

Fraser's Logistics & Commercial Trust Increases Logistics & Industrial Footprint with the Acquisition of Interests in a Portfolio of Four Properties

- ◆ Acquisition of 89.9% interest in a logistics and industrial (“L&I”) portfolio of four properties at an agreed property purchase price of €129.5 million (approximately S\$188.9 million)¹
- ◆ A stabilised income-producing L&I portfolio with 100% occupancy and a weighted average lease expiry (“WALE”) of 6.1 years²
- ◆ Proposed portfolio is to be acquired at a discount of 5.3% and 1.1% to two independent valuations
- ◆ Acquisition is expected to be DPU and NAV accretive
- ◆ Aligned with investment strategy to increase its L&I portfolio weightage in an existing market that FLCT has a presence in

SINGAPORE, 15 MARCH 2024

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”, is pleased to announce that it has entered into a share purchase agreement with subsidiaries of Fraser's Property Limited (“FPL” or the “Sponsor”) to acquire 89.9% of the equity interests in the property-owning companies which hold four logistics properties located in Germany (the “New Properties”) (the “Proposed Acquisition”).

The agreed property purchase price³ for the New Properties is €129.5 million (approximately S\$188.9 million) (the “Property Purchase Price”), representing a discount of 5.3% and 1.1% to the appraised value of the New Properties by Colliers and CBRE respectively. For further details, please refer to the acquisition announcement dated 14 March 2024.

The freight and logistics market in Germany is one of the largest in Europe and remains attractive for its strategic location within the region. The German logistics sector has maintained its resilience due to its strong underlying market fundamentals, bolstered by close to record low vacancy rates, slowdown in new developments resulting in limited supply in key logistics hotspots which drove market rents by 12%⁴ in 2023.

As at 31 December 2023, the New Properties comprise four buildings with a total gross lettable area (“GLA”) of approximately 72,422 sqm. The New Properties have a long WALE of 6.1 years and will benefit from rent escalation, with consumer price index-linked indexation incorporated in its leases. The buildings are fully leased to quality tenants which include multinational corporations such as Schenker AG, DACHSER GmbH & Co. KG and Hermes Germany GmbH, which are existing tenants within FLCT’s portfolio. These are also key third-party logistics providers with exposure to the new economy sectors such as e-commerce fulfillment services. Other tenants, namely, Posagenda GmbH and TB International GmbH, are in the logistics, distribution, and consumer and retail product sectors.

The three freehold assets, being the Egelsbach Property, the Saarwellingen Property and the Überherrn Property, are strategically located within the “Blue Banana” region which denotes the European regions with

¹ Unless otherwise stated, the S\$ equivalent of the € figures in this press release have been arrived at based on assumed exchange rates of €1 : S\$1.4584. Based on 100% interest in the properties.

² Based on gross rental income, being the contracted rental income and estimated recoverable outgoings for the month of December 2023. Excludes straight-lining rental adjustments and includes committed leases.

³ Negotiated on a willing-buyer and willing-seller basis and taking into account the independent valuations conducted by independent external valuers, CBRE GmbH and Colliers International Valuation GmbH for the New Properties. The New Properties have been valued based on the definition of “Market Value” as defined in accordance with the Royal Institution of Chartered Surveyor’s RICS Valuation – Global Standards. The valuations are as at 1 February 2024 and are based on an 100% interest in each New Property.

⁴ Source: Colliers, Logistics Leasing, Top 8, Q4 2023, Germany.

dense urban population of over 110 million and represents the corridors of Europe, passing through its two largest ports (in Belgium and the Netherlands), across the Rhine region in Germany to northern Italy. Additionally, the Egelsbach Property is located close to FLCT's existing assets within the Frankfurt logistics cluster. The leasehold asset, being the Hamburg Property, is situated in proximity to the Port of Hamburg, the largest port in Germany. This enlarged footprint further deepens FLCT's L&I presence in its existing core market.

Ms. Anthea Lee, Chief Executive Officer of the REIT Manager, said, "This transaction allows FLCT to acquire a 100% L&I portfolio in a sector which has demonstrated secular growth and driven by market trends which include the prioritisation of supply chain resilience and the use of technology to improve the efficiency of logistics operations. The Proposed Acquisition is in line with our strategy as we increase the proportion of L&I assets in our portfolio. The Proposed Acquisition demonstrates FLCT's ability to tap on our Sponsor's pipeline and this deal size enables the Manager to execute the transaction in a timely manner to secure additional income stream from the L&I sector. This is aligned with our objectives of providing sustainable growth for FLCT unitholders, and we will continue to focus on identifying suitable investment opportunities to drive further growth."

The fully-occupied New Properties will increase FLCT's portfolio occupancy² to 95.9% as at 31 December 2023 while maintaining full occupancy² for FLCT's L&I portfolio and maintaining the portfolio WALE² at 4.4 years. Additionally, the New Properties would further complement FLCT's portfolio green credentials. Two of the New Properties, namely the Egelsbach Property and the Hamburg Property, are certified with BREEAM 'Very Good' rating, while the Sarwellingen Property and the Überherrn Property are currently undergoing BREEAM certification. Upon completion of the Proposed Acquisition, the number of German L&I assets in FLCT's portfolio will increase to 33 assets or 25.5% of FLCT's portfolio value, and the proportion of L&I assets in FLCT's portfolio will increase from 70.3% as at 31 December 2023 to 71.1%. Based on the proposed method of financing, the Proposed Acquisition is also expected to be DPU and NAV accretive.

The purchase consideration will be funded through external debt financing. The Proposed Acquisition is expected to be completed by end-March 2024.

END

APPENDIX

The following tables set out a summary of selected information on the New Properties and FLCT portfolio metrics upon completion of the Proposed Acquisition.

Property	Tenant(s)	Trade Sector of Tenant	Effective Interest (%)	Land Tenure	GLA (sqm)	Property Purchase Price (€ m) ⁵	Occupancy (%)
Egelsbach Property	Posagenda GmbH TB International GmbH	3PL Consumer & Retail Product	89.9	Freehold	29,815	44.6	100%
Hamburg Property ⁶	Hermes Germany GmbH	3PL	89.9	Leasehold	11,545	59.2	100%
Saarwellingen Property	Schenker AG	3PL	89.9	Freehold	9,298	7.3	100%
Überherrn Property	DACHSER GmbH & Co. KG	3PL	89.9	Freehold	21,765	18.4	100%

	Existing Portfolio ⁷		Proposed Acquisition		Post-Proposed Acquisition	
No. of Properties	Total: Germany: 29 Australia: 65 United Kingdom: 7 The Netherlands: 6 Singapore: 1	108	Total: Germany: 4	4	Total: Germany: 33 Australia: 65 United Kingdom: 7 The Netherlands: 6 Singapore: 1	112
GLA	2.7 million sqm		0.07 million sqm		2.8 million sqm	
Portfolio Value⁸	S\$6.7 billion		€129.5 million		S\$6.9 billion	
Asset Class⁸	L&I: 70.3% Commercial: 29.7%		L&I: 100%		L&I: 71.1% Commercial: 28.9%	
Geographical Diversification⁸	Australia: 50.3% Germany: 23.4% United Kingdom: 11.0% Singapore: 10.2% The Netherlands: 5.1%		Germany: 100%		Australia: 48.9% Germany: 25.5% United Kingdom: 10.8% Singapore: 9.9% The Netherlands: 4.9%	
WALE	4.4 years		6.1 years		4.4 years	

⁵ Based on 100% effective interest in each New Property.

⁶ A partial area of the Hamburg Property is also leased to DFMG Deutsche Funkturm GmbH, a telecommunication company, to be used as a radio transmission station with a free-standing antenna support.

⁷ Includes the addition of Ellesmere Port which was completed in December 2023.

⁸ Based on the existing portfolio book value for the existing portfolio and based on the Property Purchase Price for the New Properties.

About Frasers Logistics & Industrial Trust

Frasers Logistics & Commercial Trust (“FLCT”) is a Singapore-listed real estate investment trust with a portfolio comprising 108 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 investor-developer-manager 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\$39.8 billion as at 30 September 2023.

Frasers Property’s multinational businesses operate across five asset classes, namely, commercial & business parks, hospitality, industrial & logistics, residential and retail. The Group has businesses in Southeast Asia, Australia, the EU, the UK and China, and its well-established hospitality business owns and/or operates serviced apartments and hotels in over 20 countries and more than 70 cities 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 SGXST. 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 www.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.

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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