

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 28 January 2019 (as amended and restated on 10 September 2019))

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

TABLE OF CONTENTS

Item No.	Description	Page No.
-	Introduction	2-3
-	Summary of Lendlease Global Commercial REIT Group Results	3
1(a)(i)	Consolidated Statement of Profit or Loss and Distribution Statement	4-7
1(a)(ii)	Consolidated Statement of Comprehensive Income	5-7
1(b)(i)	Statement of Financial Position	8-9
1(b)(ii)	Aggregate Amount of Loans and Borrowings	9
1(c)	Consolidated Statement of Cash Flow	10
1(d)(i)	Statements of Movements in Unitholders' Funds	11-12
1(d)(ii)	Details of Any Change in the Units	13
2 & 3	Audit Statement	13
4 & 5	Changes in Accounting Policies	13
6	Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU")	14
7	Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit	14
8	Review of Performance	15
9	Variance between Actual and Forecast Results	15-16
10	Outlook & Prospects	17-18
11 & 12	Distributions	18-19
13	General Mandate for Interested Person Transactions	19
14 & 15	Segmented revenue and results	19-20
16	Confirmation pursuant to Rule 720(1) of the Listing Manual	20
17	Use of Proceeds from Initial Public Offering and other matters	20-21
18	Negative Confirmation Pursuant to Rule 705 (5) of The Listing Manual	22

The sole financial advisor and sole issue manager for the Offering is DBS Bank Ltd. DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. are the joint global coordinators, bookrunners and underwriters for the Offering.

LENLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

Introduction

Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”) had made announcements on 9 April and 20 April 2020 respectively, with regard to the IPO profit and distribution forecast for the financial year ending 30 June 2020 (“FY2020”) and the profit and distribution projection for the financial year ending 30 June 2021 (“FY2021”), as it may no longer be a fair basis against which the actual performance of Lendlease Global Commercial REIT (“LREIT”) could be compared given current circumstances.

LREIT is a Singapore real estate investment trust constituted by the Trust Deed dated 28 January 2019 (as amended and restated on 10 September 2019). It is principally regulated by the Securities and Futures Act, Chapter 289 of Singapore, the Code on Collective Investment Schemes issued by the MAS (“CIS Code”), including Appendix 6 of the CIS Code (the “Property Funds Appendix”), other relevant regulations and the Trust Deed. LREIT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 2 October 2019 (“Listing Date”).

The Sponsor, Lendlease Corporation Limited (“Sponsor” or “Lendlease Corporation”), is part of the Lendlease Group, comprising Lendlease Corporation, Lendlease Trust and their subsidiaries (the “Lendlease Group”, and the Sponsor and its subsidiaries, the “Sponsor Group”). The Lendlease Group is a leading international property and infrastructure group with operations in Australia, Asia, Europe and the Americas and is listed on the Australian Securities Exchange.

The Manager, an indirect wholly-owned subsidiary of the Sponsor.

The Trustee of LREIT is RBC Investor Services Trust Singapore Limited (the “Trustee”).

LREIT is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes, as well as real estate-related assets in connection with the foregoing.

LREIT completed the acquisition of its initial portfolio on the Listing Date. The initial portfolio comprises a leasehold interest in one retail mall located in Singapore and a freehold interest in an office property located in Milan, Italy (the “Properties”).

The details of each of these properties are as follows:

- (i) a 99¹-year leasehold interest in 313@somerset, which is a retail mall located in Singapore (the “Singapore Property”); and
- (ii) a freehold interest in Sky Complex, which comprises three office buildings located in Milan, Italy (the “Milan Property”).

Footnotes:

1. Commencing on 21 November 2006 and ending on 20 November 2105.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

Financial Statements Presentation

As disclosed in the Prospectus, SGX-ST granted LREIT a waiver from compliance with Rule 705(2)(b) of the SGX-ST Listing Manual in relation to the announcement of results for the financial quarter ended 30 September 2019 on the basis that LREIT did not have any meaningful financial results for the quarter as it was a private trust and the Properties had not been acquired. Accordingly, LREIT announced its first financial results on 10 February 2020 for the period from the Listing Date to 31 December 2019. No comparative figures have been presented as LREIT was dormant from its date of constitution, 28 January 2019 to the Listing Date.

Any discrepancies in the tables included in this announcement between the listed amounts and the totals thereof are due to rounding.

Distribution Policy

LREIT intends to make distributions to Unitholders semi-annually and will distribute at least 90.0% of its adjusted net cashflow from operations for each financial year. The actual level of distribution will be determined at the Manager's discretion.

The second distribution will be for the period from 1 January 2020 to 30 June 2020 and will be paid on or before 30 September 2020. The Manager will assess the liquidity of LREIT before determining the final distribution.

Summary of Lendlease Global Commercial REIT Group Results

	GROUP			
	3 months ended 31 Mar 2020		2 Oct 2019 (Listing Date) to 31 Mar 2020	
	Actual	Forecast ^A	Actual	Forecast ^A
Gross Revenue (S\$'000)	21,663	21,197	43,070	42,396
Net Property Income (S\$'000)	16,595	15,952	32,775	31,630
Amount Distributable (S\$'000) - to Unitholders	14,967	14,932	29,979	29,593
Available Distribution per Unit ("DPU") (cents)	1.28	1.27	2.57	2.52
Annualised Distribution yield (%) ^B				
Based on IPO listing price of S\$0.88	5.85%	5.81% ^C	5.86%	5.75% ^C
Based on closing price of S\$0.52 ^D	9.90%	9.83%	9.92%	9.74%

Footnotes:

A. The Forecast is derived from the forecast year 1 October 2019 to 30 June 2020 as disclosed in the Prospectus. This footnote is applicable from page 3 to page 22.

B. The annualised distribution yield from Listing Date to 31 March 2020 is on a pro-rata basis of 182 days.

C. The Forecast yield from Listing Date to 30 June 2020 is 5.80% as per the Prospectus.

D. As at 31 March 2020 closing price.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement

	GROUP		
	3 months ended 31 Mar 2020		
	Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
Gross revenue	21,663	21,197	2.2
Property operating expenses	(5,068)	(5,245)	(3.4)
Net property income	16,595	15,952	4.0
Manager's Base Fee	(932)	(925)	0.8
Manager's Performance Fee	(830)	(798)	4.0
Other management fees	(197)	(175)	12.6
Trustee's fee	(49)	(55)	(10.9)
Other trust expenses ¹	(301)	(375)	(19.7)
Net foreign exchange loss ²	(15,932)	-	NM
Finance income	270	-	NM
Finance costs ³	(2,436)	(2,705)	(9.9)
(Loss)/ Profit before tax and change in fair value	(3,812)	10,919	NM
Net change in fair value of derivative financial instruments ⁴	(2,547)	-	NM
(Loss)/ Profit before tax	(6,359)	10,919	NM
Tax expense	-	(45)	NM
(Loss)/ Profit after tax attributable to Unitholders before distribution adjustments	(6,359)	10,874	NM
Add: Distribution adjustments ⁵	21,326	4,058	>100
Amount available for distribution to Unitholders (Note A)	14,967	14,932	0.2

NM: Not meaningful

Footnotes:

1. Other trust expenses include recurring operating expenses such as annual listing fees, auditing and tax advisory fees, valuation costs, investor communication costs and other miscellaneous expenses.

2. Net foreign exchange (loss)/ gain comprises mainly revaluation of Euro denominated loan.

3. Finance costs comprise interest expense and amortisation of debt-related transaction costs.

4. Comprises mainly net change in fair value of interest rate swaps, options and currency forwards which were entered to hedge interest rate and foreign currency risks. This is a non-tax chargeable/ deductible item and therefore does not affect income available for distribution to Unitholders.

5. Comprise 100.0% of the Manager's Base Fee and Performance Fee payable in Units, property management fee to be paid in Units, net change in fair value of derivative financial instruments, amortisation of debt-related transaction costs, incentive amounts and other adjustments related to non-cash or timing differences in income and expenses.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement

Note A

Distribution from:

- Singapore

- Foreign source ¹

Total

GROUP		
3 months ended 31 Mar 2020		
Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
10,075	10,151	(0.7)
4,892	4,781	2.3
14,967	14,932	0.2

Footnotes:

1. Foreign source distribution mainly pertains to income from the Milan Property. Any income from this property that has not been distributed to LREIT by the date LREIT makes distribution to its Unitholders will constitute a capital distribution.

1(a)(ii) Consolidated Statement of Comprehensive Income

(Loss)/ Profit after tax

Item that may be reclassified subsequently to profit or loss:

Other comprehensive income:

Net currency translation differences relating to financial statement of foreign subsidiary

Total comprehensive income

GROUP		
3 months ended 31 Mar 2020		
Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
(6,359)	10,874	NM
15,716	-	NM
9,357	10,874	(14.0)

NM: Not meaningful

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement

	GROUP		
	2 Oct 2019 to 31 Mar 2020		
	Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
Gross revenue	43,070	42,396	1.6
Property operating expenses	(10,295)	(10,766)	(4.4)
Net property income	32,775	31,630	3.6
Manager's Base Fee	(1,883)	(1,849)	1.8
Manager's Performance Fee	(1,639)	(1,582)	3.6
Other management fees	(382)	(348)	9.8
Trustee's fee	(98)	(110)	(10.9)
Other trust expenses ¹	(750)	(750)	-
Net foreign exchange loss ²	(10,916)	-	NM
Finance income	336	-	NM
Finance costs ³	(4,891)	(5,408)	(9.6)
Profit before tax and change in fair value	12,552	21,583	(41.8)
Net change in fair value of investment properties ⁴	(48,997)	(48,230)	1.6
Net change in fair value of derivative financial instruments ⁵	(2,567)	-	NM
Loss before tax	(39,012)	(26,647)	46.4
Tax expense	-	(90)	NM
Loss after tax attributable to Unitholders before distribution adjustments	(39,012)	(26,737)	45.9
Add: Distribution adjustments ⁶	68,991	56,330	22.5
Amount available for distribution to Unitholders (Note A)	29,979	29,593	1.3

NM: Not meaningful

Footnotes:

1. Other trust expenses include recurring operating expenses such as annual listing fees, auditing and tax advisory fees, valuation costs, investor communication costs and other miscellaneous expenses.

2. Net foreign exchange (loss)/ gain comprises mainly revaluation of Euro denominated loan.

3. Finance costs comprise interest expense and amortisation of debt-related transaction costs.

4. All transaction costs directly attributable to the acquisition of the Properties have been capitalised in accordance with IAS 40. This is then recorded as a fair value change in the profit or loss statement from revaluation of investment properties. This is a non-tax chargeable/ deductible item and therefore does not affect income available for distribution to Unitholders.

5. Comprises mainly net change in fair value of interest rate swaps, options and currency forwards which were entered to hedge interest rate and foreign currency risks. This is a non-tax chargeable/ deductible item and therefore does not affect income available for distribution to Unitholders.

6. Comprise 100.0% of the Manager's Base Fee and Performance Fee payable in Units, property management fee to be paid in Units, net change in fair value of investment properties and derivative financial instruments, amortisation of debt-related transaction costs, incentive amounts and other adjustments related to non-cash or timing differences in income and expenses.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(a)(i) Consolidated Statement of Profit or Loss and Distribution Statement

Note A

Distribution from:

- Singapore

- Foreign source ¹

Total

GROUP		
2 Oct 2019 to 31 Mar 2020		
Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
20,400	20,086	1.6
9,579	9,507	0.8
29,979	29,593	1.3

Footnotes:

1. Foreign source distribution mainly pertains to income from the Milan Property. Any income from this property that has not been distributed to LREIT by the date LREIT makes distribution to its Unitholders will constitute a capital distribution.

1(a)(ii) Consolidated Statement of Comprehensive Income

Loss after tax

Item that may be reclassified subsequently to profit or loss:

Other comprehensive income:

Net currency translation differences relating to financial statement of foreign subsidiary

Total comprehensive income

GROUP		
2 Oct 2019 to 31 Mar 2020		
Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
(39,012)	(26,737)	45.9
10,681	-	NM
(28,331)	(26,737)	6.0

NM: Not meaningful

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(b)(i) Statement of Financial Position

	GROUP	LREIT
	31 Mar 2020	
	(S\$'000)	
Current assets		
Cash and cash equivalents	78,245	62,728
Trade and other receivables	11,489	2,995
Other current assets	1,479	1,144
Derivative financial instruments ¹	*	*
	-	-
	91,213	66,867
Non-current assets		
Investment properties	1,413,053	1,002,328
Investment in subsidiary	-	435,245
Other receivables	11,517	-
Other non current assets	1,961	1,961
Derivative financial instruments ¹	1,058	1,058
	1,427,589	1,440,592
Total assets	1,518,802	1,507,459
Current liabilities		
Trade and other payables	31,310	23,456
Derivative financial instruments ¹	384	384
	31,694	23,840
Non-current liabilities		
Loans and borrowings	527,618	527,618
Derivative financial instruments ¹	3,241	3,241
	530,859	530,859
Total liabilities	562,553	554,699
Net assets	956,249	952,760
Represented by:		
Unitholders' funds	956,249	952,760
NAV per Unit (S\$) ²	0.82	0.81

* Less than S\$1,000.

Footnotes:

1. Derivative financial instruments reflect the fair value of interest rate swaps, options and currency forwards which were entered to hedge interest rate and foreign currency risks.

2. Please refer to Paragraph 7 on net asset value ("NAV") and net tangible asset ("NTA") backing per unit based on issued units at the end of the period.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(b)(i) Statement of Financial Position

Notes to the Statements of Financial Position

i Investment properties

Property

313@somerset

Sky Complex

Investment Properties

GROUP
31 Mar 2020 (S\$'000)
1,002,328
410,725
1,413,053

As at 2 October 2019 (Listing Date)

Acquisitions (including acquisition costs)

Capital expenditure

Currency translation difference

Net change in fair value of investment properties

As at 31 Mar 2020

GROUP
2 Oct 2019 to 31 Mar 2020 (S\$'000)
-
1,451,648
328
10,074
(48,997)
1,413,053

1(b)(ii) Aggregate Amount of Loans and Borrowings

Unsecured loans and borrowings

Amount repayable after one year

Less: unamortised transaction costs

GROUP	LREIT
31 Mar 2020 (S\$'000)	
545,227	545,227
(17,609)	(17,609)
527,618	527,618

Details of loans and borrowings

On 2 October 2019, the Group put in place an unsecured 4-year Euro term loan facility of €285.0 million (S\$445.9 million) and an unsecured 3-year Singapore dollar term loan facility of S\$99.3 million (collectively, the "Facilities"), translating to a gearing ratio of 35.9%.

The interest payables on the Facilities are on a floating basis. The Group has entered into interest rate swap and options to hedge the interest rate risk. The Group has an interest coverage ratio¹ of 11.2 times.

As at 31 March 2020, the Group and LREIT have an uncommitted undrawn debt facility of up to S\$20 million to fund its working capital.

Footnotes:

1. In accordance with requirements in the facility agreement.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(c) Consolidated Statement of Cash Flow

	GROUP	
	3 months ended 31 Mar 2020 (S\$'000)	2 Oct 2019 to 31 Mar 2020 (S\$'000)
Operating activities		
Loss after tax	(6,359)	(39,012)
Adjustments for:		
Manager's fee payable in Units	1,762	3,522
Property Manager's fee payable in Units	428	898
Finance income	(270)	(336)
Interest expense	1,154	2,317
Amortisation of debt-related transactions costs	1,282	2,574
Net unrealised foreign exchange loss	16,014	10,998
Net change in the fair value of investment properties	-	48,997
Net change in fair value of derivatives financial instruments	2,547	2,567
Operating income before working capital changes	16,558	32,525
Changes in working capital:		
Trade and other receivables	4,021	(23,963)
Trade and other payables	(1,369)	22,790
Other current assets	55	(1,961)
Cash generated from operating activities	19,265	29,391
Investing activities		
Interest received	270	336
Acquisition of investment properties ¹	(3,975)	(1,450,979)
Capital expenditure on investment properties	(45)	(45)
Cash flows used in investing activities	(3,750)	(1,450,688)
Financing activities		
Proceeds from issuance of new units	-	1,027,792
Payment of issue costs ²	(10,092)	(26,140)
Proceeds from loans & borrowings	-	534,237
Payment of financing expenses	(362)	(20,183)
Distribution to Unitholders (net of distribution in units)	(14,328)	(14,328)
Interest paid	(1,151)	(1,864)
Cash flows (used in)/ generated from financing activities	(25,933)	1,499,514
Net (decrease)/ increase in cash and cash equivalents	(10,418)	78,217
Cash and cash equivalents at beginning of the period	88,482	-
Effect of exchange rate changes on balances held in foreign currency	181	28
Cash and cash equivalents at end of the period	78,245	78,245

Footnotes:

1. Cash flows used in acquisition of investment properties during the period 3 months ended 31 Mar 2020 comprise mainly acquisition costs for Sky Complex.

2. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(d)(i) Statements of Movements in Unitholders' Funds

	GROUP	LREIT
	3 months ended 31 Mar 2020 (S\$'000)	
Operations		
Balance as at beginning of the period	(32,653)	(25,231)
Loss after tax attributable to Unitholders	(6,359)	(6,589)
Balance as at end of the period	(39,012)	(31,820)
Unitholders' contribution		
Balance as at beginning of the period	998,226	998,226
Manager's Base Fee paid in Units	951	951
Property Manager's Fee paid in Units	470	470
Distributions	(15,067)	(15,067)
Balance as at end of the period	984,580	984,580
Foreign currency translation reserve		
Balance as at beginning of the period	(5,035)	-
Translation differences relating to financial statements of foreign subsidiary	15,716	-
Balance as at end of the period	10,681	-
Total Unitholders' funds as at end of the period	956,249	952,760

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(d)(i) Statements of Movements in Unitholders' Funds

	GROUP	LREIT
	28 Jan 2019 to 31 Mar 2020 (S\$'000)	
Operations		
As at 28 January 2019 (Date of Constitution)	-	-
Loss after tax attributable to Unitholders	(39,012)	(31,820)
Balance as at end of the period	(39,012)	(31,820)
Unitholders' contribution		
As at 28 January 2019 (Date of Constitution)	*	*
Issue of new units on the Listing Date	1,027,792	1,027,792
Issue costs ¹ on the Listing Date	(29,566)	(29,566)
Manager's Base Fee paid in Units	951	951
Property Manager's Fee paid in Units	470	470
Distributions	(15,067)	(15,067)
Balance as at end of the period	984,580	984,580
Foreign currency translation reserve		
As at 28 January 2019 (Date of Constitution)	-	-
Translation differences relating to financial statements of foreign subsidiary	10,681	-
Balance as at end of the period	10,681	-
Total Unitholders' funds as at end of the period	956,249	952,760

* Less than S\$1,000.

Footnotes:

1. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

1(d)(ii) Details of Any Change in Units

	1 Jan 2020 to 31 Mar 2020 (Units)	28 Jan 2019 to 31 Mar 2020 (Units)
As at 28 January 2019 (Date of Constitution)		
Balance as at beginning of the period	1,167,946,000	3
<u>New units issued</u>		
Issue of new units on the Listing Date	-	1,167,945,997
Manager's base fee paid in Units	1,026,807	1,026,807
Property Manager's fee paid in Units	507,572	507,572
Total issued units as at end of the period ¹	1,169,480,379	1,169,480,379

Footnotes:

1. There were no convertibles and treasury units held by LREIT and its subsidiaries as at 31 March 2020.

- 2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg. the Singapore Standard on Auditing 910 (Engagement to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by our auditors.

- 3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recent audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation as described in the Prospectus dated 25 September 2019 in the preparation of the consolidated financial statements for the current reporting period.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Not applicable.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

6 Earnings Per Unit ("EPU") and Distribution Per Unit ("DPU") for the financial period (Group)

In computing the EPU, the weighted average number of units as at the end of each period is used for the computation. The diluted EPU is the same as the basic EPU as there are no dilutive instruments in issue during the period.

	3 months ended 31 Mar 2020	2 Oct 2019 to 31 Mar 2020
Weighted average number of units in issue	1,168,384,394	1,161,781,780
Earnings per unit ("EPU") (cents) ¹	(0.54)	(3.36)

	3 months ended 31 Mar 2020	2 Oct 2019 to 31 Mar 2020
No. of units in issue at end of the period	1,169,480,379	1,169,480,379
Distribution per unit ("DPU")	1.28	2.57

Footnotes:

1. Includes unrealised foreign exchange, net change in fair value of derivatives and transaction costs directly attributable to the acquisition of the Properties.

7 Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit

	GROUP	LREIT
	31 Mar 2020	
NAV/ NTA per unit (S\$) ¹	0.82	0.81
Adjusted NAV/ NTA per unit (excluding the amount distributable) (S\$)	0.80	0.80

Footnotes:

1. NTA per unit was the same as NAV per unit as there was no intangible asset as at the statement of financial position date.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

8 Review of performance

Please refer to “Variance Between Actual and Forecast Results” for a review of the actual results for the period from Listing Date to 31 March 2020 against the forecast as disclosed in the Prospectus.

9 Variance between Actual and Forecast Results

<u>Consolidated Statement of Profit or Loss</u>	GROUP		
	3 months ended 31 Mar 2020		
	Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
Gross revenue	21,663	21,197	2.2
Property operating expenses	(5,068)	(5,245)	(3.4)
Net property income	16,595	15,952	4.0
Manager's Base Fee	(932)	(925)	0.8
Manager's Performance Fee	(830)	(798)	4.0
Other management fees	(197)	(175)	12.6
Trustee's fee	(49)	(55)	(10.9)
Other trust expense	(301)	(375)	(19.7)
Net foreign exchange loss	(15,932)	-	NM
Finance income	270	-	NM
Finance costs	(2,436)	(2,705)	(9.9)
Profit before tax and change in fair value	(3,812)	10,919	NM
Amount available for distribution to Unitholders	14,967	14,932	0.2
Available distribution per unit (cents)	1.28	1.27	0.7

3 months: Actual vs Forecast

Actual gross revenue of S\$21.7 million for the period was S\$0.5 million or 2.2% higher than forecast. The revenue growth was mainly attributed to rental income from 313@somerset, and higher revenue from Sky Complex due to a stronger Euro against Singapore dollar.

Property operating expenses was S\$0.2 million or 3.4% lower than forecast. The lower expenses were mainly attributed to lower repair & maintenance expenses, salary & related expenses and property taxes.

As a result, net property income for the period was S\$0.6 million or 4.0% higher than forecast.

Finance costs were lower by S\$0.3 million or 9.9%, mainly due to lower effective interest cost achieved through hedging.

After accounting for management fees and other trust expenses, the amount distributable to Unitholders was S\$15.0 million, translating to a DPU of 1.28 cents, which is 0.7% or 0.01 cents higher than forecast.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

9 Variance between Actual and Forecast Results

	GROUP		
	2 Oct 2019 to 31 Mar 2020		
	Actual (S\$'000)	Forecast ^A (S\$'000)	Variance %
<u>Consolidated Statement of Profit or Loss</u>			
Gross revenue	43,070	42,396	1.6
Property operating expenses	(10,295)	(10,766)	(4.4)
Net property income	32,775	31,630	3.6
Manager's Base Fee	(1,883)	(1,849)	1.8
Manager's Performance Fee	(1,639)	(1,582)	3.6
Other management fees	(382)	(348)	9.8
Trustee's fee	(98)	(110)	(10.9)
Other trust expense	(750)	(750)	-
Net foreign exchange loss	(10,916)	-	NM
Finance income	336	-	NM
Finance costs	(4,891)	(5,408)	(9.6)
Profit before tax and change in fair value	12,552	21,583	(41.8)
Amount available for distribution to Unitholders	29,979	29,593	1.3
Available distribution per unit (cents)	2.57	2.52	1.9

Year to date: Actual vs Forecast

Actual gross revenue of S\$43.1 million for the period was S\$0.7 million or 1.6% higher than forecast. The revenue growth was mainly attributed to rental income from 313@somerset.

Property operating expenses was S\$0.5 million or 4.4% lower than forecast. The lower expenses were mainly attributed to lower repair & maintenance expenses, salary & related expenses, property taxes, and operating expenses.

As a result, net property income for the period was S\$1.1 million or 3.6% higher than forecast.

Finance costs were lower by S\$0.5 million or 9.6%, mainly due to lower effective interest cost achieved through hedging.

After accounting for management fees and other trust expenses, the amount distributable to Unitholders was S\$30.0 million, translating to a DPU of 2.57 cents, which is 1.9% or 0.05 cents higher than forecast.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

The International Monetary Fund ("IMF") has revised its global economic growth forecast for 2020 to contract by 3.0%¹, more than 6 percentage points drop from the 3.3% growth that the IMF had estimated in January. The global economy has been impacted significantly by the outbreak of COVID-19. Developed economies and emerging markets have placed strict measures to contain the spread of the virus.

Financial and currency markets have been volatile, and firms have had to put cost cutting measures in place. Consequently, governments and central banks globally have introduced substantial stimulus packages to offset the impact on their economies. The United States has announced a massive US\$2.2 trillion² package to battle the impact of COVID-19. Similarly, Italy also released a stimulus package totalling €80 billion³. In Singapore, the government has released three stimulus packages totalling circa S\$60 billion⁴ or 12% of its gross domestic product. In addition, the Monetary Authority of Singapore has announced a zero-appreciation target⁵ for the S\$ Net Effective Exchange Rate to support the country's open economy. Despite these sizable stimulus packages, the strength of economic recovery will depend on how fast the COVID-19 pandemic can be controlled domestically and globally.

Singapore

Based on advance estimates⁶ by the Ministry of Trade and Industry, the Singapore economy contracted by 2.2% year-on-year ("YoY") in the first quarter of 2020, reversing the 1.0% growth in the preceding quarter. The Singapore Tourism Board expects visitor arrivals for 2020 to fall by approximately 25% to 30%⁷. Tourism-reliant submarkets such as Orchard and the fringe areas are likely to be affected.

The Singapore government has implemented tighter measures progressively to minimise the spread of COVID-19 in the first three months of the year. Various business sectors have been affected due to measures such as safe distancing and closure of entertainment venues. More recently, further measures including the circuit-breaker and the COVID-19 (Temporary Measures) Act 2020 were implemented in April.

Under the COVID-19 (Temporary Measures) Act 2020, tenants who cannot fulfil contractual obligations are able to seek temporary relief from paying rent and other obligations under their leases for a period of up to six months from April to October. This period may be extended for up to a year depending on the COVID-19 situation. In addition, the circuit-breaker has been extended to 1 June 2020, and the list of essential services that are allowed to operate during this period has been reduced further.

As a result, the severity of the impact of the above measures on tenants' operations and income cannot be determined at this point and whether they will be able to fulfil their rental obligations after the temporary relief period remains uncertain. In the near term, the retail industry may continue to be impacted by lower customer visitations. The strength of recovery will depend on how fast the COVID-19 situation can be managed and a vaccine providing consumers with certainty to return to normal activities.

¹ International Monetary Fund, World Economic Outlook April 2020.

² USA.gov, President Signs \$2 Trillion Stimulus Package to Help The Economy Recover From COVID-19.

³ Bloomberg, Italy Announces \$28 Billion Plan to Cushion Virus-Hit Economy, 11 March 2020;

Italian Government Presidency of the Council of Ministers, Press conference of President Conte, 26 April 2020

⁴ Budget 2020, Supplementary Budget Debate Round-Up Speech.

⁵ Monetary Authority of Singapore, MAS Monetary Policy Statement - April 2020, 30 March 2020.

⁶ Ministry of Trade and Industry Singapore, Singapore's GDP Contracted by 2.2 Per Cent in the First Quarter of 2020. MTI Downgrades 2020 GDP Growth Forecast to "-4.0 to -1.0 Per Cent", 26 March 2020.

⁷ Singapore Tourism Board, STB rallies tourism sector to face biggest challenge since SARS, 11 February 2020.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

10 Commentary on the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

Prior to the extension of the circuit-breaker, the Manager had, in the interest of good corporate governance, made announcements on 9 April and 20 April 2020 respectively, with regard to the IPO profit and distribution forecast for the financial year ending 30 June 2020 ("FY2020") and the profit and distribution projection for the financial year ending 30 June 2021 ("FY2021"), as it may no longer be a fair basis against which the actual performance of LREIT could be compared given current circumstances. For transparency, the Manager will still provide year-on-year comparisons of LREIT's financial results for FY2020 against the profit forecast for FY2020 disclosed in LREIT's prospectus and FY2021 against LREIT's financial results for FY2020, in the announcements of LREIT's full year financial results for FY2020 and FY2021 respectively.

Milan

The rapidly changing economic environment has posed challenges for the Italian government to quantify the impact of the COVID-19 pandemic on its economy using the short-term indicators. According to the Italian National Institute of Statistics, the consumer price index for March increased by 0.1%⁸ YoY and month-on-month, respectively. Inflation is approaching zero, driven by the fall in oil prices.

In the office space, vacancy rates in Milan have gradually declined over recent years. Sizeable new additions are expected in the supply pipeline over the next two years⁹. Given the growing demand¹⁰ for highly efficient space and the constant increase in rents around the CBD areas, the sub-markets will likely draw the attention from investors seeking new opportunities.

In the near term, assets with solid and financially sound tenants will likely perform better and ride the wave of recovery when the COVID-19 pandemic is fully contained.

Conclusion

The Manager remains focused on having a disciplined capital management to conserve cash and preserve long-term returns for its unitholders as well as adopting flexible leasing strategies to ensure long-term occupancy of 313@somerset.

11 Distributions

(a) Current financial period

Any distributions declared for the current financial period?

No

(b) Corresponding period of the preceding financial period

Any distribution declared for the corresponding period of the immediate preceding financial period?

Not applicable.

⁸ Italian National Institute of Statistics, Monthly Report March 2020.

⁹ CBRE, Milan Office MarketView 1Q 2020.

¹⁰ CBRE, Real Estate Market Outlook 2020 Italy, 4 February 2020.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

12 If no distribution has been declared / recommended, a statement to that effect

LREIT intends to make distributions to Unitholders on a semi-annual basis for every six-month period ending 31 December and 30 June.

13 General mandate from Unitholders for Interested Person Transactions

No general mandate has been obtained from the Unitholders for Interested Person Transactions.

14 Segmented revenue and results for geographical segments

GROUP				
3 months ended 31 Mar 2020				
	Actual		Forecast ^A	
	S\$'000	%	S\$'000	%
Total Gross Revenue				
Singapore	15,351	70.9	15,031	70.9
Milan	6,312	29.1	6,166	29.1
	21,663	100.0	21,197	100.0

GROUP				
3 months ended 31 Mar 2020				
	Actual		Forecast ^A	
	S\$'000	%	S\$'000	%
Net Property Income				
Singapore	10,899	65.7	10,388	65.1
Milan	5,696	34.3	5,564	34.9
	16,595	100.0	15,952	100.0

GROUP				
2 Oct 2019 to 31 Mar 2020				
	Actual		Forecast ^A	
	S\$'000	%	S\$'000	%
Total Gross Revenue				
Singapore	30,689	71.3	30,129	71.1
Milan	12,381	28.7	12,267	28.9
	43,070	100.0	42,396	100.0

GROUP				
2 Oct 2019 to 31 Mar 2020				
	Actual		Forecast ^A	
	S\$'000	%	S\$'000	%
Net Property Income				
Singapore	21,586	65.9	20,560	65.0
Milan	11,189	34.1	11,070	35.0
	32,775	100.0	31,630	100.0

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

- 15 In the review of the performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to section 8 for review of actual performance.

- 16 Confirmation pursuant to Rule 720(1) of the Listing Manual**

We, on behalf of the board of directors of the Manager, confirm that the Manager has procured undertakings from all its directors and executive officers in the form as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

- 17 Use of Proceeds from Initial Public Offering and other matters**

The use of proceeds raised from the initial public offering and the issuance of the Lendlease SREIT Sub-Trust Units, the Cornerstone Units¹ and the IPO Acquisition Fee Units, as well as proceeds from the Facilities, is in accordance with the stated uses and amounts allocated as disclosed in the prospectus, and is set out below:

	Amount allocated	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
Acquisition of initial Portfolio	1,397,229	1,397,229	-
Stamp Duty & other acquisition costs	64,524	63,790	734
Transaction costs and other fees ²	66,137	57,820	8,317
Working capital	33,824	33,824	-
Total	1,561,714	1,552,663	9,051

Footnotes:

1. The cornerstone investors being AEW, Asdew Acquisitions Pte Ltd, funds and accounts under management by investment management subsidiaries of BlackRock, Inc., DBS Bank Ltd. (on behalf of certain wealth management clients), DBS Vickers (on behalf of certain corporate clients), Fullerton (acting as manager for and on behalf of certain funds and investment accounts under its management), Lion Global Investors, Moon Capital, Nikko Asset Management, Principal Singapore, Soon Lee Land Pte. Ltd., The Segantii Asia-Pacific Equity Multi-Strategy Fund and TMBAM.

2. Transaction costs and other fees include S\$11.5m payment of IPO Acquisition Fee and S\$1.2m prepayment of Italy management fee.

The Manager will make further announcements via SGXNET on the utilisation of the remainder of the IPO proceeds as and when such funds are substantially disbursed.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

17 Use of Proceeds from Initial Public Offering and other matters (cont'd)

Other matters

The Board of Directors of Lendlease Global Commercial Trust Management Pte. Ltd., in its capacity as manager of LREIT wishes to announce that the following dormant subsidiaries of LREIT in Singapore have applied to and received approval from the Accounting and Corporate Regulatory Authority of Singapore to be struck off from the Register of Companies pursuant to Section 344A of the Companies Act, Cap. 50 of Singapore:

(i) Lendlease Global Commercial (SG) Pte. Ltd. (Company Registration No. 201904951G);

(ii) Lendlease Global Commercial (AU) Pte. Ltd. (Company Registration No. 201903355G).

The striking off of the above mentioned subsidiaries is not expected to have any material impact on the earnings per unit or net tangible assets per unit of LREIT for the financial year ending 30 June 2020.

None of the Directors or the controlling unitholders of the Manager has any interest, direct or indirect, in the strike-off of the abovementioned subsidiaries.

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 JANUARY 2020 TO 31 MARCH 2020

18 Negative Confirmation Pursuant to Rule 705(5) of The Listing Manual

We, on the behalf of the board of directors of the Manager confirmed that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Manager which may render unaudited financial results of LREIT for the period from 2 October 2019 to 31 March 2020 to be false or misleading in any material aspect.

Certain statements in this release constitute “forward-looking statements”. This release also contains forward-looking financial information. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding the Manager’s present and future business strategies and the environment in which the Group will operate in the future. Because these statements and financial information reflect the current views of the Manager concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You should not place any reliance on these forward-looking statements and financial information.

By Order of the Board
Tan Wee Sin
Company Secretary
Lendlease Global Commercial Trust Management Pte. Ltd.
(Company Registration No. 201902535N)
As Manager of Lendlease Global Commercial REIT

5 May 2020