



Ascott Residence Trust

1Q 2021 Business Updates

29 April 2021

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Restarting Travel

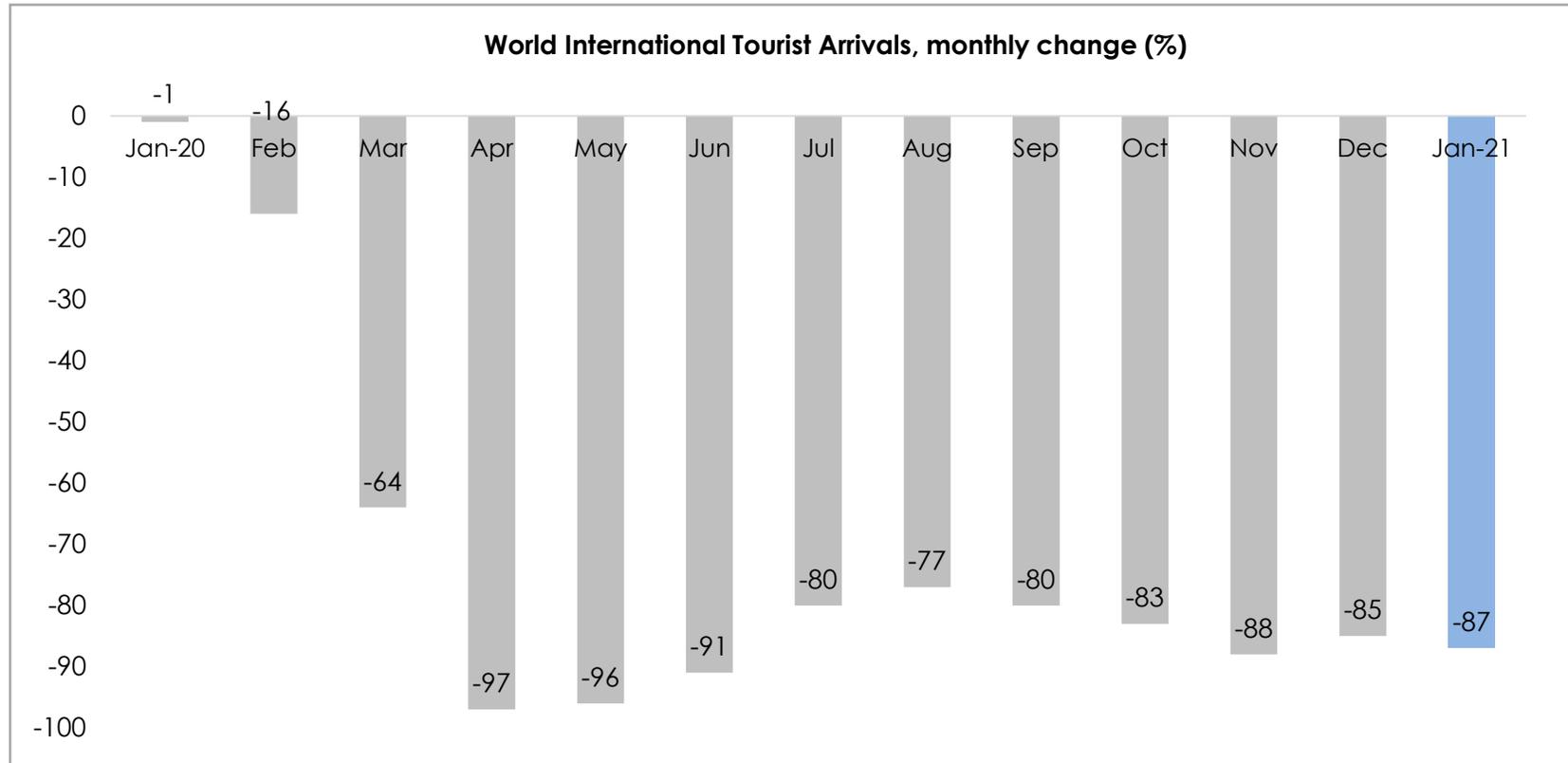
COVID-19 Situational Update

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

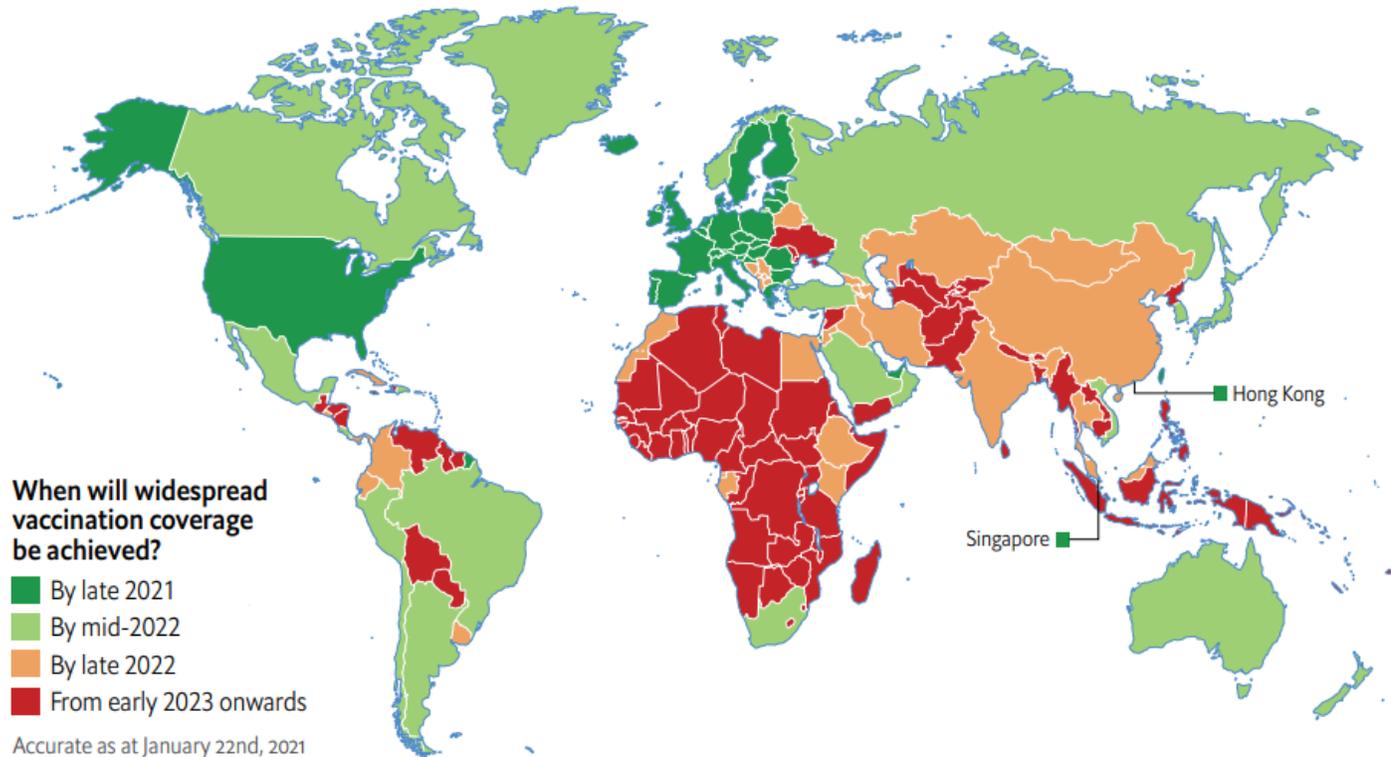
Rebound in international arrivals in September 2021

22%

Year-on-year increase in international arrivals in 2021

Vaccinations a Confidence-booster for Travel

More willing to travel domestically and internationally



Source: The Economist Intelligence Unit¹

Based on a Tripadvisor survey² 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. The Economist Intelligence Unit, Q1 Global Forecast 2021
2. Tripadvisor, "2021 - The year of the travel rebound?", January 2021

More Countries Reopening for Travel

Formation of travel bubbles and launch of vaccine certificates

International Air Transport Association (IATA) expects personal and leisure travel to return from second half of 2021¹



Australia forms travel bubble with New Zealand, considers staggered reopening of international borders²



Bilateral travel corridors with Singapore may happen in the second half of 2021³



US contemplates lifting travel ban on countries including Europe and United Kingdom by mid-May⁴



Greece has lifted quarantine requirements for vaccinated travellers from key tourism markets⁵



China, Europe, Japan and South Korea have announced the launch of COVID-19 certificates and vaccine passports⁶



IATA has seen an increasing number of airlines signing up for its IATA Travel Pass⁷

Sources:

1. The Business Times, "Personal travel will return from second half of 2021: IATA chief", March 2021
2. The Straits Times, "Australia considers staggered reopening of border", April 2021
3. The Straits Times, "Travel corridors for vaccinated passengers could open in 2nd half of 2021: Ong Ye Kung", March 2021
4. Forbes, "US travel: Reports that Biden will lift EU, UK travel ban by mid-May", March 2021
5. CNN, "Greece opens its doors to Covid-free tourists", April 2021
6. Nikkei Asia, "Japan to join EU and China in issuing digital vaccine passport", March 2021
7. CNBC, "Covid vaccine passports are being considered. And health experts and rights groups are deeply concerned", February 2021

Navigating the Downturn

1Q 2021 Overview

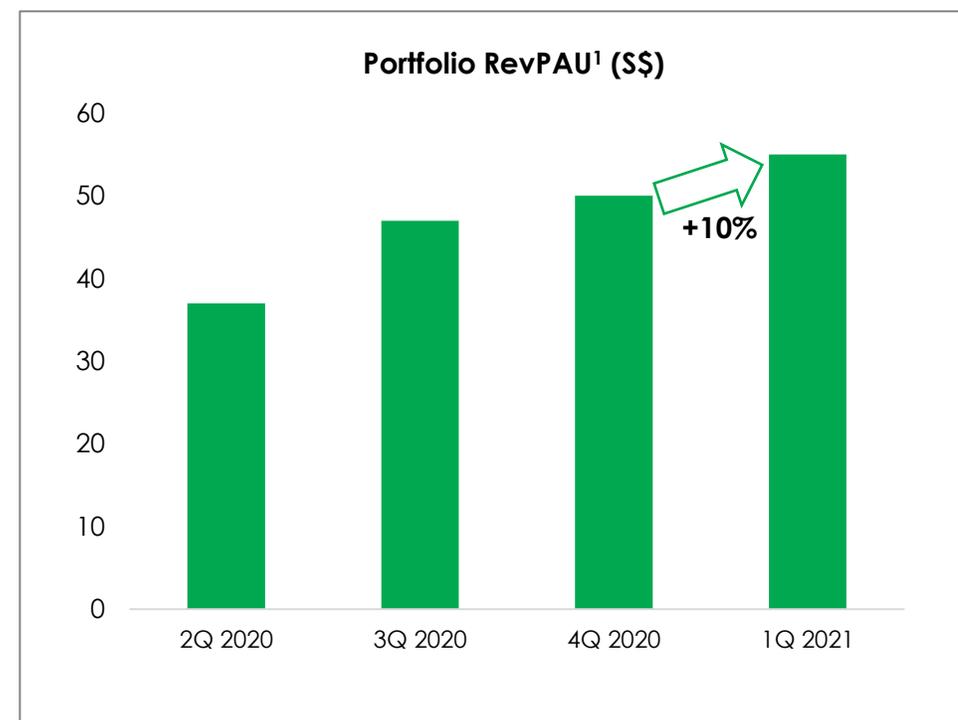
1Q 2021 Highlights

Sequential improvement despite seasonal lull



Gradual quarter-on-quarter improvement in operating performance

- **Portfolio RevPAU¹ increased 10% quarter-on-quarter (q-o-q) to S\$55**
 - Increase in average portfolio occupancy from mid-40% in 4Q 2020 to c.50% in 1Q 2021, supported by block bookings
 - Sequentially higher RevPAU despite a resurgence in some countries during the winter and a seasonally softer quarter for corporate travel
 - RevPAU 47% lower year-on-year (y-o-y)
- **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 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**



Notes:

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

1Q 2021 Highlights

Enhancing stability and working towards a sustainable recovery



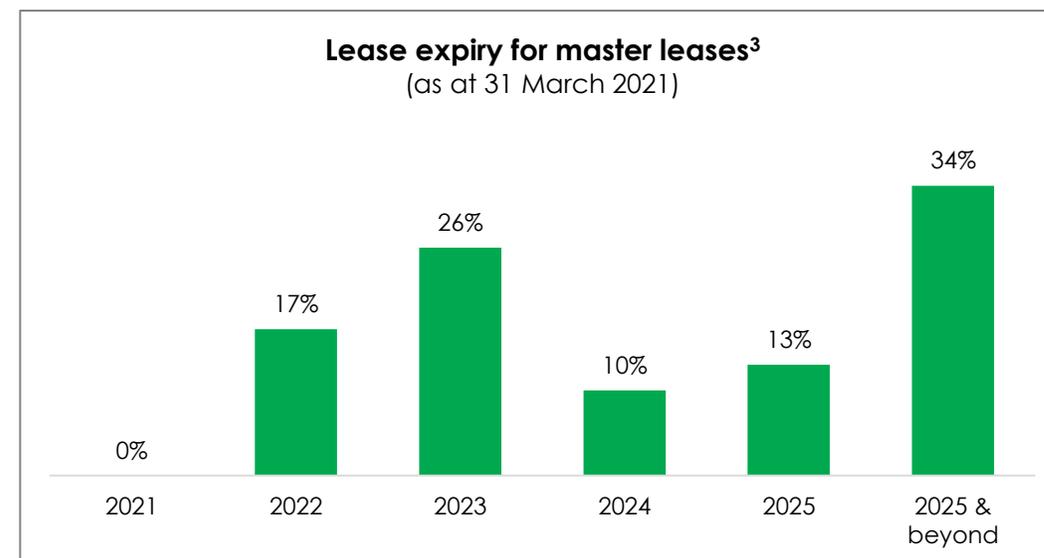
Mitigating the impact of COVID-19

- **Stable income sources provided downside protection and resilience**
 - Longer-stay properties (rental housing and student accommodation) registered occupancies of >95%
 - Collectively, ART's master leases, management contracts with minimum guaranteed income and longer-stay properties contributed over three-quarters of gross profit in 1Q 2021
- **Portfolio continued to generate operating profits and positive cashflow**
 - c.88% of properties operational¹ – of the 10 temporarily closed properties², 6 were on master leases and continued to receive fixed rent
 - Temporarily closed properties planned to reopen progressively in 2Q 2021 in preparation for the summer holiday season



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. Excludes properties under development, includes Citadines City Centre Grenoble which was divested in March 2021 and Paloma West Midtown (formerly Signature West Midtown) which was acquired in February 2021
2. Temporarily closed properties as at 31 March 2021 comprise 5 properties in France, 2 in Japan, 1 each in Belgium, Spain and South Korea
3. Percentage of gross rental income for master leases expiring during the respective periods over the total gross rental income for all master leases

Diversified Asset Allocation

Well-placed to recover with predominantly Asia Pacific-centric portfolio and presence in countries with large domestic markets

>16,000¹

Units

86¹

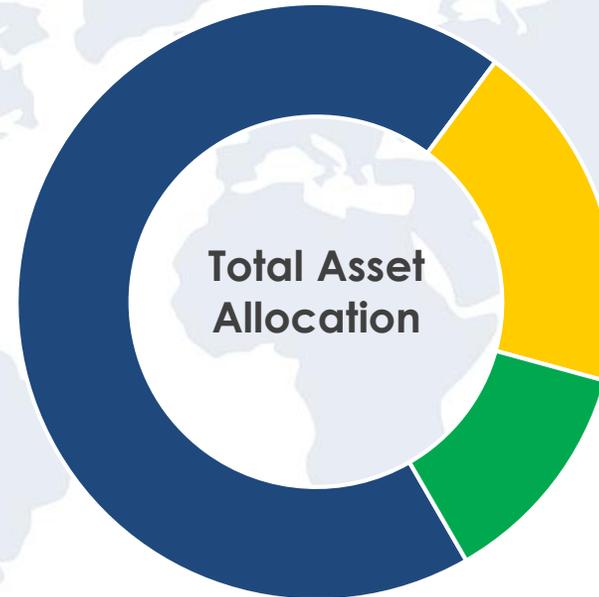
Properties

38

Cities in 15 Countries

Asia Pacific 67.7%

Australia	14.5%
China	6.8%
Indonesia	1.4%
Japan	20.0%
Malaysia	0.6%
Philippines	2.4%
Singapore	16.0%
South Korea	2.6%
Vietnam	3.4%



Europe 20.0%

Belgium	1.0%
France	7.4%
Germany	3.8%
Spain	1.0%
United Kingdom	6.8%

The Americas 12.3%

USA	12.3%
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Notes:

Figures above as at 31 March 2021. Markets in bold are ART's 8 key markets

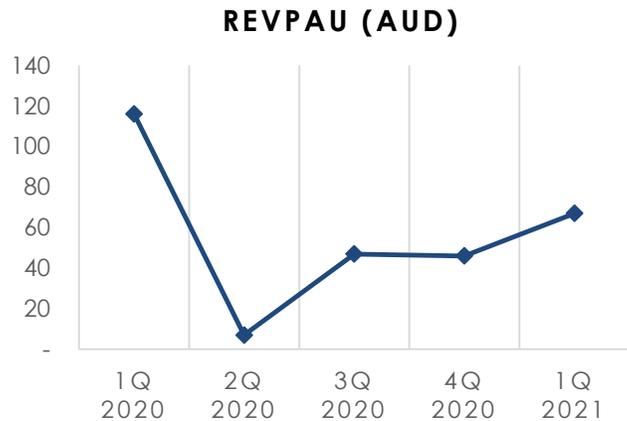
1. Including lyf one-north Singapore and Somerset Liang Court Singapore (currently under development)

Far-reaching Effects on Global Markets

Key Market Updates

Australia

Domestic demand improves as state borders reopen



Social-distancing measures have largely been eased except during 3-5 day snap lockdowns



International borders closed except for Australia-New Zealand travel bubble which started on 19 April 2021



Domestic travel generally permitted except during lockdowns

15% of total assets: **4** Master Leases; **9** Management Contracts

- **1Q 2021 RevPAU increased 46% q-o-q to AUD 67¹** as several hotels were block booked by the government for self-isolation; RevPAU decreased 42% y-o-y
- **Snap lockdowns** across various states affected overall confidence in travel in 1Q 2021 but **demand picked up** since March 2021 **with the reopening of borders**
- **Strong pent-up demand** from domestic leisure segment observed, especially on weekends and during the Easter holiday
- **Large-scale sporting and entertainment events** have resumed at full capacity in most states
- **Corporate demand** has also improved gradually, with an **increase in enquiries** for conferences and meetings
- Aircrew bookings secured following **travel bubble with New Zealand**
- **Rental waiver provided to support master lessees** and in compliance with Australia's mandatory code of conduct

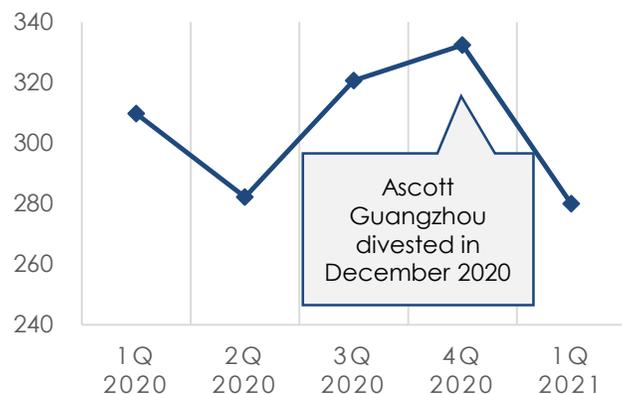
Notes: Updates on travel and movement restrictions above as at 27 April 2021

1. Pertains to the properties under management contracts only

China

Recovery picks up pace with stronger demand for corporate long stays

REVPAU (RMB)



7% of total assets: 6 Management Contracts

- **1Q 2021 RevPAU decreased 10% y-o-y to RMB 280** due to the divestment of Ascott Guangzhou
- **On a same-store basis¹, RevPAU was stable y-o-y and decreased 9% q-o-q** due to localised lockdowns
- **Second-tier cities registered a y-o-y increase in RevPAU**
- Average occupancy of the China portfolio was mid-50%, on par with a year ago, due to a **seasonal lull for corporate travel** and as **travel was discouraged** during the Chinese New Year in February 2021
- **Demand for corporate long stays ramped up** since March 2021 as business and industrial activities picked up pace
- **Inter-city conferences and events** also increased in numbers and scale, providing an uplift to the market
- Demand for accommodation continues to be **predominantly domestic** due to limitations around visa approvals for foreign travellers
- **Outlook positive as recovery momentum continues** with the easing of quarantine requirements and vaccinations underway
- **Received S\$9.8 million in termination fee** following the termination of divestments of Citadines Xinghai Suzhou and Citadines Zhuankou Wuhan



COVID-19 situation generally under control; localised lockdowns imposed on areas experiencing a resurgence



International borders remain closed except for green lane arrangements



Domestic travel permitted

Notes: Updates on travel and movement restrictions above as at 27 April 2021

1. Excluding Ascott Guangzhou which was divested in December 2020

France

Extended lockdown hampers recovery



Third national lockdown imposed from April to May 2021



International borders reopened to countries outside Schengen Zone but with COVID-19 tests and self-isolation requirements



Travel beyond 10km from one's home not permitted during lockdown

7% of total assets: **17** Master Leases¹

- **Demand for accommodation muted due to movement restrictions in 1Q 2021**; 5 of 17¹ ART France properties remained temporarily closed²
- **Long stays and group bookings** supported occupancies, while **higher leisure demand in the regional cities** provided an uplift during the February 2021 winter holiday
- **Lockdown measures from April 2021** expected to curtail domestic leisure travel; long stays, corporate, student and cultural group bookings expected to cushion impact
- Temporarily closed properties **received fixed rent** under master lease arrangement and planned to **progressively reopen** for the summer holiday season, subject to changes in COVID-19 restrictions

Note: Updates on travel and movement restrictions above as at 27 April 2021

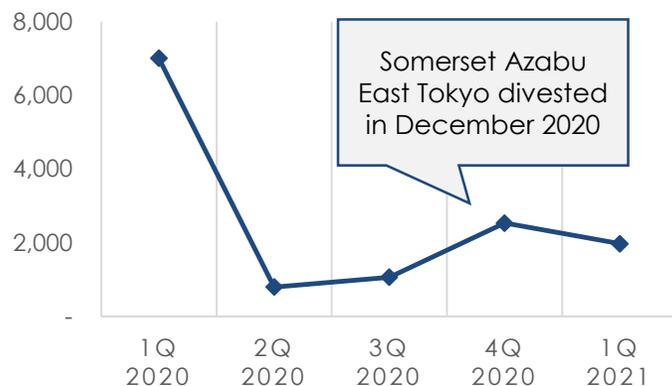
1. Including Citadines City Centre Grenoble which was divested on 31 March 2021

2. The 5 properties are Citadines Les Halles Paris, Citadines Republique Paris, Citadines Maine Montparnasse Paris, La Clef Louvre Paris and Citadines Croisette Cannes

Japan

Limited demand as non-essential travel remains discouraged

REVPAU (JPY)



20% of total assets: **5** Master Leases; **3** serviced residences under Management Contracts (MC) and **11** rental housing properties under MC

- **1Q 2021 RevPAU decreased 72% y-o-y to JPY 1,976¹** due to the divestment of Somerset Azabu East Tokyo and as Japan was under a state of emergency from January to March 2021
- **On a same-store basis², RevPAU decreased 70% y-o-y and 15% q-o-q**
- Fixed rent from **master leases** and resilient contribution from **rental housing properties** (high occupancies of >90%) mitigated softer performance of other properties under MC
- **Domestic leisure demand increased** during the autumn foliage season but **remained limited as non-essential travel was discouraged**
- **Month-long corporate bookings** secured at two of the serviced residences in April 2021 and some initial group bookings secured for **Tokyo Olympics** in July 2021
- **Third state of emergency expected to dampen demand for travel** during Japan's Golden Week holiday from late April to first week of May 2021
- Update on WBF properties:
 - WBF Hotel Kitasemba East and WBF Hotel Kitasemba West converted from master leases to management contracts; to remain closed due to poor demand in Osaka
 - WBF Hotel Honmachi continues under a master lease arrangement with a revised rent structure



State of emergency lifted in March 2021 but re-introduced from 26 April through 11 May 2021 for Tokyo and Osaka region



International borders closed except to nationals and long-term visa holders



Domestic travel discouraged under state of emergency

Note: Updates on travel and movement restrictions above as at 27 April 2021

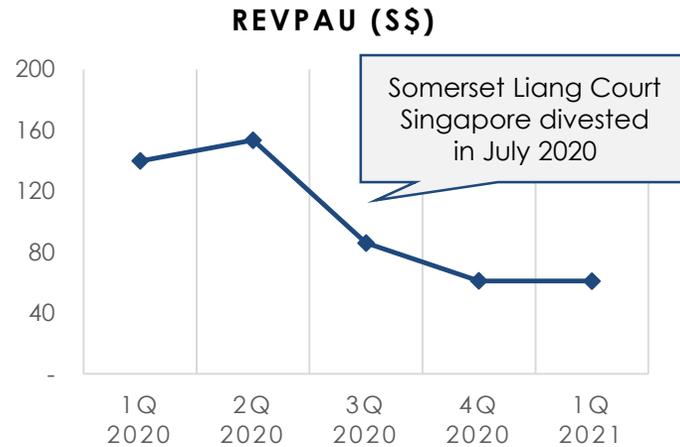
1. Pertains to the properties under management contracts only

2. Excluding Somerset Azabu East Tokyo which was divested in December 2020

Singapore

Government-contracted business supports occupancies

16% of total assets: **2** Master Leases; **1** Management Contract



Currently in Phase 3 of reopening



International borders remain closed except for green lane and official business travel arrangements



Hotels approved by Singapore Tourism Board can accept staycation bookings

- **1Q 2021 RevPAU decreased 56% y-o-y to S\$61¹** due to the divestment of Somerset Liang Court Singapore and lower room rates at Citadines Mount Sophia Singapore (CMSS) which was block booked by the government for self-isolation
- **On a same-store basis², RevPAU decreased 42% y-o-y and increased 14% q-o-q**
- **Occupancy at CMSS expected to remain high through 2Q 2021** under the government contract
- **Corporate long stays and staycation bookings** were key drivers for Ascott Orchard Singapore in 1Q 2021; **corporate and relocation enquiries have gradually increased**

- **Park Hotel Clarke Quay (PHCQ)**, previously block booked by the government from April to December 2020, has been **re-booked by the government from May 2021**
- Letter of demand issued to master lessee of PHCQ to recover S\$5.4 million³ due as at 1 March 2021. In addition, S\$3.5 million of rent under the Statutory Repayment Schedule is outstanding as at 31 March 2021. Security deposits amounting to S\$6.8 million (c.6 months' rent) is held in cash.
- COVID-19 situation under control; Singapore government currently exploring **travel bubbles** with various countries and may **reopen international borders end-2021**

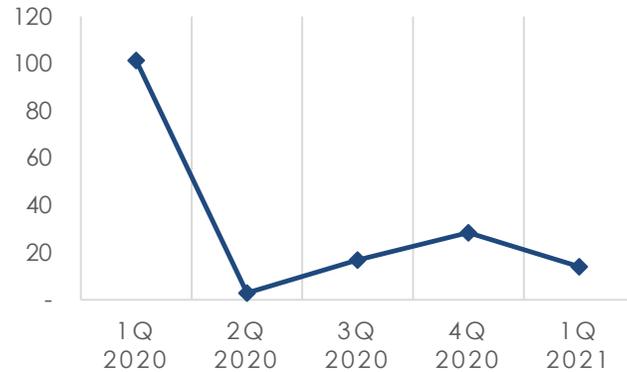
Note: Updates on travel and movement restrictions above as at 27 April 2021

1. RevPAU pertains to property under management contract, CMSS, only
2. Excluding Somerset Liang Court Singapore which was divested in July 2020
3. Comprises fixed rent, top-up of cash security deposit and property tax for March 2021

United Kingdom

Lockdown restrictions limit demand for accommodation

REVPAU (GBP)



Four-step plan to ease lockdown between April to June 2021, if strict conditions are met



International borders open to countries under airbridge arrangements



Non-essential travel discouraged; hotels to reopen and operate without constraints in May 2021

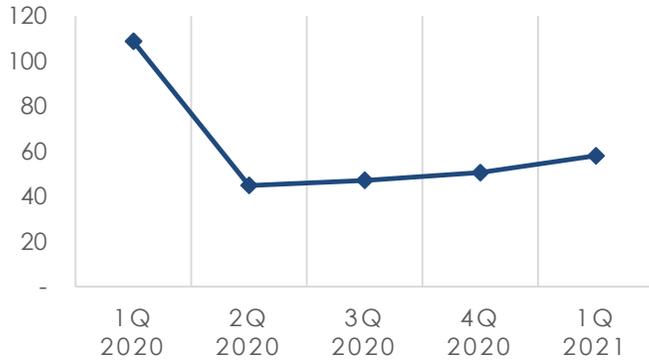
1 7% of total assets: 3 Management Contracts (MCs); Management Contract with Minimum Guaranteed Income (MCMGI)

- **1Q 2021 RevPAU decreased 50% q-o-q to GBP 14** as restrictions were imposed on UK hotels under the country's lockdown system; RevPAU decreased 86% y-o-y
- **Long stays by student groups and corporates** comprised most of the bookings in 1Q 2021, with the remainder being essential business travel
- **Leisure demand spiked on weekends** with the easing of lockdown measures in April 2021; **positive trend expected to continue** with further relaxation of measures in May 2021
- **Vaccination programme underway**, with 75% of the population forecasted to be fully immunised by August 2021
- **Income top-up mitigated the drop** at Citadines South Kensington, under MCMGI arrangement
- 3 MCs expiring in April 2021 will be **renewed as MCs for another year, under the same terms**

United States

Gradual pick-up in leisure demand, supported by long stays and block bookings

REVPAU (USD)



12% of total assets: 4 Management Contracts

- **1Q 2021 RevPAU increased 16% q-o-q to USD 58¹** due to higher demand; RevPAU decreased 47% y-o-y
- **Block booking cushioned occupancy of Sheraton Tribeca New York**, and is expected to continue through 2Q 2021
- Element New York Times Square West **enjoyed higher occupancy and room rates on weekends and holidays**, primarily driven by leisure demand, while being supported by **long stays** from healthcare personnel
- Previously closed room inventory to be reopened in anticipation of a **pick-up in demand, supported by the easing of state border restrictions**
- **Vaccines have been widely distributed** with over 40% of the population having received at least one dose
- **Renovation and rebranding of Hotel Central Times Square commenced** in April 2021; property remains operational and booking momentum has begun to pick up
- **Completed acquisition of student accommodation property** in February 2021; occupancy resilient at >90% and leasing activity has ramped up



Many states have reopened fully and several others have lifted indoor capacity limits and COVID-19 related restrictions



International travel restrictions on arrivals from Europe



Domestic travel increasingly permitted as state-mandated restrictions are eased

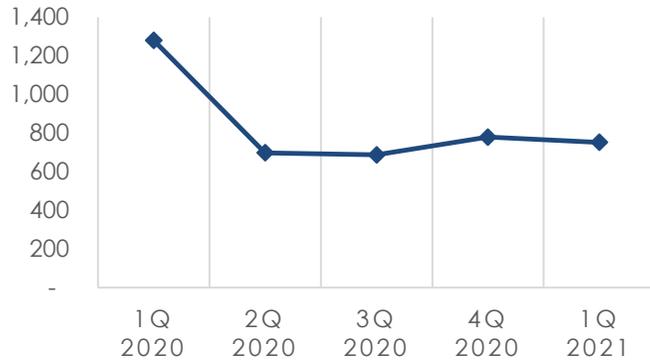
Note: Updates on travel and movement restrictions above as at 27 April 2021

1. Pertains to the 3 business hotels and excludes the student accommodation property

Vietnam

Long stays continue to provide resilience

REVPAU (VND'000)



3% of total assets: 4 Management Contracts

- **1Q 2021 RevPAU decreased 4% q-o-q to VND 752,000**, impacted by a resurgence during the Tet holiday in February 2021; RevPAU decreased 41% y-o-y
- **Long stays, corporate guests and project groups** formed majority of the properties' bookings, providing a resilient occupancy base
- Gradual increase in **domestic corporate demand** as well as business travel between Hanoi and Ho Chi Minh City
- Continue to build on long stays and domestic corporate market share, with a focus on **project group and relocation segments**
- Marketing initiatives to capture **domestic leisure and alternative sources** of business have also been introduced



COVID-19 situation generally under control; localised lockdowns imposed on areas experiencing a resurgence



International borders remain closed except to selected officials and skilled workers



Domestic travel permitted

Pivoting to the New Norm

Portfolio & Capital
Management Updates

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
- c.\$216 million in net gains from divestments that are ongoing and completed in FY 2020 and year-to-date 2021
- Development projects to rejuvenate the portfolio and enhance returns

Acquisition of 2nd Rental Housing Property in Sapporo

Increasing asset allocation in longer-stay properties

New



Acquisition of Alpha Square Kita 15 jo



About the Property

- Acquisition price of JPY 2.03 billion (\$25.5 million)
- 127-unit rental housing property in Sapporo, Japan
- Newly opened in March 2020
- Walking distance to amenities, train station, Hokkaido University and ART's other rental housing property, Big Palace Kita 14 jo Residence
- DPS-accretive acquisition with expected EBITDA yield of c.4%
- Expected completion in 2Q 2021

About Sapporo



Japan's 5th largest city and 6th fastest growing city which benefits from net migration from neighbouring cities within Hokkaido



Key economic and logistics hub that is well-supported by a large and well-educated workforce



Resilient rental rates and declining new supply

1Q 2021 Portfolio Updates

Reconstituting the portfolio, enhancing stability and returns



56
Serviced
residences

18
Hotels /
Business hotels

11
Rental
housing

1
Student
accommodation



32
Master
Leases

4
MCMGI²

48
Management
Contracts

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

Notes:

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

1. Formerly Signature West Midtown

2. MCMGI refers to Management Contracts with Minimum Guaranteed Income

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**

Strong Financial Capacity & Healthy Liquidity Position

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



Strong capital management

S\$1.15
NAV per Unit

51%
Total assets in foreign currency hedged

0.8% (gain)
Impact of foreign exchange



Robust financing flexibility

36.1%
Gearing
(c. S\$1.9 billion debt headroom¹)

1.7%
per annum
Low effective borrowing cost

BBB (Negative Outlook)
Fitch Ratings

Interest cover
2.1X²

71%
of property value unencumbered



Fortifying liquidity reserves

c.S\$1.2 bil
Total available funds

=

c.S\$360 mil
Cash on-hand

+

c.S\$830 mil
Available credit facilities and net divestment proceeds to be received³

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

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 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

Strong Financial Capacity & Healthy Liquidity Position

Diversified funding sources and well spread-out debt maturity profile

69% : 31%

Bank loans : Medium Term Notes

10%

Total debt due in 2021

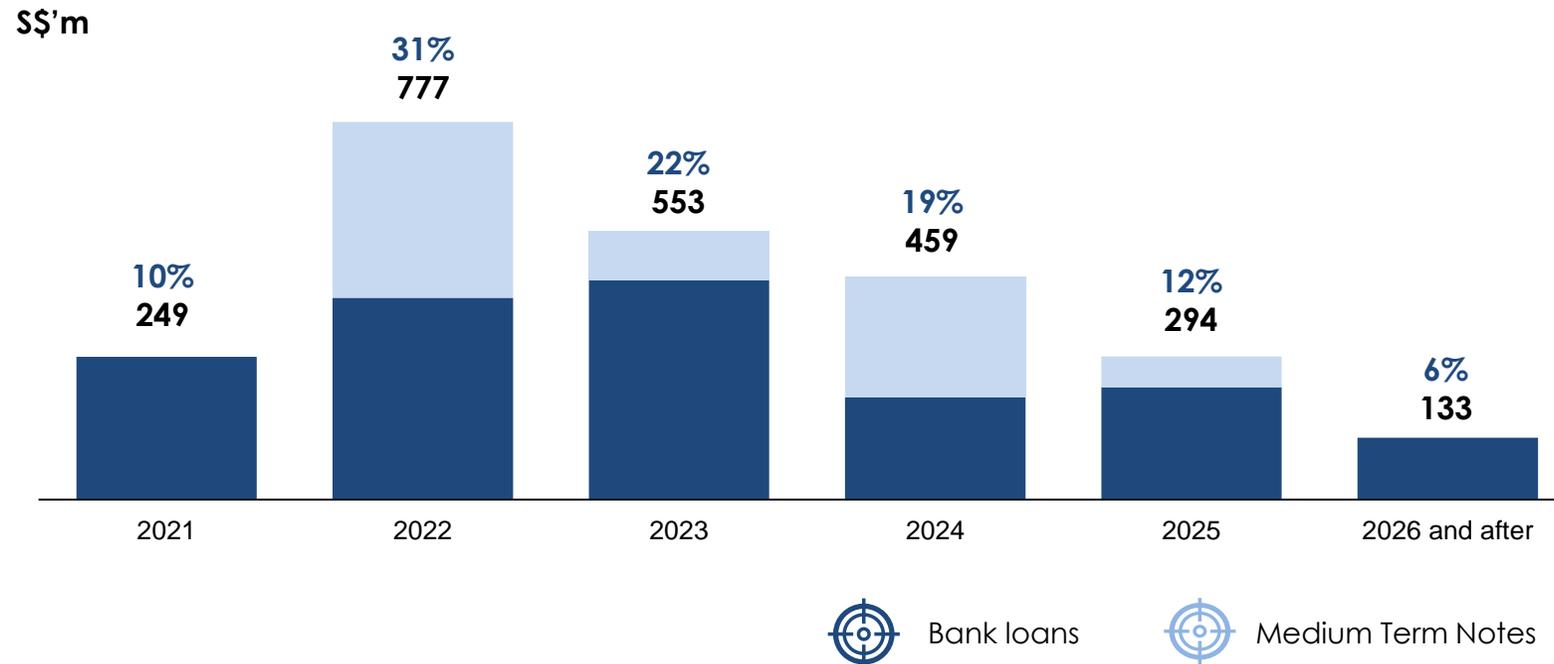
c.78%

Total debt on fixed rates

3.0 years

Weighted average debt to maturity

Managing liquidity risks through diversified funding sources



- Commenced negotiations to refinance debt due in 2021
- Lenders remain supportive

The View Ahead

Outlook & Prospects

lyf one-north, Singapore (Artist's Impression)
Concept Design by WOHA



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**



Thank you



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