OUE COMMERCIAL REIT



SGX-REITAS Education Series

6 September 2022

Important Notice

This presentation should be read in conjunction with the announcements released by OUE Commercial REIT ("OUE C-REIT") on 25 July 2022 (in relation to its Interim Financial Information for the Six-Month Period Ended 30 June 2022).

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Investors should note that they will have no right to request the Manager to redeem their Units while the Units are listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The information and opinions contained in this presentation are subject to change without notice.



Agenda

- Overview
- 1H 2022 At A Glance
- Financial Summary & Capital Management
- Portfolio Performance
- Looking Ahead
- Appendices

Overview of OUE C-REIT

One of the Largest Diversified SGX-listed REITs

Total Assets
S$5.8 billion(1)

7 High quality prime assets
6 properties in Singapore and 1 property in Shanghai



OUE Bayfront


One Raffles Place


OUE Downtown Office


Lippo Plaza



Mandarin Gallery



Hilton Singapore Orchard



Crowne Plaza Changi Airport

Strong Support
OUE Group
48.2% stake(1)

Manage more than 2.1 mil sq ft in net lettable area

1,643 upper upscale hotel rooms

Investment Mandate

✓ **Commercial**
✓ **Hospitality / Hospitality-related**

OUE COMMERCIAL REIT

(1) As at 30 June 2022

Milestones Since Listing



- Listed on SGX-ST with two assets – OUE Bayfront and Lippo Plaza

➢ **Total assets of S$1.7 billion**

2014

2015

- Maiden acquisition of One Raffles Place (67.95% effective interest)



➢ **Total assets of S$3.5 billion**

- Established S$1.5 billion Multi-Currency Debt Issuance Programme

2018

- Acquisition of OUE Downtown Office



➢ **Total assets of S$4.6 billion**

2019

- Merger with OUE Hospitality Trust by way of a trust scheme of arrangement (effective 4 Sep 2019)

➢ **Total assets of S$6.9 billion**







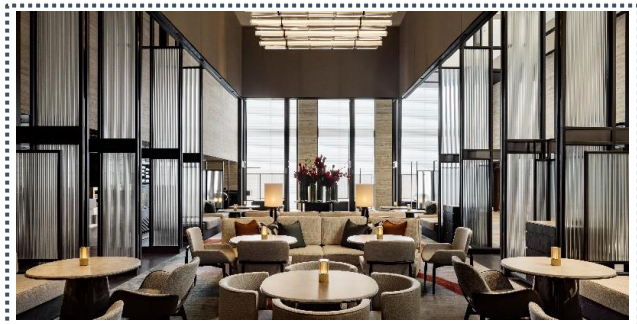
2020

- Announced transformational re-branding of Mandarin Orchard Singapore to Hilton Singapore Orchard, Hilton's flagship in Singapore and the largest Hilton hotel in Asia Pacific



- Established S$2.0 billion Multi-Currency Debt Issuance Programme

2021



- Official opening of Hilton Singapore Orchard on 24 February 2022
- Issued SG's first bond with a coupon step-down feature in May 2022
- Obtained largest unsecured sustainability-linked loan in Singapore real estate sector in August 2022 for refinancing secured borrowings

2022

- Asset recycling via divestment of 50% interest in OUE Bayfront at 7.3% premium to book value & 26.1% to purchase consideration



- Joined the FTSE EPRA Nareit Global Developed Index effective 20 September
- Obtained first sustainability-linked loan in line with commitment to reduce environmental impact of OUE C-REIT's portfolio

Quality Portfolio – Strategically Located Assets in Prime Business Districts

Singapore

OUE Bayfront[1]



One Raffles Place



OUE Downtown Office

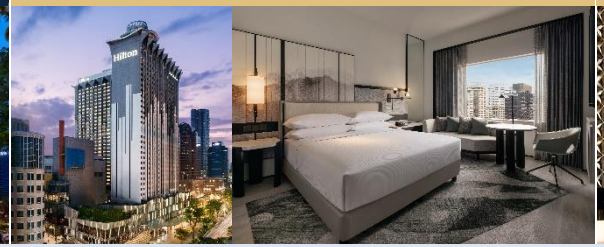


- Commercial assets situated in the three key office sub-markets in Singapore of Marina Bay, Raffles Place and Shenton Way, where medium term supply is limited
- Delivered resilient performance in a challenging operating environment, underpinning OUE C-REIT's revenue contribution

Mandarin Gallery



Hilton Singapore Orchard



Crowne Plaza Changi Airport



- Strategically located assets along the prime Orchard Road belt and within the Changi Airport vicinity are well-positioned to benefit from the authorities' focus on Singapore as a key business and leisure destination
- Hospitality assets to benefit from continued investment in tourism infrastructure across the city, as well as government support for the sector

Shanghai

Lippo Plaza



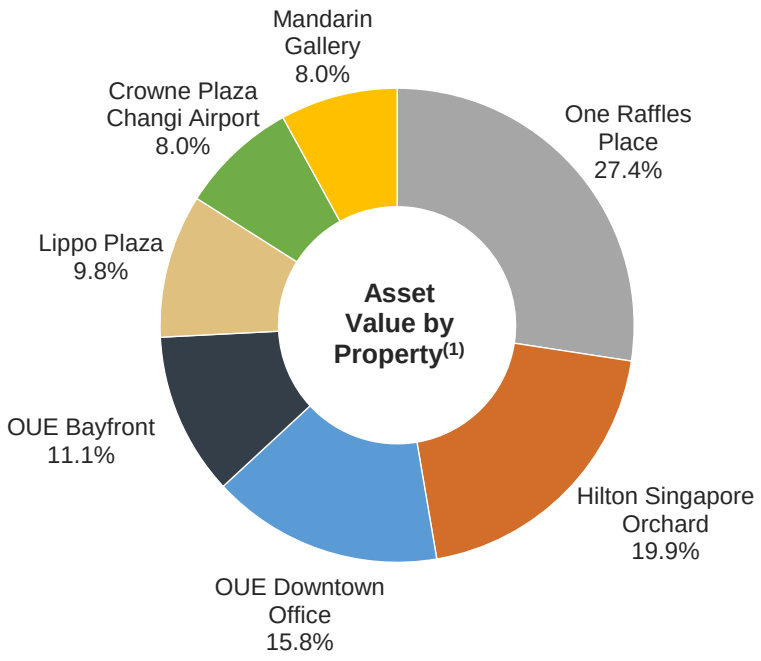
- Benefits from Shanghai's dominant position as a major financial and service hub in China

Legend

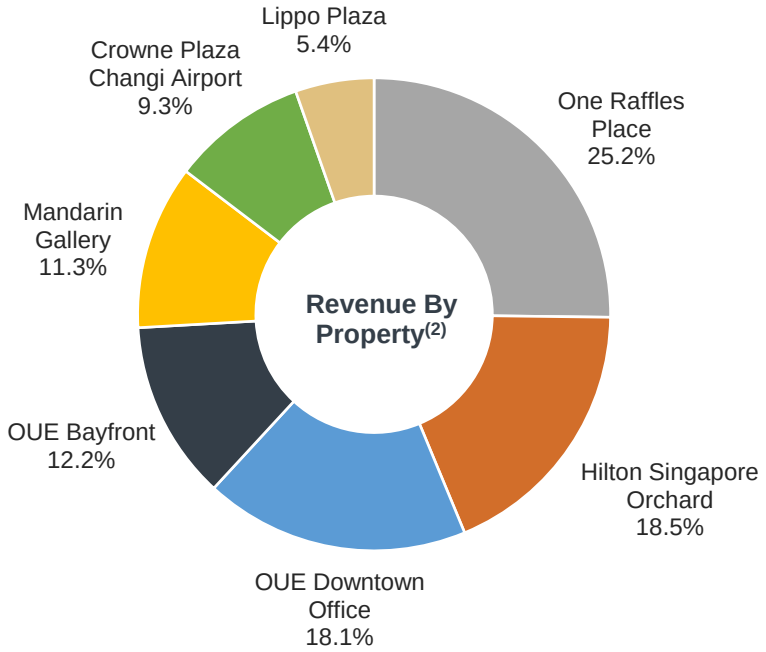
- Commercial (office and/or retail)
- Hospitality

(1) OUE C-REIT's interest in OUE Bayfront is 50% post its partial divestment on 31 March 2021

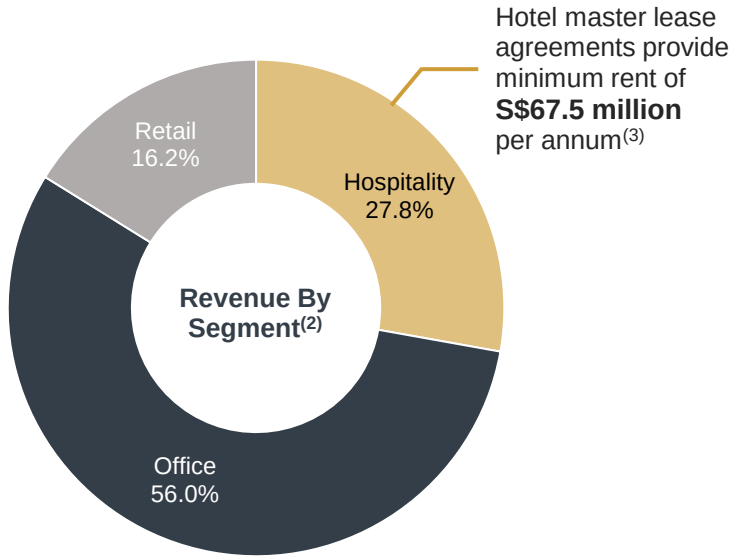
Portfolio Composition



- 90% of assets under management in Singapore



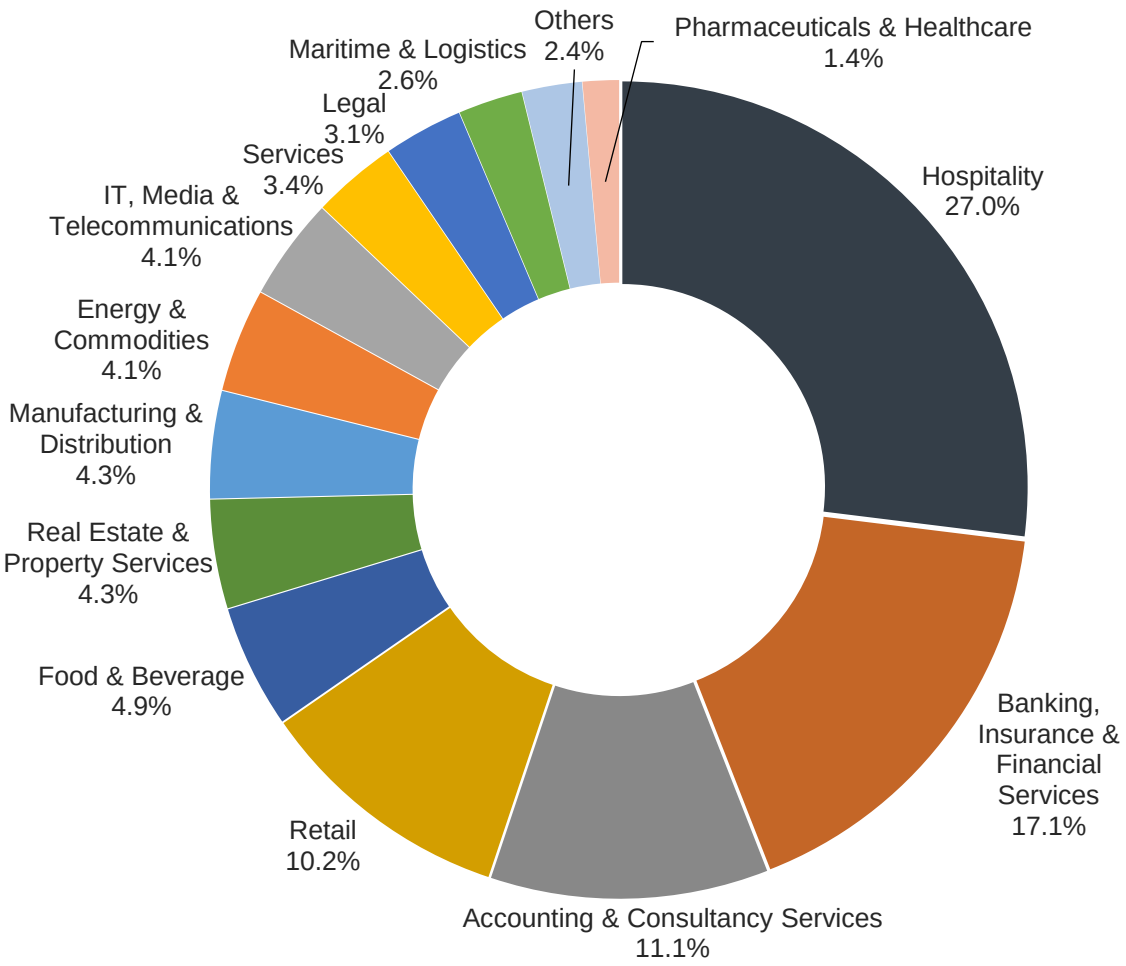
- No single asset contributes more than 25.2% to the portfolio revenue



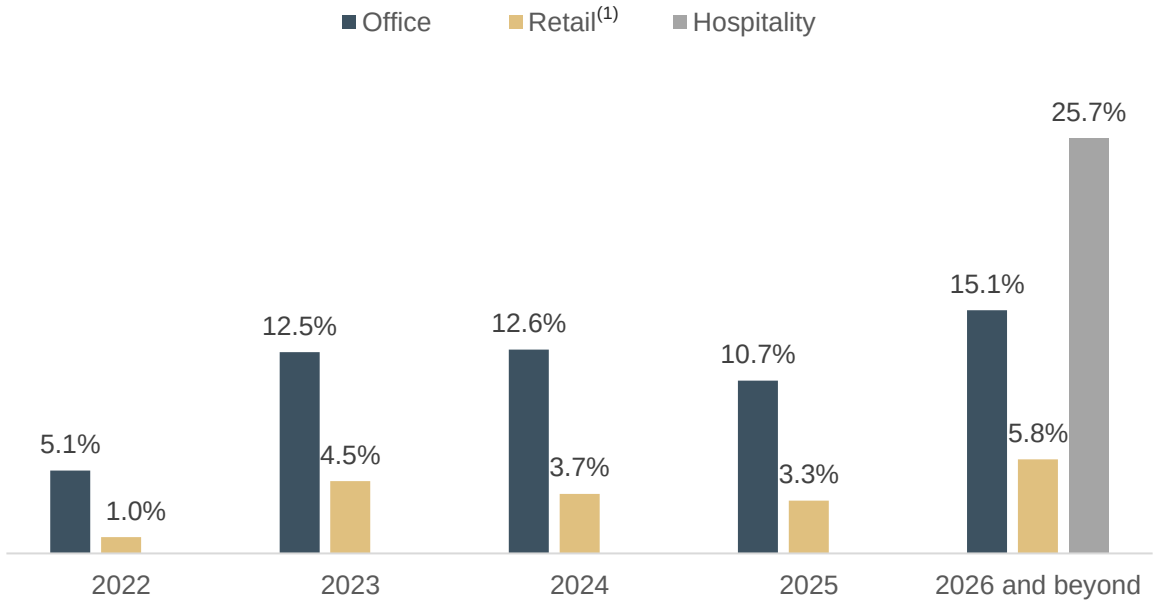
- 56.0% of portfolio contribution is underpinned by the office segment

(1) Based on independent valuations as at 31 December 2021 and OUE C-REIT's proportionate interest in the respective properties as at 31 December 2021, assuming SGD:CNY exchange rate of 1:4.824 as at 30 June 2022
(2) Based on 2Q 2022 revenue and OUE C-REIT's proportionate interest in the respective properties
(3) Hilton Singapore Orchard and Crowne Plaza Changi Airport's master lease agreements are subject to a minimum rent of S$45.0 million and S$22.5 million per annum respectively, totaling S$67.5 million per annum

Tenant Base and Portfolio Lease Expiry Profile



As of Jun 2022



WALE(2) of 3.4 years by Gross Rental Income

As at 30 Jun 2022

Note: Tenant by trade sector and lease expiry profile is based on gross rental income (excluding provision of rental rebates and turnover rent), and OUE C-REIT's proportionate interest in the respective properties

(1) Refers to contribution from Mandarin Gallery and all other retail components within OUE C-REIT's portfolio

(2) "WALE" refers to the weighted average lease term to expiry.

1H 2022
At A Glance



1H 2022 At A Glance

Financial Performance	▪ 1H 2022 amount to be distributed was S$59.5 million, translating to DPU of 1.08 cents ▪ Office segment remains the main revenue contributor at 56.0% in 2Q 2022 ▪ Stable NAV per Unit of S$0.57 as at 30 June 2022
Asset Management	▪ Singapore office properties committed occupancy improved 2.1 ppt QoQ to 92.9% as at 30 June 2022 with average passing rents remaining stable ▪ Mandarin Gallery committed occupancy increased 1.6 ppt QoQ to 90.3% with shopper traffic and sales recovering to approximately 90% and 85% of pre-COVID levels, respectively, in 2Q 2022 ▪ Hospitality segment RevPAR doubled to S$226 QoQ in 2Q 2022 on the back of Hilton Singapore Orchard's RevPAR tripling QoQ to S$302 and increased tourist demand
Capital Management	▪ In May 2022, issued Singapore's first S$150 million bond with a coupon step-down of 25 basis points upon OUE C-REIT obtaining an investment grade rating within 18 months of issuance date ▪ Stable aggregate leverage of 39.1% with average cost of debt of 3.1% p.a. as at 30 June 2022 ▪ 76.3% of total debt is hedged into fixed rates, mitigating impact of rising interest rates on distributions

Financial Summary & Capital Management



1H 2022 Financial Performance

	1H 2022 (S$m)	1H 2021 (S$m)	YoY Change (%)
Revenue	**115.8**	133.5	(13.3)
Net Property Income	**93.6**	109.0	(14.2)
Share of Joint Venture Results	**8.3**	4.1	NM
Amount to be Distributed[(1)]	**59.5**	67.2	(11.4)
Distribution per Unit (cents)	**1.08**	1.23	(12.2)

- Net property income of S$93.6 million was 14.2% lower YoY mainly due to deconsolidation of OUE Bayfront's performance post the divestment of a 50% interest in the property on 31 March 2021, partially offset by lower property expenses and rental rebates
- Including the drawdown of OUE Downtown Office income support, share of joint venture results from OUE Bayfront and lower interest expense, amount to be distributed was S$59.5 million, 11.4% lower YoY. This translates to a DPU of 1.08 cents

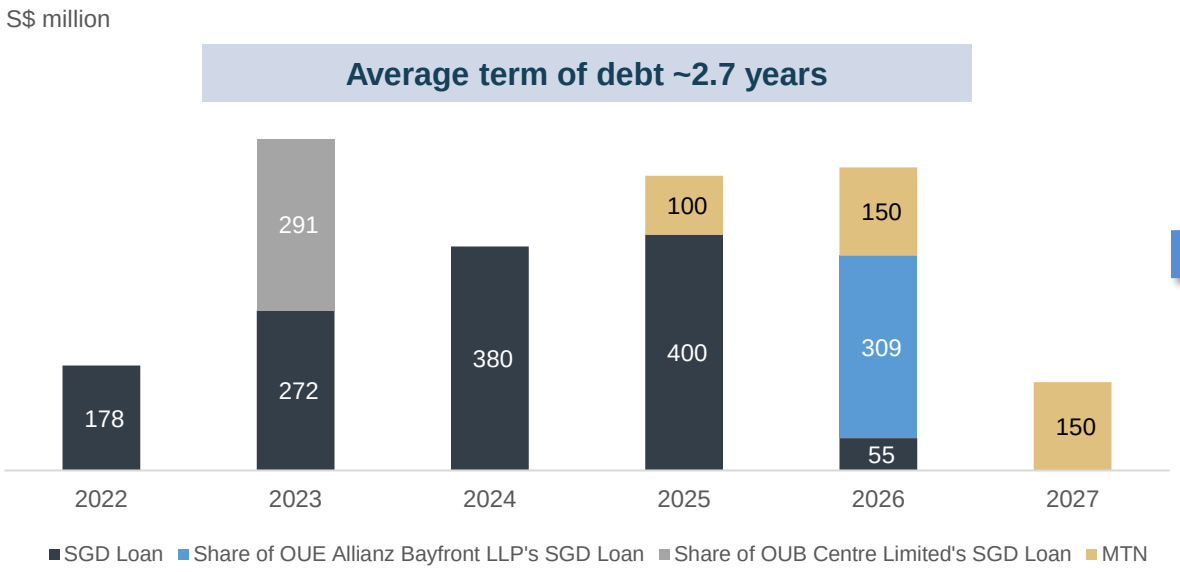
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NM: Not meaningful
(1) Net of retention for working capital requirements relating to the hospitality segment

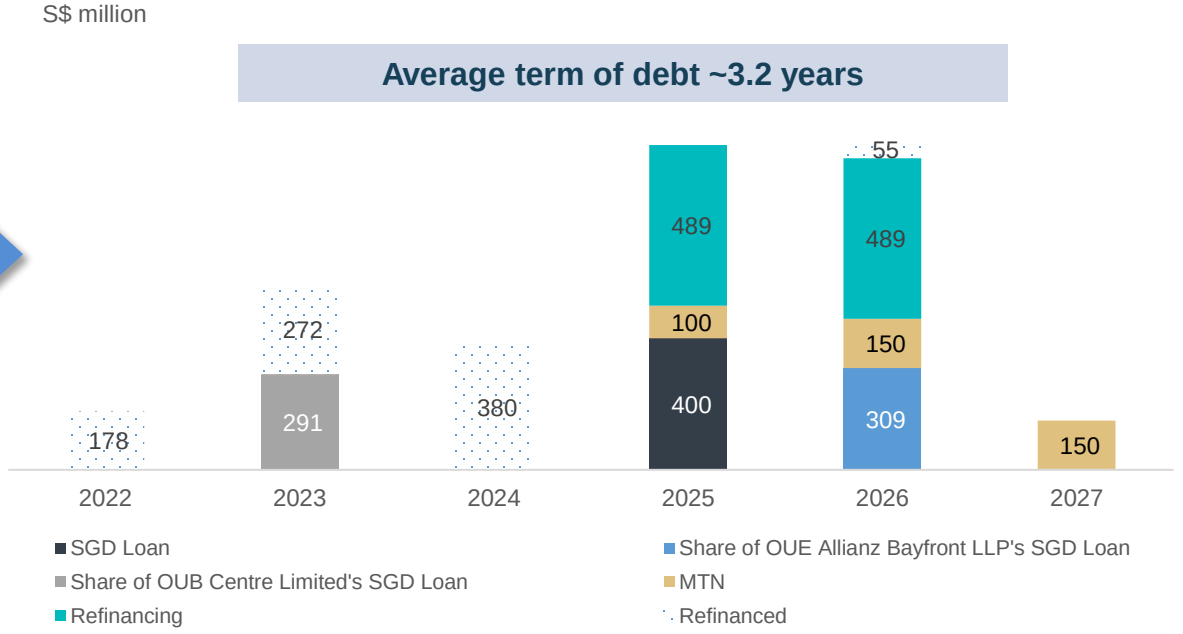
Capital Management

- Obtained an unsecured sustainability-linked loan ("SLL") of S$978 million in August 2022, the largest extended to any S-REIT to date and OUE C-REIT's second SLL, to refinance existing secured borrowings
- Oversubscribed by 1.26x and supported by 19 banks
  - ➢ Proportion of unsecured debt increases significantly from 30.9% to 70.2% post refinancing
  - ➢ Pro forma average term of debt to lengthen to 3.2 years
  - ➢ SLLs account for 58% of OUE C-REIT's total debt

Debt Maturity Profile (as at 30 June 2022)



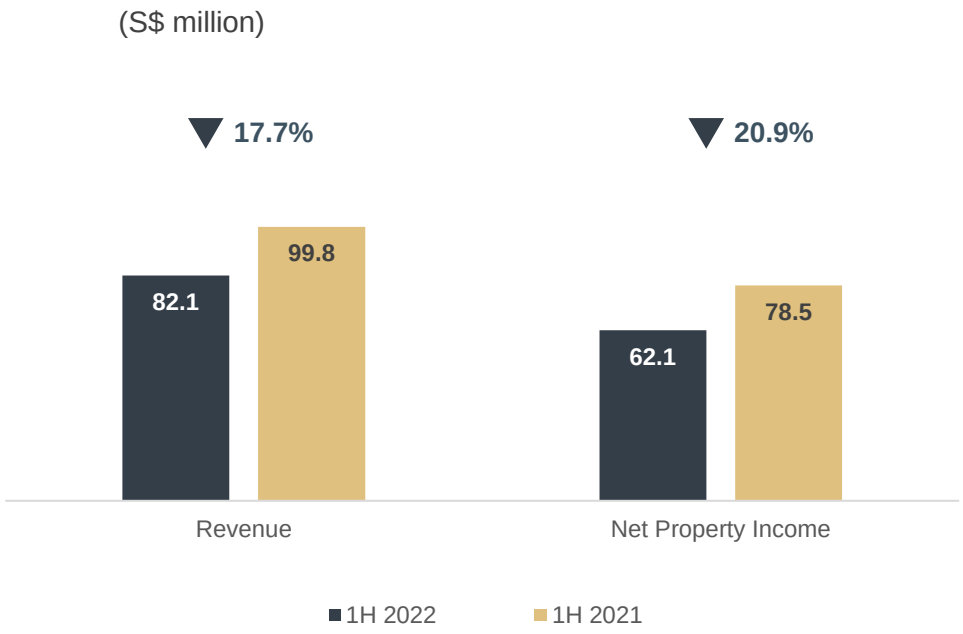
Pro Forma Debt Maturity Profile after Refinancing





Portfolio Performance

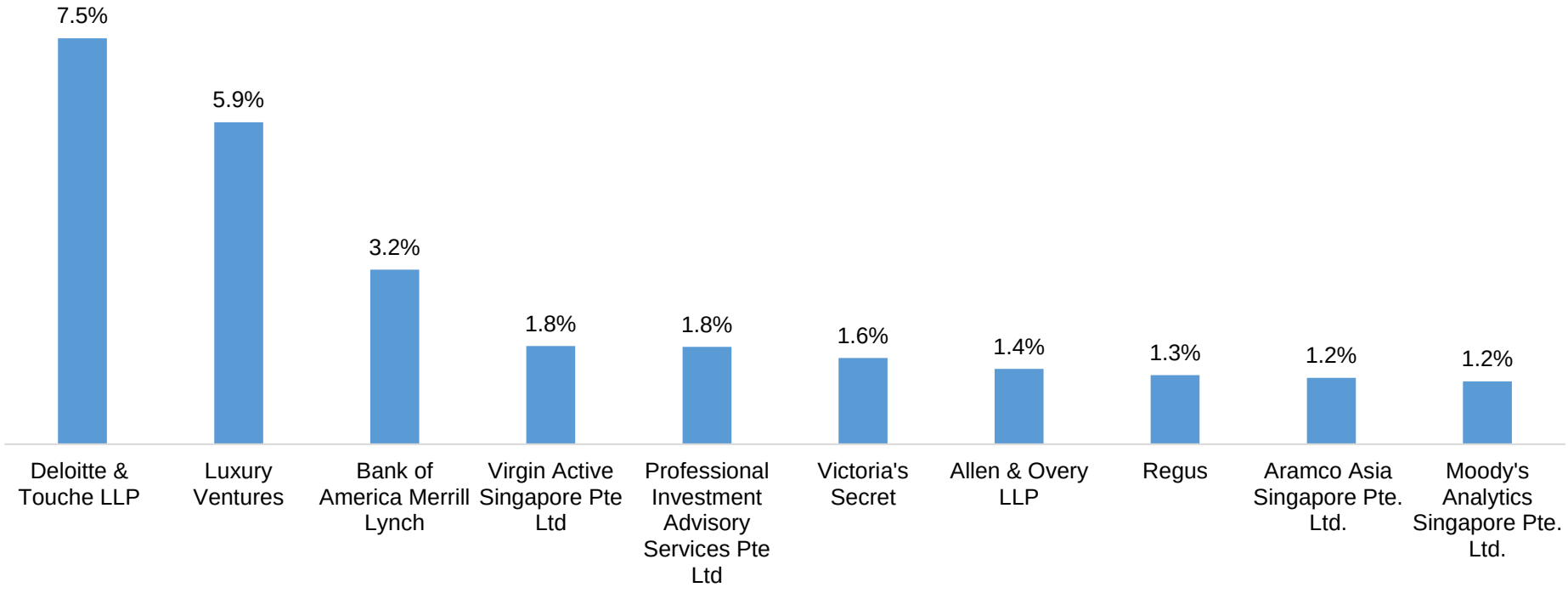
Commercial Segment Performance – 1H 2022



- Net property income of S$62.1 million was 20.9% lower YoY mainly due to deconsolidation of OUE Bayfront's performance post the divestment of a 50% interest in the property on 31 March 2021
- Approximately S$5.0 million of rental rebates were extended, mainly in support of Lippo Plaza tenants in Shanghai due to the COVID-19 lockdown during 2Q 2022

Commercial Segment Top 10 Tenants

Top 10 tenants contribute 26.9% of commercial segment gross rental income(1), of which no single tenant contributes more than 8%

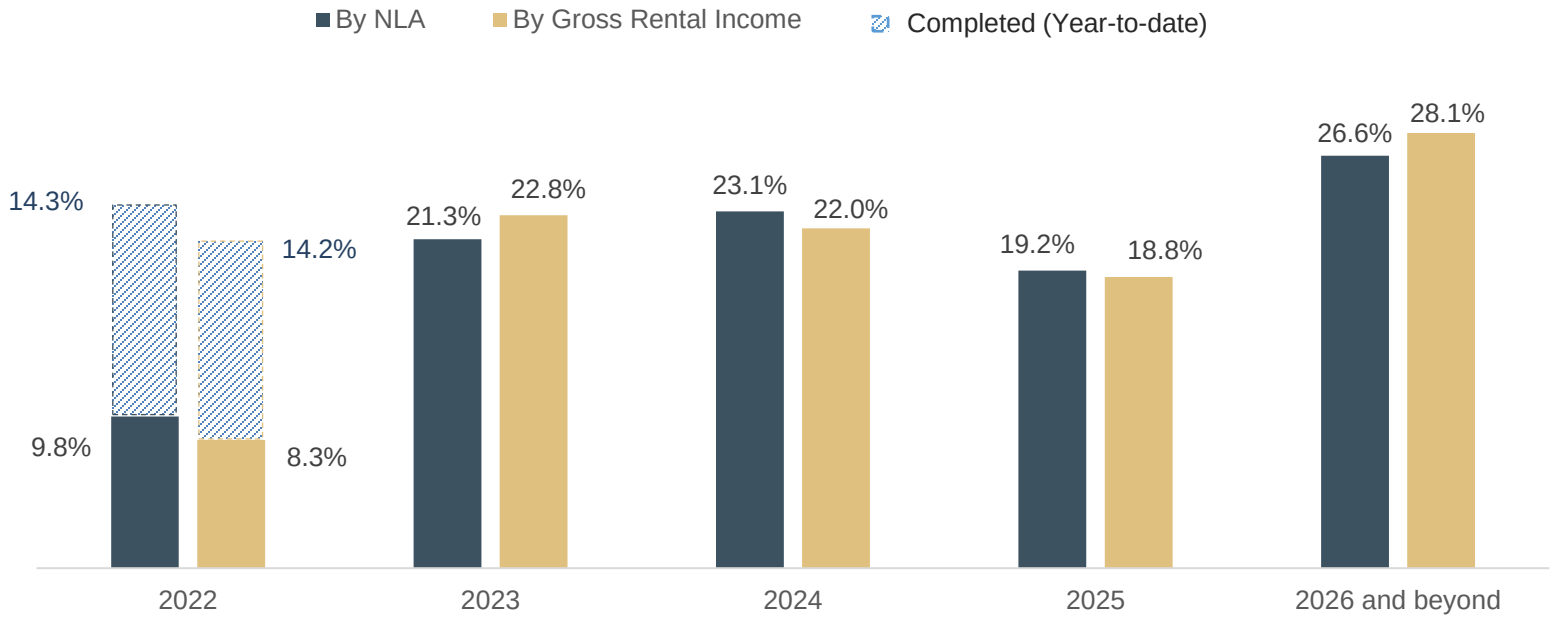


As of Jun 2022

(1) Based on gross rental income (excluding turnover rent), and OUE C-REIT's proportionate interest in the respective properties

Well-Staggered Lease Expiry Profile – Commercial Segment

8.3% of OUE C-REIT's commercial segment gross rental income remains due for renewal for balance of 2022



WALE[(1)] of 2.5 years by NLA and 2.6 years by GRI[(2)]

As at 30 Jun 2022

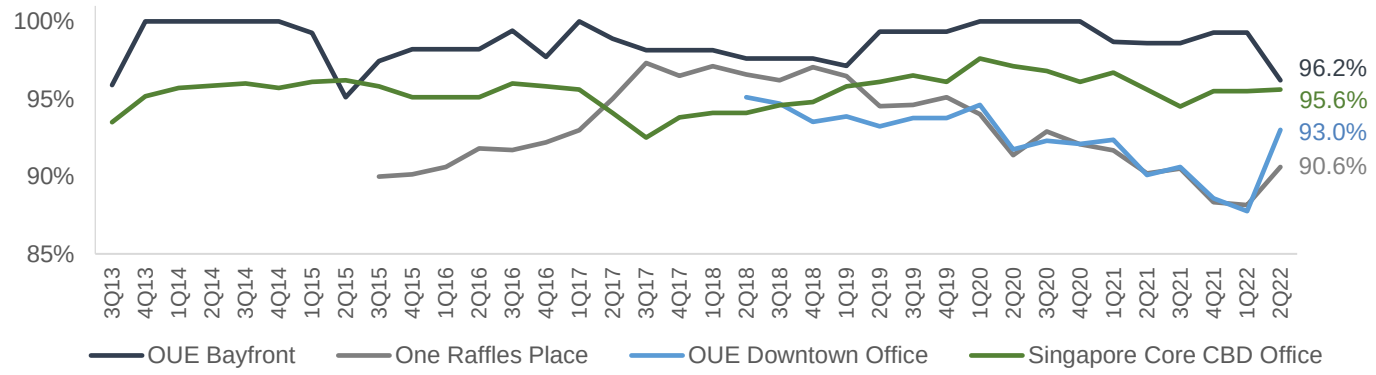
(1) Based on gross rental income (excluding turnover rent), and OUE C-REIT's proportionate interest in the respective properties
(2) "NLA" refers to net lettable area and "GRI" refers to gross rental income

Office Segment Occupancy

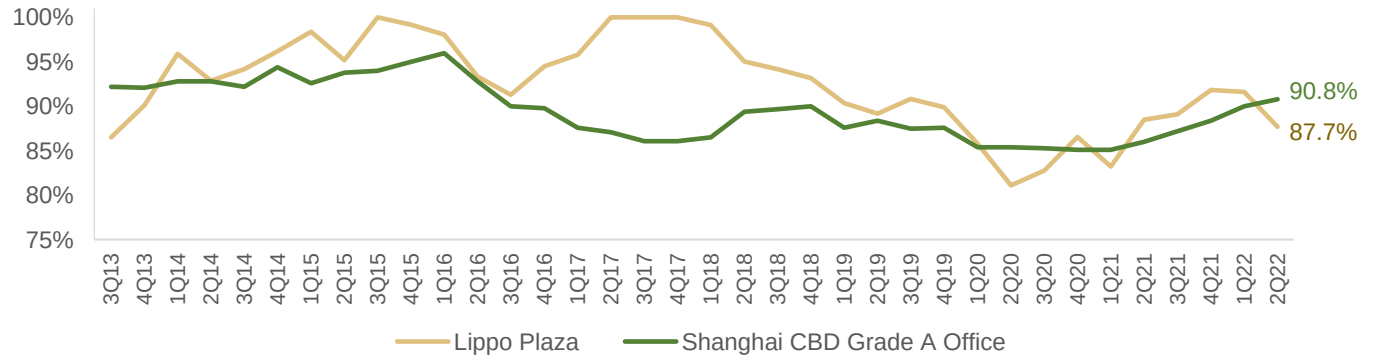
- Singapore office properties committed occupancy improved 2.1 ppt QoQ to 92.9% as at 30 June 2022 due to improvements in office leasing momentum and supported by the Manager's focus on prioritising occupancy

- Leasing activity in Shanghai was interrupted by the lockdown. Consequently, Lippo Plaza's committed office occupancy declined to 87.7%

Singapore



Shanghai



Source: CBRE, Colliers Shanghai

Office Segment Rental Performance

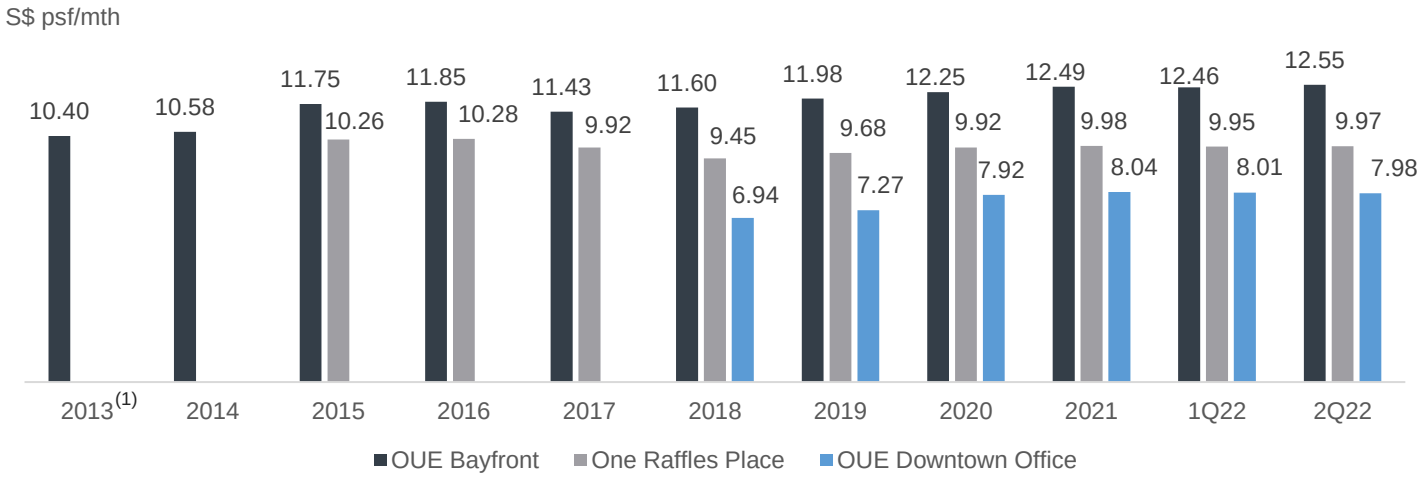
- Due to higher-than-market expiring rents, rental reversion at OUE Bayfront was -3.7%
- Negative rental reversion at OUE Downtown Office narrowed QoQ to -0.9% amidst improving market conditions

2Q 2022	Average Expired Rents	Rental Reversions	Sub-market	Comparable Sub-market Rents	
				Colliers[1]	Savills[2]
Singapore					
OUE Bayfront	S$14.32	-3.7%	New Downtown/ Marina Bay	S$12.09	S$12.18
One Raffles Place	S$9.86	4.0%	Raffles Place	S$10.24	S$9.66
OUE Downtown Office	S$8.24	-0.9%	Shenton Way/ Tanjong Pagar	S$9.33	S$8.50 – S$8.73
Shanghai					
Lippo Plaza	RMB8.62	-1.7%	Puxi	RMB9.02	RMB9.80[3]

(1) Source: Colliers Singapore Office Quarterly 2Q 2022 for Singapore comparable sub-market rents; Colliers Shanghai Grade A Office Market Overview and Forecast 2Q 2022 for Shanghai comparable sub-market rents
(2) Source: Savills Singapore Office Briefing 2Q 2022 for Singapore comparable sub-market rents; Savills Shanghai Grade A Office Market 2Q 2022 for Shanghai comparable sub-market rents
(3) Shanghai Grade A office rent for prime districts of Nanjing Road West, Huaihai Middle Road and Lujiazui as defined by Savills
Note: For reference, CBRE Research's 2Q 2022 Core CBD Grade A Singapore office rent is S$11.30 psf/mth. Sub-market rents are not published

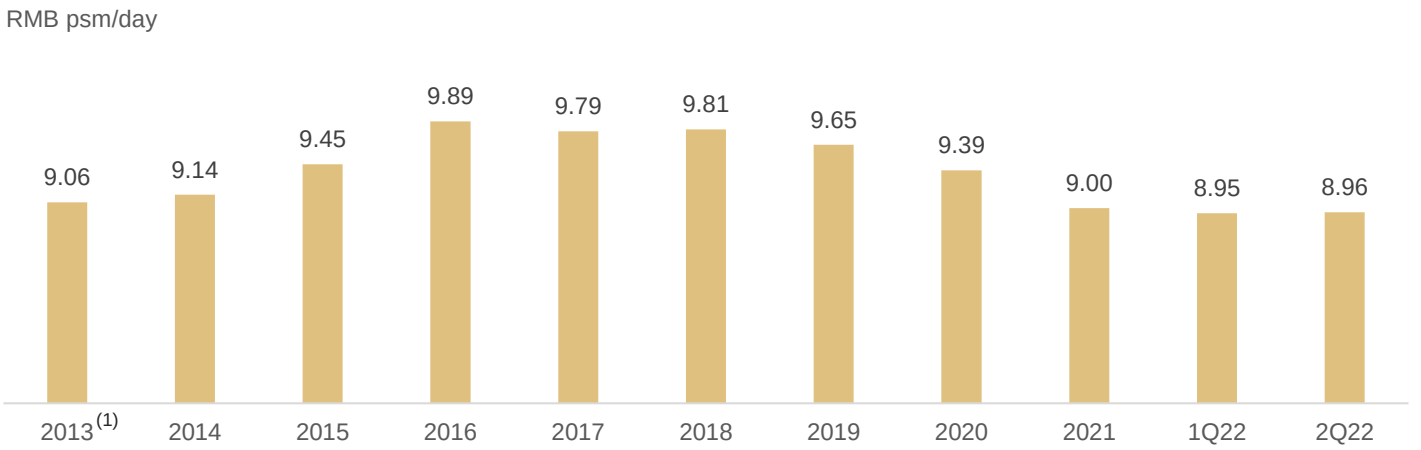
Office Average Passing Rents

Singapore (Office)



- Average passing rents for all Singapore office properties remained stable as at June 2022, with OUE Bayfront reaching a high of S$12.55 psf per month due to positive rental reversions in past consecutive quarters

Lippo Plaza (Office)

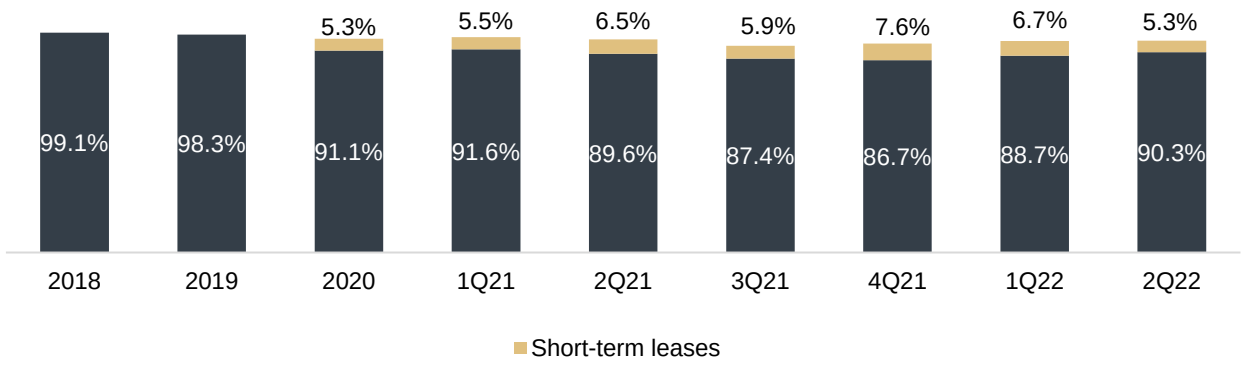


- Average passing office rent for Lippo Plaza was stable at RMB8.96 psm per day

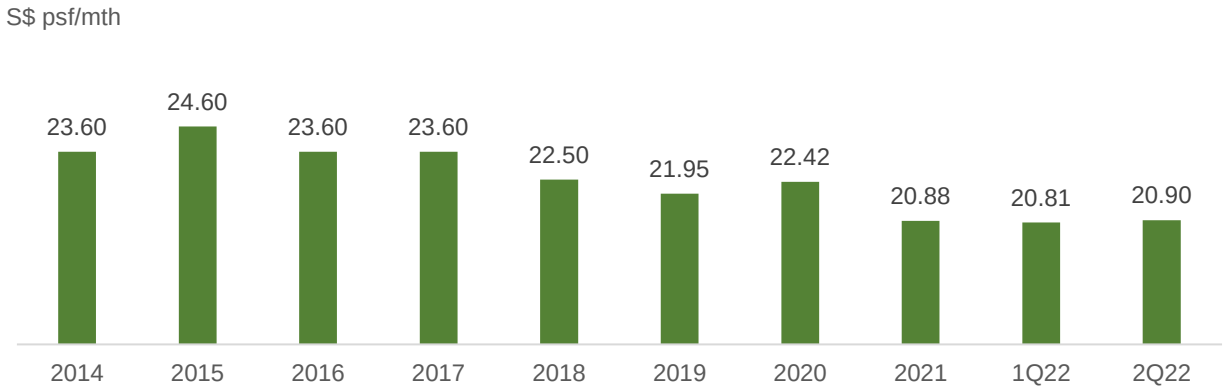
(1) Pro forma average passing rents as at 30 September 2013 as disclosed in OUE C-REIT's Prospectus dated 17 January 2014

Mandarin Gallery

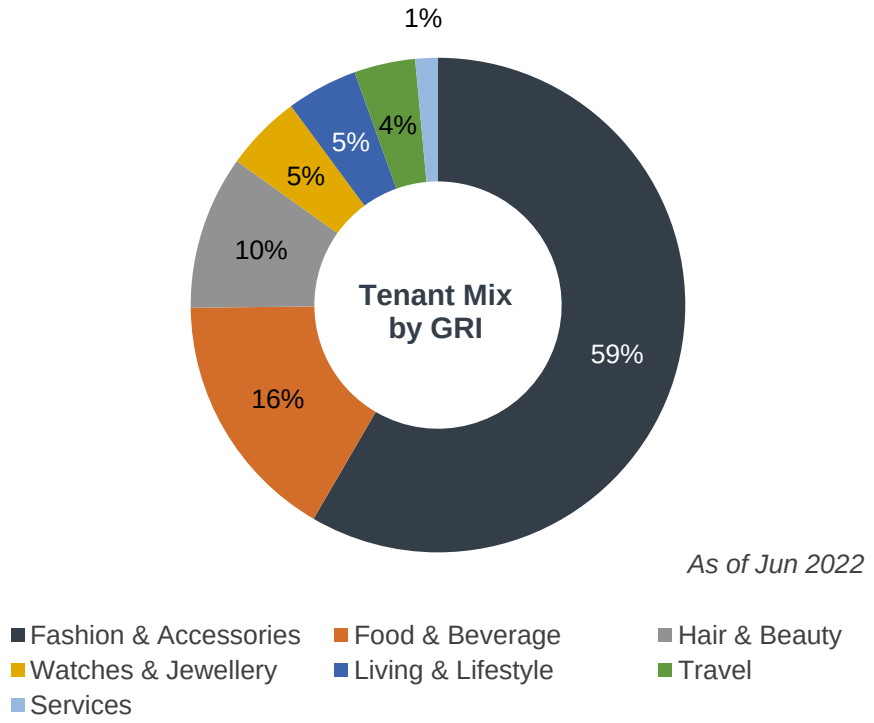
Committed Occupancy



Average Passing Rent



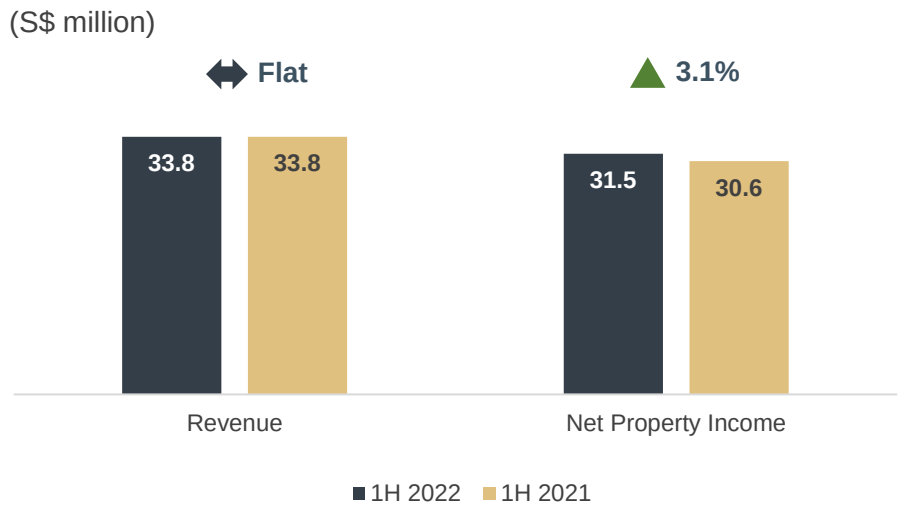
- Committed occupancy increased 1.6 ppt to 90.3% as at 30 June 2022. Including short-term leases, committed occupancy was 95.6%
- Shopper traffic and sales in 2Q 2022 improved to ~90% and ~85% of pre-COVID-levels, respectively



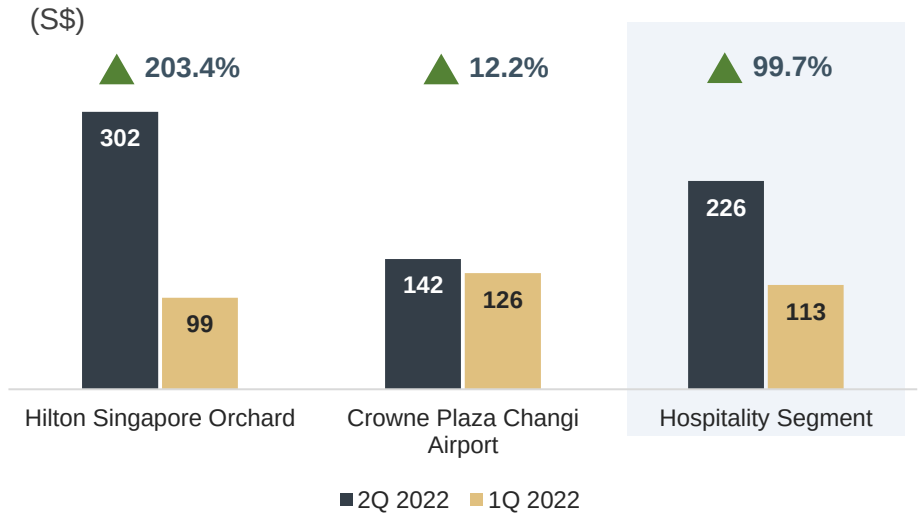
(1) Based on gross rental income (excluding turnover rent)

Hospitality Segment Performance

1H 2022 Revenue and NPI



2Q 2022 vs 1Q 2022 RevPAR

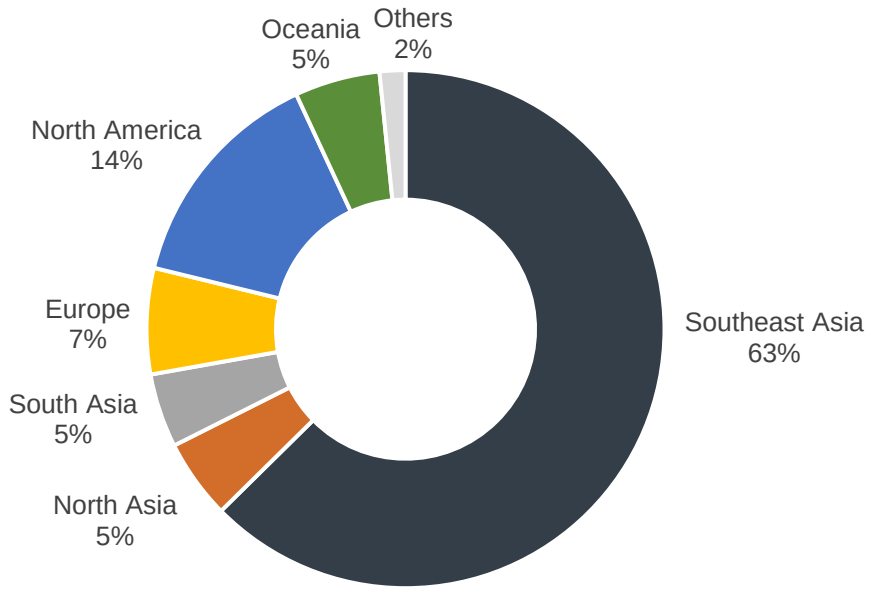


- Hospitality segment revenue for 1H 2022 of S$33.8 million was the minimum rent under the master lease arrangements of the hotel properties. Net property income for 1H 2022 was 3.1% higher YoY at S$31.5 million
- Hospitality segment RevPAR doubled QoQ to S$226 in 2Q 2022, largely driven by higher room rates at the newly re-branded Hilton Singapore Orchard as well as strong demand at both hotels due to the increase in tourist arrivals
- Hilton Singapore Orchard's RevPAR tripled QoQ to S$302, an increase of 33.6% from S$226 in 4Q 2019 before the property's re-branding. Crowne Plaza Changi Airport registered a 12.2% QoQ increase in RevPAR to S$142

Hospitality Segment Customer Profile

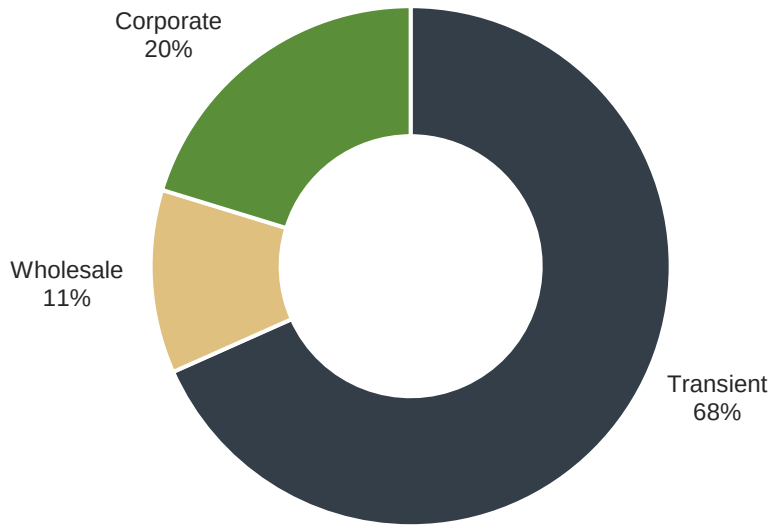
By Geography

2Q 2022
(By room nights)



By Type

2Q 2022
(By room revenue)



Notes
Excludes aircrew and delays
"Transient" refers to revenue derived from the rental of rooms and suites to individuals or groups, who do not have a contract with the hotel
"Corporate" refers to revenue derived from the rental of rooms and suites booked via a corporate or government company that has contracted annual rates with the hotel
"Wholesale" refers to revenue derived from the rental of rooms and suites booked via a third party travel agent on a wholesale contracted rate basis

Looking Ahead



Looking Ahead

Strengthen portfolio fundamentals to drive organic growth

- ☑ **Proactive asset management** to sustain occupancy while optimising rents, and reposition/reconfigure spaces to enhance tenant mix
- ☑ **Prudent management of operating expenditure** through mitigation strategies such as usage of energy-efficient equipment and technology, deployment of technology to mitigate labour and material costs, as well as a continued focus on green building certifications

Reinforce the capital structure

- ☑ **Optimise cost of debt** by strengthening credit profile to lower funding costs from capital markets and adopt appropriate hedging strategies to manage interest rate exposure
- ☑ **Manage refinancing requirements** to mitigate refinancing risks and further extend OUE C-REIT's debt maturity profile
- ☑ **Diversify funding sources** to maintain financial flexibility

Capitalise on opportunities to enhance value

- ☑ **Overseas inorganic growth strategy**, seek further exposure to offices or mixed-use developments with a significant office component in key gateway cities such as Australia (Sydney, Melbourne) and United Kingdom (London)
- ☑ **Tap on asset enhancement initiatives** to create value and enhance portfolio returns
- ☑ **Leverage on portfolio reconstitution opportunities** when they arise

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Thank You

Appendices

- Premium Portfolio of Assets
- Singapore Office Market
- Shanghai Office Market
- Singapore Hospitality Market
- Hotel Master Lease Details



Premium Portfolio of Assets

Strategically located assets in the prime business districts of Singapore and Shanghai











	OUE Bayfront	One Raffles Place	OUE Downtown Office	Lippo Plaza	Mandarin Gallery	Hilton Singapore Orchard	Crowne Plaza Changi Airport
Description	A landmark Grade A office building located at Collyer Quay between the Marina Bay downtown and Raffles Place	Iconic integrated development with two Grade A office towers and a retail mall located in Singapore's CBD at Raffles Place	Grade A office space, a mixed-used development with offices, retail and serviced residences at Shenton Way	Grade A commercial building located along Huaihai Zhong Road within the established commercial district of Huangpu in Puxi, Shanghai	Prime retail landmark on Orchard Road – preferred location for flagship stores of international brands	Hilton's flagship hotel in Singapore and its largest in Asia Pacific, strategically located in the heart of Singapore's shopping and entertainment district	Award-winning hotel at Singapore Changi Airport and close to Changi Business Park with seamless connectivity to Jewel Changi Airport
Ownership Interest	50%	67.95%	100%	91.2% strata ownership	100%	100%	100%
NLA (sq ft) /No. of Rooms	Office: 378,801 Retail: 21,132	Office: 605,529 Retail: 99,370	Office: 529,297	Office: 361,007 Retail: 61,575	Retail: 126,283	1,080 hotel rooms	563 hotel rooms
Occupancy(1)	Office: 96.2% Retail: 96.6% Overall: 96.2%	Office: 90.6% Retail: 94.1% Overall: 91.1%	Office: 93.0%	Office: 87.7% Retail: 96.8% Overall: 89.0%	Retail: 90.3%	-	-
Valuation as at 31 Dec 2021	S$1,270.0m(2) (S$3,176 psf)	S$1,867.7m(3) (S$2,650 psf)	S$902.0m (S$1,704 psf)	RMB2,681.0m / RMB45,812 psm GFA	S$453.9m (S$3,594 psf)	S$1,130.0m (S$1.0m / key)	S$455.2m (S$0.8m / key)

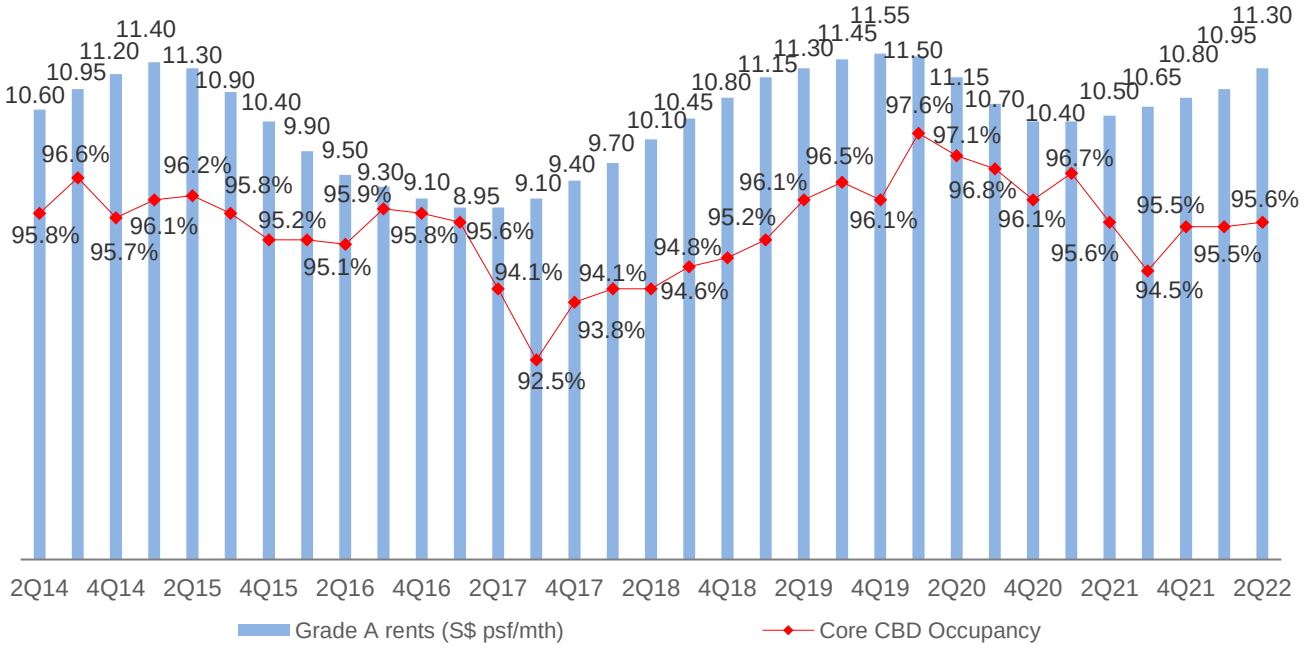
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(1) Committed occupancy as at 30 June 2022
(2) Based on OUE Allianz Bayfront LLP's 100% interest in OUE Bayfront. OUE C-REIT has a direct 50.0% interest in OUE Allianz Bayfront LLP
(3) Based on OUB Centre Limited's 81.54% interest in One Raffles Place. OUE C-REIT has an indirect 83.33% interest in OUB Centre Limited held via its wholly-owned subsidiaries

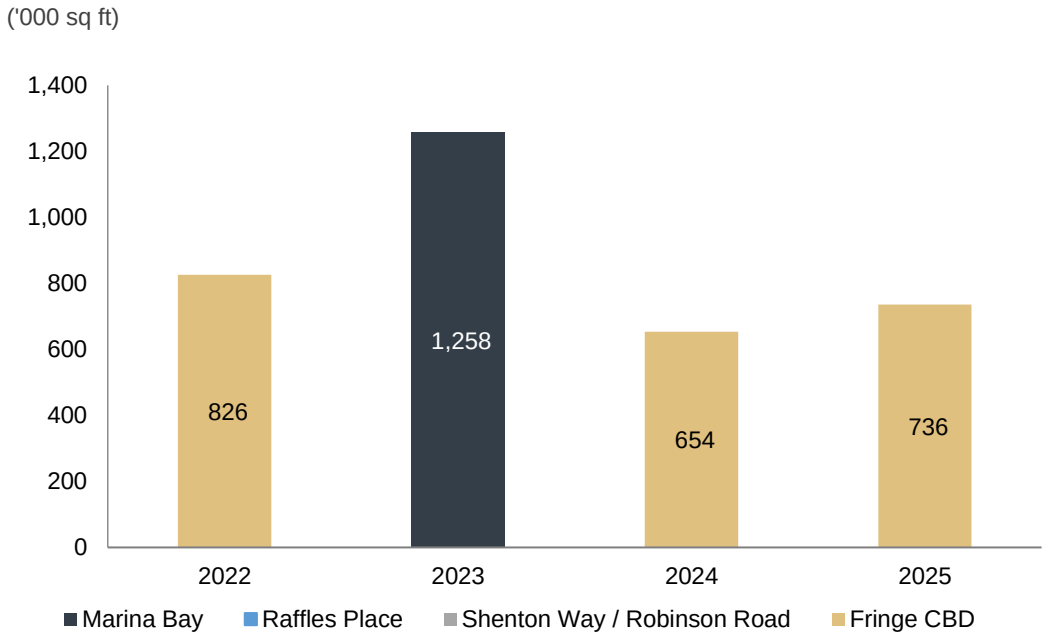
Singapore Office Market

- Positive leasing momentum from end-2021 carried through to 2Q 2022 as Singapore eased workplace restrictions. Demand was largely driven by renewals and the legal and non-bank financial sectors. Consequently, core CBD Grade A occupancy increased 0.1 ppt to 95.6% in 2Q 2022, while CBD Grade A office rents increased 3.2% QoQ to S$11.30 psf per month
- Despite potential demand risks from the technology sector, core CBD Grade A rents are expected to remain healthy in view of the stable domestic economic outlook, limited supply pipeline and back-to-office trend

Singapore CBD Grade A Rents and Occupancy

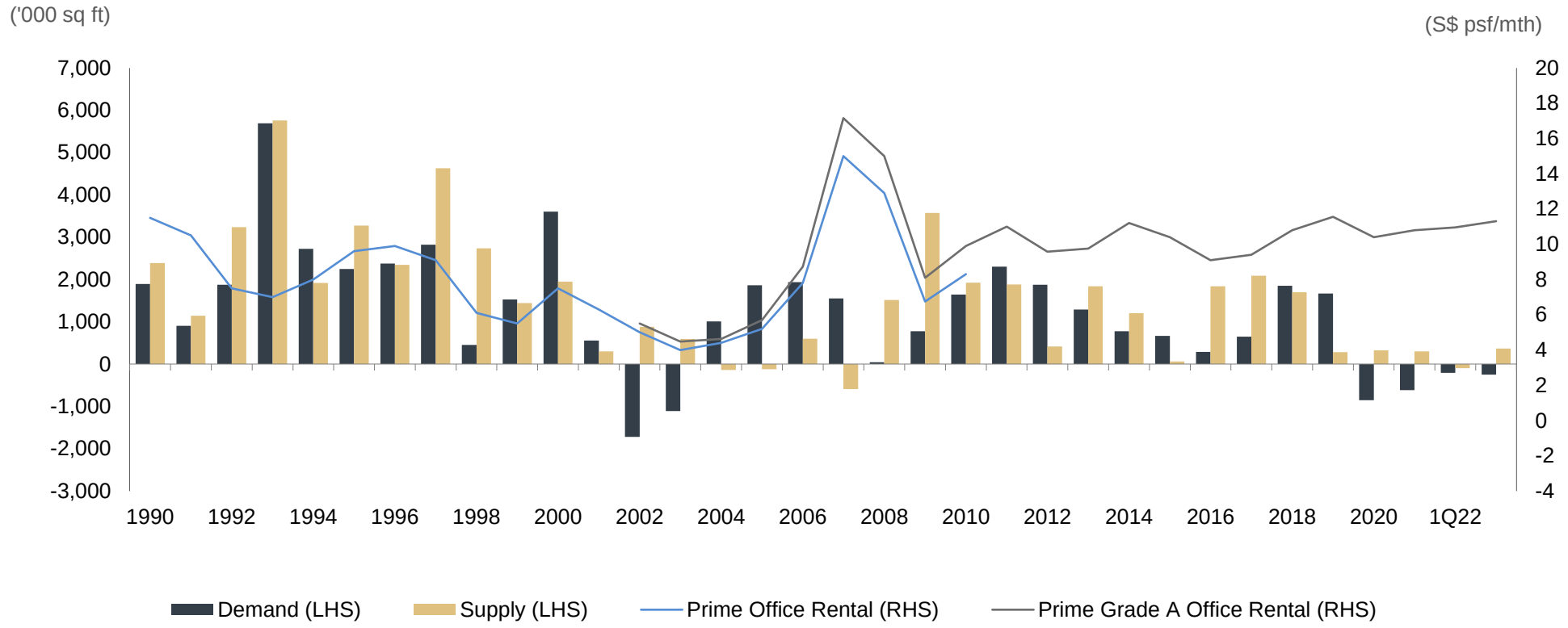


Office Supply Pipeline in Singapore (CBD and Fringe of CBD)



Note: Excluding strata-titled office
Source: CBRE Research

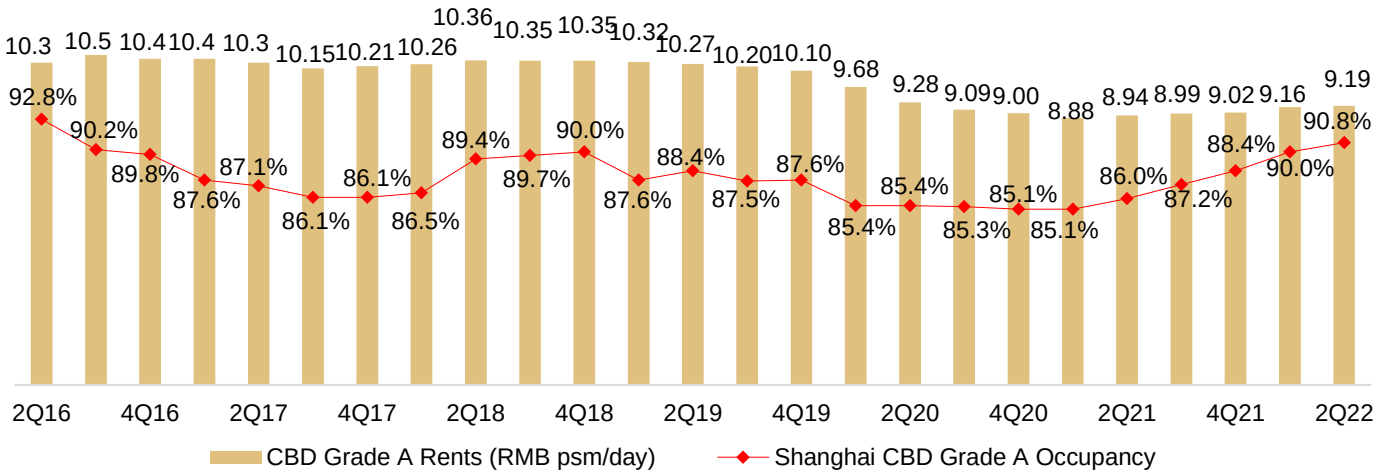
Singapore Office Demand, Supply & Office Rents



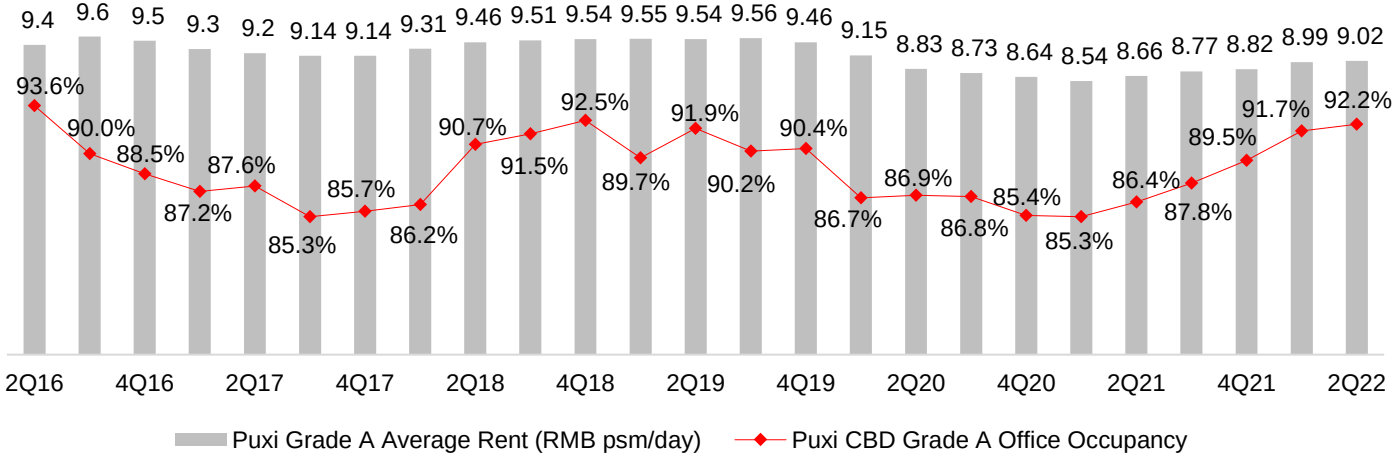
Source: URA statistics, CBRE Research
2Q 2011 was the last period where CBRE provided Prime Office Rental data. Prime Grade A office rental data not available prior to 1Q 2002

Shanghai Office Market

Shanghai



Puxi

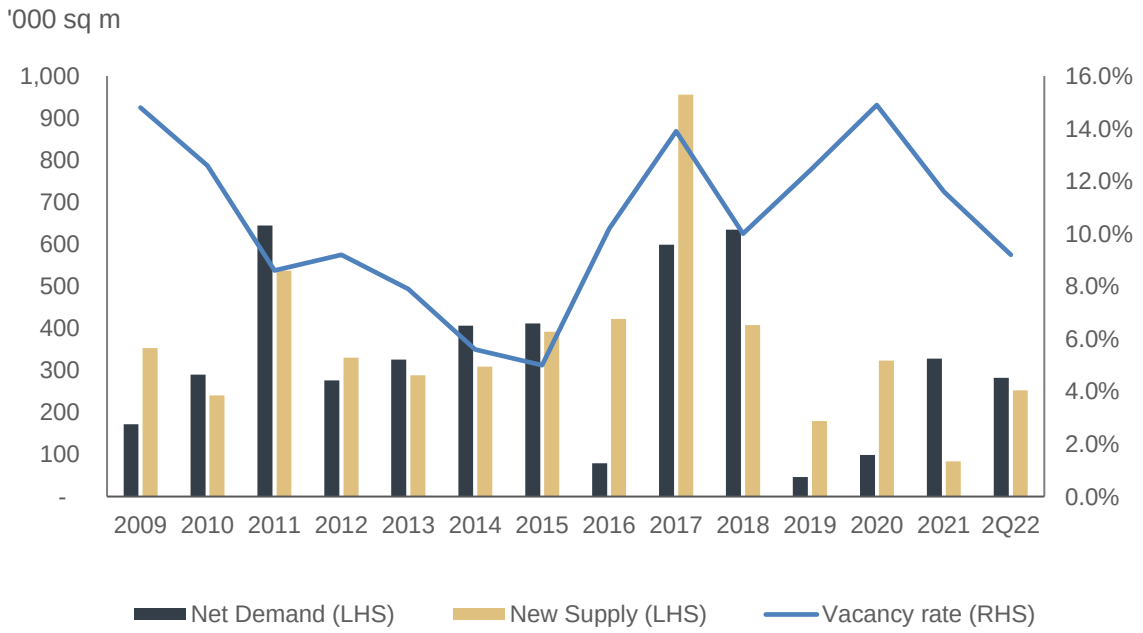


- Shanghai CBD Grade A office occupancy increased 0.5 ppt QoQ to 90.8%, while rents edged up 0.1% QoQ to RMB9.19 psm per day in 2Q 2022
- Puxi Grade A office occupancy remained stable QoQ at 92.2% as at 2Q 2022, and rents were unchanged QoQ at RMB9.02 psm/day
- Demand is expected to return to normal levels in 2H 2022 as curbs are lifted and activity resumes, although net absorption for the full year is likely to be below 2021 levels. Occupancy and rental growth are thus expected to come under pressure in view of the significant new supply

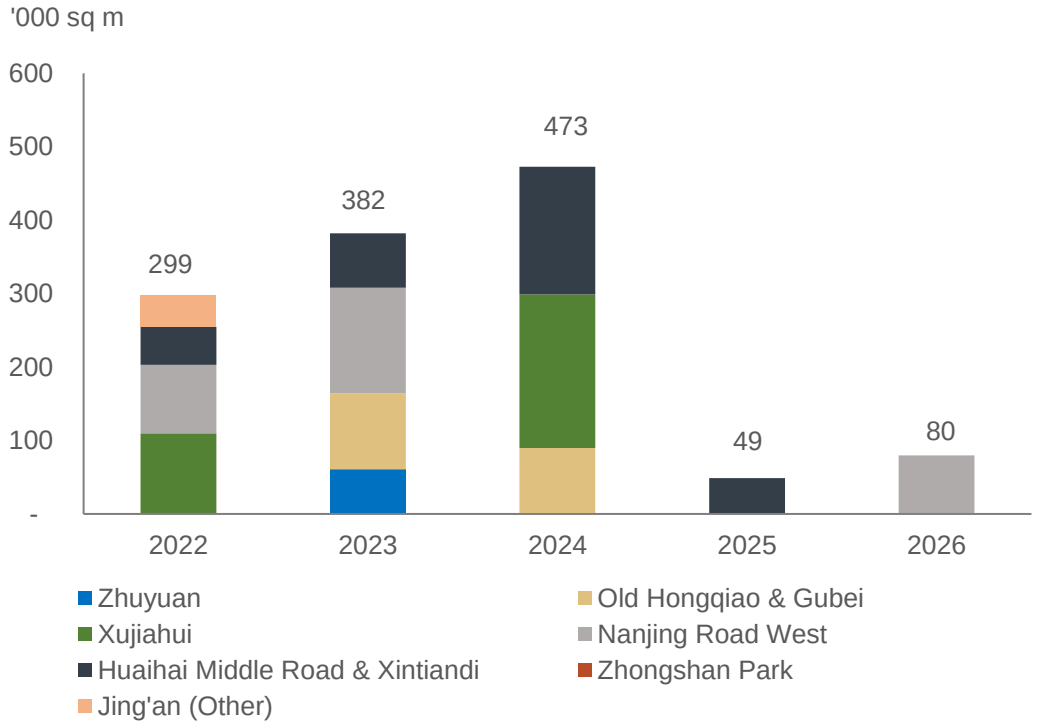
Source: Colliers International

Shanghai CBD Demand, Supply & Vacancy

Grade A Office Net Absorption, New Supply and Vacancy Rate



Office Supply Pipeline in Shanghai CBD



- Shanghai CBD Grade A office supply expected to abate after 2024

Source: Colliers International

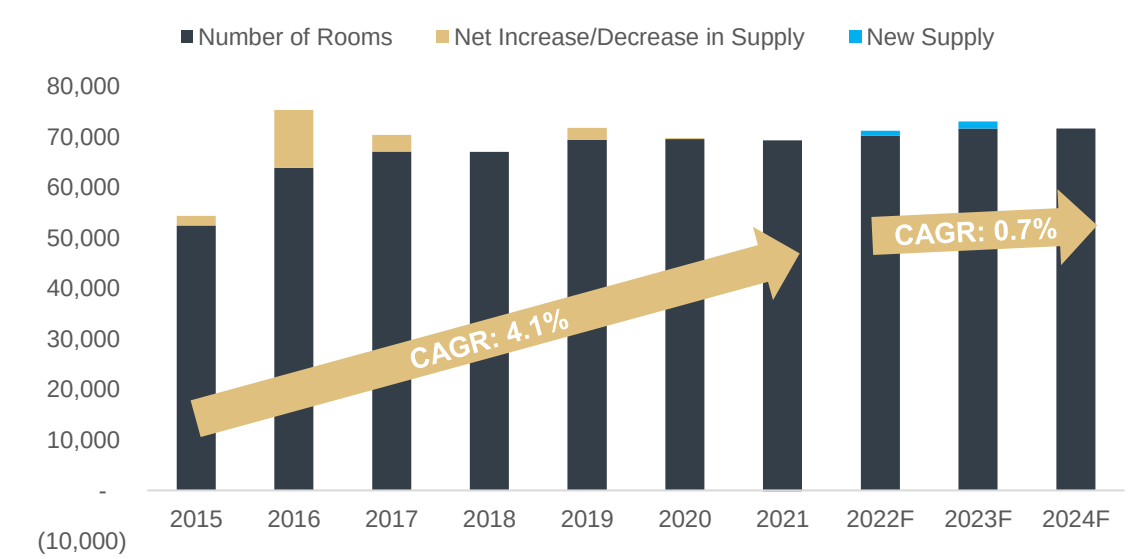
Singapore Hospitality Market

- YTD July 2022 visitor arrivals were 2.2 million, 16 times more compared to the same period in 2021, as Singapore significantly reopened its borders to all fully vaccinated travellers from 1 April 2022
- The Singapore Tourism Board expects Singapore to receive between 4 and 6 million visitors in 2022 with tourism flows recovering to pre-COVID levels by the mid-2020s(1)
- New hotel supply is expected to be limited over the next two years, with a CAGR of 0.7% from end-2022 to end-2024, lower than the 4.1% CAGR during the seven-year period from end-2015 to end-2021

Visitor Arrivals in Singapore



Singapore Hotel Supply



Source: Singapore Tourism Board, International Visitor Arrival Statistics, JLL Industry Sources

1) Singapore Tourism Board: "STB expects 4 to 6 million international visitor arrivals for 2022 as tourism recovery gains momentum", 14 July 2022. URL: https://www.stb.gov.sg/content/stb/en/media-centre/media-releases/STB-expects-4-to-6-million-international-visitor-arrivals-for-2022-as-tourism-recovery-gains-momentum.html

Hotel Master Lease Details






Property	Hilton Singapore Orchard ("HSO")	Crowne Plaza Changi Airport
No. of Guestrooms	1,080	563
Master Lease Rental	Variable Rent Comprising Sum of: *(i) 33.0% of HSO GOR(1) ; and* *(ii) 27.5% of HSO GOP(2);* subject to minimum rent of S$45.0 million(3)	Variable Rent Comprising Sum of: *(i) 4% of Hotel F&B Revenues;* *(ii) 33% of Hotel Rooms and Other Revenues not related to F&B;* *(iii) 30% Hotel GOP; and* *(iv) 80% of Gross Rental Income from leased space;* subject to minimum rent of S$22.5 million(3)
Master Lessee	▪ OUE Limited	▪ OUE Airport Hotel Pte. Ltd. (OUEAH)
Tenure	▪ First term of 15 years to expire in July 2028 ▪ Option to renew for an additional 15 years on the same terms and conditions	▪ First term of Master Lease to expire in May 2028 ▪ Option to renew for an additional two consecutive 5-year terms
	FF&E Reserve	**Capital Replacement Contribution**
	▪ 3% of GOR	▪ Aligned with hotel management agreement between OUEAH and IHG ▪ Generally at 3% of GOR

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(1) GOR: Gross operating revenue
(2) GOP: Gross operating profit
(3) The rental under the master lease will be the minimum rent if the amount of variable rent for that operating year is less than the amount of minimum rent