Maintained Portfolio Resiliency Through Proactive Asset Management

- Leases due for renewal in FY2023 de-risked from 23.9% to 14.5% by GRI in the first three months of FY2023
- Office rental escalation up approximately 4%[1] in 1Q FY2023
- Tenant sales continued to surpass pre-COVID-19 average levels

Key Highlights

- Portfolio committed occupancy remained high at 99.7%
- Long WALE of 8.5 years[2] by NLA and 5.5 years[2] by GRI ensures long-term cashflow stability
- High concentration in essential services trades at approximately 59% by GRI
- Healthy tenant retention rate of approximately 69%[3]
- Sustainable financing accounts for 63% of total borrowings
- Attained Net Zero Carbon three years ahead of its original target of 2025
- Retained Regional Sector Leader (Retail) in the 2022 GRESB real estate assessment

Singapore, 7 November 2022 - Lendlease Global Commercial Trust Management Pte. Ltd. (the "Manager"), the manager of Lendlease Global Commercial REIT ("LREIT"), is pleased to share its first quarter business update for FY2023.

Operations Update

LREIT continued to maintain its portfolio resilience in 1Q FY2023. Its portfolio committed occupancy remained high at 99.7% with a long weighted average lease expiry ("WALE") of 8.5 years[1] by net lettable area ("NLA") and 5.5 years[1] by gross rental income ("GRI"). The Manager had de-risked leases expiring for the year to 8.0% (from 11.9%) by NLA and 14.5% (from 23.9%) by GRI, in the first three months of FY2023.

Long office WALE ensures stable income stream for unitholders

With a long WALE of 12.7 years[2] by NLA and 15.5 years[2] by GRI for LREIT's office portfolio, it will ensure a stable income stream for LREIT's unitholders. The Manager is pleased to share that LREIT's office rental escalation increased approximately 4%[1] in 1Q FY2023, providing stable cashflow for its unitholders.

Jem continues to be well-placed to tap the upcoming transformation of Jurong Gateway and the surrounding manufacturing and industrial landscape as part of the government's decentralisation efforts. Its Grade A office building is leased to the Ministry of National Development till 2044 with a rental review every five years.

[1] Refers to Sky Complex.
[2] Assumes that Sky Italia does not exercise its break option in 2026.
[3] Based on year-to-date completed lease renewal (by NLA).

More recently, the Milano Santa Giulia business district, where Sky Complex is located, was awarded LEED Neighborhood Development Gold certification. The certification is a globally recognised symbol of achievement and a benchmark for quality of life and sustainability.

Retail portfolio was well-supported by the gradual return of tourists and its resilience suburban mall

LREIT's retail portfolio maintained its high committed occupancy rate of 99.3% as at 30 September 2022. The strong occupancy was driven by healthy leasing momentum and the Manager's proactive leasing strategy which focuses on curating unique F&B and retail options to keep the malls vibrant for its shoppers.

As at the period end, a positive rental reversion of approximately 1% was recorded with a healthy tenant retention rate of approximately 69%[3]. Tenant sales for the first three months of FY2023 continued to surpass pre-COVID-19 average levels. The Manager has also seen an increasing interest on leasing of the atrium space at the malls.

In the near-term, the Manager is looking to optimise the remaining untapped gross floor area of 10,200 sqft from the URA Master Plan 2019 to maximise the full potential of 313@somerset and create new value for LREIT's unitholders. For Jem, while there is no additional plot ratio granted, the Manager is constantly looking to convert spaces into leasable units to generate additional revenue.

Capital Management

As at 30 September 2022, gross borrowings were S$1,451.1 million with a gearing ratio of 39.4%[4]. Approximately 63% of its borrowings are sustainability-linked financing, which are expected to generate net interest savings to LREIT's unitholders. The weighted average debt maturity was 2.8 years with a weighted average cost of debt of 2.24% per annum[5]. LREIT has an interest coverage ratio of 6.9 times[6], which provides ample buffer from its debt covenant of 2.0 times.

As at the period end, LREIT has undrawn debt facilities of S$172.2 million to fund its working capital. All of its debt is unsecured with approximately 61% of its borrowings hedged to fixed rate.

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

Mr Kelvin Chow, Chief Executive Officer of the Manager, said, "We are encouraged to see the gradual return of tourists and an increased return-to-office crowd. Alongside LREIT's exposure in

[4] Total assets include non-controlling interests share of total assets.
[5] Excludes amortisation of debt-related transaction costs.
[6] The interest coverage ratio (ICR) as at 30 September 2022 of 6.9 times (30 June 2022: 9.2 times) is in accordance with requirements in its debt agreements; 3.6 times (30 June 2022: 4.2 times) and 2.3 times for adjusted ICR (30 June 2022: 2.5 times) in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

the suburban retail segment and the high concentration in essential services trades at 59% (by GRI), the positive momentum will continue to underpin LREIT's performance for FY2023.

In addition, we are looking to increase non-rental revenue, unlock savings through the adoption of smart technologies to improve the efficiency of the assets and reduce non-core expenses to cushion the impact from rising interest rates and utilities costs."

Environmental, Social and Governance

LREIT continues to be a frontrunner on its sustainability journey. The Manager is pleased to share that LREIT had attained Net Zero Carbon in August 2022, three years ahead of its original target of 2025. More recently, it retained the top spot in the 2022 GRESB real estate assessment as the Regional Sector Leader in both Asia Retail (Overall) and Asia Retail (Listed) categories for a third consecutive year with the highest-tier 5-star GRESB rating for its Environmental, Social and Governance ("ESG") performance and strong leadership in sustainability.

In addition to clinching these accolades, LREIT scored "A" in the 2022 GRESB Public Disclosure, underscoring its strong commitment to ESG transparency and stakeholder engagement.

Other ESG achievements include:

- Entered three key ESG indices: iEdge SG ESG Leader Index, iEdge SG ESG Transparency Index and iEdge-OCBC Singapore Low Carbon Select 50 Capped Index
- Won the Best Sustainable Treasury Solution in the Adam Smith Award Asia 2022
- Ranked 10th on the Singapore Governance and Transparency Index 2022 (vs. 15th in 2021)

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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 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 office buildings) 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 Group[7], an international real estate group with core expertise in shaping cities and creating strong and connected communities, with operations in Australia, Asia, Europe and the Americas.

Headquartered in Sydney and established in 1958, the Lendlease Group's vision is creating places where communities thrive. The Lendlease Group's approach is to maintain a portfolio of operations that deliver diversification of earnings by segment and region, providing a mitigant to property cycles. This approach means that through cycles the composition of earning from each segment or region may vary.

The Lendlease Group has a development pipeline value of approximately A$117 billion[8], core construction backlog of A$10.5 billion[8] and funds under management of A$44 billion[8].

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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[7] Lendlease Group comprises the Sponsor, Lendlease Trust and their subsidiaries
[8] As at 30 June 2022.

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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.

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