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Ascott Residence Trust
Proposed acquisition of
9 properties in France, Japan,
Vietnam, US and Australia
15 August 2022

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LA CLEF



La Clef Tour Eiffel

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Stapled Securityholders' Approval Required



Overview of the Transaction



Somerset Central TD Hai Phong City



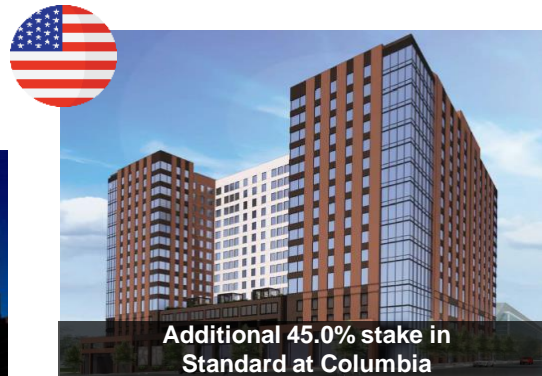
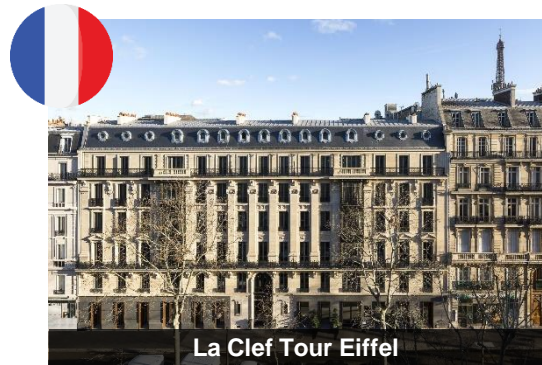
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Proposed Acquisition of S\$318.3 mil¹ in Assets to Strengthen ART's Presence in Key Markets (the "Acquisitions")

Accretive acquisition of 9 properties in France, Japan, Vietnam, US and Australia from Sponsor, enhancing ART's income resilience and consolidating its position as APAC's largest hospitality trust



▲ 2.8%

DPS accretion

ART intends to finance the Acquisitions with debt and/or proceeds from the private placement

Growing AUM
from S\$7.7 bil as at 31 Dec 2021 to

S\$8.3 bil²

Increasing proportion of stable income
from 69% in FY2021 to

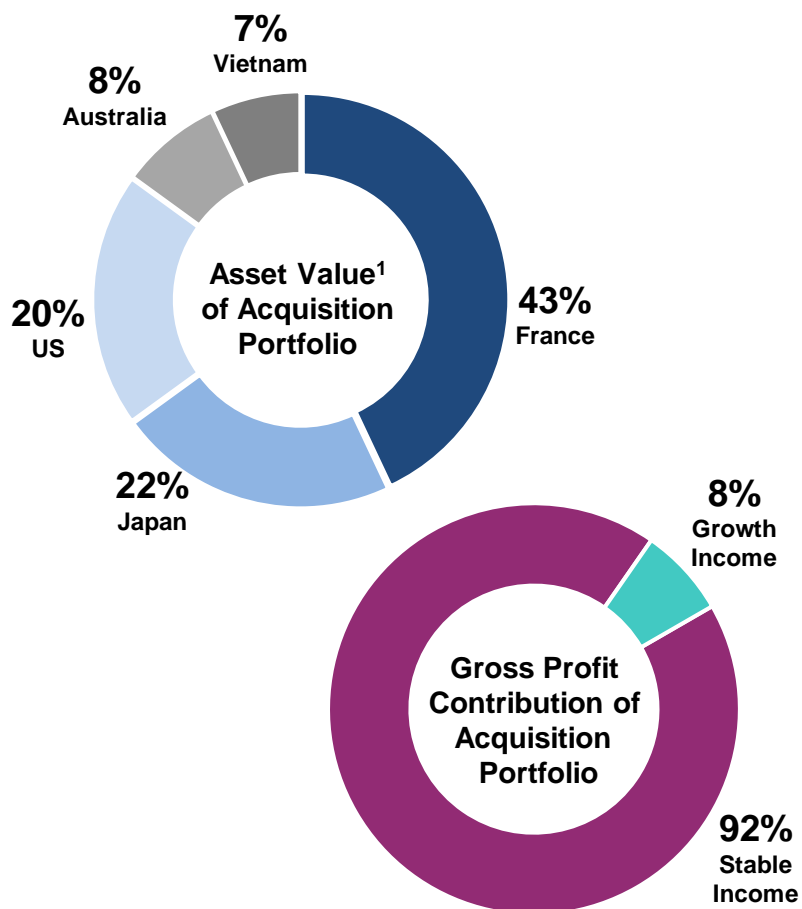
71%²

Notes:

1. Total capitalised costs excluding the outstanding development cost and interest expense to be incurred for Standard at Columbia
2. Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022, on a *pro forma* basis

Predominantly Stable Income Properties in Developed Markets

Master leases and longer-stay properties make up 92% of the portfolio's income contribution



	Property	Location	No. of units	Lodging type	Contract type	% of Acquisition Portfolio Asset Value
Stable Income	La Clef Tour Eiffel	Paris, France	112	Serviced residence	Master lease	43%
	5 Japan rental housing properties	Osaka, Nagoya, Hyogo, Kyoto – Japan	427	Rental housing	Management contract	22%
	Standard at Columbia (additional 45.0% stake)	South Carolina, US	247 (679 beds) ²	Student accommodation (under development)	Management contract	20%
	Quest Cannon Hill	Brisbane, Australia	100	Serviced residence	Master lease	8%
Growth Income	Somerset Central TD Hai Phong City	Hai Phong, Vietnam	132	Serviced residence	Management contract	7%

Stable income sources include master leases, management contracts with minimum guaranteed income, rental housing and student accommodation

Growth income sources include management contracts of serviced residences and hotels

Notes:

1. Refers to total capitalised costs including outstanding development cost and capitalised interest expense
2. The number of beds and units are subject to change as the property is under development.

Enhancing Yield and Returns

EBITDA yield of acquisition properties within the range of ART's existing properties

Property	EBITDA yield ¹	Purchase consideration	Estimated total capitalised costs ²	Appraised Value
La Clef Tour Eiffel	3.7%	€49.4 mil (c.S\$71.7 mil)	€104.3 mil (c.S\$151.3 mil)	€103.7 mil (c. S\$150.4 mil)
5 Japan rental housing properties	4.1% - 5.0%	¥7.035 bil (c.S\$75.8 mi)	¥7.333 bil (c.S\$79.0 mil)	¥7.496 bil (c.S\$80.7 mil)
Standard at Columbia (additional 45.0% stake)	5.0% ³	US\$19.9 mil (c.S\$27.7 mil)	US\$25.0 mil ³ (c.S\$34.8 mil)	US\$29.7 mil (c.S\$41.4 mil)
Quest Cannon Hill	6.5%	AUD28.5 mil (c.S\$27.5 mil)	AUD30.7 mil (c.S\$29.7 mil)	AUD29.7 mil (c.S\$28.7 mil)
Somerset Central TD Hai Phong City	3.2% / 9.7% ⁴	VND208.2 bil (c.S\$12.5 mil)	VND391.1 bil (c.S\$23.5 mil)	VND401.5 bil (c.S\$24.1 mil)
Total		S\$215.2 mil	S\$318.3 mil	S\$325.3 mil

Notes: Unless otherwise indicated, Singapore dollar amounts have been translated based on the exchange rate of €1.00 = S\$1.45047, ¥1.00 = S\$0.01078, VND1.00 = S\$0.00006, US\$1.00 = S\$1.39292 and AUD1.00 = S\$0.96681

1. EBITDA (earnings before net interest expense, tax, depreciation and amortisation) yield refers to the FY2021 EBITDA yield unless otherwise stated

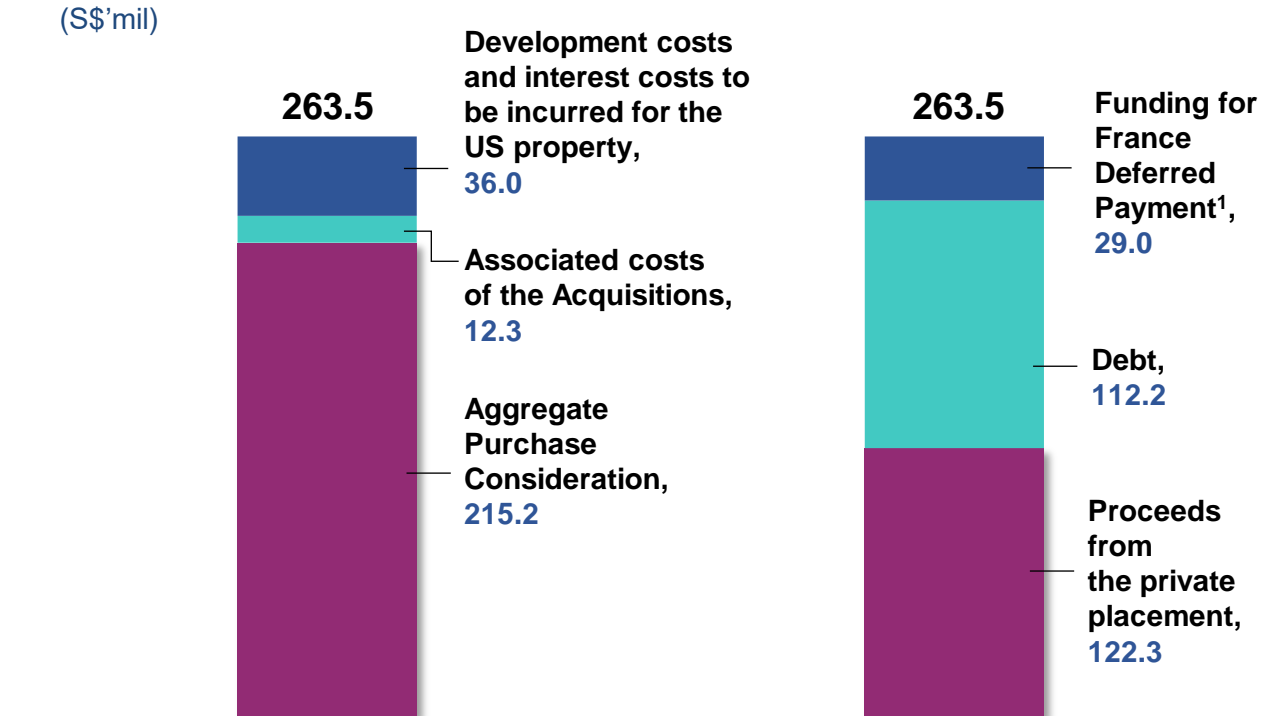
2. Excludes outstanding development cost and interest expense to be incurred for Standard at Columbia

3. Refers to the stabilised EBITDA yield on cost, based on JLL's valuation report; the cost of development is based on the agreed property value of the US Property plus outstanding construction cost and capitalised interest expense for the development

4. Based on the historical pre-COVID-19 EBITDA levels in 2019

Method of Financing

Acquisitions to be funded by debt and/or proceeds from private placement

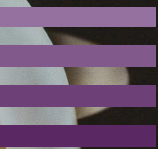


Proposed method of financing: Debt and/or proceeds from a private placement²

- **c.54.0%** of the total acquisition cost to be **funded by debt**
- To raise gross proceeds of **c.S\$150 mil via private placement**, subject to an upside option being exercised to raise additional gross proceeds of up to c.S\$50.0 mil
- Providing overall **DPS accretion** while **maintaining an optimum level of aggregate leverage**
- ART's aggregate leverage on a *pro forma* basis would be 38.5%

Notes:

1. The financing for the France Deferred Payment will not be made at the same time as the financing for the remaining portion of the Aggregate Purchase Consideration as the France Deferred Payment will be made by the France Purchaser to the France Vendor when 70.0% of the France Master Lessee's renovation works have been completed in accordance with the terms of the France Master Lease (save that in certain specified force majeure events, the France Vendor and the France Purchaser shall discuss and agree on a revised payment date). This is to align the France Master Lessee's interest with ART's such that the renovation will be substantially completed. The Managers will evaluate the various funding options available when the France Deferred Payment is due, and the mode of financing for the France Deferred Payment will be made by the Managers at the appropriate time.
2. The final decision regarding the financing will be made at the appropriate time taking into account the then prevailing market conditions and interest rate environment, the impact on ART's capital structure, DPS and debt expiry profile and the covenants and requirements associated with each financing option.



Acquisition Portfolio



La Clef Tour Eiffel



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La Clef Tour Eiffel

Luxury serviced residence in the heart of Paris on a fixed-rent master lease



Train/Metro Station



Location	Paris, France
Lodging Type	Serviced residence
Units	112

Facilities	Restaurant, gym
Contract Type	Fixed rent master lease with lease cap and annual indexation



Located in the heart of Paris, one of the world's most visited cities

Paris has witnessed a strong recovery in international arrivals and return of leisure demand



5-to-10-minute drive from high profile tourist districts – Eiffel Tower, Trocadéro, the Arc de Triomphe and Avenue Champs-Élysées



2-minute walk to nearby metro station, Trocadéro, and 25-minute drive to Paris-Charles De Gaulle Airport



Planned asset enhancement expected to reinforce property's upmarket positioning and lift room rates, improving rent sustainability

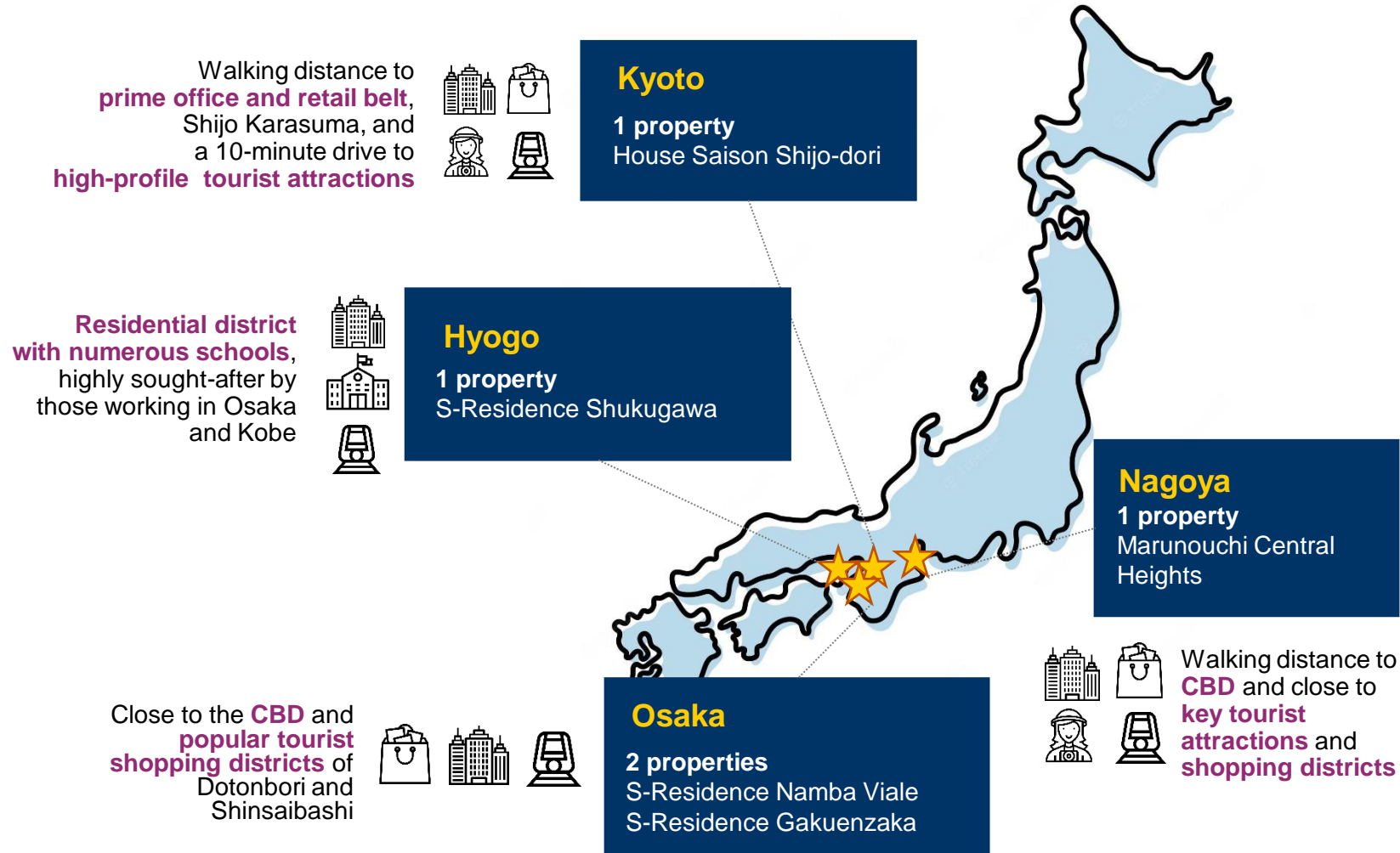
- Works will largely be funded by the master lessee¹ and encompass replacement of fixtures, furniture and equipment in the bedrooms as well as the bathrooms, and the refurbishment of the lobby and lounge area
- Property will remain operational during the refurbishment, which is targeted to complete by end-2024

Note:

1. The master lessee and ART will bear c.84% and c.16% of the expenditure respectively. In view of the planned asset enhancement, S\$29.0 mil (France Deferred Payment) will be made by ART when 70.0% of the master lessee's renovation works have been completed in accordance with the terms of the master lease (save that in certain specified force majeure events, the France Vendor and ART shall discuss and agree on a revised payment date).

5 Rental Housing Properties in Japan

Expanding footprint in the resilient rental housing asset class for stable income

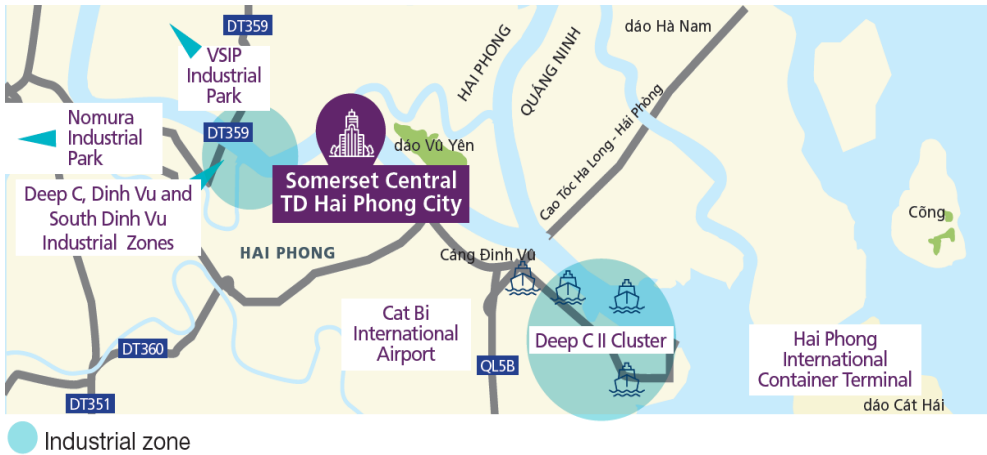


Location	Osaka, Nagoya, Hyogo, Kyoto – Japan
Lodging Type	Rental housing
Total Units	427
Contract Type	Management contract

- Predominantly **local corporate long-stay guests**
- Average length of stay of about **2 years**
- ART's existing rental housing properties had resilient **occupancy of >95%** during COVID-19

Somerset Central TD Hai Phong City

Serviced residence well-positioned to capture corporate and long-stay demand in the growth market of Hai Phong, Vietnam



Location	Hai Phong, Vietnam
Lodging Type	Serviced residence
Units	132

Facilities	Restaurant, gym, resident's lounge, swimming pool
Contract Type	Management contract



Located in the growth city of Hai Phong, which is the third largest city and one of the largest industrial hubs and ports of Vietnam

Hai Phong surpassed Ho Chi Minh City and Hanoi in attracting foreign investment capital in 2021



Well-positioned to capture the demand arising from foreign direct investment and business activities

15-minute drive to 3 industrial parks – Deep C, Dinh Vu and South Dinh Vu Industrial Zone and 10-minute drive to Cat Bi International Airport



Ideal location for long-staying guests

Multitude of international schools, shopping malls and hospitals within the vicinity

The serviced residence is part of a newly-renovated 15,000 sqm integrated development which features retail and commercial components

Standard at Columbia

Acquiring an additional stake in the brand new, prime, pedestrian student accommodation development at an attractive price



University of South Carolina campus



Artist's impression

ART acquired a 45.0% stake in Standard at Columbia in Jun 2021 and is proposing to **acquire a further 45.0%** in the property

The property topped out in 2Q 2022 and is expected to complete in 2Q 2023

Location	South Carolina, US
Lodging Type	Student accommodation
Units	247 (679 beds) ¹

Facilities	Fitness centre, study lounges, a coffee bar, and jumbotron television on an elevated amenity deck with swimming pool and cabanas
Contract Type	Management contract



Situated in a prime location in downtown Columbia, **within walking distance to the campus of University of South Carolina**



USC is a reputable “Power 5” university and the largest university in the state with over 35,000 students and growing



Close to a plethora of food and entertainment options



Strong leasing momentum in anticipation of opening in 2Q 2023

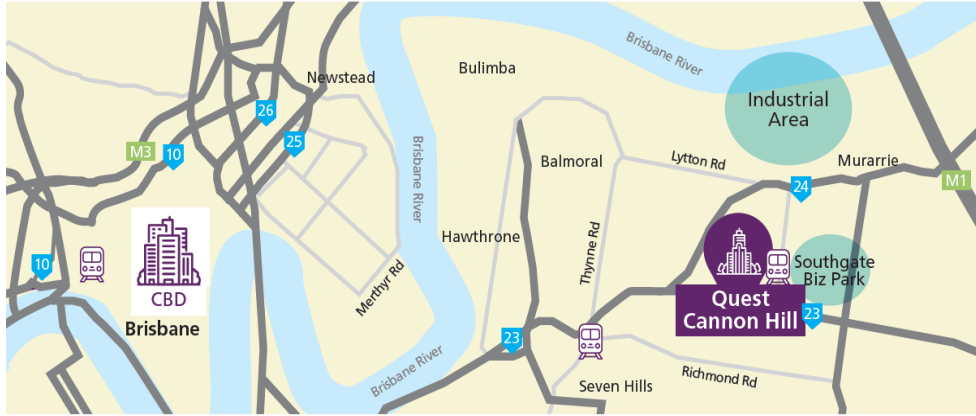
Pre-leasing of ART’s existing student accommodation properties for the next academic year is strong at an average of c.95%, with expected rent growth of c.8% y-o-y

Note:

1. The number of beds and units are subject to change as the property is under development.

Quest Cannon Hill

Serviced residence on master lease, recovery supported by strong domestic demand



Industrial zone Train/Metro Station



Location	Brisbane, Australia
Lodging Type	Serviced residence
Units	100

Facilities	Meeting room, gymnasium, pool, and barbecue area
Contract Type	Master lease with rent increases and rent reviews



Situated in the **emerging suburb of Cannon Hill**, within a retail and commercial precinct



5-minute walk to Cannon Hill **train station** and **direct access to the Brisbane CBD**



5-minute walk to the Southgate Business Park and **10-minute drive** to the Metroplex on Gateway Estate and Port of Brisbane **industrial areas**



Operated by Quest Apartment Hotels, a member of The Ascott Limited and the largest apartment hotel brand in Australasia with more than 170 properties



Rationale

Quest Cannon Hill



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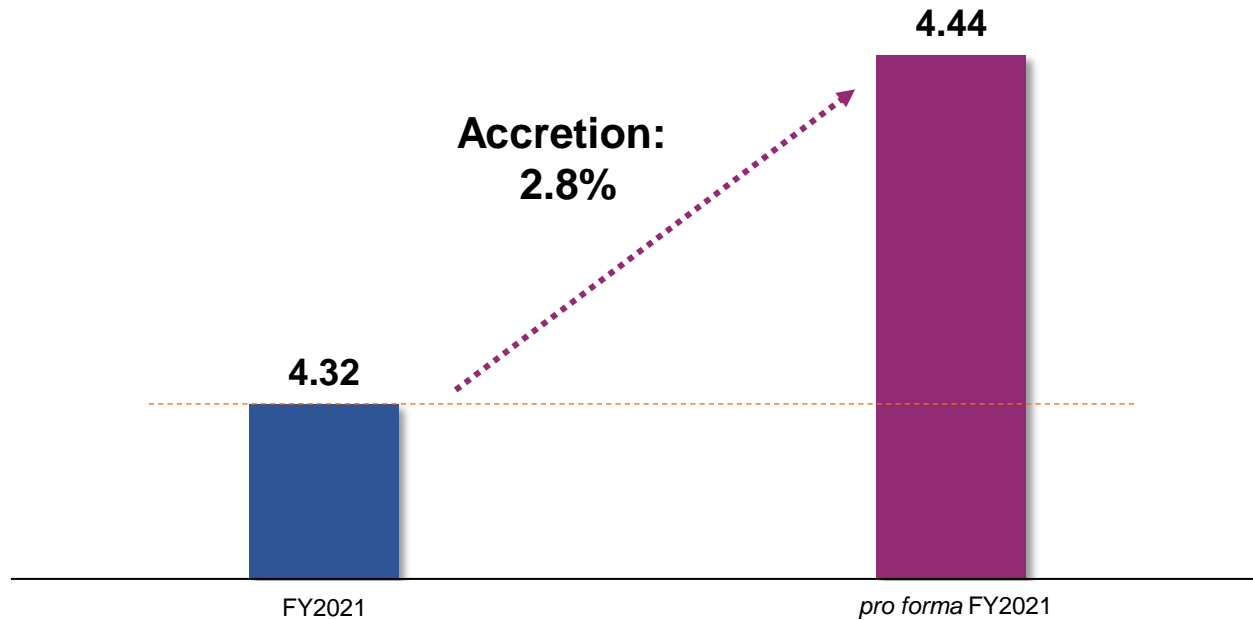
Rationale

- 1 **Enhance DPS to Stapled Securityholders**
- 2 **Consolidate ART's position as the largest hospitality trust in Asia Pacific**
- 3 **Increase income resilience with higher proportion of stable income**
- 4 **Increase investment in the attractive longer-stay asset class**
- 5 **Well-located, quality serviced residences positioned to benefit from the recovery in travel demand**
- 6 **Opportunity to acquire green, sustainably managed properties**

1 Enhance DPS to Stapled Securityholders

On a FY2021 *pro forma* basis, DPS accretion is expected to be 2.8%

Distribution per Stapled Security (DPS)
(Singapore cents)



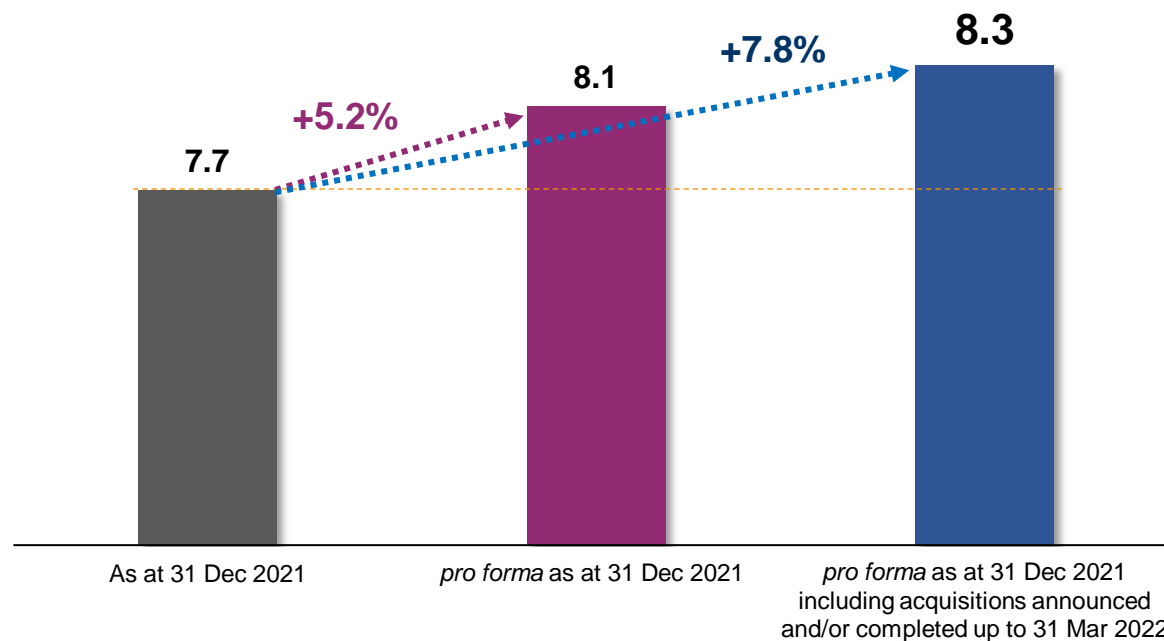
- On a FY2021 *pro forma* basis, total distribution is expected to increase by S\$9.2 mil following the Acquisitions
- Assuming the total acquisition cost of S\$263.5 mil is **c.54.0% funded by debt**, DPS accretion is expected to be **2.8%** on a FY2021 *pro forma* basis

2

Consolidate ART's position as the largest hospitality trust in Asia Pacific

Growing AUM from S\$7.7 bil as at 31 Dec 2021 to S\$8.3 bil

Total Assets
(S\$'bil)



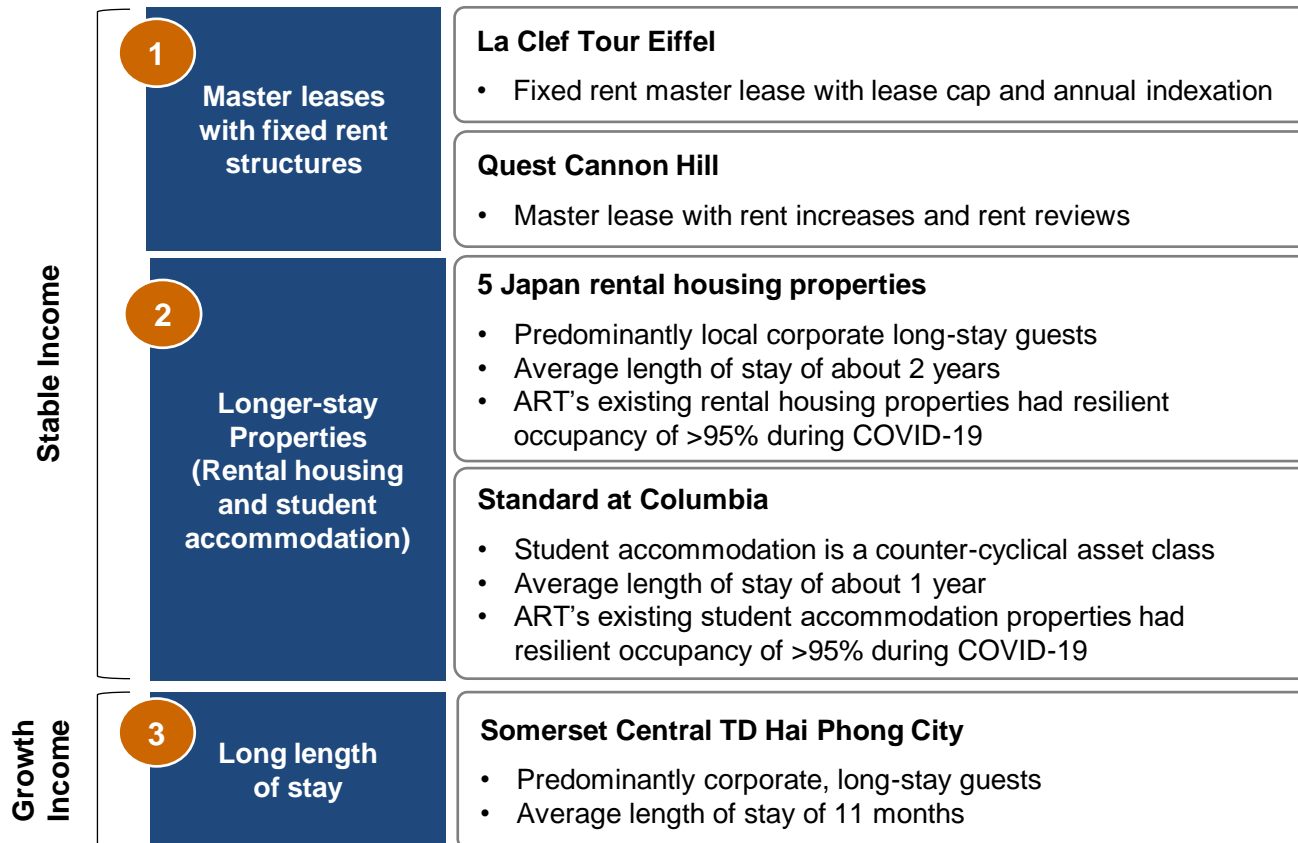
- As at 31 December 2021, ART's total assets was S\$7.7 bil; including the Acquisitions, ART's total assets is expected to **increase by S\$0.4 bil to S\$8.1 bil**
- Including the Acquisitions and the acquisitions announced and/or completed up to 31 March 2022¹,
 - ART's **total assets will increase to S\$8.3 bil**
 - ART will **remain Asia Pacific centric**
- A geographically diversified portfolio ensures that there is **no concentration risk** in any country, providing **income resilience at different points of the market cycle**

Note:

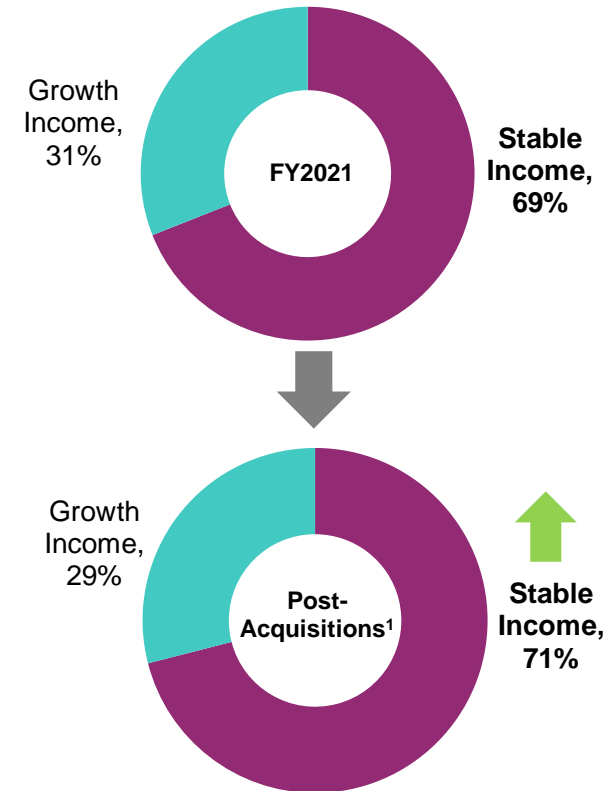
1. In the first quarter of FY2022, ART completed the acquisition of Paloma Kent (formerly known as Latitude at Kent) and announced the turnkey acquisition of 4 rental housing properties and 1 student accommodation property in Japan, which boosts the AUM by S\$0.2 bil.

3 Increase income resilience with higher proportion of stable income

Post-Acquisitions, the proportion of ART's stable income will increase to 71%¹



Increase in stable income² contribution (gross profit)



Notes:

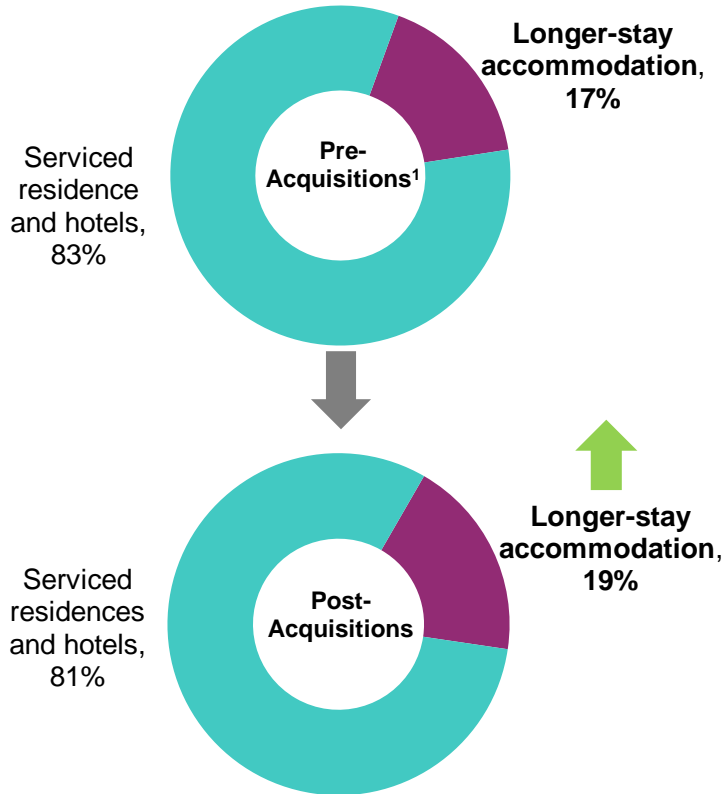
1. Including the acquisitions announced and/or completed up to 31 March 2022, on a *pro forma* basis

2. Stable income sources include master leases, management contracts with minimum guaranteed income, rental housing and student accommodation; growth income sources include management contracts of serviced residences and hotels

4 Increase investment in the attractive longer-stay asset class

Post-Acquisitions, longer-stay properties are expected to comprise 19% of ART's portfolio value

Increase in longer-stay asset allocation (portfolio value)



ART targets **25% – 30%** of its asset allocation in longer-stay properties (rental housing and student accommodation) in the medium term

Rental housing

- ART's 14 existing rental housing properties were resilient and registered an **average occupancy of above 95.0% in FY2021, despite COVID-19**
- Including the turnkey acquisitions announced in Mar 2022², the acquisition of the Japan properties will:
 - Further **expand ART's footprint in the Japan rental housing sector** to 23 properties
 - Mark ART's entry into 2 new markets, Nagoya and Hyogo

Student accommodation

- **Demand for student accommodation properties in the US has grown**
- In Jun 2021, ART acquired a 45.0% development stake in Standard at Columbia and since then, there has been a corresponding **increase in the valuation** of the property
- ART is acquiring an additional 45.0% effective stake in the property at an **attractive price** – agreed property value of USD24.5 mil compared to the Appraised Value of USD29.7 mil

Notes:

1. Portfolio value is based on property valuations as at 31 December 2021, value of acquisitions announced or completed up to 31 March 2022 and properties under development
2. In March 2022, ART announced the turnkey acquisition of 4 rental housing properties in Japan, which are expected to complete between 4Q 2022 and 2Q 2023

5

Well-located, quality serviced residences positioned to benefit from the recovery in travel demand

Quality properties located in key gateway cities and growth markets



La Clef Tour Eiffel

- **Occupancy of about 80.0%** in July 2022, which is above **pre-COVID-19 levels**, and average daily rate that surpassed pre-COVID-19 levels by over 30.0%
- Performance expected to pick up as CBRE forecasts the **Parisian market to fully recover by 2023** and as the city hosts its Paris 2024 Olympic Summer Games



Quest Cannon Hill

- **Occupancy of about 95.0%** in July 2022, **exceeding pre-COVID-19 levels**
- CBRE expects **demand and occupancy levels in Brisbane to increase** in the coming years, underpinned by infrastructure projects



Somerset Central TD Hai Phong City

- **Occupancy of more than 90.0%** in July 2022, **in line with pre-COVID-19 levels**
- CBRE expects market RevPARs in Hai Phong to **gradually improve over the medium to long term**, on the back of demand from rising foreign direct investment and business activity
- **EBITDA¹ yield** of the property is estimated to be approximately **9.7%** based on the historical pre-COVID-19 EBITDA levels in 2019

Note:

1. Earnings before net interest expense, tax, depreciation and amortisation

6 Opportunity to acquire green, sustainably managed properties

Post-Acquisitions, ART's proportion of green certified properties is expected to rise to 38%



- La Clef Tour Eiffel, Somerset Central TD Hai Phong and Quest Cannon Hill are expected to be green certified by 2023
- Standard at Columbia, upon completion, will also be green certified
- Including the Acquisitions, ART's proportion of green certified properties is **expected to increase approximately from c.35.0%¹ to 38.0%**, in line with ART's target to green 50% of the portfolio by 2025

ART's portfolio gross floor area that is green certified

As at May 2022	Post-Acquisitions	2025 Target
35%	38%	50%

Note:
1. As at May 2022

Conclusion

Somerset Central TD Hai Phong City



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Key Takeaways

Expanding presence in ART's key markets, marrying stability and growth

2.8%

DPS accretion

Growing total assets
from S\$7.7 bil as at 31 Dec 2021 to

S\$8.3 bil¹

Rationale

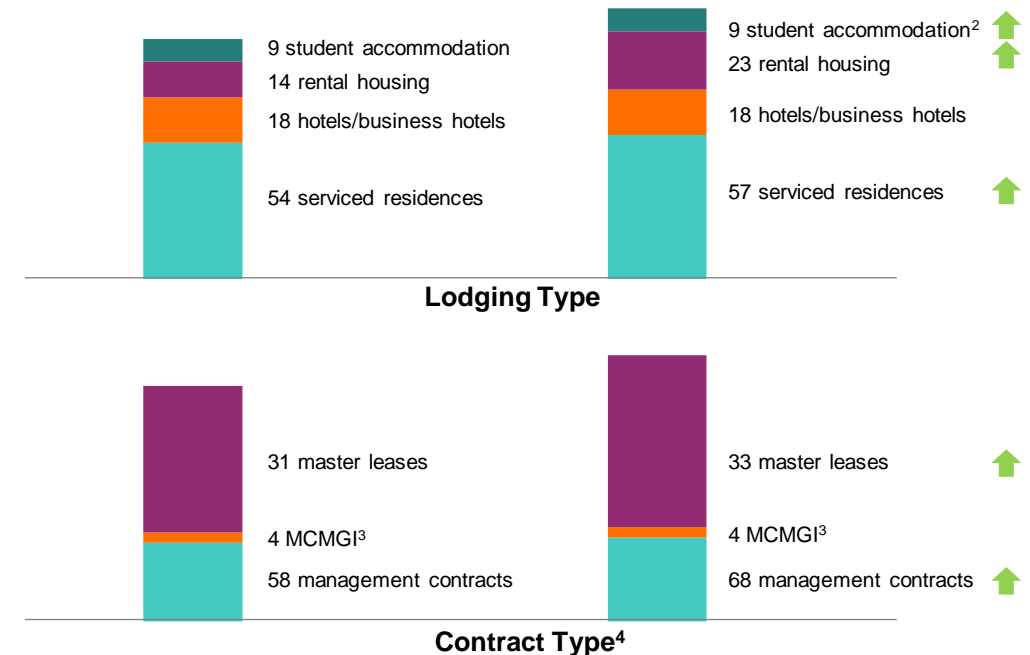
- Enhance DPS to Stapled Securityholders
- Consolidate ART's position as the largest hospitality trust in Asia Pacific
- Increase income resilience with higher proportion of stable income
- Increase investment in the attractive longer-stay asset class
- Well-located, quality serviced residences positioned to benefit from the recovery in travel demand
- Opportunity to acquire green, sustainably managed properties

Pre-Acquisitions
(as at 31 Mar 2022)

95
properties

Post-Acquisitions

107¹
properties



Notes:

1. Including the acquisitions announced and/or completed up to 31 March 2022
2. Number of student accommodation remains the same post-Acquisitions as ART owns an existing 45.0% stake in Standard at Columbia and is acquiring an additional 45.0% stake in the property
3. Management contracts with minimum guaranteed income
4. Excluding properties under development

Key Dates

If you are appointing a proxy to vote at the Extraordinary General Meeting (EGM)...

Last date and time for pre-registration for EGM and lodgement of proxy form	Wednesday, 7 September 2022 2.00 p.m. (Singapore time)
Return the completed and signed proxy form to	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632

If you are attending the EGM...

Date and time of EGM at the physical location below and by way of electronic means	Friday, 9 September 2022 2:00 p.m. (Singapore time)
Physical location of EGM	168 Robinson Road, Big Picture Theatre, Level 9, Capital Tower, Singapore 068912
Target completion of the Proposed Acquisitions	November 2022

Stapled Securityholders' Approval Required



Standard at Columbia
(Artist's Impression)



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Stapled Securityholders' Approval

Ordinary Resolution

The Proposed Acquisition of Interests in Serviced Residence Properties in France, Vietnam and Australia, Rental Housing Properties in Japan and a Student Accommodation Property in South Carolina, US at an Aggregate Purchase Consideration of S\$215.2 Million from Interested Persons and Entry into Master Leases, Management Agreements and France Loan Assignment Documents

Opinion of Independent Financial Adviser and Independent Directors' Recommendations

Opinion of the Independent Financial Adviser – Deloitte & Touche Corporate Finance Pte Ltd

- The IPT Transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders.

Independent Directors' Recommendations

- The IPT transactions are on normal commercial terms and are not prejudicial to the interests of ART and its minority Stapled Securityholders.
- Recommend that Stapled Securityholders vote IN FAVOUR of the resolution.



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Thank You



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