

PRESS RELEASE

For Immediate Release

**FIRST REIT'S FY 2022 DPU RISES 1.1% TO 2.64 CENTS,
CONTINUES STABLE QUARTERLY DPU OF 0.66 CENTS IN 4Q 2022**

- Developed markets portfolio increases to 25.1% of AUM¹ after acquisition of 14 Japan nursing homes; on track to meet target of 50% by 2027
- No refinancing requirements until May 2025 after early refinancing exercise in November 2022 through the entry into S\$300 million social term loan and revolving credit facilities
- 59.6% of debt on fixed rates as at 31 December 2022, and mitigated Indonesian Rupiah FX risk with financial derivatives

Summary of Financial Results for the period ended 31 December 2022

(\$' million)	FY 2022	FY 2021	Change (%)
Rental and Other Income	111.3	102.3	8.7
Net Property and Other Income	108.6	100.2	8.3
Distributable Amount	52.4	42.1	24.4
Distribution Per Unit (cents)	2.64	2.61	1.1

SINGAPORE – 13 February 2023 – First REIT Management Limited, as manager (the “**Manager**”) of First Real Estate Investment Trust (“**First REIT**” or the “**Trust**”), closed the financial year ended 31 December 2022 (“**FY 2022**”) with stable growth. Distributable amount for the year increased 24.4% to S\$52.4 from S\$42.1 million in FY 2021, bringing annualised distribution per unit (“**DPU**”) to 2.64 Singapore cents, up 1.1% from 2.61 Singapore cents in FY 2021, while the fourth quarter DPU for the period ended 31 December 2022 came in at a stable 0.66 Singapore cents.

Rental and other income for FY 2022 grew 8.7% to S\$111.3 million from S\$102.3 million in the preceding period a year ago (“**FY 2021**”). This was largely due to contributions from the 14 newly acquired Japan properties², as well as stable rental income from its Indonesia properties following the restructuring of

¹ Based on carrying values as at 31 December 2022

² Acquired in March and September 2022

master lease agreements³. Correspondingly, net property and other income (“NPI”) rose 8.3% to S\$108.6 million from S\$100.2 million in FY 2021, despite an increase in property operating expenses due to the new Japan properties.

As at 31 December 2022, First REIT’s overall financial position remained strong with a gearing of 38.5% and healthy interest coverage ratio at 5.0 times. Debt maturity profile improved, with no debt refinancing requirements until 2025, following an early refinancing in 4Q 2022 of an outstanding debt that represented 51.1% of total debt as at 31 December 2022. The Trust has also pegged 59.6% of its debt on fixed rates, and entered into non-deliverable forward contracts and call spreads to hedge net cashflow from Indonesia.

Following the acquisition of the Japan nursing homes and the divestment of Siloam Hospitals Surabaya in September 2022, the Trust capped off the year with a portfolio of 32 properties comprising 14 in Japan, 15 in Indonesia and three in Singapore at a total valuation of S\$1,145.3 million, a 19.0% increase over the carrying value of S\$962.4 million as at 31 December 2021. As such, First REIT’s developed markets portfolio has increased to 25.1% of assets under management (“AUM”) and the Trust is on track to meet its target of 50% by 2027.

Mr Victor Tan, Executive Director and Chief Executive Officer of the Manager, said, “With First REIT’s balanced portfolio of 32 high-quality healthcare and healthcare-related assets in developing and developed markets, the Trust has been able to deliver stable and sustainable growth. Although global inflationary pressures, rising interest rates, exchange rate volatility, and geopolitical risks have resulted in a challenging real estate investment environment, we will continue to harness First REIT’s 2.0 Growth Strategy to enhance the resiliency of our distributions to unitholders, while also delivering positive social impact.”

First REIT’s 2.0 Growth Strategy entails diversifying into developed markets to comprise more than 50% of its portfolio by 2027, reshaping its portfolio for capital efficient growth through divestment of non-core, non-healthcare, or mature assets, strengthening its capital structure by diversifying funding sources and

³ The rental income from the restructured master lease agreements with a minimum 4.5% annual escalation was recognised on a straight-line basis for the entire lease term

optimising its financial position, and pivoting to ride megatrends. In step with First REIT 2.0 Growth Strategy, the Trust has aligned its financing strategy and sustainability strategy through several initiatives.

Among others, First REIT launched its Social Finance Framework in April 2022, creating a platform for bond issuances and loans granted that achieve specific social benefit outcomes and the United Nations Sustainability Development Goals. Following which, the Trust was able to successfully price Singapore's first healthcare social bond of S\$100.0 million; this issuance has been awarded the Best Social Bond award at The Asset Triple A Country Awards for Sustainable Finance 2022, and is also recognised under the SGX Sustainable Fixed Income initiative as having met recognised standards for green, social, sustainability or sustainability linked bonds.

Outlook

The healthcare sector offers immense opportunities, underpinned by the structural demographic megatrend of ageing population, and a demand for quality healthcare services in markets that lack capacity.

In developed markets such as Japan and Singapore, the percentage of population aged above 65 years is higher than the world average. Between 2022 and 2030, this age group is expected to grow from 29.9% of the total population to 31.4% in Japan, and from 15.1% to 22.8% in Singapore⁴. Meanwhile in developing markets such as Indonesia, the average number of hospital beds of 1.0 per 1,000 people remains below the Asia Pacific average of 1.1 per 1,000 people for lower-middle and low income countries, 2.0 per 1,000 people for upper-middle income countries, and 3.4 per 1,000 people for high income countries⁵.

Amid the easing of cross-border travel restrictions, First REIT will continue to carry out its 2.0 Growth Strategy, and leverage the strong healthcare network from its sponsor group⁶ as well as its expanded foothold in Japan to further explore accretive opportunities arising from the rising healthcare demand.

⁴ United Nations, Department of Economic and Social Affairs, Population Division (2023). Available from <https://population.un.org/DataPortal/>

⁵ OECD/WHO (2022), Health at a Glance: Asia/Pacific 2022: Measuring Progress Towards Universal Health Coverage, OECD Publishing, Paris, <https://doi.org/10.1787/c7467f62-en>

⁶ OUE Limited and OUE Lippo Healthcare Limited

First REIT remains committed to balancing growth and stability in its portfolio, thereby delivering sustainable distributions to unitholders.

Distribution Details

Distribution	1 October 2022 to 31 December 2022
Distribution type	(a) Taxable income (b) Tax-Exempt income (c) Capital distribution
Distribution rate	Total: 0.66 cents per unit (a) Taxable Income: 0.03 cents per unit (b) Tax-Exempt Income: 0.33 cents per unit (c) Capital: 0.30 cents per unit
Ex-distribution date	21 February 2023 at 9.00 am
Book closure date	22 February 2023 at 5.00 pm
Payment date	30 March 2023

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About First REIT

First Real Estate Investment Trust (“**First REIT**”) is a real estate investment trust constituted by the Trust Deed entered into on 19 October 2006 between First REIT Management Limited (formerly Bowsprit Capital Corporation Limited) as the Manager and HSBC Institutional Trust Services (Singapore) Limited as the Trustee. First REIT was listed on the Singapore Exchange Securities Trading Limited on 11 December 2006. On 1 March 2018, HSBC Institutional Trust Services (Singapore) Limited retired as the Trustee of First REIT in favour of Perpetual (Asia) Limited.

First REIT is Singapore’s first healthcare real estate investment trust that aims to invest in a diversified portfolio of income-producing real estate and / or real estate-related assets in Asia that are primarily used for healthcare and / or healthcare-related purposes.

Managed by First REIT Management Limited, First REIT has a portfolio of 32 properties with 11 hospitals, two integrated hospital & malls, one integrated hospital & hotel and one hotel & country club, located in Indonesia, three nursing homes in Singapore and 14 nursing homes in Japan.

Its hospital assets in Indonesia are operated by PT Siloam International Hospitals Tbk, a subsidiary of PT Lippo Karawaci Tbk, a strong brand name in the Indonesian healthcare industry supported by a team of international healthcare professionals whereas The Imperial Aryaduta Hotel & Country Club and Hotel Aryaduta Manado are operated by The Aryaduta Hotel and Resort Group. The Lippo Plaza Kupang and Lippo Plaza Buton are managed by PT Lippo Malls Indonesia. In Singapore, the nursing homes at Bukit Merah and Bukit Panjang are operated by Pacific Healthcare Nursing Home Pte. Ltd. and Pacific Eldercare and Nursing Pte. Ltd., respectively. The Lantor Residence is operated by The Lantor Residence Pte. Ltd. In Japan, seven nursing homes are operated by Hikari Heights Varus Co., Ltd, two nursing homes are operated by Safety Life Co., Ltd and four nursing homes are operated by Orchard Care Co., Ltd., one nursing home operated by Social Welfare Research Institute Co., Ltd, and one nursing home operated by Benesse Style Care Co., Ltd.

Through First REIT, investors can participate in an asset class that has a focus towards Asia's growing healthcare sector, which is boosted by an increase in life expectancy in Indonesia, Japan, Singapore and the rest of Southeast Asia.

For the latest news from First REIT, visit www.first-reit.com

About OUE Limited

OUE Limited ("OUE") is a leading pan-Asian, full service real estate development, investment and management company with assets across the commercial, hospitality, retail, residential and healthcare sectors. Best known for its landmark property portfolio in Singapore, OUE consistently leverages its expertise in property development and asset management to maximise yields and unlock value. As at 31 December 2021, OUE's total assets were valued at S\$9.0 billion.

OUE is the manager of two SGX-listed REITs: OUE Commercial Real Estate Investment Trust and First Real Estate Investment Trust. As at 31 December 2021, OUE managed S\$7.8 billion in funds under management across its two REIT platforms and its managed accounts.

Since 2017, OUE has expanded its business activities into the complementary and highgrowth healthcare and consumer sectors. OUE is the controlling shareholder of OUE Lippo Healthcare Limited, an SGX-listed, integrated healthcare services provider that owns, operates and invests in quality healthcare assets in high-growth Asian markets.

Anchored by its "Transformational Thinking" philosophy, OUE has built a reputation for developing iconic projects, transforming communities, providing exceptional service to customers and delivering long-term value to stakeholders.

For the latest news from OUE, visit www.oue.com.sg

About OUE Lippo Healthcare Limited

OUE Lippo Healthcare Limited (“OUELH”) is a subsidiary company of OUE Limited. OUELH is a Pan-Asian healthcare group that owns, operates and invests in quality healthcare assets in high-growth Asian markets. Currently, OUELH owns and operates a hospital in Wuxi, China and has formed a 50:50 joint venture with China Merchants Group to develop and operate a hospital in Shenzhen, China as well as lease and operate a hospital in Changshu, Jiangsu Province, China; is in partnership with First Myanmar Investment to operate and/or own seven medical facilities in Myanmar; holds a 40% stake in First REIT Management Limited, which is the manager of First Real Estate Investment Trust (“First REIT”, Singapore’s first listed healthcare real estate investment trust); holds a direct stake of about 32% in First REIT; and has formed medical partnerships with three specialist groups in Singapore.

OUELH continually seeks to grow its healthcare businesses in Asia via its three-pronged strategy comprising strategic partnerships, asset-light business model and Pan-Asian expansion.

For the latest news from OUELH, visit www.ouelh.com

IMPORTANT NOTICE

The value of units in First REIT (“Units”) and the income derived from them may fall as well as rise. The 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. Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders of First REIT may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the “SGX-ST”). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This document is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of First REIT is not necessarily indicative of the future performance of First REIT. This document 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. 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. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s view of future events.