ARA US HOSPITALITY TRUST

ANNUAL GENERAL MEETING FY 2022

27 APRIL 2023





AGENDA

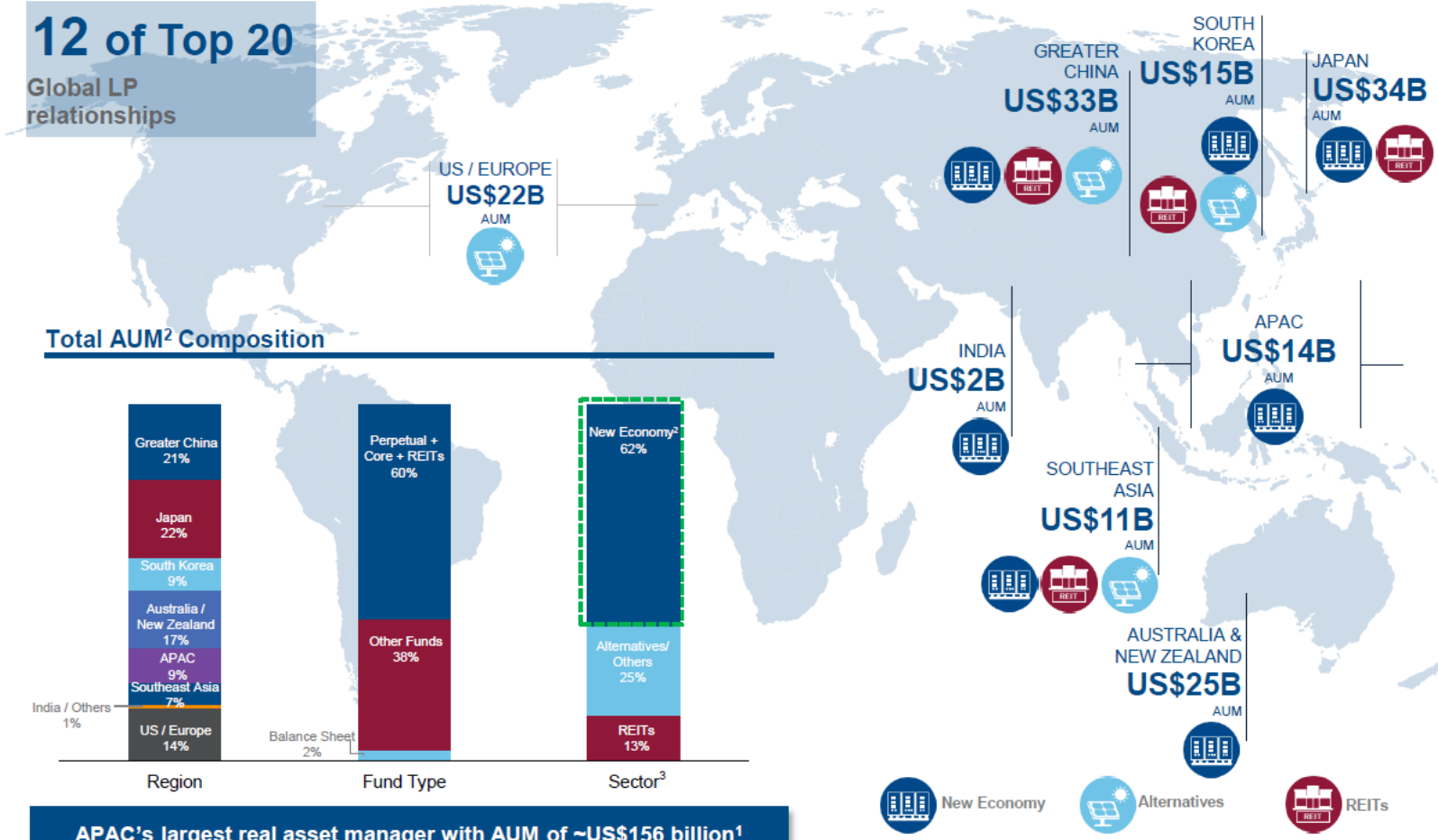
1. Overview of ARA H-Trust
2. 2022: Year In Review
3. Positioned To Deliver

ESR – Market Leadership Positions Across APAC Growth Markets

Market leadership positions across APAC growth markets

Leveraging APAC's leading new economy platform and the Group's growing Alternatives effort to provide a one-stop solution for global capital partners

12 of Top 20
Global LP relationships



Total AUM[2] Composition

APAC's largest real asset manager with AUM of ~US$156 billion[1]

Notes:

Based on constant FX translation as of 31 December 2021 for a like-for-like comparison. Based on FX translation as of 31 December 2022, total AUM would be US$145 billion (US$11 billion FX translation impact) and New Economy AUM would be US$68 billion (US$5 billion FX translation impact).
Includes ESR-LOGOS REIT and ESR Kendall Square REIT
Excludes the AUM of Associates as of 31 December 2022

ARA US Hospitality Trust – An Overview

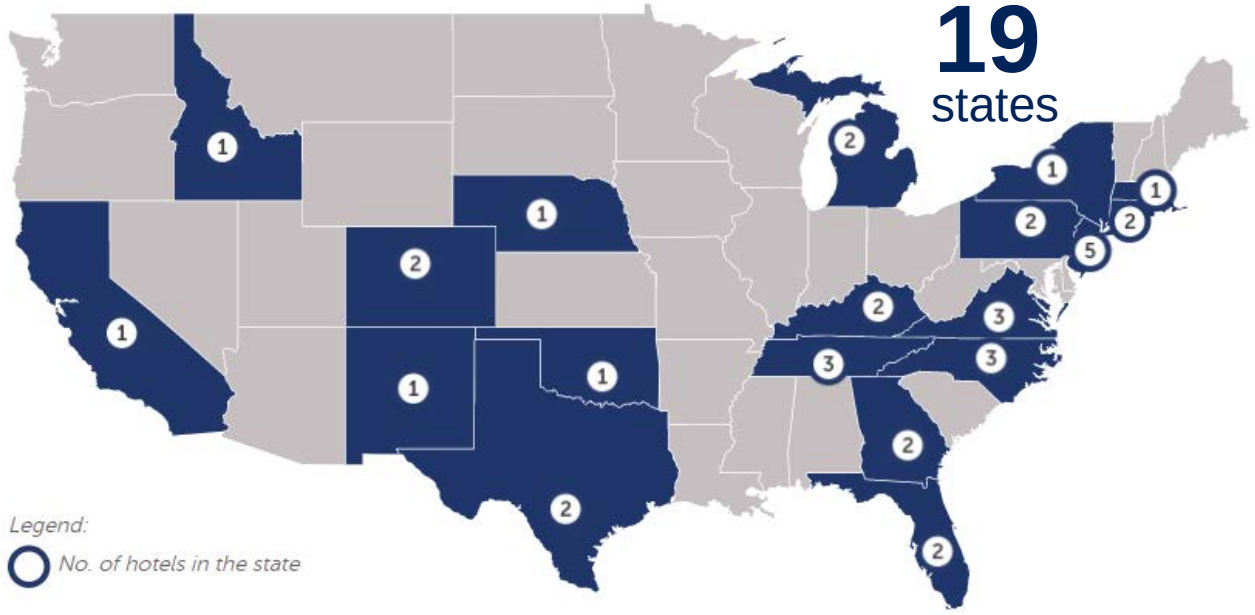
First pure-play U.S. upscale select-service hospitality portfolio listed on the SGX-ST

37 upscale hotels

4,826 rooms

>90% Freehold Title

>90% rooms-focused revenue



6 hotel brands

4 hotel operators

Tax Efficient Structure

Attractive REIT platform to invest in U.S. hotels for non-U.S. investors

Backed by APAC's Largest Real Asset Manager

As of 27 April 2023, including newly acquired Home2 Suites Colorado Springs South.

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AC Hotel Marriott Raleigh North Hills

Key Financial Highlights for FY 2022

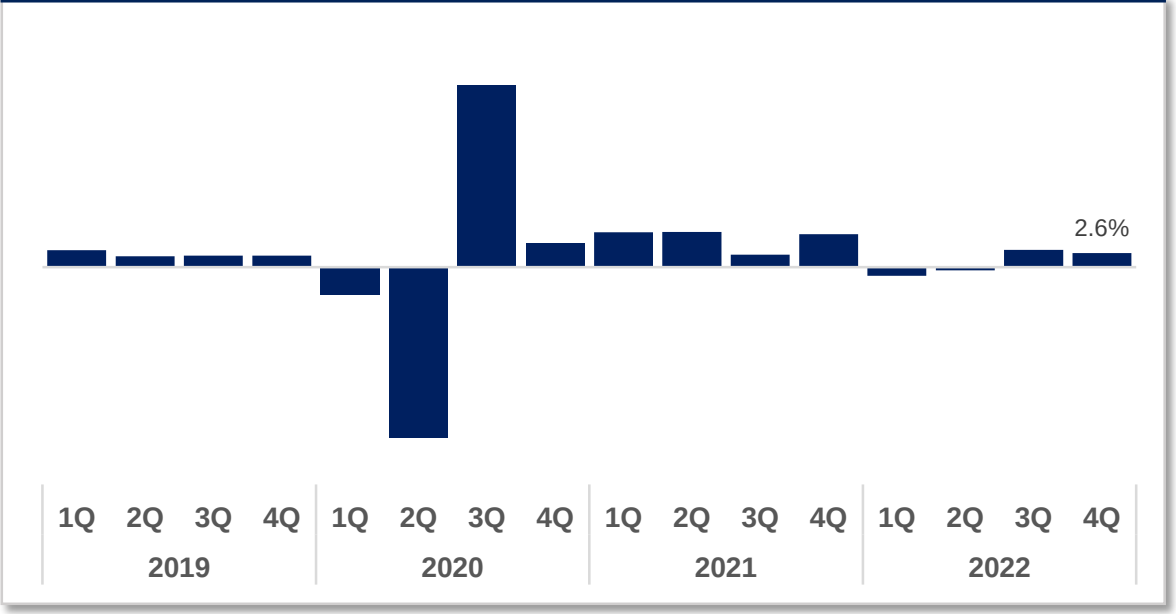
DPS +760%	• DPS of 3.054 US cents for FY 2022 compared to 0.355 US cents in FY 2021, yielding over 8%
Valuation +9%	• Portfolio Valuation of US$747.8m for 36 hotels, up over 9% year-on-year on comparable[1] basis
NPI +66%	• Portfolio NPI of US$41.4m for FY 2022, up 66% year-on-year
RevPAR +34%	• Portfolio RevPAR of US$85 for FY 2022, up 34% year-on-year
ALR < 40%	• Aggregate Leverage Ratio at 39.4% with healthy cash balance of ~US$20m (net of US$30m for Home2 Suites by Hilton Colorado Springs South acquisition)
% Hedged ~80%	• ~80% of loan portfolio hedged on interest rate movement as at 31 December 2022, mitigating rising interest rates. No refinancing due in FY 2023

[1] Excluding five disposed hotels in 2022

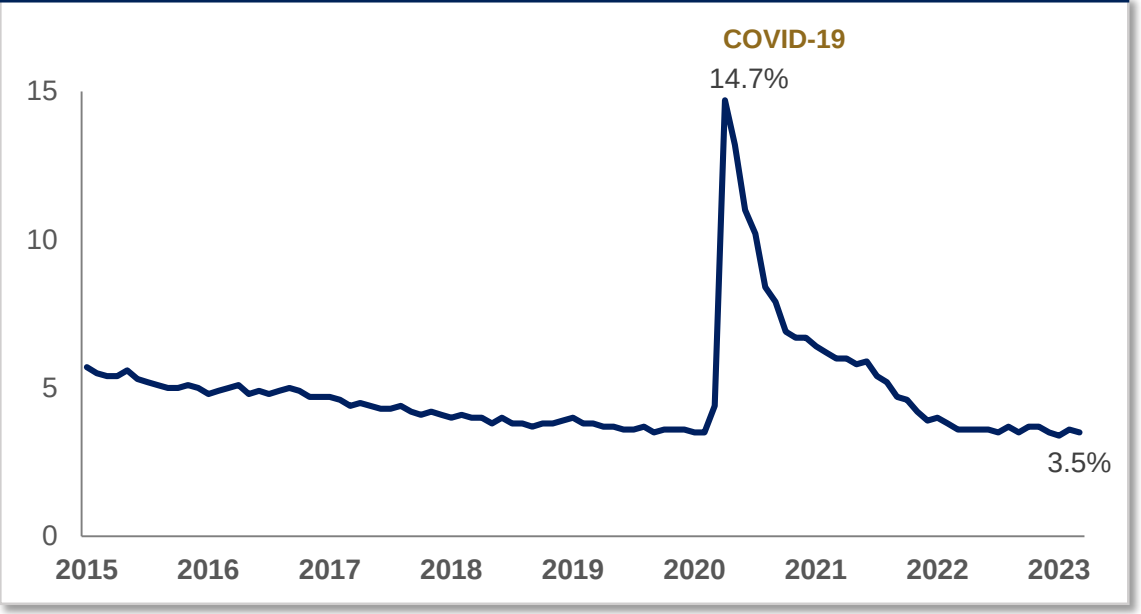
Macro Market Uncertainty Due To Mixed U.S. Economic Indicators

Slowdown in global economic activity expected in 2023

U.S. Real GDP % Change



U.S. Unemployment Rate (Seasonally Adjusted)



- Stronger than expected 4Q22 GDP growth of 2.6%, resulting from increases in private inventory investment, consumer and government spending and non-residential fixed investment. Full year 2022 GDP growth of 2.1%.
- Inflation at 5.0% as at end March 2023 compared to June 2022 peak of over 9% post Federal Reserve's successive interest rate hikes over ten months from 0-0.25% to 4.75-5.00% as at March 2023, at an unprecedented rate of increase.
- Historic low unemployment rate of 3.5% since March 2022, wage growth and savings support continued spending but also contributes to ongoing cost pressures.

Source: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Federal Open Market Committee

U.S. Lodging Industry Rebounded Quickly And Outlook Is Positive

Corporate travel rebuild and leisure travel to underpin market

Year	2019	2020	2021	2022	2023F	2024F	2025F
Occupancy	66%	44%	58%	63%	64%	65%	66%
ADR	$131	$103	$125	$148	$152	$158	$164
ADR Y-o-Y Change		-21%	+21%	+19%	+2%	+4%	+4%
RevPAR	$87	$45	$72	$93	$97	$103	$108
RevPAR Y-o-Y Change		-48%	+60%	+29%	+5%	+7%	+5%
RevPAR compared w/ 2019	-	-50%	-17%	+8%	+12%	+19%	+25%

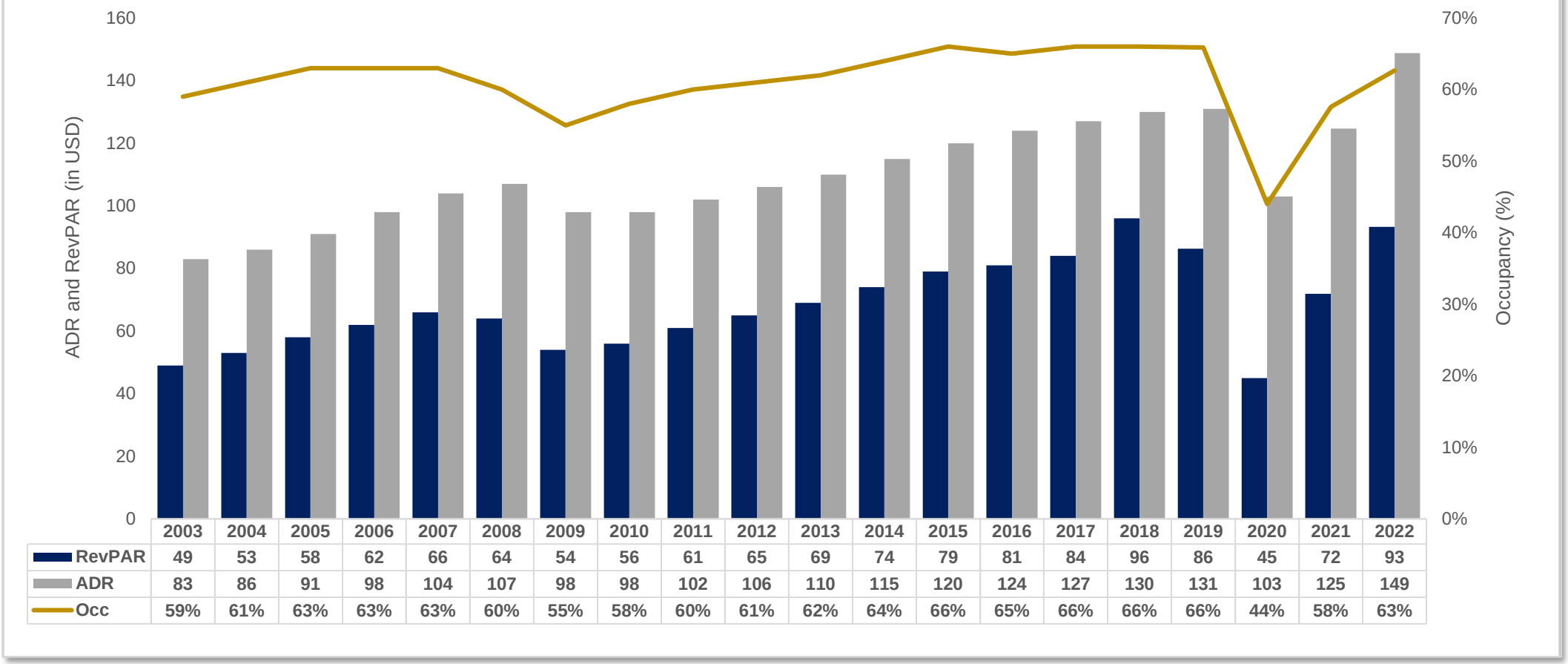
- Recovery outlook for U.S. hotel market remains intact despite economic uncertainty and geopolitical risks.
- Projected U.S. hotel market RevPAR growth to slow in 2023 but positive year-on-year for the next three years.

Source: STR 23 January 2023

Positive U.S. Hotel Market Recovery In 2022

U.S. hotel market RevPAR above 2019 levels despite muted corporate travel demand

U.S. Hotel Market RevPAR and Occupancy



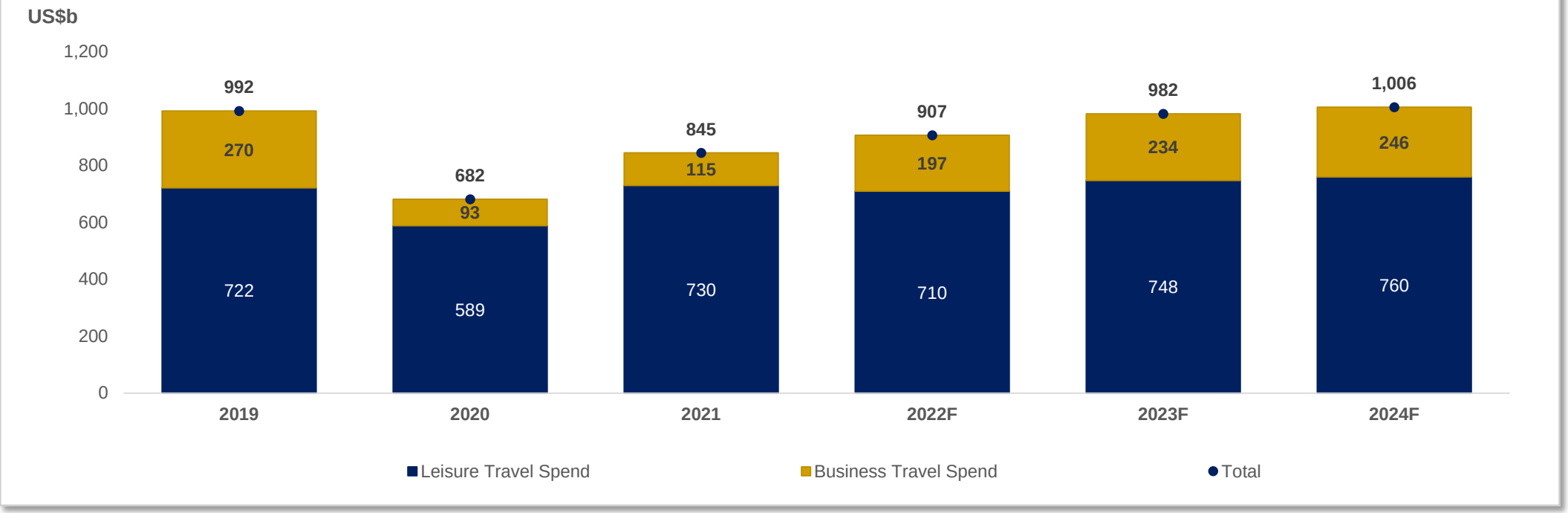
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
RevPAR	49	53	58	62	66	64	54	56	61	65	69	74	79	81	84	96	86	45	72	93
ADR	83	86	91	98	104	107	98	98	102	106	110	115	120	124	127	130	131	103	125	149
Occ	59%	61%	63%	63%	63%	60%	55%	58%	60%	61%	62%	64%	66%	65%	66%	66%	66%	44%	58%	63%

Source: STR

Ongoing Prioritisation Of Travel

Upward projections for leisure and business travel volumes and spend

U.S. Domestic Travel Spending Forecast



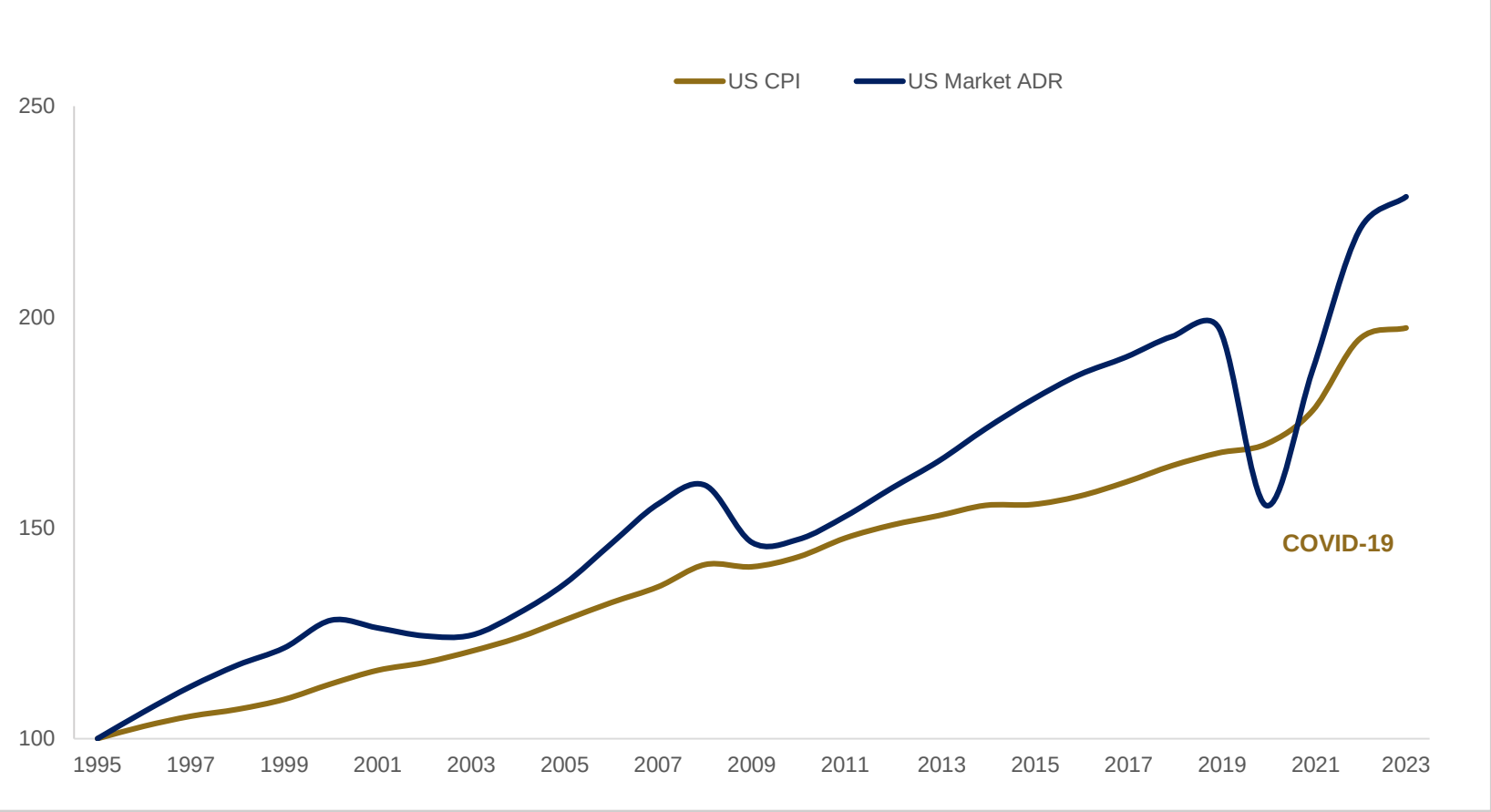
- Domestic travel is expected to drive the recovery in the U.S. travel industry.
- Leisure travel and business travel spending projected to reach 105% and 91%, respectively, of 2019 levels by 2024.

Source: U.S. Travel Association, 29 November 2022

Hotel Industry – A Hedge Against Inflation

Hotels are well-preserved from effects of inflation due to daily rents

U.S. Consumer Price Index for All Urban Consumers vs. U.S. Hotel ADR
(1995 = 100)



- Hotels are optimal inflation-hedge as rents are priced on a daily basis
- U.S. hotel ADR growth generally outpaces inflationary expense increases

Source: U.S. Bureau of Labor Statistics, STR

Upswing In FY 2022 Year-on-Year Performance

Return of corporate travel needed for full recovery

65.3% Occupancy ↑ 8.2 pp y-o-y

US$131 ADR ↑ 17.2% y-o-y

US$85 RevPAR ↑ 33.9% y-o-y

33.9% GOP Margin ↑ 2.9 pp y-o-y

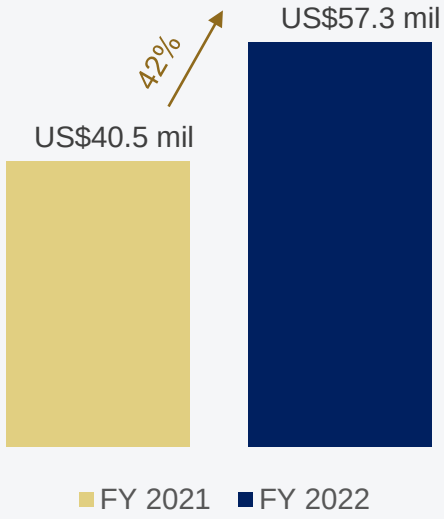
Gross Revenue

US$169.0 mil



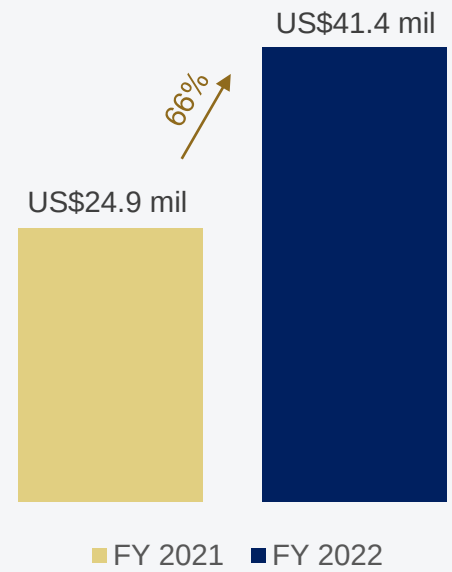
Gross Operating Profit

US$57.3 mil



Net Property Income

US$41.4 mil



FY 2022 Financial Performance

Distribution income of US$17.5m in first post-COVID year

	FY 2021	FY 2022	Change
Portfolio Indicators			
Occupancy	57.1%	65.3%	8.2 pp
RevPAR (US$)	64	85	33.9%
Financial Indicators (US$m)			
Revenue	130.7	169.0	29.3%
Gross Operating Profit (GOP)	40.5	57.3	41.6%
GOP Margin	*31.0%*	*33.9%*	*2.9 pp*
Net Property Income	24.9	41.4	66.4%
Distributable Income	2.0	17.5	767.6%
Distribution per Stapled Security (US cents)	**0.355**	**3.054**	**760.3%**

Increase in Portfolio Value As At 31 December 2022

Valuation uplift of over 9% for 36 hotels on comparable[1] basis

	As at 31 Dec 2021	As at 31 Dec 2022
Hyatt Portfolio (33 hotels)	**US$592.5 mil**	**US$ 643.1 mil**
Marriott Portfolio (3 hotels)	**US$90.8 mil**	**US$104.7 mil**
Disposed Portfolio (5 hotels)	**US$39.3 mil**	**-**
Portfolio Value	US$722.6 mil	US$747.8 mil
Portfolio Value (36 hotels)	**US$683.3 mil**	**US$747.8 mil**



[1] Excluding five disposed hotels in 2022

Improved Financial Position Over The Course Of FY 2022

Aggregate Leverage Ratio below 40% mark

	As at 31 Dec 2021	As at 30 Jun 2022	As at 31 Dec 2022
NAV per Stapled Security	**US$0.71**	**US$0.72**	**US$0.80**
Cash Balance	**US$19.2 mil**	**US$19.8 mil**	**US$50.6 mil**
Total Debt Outstanding	**US$338.1 mil**	**US$330.9 mil**	**US$325.9 mil**
Aggregate Leverage Ratio	**44.3%**	**43.5%**	**39.4%**
Net Gearing	**42.8%**	**42.0%**	**35.4%**
Interest Coverage Ratio*	**2.0x**	**2.8x**	**2.6x**
Weighted Average Debt Maturity	**2.0 years**	**2.1 years**	**1.5 years**
Average Cost of Debt (p.a.)	**3.4%**	**3.6%**	**3.8%**
% of Debt Hedged to Fixed Rates	**79.1%**	**80.8%**	**82.0%**

- Cash balance included ~US$32m of net proceeds received from the sale of four Hyatt Place hotels completed on 30 September 2022.
- No refinancing requirement for FY 2023.

* Computation excluded interest expense on lease liabilities. It is regarded as a component of finance cost under SFRS(I)16 which is an accounting classification and does not have a bearing on debt servicing ability.

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Hyatt House Raleigh Durham

Acquisition of Home2Suites By Hilton Colorado Springs South

Property would be the second asset in Colorado market for ARA H-Trust





- ✓ **Proposed acquisition is expected to be immediately yield accretive**
- ✓ **Strong performing asset that is well-located in a growing sub-market**
- ✓ **Expand global brand affiliation to include Hilton, in addition to Hyatt and Marriott**

Completed: 18 April 2023

Portfolio Optimisation And Rebalancing

To build a stronger and more resilient portfolio

- Sale of five Hyatt Place hotels completed in 3Q 2022
- ~US$30m of net proceeds redeployed to acquire Home2 Suites hotel; US$8m utilised to repay revolving debt facility drawn

Evaluation of asset performance based on profitability, cashflow and return metrics

Evaluation of sub-market outlook and factors namely growth, economy and skilled labour availability

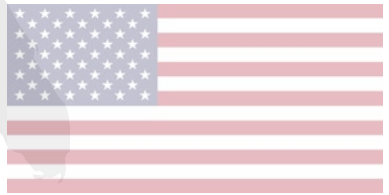
Determine assets for disposition and develop the exit strategy

Enhance balance sheet strength by reducing existing bank borrowings

Redeploy capital towards assets that have greater potential for higher values

LONG-TERM STRATEGY

Own hotels with good cashflow-generating capability in sub-markets with strong underlying market fundamentals



ESG Initiatives for ARA US Hospitality Trust

Move towards sustainable hospitality



Sustainability practices incorporated into asset management

Contribute to the social and environmental well-being of stakeholders over the long term

Developed strong framework to engage, report and review ESG-driven policies

Close collaboration with Brand Partners and Hotel Managers to drive sustainability programs and initiatives

Key Takeaways

1. U.S. travel and hotel markets are continuing countercyclical recoveries amid the uncertain economic outlook
2. Continue to pursue a steady and consecutive improvement in portfolio RevPAR year-on-year; business and group travel growth needed for full recovery
3. ADR strength partly mitigates operating cost increases
4. Proactive capital management to maximise cashflow, distributions and yield to Stapled Securityholders as interest rates stay elevated
5. Focused on building a resilient U.S. hotel portfolio for ARA H-Trust over the long term through portfolio optimisation, growth and asset management strategies


“True hospitality consists of giving the best of yourself to your guests”
Eleanor Roosevelt

Thank You

For enquiries, please contact:

Investor Relations
usht_ir@esr.com

www.araushotels.com



AC Hotel Marriott Raleigh North Hills

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