

INVESTOR PRESENTATION

December 2023



DISCLAIMER

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The value of units in First REIT (“**Units**”) and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events

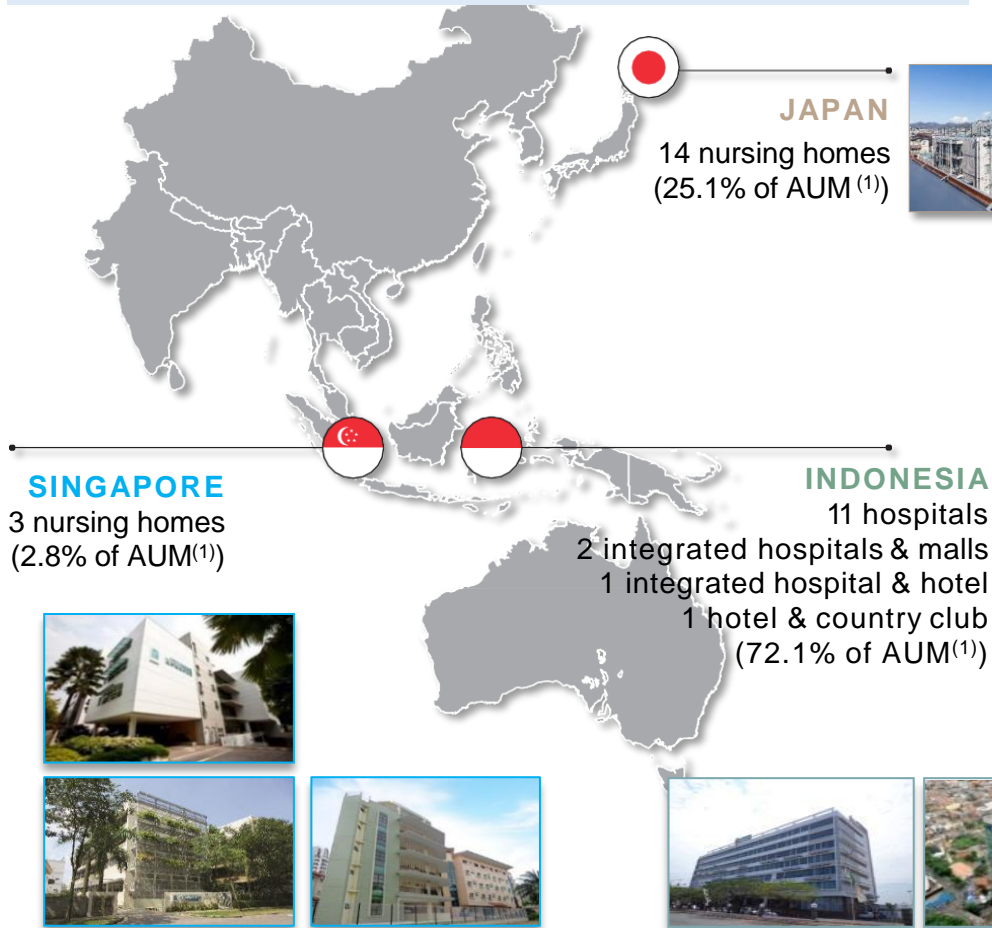
The past performance of First REIT is not necessarily indicative of the future performance of First REIT

This presentation has not been reviewed by the Monetary Authority of Singapore

OVERVIEW OF FIRST REIT

1st healthcare REIT in Singapore, 32 assets across Asia with assets-under-management (“AUM”) of S\$1.15 billion ⁽¹⁾.

Our vision is to become Asia's premier healthcare trust, with >50% of AUM in developed markets by FY2027.



Note

(1) Based on appraised values as at 31 December 2022.

OUR SPONSORS

- First REIT is managed by First REIT Management Limited (the “**Manager**”).
- The Manager is 100% held by its Sponsors: 60% directly held by OUE Limited and 40% directly held by OUE Healthcare Limited.
- As at 30 September 2023, the Sponsors’ combined stake in First REIT units is 44.59%.

OUE

OUE Limited
 (“OUE”)

- A leading real estate and healthcare group, growing strategically to capitalise on growth trends across Asia.
- OUE’s real estate activities include the development, investment and management of real estate assets across the commercial, hospitality, retail, residential and healthcare sectors.
- OUE’s total assets were valued at S\$9.5 billion, with S\$7.8 billion in funds under management across two REIT platforms and managed accounts as at 31 December 2022.

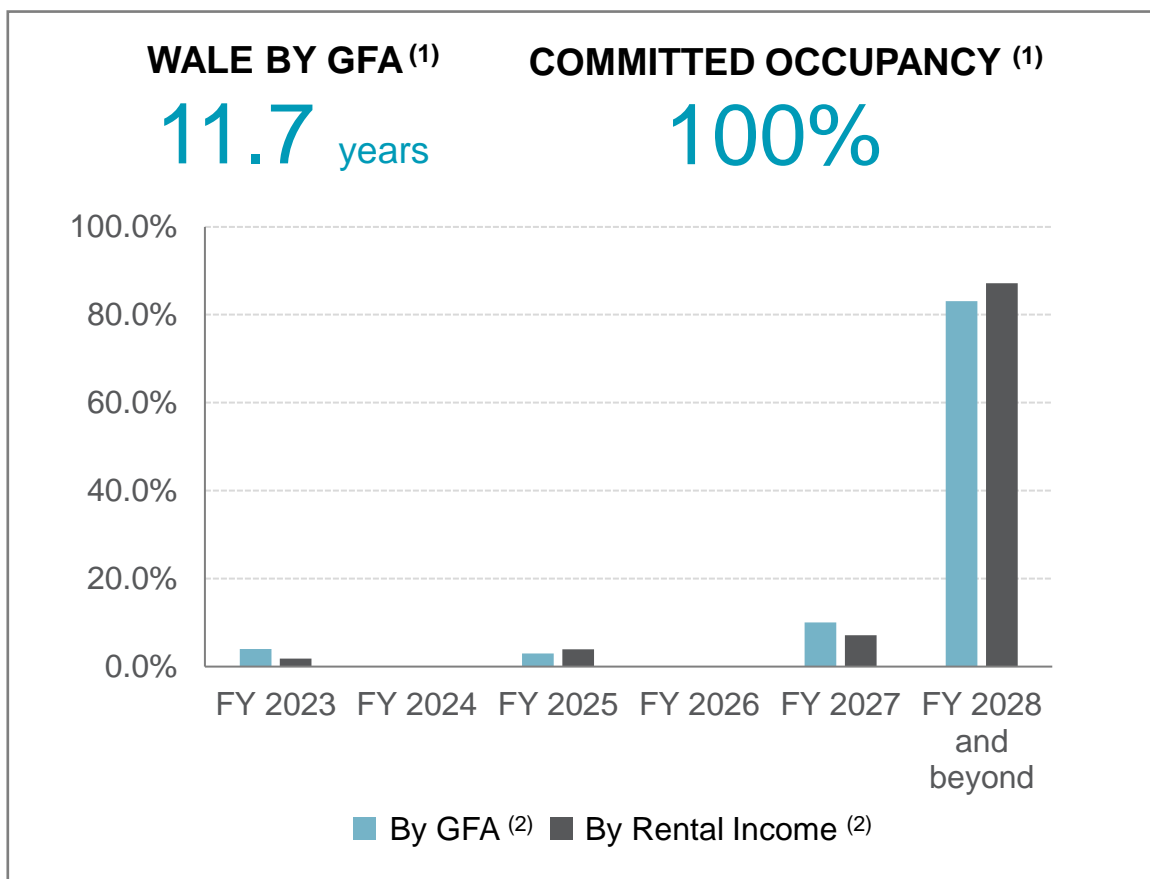
OUE
HEALTHCARE

OUE Healthcare Limited
 (“OUEH”)

- A Pan-Asian healthcare group that owns, operates and invests in quality healthcare businesses in high-growth markets including:
 - Operating and managing a respiratory and cardiothoracic specialist group in Singapore;
 - Jointly developing and operating two hospitals in China with China Merchants Group; as well as
 - Jointly operating and managing Myanmar’s leading private hospital group.
- Itochu Corporation, listed on the Tokyo Stock Exchange and amongst the largest and most diversified trading companies in the world, holds close to 20% stake in OUEH as at 31 December 2022.

LONG LEASES WITH STABLE REVENUE STREAMS

Healthy Weighted Average Lease to Expiry (“WALE”)



Sustainable rent escalation built into master lease structure

Healthcare Assets	Indonesia ⁽³⁾ (Since 2021)	Japan (Entered in 2022)	Singapore
Base Rent Escalation	4.5% annually	<ul style="list-style-type: none"> Annual rental may be revised upwards upon negotiation every 2 to 3 years for 12 assets, and every 5 years for 2 assets 	<ul style="list-style-type: none"> Fixed base rental with annual increment of 2%
Variable / Performance-Based Rent	8.0% of preceding financial year gross operating revenue	<ul style="list-style-type: none"> Negotiation based on the increase in Japan's consumer price index and interest rates 	
Total Rent Payable	Higher of Base or Performance Based Rent		
Currency	IDR	JPY	SGD

Notes

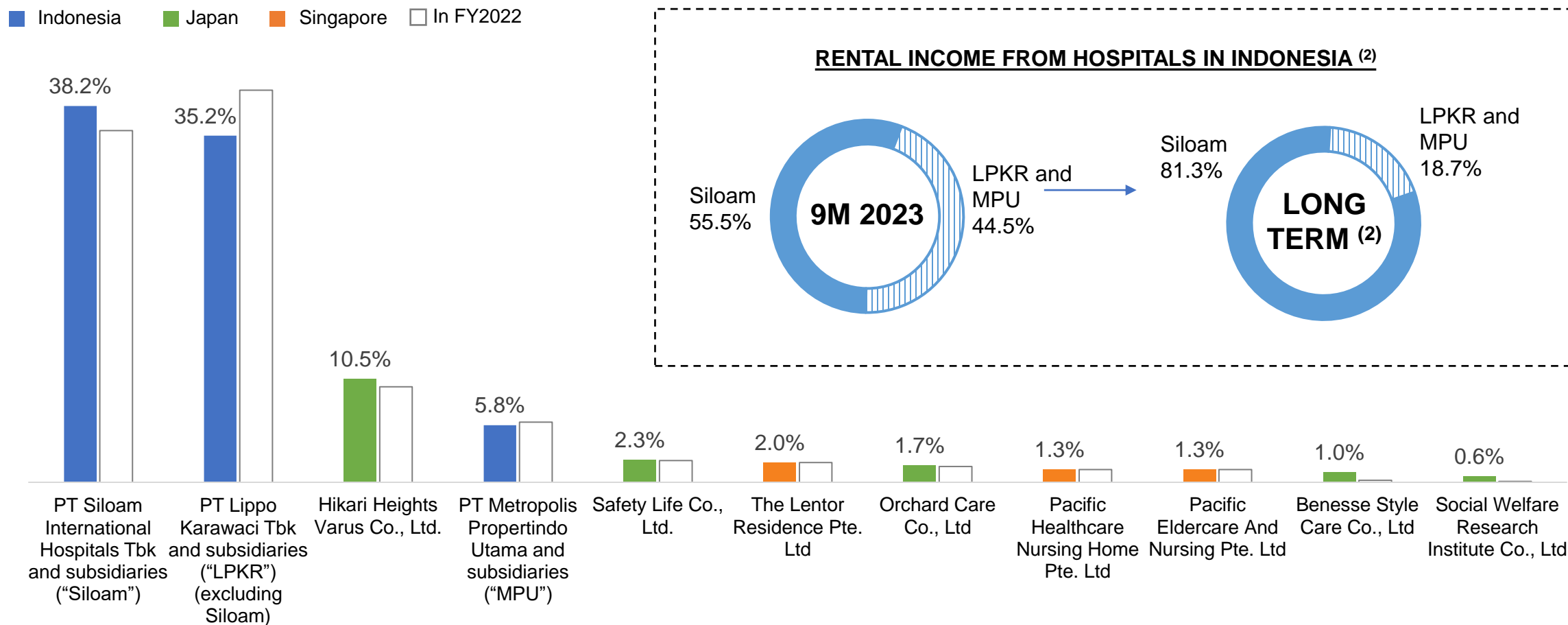
(1) As at 30 September 2023

(2) As at 31 December 2022

(3) Excluding Siloam Hospitals Lippo Cikarang, of which rent is denominated in SGD with a fixed base rental, an annual base rental escalation (2x percentage increase of Singapore CPI, capped at 2%), and an additional variable rental growth component that is a function of the year-on-year increase in its gross revenue.

DIVERSIFIED TENANT BASE

TENANT MIX BY RENTAL INCOME IN 9M 2023 ⁽¹⁾



Notes

(1) Before recognition of FRS 116 rental straight-lining adjustments.

(2) Based on the terms of the Tripartite MLAs, from 1 October 2026, Siloam will pay 6.5% of the preceding year's gross operating revenue ("GOR"), leaving LPKR or MPU to pay 1.5% of the preceding year's GOR. The percentages represented in this projection assumes that the rentals for each of the Tripartite MLAs beyond year 2026 are calculated based on the performance-based rent of 8.0% of each hospital's preceding year's GOR.



9M 2023 FINANCIAL HIGHLIGHTS

KEY FINANCIALS

FINANCIAL HIGHLIGHTS (S\$' MILLION)	9M 2023	9M 2022	% Change
RENTAL & OTHER INCOME ⁽¹⁾	81.4	80.9	0.6%
NET PROPERTY & OTHER INCOME ⁽²⁾	79.1	79.1	–
DISTRIBUTABLE AMOUNT	38.4	38.8	(1.2%)
TOTAL ISSUED AND ISSUABLE UNITS (MILLIONS) ⁽³⁾	2,076.9	2,057.8	0.9%
DPU (CENTS)	1.86	1.98	(6.1%)

- Rental & Other Income was up 0.6%, mainly due to a full-period contribution from twelve nursing homes acquired in March 2022 and two nursing homes acquired in September 2022
- Net Property & Other Income was unchanged due to an increase in property expenses from portfolio growth
- With higher finance costs and depreciation of foreign currencies against the Singapore Dollar, Distributable Amount decreased 1.2% and 9M 2023 DPU was 6.1% lower year-on-year
- 3Q 2023 at 0.62 Singapore cent was stable compared to the two preceding quarters, and represents an annualised distribution yield of 10.8% as at 30 September 2023

Notes

(1) Excluding FRS 116 Adjustment on rental straight-lining, Rental and Other Income increased 3.0% to S\$69.6 million in 9M 2023 from S\$67.6 million in 9M 2022.

(2) Excluding FRS 116 Adjustment on rental straight-lining, Net Property and Other Income increased 2.4% to S\$67.4 million in 9M 2023 from S\$65.8 million in 9M 2022.

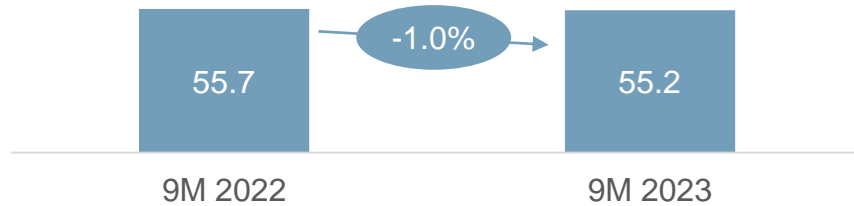
(3) Total issued and issuable units include the issuance of 431.1 million Units in early March 2022 to partially fund an acquisition of 12 nursing homes in Japan.

HEALTHY UNDERLYING GROWTH

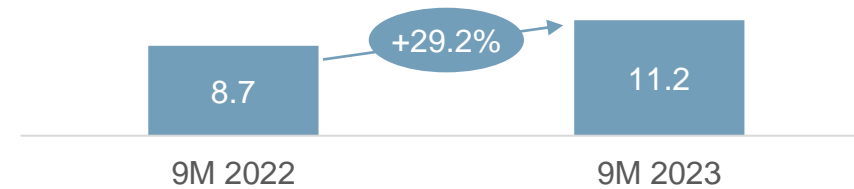
Financial Highlights

Rental and Other Income (1), (2)

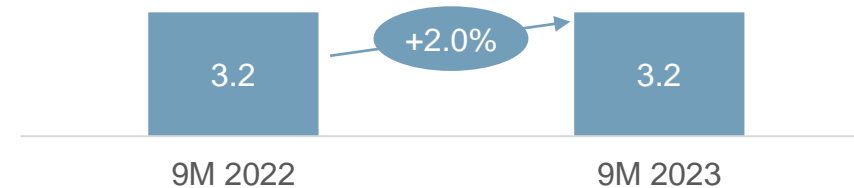
Indonesia (S\$' million)



Japan (S\$' million)



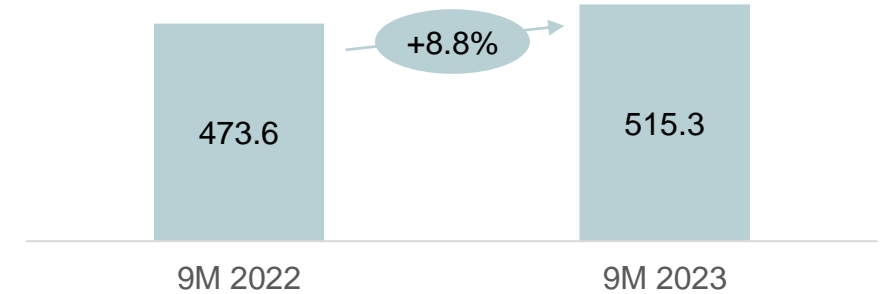
Singapore (S\$' million)



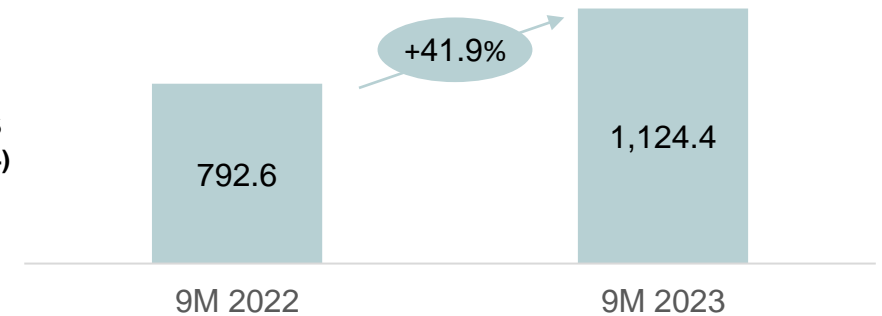
100% committed occupancy, with healthy underlying growth

Rental and Other Income (In local currency) (1), (2)

Indonesia Hospitals (IDR' billion) (3)



Japan nursing homes (JPY' million) (4)



Notes

- (1) Excluding FRS 116 adjustment on rental straight-lining.
- (2) Based on average exchange rates, SGDIDR depreciated from 10,638 in 9M 2022 to 11,364 in 9M 2023, and SGDJPY depreciated from 88 in 9M 2022 to 101 in 9M 2023.
- (3) Excluding Siloam Hospitals Surabaya which was divested in September 2022, and excluding Siloam Hospitals Lippo Cikarang as its rent is denominated in SGD.
- (4) 12 nursing homes were acquired in March 2022 and 2 nursing homes were acquired in September 2022.

BALANCE SHEET & FINANCIAL POSITION

S\$' MILLION	AS AT 30 SEPTEMBER 2023	AS AT 31 DECEMBER 2022
ASSETS		
NON-CURRENT	1,136.6	1,146.6
CURRENT	58.6	52.0
TOTAL	1,195.2	1,198.6
LIABILITIES		
NON-CURRENT	516.2	512.1
CURRENT	18.5	21.2
TOTAL	534.6	533.3
UNITHOLDERS' FUNDS	627.7	632.1
TOTAL ISSUED UNITS (MILLIONS)	2,072.3	2,058.6
NAV/UNIT (CENT)	30.29	30.70

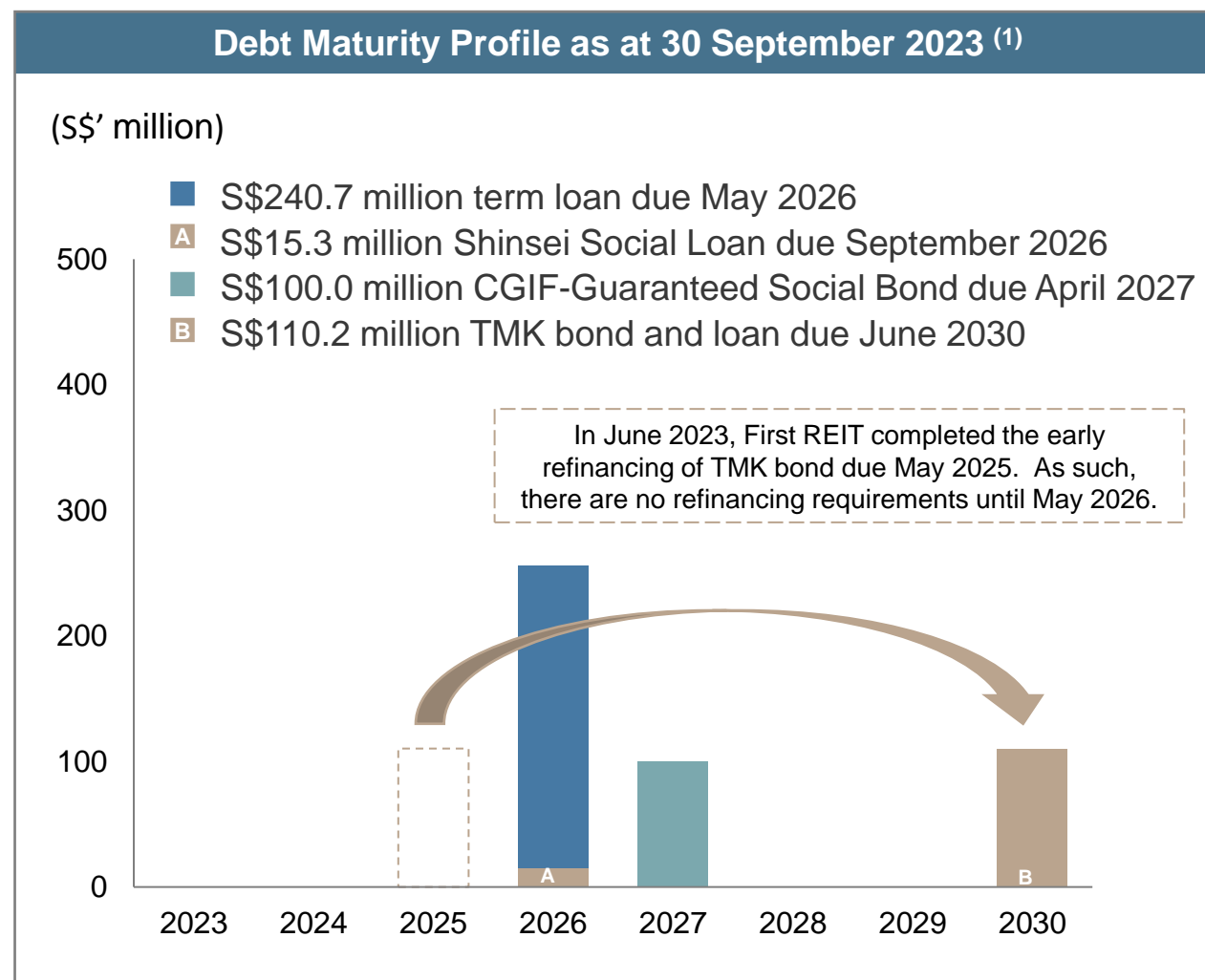
- Non-current assets includes Investment Properties which decreased from S\$1,145.3 million to S\$1,135.3 million mainly due to depreciation of the Japanese Yen against Singapore Dollar, offset by appreciation of Indonesian Rupiah against Singapore Dollar ⁽¹⁾
- Non-current and current liabilities included an increase in borrowings for working capital and the refinancing of a TMK bond in June 2023
- Total issued units include the issuance of 431.1 million Units in early March 2022 to partially fund an acquisition of 12 nursing homes in Japan

Note

(1) Based on end of period exchange rates, SGDIDR strengthened from 11,494 as at 31 December 2022 to 11,236 as at 30 September 2023, and SGDJPY depreciated from 98 as at 31 December 2022 to 109 as at 30 September 2023.

DEBT MATURITY PROFILE & CAPITAL MANAGEMENT

	AS AT 30 SEPTEMBER 2023	AS AT 31 DECEMBER 2022
TOTAL DEBT ⁽¹⁾	S\$466.2 million	S\$461.2 million
GEARING RATIO ⁽²⁾	39.0%	38.5%
WEIGHTED AVERAGE TERM TO MATURITY	3.8 years	3.4 years
ALL-IN COST OF DEBT PER ANNUM	5.0%	3.7%
INTEREST COVER RATIO ⁽³⁾	4.2 times	5.0 times
% DEBT, FIXED RATES OR HEDGED	85.9%	59.6%



Notes

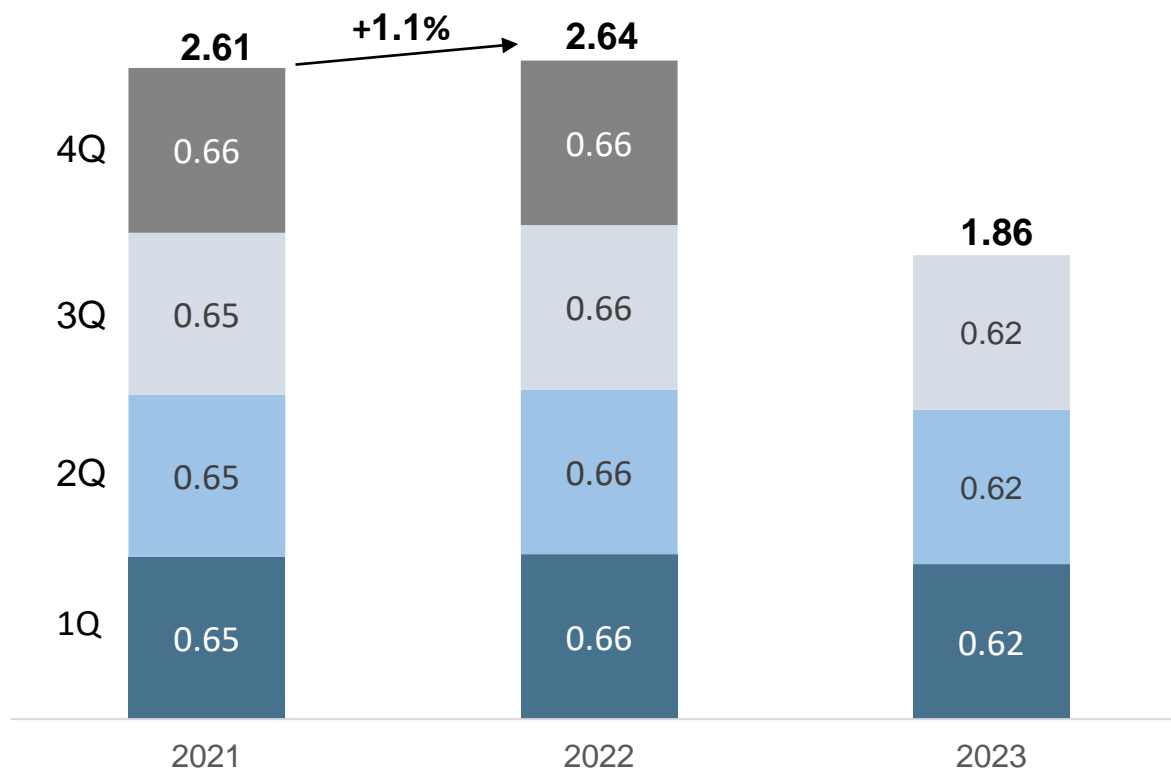
(1) Total debt before transaction costs.

(2) Computed based on gross debt to deposited property.

(3) Adjusted interest cover ratio, including distribution to perpetual securities holders, is 3.9 times as at 30 September 2023 and 4.4 times as at 31 December 2022.

DELIVERING SUSTAINABLE DISTRIBUTIONS

DISTRIBUTION PER UNIT (DPU) (Singapore cents)



Quarterly distributions declared



Payment Date for 3Q 2023 DPU:
22 December 2023



Distribution yield of 10.8%⁽¹⁾, and
price-to-book ratio of 0.76x⁽²⁾

Notes

(1) Distribution Yield based on annualised DPU of 2.48 Singapore cents and closing price of 23.0 Singapore cents as at 30 September 2023.

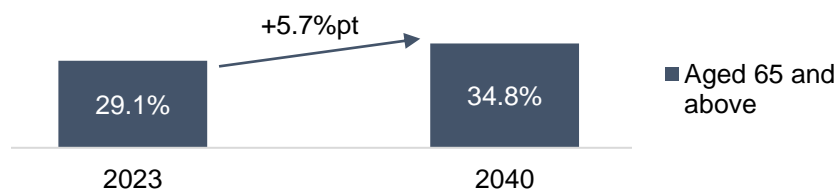
(2) Price-to-book ratio based on closing price of 23.0 Singapore cents and NAV per unit of 30.29 Singapore cents as at 30 September 2023.



OUTLOOK AND GROWTH STRATEGY

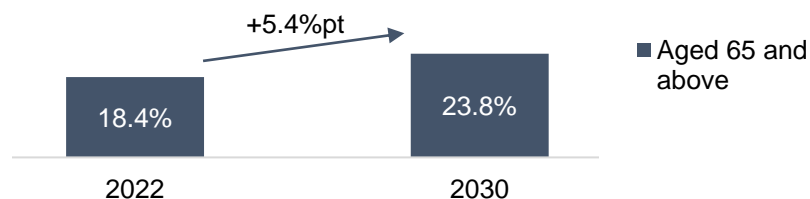
HEALTHCARE REAL ESTATE A RESILIENT ASSET CLASS WITH ROBUST DEMAND FUNDAMENTALS AND LONG-RUN GROWTH PROSPECTS

**Elderly,
% of Japan
population ⁽¹⁾**



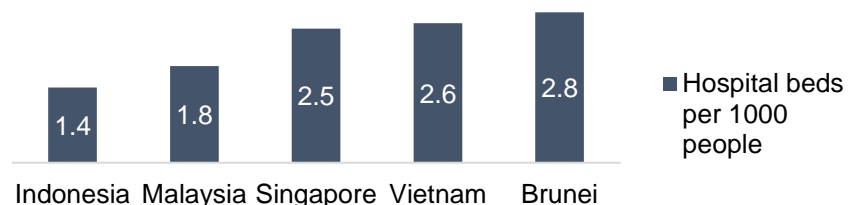
- Estimated 10,600 welfare facilities for long-term care, with average capacity of 87 beds in Japan. This translates into 922,200 spaces available ⁽²⁾
- In 63.5% of Japanese households where a senior aged 65 or over is receiving care, the caregiver is also a senior ⁽³⁾

**Elderly,
% of Singapore
population ⁽⁴⁾**



- Nursing home capacity will increase in the next five years by at least eight new nursing homes and more than 2,000 beds ⁽⁴⁾
- Many nursing homes have long wait list, hence assisted living segment is helping to bridge the gap ⁽⁴⁾

**Hospital Beds
in Indonesia
vs ASEAN ⁽⁵⁾**



- Participation in National Health Insurance programme (JKN) have reached 258.9 million or 93.81% of the total population as at 1 July 2023 ⁽⁶⁾
- Middle-to-upper-income households expected to grow from 38.8% of total households in 2023 to 40.4% in 2027 ⁽⁷⁾

Sources

- (1) BBC, 19 September 2023, [‘Japan population: One in 10 people now aged 80 or older’](#)
- (2) Nikkei Asia, 14 June 2023, [‘Japan’s health care system isn’t keeping up with working seni](#)
- (3) Nippon, 27 July 2023, [‘More Japanese Households with Seniors Caring for Seniors’](#)
- (4) The Business Times, 28 September 2023, [‘Ageing with dignity: opportunities in the senior-living market’](#)
- (5) Asian Development Bank, [Key Indicators Database](#)
- (6) Antara, 9 July 2023, [‘Health insurance JKN becomes model for other Asian countries - ANTARA News’](#)
- (7) BMI, 27 June 2023, [Favourable Demographics And Middle-Class Expansion Feeds Demand For Decorative Household Goods In Indonesia](#)

2.0 GROWTH STRATEGY

1 Diversify into Developed Markets

Increase portfolio in developed markets to >50% of AUM by FY 2027

27.9% of AUM in developed markets as at 31st December 2022

2 Reshape Portfolio For Capital Efficient Growth

Recycle capital from non-core, or mature assets

Completed divestment of Siloam Hospitals Surabaya in September 2022

Identified IAHCC ⁽¹⁾ as a non-core asset which is being marketed for divestment

3 Strengthen Capital Structure to Remain Resilient

Diversify funding sources, continue to optimise financial position

Successfully priced Singapore's first healthcare social bond in April 2022

No refinancing requirements until May 2026

4 Continue to Pivot to Ride Megatrends

Improve ESG, ride on opportunities in ageing demographics and under-penetrated healthcare sector

SGX Fixed Income | Recognised as Sustainable Fixed Income



First REIT 2.0 Growth Strategy:
www.first-reit.com/about-growth-strategy.html



First REIT 2.0 Growth Strategy (日本) :
www.first-reit.com/jp/growth-strategy.html

Note

(1) Imperial Aryaduta Hotel & Country Club.

AGEING POPULATION IN JAPAN AND SINGAPORE; DEMAND FOR QUALITY HEALTHCARE SERVICES IN INDONESIA

STRONG SPONSORS SUPPORT AND LEADERSHIP

2.0 GROWTH STRATEGY TO RIDE TAILWINDS

A BALANCE OF GROWTH AND STABILITY

DELIVERING SUSTAINABLE DISTRIBUTIONS

NO REFINANCING REQUIREMENTS UNTIL MAY 2026

- ✓ First REIT's sponsors' combined stake in First REIT stands at 44.59% ⁽¹⁾; Management has extensive experience in accounting and finance and real estate asset management
- ✓ Sustainable rent escalation built into master lease structure, long WALE of 11.7 years ⁽¹⁾, and 100% committed occupancy
- ✓ Approximately 86% of debt on fixed rates or hedged and weighted average debt to maturity of 3.8 years ⁽¹⁾, and managing the foreign currency exposures with derivatives such as non-deliverable forwards
- ✓ Target to achieve >50% of AUM in developed markets by FY2027 (FY2022: 27.9% ⁽²⁾), and reducing geographical and tenant concentration risk
- ✓ Distribution Yield of 10.8% and Price-to-book ratio of 0.76x as at 30 September 2023

Notes

(1) As at 30 September 2023.

(2) Based on the appraised values as at 31 December 2022.

Q&A

FIRST REIT MANAGEMENT LIMITED

333 Orchard Road #33-02

Hilton Singapore Orchard, Singapore 238867

Website: www.first-reit.com

LinkedIn: www.linkedin.com/company/first-reit

For investor enquiries, please contact:
Investor Relations and Communications
Email: ir@first-reit.com
Tel: (65) 6435 0168

THANK YOU

FIRST REIT MANAGEMENT LIMITED

333 Orchard Road #33-02

Hilton Singapore Orchard, Singapore 238867

Website: www.first-reit.com

LinkedIn: www.linkedin.com/company/first-reit

For investor enquiries, please contact:
Investor Relations and Communications
Email: ir@first-reit.com
Tel: (65) 6435 0168