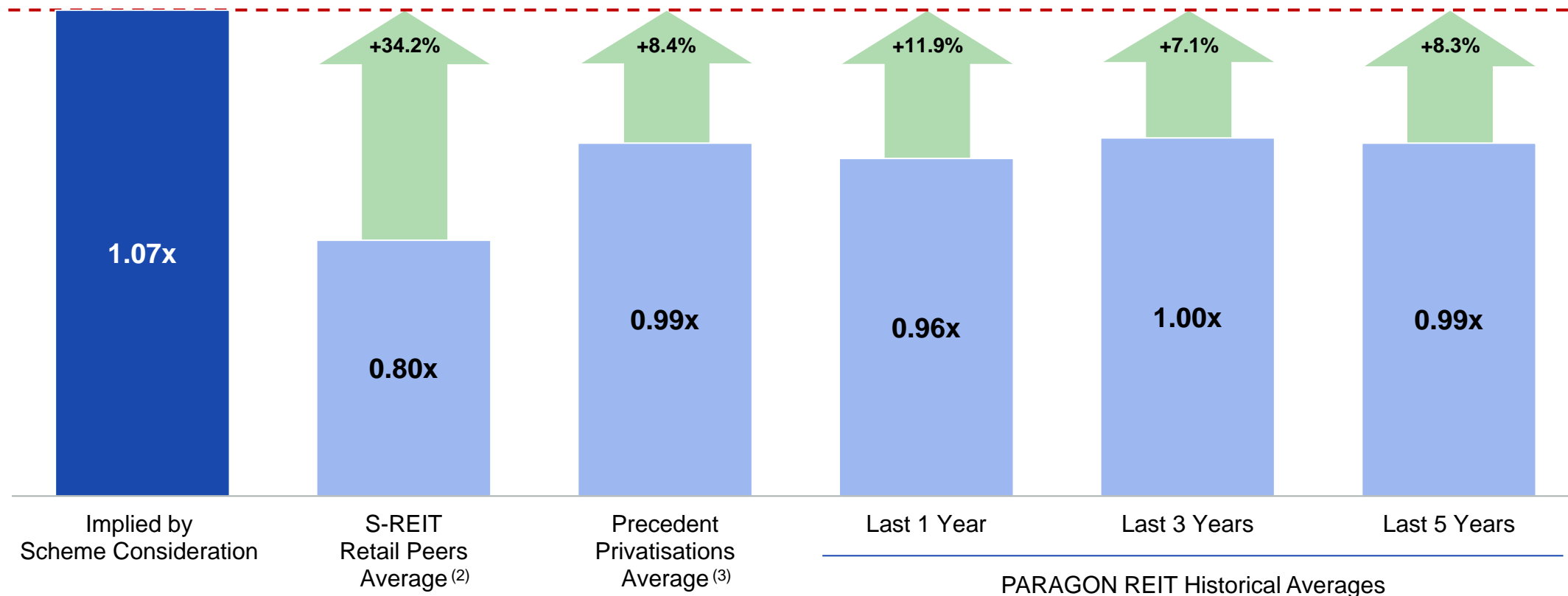
Source: FactSet as of 10 February 2025

Notes:

1. Assumes a potential capital expenditure of S\$300mm, fully funded by debt with an all-in finance cost of 4.4%, and fluctuation in Paragon NPI for FY2024 by 10 - 40%.
 2. Assumes a potential capital expenditure of S\$600mm, fully funded by debt with an all-in finance cost of 4.4%, and fluctuation in Paragon NPI for FY2024 by 10 - 40%.
 3. Please refer to pages 10 - 12 on the financial evaluation of the Scheme.

Price / Adjusted NAV Multiple Exceeds Peer Benchmarks and Historical Averages

Price / Adjusted NAV⁽¹⁾ (x)



Source: Company Filings, FactSet as of 10 February 2025

Notes:

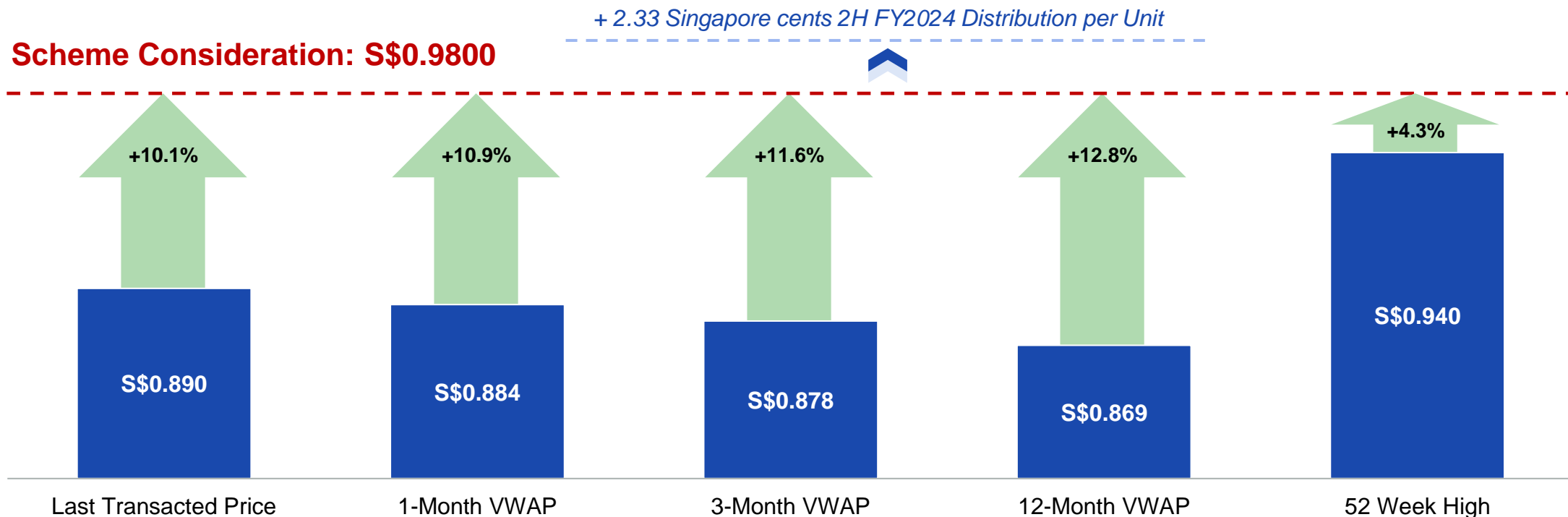
1. Based on FY2024 NAV per Unit of S\$0.9385 less 2H FY2024 Distributions per Unit of S\$0.0233.

2. Peers include CapitaLand Integrated Commercial Trust, Frasers Centrepoint Trust, Lendlease Global Commercial REIT, Starhill Global REIT, Mapletree Pan Asia Commercial Trust.

3. Based on precedent privatisation of property trusts and REIT mergers with an all-cash option as consideration.

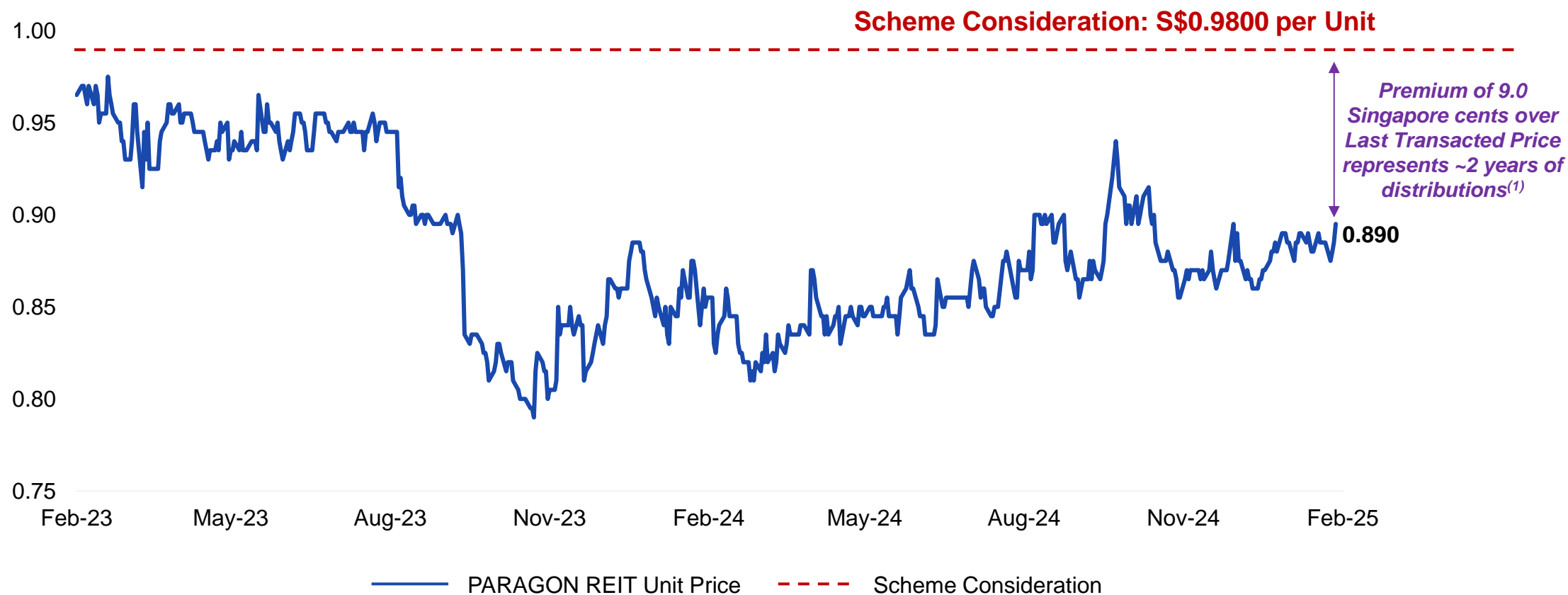
Scheme Consideration Offers Attractive Premium Over Current and Historical Prices

- In addition to the Scheme Consideration of S\$0.9800 per Unit, PARAGON REIT will also pay 2H FY2024 Distribution of 2.33 Singapore cents per Unit in cash
- Scheme Consideration will not be reduced by the 2H FY2024 Distribution



Exceeds the Highest Ever Traded Price Over the Last 2 Years

PARAGON REIT's Unit Price Over the Last 2 Years



Source: FactSet as of 10 February 2025

Note:
1. Based on last-twelve-months' declared distributions of 4.65 Singapore cents per Unit, excluding special dividends that are capital distributions in nature.

The Scheme is Subject to Approval of Unitholders and Various Other Conditions⁽¹⁾

Required Unitholder Approvals

- **Amendments to the Trust Deed:** $\geq 75\%$ of voting rights held by Unitholders present and voting at the EGM⁽²⁾
- **Approval for the Scheme:** $> 50\%$ of the number of Unitholders representing $\geq 75\%$ in value of the Units present and voting at the Scheme meeting⁽³⁾
- *Cuscaden Peak and its subsidiaries holding 61.5% in PARAGON REIT will abstain from voting on the Scheme*

In the event the Scheme is not approved by Unitholders, the Offeror intends to actively engage with PARAGON REIT to consider an appropriate plan for Paragon, as it strongly believes that a Potential AEI is critical for Paragon to remain competitive

Notes:

1. Other conditions include court and necessary regulatory approvals, there being no material adverse events, and no breaches of representations and warranties or prescribed occurrences.
2. Approval by Unitholders holding in the aggregate at least three-fourths of the voting rights of all Unitholders present and voting either in person or by proxy at the EGM.
3. Approval by a majority in number of Unitholders representing at least three-fourths in value of the Units held by the Unitholders present and voting either in person or by proxy at the Scheme Meeting.

Indicative Transaction Timetable

Indicative Date	Event
11 February 2025	<ul style="list-style-type: none">• Joint Announcement of Scheme
March 2025	<ul style="list-style-type: none">• First Court Hearing to convene the Scheme Meeting⁽¹⁾• Despatch of Scheme Document⁽²⁾
April 2025	<ul style="list-style-type: none">• Scheme Meeting and EGM
May 2025	<ul style="list-style-type: none">• Second Court Hearing to approve the Scheme⁽¹⁾• Effective date and payment of Scheme Consideration

The timeline above is indicative only and subject to change. Please refer to future SGXNET announcement(s) by PARAGON REIT for the exact dates of these events.

Notes:

1. The dates of the Court Hearings of the application to (i) convene the Scheme Meeting and (ii) approve the Scheme will depend on the dates that are allocated by the Court.
2. The date of despatch of the Scheme Document is subject to SGX-ST's approval of the Scheme Document

Investor and Media Contacts

This presentation should be read in conjunction with the full text of the Joint Announcement, a copy of which is available on www.sgx.com, and the Scheme Document to be issued in due course.

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