



ANNUAL GENERAL MEETING

24 JUNE 2020



AGENDA

1. Overview of ARA H-Trust
2. Looking back on 2019
3. Recap on 1Q 2020
4. Navigating through COVID-19
5. Q&A



ARA H-Trust's Portfolio At a Glance



Branded upscale select-service hotel portfolio in the U.S.

41
hotels

5,340
rooms

22 states

5
hotel
brands

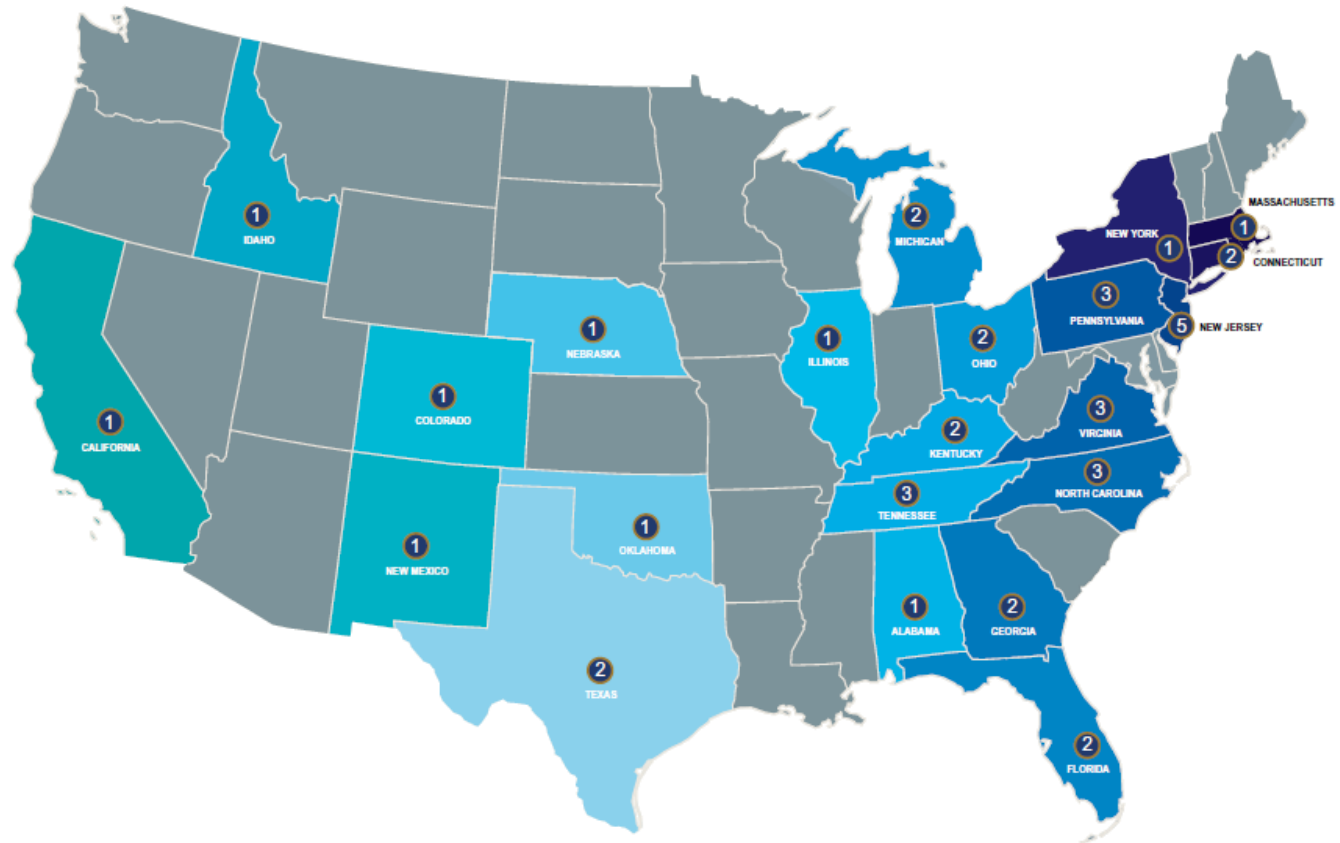
COURTYARD
BY MARRIOTT

Residence INN
BY MARRIOTT

AC
HOTELS
MARRIOTT

HYATT
house

HYATT
PLACE



Defensive Nature of ARA H-Trust's Portfolio



Well-poised for further growth in the long term



Courtyard by Marriott San Antonio Six Flags at the Rim



Broad geographic diversification

Hotels are located in regional economic centers across 22 states which provides for balance and mitigates concentration risk



Rooms-focused strategy

Efficient operating model focused on room rentals — the most profitable department in hotel operations



Higher profit margins

Upscale, premium branded select-service hotels provide higher profit margins and lower operations and maintenance costs



Strong growth potential

Upscale select-service hotels are one of the fastest growing segments due to traveler preferences



Focused Sector Advantage

First pure-play U.S. hospitality portfolio listed on the SGX-ST with a focus on premium, upscale select-service hotels



Defensive Nature of the Portfolio

Portfolio of high quality, predominantly freehold, upscale select-service hotels which achieve better operating margins and feature a more flexible cost structure



Premium hotel brands managed by highly experienced hotel operators

Hotels are branded under the two largest global hotel brands, Marriott and Hyatt, and managed by established hotel operators, Aimbridge and Concord



Committed and reputable Sponsor and experienced management team

ARA Group is a leading APAC real assets fund manager with global reach with vast experience in REIT and private funds management. The managers of ARA H-Trust are staffed by experienced hospitality specialists based in the U.S.

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Key Milestones

FY 2019

MAY 2019



Listed on Mainboard
SGX-ST on 9 May 2019

SEPT 2019

**GPR / APREA
INDEX**

Included in the GPR/APREA
Composite Index and
GPR/APREA Composite
REIT Index on 23
September 2019

OCT 2019



Moved into new office in
Dallas, Texas helmed by
CEO, Mr. Lee Jin Yong

NOV 2019



Announced proposed
acquisition of portfolio of 3
U.S. premium Marriott-
branded upscale select-
service hotels

Proactive Implementation of Key Initiatives

Hands-on approach by team on the ground

Revenue Management

- **Optimal pricing strategies**
 - Channel management
 - Rational and dynamic pricing
- **Team upgrade**
 - Hyatt & Marriott-trained
 - Geographical alignment
 - Improved focus
- **Inventory management**
- **Incentive programs**



Sales Deployment

- **Sales team upgrade**
- **Emphasis on group sales & local volume accounts**
- **Collaboration with revenue management**
- **Digital marketing**
- **Brand initiatives and tools**

Asset Enhancement

- **Guest appeal initiatives**
 - TV upgrades with streaming platform
 - Internet upgrades
 - Optimal bedding mix
- **Energy efficiency initiatives**
 - Energy saving thermostats
 - LED lightning

Cost Management

- **Labor efficiency focus**
- **OTAs commissions audit**
- **Utility expense reviews**
- **Property tax appeals**
- **Property insurance review**
- **Hotel shuttle van assessment**
- **Property insurance policy change**

Key Performance Indicators

FY 2019



Gross Revenue

US\$115.0 mil



RPI¹

106.3%



Gross Operating Profit

US\$43.1 mil



GOP Margin

37.5%



Net Property Income

US\$32.6 mil



NPI Margin

28.4%



Distribution per Stapled Security

4.21 U.S cents



Annualized Yield²

7.4%

¹ RevPAR Index

² Based on IPO price of US\$0.88 for the period of 9 May (Listing Date) to 31 December 2019 (FY2019)

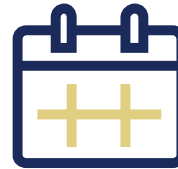
Prudent Capital Management

As of 31 Dec 2019



Gearing

32.1%



Weighted Average Debt Maturity

4.4 years



Average Cost of Debt

3.9%



NAV per Stapled Security

US\$0.87



Fixed Rate Debt

83.0%



Debt Headroom¹

US\$175.0 mil



Interest Coverage Ratio

4.5 x

¹ Based on 45% limit

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Marriott Portfolio Acquired in Jan 2020



Purchase consideration of US\$84 mil equated to a 8% NPI yield



Hotel Name AC Hotel Raleigh North Hills


Location 101 Park at North Hills Street
Raleigh, North Carolina

Segment Upscale Select-service

Land Title Freehold

No. of Rooms 135 rooms

Date Opened 2017



Hotel Name Courtyard San Antonio
Six Flags® at The Rim


Location 5731 Rim Pass,
San Antonio, Texas

Segment Upscale Select-service

Land Title Freehold

No. of Rooms 124 rooms

Date Opened 2009¹



Hotel Name Residence Inn San Antonio
Six Flags® at The Rim

Location 5707 Rim Pass,
San Antonio, Texas

Segment Upscale Extended-stay

Land Title Freehold

No. of Rooms 131 rooms

Date Opened 2009¹

¹ Both properties went through full softgoods renovation in 2017

Portfolio Performance



1Q 2020

| Hotel Brand | Occupancy | RevPAR | RPI ¹ | GOP Margin |
|--------------------------------------|--------------|---------------|------------------|--------------|
| Hyatt Portfolio (38 hotels) | 54.1% | US\$61 | 100.5% | 23.5% |
| Hyatt Place | 52.8% | US\$56 | 96.7% | 21.6% |
| Hyatt House | 57.2% | US\$71 | 110.1% | 27.7% |
| Marriott Portfolio (3 hotels) | 65.2% | US\$97 | 129.4% | 42.6% |
| AC Hotels | 64.0% | US\$119 | 128.7% | 45.4% |
| Courtyard by Marriott | 66.3% | US\$87 | 149.4% | 39.2% |
| Residence Inn | 65.3% | US\$83 | 129.9% | 40.8% |
| ARA H-Trust Portfolio | 54.8% | US\$63 | 102.1% | 25.5% |

¹ RevPAR Index

Key Performance Indicators

1Q 2020



Gross Revenue

US\$31.7 mil



RPI¹

102.1%



Gross Operating Profit

US\$8.1 mil



GOP Margin

25.5%



Net Property Income

US\$3.6 mil



NPI Margin

11.4%

¹ RevPAR Index

² Based on IPO price of US\$0.88 for the period of 9 May (Listing Date) to 31 December 2019 (FY2019)

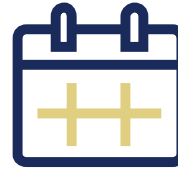
Prudent Capital Management

As of 31 Mar 2020



Gearing

41.0%



Weighted Average Debt Maturity

3.8 years



Average Cost of Debt

3.8%



NAV per Stapled Security

US\$0.80



Fixed Rate Debt

80.5%



Debt Headroom¹

US\$145.7 mil



Interest Coverage Ratio

3.4 x

¹ Based on 50% limit

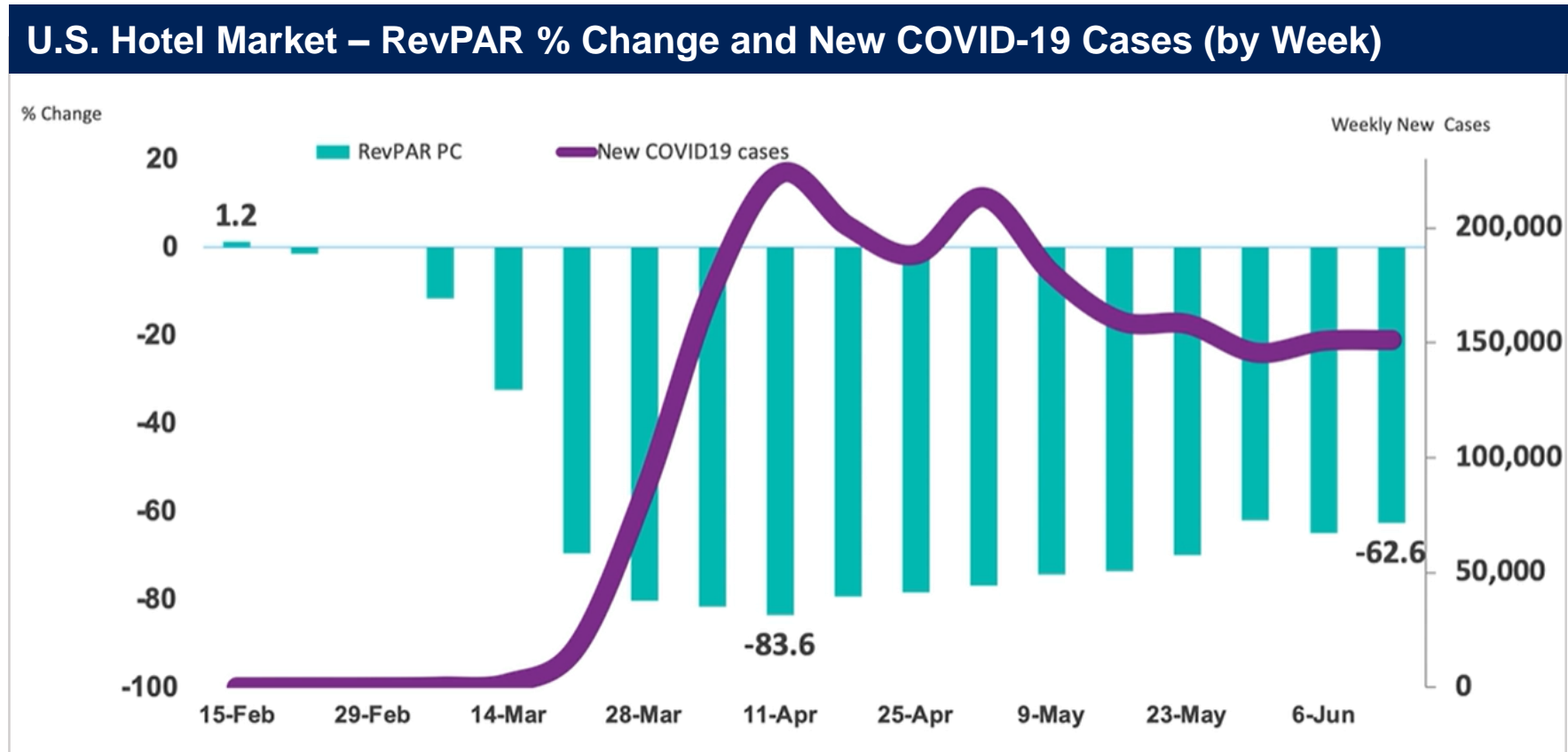
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Impact of COVID-19 on U.S. Hotel RevPAR

Unprecedented decline in industry performance with signs of gradual recovery



Swift Implementation of COVID-19 Action Plans

Protecting and preserving the portfolio's performance



Identification of All Sales Opportunities

- Active targeting of alternative demand sources
- Monitoring of key market conditions for sales opportunities
- Rebooking of cancellations into 3Q and 4Q 2020
- Optimizing all distribution channels

Comprehensive Cost Reductions

- Reduction of workforce, working hours and salaries of senior managers
- Elimination of contract labor
- Minimal services and amenities
- Extension of accounts payable
- Review of all contracts
- Payment deferment and waivers

Temporary Suspension of Operations

- Monitored hotel performance to determine consolidation/ suspension of operations
- Developed recovery analysis tool to monitor key indicators to establish hotel re-opening dates
- Established procedures for quick turnkey re-opening

Preserving Liquidity

- Preservation and augmentation of liquidity and cash position with drawdown of revolving credit facility as precautionary measure
- Obtained FF&E reserve funding holiday from Franchisors
- Constant engagement with Singapore-based relationship banks

Updates from COVID-19 Action Plans

Protecting and preserving the portfolio's performance



Identification of all sales opportunities

Update Secured essential travelers and first responders; lately leisure transient



Comprehensive cost reductions

Update Significant labor reductions and scrutiny of all operating costs



Temporary suspension of operations

Update All temporarily-closed hotels expected to fully re-open by Jul 2020



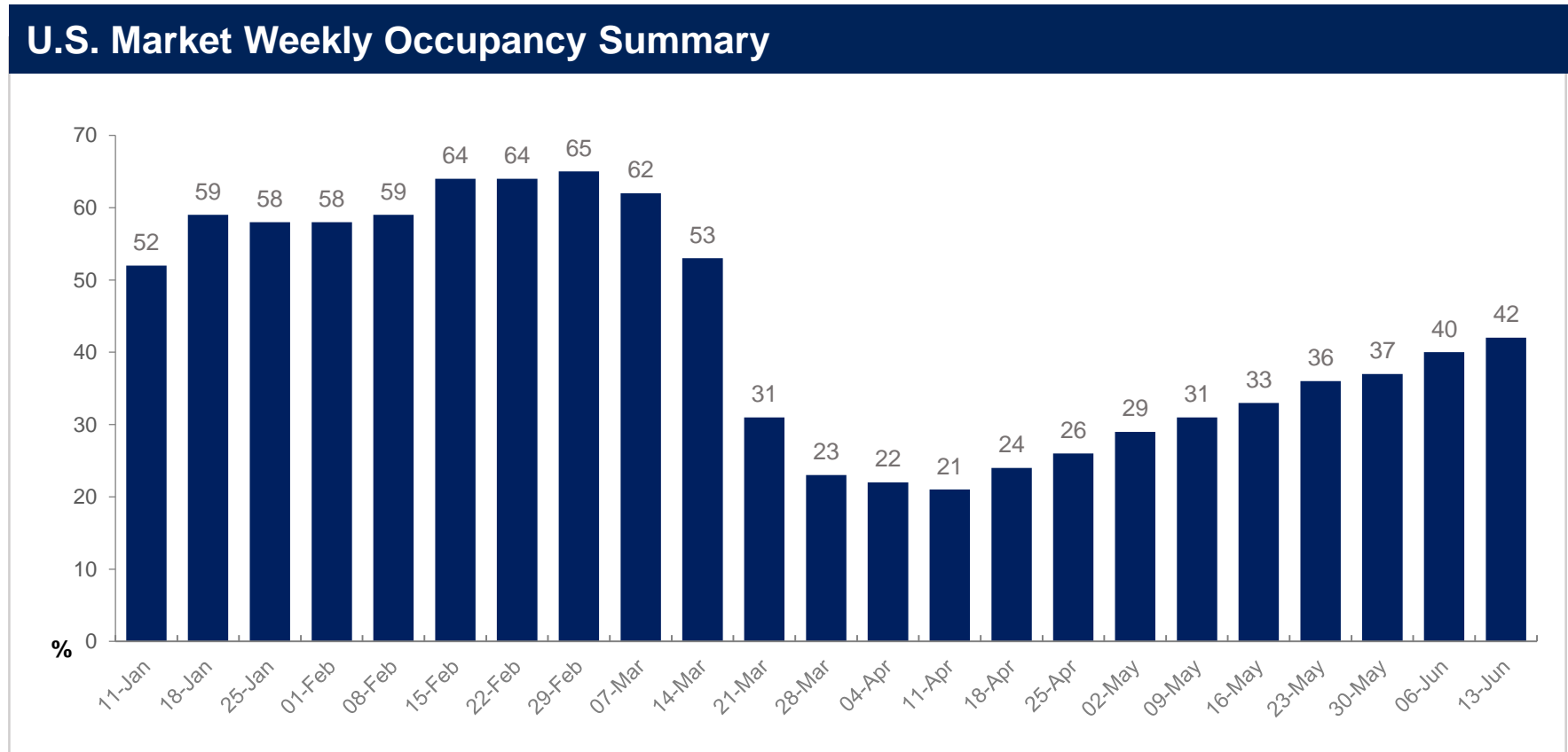
Preserving Liquidity

Update 12-month covenants waiver obtained from SG-based relationship banks

Gradual Recovery in Lodging Demand



Occupancy rate on uptick with gradual re-opening of states



Implementing Stay Safe Initiative



Focus on enhanced hotel cleaning best practices and protocols



Hyatt Cleanliness Certification process by the Global Biorisk Advisory Council (GBAC) will focus on establishing hotel environments that are sanitary, safe and healthy



Marriott established a Global Cleanliness Council to focus on developing the next level of hospitality cleanliness standards, norms and behaviors that will minimize risk and enhance safety for consumers and associates



Surface Areas – electrostatic sprayers, hospital-grade disinfectants
Guest Contact – social distancing protocols, masks/gloves, sanitizer stations
Food Safety – handling and sanitization, preparation and service practices

COVID-19: Management's Focus

Navigating through uncharted waters



Focus on cleaning and safety protocols to restore guest confidence



Build up hotel occupancies through identifying various sales and demand channels



Prudent cost and capital management with focus on preserving liquidity



Close collaboration and coordination with 3rd party hotel managers to protect assets and optimize returns



Essential asset enhancement initiatives to protect assets and create competitive advantage



Seek yield-accretive, discounted investment opportunities for further portfolio expansion

Three-pronged Strategy for Long-Term Value Creation



Focused on delivering sustainable and stable returns to Stapled Securityholders



Proactive Asset Management

Active, hands-on portfolio management to improve NPI and enhance portfolio value



Prudent Capital Management

Optimizing capital structure to provide financial flexibility and maintain strong balance sheet



Yield-accretive Investment Management

Pursue acquisition opportunities to increase returns and enhance portfolio diversification

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How is ARA US HT planning ahead to address the long term ramifications and impact of COVID-19 on the tourism and hospitality sector?

Question 2



What is your outlook for the U.S. hotel market post COVID-19?

Question 3



Do recent changes to ARA Asset Management affect ARA US Hospitality Trust in terms of direction and strategy?

Thank You

For enquiries, please contact:

Low Ru Yan

Investor Relations Manager

ruyanlow@ara-group.com

Tel: +65 6601 9362

www.araushotels.com

