

Update on the Impact of the Covid-19 Outbreak

DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the initial public offering of Lendlease Global Commercial REIT (the “Offering”). DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. were the joint global coordinators, bookrunners and underwriters for the Offering.

Singapore, 9 April 2020 - Lendlease Global Commercial Trust Management Pte. Ltd., as the manager of Lendlease Global Commercial REIT (“LREIT”, and the manager of LREIT, the “Manager”), would like to provide an update in relation to the impact of the Covid-19 outbreak on its portfolio.

The Covid-19 pandemic has worsened globally, including in Singapore. Given the various measures introduced by the Singapore government, there will be an impact on 313@somerset’s contribution to LREIT’s distributable income from April 2020 onwards as compared against the profit and distribution forecast set out in LREIT’s IPO prospectus. Hence, the Manager is withdrawing the IPO profit and distribution forecast for the financial year ending 30 June 2020 and the profit and distribution projection for the financial year ending 30 June 2021 as set out in LREIT’s IPO prospectus, as it may no longer be a fair basis against which the actual performance of LREIT could be compared given the current circumstances.

Sky Italia, which leases 100% of Sky Complex, has to-date made all its rental payments in a timely manner as per its lease and it contributes 33.9% of LREIT’s net property income¹. Sky Italia is wholly owned by Comcast Corporation, the world’s largest broadcasting and cable television company by revenue² rated A3 with a stable outlook by Moody’s Investors Service, Inc.

To ensure financial stability and cashflow sustainability, LREIT adopts a prudent and disciplined approach towards capital management. As at 31 December 2019, LREIT had a gearing ratio of 34.9% and a cash balance of S\$88.5 million. Its weighted average running cost of debt was 0.86% per annum with an interest coverage ratio at 10.8 times. LREIT’s borrowings are 100% hedged with no debt maturities until its financial year ending 30 June 2023. Its weighted average debt maturity was 3.6 years.

The Manager will continue to closely monitor the situation and will provide further updates as soon as practicable. Meanwhile, the Manager is committed to helping tenants during this difficult period. To ensure the viability of 313@somerset’s tenants and the long term occupancy of the mall, LREIT will be providing rental relief for tenants who have had to close during this period and will be passing on the full savings from the property tax rebates by the Singapore government to all tenants. The Manager remains focused on ensuring LREIT’s longer-term strength, and remains committed to ensure we protect the health and safety of our shoppers, tenants and employees.

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¹ For the period from Listing Date to 31 December 2019.

² Based on Forbes publication dated 21 January 2020.

About Lendlease Global Commercial REIT

Listed on 2 October 2019, 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.

Its initial portfolio comprises a leasehold interest in, 313@somerset, a retail property located in Singapore and a freehold interest in Sky Complex, which comprises three office buildings located in Milan. The portfolio has a total net lettable area of approximately 1.3 million square feet, with an appraised value of S\$1.4 billion.

LREIT is managed by Lendlease Global Commercial Trust Management Pte. Ltd., an indirect wholly-owned subsidiary of Lendlease Corporation Limited. Its key objectives are to provide Unitholders with regular and stable distributions, achieve long-term growth in distribution per unit and net asset value per unit, and maintain an appropriate capital structure.

About the Sponsor - Lendlease Corporation Limited

The Sponsor, Lendlease Corporation Limited, is part of the Lendlease Group³, an international property and infrastructure group with core expertise in shaping cities and creating strong and connected communities, with operations in Australia, Asia, Europe and the Americas.

Headquartered in Sydney and established in 1958, the Lendlease Group's vision is to create the best places by striving for world leading standards for safety, innovation and sustainability.

The Lendlease Group's approach is to maintain a portfolio of operations that deliver diversification of earnings by segment and region, providing a mitigant to property cycles. This approach means that through cycles the composition of earning from each segment or region may vary.

As at 31 December 2019, the Lendlease Group has a development pipeline value approximately A\$112 billion and funds under management of A\$37 billion. The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and infrastructure investments.

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³ Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

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The value of units in LREIT (the “**Units**”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by Lendlease Global Commercial Trust Management Pte. Ltd. (the “**Manager**”), RBC Investor Services Trust Singapore Limited (as trustee of LREIT) or any of their affiliates.

This press release may contain forward-looking statements that involve risks and uncertainties. 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 factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, (including employee wages, benefits and training costs), property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

An investment in Units is subject to investment risks, including the possible loss of the principal amount invested. Holders of Units (“**Unitholder**”) have no right to request the Manager to redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (“**SGX-ST**”). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

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The past performance of LREIT is not necessarily indicative of its future performance.