

Distributable Income Rose 55.6% YoY to S\$42.9 million in 2H FY2022

Boosted by the accretive acquisition of Jem and better operating performance at 313@somerset

- **DPU grew 4.9% YoY in 2H FY2022** notwithstanding the enlarged unit base
- **Achieved high DPU yield of 6.1%¹ per annum**
- Portfolio occupancy remained **high at 99.8%**
- Long WALE of 8.7 years by NLA and 5.5 years by GRI ensures **long-term cashflow stability**
- **Valuation gained 2.5% YoY** attributable to uplift in market rents and improved market sentiments
- **Sustainable financing amounting to S\$960 million** (or 62% of borrowings)
- **Market capitalisation increased 1.8 times** to S\$1.8 billion over the year
- **Deposited property grew 2.1 times** to S\$3.7 billion over the year

Singapore, 8 August 2022 - Lendlease Global Commercial Trust Management Pte. Ltd. (the “Manager”), the manager of Lendlease Global Commercial REIT (“LREIT”), is pleased to announce its second-half and full-year financial results for FY2022.

Enlarged portfolio strengthens cashflow

LREIT’s distributable income rose 55.6% year-on-year (“YoY”) to S\$42.9 million² in 2H FY2022, translating to a distribution of 2.45 cents² per unit. For FY2022, distributable income increased 29.7% YoY to S\$71.5 million², equivalent to a distribution of 4.85 cents² per unit.

Gross revenue for 2H FY2022 was S\$62.5 million, up 68.6% YoY mainly attributed to the accretive acquisition of Jem and better operating performance at 313@somerset. This has resulted in a higher net property income (“NPI”) of S\$45.9 million for 2H FY2022. For FY2022, gross revenue and NPI increased 29.3% and 32.7% YoY to S\$101.7 million and S\$75.5 million respectively.

Property expenses in FY2022 were S\$26.2 million, 20.3% higher compared with FY2021. This was primarily due to the acquisition of Jem in FY2022.

Capital Management

LREIT continues to be a frontrunner on its sustainable financing journey. The Manager obtained a S\$100 million unsecured 5-year sustainability-linked term loan facility (“SLL”) on 26 July 2022 to refinance LREIT’s existing loan due in the financial year ended FY2023. As at the date of the

¹ Based on LREIT’s unit price of S\$0.795 as at 30 June 2022.

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

announcement, approximately 62% of its borrowings are sustainability-linked financing, an increase from 56% previously.

As at 30 June 2022, gross borrowings were S\$1,480.1 million with a gearing ratio of 40.0%. The weighted average debt maturity was 2.8 years with a weighted average running cost of debt of 1.69% per annum³. LREIT has an interest coverage ratio of 9.2 times⁴, which provides ample buffer from its debt covenant of 2.0 times. As at the date of the announcement, LREIT has undrawn debt facilities of S\$257.7 million⁵ to fund its working capital. All of its debt is unsecured with approximately 59% of its borrowings hedged to fixed rate.

The Manager will continue to be vigilant in maintaining a strong balance sheet and prudent cash flow management.

Operations Update

LREIT continued to achieve high portfolio occupancy of 99.8% in FY2022 with approximately 80% of the portfolio's leases by net lettable area ("NLA") have built-in annual rental escalations. Its long WALE of 8.7 years by NLA and 5.5 years by gross rental income ("GRI") continues to ensure long-term income stability for unitholders. As at 30 June 2022, LREIT's portfolio valuation has also increased by 2.5% YoY to S\$3.6 billion.

Retail portfolio: Strong occupancy and tenant sales surpassed pre-COVID-19 average in 4Q FY2022

LREIT's retail portfolio continues to maintain a strong occupancy of 99.6% in FY2022. This was mainly supported by healthy leasing momentum and the Manager's proactive leasing strategy to ensure portfolio resilience. As at 30 June 2022, LREIT registered a positive rental reversion of 3.6%⁶.

Tenant sales surpassed pre-COVID-19 average in the fourth quarter of FY2022 and continued to recover faster than visitation. The Manager is confident that LREIT will benefit from the increased exposure in the suburban retail segment and the high concentration in the essential services trade of 57% (by GRI).

Office portfolio: Continues to enjoy strong and stable cashflow through assets in Singapore and Milan

LREIT's office portfolio was fully leased as at 30 June 2022. Its Grade A office building in Singapore is leased to the Ministry of National Development till 2044 with a rental review every 5

³ Excludes amortisation of debt-related transaction costs.

⁴ The interest coverage ratio (ICR) as at 30 June 2022 of 9.2 times (31 March 2022: 10.3 times) is in accordance with requirements in its debt agreements, and 4.2 times (31 March 2022: 5.5 times), 2.5 times for adjusted ICR (31 March 2022: 3.4 times) in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

⁵ S\$100 million 5-year sustainability-linked term loan secured on 26 July 2022 to refinance LREIT's borrowings.

⁶ Refers to 313@somerset only as Jem was acquired on 22 April 2022.

years. All three Grade A office buildings in Milan are leased to Sky Italia till 2032⁷ with annual rental review based on 75% of ISTAT⁸ consumer price index variation.

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, “Our results and achievements in FY2022 have been very encouraging. The excellent set of results that we delivered is a testament of our commitment to create value for our unitholders. Not only did we succeed in generating sustainable value for Unitholders, we also enlarged our financial strength and resilience.”

Commenting on LREIT’s sustainability commitment, Mr Chow added, “This latest sustainability-linked loan marks the continuation of LREIT’s sustainability journey, with sustainable financing now accounting for more than 60% of total borrowings. We will continue to work with our partner banks to achieve our sustainability goals and deliver sustainable outcomes for all our stakeholders.”

ENDS

⁷ Assumes that Sky Italia does not exercise its break option in 2026.

⁸ The Italian National Institute of Statistics

About Lendlease Global Commercial REIT

Listed on 2 October 2019, Lendlease Global Commercial REIT (“**LREIT**”) is established with the principal investment strategy of investing, directly or indirectly, in a diversified portfolio of stabilised income-producing real estate assets located globally, which are used primarily for retail and/or office purposes.

Its portfolio comprises leasehold interest in two retail malls in Singapore namely Jem (a dominant suburban retail mall in the Western region) and 313@somerset (a prime retail property) as well as freehold interest in three grade-A office buildings, Sky Complex, in Milan. These five properties have a total net lettable area of approximately 2.2 million square feet, with an appraised value of S\$3.6 billion. Other investment includes development of a multifunctional event space on a site adjacent to 313@somerset.

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

About the Sponsor - Lendlease Corporation Limited

The Sponsor, Lendlease Corporation Limited, is part of the Lendlease Group⁹, an international real estate group with core expertise in shaping cities and creating strong and connected communities.

Headquartered in Sydney, Australia, and listed on the Australian Securities Exchange, Lendlease has operations in Australia, Asia, Europe and the Americas, with approximately 8,000 employees internationally. Its core capabilities are reflected in its operating segments of Investments, Development and Construction.

The Lendlease Group has a development pipeline value of approximately A\$112 billion¹⁰, core construction backlog of A\$11 billion¹⁰ and funds under management of A\$42 billion¹⁰. The Lendlease Group is a trusted investment manager to over 150 key capital partners in property and investments.

For more information, please contact Investor Relations:

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⁹ Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries.

¹⁰ As at 31 December 2021.

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

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

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

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