

Lendlease Global Commercial REIT

Second-half and Full-year Financial Results FY2021

10 August 2021



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KEY HIGHLIGHTS



Key Highlights

- ✓ **Distributable income up 33.5%** YoY in 2H FY2021, translating to a distribution of 2.34 cents per unit
- ✓ Portfolio occupancy remained high at **99.8%**
- ✓ **99.91% voted in favour** at the extraordinary general meeting to increase indirect interest¹ in Jem
- ✓ First perpetual securities issued to **expand LREIT's avenues and diversity of funding**

Key Financial Metrics (2H FY2021)

Distributable
Income
S\$27.6 million
+33.5% YoY

Gross Revenue
S\$37.0 million
+8.5% YoY

Net Property
Income
S\$26.5 million
+10.0% YoY

Key Portfolio Metrics (as at 30 June 2021)

Portfolio
Occupancy
99.8%

Weighted
Average Lease
Expiry
(by NLA)
8.8 years

Tenant
Retention
(by NLA)
61.5%²

(1) LREIT will hold up to 31.8% indirect interest in Jem upon completion of the acquisition, which is expected to be 30 September 2021.

(2) Refers to 313@somerset as Sky Complex is 100% leased till 2032, excluding tenant's break option in 2026. Continued to secure new tenants and leasing prospects to uphold occupancy rate.

Subsequent event: 99.91% voted in favour to increase indirect interest in Jem

- The almost-unanimous approval and strong participation from LREIT's unitholders is a **significant milestone and strong testimony** achieved.
- The acquisition will **enhance LREIT's portfolio resilience** through income diversification.



Jem, a dominant retail mall in the West of Singapore, is one of Jurong Gateway's best performing mixed-use assets.

Note: LREIT will hold up to 31.8% indirect interest in Jem upon completion of the acquisition, which is expected to be 30 September 2021.

FINANCIAL PERFORMANCE

Financial Performance

DPU of 2.34 cents declared for 2H FY2021

S\$('000) unless otherwise stated	2H FY2021	2H FY2020	Variance	FY2021	FY2020 ¹	Variance
Gross revenue	37,043	34,129	▲ 8.5%	78,651	74,455	▲ 5.6%
Net property income	26,525	24,109	▲ 10.0%	56,918	54,014	▲ 5.4%
Distributable income	27,577	20,660	▲ 33.5%	55,123	47,824	▲ 15.3%
DPU (cents)	2.34	1.76	▲ 32.8%	4.68	4.08	▲ 14.6%

(1) 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.

Balance Sheet

Total assets include cash of S\$249.3 million to meet current financial and operational obligations

S\$ million unless otherwise stated	As at 30 June 2021	As at 31 December 2020
Total assets	1,737.1	1,577.5
Total liabilities	580.3	582.5
Net assets	1,156.8	995.0
Unitholders' fund	957.9	995.0
Perpetual securities	198.9	-
Units in issue (number)	1,180,996,040	1,177,145,952
NAV per unit (S\$)	0.81 ⁽¹⁾	0.85

(1) Excludes perpetual securities.

Key Financial Indicators

Stable liquidity position

	As at 30 June 2021	As at 31 March 2021
Gross borrowings	S\$553.7 million	S\$548.9 million
Gearing ratio	32.0%	35.4%
Weighted average debt maturity	2.2 years	2.4 years
Weighted average running cost of debt ¹	0.88% p.a.	0.88% p.a.
Interest coverage	8.9 times ²	7.7 times

(1) Excludes amortisation of debt-related transaction costs.

(2) The interest coverage ratio of 8.9 times is in accordance with requirements in its debt agreements, and 4.7 times in accordance with the Property Funds Appendix of the Code on Collective Investment Schemes.

Capital Management

- 100% unsecured debt
- Natural hedge on investment into Sky Complex via Euro term loan
- Diversity of debt funding across a syndicate of lenders
- S\$147.8 million of undrawn multicurrency debt facilities¹
- S\$120 million 4-year loan facilities put in place on 4 August 2021

Debt Maturity Profile



(1) S\$147.8 million of undrawn facilities includes S\$50 million of committed facilities as at 30 June 2021.

Distribution Details

Distribution per unit: 2.34 cents

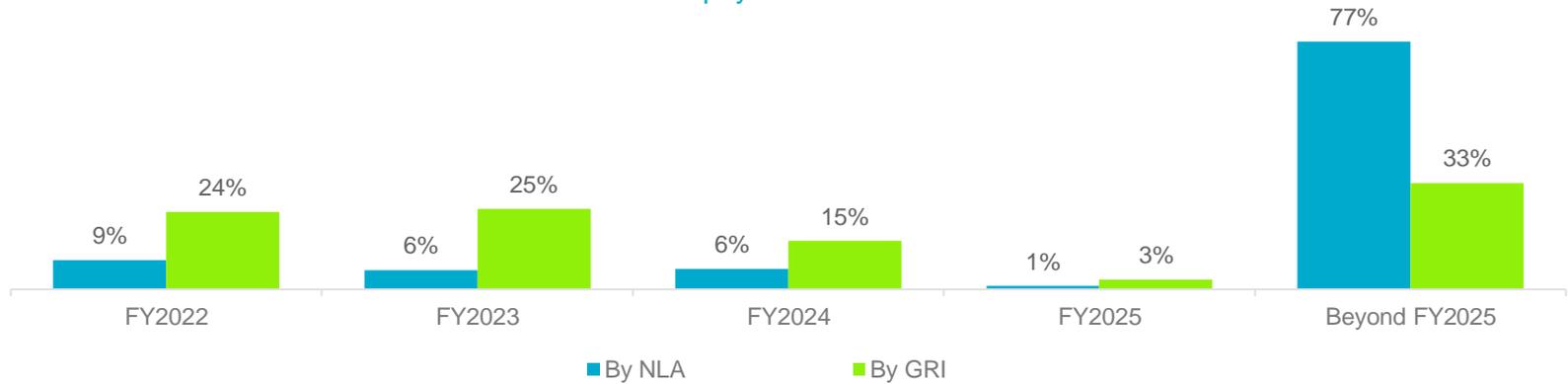
Period: 1 January to 30 June 2021	
Notice of books closure date	10 Aug 2021
Last day of trading on 'cum' basis	16 Aug 2021, 5.00pm
Ex-date	17 Aug 2021, 9.00am
Books closure date	18 Aug 2021
Payment date	14 Sep 2021

PORTFOLIO PERFORMANCE

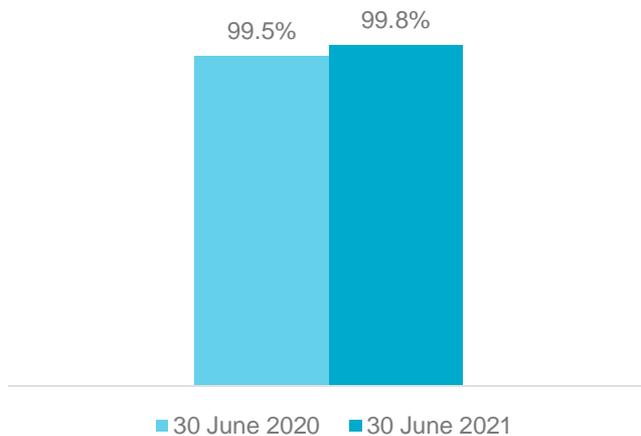
Portfolio Overview

High portfolio occupancy of 99.8% with a long WALE of 8.8 years by NLA and 4.5 years by GRI

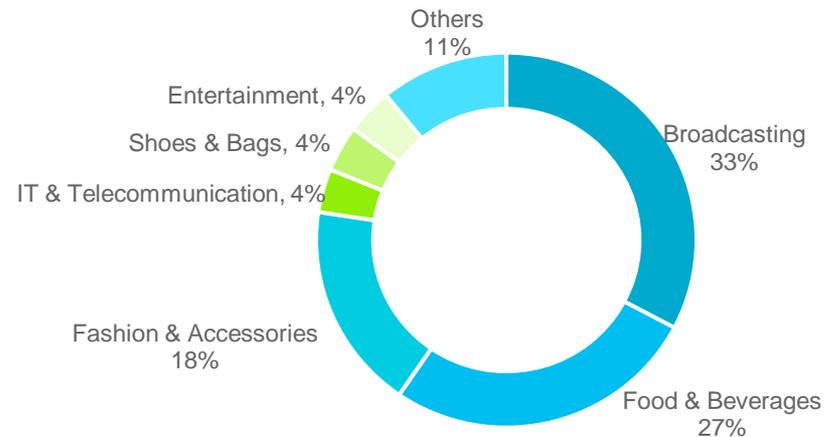
Lease Expiry Profile



Healthy Occupancy Rate



Diversified Tenant Base (by GRI)



Portfolio Overview: Valuation

Portfolio valuation stood at S\$1.4 billion as at 30 June 2021

	Valuation as at 30 June 2021 (million)	Valuation as at 30 June 2020 (million)	Variance (%)	Cap rate as at 30 June 2021 (%)	Cap rate as at 30 June 2020 (%)
313@somerset	S\$988.5 ⁽¹⁾	S\$1,008	▼ 1.9	4.25 ⁽²⁾	4.25
Sky Complex	€274.0 (S\$436.9 ⁽³⁾)	€277.7 (S\$434.6 ⁽⁴⁾)	▼ 1.3 (€) ▲ 0.5 (S\$)	5.25	5.25
Total	S\$1,425.4	S\$1,442.6	▼ 1.2	N.A.	N.A.

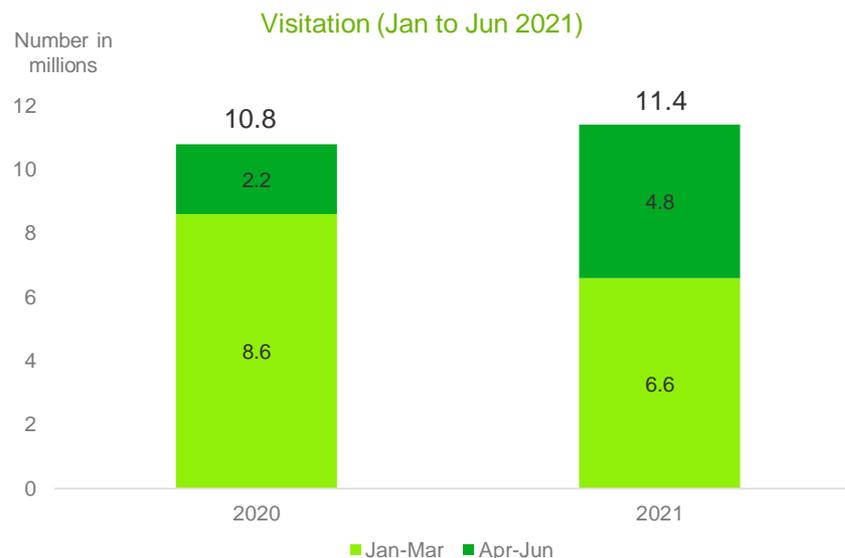
- (1) Includes the development of the multifunctional event space, adjacent to 313@somerset, which will be connected seamlessly to the Discovery Walk that links to 313@somerset. The valuation of the event space was S\$5.5 million as at 30 June 2021.
- (2) Refers to operating asset only.
- (3) Conversion of € to S\$ is based on the FX rate of 1.594 as at 30 June 2021.
- (4) Conversion of € to S\$ is based on the FX rate of 1.565 as at 30 June 2020.

Retail Performance: Tenant Sales and Visitation

- Tenant sales and visitation grew 33.7% and 6.2% YoY in 2H FY2021 respectively.
- Safety remains our top priority. We will continue to remain vigilant and work together with the authorities and tenants to provide a safe environment for the community to work, play and eat.
- Tenant sales and visitation may remain muted in the coming months as Singapore continues to adopt more targeted approach to calibrate the resumption of economic and community activities.



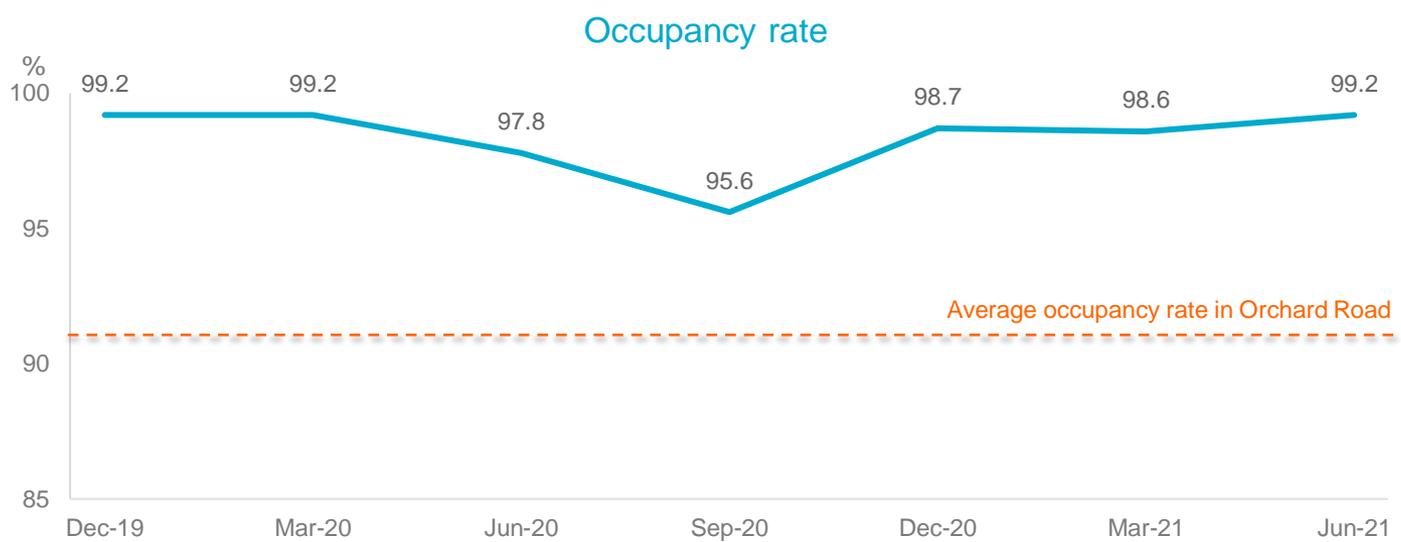
S\$ in millions	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
2020	49.2	11.7	42.6	50.8
2021	46.0	35.5		



No. in millions	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
2020	8.6	2.2	6.2	7.0
2021	6.6	4.8		

Retail Performance: Committed Occupancy

- Occupancy rate maintained above Orchard Road’s average of 91%¹.
- Three new tenants secured during the quarter to enhance in-store retail experience for shoppers.



New tenants onboard



Physical store of an ecommerce site managed by Changi Airport Group



Specialty bubble tea concept originated from Taiwan



Boutique specialises in luxury brand accessories

(1) Source: Colliers International

Continue to create engaging experiences for shoppers

Collaborate with merchants to generate sales for tenants while making safety a priority

lendlease x **Lazada**
ONE DAY ONLY FLASH DEAL
GET 30% OFF
LENDELEASE E-VOUCHERS
 LAUNCHING AT 12AM - 6 JUNE
6.6

313
 @somerset
LENDELEASE PLUS EXCLUSIVE!
E-VOUCHERS AT 90% OFF
 PARTICIPATING BRANDS:
 The Market, Cat in Hat, Love Bonito, marché, ZARA
 AND MORE...
11 JUNE TO 7 JULY

BE REWARDED WITH 100,000 PLUS\$

7 - 31 May 2021
 Step into a marvellous May at 313 to enjoy up to 50% rebates in Plus\$!

- Step 1** Spend min. \$100* at any 313 stores on weekdays* or \$200* on weekends* to qualify
- Step 2** Scan and submit your receipt(s) via the Lendlease Plus app
- Step 3** Be rewarded with 100,000 Plus\$ (worth \$50) in your Lendlease Plus wallet to redeem for Lendlease E-Vouchers and/or E-Deals

Not a Lendlease Plus member? Here's a gift just for you!
 Enjoy 5,000 Plus\$* on top of all the rewards with the promo code 'LLP21313' when you sign up via the Lendlease Plus app from now till 31 Dec 2021. Scan the QR code to download the app now.

313 Managed by **lendlease**

KEEPING YOU SAFE & FULL

\$5 OFF \$15 on GrabFood
 Promo Code: **GRAB5313**

Earn 5X Plus\$ Rewards
 from food delivery orders

YOUR MEMBERSHIP QR CODE

Scan QR code to redeem

1.33M \$10

LENDELEASE RECEIPT

Pay later with **Rady**

Office Performance: Sky Complex in Milan

- The Italian economy continued to improve since the beginning of 2021.
- Milano Santa Giulia continued to attract flight-to-quality tenants. The Periphery, where Sky Complex is located, and the CBD submarkets, accounted for approximately 71%¹ of the total transacted space in 1Q 2021.



- Sky Complex
- 1 Spark One and Spark Two, new grade-A office development projects. Approximately 80% of the space in Spark One was pre-let to Saipem, a global engineering company.
- 2 Residential area with 1,800 families and a shopping and entertainment street
- 3 Community park of size 45,000sqm
- 4 New campus of Giuseppe Verdi Conservatory, the largest music academy in Italy
- 5 Multifunctional arena where 2026 Winter Olympics will be held

(1) Source: Cushman & Wakefield, Milan Office Q1 2021

Other Investments: Development of a multifunctional event space, adjacent to 313@somerset

- The event space is set to present a vibrant, **first-of-its-kind lifestyle and entertainment experience**, offering unique food concepts and serving as a venue for concerts and events through a partnership with Live Nation, the world's leading live entertainment company.
- To **forge strong connections with the local community**, a branding contest for visual concepts and name suggestions for the site has been launched.
- Construction is expected to commence by end-2021.



Artist impression. Multifunctional event space, adjacent to 313@somerset.

MOVING FORWARD

Key focus in the near term

Safety as our top priority

- Singapore has returned to Phase Two (Heightened Alert) to put a lid on the spike in community cases.
- Continue to work together with the authorities and tenants to ensure a COVID-safe environment.

Acquisition growth

- Continue to tap Sponsor's pipeline to acquire high-quality assets with stable cash flow.
- Focus on cost optimisation and a solid balance sheet supported by diverse sources of capital.

Organic growth

- Build on our retail assets' proposition for omnichannel tenants to deliver an integrated shopping experience.
- Focus on maintaining occupancy and keeping an open communication with tenants.
- Drive sustainable business growth through proactive asset management.
- Targeted marketing campaigns to boost sales.



MARKET REVIEW

Market Review

While growth, in general, have recovered stronger than expected, it remains below pre-pandemic trends across most countries.

Singapore Retail Market

- The Singapore economy grew by 14.3% YoY in the second quarter of 2021.
- Retail sales grew approximately 19% YoY in the first five months of 2021. In May 2021, retail sales increased 79.7% YoY, up 25.7 percentage points recorded in April 2021.
- 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.

Milan Office Market

- According to the preliminary estimates by the ISTAT, the consumer price index for June climbed 1.4% YoY and 0.1% MoM.
- Office vacancy rates remained stable at 9.6% in 1Q 2021. The Periphery and CBD submarkets accounted for approximately 71% of the 68,000 square metres of space transacted.
- In the short term, businesses 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.

APPENDIX

313@somerset, retail mall in Singapore

A youth-oriented retail mall centrally located on Singapore's Orchard Road shopping belt, directly connected to the Somerset MRT Station.



Key Statistics (as at 30 June 2021)

Occupancy	99.2%
WALE	1.4 years (by NLA and GRI)
Valuation	S\$983 million
Valuation cap rate	4.25%
NLA	288,318 sq ft
Ownership	100% (99-year leasehold) ¹

(1) 99-year leasehold commencing from 21 November 2006 until 20 November 2105.

Sky Complex, grade-A office in Milan

Three office buildings with excellent accessibility via the public transport system. The buildings are fully leased to Sky Italia, owned by Comcast Corporation¹.



Key Statistics (as at 30 June 2021)

Occupancy	100%
WALE	10.9 years (by NLA and GRI)
Valuation	S\$436.9 million ² (€274.0 million)
Valuation cap rate	5.25%
NLA	985,967 sq ft
Ownership	100% (freehold)

(1) Sky Italia is a subsidiary of Comcast Corporation company, a global media and technology company.

(2) Conversion of € to S\$ is based on the FX rate of 1.594 as at 30 June 2021.



313@SOMERSET, SINGAPORE



SKY COMPLEX, MILAN



STRATEGIC STAKE IN JEM VIA 5% INTEREST IN LENDLEASE ASIAN RETAIL INVESTMENT FUND 3



ARTIST IMPRESSION. MULTIFUNCTIONAL EVENT SPACE, ADJACENT TO 313@SOMERSET

Thank You

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