Frasers Hospitality Trust

Annual General Meeting

19 January 2022, 10.00am



Intercontinental Singapore

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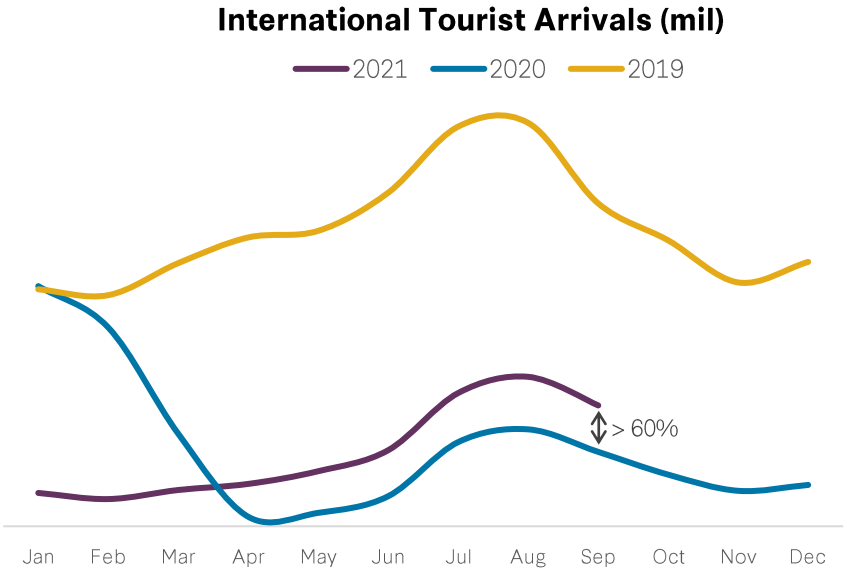


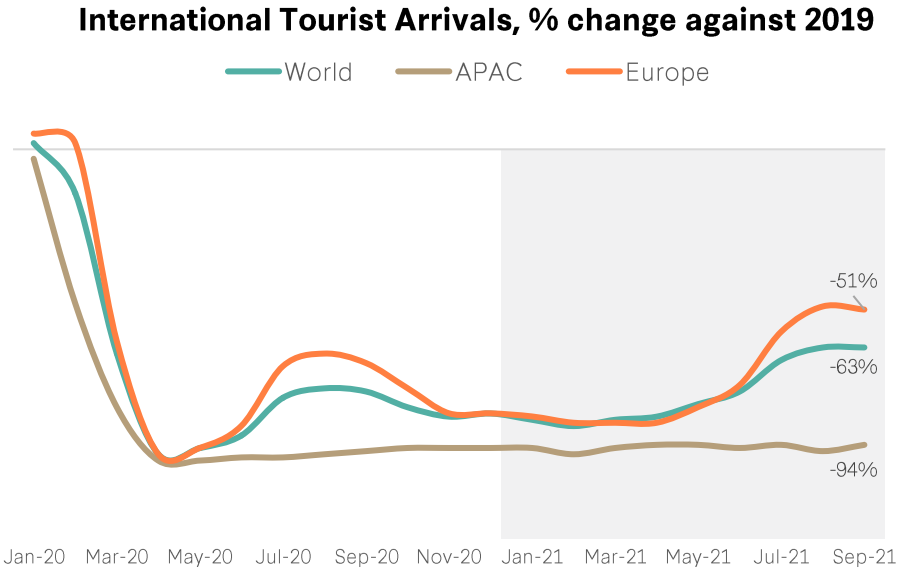
ibis Styles London Gloucester Road

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Key Market Updates

Gradual recovery on the horizon for international travel



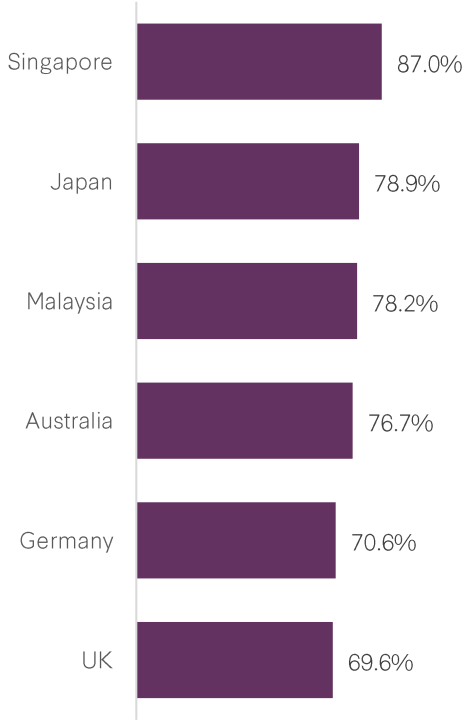


- International arrivals rebounded from 2020 level since Apr 2021 while remaining below pre-pandemic levels
- Europe recorded the best relative performance which was driven by pent-up demand, increased traveller confidence and lifted travel restrictions
- APAC continues to be adversely impacted as many destinations remained closed to non-essential travel

*APAC (Asia and the Pacific) - Includes Australia, China, India, Indonesia, Japan, Korea, Malaysia, New Zealand, Singapore, Thailand and Vietnam
Source: UNWTO, UNWTO Tourism Dashboard, Dec 2022

Restrictions eased across FHT's key markets

% of population fully vaccinated as at 31 Dec 2021



- Singapore launched Vaccinated Travel Lanes with 27 countries, including Australia, Germany, Malaysia and UK after hitting its COVID-19 vaccination milestone

- Japan's state of emergency was fully lifted in Sep 2021
- Entry of foreigners suspended temporarily to curb the spread of Omicron variant of COVID-19

- Malaysia eased interstate and international travel upon fulfilment of vaccination milestone since Oct 2021

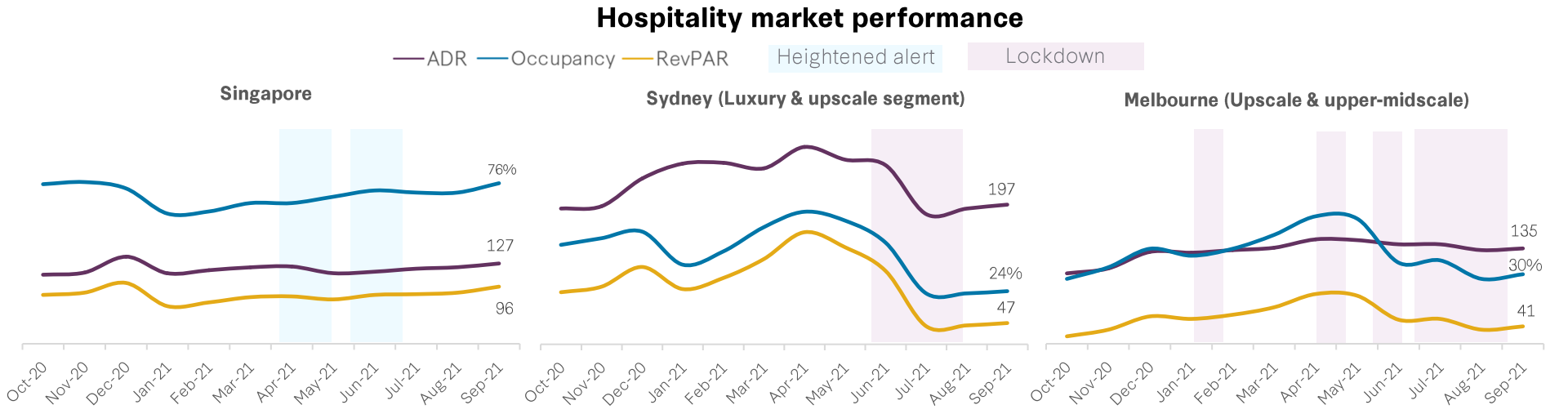
- Sydney and Melbourne eased interstate and international travel restrictions and fully-vaccinated travellers no longer need to quarantine from end-Dec 2021

- Germany eased travel restrictions to allow entry of full-vaccinated travellers (except from areas of variant of concern) since Jul 2021

- UK eased movement and travel restrictions to allow entry of fully-vaccinated travellers allowed without quarantine since Jul 2021

Sources: Our World in Data, "Share of people vaccinated against COVID-19"; ICA Singapore, "Vaccinated Travel Lane Overview; Immigration Department of Malaysia, Ministry of Foreign Affairs of Japan, "Border enforcement measures to prevent the spread of novel coronavirus (COVID-19)"; NSW Government, "Travel Restrictions"; Germany Federal Ministry of the Interior and Home, "Travel Restrictions / Border Control" and Gov.UK, "International travel, immigration and repatriation during coronavirus"

Varied pace of recovery across FHT's key markets



- Singapore's hotel ADR and occupancy remained steady, supported by business generated from the government's stay-home facility business

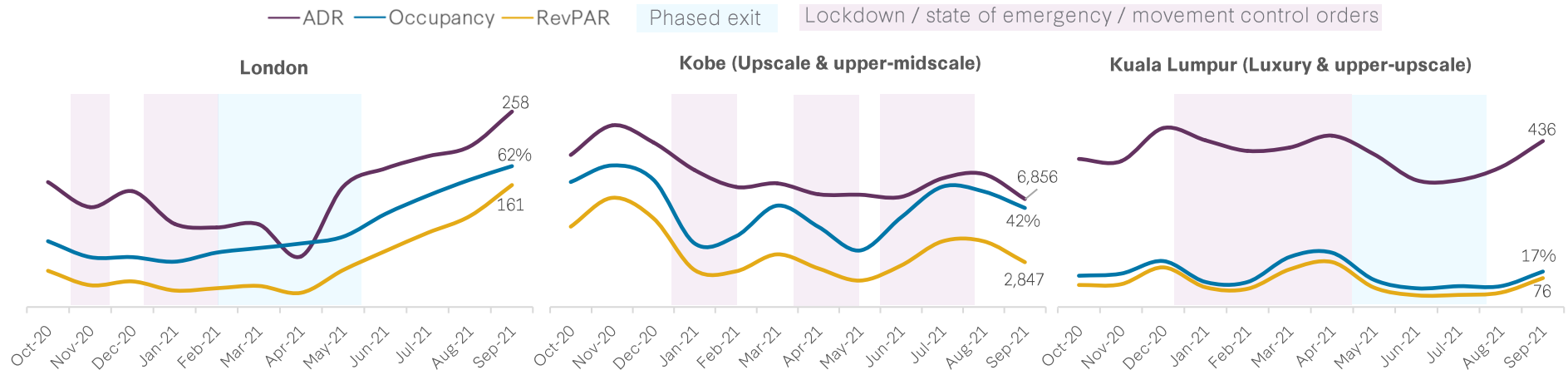
- Sydney's hotel ADR and occupancy see green shoots of gradual recovery, lifted by stronger demand from the upcoming holiday season after its exit from the lockdown

- Reflecting the end of lockdown and eased travel restrictions, Melbourne's hotel ADR and occupancy showed gradual improvements

*All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies
Sources: STR; Business Times, "Hotel occupancy rates remain steady as Singapore visitor arrivals pick up in October", 26 Nov 2021; STR, "Australia hotels show holiday demand lift", 17 Dec 2021 and "Melbourne hotel rates reached pandemic-era highs in November", 14 Dec 2021

Varied pace of recovery across FHT's key markets

Hospitality market performance



- London's hotel performance was further uplifted by increased demand following the relaxation of social distancing and domestic travel restrictions

- Kobe's hotel market experienced a bumpy recovery amidst restrictions. ADR and occupancy trended upwards after the recent lifting of restrictions

- Kuala Lumpur's hotel ADR and occupancy rebounded after movement control order restrictions and lockdowns restrictions were eased amidst the holiday season

*All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies
Sources: STR; Knight Frank, "UK hotels rebound with highest levels of profitability since pandemic began", 11 Nov 2021; The Japan News, "Japan lifts COVID-19 emergency, pre-emergency measures", 1 Oct 2021 and The Malaysian Reserve, "Hotels almost fully booked despite Omicron concerns", 14 Dec 2021



InterContinental Singapore

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FY2021 in Review

Geographically diversified high-quality hospitality portfolio



Number of properties
15

Our hospitality footprint
9 key cities

Number of keys
3,913

Appraised portfolio value[1]
S$2.25 b

Number of master leases[1,2]
15

1. As at 30 Sep 2021
2. This includes a retail master lease for the retail space in ANA Crowne Plaza Kobe while the master lease for Novotel Melbourne on Collins is excluded as it is an internal master lease arrangement between FH-REIT and FH-BT

FY2021 Key highlights



Gross revenue

S$85.5 m

▼ 3.4% y-o-y



Net property income

S$57.6 m

▼ 3.7% y-o-y



Distributable income[1]

S$21.0 m

▼ 29.7% y-o-y



Distribution to Stapled Securityholders

S$18.9 m

▼ 29.7% y-o-y



Distribution per Stapled Security

0.98 cents

▼ 29.7% y-o-y



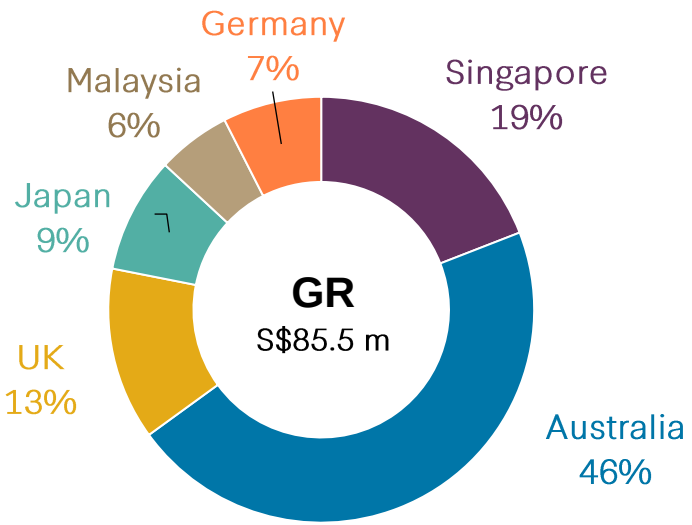
Total assets

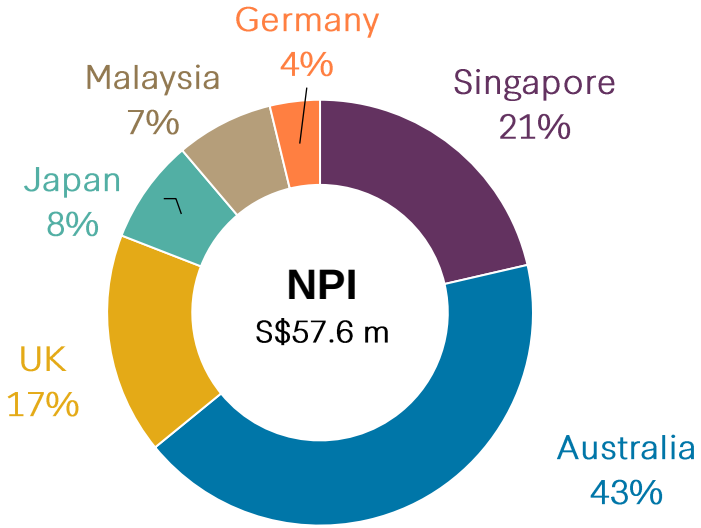
S$2.2 b

No change y-o-y

1. The Managers' management fees were paid in cash since 4Q FY2020

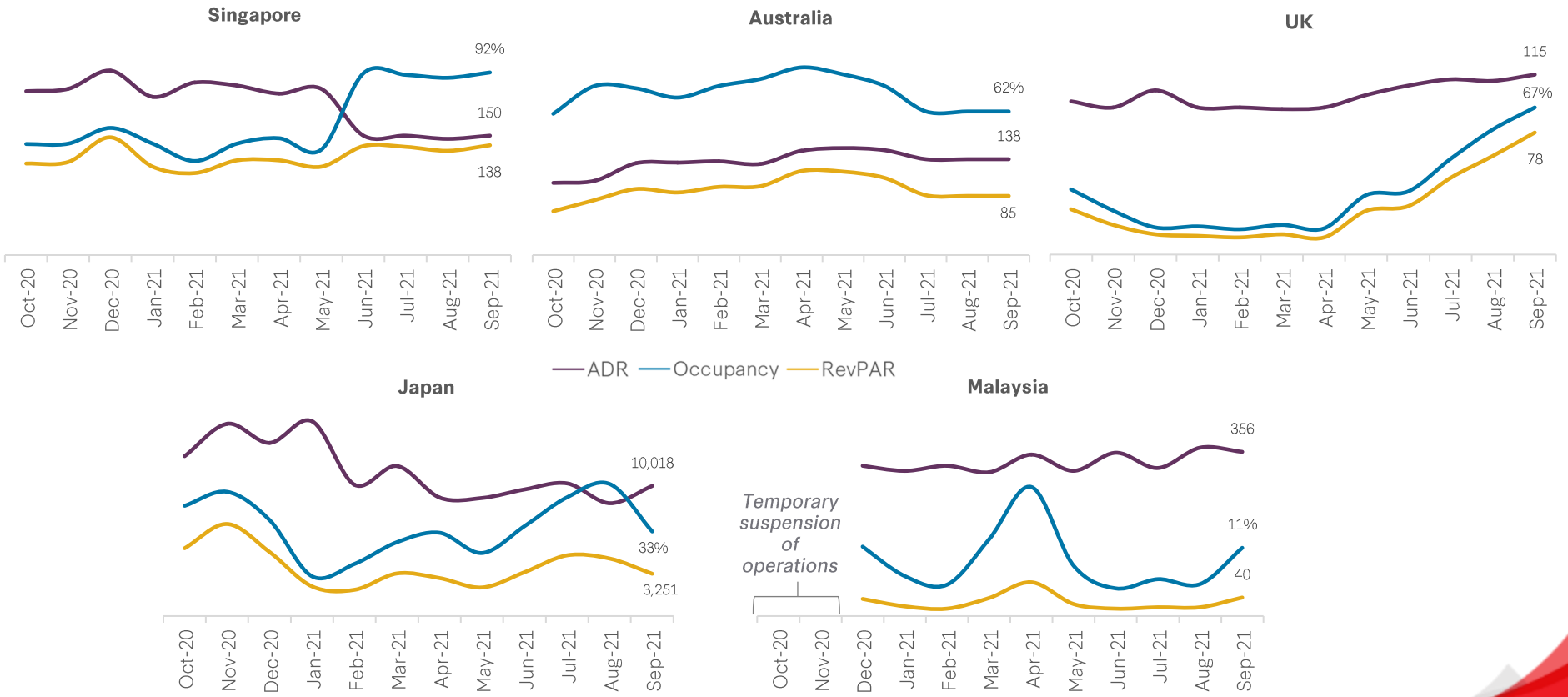
Portfolio contribution by country in FY2021





Green shoots of recovery observed in some markets

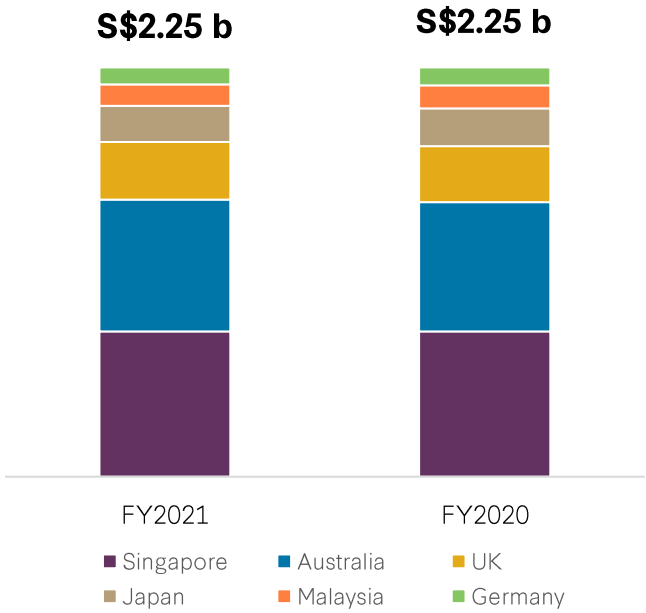
FY2021 FHT's portfolio performance



*All average daily rates (ADR) and revenues per available room (RevPAR) are in local currencies.

Portfolio valuation remained similar to prior year

Country	Valuation as at 30 Sep 2021 (S$ m)	Valuation as at 30 Sep 2020 (S$ m)	Variance in S$	Variance in Local Currency
Singapore	798.0	798.0	0.0%	0.0%
Australia	723.8	709.9	1.9%	1.6%
UK	316.5	306.3	3.3%	-0.3%
Japan	198.1	207.5	-4.5%	1.9%
Malaysia	118.8	127.2	-6.6%	-4.4%
Germany	93.2	98.7	-5.6%	-3.9%
TOTAL	**2,248.4**	**2,247.6**	**0.0%**	



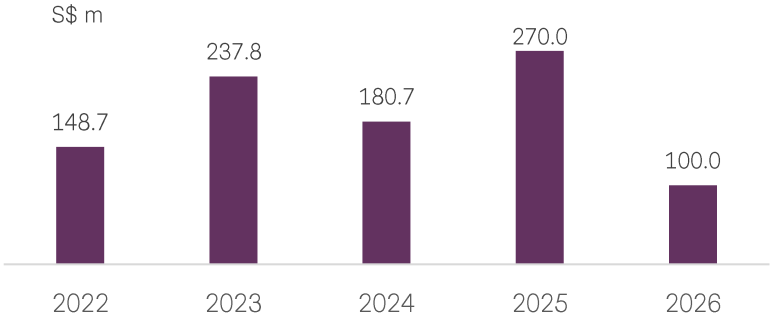
- Cap rates and discount rates remain unchanged or largely similar to that of prior year. However, Malaysia portfolio's valuation had the biggest decline in local currency due to weaker performance on the back of challenging market conditions
- Compared to last year, A$ and £ have appreciated against S$ this year, whilst RM, ¥ and EUR weakened against S$. This resulted in no change in total portfolio valuation in S$ terms

Proactive capital management

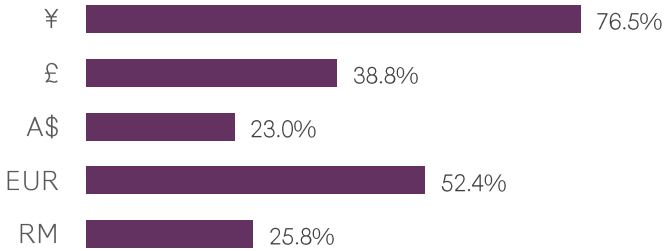
As at 30 Sep 2021

Investment properties	S$2,024.8 m
Property, plant and equipment	S$226.7 m
Total assets	S$2,349.2 m
Total borrowings	S$988.5 m
Gearing[1,2]	42.2%
Net asset value per stapled security	S$0.65
Weighted average debt to maturity	2.56 years
Unsecured debt	96.7%
Effective cost of borrowing[2]	2.0%
Borrowings on fixed rates	77.2%
Interest cover[3,4]	2.2 times

Debt maturity profile (excludes short-term loans)



Balance sheet hedging



1. MAS' leverage limit for S-REITs has been set at 50% since Apr 2020
2. The impact of FRS 116 Leases has been excluded for the purpose of computing gearing and effective cost of borrowing
3. Interest coverage ratio is as prescribed under the MAS' Property Funds Appendix (last revised on 16 Apr 2020)
4. For the purpose of computing interest coverage ratio, interest expense excludes the unwinding of discounting effect on present value of lease liability and long-term security deposits payable



Sofitel Sydney Wentworth

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Divestment of Sofitel Sydney Wentworth (SSW)

Transaction overview



- Divestment of SSW on a freehold basis for A$315.0 m (~S$309.1 m[1]) to an unrelated third-party acquirer (**Acquirer**)
- Deal Structure
  - FH-REIT, through its wholly-owned sub-trust, enters into a put and call option agreement with a wholly-owned subsidiary of Frasers Property Limited (**FPL**) to acquire the freehold reversionary interest of the land (**Reversionary Interest Acquisition**) for A$10.55 m (~S$10.4 m) (**Acquisition Purchase Price**)
  - Upon completion of Reversionary Interest Acquisition, freehold reversionary interest will be amalgamated with its existing 75-year leasehold interest
  - This title re-structuring of amalgamating the freehold reversionary interest and 75-year leasehold interest, enables the unlocking of a value greater than if it had been sold as a leasehold property
- Sold at 34.3% premium over total combined purchase price of A$234.55 m, comprising the purchase consideration of A$224 m for the acquisition of the 75-year leasehold interest in 2015 and the Acquisition Purchase Price

Property details	
Number of rooms	436
Land tenure	(i) 75-year leasehold interest held by FHT (ii) Freehold reversionary interest held by FPL Upon completion of Reversionary Interest Acquisition, freehold reversionary interest will be amalgamated with its existing 75-year leasehold interest
Master lessee	Ananke Holdings Pty Ltd, a subsidiary of FPL
Purchase price (Freehold basis)	A$234.55 m
Latest valuation (75-year leasehold)	A$270.0 m as at 30 Sep 2021
Latest valuation (Freehold after amalgamation)	A$281.0 m[2] (~S$275.8 m) as at 30 Sep 2021

1. All currency conversions in this document are based on an assumed exchange rate of S$1.00 = A$1.0190 as at 30 Sep 2021
2. Includes Savill's valuation of the freehold reversionary interest of A$11.0 m as at 30 Sep 2021

Divestment rationale

Rationale and benefits

Unlock value
at optimal stage of life cycle to enhance value for Stapled Securityholders

1
- Sale price of A$315.0 m (~S$309.1 m) translates to NPI yields of **4.1%** for FY2019 and **3.3%** for FY2021[1]
- **34.3%** premium over total combined purchase price of leasehold interest and reversionary interest
- **12.1%** above independent valuation (at 30 Sep 2021) of A$281.0 m on freehold basis
- Divestment net proceeds **~A$282.5 m**[2] and net gain **~A$24.1 m**[3]

Active portfolio management strategy
to create value for FHT's Stapled Securityholders

2
- Active asset enhancement initiatives to drive organic growth and position property for divestment
- Evaluate divestment opportunities periodically to recycle capital for better total returns
- Unlock value at optimal stage of property's life cycle

Optimise capital structure
and increase financial flexibility

3
- Assuming divestment net proceeds are used to repay debt, FHT's aggregate leverage as at 30 Sep 2021 expected to reduce from 42.2% to 34.3% on pro forma basis[4]
- Post-divestment, debt headroom would increase to ~S$650.0 m[5]
- Enhances FHT's financial flexibility to fund future acquisitions

1. Based on SSW's historical FY2019 and FY2021 NPI. FY2020 NPI figure was not used as it is not representative, given the effects of the COVID-19 pandemic
2. After taking into account total reversionary interest acquisition cost (A$11.2 m) and total divestment cost (A$21.3 m)
3. Estimated net gain is calculated by subtracting the net book value of the amalgamated freehold interest of SSW as at 30 Sep 2021 (A$269.6 m or approximately S$264.5 m) and total divestment costs of approximately A$21.3 m or approximately S$20.9 m) from the sale price of A$315.0 m (approximately S$309.1 m)
4. 34.3% post-divestment on a pro forma basis as if the divestment was completed on 30 Sep 2021 and based on the assumption that all the divestment net proceeds were used to repay outstanding borrowings as at 30 Sep 2021
5. Assuming aggregate leverage limit of 50.0% based on Appendix 6 to the Code of Collective Investment Schemes



Fraser Suites Queens Gate London

Market Outlook

Forging towards an endemic world

- Transition towards endemic phase planned or in progress in countries with higher vaccination rates and eased travel restrictions
- Pace of transition may be undermined by Omicron variant[1]

- Recovery in air travel expected to continue in 2022, albeit at an uneven pace across countries and regions[2]
- Other downside risks such as new variants and policy changes remain

FHT is well-poised to capture and ride on the recovery wave

Quality assets in prime locations across key gateway cities

Well-managed by established international hospitality operators

Strong asset management focus to drive performance

Strong commitment & support from Sponsor

Strong downside protection with long-term master leases

Sound portfolio fundamentals and robust financial position

1. Source: Reuters, "Omicron rewrites the COVID plan for 2022:, 17 Dec 2021
2. Source: Fitch Ratings, "Global Air Traffic Recovery Will Continue in 2022, but Risk Remains", 30 Nov 2021

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Inspiring experiences, creating places for good.



Hotels managed by third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2021
	Novotel Melbourne on Collins	Australia	Strategically located within Melbourne's core CBD area along Collins Street	Freehold	Upscale	380	A$231.0 m (A$0.6 m/key)
	Novotel Sydney Darling Square	Australia	4.5-star hotel located within close proximity of Sydney's Darling Harbour and Chinatown	84 years[1]	Mid-scale	230	A$109.0 m (A$0.5 m/key)
	Sofitel Sydney Wentworth	Australia	Iconic 5-star hotel in Sydney's core CBD; within a short walk to major office buildings, tourist attractions and transport hubs	75 years[2]	Luxury	436	A$270.0 m (A$0.6 m/key)
	InterContinental Singapore	Singapore	Only 5-star luxury hotel in Singapore to preserve Peranakan heritage in a shop house style setting	75 years[1]	Luxury	406	S$506.0 m (S$1.2 m/key)
	ibis Styles London Gloucester Road	United Kingdom	Distinctive white Victorian facade located in the heart of London	75 years[1]	Mid-scale	84	£19.2 m (£0.2 m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)
2. Commencing from 5 Jul 2015

Hotels managed by Frasers Hospitality and third-party operators

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2021
	Park International London	UK	Elegant hotel ideally located in the heart of Kensington and Chelsea	75 years[1]	Mid-scale	171	£38.6 m (£0.2 m/key)
	ANA Crowne Plaza Kobe	Japan	Unique panoramic view of Kobe city from Rokko mountain	Freehold	Upper Upscale	593	¥16,200.0 m (¥27.3 m/key)
	The Westin Kuala Lumpur	Malaysia	5-star luxury hotel located in the centre of Kuala Lumpur's bustling Golden Triangle area	Freehold	Upper Upscale	443	RM368.0 m (RM0.8 m/key)
	Maritim Hotel Dresden	Germany	Heritage-listed and located in the historical city centre of Dresden, the capital city of the eastern German state of Saxony	Freehold	Upscale	328	EUR59.3 m (EUR0.2 m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)

Serviced residences managed by Frasers Hospitality

	Property	Country	Description	Tenure	Class	Rooms	Valuation, 30 Sep 2021
	Fraser Suites Sydney	Australia	First luxury apartments in Sydney designed by internationally renowned architects	75 years[1]	Upper Upscale	201	A$127.5 m (A$0.6 m/key)
	Fraser Suites Singapore	Singapore	Luxurious serviced residences in the prime residential district of River Valley	75 years[1]	Upper Upscale	255	S$292.0 m (S$1.1 m/key)
	Fraser Suites Edinburgh	UK	Rustic 1750s sandstone building located in the heart of Edinburgh's Old Town	75 years[1]	Upper Upscale	75	£15.0 m (£0.2 m/key)
	Fraser Suites Glasgow	UK	Stunningly restored 1850s building which was formerly the city bank of Glasgow	75 years[1]	Upper Upscale	98	£9.2 m (£0.1 m/key)
	Fraser Suites Queens Gate	UK	Beautiful Victorian apartment hotel in Kensington	75 years[1]	Upper Upscale	105	£54.3 m (£0.5 m/key)
	Fraser Place Canary Wharf	UK	Stunning apartments located by the River Thames, showcasing chic contemporary design	75 years[1]	Upper Upscale	108	£36.7 m (£0.3 m/key)

1. Commencing from 14 Jul 2014 (Frasers Hospitality Trust's listing date)