



**STAYING FOCUSED** | **BALANCING CHANGE**

## **FY 2021 FINANCIAL RESULTS**

10 February 2022

**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST

# DISCLOSURE

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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.

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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.





# FY 2021 Financial Highlights

**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST



Orchard Kaichi West

# FIRST REIT AT A GLANCE

1

## WELL-DEFINED ACQUISITION STRATEGY

Distinct growth strategy by **acquiring yield-accretive properties** in the healthcare and healthcare-related industry

2

## ASSET SIZE AND CLASS

- **19 Assets:** S\$962.4 million<sup>(1)</sup>
- **Indonesia:** 12 hospitals, 2 integrated hospital & mall, 1 integrated hotel & hospital and 1 hotel & country club
- **Singapore:** 3 nursing homes
- **South Korea**<sup>(2)</sup>: Divested

3

## HEALTHCARE-RELATED REIT WITH FUTURE GROWTH AND DIVERSIFICATION OPPORTUNITIES

- Invests in **quality, income-producing** healthcare and/or healthcare-related real estate assets within and outside of Asia
- Seeking to diversify into mature and developed healthcare markets

4

## LEASING TENANCY ARRANGEMENT

Long lease terms of **minimum 10 years up to 15 years** with step up escalation

5

## FINANCING ARRANGEMENT

Term loan facilities with Banks: S\$352.4 million

6

## MARKET CAPITALISATION (as at 31 December 2021)

- Market Capitalisation: S\$492.0 million<sup>(3)</sup>
- Total number of Units: 1,613,028,000
- OUE Deemed Interest in First REIT ≈ 28.81%

### Notes:

(1) The carrying value of investment properties were maintained on the independent valuation as at 31 December 2021.

(2) The divestment of Sarang Hospital in South Korea has been completed in August 2021.

(3) Based on closing price of S\$0.305 as at 31 December 2021.

# KEY FINANCIAL HIGHLIGHTS

## 2H2021/FY2021 FINANCIAL PERFORMANCE

	2H 2021	2H 2020	% Change (Y-o-Y)	FY 2021	FY 2020	% Change (Y-o-Y)
RENTAL & OTHER INCOME (\$\$'M)	63.4 <sup>(i)</sup>	41.0	54.6	102.3 <sup>(i)</sup>	79.6	28.5
NET PROPERTY & OTHER INCOME (\$\$'M)	62.6 <sup>(i)</sup>	39.9	56.8	100.2 <sup>(i)</sup>	77.5	29.4
DISTRIBUTABLE INCOME (\$\$'M)	21.2	15.0	41.5	42.1	33.4	26.1
DPU (CENTS)	1.31 <sup>(ii)</sup>	1.85	(29.2)	2.61 <sup>(ii)</sup>	4.15	(37.1)
ADJUSTED DPU (CENTS)	2.56 <sup>(ii)</sup>	1.85	38.4	5.12 <sup>(ii)</sup>	4.15	23.4

**Note:**

- (i) Growth in 2H2021 and FY2021 Rental and Other Income and Net Property and Other Income were largely attributed to the accounting treatment under FRS116 - lease, the rental income from the restructured MLAs with minimum 4.5% annual escalation, was recognised on a straight-line basis for the entire lease term.
- (ii) DPU is lower for 2H2021 mainly due to the issuance of 791,062,223 rights units on 24 February 2021. These new rights units are entitled to participate in the 1Q to 4Q 2021 distribution. If the new rights units issued on 24 February 2021 are excluded in the distribution computation, the adjusted distribution per unit is 2.56 cents for 2H2021 and 5.12 cents for FY2021.

# BALANCE SHEET & FINANCIAL POSITION

S\$'000	As at 31 Dec 2021	As at 31 Dec 2020
<b>ASSETS</b>		
Non-current	962,475	939,711
Current	87,060	65,197
<b>Total</b>	<b>1,049,535</b>	<b>1,004,908</b>
<b>LIABILITIES</b>		
Non-current	270,554	317,494
Current	127,161	223,444
<b>Total<sup>(1)</sup></b>	<b>397,715</b>	<b>540,938</b>
Unitholders' Funds	591,145	403,092
NAV/unit (cents) <sup>(2)</sup>	36.65	49.94

**Notes:**

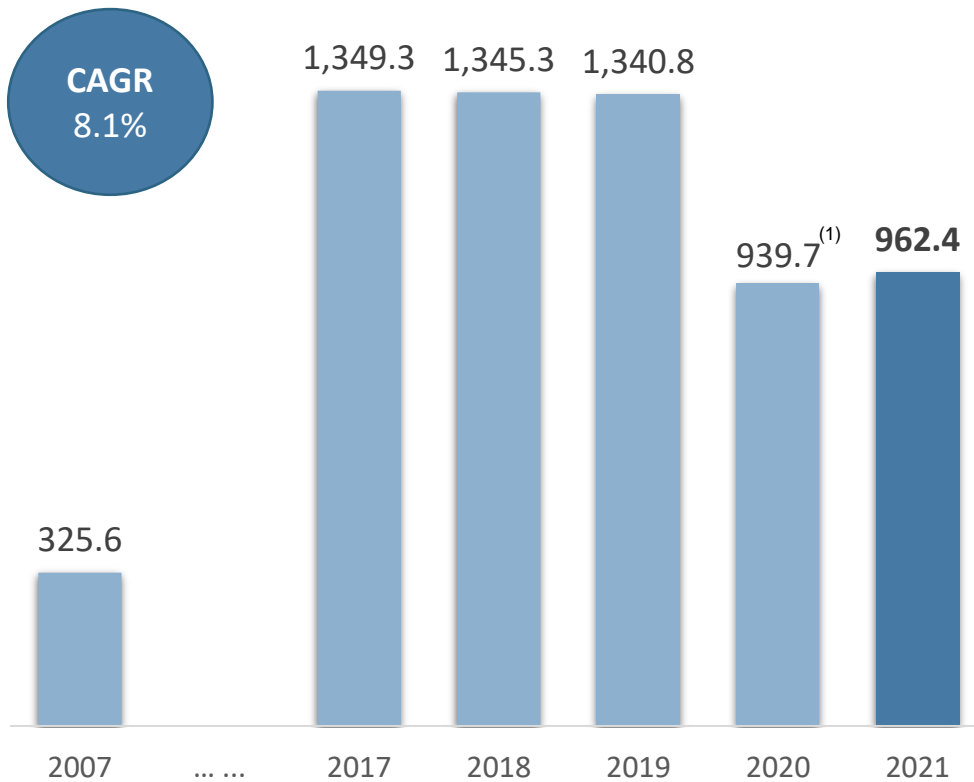
(1) Total liabilities comprises of other financial liabilities, non-current and current which decreased from S\$489.0 million to S\$349.2 million, mainly due to net partial repayment of S\$140.1 million bank loan upon maturity in March 2021. The current bank loan as at 31 December 2020 has been refinanced by a new bank loan facility entered by the Trust and Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch, which was drawn down on 1 March 2021. The Trust is in negotiations with lenders for the term loan facility maturing in May 2022.

(2) Based on enlarged unit base as a result of rights issue.

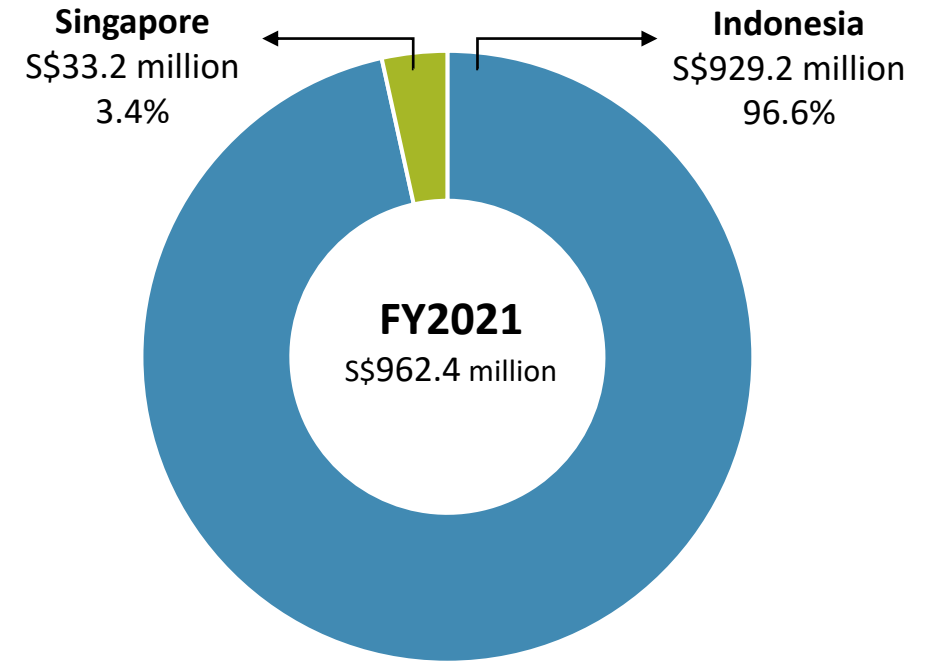


# ASSETS-UNDER-MANAGEMENT

## HISTORICAL AUM (S\$'million)



## BREAKDOWN BY GEOGRAPHY (S\$'million)



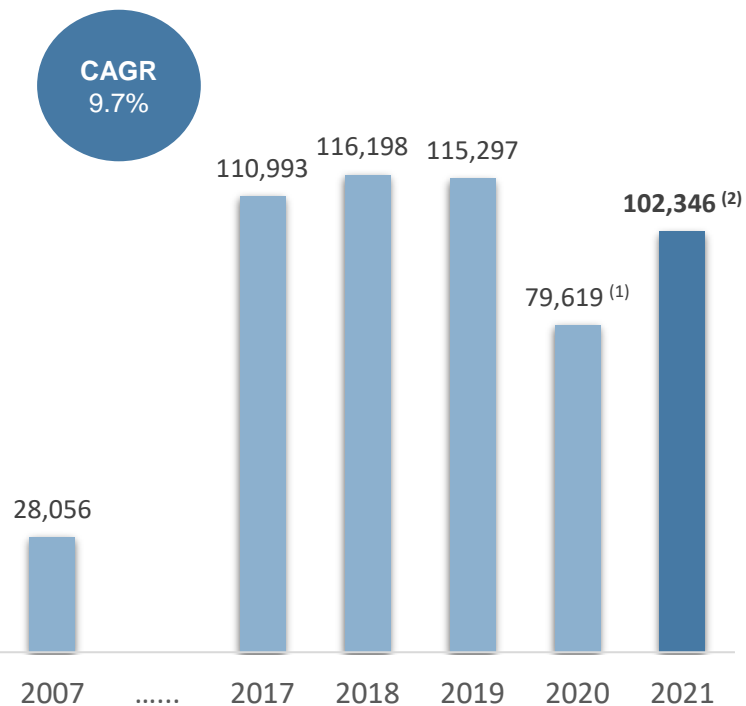
### Notes:

(1) Portfolio valuation decreased from S\$1,340.8 million to S\$939.7 million mainly due to net fair value losses on revaluation of investment properties, which the valuation of certain Indonesia properties have taken into consideration the terms arising from Restructured MLAs which took effect on 1 Jan 2021. Please refer to the Announcement on Notice Of Valuation Of Real Assets - Annual Valuation Of Properties dated 14 Jan 2021 for more details.

# OPERATING PERFORMANCE

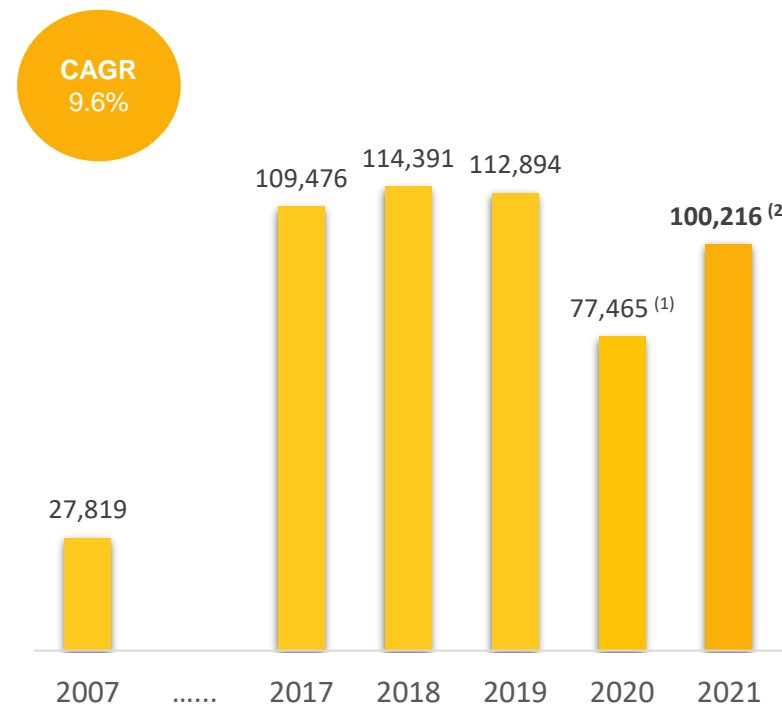
## RENTAL AND OTHER INCOME

(S\$'000)



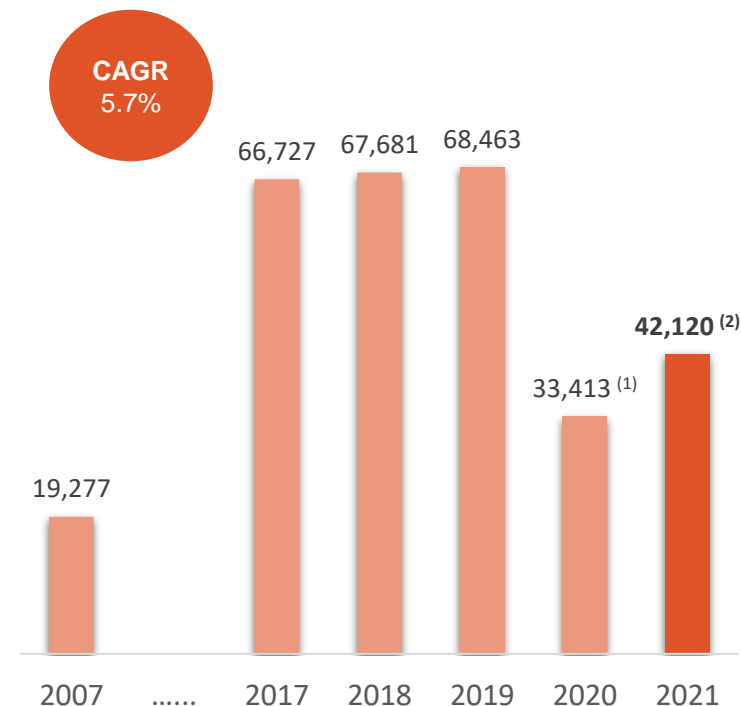
## NET PROPERTY AND OTHER INCOME

(S\$'000)



## DISTRIBUTABLE AMOUNT

(S\$'000)



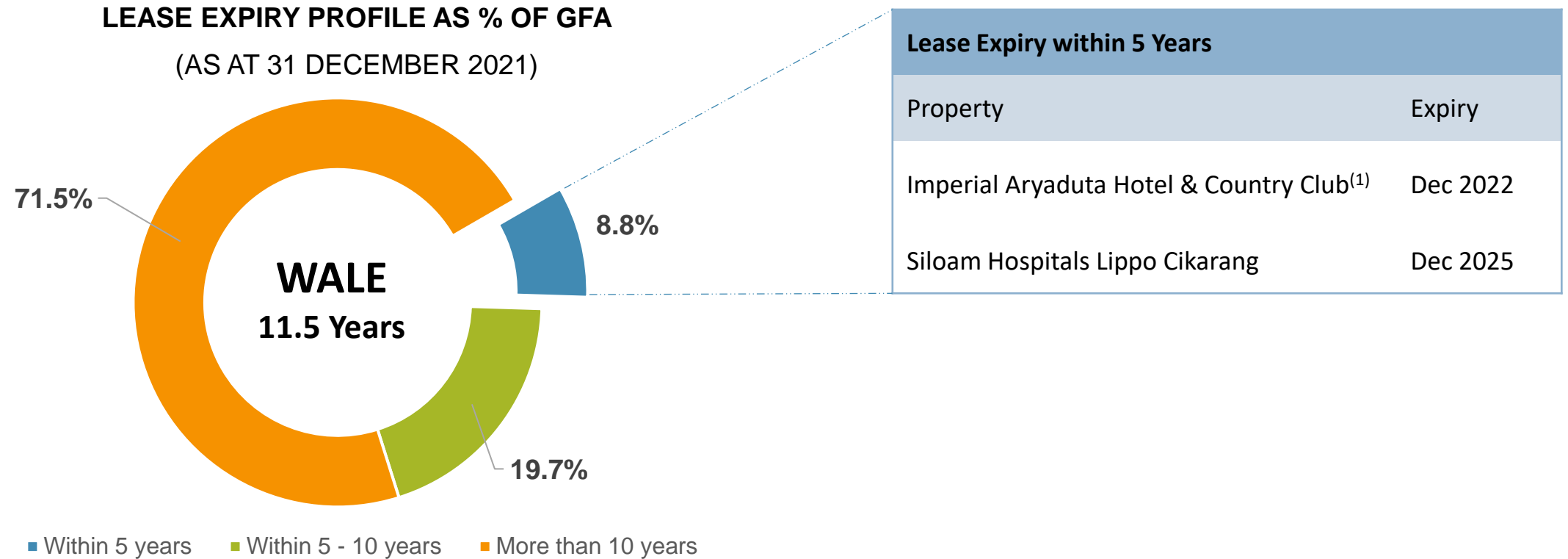
### Notes:

- (1) In FY 2020, decline in Rental and Other Income, Net Property and Other Income and Distributable Income mainly due to a two-month rental relief for May and June 2020 to all tenants and an additional two-month rental relief for September and October 2020 to Indonesia tenants, to alleviate the economic distress caused by the COVID-19 pandemic.
- (2) In FY 2021, the Trust completed the restructuring exercise for the master lease agreements of 14 of First REIT's hospital assets (the "**Restructured MLAs**") and extended a one-month and half-month rental rebates to Indonesia malls and hotels respectively in July 2021. The Rental and Other Income and Net Property and Other Income includes rental straight lining adjustments in relation to the Restructured MLAs and the recovery of expenses in relation to the settlement agreements dated 7 December 2021 for the full and final settlement of any and all claims which PT TPI may have against PT SK in relation to the terminated development works in Surabaya.



# WALE & LEASE EXPIRY PROFILE

LONG WALE WITH STABLE REVENUE STREAMS



**Note:**

(1) As announced on 29 November 2021, the master lease of Imperial Aryaduta Hotel & Country Club had been renewed up to 31 December 2022. The Manager had identified IAHC as a non-core asset and appointed PT Rantaka Haburi Radika and PT Colliers International Indonesia to procure a suitable purchaser for IAHC since May 2021. The Manager intends to continue to market IAHC 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 IAHC while still allowing the Manager strategic flexibility

# CASH DISTRIBUTION MODEL

PAYOUT POLICY OF 100% OF DISTRIBUTABLE INCOME SINCE LISTING IN DEC 2006

Period	1 October 2021 to 31 December 2021
<b>Distribution Per Unit</b>	0.66
- Taxable	0.04
- Tax-Exempt	0.14
- Capital	0.48

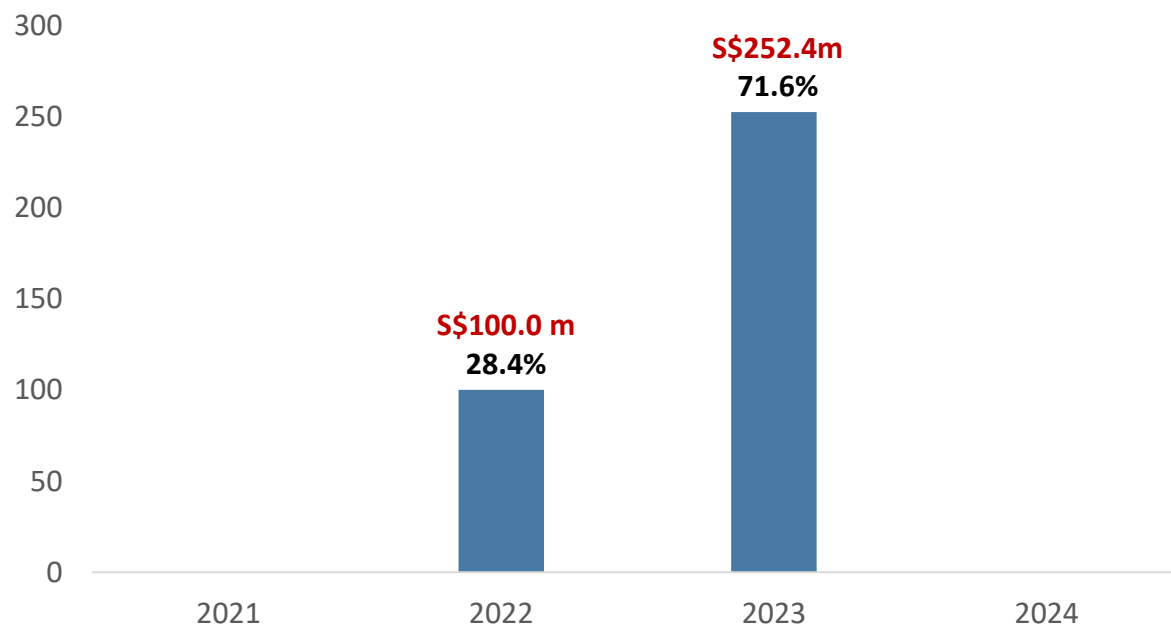
<b>Distribution Time Table</b>	
Last trading day quoted on a “cum” distribution basis	17 February 2022
Ex-dividend date	18 February 2022, 9am
Book Closure Date	21 February 2022, 5pm
Distribution Payment Date	29 March 2022

# DEBT MATURITY PROFILE & CAPITAL MANAGEMENT

	As at 31 Dec 2021	As at 31 Dec 2020
<b>Total Debt<sup>(1)</sup></b>	S\$352.4 million	S\$492.4 million
<b>Gearing Ratio</b>	33.6%	49.0%

<sup>(1)</sup> Before transaction costs.

## Debt Maturity Profile (As at 31 Dec 2021)



## Notes

- On 24 December 2020, Perpetual (Asia) Limited, in its capacity as trustee of First REIT, entered into a facility agreement with Oversea-Chinese Banking Corporation Limited and CIMB Bank Berhad, Singapore Branch in respect of a term loan facility of S\$178.5 million and a revolving credit facility of S\$42.5 million, with an accordion option for a S\$39.0 million increase in commitments; amounting to S\$260 million in aggregate. With this, First REIT is in negotiations with lenders to refinance the term loan facility maturing in May 2022.
- Gross proceeds of S\$158.2 million was raised through the completion of the renounceable and non-underwritten rights issue (the “Rights Issue”) in February 2021, of which approximately S\$140.1 million was used to repay part of the 2018 Secured Loan Facilities.
- The leverage ratio as at 31 December 2021 is 33.6% with interest cover at 5.2 times.
- The weighted average debt maturity has been extended to 0.94 years.





# First REIT 2.0 Growth Strategy

**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST



Hikari Heights Varus Tsukisamu-Koen



# FIRST REIT 2.0 GROWTH STRATEGY

RESTRUCTURED

REFRESHED

READY TO GROW



## Diversify into Developed Markets

Reduce geographical and tenant concentration risk; target to reduce Indonesia assets to <50% of portfolio in 3-5 years



## Reshape Portfolio For Capital Efficient Growth

Recycle capital from non-core, non-healthcare assets



## Strengthen Capital Structure to Remain Resilient

Diversify funding sources and continue to optimise financial position



## Continue to Pivot to Ride Megatrends

Environmental, Social and Governance (“ESG”), ageing population demographics and growth drivers

PROPOSED ACQUISITION & PROPOSED SETTLEMENT ARE FIRST STEPS TO EXECUTING GROWTH



# PROPOSED TRANSACTIONS

**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST



Hikari Heights Varus Kotoni

# PROPOSED TRANSACTIONS

ALIGNED WITH FIRST REIT 2.0 GROWTH STRATEGY

## The Proposed Acquisition

consisting of Resolutions:

- 1 the Proposed Acquisition of 12 nursing homes located in Japan, as an interested person transaction;
- 2 the proposed issue of 431,147,541 new Units as partial consideration for the Proposed Acquisition of 12 nursing homes located in Japan; and
- 3 the proposed Whitewash Resolution

## The Proposed Settlement

consisting of Resolution:

- 4 the Proposed Settlement in respect of the terminated development works adjacent to Siloam Hospitals Surabaya, as an interested person transaction



# PROPOSED ACQUISITION ASSETS

DIVERSIFYING INTO DEVELOPED MARKETS

## JAPAN NURSING HOMES PORTFOLIO

12

Properties

100.0%

Occupancy Rate<sup>1</sup>

JPY 24.213bn

Agreed Purchase Price<sup>2</sup>

90,989 sq m

Gross Floor Area ("GFA")<sup>3</sup>

JPY 24.926bn

Appraised Value<sup>4</sup>

22 years

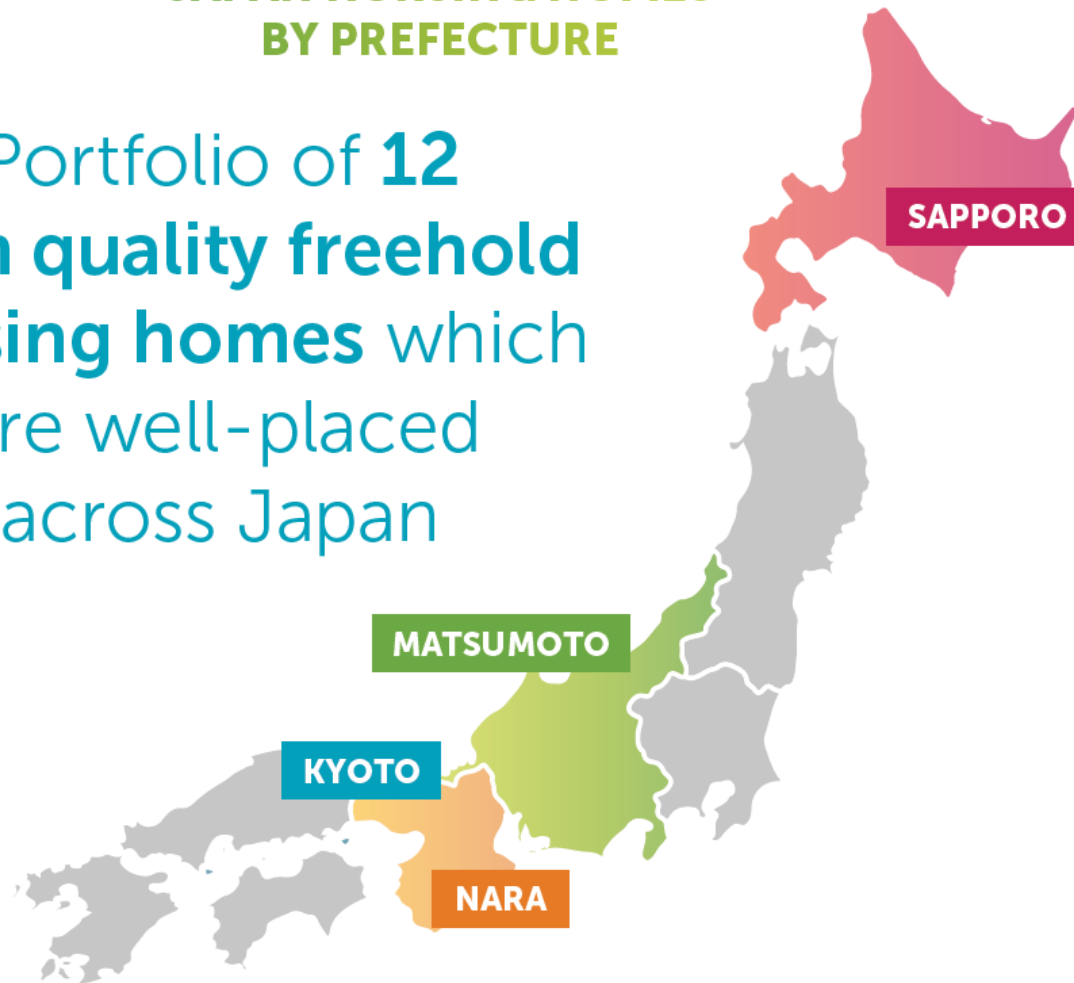
Weighted Average Lease Expiry ("WALE")<sup>5</sup>

1,451

Rooms

## JAPAN NURSING HOMES BY PREFECTURE

Portfolio of **12** high quality freehold nursing homes which are well-placed across Japan



### Sapporo City, Hokkaido (7 assets)



18.2bn  
VALUE (JPY)<sup>4</sup>

67,393  
SQUARE METERS

### Miyazu City, Kyoto (1 asset)



0.9bn  
VALUE (JPY)<sup>4</sup>

2,927  
SQUARE METERS

### Matsumoto City, Nagano (2 assets)



1.8bn  
VALUE (JPY)<sup>4</sup>

6,619  
SQUARE METERS

### Nara City / Kita Katsuragi-gun, Nara (2 assets)



4.0bn  
VALUE (JPY)<sup>4</sup>

14,049  
SQUARE METERS

(1) The 12 nursing homes in Japan are 100% master-leased to master third party master tenants who are well-established and experienced independent local nursing home operators.

(2) The Agreed Purchase Price for the Japan Nursing Homes, which was negotiated on a willing-buyer and willing-seller basis.

(3) Minor differences due to rounding.

(4) Refers to the aggregate of the averages of the two independent valuations of each Japan Nursing Home by CWKK and CBRE as at 29 October 2021.

(5) As at 30 June 2021, the Japan Nursing Homes had an aggregate WALE of 22 years.



# KEY BENEFITS OF THE PROPOSED TRANSACTIONS

TRANSFORMATIONAL ACQUISITION, STRENGTHENED CAPITAL STRUCTURE

## A TRANSFORMATIONAL ACQUISITION OF OUR FIRST JAPAN ASSETS, FUNDED BY DPU-ACCRETIVE PLACEMENT

### Key benefits to Unitholders:

1. Strategic entry into attractive Japan nursing home market with strong demand drivers;
2. Enlarged and diversified portfolio positioned for long-term growth;
3. Acquisition is distribution per unit (“DPU”) accretive to Unitholders on a *pro forma* basis

## PROPOSED SETTLEMENT IN RESPECT OF TERMINATED DEVELOPMENT WORKS AGREEMENT

### Key benefits to Unitholders:

1. Provides finality to the Development Works Agreement;
2. Allows First REIT to receive the Aggregate Settlement Amount in accordance with the rights specified within the Development Works Agreement
3. Proposed Settlement will strengthen capital structure and allow capital recycling towards higher-growth areas

# RATIONALE FOR THE PROPOSED ACQUISITION

STRATEGIC ENTRY INTO ATTRACTIVE JAPAN NURSING HOME MARKET WITH STRONG DEMAND DRIVERS

One of the Most Rapidly Ageing Countries in the World



By 2040 in Japan

35.3%

of Population with Age >65

85yrs

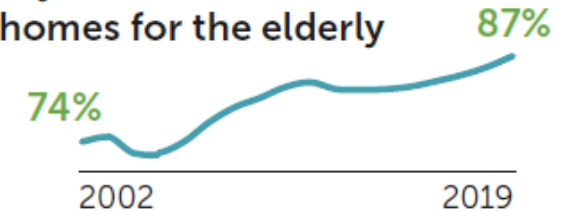
Average Life Expectancy

Surge in Demand for Nursing Homes

Number of people certified as requiring long-term senior care (Mar '08-'21)

1.5x ↑

Occupancy rate for fee-based nursing homes for the elderly



- 1 Rapidly ageing population driving surge in demand for nursing homes
- 2 Nursing homes are considered essential services in later stages of life
- 3 Inadequate supply of fee-based nursing homes for the elderly
- 4 Limited impact from the COVID-19 pandemic is a testament to the defensiveness and quality of the nursing home market in Japan

# RATIONALE FOR THE PROPOSED ACQUISITION

HIGH-QUALITY DEFENSIVE PORTFOLIO MASTER LEASED TO EXPERIENCED AND STRONG OPERATORS

## Highly Defensive Cashflows

Master Tenanted<sup>(1)</sup>

100%  
of Leases

Fixed Rent

Annual rent may be revised every two years or three years upon negotiation<sup>(2)</sup>

100%  
of Leases

Back-Up Operator Clause

100%  
of Leases

## High Quality Operators



	Safety Life Co., Ltd	Orchard Care Co., Ltd
<b>Japan Nursing Homes</b>	<b>7</b> in Sapporo	<b>2</b> in Nagano <b>1</b> in Kyoto
<b>Operating Track Record</b>	<b>34</b> years	<b>7</b> years
<b>Gross Rent Per Annum<sup>(3)</sup></b>	JPY <b>1.0</b> bn   <b>72%</b> of Portfolio	JPY <b>219</b> mm   <b>16%</b> of Portfolio
	<ul style="list-style-type: none"> <li>✓ <b>Listed</b> on Sapporo Stock Exchange with <b>320</b> employees</li> <li>✓ <b>2<sup>nd</sup> largest</b> operator in Sapporo with <b>9</b> facilities</li> <li>✓ <b>High degree</b> of <b>recognition</b> and <b>credibility</b> in Sapporo</li> </ul>	<ul style="list-style-type: none"> <li>✓ Operates <b>5</b> facilities in Nara</li> <li>✓ <b>Highly experienced</b> and <b>well-regarded</b> nursing home operator in Nara</li> </ul>
		<ul style="list-style-type: none"> <li>✓ Operates <b>5</b> facilities across Osaka, Kyoto, Nagano and Shizuoka</li> <li>✓ <b>Well-regarded</b> and <b>profitable</b> nursing home operator</li> </ul>

Source: Independent Market Research Report

(1) Under the terms of each of the Master Lease Agreements, the relevant master lessee is required to pledge to the lessor a rental deposit for an amount equal to six months (in the case of Hikari Heights Varus Ishiyama, Hikari Heights Varus Tsukisamu-Koen, Hikari Heights Varus Fujino, Hikari Heights Varus Kotoni, Hikari Heights Varus Makomanai-Koen, Varus Cuore Yamanote and Varus Cuore Sapporo-Kita & Annex) or four months (in the case of ElySION Gakuenmae, ElySION Mamigaoka & ElySION Mamigaoka Annex, Orchard Amanohashidate, Orchard Kaichi North and Orchard Kaichi West) of the monthly rent payable by the relevant master lessee in accordance with the terms of the relevant Master Lease Agreement.

(2) Under the terms of each of the master lease agreements in respect of the Japan Nursing Homes, the annual rent shall be a fixed amount, save that such annual rent may be revised every two years (in the case of Hikari Heights Varus Ishiyama, Hikari Heights Varus Tsukisamu-Koen, Hikari Heights Varus Fujino, Hikari Heights Varus Kotoni, Hikari Heights Varus Makomanai-Koen, Varus Cuore Yamanote and Varus Cuore Sapporo-Kita & Annex) or three years (in the case of ElySION Gakuenmae, ElySION Mamigaoka & ElySION Mamigaoka Annex, Orchard Amanohashidate, Orchard Kaichi North and Orchard Kaichi West) upon negotiation based on the increase in prices and interest rates. The rent may not be reduced unless certain requirements under Article 32 of the Act on Land and Building Leases are met. Article 32 of the Act on Land and Building Leases states that a lessee may request a future decrease in the rent where the building rent becomes unreasonable, as a result of the increase or decrease in tax and other burden or fall in property price, or fluctuations in other economic areas exist.

(3) As at 29 October 2021.

# RATIONALE FOR THE PROPOSED ACQUISITION

## ENLARGED AND DIVERSIFIED PORTFOLIO POSITIONED FOR LONG-TERM GROWTH

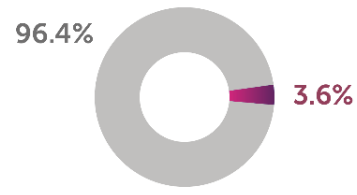
### 1. High-quality defensive portfolio backed by strong operators

12 freehold assets with a combined GFA of 90,989 sq m and 1,451 rooms. The Japan Nursing Homes which are 100% master-leased to tenants who are well-established and experienced independent local nursing home operators

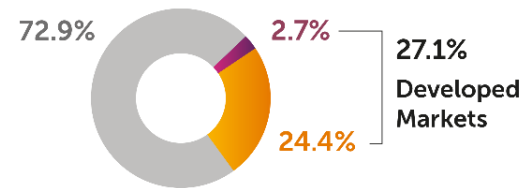
### 2. Enhance portfolio diversification, enhance 3rd-party tenant diversification, increase proportion of freehold assets

#### Geographic Diversification by Asset Value<sup>1</sup>

Pro Forma 1H2021  
Before the Proposed Acquisition



Pro Forma 1H2021  
After the Proposed Acquisition

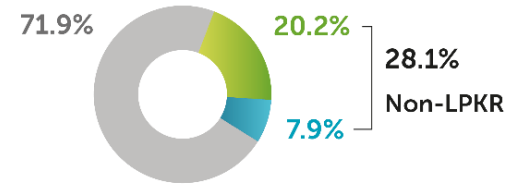


■ Indonesia ■ Singapore ■ Japan

27.1%  
Developed  
Markets

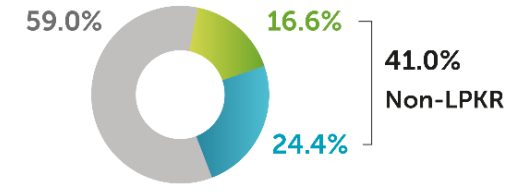
#### Lease Diversification by Rental Income<sup>2</sup>

Pro Forma 1H2021  
Before the Proposed Acquisition



28.1%  
Non-LPKR

Pro Forma 1H2021  
After the Proposed Acquisition

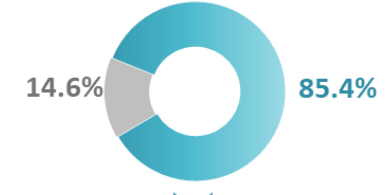


41.0%  
Non-LPKR

■ LPKR ■ Siloam ■ 3rd Parties

#### Land Tenure Enhancement by Asset Value<sup>3</sup>

Pro Forma 1H2021  
Before the Proposed Acquisition



Pro Forma 1H2021  
After the Proposed Acquisition



■ Leasehold / BOT ■ Freehold / HGB

Source: Independent Market Research Report

(1) Based on the Agreed Purchase Price for the Japan Nursing Homes as at 29 October 2021 and the value of the existing portfolio of First REIT as at 31 December 2020 (excluding Sarang Hospital) (the "Existing Portfolio") as at 30 June 2021.

(2) Rental income from third parties refers to rental income derived from PT Metropolis Propertindo Utama, tenants of Pacific Healthcare Nursing Home @ Bukit Merah, Pacific Healthcare Nursing Home II @ Bukit Panjang and The Lantor Residence and tenants of the Japan Nursing Homes, but excludes that of Sarang Hospital.

(3) Based on the Agreed Purchase Price for the Japan Nursing Homes as at 29 October 2021 and the value of the Existing Portfolio as at 30 June 2021. Land tenure by value; the two types of property titles in Indonesia are Freehold / Hak Guna Bangunan ("HGB"); and Leasehold / Build, Operate and Transfer ("BOT"), which includes Strata Title on BOT and Normal Title on BOT.



# RATIONALE FOR THE PROPOSED ACQUISITION

ENLARGED AND DIVERSIFIED PORTFOLIO POSITIONED FOR LONG-TERM GROWTH

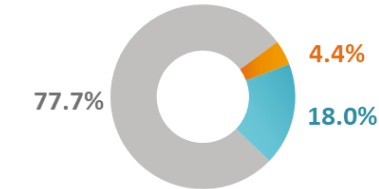
## 3. Reduced Rental Income Volatility from Exchange Rate Fluctuations

### Geographical Diversification by Rental Income<sup>(1)</sup>

Pro Forma 1H2021  
Before the Proposed Acquisition



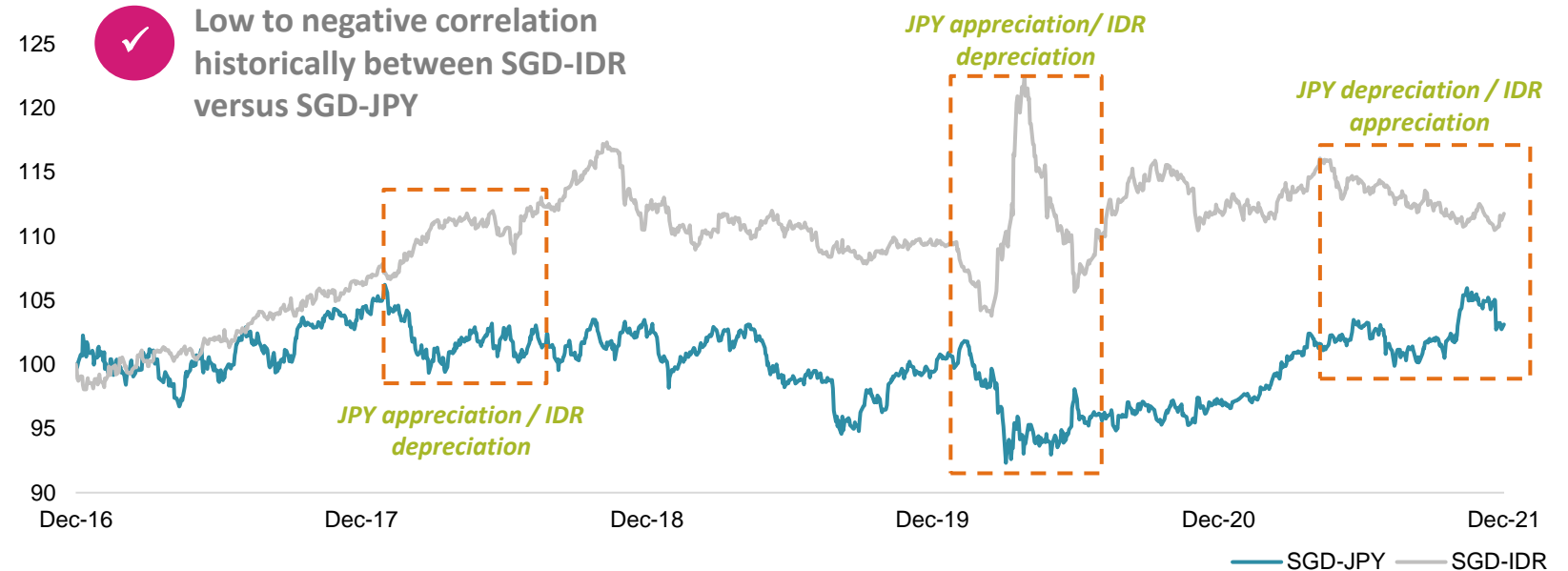
Pro Forma 1H2021  
After the Proposed Acquisition



■ IDR ■ SGD ■ JPY

### 5-year Historical SGD-IDR and SGD-JPY<sup>(2)</sup>

Rebased to 100



## 4. Enlarged Value of First REIT's Deposited Property

Increase by 29.1% from S\$1,016.5 million as at 30 June 2021 to S\$1,312.1 million on a pro forma basis

(1) Based on rental income received as of the first six-month period of the financial year ending 31 December 2021 from 1 January 2021 to 30 June 2021 ("1H2021"); but excluding the rental income from Sarang Hospital.

(2) FactSet (as of 6 December 2021).

# RATIONALE FOR THE PROPOSED ACQUISITION

## IMPROVED RENTAL STABILITY AND WEIGHTED AVERAGE LEASE EXPIRY

The Proposed Acquisition is expected to provide high income stability and cashflow visibility to First REIT

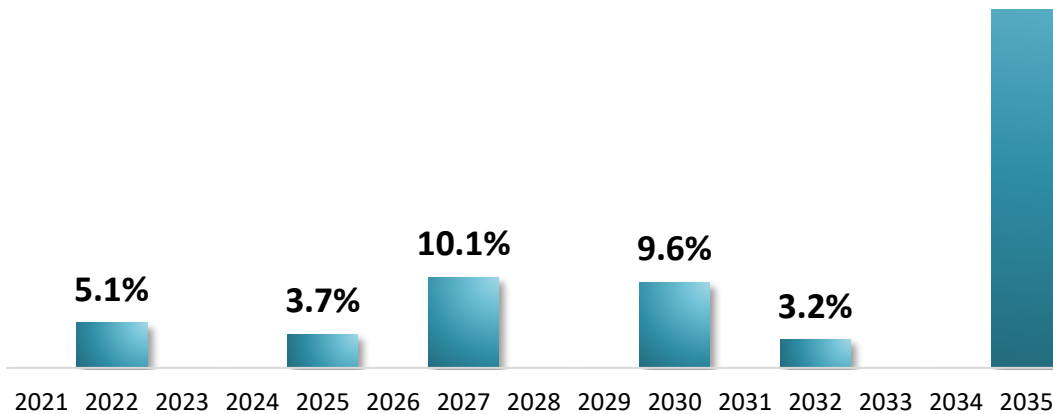
### Pro Forma 1H2021 Before the Proposed Acquisition

WALE  
By GFA 12.0 years<sup>(1)</sup>

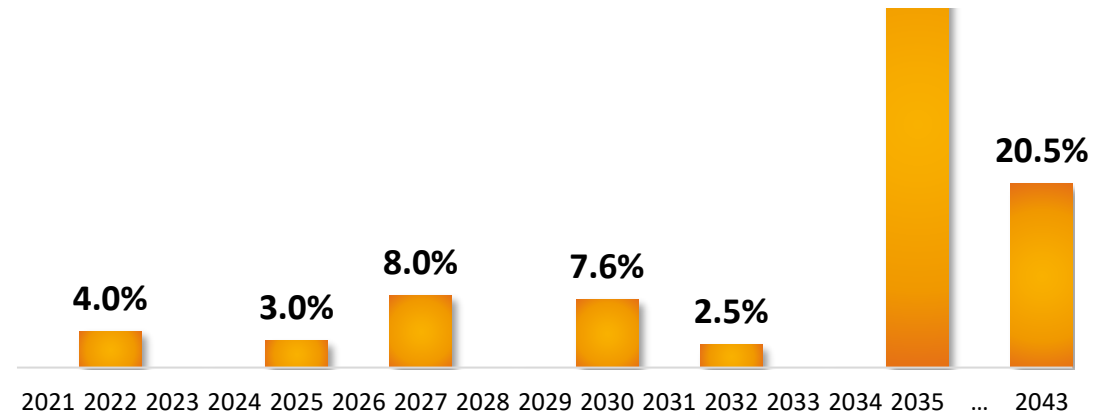
### Pro Forma 1H2021 After the Proposed Acquisition

WALE  
By GFA 14.0 years<sup>(1)</sup>

### Lease Expiry Profile by GFA



### Lease Expiry Profile by GFA



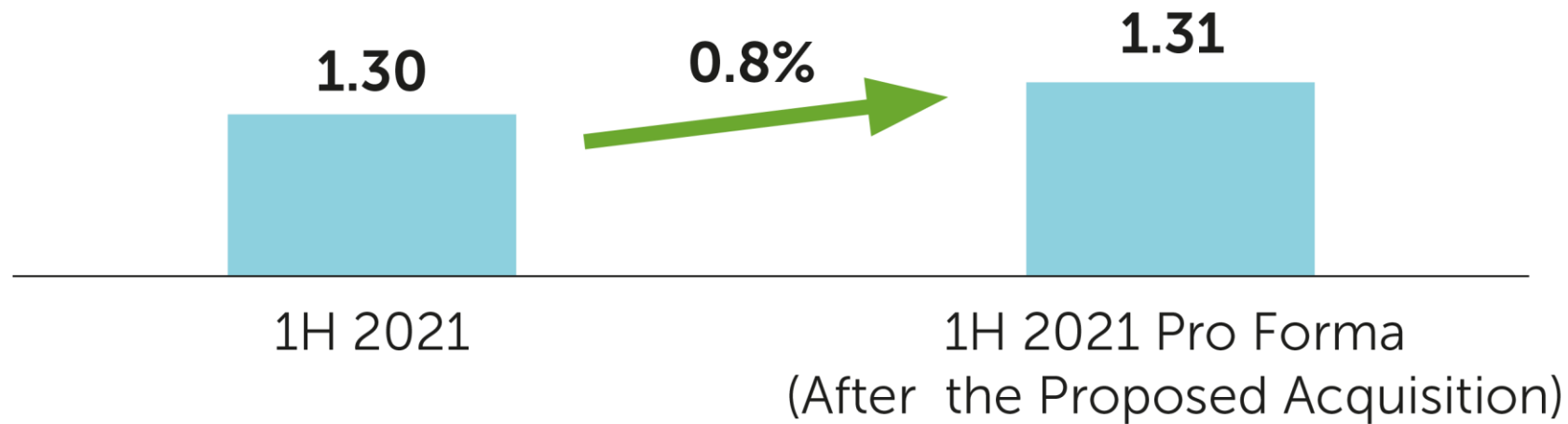
(1) Based on the Existing Portfolio, including the renewed master lease agreement in respect of Imperial Aryaduta Hotel & Country Club as announced on 29 November 2021 and assuming the Japan Nursing Homes were acquired on 30 June 2021.

# RATIONALE FOR THE PROPOSED ACQUISITION

DPU ACCRETIVE TO UNITHOLDERS ON A PRO FORMA BASIS

First REIT's 1H2021 pro forma DPU is expected to increase from 1.30 Singapore cents to 1.31 Singapore cents, translating to a *pro forma* DPU accretion of 0.8%

## Pro Forma 1H2021 DPU (For Illustrative Purposes Only)

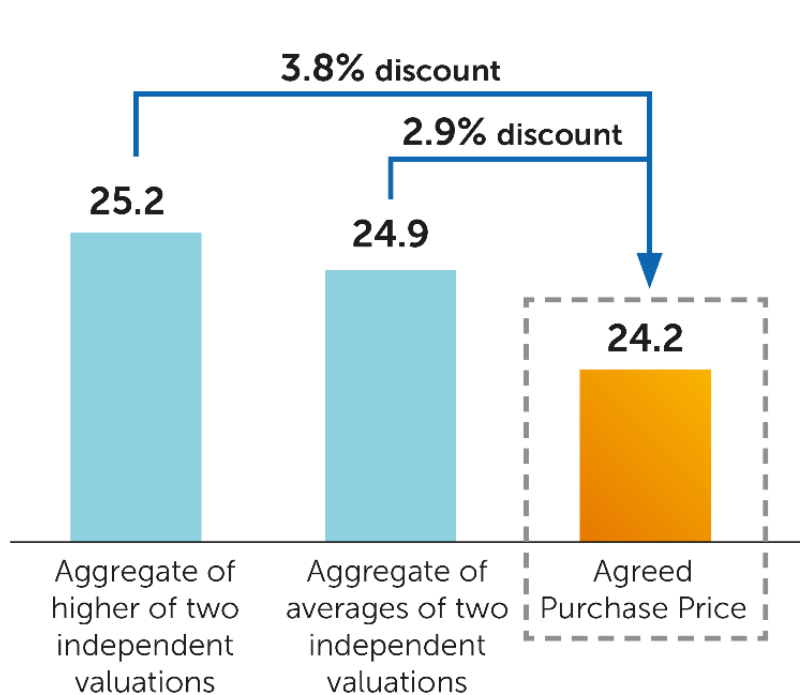


*For the pro forma financial effects of the Proposed Acquisition, please refer to Paragraph 9 of the Letter to Unitholders in the Circular to Unitholders dated 6 January 2022*

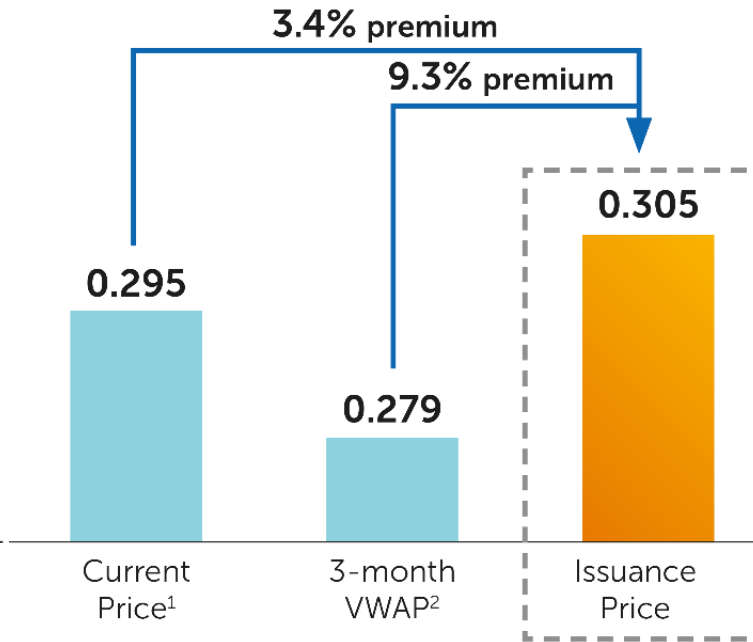
# RATIONALE FOR THE PROPOSED ACQUISITION

ALIGNED WITH FIRST REIT 2.0 STRATEGY AND REFLECTS SPONSOR COMMITMENT TO FIRST REIT

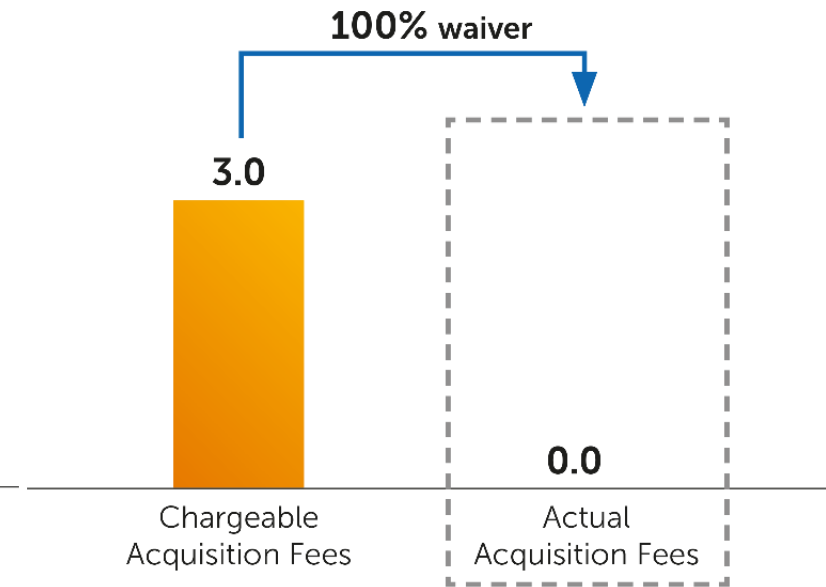
## Agreed Purchase Price Discount (JPYbn)



## Issuance at a Premium (S\$)



## Waiver of Acquisition Fees (S\$m)



(1) Computed based on First REIT's closing price of S\$0.295 as at 6 December 2021.

(2) Refers to volume-weighted average price over the preceding 3-month period as of 6 December 2021.

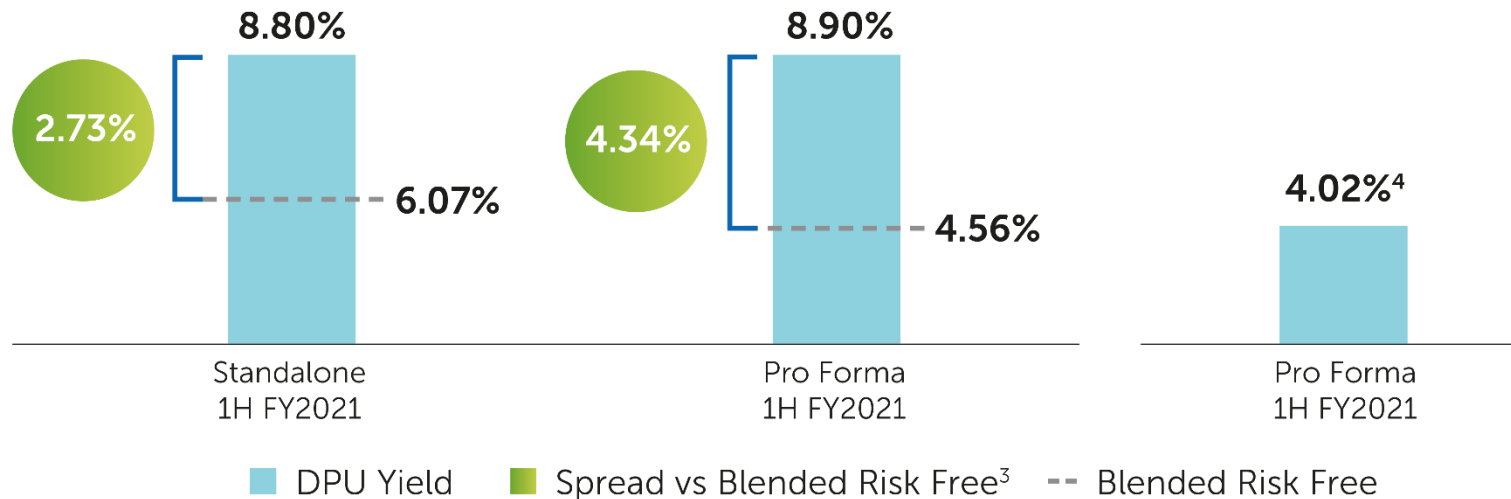


# RATIONALE FOR THE PROPOSED ACQUISITION

## POSITIONS FIRST REIT COMPETITIVELY TO PEERS



S-REIT Peer



- 1 Attractive entry valuation within healthcare sector of 0.88x Pro Forma P/NAV as at 30 June 2021
- 2 Attractive annualised 1H 2021 Pro Forma DPU yield of 8.90%<sup>(1)</sup>
- 3 High-quality portfolio of assets with predominantly freehold / HGB land
- 4 Potential further capital structure optimisation to reduce cost of debt

(1) Computed based on First REIT's closing price of S\$0.295 as at 6 December 2021.

(2) Computed as DPU Yield over blended risk free spread. Blended risk free spread is computed based on the pro-rata asset contribution from Indonesia (72.3%, Rf: 6.24%), Singapore (2.7%, Rf: 1.68%) and Japan (25.0%, Rf: 0.00475%).

(3) Based on reported Pro Forma financials of S-REIT Peer as at 31 December 2020 with effects of Proposed entry into New Master Lease Agreements for the Singapore Hospitals and Renewal Capex Agreement announced on 14 July 2021. Note that the Renewal Capex Works will take ~3 years to complete.

# RATIONALE FOR THE PROPOSED SETTLEMENT

CAPITAL RECYCLING AND PROVIDE FINALITY TO TERMINATED PROJECT

***Proposed Settlement will strengthen capital structure and allow capital recycling towards higher-growth areas:***

The Manager intends to use the Aggregate Settlement Amount to pare down existing loans and/or for working capital purposes



***Proposed Settlement provides finality to the terminated project***

Previously planned works to rejuvenate the mature asset, Siloam Hospitals Surabaya, have been delayed since late 2018

Having concluded studies, the Manager was of the view that re-commencing construction works would not be straightforward and will entail further development risks

# BENEFITS TO FIRST REIT AND UNITHOLDERS

<b>POST-PROPOSED ACQUISITION</b>	<b>31</b> Properties <sup>4</sup>	72.9% ID <sup>1</sup> , 2.7% SG <sup>1</sup> , 24.4% JP <sup>1</sup> Key Geographical Markets <sup>2</sup>	<b>s\$1,312.1m</b> Deposited Property <sup>3,5</sup>	<b>444,558</b> sq m GFA	<b>14.0</b> years WALE <sup>2</sup>
<b>PRE-PROPOSED ACQUISITION</b>	<b>19</b> Properties <sup>4</sup>	96.4% ID <sup>1</sup> , 3.6% SG <sup>1</sup> Key Geographical Markets <sup>2</sup>	<b>s\$1,016.5m</b> Deposited Property <sup>3,5</sup>	<b>353,569</b> sq m GFA	<b>12.0</b> years WALE <sup>2</sup>

(1) ID = Indonesia; SG = Singapore; JP = Japan.

(2) As at 30 June 2021, by GFA.


(3) “**Deposited Property**” refers to the total assets of First REIT, including all its authorized investments held or deemed to be held upon the trust under the Trust Deed.

(4) Excludes Sarang Hospital.

(5) Includes the valuation of Sarang Hospital.

# POST ACQUISITION OF 12 JAPAN NURSING HOMES

ENHANCED DIVERSIFICATION WITH STRONG DEBT HEADROOM TO PURSUE GROWTH



**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST

Committed Sponsors  
OUE Limited and OUE Lippo Healthcare

**2<sup>nd</sup>** LARGEST ASIAN HEALTHCARE REIT  
BY TOTAL ASSETS

**s\$1.3bn**

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**31** NO. OF PROPERTIES<sup>(3)</sup>      **444,558** sqm GFA

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**3.1%** BASE RENT ESCALATION<sup>(4)</sup>      **100%** OCCUPANCY RATE<sup>(5)</sup>      **14.0** years WALE by GFA<sup>(6)</sup>

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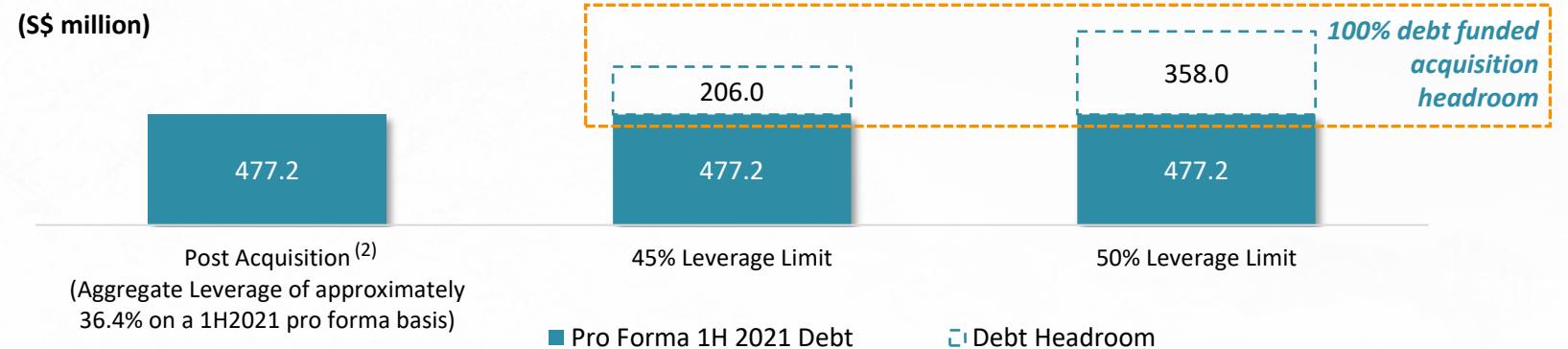
LAND TENURE<sup>(7)</sup>

**89%** Freehold / HGB      **11%** Leasehold / BOT

## Pro Forma 1H2021 After the Proposed Acquisition – Geographical Diversification by Asset Value<sup>(1)</sup>



## Debt Headroom Provides Capital for Growth



- (1) Based on the Agreed Purchase Price for the Japan Nursing Homes as at 29 October 2021 and the value of the existing portfolio of First REIT as at 31 December 2020 (excluding Sarang Hospital) (the "Existing Portfolio") as at 30 June 2021.
- (2) After the Proposed Acquisition of the 12 Japan Nursing Homes, on a 1H2021 pro forma basis.
- (3) Excluding Sarang Hospital which was divested in Aug 2021 and including the Japan Nursing Homes.
- (4) Blended rent escalation rates by value.
- (5) Portfolio is 100% master-leased.
- (6) Based on the Existing Portfolio, including the renewed master lease agreement in respect of Imperial Aryaduta Hotel & Country Club as announced on 29 November 2021 and assuming the Japan Nursing Homes were acquired on 30 June 2021.
- (7) Based on the Agreed Purchase Price for the Japan Nursing Homes as at 29 October 2021 and the value of the Existing Portfolio as at 30 June 2021. Land tenure by value; the two types of property titles in Indonesia are Freehold / Hak Guna Bangunan ("HGB"); and Leasehold / Build, Operate and Transfer ("BOT"), which includes Strata Title on BOT and Normal Title on BOT.





# Other Updates



# CORONAVIRUS (COVID-19) UPDATE

Country	Situation in Country	Update
Indonesia	<ul style="list-style-type: none"><li>• Indonesia managed to bring under control the latest wave of COVID-19 triggered by the Delta variant last July/August</li><li>• On 24 Dec 2021, with the spread of the Omicron variant intensifying since December, the government has tightened restrictions, health protocols, provided more centralised quarantines and stepped up campaigns on the use of telemedicine</li><li>• On 7 Feb 2022, the Indonesia government tightened social restrictions in Greater Jakarta, Bali, Bandung and Yogyakarta</li></ul>	<ul style="list-style-type: none"><li>• <b>Hospitals</b> – All 15 hospitals remain operational with stepped up precautionary measures to protect the health and safety of its patients/guests, staff and visitors</li><li>• <b>Shopping Malls (integrated with hospitals)</b> – Both Lippo Plaza Kupang and Lippo Plaza Buton remain operational</li><li>• <b>Hotels</b> (1 integrated with hospital and 1 standalone hotel &amp; country club)<ul style="list-style-type: none"><li>- Imperial Aryaduta Hotel &amp; Country Club: Aryaduta Lippo Village remains fully operational, while Aryaduta Country Club has reopened on 16 Oct 2021</li><li>- Hotel Aryaduta Manado: HAMD remains fully operational</li></ul></li></ul>
Singapore	<ul style="list-style-type: none"><li>• With the spread of Omicron, Singapore is still exercising caution with social distancing restrictions still in place, although it has relaxed certain restrictions such as allowing social gathering of 5 persons, up from 2 persons since Nov 2021.</li><li>• On 21 Jan 2022, the Ministry of Health announced that visits to all hospital wards and residential care homes in Singapore are suspended for four weeks from 24 Jan 2022 to 20 Feb 2022.</li></ul>	<ul style="list-style-type: none"><li>• <b>Three (3) Nursing Homes</b> – Remain operational in compliance with MOH guidelines with increased precautions and measures</li><li>• Staff underwent emergency control training and emergency preparedness training. ART (Antigen Rapid Test) swab test required for every visitor.</li></ul>





THANK YOU

**FIRST REIT**  
ASIA'S PREMIER HEALTHCARE TRUST



Mochtar Riady Comprehensive Cancer Centre





# APPENDIX

## Property Details





# Property Details

## Indonesia



**Siloam Hospitals  
Yogyakarta**



**Siloam Hospitals Buton  
& Lippo Plaza Buton**



**Siloam Hospitals  
Labuan Bajo**



**Siloam Hospitals Kupang  
& Lippo Plaza Kupang**

	Siloam Hospitals Yogyakarta	Siloam Hospitals Buton & Lippo Plaza Buton	Siloam Hospitals Labuan Bajo	Siloam Hospitals Kupang & Lippo Plaza Kupang
<b>Type</b>	Hospital	Integrated Hospital & Mall	Hospital	Integrated Hospital & Mall
<b>Centre of Excellence</b>	Neuroscience and Cardiology	Emergency & Trauma	Emergency Medicine, Internal Medicine and Neuroscience	Emergency & Trauma, Obstetrics, Gynaecology and Paediatrics
<b>Land Area</b>	13,715 sqm	21,874 sqm	2,837 sqm	66,060 sqm
<b>Gross Floor Area</b>	12,474 sqm	21,934 sqm	7,604 sqm	55,368 sqm
<b>Appraised Value <sup>(1)</sup></b>	S\$21.1 m	S\$25.7 m	S\$12.0 m	S\$54.0 m
<b>Max no. of Beds / Saleable rooms</b>	249	140	124	416
<b>Year of Building Completion</b>	2015	2016	2015	2014
<b>Lease Commencement Date</b>	1 Jan 2021	1 Jan 2021	1 Jan 2021	1 Jan 2021
<b>Lease Terms</b>	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
<b>Lease Expiry Date</b>	31 Dec 2035 <sup>(2)</sup>	31 Dec 2035 <sup>(2)</sup>	31 Dec 2035 <sup>(2)</sup>	SHKP : 31 Dec 2035 <sup>(2)</sup> LPK : 13 Dec 2030

**Notes:**

(1) Appraised Values are as at 31 December 2021. Please refer to Annual Valuation 2021 Announcement dated 10 February 2022 for further information.

(2) The Lease Expiry Date is 31 December 2035, following the MLA Restructuring Exercise.

# Property Details

Indonesia



Siloam Sriwijaya



Siloam Hospitals  
Purwakarta



Siloam Hospitals  
Bali



Siloam Hospitals  
TB Simatupang

Type	Hospital	Hospital	Hospital	Hospital
Centre of Excellence	Emergency & Trauma, Gastroenterology	Emergency & Trauma	Cardiology, Emergency & Trauma, Orthopaedics	Cardiology, Emergency & Trauma, Neuroscience, Oncology
Land Area	--	7,990 sqm	9,025 sqm	2,489 sqm
Gross Floor Area	15,709 sqm <sup>(1)</sup>	8,254 sqm	20,958 sqm	18,605 sqm
Appraised Value <sup>(2)</sup>	S\$25.5 m	S\$24.0 m	S\$66.4 m	S\$44.2 m
Max no. of Beds / Saleable rooms	357	235	281	269
Year of Building Completion	2012	2005 & 2008	2012	2013
Lease Commencement Date	1 Jan 2021	1 Jan 2021	1 Jan 2021	1 Jan 2021
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	31 Dec 2035 <sup>(3)</sup>	31 Dec 2035 <sup>(3)</sup>	31 Dec 2035 <sup>(3)</sup>	31 Dec 2035 <sup>(3)</sup>

**Notes:**

(1) The Strata Floor Area of Siloam Sriwijaya is 15,709 sqm.

(2) Appraised Values are as at 31 December 2021. Please refer to Annual Valuation 2021 Announcement dated 10 February 2022 for further information.

(3) The Lease Expiry Date is 31 December 2035, following the MLA Restructuring Exercise.

# Property Details

Indonesia



Siloam Hospitals Manado & Hotel Aryaduta Manado  
("Manado Property")



Siloam Hospitals Makassar



Mochtar Riady Comprehensive Cancer Centre



Siloam Hospitals Lippo Cikarang

Type	Integrated Hospital & Hotel	Hospital	Hospital	Hospital
Centre of Excellence	Emergency & Trauma	Cardiology, Emergency & Trauma, Endocrinology	Emergency & Trauma, Gastroenterology, Oncology	Emergency & Trauma, Internal Medicine, Urology
Land Area	5,518 sqm	3,963 sqm	4,145 sqm	9,900 sqm
Gross Floor Area	36,051 sqm	14,307 sqm	37,933 sqm	13,256 sqm
Appraised Value <sup>(1)</sup>	S\$79.6 m	S\$69.6 m	S\$133.6 m	S\$49.8 m
Max no. of Beds / Saleable rooms	238 beds / 204 rooms	362	334	164
Year of Building Completion	2011	2012	2010	2002
Lease Commencement Date	18 May 2021 <sup>(2)</sup>	1 Jan 2021	1 Jan 2021	31 Dec 2010
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years
Lease Expiry Date	SHMD - 31 Dec 2035 <sup>(3)</sup> HAMD - 29 Nov 2027	31 Dec 2035 <sup>(3)</sup>	31 Dec 2035 <sup>(3)</sup>	30 Dec 2025

**Notes:**

(1) Appraised Values are as at 31 December 2021. Please refer to Annual Valuation 2021 Announcement dated 10 February 2022 for further information.

(2) As announced on 18 May 2021, in respect of Manado Property, PT Menara Abadi Megah ("**PT MAM**"), as the master lessor under the MLA for the Manado Property, entered into a deed of termination with LPKR to terminate the MLA for the Manado Property and entered into (a) a separate MLA in respect of Hotel Aryaduta Manado with LPKR for the purpose of separating the lease terms of Hotel Aryaduta Manado from the lease terms of Siloam Hospitals Manado and (b) a separate MLA in respect of Siloam Hospitals Manado with LPKR and Siloam.

(3) The Lease Expiry Date is 31 December 2035, following the MLA Restructuring Exercise.

# Property Details

Indonesia



Siloam Hospitals  
Lippo Village



Siloam Hospitals  
Kebon Jeruk



Siloam Hospitals  
Surabaya



Imperial Aryaduta Hotel  
& Country Club

Type	Hospital	Hospital	Hospital	Hotel & Country Club
Centre of Excellence	Cardiology, Emergency & Trauma, Neuroscience, Orthopaedics	Cardiology, Emergency & Trauma, Orthopaedics, Urology	Cardiology, Emergency & Trauma	--
Land Area	17,442 sqm	11,420 sqm	4,306 sqm	54,410 sqm
Gross Floor Area	32,696 sqm	20,268 sqm	9,065 sqm	17,926 sqm
Appraised Value <sup>(1)</sup>	S\$172.8 m	S\$77.8 m	S\$40.9 m	S\$32.2m
Max no. of Beds / Saleable rooms	308	285	162	190
Year of Building Completion	1995	1991	1977	1994
Lease Commencement Date	1 Jan 2021	1 Jan 2021	1 Jan 2021	11 Dec 2021
Lease Terms	15 years with option to renew for 15 years	15 years with option to renew for 15 years	15 years with option to renew for 15 years	1 year 21 days
Lease Expiry Date	31 Dec 2035 <sup>(2)</sup>	31 Dec 2035 <sup>(2)</sup>	31 Dec 2035 <sup>(2)</sup>	31 Dec 2022 <sup>(3)</sup>

**Notes:**

(1) Appraised Values are as at 31 December 2021. Please refer to Annual Valuation 2021 Announcement dated 10 February 2022 for further information.

(2) The Lease Expiry Date is 31 December 2035, following the MLA Restructuring Exercise.

(3) As announced on 29 November 2021, the existing master lease agreement of IAHCC has been renewed and extended.



# Property Details

Singapore



**Pacific Healthcare Nursing Home @ Bukit Merah**



**Pacific Healthcare Nursing Home II @ Bukit Panjang**



**The Lentor Residence**

	<b>Pacific Healthcare Nursing Home @ Bukit Merah</b>	<b>Pacific Healthcare Nursing Home II @ Bukit Panjang</b>	<b>The Lentor Residence</b>
<b>Type</b>	Nursing Home	Nursing Home	Nursing Home
<b>Land Area</b>	1,984 sqm	2,000 sqm	2,486 sqm
<b>Gross Floor Area</b>	3,593 sqm	3,563 sqm	4,005 sqm
<b>Appraised Value <sup>(1)</sup></b>	S\$8.8 m	S\$9.2 m	S\$15.2 m
<b>Max no. of Beds / Saleable rooms</b>	259	265	208
<b>Year of Building Completion</b>	2004	2006	1999 & 2013 (new extension building)
<b>Lease Commencement Date</b>	11 Apr 2007	11 Apr 2007	8 Jun 2007
<b>Lease Terms</b>	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years (Tenant has exercised the option)	10 years with option to renew for 10 years + 10 years (Tenant has exercised the option)
<b>Lease Expiry Date</b>	10 Apr 2027	10 Apr 2027	7 Jun 2027
<b>Type</b>	Nursing Home	Nursing Home	Nursing Home

**Notes:**

(1) Appraised Values are as at 31 December 2021. Please refer to Annual Valuation 2021 Announcement dated 10 February 2022 for further information.

