

Fraser's Logistics & Commercial Trust Reports FY2022 DPU of 7.62 Singapore Cents

FY2022 Highlights

- ◆ Investment properties **fair value increase of S\$425.6 million**; NAV per unit as at 30 September 2022 was S\$1.30
- ◆ Maintained **high portfolio occupancy rate of 96.4% with a WALE of 4.5 years** as at 30 September 2022, with ~90,000 sq m of leasing completed for the period from July to September 2022
- ◆ Healthy **aggregate leverage of 27.4%** as at 30 September 2022
- ◆ **Rental reversion** for the period from July to September 2022 was **+0.4% (incoming rent vs. outgoing rent basis)** and **+9.8% (average rent vs. average rent basis)**

Summary of Results

S\$'000	2HFY22	2HFY21	Variance (%)	FY2022	FY2021	Variance (%)
Revenue	214,517	237,627	(9.7)	450,187	469,328	(4.1)
Adjusted Net Property Income ¹	162,053	181,271	(10.6)	342,138	355,161	(3.7)
Distributable Income	139,645	139,649	(0.0)	281,753	270,075	4.3
DPU (Singapore cents)	3.77	3.88	(2.8)	7.62	7.68	(0.8)

SINGAPORE, 10 NOVEMBER 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 30 September 2022 ("2HFY22") and the financial year ended 30 September 2022 ("FY2022").

FY2022 FINANCIAL PERFORMANCE AND DISTRIBUTION

FLCT reported revenue of S\$214.5 million and Adjusted Net Property Income of S\$162.1 million for 2HFY22, representing decreases of 9.7% and 10.6% respectively, from S\$237.6 million and S\$181.3 million in the corresponding financial period ("2HFY21"). The year-on-year decreases were mainly due to the sale of Cross Street Exchange on 31 March 2022 and weaker exchange rates over the period, which were partially offset by contributions from the acquisitions made in FY2021 and FY2022. Distributable income for 2HFY22 was S\$139.6 million, largely unchanged from a year ago.

¹ Actual net property income excluding straight lining adjustments for rental income and adding lease payments of right-of-use assets

The distribution per unit (“**DPU**”) for 2HFY22 was 3.77 Singapore cents, representing a decrease of 2.8% from 3.88 Singapore cents in 2HFY21. The 2HFY22 DPU will be paid on 15 December 2022². In addition to the DPU of 3.85 Singapore cents reported for 1HFY22, FLCT’s total distribution for FY2022 amounts to 7.62 Singapore cents, or a distribution yield of 6.9%³.

PORTFOLIO UPDATE

For the period from July to September 2022, FLCT executed 23 leasing transactions, representing a lettable area of approximately 90,000 square metres (“**sq m**”) ⁴. The average rental reversion achieved for the period was +0.4% on an incoming rent vs. outgoing rent basis and +9.8% on an average rent vs. average rent basis. Accordingly, this brings the total leasing activity in FY2022 to approximately 351,000 sq m or 13.4% of total portfolio lettable area. The healthy leasing momentum enabled FLCT to maintain a strong occupancy rate of 96.4%⁵ and a weighted average lease expiry (“**WALE**”) of 4.5 years⁵.

FLCT’s portfolio has a total of 105 properties across five countries which was valued at approximately S\$6.7 billion⁶ as at 30 September 2022, from the carrying value of S\$6.3 billion. Net asset value (“**NAV**”) per unit rose 4.8% to S\$1.30 as at 30 September 2022, from S\$1.24 a year ago.

Mr. Robert Wallace, Chief Executive Officer of the REIT Manager, said, “From a global viewpoint, FY2022 has faced several hurdles. The world, which was just beginning to move forward from the COVID-19 pandemic, is now confronted by the Russia-Ukraine crisis, contributing to rising inflation and interest rates. This has in turn led to exacerbating risks of a global economic slowdown and currency volatility, with both the US and Singapore dollars appreciating against our key operating currencies.”

“Notwithstanding the aforesaid pressures, FLCT has remained operationally strong, with good leasing progress made across our logistics and commercial properties, enabling the REIT to maintain a high portfolio occupancy rate of 96.4% with a WALE of 4.5 years. On the sustainability front, we also retained our 5-star GRESB portfolio rating, with an improved score of 89 out of 100 points⁷.”

“While higher inflation and tightening monetary policies are expected to persist over the near-term and will pose challenges, we are of the view that FLCT is well-positioned to weather uncertainties and capture opportunities, underpinned by the strength of a high-quality property portfolio which is strategically located in developed countries, and a healthy balance sheet with gearing at just 27.4%.”

CAPITAL MANAGEMENT

As at 30 September 2022, FLCT’s aggregate leverage was 27.4%. Total borrowings were S\$1,978 million, 81.7% of which were at fixed interest rates, with only S\$159 million due for refinancing in FY2023. The weighted average interest rate for borrowings excluding upfront debt related expenses for FY2022 was 1.6%⁸ per annum.

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

³ Derived based on FLCT’s closing price of S\$1.11 on 9 November 2022.

⁴ Please refer to Slide 16 of FLCT’s Results Presentation dated 10 November 2022 for details

⁵ Based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of September 2022. Excludes straight lining rental adjustments and include committed leases

⁶ Excludes the Port Melbourne property, which was divested on 24 October 2022, the three properties under development in UK and right-of-use assets.

⁷ Refers to the 2022 Global Real Estate Sustainability Benchmark (GRESB) rankings. FLCT scored 88 points out of 100 points in 2021.

⁸ Based on trailing 12 months borrowing cost

OUTLOOK

The impact of the COVID-19 pandemic, which has plagued the world for over two years, together with disruptions from the Russia-Ukraine conflict, has continued to hamper economic growth. Rising energy costs, high levels of inflation and the consequential interest rate hikes, together with supply chain issues formed some of the biggest global challenges, exacerbating the risk of a global recession.

The global business environment is expected to remain challenging due to ongoing geopolitical and inflationary pressures. Major Central Banks are also expected to further tighten monetary policies as a lever to slow the persisting elevated levels of inflation. The Monetary Authority of Singapore's use of exchange rate as its main policy tool to manage inflation, rather than through the interest rate, may see further appreciation of the Singapore dollar. Further, while the COVID-19 pandemic-induced disruptions to global economic activity has subsided, the risk of a resurgence of the virus through the evolution of a new variant remains.

The REIT Manager is closely monitoring emerging trends and behavioural activity, including deglobalisation and onshoring trends and its implications on the logistics and industrial space, the future of work office practices after COVID-19 and any consequential changes to workspace requirements.

FLCT remains focused on managing any financial implications arising from global developments, foreign exchange risks, and inflationary pressures. 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 105 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 multinational developer-manager-investor 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\$40.7 billion as at 31 March 2022.

Frasers Property’s multinational 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 spans 70 cities in over 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.

As a purpose-led organisation, 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](https://www.linkedin.com/company/frasers-property).

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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.

This news release is not an offer or sale of the Units in the United States. The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States absent registration except pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act. Any public offering of the Units in the United States would be made by means of a prospectus that would contain detailed information about FLCT, the REIT Manager and its management, as well as financial statements.

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