

(Constituted in the Republic of Singapore pursuant to a Trust Deed dated 28 January 2019 (as amended))

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023**

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## **LENDLEASE GLOBAL COMMERCIAL REIT**

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023**

#### **Introduction & Corporate Information**

Lendlease Global Commercial REIT (“LREIT”) is a Singapore-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 28 January 2019 (as amended). It is principally regulated by the Securities and Futures Act 2001, 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”). 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.

Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”) is an indirect wholly-owned subsidiary of the Sponsor. Effective 18 July 2022, the trustee of LREIT is DBS Trustee Limited.

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.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

LREIT's property portfolio comprises the following properties in Singapore and Milan, Italy (the "Properties"):

(i) a 99-year leasehold<sup>1</sup> interest in Jem, an integrated office and retail mall located in Jurong East, Singapore ("Jem");

(ii) a 99-year leasehold<sup>2</sup> interest in 313@somerset, a retail mall located in Orchard, Singapore ("313@somerset"); and

(iii) a freehold interest in Sky Complex, which comprises three office buildings located in Milan, Italy ("Sky Complex").

LREIT owns 10.0% of the shares in Parkway Parade Partnership Pte. Ltd. ("PPP"), which holds an indirect 100% interest in 291 strata lots in Parkway Parade, representing 77.09% of the total share value of the strata lots in Parkway Parade. Parkway Parade is an integrated office and retail development located in Marine Parade, Singapore.

#### Footnotes:

1. Commencing on 27 September 2010 and ending on 26 September 2109.

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

## Distribution

The final distribution for financial year 2023 ("FY2023") will be for the period from 1 January 2023 to 30 June 2023 and will be paid on or before 30 September 2023.

## Summary of Lendlease Global Commercial REIT Group Results

	GROUP					
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	Variance %	FY2023	FY2022	Variance %
Gross Revenue (S\$'000)	103,143	62,472	65.1	204,876	101,662	>100
Net Property Income (S\$'000)	77,513	45,865	69.0	153,937	75,508	>100
Amount Distributable (S\$'000)						
- to Perpetual Securities holders	9,372	6,519	43.8	18,900	10,753	75.8
- to Non-controlling interests	(441)	(643)	31.4	(352)	1,543	NM
- to Unitholders	52,172	42,903 <sup>1</sup>	21.6	108,202	71,505 <sup>1</sup>	51.3
<b>Available Distribution per Unit ("DPU") (cents)</b>	<b>2.25</b>	<b>2.45<sup>1</sup></b>	<b>(8.4)</b>	<b>4.70</b>	<b>4.85<sup>1</sup></b>	<b>(3.2)</b>

NM: Not meaningful

#### Footnote:

1. Including advance distribution of 1.1371 Singapore cents per unit for the period from 1 January 2022 to 30 March 2022.

# LENLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

		GROUP		
		(S\$'000)		Variance %
Note		6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	
	Gross revenue	103,143	62,472	65.1
	Property operating expenses	(25,630)	(16,607)	(54.3)
	<b>Net property income</b>	<b>77,513</b>	<b>45,865</b>	<b>69.0</b>
	Manager's base fee	(5,205)	(3,940)	(32.1)
	Manager's performance fee	(3,884)	(2,294)	(69.3)
	Other management fees	(377)	(574)	34.3
	Trustee's fee	(228)	(183)	(24.6)
	Other trust expenses <sup>1</sup>	(2,556)	(3,209)	20.3
	Net foreign exchange gain/(loss) <sup>2</sup>	(10,959)	22,939	NM
	Finance income	588	169	>100
	Finance costs <sup>3</sup>	(27,772)	(10,374)	(>100)
	<b>Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)</b>	<b>27,120</b>	<b>48,399</b>	<b>(44.0)</b>
	Net change in fair value of investment properties & investment property under development <sup>4</sup>	39,162	49,115	(20.3)
	Net change in fair value of equity instrument <sup>5</sup>	579	-	NM
	Impairment of investment in associates <sup>5</sup>	(1,067)	(564)	(89.2)
	Share of profit/(loss) of associates	385	(2,100)	NM
	Net change in fair value of derivative financial instruments <sup>6</sup>	(6,052)	11,992	NM
	<b>Profit/(Loss) before tax</b>	<b>60,127</b>	<b>106,842</b>	<b>(43.7)</b>
	Tax expense	-	-	NM
	<b>Profit/(Loss) after tax</b>	<b>60,127</b>	<b>106,842</b>	<b>(43.7)</b>
	<b>Attributable to:</b>			
	Unitholders	51,196	100,966	(49.3)
	Non-controlling interests	(441)	(643)	31.4
	Perpetual securities holders <sup>7</sup>	9,372	6,519	43.8
	<b>Profit/(Loss) after tax</b>	<b>60,127</b>	<b>106,842</b>	<b>(43.7)</b>
	<b>Distribution Statement</b>			
	Profit attributable to Unitholders	51,196	100,966	(49.3)
	Add: Distribution adjustments <sup>8</sup>	976	(58,063)	NM
	<b>Amount available for distribution to Unitholders (Note A)</b>	<b>52,172</b>	<b>42,903</b>	<b>21.6</b>

NM: Not meaningful

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

**Footnotes:**

1. Other trust expenses include operating expenses such as annual listing fees, audit and tax advisory fees, valuation costs, investor relations expenses, amortisation of intangible assets, acquisition costs and other miscellaneous expenses.

2. Net foreign exchange gain/loss relates mainly to the translation difference of the Euro term loan to Singapore dollars during the period. Due to the effect of natural hedging, there is a corresponding gain/loss recognised in the comprehensive income, resulting from the stronger/weaker €/S\$ exchange rate on the Euro-denominated investment.

3. Finance costs comprise mainly 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. This is a non-tax chargeable/deductible item and therefore does not affect income available for distribution to Unitholders.

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

7. LREIT has issued two series of perpetual securities with an aggregate amount of S\$400 million with no fixed final redemption date. Both series of perpetual securities confer rights to its holders to receive distribution payments at a fixed rate. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

8. Comprises Manager's base fee and performance fee paid/payable in units, property management fee paid/payable in units, net change in fair value of investment properties, investment property under development, equity instrument and derivative financial instruments, amortisation of debt-related transaction costs, acquisition costs and other adjustments related to non-cash or timing differences in income and expenses.

**Note A**

Distribution from:

- Singapore

- Foreign source <sup>1</sup>

Total

GROUP		
(S\$'000)		Variance %
6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	
41,825	31,835	31.4
10,347	11,068	(6.5)
52,172	42,903	21.6

**Footnote:**

1. Foreign source distribution mainly pertains to income from Sky Complex.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 1(a)(ii) Condensed Interim Consolidated Statement of Comprehensive Income

	GROUP		
	(S\$'000)		Variance %
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	
<b>Profit/(Loss) after tax</b>	<b>60,127</b>	<b>106,842</b>	<b>(43.7)</b>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
<b>Other comprehensive income:</b>			
Net currency translation differences relating to financial statements of a foreign subsidiary	14,268	(22,294)	NM
<b>Total comprehensive income</b>	<b>74,395</b>	<b>84,548</b>	<b>(12.0)</b>

#### **Total comprehensive income attributable to:**

Unitholders	65,464	78,672	(16.8)
Non-controlling interests	(441)	(643)	31.4
Perpetual securities holders	9,372	6,519	43.8
	<b>74,395</b>	<b>84,548</b>	<b>(12.0)</b>

NM: Not meaningful

# LENLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

GROUP			
(S\$'000)			
Note	FY2023	FY2022	Variance %
Gross revenue	204,876	101,662	>100
Property operating expenses	(50,939)	(26,154)	(94.8)
<b>Net property income</b>	<b>153,937</b>	<b>75,508</b>	<b>&gt;100</b>
Manager's base fee	(10,415)	(6,025)	(72.9)
Manager's performance fee	(7,705)	(3,949)	(95.1)
Other management fees	(762)	(1,256)	39.3
Trustee's fee	(438)	(303)	(44.6)
Other trust expenses <sup>1</sup>	(3,761)	(4,339)	13.3
Net foreign exchange gain/(loss) <sup>2</sup>	(2,732)	39,853	NM
Finance income	647	259	>100
Finance costs <sup>3</sup>	(51,358)	(16,062)	(>100)
<b>Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)</b>	<b>77,413</b>	<b>83,686</b>	<b>(7.5)</b>
Net change in fair value of investment properties & investment property under development <sup>4</sup>	39,162	49,115	(20.3)
Net change in fair value of equity instrument <sup>5</sup>	579	330	75.5
Impairment of investment in associates <sup>5</sup>	(1,067)	(564)	(89.2)
Share of profit/(loss) of associates	1,052	5,319	(80.2)
Net change in fair value of derivative financial instruments <sup>6</sup>	1,333	14,796	(91.0)
<b>Profit/(Loss) before tax</b>	<b>118,472</b>	<b>152,682</b>	<b>(22.4)</b>
Tax expense	-	-	NM
<b>Profit/(Loss) after tax</b>	<b>118,472</b>	<b>152,682</b>	<b>(22.4)</b>
<b>Attributable to:</b>			
Unitholders	99,924	140,386	(28.8)
Non-controlling interests	(352)	1,543	NM
Perpetual securities holders <sup>7</sup>	18,900	10,753	75.8
<b>Profit/(Loss) after tax</b>	<b>118,472</b>	<b>152,682</b>	<b>(22.4)</b>
<b>Distribution Statement</b>			
Profit attributable to Unitholders	99,924	140,386	(28.8)
Add: Distribution adjustments <sup>8</sup>	8,278	(68,881)	NM
<b>Amount available for distribution to Unitholders (Note A)</b>	<b>108,202</b>	<b>71,505</b>	<b>51.3</b>

NM: Not meaningful

# LENLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

**Footnotes:**

1. Other trust expenses include operating expenses such as annual listing fees, audit and tax advisory fees, valuation costs, investor relations expenses, amortisation of intangible assets, acquisition costs and other miscellaneous expenses.

2. Net foreign exchange gain/loss relates mainly to the translation difference of the Euro term loan to Singapore dollars during the period. Due to the effect of natural hedging, there is a corresponding gain/loss recognised in the comprehensive income, resulting from the stronger/weaker €/S\$ exchange rate on the Euro-denominated investment.

3. Finance costs comprise mainly 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. This is a non-tax chargeable/deductible item and therefore does not affect income available for distribution to Unitholders.

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

7. LREIT has issued two series of perpetual securities with an aggregate amount of S\$400 million with no fixed final redemption date. Both series of perpetual securities confer rights to its holders to receive distribution payments at a fixed rate. Distributions are payable semi-annually in arrears on a discretionary basis and are non-cumulative in accordance with the terms and conditions of the perpetual securities.

8. Comprises Manager's base fee and performance fee paid/payable in units, property management fee paid/payable in units, net change in fair value of investment properties, investment property under development, equity instrument and derivative financial instruments, amortisation of debt-related transaction costs, acquisition costs and other adjustments related to non-cash or timing differences in income and expenses.

**Note A**

Distribution from:

- Singapore

- Foreign source <sup>1</sup>

Total

GROUP		
(S\$'000)		Variance %
FY2023	FY2022	
86,942	50,061	73.7
21,260	21,444	(0.9)
108,202	71,505	51.3

**Footnote:**

1. Foreign source distribution mainly pertains to income from Sky Complex.



## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 1(a)(ii) Condensed Interim Consolidated Statement of Comprehensive Income

	GROUP		
	(S\$'000)		Variance %
	FY2023	FY2022	
<b>Profit/(Loss) after tax</b>	<b>118,472</b>	<b>152,682</b>	<b>(22.4)</b>
<i>Item that may be reclassified subsequently to profit or loss:</i>			
<b>Other comprehensive income:</b>			
Net currency translation differences relating to financial statements of a foreign subsidiary	6,428	(39,409)	NM
<b>Total comprehensive income</b>	<b>124,900</b>	<b>113,273</b>	<b>10.3</b>

#### **Total comprehensive income attributable to:**

Unitholders	106,352	100,977	5.3
Non-controlling interests	(352)	1,543	NM
Perpetual securities holders	18,900	10,753	75.8
	<b>124,900</b>	<b>113,273</b>	<b>10.3</b>

NM: Not meaningful

# LENLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### 1(b)(i) Condensed Interim Statement of Financial Position

		GROUP	
		30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
	Note		
<b>Current assets</b>			
Cash and cash equivalents		54,224	49,230
Trade and other receivables		4,049	16,820
Other current assets		6,888	6,798
Derivative financial instruments <sup>1</sup>		4,930	2,415
		70,091	75,263
<b>Non-current assets</b>			
Investment properties	ii	3,642,854	3,593,332
Investment property under development	iii	7,171	6,105
Investment in associates	iv	7,758	14,511
Equity instrument at fair value	v	85,784	-
Intangible assets <sup>2</sup>		128	-
Other receivables		-	1,479
Other non current assets		2,685	1,294
Derivative financial instruments <sup>1</sup>		9,880	9,980
		3,756,260	3,626,701
<b>Total assets</b>		<b>3,826,351</b>	<b>3,701,964</b>
<b>Current liabilities</b> <sup>3</sup>			
Trade and other payables		58,135	56,120
Loans and borrowings	vi	433,611	297,754
Lease liability <sup>4</sup>		238	234
Derivative financial instruments <sup>1</sup>		369	-
		492,353	354,108
<b>Non-current liabilities</b>			
Trade and other payables		22,315	15,146
Lease liability <sup>4</sup>		1,633	1,871
Loans and borrowings	vi	1,078,572	1,152,146
Derivative financial instruments <sup>1</sup>		713	-
		1,103,233	1,169,163
<b>Total liabilities</b>		<b>1,595,586</b>	<b>1,523,271</b>
<b>Net assets</b>		<b>2,230,765</b>	<b>2,178,693</b>
<b>Represented by:</b>			
Unitholders' funds		1,829,344	1,775,412
Non-controlling interests		1,989	3,839
Perpetual securities holders		399,432	399,442
		<b>2,230,765</b>	<b>2,178,693</b>
<b>NAV per Unit (S\$)</b> <sup>5</sup>	vii	<b>0.79</b>	<b>0.78</b>

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### 1(b)(i) Condensed Interim Statement of Financial Position

**Footnotes:**

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

2. *Intangible assets comprise renewable energy certificates acquired by the Group and are measured at cost less accumulated amortisation over the useful lives less any accumulated impairment losses.*

3. *The Group is in a net current liabilities position mainly due to a current portion of long-term borrowings taken to fund investment properties (long-term assets) that are maturing within the next 12 months. The Group has sufficient banking facilities available to refinance the portion of borrowings due payable within the next 12 months. Please refer to Notes to the Condensed Interim Financial Statements (vi) Loans and Borrowings.*

4. *This relates to the lease liability recognised by the Group on its existing operating lease arrangements in accordance with the principles of IFRS 16.*

5. *Net asset value ("NAV") and net tangible asset ("NTA") backing per unit are based on issued units at the end of the period.*

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### 1(b)(i) Condensed Interim Statement of Financial Position

		LREIT	
		30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
	Note		
<b>Current assets</b>			
Cash and cash equivalents		37,662	32,373
Trade and other receivables		2,297	13,153
Other current assets		6,603	6,481
Derivative financial instruments <sup>1</sup>		4,930	2,415
		51,492	54,422
<b>Non-current assets</b>			
Investment properties	ii	3,214,000	3,121,000
Investment property under development	iii	7,171	6,105
Investment in subsidiaries		444,480	448,666
Equity instrument at fair value	v	85,784	-
Intangible assets <sup>2</sup>		128	-
Other non current assets		2,685	1,294
Derivative financial instruments <sup>1</sup>		9,880	9,980
		3,764,128	3,587,045
<b>Total assets</b>		<b>3,815,620</b>	<b>3,641,467</b>
<b>Current liabilities <sup>3</sup></b>			
Trade and other payables		52,507	51,824
Loans and borrowings	vi	433,611	297,754
Lease liability <sup>4</sup>		238	234
Derivative financial instruments <sup>1</sup>		369	-
		486,725	349,812
<b>Non-current liabilities</b>			
Trade and other payables		22,315	15,146
Lease liability <sup>4</sup>		1,633	1,871
Loans and borrowings	vi	1,078,572	1,152,146
Derivative financial instruments <sup>1</sup>		713	-
		1,103,233	1,169,163
<b>Total liabilities</b>		<b>1,589,958</b>	<b>1,518,975</b>
<b>Net assets</b>		<b>2,225,662</b>	<b>2,122,492</b>
<b>Represented by:</b>			
Unitholders' funds		1,826,230	1,723,050
Perpetual securities holders		399,432	399,442
		<b>2,225,662</b>	<b>2,122,492</b>
<b>NAV per Unit (S\$) <sup>5</sup></b>	vii	<b>0.79</b>	<b>0.76</b>

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### 1(b)(i) Condensed Interim Statement of Financial Position

**Footnotes:**

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

2. Intangible assets comprise renewable energy certificates acquired by LREIT and are measured at cost less accumulated amortisation over the useful lives less any accumulated impairment losses.

3. LREIT is in a net current liabilities position mainly due to a current portion of long-term borrowings taken to fund investment properties (long-term assets) that are maturing within the next 12 months. LREIT has sufficient banking facilities available to refinance the portion of borrowings due payable within the next 12 months. Please refer to Notes to the Condensed Interim Financial Statements (vi) Loans and Borrowings.

4. This relates to the lease liability recognised by LREIT on its existing operating lease arrangements in accordance with the principles of IFRS 16.

5. Net asset value ("NAV") and net tangible asset ("NTA") backing per unit are based on issued units at the end of the period.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 1(c) Condensed Interim Consolidated Statement of Cash Flow

	GROUP	
	6 months ended 30 Jun 2023 (S\$'000)	6 months ended 30 Jun 2022 (S\$'000)
<b>Cash flows from operating activities</b>		
Profit/(Loss) after tax	60,127	106,842
Adjustments for:		
Manager's fee paid/payable in units	9,089	4,937
Property manager's fee paid/payable in units	2,946	1,212
Finance income	(588)	(169)
Interest expense	21,445	6,014
Amortisation of debt-related transactions costs	6,171	4,249
Amortisation of intangible assets	31	-
Net unrealised foreign exchange (gain)/loss <sup>1</sup>	12,568	(22,365)
Impairment of investment in associates	1,067	564
Share of (profit)/loss of associates	(385)	2,100
Net change in fair value of investment properties and investment property under development	(39,162)	(49,115)
Net change in fair value of equity instrument	(579)	-
Net change in fair value of derivatives financial instruments	6,052	(11,992)
<b>Operating income before working capital changes</b>	<b>78,782</b>	<b>42,277</b>
Changes in working capital:		
Trade and other receivables	1,474	(8,170)
Trade and other payables	4,064	34,020
Other current assets	824	(1,343)
Other non current assets	(703)	56
<b>Net cash generated from/(used in) operating activities</b>	<b>84,441</b>	<b>66,840</b>

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### 1(c) Condensed Interim Consolidated Statement of Cash Flow

	GROUP	
	6 months ended 30 Jun 2023 (S\$'000)	6 months ended 30 Jun 2022 (S\$'000)
<b>Cash flows from investing activities</b>		
Dividends received from associates (including net capital returns)	-	351,464
Interest received	588	169
Acquisition of investment property	-	(1,878,520)
Capital expenditure on investment properties	(1,910)	(541)
Capital expenditure on investment property under development	(121)	(719)
Purchase of equity instrument	(85,852)	-
Refund/(Payment) of transaction costs related to purchase of equity instrument	(207)	-
Acquisition of investment in associate	-	(285)
Acquisition of subsidiary	-	(47)
<b>Net cash generated from/(used in) investing activities</b>	<b>(87,502)</b>	<b>(1,528,479)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new units	-	648,815
Refund/(Payment) of issue costs	(425)	(9,556)
Proceeds from issue of perpetual securities	-	200,000
Refund/(Payment) of issue costs for perpetual securities	2	(1,808)
Payment of financing expenses	(20,535)	(23,604)
Proceeds from loans and borrowings	89,215	1,071,000
Repayment of loans and borrowings	-	(235,000)
Distribution to Unitholders <sup>2</sup>	(38,573)	(42,152)
Distribution to perpetual securities holders	(9,424)	(4,188)
Distribution to non-controlling interests	-	(135,010)
Interest paid	(21,632)	(4,345)
Payment of lease liability	(135)	(105)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>(1,507)</b>	<b>1,464,047</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(4,568)</b>	<b>2,408</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>58,624</b>	<b>47,529</b>
Effect of exchange rate changes on balances held in foreign currency	168	(707)
<b>Cash and cash equivalents at end of the period</b>	<b>54,224</b>	<b>49,230</b>

**Footnotes:**

1. Net unrealised foreign exchange gain/loss relates mainly to the translation difference of the Euro term loan to Singapore dollar during the period. Due to the effect of natural hedging, there is a corresponding gain/loss in the comprehensive income, resulting from the stronger/weaker €/S\$ exchange rate on the Euro-denominated investment.

2. Distribution to Unitholders in 2H FY2023 excludes S\$17.5 million distributed through the issuance of units in LREIT as part payment of distributions for the period from 1 July 2022 to 31 December 2022, pursuant to distribution reinvestment plan. In 2H FY2022, this amount includes S\$13.6 million advance distribution for the period from 1 January 2022 to 30 March 2022.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 1(c) Condensed Interim Consolidated Statement of Cash Flow

	GROUP	
	FY2023 (S\$'000)	FY2022 (S\$'000)
<b>Cash flows from operating activities</b>		
Profit/(Loss) after tax	118,472	152,682
Adjustments for:		
Manager's fee paid/payable in units	18,120	8,677
Property manager's fee paid/payable in units	5,858	2,004
Transaction costs related to purchase of equity instrument	-	54
Finance income	(647)	(259)
Interest expense	38,537	8,712
Amortisation of debt-related transactions costs	12,504	7,190
Amortisation of intangible assets	34	-
Net unrealised foreign exchange (gain)/loss <sup>1</sup>	6,155	(39,455)
Impairment of investment in associates	1,067	564
Share of (profit)/loss of associates	(1,052)	(5,319)
Net change in fair value of investment properties and investment property under development	(39,162)	(49,115)
Net change in fair value of equity instrument	(579)	(330)
Net change in fair value of derivatives financial instruments	(1,333)	(14,796)
<b>Operating income before working capital changes</b>	<b>157,974</b>	<b>70,609</b>
Changes in working capital:		
Trade and other receivables	14,511	(4,350)
Trade and other payables	3,006	33,281
Other current assets	(90)	(3,888)
Other non current assets	(1,391)	(425)
<b>Net cash generated from/(used in) operating activities</b>	<b>174,010</b>	<b>95,227</b>



# LENLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### 1(c) Condensed Interim Consolidated Statement of Cash Flow

	GROUP	
	FY2023 (S\$'000)	FY2022 (S\$'000)
<b>Cash flows from investing activities</b>		
Dividends received from associates (including net capital returns)	6,925	363,594
Interest received	647	259
Acquisition of investment property <sup>2</sup>	(1,352)	(1,878,520)
Capital expenditure on investment properties	(4,571)	(2,417)
Capital expenditure on investment property under development	(719)	(2,062)
Purchase of equity instrument	(85,852)	-
Refund/(Payment) of transaction costs related to purchase of equity instrument	(207)	129
Acquisition of investment in associate <sup>2</sup>	(353)	(170,218)
Acquisition of subsidiary <sup>2</sup>	(144)	(158,012)
Acquisition of intangible assets	(162)	-
<b>Net cash generated from/(used in) investing activities</b>	<b>(85,788)</b>	<b>(1,847,247)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new units	-	648,815
Refund/(Payment) of issue costs	(422)	(9,556)
Proceeds from issue of perpetual securities	-	200,000
Refund/(Payment) of issue costs for perpetual securities	(10)	(1,808)
Payment of financing expenses	(22,935)	(26,305)
Proceeds from loans and borrowings	220,215	1,221,000
Repayment of loans and borrowings	(153,397)	(255,000)
Distribution to Unitholders <sup>3</sup>	(67,926)	(69,728)
Distribution to perpetual securities holders	(18,900)	(8,400)
Distribution to non-controlling interests	(1,498)	(138,220)
Interest paid	(37,926)	(7,035)
Payment of lease liability	(270)	(336)
<b>Net cash flows generated from/(used in) financing activities</b>	<b>(83,069)</b>	<b>1,553,427</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,153</b>	<b>(198,593)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>49,230</b>	<b>249,264</b>
Effect of exchange rate changes on balances held in foreign currency	(159)	(1,441)
<b>Cash and cash equivalents at end of the period</b>	<b>54,224</b>	<b>49,230</b>

**Footnotes:**

1. Net unrealised foreign exchange gain/loss relates mainly to the translation difference of the Euro term loan to Singapore dollar during the period. Due to the effect of natural hedging, there is a corresponding gain/loss in the comprehensive income, resulting from the stronger/weaker €/S\$ exchange rate on the Euro-denominated investment.

2. Acquisition of investment property, investment in associate, and subsidiary in FY2023 relates to acquisition costs. In FY2022, the amounts relate to purchase price and acquisition costs.

3. Distribution to Unitholders in FY2023 excludes S\$17.5 million distributed through the issuance of units in LREIT as part payment of distributions for the period from 1 July 2022 to 31 December 2022, pursuant to distribution reinvestment plan. In FY2022, this amount includes S\$13.6 million advance distribution for the period from 1 January 2022 to 30 March 2022.

# LENLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

	GROUP	
	6 months ended 30 Jun 2023 (S\$'000)	6 months ended 30 Jun 2022 (S\$'000)
<b>Operations</b>		
<b>Balance as at the beginning of the period</b>	<b>178,561</b>	<b>28,867</b>
Profit/(Loss) after tax attributable to Unitholders	51,196	100,966
<b>Balance as at end of the period</b>	<b>229,757</b>	<b>129,833</b>
<b>Unitholders' transactions</b>		
<b>Balance as at the beginning of the period</b>	<b>1,643,220</b>	<b>929,642</b>
Issue costs	(425)	(9,556)
Manager's base fee paid in units	5,210	2,085
Manager's acquisition fee paid in units	-	17,060
Property manager's fee paid in units	2,913	792
Consideration units	-	118,079
Private placement units	-	399,999
Preferential offering units	-	248,816
Distribution reinvestment plan	17,456	-
Distributions	(56,029)	(42,152)
<b>Balance as at end of the period</b>	<b>1,612,345</b>	<b>1,664,765</b>
<b>Foreign currency translation reserve</b>		
<b>Balance as at the beginning of the period</b>	<b>(27,026)</b>	<b>3,108</b>
Translation differences relating to financial statements of a foreign subsidiary	14,268	(22,294)
<b>Balance as at end of the period</b>	<b>(12,758)</b>	<b>(19,186)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,829,344</b>	<b>1,775,412</b>
<b>Perpetual securities holders</b>		
<b>Balance as at beginning of the period</b>	<b>399,482</b>	<b>198,919</b>
Issue of perpetual securities	-	200,000
Issue expenses	2	(1,808)
Profit attributable to perpetual securities holders	9,372	6,519
Distributions	(9,424)	(4,188)
<b>Balance at end of the period</b>	<b>399,432</b>	<b>399,442</b>
<b>Non-controlling interests</b>		
<b>Balance as at beginning of the period</b>	<b>2,430</b>	<b>139,492</b>
Profit/(Loss) after tax attributable to non-controlling interests	(441)	(643)
Distribution to non-controlling interests (including capital returns)	-	(135,010)
<b>Balance at end of the period</b>	<b>1,989</b>	<b>3,839</b>

## LENLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

	GROUP	
	FY2023 (S\$'000)	FY2022 (S\$'000)
<b>Operations</b>		
<b>Balance as at the beginning of the period</b>	<b>129,833</b>	<b>(10,553)</b>
Profit/(Loss) after tax attributable to Unitholders	99,924	140,386
<b>Balance as at end of the period</b>	<b>229,757</b>	<b>129,833</b>
<b>Unitholders' transactions</b>		
<b>Balance as at the beginning of the period</b>	<b>1,664,765</b>	<b>948,232</b>
Issue costs	(422)	(9,556)
Manager's base fee paid in units	8,367	4,048
Manager's performance fee paid in units	3,436	2,923
Manager's acquisition fee paid in units	-	20,335
Property manager's fee paid in units	4,125	1,617
Consideration units	-	118,079
Private placement units	-	399,999
Preferential offering units	-	248,816
Distribution reinvestment plan	17,456	-
Distributions	(85,382)	(69,728)
<b>Balance as at end of the period</b>	<b>1,612,345</b>	<b>1,664,765</b>
<b>Foreign currency translation reserve</b>		
<b>Balance as at the beginning of the period</b>	<b>(19,186)</b>	<b>20,223</b>
Translation differences relating to financial statements of a foreign subsidiary	6,428	(39,409)
<b>Balance as at end of the period</b>	<b>(12,758)</b>	<b>(19,186)</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,829,344</b>	<b>1,775,412</b>
<b>Perpetual securities holders</b>		
<b>Balance as at beginning of the period</b>	<b>399,442</b>	<b>198,897</b>
Issue of perpetual securities	-	200,000
Issue expenses	(10)	(1,808)
Profit attributable to perpetual securities holders	18,900	10,753
Distributions	(18,900)	(8,400)
<b>Balance at end of the period</b>	<b>399,432</b>	<b>399,442</b>
<b>Non-controlling interests</b>		
<b>Balance as at beginning of the period</b>	<b>3,839</b>	<b>-</b>
Acquisition of subsidiary	-	140,516
Profit/(Loss) after tax attributable to non-controlling interests	(352)	1,543
Distribution to non-controlling interests (including capital returns)	(1,498)	(138,220)
<b>Balance at end of the period</b>	<b>1,989</b>	<b>3,839</b>

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

	LREIT	
	6 months ended 30 Jun 2023 (\$'000)	6 months ended 30 Jun 2022 (\$'000)
<b>Operations</b>		
<b>Balance as at the beginning of the period</b>	<b>108,600</b>	<b>19,736</b>
Profit/(Loss) after tax attributable to Unitholders	105,285	38,549
<b>Balance as at end of the period</b>	<b>213,885</b>	<b>58,285</b>
<b>Unitholders' transactions</b>		
<b>Balance as at the beginning of the period</b>	<b>1,643,220</b>	<b>929,642</b>
Issue costs	(425)	(9,556)
Manager's base fee paid in units	5,210	2,085
Manager's acquisition fee paid in units	-	17,060
Property manager's fee paid in units	2,913	792
Consideration units	-	118,079
Private placement units	-	399,999
Preferential offering units	-	248,816
Distribution reinvestment plan	17,456	-
Distributions	(56,029)	(42,152)
<b>Balance as at end of the period</b>	<b>1,612,345</b>	<b>1,664,765</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,826,230</b>	<b>1,723,050</b>
<b>Perpetual securities holders</b>		
<b>Balance as at beginning of the period</b>	<b>399,482</b>	<b>198,919</b>
Issue of perpetual securities	-	200,000
Issue expenses	2	(1,808)
Profit attributable to perpetual securities holders	9,372	6,519
Distributions	(9,424)	(4,188)
<b>Balance at end of the period</b>	<b>399,432</b>	<b>399,442</b>

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

	LREIT	
	FY2023 (S\$'000)	FY2022 (S\$'000)
<b>Operations</b>		
<b>Balance as at the beginning of the period</b>	<b>58,285</b>	<b>(17,512)</b>
Profit/(Loss) after tax attributable to Unitholders	155,600	75,797
<b>Balance as at end of the period</b>	<b>213,885</b>	<b>58,285</b>
<b>Unitholders' transactions</b>		
<b>Balance as at the beginning of the period</b>	<b>1,664,765</b>	<b>948,232</b>
Issue costs	(422)	(9,556)
Manager's base fee paid in units	8,367	4,048
Manager's performance fee paid in units	3,436	2,923
Manager's acquisition fee paid in units	-	20,335
Property manager's fee paid in units	4,125	1,617
Consideration units	-	118,079
Private placement units	-	399,999
Preferential offering units	-	248,816
Distribution reinvestment plan	17,456	-
Distributions	(85,382)	(69,728)
<b>Balance as at end of the period</b>	<b>1,612,345</b>	<b>1,664,765</b>
<b>Total Unitholders' funds as at end of the period</b>	<b>1,826,230</b>	<b>1,723,050</b>
<b>Perpetual securities holders</b>		
<b>Balance as at beginning of the period</b>	<b>399,442</b>	<b>198,897</b>
Issue of perpetual securities	-	200,000
Issue expenses	(10)	(1,808)
Profit attributable to perpetual securities holders	18,900	10,753
Distributions	(18,900)	(8,400)
<b>Balance at end of the period</b>	<b>399,432</b>	<b>399,442</b>

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

	6 months ended 30 Jun 2023 (Units)	6 months ended 30 Jun 2022 (Units)
<b>Balance as at beginning of the period</b>	<b>2,286,988,704</b>	<b>1,191,646,376</b>
<b><u>New units issued</u></b>		
Manager's base fee paid in units	7,030,245	2,389,636
Manager's acquisition fee paid in units	-	22,014,961
Property manager's fee paid in units	3,929,995	907,097
Distribution reinvestment plan	25,712,783	-
Consideration units	-	162,867,300
Private placement units	-	551,723,000
Preferential offering units	-	345,577,449
<b>Total issued units as at end of the period <sup>1</sup></b>	<b>2,323,661,727</b>	<b>2,277,125,819</b>

  

	FY2023 (Units)	FY2022 (Units)
<b>Balance as at beginning of the period</b>	<b>2,277,125,819</b>	<b>1,180,996,040</b>
<b><u>New units issued</u></b>		
Manager's base fee paid in units	11,029,128	4,828,829
Manager's performance fee paid in units	4,330,102	3,610,539
Manager's acquisition fee paid in units	-	25,698,777
Property manager's fee paid in units	5,463,895	1,823,885
Distribution reinvestment plan	25,712,783	-
Consideration units	-	162,867,300
Private placement units	-	551,723,000
Preferential offering units	-	345,577,449
<b>Total issued units as at end of the period <sup>1</sup></b>	<b>2,323,661,727</b>	<b>2,277,125,819</b>

**Footnote:**

1. There were no convertible and treasury units held by LREIT and its subsidiaries as at 30 June 2023 and 30 June 2022.

## **LENDLEASE GLOBAL COMMERCIAL REIT**

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023**

#### **1(d)(iii) Notes to the Condensed Interim Financial Statements**

##### **Basis of Preparation**

The condensed interim financial statements for the six-month period and full year ended 30 June 2023 have been prepared in accordance with the IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the year ended 30 June 2022.

The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last audited financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with the International Financial Reporting Standards ("IFRS"), except for the adoption of new and amended standard as set out below.

The condensed interim financial statements are presented in Singapore dollars ("S\$"), which is the functional currency of LREIT. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

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

##### **New and amended standards adopted by the Group**

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### **Use of estimates and judgements**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements and estimates made in applying the Group's accounting policies that have the most significant effect on the amounts recognised in the condensed interim financial statements are described in note ii – investment properties and note iii - investment property under development.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 1(d)(iii) Notes to the Condensed Interim Financial Statements

##### Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The Manager has overall responsibility for the appointment of external valuers, where necessary, and all significant fair value measurements and reports directly to the Board of Directors of the Manager.

When measuring the fair value of an asset or a liability, the Manager uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note ii: Investment properties;
- Note iii: Investment property under development; and
- Note v: Equity instrument at fair value



## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 1(d)(iii) Notes to the Condensed Interim Financial Statements

##### **Segment reporting**

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Operating Decision Makers ("CODMs") which comprise mainly the Board of Directors including the Chief Executive Officer ("CEO") of the Manager to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items mainly comprise fees, other trust expenses, foreign exchange gain/loss, finance costs, finance and other income and fair value of derivative financial instruments as these are centrally managed by the Group.

Segment capital expenditure is the total cost incurred during the year to acquire plant and equipment, investment properties and investment property under development.

##### **i Gross revenue and operating segment**

##### **Operating segment**

For segment reporting purpose, the primary segment is by geography and it comprises Singapore and Italy. The Group's reportable operating segments are as follows:

- (i) Singapore – leasing of retail and office buildings in Singapore; and
- (ii) Italy – leasing of three office buildings in Milan, Italy.

Segment information is presented in respect of the Group's geographical segments. The operations of each of the Group's geographical segments are separately managed because of different economic and regulatory environments in which they operate in. For the purpose of making resource allocation and the assessment of segment performance, the Group's CODMs have focused on its investment properties. For each of the reporting segments, the Manager reviews internal management reports on a monthly basis. This forms the basis of identifying the operating segments of the Group under IFRS 8 Operating Segments.

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### i Gross revenue and operating segment

#### Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
<b>6 months ended 30 Jun 2023</b>			
Gross revenue	90,275	12,868	103,143
Property operating expenses	(24,227)	(1,403)	(25,630)
Total segment net property income	66,048	11,465	77,513
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(5,205)
<i>Manager's performance fees</i>			(3,884)
<i>Other management fees</i>			(377)
<i>Trustee's fee</i>			(228)
<i>Other trust expenses</i>			(2,556)
<i>Net foreign exchange gain/(loss)</i>			(10,959)
<i>Finance income</i>			588
<i>Finance costs</i>			(27,772)
Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)			27,120
Fair value gains/(losses) of investment properties & investment property under development	90,646	(51,484)	39,162
Share of profit/(loss) of associates	385	-	385
Fair value gains/(losses) of equity instrument	579	-	579
Impairment of investment in associates	(1,067)	-	(1,067)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			(6,052)
Profit/(Loss) before tax			60,127
Segment assets	3,379,582	446,769	3,826,351
Segment liabilities	1,590,023	5,563	1,595,586

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### i Gross revenue and operating segment

#### Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
<b>6 months ended 30 Jun 2022</b>			
Gross revenue	50,048	12,424	62,472
Property operating expenses	(15,334)	(1,273)	(16,607)
Total segment net property income	34,714	11,151	45,865
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(3,940)
<i>Manager's performance fees</i>			(2,294)
<i>Other management fees</i>			(574)
<i>Trustee's fee</i>			(183)
<i>Other trust expenses</i>			(3,209)
<i>Net foreign exchange gain/(loss)</i>			22,939
<i>Finance income</i>			169
<i>Finance costs</i>			(10,374)
Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)			48,399
Fair value gains/(losses) of investment properties & investment property under development	(24,342)	73,457	49,115
Share of profit/(loss) of associates	(2,100)	-	(2,100)
Impairment of investment in associates	(564)	-	(564)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			11,992
Profit/(Loss) before tax			106,842
Segment assets	3,207,221	494,743	3,701,964
Segment liabilities	1,519,082	4,189	1,523,271

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### i Gross revenue and operating segment

#### Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
<b>FY2023</b>			
Gross revenue	179,790	25,086	204,876
Property operating expenses	(48,249)	(2,690)	(50,939)
Total segment net property income	131,541	22,396	153,937
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(10,415)
<i>Manager's performance fees</i>			(7,705)
<i>Other management fees</i>			(762)
<i>Trustee's fee</i>			(438)
<i>Other trust expenses</i>			(3,761)
<i>Net foreign exchange gain/(loss)</i>			(2,732)
<i>Finance income</i>			647
<i>Finance costs</i>			(51,358)
Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)			77,413
Fair value gains/(losses) of investment properties & investment property under development	90,646	(51,484)	39,162
Share of profit/(loss) of associates	1,052	-	1,052
Fair value gains/(losses) of equity instrument	579	-	579
Impairment of investment in associates	(1,067)	-	(1,067)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			1,333
Profit/(Loss) before tax			118,472
Segment assets	3,379,582	446,769	3,826,351
Segment liabilities	1,590,023	5,563	1,595,586

# LENDLEASE GLOBAL COMMERCIAL REIT

## UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

### i Gross revenue and operating segment

#### Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
<b>FY2022</b>			
Gross revenue	76,278	25,384	101,662
Property operating expenses	(23,585)	(2,569)	(26,154)
Total segment net property income	52,693	22,815	75,508
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(6,025)
<i>Manager's performance fees</i>			(3,949)
<i>Other management fees</i>			(1,256)
<i>Trustee's fee</i>			(303)
<i>Other trust expenses</i>			(4,339)
<i>Net foreign exchange gain/(loss)</i>			39,853
<i>Finance income</i>			259
<i>Finance costs</i>			(16,062)
Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)			83,686
Fair value gains/(losses) of investment properties & investment property under development	(24,342)	73,457	49,115
Share of profit/(loss) of associates	5,319	-	5,319
Fair value gains/(losses) of equity instrument	330	-	330
Impairment of investment in associates	(564)	-	(564)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			14,796
Profit/(Loss) before tax			152,682
Segment assets	3,207,221	494,743	3,701,964
Segment liabilities	1,519,082	4,189	1,523,271

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### i Gross revenue and operating segment

##### Breakdown of gross revenue

	Group		
	(S\$'000)		
	FY2023	FY2022	Variance %
Gross revenue reported for first half year	101,733	39,190	>100
Profit/(Loss) after tax reported for first half year	58,345	45,840	27.3
Gross revenue reported for second half year	103,143	62,472	65.1
Profit/(Loss) after tax reported for second half year	60,127	106,842	(43.7)

	Group			
	(S\$'000)			
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	FY2023	FY2022
Rental income	94,967	58,445	187,163	95,354
Turnover rent <sup>1</sup>	2,856	1,018	6,114	1,583
Other property income	5,320	3,009	11,599	4,725
	103,143	62,472	204,876	101,662

**Footnote:**

1. Turnover rent is contingent rent derived from operating leases.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### ii Investment properties

	GROUP	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
<b>Property</b>		
Singapore	3,214,000	3,121,000
Italy	428,854	472,332
<b>Investment properties</b>	<b>3,642,854</b>	<b>3,593,332</b>

	GROUP	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
<b>Balance as at the beginning of the period</b>	3,593,332	1,419,857
Purchase price for new acquisition <sup>1</sup>	-	2,079,000
Acquisition costs <sup>1</sup>	1,042	78,697
Capital expenditure	3,277	2,648
Currency translation difference	6,715	(38,033)
Change in fair value of investment properties	38,488	51,163
<b>Balance as at the end of the period</b>	<b>3,642,854</b>	<b>3,593,332</b>

	LREIT	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
<b>Property</b>		
313@somerset	1,026,000	987,000
Jem	2,188,000	2,134,000
	<b>3,214,000</b>	<b>3,121,000</b>

	LREIT	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
<b>Balance as at the beginning of the period</b>	3,121,000	983,000
Purchase price for new acquisition <sup>1</sup>	-	2,079,000
Acquisition costs <sup>1</sup>	1,042	78,697
Capital expenditure	1,986	2,597
Change in fair value of investment properties	89,972	(22,294)
<b>Balance as at the end of the period</b>	<b>3,214,000</b>	<b>3,121,000</b>

**Footnote:**

1. This relates to the acquisition of a 99-year leasehold interest in Jem.

The increase in Group's investment properties is mainly due to fair value gain of the investment properties and foreign exchange revaluation gain on a Euro-denominated investment property (Sky Complex) attributed to stronger €/S\$ exchange rate.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### ii Investment properties

##### **Measurement of fair value**

###### *Fair value hierarchy*

The carrying amounts of the investment properties as at 30 June were based on the valuations performed by independent professional valuers, Colliers Valuation Italy S.r.l., Cushman & Wakefield VHS Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd (2022: Colliers Valuation Italy S.r.l., Cushman & Wakefield VHS Pte. Ltd. and Jones Lang LaSalle Property Consultants Pte Ltd).

The fair value measurement for investment properties has been categorised as Level 3 based on inputs to the valuation techniques used (see item 1(d)(iii)).

###### *Valuation techniques*

The fair values take into consideration the market values of the properties, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion. The specific condition and characteristics inherent in each of the properties are taken into consideration in arriving at the property valuation.

In determining the fair value, the external valuers have used valuation techniques which involve certain estimates. The key assumptions used to determine the fair value of investment properties include market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and/or adjusted price per square metre. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of current market conditions and the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The external valuers have considered valuation techniques including the income capitalisation method, discounted cash flow analysis and/or direct comparison method in arriving at the open market value as at the reporting date.

The discounted cash flow analysis involves the estimation and projection of a net income stream over a period and discounting the net income stream with an internal rate of return to arrive at the market value. The discounted cash flow analysis requires the external valuers to assume a rental growth rate indicative of market and the selection of a target internal rate of return consistent with current market requirements. The capitalisation method is an investment approach whereby the estimated gross passing income (on both a passing and market rent basis) has been adjusted against anticipated operating costs to produce a net income on a fully leased basis. The adopted fully leased net income is capitalised at an appropriate investment yield. Thereafter, various adjustments including assumed vacancy allowance are made, where appropriate, for the capitalisation method. The direct comparison method provides an indication of value by comparing the investment property with identical or similar properties where reliable sales evidence is available.



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#### ii Investment properties

##### *Key unobservable inputs*

The following table shows the key unobservable inputs used in the valuation models:

<b>Valuation technique</b>	<b>Key unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Discounted cash flows analysis	<ul style="list-style-type: none"> <li>Discount rate of 6.50% to 8.18% (2022: 5.65% to 7.00%)</li> </ul>	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	<ul style="list-style-type: none"> <li>Terminal capitalisation rate of 3.50% to 5.75% (2022: 3.50% to 5.00%)</li> </ul>	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).
Capitalisation method	<ul style="list-style-type: none"> <li>Capitalisation rate of 3.50% to 4.50% (2022: 3.50% to 4.50%)</li> </ul>	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).
Direct comparison method	<ul style="list-style-type: none"> <li>Adjusted price per square metre</li> </ul>	The estimated fair value would increase (decrease) if adjusted price per square metre was higher (lower).

#### iii Investment property under development

	<b>GROUP</b>	
	<b>30 Jun 2023 (S\$'000)</b>	<b>30 Jun 2022 (S\$'000)</b>
<b>Balance as at the beginning of the period</b>	6,105	5,521
Development expenditure capitalised	625	3,048
Net change in fair value of investment property under development	674	(2,048)
Net change in fair value of right-of-use asset	(233)	(416)
<b>Balance as at the end of the period</b>	<b>7,171</b>	<b>6,105</b>

Investment property under development relates to the development of a site adjacent to 313@somerset into a multi-functional event space.

#### **Measurement of fair value**

##### *Fair value hierarchy*

The carrying amounts of the investment property under development as at 30 June was based on valuation performed by an independent professional valuer, Jones Lang LaSalle Property Consultants Pte Ltd (2022: Jones Lang LaSalle Property Consultants Pte Ltd).

## LENDLEASE GLOBAL COMMERCIAL REIT

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#### iii Investment property under development

The fair value measurement for investment property under development has been categorised as a Level 3 based on the inputs to the valuation techniques used (see item 1(d)(iii)).

#### *Level 3 fair value measurement*

#### *Reconciliation of movements in Level 3 fair value measurement*

The reconciliation of Level 3 fair value measurements for investment property under development is presented in the table above.

#### *Valuation techniques*

In determining the fair value of investment property under development, the valuer has considered valuation techniques including the income capitalisation method and discounted cash flow analysis in arriving at the open market value as at the reporting date (see Note ii).

The key assumptions include market-corroborated discount rate and capitalisation rate.

#### *Key unobservable inputs*

The following table shows the key unobservable inputs used in the valuation models:

<b>Valuation technique</b>	<b>Key unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
Discounted cash flows analysis	<ul style="list-style-type: none"><li>Discount rate of 7.50% (2022: 7.50%)</li></ul>	The estimated fair value would increase (decrease) if discount rate was lower (higher).
Capitalisation method	<ul style="list-style-type: none"><li>Capitalisation rate of 5.00% (2022: 5.00%)</li></ul>	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).

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#### iv Investment in associates

	Group	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
Investment in associates	7,758	14,511

Investment in associates decreased mainly due to return of capital post acquisition of Jem.

As at 30 June 2023, the Group assessed the carrying amount of its investment in associates and recognised an impairment loss of approximately \$1,067,000 (2022: \$564,000) on its investment in associates, where the recoverable amounts of the relevant associates were estimated based on the Group's share of the net assets of the associates as at the date of statement of financial position which approximates their fair values. The fair value measurement is categorised as Level 3 on the fair value hierarchy.

#### v Equity instrument at fair value

	Group	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
<b>Balance as at the beginning of the period</b>	-	44,591
Acquisition of equity instrument	85,205	-
Net change in fair value	579	330
Transfer to investment in associate	-	(44,921)
<b>Balance as at the end of the period</b>	<b>85,784</b>	-

Equity instrument at fair value as at 30 June 2023 relates to LREIT's 10.0% stake in PPP.

The fair value of the investments represents approximately 2% of the Group's total assets as at 30 June 2023.

Equity instrument at fair value through profit and loss ("FVTPL") is calculated using the net asset value ("NAV") of the investee entity adjusted for the fair value of the underlying property. The estimated fair value would increase/(decrease) if the NAV was higher/(lower).

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#### vi Loans and Borrowings

	GROUP	
	30 Jun 2023 (S\$'000)	30 Jun 2022 (S\$'000)
<b>Unsecured loans and borrowings</b>		
Amount repayable within one year	434,734	299,297
Amount repayable after one year	1,118,115	1,180,837
Less: unamortised transaction costs	(40,666)	(30,234)
	<b>1,512,183</b>	<b>1,449,900</b>

#### Details of loans and borrowings

As at 30 June 2023, the Group and LREIT has in place the following committed loan facilities:

- 5-year unsecured term loan facility of S\$100.0 million;
- 5-year unsecured term loan facility of S\$200.0 million;
- 5-year unsecured term loan facility of €218.0 million (S\$321.8 million);
- 5-year unsecured term loan facility of €5.0 million (S\$7.4 million);
- 5-year unsecured revolving credit loan facility of S\$100.0 million;
- 5-year unsecured revolving credit loan facility of €62.0 million (S\$91.5 million);
- 5-year unsecured multicurrency revolving loan facility of €15.0 million (S\$22.1 million);
- 4-year unsecured term loan facility of €285.0 million (S\$420.7 million);
- 4-year unsecured term loan facility of S\$200.0 million;
- 4-year unsecured term loan facility of S\$90.0 million;
- 4-year unsecured revolving credit loan facility of S\$30.0 million;
- 4-year unsecured multicurrency revolving loan facility of S\$50.0 million;
- 3-year unsecured term loan facility of S\$160.0 million; and
- 3-year unsecured term loan facility of S\$200.0 million.

As at 30 June 2023, S\$1,552.8 million of loan facilities were drawn.

In addition, the Group and LREIT has approximately S\$583.3 million of undrawn debt facilities.

The Group aggregate gearing stands at 40.6% and has an interest coverage ratio of 4.2 times in accordance with the requirements under its loan facilities<sup>1</sup>.

#### **Footnotes:**

1. The interest coverage ratio of 2.7 times (2.0 times for adjusted ICR) is in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

## LENLEASE GLOBAL COMMERCIAL REIT

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#### vii Net Asset Value (“NAV”) and Net Tangible Asset (“NTA”) Per Unit

	GROUP		LREIT	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
NAV/ NTA per unit (S\$) <sup>1</sup>	0.79	0.78	0.79	0.76
Adjusted NAV/ NTA per unit (excluding the amount distributable) (S\$)	0.74	0.75	0.74	0.73

**Footnote:**

1. NTA per unit approximates NAV per unit.

#### viii 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.

	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	FY2023	FY2022
Weighted average number of units in issue	2,306,618,948	1,676,498,957	2,293,129,281	1,428,170,135
Earnings per unit (“EPU”) (cents) <sup>1</sup>	2.22	6.02	4.36	9.83

	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	FY2023	FY2022
No. of units in issue at end of the period	2,323,661,727	2,277,125,819	2,323,661,727	2,277,125,819
Distribution per unit (“DPU”) (cents)	2.25	2.45 <sup>2</sup>	4.70	4.85 <sup>2</sup>

**Footnote:**

1. Includes unrealised foreign exchange, net change in fair value of derivatives, net change in fair value of equity instrument, net change in fair value of investment properties and investment property under development, impairment of investment in associates and transaction costs directly attributable to acquisitions.

2. Including advance distribution of 1.1371 Singapore cents per unit for the period from 1 January 2022 to 30 March 2022.

#### ix Fair value of assets and liabilities

The following methods and assumptions are used to estimate fair values of the following significant classes of financial instruments:

(i) Derivative financial instruments

Interest rate derivatives are valued using valuation techniques with market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models, using present valuation calculations. The models incorporate various inputs including the credit quality of counterparties, interest rate and forward rate curves.

## LENDLEASE GLOBAL COMMERCIAL REIT

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#### ix Fair value of assets and liabilities

##### (ii) Non-derivatives financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted using the market rate of interest at the reporting date. The carrying amounts of loans and borrowings approximate their fair values as these loans and borrowings are interest-bearing at floating rates and reprice at an interval of one to twelve months.

##### (iii) Financial instruments that are not measured at fair value

Other non-derivative financial liabilities are measured at fair value at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. Other non-derivative financial liabilities include loans and borrowings.

#### *Interest rates used in determining fair values*

The weighted average interest rates used to discount estimated cash flows, where applicable, are based on forward rates as at 30 June plus a credit spread, and are as follows:

	GROUP		LREIT	
	30 Jun 2023	30 Jun 2022	30 Jun 2023	30 Jun 2022
	%	%	%	%
Unsecured interest-bearing bank borrowings	4.37	1.85	4.37	1.85

##### (iv) Financial instruments for which fair value is equal to the carrying value

These financial instruments include cash and cash equivalents, trade and other receivables, other current assets, other non-current assets, trade and other payables and lease liability. The carrying amounts of these financial instruments are approximations of their fair values because they are either short term in nature or effect of discounting is immaterial.

##### (v) Equity instrument at fair value

The fair value measurement for equity instrument at fair value has been categorised as Level 3 based on inputs to the valuation techniques used.

The fair value of the equity instrument is calculated using the net asset value of the unquoted entity adjusted for the fair value of the underlying property. The estimated fair value would increase/(decrease) if the net asset value was higher/(lower).

#### *Accounting classifications and fair values*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

## LENLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### ix Fair value of assets and liabilities

	Carrying amount			Fair value				
	At amortised cost	FVTPL	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>30 Jun 2023</b>	S\$'000							
<b>Group</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>1</sup>	2,703	-	-	2,703				
Other non-current assets	2,685	-	-	2,685				
Cash and cash equivalents	54,224	-	-	54,224				
Other current assets <sup>2</sup>	4,417	-	-	4,417				
	64,029	-	-	64,029				
<b>Financial assets measured at fair value</b>								
Equity instrument at fair value	-	85,784	-	85,784	-	-	85,784	85,784
Derivative financial assets	-	14,810	-	14,810	-	14,810	-	14,810
	-	100,594	-	100,594				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>3</sup>	-	-	(69,105)	(69,105)				
Loans and borrowings	-	-	(1,512,183)	(1,512,183)	-	(1,670,845)	-	(1,670,845)
Lease liability	-	-	(1,871)	(1,871)				
	-	-	(1,583,159)	(1,583,159)				
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	-	(1,082)	-	(1,082)	-	(1,082)	-	(1,082)

**Footnotes:**

1. Excludes net VAT receivables.

2. Excludes deposits and prepayments.

3. Excludes net GST payables and rental received in advance.

## LENLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### ix Fair value of assets and liabilities

	Carrying amount			Fair value				
	At amortised cost	FVTPL	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>30 Jun 2022</b>	S\$'000							
<b>Group</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>1</sup>	10,736	-	-	10,736				
Other non-current assets	1,294	-	-	1,294				
Cash and cash equivalents	49,230	-	-	49,230				
Other current assets <sup>2</sup>	3,569	-	-	3,569				
	64,829	-	-	64,829				
<b>Financial assets measured at fair value</b>								
Derivative financial assets	-	12,395	-	12,395	-	12,395	-	12,395
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>3</sup>	-	-	(62,342)	(62,342)				
Loans and borrowings	-	-	(1,449,900)	(1,449,900)	-	(1,586,023)	-	(1,586,023)
Lease liability	-	-	(2,105)	(2,105)				
	-	-	(1,514,347)	(1,514,347)				

**Footnotes:**

1. Excludes net GST/VAT receivables.
2. Excludes deposits and prepayments.
3. Excludes rental received in advance.



## LENLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### ix Fair value of assets and liabilities

	Carrying amount			Fair value				
	At amortised cost	FVTPL	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>30 Jun 2023</b>	S\$'000							
<b>LREIT</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables	2,297	-	-	2,297				
Other non-current assets	2,685	-	-	2,685				
Cash and cash equivalents	37,662	-	-	37,662				
Other current assets <sup>1</sup>	4,417	-	-	4,417				
	47,061	-	-	47,061				
<b>Financial assets measured at fair value</b>								
Equity instrument at fair value	-	85,784	-	85,784	-	-	85,784	85,784
Derivative financial assets	-	14,810	-	14,810	-	14,810	-	14,810
	-	100,594	-	100,594				
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>2</sup>	-	-	(66,643)	(66,643)				
Loans and borrowings	-	-	(1,512,183)	(1,512,183)	-	(1,670,845)	-	(1,670,845)
Lease liability	-	-	(1,871)	(1,871)				
	-	-	(1,580,697)	(1,580,697)				
<b>Financial liabilities measured at fair value</b>								
Derivative financial liabilities	-	(1,082)	-	(1,082)	-	(1,082)	-	(1,082)

**Footnotes:**

1. Excludes deposits and prepayments.

2. Excludes net GST payables and rental received in advance.

## LENLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### ix Fair value of assets and liabilities

	Carrying amount			Fair value				
	At amortised cost	FVTPL	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
<b>30 Jun 2022</b>	S\$'000							
<b>LREIT</b>								
<b>Financial assets not measured at fair value</b>								
Trade and other receivables <sup>1</sup>	12,335	-	-	12,335				
Other non-current assets	1,294	-	-	1,294				
Cash and cash equivalents	32,373	-	-	32,373				
Other current assets <sup>2</sup>	3,569	-	-	3,569				
	49,571	-	-	49,571				
<b>Financial assets measured at fair value</b>								
Derivative financial assets	-	12,395	-	12,395	-	12,395	-	12,395
<b>Financial liabilities not measured at fair value</b>								
Trade and other payables <sup>3</sup>	-	-	(61,038)	(61,038)				
Loans and borrowings	-	-	(1,449,900)	(1,449,900)	-	(1,586,023)	-	(1,586,023)
Lease liability	-	-	(2,105)	(2,105)				
	-	-	(1,513,043)	(1,513,043)				

**Footnotes:**

1. Excludes net GST receivables.
2. Excludes deposits and prepayments.
3. Excludes rental received in advance.

## **LENDLEASE GLOBAL COMMERCIAL REIT**

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023**

#### **x Capital commitments**

As at 30 June 2023, the Group had approximately S\$0.4 million of capital expenditure contracted but not provided for in the unaudited condensed interim financial statements.

#### **2 Review of Condensed Interim Financial Statements**

The condensed interim financial statements and distribution announcement for FY2023 and second financial half year period from 1 January 2023 to 30 June 2023 including the explanatory notes have not been audited or reviewed.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 3 Review of Performance

	GROUP		
	(S\$'000)		Variance %
	6 months ended 30 Jun 2023	6 months ended 30 Jun 2022	
<b><u>Consolidated Statement of Profit or Loss</u></b>			
Gross revenue	103,143	62,472	65.1
Property operating expenses	(25,630)	(16,607)	(54.3)
<b>Net property income</b>	<b>77,513</b>	<b>45,865</b>	<b>69.0</b>
Manager's base fee	(5,205)	(3,940)	(32.1)
Manager's performance fee	(3,884)	(2,294)	(69.3)
Other management fees	(377)	(574)	34.3
Trustee's fee	(228)	(183)	(24.6)
Other trust expense	(2,556)	(3,209)	20.3
Net foreign exchange gain/(loss)	(10,959)	22,939	NM
Finance income	588	169	>100
Finance costs	(27,772)	(10,374)	(>100)
<b>Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)</b>	<b>27,120</b>	<b>48,399</b>	<b>(44.0)</b>
<b>Amount available for distribution to Unitholders</b>	<b>52,172</b>	<b>42,903<sup>1</sup></b>	<b>21.6</b>
<b>Available distribution per unit (cents)</b>	<b>2.25</b>	<b>2.45<sup>1</sup></b>	<b>(8.4)</b>

NM: Not meaningful

**Footnote:**

1. Including advance distribution of 1.1371 Singapore cents per unit for the period from 1 January 2022 to 30 March 2022.

#### 2H FY2023 vs 2H FY2022

Gross revenue of S\$103.1 million for the period was S\$40.7 million higher than in 2H FY2022. The increased revenue was mainly contributed by the acquisition of Jem in April 2022 (FY2022) and the easing of COVID-19 measures. The higher revenue was partly offset by lower revenue from Sky Complex due to a weaker €/€ exchange rate.

Property operating expenses were S\$25.6 million for the period, S\$9.0 million higher than in 2H FY2022. The higher expenses were mainly contributed by the acquisition of Jem.

As a result, net property income for the period was S\$31.6 million higher than in 2H FY2022.

Finance costs for the period was S\$17.4 million higher than in 2H FY2022. The higher finance costs were mainly contributed by full half year impact from the incremental borrowings to fund the acquisition of Jem and the higher average interest rate amidst the rising interest rate environment.

## LENLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 3 Review of Performance

After accounting for distribution adjustments such as unrealised foreign exchange gain/loss, net change in fair value of investment properties and investment property under development, net change in fair value of derivatives, net change in fair value of equity instrument, impairment of investment in associates, amortisation of debt-related transaction costs, management fees paid in units, distribution to perpetual securities holders and the enlarged issued unit base, the amount distributable to Unitholders was S\$52.2 million. This translates to a DPU of 2.25 Singapore cents.

	GROUP		
	(S\$'000)		Variance %
	FY2023	FY2022	
<b><u>Consolidated Statement of Profit or Loss</u></b>			
Gross revenue	204,876	101,662	>100
Property operating expenses	(50,939)	(26,154)	(94.8)
<b>Net property income</b>	<b>153,937</b>	<b>75,508</b>	<b>&gt;100</b>
Manager's base fee	(10,415)	(6,025)	(72.9)
Manager's performance fee	(7,705)	(3,949)	(95.1)
Other management fees	(762)	(1,256)	39.3
Trustee's fee	(438)	(303)	(44.6)
Other trust expense	(3,761)	(4,339)	13.3
Net foreign exchange gain/(loss)	(2,732)	39,853	NM
Finance income	647	259	>100
Finance costs	(51,358)	(16,062)	(>100)
<b>Profit/(Loss) before tax, change in fair value, impairment and share of profit/(loss)</b>	<b>77,413</b>	<b>83,686</b>	<b>(7.5)</b>
<b>Amount available for distribution to Unitholders</b>	<b>108,202</b>	<b>71,505<sup>1</sup></b>	<b>51.3</b>
<b>Available distribution per unit (cents)</b>	<b>4.70</b>	<b>4.85<sup>1</sup></b>	<b>(3.2)</b>

NM: Not meaningful

**Footnote:**

1. Including advance distribution of 1.1371 Singapore cents per unit for the period from 1 January 2022 to 30 March 2022.

#### FY2023 vs FY2022

Gross revenue of S\$204.9 million for the period was S\$103.2 million higher than in FY2022. The increased revenue was mainly contributed by the acquisition of Jem in April 2022 (FY2022) and the easing of COVID-19 measures. The higher revenue was partly offset by lower revenue from Sky Complex due to a weaker €/€ exchange rate.

Property operating expenses were S\$50.9 million for the period, S\$24.8 million higher than in FY2022. The higher expenses were mainly contributed by the acquisition of Jem.

As a result, net property income for the period was S\$78.4 million higher than in FY2022.

## **LENDLEASE GLOBAL COMMERCIAL REIT**

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023**

#### **3 Review of Performance**

Finance costs for the period was S\$35.3 million higher than in FY2022. The higher finance costs were mainly contributed by the full year impact from the incremental borrowings to fund the acquisition of Jem and the higher average interest rate amidst the rising interest rate environment.

After accounting for distribution adjustments such as unrealised foreign exchange gain/loss, net change in fair value of derivatives, net change in fair value of investment properties and investment property under development, net change in fair value of equity instrument, impairment of investment in associates, amortisation of debt-related transaction costs, management fees paid in units, distribution to perpetual securities holders and the enlarged issued unit base, the amount distributable to Unitholders was S\$108.2 million. This translates to a DPU of 4.70 Singapore cents.

#### **4 Variance between Actual and Forecast Results**

LREIT has not disclosed any forecast to the market.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 5 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

According to the International Monetary Fund, forecast for global growth is expected to be 2.8%<sup>1</sup> in 2023 (vs 3.4%<sup>1</sup> in 2022) before rising modestly to 3.0%<sup>1</sup> in 2024. The outlook came on the back of tight monetary policy stances to bring down inflation, fallout from the bank collapses as well as the ongoing geopolitical tension.

While global headline inflation is projected to fall to 7.0%<sup>1</sup> in 2023 (vs 8.7%<sup>1</sup> in 2022), it will likely be close to the desired target rate of 2%<sup>1</sup> only by 2025.

#### Singapore

Based on the advance estimates by the Ministry of Trade and Industry, the Singapore economy grew 0.7%<sup>2</sup> year-on-year (“YoY”) in the second quarter of 2023, expanded from the 0.4%<sup>2</sup> growth in the previous quarter.

Singapore welcomed more than 6 million<sup>3</sup> visitors in the first six months of 2023 as the recovery of the tourism sector continues. Retail sales (excluding motor vehicles) increased 1.8%<sup>4</sup> YoY in May 2023, compared to the 4.3%<sup>4</sup> increase in April 2023. Of the total estimated retail sales value of S\$3.6 billion<sup>4</sup> recorded, online sales accounted for 13.3%<sup>4</sup>.

Retail leasing activity remained healthy in Q2 2023 with prime retail rental increased 1%<sup>5</sup> quarter-on-quarter (“QoQ”) to S\$35.20 per square feet per month. The demand for spaces has remained strong as retailers continued to have confidence in the recovery of the tourism sector as well as the increase in office crowds.

Similarly, the leasing momentum amongst the office sector also saw healthy demand in Q2 2023. Vacancy rates in the core CBD and fringe CBD submarkets improved 0.3%<sup>5</sup> and 0.1%<sup>5</sup> percentage point to 5.2%<sup>5</sup> and 6.2%<sup>5</sup> QoQ, respectively, in Q2 2023. Rental growth for Grade A core CBD grew by 0.4%<sup>5</sup> QoQ to reach S\$11.80 per square feet per month<sup>5</sup> in Q2 2023.

Suburban office spaces will continue to be relevant as more businesses move towards decentralised locations with a hybrid workplace model.

#### Milan

According to the preliminary estimates by the Italian National Institute of Statistics, the consumer price index in June 2023 increased 6.4%<sup>6</sup> YoY and unchanged compared to May 2023. For the same period, consumer confidence index also improved 3.5 points to 108.6<sup>7</sup> while business confidence index dipped marginally by 0.3 points to 108.3<sup>7</sup>.

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<sup>1</sup> International Monetary Fund, World Economic Outlook, A Rocky Recovery, April 2023

<sup>2</sup> Ministry of Trade and Industry Singapore, Singapore’s GDP Grew by 0.7 Per Cent in the Second Quarter of 2023

<sup>3</sup> Singapore Tourism Analytics Network, Tourism Stats

<sup>4</sup> Department of Statistics Singapore, Retail Sales Index and Food & Beverage Services Index, May 2023

<sup>5</sup> CBRE Research, Singapore Figures Q2 2023

<sup>6</sup> Italian National Institute of Statistics, Consumer Prices, June 2023

<sup>7</sup> Italian National Institute of Statistics, Consumer and Business Confidence, June 2023

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 5 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

In the first quarter of 2023, the Milan office market registered a healthy absorption of 81,000 square meters<sup>8</sup> (“sqm”) with the Periphery area, where Sky Complex is located, accounted for the highest take up of 30,000 sqm<sup>8</sup>, showing signs of increasing demand in decentralised area.

Overall office vacancy rate improved 0.8 percentage point to 10.8%<sup>8</sup> in 1Q 2023 with an average prime rental of €700 per sqm per annum<sup>8</sup>. “Plug and play” office solutions with high quality finishes have gained much popularity in the recent months. In alignment with the target of “Net Zero by 2050” required by the Paris Agreement, occupiers are looking upon the landlords to decarbonise and optimise energy at their workplace.

In the second half of the year, the Milan investment market is expected to stay healthy supported by the strength of the leasing activities as occupiers remain selective in choosing office spaces in line with ESG criteria (good energy performance and efficiency).

#### Looking ahead

The growth outlook for the aviation- and tourism-related sectors of the Singapore economy remains positive given the ongoing recovery in international air travel and inbound tourism. The Manager is optimistic that the spillover effect from Chinese tourists will benefit 313@somerset in the near term, and Jem will continue to maintain its resiliency as a dominant suburban retail mall in the West of Singapore. In the meantime, the Manager will continue its proactive asset management strategy to ensure that the malls stay vibrant and relevant for shoppers.

In the next few quarters, the Singapore office market may continue to see more shadow spaces as companies focused on putting a lid to reduce costs. Coupled with the expected completion of IOI Central Boulevard Towers in 2023, rental for Grade A core CBD is projected to remain flat for the year. For LREIT, its office asset in Singapore is fully leased to the Ministry of National Development on a 30-year master lease with a rent review every five years.

In Milan, there is growing demand for decentralised areas and office spaces in line with ESG credentials. Sky Complex, LREIT’s office portfolio in Milan, is awarded LEED Gold Certification. More recently, the rental for Sky Complex, pegged to 75% of ISTAT consumer price index variance, increased 5.9% effective May 2023.

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<sup>8</sup> Cushman & Wakefield, Milan Office Q1 2023



## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 6 Distributions

##### (a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 9<sup>th</sup> distribution for the period from 1 January 2023 to 30 June 2023

Distribution type: Income

Distribution rate: Taxable Income – 1.9214 cents per unit  
Tax-Exempt Income – 0.3239 cents per unit

Par value of units: Not meaningful

Tax rate: Taxable Income Distribution  
Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession in which case, such distributions are not exempt from tax and the individual must declare the gross distribution received as income in their Singapore tax returns.

Qualifying non-resident non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

Tax-Exempt Income Distribution  
Tax-Exempt Income Distribution is exempt from tax in the hands of all Unitholders.

(b) Record date: 16 August 2023

(c) Date payable: 28 September 2023

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

#### 6 Distributions

(d) Corresponding period of the preceding financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 7<sup>th</sup> distribution for the period from 31 March 2022 to 30 June 2022

Distribution type: Income

SGX Counter Name	Lendlease Global Commercial REIT (SGX:JYEU)	Lendlease Reit A, Stock Code: W6TU
Period	31 March 22 to 30 June 22	22 April 22 to 30 June 22
	Cents per unit	Cents per unit
Taxable Income	0.9568	0.7148
Tax-Exempt Income	0.3560	0.2660

Distribution rate:

Par value of units: Not meaningful

Tax rate:

#### Taxable Income Distribution

Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distributions. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession in which case, such distributions are not exempt from tax and the individual must declare the gross distribution received as income in their Singapore tax returns.

Qualifying non-resident non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.

All other investors will receive their distributions after deduction of tax at the rate of 17%.

#### Tax-Exempt Income Distribution

Tax-Exempt Income Distribution is exempt from tax in the hands of all Unitholders.

## LENDLEASE GLOBAL COMMERCIAL REIT

### UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023

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

Not applicable.

**8 General mandate from Unitholders for Interested Person Transactions**

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

**9 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 1 and section 3 for review of actual performance.

**10 Breakdown of Total Distributions**

	<b>Group</b>
<b>In respect of the period:</b>	<b>FY2023</b>
	<b>(S\$'000)</b>
31 Mar 2022 - 30 Jun 2022	29,353
1 Jul 2022 - 31 Dec 2022	56,029
	85,382

**11 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.

**12 Negative Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of Singapore Exchange Securities Trading Limited, the Manager confirmed that there is no person occupying a managerial position in the Manager who is a relative of a director, chief executive officer, or substantial unitholder of the Manager or LREIT.

For and on behalf of the Manager  
Lendlease Global Commercial Trust Management Pte. Ltd.

Ng Hsueh Ling  
Chairperson and Non-Independent  
Non-Executive Director

Tsui Kai Chong  
Lead Independent  
Non-Executive Director

## **LENLEASE GLOBAL COMMERCIAL REIT**

### **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2023 TO 30 JUNE 2023 AND THE FULL YEAR ENDED 30 JUNE 2023**

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  
Amy Chiang  
Company Secretary  
Lendlease Global Commercial Trust Management Pte. Ltd.  
(Company Registration No. 201902535N)  
As Manager of Lendlease Global Commercial REIT

7 August 2023