

Ascott Residence Trust

REITs Symposium 2021 Online Edition

22 May 2021

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Content

- Overview of Ascott Residence Trust
- COVID-19: Situational Update & Our Response
- Outlook & Prospects
- Appendix

Overview of Ascott Residence Trust



A Leading Global Hospitality Trust

Constituent of FTSE EPRA Nareit Global Developed Index



\$7.2b¹

Total Assets

>16,000²

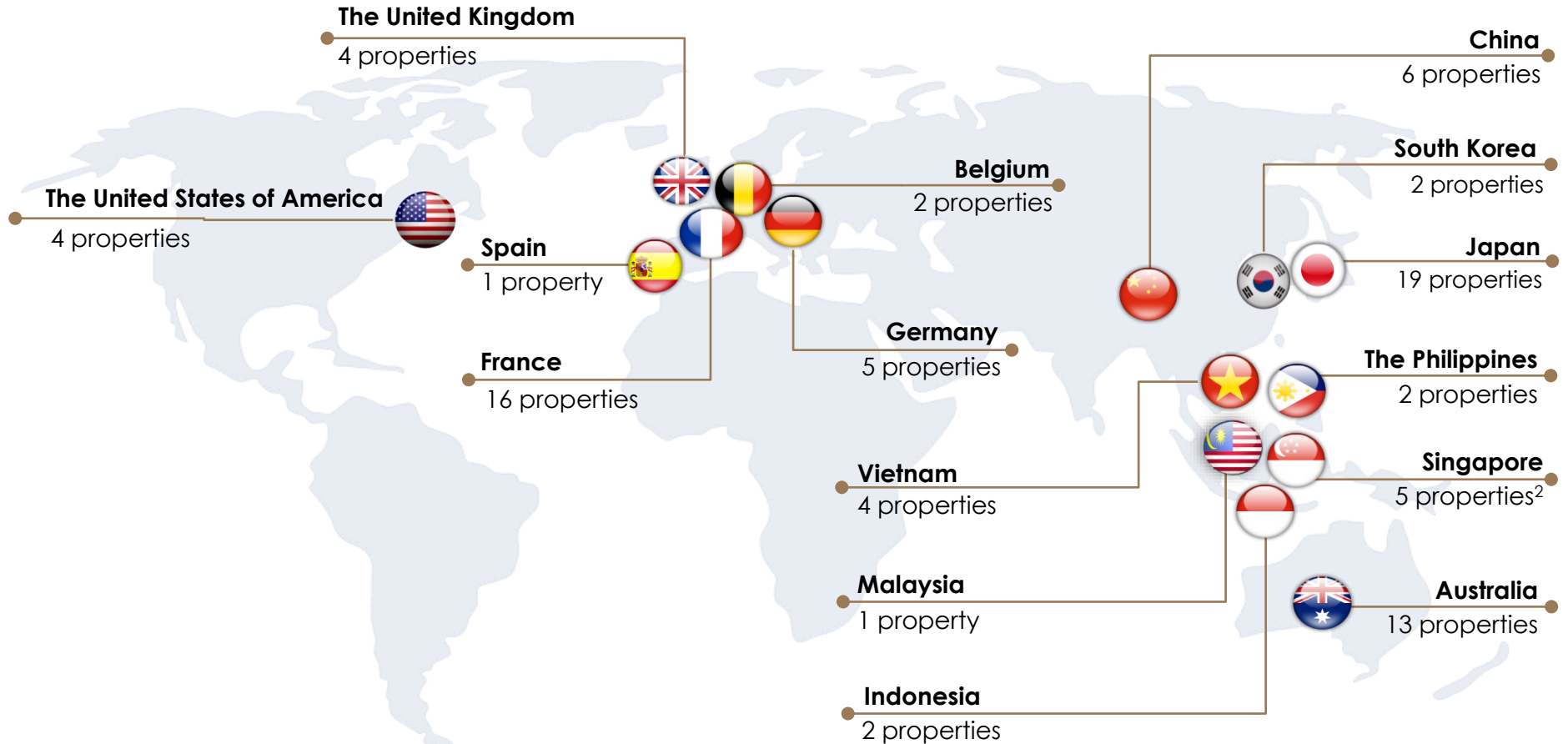
Units

86²

Properties

38

Cities in 15 countries



Notes: Above as at/for period ended 31 March 2021 unless otherwise stated

1. As at 31 December 2020

2. Including 1 of one-north Singapore and Somerset Liang Court Singapore (currently under development)

Strong Sponsor – The Ascott Limited

One of the leading international lodging owner-operators



>120,000

Serviced residence
& hotel units

Includes units under development

c.770
Properties



>190
Cities

>30
Countries

>30 years track record

Strong alignment of interests
c.41% sponsor stake¹ in ART

Award-winning brands
with worldwide recognition



citadines
APART'HOTEL

citadines
CONNECT



QUEST
APARTMENT HOTELS

The Crest Collection

lyf



Notes: Figures updated as at May 2021
1. Held through CapitaLand Group

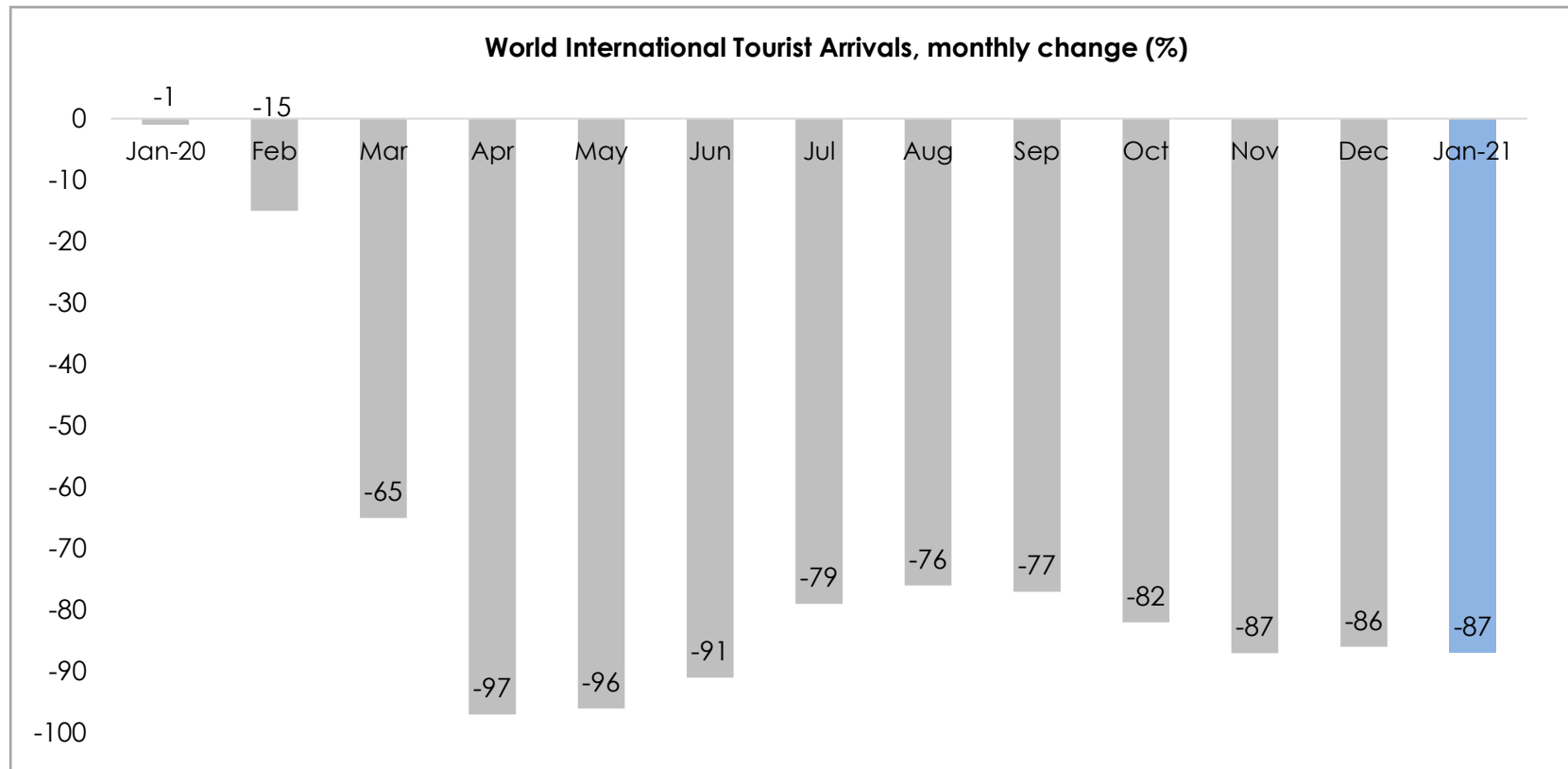
COVID-19: Situational Update & Our Response

Citadines

International Arrivals Impacted by Border Closures

A potential rebound could take place in the second half of 2021

c.85% Expected year-on-year decline in international arrivals in 1Q 2021



Outlook scenario 1

Rebound in international arrivals in July 2021

66%

Year-on-year increase in international arrivals in 2021

Outlook scenario 2

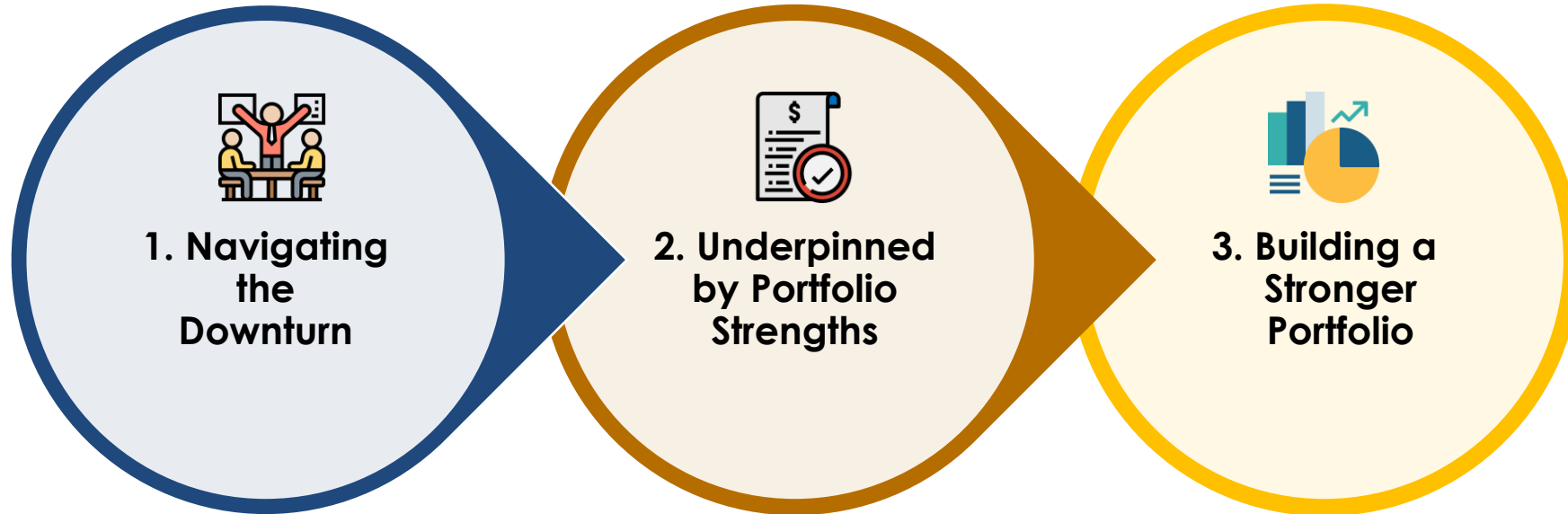
Rebound in international arrivals in September 2021

22%

Year-on-year increase in international arrivals in 2021

Our COVID-19 Response

Seizing opportunities, reinventing to capture the upturn



With its **scale, diversification**, predominantly **long-stay** portfolio and **strong financial capacity & flexibility**, ART is well-placed to **ride the recovery**

1 Navigating the Downturn

Leveraging operational excellence of Sponsor and operators



Caring for guests and employees

Implementing Ascott Cares commitments in partnership with Bureau Veritas



Pursuing alternative sources of business

Providing accommodation to frontline workers and those on self-isolation

Optimising use of space and capturing new market segments



Supporting tenants

Working towards a sustainable recovery

Rental relief and amendments to master leases



Comprehensive cost-containment measures

Deferment of discretionary capital expenditure and pursuing government support to defray costs



Adopting digital solutions

Deployment of service robots, self check-in kiosks and 3D virtual tours to minimise physical contact and provide seamless service

2 Underpinned by Portfolio Strengths

Diversified, predominantly long-stay portfolio & strong financial capacity

Diversified presence, predominantly Asia-centric portfolio



86¹
Properties

38
Cities in 15 Countries

>16,000¹
Units

68%
Asia Pacific

20%
Europe

12%
The Americas

Mix of stable and growth income streams, long-stay properties

32
Master
Leases

4
MCMGI²

48
Management
Contracts

Note: Excludes lyf one-north Singapore and Somerset Liang Court Singapore which are currently under development



56
Serviced
residences

18
Hotels /
Business hotels

11
Rental
housing

1
Student
Accommodation

Strong balance sheet and healthy liquidity position

36.1%

Gearing
(c.S\$1.9 billion debt
headroom³)



c.S\$1.2 bil
Cash on-hand, available
credit facilities and net
divestment proceeds
to be received⁴

Interest cover
2.1X⁵

BBB
(negative outlook)
Fitch Ratings

Notes: Above as at/for period ended 31 March 2021 unless otherwise stated

1. Including lyf one-north Singapore and Somerset Liang Court Singapore (currently under development)

2. MCMGI refers to Management Contracts with Minimum Guaranteed Income

3. Refers to the amount of additional debt before reaching aggregate leverage of 50%

4. Balances as at 31 March 2021; includes committed credit facilities of approximately S\$183 mil and outstanding proceeds from the divestments of Citadines Didot Montparnasse Paris, Citadines City Centre Grenoble and Somerset Xu Hui Shanghai

5. Refers to the 12-month trailing interest cover

3 Building a Stronger Portfolio

Continuous efforts to enhance portfolio and create value

Our Strategy

- Pivoting to **longer-stay lodging asset class** for greater income stability
- Expansion of investment mandate to include **student accommodation**
- **Re-deploying proceeds from divestments into higher-yielding investments**
- **Ongoing development projects** to rejuvenate portfolio

Divesting at premium to book despite COVID-19

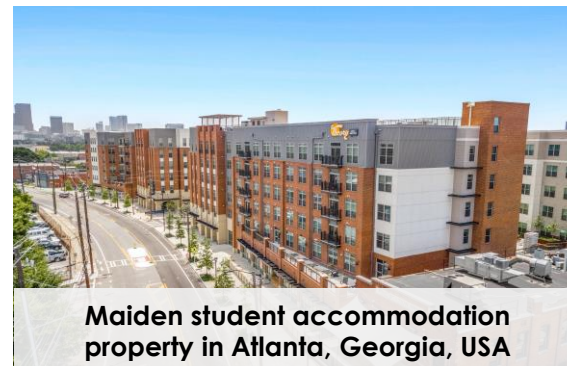
c.S\$570 mil in proceeds¹

c.S\$216 mil in net gains¹

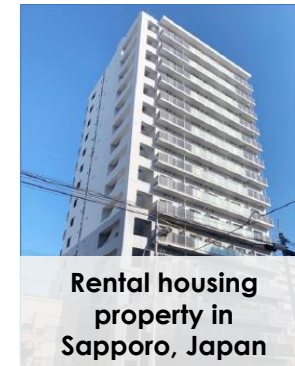
- **Enhancing liquidity and flexibility** to pare down debt, recycle capital into higher-yielding assets and/or rejuvenate portfolio
- **Capacity to share past divestment gains** with Stapled Securityholders – S\$45 million in distribution top-up in FY 2020



Acquiring longer-stay properties at higher yields



Maiden student accommodation property in Atlanta, Georgia, USA



Rental housing property in Sapporo, Japan

Ongoing developments

- lyf one-north Singapore – expected completion 4Q 2021
- Somerset Liang Court Singapore – expected completion 2025

Note:

1. From divestments that are ongoing, completed in FY 2020 and year-to-date 2021

1Q 2021 Highlights

Sequential improvement despite seasonal lull



Gradual improvement in operating performance

- **Portfolio RevPAU¹ increased 10% quarter-on-quarter to S\$55**
- **Strong domestic leisure demand on weekends and holidays; corporate activity picked up gradually in March 2021**
- **Varied pace of recovery across markets; China continues to lead** with 1Q 2021 RevPAU stable year-on-year (y-o-y) on a same-store basis²
- **Countries with long stays**, such as Indonesia, Philippines and Vietnam, were more resilient with **smaller RevPAU declines y-o-y**
- **Distributable income boosted** by termination fee³ of S\$9.8 million and one-off realised exchange gain of S\$5.6 million



Mitigating the impact of COVID-19

- **Stable income sources provided downside protection**
 - ART's master leases, MCMGI and longer-stay properties⁴ contributed over three-quarters of 1Q 2021 gross profit
- **Portfolio continued to generate operating profits and positive cashflow**
 - c.88% of properties operational⁵ – of the 10 temporarily closed properties⁶, 6 were on master leases and continued to receive fixed rent



Supporting tenants and extending lease expiry profile

- **No master leases expiring in 2021**
- **Relief extended to some lessees** and other rental negotiations ongoing

Notes:

1. Portfolio RevPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income (MCMGI), excluding rental housing and student accommodation properties
2. Excluding Ascott Guangzhou which was divested in December 2020
3. For the divestments of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan which were terminated
4. Longer-stay properties refer to rental housing and student accommodation properties
5. Excludes properties under development, includes Citadines City Centre Grenoble which was divested in March 2021 and Paloma West Midtown which was acquired in February 2021
6. Temporarily closed properties as at 31 March 2021 comprise 5 properties in France, 2 in Japan, 1 each in Belgium, Spain and South Korea

Outlook & Prospects



The View Ahead

Gradual pick-up in demand, but near-term outlook challenging



Pace of recovery varied across markets, dependent on easing of restrictions

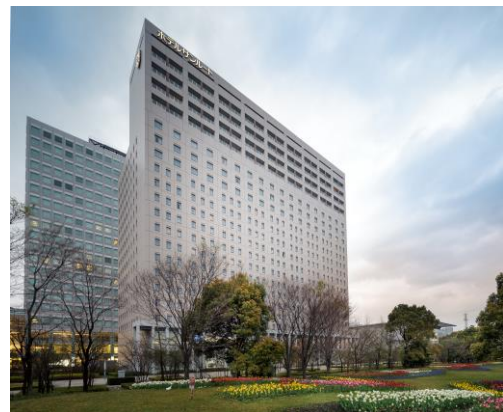
- **Market conditions expected to remain challenging in the near term**, given the resurgence and new variants of the virus, as well as movement restrictions in various countries
- **Stable income sources and long stays** expected to cushion the impact in the interim
- **Working with lessees and operators** towards a sustainable recovery
- **Vaccinations and reopening of borders to spur travel revival**



Strengthening and future-proofing the portfolio

- **Expanding investment mandate and redeploying divestment proceeds into longer-stay lodging asset class for stable income**
- **Leveraging operational expertise of Sponsor and operators** – proactively sourcing for alternative business, preparing for the upturn with future-ready offerings
- **Cost containment measures and digital acceleration**
- **Strong financial position and disciplined capital management**

With its **scale, diversification**, predominantly **long-stay** portfolio and **strong financial capacity & flexibility**, ART is well-positioned to **capture the upturn**



Thank you



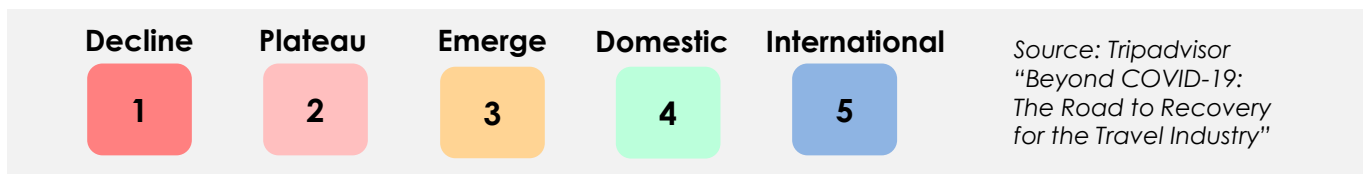
Appendix



Varied Pace of Recovery Across Markets

Large domestic markets leading recovery before international travel reopens

Based on Tripadvisor's 5 stages to recovery



Australia

4

- **Sequential quarter-on-quarter (q-o-q) recovery; block bookings** supported occupancies in 1Q 2021
- **Demand for domestic travel picked up since March**, supported by large local market and vaccine rollout
- **Gradual recovery in corporate and MICE activity**
- Rental waiver provided to support master lessees

China

4

- **COVID-19 situation generally under control**
- **Seasonal lull for corporate travel and localised lockdowns** affected 1Q 2021 performance
- **Demand for corporate long stays ramped up** since March 2021 as business and industrial activities picked up pace
- **Outlook positive** as quarantine requirements ease and vaccinations are underway

France

3

to

4

- **Demand for accommodation muted** in 1Q 2021 due to movement restrictions
- 5 of 17 ART France properties remained closed but continued to receive **fixed rent under master lease arrangement**
- **Long stays and group bookings** supported occupancies, while higher leisure demand provided an uplift during the February winter holiday

Japan

3

to

4

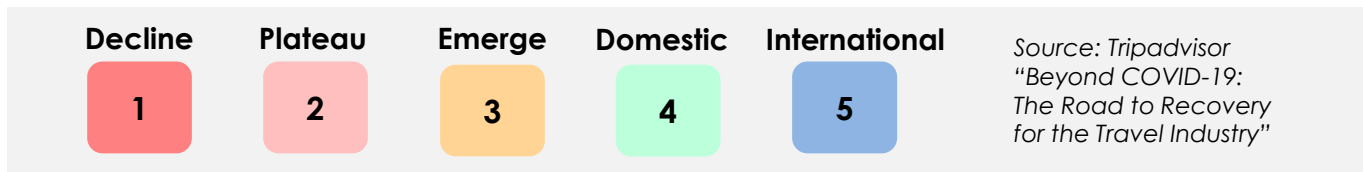
- **Non-essential travel discouraged during state of emergency** for Tokyo and Osaka region
- **Fixed rent from master leases** and resilient contribution from **rental housing** mitigated softer performance of other properties
- **Spikes in leisure demand** during autumn foliage season and Japan's Golden Week

Note: The classification of each market's stage of recovery is ART's own assessment and does not represent the views of Tripadvisor

Varied Pace of Recovery Across Markets

Large domestic markets leading recovery before international travel reopens

Based on Tripadvisor's 5 stages to recovery



Singapore 3 to 4

- **Occupancies remain elevated** as properties are block booked by government and serve corporate long stays
- Letter of demand issued to master lessee of Park Hotel Clarke Quay to recover rent due; security deposits held in cash and negotiations ongoing
- **Currently under tightened measures until mid-June** to control rising community cases

United Kingdom 3 to 4

- Limited demand due to lockdown restrictions in 1Q 2021 **mitigated by long stays** from student groups and corporates, as well as essential business travel
- **Easing of restrictions** in April led to **spike in leisure demand** on weekends
- **Positive trend expected to continue**

United States 4

- **Sequential q-o-q recovery** as economy reopens and leisure demand gradually picks up
- **Block booking** at Sheraton Tribeca New York through 2Q 2021
- **Renovation of Hotel Central Times Square** underway
- **First contribution from student accommodation property** acquired in February

Vietnam 4

- **Largely stable performance** with COVID-19 situation generally under control
- **Long stays, corporate guests and project groups** formed a resilient occupancy base
- **Gradual increase in domestic corporate demand and business travel** between Hanoi and Ho Chi Minh City

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