



Balancing growth with stability

October 2022

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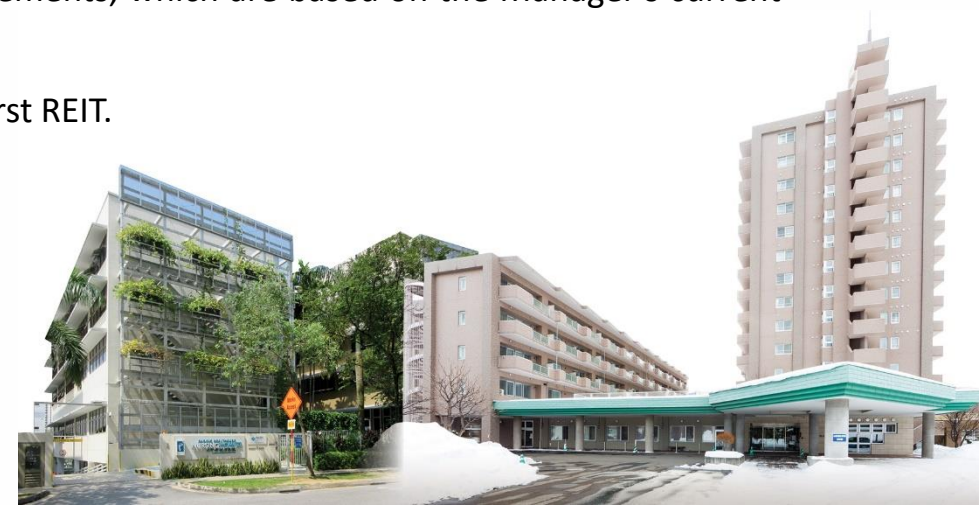
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This presentation has not been reviewed by the Monetary Authority of Singapore.



Overview of First REIT

First REIT is Singapore's first healthcare real estate investment trust.
Our vision is to become Asia's premier healthcare trust.

ASSET SIZE ⁽¹⁾

S\$1.2 billion AUM

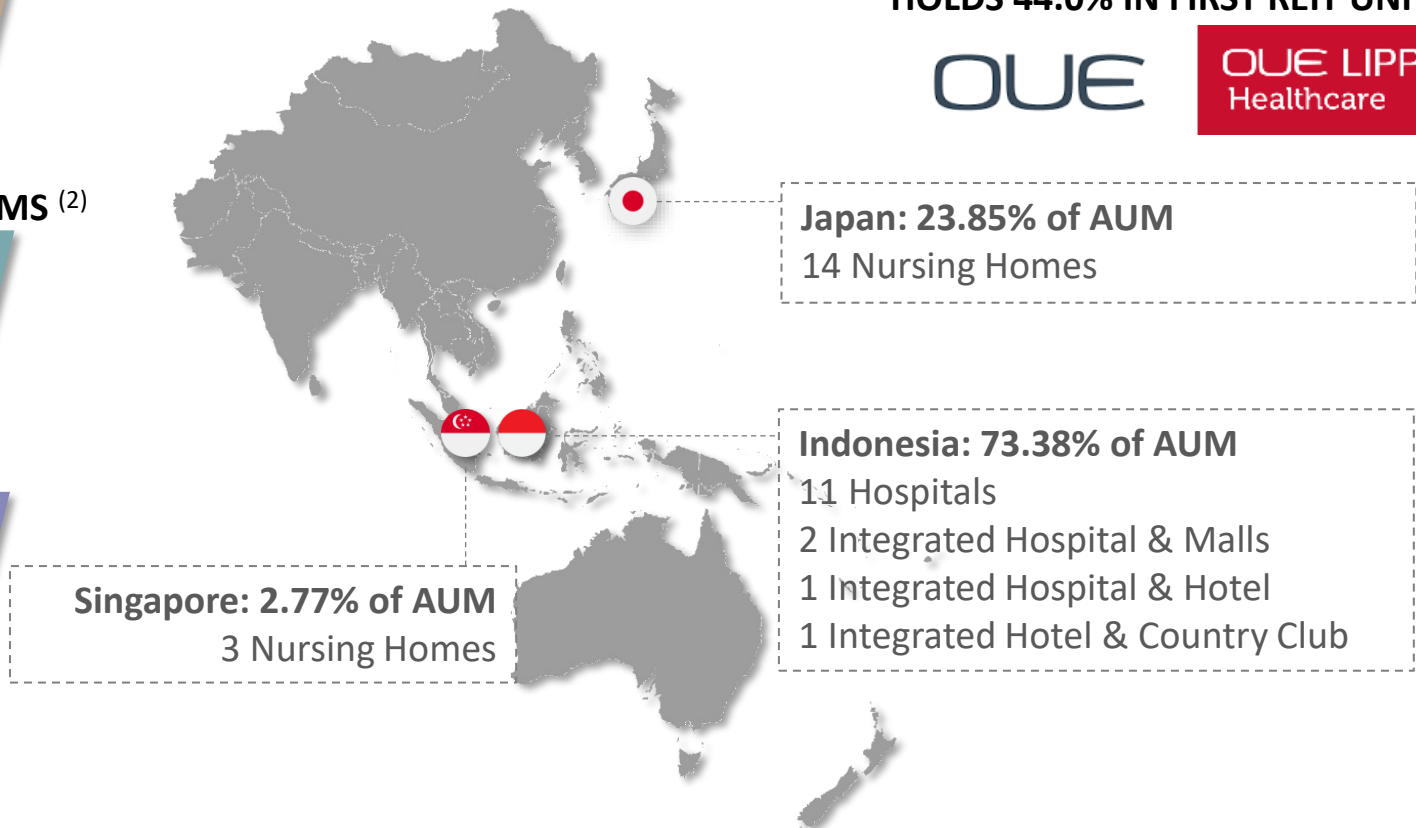
100% MASTER-LEASED WITH LONG LEASE TERMS ⁽²⁾

13.0 years WALE

HEALTHY FINANCIAL POSITION ⁽³⁾

35.6% gearing ratio

32 ASSETS ACROSS ASIA ⁽¹⁾



STRONG SPONSOR SUPPORT:
HOLDS 44.0% IN FIRST REIT UNITS ⁽³⁾

OUE

OUE LIPPO
Healthcare

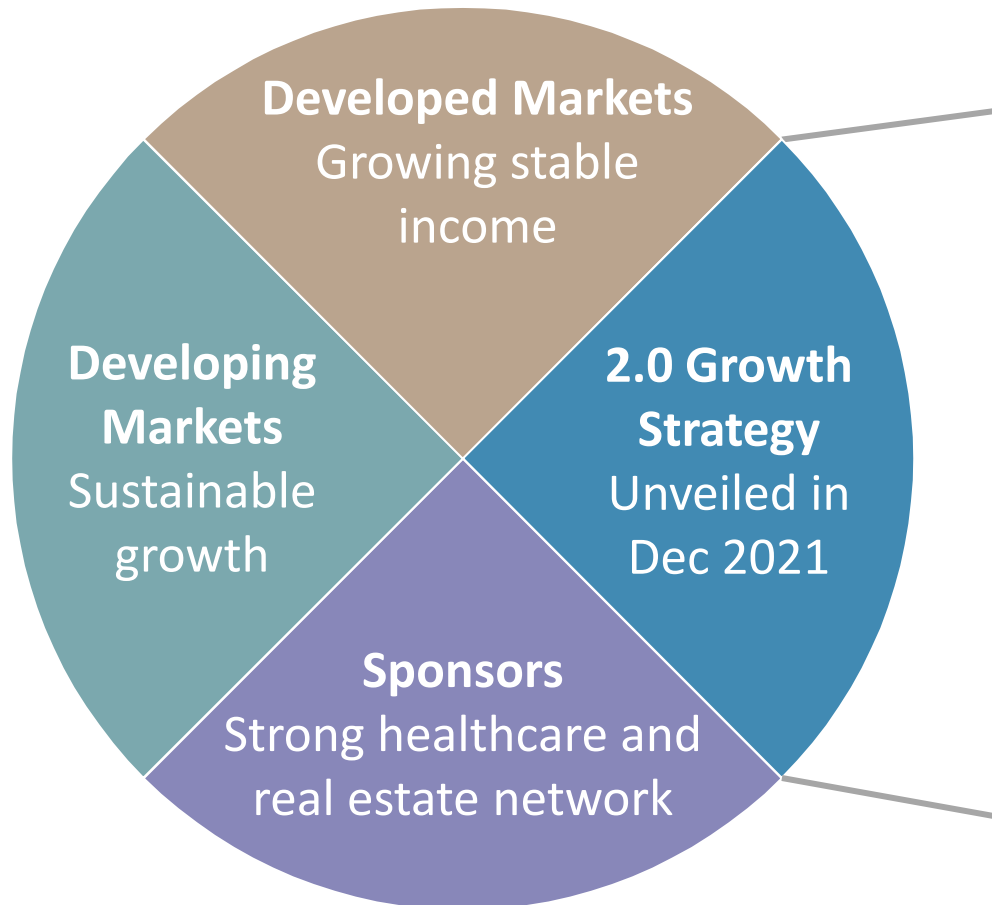
Notes

- (1) Based on carrying values as at 30 June 2022 on a pro forma basis to include acquisition of 2 nursing homes and divestment of Siloam Hospitals Surabaya in September 2022
- (2) The WALE is calculated on a gross floor area basis, as at 30 June 2022
- (3) As at 30 June 2022

Pursuing sustainable long-term growth

First REIT's 2.0 growth strategy prioritises the sustainability of our distributions to our unitholders.

GROWING FROM A POSITION OF STRENGTH



Diversify into Developed Markets

Increase portfolio in developed Markets to >50% of AUM in next 3-5 years

Reshape Portfolio For Capital Efficient Growth

Recycle capital from non-core, non-healthcare assets, mature 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 under-penetrated healthcare sector

Sustainable growth in developing markets

Indonesia has 1.04 hospital beds per 1,000 people, amongst the lowest rates of the ASEAN countries⁽¹⁾. The growth of Indonesia's middle-class and the introduction of universal healthcare has also driven demand in the healthcare sector.

		Prior to 2021	Since 2021
New Master Lease Agreements for 14 hospitals	Base Rent Escalation	2x of Singapore's consumer price index increase for the preceding calendar year (capped at 2%)	4.5% annually
	Variable / Performance-Based Rent	Variable rent factor (0%-2%) applied to a function of the gross operating revenue	8.0% of preceding financial year Hospital gross operating revenue
	Total Rent Payable	Base + Variable	Higher of Base or Performance Based Rent (<i>asset by asset basis</i>)
	Tenure	15 years + 15 years with mutual agreement	15 years + 15 years with mutual agreement
	Currency	SGD	IDR

- As part of our capital recycling strategy, First REIT has also divested Siloam Hospitals Surabaya which was held within First REIT's portfolio since our initial public offering; this divestment was completed on 27 September 2022.

Notes

(1) Source: World Bank data.

Diversify into developed markets

First REIT intends to focus growth in developed markets with a target of >50% of AUM in these markets in the next 3-5 years.

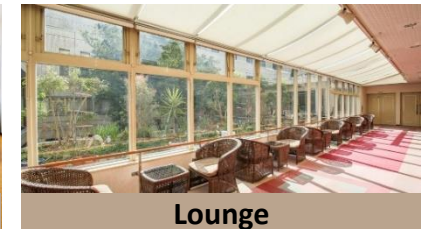
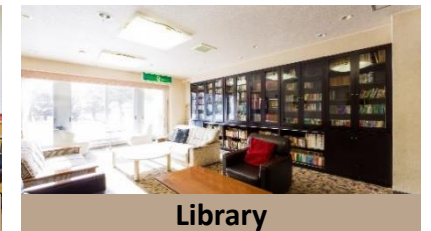
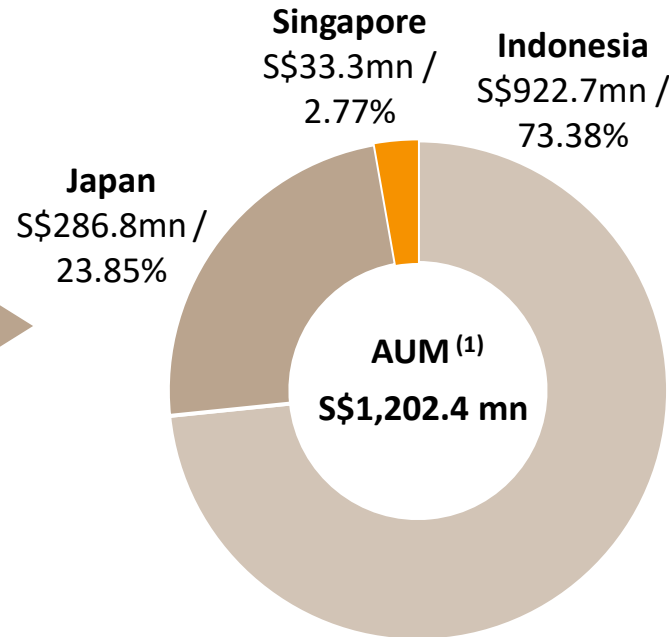
- More than one-quarter of AUM in developed markets after acquisitions of nursing homes in Japan in 2022
- Geographical and tenant concentration risk reduced

Acquired in March 2022

12 high quality freehold nursing homes from sponsor OUELH

Acquired in September 2022

2 high quality freehold nursing homes from third parties ⁽²⁾



Notes

(1) Based on carrying values as at 30 June 2022 on a pro forma basis to include acquisition of 2 nursing homes and divestment of Siloam Hospitals Surabaya in September 2022

(2) Healthcare Management Partner and Healthcare & Medical Investment Corporation

Diversify into developed markets

All 14 properties in Japan are operated by independent, well-established and experienced local nursing home operators

#	Operators	Profile	Nursing homes' locations
1	Hikari Heights Varus Co., Ltd	<ul style="list-style-type: none"> Operating track record ⁽¹⁾: ~35 years Listed on Sapporo Stock Exchange 	7 in Sapporo
2	Safety Life Co., Ltd	<ul style="list-style-type: none"> Operating track record ⁽¹⁾: ~22 years 	2 in Nara
3	Orchard Care Co., Ltd	<ul style="list-style-type: none"> Operating track record ⁽¹⁾: ~8 years 	2 in Nagano, 1 in Kyoto
4	Benesse Style Care Co.,Ltd.	<ul style="list-style-type: none"> Operating track record ⁽¹⁾: ~19 years 2nd largest nursing home operator in Japan with market share of 3.2%⁽²⁾ 	1 in Aichi
5	Social Welfare Research Institute Co, Ltd.	<ul style="list-style-type: none"> Operating track record ⁽¹⁾: ~15 years 	1 in Kanagawa



Notes

(1) As at September 2022

(2) Source: Tamura Planning and Operating (as of Apr 2022)

Reshape portfolio for capital efficient growth

Recycle capital from non-core, non-healthcare assets, mature assets



Siloam Hospital Surabaya (SHS)



Settlement Agreements and Divestment of SHS

- Unitholders approved Settlement in respect of the terminated development works adjacent to SHS in January 2022 ⁽¹⁾ and Settlement amount of S\$30.6 million was received on 30 June 2022 ⁽²⁾
- Unitholders also approved Divestment of Siloam Hospital Surabaya on 25 July 2022. Divestment was completed on 29 September 2022.
 - Gross premium of 143.2% ⁽³⁾ over original purchase consideration
 - Reaps capital gains and opportunity to recycle a mature asset constructed in 1977
 - Net proceeds to be used to: repay debt, finance any acquisitions, capital expenditure and asset enhancement works and/or general corporate and working capital requirements



**Imperial Aryaduta Hotel
& Country Club (IAHCC)**



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

- Appointed PT Rantaka Haburi Radika in joint collaboration with PT Colliers International Indonesia to procure a suitable purchaser
- Appraised value of S\$32.2 million as at 31 December 2021
- Master lease had been renewed up to 31 December 2022, providing revenue stability while still allowing strategic flexibility

Notes

(1) As defined and described in the Circular to Unitholders dated 6 January 2022

(2) For more information, please see SGX Announcement on 30 June 2022, '[Proposed Settlement In Respect Of The Terminated Development Works Adjacent To Siloam Hospitals Surabaya](#)'.

(3) Acquired at S\$16.8 million in 2006. The gross premium of 143.2% does not take into account the divestment by First REIT of 2,556 sq m for a consideration of S\$8.2 million on 11 March 2016 ("Initial Divestment"). Taking into account the Initial Divestment, the gross premium would be 192.0%.

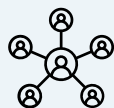
Strengthen capital structure to remain resilient

Diversify funding sources and continue to optimise financial position



**First ever
healthcare social
bond in Singapore**

- **S\$100 million**, five-year guaranteed bonds of 3.25%, issued on 7 April 2022, payable semi-annually in arrears
- Rated **AA by Standard & Poor's**, and **Guaranteed by CGIF**, a trust fund of the Asian Development Bank; first time CGIF provided a credit guarantee to a social bond issued within the REIT market and debt market in Singapore



**Secured
JPY 1.66 billion
social loan from
Japanese bank**

- Secured a JPY1.66 billion (approximately S\$16.9 million)⁽¹⁾ non-recourse social loan from Shinsei Bank, Limited, a leading diversified Japanese financial institution
- Funds were earmarked for the acquisitions of the trust beneficial interest in each of two Japan nursing homes, Komaki and Ayase, announced on 21 September 2022



**Tender offer for
outstanding
perps: 45%
acceptance**

- First REIT successfully received **acceptance of c. 45%** for its tender offer for outstanding perpetual notes in September 2022
- The voluntary tender acceptance rate reflects a positive reception to the offer, which provided securityholders with the option of liquidity at a significant premium over secondary market prices.

Notes

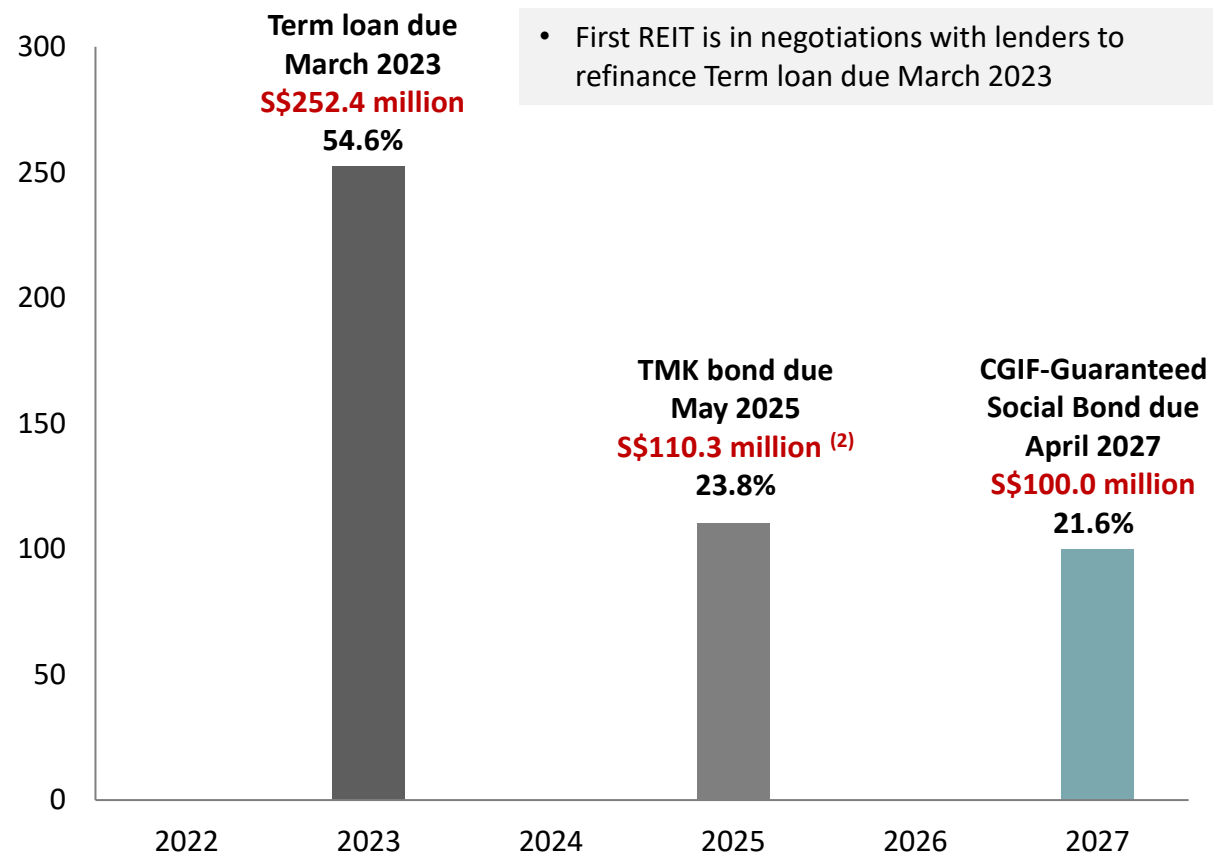
(1) Based on an illustrative exchange rate of S\$1.00 = JPY98.

Strengthen capital structure to remain resilient

With gearing at 35.6% and weighted average cost of debt at 3.7%, First REIT can grow from a position of strength.

	AS AT 30 JUNE 2022	AS AT 31 DECEMBER 2021
TOTAL DEBT ⁽¹⁾	S\$462.7 million	S\$352.4 million
GEARING RATIO ⁽²⁾	35.6%	33.6%
WEIGHTED AVERAGE DEBT TO MATURITY	1.28 years	0.94 years
COST OF DEBT (ON AN ALL-IN COST BASIS)	3.7% per annum	4.2% per annum
INTEREST COVER RATIO	5.6x	5.7x

Debt Maturity Profile
(As at 30 June 2022)



Notes

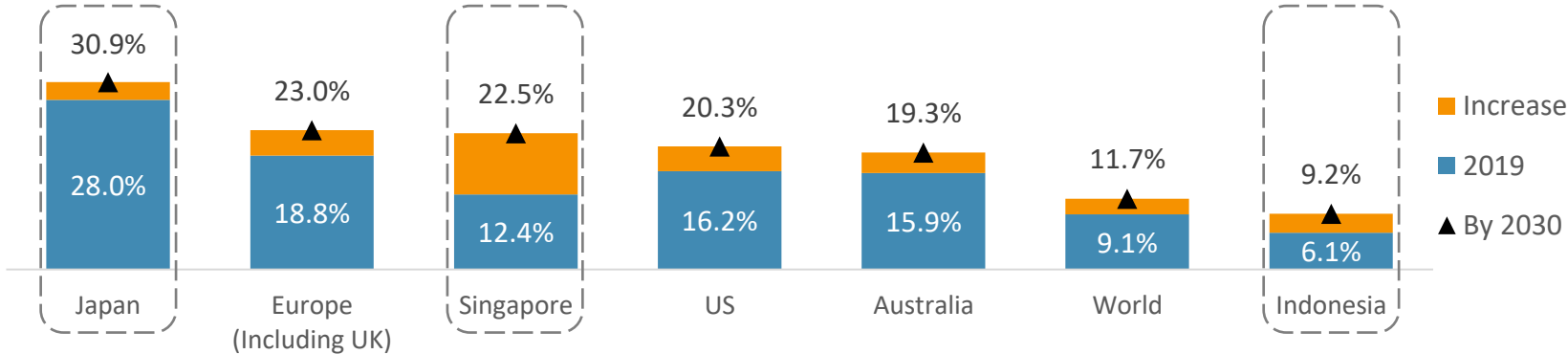
(1) As at 30 June 2022

(2) The Shinsei Social Loan secured in September 2022 is not expected to have any material impact on the Trust's leverage ratio for the financial period ending 31 December 2022

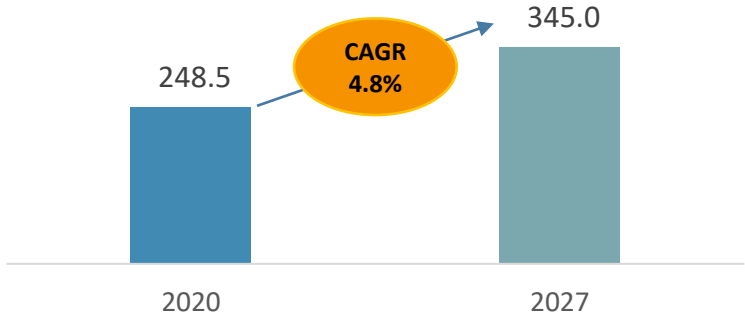
Positive outlook for healthcare industry

ENVIRONMENTAL, SOCIAL AND GOVERNANCE, AGEING POPULATION DEMOGRAPHICS, AND UNDER-PENETRATED HEALTHCARE SECTOR

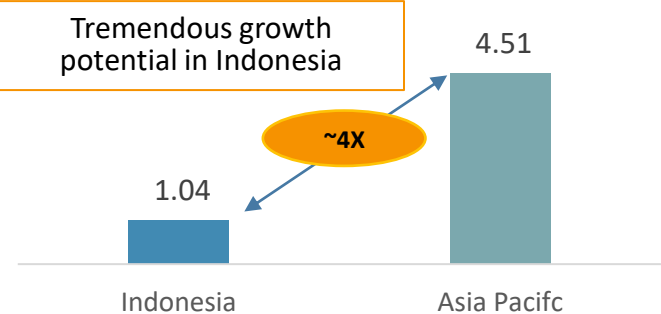
% POPULATION AGED 65 YEARS AND ABOVE (1)



GLOBAL NURSING CARE FACILITIES (US\$BN) (2)



HOSPITAL BEDS PER 1,000 PEOPLE (3)



- Common trend of an **expected increase in the number of people aged 65 years or over**, between 2019 and 2030
- Singapore, Japan, Australia, Europe (including UK) and US have a percentage of population aged 65 years or older **higher than the world average**

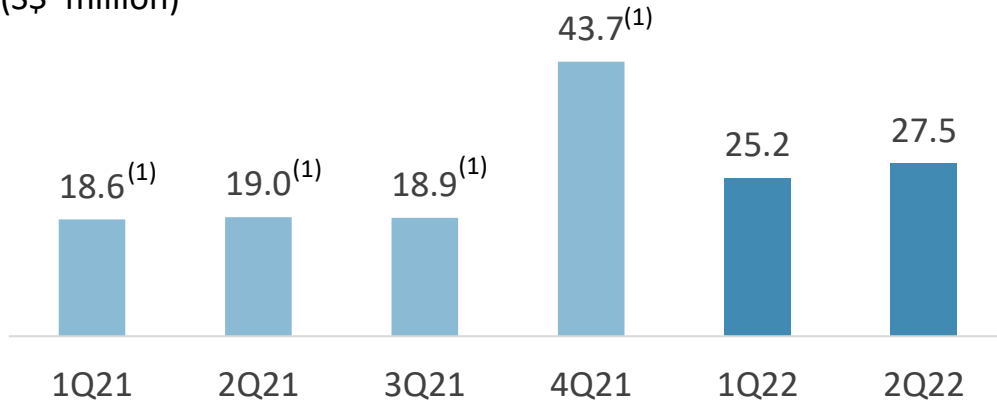
- Global nursing care facilities is expected to grow at a **CAGR of 4.8%** to US\$345.0 billion in 2027
- Indonesia only has **1.04 hospital beds per 1,000 people**, to service the population, which is >4 times lower than the Asia Pacific average of 4.5 beds per 1,000 people.

Sources

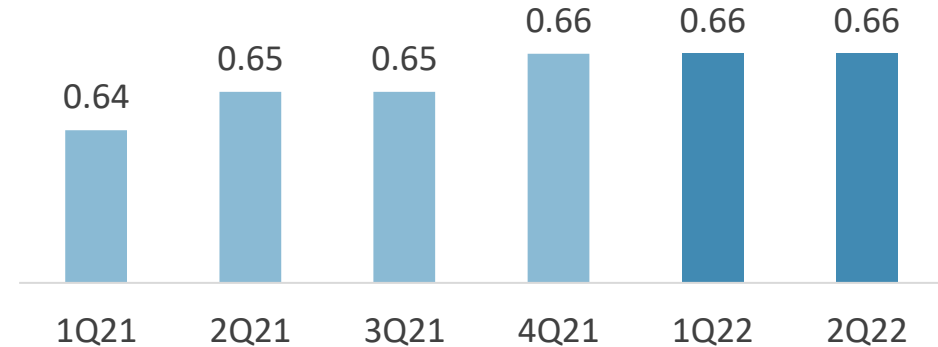
(1): United Nations, Department of Economic and Social Affairs, Population Division (2019). World Population Ageing 2019: Highlights (ST/ESA/SER.A/430)
 (2): "Nursing Care Facilities - Global Market Trajectory & Analytics" report
 (3): World Bank Data, as at 2017, which is the latest available year for the relevant geographical areas

Stable DPU since 1Q21

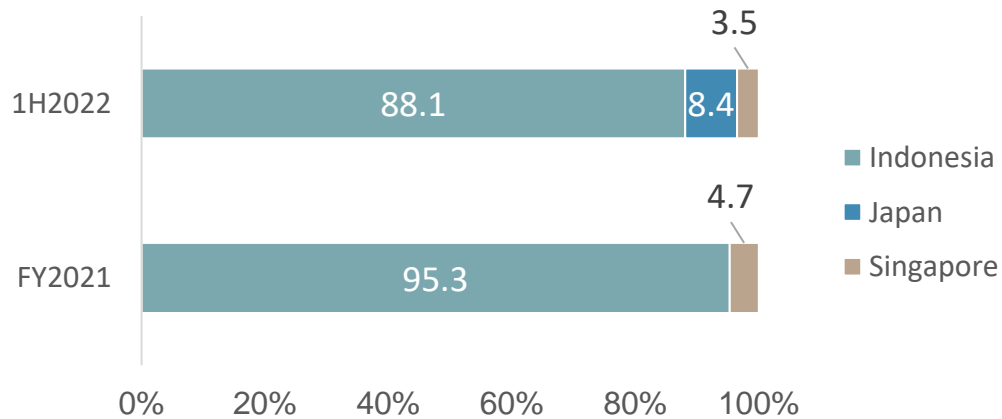
Net property and other income (NPI) (S\$' million)



Distribution per unit (DPU) (Singapore cents)



NPI — Reduced concentration risk (%)



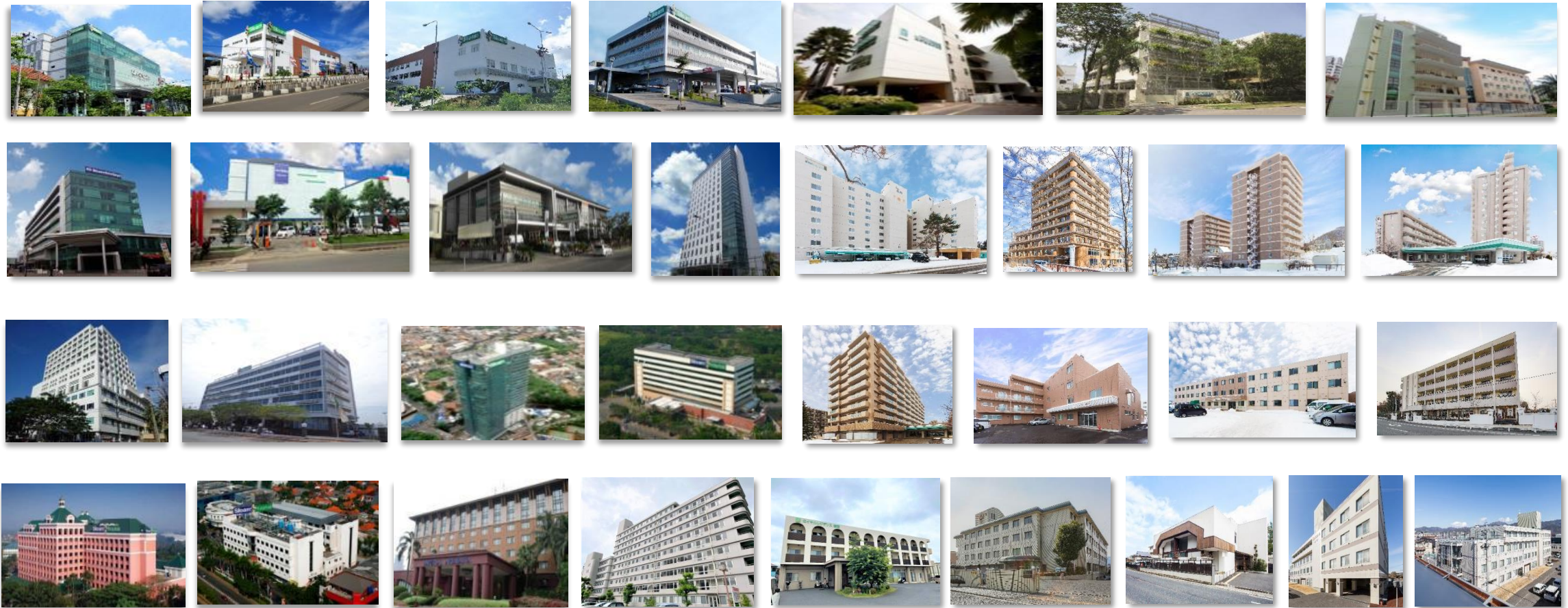
Enhanced 3rd party tenant diversification

3rd party tenants	<ol style="list-style-type: none"> 1. Benesse Style Care Co.,Ltd. *New* 2. Social Welfare Research Institute Co, Ltd. *New* 3. Hikari Heights Varus Co., Ltd *New* 4. Safety Life Co., Ltd *New* 5. Orchard Care Co., Ltd *New* 6. The Lentor Residence Pte. Ltd. 7. Pacific Healthcare Nursing Home Pte. Ltd. 8. Pacific Eldercare and Nursing Pte. Ltd 9. PT Metropolis Propertindo Utama and subsidiaries
Non-3rd party tenants	<ol style="list-style-type: none"> 1. PT Lippo Karawaci Tbk 2. PT Siloam International Hospitals Tbk *New*

Notes

(1) 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 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

First REIT is striking a balance with growth and stability



With strong sponsor support and 2.0 Growth Strategy in motion, First REIT remains committed to balancing growth and stability in its portfolio, delivering sustainable distributions to unitholders.

