

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FULL YEAR ENDED 30 JUNE 2021 AND SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

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DBS Bank Ltd. is the Sole Financial Adviser and Issue Manager for the initial public offering of Lendlease Global Commercial REIT (the "Offering"). DBS Bank Ltd. and Citigroup Global Markets Singapore Pte. Ltd. were the joint global coordinators, bookrunners and underwriters for the Offering.

LENDLEASE GLOBAL COMMERCIAL REIT

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Introduction & Corporate information

Lendlease Global Commercial REIT (“LREIT”) is a Singapore real estate investment trust constituted by the Trust Deed dated 28 January 2019 (as amended). It is principally regulated by the Securities and Futures Act, Chapter 289 of Singapore, 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.

The Trustee of LREIT is RBC Investor Services Trust Singapore Limited (the “Trustee”).

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.

LREIT’s property portfolio comprises a leasehold interest in one retail mall located in Singapore and a freehold interest in three office buildings located in Milan, Italy (the “Properties”).

The details of each of these properties are as follows:

- (i) a 99-year leasehold¹ interest in 313@somerset, which is a retail mall located in Singapore (the “313@somerset”); and
- (ii) a freehold interest in Sky Complex, which comprises three office buildings located in Milan, Italy (the “Sky Complex”).

LREIT holds a 5.0% stake in Lendlease Asian Retail Investment Fund 3 Limited (“ARIF 3”)², which holds a 75.0% indirect interest in the property known as Jem. Jem is an integrated office and retail development located in Jurong Gateway, the commercial hub of the Jurong Lake District, Singapore.

The Manager had made announcements on 9 April 2020 and 20 April 2020 respectively, with regard to the IPO profit and distribution forecast for the financial year ending 30 June 2020 (“FY2020”) and the profit and distribution projection for the financial year ending 30 June 2021 (“FY2021”), as it may no longer be a fair basis against which the actual performance of LREIT could be compared given current circumstances.

Footnotes:

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

2. ARIF 3 is managed by an indirect wholly-owned subsidiary of the sponsor of LREIT. Management fees will be paid at the respective levels and will not be double counted.

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Condensed Interim Financial Statements Presentation

As disclosed in the Prospectus, SGX-ST granted LREIT a waiver from compliance with Rule 705(2)(b) of the SGX-ST Listing Manual in relation to the announcement of results for the financial quarter ended 30 September 2019 on the basis that LREIT did not have any meaningful financial results for the quarter as it was a private trust and the Properties had not been acquired. Accordingly, LREIT announced its first financial results on 10 February 2020 for the period from the Listing Date to 31 December 2019. LREIT was dormant from its date of constitution, 28 January 2019 to the Listing Date.

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

Distribution Policy

LREIT intends to make distributions to Unitholders semi-annually and will distribute at least 90.0% of its adjusted net cashflow from operations for each financial year. The actual level of distribution will be determined at the Manager's discretion.

The second distribution for FY2021 will be for the period from 1 January 2021 to 30 June 2021 and will be paid on or before 30 September 2021. LREIT intends to distribute 100.0% of LREIT's adjusted net cashflow from operations for the period from the Listing Date to the end of 30 June 2021.

Summary of Lendlease Global Commercial REIT Group Results

	GROUP					
	6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	Variance	FY2021	FY2020	Variance
	Actual	Actual		Actual	Annualised ^A	
Gross Revenue (S\$'000)	37,043	34,129	8.5%	78,651	74,455	5.6%
Net Property Income (S\$'000)	26,525	24,109	10.0%	56,918	54,014	5.4%
Amount Distributable (S\$'000)						
- to Perpetual Securities holders	598	-	NM	598	-	NM
- to Unitholders	27,577	20,660	33.5%	55,123	47,824	15.3%
Available Distribution per Unit ("DPU") (cents)	2.34	1.76	32.8%	4.68	4.08	14.6%

NM: Not meaningful

Footnotes:

A. The annualised results for FY2020 is based on the actual results from 2 October 2019 to 30 June 2020 (273 days) pro-rated to 366 days.

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

	Note	GROUP		
		(S\$'000)		Variance %
		6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	
Gross revenue	i	37,043	34,129	8.5
Property operating expenses		(10,518)	(10,020)	(5.0)
Net property income		26,525	24,109	10.0
Manager's Base Fee		(1,963)	(1,899)	(3.4)
Manager's Performance Fee		(1,403)	(1,206)	(16.3)
Other management fees		(400)	(395)	(1.3)
Trustee's fee		(106)	(99)	(7.1)
Other trust expenses ¹		(1,121)	(779)	(43.9)
Net foreign exchange gain/(loss) ²		5,414	(16,015)	NM
Dividend income		1,731	-	NM
Finance income		11	465	(97.6)
Finance costs ³		(4,983)	(4,785)	(4.1)
Profit/(Loss) before tax and change in fair value		23,705	(604)	NM
Net change in fair value of investment properties & Investment property under development ⁴		(31,284)	28,895	NM
Net change in fair value of equity instrument ⁵		(942)	-	NM
Net change in fair value of derivative financial instruments ⁶		2,724	(4,254)	NM
Profit/(Loss) before tax		(5,797)	24,037	NM
Tax expense		-	-	NM
Profit/(Loss) after tax		(5,797)	24,037	NM
Attributable to:				
Unitholders		(6,395)	24,037	NM
Perpetual securities holders ⁷		598	-	NM
Profit/(Loss) after tax		(5,797)	24,037	NM
Distribution Statement				
Profit attributable to Unitholders		(6,395)	24,037	NM
Add: Distribution adjustments ⁸		33,972	(3,377)	NM
Amount available for distribution to Unitholders (Note A)		27,577	20,660	33.5

NM: Not meaningful

Footnotes:

1. Other trust expenses include operating expenses such as annual listing fees, auditing and tax advisory fees, valuation costs, investor communication costs, acquisition costs for equity instrument, setup costs of debt issuance programme and other miscellaneous expenses.

2. Net foreign exchange gain/loss relates mainly to the translation difference of 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 investment.

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

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. Comprises net change in fair value of equity instrument through profit or loss. 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, 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. On 4 June 2021, LREIT issued \$200 million of perpetual securities with no fixed final redemption date. The perpetual securities confer a right to its holders to receive distribution payments at a rate of 4.20% per annum, with the first distribution rate reset falling on 4 June 2026 and subsequent resets occurring every 5 years thereafter. 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, incentive amounts, acquisition costs for equity instrument and other adjustments related to non-cash or timing differences in income and expenses.

Note A

Distribution from:

- Singapore
- Foreign source ¹
- Total

GROUP		
(S\$'000)		Variance %
6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	
17,260	11,071	55.9
10,317	9,589	7.6
27,577	20,660	33.5

Footnote:

1. Foreign source distribution mainly pertains to income from Sky Complex. Any income from this property that has not been distributed to LREIT by the date LREIT makes distribution to its Unitholders will constitute a capital distribution.

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

	GROUP		
	(S\$'000)		Variance %
	6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	
Profit/(Loss) after tax	(5,797)	24,037	NM
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Other comprehensive income:			
Net currency translation differences relating to financial statements of a foreign subsidiary	(5,981)	16,253	NM
Total comprehensive income	(11,778)	40,290	NM
Total comprehensive income attributable to:			
Unitholders	(12,376)	40,290	NM
Perpetual securities holders	598	-	NM
	(11,778)	40,290	NM

NM: Not meaningful

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

		GROUP		
		(S\$'000)		Variance %*
Note	FY2021	2 Oct 2019 (Listing Date) to 30 Jun 2020		
	Gross revenue	78,651	55,536	
	Property operating expenses	(21,733)	(15,247)	
	Net property income	56,918	40,289	
	Manager's base fee	(3,933)	(2,850)	
	Manager's performance fee	(2,923)	(2,015)	
	Other management fees	(801)	(580)	
	Trustee's fee	(209)	(148)	
	Other trust expenses ¹	(2,561)	(1,228)	
	Net foreign exchange gain/(loss) ²	(9,219)	(10,999)	
	Dividend income	1,731	-	
	Finance income	51	531	Please see footnote *
	Finance costs ³	(10,040)	(7,240)	
	Profit/(Loss) before tax and change in fair value	29,014	15,760	
	Net change in fair value of investment properties & Investment property under development ⁴	(31,284)	(20,102)	
	Net change in fair value of equity instrument ⁵	(942)	-	
	Net change in fair value of derivative financial instruments ⁶	1,873	(4,274)	
	Profit/(Loss) before tax	(1,339)	(8,616)	
	Tax expense	-	-	
	Profit/(Loss) after tax	(1,339)	(8,616)	
Attributable to:				
	Unitholders	(1,937)	(8,616)	
	Perpetual securities holders ⁷	598	-	Please see footnote *
	Profit/(Loss) after tax	(1,339)	(8,616)	
Distribution Statement				
	Profit attributable to Unitholders	(1,937)	(8,616)	
	Add: Distribution adjustments ⁸	57,060	44,288	Please see footnote *
	Amount available for distribution to Unitholders (Note A)	55,123	35,672	

*Not meaningful as LREIT was listed on the 2 October 2019. Please refer to Note 3 "Review of performance" for a review of the actual results for the period against the annualised results for the same period in the previous financial period.

Footnotes:

1. Other trust expenses include operating expenses such as annual listing fees, auditing and tax advisory fees, valuation costs, investor communication costs, acquisition costs for equity instrument, setup costs of debt issuance programme and other miscellaneous expenses.

2. Net foreign exchange gain/loss relates mainly to the translation difference of 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 investment.

3. Finance costs comprise mainly interest expense and amortisation of debt-related transaction costs.

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

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. Comprises net change in fair value of equity instrument through profit or loss. 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, 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. On 4 June 2021, LREIT issued \$200 million of perpetual securities with no fixed final redemption date. The perpetual securities confer a right to its holders to receive distribution payments at a rate of 4.20% per annum, with the first distribution rate reset falling on 4 June 2026 and subsequent resets occurring every 5 years thereafter. 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, incentive amounts, acquisition costs for equity instrument and other adjustments related to non-cash or timing differences in income and expenses.

Note A

Distribution from:

- Singapore
- Foreign source ¹
- Total

GROUP		
(S\$'000)		Variance % *
FY2021	2 Oct 2019 (Listing Date) to 30 Jun 2020	
		Please see footnote *
35,422	21,396	
19,701	14,276	
55,123	35,672	

* Not meaningful as LREIT was listed on the 2 October 2019. Please refer to Note 3 "Review of performance" for a review of the actual results for the period against the annualised results for the same period in the previous financial period.

Footnote:

1. Foreign source distribution mainly pertains to income from Sky Complex. Any income from this property that has not been distributed to LREIT by the date LREIT makes distribution to its Unitholders will constitute a capital distribution.

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

	GROUP		
	(S\$'000)		
	FY2021	2 Oct 2019 (Listing Date) to 30 Jun 2020	Variance % *
Profit/(Loss) after tax	(1,339)	(8,616)	
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Other comprehensive income:			
Net currency translation differences relating to financial statements of a foreign subsidiary	9,005	11,218	Please see footnote *
Total comprehensive income	7,666	2,602	
Total comprehensive income attributable to:			
Unitholders	7,068	2,602	
Perpetual securities holders	598	-	Please see footnote *
	7,666	2,602	

* Not meaningful as LREIT was listed on the 2 October 2019. Please refer to Note 3 "Review of performance" for a review of the actual results for the period against the annualised results for the same period in the previous financial period.

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

	Note	GROUP 30 Jun 2021 (S\$'000)	GROUP 30 Jun 2020 (S\$'000)
Current assets			
Cash and cash equivalents	ii	249,264	83,678
Trade and other receivables		6,664	10,553
Other current assets		2,910	4,663
		258,838	98,894
Non-current assets			
Investment properties	iii	1,419,857	1,442,598
Investment property under development	iv	5,521	-
Equity instrument at fair value	v	44,591	-
Other receivables		7,311	12,845
Other non current assets		869	1,012
Derivative financial instruments ¹		128	149
		1,478,277	1,456,604
Total assets		1,737,115	1,555,498
Current liabilities			
Trade and other payables		27,393	21,827
Lease liability ²		416	-
Derivative financial instruments ¹		207	320
		28,016	22,147
Non-current liabilities			
Trade and other payables		5,300	7,999
Lease liability ²		2,105	-
Loans and borrowings	vi	542,573	528,999
Derivative financial instruments ¹		2,322	4,103
		552,300	541,101
Total liabilities		580,316	563,248
Net assets		1,156,799	992,250
Represented by:			
Unitholders' funds		957,902	992,250
Perpetual securities holders		198,897	-
		1,156,799	992,250
NAV per Unit (S\$) ³	vii	0.81	0.85

Footnotes:

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

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

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

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

	Note	LREIT 30 Jun 2021 (S\$'000)	LREIT 30 Jun 2020 (S\$'000)
Current assets			
Cash and cash equivalents	ii	232,768	60,664
Trade and other receivables		833	4,942
Other current assets		2,582	4,359
		236,183	69,965
Non-current assets			
Investment properties	iii	983,000	1,008,000
Investment property under development	iv	5,521	-
Investment in subsidiary		435,245	435,245
Equity instrument at fair value	v	44,591	-
Other non current assets		869	1,012
Derivative financial instruments ¹		128	149
		1,469,354	1,444,406
Total assets		1,705,537	1,514,371
Current liabilities			
Trade and other payables		22,997	17,555
Lease liability ²		416	-
Derivative financial instruments ¹		207	320
		23,620	17,875
Non-current liabilities			
Trade and other payables		5,300	7,999
Lease liability ²		2,105	-
Loans and borrowings	vi	542,573	528,999
Derivative financial instruments ¹		2,322	4,103
		552,300	541,101
Total liabilities		575,920	558,976
Net assets		1,129,617	955,395
Represented by:			
Unitholders' funds		930,720	955,395
Perpetual securities holders		198,897	-
		1,129,617	955,395
NAV per Unit (S\$) ³	vii	0.79	0.82

Footnotes:

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

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

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

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1(c) Condensed Interim Consolidated Statement of Cash Flow

	GROUP	
	6 months ended 30 Jun 2021 (S\$'000)	6 months ended 30 Jun 2020 (S\$'000)
Cash flows from operating activities		
Profit/(Loss) after tax	(5,797)	24,037
Adjustments for:		
Manager's fee paid/payable in units	3,366	3,105
Property manager's fee paid/payable in units	825	904
Transaction costs related to purchase of equity instrument	405	-
Finance income	(11)	(465)
Interest expense	2,301	2,210
Amortisation of debt-related transactions costs	2,607	2,575
Net unrealised foreign exchange (gain)/loss ¹	(5,774)	16,094
Net change in fair value of investment properties and investment property under development	31,284	(28,895)
Net change in fair value of equity instrument	942	-
Net change in fair value of derivatives financial instruments	(2,724)	4,254
Operating income before working capital changes	27,424	23,819
Changes in working capital:		
Trade and other receivables	7,326	4,854
Trade and other payables	(38)	1,038
Other current assets	709	(2,514)
Other non current assets	54	(957)
Net cash generated from/(used in) operating activities	35,475	26,240
Cash flows from investing activities		
Interest received	11	465
Acquisition of investment properties ²	-	(4,538)
Capital expenditure on investment properties	(797)	(233)
Capital expenditure on investment property under development	(313)	-
Transaction costs related to purchase of equity instrument	(297)	-
Net cash generated from/(used in) investing activities	(1,396)	(4,306)
Cash flows from financing activities		
Payment of issue costs ³	-	(9,810)
Proceeds from issue of perpetual securities	200,000	-
Payment of issue costs for perpetual securities	(1,624)	-
Payment of financing expenses	-	(366)
Distribution to Unitholders	(27,545)	(15,067)
Interest paid	(2,420)	(1,880)
Net cash flows generated from/(used in) financing activities	168,411	(27,123)
Net increase/(decrease) in cash and cash equivalents	202,490	(5,189)
Cash and cash equivalents at beginning of the period	46,436	88,482
Effect of exchange rate changes on balances held in foreign currency	338	385
Cash and cash equivalents at end of the period	249,264	83,678

Footnotes:

1. Net unrealised foreign exchange gain/loss relates mainly to the currency difference of the Euro term loan in Singapore Dollar terms. Due to the effect of natural hedging, there is a corresponding gain/loss in the comprehensive income, which relates to net currency translation difference as a result of the stronger/weaker €/S\$ exchange rate.

2. Cash flows used in acquisition of investment properties during the period 6 months ended 30 Jun 2020 comprise mainly acquisition costs for Sky Complex.

3. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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1(c) Condensed Interim Consolidated Statement of Cash Flow

	GROUP	
	FY2021 (S\$'000)	2 Oct 2019 to 30 Jun 2020 (S\$'000)
Cash flows from operating activities		
Profit/(Loss) after tax	(1,339)	(8,616)
Adjustments for:		
Manager's fee paid/payable in units	6,856	4,865
Property manager's fee paid/payable in units	1,671	1,374
Transaction costs related to purchase of equity instrument ¹	908	-
Finance income	(51)	(531)
Interest expense	4,764	3,373
Amortisation of debt-related transactions costs	5,201	3,867
Net unrealised foreign exchange (gain)/loss ²	8,424	11,078
Net change in fair value of investment properties and investment property under development	31,284	20,102
Net change in fair value of equity instrument	942	-
Net change in fair value of derivatives financial instruments	(1,873)	4,274
Operating income before working capital changes	56,787	39,786
Changes in working capital:		
Trade and other receivables	9,678	(22,942)
Trade and other payables	(1,855)	25,197
Other current assets	1,753	(4,663)
Other non current assets	143	(1,012)
Net cash generated from/(used in) operating activities	66,506	36,366
Cash flows from investing activities		
Interest received	51	531
Acquisition of investment properties ³	-	(1,451,542)
Capital expenditure on investment properties	(1,149)	(233)
Capital expenditure on investment property under development	(313)	-
Purchase of equity instrument at fair value	(45,533)	-
Transaction costs related to purchase of equity instrument ¹	(345)	-
Net cash generated from/(used in) investing activities	(47,289)	(1,451,244)
Cash flows from financing activities		
Proceeds from issuance of new units	-	1,027,792
Payment of issue costs ⁴	-	(25,858)
Proceeds from issue of perpetual securities	200,000	-
Payment of issue costs for perpetual securities	(1,624)	-
Payment of financing expenses	-	(20,187)
Proceeds from loans and borrowings	-	534,237
Distribution to Unitholders	(48,145)	(15,067)
Interest paid	(4,403)	(2,593)
Net cash flows generated from/(used in) financing activities	145,828	1,498,324
Net increase in cash and cash equivalents	165,045	83,446
Cash and cash equivalents at beginning of the period	83,678	-
Effect of exchange rate changes on balances held in foreign currency	541	232
Cash and cash equivalents at end of the period	249,264	83,678

Footnotes:

1. During the financial period ended 30 June 2021, LREIT issued an aggregate of 631,431 new units amounting to approximately S\$0.5 million as payment for acquisition fee in relation to LREIT's 5.0% stake in ARIF 3.

2. Net unrealised foreign exchange gain/loss relates mainly to the currency difference of the Euro term loan in Singapore Dollar terms. Due to the effect of natural hedging, there is a corresponding gain/loss in the comprehensive income, which relates to net currency translation difference as a result of the stronger/weaker €/S\$ exchange rate.

3. During the financial period ended 30 June 2020, LREIT issued an aggregate of 8,548,000 new units amounting to S\$7.5 million as payment for 313@somerset's acquisition fee.

4. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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

	GROUP	GROUP
	6 months ended 30 Jun 2021 (S\$'000)	6 months ended 30 Jun 2020 (S\$'000)
Operations		
Balance as at the beginning of the period	(4,158)	(32,653)
Profit/(Loss) after tax attributable to Unitholders	(6,395)	24,037
Balance as at end of the period	(10,553)	(8,616)
Unitholders' transactions		
Balance as at the beginning of the period	972,961	998,226
Issue costs ¹ on the Listing Date	-	3,708
Manager's base fee paid in units	1,970	1,883
Property Manager's fee paid in units	846	898
Distributions	(27,545)	(15,067)
Balance as at end of the period	948,232	989,648
Foreign currency translation reserve		
Balance as at the beginning of the period	26,204	(5,035)
Translation differences relating to financial statements of a foreign subsidiary	(5,981)	16,253
Balance as at end of the period	20,223	11,218
Total Unitholders' funds as at end of the period	957,902	992,250
Perpetual securities holders		
Balance as at beginning of the period	-	-
Issue of perpetual securities	200,000	-
Issue expenses	(1,701)	-
Profit attributable to perpetual securities holders	598	-
Balance at end of the period	198,897	-

Footnote:

1. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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

	GROUP	GROUP
	FY2021 (S\$'000)	28 Jan 2019 to 30 Jun 2020 (S\$'000)
Operations		
Balance as at the beginning of the period	(8,616)	-
Profit/(Loss) after tax attributable to Unitholders	(1,937)	(8,616)
Balance as at end of the period	(10,553)	(8,616)
Unitholders' transactions		
Balance as at the beginning of the period	989,648	*
Issue of new units on the Listing Date	-	1,027,792
Issue costs ¹ on the Listing Date	-	(25,858)
Manager's base fee paid in units	2,937	1,883
Manager's performance fee paid in units	2,015	-
Manager's acquisition fee paid in units	455	-
Property Manager's fee paid in units	1,322	898
Distributions	(48,145)	(15,067)
Balance as at end of the period	948,232	989,648
Foreign currency translation reserve		
Balance as at the beginning of the period	11,218	-
Translation differences relating to financial statements of a foreign subsidiary	9,005	11,218
Balance as at end of the period	20,223	11,218
Total Unitholders' funds as at end of the period	957,902	992,250
Perpetual securities holders		
Balance as at beginning of the period	-	-
Issue of perpetual securities	200,000	-
Issue expenses	(1,701)	-
Profit attributable to perpetual securities holders	598	-
Balance at end of the period	198,897	-

* Less than S\$1,000.

Footnote:

1. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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

	LREIT	LREIT
	6 months ended 30 Jun 2021 (S\$'000)	6 months ended 30 Jun 2020 (S\$'000)
Operations		
Balance as at the beginning of the period	(21,683)	(25,231)
Profit/(Loss) after tax attributable to Unitholders	4,171	(9,022)
Balance as at end of the period	(17,512)	(34,253)
Unitholders' transactions		
Balance as at the beginning of the period	972,961	998,226
Issue costs ¹ on the Listing Date	-	3,708
Manager's base fee paid in units	1,970	1,883
Property Manager's fee paid in units	846	898
Distributions	(27,545)	(15,067)
Balance as at end of the period	948,232	989,648
Total Unitholders' funds as at end of the period	930,720	955,395
Perpetual securities holders		
Balance as at beginning of the period	-	-
Issue of perpetual securities	200,000	-
Issue expenses	(1,701)	-
Profit attributable to perpetual securities holders	598	-
Balance at end of the period	198,897	-

Footnote:

1. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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

	LREIT	LREIT
	FY2021 (S\$'000)	28 Jan 2019 to 30 Jun 2020 (S\$'000)
Operations		
Balance as at the beginning of the period	(34,253)	-
Profit/(Loss) after tax attributable to Unitholders	16,741	(34,253)
Balance as at end of the period	(17,512)	(34,253)
Unitholders' transactions		
Balance as at the beginning of the period	989,648	*
Issue of new units on the Listing Date	-	1,027,792
Issue costs ¹ on the Listing Date	-	(25,858)
Manager's base fee paid in units	2,937	1,883
Manager's performance fee paid in units	2,015	-
Manager's acquisition fee paid in units	455	-
Property Manager's fee paid in units	1,322	898
Distributions	(48,145)	(15,067)
Balance as at end of the period	948,232	989,648
Total Unitholders' funds as at end of the period	930,720	955,395
Perpetual securities holders		
Balance as at beginning of the period	-	-
Issue of perpetual securities	200,000	-
Issue expenses	(1,701)	-
Profit attributable to perpetual securities holders	598	-
Balance at end of the period	198,897	-

* Less than S\$1,000.

Footnote:

1. Issue costs comprise underwriting and selling commission, professional and other fees, and miscellaneous issue expenses.

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

	6 months ended 30 Jun 2021 (Units)	6 months ended 30 Jun 2020 (Units)	FY2021 (Units)	28 Jan 2019 to 30 Jun 2020 (Units)
Balance as at beginning of the period	1,177,145,952	1,167,946,000	1,171,795,224	3
<u>New units issued</u>				
Issue of new units on the Listing Date ¹	-	-	-	1,167,945,997
Manager's base fee paid in units	2,751,522	2,742,736	4,071,635	2,742,736
Manager's performance fee paid in units	-	-	2,749,738	-
Manager's acquisition fee paid in units	-	-	631,431	-
Property Manager's fee paid in units	1,098,566	1,106,488	1,748,012	1,106,488
Total issued units as at end of the period ²	1,180,996,040	1,171,795,224	1,180,996,040	1,171,795,224

Footnotes:

1. As at Listing date, LREIT issued an aggregate of 8,548,000 new units amounting to S\$7.5 million as payment for 313@somerset's acquisition fee.

2. There were no convertibles and treasury units held by LREIT and its subsidiaries as at 30 June 2021 and 30 June 2020.

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

Basis of Preparation

The condensed interim financial statements for the six months and full year ended 30 June 2021 have been prepared in accordance with the IAS 34 Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") and should be read in conjunction with the Group's last annual consolidated financial statements as at and for the period ended 30 June 2020.

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 unaudited financial statements for the period ended 31 December 2020.

The accounting policies adopted are consistent with those of previous financial period which were prepared in accordance with the International Financial Reporting Standard ("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.

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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 iii – investment properties and note iv - investment property under development.

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).

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

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 cost, interest and other income, fair value of derivative financial instruments and income tax expense 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 property retail mall in Singapore.
- (ii) Italy – leasing of Sky Complex, comprising 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.

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i Gross revenue and operating segment

Operating segment

6 months ended 30 Jun 2021

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
Revenue			
Gross revenue	23,899	13,144	37,043
Property operating expenses	(9,232)	(1,286)	(10,518)
Total segment net property income	14,667	11,858	26,525
Dividend income	1,731	-	1,731
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(1,963)
<i>Manager's performance fees</i>			(1,403)
<i>Other management fees</i>			(400)
<i>Trustee's fee</i>			(106)
<i>Other trust expenses</i>			(1,121)
<i>Net foreign exchange gain/(loss)</i>			5,414
<i>Finance income</i>			11
<i>Finance costs</i>			(4,983)
Profit/(Loss) before tax and change in fair value			23,705
Fair value gains/(losses) of investment properties & investment property under development	(25,385)	(5,899)	(31,284)
Fair value gains/(losses) of equity instrument	(942)	-	(942)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			2,724
Profit/(Loss) before tax			(5,797)
Segment assets	1,270,292	466,823	1,737,115
Segment liabilities	575,920	4,396	580,316

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i Gross revenue and operating segment

Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
6 months ended 30 Jun 2020			
Revenue			
Gross revenue	21,506	12,623	34,129
Property operating expenses	(8,783)	(1,237)	(10,020)
Total segment net property income	12,723	11,386	24,109
<i>Unallocated items:</i>			
Manager's base fees			(1,899)
Manager's performance fees			(1,206)
Other management fees			(395)
Trustee's fee			(99)
Other trust expenses			(779)
Net foreign exchange gain/(loss)			(16,015)
Finance income			465
Finance costs			(4,785)
Profit/(Loss) before tax and change in fair value			(604)
Fair value gains/(losses) of investment properties	6,022	22,873	28,895
<i>Unallocated item:</i>			
Fair value gains/(losses) of derivative financial instruments			(4,254)
Profit/(Loss) before tax			24,037
Segment assets	1,079,126	476,372	1,555,498
Segment liabilities	558,976	4,272	563,248

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i Gross revenue and operating segment

Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
FY2021			
Revenue			
Gross revenue	52,336	26,315	78,651
Property operating expenses	(19,127)	(2,606)	(21,733)
Total segment net property income	33,209	23,709	56,918
Dividend income	1,731	-	1,731
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(3,933)
<i>Manager's performance fees</i>			(2,923)
<i>Other management fees</i>			(801)
<i>Trustee's fee</i>			(209)
<i>Other trust expenses</i>			(2,561)
<i>Net foreign exchange gain/(loss)</i>			(9,219)
<i>Finance income</i>			51
<i>Finance costs</i>			(10,040)
Profit/(Loss) before tax and change in fair value			29,014
Fair value gains/(losses) of investment properties & investment property under development	(25,385)	(5,899)	(31,284)
Fair value gains/(losses) of equity instrument	(942)	-	(942)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			1,873
Profit/(Loss) before tax			(1,339)
Segment assets	1,270,292	466,823	1,737,115
Segment liabilities	575,920	4,396	580,316

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i Gross revenue and operating segment

Operating segment

	Singapore (S\$'000)	Italy (S\$'000)	Group (S\$'000)
For the period from 28 January 2019 to 30 June 2020			
Revenue			
Gross revenue	36,844	18,692	55,536
Property operating expenses	(13,434)	(1,813)	(15,247)
Total segment net property income	23,410	16,879	40,289
<i>Unallocated items:</i>			
<i>Manager's base fees</i>			(2,850)
<i>Manager's performance fees</i>			(2,015)
<i>Other management fees</i>			(580)
<i>Trustee's fee</i>			(148)
<i>Other trust expenses</i>			(1,228)
<i>Net foreign exchange gain/(loss)</i>			(10,999)
<i>Finance income</i>			531
<i>Finance costs</i>			(7,240)
Profit/(Loss) before tax and change in fair value			15,760
Fair value gains/(losses) of investment properties	(30,319)	10,217	(20,102)
<i>Unallocated item:</i>			
<i>Fair value gains/(losses) of derivative financial instruments</i>			(4,274)
Profit/(Loss) before tax			(8,616)
Segment assets	1,079,126	476,372	1,555,498
Segment liabilities	558,976	4,272	563,248

Breakdown of gross revenue

	Group (S\$'000)		
	FY2021	2 Oct 2019 (Listing Date) to 30 Jun 2020	Variance %
Gross revenue reported for first half year	41,608	21,407	94.4
Profit/(Loss) after tax reported for first half year	4,458	(32,653)	NM
Gross revenue reported for second half year	37,043	34,129	8.5
Profit/(Loss) after tax reported for second half year	(5,797)	24,037	NM

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i Gross revenue and operating segment

Breakdown of gross revenue

	Group		Group	
	(S\$'000)		(S\$'000)	
	6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	FY2021	2 Oct 2019 (Listing Date) to 30 Jun 2020
Rental income	34,628	32,588	73,998	52,600
Turnover rent	461	424	1,276	905
Other property income	1,954	1,117	3,377	2,031
	37,043	34,129	78,651	55,536

Turnover rent is contingent rent derived from operating leases.

ii Cash and cash equivalents

	Group		LREIT	
	(S\$'000)		(S\$'000)	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
Cash at banks and on hand	49,264	46,678	32,768	23,664
Fixed deposits with financial institution	200,000	37,000	200,000	37,000
	249,264	83,678	232,768	60,664

The increase in cash and cash equivalents is mainly due to the issuance of \$200 million of perpetual securities.

iii Investment properties

	GROUP	
	30 Jun 2021 (S\$'000)	30 Jun 2020 (S\$'000)
Property		
Singapore	983,000	1,008,000
Italy	436,857	434,598
Investment Properties	1,419,857	1,442,598

	GROUP	
	30 Jun 2021 (S\$'000)	2 Oct 2019 to 30 Jun 2020 (S\$'000)
Balance as at the beginning of the period	1,442,598	-
Acquisitions (including acquisition costs)	-	1,451,542
Capital expenditure	2,525	624
Currency translation difference	8,159	10,534
Change in fair value of investment properties	(33,425)	(20,102)
Balance as at the end of the period	1,419,857	1,442,598

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iii Investment properties

	LREIT	LREIT
	30 Jun 2021 (S\$'000)	2 Oct 2019 to 30 Jun 2020 (S\$'000)
Balance as at the beginning of the period	1,008,000	-
Acquisitions (including acquisition costs)	-	1,037,695
Capital expenditure	2,525	624
Change in fair value of investment properties	(27,525)	(30,319)
Balance as at the end of the period	983,000	1,008,000

The decrease in investment properties is mainly due to fair value loss partly offset by foreign exchange revaluation gain on a Euro denominated investment property (Sky Complex) attributed to stronger €/S\$ exchange rate.

Measurement of fair value

Fair value hierarchy

Investment properties are stated at fair value as at 30 June and are based on the valuations performed by independent professional valuers, CBRE Pte Ltd. and Savills Advisory Services Limited (2020: CBRE Pte Ltd. and Savills Advisory Services Limited).

The fair value measurement for investment properties has been categorised as Level 3 fair values 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 rental growth rates, market-corroborated discount rate, terminal capitalisation rate and capitalisation rate. 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.

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iii Investment properties

Valuation techniques

The external valuers have 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. The external valuers have considered all available information as at 30 June relating to COVID-19 and have made necessary adjustments to the valuation. The valuation reports also highlighted that given the unprecedented set of circumstances on which to base a judgement, less certainty, and a higher degree of caution, should be attached to their valuations than would normally be the case. Due to the unknown future impact that COVID-19 might have on the real estate market, the external valuers have also recommended to keep the valuation of these properties under frequent review.

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.

Key unobservable inputs

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

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows analysis	• Discount rate of 6.15% to 6.75% (2020: 6.00% to 6.75%)	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	• Terminal capitalisation rate of 4.40% to 5.25% (2020: 4.40% to 5.25%)	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).
	• 10-year average market rental growth rate of 2.85% (2020: 2.80%)	The estimated fair value would increase (decrease) if 10-year average market rental growth rate was higher (lower).
Capitalisation method	• Capitalisation rate of 4.25% (2020: 4.25%)	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).

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iv Investment property under development

	GROUP	GROUP
	30 Jun 2021 (S\$'000)	2 Oct 2019 to 30 Jun 2020 (S\$'000)
Balance as at the beginning of the period	-	-
Recognition of right-of-use-asset on initial application of IFRS 16	2,521	-
Development expenditure capitalised	859	-
Net change in fair value of investment property under development	2,141	-
Balance as at the end of the period	5,521	-

	LREIT	LREIT
	30 Jun 2021 (S\$'000)	2 Oct 2019 to 30 Jun 2020 (S\$'000)
Balance as at the beginning of the period	-	-
Recognition of right-of-use-asset on initial application of IFRS 16	2,521	-
Development expenditure capitalised	859	-
Net change in fair value of investment property under development	2,141	-
Balance as at the end of the period	5,521	-

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

Measurement of fair value

Fair value hierarchy

Investment property under development is stated at fair value as at 30 June and is based on the valuation performed by independent professional valuer, CBRE Pte Ltd..

The fair value measurement for investment property under development has been categorised as a Level 3 fair values 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.

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iv Investment property under development

Valuation techniques

In determining the fair value of investment property under development, the valuers have adopted the residual method whereby the estimated development costs to be incurred and developer's profit are deducted from the gross development value to arrive at the residual value. The gross development value is the estimated value of the property assuming satisfactory completion of the development as at the date of valuation and is determined using the income capitalisation method and discounted cash flow analysis (see item 1(d)(iii)).

The key assumptions include the estimation of net income based on rental assumption which are considered in line with prevailing market conditions and general market practice within Singapore, a market-corroborated discount rate, terminal capitalisation rate, capitalisation rate and estimated development costs to be incurred.

Key unobservable inputs

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

Valuation technique	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Residual method	Discounted cash flow analysis • Discount rate of 8.50%	The estimated fair value would increase (decrease) if discount rate was lower (higher).
	• Terminal capitalisation rate of 8.50%	The estimated fair value would increase (decrease) if terminal capitalisation rate was lower (higher).
	Capitalisation methods • Capitalisation rate of 8.50%	The estimated fair value would increase (decrease) if capitalisation rate was lower (higher).
	Estimated development costs to be incurred (including land costs)	The estimated fair value would increase (decrease) if the estimated development costs to be incurred (including land costs) were lower (higher).

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v Equity instrument at fair value

	Group		LREIT	
	30 Jun 2021 (S\$'000)	30 Jun 2020 (S\$'000)	30 Jun 2021 (S\$'000)	30 Jun 2020 (S\$'000)
Balance as at the beginning of the period	-	-	-	-
Acquisition of Equity instrument	45,533	-	45,533	-
Net change in fair value	(942)	-	(942)	-
Balance as at the end of the period	44,591	-	44,591	-

Equity instrument at fair value relates to LREIT's 5.0% stake in ARIF 3.

The fair value of the investments represents approximately 3% of the Group's total assets as at 30 June 2021.

Equity instrument at fair value through profit and loss 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).

vi Loans and Borrowings

	GROUP	GROUP
	30 Jun 2021 (S\$'000)	30 Jun 2020 (S\$'000)
Unsecured loans and borrowings		
Amount repayable after one year	553,692	545,319
Less: unamortised transaction costs	(11,119)	(16,320)
	542,573	528,999

Details of loans and borrowings

On 2 October 2019, the Group put in place a 4-year Euro term loan facility of €285.0 million (S\$454.4 million) and a 3-year Singapore dollar term loan facility of S\$99.3 million (collectively, the "Facilities"), translating to a gearing ratio of 32.0%.

The interest payable on the Facilities are on a floating basis. The Group has entered into interest rate swap and options to hedge the interest rate risk. The Group has an interest coverage ratio of 8.9 times in accordance with the requirements in the Facilities. The interest coverage ratio is 4.7 times in accordance with the Property Funds Appendix.

On 1 October 2020, the Group and LREIT established a 4-year multicurrency revolving facility of S\$50.0 million-equivalent for general corporate funding purposes. As at 30 June 2021, the revolving credit facility was undrawn.

In addition, the Group and LREIT has aggregate uncommitted undrawn debt facilities of approximately S\$97.8 million¹ to fund its working capital. In aggregate, Group and LREIT has approximately S\$147.8 million of undrawn debt facilities.

All of the Group's loans and borrowings are unsecured.

Footnote:

1. Comprising uncommitted undrawn multicurrency facilities of S\$50 million and €30 million.

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vii Net Asset Value ("NAV") and Net Tangible Asset ("NTA") Per Unit

	GROUP		LREIT	
	30 Jun 2021	30 Jun 2020	30 Jun 2021	30 Jun 2020
NAV/ NTA per unit (S\$) ¹	0.81	0.85	0.79	0.82
Adjusted NAV/ NTA per unit (excluding the amount distributable) (S\$)	0.79	0.83	0.76	0.80

Footnote:

1. NTA per unit is the same as NAV per unit as there was no intangible asset as at the statement of financial position date.

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 2021	6 months ended 30 Jun 2020	FY2021	2 Oct 2019 to 30 Jun 2020
Weighted average number of units in issue	1,179,655,954	1,169,263,079	1,176,276,936	1,164,558,271
Earnings per unit ("EPU") (cents) ¹	(0.54)	2.06	(0.16)	(0.74)

	6 months ended 30 Jun 2021	6 months ended 30 Jun 2020	FY2021	2 Oct 2019 to 30 Jun 2020
No. of units in issue at end of the period	1,180,996,040	1,171,795,224	1,180,996,040	1,171,795,224
Distribution per unit ("DPU")	2.34	1.76	4.68	3.05

Footnotes:

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 & investment property under development and transaction costs directly attributable to the acquisition of the Properties.

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.

(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 value as these loans and borrowings are interest-bearing at floating rates and reprice at an interval of one to twelve months.

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ix Fair value of assets and liabilities

- (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	
	FY2021	FY2020	FY2021	FY2020
	%	%	%	%
Unsecured interest-bearing term loans	0.52	0.52	0.52	0.52

- (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 and trade and other payables. 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 fair values 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.

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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
30 June 2021	\$'000							
Group								
Financial assets not measured at fair value								
Trade and other receivables ¹	861	-	-	861				
Other non-current assets	869	-	-	869				
Cash and cash equivalents	249,264	-	-	249,264				
Other current assets ²	1,766	-	-	1,766				
	252,760	-	-	252,760				
Financial assets measured at fair value								
Equity instrument at fair value	-	44,591	-	44,591	-	-	44,591	44,591
Derivative financial asset	-	128	-	128	-	128	-	128
	-	44,719	-	44,719				
Financial liabilities not measured at fair value								
Trade and other payables ³	-	-	(26,844)	(26,844)				
Loans and borrowings	-	-	(542,573)	(542,573)	-	(555,926)	-	(555,926)
Lease liabilities	-	-	(2,521)	(2,521)				
	-	-	(571,938)	(571,938)				
Financial liabilities measured at fair value								
Derivative financial liabilities	-	(2,529)	-	(2,529)	-	(2,529)	-	(2,529)

Footnotes:

1. Excludes grant receivables and net VAT receivables.

2. Excludes deposits and prepayments.

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

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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
30 June 2020	\$'000							
Group								
Financial assets not measured at fair value								
Trade and other receivables ¹	2,790	-	-	2,790				
Other non-current assets	1,012	-	-	1,012				
Cash and cash equivalents	83,678	-	-	83,678				
Other current assets ²	1,222	-	-	1,222				
	88,702	-	-	88,702				
Financial assets measured at fair value								
Derivative financial asset	-	149	-	149	-	149	-	149
Financial liabilities not measured at fair value								
Trade and other payables ³	-	-	(23,766)	(23,766)				
Loans and borrowings	-	-	(528,999)	(528,999)	-	(548,449)	-	(548,449)
	-	-	(552,765)	(552,765)				
Financial liabilities measured at fair value								
Derivative financial liabilities	-	(4,423)	-	(4,423)	-	(4,423)	-	(4,423)

Footnotes:

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

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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
				\$'000				
30 June 2021								
LREIT								
Financial assets not measured at fair value								
Trade and other receivables ¹	811	-	-	811				
Other non-current assets	869	-	-	869				
Cash and cash equivalents	232,768	-	-	232,768				
Other current assets ²	1,766	-	-	1,766				
	236,214	-	-	236,214				
Financial assets measured at fair value								
Equity instrument at fair value	-	44,591	-	44,591	-	-	44,591	44,591
Derivative financial asset	-	128	-	128	-	128	-	128
	-	44,719	-	44,719				
Financial liabilities not measured at fair value								
Trade and other payables ³	-	-	(25,695)	(25,695)				
Loans and borrowings	-	-	(542,573)	(542,573)	-	(555,926)	-	(555,926)
Lease liabilities	-	-	(2,521)	(2,521)				
	-	-	(570,789)	(570,789)				
Financial liabilities measured at fair value								
Derivative financial liabilities	-	(2,529)	-	(2,529)	-	(2,529)	-	(2,529)

Footnotes:

1. Excludes grant receivables and net VAT receivables.

2. Excludes deposits and prepayments.

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

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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
30 June 2020	\$'000							
LREIT								
Financial assets not measured at fair value								
Trade and other receivables ¹	2,790	-	-	2,790				
Other non-current assets	1,012	-	-	1,012				
Cash and cash equivalents	60,664	-	-	60,664				
Other current assets ²	1,222	-	-	1,222				
	65,688	-	-	65,688				
Financial assets measured at fair value								
Derivative financial asset	-	149	-	149	-	149	-	149
Financial liabilities not measured at fair value								
Trade and other payables ³	-	-	(22,793)	(22,793)				
Loans and borrowings	-	-	(528,999)	(528,999)	-	(548,449)	-	(548,449)
	-	-	(551,792)	(551,792)				
Financial liabilities measured at fair value								
Derivative financial liabilities	-	(4,423)	-	(4,423)	-	(4,423)	-	(4,423)

Footnotes:

¹ Excludes grant receivables and net VAT/GST receivables.

² Excludes deposits and prepayments.

³ Excludes rental received in advance and grant payables.

x Capital commitments

As at 30 June 2021, the Group had approximately \$2,333,000 capital expenditure contracted but not provided for in the unaudited condensed interim financial statements.

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xi Subsequent events

In the Extraordinary General Meeting held on 26 July 2021, the Unitholders have voted with 99.91% in favour of the proposed acquisition of shares in Lendlease Jem Partners Fund Limited and Lendlease Asian Retail Investment Fund 3 Limited.

2 The condensed interim financial statements and distribution announcement for the full year ended 30 June 2021 and second financial half year period from 1 January 2021 to 30 June 2021 including the explanatory notes have not been audited or reviewed.

3 Review of Performance

	GROUP					
	(\$'000)		Variance %	(\$'000)		Variance %
	6 months ended	6 months ended		Actual	Annualised ²	
	30 Jun 2021	30 Jun 2020		FY2021	FY2020	
Consolidated Statement of Profit or Loss						
Gross revenue	37,043	34,129	8.5	78,651	74,455	5.6
Property operating expenses	(10,518)	(10,020)	(5.0)	(21,733)	(20,441)	(6.3)
Net property income	26,525	24,109	10.0	56,918	54,014	5.4
Manager's base fee	(1,963)	(1,899)	(3.4)	(3,933)	(3,821)	(2.9)
Manager's performance fee	(1,403)	(1,206)	(16.3)	(2,923)	(2,701)	(8.2)
Other management fees	(400)	(395)	(1.3)	(801)	(778)	(3.0)
Trustee's fee	(106)	(99)	(7.1)	(209)	(198)	(5.6)
Other trust expense	(1,121)	(779)	(43.9)	(2,561)	(1,646)	(55.6)
Net foreign exchange gain/(loss) ¹	5,414	(16,015)	NM	(9,219)	(10,999)	16.2
Dividend income	1,731	-	NM	1,731	-	NM
Finance income	11	465	(97.6)	51	712	(92.8)
Finance costs	(4,983)	(4,785)	(4.1)	(10,040)	(9,706)	(3.4)
Profit/(Loss) before tax and change in fair value	23,705	(604)	NM	29,014	24,877	16.6
Amount available for distribution to Unitholders	27,577	20,660	33.5	55,123	47,824	15.3
Available distribution per unit (cents)	2.34	1.76	32.8	4.68	4.08	14.6

NM: Not meaningful

Footnotes:

1. Net foreign exchange loss is not annualised as foreign exchange loss is based on foreign exchange rate differences.
2. The annualised results for FY2020 is based on the actual results from 2 October 2019 to 30 June 2020 (273 days) pro-rated to 366 days.

6 months ended: 30 Jun 2021 vs 30 Jun 2020

Gross revenue of S\$37.0 million for the period was S\$2.9 million or 8.5% higher than the 6 months ended 30 June 2020. The higher revenue was attributed to decrease in rental waivers granted by LREIT to the tenants at 313@somerset and higher revenue from Sky Complex due to foreign exchange.

Property operating expenses were S\$10.5 million or 5.0% higher than the 6 months ended 30 June 2020. The higher expenses were mainly attributed to net provision for doubtful debts of \$0.7 million and higher expenses from Sky Complex due to foreign exchange. This is partly offset by lower expenses contributed from marketing, insurances, salary & related expenses and operating expenses.

As a result, net property income for the period was S\$26.5 million or 10% higher than the 6 months ended 30 June 2020.

After accounting for management fees and other trust expenses, the amount distributable to Unitholders was S\$27.6 million, translating to a DPU of 2.34 cents, which is 32.8% higher than the 6 months ended 30 June 2020.

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3 Review of Performance

Full year ended: Actual vs Annualised

Gross revenue of S\$78.7 million for the period was S\$4.2 million or 5.6% higher than the annualised 12 months ended 30 June 2020. The higher revenue was attributed to decrease in rental waivers granted by LREIT to the tenants at 313@somerset and higher revenue from Sky Complex due to foreign exchange.

Property operating expenses were S\$1.3 million or 6.3% higher than the annualised 12 months ended 30 June 2020. The higher expenses were mainly attributed to provision for doubtful debts of \$2.3 million and higher expenses from Sky Complex due to foreign exchange. This is partly offset by lower expenses contributed from marketing, insurances, salary & related expenses, operating expenses and utilities expenses.

As a result, net property income for the period was S\$56.9 million or 5.4% higher than the annualised 12 months ended 30 June 2020.

After accounting for management fees and other trust expenses, the amount distributable to Unitholders was S\$55.1 million, translating to a DPU of 4.68 cents, which is 14.6% higher than the annualised 12 months ended 30 June 2020.

4 Variance between Actual and Forecast Results

The Manager had made announcements on 9 April 2020 and 20 April 2020 respectively, with regard to the IPO profit and distribution forecast for the financial year ending 30 June 2020 and the profit and distribution projection for the financial year ending 30 June 2021, as it may no longer be a fair basis against which the actual performance of LREIT could be compared given current circumstances. Please refer to "Review of performance" for a review of the actual results for the period against the annualised results for the same period in the previous financial period.

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

The International Monetary Fund has projected the global economy to grow 6%¹ and 4.4%¹ in 2021 and 2022, respectively. The projections are 0.8¹ percentage point (for 2021) and 0.2¹ percentage point (for 2022) stronger than its forecast in October 2020, which reflects higher-than-expected growth outturns in the second half of 2021 for most regions after lockdowns were eased and as economies adapted to new ways of working.

While growth, in general, recovered stronger than expected, it remains below pre-pandemic trends across most countries. The second and third infection waves have necessitated renewed restrictions in many countries, and this stop-go rhythm means that recovery is uneven and far from complete.

Future economic developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines, the effectiveness of policy actions to limit persistent economic damage and the evolution of economic financial conditions.

¹ International Monetary Fund, World Economic Outlook, April 2021: Managing Divergent Recoveries

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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

Singapore

Based on advance estimates by the Ministry of Trade and Industry, the Singapore economy grew by 14.3%² year-on-year (“YoY”) in the second quarter of 2021. This was largely due to the low base in the second quarter of 2020 when the economy fell by 13.3%² due to the Circuit Breaker (CB) measures implemented from 7 April to 1 June 2020.

Retail sales grew approximately 19%³ YoY in the first five months of 2021. In May 2021, retail sales increased 79.7%³ YoY, up 25.7³ percentage points recorded in April 2021. Similarly, the significant YoY growth was attributed to the low base in May 2020 when the CB measures were put in place to contain the COVID-19 outbreak.

The Singapore government continued to adopt more targeted approach to calibrate the resumption of economic and community activities. Following the implementation of Phase 2 (Heightened Alert) on 14 May 2021, a calibrated tightening of some safe management measures for higher-risk indoor and mask-off settings, will be in effect to protect the community.

While most businesses are expected to turn the corner as Singapore's economy gradually reopens, uncertainty remains on the effectiveness of the vaccines against new strains of the virus. Demand for retail space will likely remain soft with the continued safe distancing measures being implemented and border closures. In the short term, the weak demand may continue to weigh on rental performance.

Milan

Alongside the Italian economy, business and consumer confidence continued to improve in June. According to the preliminary estimates by the Italian National Institute of Statistics, the consumer price index for June climbed 1.3%⁴ YoY and 0.1%⁴ month-on-month.

In the office sector, vacancy rates in Milan remained stable at 9.6%⁵ in 1Q 2021. While the total transacted space recorded a drop of 30%⁵ YoY to 68,000⁵ square metres, Milan office market has continued to stay dynamic, marking a growing interest for small and medium-sized enterprises. More than 60%⁵ of the transactions recorded were spaces under 1,000 square metres. The CBD and Periphery submarkets accounted for approximately 71%⁵ of the total transacted space. As at 1Q 2021, the average office rental in Milan stood at €600⁵ per square metre per annum.

On the investment front, Milan has maintained its appeal and concluded approximately 80%⁵ of the total office transactions in Italy.

² Ministry of Trade and Industry, Singapore's GDP Grew by 14.3 Per Cent in the Second Quarter of 2021

³ Department of Statistics Singapore, Retail Sales Index, May 2021

⁴ Italian National Institute of Statistics, Monthly Report May-June 2021

⁵ Cushman & Wakefield, Milan Office Q1 2021

LENDLEASE GLOBAL COMMERCIAL REIT

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS AND DISTRIBUTION ANNOUNCEMENT FOR THE FULL YEAR ENDED 30 JUNE 2021 AND SECOND FINANCIAL HALF YEAR PERIOD FROM 1 JANUARY 2021 TO 30 JUNE 2021

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 latest report by Cushman & Wakefield, office absorption rate for the next five years is expected to be lower compared to the past five years. Businesses, in the short term, will continue to assess the structural impacts of COVID-19 on future demand for office space and how the space could be transformed from being just a place to work to becoming a place where employees gather to interact and collaborate.

Looking ahead

The Manager will continue to closely monitor developments relating to the COVID-19 pandemic. The Manager has taken necessary precautionary measures at LREIT's assets in accordance with guidelines from local health authorities. For the retail assets in Singapore, the Manager prioritises maintaining occupancy levels, active management to ensure the mall stays relevant and keeping ongoing communications with tenants to understand their needs. As the Manager continues to shape the future of the retail landscape to create a seamless chain between online and on-site shopping, it will leverage on Lendlease Plus to collaborate with tenants to extend their reach to shoppers.

To enhance Unitholders' value, the Manager will continue to improve the underlying performance of LREIT's assets and adopt disciplined capital and asset management strategies to reduce costs and non-core expenditures.

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6 Distributions

(a) Current financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 4th distribution for the period from 1 January 2021 to 30 June 2021

Distribution type: Income

Distribution rate: Taxable Income – 1.3148 cents per unit
Tax-Exempt Income – 1.0202 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 foreign 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) Books closure date: 18 Aug 2021

(c) Date payable: 14 Sep 2021

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6 Distributions

(d) Corresponding period of the preceding financial period

Any distributions declared for the current financial period? Yes

Name of distribution: 2nd distribution for the period from 1 January 2020 to 30 June 2020

Distribution type: Income / Capital

Distribution rate: Taxable Income – 0.938 cents per unit
Tax-Exempt Income – 0.286 cents per unit
Capital – 0.534 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 foreign 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.

Capital Distribution

Capital Distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of LREIT Units, the amount of Capital Distribution will be applied to reduce the cost base of their LREIT Units for Singapore income tax purposes.

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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 & 3 for review of actual performance.

10 Breakdown of Total Distributions

	Group
In respect of the period:	FY2021
	(S\$'000)
1 Jan 2020 - 30 Jun 2020	20,600
1 Jul 2020 - 31 Dec 2020	27,545
	48,145

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 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
Chairman and Non-Independent
Non-Executive Director

Tsui Kai Chong
Lead Independent Non-Executive Director

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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
Mr Cho Form Po
Company Secretary
Lendlease Global Commercial Trust Management Pte. Ltd.
(Company Registration No. 201902535N)
As Manager of Lendlease Global Commercial REIT

10 August 2021