



Ascott Residence Trust

Annual General Meeting

19 April 2021

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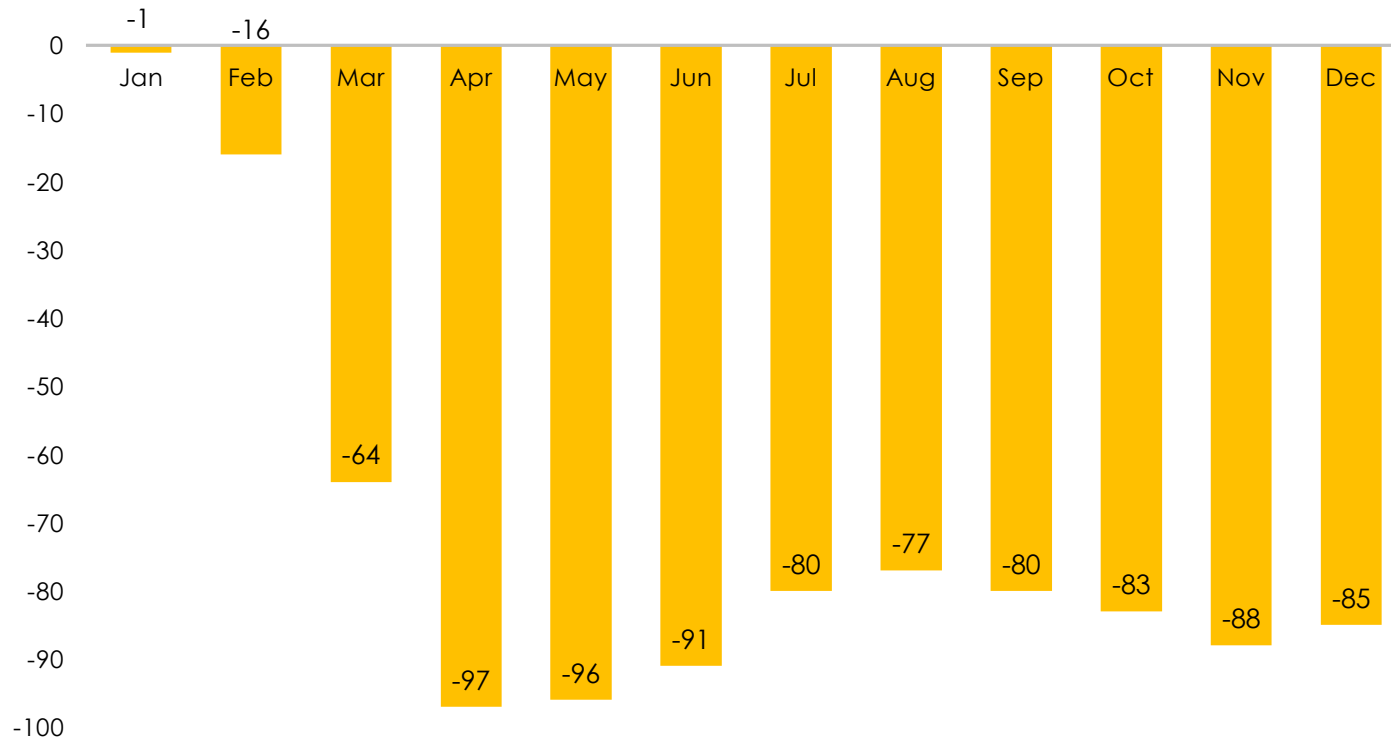
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2020 – A Year Like No Other

Unprecedented challenges to the travel and hospitality sectors as international visitor arrivals fell to 1990 levels

World International Tourist Arrivals, monthly change (%)



74%

Decline in international arrivals

US\$1.3 trillion

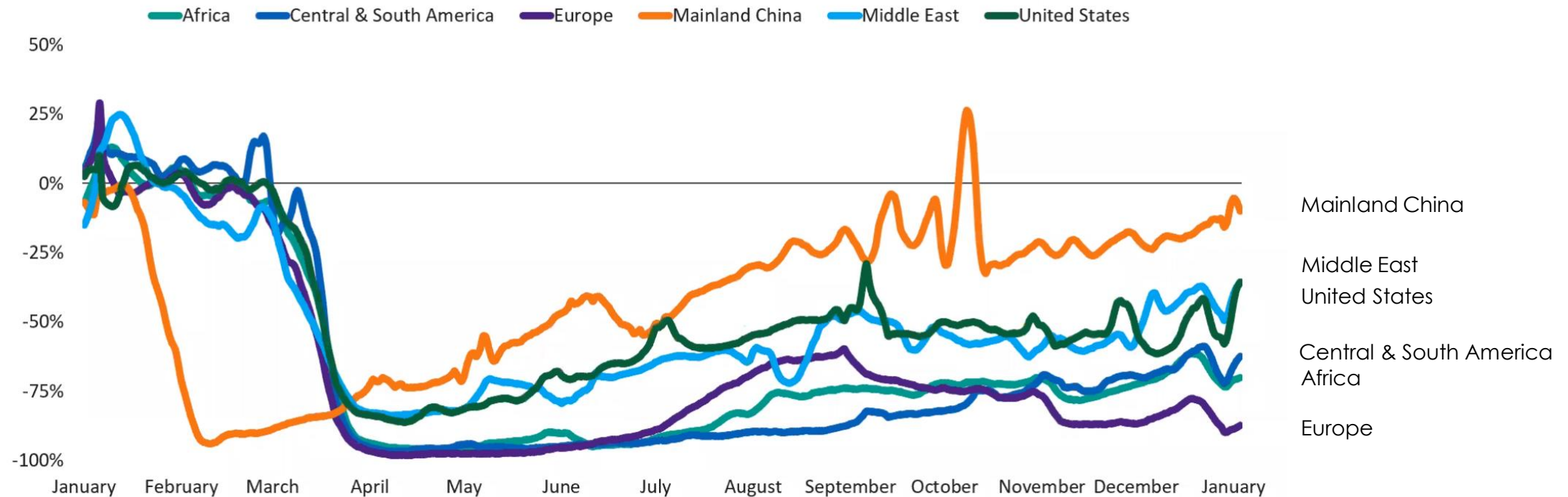
Losses in international tourism receipts

Source:
UNWTO, "UNWTO World Tourism Barometer", 28 January 2021

Varied Pace of Recovery Across Regions

Global RevPAR tumbled in 2Q before recovering gradually from 3Q

Statistics from STR – Total room inventory RevPAR (%)





Because Tenacity Outlasts Adversity

We believe that tough times do not last, but solid fundamentals do.

Our diversified portfolio, leadership in the long stay lodging asset class and strong financial position enable us to endure challenges and forge ahead with resolve.

FY 2020 Key Highlights

FY 2020
Distributable
Income

S\$94.2 mil

▼ 43% y-o-y

FY 2020
Distribution per
Stapled Security (DPS)

3.03 cents

▼ 60% y-o-y

Sharing past divestment gains with Stapled Securityholders

S\$45 mil in distribution top-up

to mitigate the impact of COVID-19



Enhancing the portfolio

Acquisition of Quest Macquarie Park Sydney

Ongoing development of lyf one-north Singapore
and Somerset Liang Court Singapore



Unlocking value through portfolio reconstitution c.S\$570 mil in proceeds

Completed and ongoing divestments:

- Somerset Liang Court Singapore
- Somerset Azabu East Tokyo
- Ascott Guangzhou
- Citadines Didot Montparnasse Paris
- Citadines City Centre Grenoble
- Somerset Xu Hui Shanghai



Index inclusion

FTSE EPRA Nareit Global Developed Index

Leveraging Strengths in Challenging Times

Resilience from diversification and predominantly long-stay portfolio



Geographically diversified,
largely **freehold** portfolio

S\$7.2b

Total Assets

63%¹

Freehold

>16,000²

Units

86² properties in **15** countries



Predominantly
long-stay product type
and **guest profile**

57²

Serviced
residences

18

Hotels /
Business hotels

11

Rental
housing

3 months³

Average length of stay



Two-thirds of gross
profit from **stable**
income sources

67%

Stable Income

:

33%

Growth Income

- 35 Master leases
- 4 Management contracts with minimum guaranteed income (MCMGI)
- 46 Management contracts

Note: Excludes Iyf one-north Singapore which is under development

Notes: Figures above as at/for the year ended 31 December 2020 unless otherwise stated

1. Based on property values
2. Including properties under development (Iyf one-north Singapore and Somerset Liang Court Singapore)
3. Excludes properties on master leases and properties under development

Weathering the Downturn

Portfolio continued to generate operating profits and positive cashflow

Asia Pacific 54 properties

69%
of total assets

- **Master leases** in Japan, Singapore and South Korea provided some downside protection
- **Long stays** in China, Malaysia, Philippines and Vietnam cushioned occupancies
- **Block bookings** mitigated lack of transient travel in Australia, Singapore and Vietnam
- **China ahead** of the recovery curve

Europe 29 properties

20%
of total assets

- Impacted by **high COVID-19 caseloads, lockdowns and temporary closure** of ART properties in 2020
- **Master leases** in France and Germany and **MCMGI** in UK, Belgium and Spain provided some downside protection
- **Pursued long stays** and **residential leases**
- **Large domestic markets** expected to lead the recovery, supported by **pent-up demand**

The United States of America 3 properties

11%
of total assets

- **New York City's** hospitality industry **particularly hard-hit**
- **Frontline and essential workers** replaced business travellers and tourists as the primary guests of ART's properties
- Secondary markets with **less urban density and more drive-to** availability expected to recover faster

Portfolio RevPAU fell 61% y-o-y in FY 2020 to S\$59¹
Sequential improvement in RevPAU since 2Q 2020

Notes: Above as at/for period ended 31 December 2020 unless otherwise stated

1. Portfolio RevPAU refers to the revenue per available unit of properties under management contracts and management contracts with minimum guaranteed income

Strong Financial Capacity & Healthy Liquidity Position

Sufficient liquidity to cover three years' fixed costs under a worst-case, zero-income scenario



Strong capital management

\$S1.15

NAV per Unit

c.\$S4.0 mil

Lower interest on perpetual securities

51%

Total assets in foreign currency hedged

2.6% (gain)

Impact of foreign exchange after hedges on gross profit for FY 2020



Robust financing flexibility

36.3%

Gearing (c. \$S1.9 bil debt headroom¹)

Interest cover

2.2X²

1.8%

per annum

Low effective borrowing cost

70%

of property value unencumbered

BBB (Negative Outlook)

Fitch Ratings



Fortifying liquidity reserves

c.\$S1.05 bil

Total available funds

=

c.\$S490 mil

Cash on-hand

+

c.\$S560 mil

Available credit facilities and net divestment proceeds to be received³

Notes:

Above as at/for period ended 31 December 2020.

1. Refers to the amount of additional debt before reaching aggregate leverage of 50%
2. Refers to the 12-month trailing interest cover
3. Balances as at 31 December 2020; includes committed credit facilities amounting to approximately \$S115 mil and outstanding proceeds from the ongoing divestments of Citadines Didot Montparnasse Paris and Citadines City Centre Grenoble

Commitment to Sustainability & Corporate Governance



Environment



15 new green certifications

Maiden green loan

for the development of lyf one-north Singapore, which has obtained BCA Green Mark Gold^{PLUS}



Educating our guests to go green

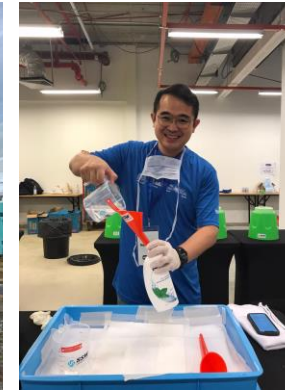
Governance

Ranked 3rd

in Singapore Governance and Transparency Index for three consecutive years



Social



- Providing a home away from home for healthcare workers, returning nationals, migrant workers and other affected communities
- Distributing meals to the elderly and vulnerable groups
- Distributing hand sanitisers to local community
- Packing school bags and schooling essentials for children from low-income families

Supporting the fight against COVID-19



Because Adaptability Propels Innovation

Now more than ever, businesses have to swiftly navigate the winds of change and pursue innovation ways to stay ahead of the curve.

Leveraging the expertise of our Sponsor and partners enables us to pivot by capturing alternative sources of demand and developing new uses of space to create value in the new normal.

Our COVID-19 Response

Prioritising health and safety, streamlining operations and leveraging technology to be future-ready

1

Caring for our guests and employees



- **Commitment to hygiene and safety**

Implementing Ascott Cares' 9 commitments in partnership with Bureau Veritas, delivering a consistent and uniformed solution to properties globally



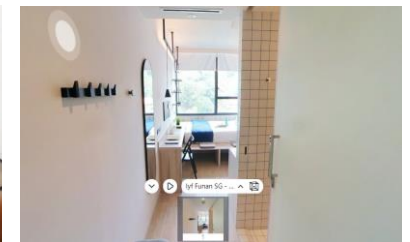
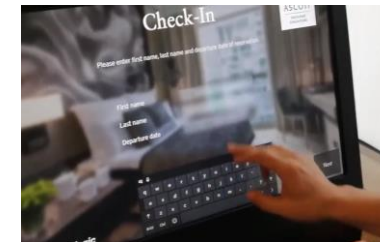
- **Protecting and appreciating our frontline property staff**

2

Comprehensive cost-containment measures and deferment of discretionary capital expenditure

3

Adopting digital solutions



- **Deployment of service robots, self check-in kiosks and 3D virtual tours** to minimise physical contact and provide seamless service amid COVID-19

Our COVID-19 Response

Pivoting to new market segments and developing new uses of space

4

Pursuing alternative sources of business



Picture source: Serviced Apartment News

- **Providing accommodation** to those on self-isolation, healthcare personnel, workers looking for alternate work-from-home arrangements as well as those affected by border shutdowns

5

Enhancing and reconfiguring product offerings



- **Optimising use of space and capitalising properties' adaptability and central locations**
- **Work-in-Residence initiative** – apartments in about 40 ART properties were reconfigured into alternative locations for professionals and students to work-from-home or study
- **Space-as-a-Service initiative** – conversion of apartments into yoga, fitness and even live-streaming studios

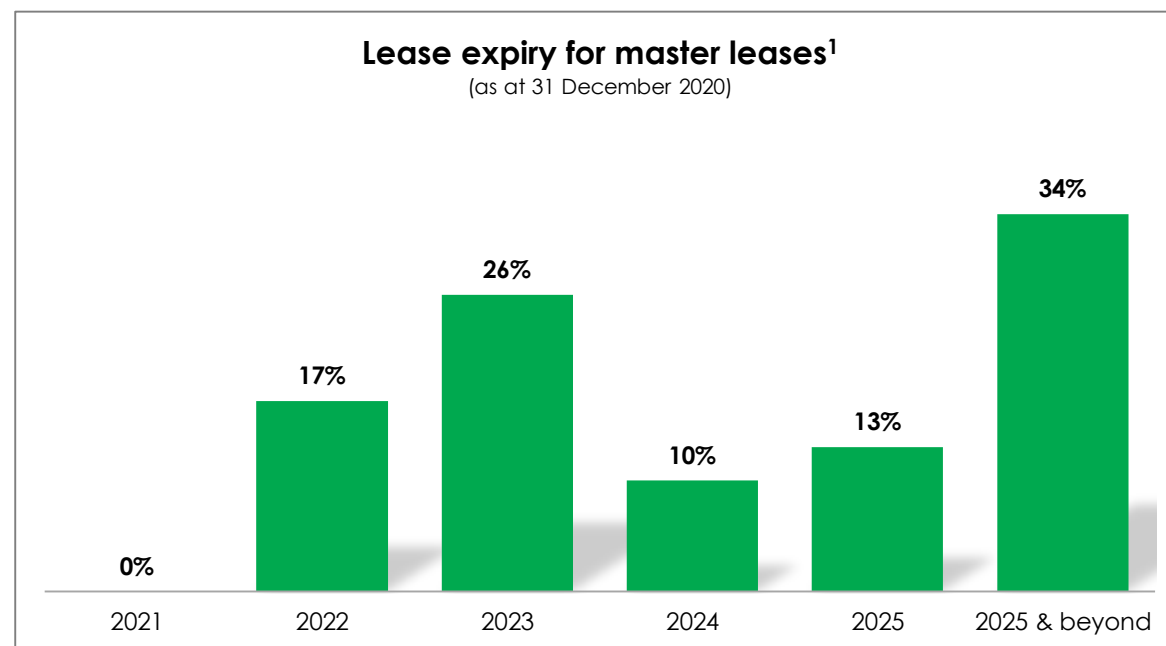
Our COVID-19 Response

Working with lessees and operators towards a sustainable recovery

6

Tenant support and extending lease expiry profile

- **Rental relief extended to some lessees**
 - Rent waivers granted in compliance with local regulations
 - Rent abatement granted to lessee during France lockdown periods
- **Master lease amendment agreements** were entered into to revise the rent structure and/or extend the term of the master lease agreements in France expiring in 2020 and 2021 by 2 to 3 years
- **3 MCMGI in the UK, upon their expiry, were converted to management contracts** from May 2020 for a year



No master leases due in 2021 as at 31 December 2020

Note:

1. Percentage of gross rental income for master leases expiring during the respective periods over the total gross rental income for all master leases; excludes WBF Hotel Kitasemba East and WBF Hotel Kitasemba West which will be converted to management contracts in 2021



Because No Winter Lasts Forever

While the pandemic has caused paradigm shifts in the way we live, work and play, we remain steadfast in our belief that travel will return.

We are committed to creating sustainable value for our stakeholders, seizing opportunities to enhance and reconstitute the portfolio sowing the seeds for when spring comes.

Investment & Portfolio Reconstitution Strategy

Virtuous cycle to enhance yield for Stapled Securityholders

Investments in
longer-stay
asset classes



Divestments
at premium to
book value



**Development
projects**



- Recycling capital into higher-yielding investments with a focus on increasing proportion of stable income
- Expansion of investment strategy to include student accommodation

Expanding Presence in Sydney's Business District

Adding stable income contribution for resilience

- Freehold 111-unit serviced residence acquired in February 2020
- Agreed property value of **A\$46.0 million**
- **Master lease (stable income)** – annual rent indexed at 4% increase each year
- **EBITDA yield of mid 5%**



Strategically located within Macquarie Park Business Centre, Sydney's second largest business district and home to telecommunications, technology, pharmaceutical and electronics industries



Near Macquarie Park Train Station, which connects to Sydney's Central Business District



5-minute drive to Macquarie University, Macquarie University Hospital and Macquarie Centre

Quest Macquarie Park Sydney



First Foray into Student Accommodation

Pivoting towards longer-stay accommodation for income stability

- Freehold property with 183 units and 525 beds in Atlanta, Georgia, USA acquired in February 2021
- Agreed property value of **USD\$95.0 million**
- 5 to 15-minute walk to Georgia Institute of Technology (Georgia Tech)
- **Long average length of stay of c.1 year** and **c.95% occupancy rate**
- **EBITDA yield of 5%** and expected **DPS accretion of 4.4%**¹



Enhancing returns to Stapled Securityholders, replacing lost income from recent divestments and reinvesting at higher yield



Strong property fundamentals coupled with robust pre-leasing momentum, supported by steady enrolment growth at Georgia Tech



Pivoting towards longer stay accommodation for income stability



Enhancing diversification given countercyclical nature of asset class, adding a new platform for growth

Signature West Midtown



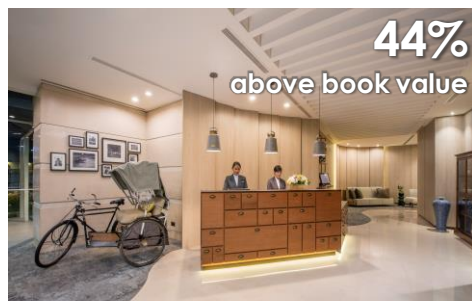
Note:

1. The pro forma DPS is calculated based on the unaudited consolidated financial statements of ART for FY 2020 and 3,108,047,703 Stapled Securities in issue as at 31 December 2020 and on the following assumptions: (i) ART had completed the Acquisition on 1 January 2020 and (ii) the acquisition is funded based on a funding structure of 40% debt and 60% divestment proceeds.

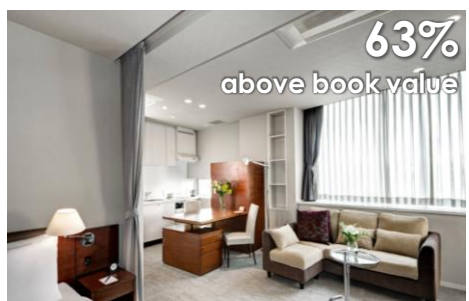
Divesting at Premium to Book Despite COVID-19

Divesting properties that have reached their optimal stage of life cycle

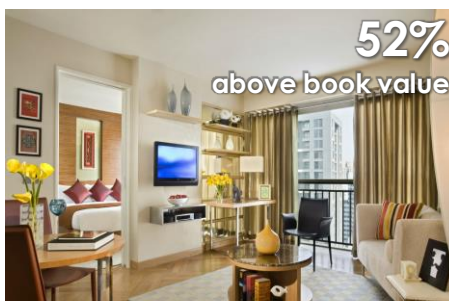
Completed in 2020



Somerset Liang Court Singapore



Somerset Azabu East Tokyo



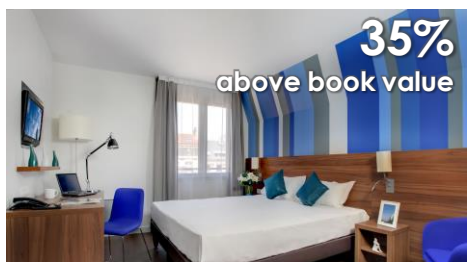
Ascott Guangzhou

c. S\$570 mil in proceeds
from completed and ongoing divestments

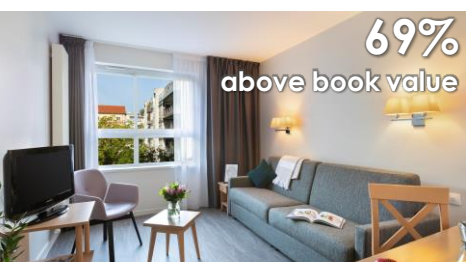
Enhancing liquidity and flexibility to

- Pare down debt;
- Rejuvenate portfolio; and/or
- Recycle capital into higher-yielding assets

Recently completed / ongoing divestments



Citadines City Centre Grenoble
Completed in March 2021



Citadines Didot Montparnasse Paris
Target to complete in 1H 2021



Somerset Xu Hui Shanghai
Target to complete in 1H 2021

c. S\$216 mil in net gains
from completed and ongoing divestments

- Capacity to supplement distributions to Stapled Securityholders, if necessary
- S\$45 million in past divestment gains distributed in FY 2020

Rejuvenating the Portfolio with New Developments

New product offerings to cater to the new normal

Redevelopment of Somerset Liang Court Singapore



- 192-unit Somerset serviced residence with hotel licence in the popular riverfront lifestyle and entertainment Clarke Quay precinct
- Sale of partial GFA **completed on 15 July 2020** and **S\$163.3 mil of cash proceeds collected**
- **Demolition works underway and construction expected to commence in 3Q 2021**
- Development expected to **complete in 2025**

Development of lyf one-north Singapore



- 324-unit coliving property located in the **vibrant research and business hub** of one-north, Singapore
- Development update:
 - Main structural and façade works completed in 1Q 2021
 - External works, internal architectural and mechanical & engineering works in progress
- Expected to **complete in 4Q 2021**



**BECAUSE
TOMORROW
MATTERS**

*When we emerge from
the other side, we are
well placed for
continued growth, for
we are future ready*

Are Vaccinations the New Passport?

More countries reopening for travel; vaccinations a confidence-booster

International Air Transport Association (IATA) expects personal and leisure travel to return from second half of 2021



France relaxes border restrictions for travellers from 7 countries¹



Bilateral travel corridors with Singapore may happen in the second half of 2021²



China, Europe, Japan and South Korea have announced the launch of vaccine passports³



IATA has seen an increasing number of airlines signing up for its IATA Travel Pass⁴

Vaccinations have the potential to be a game-changer for traveller confidence

Based on a Tripadvisor survey⁵ of travellers from six major markets...

86%

of travellers more likely to travel domestically if they receive the vaccine

77%

of travellers more likely to travel internationally if they receive the vaccine

74%

of travellers plan to take at least one overnight domestic leisure trip in 2021

Sources:

1. Today Online, "France eases travel rules for seven countries, including Singapore: French foreign ministry", March 2021
2. The Straits Times, "Travel corridors for vaccinated passengers could open in 2nd half of 2021: Ong Ye Kung", March 2021
3. Nikkei Asia, "Japan to join EU and China in issuing digital vaccine passport", March 2021
4. CNBC, "Covid vaccine passports are being considered. And health experts and rights groups are deeply concerned", February 2021
5. Tripadvisor, "2021 - The year of the travel rebound?", January 2021

Well-positioned for Recovery

Underpinned by strong fundamentals, poised to capture pent-up demand

UNWTO expects a rebound in international arrivals by 2H 2021
Recovery to 2019 levels could take 2.5 - 4 years¹



Uneven recovery across markets, dependent on easing of restrictions

Stable income sources and long stays to continue offering resilience



Acceleration of vaccinations and reopening of borders

Countries with large domestic markets poised to recover first, fuelled by local leisure demand



Strengthening and future-proofing the portfolio

Reinvesting divestment proceeds into longer-stay assets at higher yields, supported by a strong financial position

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 **extended-stay** portfolio and **strong financial capacity & flexibility**, ART is well-positioned to **capture the upturn**

on a rewarding journey with



asr *ascott
★ star
rewards*

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membership today.



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Thank you



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