

1H 2024 Financial Results

26 July 2024



DISCLAIMER

This presentation has been prepared by First REIT Management Limited, in its capacity as the manager of First Real Estate Investment Trust (“First REIT”, and the manager of First REIT, the “Manager”).

Investors have no right to request the Manager to redeem their Units while the Units are listed. 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 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.

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- **INTRODUCTION**
- **FINANCIAL HIGHLIGHTS**
- **OUTLOOK & 2.0 GROWTH STRATEGY**

FIRST REIT, LISTED ON SGX-ST IN DECEMBER 2006, IS SINGAPORE'S FIRST HEALTHCARE REIT WITH S\$1.14 BILLION AUM ⁽¹⁾

**Our vision is to become
Asia's premier healthcare trust.**

**Our mission is to deliver stable
and sustainable distributions
to Unitholders.**

SPONSORS ⁽²⁾

OVE



Asset
Size ⁽¹⁾

S\$1.14
billion



Total GFA
of 32 Properties ⁽³⁾

448,744
square metres



Weighted Average
Lease Expiry ⁽³⁾

11.0
years



Max. No.
Rooms/Beds ⁽³⁾

6,522



Total No.
of Tenants ⁽³⁾

11



Occupancy
Rate ⁽³⁾

100%

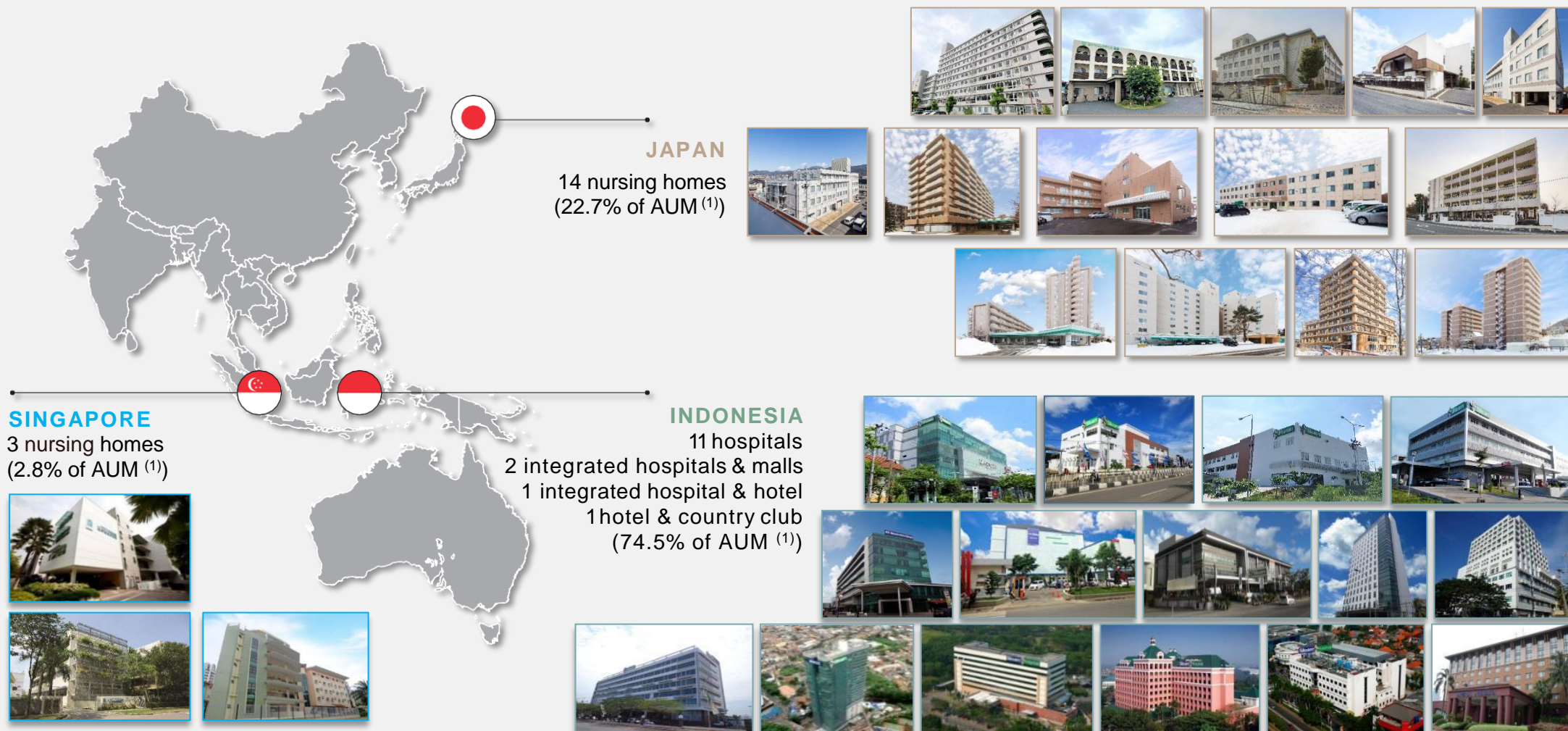
Notes

(1) Based on appraised values as at 31 December 2023.

(2) As at 30 June 2024, First REIT's Sponsors hold 44.95% of First REIT units and 100% of the Manager, reflecting a strong alignment of interests with Unitholders.

(3) As at 30 June 2024.

A PORTFOLIO OF 32 PROPERTIES COMPRISING HOSPITALS, NURSING HOMES, AND HEALTHCARE-RELATED ASSETS ACROSS ASIA



Note

(1) As at 31 December 2023.

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KEY FINANCIALS IN 1H 2024

- 1H 2024 financial results continues to be impacted by stronger Singapore Dollar against the Indonesia Rupiah and the Japanese Yen ⁽³⁾, offset by higher rental income in local currency terms from assets in Indonesia and in Singapore as well as stable rental income from assets in Japan.



Notes

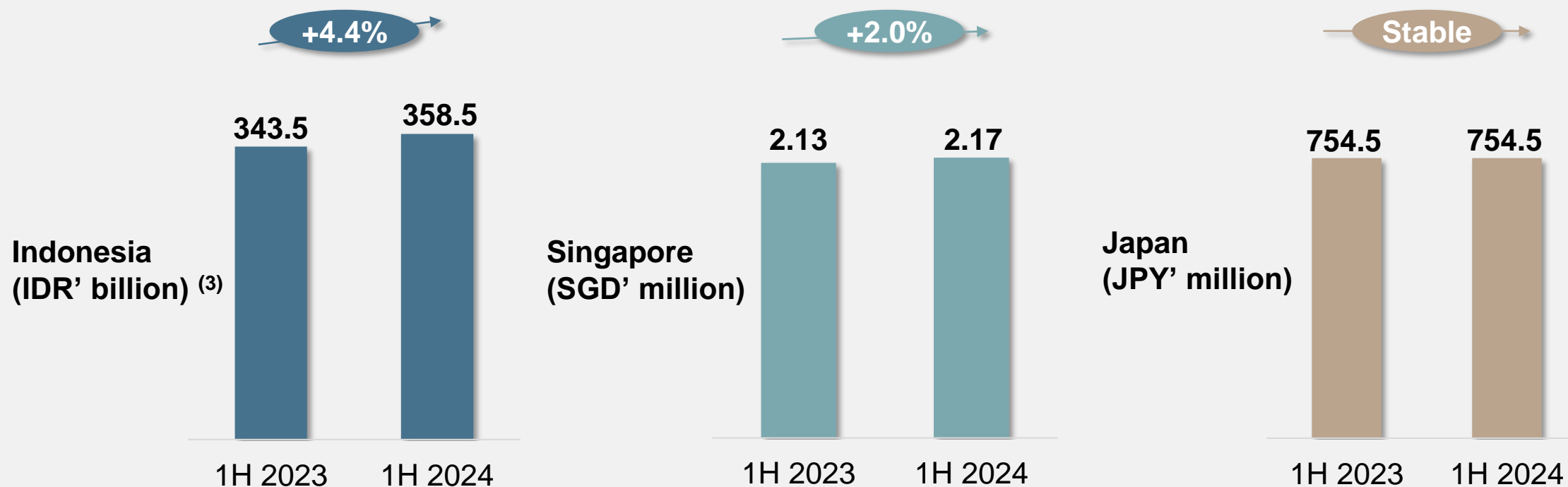
(1) Without FRS 116 Adjustment on rental straight-lining, Rental and Other Income decreased 1.4% YoY to S\$45.7 million in 1H 2024.

(2) Without FRS 116 Adjustment on rental straight-lining, Net Property and Other Income decreased 1.8% YoY at S\$44.0 million in 1H 2024.

(3) Based on average exchange rates, SGD/IDR depreciated 3.5% from 11,364 in 1H 2023 to 11,765 in 1H 2024, while SGD/JPY depreciated 11% from 100 to 111 over the same period.

HEALTHY UNDERLYING PERFORMANCE

1H 2024 Rental and Other Income (In Local Currency) ^{(1), (2)}

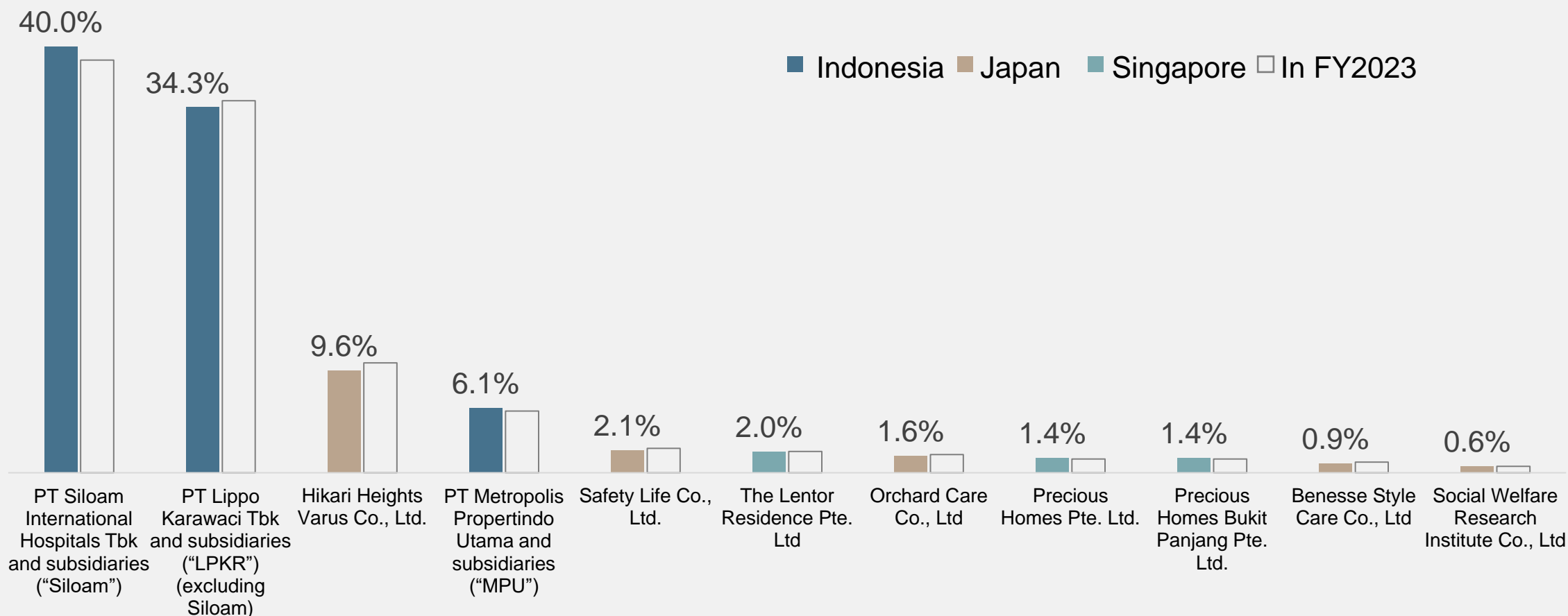


Notes

- (1) Without FRS 116 Adjustment on rental straight-lining.
- (2) Based on average exchange rates, SGD/IDR depreciated 3.5% from 11,364 in 1H 2023 to 11,765 in 1H 2024, while SGD/JPY depreciated 11% from 100 to 111 over the same period.
- (3) Excluding properties with rent denominated in SGD.

RENTAL INCOME FROM 11 TENANTS ACROSS THREE MARKETS

1H 2024 Rental Income, by Tenants (1)



Note

(1) Without recognition of FRS 116 rental straight-lining adjustments.

HARNESSING SUSTAINABLE GROWTH FROM MASTER LEASES

Rental Income from Hospitals in Indonesia (1), (2)

- Based on the terms of the Tripartite MLAs, from 1 October 2026, PT Siloam International Hospitals Tbk (“**Siloam**”) will pay 6.5% of the Performance-Based Rent, leaving PT Lippo Karawaci Tbk (“**LPKR**”) or PT Metropolis Propertindo Utama (“**MPU**”) to pay the remaining 1.5% of Performance-Based Rent. Performance-Based Rent is 8.0% of hospital’s gross operating revenue in the preceding financial year.
- 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.



Note

- (1) Without recognition of FRS 116 rental straight-lining adjustments.
 (2) Excludes Siloam Hospitals Lippo Cikarang which has only one tenant, Siloam.

HEALTHY BALANCE SHEET AND FINANCIAL RATIOS

	As at 31 December 2023	As at 30 June 2024
Total Assets ⁽¹⁾	S\$1,187.3 million	S\$1,144.7 million
Total issued and issuable units	2,076.9 million	2,085.8 million
NAV/Unit	30.18 cents	28.33 cents
Total Debt ^{(1), (2)}	S\$458.9 million	S\$452.3 million
% Debt, Fixed Rates or Hedged	87.2%	86.6%
All-in Cost of Debt Per Annum	5.0%	5.0%
Gearing Ratio ⁽³⁾	38.7%	39.5%
Interest Coverage Ratio ⁽⁴⁾	4.1 times	4.0 times

Notes

(1) Based on end of period exchange rates, SGD/IDR depreciated from 11,627 as at 31 December 2023 to 12,048 as at 30 June 2024, while SGD/JPY depreciated from 109 to 116 over the same period.

(2) Total debt before transaction costs.

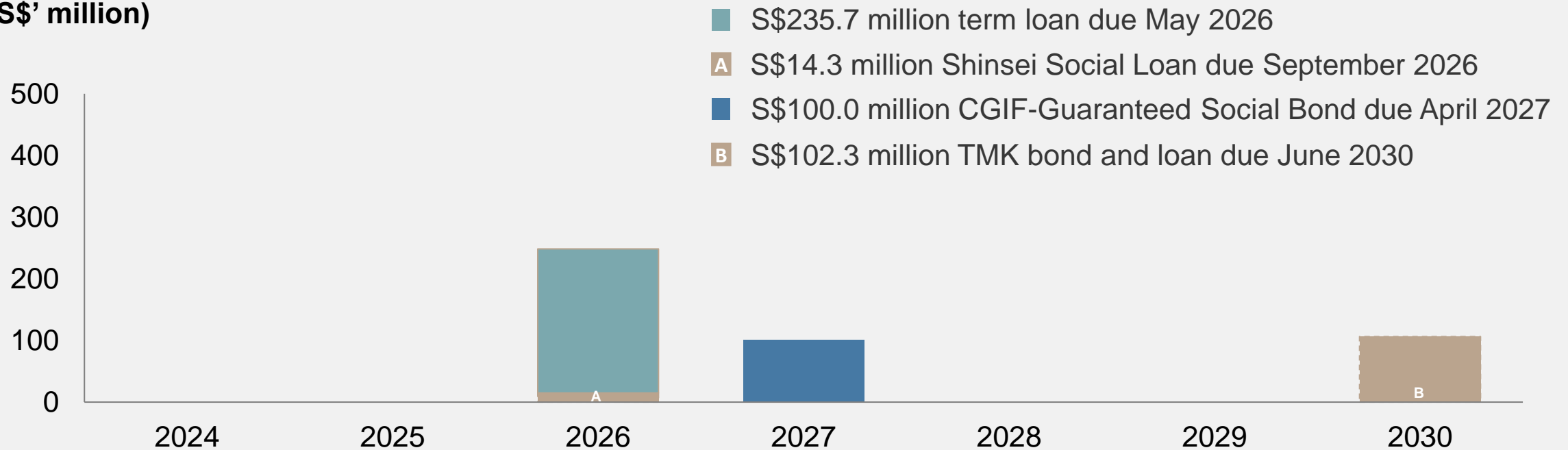
(3) Computed based on gross debt to deposited property.

(4) Adjusted interest cover ratio, including distribution to perpetual securities holders, is 3.9 times as at 31 December 2023 and 3.7 times as at 30 June 2024.

DEBT MATURITY PROFILE

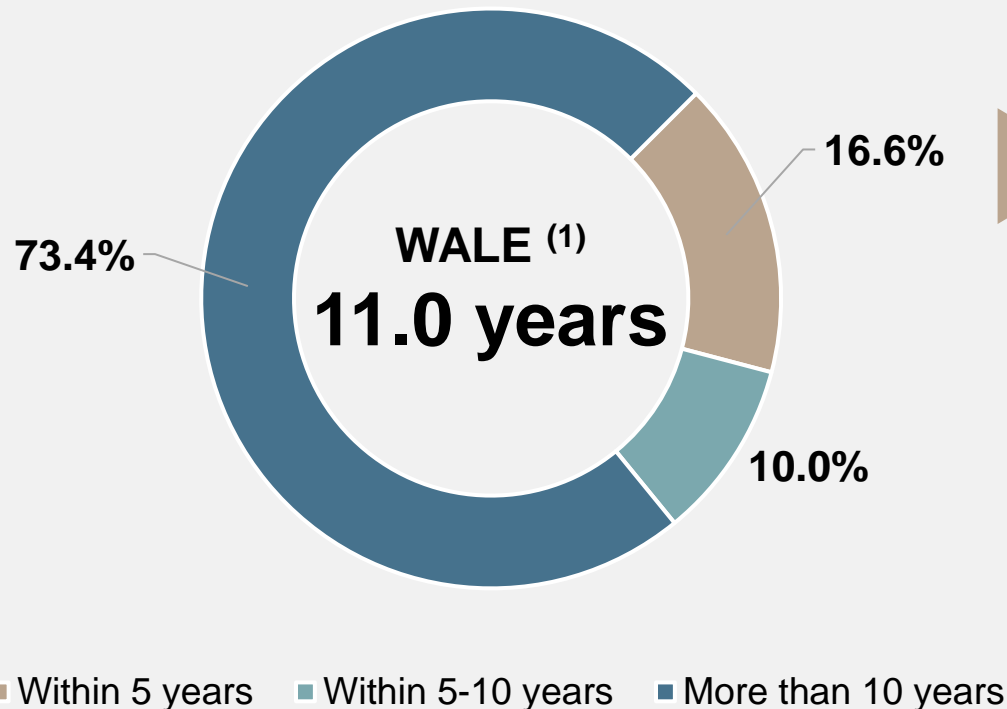
- ☑ No refinancing requirements until May 2026.
- ☑ Weighted average term to maturity: 3.1 years as at 30 June 2024 (3.6 years as at 31 December 2023).
- ☑ Debt comprises 74.2% borrowings in SGD and 25.8% borrowings in JPY.

(S\$' million)



WALE & LEASE EXPIRY PROFILE

Lease Expiry Profile as % of GFA



Lease Expiry within 5 Years	
Property	Expiry
Imperial Aryaduta Hotel & Country Club ⁽²⁾	Dec 2024
Siloam Hospitals Lippo Cikarang	Dec 2025
Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2027
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2027
Medical and Rehabilitation Home Bon Séjour Komaki	May 2027
The Lentor Residence	Jun 2027
Hotel Aryaduta Manado	Nov 2027

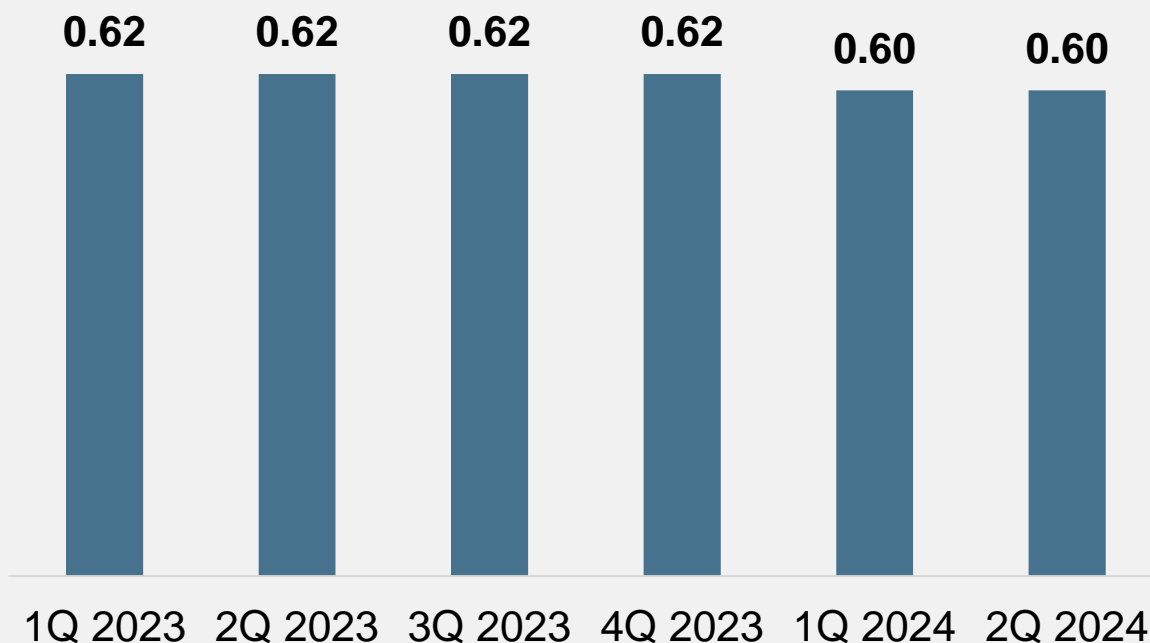
Notes

(1) The WALE is calculated on a gross floor area basis of 448,744 sqm as at 30 June 2024.

(2) As announced on 29 December 2023, the master lease of Imperial Aryaduta Hotel & Country Club had been renewed up to 31 December 2024 and a further term of one year may be granted upon mutual agreement. The Manager intends to continue to market IAHCC for divestment and believes it is prudent to have in place a short-term lease in line with market terms while this process remains ongoing. The renewed lease provides some revenue stability from IAHCC while still allowing the Manager strategic flexibility as it further refines its longer-term business plans.

DELIVERING QUARTERLY DISTRIBUTIONS ON SUSTAINABLE LEASES

Distribution Per Unit (DPU)
(Singapore cent)



2Q 2024 Distribution Details

Last Trading Day Quoted on a "Cum" Distribution Basis	5 August 2024
Ex-distribution Date	6 August 2024
Book Closure Date	7 August 2024 at 5.00pm
Distribution Payment Date	25 September 2024

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OUTLOOK

	INDONESIA	JAPAN	SINGAPORE	
Macroeconomic conditions	<ul style="list-style-type: none"> The central bank is focussed on stabilising the Indonesian rupiah, with room for an interest rate cut in the fourth quarter. ⁽¹⁾ 	<ul style="list-style-type: none"> With core consumer prices rising, and the Japanese yen facing pressures, the prospect of higher interest rates remain. ⁽²⁾ 	<ul style="list-style-type: none"> Monetary Authority of Singapore continued to maintain the rate of appreciation of the Singapore dollar nominal effective exchange rate policy band. ⁽³⁾ 	<ul style="list-style-type: none"> ✓ The Manager is closely monitoring and progressively hedging net cashflow from Indonesia and Japan in accordance with hedging policy.
Industry developments	<ul style="list-style-type: none"> The government has launched a programme to train more specialist doctors. Currently, some 2,700 specialist doctors are produced annually, in contrast to requirement of around 29,000. ⁽⁴⁾ 	<ul style="list-style-type: none"> The number of households with elderly aged 65 years old or older will increase from 20.97 million in 2020 to 24.31 million in 2045. ⁽⁵⁾ The number of single-person households is expected to reach 23.3 million in 2050, accounting for 44.3% of total households. ⁽⁶⁾ 	<ul style="list-style-type: none"> Senior-care facilities like nursing homes are also expected to see sustained demand in the long-term due to a rapidly ageing population. Seniors aged 65 and above living alone notably increased from 58,000 in 2018 to 78,135 in 2023. ⁽⁷⁾ 	<ul style="list-style-type: none"> ✓ Together with strong sponsor support from OUE Limited and OUE Healthcare Limited, First REIT is well-positioned to ride the tailwinds in the healthcare real estate sector. ✓ The Manager will remain focussed on First REIT's 2.0 Growth Strategy.

Sources

- (1) CNA, July 2024, '[Indonesia central bank sees room for Q4 rate cut if rupiah stabilises](#)'
- (2) [Statistics Bureau of Japan](#), June 2024
- (3) Monetary Authority of Singapore, '[MAS Monetary Policy Statement - April 2024](#)'
- (4) Antara, May 2024, '[Indonesia launches hospital-based specialists doctor program](#)'
- (5) [National Institute of Population and Social Security Research](#), April 2024
- (6) Reuters, April 2024, '[Japan's elderly population living alone to jump 47% by 2050 – research](#)'
- (7) The Straits Times, April 2024, '[From family care to future care: Do we have what it takes to look after older S'poreans?](#)'

Healthcare Real Estate a Resilient Asset Class with Robust Demand Fundamentals and Long-run Growth Prospects

1

Diversify into Developed Markets

Increase portfolio in developed markets to >50% of AUM by FY2027

25.5% of AUM in developed markets as at 31st December 2023

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

Completed committed energy-efficient CAPEX in FY2023 of over S\$1.12 million

Note

(1) Imperial Aryaduta Hotel & Country Club.



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

SUSTAINABILITY JOURNEY IN 1H 2024



Stewarding the Environment

- Completed roll out of S\$1.12 million energy-efficient CAPEX.

Empowering Communities

- Sustainability Training for all Employees.
- Engaging residents of nursing homes during festive seasons.

Building Trust

- Regular engagement with investment community.

1. New energy-efficient HVAC System at Siloam Hospitals Lippo Cikarang
2. Energy-efficient medical gas and Air Handling Units at Siloam Hospitals Bali
3. Energy-efficient lift modernisation at Pacific Healthcare Nursing Home @ Bukit Merah
4. Replacement of energy-efficient LED Emergency Lights at various nursing homes in Japan
5. Celebrating Chinese New Year festive season in a nursing home in Singapore
6. Sustainability Training for First REIT Management Limited employees



Q&A

Thank You



FIRST REIT MANAGEMENT LIMITED

Address: 333 Orchard Road #33-02 Hilton Singapore Orchard, Singapore 238867

Website: www.first-reit.com

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

Email: ir@first-reit.com

Tel: (65) 6435 0168



Appendix

HARNESSING SUSTAINABLE GROWTH FROM MASTER LEASES

Healthcare Assets	Indonesia ⁽¹⁾	Singapore	Japan
Rent escalation in local currencies	<ul style="list-style-type: none"> Higher of base rent escalation of 4.5%; or Performance-based rent escalation of 8.0% of hospital's gross operating revenue in the preceding financial year. 	<ul style="list-style-type: none"> Fixed base rental with annual increment of 2%. 	<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. ⁽²⁾

Notes

(1) 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.

(2) Negotiation based on the increase in Japan's consumer price index and interest rates.