

Lendlease Global Commercial REIT Reports 1.8% Year-on-Year Increase in Distribution Per Unit in 2H FY2025

Key Highlights

- Post financial year end, the Manager entered into an agreement to divest Jem office for S\$462.0 million, in line with valuation. The transaction will strengthen Lendlease REIT's capital structure, positioning it for future growth.
- Distribution per unit ("DPU") for 2H FY2025 grew 1.8% year-on-year ("YoY") to 1.80 cents. A more favourable interest rate outlook is expected to contribute positively towards distribution performance.
- Cost of debt for the financial year is at 3.46% per annum with interest coverage ratio ("ICR")^{1,2} improved to 1.6 times.
- Portfolio valuation increased 2.2% YoY mainly supported by a positive outlook for our Singapore assets.
- The portfolio experienced positive rental growth, with a 10.2%³ reversion in retail and a 1.7%⁴ uplift in Milan's commercial Building 1 and 2.

Singapore, 4 August 2025 - Lendlease Global Commercial Trust Management Pte. Ltd. (the "Manager"), the manager of Lendlease Global Commercial REIT ("Lendlease REIT"), announces its second-half and full-year financial results for FY2025.

Strengthening Capital Structure Through Divestment of Jem Office

Post financial year end, the Manager entered into an agreement to divest Jem office to an unrelated third-party for S\$462.0 million, in line with valuation. The Manager intends to utilise the sales proceeds predominantly towards repayment of borrowings. On a proforma basis, if the sales proceeds were used to repay Lendlease REIT's borrowings as at 30 June 2025, its aggregate leverage would have reduced from 42.6% to approximately 35%. The transaction will strengthen Lendlease REIT's capital structure with improved financial flexibility for future growth.

Further information can be found within the announcement "Divestment of Office Component of Jem" dated 4 August 2025.

¹ Calculation is in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes ("PFA"). The ICR in accordance with loan agreements exceeds 2.5 times, in excess of debt covenant at 2.0 times.

² Per the PFA, calculation is based on a trailing 12 months period ending on the date of the latest reported financial results.

³ Full-year FY2025, comparing the weighted average rent of outgoing and incoming leases.

⁴ Effective from April 2025.

Financial Performance

Gross revenue and net property income (“NPI”) for FY2025 were 6.5% and 10.0% lower YoY, amounting to S\$206.5 million and S\$148.8 million respectively. This was mainly attributed to the upfront recognition of supplementary rent⁵ in relation to the lease restructuring of Sky Complex that was received in FY2024. On a proforma basis, after adjusting⁶ for the supplementary rent⁵, gross revenue and NPI for FY2025 were 1.1% and 0.1% higher YoY respectively.

Property expenses in FY2025 at S\$57.8 million were S\$2.2 million higher compared to FY2024, impacted by the provision of doubtful debts for Cathay Cineplexes. Excluding this one-off provision, expenses remained broadly stable. DPU for 2H FY2025 grew 1.8% YoY to 1.80 cents. Lendlease REIT unitholders can expect to receive their distribution on 24 September 2025.

Capital Management

As at 30 June 2025, gross borrowings were S\$1,664.3 million with a weighted average debt maturity of 2.6 years. Sustainability-linked financing continues to represent approximately 86% of Lendlease REIT’s total committed debt facilities. As at the financial year end, Lendlease REIT’s debt portfolio remains unsecured, with S\$135.9 million in undrawn facilities available to support working capital requirements.

Approximately 68% of the borrowings are hedged to fixed rates, with weighted average cost of debt for FY2025 at 3.46% per annum⁷. As at 30 June 2025, Lendlease REIT’s ICR^{1,2} improved to 1.6 times, compared to 1.5 times as at 31 December 2024.

Operational Performance

Lendlease REIT’s portfolio committed occupancy was 92.1%⁸ as at 30 June 2025. Lease expiry profile remained well-spread with 10.4% by net lettable area (“NLA”) and 15.8% by gross rental income (“GRI”) due for renewal in FY2026. Lendlease REIT continued to maintain a long portfolio weighted average lease expiry (“WALE”) of approximately 7.2 years (by NLA) and 4.9 years (by GRI) respectively.

As at 30 June 2025, Lendlease REIT’s portfolio valuation increased 2.2% YoY to S\$3.76 billion mainly supported by positive outlook for Singapore assets.

⁵ Supplementary rent equivalent to approximately two years of the prevailing annual rent of Building 3 received and recognised upfront. For details, please refer to the announcement “Lendlease Global Commercial Italy Fund Restructures Lease at Sky Complex to Reduce Tenant Concentration Risk” dated 18 December 2023.

⁶ Adjustment of the upfront recognition of the supplementary rent on a straight-line basis.

⁷ Excludes amortisation of debt-related transaction costs.

⁸ Includes committed space in Building 3.

Positive retail rental reversion

Lendlease REIT's retail portfolio maintained a strong occupancy rate of over 99% with a positive rental reversion of 10.2%³ as at 30 June 2025. Tenant retention rate by NLA remained healthy at 83.3%⁹.

Visitation improved by 1.3% YoY and tenant sales declined 5.1% YoY, primarily due to weakness in inbound tourism and strength in outbound tourism, as previously reported. Sales for the quarter were impacted by fit-out works driven by proactive asset management initiatives and the transition from Cathay Cineplexes to Shaw Theatre.

Positive rental uplift achieved for commercial Building 1 and 2 in Milan

In April 2025, commercial Building 1 and 2 in Milan recorded a rental uplift of 1.7%⁴, reflecting the annual rental escalation pegged to the consumer price index variation published by the Italian National Institute of Statistics. Building 1 and 2 are leased to Sky Italia until January 2033 with no pre-termination risk, while the committed occupancy for Building 3, as at 30 June 2025, stood at approximately 31%.

Mr. Guy Cawthra, Chief Executive Officer of the Manager, said, "The divestment of Jem Office marks an important milestone in reducing our leverage, strengthening our capital structure and reducing our interest expense. Upon completion of the transaction, Singapore retail exposure will comprise over 85% of our portfolio by valuation. Our core Singapore portfolio of 313@somerset and Jem have delivered robust operational performance in FY2025. A more favourable interest rate outlook is expected to contribute positively towards distribution performance."

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⁹ Based on completed leases renewed for the full year FY2025.

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.

As at 30 June 2025, its portfolio comprises leasehold properties in Singapore namely Jem (an office and retail property) and 313@somerset (a prime retail property) as well as freehold interest in Sky Complex (three Grade A commercial buildings) in Milan. These five properties have a total net lettable area of approximately 2.0 million square feet, with an appraised value of S\$3.76 billion. Other investments include a stake in Parkway Parade (an office and retail property) and 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.

About the Sponsor - Lendlease Corporation Limited

Lendlease Corporation Limited is a market-leading Australian integrated real estate group. Headquartered in Sydney, it is listed on the Australian Securities Exchange.

Its core capabilities are reflected in its operating segments of Investments, Development and Construction. The combination of these three segments provides them with a sustainable competitive advantage in delivering innovative integrated solutions for its customers. For more information, please visit: www.lendlease.com.

For more information on LREIT, please contact Investor Relations:

Lendlease Global Commercial Trust Management Pte. Ltd.

Ling Bee Lin

enquiry@lendleaseglobalcommercialreit.com

Tel: +65 6671 7374

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