



ARA US HOSPITALITY TRUST

A stapled group comprising:

ARA US HOSPITALITY PROPERTY TRUST

(a real estate investment trust constituted on 24 September 2018 under the laws of the Republic of Singapore) managed by
ARA Trust Management (USH) Pte. Ltd.

ARA US HOSPITALITY MANAGEMENT TRUST

(a business trust constituted on 29 October 2018 under the laws of the Republic of Singapore) managed by
ARA Business Trust Management (USH) Pte. Ltd.

PRESS RELEASE

ARA US HOSPITALITY TRUST REPORTS DISTRIBUTABLE INCOME OF US\$2.0 MILLION IN FY2021 AMIDST RECOVERY FROM COVID-19 PANDEMIC

Singapore, 23 February 2022 – ARA Trust Management (USH) Pte. Ltd., as manager of ARA US Hospitality Property Trust (“**ARA H-REIT**”), and ARA Business Trust Management (USH) Pte. Ltd., as trustee-manager of ARA US Hospitality Management Trust (“**ARA H-BT**”) (collectively known as the “**Managers**”), today announced the financial results of ARA US Hospitality Trust (“**ARA H-Trust**”) for the full year ended 31 December 2021 (“**FY2021**”).

Financial and Portfolio Performance

In FY2021, ARA H-Trust achieved a higher Gross Revenue and Gross Operating Profit of US\$130.7 million and US\$40.5 million, respectively, rising 67.2% and 218.7% as compared to FY2020. The improved performance led to a Net Property Income of US\$24.9 million for the year, compared to a US\$5.0 million loss in FY2020. After deducting loan interest, other trust expenses and amounts set aside for capex reserve, ARA H-Trust recorded a distributable income of US\$2.0 million for FY2021.

Financial Results Summary

	2H 2021 (US\$'000)	2H 2020 (US\$'000)	Change (%)	FY2021 (US\$'000)	FY2020 (US\$'000)	Change (%)
Gross Revenue	77,827	38,816	100.5%	130,674	78,161	67.2%
Gross Operating Profit	26,332	6,856	284.1%	40,464	12,697	218.7%
Net Property Income / (Loss)	15,760	(3,028)	N.M. ¹	24,884	(5,046)	N.M. ¹

¹ N.M. – Not meaningful

The ARA H-Trust portfolio benefited from recovering domestic travel and hotel demand which led to sequential improvements in quarterly performance across all brands. For FY2021, the portfolio posted an average occupancy and average daily rate of 57.1% and US\$112, respectively. Consequently, the revenue per available room (“**RevPAR**”) and RevPAR Index² was US\$64 and 105.3%, respectively.

Mr. Lee Jin Yong, CEO of the Managers said, “The United States (“U.S.”) hospitality industry continued its strong recovery in 2H 2021, riding on the success of widespread vaccination program and the reopening of the markets across the U.S. The U.S. economy is booming as the disruptions from COVID-19 diminish and the pandemic transitions to an endemic. The expected return of corporate and group demand will further bolster recovery and stokes renewed optimism for the U.S. lodging industry in 2022 and beyond.”

Proactive Capital Management

ARA H-Trust remains in a sound financial position and has adequate liquidity to meet its operational needs and financial commitments. As at 31 December 2021, ARA H-Trust had approximately US\$19.2 million in cash and cash equivalents, and an aggregate leverage of 44.3% as portfolio valuation improved by 5.2% y-o-y. On 23 February 2022, the Managers also successfully obtained new 3-year unsecured loan facilities amounting to US\$95 million from the existing lenders, to refinance loans maturing in FY2022 and FY2023.

Outlook

Tourism Economics and STR have also upgraded their U.S. hotel forecast, underpinned by continued strengthening in average daily rate (ADR) in 2021. The U.S. hotel market occupancy and RevPAR are forecast to grow by 10.7% and 19.5%, respectively, in 2022, with occupancy and RevPAR projected to exceed 2019 levels in 2023. According to STR, the U.S. hotel industry recaptured 83% of pre-pandemic RevPAR levels in 2021, with much of the RevPAR recovery being led by leisure-driven ADR. Tourism Economics anticipates inflation to remain higher through the first half of the year with a gradual leveling off during Q3 and Q4, and barring any major setbacks with the pandemic, demand and occupancy are shaping up to hit significant levels during the second half of 2022. Tourism Economics expects that the backdrop for sustained travel recovery will be strong, looking beyond the first quarter of 2022.

Mr. Lee concluded, “As our portfolio is oriented towards domestic leisure and business travelers, we believe that the Trust is poised to do well in the coming year. With an efficient operating model and proactive hands-on asset management, we remain focused to chart the path forward to create long-term value for our Stapled Securityholders.”

² RevPAR Index – A measure of the hotel's RevPAR performance relative to the competitive set of hotels

Please kindly refer to ARA H-Trust's corporate website at <https://www.araushotels.com> for its FY2021 financial statements and presentation.

Lee Jin Yong
Chief Executive Officer
23 February 2022

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About ARA US Hospitality Trust

Listed on the Singapore Exchange on 9 May 2019, ARA US Hospitality Trust is a hospitality stapled group comprising ARA US Hospitality Property Trust (“**ARA H-REIT**”) and ARA US Hospitality Management Trust (“**ARA H-BT**”). ARA US Hospitality Trust invests in income-producing real estate assets used primarily for hospitality purposes located in the United States. ARA US Hospitality Trust’s portfolio currently comprises 41 select-service hotels with a total of 5,340 rooms across 22 states in the United States.

ARA US Hospitality Trust is managed by ARA Trust Management (USH) Pte. Ltd. and ARA Business Trust Management (USH) Pte. Ltd., (collectively known as the “**Managers**”). The Managers are indirect wholly-owned subsidiaries of ARA Asset Management Limited.

For more information, please visit www.araushotels.com.

About the Sponsor

The Sponsor, ARA Real Estate Investors 23 Pte. Ltd., is an indirect wholly-owned subsidiary of ARA Asset Management Limited.

ARA Asset Management is part of the ESR Group (the “Group”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.ara-group.com, www.esr.com.

IMPORTANT NOTICE

The value of the stapled securities in ARA US Hospitality Trust ("**Stapled Securities**") (where each Stapled Security comprises 1 unit in ARA H-REIT stapled to 1 unit in ARA H-BT), and the income derived from them may fall as well as rise. Stapled Securities are not obligations of, deposits in, or guaranteed by, the Managers, DBS Trustee Limited, in its capacity as trustee of ARA H-REIT, or any of their respective affiliates.

An investment in the Stapled Securities is subject to investment risks, including the possible loss of the principal amount invested. Stapled Securityholders have no right to request that the Managers redeem or purchase their Stapled Securities while the Stapled Securities are listed. It is intended that Stapled Securityholders may only deal in their Stapled Securities through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Stapled Securities on the SGX-ST does not guarantee a liquid market for the Stapled Securities.

This announcement may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of ARA US Hospitality Trust. The forecast financial performance of ARA US Hospitality Trust is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements, which are based on the Managers' current view of future events.