

# Annual General Meeting FY2024

29 October 2024

BALANCING

GROWTH

WITH

STABILITY

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# Contents

1. Key Highlights
2. Portfolio Performance
3. Sustainability Performance
4. Moving Forward

# Key Highlights

S\$**220.9**million  
Gross Revenue

S\$**165.3**million  
Net Property Income

**100%**  
Occupancy (Retail Portfolio)

S\$**3.68**billion  
Appraised Value

# Financial Highlights

- Gross revenue for FY2024 increased 7.8% YoY to S\$220.9 million mainly attributed to the healthy operational performance from LREIT's Singapore portfolio and the upfront recognition of supplementary rent<sup>1</sup> received from the lease restructuring of Sky Complex. On a proforma basis, excluding the supplementary rent recognised in advance, gross revenue and NPI were 3.2% and 1.3% higher respectively.
- FY2024 DPU was impacted by higher borrowing costs against the backdrop of high interest rate environment. Weighted average cost of debt for the financial year ending 30 June 2024 was 3.58% per annum<sup>2</sup>, as compared to 2.69% per annum<sup>2</sup> in the previous financial year.

### Gross Revenue (S\$ million)



### Net Property Income (S\$ million)



### Distribution Income (S\$ million)



### Distribution Per Unit (S\$ cent)



<sup>1</sup> 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.

<sup>2</sup> Excludes amortisation of debt-related transaction costs.

# Portfolio Highlights

- Portfolio valuation<sup>1</sup> increased 0.9% YoY supported by Singapore portfolio on the back of improved market rents.
- The lower occupancy rate compared to FY2023 was due the lease restructuring exercise of Sky Complex and Building 3 is in the process of securing new tenancies.

### Appraised Value (\$ million)



### Portfolio Occupancy (%)



### Total Asset (\$ million)



### Net Asset Value Per Unit<sup>2</sup> (\$)



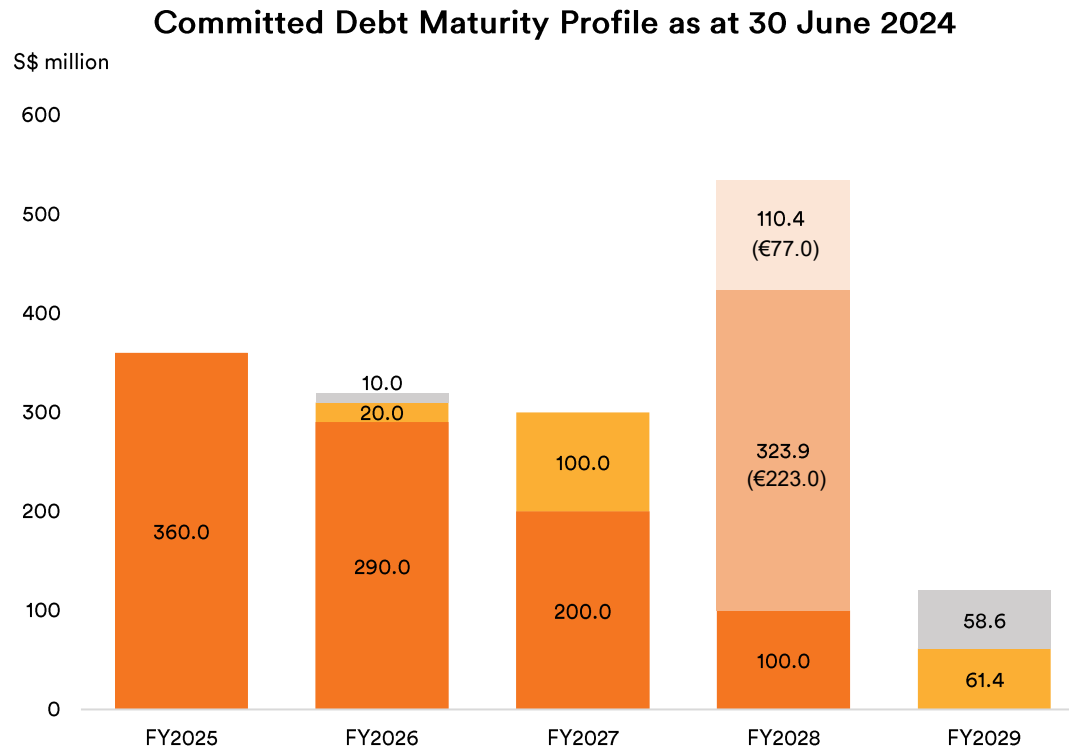
<sup>1</sup> Comprises investment properties and investment property under development (includes right-of-use-asset).

<sup>2</sup> Excludes non-controlling interests and perpetual securities holders' fund.

# Capital Management

Focused on prudent capital management while monitoring market sentiments and interest rates developments

- Post the financial year ending 30 June 2024, interest hedging is increased to approximately 70% from 61%.
- Sustainability-linked financing accounted for approximately 85% of total committed debt facilities. LREIT has achieved interest savings from the sustainability-linked financing since the establishment of its green finance in FY2022.
- Undrawn debt facilities was S\$168.6 million as at 30 June 2024.



<b>Gearing Ratio</b>	<b>Weighted Average Debt Maturity</b>
40.9%	2.5 years
<b>Weighted Average Cost of Debt</b>	<b>Interest Coverage Ratio</b>
3.58% p.a. <sup>1</sup>	3.2 times <sup>2</sup>

**Drawn Committed Debt Facilities**

- S\$ Term Loan Facility
- S\$ Revolving Loan Facility
- € Term Loan Facility
- € Revolving Loan Facility

**Undrawn Committed Debt Facilities**

- S\$ Revolving Loan Facility

<sup>1</sup> Excludes amortisation of debt-related transaction costs.

<sup>2</sup> The interest coverage ratio (ICR) as at 30 June 2024 of 3.2 times is in accordance with requirements in its debt agreements. In accordance with the Property Funds Appendix of the Code on Collective Investment Schemes, ICR is 2.2 times and adjusted ICR is 1.7 times.

# Portfolio Performance

14.0%

Retail Rental Reversion

30%

Savings Per Annum on Electricity Tariff  
(Landlord and Tenants)

84.9%

Tenant Retention Rate (by NLA)

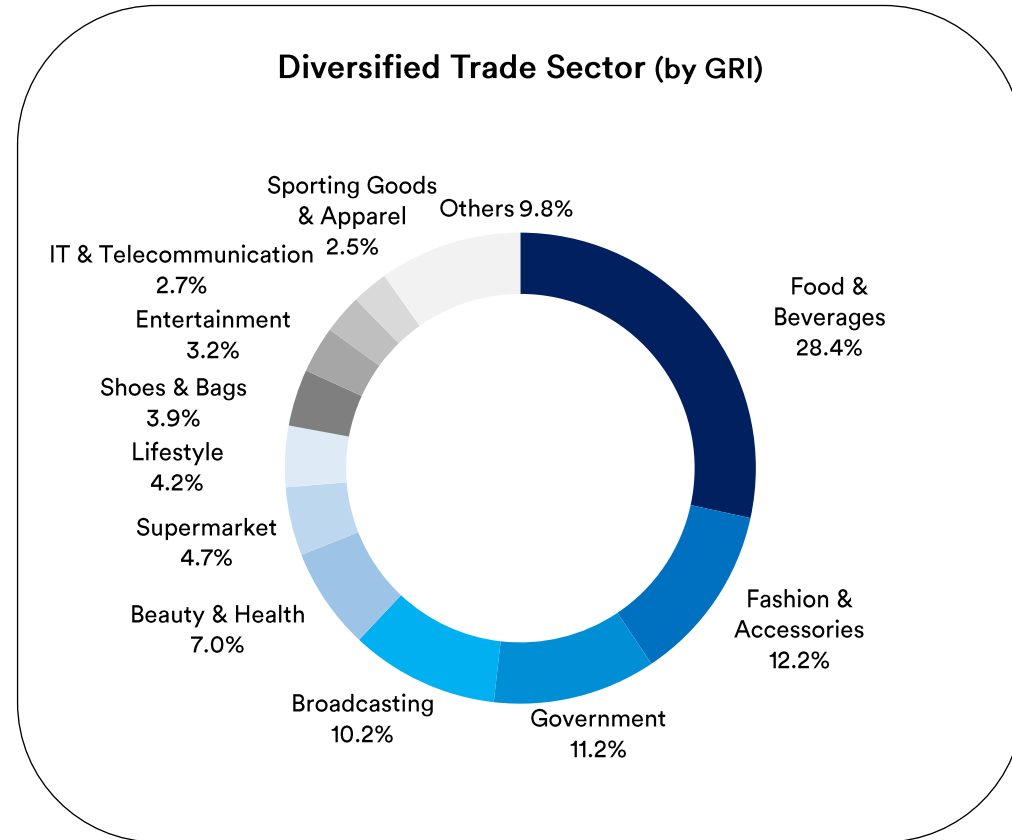
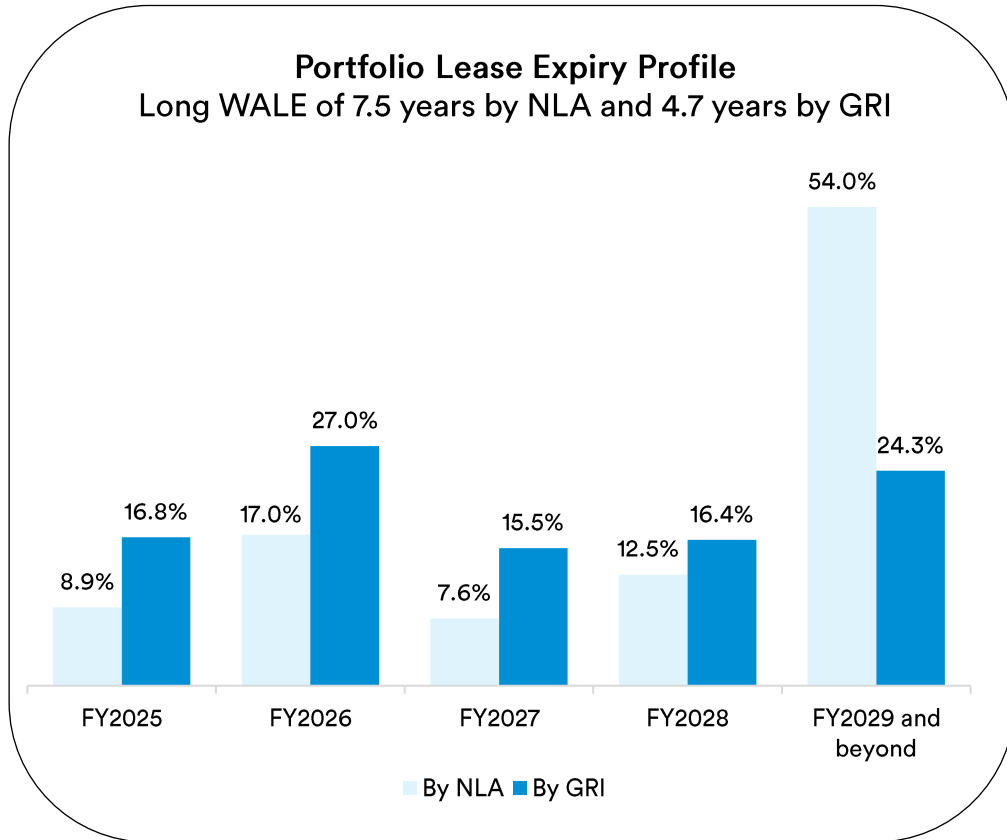
7.5<sub>years</sub>

Weighted Average Lease Expiry (by NLA)



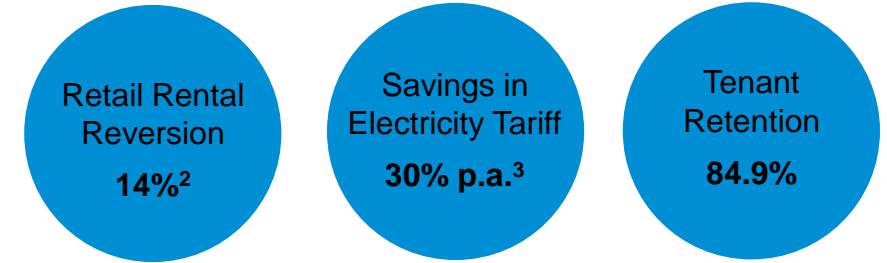
# Lease Expiry and Trade Sector

Well-spread lease expiry profile with a high concentration in the essential services trades for approximately 57% of GRI.

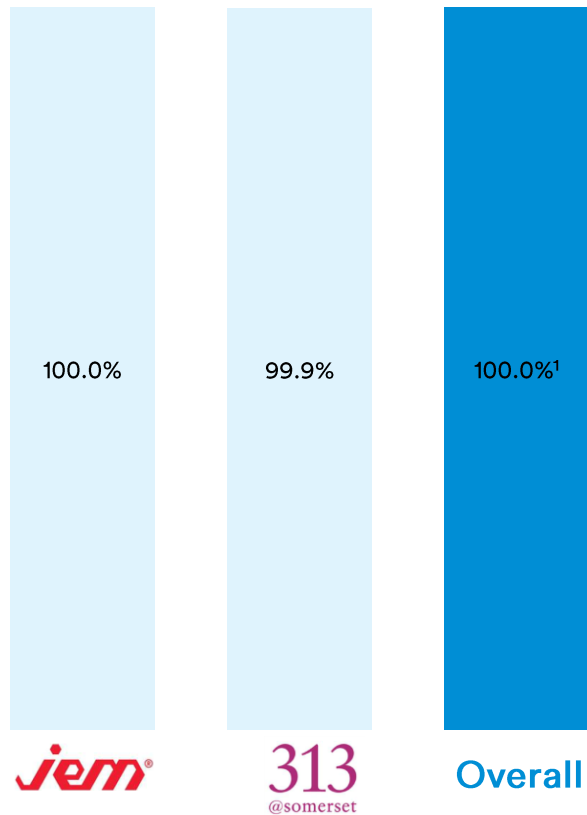


# Retail Portfolio

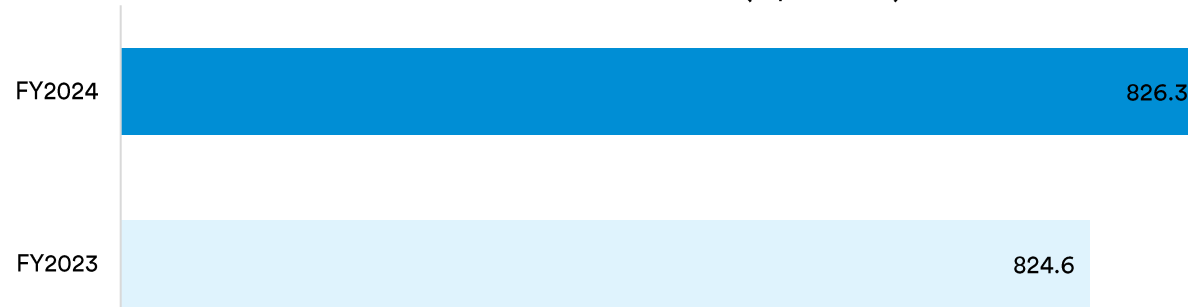
Tenant sales and shopper traffic continued to improved year-on-year.



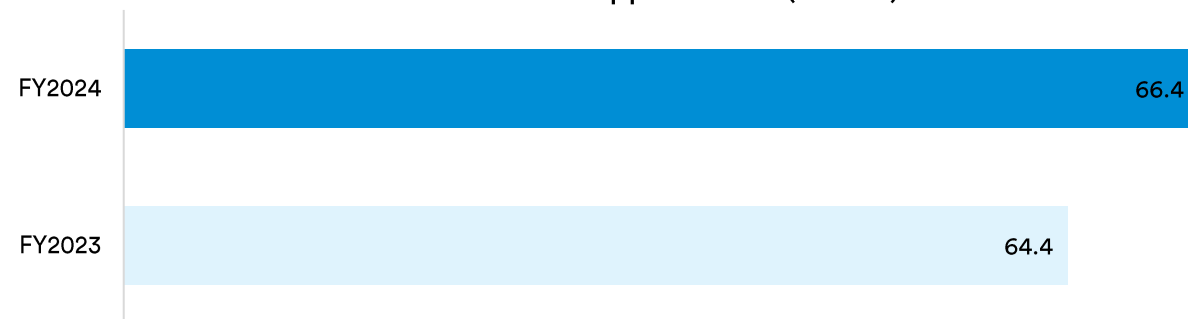
Committed Occupancy  
(as at 30 June 2024)



Tenants' Sales (\$ million)



Shopper Traffic (million)



<sup>1</sup> Due to rounding.

<sup>2</sup> On weighted average basis.

<sup>3</sup> Two-year electricity tariff contract for Jem and 313@somerset effective July 2024, estimated to reduce electricity expenses (landlord and tenants) by approximately 30% per annum.

# Office Portfolio

- Office tenants account for approximately 21% of portfolio GRI to ensure stable cashflow.
- Long WALE of 12.5 years by NLA and 14.8 years by GRI.
- Rental uplift of 1.2% achieved for Building 1 and 2 of Sky Complex effective from April 2024, in addition to the 1.5% rental revision secured during the lease restructuring of Sky Complex.



- ✓ Grade A office building leased to the Ministry of National Development till 2044
- ✓ Occupancy: 100%
- ✓ Rental review: Once every five years



- ✓ Building 1 and 2 fully leased to Sky Italia till 2033 without pre-termination rights
- ✓ Building 3 is undergoing repositioning to secure multi-tenancy at market rents
- ✓ Occupancy: 73.9%<sup>1</sup>
- ✓ Rental review: Annual<sup>2</sup>



<sup>1</sup> Includes committed space of Building 3.

<sup>2</sup> Pegged to the Italian National Institute of Statistics consumer price index.

# Portfolio Valuation

Gained 0.9% year-on-year supported by Singapore portfolio on the back of improved market rents and consumer sentiments.

	Valuation FY2024	Valuation FY2023	Variance (%)	Cap rate FY2024 (%)	Cap rate FY2023 (%)
Jem	S\$2,254.0 million	S\$2,188.0 million	+3.0	Retail: 4.50 Office: 3.50	Retail: 4.50 Office: 3.50
313@somerset	S\$1,046.3 million <sup>1</sup>	S\$1,033.2 million <sup>1</sup>	+1.3	4.25 <sup>2</sup>	4.25 <sup>2</sup>
Sky Complex	€263.1 million (S\$382.1 million <sup>3</sup> )	€290.5 million (S\$428.8 million <sup>4</sup> )	-9.4(€) -10.9(S\$)	6.00 <sup>5</sup>	5.75 <sup>5</sup>
<b>Total</b>	<b>S\$3,682.4 million</b>	<b>S\$3,650.0 million</b>	<b>+0.9</b>	<b>N.A.</b>	<b>N.A.</b>

<sup>1</sup> Includes the development of the multifunctional event space, adjacent to 313@somerset, which will be connected seamlessly to the Discovery Walk that links to 313@somerset.

<sup>2</sup> Refers to operating asset only.

<sup>3</sup> Conversion of € to S\$ based on the FX rate of 1.452 as at 30 June 2024.

<sup>4</sup> Conversion of € to S\$ based on the FX rate of 1.476 as at 30 June 2023.

<sup>5</sup> Refers to terminal cap rate.

# New Retail and Dining Options for Shoppers



Singtel flagship shop (moved from Comcentre), houses Singapore's first Casetify Studio and Tik Tok Creator House within its space.



Sake+, a Fish Mart Sakuraya concept restaurant that serves affordable Japanese-Italian fusion cuisine and curated sake.



Mister Donut, one of the largest doughnut chains in the world, well-loved for their signature Pon De Ring donut.



Yves Saint Laurent Beauté, luxurious beauty collections of top-rated makeup, skincare and fragrances.



Tim Hortons, Canada's favourite coffee house, serving signature lattes and fresh baked confectionary.



Benjamin Barker, a homegrown fashion brand that specialises in smart-casual and heritage-inspired apparel for men.

# Sustainability Performance

Zero

GHG Emissions (Scope 1 and 2)  
Since FY2023

40%

Female Representation on the Board

24%

Waste Recycling Rate

Zero

Incidents on Health and Safety  
and Governance

# Progress in FY2024

Established an ESG Committee to assist the Board of Directors in providing oversight on ESG matters.

## Planet (Environmental)<sup>1</sup>

### Climate Action and Energy Management

Landlord energy consumption: +2% (vs. -10% by FY2027)

Net Zero Carbon<sup>2</sup> (Scope 1 and 2) Since FY2023

### Water Management

Landlord water consumption: +5% (vs. 2% by FY2027)

### Waste Management

24%  
Launched the You Won't Believe It's Trash 3.0 "Trash to Eden" campaign

## People (Social)

### Health and Safety

Zero work-related injuries, ill health and non-compliance

### Diversity and Inclusion

40% female representation on the Board  
51% female employees among the Manager and the Property Manager

### Community Development and Engagement

Completed four community engagements  
Adopted the Sustainable Philanthropy Framework to track social metrics

## Partner (Governance)

### Business Ethics and Governance

Zero incidents of corruption and non-compliance

### Data Privacy and Cybersecurity

Zero cases of complaint on breaches

## Operational Performance (Economic)

### Tenant and Shopper Satisfaction

Shopper score: 90%  
Tenant score: 70%

### Operational Performance

14% retail rental reversion

### Sustainable Financing

85% of committed debts are sustainable financing



Scan QR Code to find out more about LREIT's short, medium and long-term targets

<sup>1</sup> Energy and water performance are measured against baseline year FY2022.

<sup>2</sup> Market based emission.

# Ongoing Endeavour on Sustainability

Continue to emphasise diversity and inclusion and advocate for inclusive communities.

Collaborated with the Disabled People's Association to develop Jem Accessibility Guide, the first access guide for a retail mall in Singapore.



Gift-a-Family initiative positively impacting 50 ComLink families in the Jurong West neighbourhood.



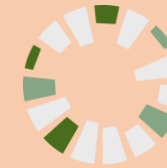
Lunchtime talk with tenants at Paya Lebar Quarter 3 to advocate an inclusive working environment.



Collaborated with Dignity Kitchen to distribute bento meals to low-income families.



## Awards and Recognition



G R E S B  
REAL ESTATE  
sector leader 2024

- ✓ First in Asia Retail (Listed) category for five consecutive years since listing
- ✓ Highest-tier 5 Star rating



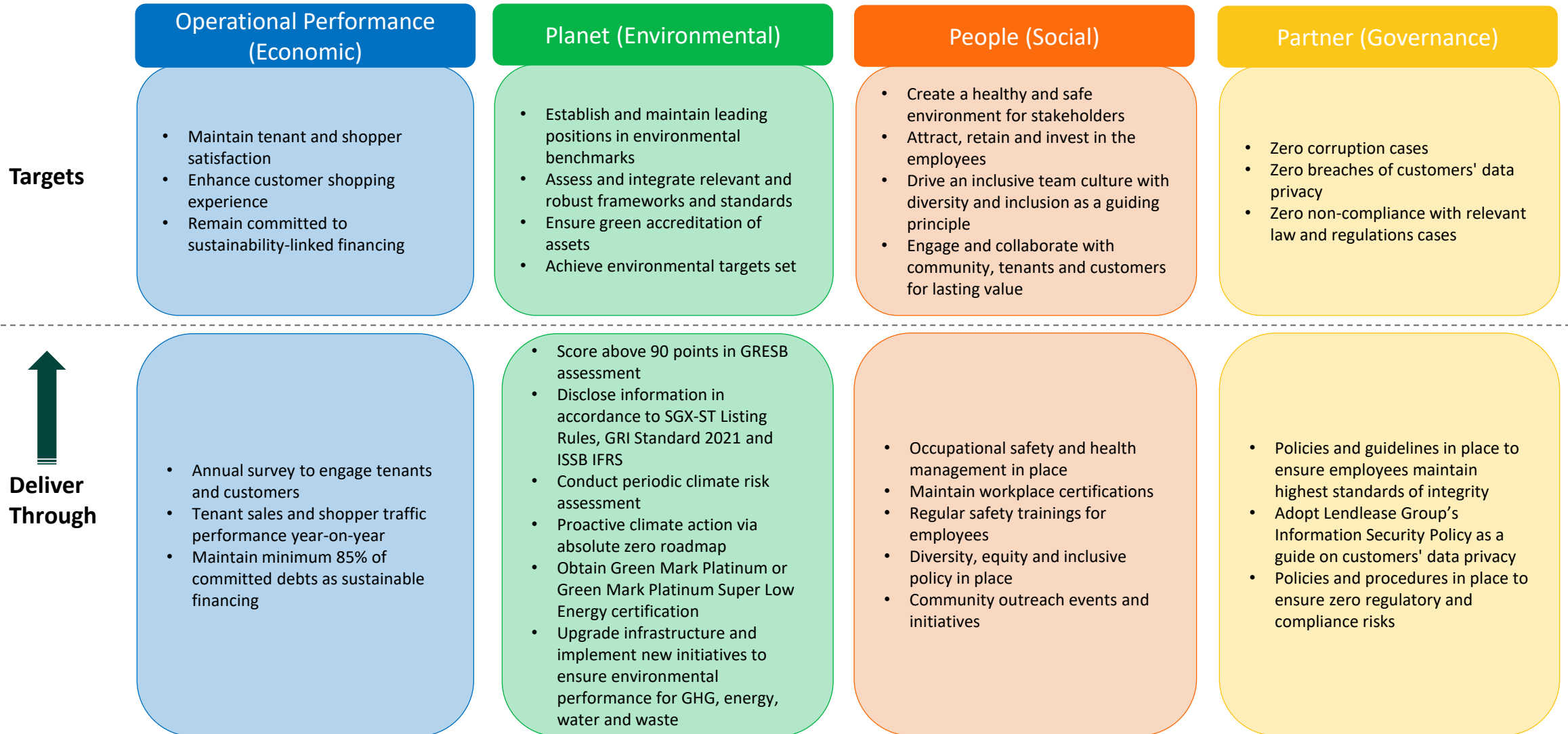
SINGAPORE  
CORPORATE  
AWARDS

CELEBRATING THE BEST IN  
CORPORATE GOVERNANCE

- ✓ Best Investor Relations (Gold) in the Singapore Corporate Award 2024



# Goals and Targets



**Deliver Through**

**Moving  
Forward**

# Near-term Focus

**Proactive asset management** to drive operational performance of the assets

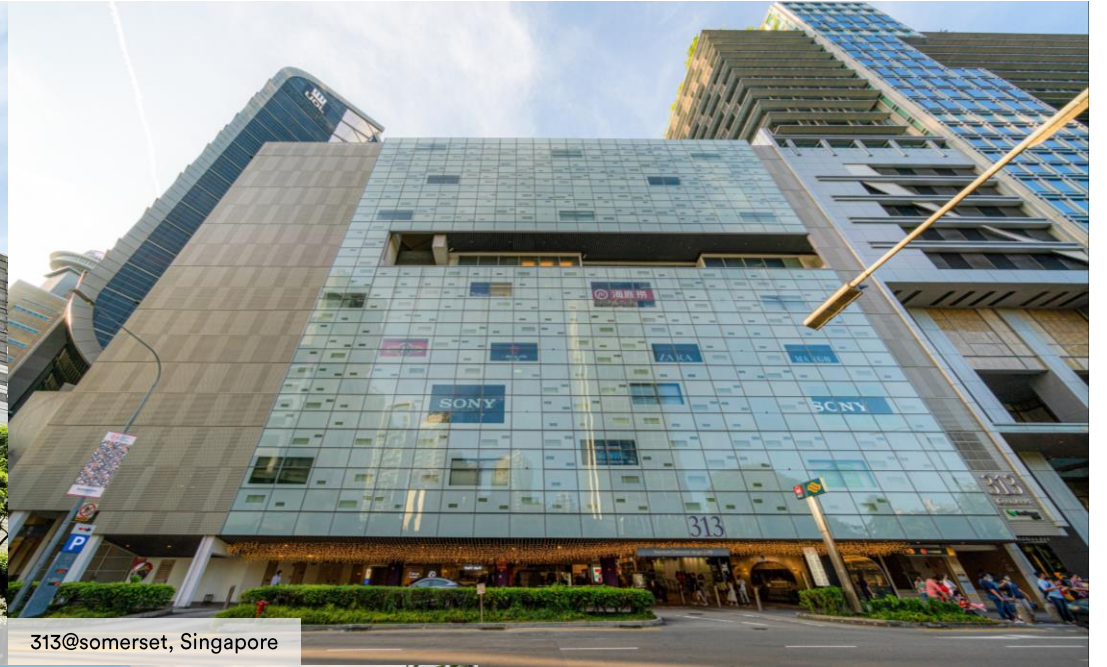
**Prudent capital management** to manage cost and gearing

Focus on achieving resilient and **sustainable returns**

Continue to drive **progress towards ESG targets**



Jem, Singapore



313@somerset, Singapore



Sky Complex, Milan



A Stake in Parkway Parade



Multifunctional Event Space Adjacent to 313@somerset (Under Development)

# Thank You