OUE REIT

SGX-REITAS Education Series

12 September 2024

Important Notice

This presentation should be read in conjunction with the announcements released by OUE REIT ("OUE REIT") on 24 July 2024 (in relation to its Interim Financial Statements for the Six-Month Period Ended 30 June 2024).

This presentation is for information purposes only and does not constitute an invitation, offer or solicitation of any offer to acquire, purchase or subscribe for units in OUE REIT ("OUE REIT" and units in OUE REIT, "Units"). The value of Units and the income derived from them, if any, may fall or rise. The Units are not obligations of, deposits in, or guaranteed by, OUE REIT Management Pte. Ltd. (the "Manager"), DBS Trustee Limited (as trustee of OUE REIT) or any of its affiliates. An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. The past performance of OUE REIT is not necessarily indicative of the future performance of OUE REIT.

This presentation may contain forward-looking statements that involve 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. These forward-looking statements speak only as at the date of this presentation. Past performance is not necessarily indicative of future performance. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. 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.

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 of OUE REIT
- Key Investment Merits
- Portfolio Performance
- Growth Strategy
- Appendices

OUE Bayfront

Overview of OUE REIT

Total Assets Under Management
S$6.3 billion[(1)]

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

Manages approx. in net lettable area 2.2 mil sq ft
1,655 upper upscale hotel rooms

BBB-
Investment grade credit rating assigned by S&P Global Ratings

Singapore						Shanghai

OUE Bayfront


One Raffles Place


OUE Downtown Office

Mandarin Gallery

Hilton Singapore Orchard


Crowne Plaza Changi Airport


Lippo Plaza

- Commercial assets are situated in the three key office sub-markets in Singapore (Marina Bay, Raffles Place and Shenton Way) where medium term supply is limited
- Delivered resilient performance despite macroeconomic uncertainties, underpinning OUE REIT's revenue contribution

- Strategically located assets along the prime Orchard Road belt and within the Changi Airport vicinity are well-positioned to benefit from Singapore's strong position as a key business and leisure destination

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

(1) As of 31 December 2023

Delivering Resilience and Sustainable Growth

Creating Value through Unique Investment Mandate, Delivering Resilience and Sustainable Growth for Unitholders

Commercial Sector

Revenue resilience

Commercial assets provide steady income through longer-term leases

Defensive asset class

Prime core assets ensure stable performance and minimise income volatility

OUE REIT

Balanced Portfolio
Income resilience and attractive potential returns

Investing Flexibility
Expanding into higher-yielding segments

Attractive Potential Returns

Hospitality's dynamic pricing nature to benefit from growth economy

Downside protection

Supportive Sponsor provides downside protection via master lease agreements

Hospitality Sector

Key Investment Merits

1. Prime Assets in Core Locations Support Stable Valuations and Deliver Resilient Performance

2. Diversification Provides Income Resilience & Attractive Returns

3. Proactive and Prudent Capital Management

4. Favourable Industry Fundamentals and Continued Recovery in Hospitality Sector

5. Progressing on Sustainability


Prime Assets at
Core Locations
Hilton
Hilton

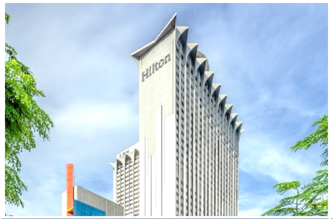
1 High Quality Portfolio in Prime Locations

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

- Portfolio valuation increased by 1.7% YoY to S$6,276.5 million as of 31 December 2023, underpinned by higher valuations for the hotel properties
- Valuation of Singapore offices remained stable due to positive rental reversion recorded







	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 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, part of 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 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: 378,339 Retail: 21,272	Office: 605,491 Retail: 99,157	Office: 529,969	Office: 361,007 Retail: 60,810	Retail: 126,294	1,080 hotel rooms	575 hotel rooms
Occupancy[1]	Office: 99.3%% Retail: 92.3% Overall: 98.9%	Office: 94.9% Retail: 95.7% Overall: 94.9%	Office: 92.5%	Office: 76.2% Retail: 94.5% Overall: 78.9%	Retail: 98.3%[4]	-	-
Valuation as of 31 Dec 2023	S$1,340m[2] (S$3,353 psf)	S$1,909m[3] (S$2,709 psf)	S$930m (S$1,755 psf)	RMB2,400m / RMB41,011 psm GFA	S$453m (S$3,591 psf)	S$1,346m (S$1.2m / key)	S$519m (S$0.9m / key)

(1) Committed occupancy as of 30 June 2024
(2) Based on OUE Allianz Bayfront LLP's 100% interest in OUE Bayfront. OUE 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 REIT has an indirect 83.33% interest in OUB Centre Limited held via its wholly-owned subsidiaries
(4) Excluding short-term leases, the committed occupancy would be 97.7% as of 30 Jun 2024

Strength of Diversified Portfolio

OUE Bayfront

2 1H 2024 Financial Performance

Higher revenue and net property income recorded

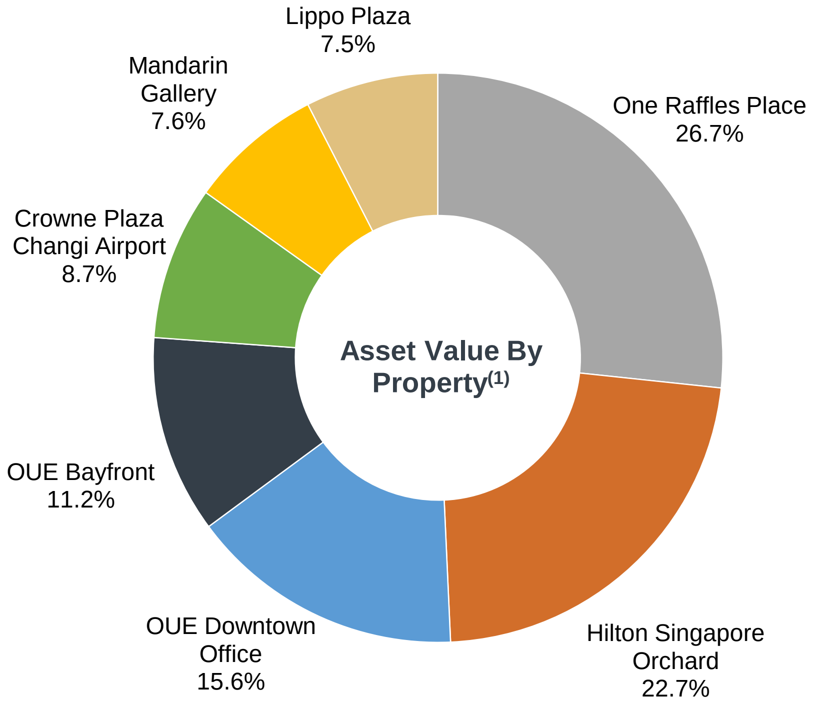
	1H 2024 (S$m)	1H 2023 (S$m)	YoY Change (%)
Revenue	**146.7**	**138.8**	5.7
Net Property Income (“NPI”)	**117.1**	**115.3**	1.6
Finance Costs	**(54.7)**	**(46.2)**[1]	18.5
Share of Joint Venture Results	**4.5**	**4.3**	5.4
Amount Available for Distribution	**48.8**[2]	**57.6**[3]	(15.3)
Amount to be Distributed	**51.3**[4]	**57.6**	(10.9)
Distribution per Unit (cents)	**0.93**	**1.05**	(11.4)

- Revenue and NPI for 1H 2024 grew by 5.7% and 1.6% year-on-year (“YoY”), reaching S$146.7 million and S$117.1 million respectively. The better performance was attributable to the resilience of Singapore commercial properties and higher hospitality sector contributions.
- Taking into account increased finance costs, higher retention for working capital, and payment of 100% base management fees in cash (compared to 65% base management fee paid in cash in 1H 2023), amount available for distribution for 1H 2024 was S$48.8 million.
- The Board of OUE REIT has approved the release of the remaining capital distribution from the 50% divestment of OUE Bayfront of S$5.0 million this year, with such distribution to be made semi-annually.
- Including the pro-rated distribution amount of S$2.5 million, 1H 2024 distributable income would be S$51.3 million, translating to a distribution per unit (“DPU”) of 0.93 cents.

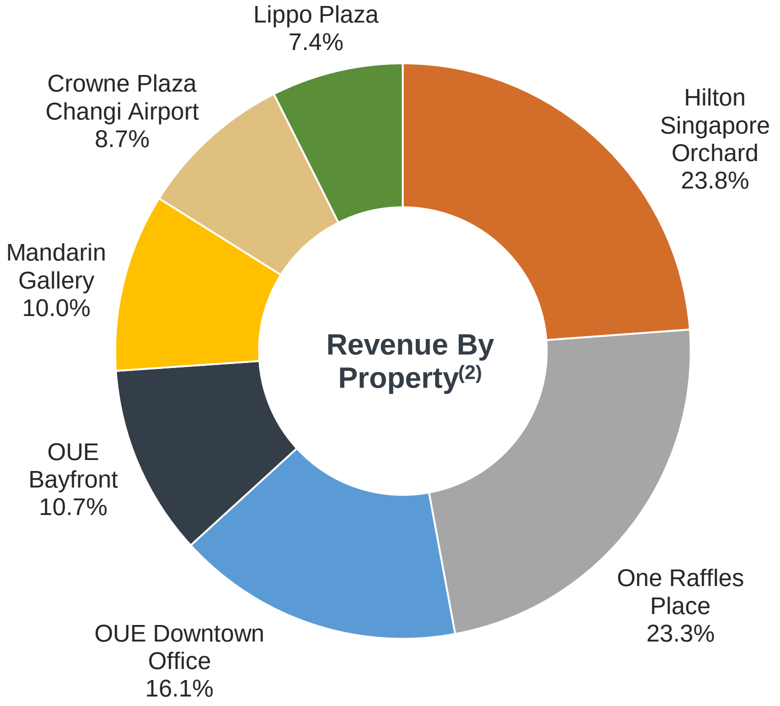
Note:
(1) Excluding non-cash impact of net change in fair value of derivatives of S$12.0 million in 1H 2023
(2) Net of working capital requirements of S$5.0 million in 1H 2024
(3) Net of working capital requirements of S$3.0 million in 1H 2023
(4) Release of S$2.5 million capital distribution from 50% divestment of OUE Bayfront in 2021

2 Singapore-focused and Diversified Portfolio Provides Both Stability and Growth Potential in FY 2023

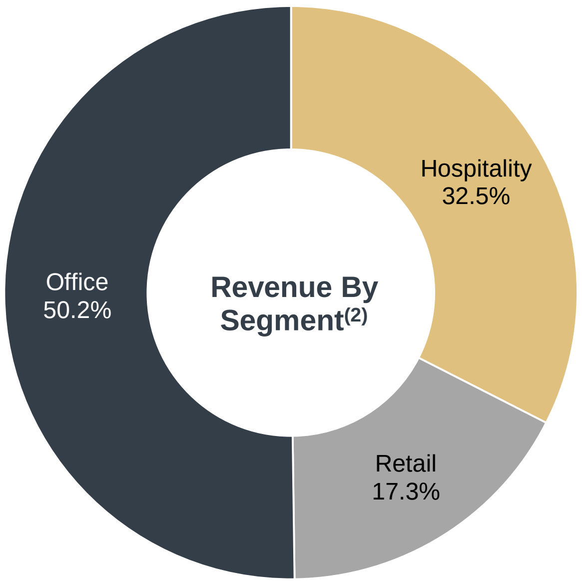
92.5% of assets under management in Singapore



Singapore assets contribute 92.6% of portfolio revenue



Hospitality and retail segment account c.50% of portfolio contribution



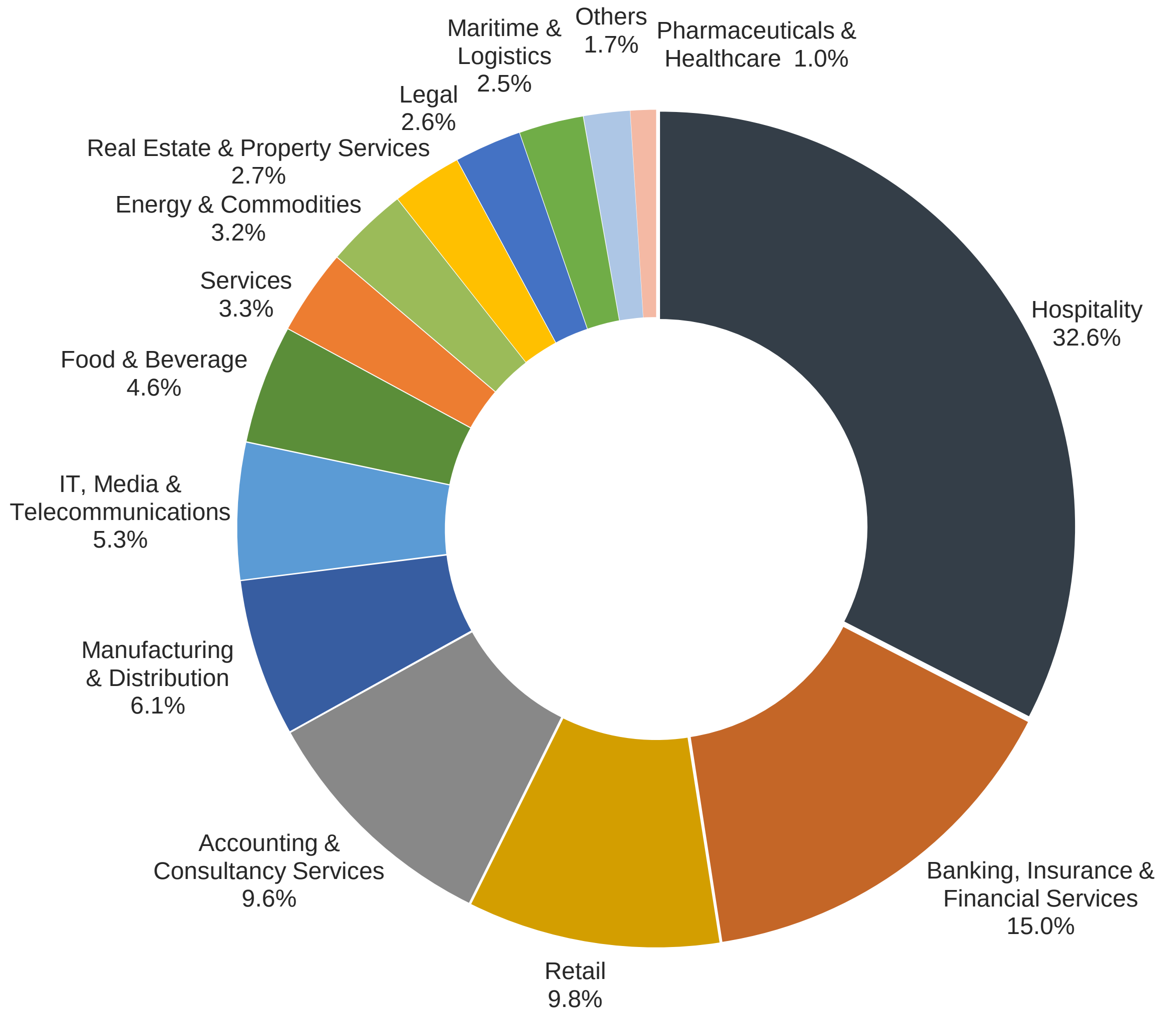
OUE REIT

(1) Based on independent valuations as of 31 December 2023 and OUE REIT's proportionate interest in the respective properties as of 30 June 2024, assuming SGD:CNY exchange rate of 1:5.353 as of 30 June 2024
(2) Based on 2Q 2024 revenue and OUE REIT's proportionate interest in the respective properties

2 Diversified Tenant Mix & Well-distributed Lease Expiry Profile

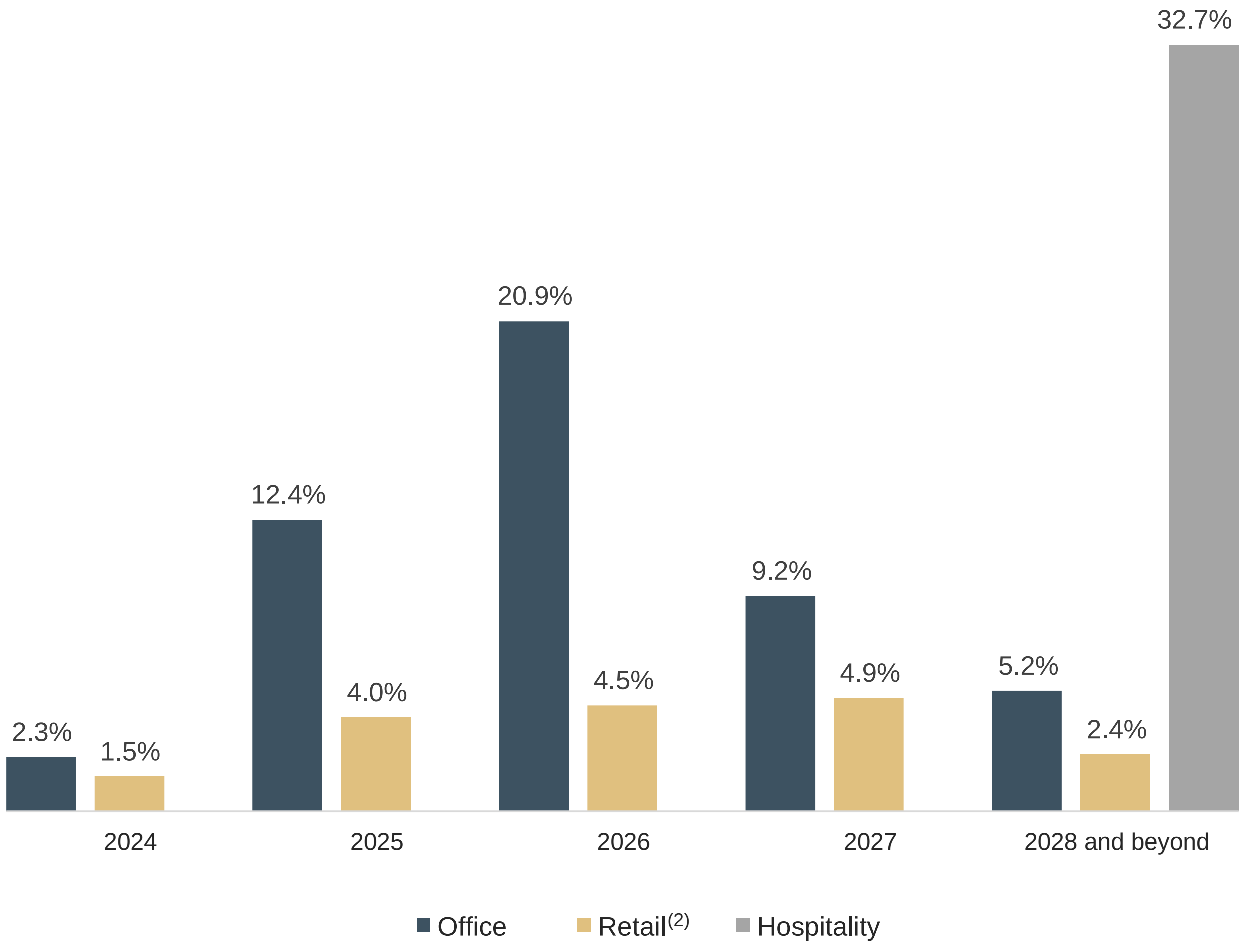
Underpinned by hospitality and resilient trade sectors

As of Jun 2024



WALE(1) of 2.8 years by Gross Rental Income ("GRI")

As of 30 Jun 2024



OUE REIT

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

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

(2) Refers to contributions from Mandarin Gallery and all other retail components within OUE REIT's portfolio

2 Singapore Office Portfolio Performance Overview

Operating performance remained healthy despite cautious market sentiment

Committed Occupancy

95.2% ▲ 0.1 ppt QoQ

As of 30 Jun 2024

Average Passing Rent

S$10.57psf ▲ 0.7% QoQ

As of 30 Jun 2024

Rental Reversion[1]

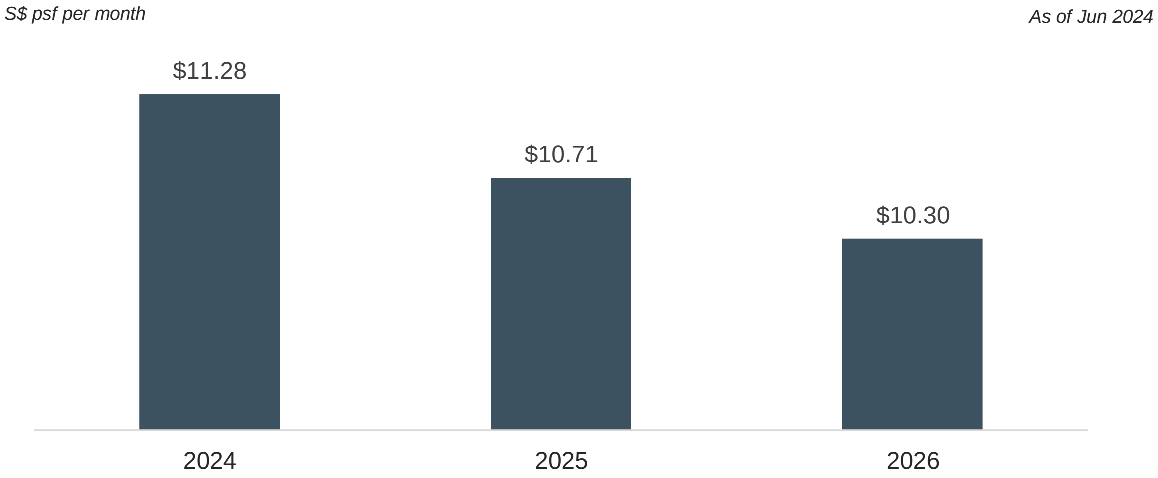
11.7%

In 2Q 2024

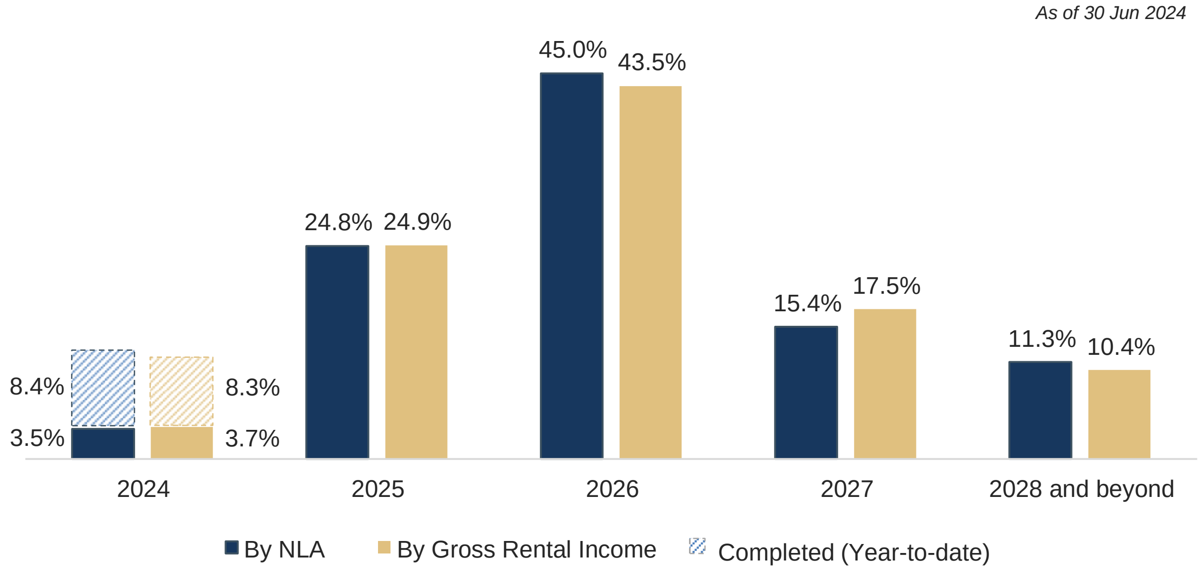
Navigating macroeconomic uncertainties through proactive tenant engagement

Average expiring rents in 2024 to 2026 below market rent rate

CBD Grade A office market rent at S$11.95 psf per month in 2Q 2024[2]



WALE of 2.2 years by NLA & 2.1 years by GRI



OUE REIT

(1) Rental reversion is based on average incoming committed rents versus average outgoing rents
(2) Source: CBRE Pte. Ltd. as of 2Q 2024

2 Mandarin Gallery Performance Overview

Robust leasing momentum supported by continued tourism recovery

Committed Occupancy

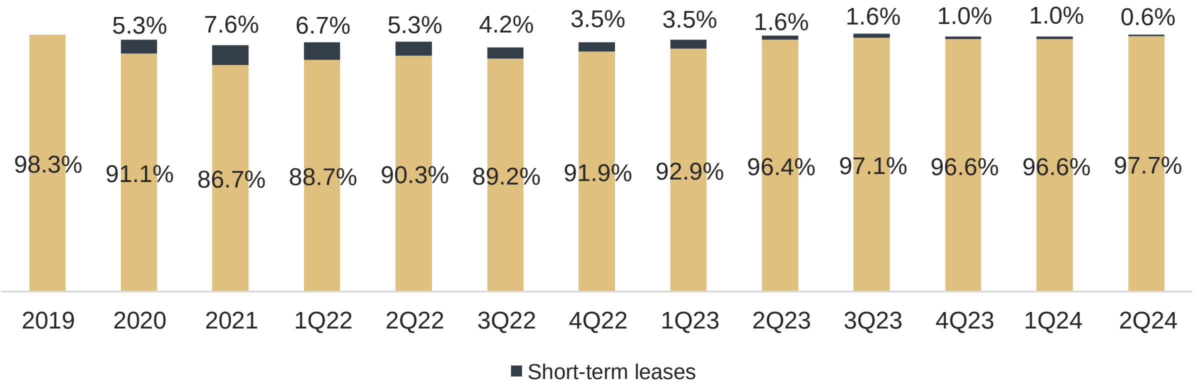
98.3% [(1)] ▲ **0.7% QoQ** As of 30 Jun 2024

Rental Reversion [(2)]

28.4% ▲ **6.4% QoQ** In 2Q 2024

Committed Occupancy

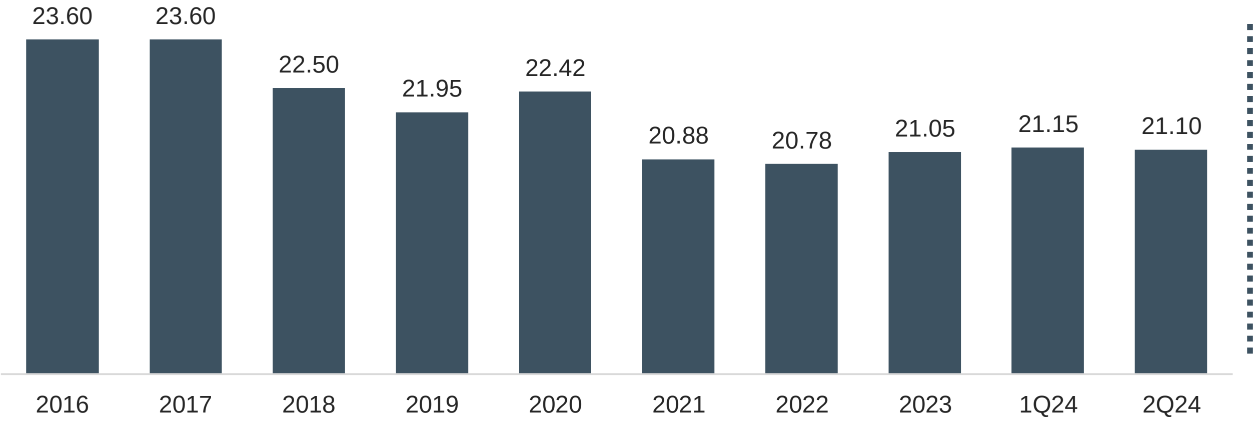
As of 30 Jun 2024



Average passing rent remained stable at S$21.10 psf per month

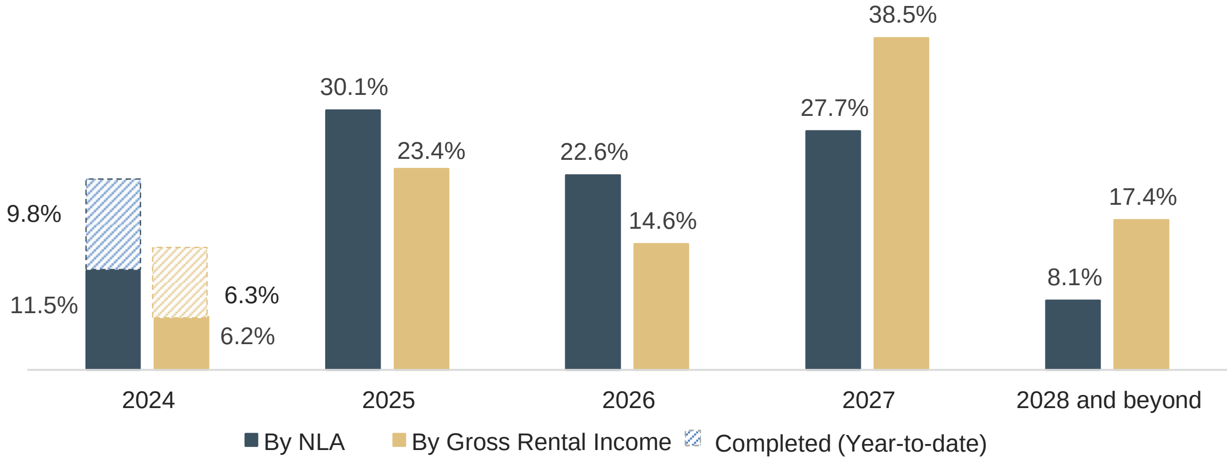
S$ psf per month

As of Jun 2024



WALE of 2.0 years (NLA); 2.5 years (GRI)

As of 30 Jun 2024



OUE REIT

(1) Excluding short-term leases, the committed occupancy would be 97.7% as of 30 Jun 2024
(2) Rental reversion is based on average incoming committed rents versus average outgoing rents

2 Shanghai Lippo Plaza Performance Overview

Satisfactory progress made defending occupancy in a challenging market

Office Committed Occupancy

76.2% ▲ **0.7 ppt QoQ**

As of 30 Jun 2024

Retail Committed Occupancy

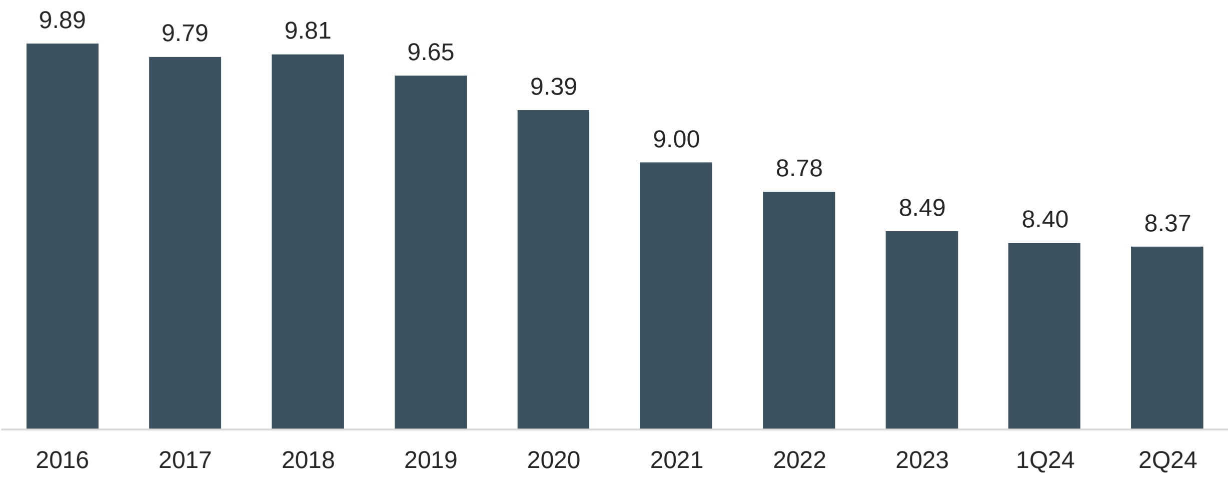
94.5% **0.0 ppt QoQ**

As of 30 Jun 2024

Average office passing rent for Lippo Plaza marginally declined 0.4% QoQ to RMB8.37 psm per day

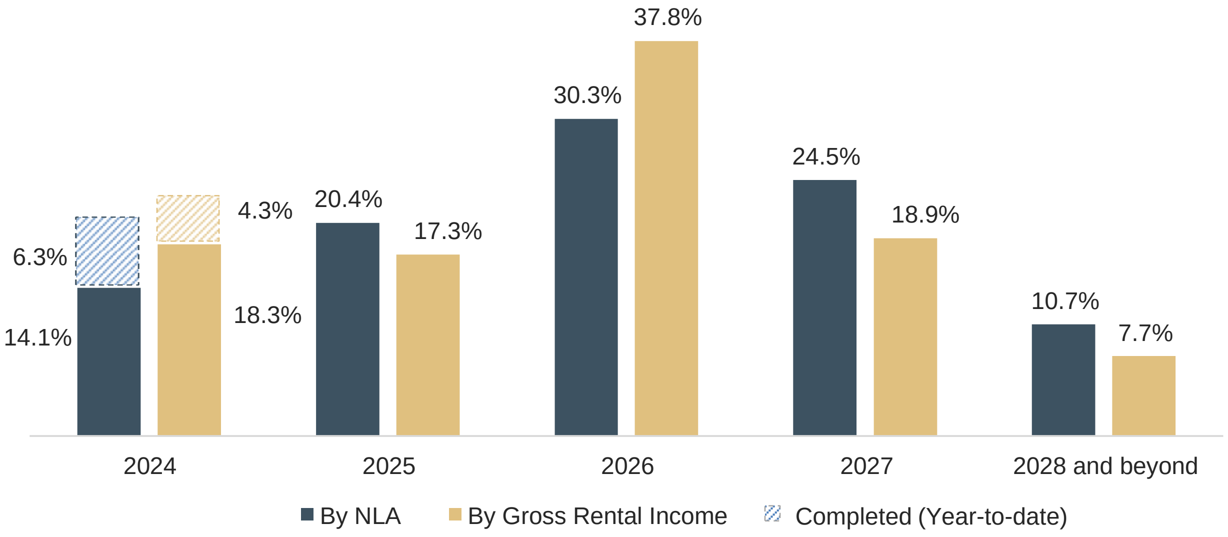
RMB psm per day

As of 30 Jun 2024



WALE of 2.1 years (NLA); 1.9 years (GRI)

As of 30 Jun 2024

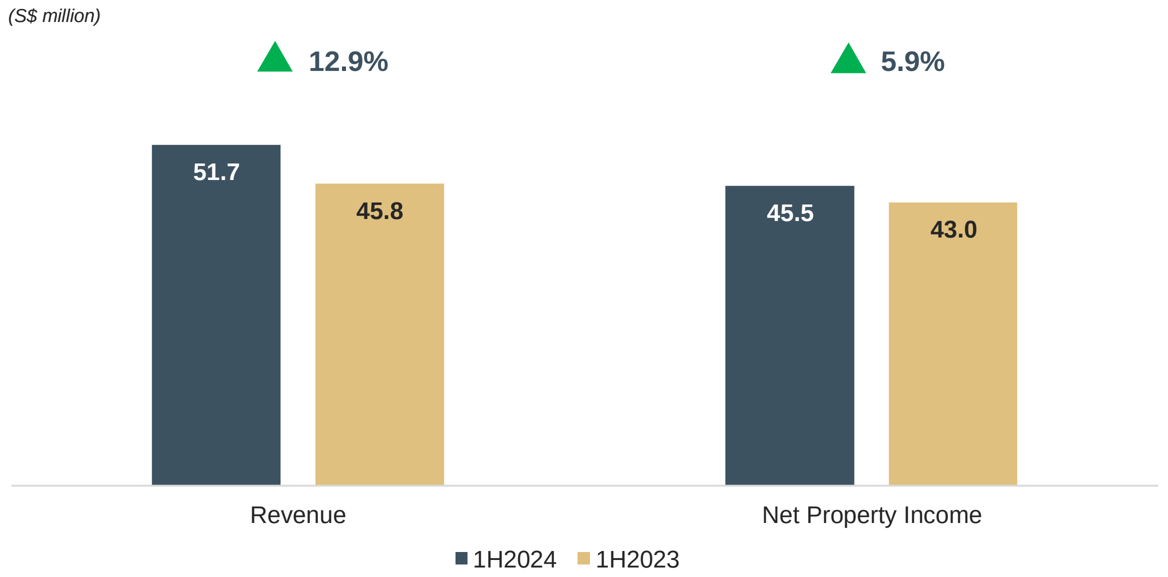


OUE REIT

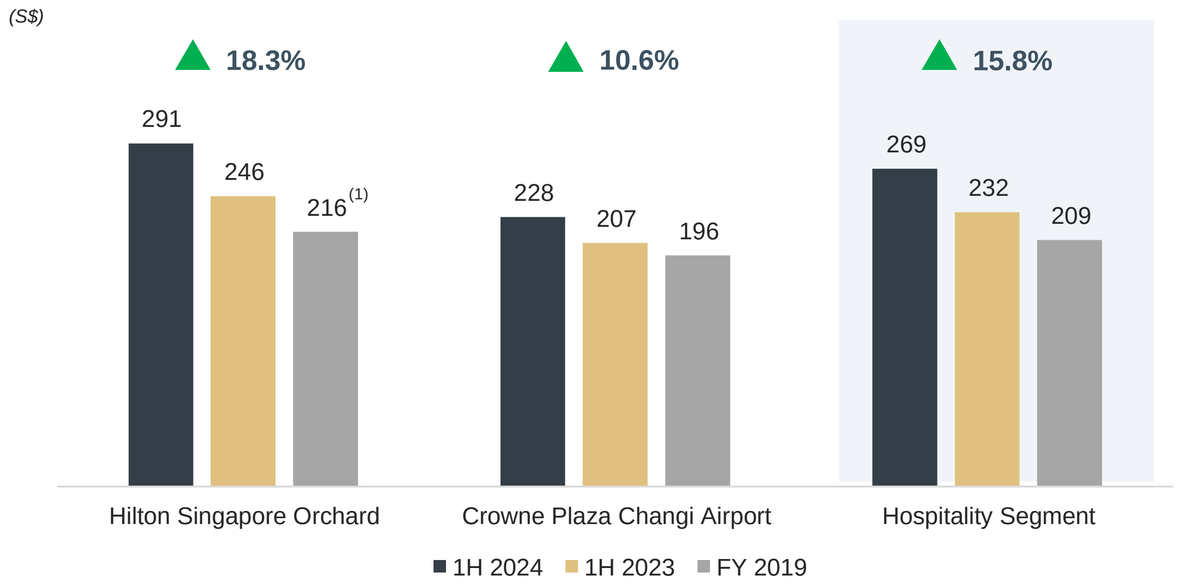
2 Hospitality Segment Performance

Higher YoY RevPAR supported by continued tourism recovery and high-profile events and concerts

1H 2024 Hospitality Segment Revenue and NPI



1H 2024 Revenue per Available Room ("RevPAR")



- Hospitality segment revenue and net property income for 1H 2024 rose by 12.9% and 5.9% YoY to S$51.7 million and S$45.5 million respectively This improved performance was attributed to higher room rates and occupancies supported by the strong MICE and event pipeline in the first quarter of 2024, which offset the impact of softer tourist arrivals between April to June 2024 due to the seasonality of demand.
- Overall 1H 2024 hospitality RevPAR grew by 15.8% YoY to S$269 supported by the continued recovery in the hospitality sector. Hilton Singapore Orchard's RevPAR grew by 18.3% YoY to S$291.
- Benefitting from the successful asset enhancement initiatives, Crowne Plaza Changi Airport's RevPAR increased by 10.6% YoY to S$228.

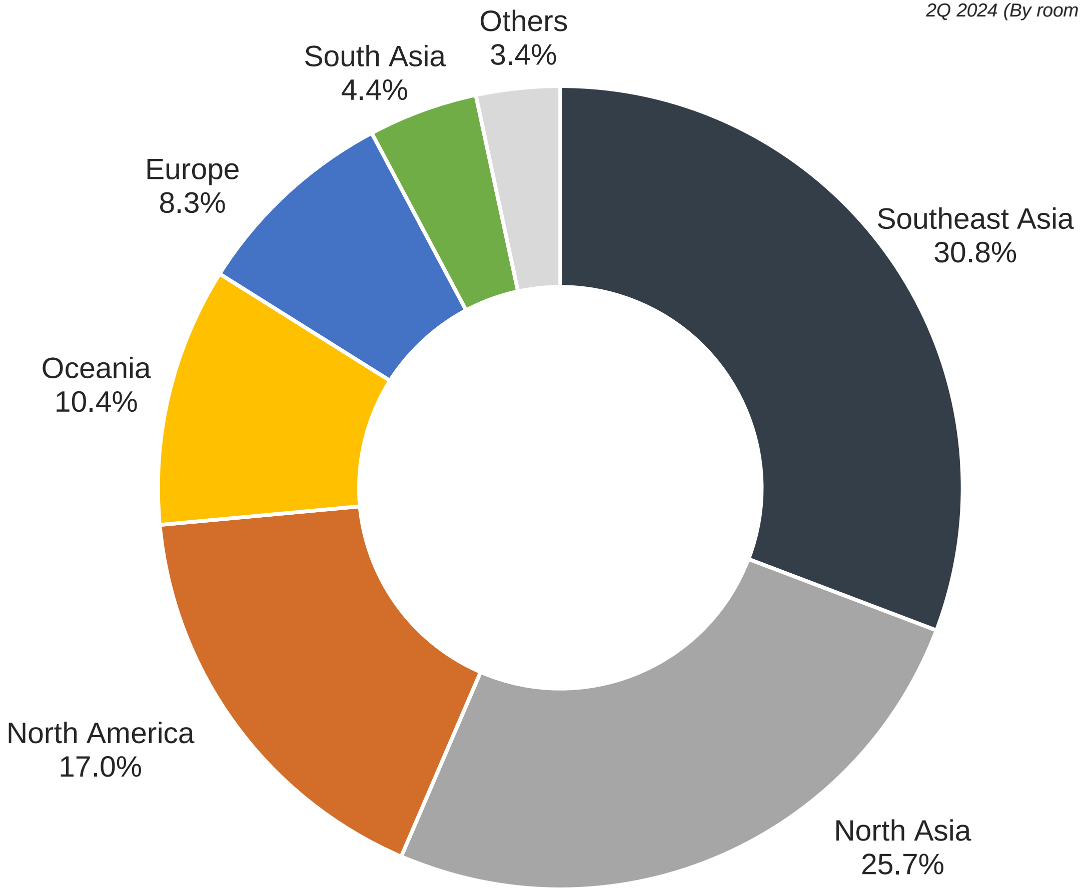
(1) RevPAR for Mandarin Orchard Singapore in FY 2019 before the re-branding to Hilton Singapore Orchard

2 Hospitality Segment Performance

Diversified business mix towards higher-yielding markets

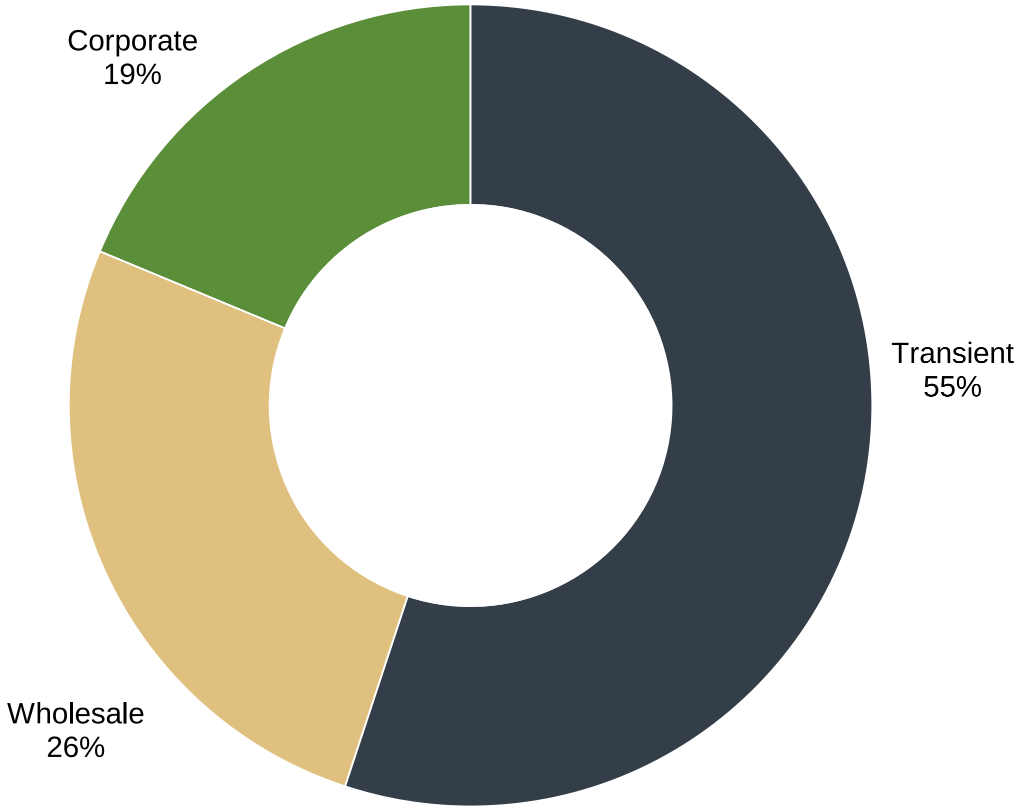
By Geography

2Q 2024 (By room nights)



By Type

2Q 2024 (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

Proactive and Prudent Capital Management

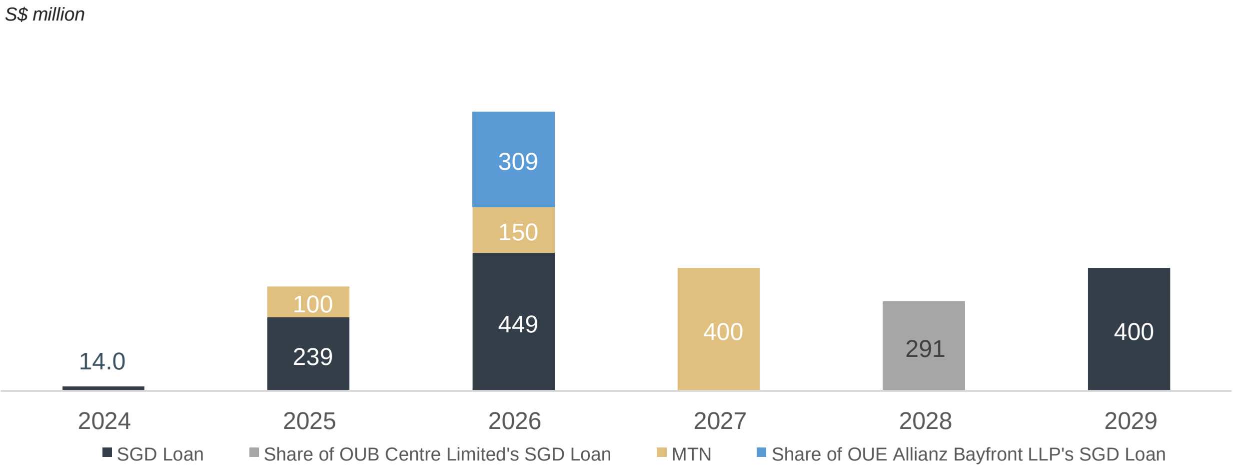
3 Proactive and Prudent Capital Management

Well-spread debt maturity profile with only 14.4% of the total debt due in 2025

- In May 2024, completed an unsecured sustainability-linked loan ("SLL") of S$600 million referencing OUE REIT's recalibrated 40% absolute Greenhouse Gas emission reduction target. Backed by strong support from a total of 12 banks, the SLL was oversubscribed by 2.0 times and was subsequently upsized from the initial loan amount of S$540 million to S$600 million, including the greenshoe.
- In June 2024, OUE REIT successfully issued its first investment grade green notes. Initial target size of S$150 million at initial price guidance of 4.35% was 3.2 times oversubscribed. Offer subsequently upsized to S$250 million, with pricing tightened to 4.10%, representing a 25 basis points ("ppt") compression from the initial price guidance. Institutional investors accounted for 74% of final allocation.
- Aggregate leverage decreased by 0.1 ppt to 38.7% as of 30 June 2024, with average term of debt lengthened to 2.7 years.
- 69.2% of OUE REIT's total borrowings are green financing.
- Assuming a 25 ppt decrease in interest rates, DPU would increase 0.04 Singapore cents per unit.

	As of 30 Jun 2024	As of 31 Mar 2024
Aggregate leverage	38.7%	38.8%
Total debt(1)	S$2,352m	S$2,357m
Weighted average cost of debt	4.7% p.a.	4.5% p.a.
Average term of debt	2.7 years	2.2 years
% fixed rate debt	61.0%	60.0%
% unsecured debt	86.8%	69.9%
% unencumbered assets	88.8%	73.1%
Interest coverage ratio ("ICR")(2)	2.3x(3)	2.4x
Adjusted ICR(4)	2.2x	2.3x
OUE REIT's Issuer Ratings(5)	"BBB-" by S&P with Stable Outlook	

Debt Maturity Profile (as of 30 June 2024)



(1) Includes OUE REIT's share of OUB Centre Limited's loan and OUE Allianz Bayfront LLP's loan
(2) As prescribed under Appendix 6 of the Monetary Authority of Singapore's Code on Collective Investment Schemes (last revised on 23 May 2023)
(3) Including the write-off of upfront fees from early refinancing, ICR stood at 2.2x as of 30 June 2024
(4) As above in (2) and including distributions on hybrid securities in the denominator
(5) S&P Global Rating assigned OUE REIT an investment grade BBB- credit rating with a stable outlook on 30 October 2023

OUE REIT

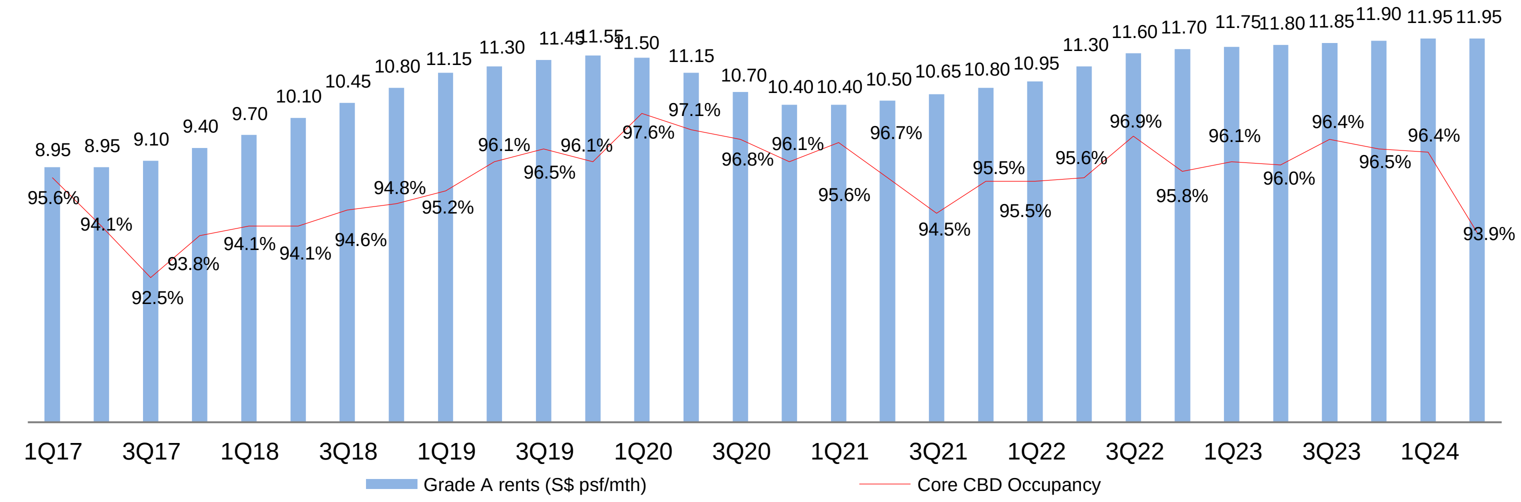
Favourable Industry Fundamentals

Crowne Plaza Changi Airport

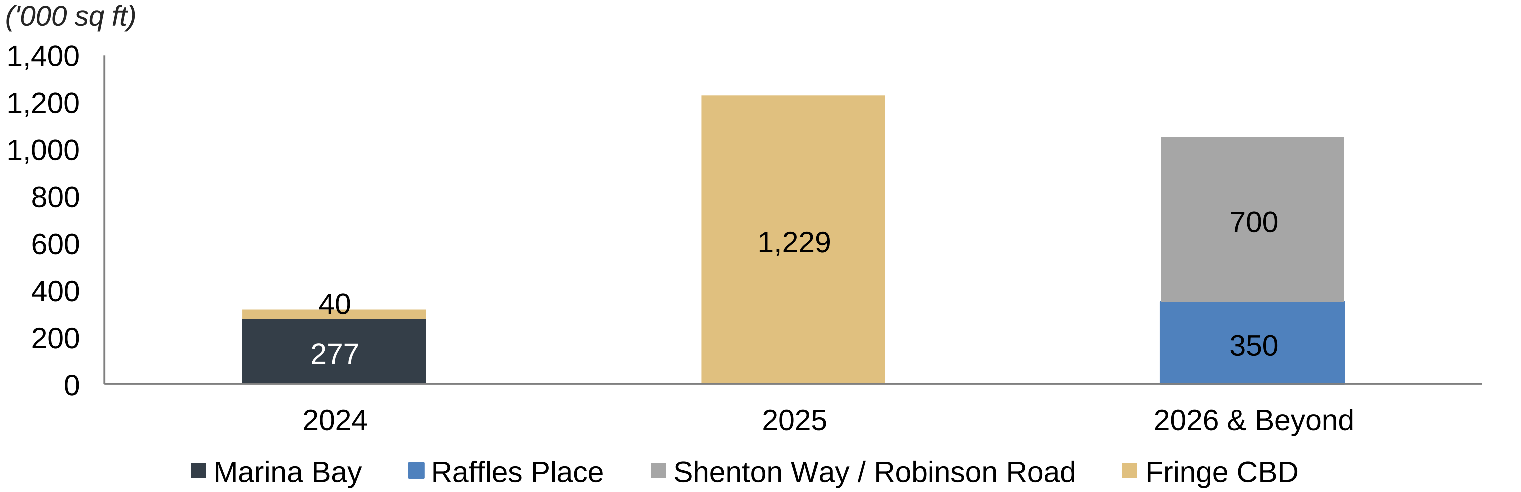
4 Singapore Office Market

- According to CBRE, Core Central Business District ("CBD") rents remained unchanged at S$11.95 psf per month in the second quarter of 2024, underpinned by continued flight-to-quality trends and expansion demand from legal and tech companies.
- Although the new completions have temporarily eased upward pressure, leasing activity for new developments is expected to regain momentum in the second half of 2024, underpinned by the continued flight-to-quality trend, as well as the relocation activity from redevelopment projects and transitional sites.
- With no expected new developments in the core CBD area between 2025 and 2027, astute tenants are also likely to take this limited supply into consideration, which will support rental growth.
- OUE REIT's green-certified core Grade A offices located in prime locations are well-positioned to withstand near-term market headwinds.

Singapore Core CBD Grade A Rents and Occupancy



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

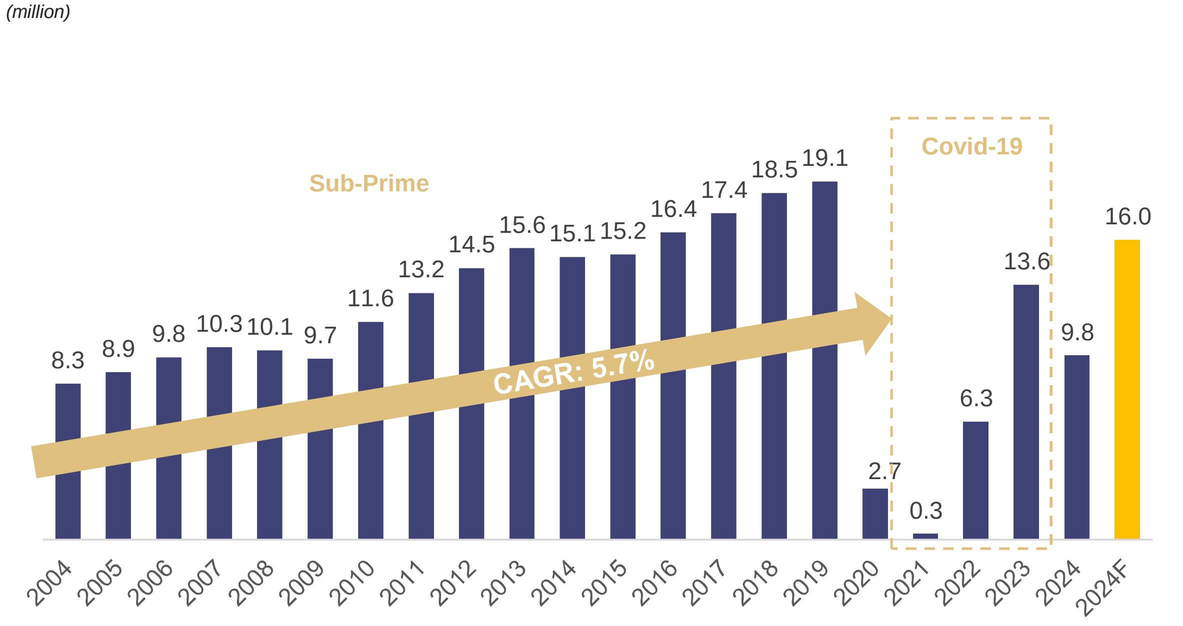


Note: Excluding strata-titled office
Source: CBRE Research, Manager data

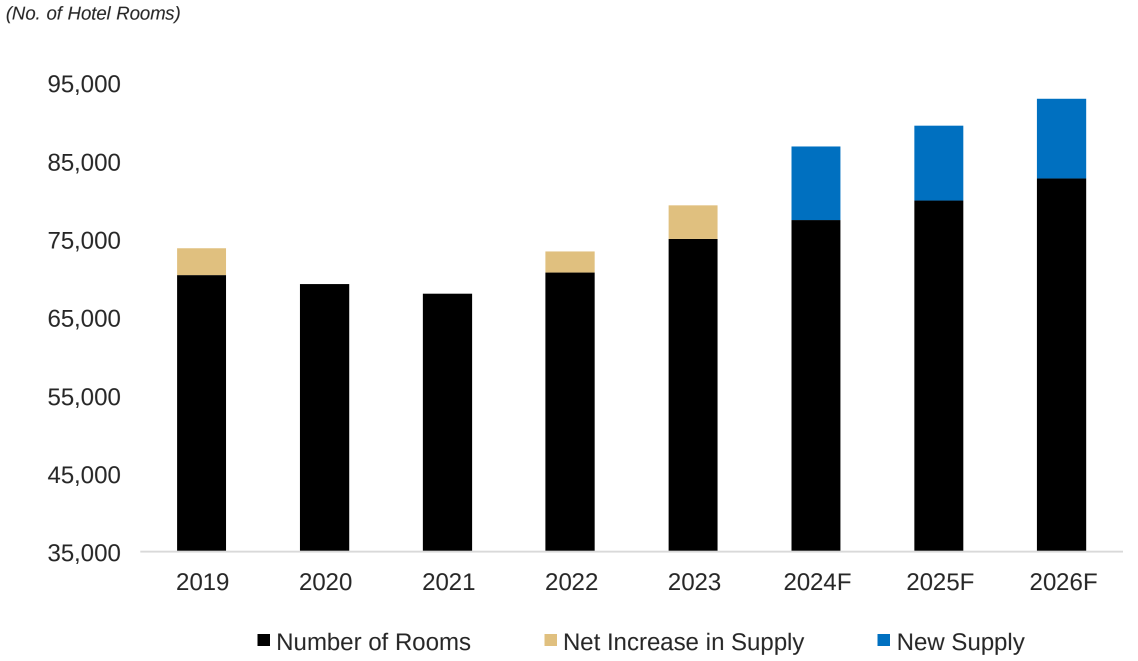
4 Singapore Hospitality Market – 2Q 2024

- Visitor arrivals for January to July 2024 grew by 26.9% YoY to reach 9.78 million, on track of achieving Singapore Tourism Board's target of 15 to 16 million in 2024[1].
- Continued improvements in international flight connectivity, a robust event pipeline, strengthened collaborations between Singapore Tourism Board and global travel and payment platform will support tourism growth. Meanwhile, further diversification of quality travel experiences will also contribute to the growth momentum.
- New hotel supply is expected to remain muted with a CAGR of 3.4% between 2024 and 2026 compared to a pre-pandemic historical five-year CAGR of 4.4% between 2014 and 2019.

Visitor Arrivals in Singapore



Singapore Hotel Supply

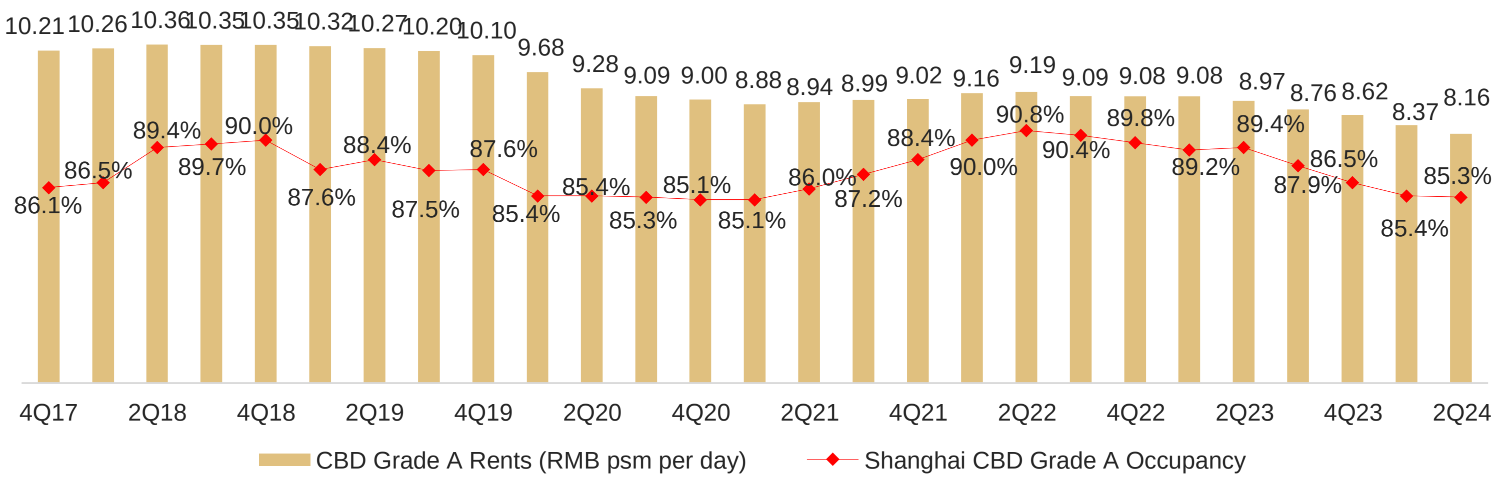


OUE REIT

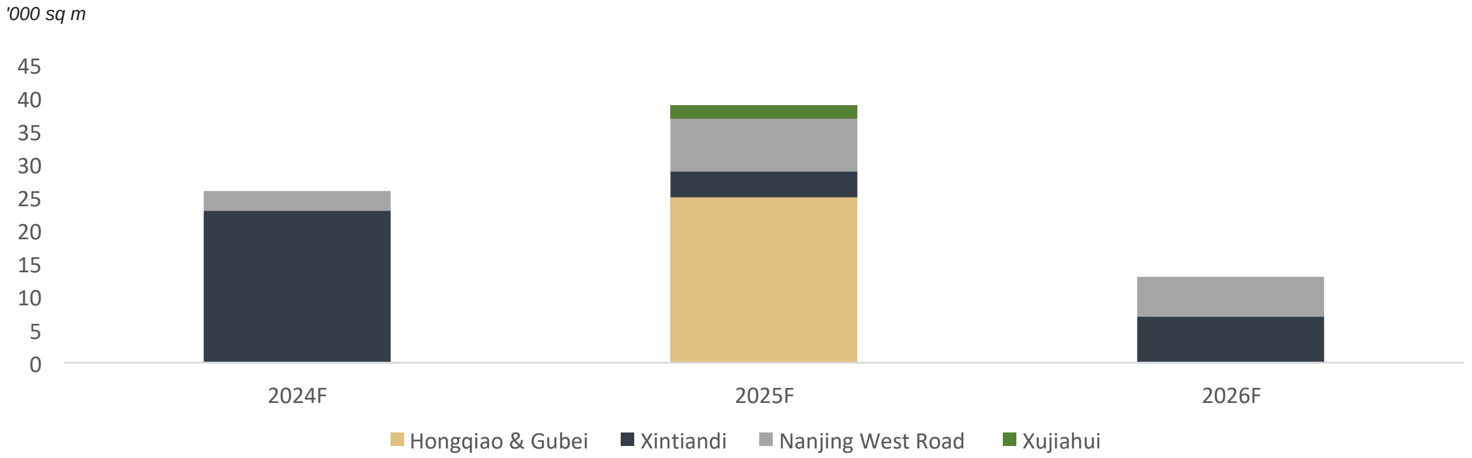
(1) Speech by Ms Melissa Ow, Chief Executive, Singapore Tourism Board, at the Tourism Industry Conference 2024, 10 May 2024)
Source: Singapore Tourism Board's International Visitor Arrival Statistics, CBRE Hotels 4Q 2023

4 Shanghai Office Market – 2Q 2024

Shanghai



Office Supply Pipeline in Shanghai CBD



- Shanghai's CBD Grade A office occupancy declined by 1.0 ppt QoQ to 85.3%, while CBD Grade office rents continue to decline to the new low of RMB 8.16 psm per day, the lowest level in a decade.
- Although there was only 1 new project entering the market in 2Q 2024, a total of 1.57 million square metres of new supply is expected to enter the market in 2024, the highest since 2019.
- In the face of continued challenging operating environment, the Manager is prioritising occupancy and adopts proactive leasing and flexible asset management strategies for Lippo Plaza.

Source: Colliers International 2Q 2024

Progressing on Sustainability

5 Progressing our ESG Journey

FY 2023 Key Performance

STEWARDING THE ENVIRONMENT

Energy intensity reduced by **20.9%** for commercial assets [1]

Water intensity reduced by **26.1%** and **16.9%** for commercial and hospitality assets, respectively [1]

50.3% of Singapore commercial segment net lettable area are green leases

STRENGTHENING SOCIAL FABRIC

In support of WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office

Signatory since 22 June 2023

Achieved **45.0** average training hours per employee

Achieved an average tenant satisfaction rate of **88.7%** for all five commercial properties

BUILDING TRUST

GRESB ★★★☆☆ 2023

Obtained 3-Star ratings in the Global Real Estate Sustainability Benchmark ("GRESB") assessment

CENTRE FOR GOVERNANCE AND SUSTAINABILITY

Improved ranking of 26 out of a total 43 REITs and Business Trusts in 2023

ESG Vision 2030 – Recalibrated Targets

CO_2

Setting a more ambitious goal by replacing energy intensity target with GHG carbon emission target

Reduce **40% absolute Scope 1 and 2 GHG emissions** for commercial properties by FY 2030[2]

90% green financing by FY 2030

Include specific ESG-related trainings

Achieve average 30 training hours per employee

25% of women represented on the Board of Directors

40% of employees in senior management are women

(1) Compared to base year FY 2017
(2) Compared to base year FY 2023

Growth Strategies

Crowne Plaza Changi Airport

Focus on Maximising Returns and Driving Long-term Growth

Maximise Asset Performance

- **Leverage on the successful AEIs of both hotels** to capitalise on the continued tourism recovery and enhance performance
- **Tap on asset enhancement** initiatives to create value and maximise portfolio returns
- **Focus on tenant retention and optimise occupancy –** actively monitor market sentiment and customise asset-specific leasing strategies to meet occupiers' need
- **Improve the environmental credential** of OUE REIT's properties to future proof asset performance and value

Reinforce Capital Structure

- **Optimise cost of debt** by leveraging on investment grade credit rating to lower funding costs from capital markets and adopt appropriate hedging strategies
- **Proactively manage refinancing requirements** to achieve a well-diversified debt maturity profile

Pursue Value Creation Opportunities

- **Further leverage on our balanced portfolio to deliver attractive potential returns, with a goal to increase revenue contribution from hospitality segment to 40.0%**
- Review opportunities **in Singapore as well as key gateway cities in Australia (Sydney and Melbourne), Hong Kong, Japan and the UK (London)**. Seek further exposure to hotels, offices or mixed-use developments in prime CBD areas
- Monitor **portfolio reconstitution opportunities** to unlock value

OUE REIT

Thank You!