

Lendlease Global Commercial REIT

3Q FY2021 Business Update

7 May 2021



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This presentation may contain forward-looking statements. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these risks, uncertainties and assumptions include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

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PORTFOLIO PERFORMANCE

Key operational highlights

- Portfolio occupancy remained high at 99.7%
- Tenant sales recovered faster than visitation
- The multifunctional event space, adjacent to 313@somerset, has been substantially leased to Live Nation – one of the world’s leading live entertainment companies
- Positive interest and good development progress in the vicinity of Sky Complex
- Included in iEdge S-REIT Leader Index and iEdge S-REIT Index
- Stable liquidity position to meet financial obligations with no refinancing till FY2023

Key Portfolio Metrics (as at 31 March 2021)

Portfolio
Occupancy
99.7%

Weighted
Average Lease
Expiry
9.0 years

Tenant
Retention
(by NLA)
62.0%⁽¹⁾

Capital Management (as at 31 March 2021)

Gearing
Ratio
35.4%

Weighted
Average Running
Cost of Debt
0.88% p.a.

Interest
Coverage Ratio
7.7 times⁽²⁾

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

(2) The interest coverage ratio of 7.7 times is in accordance with requirements in its debt agreements, and 4.1 times in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

Included in iEdge S-REIT Leader Index and iEdge S-REIT Index

- The inclusion enhances LREIT's trading liquidity and visibility to investors and index funds worldwide.
- To-date, LREIT is included in six indices:
 - MSCI Singapore Small Cap Index
 - FTSE ST Small Cap Index
 - FTSE ST Singapore Shariah Index
 - iEdge S-REIT Leader Index
 - iEdge S-REIT Index
 - GPR APREA Investable REIT 100 Index

iEdge S-REIT Leader Index

- Measures the performance of the most liquid REITs in Singapore
- Widely referenced in SGX's suite of indices
- Represented by 27 constituents out of 43 S-REITs with approximately US\$66 billion market capitalisation

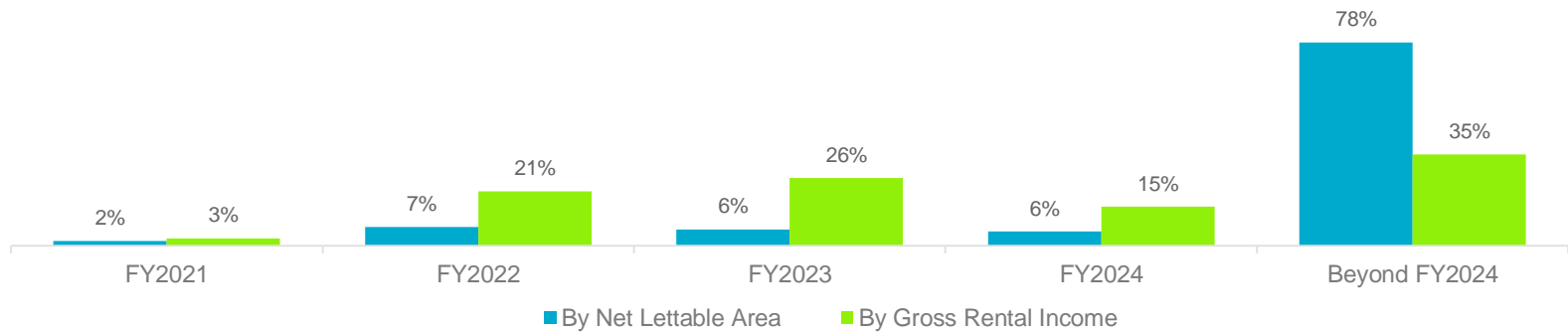
iEdge S-REIT Index

- Singapore's S-REIT benchmark

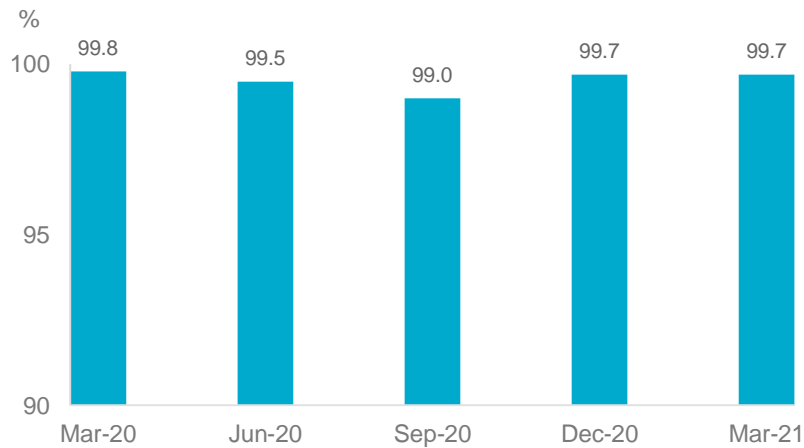
Portfolio overview

Approximately 2% (by NLA) and 3% (by GRI) remain for renewal in FY2021 with portfolio occupancy remained resilient at 99.7%

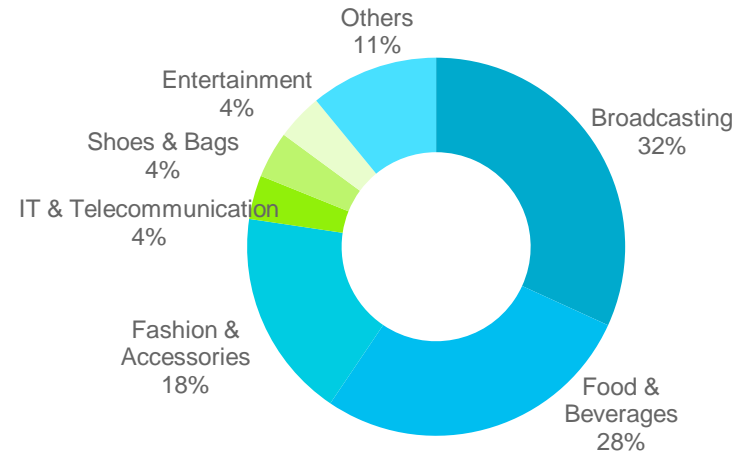
Well-spread Lease Expiry Profile
WALE of 9.0 years (by NLA) and 4.6 years (by GRI)



Healthy Occupancy Rate



Diversified Tenant Base



313@somerset, retail mall in Singapore

- A youth-oriented retail mall centrally located on Singapore's Orchard Road shopping belt, directly connected to the Somerset MRT Station.
- The Manager will adopt the Code of Conduct (CoC) for leasing of retail premise on 1 June 2021.
 - The CoC is not retrospective and only applies to lease agreements entered into on or after 1 June 2021.
 - The Manager does not foresee the CoC to have significant impact on the expiring leases due in the coming quarter. It will continue to maintain open communication with the tenants and conduct lease negotiations in a collaborative landlord-tenant approach.



Key Statistics (as at 31 March 2021)

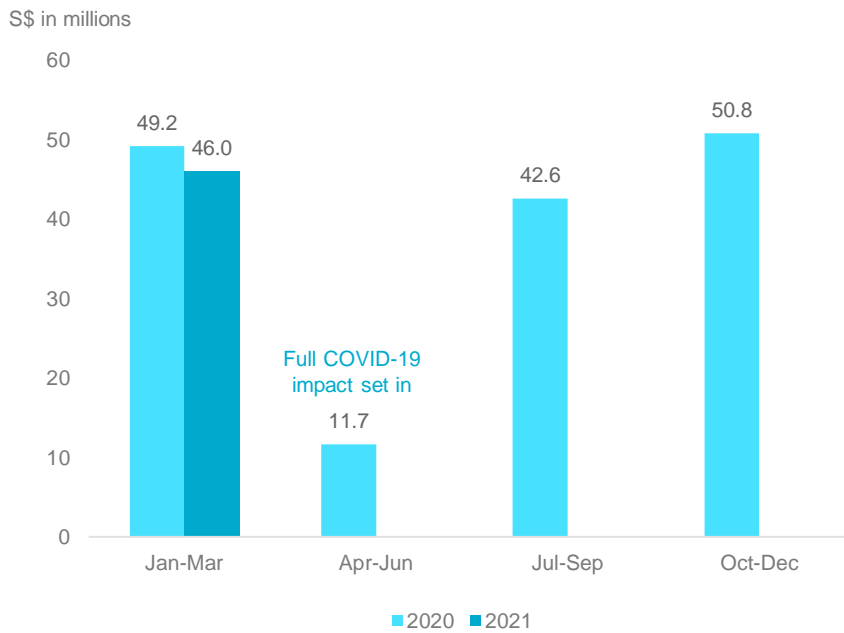
Occupancy	98.6%
WALE	1.6 years (by NLA) 1.5 years (by GRI)
Valuation	S\$1,008 million
Valuation cap rate	4.25%
NLA	288,318 sq ft
Ownership	100% (99-year leasehold) ⁽¹⁾

(1) 99-year leasehold commencing from 21 November 2006 until 20 November 2105.

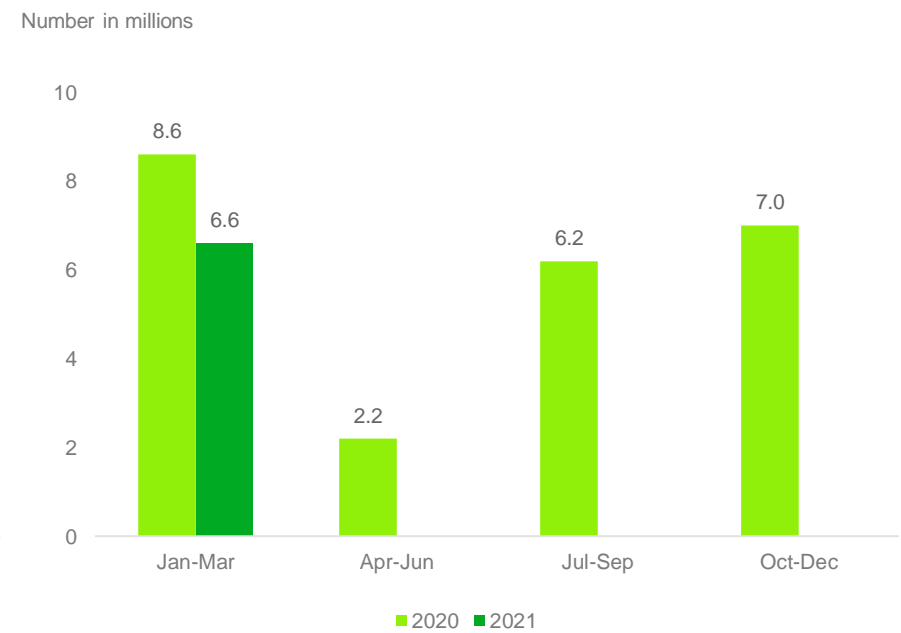
Tenant sales recovered faster than visitation

- Tenant sales⁽¹⁾ and visitation recovered approximately 94% and 77% YoY respectively.
- Shopper spending continued to increase despite reduced footfall.
- Continuous collaboration with merchants and tenants to elevate shoppers' experience through Lendlease Plus App.

Tenant sales



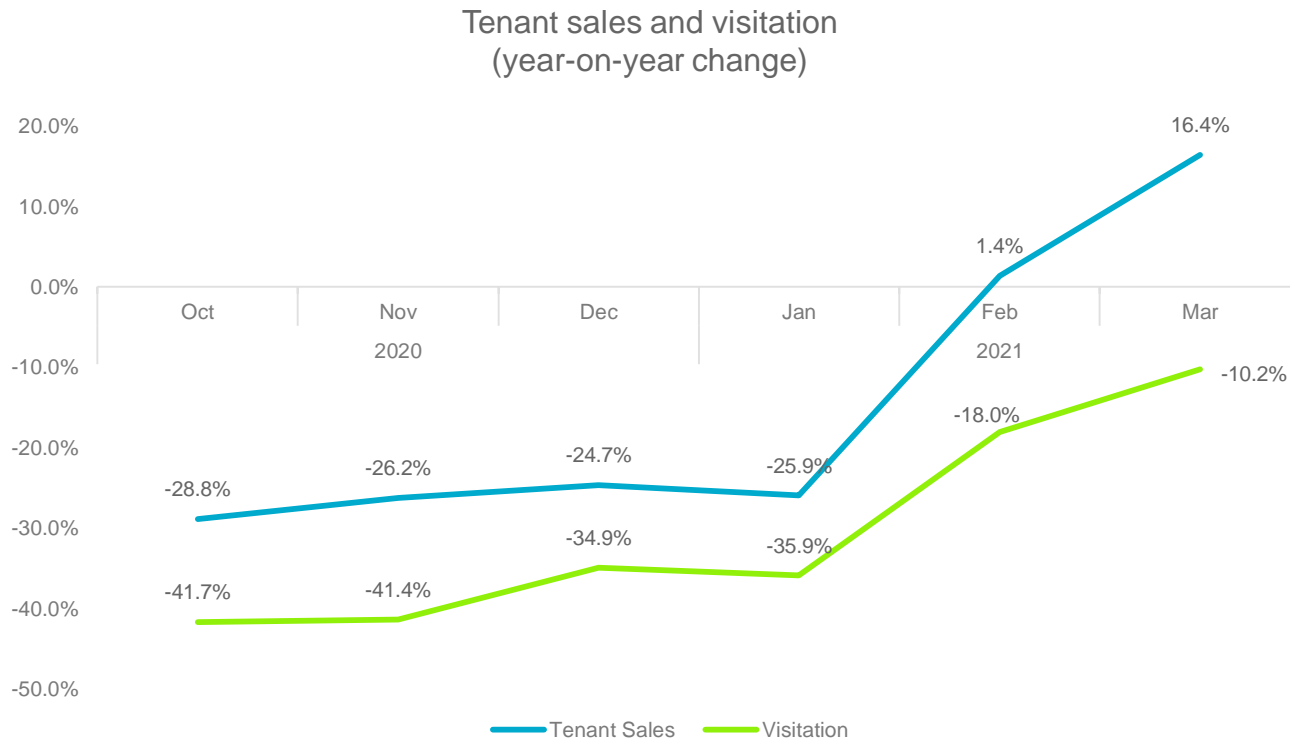
Visitation



(1) Tenant sales were close to pre-COVID-19 levels.

Tenant sales registered positive growth in February and March

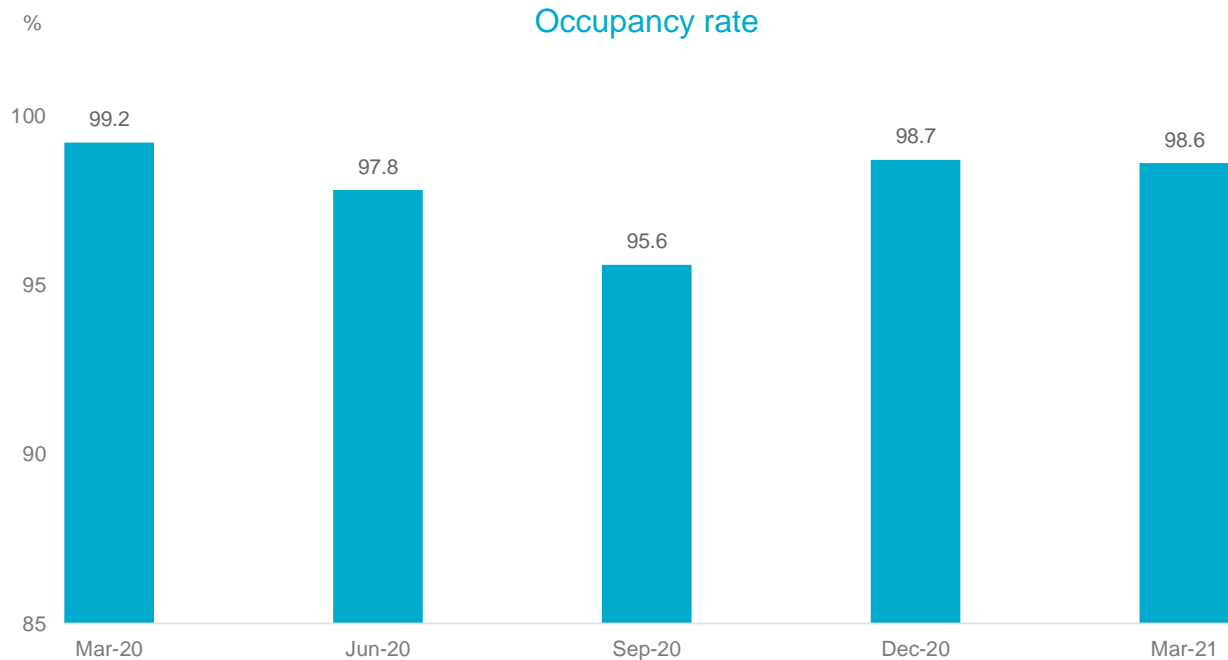
Continue to remain vigilant and maintain a cautious outlook in the near-term amid the evolving COVID-19 situation.



Note: Year-on-year comparison prior to October 2020 is not available as 313@somerset was held under one of Lendlease-managed funds before LREIT was listed on 2 October 2019.

Occupancy rate remained high at 98.6%

- Continue to rejuvenate and inject vibrancy by introducing new offerings for shoppers and visitors.
- Remain focused in maintaining occupancy levels and collaborate with tenants amid the dynamic retail landscape.



New tenants to rejuvenate the mall



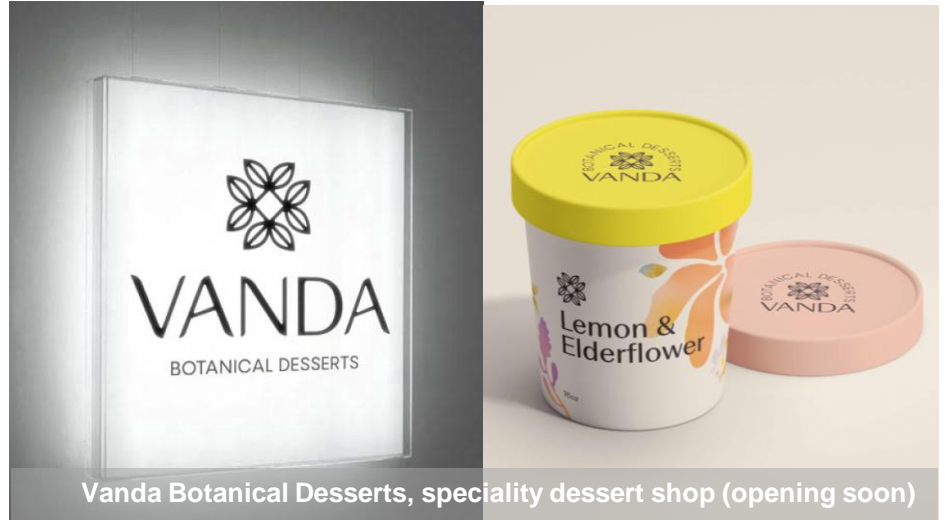
Tsuta, world's first Michelin-starred ramen



Mrs Pho, authentic Vietnamese restaurant



Gadget Mix, homegrown lifestyle electronic brand



Vanda Botanical Desserts, speciality dessert shop (opening soon)

Curated tenant mix that appeals to the youth

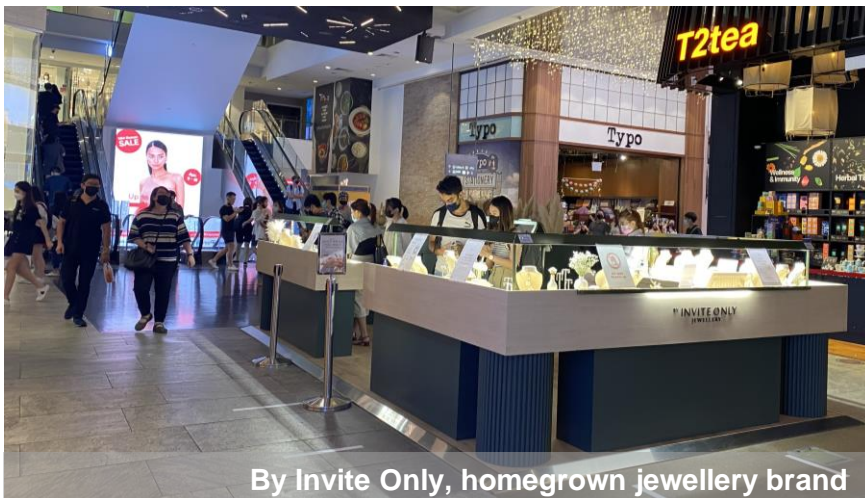
New tenants with experiential retail and food & beverage concepts are well-positioned to benefit from the post pandemic recovery



Josh's Grill, western grill house



Tamago-En, Japanese concept restaurant



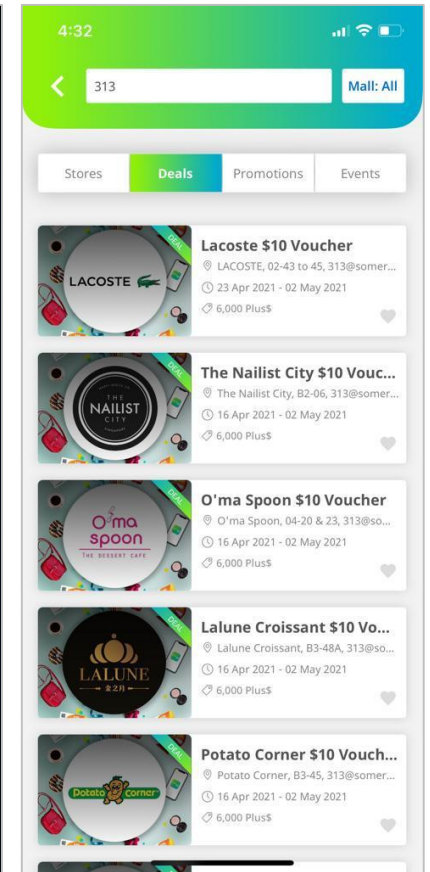
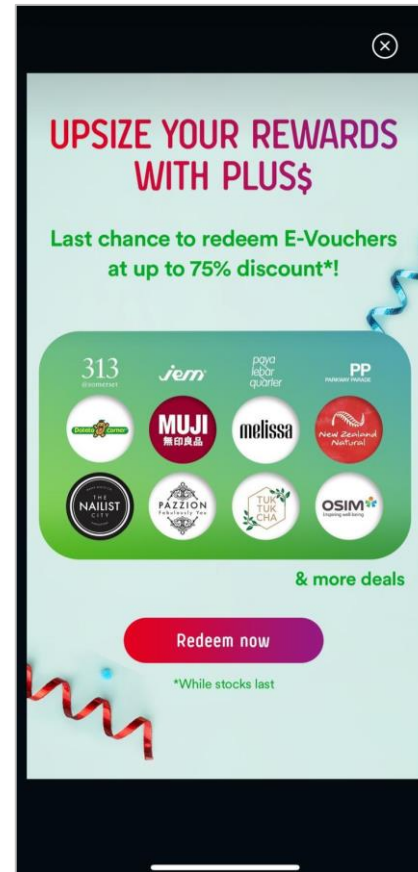
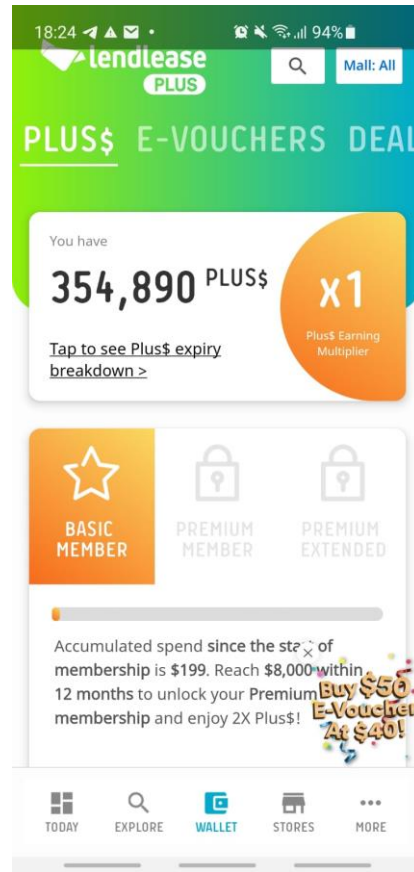
By Invite Only, homegrown jewellery brand



New World Carnival, integrated virtual reality arcade


Continue to shape the future of the retail landscape

- Focus on building online presence with the number of Lendlease Plus members increased by approximately 40% YoY
- Create a seamless chain between online and on-site shopping



Tap Lendlease Plus App to create engaging experiences for shoppers

Enticing shoppers to venture beyond their neighbourhood



Spring of Abundance
22 Jan – 28 Feb 2021

PACKS OF BLOOMS
22 Jan – 11 Feb 2021
Celebrate the new year and redeem an exclusive set of red packets at the Concierge Desk when you spend \$68!

VOUCHER BONUS
22 Jan – 28 Feb 2021
Receive \$10 Lendlease vouchers when you spend \$168! Snap additional \$15 Lendlease vouchers when you spend more to hit \$308!

AUSPICIOUS GLAMOUR
29 Jan – 28 Feb 2021
Enjoy \$10 off with min. \$50 spent in a single receipt at participating fashion outlets in 313. Simply snap a screenshot of the promo code in the Try-Ons video & flash it at any participating outlet to redeem*. Be sure to catch our Try-Ons videos on our IG & FB from 29 Jan!

What's more, comment on our IG contest post and share with us your favourite outfit from the Try-Ons and stand to be one of 5 winners* to win \$80 Lendlease vouchers each.

[Lendlease Plus Privilege] In-app redemptions now available! Simply upload your receipts via the Lendlease Plus mobile app to qualify for Lendlease E-Vouchers!



REWARDS UPON REWARDS, BAG THEM ALL!

Citi Credit Cardmembers Exclusive
12 Mar – 2 May 2021
Get rewarded with your Citi Credit Card*. Simply spend a min. of \$120 to redeem a \$10 Lendlease voucher + a lucky spin chance to win additional \$5 Lendlease voucher, Retailer's voucher or a mystery gift!

LENDLEASE PLUS EXCLUSIVES

Upsize Rewards With Plus\$
12 Mar – 2 May 2021
Redeem E-voucher* at up to 75% off from your favourite brands including CHARLES & KEITH, Chir Chir Fusion Chicken Factory, SONIV and Paris Baguette. Simply check out the DEALS section of your Lendlease Plus app and bag them all!

Buy \$50 E-voucher At \$40!
5 Apr – 2 May 2021
Enjoy more with less. Spend a min. of \$50 in a single receipt and stand a chance to purchase \$50 Lendlease E-voucher at only \$40! Simply submit your receipts via your Lendlease Plus app today!

The Rescue Project
Let's rescue pre-loved items from reaching our one and only landfill!

DECLUTTER | 26 Mar – 4 Apr 2021 (11 am – 8 pm, Free)
In collaboration with Swapaholic, get set to declutter your wardrobe! Be rewarded with 5,000 Plus\$* when you drop off your bagful of pre-owned items to give them a new lease of life.

REFRESH | 17 – 18 Apr 2021 (Registration based)
Sift through thousands of pre-loved items and rescue a bagful of items. Use your imagination to rewear, repair, or repurpose these one-of-a-kind gems.

Enjoy 50%* off your registration fee. Limited slots available. Registration starts on 15 Mar 21, visit events.swapaholic.com to register.

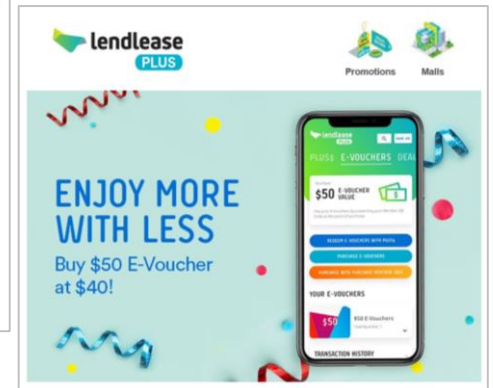
Earth Hour Lights Off
27 Mar 2021 | 8.30pm – 10.30pm
Join us in support of Earth Hour 2021 by switching off all non-essential lightings and make a difference!



THE RESCUE PROJECT

Imperfect but open to change, just like you.

DECLUTTER 26 MAR - 4 APR
REFRESH 17 & 18 APR



lendlease PLUS

Promotions Malls

ENJOY MORE WITH LESS
Buy \$50 E-Voucher at \$40!

PLUS\$ E-VOUCHERS DEAL

\$50 E-VOUCHER ONLINE

Shop at participating outlets

Redeem E-voucher

YOUR E-VOUCHERS

\$50 E-Voucher (Available in 313)

TRANSACTION HISTORY

Sky Complex, grade-A office in Milan

- Comprises three office buildings and has excellent accessibility via the public transport system. Fully leased to Sky Italia, owned by Comcast Corporation⁽¹⁾.
- Live broadcasting with limited audience numbers continued to take place in Sky Complex.



Key Statistics (as at 31 March 2021)

Occupancy	100%
WALE	11.1 years (by NLA and GRI)
Valuation	S\$438.1 million ⁽²⁾ (€277.7 million)
Valuation cap rate	5.25%
NLA	985,967 sq ft
Ownership	100% (freehold)

(1) Sky Italia is a subsidiary of Comcast Corporation company, a global media and technology company.

(2) Conversion of € to S\$ is based on the FX rate of 1.578 as at 31 March 2021.

Good development progress in the Milano Santa Giulia district

- Italy's largest music academy, Giuseppe Verdi Conservatory, will set up a new campus in the south zone of Milano Santa Giulia, adjacent to Sky Complex, by end-2025.
- Good traction in the development of the north zone where various planning and infrastructure approvals are expected to be obtained by end-2021.
- These are expected to accelerate the transformation of the Milano Santa Giulia district into one of Milan's key decentralised office and mixed-use destinations.



- 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

Positive interest in the south zone of Milano Santa Giulia district is expected to attract flight-to-quality tenants

- Approximately 80% of Spark One was pre-let to Saipem, a global engineering company
- Italy's largest music academy, Giuseppe Verdi Conservatory, will set up a new campus, next to Sky Complex, by end-2025



A vibrant community where people live, work and play

The promenade connects seamlessly to the Rogoredo Station and is a pedestrian street with good selection of retail, bars and restaurants.



Stake in Jem through a 5% interest in Lendlease Asian Retail Investment Fund 3 (“ARIF 3”)



- New anchor tenant, **IKEA**. The Jem store is the Swedish furniture giant's **first small-store concept in Southeast Asia**. Spanning over 6,500 sqm across three levels in Jem, the innovative brand carries a variety of **new interesting features** such as Click & Collect service at the restaurant, cashless check-outs and interactive play projections for the kids to provide a more convenient and seamless shopping experience. Aiming to be the biggest outlet in terms of new experiences and ideas, IKEA is expected to **enrich shoppers' in-store experience and increase footfall to Jem**.
- Global Japanese retail company, **Muji, will be expanding** its space to offer more lifestyle products and increase consumer options. Other new tenants include Tsui Wah, Scoop, Pizzakaya, iSteak and simpleBurger.
- The **ability to bring in new and established brands to Jem** will reinforce its positioning as a dominant mall in the West of Singapore. The **continual refresh of tenant mix** will also enhance shopping experience and **drive footfall and tenant sales to Jem**.

Development of a new multifunctional event space adjacent to 313@somerset



Artist impression. Multifunctional event space, adjacent to 313@somerset.



Artist impression. Multifunctional event space, adjacent to 313@somerset.

- The **event space has been substantially leased to Live Nation**, one of the world's leading live entertainment company, as the anchor tenant.
- Development is expected to commence in the second half of 2021.
- Set to complete in 2022, the multifunctional event space will **create synergy and connect seamlessly** to the Discovery Walk, which is linked to 313@somerset.
- The new attraction, with experiential lifestyle and entertainment events that run throughout the year, is expected to **draw constant footfall and boost tenant sales in 313@somerset**.

CAPITAL MANAGEMENT

Key financial indicators

Stable liquidity position to meet financial obligations

	As at 31 March 2021	As at 31 December 2020
Gross borrowings	S\$548.9 million	S\$559.5 million
Gearing ratio	35.4%	35.5%
Weighted average debt maturity	2.4 years	2.7 years
Weighted average running cost of debt ⁽¹⁾	0.88% p.a.	0.88% p.a.
Interest coverage	7.7 times ⁽²⁾	8.5 times

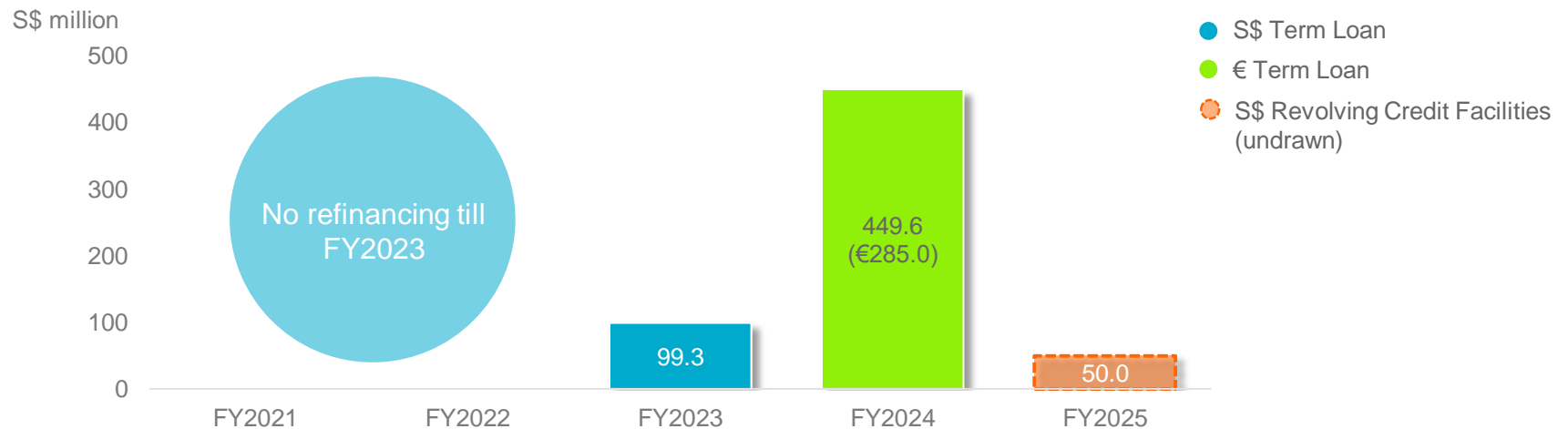
(1) Excludes amortisation of debt-related transaction costs.

(2) The interest coverage ratio of 7.7 times is in accordance with requirements in its debt agreements, and 4.1 times in accordance with the Property Funds Appendix of the Code on Collective Schemes.

Debt facilities and maturity profile

- 100% unsecured debt
- Euro natural hedge investment into Sky Complex via Euro term loan
- Diversity of debt funding across a syndicate of lenders
- S\$147.3 million of undrawn multicurrency debt facilities⁽¹⁾

Debt Maturity Profile



(1) S\$147.3 million of undrawn facilities includes S\$50 million of committed facilities.

**MOVING
FORWARD**

Key focus in the near term

Strengthen and grow

- **Positioning for the retail proposition of the future**
 - Targeted marketing campaigns to boost sales and visitation
 - Focus on maintaining occupancy and working with tenants to help them stay relevant in the dynamic retail environment
 - Build on 313@somerset's proposition for omnichannel tenants to deliver an integrated shopping experience
- **Continue to place the well-being of our tenants and shoppers as our top priority**
 - Working hand-in-hand with the authorities and tenants to ensure a COVID-safe environment.
 - Conduct regular checks to ensure that 313@somerset operates within the occupancy limits and its tenants adopt the appropriate measures.
- **Fortify 313@somerset's position as the focal point of the Somerset youth precinct**
 - Capitalise on its location to attract tenants that are relevant to its key target segments
 - Solidify its position as the focal point of the Somerset youth precinct through the addition of a multifunctional event space
- **Enhancing portfolio attractiveness through growth opportunities**
 - Drive sustainable business growth through proactive asset management to ensure LREIT's assets and amenities meet tenants' evolving business needs
 - Tap Sponsor's pipeline to acquire high-quality assets with stable cash flow
- **Proactive and Prudent Capital Management**
 - Focus on cost optimisation and a solid balance sheet supported by diverse sources of capital



Thank You

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APPENDIX

Recap: Financial performance for 1H FY2021

DPU of 2.34 cents declared for 1H FY2021

	1H FY2021 (S\$'000)	1H FY2020 ⁽¹⁾ (S\$'000)	Variance
Gross revenue	41,608	40,326	▲ 3.2%
Net property income	30,393	29,905	▲ 1.6%
Distributable income	27,546	27,164	▲ 1.4%
DPU (cents)	2.34	2.32	▲ 0.8%

(1) The annualised results for the 6 months ended 31 December 2019 is based on the actual results from 2 October 2019 to 30 June 2020 (273 days) pro-rated to 366 days, deducting for the actual results from 1 January 2020 to 30 June 2020.

Recap: Balance sheet as at 31 December 2020

NAV per unit remained stable at \$0.85

S\$('000) unless otherwise stated	As at 31 December 2020	As at 30 June 2020
Total assets	1,577,523	1,555,498
Gross borrowings	559,495	545,319
Total liabilities	582,516	563,248
Net assets attributable to unitholders	995,007	992,250
Units in issue (number)	1,177,145,952	1,171,795,224
NAV per unit (S\$)	0.85	0.85