

SIAS Corporate Connect

5 November 2024



DISCLAIMER

This presentation has been prepared by First REIT Management Limited, in its capacity as the manager of First Real Estate Investment Trust (“First REIT”, and the manager of First REIT, the “Manager”).

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.

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⁾

10.8
years



Max. No.
Rooms/Beds ⁽³⁾

6,511



Total No.
of Tenants ⁽³⁾

11



Occupancy
Rate ⁽³⁾

100%

Notes

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

(2) As at 30 September 2024, First REIT's Sponsors hold 45.06% of First REIT units and 100% of the Manager, reflecting a strong alignment of interests with Unitholders.

(3) As at 30 September 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	<p>Higher of</p> <ul style="list-style-type: none"> • Base rent escalation of 4.5%; or • Performance-based rent 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⁾
Managing Inflation	<ul style="list-style-type: none"> • Cost of utilities and repair managed by Master Lessees in triple net lease agreements. 	<ul style="list-style-type: none"> • Cost of utilities managed by Master Lessees in double net lease and triple net lease agreements. 	<ul style="list-style-type: none"> • Cost of utilities managed by Master Lessees in single net lease and triple net lease agreements.

Notes

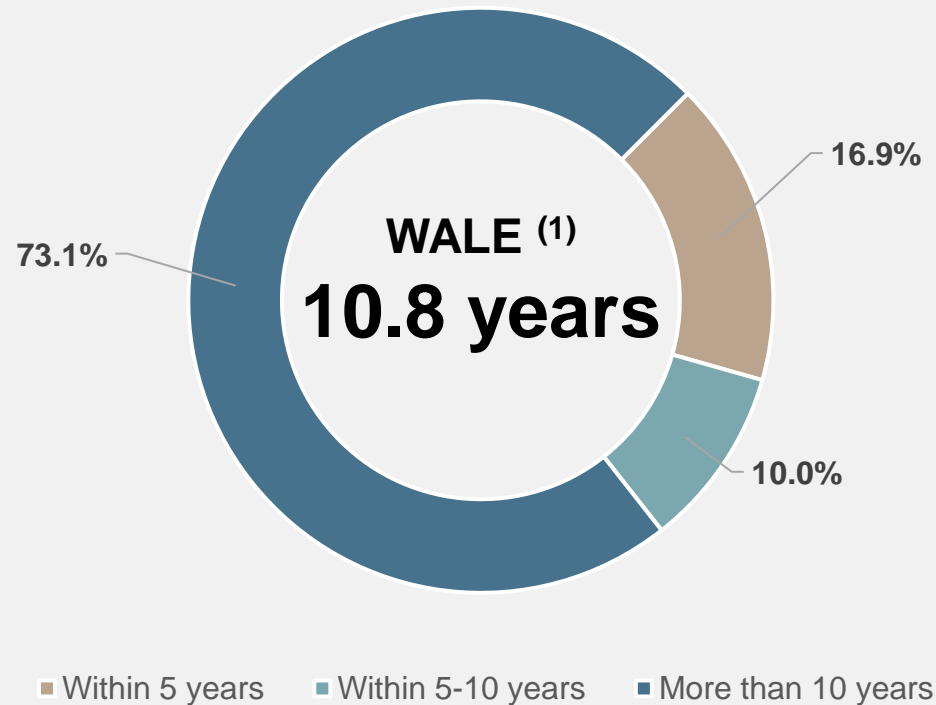
(1) Excluding Siloam Hospitals Lippo Cikarang, of which rent is denominated in SGD with a fixed base rental, an annual base rental escalation (2x percentage increase of Singapore CPI, capped at 2%), and an additional variable rental growth component that is a function of the year-on-year increase in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

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

WALE & LEASE EXPIRY PROFILE

LEASE EXPIRY PROFILE AS % OF GFA

(AS AT 30 SEPTEMBER 2024)



Lease Expiry within 5 Years	
Property	Expiry
Imperial Aryaduta Hotel & Country Club ⁽²⁾	Dec 2024
Siloam Hospitals Lippo Cikarang	Dec 2025
Precious Homes @ Bukit Merah	Apr 2027
Precious Homes @ Bukit Panjang	Apr 2027
Medical Rehabilitation Home Bon Séjour Komaki	May 2027
The Lentor Residence	Jun 2027
Hotel Aryaduta Manado	Nov 2027

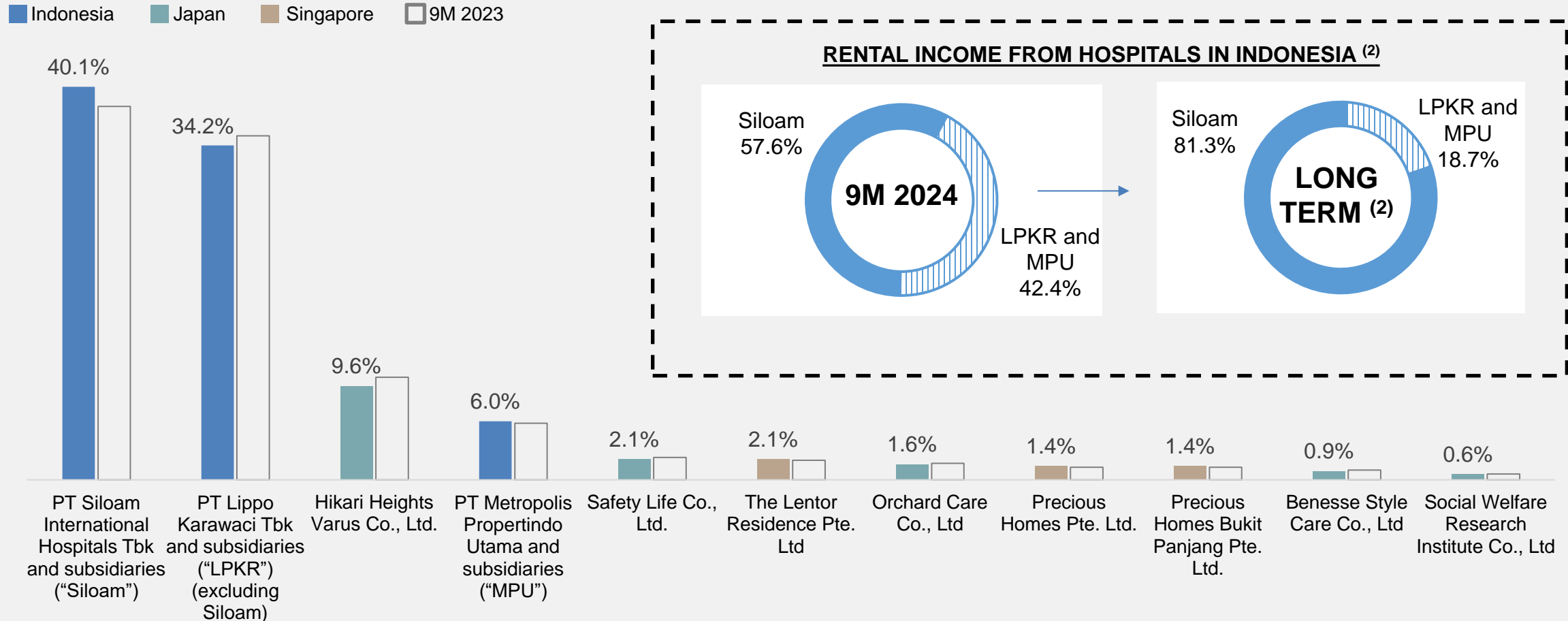
Notes

(1) The WALE is calculated on a gross floor area basis and as at 30 September 2024.

(2) In October 2024, it was mutually agreed that the lease term for Imperial Aryaduta Hotel & Country Club was further extended for one year till 31 December 2025. The Manager intends to continue to market 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 extended lease provides some revenue stability from IAHC while still allowing the Manager strategic flexibility as it further refines its longer-term business plans.

DIVERSIFIED TENANT BASE

TENANT MIX BY RENTAL INCOME IN 9M 2024 ⁽¹⁾



Notes

(1) Before recognition of FRS 116 rental straight-lining 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.



9M 2024 FINANCIAL HIGHLIGHTS

KEY FINANCIALS

FINANCIAL HIGHLIGHTS (S\$' MILLION)	9M 2024	9M 2023	% Change
RENTAL & OTHER INCOME ⁽¹⁾	77.0	81.4	(5.3%)
NET PROPERTY & OTHER INCOME ⁽²⁾	74.4	79.1	(6.0%)
DISTRIBUTABLE AMOUNT	37.0	38.4	(3.4%)
TOTAL ISSUED AND ISSUABLE UNITS (MILLIONS)	2,094.4	2,076.9	0.8%
DPU (CENTS)	1.78	1.86	(4.3%)

- Rental and Other Income declined 5.3% year-on-year to S\$77.0 million in 9M 2024, and Net Property and Other Income fell 6.0% year-on-year to S\$74.4 million over the same period.
- The financial results in 9M 2024 were impacted by the depreciation of Japanese Yen and Indonesian Rupiah against Singapore Dollar.
- Distributable Amount declined by 3.4% year-on-year to S\$37.0 million in 9M 2024 and DPU has consequently dipped from 1.86 Singapore cent in 9M 2023 to 1.78 Singapore cent in 9M 2024.
- 3Q 2024 DPU of 0.58 Singapore cent was 3.3% lower as compared to the two preceding quarters of 0.60 Singapore cent.

Notes

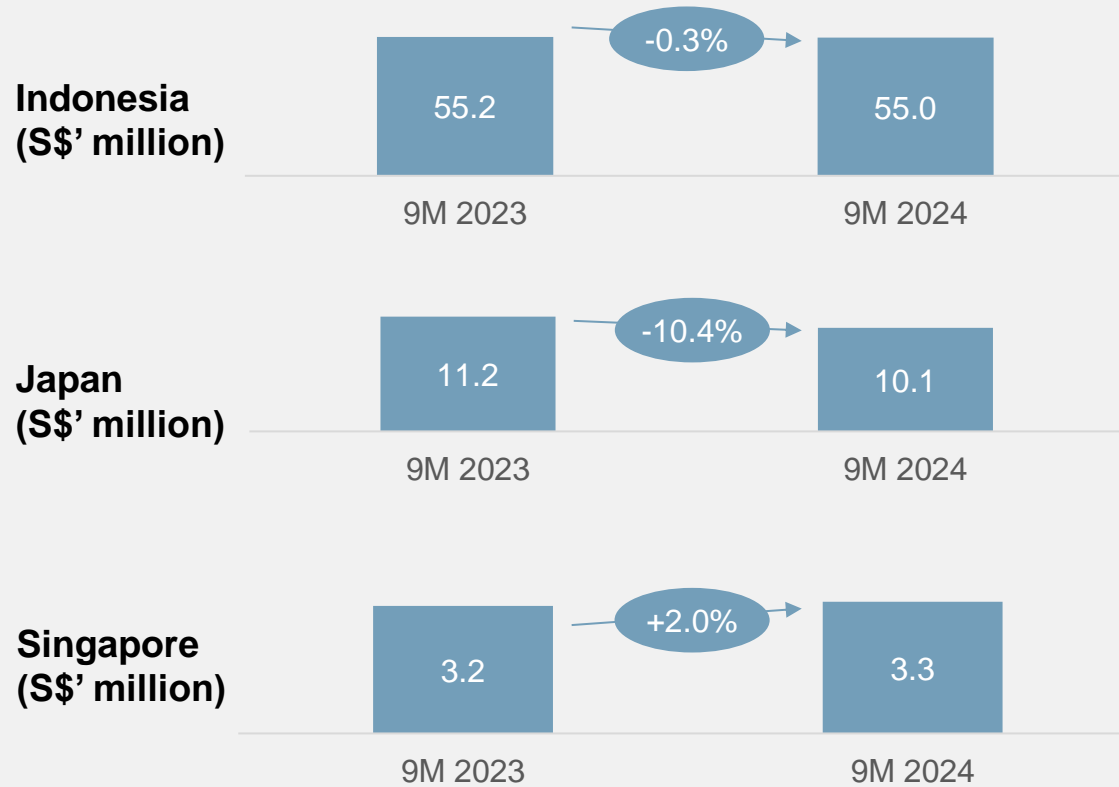
(1) Excluding FRS 116 adjustment on rental straight-lining, rental and other income decreased by 1.8% to S\$68.4 million in 9M 2024 as compared to S\$69.6 million in 9M 2023.

(2) Excluding FRS 116 adjustment on rental straight-lining, net property and other income decreased by 2.5% to S\$65.7 million in 9M 2024 as compared to S\$67.4 million in 9M 2023.

HEALTHY UNDERLYING PERFORMANCE

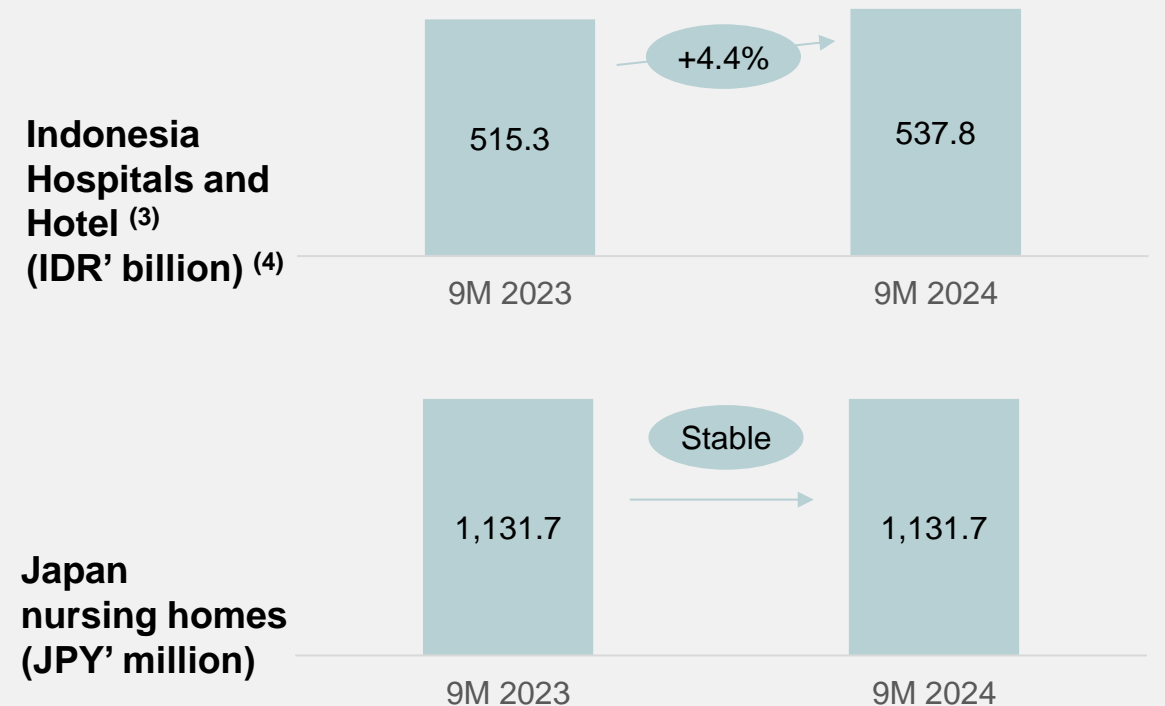
Financial Highlights

Rental and Other Income (1), (2)



100% committed occupancy, with healthy underlying growth

Rental and Other Income (In local currency) (1), (2)



Notes

- (1) Excluding FRS 116 adjustment on rental straight-lining.
- (2) Based on average exchange rates, SGD/IDR depreciated 3.5% from 11,364 in 9M 2023 to 11,765 in 9M 2024, while SGD/JPY depreciated 10.9% from 101 to 112 over the same period.
- (3) Including Imperial Aryaduta Hotel & Country Club.
- (4) Excluding Siloam Hospitals Lippo Cikarang as its rent is denominated in SGD.

BALANCE SHEET & FINANCIAL POSITION

S\$' MILLION	AS AT 30 SEPTEMBER 2024	AS AT 31 DECEMBER 2023
ASSETS		
NON-CURRENT	1,129.4	1,139.5
CURRENT	46.5	47.9
TOTAL	1,175.9	1,187.3
LIABILITIES		
NON-CURRENT	514.5	509.5
CURRENT	19.0	17.7
TOTAL	533.5	527.2
UNITHOLDERS' FUNDS	609.4	626.9
TOTAL ISSUED UNITS (MILLIONS)	2,090.2	2,076.9
NAV/UNIT (CENT)	29.16	30.18

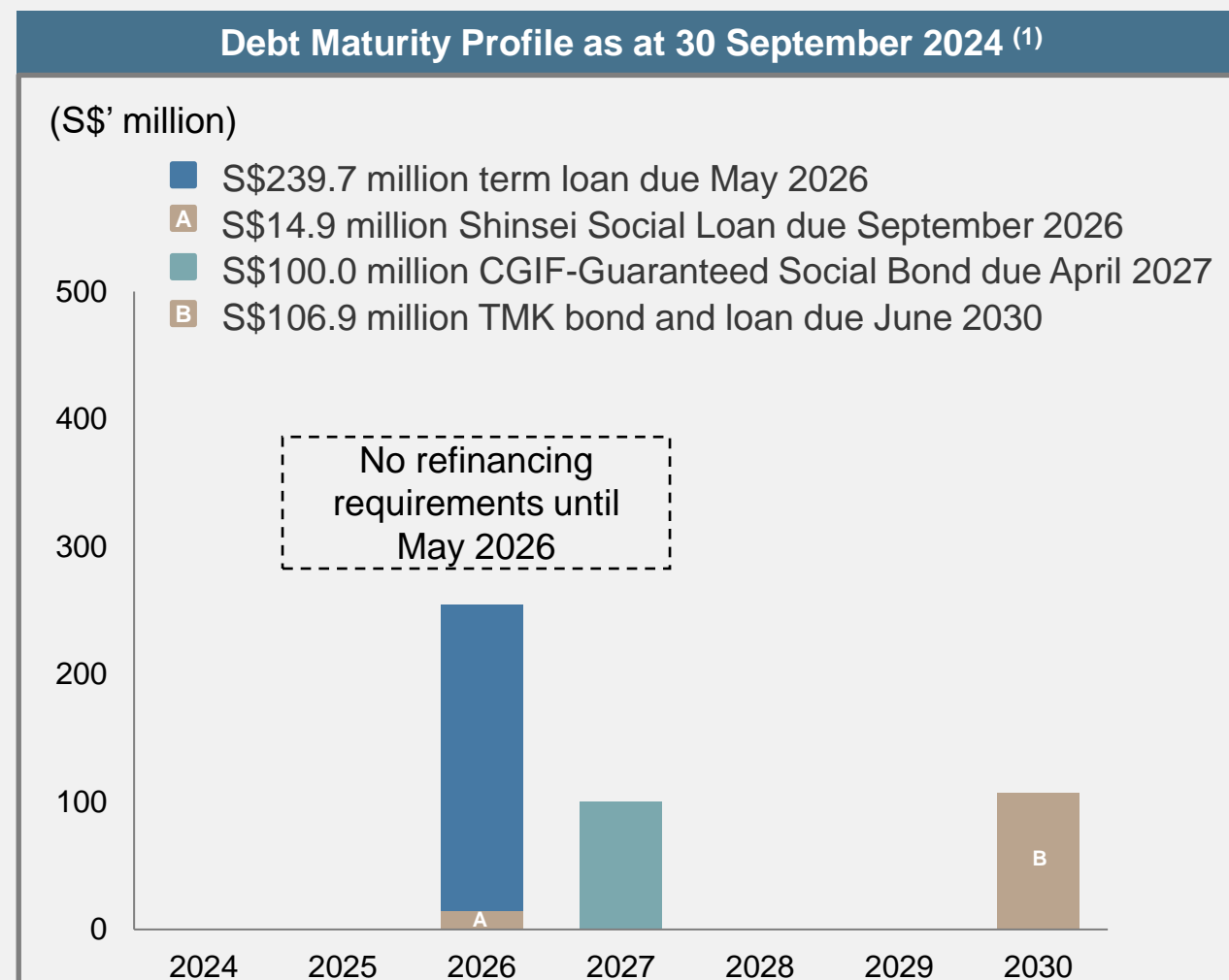
- Investment properties decreased from S\$1,139.5 million to S\$1,129.4 million mainly due to depreciation of the Japanese Yen and Indonesian Rupiah against Singapore Dollar.
- Non-current and current liabilities included an increase in borrowings mainly due to drawdown of bank loans offset by weakening of Japanese Yen against Singapore Dollar.
- The total issued units increased by 0.8% due to the issuance of units for payment of management fee to the Manager.

Note

(1) Based on end of period exchange rates, SGD/IDR depreciated from 11,627 as at 31 December 2023 to 11,765 as at 30 September 2024, while SGD/JPY depreciated from 109 to 111 over the same period.

DEBT MATURITY PROFILE & CAPITAL MANAGEMENT

	AS AT 30 SEPTEMBER 2024	AS AT 31 DECEMBER 2023
TOTAL DEBT ⁽¹⁾	S\$461.5 million	S\$458.9 million
GEARING RATIO ⁽²⁾	39.3%	38.7%
WEIGHTED AVERAGE TERM TO MATURITY	2.8 years	3.6 years
ALL-IN COST OF DEBT PER ANNUM	5.0%	5.0%
INTEREST COVER RATIO ⁽³⁾	3.9 times	4.1 times
% DEBT, FIXED RATES OR HEDGED	86.0%	87.2%



Notes

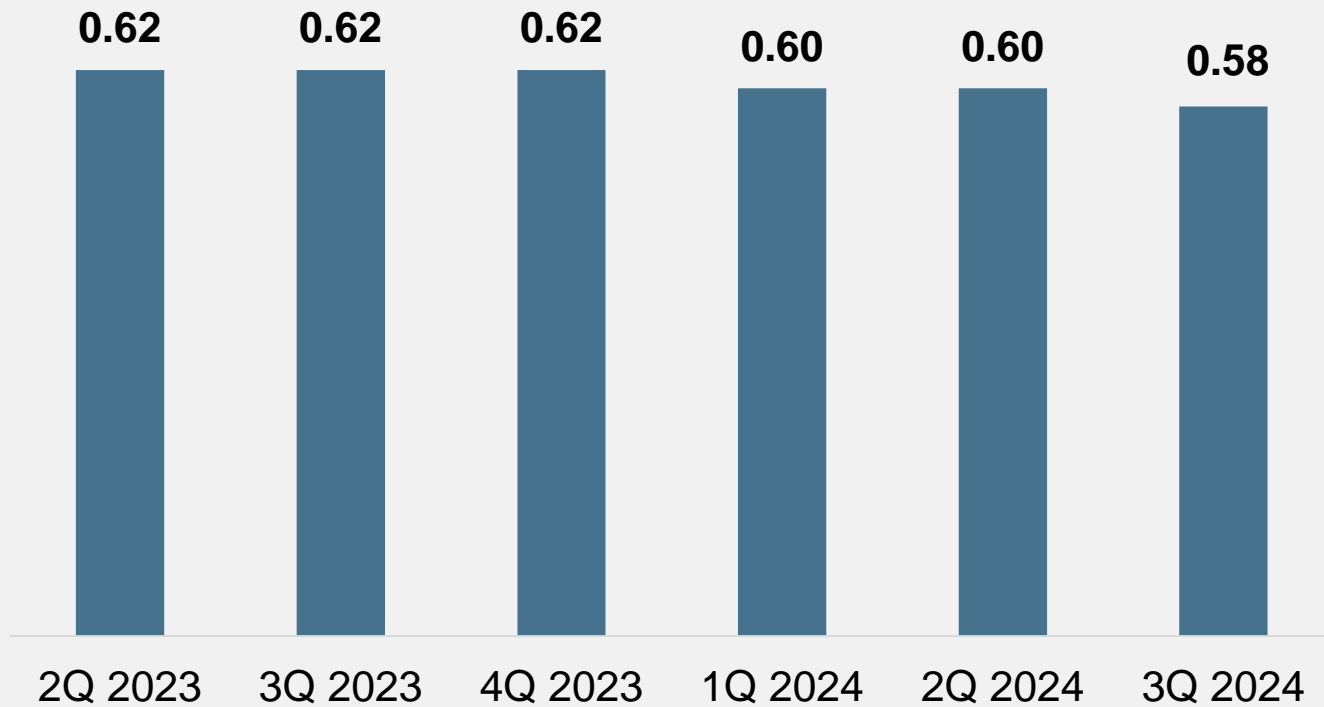
(1) Total debt before transaction costs.

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

(3) Adjusted interest cover ratio, including distribution to perpetual securities holders, is 3.6 times as at 30 September 2024 and 3.9 times as at 31 December 2023.

DELIVERING QUARTERLY DISTRIBUTIONS

Distribution Per Unit (DPU)
(Singapore cent)



3Q 2024 Distribution Details

Last trading day quoted on a "cum" distribution basis	11 November 2024
Ex-distribution date	12 November 2024 at 9.00 am
Book Closure Date	13 November 2024 at 5.00 pm
Distribution Payment Date	20 December 2024



OUTLOOK AND 2.0 GROWTH STRATEGY

OUTLOOK

INDONESIA

Macroeconomic conditions

- Inflation eased to 2.14 per cent in August 2024, the lowest since February 2022.
- The central bank is focused on stabilising the Indonesian rupiah before possibly easing rates in Q4 2024. ⁽¹⁾

Industry developments

- The government has been making significant strides in expanding healthcare access across the nation and has plans to allow private healthcare firms to open more hospitals and clinics in its more populous cities. ⁽⁴⁾

JAPAN

- With core consumer prices rising, and the Japanese yen facing pressures, the prospect of higher interest rates remain. ⁽²⁾

- The number of people aged 65 or older hit a record high of 36.25 million in 2024. ⁽⁵⁾
- Elderly in Japan, defined as 65 and older, accounted for 29.3% of the total population. ⁽⁵⁾
- The Welfare Ministry plans to introduce robots into nursing care facilities to improve work efficiency and reduce the burden on care staff amid labour shortage. ⁽⁶⁾

SINGAPORE

- Monetary Authority of Singapore continued to maintain the rate of appreciation of the Singapore dollar nominal effective exchange rate policy band. ⁽³⁾

- The proportion of citizens aged 65 and above increased from 12.4% in 2014 to 19.9% in 2024. By 2030, around 1 in 4 citizens (24.1%) will be aged 65 and above. ⁽⁷⁾
- The Ministry of Health and Agency for Integrated Care piloted a community care career track programme for Singapore's eldercare sector. ⁽⁸⁾

✓ The Manager is closely monitoring and progressively hedging net cashflow from Indonesia and Japan in accordance with hedging policy.

✓ Together with strong sponsor support from OUE Limited and OUE Healthcare Limited, First REIT is well-positioned to ride the tailwinds in the healthcare real estate sector.

✓ The Manager will remain focused on First REIT's 2.0 Growth Strategy.

Sources

(1) Reuters, August 2024, [Indonesia central bank keeps rates steady, focuses on stabilizing the rupiah](#)

(2) Reuters, September 2024, [Japan's core inflation accelerates for 4th month in August](#)

(3) Monetary Authority of Singapore, MAS Monetary Policy Statement July 2024

(4) The Straits Times, August 2024, [Indonesia pushes for wider healthcare access by tying urban expansion to rural development](#)

(5) Statistics Bureau of the Ministry of Internal Affairs and Communications, September 2024, [A statistical look at Japan's elderly population - In honour of "Respect for the Aged Day"](#)

(6) The Japan Times, August 2024, [Japan to expand nursing care robot introduction support](#)

(7) National Population and Talent Division, September 2024, [Population in Brief 2024](#)

(8) The Straits Times, October 2024, [Community care career track rolled out for Singapore eldercare sector](#)

2.0 GROWTH STRATEGY

<p>1</p> <p>Diversify into Developed Markets</p>	<p>2</p> <p>Reshape Portfolio For Capital Efficient Growth</p>	<p>3</p> <p>Strengthen Capital Structure to Remain Resilient</p>	<p>4</p> <p>Continue to Pivot to Ride Megatrends</p>
<p>Increase portfolio in developed markets to >50% of AUM by FY 2027</p> <p>25.5% of AUM in developed markets as at 31st December 2023</p>	<p>Recycle capital from non-core, or mature assets</p> <p>Completed divestment of Siloam Hospitals Surabaya in September 2022</p> <p>Identified IAHCC ⁽¹⁾ as a non-core asset which is being marketed for divestment</p>	<p>Diversify funding sources, continue to optimise financial position</p> <p>Successfully priced Singapore's first healthcare social bond in April 2022</p> <p>No refinancing requirements until May 2026</p>	<p>Improve ESG, ride on opportunities in ageing demographics and under-penetrated healthcare sector</p> <p>Committed energy-efficient CAPEX in FY2023 of over S\$1.12 million</p>



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

Note

(1) Imperial Aryaduta Hotel & Country Club.

FIRST REIT'S INVESTMENT MERITS

AGEING POPULATION IN JAPAN AND SINGAPORE; DEMAND FOR QUALITY HEALTHCARE SERVICES IN INDONESIA

STRONG SPONSORS SUPPORT AND LEADERSHIP

2.0 GROWTH STRATEGY TO RIDE TAILWINDS

A BALANCE OF GROWTH AND STABILITY

DELIVERING SUSTAINABLE DISTRIBUTIONS

NO REFINANCING REQUIREMENTS UNTIL MAY 2026

- ✓ First REIT's sponsors' combined stake in First REIT stands at 45.06% ⁽¹⁾; Management has extensive experience in accounting and finance as well as real estate asset management.
- ✓ Sustainable rent escalation built into master lease structure, long WALE of 10.8 years ⁽¹⁾, and 100% committed occupancy.
- ✓ Approximately 86.0% of debt on fixed rates or hedged and weighted average debt to maturity of 2.8 years ⁽¹⁾, and managing the foreign currency exposures with derivatives such as non-deliverable forwards.
- ✓ Target to achieve >50% of AUM in developed markets by FY2027 (FY2023: 25.5% ⁽²⁾), and reducing geographical and tenant concentration risk.
- ✓ 3Q 2024 distribution of 0.58 Singapore cent and price-to-book ratio of 0.96 as at 30 September 2024.

Notes

(1) As at 30 September 2024.

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



Q&A

Thank You



FIRST REIT MANAGEMENT LIMITED

Address: 333 Orchard Road #33-02 Hilton Singapore Orchard, Singapore 238867

Website: www.first-reit.com

LinkedIn: www.linkedin.com/company/first-reit

Email: ir@first-reit.com

Tel: (65) 6435 0168