

Lendlease Global Commercial REIT

SGX-REITAS webinar

23 November 2021



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Excellent Assets and Sponsor with Proven Track Record

Diversified Portfolio of Assets with Excellent Operating Metrics

- Quality assets in key gateway cities with excellent operating metrics
- Tax transparent treatment with exemption from Italian withholding tax and Singapore income tax on distributions received from Sky Complex

Singapore – 313@somerset



Milan – Sky Complex



Singapore – 31.8% interest in Jem



Singapore – Multifunctional event space adjacent to 313@somerset



Supported by Reputable Sponsor, Lendlease Corporation, with Proven Global Track Record



A\$15 billion

Construction

Construction backlog revenue for the core business



A\$114 billion

Development Pipeline

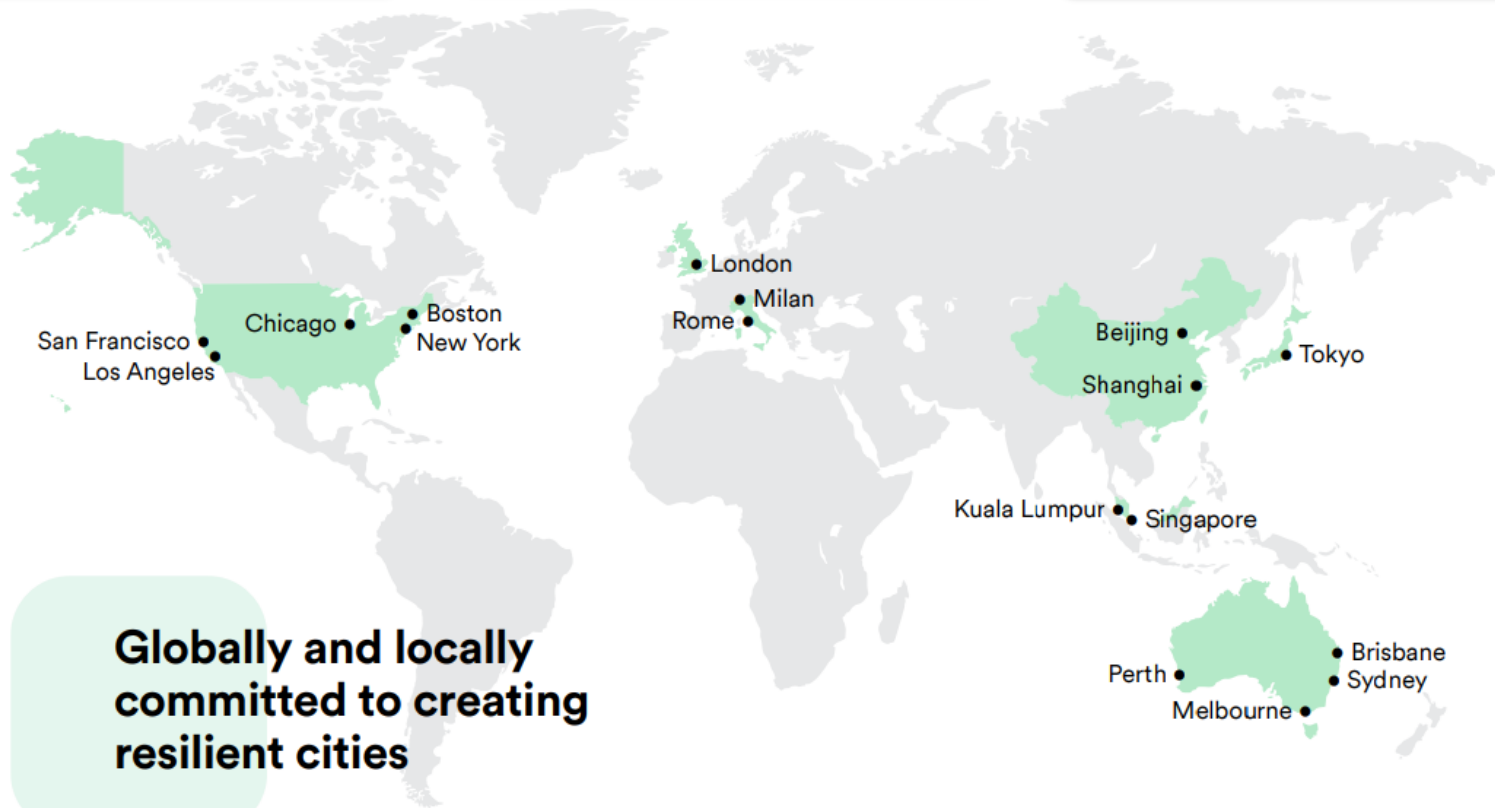
in urbanisation, communities, retirement living, and infrastructure development



A\$40 billion

Funds Under Management

over 150 institutional investors



LREIT's Key Milestones Since Listing



Won tender to develop a multifunctional event space adjacent to 313@somerset



LREIT recognised as regional Sector Leader in GRESB 2020

Included in iEdge S-REIT Leader Index

Included in FTSE EPRA Nareit Global Developed Index enhancing LREIT's trading liquidity and visibility to investors and index funds worldwide

May 2020

Jun 2020

Oct 2020

Nov 2020

Jan 2021

Mar 2021

July 2021

Sep 2021

Oct 2021

Included in the MSCI Singapore Small Cap Index



Acquired a strategic stake of 3.75% in Jem

Established a S\$1 billion Multicurrency Debt Issuance Programme



Obtained 99.91% vote in favour at the EGM to acquire up to 31.8% indirect interest in Jem

Multiple wins in GRESB 2021

- ✓ First places in the Asia Retail (Overall) and Asia Retail (Listed) categories
- ✓ Highest-tier rating of 5 stars for its ESG performance
- ✓ Scored "A" for Public Disclosure
- ✓ Second place in the fiercely competitive Global Retail (Listed) category



Key Highlights

lendlease
REIT
313
SOMERSET

Key highlights

- ✓ **Resilient portfolio performance with stable income**
 - Additional stake in Jem **increased LREIT's exposure in the resilient suburban retail segment** and **brings stable income** to Unitholders
 - Continued to **receive timely rental revenue** from Sky Complex with no arrears
 - Portfolio occupancy **remained high** at 99.8%
 - Leases expiring in FY2022 **substantially de-risked** to 4% by NLA and 11% by GRI within the first three months of FY2022
- ✓ **Included in FTSE EPRA Nareit Global Developed Index**
- ✓ **Stable liquidity position to meet current financial and operational obligations**

Key Portfolio Metrics (as at 30 September 2021)

Portfolio
Occupancy
99.8%

Weighted
Average Lease
Expiry
(by NLA)
8.5 years

Tenant
Retention
(by NLA)
90%⁽¹⁾

Capital Management (as at 30 September 2021)

Gearing Ratio
34.3%

Weighted
Average
Running Costs
of Debt
0.90% p.a.

Interest
Coverage Ratio
8.8 times⁽²⁾

(1) Refers to 313@somerset only as Sky Complex is 100% leased till 2032, excluding tenant's break option in 2026.

(2) The interest coverage ratio of 8.8 times is in accordance with requirements in its debt agreements, and 4.6 times in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

Received 5-star rating and swept two 1st positions in GRESB for two consecutive years in its two years of listing

- ✓ Scored >95 out of 100, higher than peer average of 84 and GRESB average of 73
- ✓ Ranked 1st in the Asia Retail (Overall) and Asia Retail (Listed) categories
- ✓ Regional Sector Leader status in both categories
- ✓ Received highest-tier 5-star rating
- ✓ Scored “A” for Public Disclosure
- ✓ Ranked 2nd in the Global Retail (Listed) category



313@somerset: **Green Mark Platinum** certification by the BCA



Jem: **Green Mark Platinum** and **Universal Design Mark Gold Plus** by the BCA



Sky Complex (Building 3): **LEED Gold Certification** by the U.S. Green Building Council

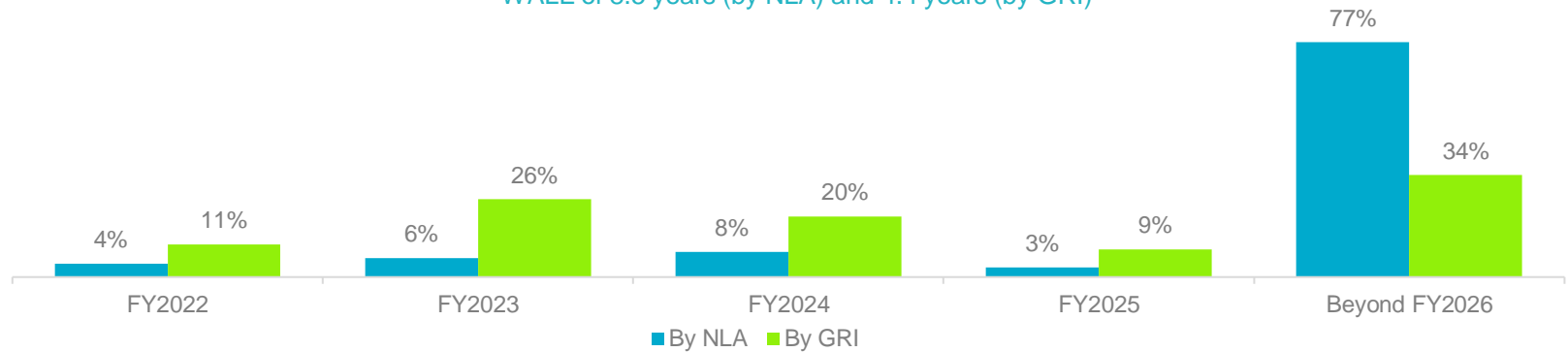
Portfolio Performance



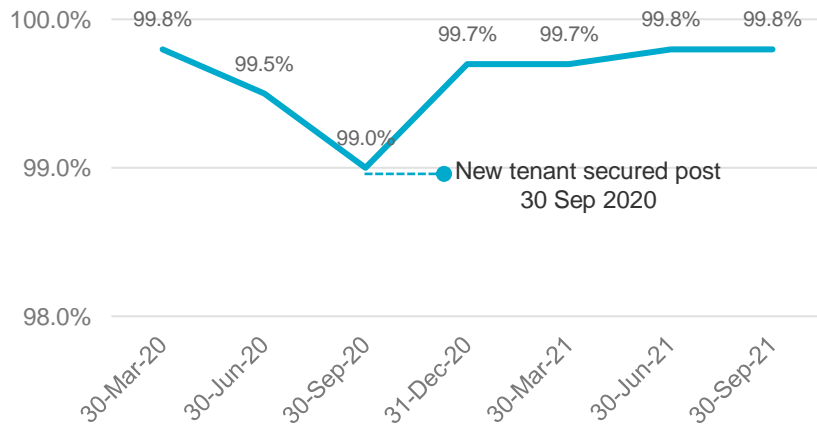
Portfolio overview

Leases expiring in FY2022 have been **substantially de-risked** to 4% by NLA and 11% by GRI with portfolio occupancy remained high at 99.8%.

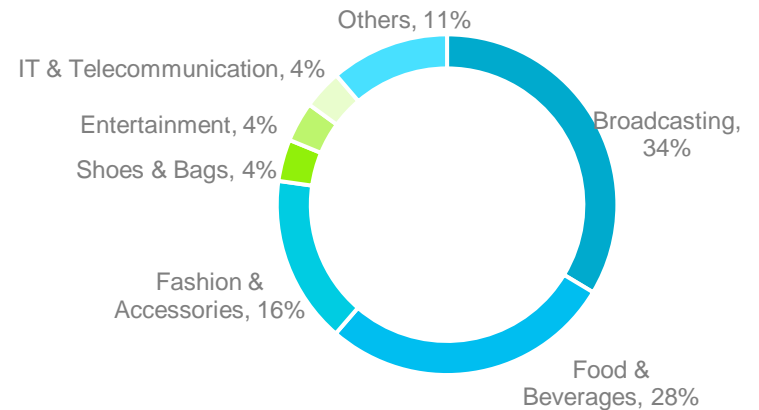
Well-spread Lease Expiry Profile
WALE of 8.5 years (by NLA) and 4.4 years (by GRI)



Healthy Portfolio Occupancy

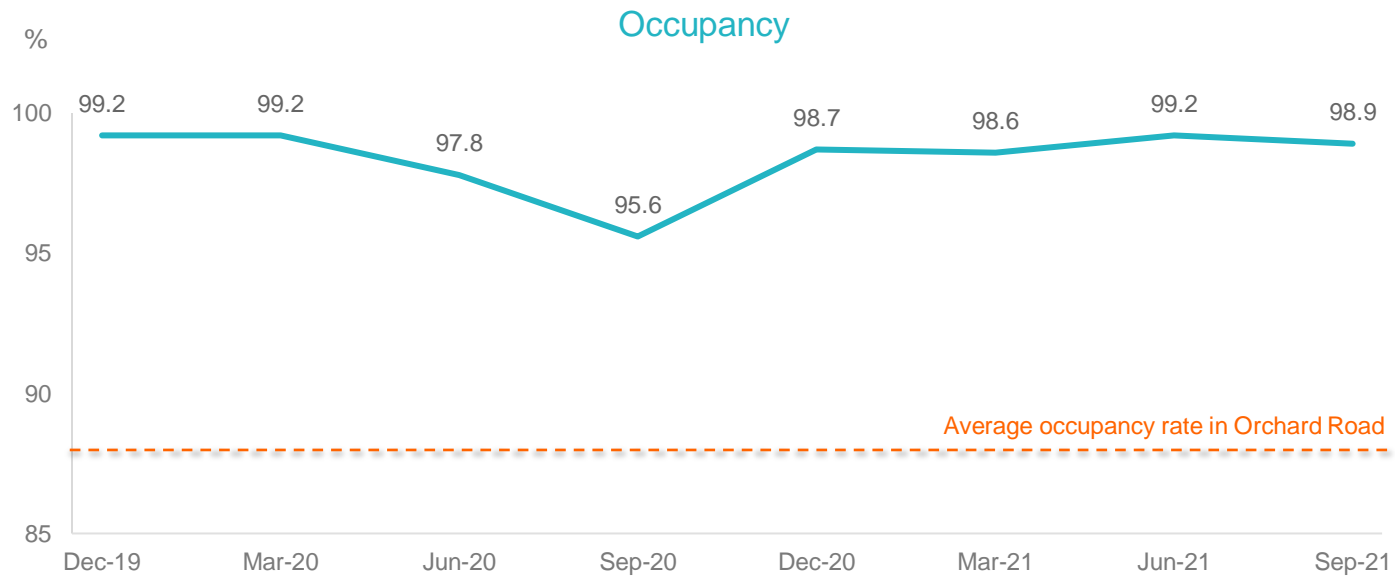


Diversified Tenant Base (by GRI)



Retail portfolio: High occupancy driven by proactive leasing strategy

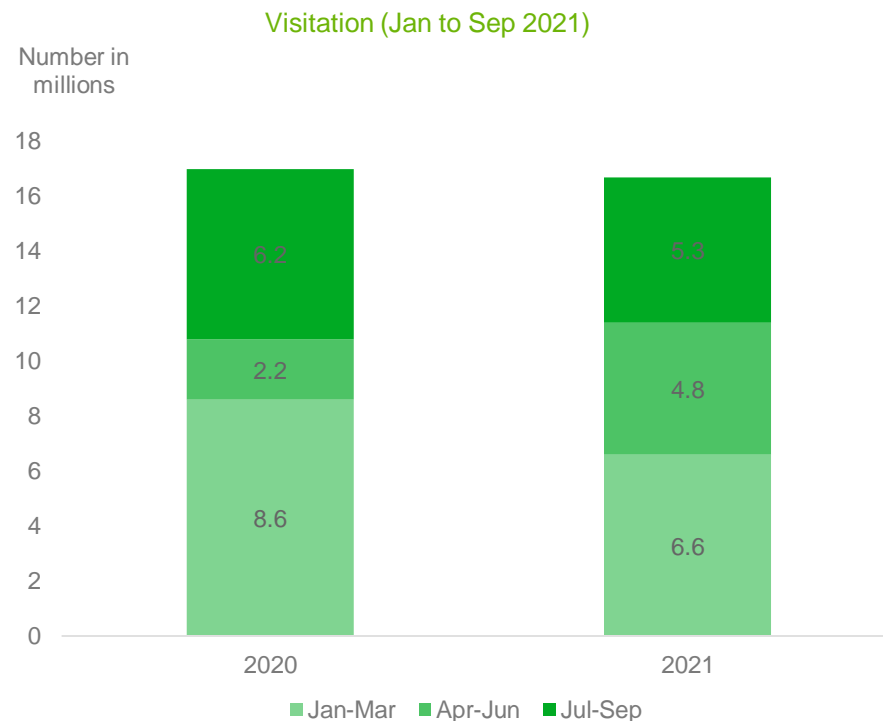
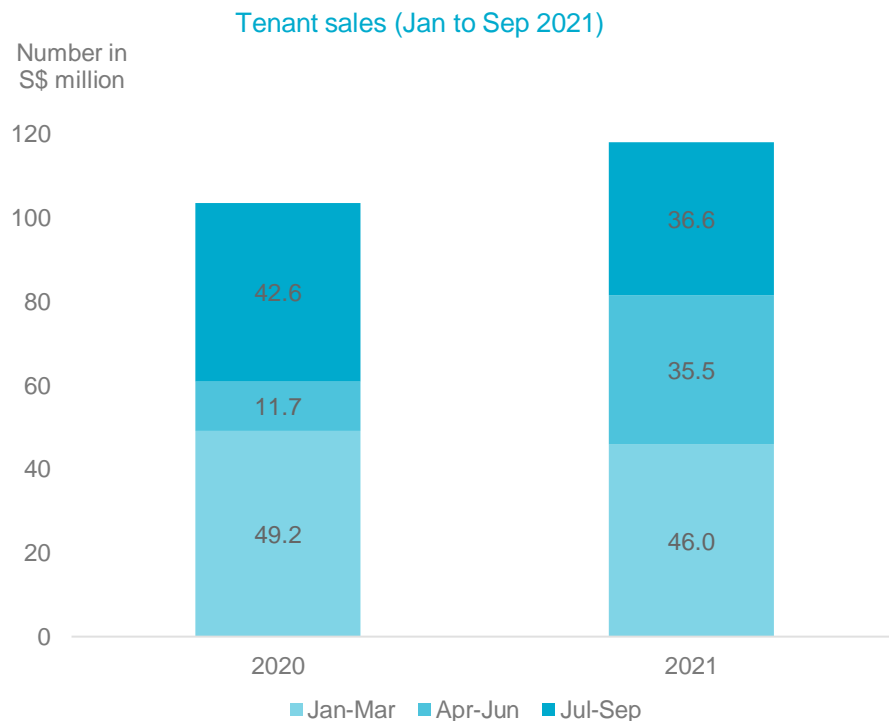
- Occupancy of 98.9% above Orchard Road’s average of 88.2%⁽¹⁾.
- High tenant retention rate of 90%.



(1) Source: Colliers International as at 30 June 2021.

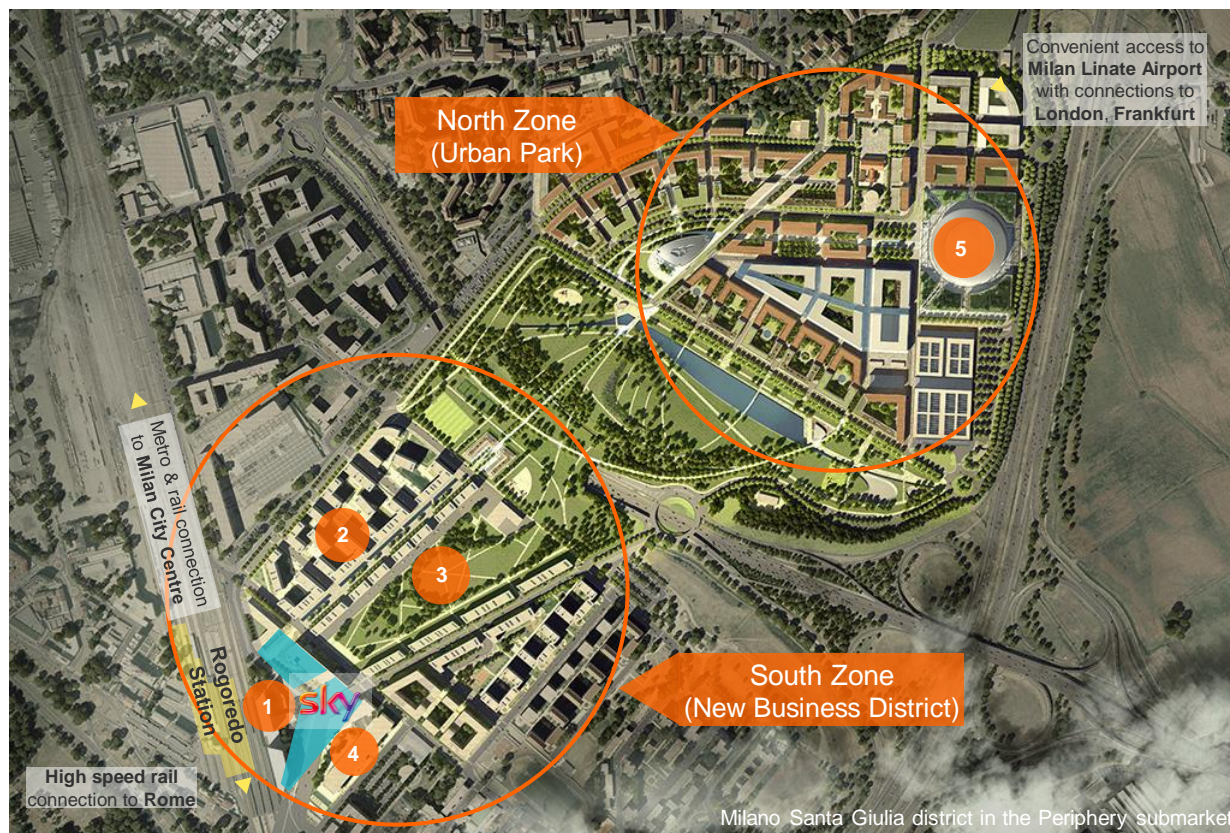
Retail portfolio: Tenant sales continued to improve YTD in 2021

- Notwithstanding the COVID-19 restrictions implemented by the Singapore government, tenant sales continued to **improve 14.1% YoY to S\$118.1 million** in the first 9 months of 2021.
- Performance was driven by **multi-prong marketing strategies** to help extend tenant brand communications, which include launching a suite of in-app offerings, expanding cross-collaborative partnerships with merchants and ongoing tie-ups with e-commerce platforms for campaigns.



Office Portfolio: Stable revenue with no arrears

- More employees have returned to Sky Complex with an increase in the number of enquires received on season parking.
- Spark One and Spark Two with ancillary retail units are expected to complete by end-2021 and 2Q 2022 respectively.
- Milano Santa Giulia has registered for the LEED Neighbourhood Certificate under the U.S. Green Building Council. This raises its profile as a key office location for major occupiers looking for future proof work environment with good quality office facilities.



- Sky Complex
- 1 Spark One and Spark Two, new grade-A office development projects. Approximately 80% of the space in Spark One was pre-let to Saipem, a global engineering company.
- 2 Residential area with 1,800 families and a shopping and entertainment street
- 3 Community park of size 45,000sqm
- 4 New campus of Giuseppe Verdi Conservatory, the largest music academy in Italy
- 5 Multifunctional arena where 2026 Winter Olympics will be held

31.8% indirect interest in Jem

- The additional stake increased LREIT’s exposure in the resilient suburban retail segment and brings stable income to Unitholders.
- Jem continues to demonstrate its attractiveness as a retail destination in the west of Singapore.
- Additional leasable space created at B1 to unlock value.



New F&B options for shoppers



Capital Management

Key financial indicators

Stable liquidity position to meet financial obligations

	As at 30 September 2021	As at 30 June 2021
Gross borrowings	S\$677.6 million	S\$553.7 million
Gearing ratio	34.3%	32.0%
Weighted average debt maturity	2.3 years	2.2 years
Weighted average running cost of debt ⁽¹⁾	0.90% p.a.	0.88% p.a.
Interest coverage ⁽²⁾	8.8 times	8.9 times

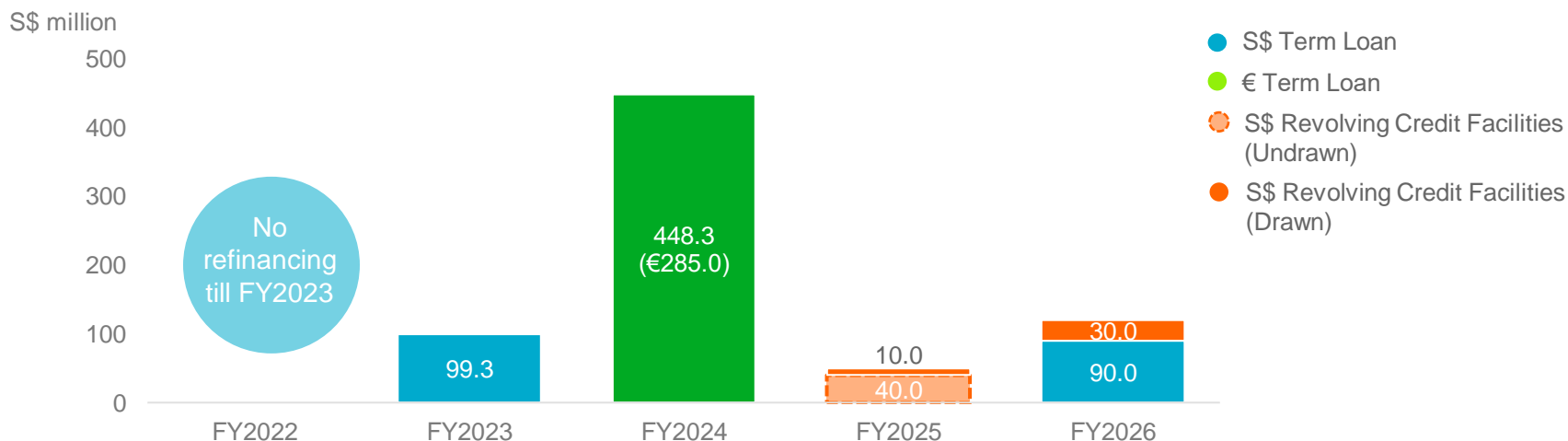
(1) Excludes amortisation of debt-related transaction costs.

(2) The interest coverage ratio as at 30 September 2021 of 8.8 times (30 June 2021: 8.9 times) is in accordance with requirements in its debt agreements, and 4.6 times (30 June 2021: 4.7 times) in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

Debt facilities and maturity profile

- 100% unsecured debt
- Natural hedge on investment into Sky Complex via Euro term loan
- Diversity of debt funding across a syndicate of well-rated financial institutions
- S\$137.2 million of undrawn multicurrency debt facilities⁽¹⁾

Debt Maturity Profile



(1) S\$137.2 million of undrawn multicurrency debt facilities includes S\$40 million of committed facilities as at 30 September 2021.



Building Value, Together

Curate tenant mix that appeals to the youth



Japanese-style variety store specialising in consumer goods



Taiwanese bubble tea, handmade with natural, fresh ingredients in-store

Create engaging experiences for shoppers

Seamless chain between online and on-site shopping



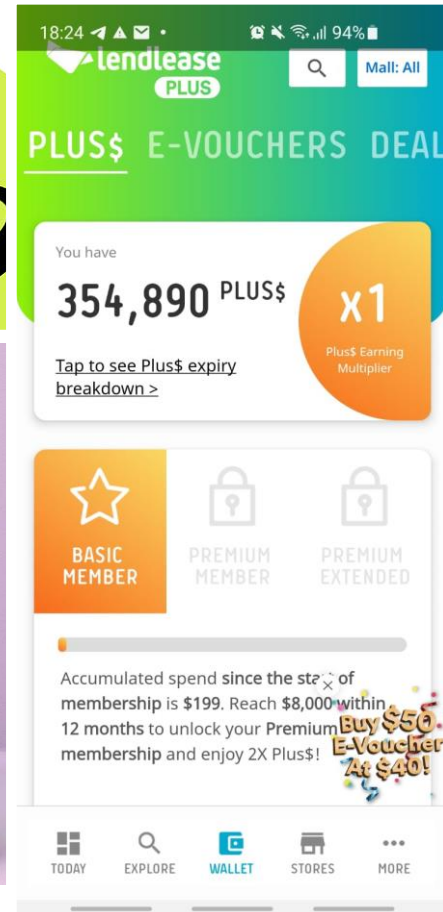
No. of Lendlease Plus members increased **45% YoY** in 2020






Total no. of e-deals redeemed **>42,000** in FY2021



Average monthly app traffic **>66,000**



Sustainability Targets Achieved in FY2021

Environmental⁽¹⁾ 	Energy Intensity <b style="color: #FF4500;">-19%	Water Intensity <b style="color: #FF4500;">-35%	GHG Emission <b style="color: #FF4500;">-20%	Waste Reduction <b style="color: #FF4500;">-24%
Social 	Health and Safety <b style="color: #008000;">No work-related injuries <b style="color: #008000;">No incidents of non-compliance			Local Community <b style="color: #008000;">4 engagements
Governance 	Anti-corruption <b style="color: #00AEEF;">No incidents of corruption		Regulatory Compliance <b style="color: #00AEEF;">No incidents of non-compliance	

(1) Results were compared against baseline year 2016.

...Beyond FY2021

- Adopt recommendations of Taskforce for Climate-related Financial Disclosure (TCFD).
- Two-year **shared value partnership with Project Dignity through Lendlease Foundation** to provide sponsored training for the differently-abled in Singapore.

Looking Ahead

Link To
Somerset Road
Open 24 Hours

313
@somerset

Key focus in the near term

Sustainable future



- Drive **resilient and sustainable returns** for our stakeholders.
- Continue to tap Sponsor's pipeline to acquire **high-quality assets with stable cash flow**.
- Focus on cost optimisation and a **solid balance sheet** supported by diverse sources of capital to enhance financial flexibility.
- Living with COVID-19 to **create value in the communities** by going beyond asset obligations and support shared value partnerships.

Organic growth



- Build on our retail assets' proposition for omnichannel tenants to **deliver an integrated shopping experience**.
- Focus on maintaining occupancy and keeping an **open communication with tenants**.
- Drive **sustainable business growth** through proactive asset management.
- Targeted marketing **campaigns to boost sales**.

Market Review

sky

Market Review

Singapore Retail Market

- Based on advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 6.5% YoY in the third quarter of 2021. Retail sales dipped 2.8% YoY in August 2021, a reversal from the 0.2% growth in July 2021.
- The launch of the Vaccinated Travel Lanes marks an important milestone for the financial hub.
- With the progressive easing of border restrictions in 2022 and higher vaccination rates, the retail segment is poised to benefit from improvements in economic activity and consumer sentiment in the near-term.

Milan Office Market

- The Italian National Institute of Statistics noted in its report that the consumer price index increased 2.5% YoY in September 2021.
- Leasing activities picked up in the second quarter of 2021 with a take up of approximately 105,000 sqm, up 67% YoY. The positive leasing demand was boosted by two large transactions in the Centre (35,000 sqm) and Periphery (19,600 sqm) respectively.
- A more dynamic second half of the year with stronger take up figures is expected, as occupiers who were looking for large spaces and had previously put their searches on hold, are now back in the market.



313@SOMERSET, SINGAPORE



SKY COMPLEX, MILAN



31.8% INDIRECT INTEREST IN JEM, SINGAPORE



ARTIST IMPRESSION. MULTIFUNCTIONAL EVENT SPACE, ADJACENT TO 313@SOMERSET

Thank You

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