

INVESTOR PRESENTATION

投資家向けプレゼンテーション

June 2023

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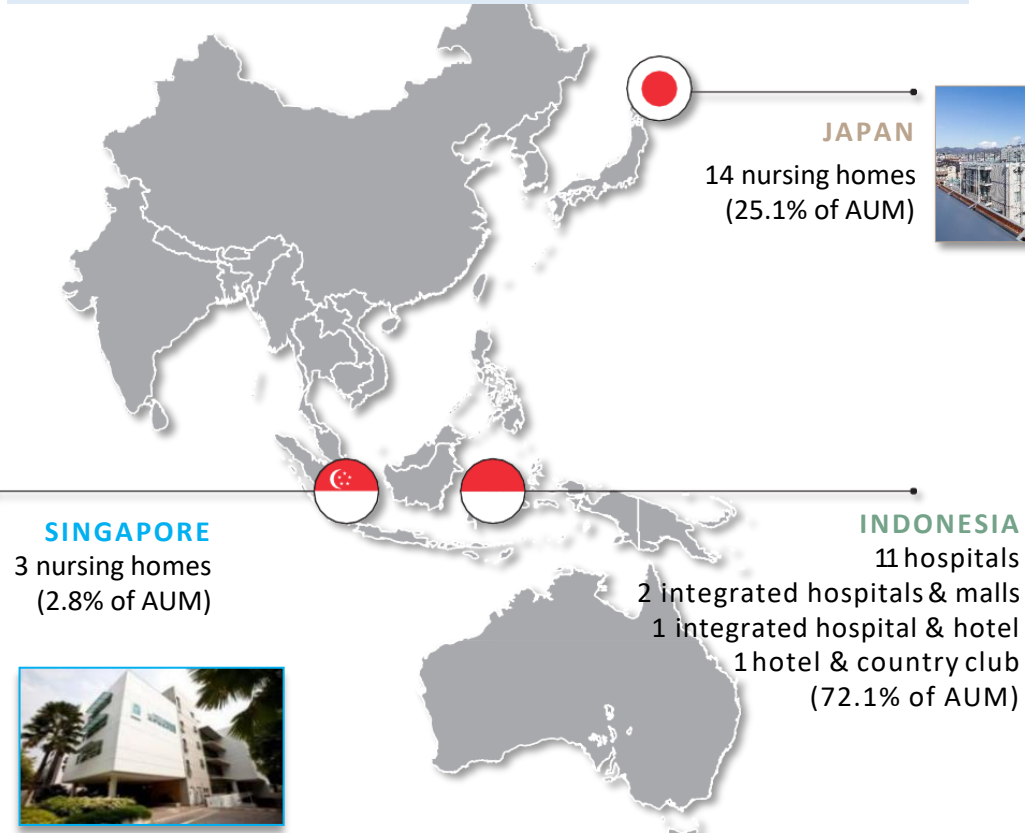
The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

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

Overview of First REIT

1st healthcare REIT in Singapore, 32 assets across Asia with assets-under-management (“AUM”) of S\$1.15 billion as at 31 December 2022

Our vision is to become Asia’s premier healthcare trust, with >50% of AUM in developed markets by FY2027



JAPAN

14 nursing homes
(25.1% of AUM)



SINGAPORE

3 nursing homes
(2.8% of AUM)

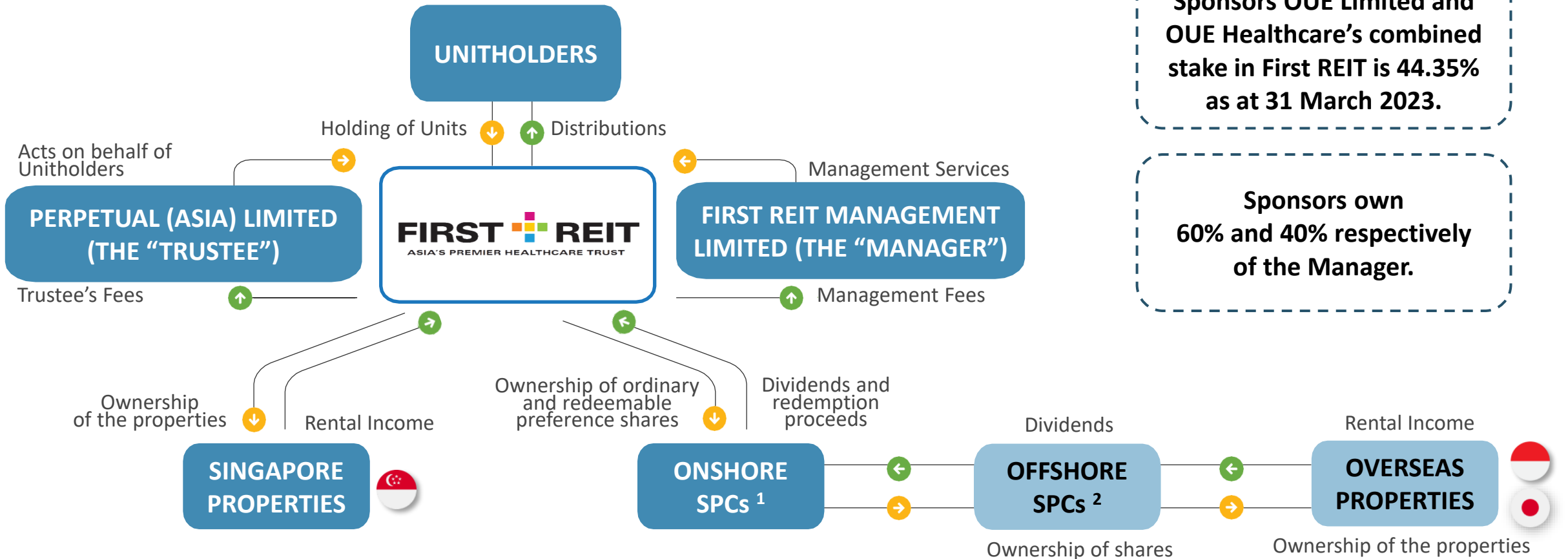


INDONESIA

11 hospitals
2 integrated hospitals & malls
1 integrated hospital & hotel
1 hotel & country club
(72.1% of AUM)



Trust structure



Sponsors OUE Limited and OUE Healthcare's combined stake in First REIT is 44.35% as at 31 March 2023.

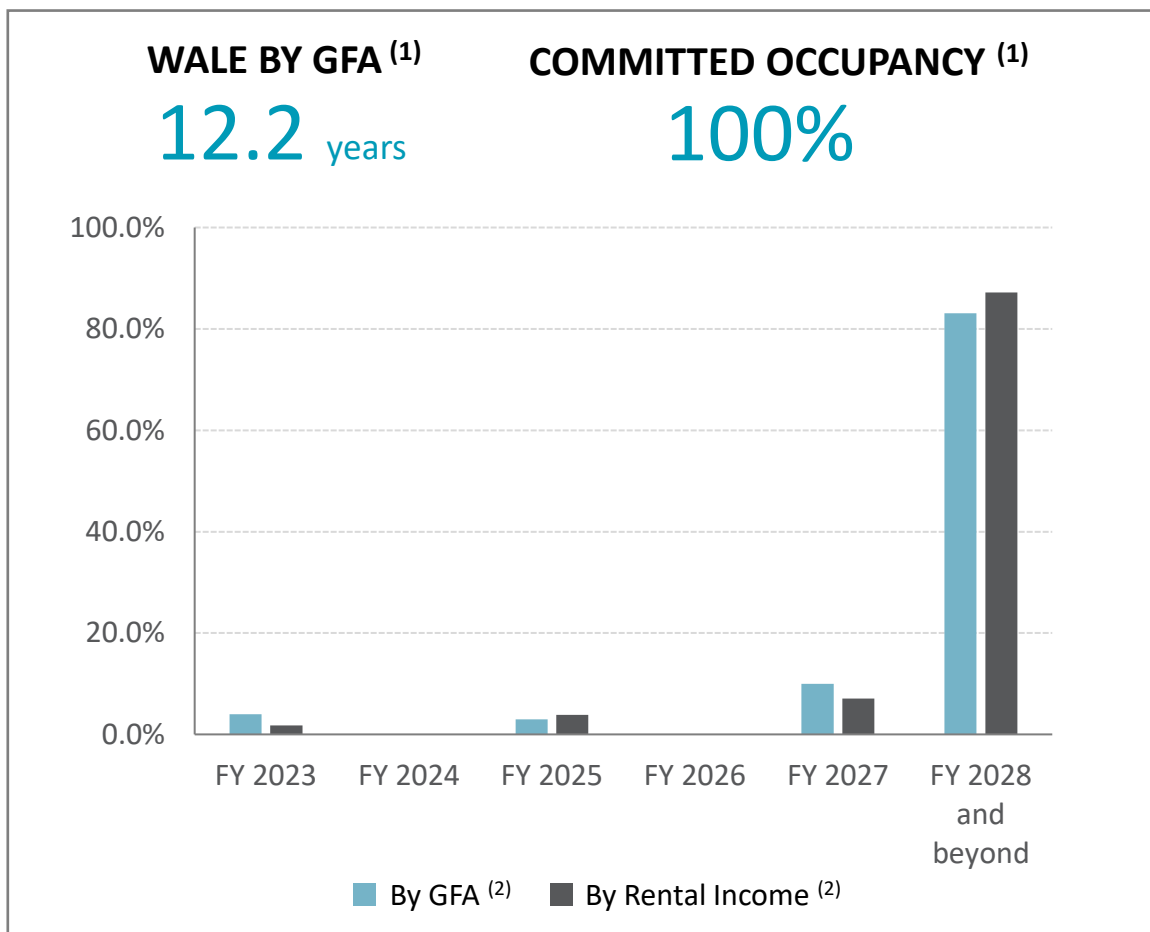
Sponsors own 60% and 40% respectively of the Manager.

Notes

- (1) Onshore SPCs refer to Singapore Special Purpose Companies
- (2) Offshore SPCs refer to Overseas Special Purpose Companies

Long leases with stable revenue streams

Healthy Weighted Average Lease to Expiry (“WALE”)



Sustainable rent escalation built into master lease structure

Healthcare Assets ⁽³⁾	Indonesia (Prior to 2021)	Indonesia (Since 2021)	Japan (Entered in 2022)	Singapore
Base Rent Escalation	2x of Singapore's CPI increase for the preceding calendar year (capped at 2%)	4.5% annually	<ul style="list-style-type: none"> Annual rental may be revised upwards upon negotiation every 2 to 3 years for 12 assets, and every 5 years for 2 assets 	<ul style="list-style-type: none"> Fixed base rental with annual increment of 2%
Variable / Performance-Based Rent	Variable rent factor (0%-2%) applied to a function of the gross operating revenue	8.0% of preceding financial year gross operating revenue	<ul style="list-style-type: none"> Negotiation based on the increase in Japan's consumer price index and interest rates 	
Total Rent Payable	Base + Variable	Higher of Base or Performance Based Rent		
Currency	SGD	IDR	JPY	SGD

Notes

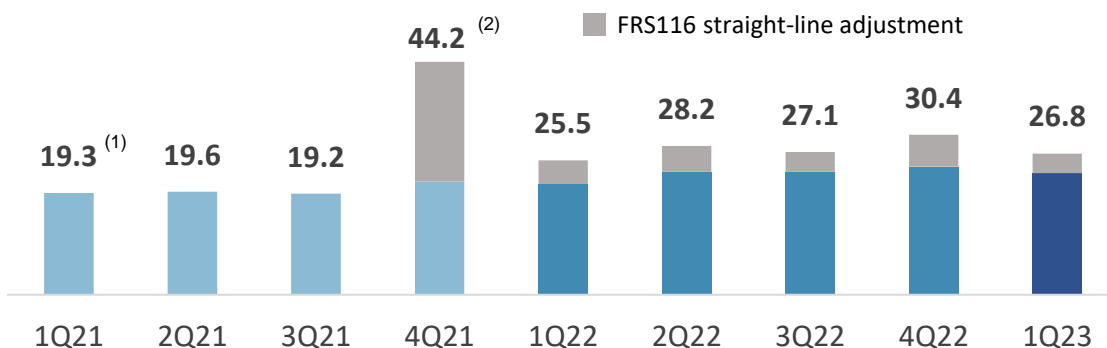
(1) As at 31 March 2023

(2) As at 31 December 2022

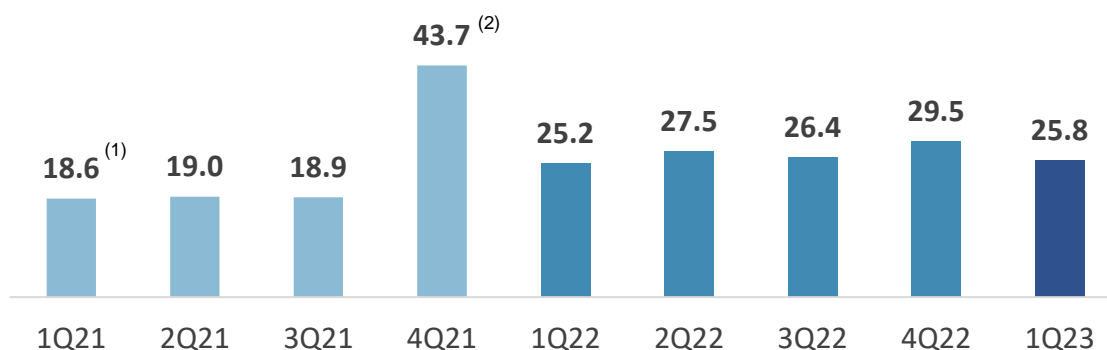
(3) As at 31 December 2022, 89.5% of Rental Income are from Healthcare Assets

Financial performance since 2021

Rental and other income (S\$' million)



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


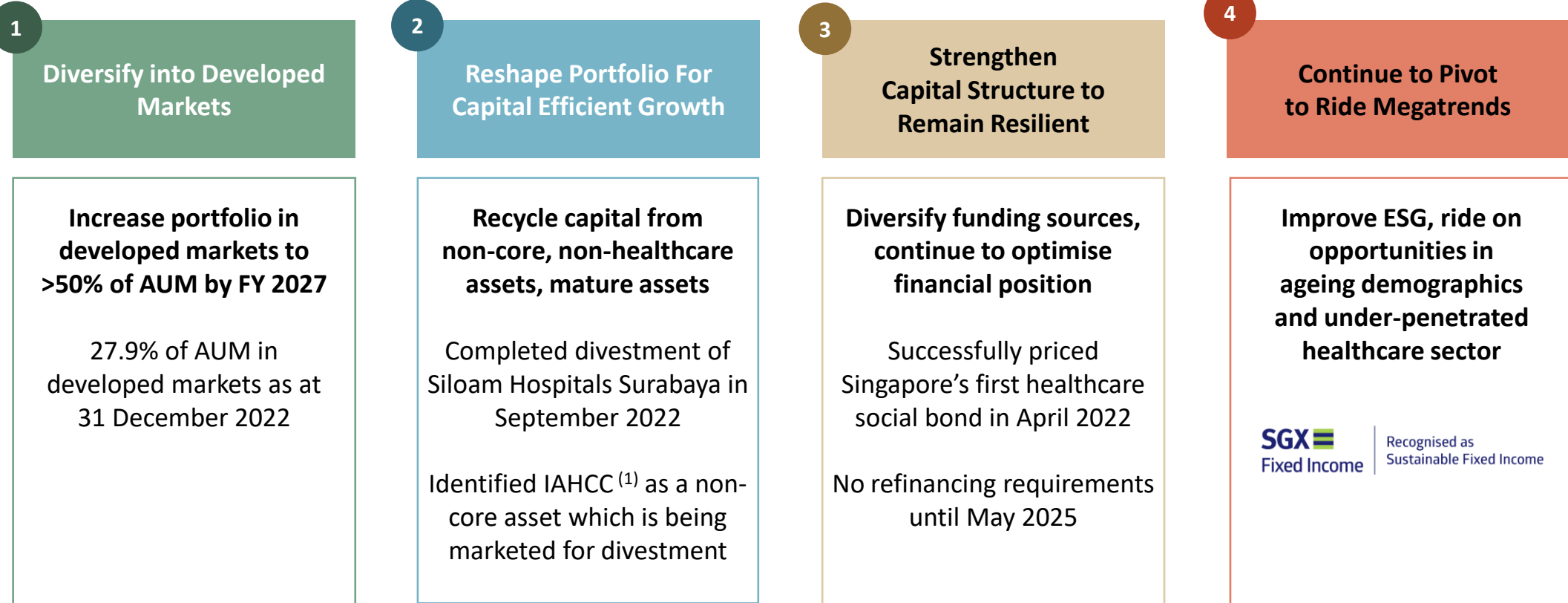


Notes

- (1) Restructured master leases in Indonesia took effect in 1Q21
- (2) A straight-line adjustment, in line with the accounting treatment under FRS116 – lease, took effect from 4Q21. The straight-line adjustment for a full year was recognised in 4Q21, and subsequently recognised on a quarterly basis.
- (3) In November 2020, First REIT announced the restructuring of Master Lease Agreements in Indonesia for long term sustainability. In December 2020, First REIT announced a proposed Sponsor-backed S\$158 million rights issue. On a pro forma basis post rights issue, the gearing ratio for FY 2020 was 34.6%.

	FY 2020	FY 2021	FY 2022	1Q 2023
Total debt	S\$492.4m	S\$352.4m	S\$461.2m	S\$464.6m
Gearing ratio	49.0% ⁽³⁾	33.6%	38.5%	39.0%
Weighted average debt to maturity	1.2 years	0.9 years	3.4 years	3.1 years
All-in Cost of debt	3.6%	4.2%	3.7%	4.7%
Interest Cover Ratio	3.6x	5.2x	5.0x	4.2x
% debt with fixed rates or hedged	40.0%	55.9%	59.6%	62.8%

Active execution of 2.0 Growth Strategy



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



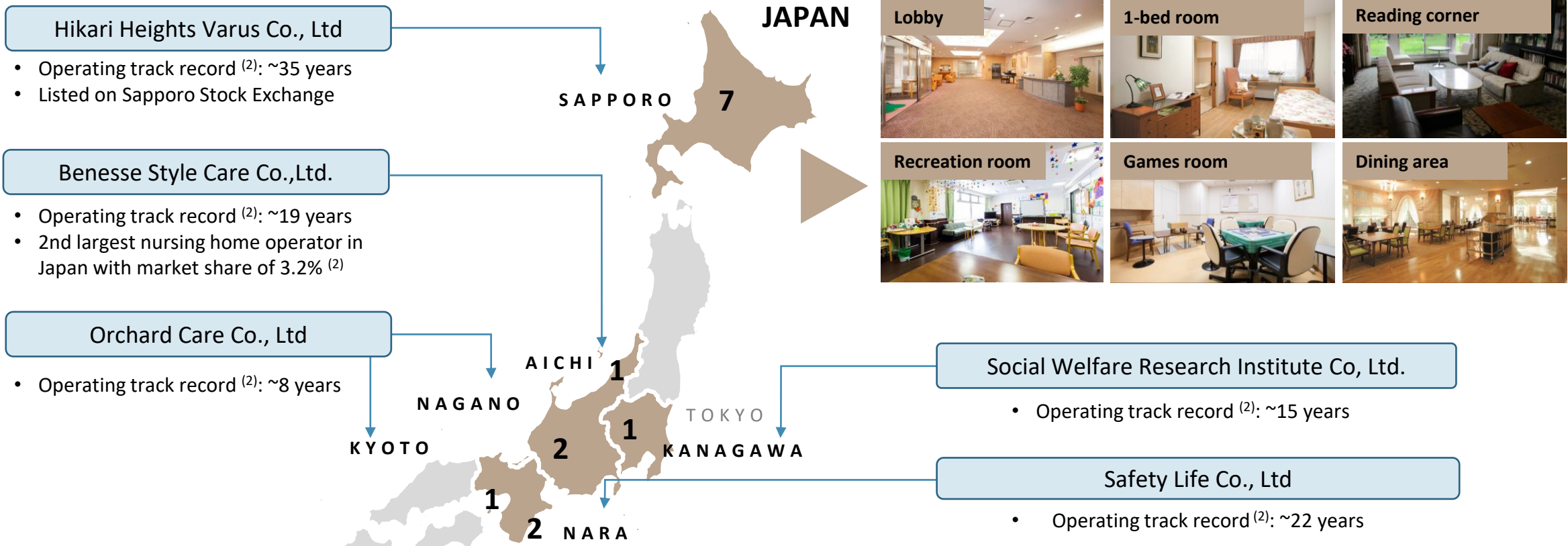
First REIT 2.0 Growth Strategy (日本) :
www.first-reit.com/jp/growth-strategy.html

Notes

(1) Imperial Aryaduta Hotel & Country Club

Entry into Japan in 2022

- March 2022: Completed the acquisition of 12 well established freehold nursing homes from OUE Healthcare for JPY 24.2 billion
- September 2022: Completed the acquisition of two more high-quality freehold nursing homes from third parties⁽¹⁾ for JPY 2.6 billion
- 14 nursing homes operated by five independent, well-established and experienced operators



Notes

(1) One acquired from Healthcare Management Partner and one acquired from Healthcare & Medical Investment Corporation

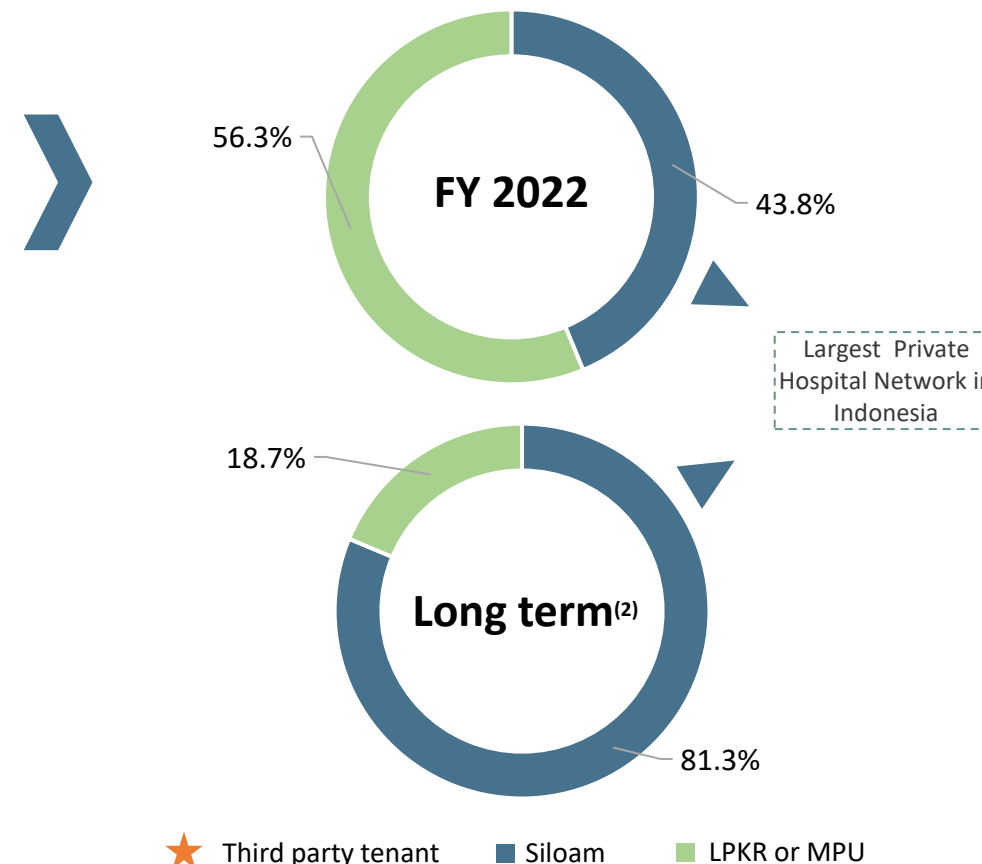
(2) As at 31 December 2022

Diversifying tenant base

Increase in third-party tenants and higher direct contribution from Siloam, the largest private hospital network in Indonesia

#	Tenants	% FY2022 Rental Income ⁽¹⁾
Indonesia		
1	PT Lippo Karawaci Tbk and subsidiaries (“ LPKR ”) (excluding Siloam)	39.8%
2	PT Siloam International Hospitals Tbk and subsidiaries (“ Siloam ”)	35.7%
★ 3	PT Metropolis Propertindo Utama and subsidiaries (“ MPU ”)	6.1%
Japan		
★ 1	Hikari Heights Varus Co., Ltd.	9.7%
★ 2	Safety Life Co., Ltd.	2.2%
★ 3	Orchard Care Co., Ltd	1.6%
★ 4	Benesse Style Care Co., Ltd	0.2%
★ 5	Social Welfare Research Institute Co., Ltd	0.1%
Singapore		
★ 1	The Lantor Residence Pte. Ltd	2.0%
★ 2	Pacific Healthcare Nursing Home Pte. Ltd	1.3%
★ 3	Pacific Eldercare And Nursing Pte. Ltd	1.3%

Rental Contribution from Indonesia Mix (%)



Notes

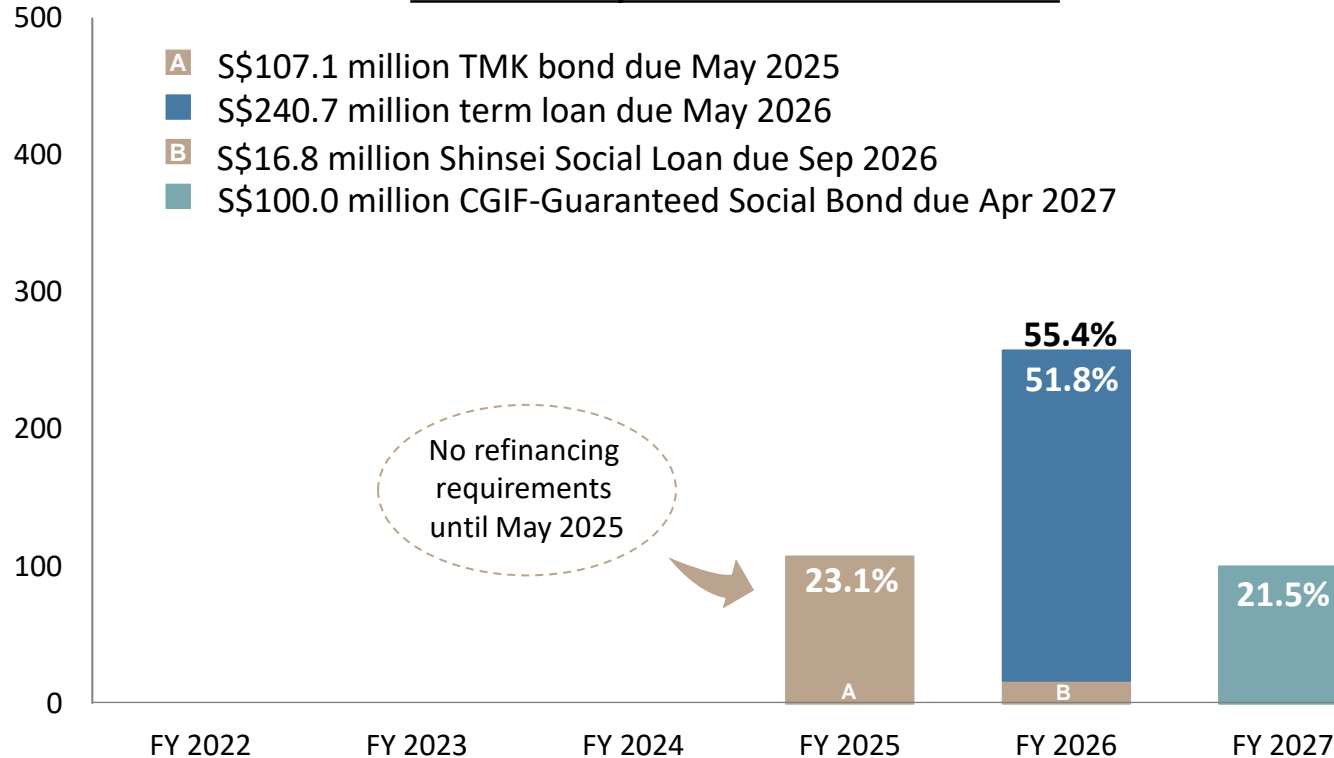
(1) Before recognition of FRS 116 rental straight-line adjustments

(2) Based on the terms of the Tripartite MLAs, from 1 October 2026, Siloam will pay 6.5% of the preceding year’s gross operating revenue (“**GOR**”), leaving LPKR or MPU to pay 1.5% of the preceding year’s GOR. The percentages represented in this projection assumes that the rentals for each of the Tripartite MLAs beyond year 2026 are calculated based on the performance-based rent of 8.0% of each hospital’s preceding year’s GOR

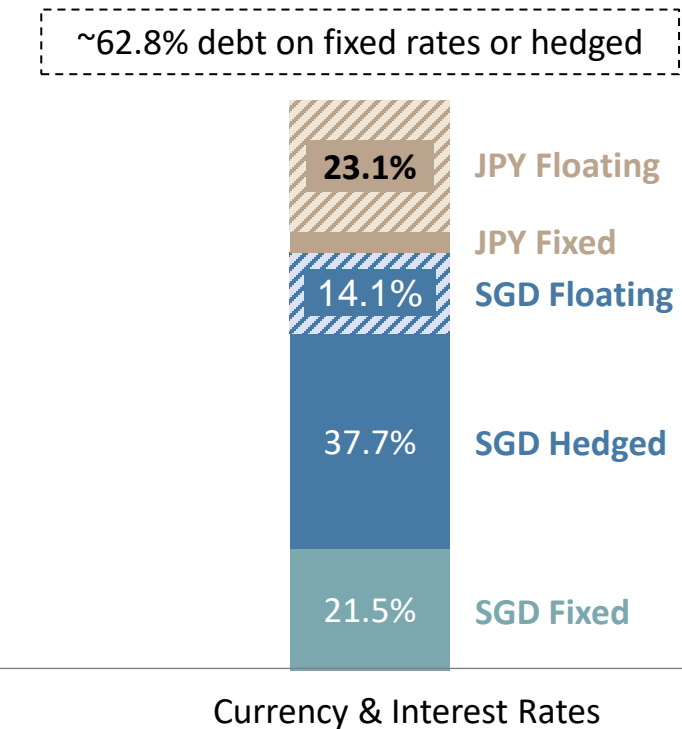
Strengthening capital structure

(S\$' million)

Debt Maturity Profile as at 31 March 2023

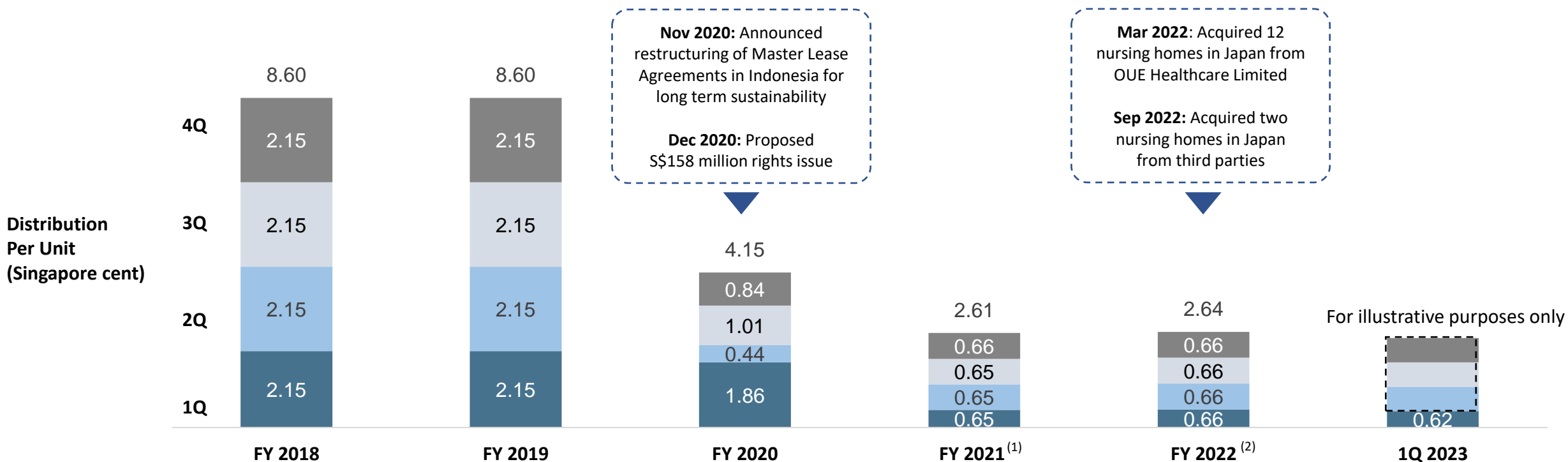


Total Debt as at 31 March 2023: \$464.6 million



- ✓ In November 2022, First REIT completed early refinancing of a secured term loan and revolving credit facilities that was due in March 2023.
- ✓ As at 31 March 2023, gearing ratio was 39.0% and interest cover ratio was 4.2x; weighted average debt to maturity was 3.1 years; and cost of debt was 4.7% per annum
- ✓ Managing the foreign currency exposures arising from future IDR-denominated dividend income

Positioned to deliver sustainable distributions



Distribution Yield ⁽³⁾	8.7%	8.6%	17.7%	8.6%	10.2%	9.5%
Price-to-book ⁽⁴⁾	0.96x	1.00x	0.47x	0.83x	0.85x	0.87x
AUM in developed markets ⁽⁵⁾	2.6%	2.6%	3.6%	3.4%	27.9%	>50% by FY 2027

Notes

- (1) Distribution per unit is lower mainly due to the issuance of 791,062,223 rights units on 24 February 2021. These new rights units were entitled to participate in the 1Q to 4Q 2021 distribution
- (2) A total of 431,147,541 new units at an issue price of S\$0.305 per unit were issued to OUE Healthcare Limited, a related party as partial consideration of S\$131,500,000 paid pursuant to the acquisition of subsidiaries on 1 March 2022
- (3) Distribution yield based on end of period's closing unit price and distributions declared during the period
- (4) Price-to-book ratio based on end of period's closing unit price and net asset value per unit during the period
- (5) Singapore, Japan, and other Developed Markets such as Australia, UK, Europe, the US

Q&A

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APPENDIX

Strong sponsors support

As at 31 March 2023, First REIT's sponsors' combined stake in First REIT was 44.35%.

OUE

OUE Limited

- A leading pan-Asian, full service real estate development, investment and management company with assets across the commercial, hospitality, retail, residential and healthcare sectors.
- As at 31 December 2022, OUE's total assets were valued at S\$9.5 billion.

**OUE
HEALTHCARE**

OUE Healthcare Limited
("OUEH")

- A Pan-Asian healthcare group that owns, operates and invests in quality healthcare businesses in high-growth markets including:
 - Operating and managing a respiratory and cardiothoracic specialist group in Singapore;
 - Jointly developing and operating two hospitals in China with China Merchants Group; as well as
 - Jointly operating and managing Myanmar's leading private hospital group.
- Itochu Corporation, listed on the Tokyo Stock Exchange and amongst the largest and most diversified trading companies in the world, holds close to 20% stake in OUEH as at 31 December 2022.

2018

- Sponsors completed acquisition of the Manager of First REIT

2020

- Sponsors provided irrevocable undertakings in respect of a S\$158 million rights issue
- Leveraging on Sponsor Network for S\$260 million debt refinancing ⁽¹⁾

2022

- 12 out of the 14 Japan nursing homes in First REIT's portfolio were acquired from OUEH ⁽²⁾
 - Agreed Purchase Price was at a 2.9% - 3.8% discount to valuations
 - Approximately 78.3% of purchase price were funded by issuance of new units to OUEH, conserving cash and ensuring acquisition is DPU accretive
 - 431,147,541 Units issued at S\$0.305: S\$0.305 was 9.3% premium to the 3-month VWAP of S\$0.279 as at 6 December 2021
 - Manager voluntarily waive the acquisition fee of approximately S\$3.0 million

Notes

(1) S\$260mm debt refinancing to refinance a S\$400 million secured loan facilities including a \$196.6 million repayment which was due on 1 March 2021

(2) For more information, please see https://firstreit.listedcompany.com/newsroom/20211208_075636_AW9U_IT2DTH6ZCC47TB4X.3.pdf

Experienced management

Management has extensive experience in accounting and finance and real estate asset management



MR TAN KOK MIAN, VICTOR
EXECUTIVE DIRECTOR AND
CHIEF EXECUTIVE OFFICER

- More than 25 years of experience in the healthcare industry
- Full executive responsibilities over the business directions and operational decisions concerning the management of First REIT



MS NG CHWEE NGOR, VALERIE
CHIEF FINANCIAL OFFICER

- More than 20 years of experience in financial matters
- Oversees all matters relating to financial reporting, taxation, capital management, treasury and risk management.



MR CHAN SENG LEONG, JACKY
SENIOR VICE PRESIDENT,
ASSET & INVESTMENT MANAGEMENT

- Extensive real estate and property experience in cities where First REIT is invested in, Hong Kong, as well as the People's Republic of China.
- Leads the Manager's Asset & Investment Management team.



MR KOJI OTANI
GENERAL MANAGER,
FRM JAPAN MANAGEMENT CO., LTD.

- More than 17 years of experience in real estate asset management and investment management in Japan.
- Leads the Manager's asset management activities in Japan.

1Q 2023: Key financial highlights

FINANCIAL HIGHLIGHTS (S\$' MILLION)	1Q 2023	1Q 2022	% Change (Y-o-Y)
RENTAL & OTHER INCOME	26.8	25.5	4.9%
NET PROPERTY & OTHER INCOME	25.8	25.2	2.7%
DISTRIBUTABLE AMOUNT	12.7	11.7	8.3%
TOTAL ISSUED AND ISSUABLE UNITS (MILLIONS) ⁽¹⁾	2,068.0	2,050.9	0.8%
DPU (CENTS)	0.62	0.66	(6.1%)

- Rental and Other Income increased 4.9% y-o-y to S\$26.8 million, largely attributed to:
 - A full quarter of rental income contribution from 14 Japan nursing homes
 - Higher rental income from built-in rent increment in Indonesia and in Singapore
 - Offset by the absence of rental income from Siloam Hospitals Surabaya and the depreciation of foreign currencies against the Singapore Dollar
- DPU in 1Q 2023 was 6.1% lower y-o-y mainly due to higher financing costs and a depreciation of foreign currencies against the Singapore Dollar

Note

(1) Total issued and issuable units include the issuance of 431.1 million Units in early March 2022 to partially fund an acquisition of 12 nursing homes.

1Q 2023: Balance sheet & financial position

S\$' MILLION	AS AT 31 MARCH 2023	AS AT 31 DECEMBER 2022
ASSETS		
NON-CURRENT ⁽¹⁾	1,136.0	1,146.6
CURRENT	54.2	52.0
TOTAL	1,190.2	1,198.6
LIABILITIES		
NON-CURRENT	516.5	512.1
CURRENT	21.0	21.2
TOTAL	537.5	533.3
UNITHOLDERS' FUNDS	619.8	632.1
TOTAL ISSUED AND ISSUABLE UNITS (MILLIONS)	2,068.0	2,050.9
NAV/UNIT (CENT)	30.04	30.70

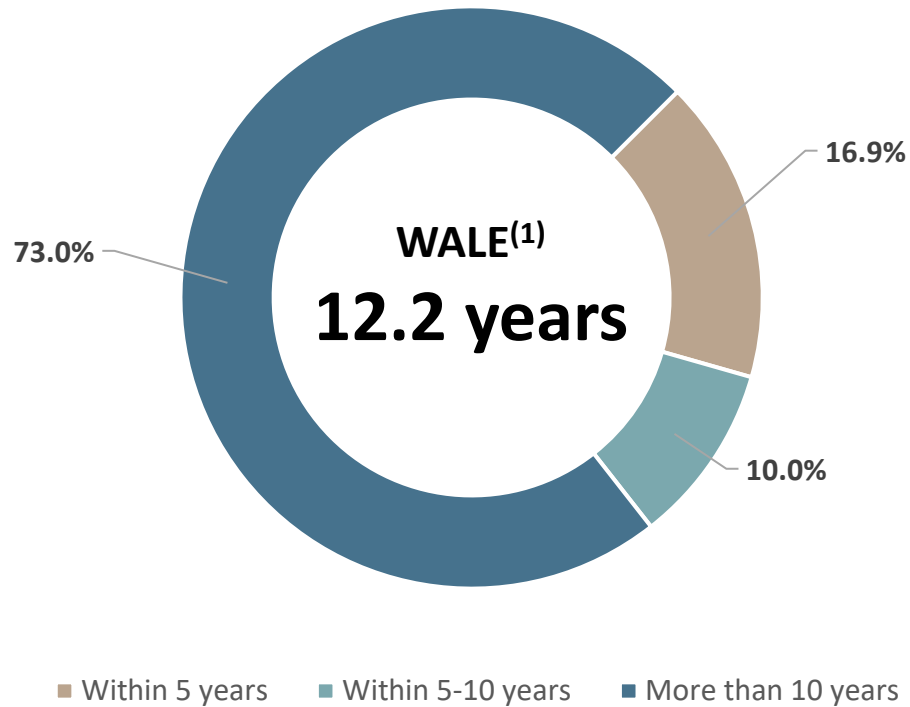
- Total assets was lower at S\$1,190.2 million due to the depreciation of Japanese Yen and Indonesian Rupiah in 1Q23 vs 1Q22
- Total issued and issuable units include 431.1 million new units to our sponsor OUE Healthcare in early March 2022 to partially fund an acquisition of 12 nursing homes.
- As at 31 March 2023, First REIT's sponsors' combined stake in First REIT was 44.35% and has strong alignment with other unitholders of First REIT

Note

(1) Non-current assets comprise investment properties which declined from S\$1,145.3 million as at 31 December 2022 to S\$1,135.3 million as at 31 March 2023 due to the depreciation of foreign currencies against the Singapore Dollar.

Lease expiry profile

LEASE EXPIRY PROFILE AS % OF GFA
(AS AT 31 MARCH 2023)



Lease Expiry within 5 Years

Property	Expiry
Imperial Aryaduta Hotel & Country Club	Dec 2023
Siloam Hospitals Lippo Cikarang	Dec 2025
Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2027
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2027
Medical and Rehabilitation Home Bon Sejour Komaki	May 2027
The Lentor Residence	Jun 2027
Hotel Aryaduta Manado	Nov 2027

Notes

(1) The WALE is calculated on a gross floor area basis and as at 31 March 2023

Indonesia

15
INDONESIA

VALUATION ⁽¹⁾
S\$825.6
million

GROSS FLOOR AREA
333,343
square metres

HOSPITAL BEDS
3,762

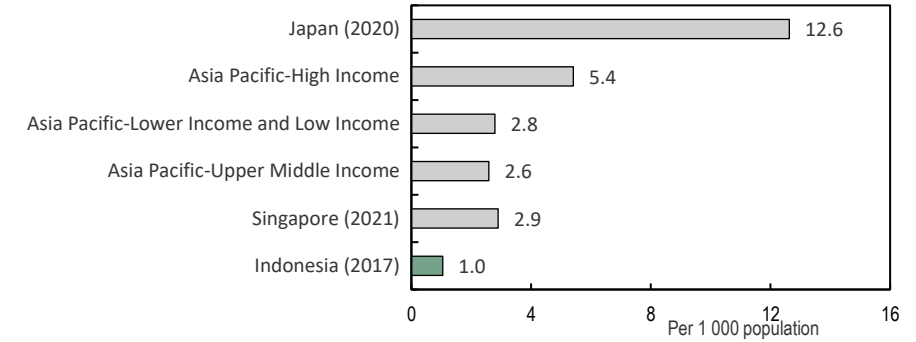


- | | | |
|---|--|---|
| 1. Siloam Hospitals Yogyakarta | 6. Siloam Hospitals Purwakarta | 11. Mochtar Riady Comprehensive Cancer Centre |
| 2. Siloam Hospitals Buton & Lippo Plaza Buton | 7. Siloam Hospitals Bali | 12. Siloam Hospitals Lippo Cikarang |
| 3. Siloam Hospitals Labuan Bajo | 8. Siloam Hospitals TB Simatupang | 13. Siloam Hospitals Lippo Village |
| 4. Siloam Hospitals Kupang & Lippo Plaza Kupang | 9. Siloam Hospitals Manado & Hotel Aryaduta Manado | 14. Siloam Hospitals Kebon Jeruk |
| 5. Siloam Sriwijaya | 10. Siloam Hospitals Makassar | 15. Imperial Aryaduta Hotel & Country Club |

Notes

- (1) Based on appraised values as at 31 December 2022
 (2) Source: OECD Health Statistics 2022
 (3) Source: Singapore Department Of Statistics, Ministry of Health

Average number of hospital beds in Indonesia of 1.0 per 1,000 people remains below regional averages ^{(2), (3)}



Indonesia hospitals are strategically located within large catchment areas of potential patients and each hospital has a “Centre of Excellence” or area of speciality.

Built-in Rent Increment for 13 Hospitals

- Higher base rent escalation of **4.5%**; OR
- Performance-based rent escalation of **8.0%** of hospital’s gross operating revenue in the preceding financial year

Triple net lease agreements ensures inflation managed by Master Lessee

- Cost of utilities and repair managed by Master Lessee

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

June 2022



- A Road Subsidence took place in close proximity to Siloam Hospitals Surabaya. Development works were halted.
- June 30th : Received amount of S\$30.6 million for the proposed settlement in respect of the terminated development works adjacent to Siloam Hospitals Surabaya

September 2022



- Opportunity to recycle a mature asset instead of taking on excessive development risk, and a holistic approach to resolve downstream complications
- September 27th: Completed the divestment of SHS for S\$40.3 million

For Divestment



- Imperial Aryaduta Hotel & Country Club (IAHCC) is a non-core asset which is being marketed for divestment.
- December 22nd: Renewed lease for a 1-year term ending 31 December 2023. Short term lease provides revenue stability while still allowing strategic flexibility.
- Appraised value of S\$27.5 million (IDR 316.7 billion) as at 31 December 2022

Japan

14
JAPAN

VALUATION ⁽¹⁾
S\$287.2
million

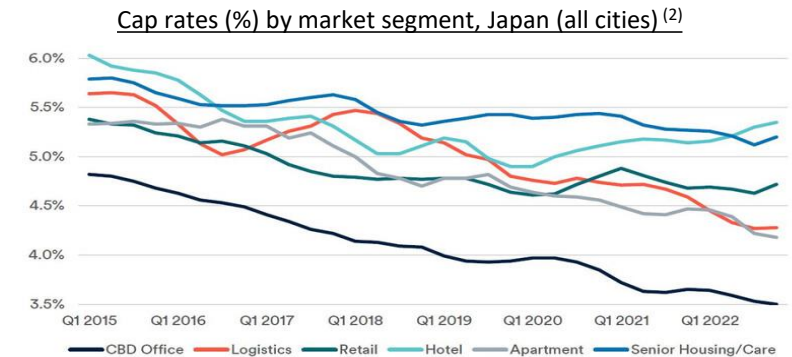
GROSS FLOOR AREA
103,234
square metres

ROOMS
1,655



1. Hikari Heights Varus Ishiyama
2. Hikari Heights Varus Tsukisamu-Koen
3. Hikari Heights Varus Fujino
4. Hikari Heights Varus Kotoni
5. Hikari Heights Varus Makomanai-Koen
6. Varus Cuore Yamanote
7. Varus Cuore Sapporo-Kita & Annex
8. Elysion Mamigaoka & Annex
9. Elysion Gakuenmae
10. Orchard Amanohashidate
11. Orchard Kaichi North
12. Orchard Kaichi West
13. Loyal Residence Ayase
14. Medical Rehabilitation Home Bon Séjour Komaki

Cap rates of all asset classes in Japan have trended down over the past 5 years; senior housing cap rates higher than other asset classes



March 2023: Completed the acquisition of FRM Japan Management Co., Ltd, a licensed asset management company which will support existing portfolio and future growth ⁽³⁾

14 Japan nursing homes which were newly acquired in FY2022 are high-quality freehold assets and 100% master-leased

Scope for Rent Increment for 14 Nursing Homes upon negotiation, based on the increase in Japan's consumer price index and interest rates ⁽⁴⁾; Utilities costs managed by Master Lessee in single and triple net lease agreements

Notes

- (1) Based on appraised values as at 31 December 2022
- (2) Source: MSCI RCA (March 2023)
- (3) FRM Japan Management Co., Ltd is licensed by the Tokyo Metropolitan Government
- (4) Every 2 to 3 years for 12 properties, and every 5 years for 2 properties

Singapore

3
SINGAPORE

VALUATION ⁽¹⁾
S\$32.5
million

GROSS FLOOR AREA
11,161
square metres

ROOMS
732



1. Pacific Healthcare Nursing Home
@ Bukit Merah

2. Pacific Healthcare Nursing Home II
@ Bukit Panjang

3. The Lentor Residence

By 2026, Singapore is expected to become “super aged” society, when those aged 65 and above is expected to form 21% per cent of the population⁽²⁾.

Ministry of Health also plans to increase the number of nursing home beds to more than 31,000 in the next 10 years, vs ~16,900 beds in 2021⁽³⁾

Singapore properties are well-run nursing homes staffed by well-qualified, dedicated and experienced healthcare professionals.

Built-in Rent Increment for 3 Nursing Homes

- Fixed base rental
- Annual increment of 2%

Cost of utilities managed by Master Lessees in double net lease and triple net lease agreements

Notes

(1) Based on appraised values as at 31 December 2022

(2) The Business Times, 20 April 2023, [Ageing Singapore can stay economically vibrant by growing workforce, productivity: Ong Ye Kung, Singapore](#)

(3) The Straits Times, 13 June 2022, [‘Singapore to double number of eldercare centres by 2025, expand their services’, Ministry of Health](#)

THANK YOU

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