

Fraser's Logistics & Commercial Trust 1HFY22 DPU UP 1.3% TO 3.85 Singapore Cents

1HFY22 Highlights

- ◆ Maintained **high portfolio occupancy rate of 96.1% with a WALE of 4.6 years** as at 31 March 2022, with 35,247 sq m of leasing completed for the period from January to March 2022
- ◆ Healthy **aggregate leverage of 33.1% as at 31 March 2022 (29.5% post-repayment of borrowings in April 2022)** and **NAV per unit of S\$1.32** as at 31 March 2022

Summary of Results

S\$'000	1HFY22	1HFY21	Variance (%)
Revenue	235,670	231,701	1.7
Adjusted Net Property Income ¹	180,085	173,890	3.6
Distributable Income	142,108	130,426	9.0
DPU (Singapore cents)	3.85	3.80	1.3
S\$	As at 31 Mar 22	As at 30 Sep 21	Variance (%)
NAV per unit	1.32	1.24	6.5

SINGAPORE, 6 MAY 2022

Fraser's Logistics & Commercial Asset Management Pte. Ltd., the manager of Fraser's Logistics & Commercial Trust ("FLCT" and the manager of FLCT, the "REIT Manager"), today announced FLCT's results for the six-month period ended 31 March 2022 ("1HFY22").

1HFY22 FINANCIAL PERFORMANCE AND DISTRIBUTION

FLCT achieved a revenue of S\$235.7 million and Adjusted Net Property Income of S\$180.1 million for 1HFY22, representing increases of 1.7% and 3.6% respectively, from S\$231.7 million and S\$173.9 million in the corresponding financial period ("1HFY21"). The increases were mainly attributable to the full six months income contribution from acquisitions made in the financial year ended 30 September 2021, and early surrender fee received in 1HFY22. These were partially offset by the divestments made and effects of lower exchange rates. Accordingly, distributable income rose 9.0% to S\$142.1 million for 1HFY22, from S\$130.4 million a year ago. FLCT also reported a S\$169.7 million gain on divestment of investment properties in 1HFY22, which is in relation to the sale completion of Cross Street Exchange.

The distribution per unit ("DPU") for 1HFY22 was 3.85 Singapore cents, up 1.3% from 3.80 Singapore cents in 1HFY21, which will be paid on 17 June 2022².

¹ Calculated based on the actual net property income excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets

² FLCT's distributions are made on a semi-annual basis for the six-month periods ending 31 March and 30 September

PORTFOLIO UPDATE

For the period from January to March 2022, FLCT executed 15 leasing transactions, representing a lettable area of 35,247 square metres (“sq m”)³. The healthy leasing momentum enabled FLCT to maintain a strong occupancy rate of 96.1%⁴ and a weighted average lease expiry (“WALE”) of 4.6 years⁴, with minimal upcoming lease expiries of just 3.3%⁴ of gross rental income in the financial year ending 30 September 2022 (“FY2022”).

During the period, FLCT also entered into a £28.3 million forward-funding acquisition of freehold warehouse development in Worcester, West Midlands, United Kingdom, and commenced the development of the £23.3 million ‘Connexion II’ logistics & industrial development at Blythe Valley Park in the UK. During the period, FLCT also entered into agreements for the divestments of a non-core leasehold property in Melbourne and Cross Street Exchange in Singapore, with both divestments being transacted at premiums to the respective property’s book value. The divestment of Cross Street Exchange was completed on 31 March 2022.

As at 31 March 2022, the FLCT portfolio comprises 94 logistics and industrial properties and 7 commercial properties, with a total value of approximately S\$6.7 billion as at 31 March 2022. Its net asset value (“NAV”) per unit was S\$1.32 as at 31 March 2022.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, “We are pleased to report a strong financial and operational performance, with 1HFY22 DPU rising 1.3% year-on-year to 3.85 Singapore cents. Operationally, the team has been busy leasing across our portfolio which has enabled the REIT to maintain a high overall occupancy of 96.1% and a healthy WALE of 4.6 years.

“Amid a volatile macro environment and competitive landscape, we strategically deployed our capital to pursue over S\$50 million in industrial development and forward-funding opportunities in the United Kingdom. The portfolio rebalancing activities conducted over the last six months – including the divestment of Cross Street Exchange in Singapore, have also provided us with significant financial strength and flexibility.”

CAPITAL MANAGEMENT

As at 31 March 2022, FLCT’s aggregate leverage was 33.1%. Total borrowings were S\$2,576 million, 71.3% of which were at fixed interest rates. The weighted average interest rate for borrowings excluding upfront debt related expenses for 1HFY22 was 1.6%⁵ per annum. Subsequently in April 2022, FLCT repaid S\$395 million of borrowings, bringing aggregate leverage to approximately 29.5%. With the loan repayments in April 2022, the proportion of fixed rate borrowings was increased to 82.6%.

OUTLOOK

The overall operating environment is expected to improve as countries increasingly transition to live with COVID-19 and continue on a path towards normalcy. However, there remains some uncertainty as to whether a full recovery will be realised due to concerns regarding the potential emergence of new virus variants which may result in a resurgence of more serious COVID-19 infections.

On the macroeconomic front, market sentiment is expected to remain mixed due to rising energy costs, inflation and interest rate hike pressures. Further, the ongoing Russia-Ukraine conflict could have broad financial implications across the world. The conflict has resulted in a rise in global oil, energy and commodity prices and raised the risk of a global recession.

³ Please refer to Slide 11 of FLCT’s Results Presentation dated 6 May 2022 for details

⁴ Based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of March 2022. Excludes straight lining rental adjustments and include committed leases

⁵ Based on trailing 12 months borrowing cost

According to the Australian Bureau of Statistics, Australia's GDP grew at a faster pace of 3.4% in the December 2021 quarter, improving from a decline of -1.9% in the preceding September quarter. The consumer price index over the 12-months to March 2022 was 5.1%, and the Reserve Bank of Australia has opted to increase the cash rate target by 25 basis points to 35 basis points, opining that it was the right time to begin withdrawing some of the extraordinary monetary support that was put in place to help the Australian economy during the pandemic. The country has significantly eased its COVID-19 restrictions and fully opened its international borders in late February 2022. However, a recent surge in cases due to the Omicron BA.2 wave, the detection of a new variant in the country, as well as the ongoing bilateral trade tensions between Australia and China remain areas to be closely watched. According to the latest statement from the Reserve Bank of Australia in February 2022, the country's GDP is forecast to grow by around 4.25% over 2022.

Based on the latest available data from UK's Office for National Statistics, the country's GDP grew 1.3% in the October to December 2021 quarter, improving from 0.9% in the preceding quarter. According to the German Federal Office of Statistics, Germany's economy grew 0.2% in the first quarter of 2022, recovering from a 0.3% contraction in the December quarter, while the official Dutch statistics office, CBS, reported that the country's economy grew 1.0% over the same period. According to the World Economic Outlook report released by the International Monetary Fund in April 2022, the real GDP for the German, British and Dutch economies are forecast to grow by 2.1%, 3.7% and 3.0% respectively.

In Germany, the Netherlands and the UK, the authorities have lifted containment restrictions substantially as these countries adopt an approach of 'living with the virus'. However, the World Health Organisation has cautioned that a global rise in COVID-19 cases could signify a bigger problem and there are concerns that Europe could face yet another wave with a surge in infections noted in several countries including Germany, the Netherlands and the UK.

The Russia-Ukraine conflict also has implications on Europe and the UK. The disruption to supply chains exacerbated by the Russia-Ukraine conflict has been felt by the auto industry across western Europe with Ukraine being a major supplier of auto parts. Energy prices in Europe also face upward pressure as the conflict continues to disrupt the energy market.

For Singapore, advanced estimates published by Singapore's Ministry of Trade and Industry on 14 April 2022 noted a 3.4% year-on-year growth in the first quarter of 2022, moderating from 6.1% in the preceding quarter. In March and April 2022, the government significantly eased COVID-19 measures and opened its borders as the country's COVID-19 situation gradually improved. This includes the removal of work-from-home as the default mode of working arrangement, allowing all workers to return to the workplace, and the substantial easing of travel restrictions. Based on the latest estimate published by the Monetary Authority of Singapore in April 2022, Singapore's GDP growth is projected to come in between 3 – 5% in 2022.

With recovery on the cards in our key markets, FLCT remains focused on managing any financial implications arising from COVID-19, foreign exchange risks, and ongoing macroeconomic developments. There continues to be no material impact to the FLCT portfolio to-date, although the situation remains dynamic. Capital and liquidity management also remains a key strategic priority. FLCT's resilient portfolio, strong balance sheet and financial flexibility well positions the REIT to face the current challenging global environment.

Looking ahead, the REIT Manager will continue to focus on proactive asset and lease management strategies, and to evaluate and pursue growth opportunities by way of asset enhancements and/or acquisitions, to generate sustainable long-term value for FLCT unitholders.

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About Frasers Logistics & Commercial Trust

Frasers Logistics & Commercial Trust (“**FLCT**”) is a Singapore-listed real estate investment trust with a portfolio comprising 101 industrial and commercial properties, worth approximately S\$6.7 billion, diversified across five major developed markets – Australia, Germany, Singapore, the United Kingdom and the Netherlands. FLCT was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 20 June 2016 as Frasers Logistics & Industrial Trust and was subsequently renamed Frasers Logistics & Commercial Trust on 29 April 2020 following the completion of a merger with Frasers Commercial Trust.

FLCT’s investment strategy is to invest globally in a diversified portfolio of income-producing properties used predominantly for logistics or industrial purposes located globally, or commercial purposes (comprising primarily CBD office space) or business park purposes (comprising primarily non-CBD office space and/or research and development space) located in the Asia-Pacific region or in Europe (including the United Kingdom). FLCT is sponsored by Frasers Property Limited.

FLCT is a constituent of the FTSE EPRA Nareit Global Real Estate Index Series (Global Developed Index), Straits Times Index and Global Property Research (GPR) 250.

For more information about FLCT, visit www.frasersproperty.com/reits/flct

About Frasers Property Limited

Frasers Property Limited (“**Frasers Property**” and together with its subsidiaries, the “**Frasers Property Group**” or the “**Group**”), is a multi-national developer-owner-operator of real estate products and services across the property value chain. Listed on the Main Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and headquartered in Singapore, the Group has total assets of approximately S\$40.3 billion as at 30 September 2021.

Frasers Property’s multi-national businesses operate across five asset classes, namely, residential, retail, commercial & business parks, industrial & logistics as well as hospitality. The Group has businesses in Southeast Asia, Australia, Europe and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 70 cities and 20 countries across Asia, Australia, Europe, the Middle East and Africa.

Frasers Property is also the sponsor of two real estate investment trusts (“**REITs**”) and one stapled trust listed on the SGX-ST. Frasers Centrepoint Trust and Frasers Logistics & Commercial Trust are focused on retail, and industrial & commercial properties, respectively. Frasers Hospitality Trust (comprising Frasers Hospitality Real Estate Investment Trust and Frasers Hospitality Business Trust) is a stapled trust focused on hospitality properties. In addition, the Group has two REITs listed on the Stock Exchange of Thailand. Frasers Property (Thailand) Public Company Limited is the sponsor of Frasers Property Thailand Industrial Freehold & Leasehold REIT, which is focused on industrial & logistics properties in Thailand, and Golden Ventures Leasehold Real Estate Investment Trust, which is focused on commercial properties.

The Group is committed to inspiring experiences and creating places for good for its stakeholders. By acting progressively, producing and consuming responsibly, and focusing on its people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It is committed to be a net-zero carbon corporation by 2050. Building on its heritage as well as leveraging its knowledge and capabilities, the Group aims to create lasting shared value for its people, the businesses and communities it serves. Frasers Property believes in the diversity of its people and are invested in promoting a progressive, collaborative and respectful culture.

For more information on Frasers Property, please visit frasersproperty.com or follow us on [LinkedIn](#).

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The value of the units in FLCT ("**Units**") and the income derived from them may fall or rise. The Units are not obligations of, deposits in, or guaranteed by the REIT Manager, Perpetual (Asia) Limited, in its capacity as trustee of FLCT, or Frasers Property (as the sponsor of FLCT).

An investment in the Units is subject to investment risks, including the possible loss of the principal amount invested. Unitholders have no right to request that the REIT Manager redeem or purchase their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This news release may contain forward-looking statements or financial information that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of FLCT. The forecast financial performance or financial information of FLCT is not guaranteed. A potential investor is cautioned not to place undue reliance on these forward-looking statements or financial information, which are based on the REIT Manager's current view of future events.

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