

1Q 2024 Business Update

24 April 2024



DISCLAIMER

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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.

The value of units in First REIT (“Units”) and the income from them may fall as well as rise. 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.

This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. 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.

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.

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- **INTRODUCTION**
- **FINANCIAL HIGHLIGHTS**
- **OUTLOOK & 2.0 GROWTH STRATEGY**

FIRST REIT, LISTED ON SGX-ST IN DECEMBER 2006, IS SINGAPORE'S FIRST HEALTHCARE REIT WITH S\$1.14 BILLION AUM ⁽¹⁾

**Our vision is to become
Asia's premier healthcare trust.**

**Our mission is to deliver stable
and sustainable distributions
to Unitholders.**

SPONSORS ⁽²⁾

OUE



Asset
Size ⁽¹⁾

S\$1.14
billion



Total GFA
of 32 Properties ⁽³⁾

448,744
square metres



Weighted Average
Lease Expiry ⁽³⁾

11.3
years



Max. No.
Rooms/Beds ⁽³⁾

6,522



Total No.
of Tenants ⁽³⁾

11



Occupancy
Rate ⁽³⁾

100%

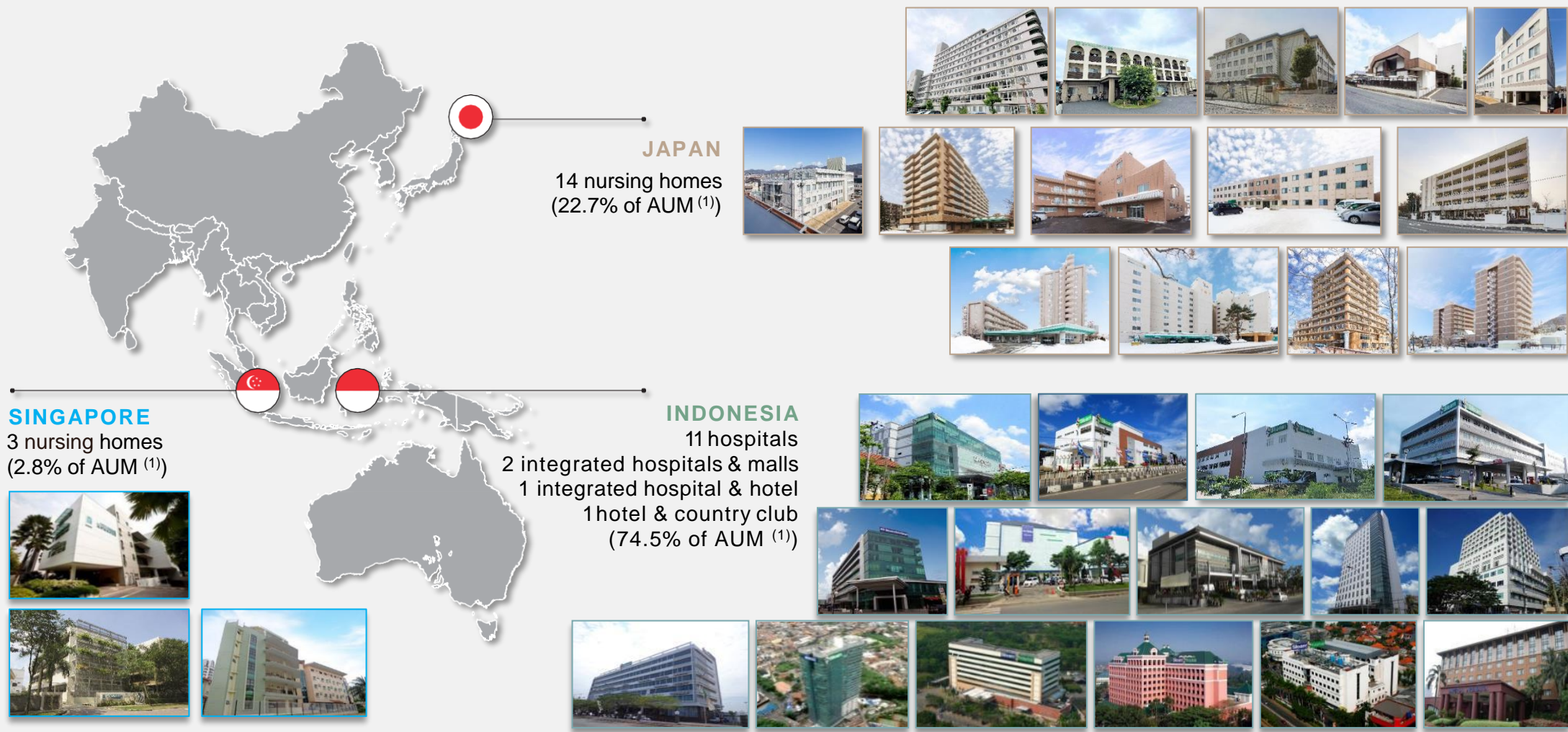
Notes

(1) Based on appraised values as at 31 December 2023.

(2) As at 31 March 2024, First REIT's Sponsors hold 44.8% of First REIT units and 100% of the Manager, reflecting a strong alignment of interests with Unitholders.

(3) As at 31 March 2024.

A PORTFOLIO OF 32 PROPERTIES COMPRISING HOSPITALS, NURSING HOMES, AND HEALTHCARE-RELATED ASSETS ACROSS ASIA



Note

(1) As at 31 December 2023.

HARNESSING SUSTAINABLE GROWTH FROM MASTER LEASES

Healthcare Assets	Indonesia ⁽¹⁾	Singapore	Japan
Rent escalation in local currencies	<ul style="list-style-type: none"> Higher of 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. 	<ul style="list-style-type: none"> Fixed base rental with annual increment of 2%. 	<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. ⁽²⁾

Notes

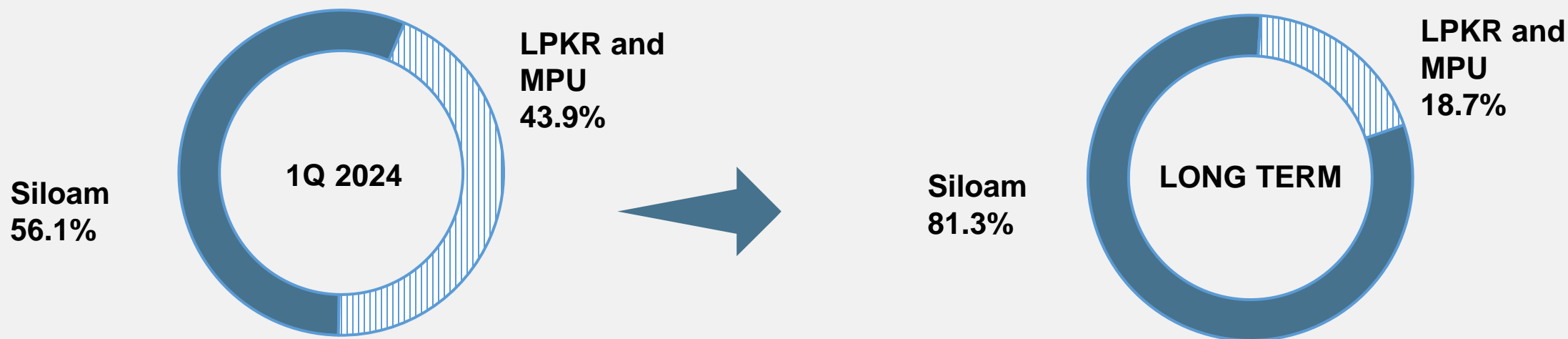
(1) Excluding Siloam Hospitals Lippo Cikarang, of which rent is denominated in SGD with a fixed base rental, an annual base rental escalation (2x percentage increase of Singapore CPI, capped at 2%), and an additional variable rental growth component that is a function of the year-on-year increase in its gross revenue.

(2) Negotiation based on the increase in Japan's consumer price index and interest rates.

HARNESSING SUSTAINABLE GROWTH FROM MASTER LEASES

Rental Income From Hospitals In Indonesia ⁽¹⁾

- Based on the terms of the Tripartite MLAs, from 1 October 2026, PT Siloam International Hospitals Tbk ("**Siloam**") will pay 6.5% of the Performance-Based Rent, leaving PT Lippo Karawaci Tbk ("**LPKR**") or PT Metropolis Propertindo Utama ("**MPU**") to pay the remaining 1.5% of Performance-Based Rent. Performance-Based Rent is 8.0% of hospital's gross operating revenue in the preceding financial year
- 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.



Note

(1) Without recognition of FRS 116 rental straight-lining adjustments.

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KEY FINANCIALS IN 1Q 2024

- 1Q 2024 financial results were impacted by stronger Singapore Dollar against the Indonesia Rupiah and the Japanese Yen ⁽³⁾, offset by higher rental income from assets in Indonesia and in Singapore as well as stable rental income from assets in Japan.
- Distributable Amount and DPU were also impacted by rising interest rates, with cost of debt of 5.0% in 1Q 2024 (1Q 2023: 4.7%; FY 2023: 5.0%).



Notes

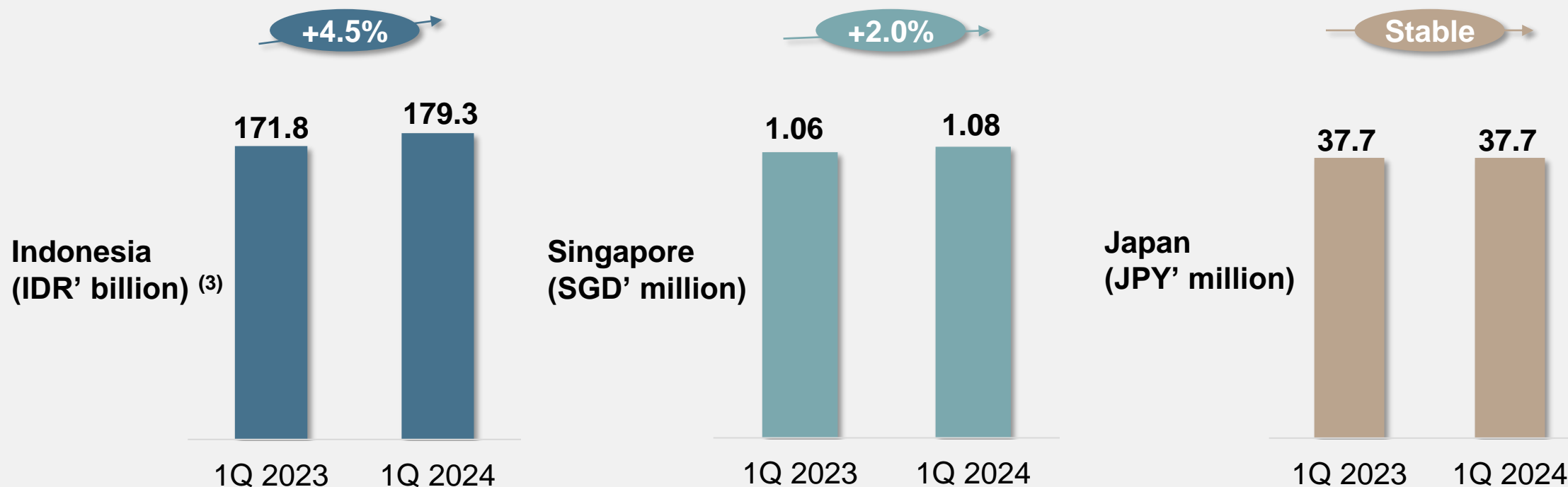
(1) Without FRS 116 Adjustment on rental straight-lining, Rental and Other Income decreased 0.8% YoY to S\$22.9 million in 1Q 2024.

(2) Without FRS 116 Adjustment on rental straight-lining, Net Property and Other Income remained stable YoY at S\$22.1 million in 1Q 2024.

(3) Based on average exchange rates, SGD/IDR depreciated 2.4% from 11,494 in 1Q 2023 to 11,765 in 1Q 2024, while SGD/JPY depreciated 12.1% from 99 to 111 over the same period.

HEALTHY UNDERLYING PERFORMANCE

1Q 2024 Rental and Other Income (In Local Currency) ^{(1), (2)}



Notes

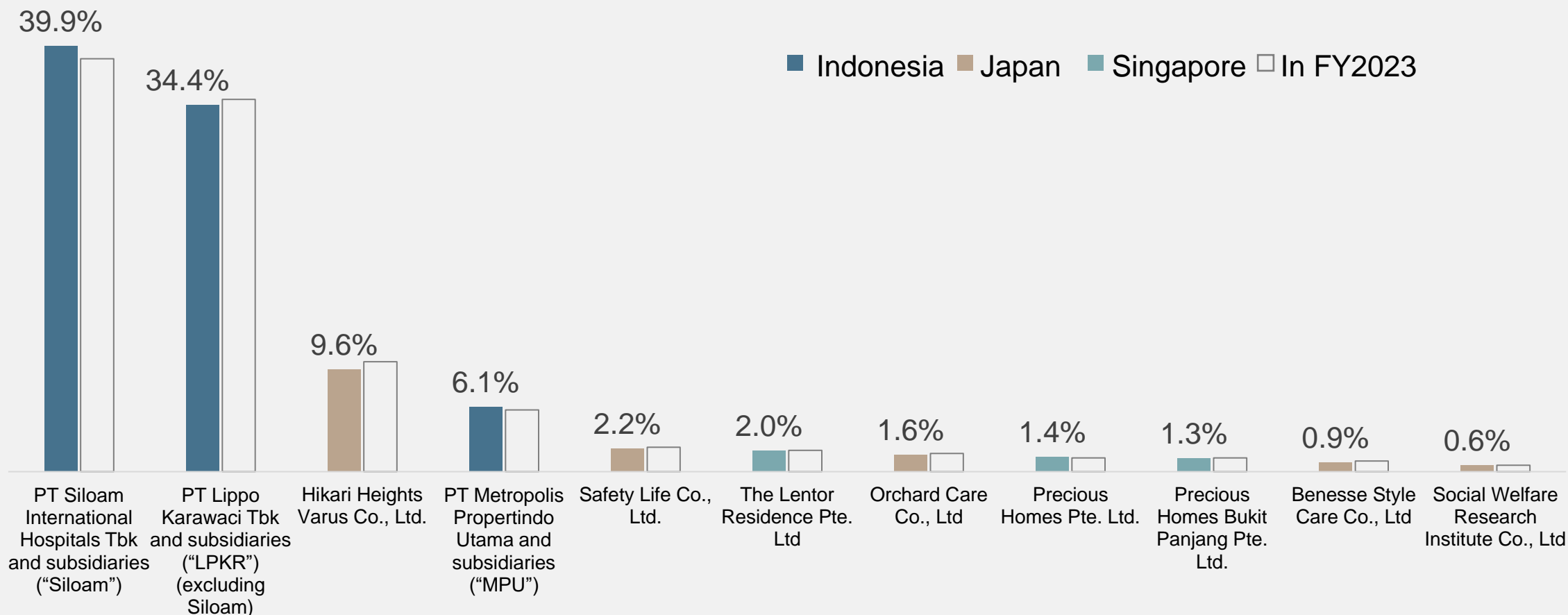
(1) Without FRS 116 Adjustment on rental straight-lining.

(2) Based on average exchange rates, SGD/IDR depreciated 2.4% from 11,494 in 1Q 2023 to 11,765 in 1Q 2024, while SGD/JPY depreciated 12.1% from 99 to 111 over the same period.

(3) Excluding properties with rent denominated in SGD.

RENTAL INCOME FROM 11 TENANTS ACROSS THREE MARKETS

1Q 2024 Rental Income, by Tenants (1)



Note

(1) Without recognition of FRS 116 rental straight-lining adjustments.

HEALTHY BALANCE SHEET AND FINANCIAL RATIOS

	As at 31 December 2023	As at 31 March 2024
Total Assets ⁽¹⁾	S\$1,187.3 million	S\$1,170.2 million
Total issued and issuable units	2,076.9 million	2,081.5 million
NAV/Unit	30.18 cents	29.48 cents
Total Debt ^{(1), (2)}	S\$458.9 million	S\$454.6 million
% Debt, Fixed Rates or Hedged	87.2%	87.1%
All-in Cost of Debt Per Annum	5.0%	5.0%
Gearing Ratio ⁽³⁾	38.7%	38.8%
Interest Coverage Ratio ⁽⁴⁾	4.1 times	4.0 times

Notes

(1) Based on end of period exchange rates, SGD/IDR depreciated from 11,627 as at 31 December 2023 to 11,765 as at 31 March 2023, while SGD/JPY depreciated from 109 to 112 over the same period.

(2) Total debt before transaction costs.

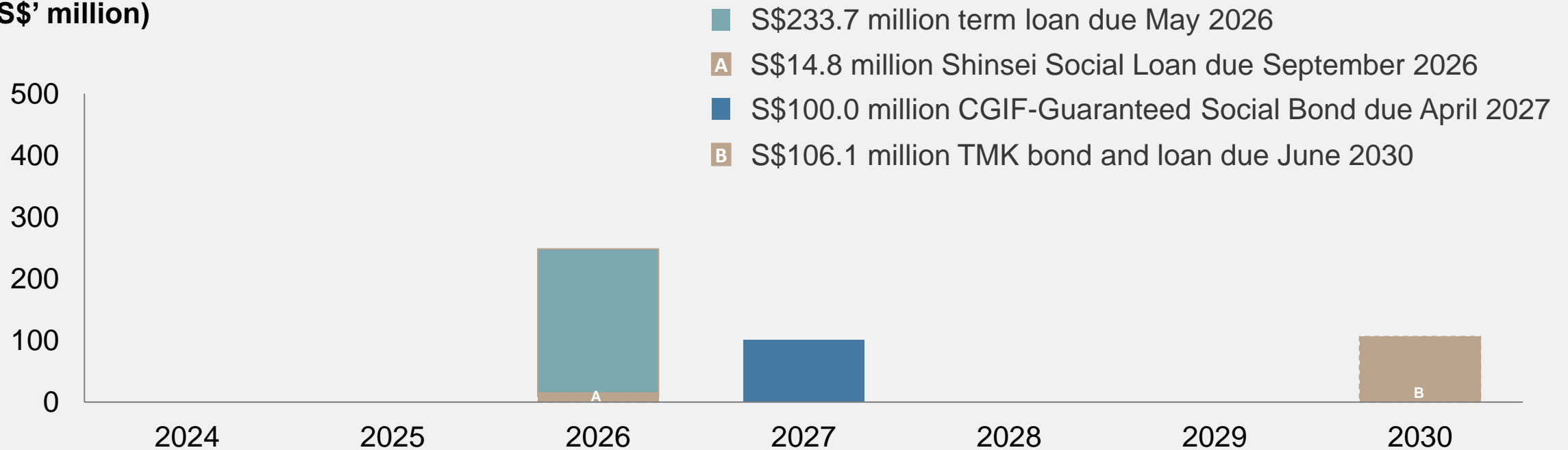
(3) Computed based on gross debt to deposited property.

(4) Adjusted interest cover ratio, including distribution to perpetual securities holders, is 3.9 times as at 31 December 2023 and 3.7 times as at 31 March 2024.

DEBT MATURITY PROFILE

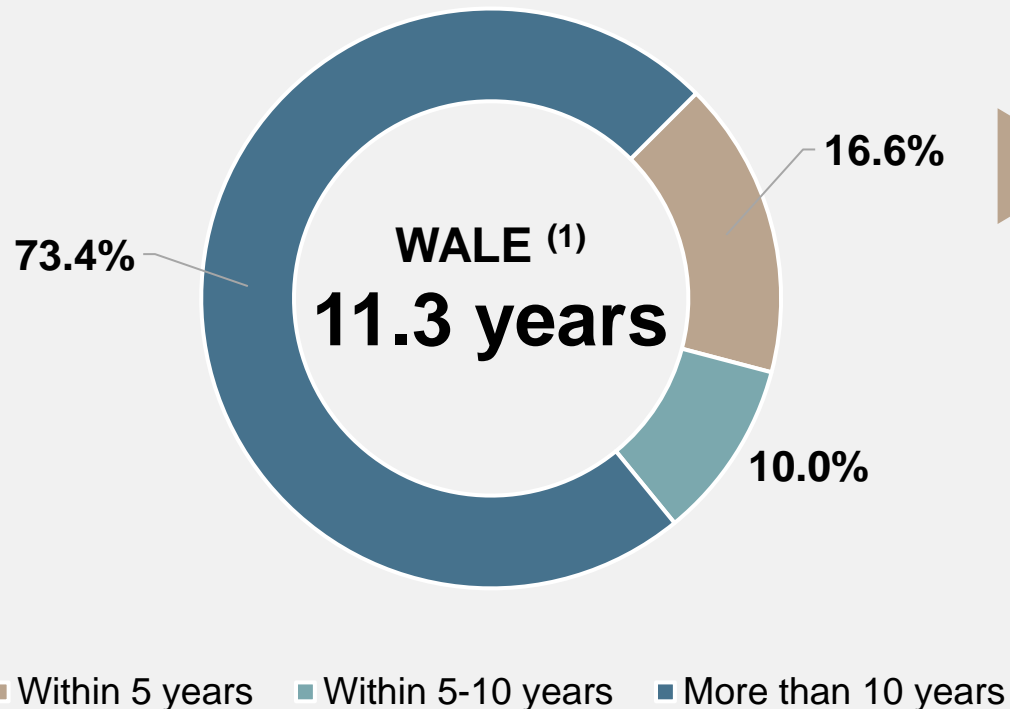
- ☑ No refinancing requirements until May 2026.
- ☑ Weighted average term to maturity: 3.3 years as at 31 March 2024 (3.6 years as at 31 December 2023).
- ☑ Debt comprises 73.4% offshore borrowings in SGD and 26.6% onshore borrowings in JPY.

(S\$' million)



WALE & LEASE EXPIRY PROFILE

**Lease Expiry Profile
as % of GFA**



Lease Expiry within 5 Years	
Property	Expiry
Imperial Aryaduta Hotel & Country Club ⁽²⁾	Dec 2024
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 Séjour Komaki	May 2027
The Lentor Residence	Jun 2027
Hotel Aryaduta Manado	Nov 2027

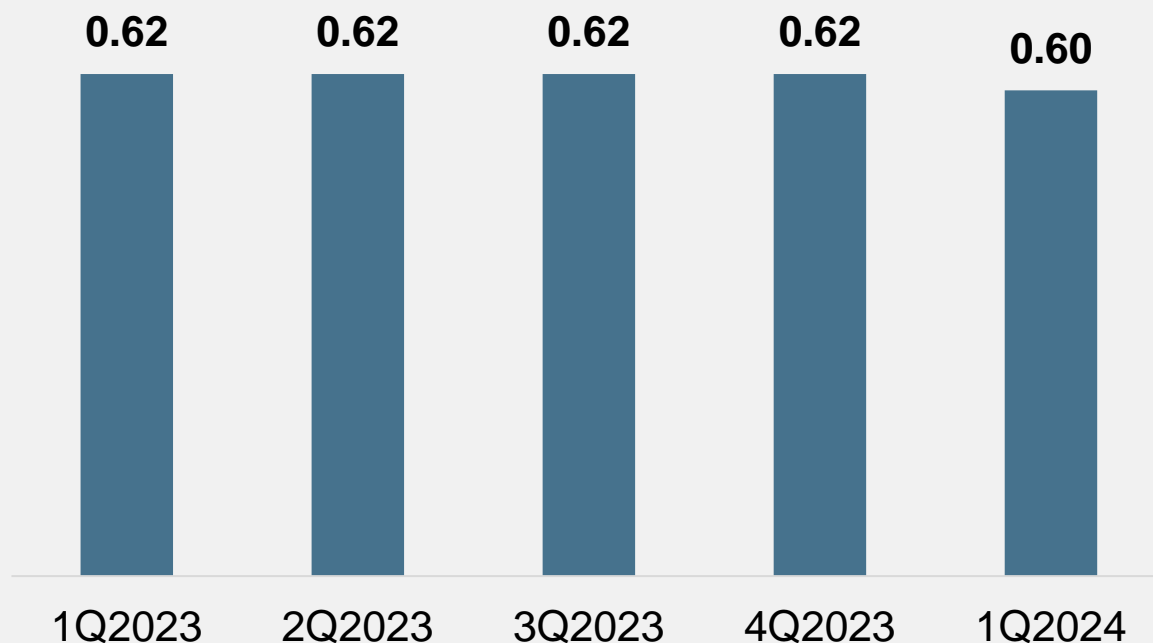
Notes

(1) The WALE is calculated on a gross floor area basis of 448,744 sqm as at 31 March 2024.

(2) As announced on 29 December 2023, the master lease of Imperial Aryaduta Hotel & Country Club had been renewed up to 31 December 2024 and a further term of one year may be granted upon mutual agreement. 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 as it further refines its longer-term business plans.

DELIVERING QUARTERLY DISTRIBUTIONS ON SUSTAINABLE LEASES

Distribution Per Unit (DPU)
(Singapore cent)



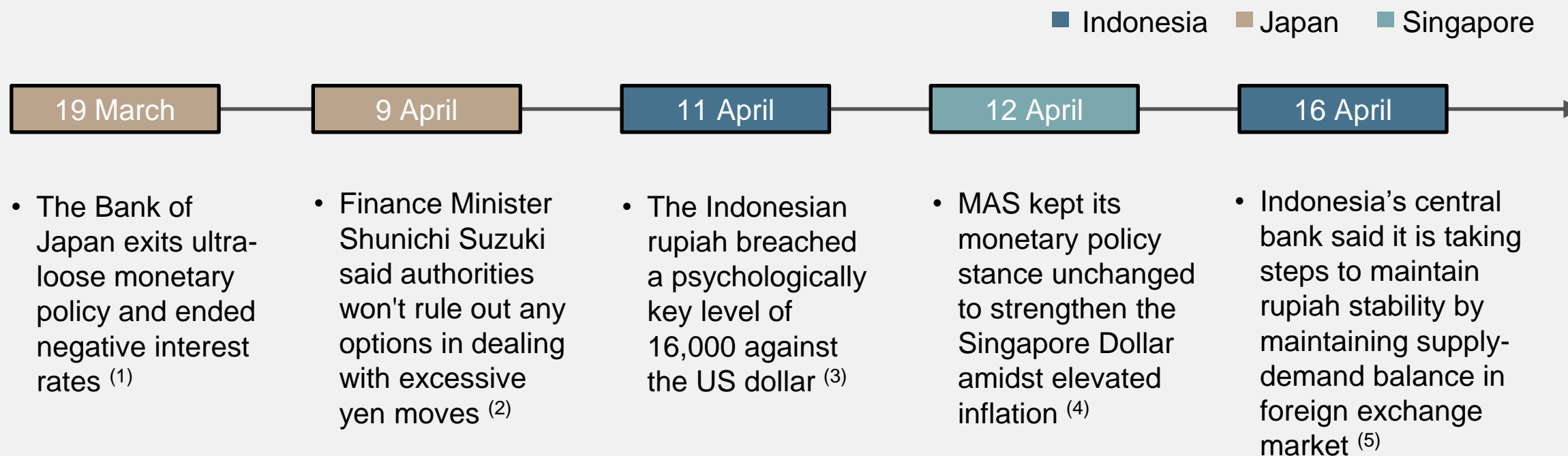
1Q 2024 Distribution Details	
Last Trading Day Quoted on a "Cum" Distribution Basis	6 May 2024
Ex-distribution Date	7 May 2024
Book Closure Date	8 May 2024 at 5.00pm
Distribution Payment Date	21 June 2024

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MACROECONOMIC CONDITIONS

- Amidst market uncertainty regarding interest rates and the impact from currency translation, First REIT will continue to strengthen its capital structure by utilising derivative financial instruments.



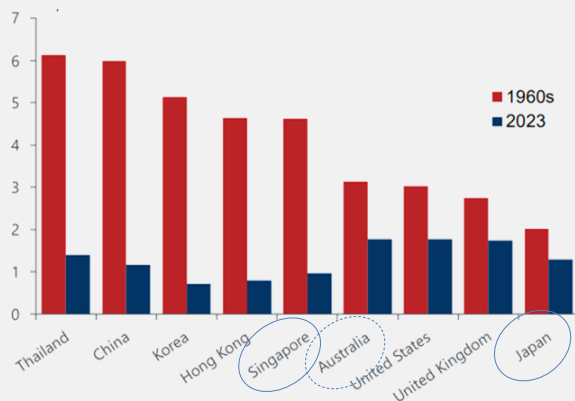
Notes

- (1) Reuters, 19 March 2024, '[Bank of Japan scraps radical policy, makes first rate hike in 17 years](#)'
(2) CNA, 9 April 2024, '[Japan warns against excessive volatility as yen slides near fresh lows](#)'
(3) The Business Times, 11 April 2024, '[Rupiah breaches key 16,000 level to hit four-year low against greenback](#)'
(4) The Straits Times, 12 April 2024, '[MAS keeps Singdollar policy unchanged to fight still-elevated inflation](#)'
(5) CNA, 16 April 2024, '[Indonesia central bank open to buying government bonds to steady market](#)'

RIDING ON MEGATRENDS: AGEING DEMOGRAPHICS & UNDER-PENETRATED HEALTHCARE SECTOR

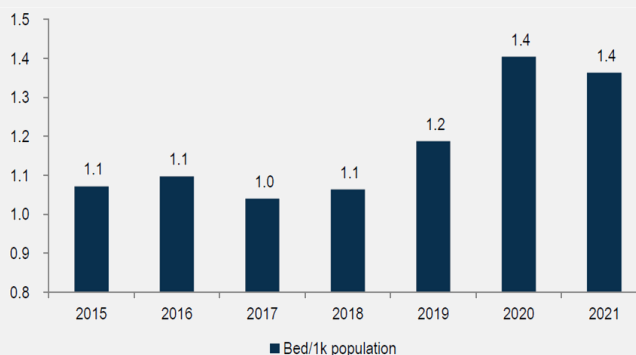
- Aged care markets in much of Asia Pacific are at a nascent stage of development, as the responsibility of elderly care potentially shifts from families to institutions amidst declining birthrates ⁽¹⁾.
- In Indonesia, the government is targeting to elevate the middle-class population to 80 percent, up from the current 20 percent, in its pursuit of becoming a high-income country by 2045 ⁽²⁾. Rising affluence in Indonesia are expected to translate into a higher demand for quality healthcare in the long-term.

Total fertility rate 1960s vs today



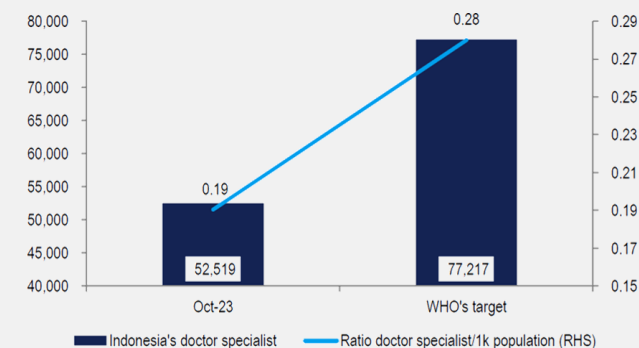
Source: Oxford Economics/United Nations

Indonesia's bed/1k population ratio is still below WHO recommendation of 2 beds/1K population



Source: CEIC, Indo Premier

Indonesia's doctor specialist/1K population is still below WHO's standard



Source: Konsil Kedokteran Indonesia, Euromonitor, Indo Premier

Notes

- (1) Oxford Economics, 13 March 2024, '[Rapid ageing a tailwind for the aged care sector in Asia Pacific](#)'
 (2) Jakarta Globe, 6 March 2024, '[Indonesia Aiming for 80 Percent Middle Class Population in 2045: Bappenas](#)'

HEALTHCARE REAL ESTATE A RESILIENT ASSET CLASS WITH ROBUST DEMAND FUNDAMENTALS AND LONG-RUN GROWTH PROSPECTS

First REIT 2.0 Growth Strategy

1

Diversify into Developed Markets

Increase portfolio in developed markets to **>50% of AUM by FY2027**

25.5% of AUM in developed markets as at 31st December 2023

2

Reshape Portfolio for Capital Efficient Growth

Recycle capital from non-core, or mature assets

Completed divestment of Siloam Hospitals Surabaya in September 2022

Identified IAHCC ⁽¹⁾ as a non-core asset which is being marketed for divestment

3

Strengthen Capital Structure to Remain Resilient

Diversify funding sources, continue to optimise financial position

Successfully priced Singapore's first healthcare social bond in April 2022

No refinancing requirements until May 2026

4

Continue to Pivot to Ride Megatrends

Improve ESG, ride on opportunities in ageing demographics and under-penetrated healthcare sector

Note

(1) Imperial Aryaduta Hotel & Country Club.



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



Q&A

Thank You



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