

## FRASERS LOGISTICS & COMMERCIAL TRUST TO ACQUIRE SIX FREEHOLD PROPERTIES IN GERMANY, THE NETHERLANDS & THE UNITED KINGDOM

- ◆ Capitalises on strong logistics industry tailwinds through the acquisition of interests in four logistics and industrial properties located in Germany and the Netherlands; together with a logistics and industrial property and a business park in the United Kingdom (the “UK”)
- ◆ Marks FLCT’s maiden entry into the UK logistics sector
- ◆ Freehold portfolio with a long weighted average lease to break (“WALB”) of 7.6 years<sup>1</sup> and a blended occupancy rate of 97.4%<sup>1,2</sup>
- ◆ Proposed Acquisition is expected to be **DPU and NAV per unit accretive**

*Unless otherwise stated, the S\$ equivalent of the € figures and £ figures in this press release have been arrived at based on assumed exchange rates of £1 : S\$1.8736 and €1 : S\$1.6112, respectively.*

### SINGAPORE, 24 MAY 2021

Fraser's Logistics & Commercial Asset Management Pte. Ltd., the manager of Fraser's Logistics & Commercial Trust (“FLCT” and the manager of FLCT, the “Manager”), is pleased to announce the proposed acquisition of interests in three freehold logistics and industrial properties located in Germany and a logistics and industrial property<sup>3</sup> in the Netherlands, (the “New EU Properties”) from subsidiaries of Fraser's Property Limited (“FPL”, or the “Sponsor”); and two freehold properties, known as Connexion and Blythe Valley Park, located in the UK (the “New UK Properties”) from subsidiaries of I.M. Properties PLC, collectively with the New EU Properties, the “New Properties” and the “Proposed Acquisition”.

The agreed property purchase price<sup>4</sup> for the New Properties is approximately S\$548.7 million (the “Property Purchase Price”), representing a discount of approximately 2.5% to the New Properties’ aggregate appraised value<sup>5</sup> of S\$562.4 million. The aggregate purchase consideration for the Proposed Acquisition is approximately S\$469.7 million<sup>6</sup>. For further details, please refer to the acquisition announcement dated 24 May 2021.

The Proposed Acquisition is positioned to capitalise on strong logistics industry tailwinds. The UK and Germany are the two largest e-commerce markets in Europe and among the top 10 globally. In the UK, online retail sales penetration<sup>7</sup> increased 46.0% year-on-year<sup>8</sup> (“Y-o-Y”) in 2020, while Germany and the Netherlands also experienced growth of 20.7% and 24.6% Y-o-Y in 2020 respectively<sup>9</sup>. This has led to strong demand for logistics real estate in these markets. The e-commerce-driven industrial demand in the UK is expected to triple over the next four years to 92 million square feet in 2024<sup>10</sup>; while demand for

<sup>1</sup> Based on gross rental income (“GRI”), being the contracted rental income and estimated recoverable outgoings for the month of March 2021. Excludes straight lining rental adjustments and include committed leases.

<sup>2</sup> Committed occupancy as at 31 March 2021.

<sup>3</sup> The Dutch property is currently under development and expected to be completed by June 2021.

<sup>4</sup> Based on 100% effective interest. Negotiated on a willing-buyer and willing-seller basis and taking into account the independent valuations conducted by Jones Lang LaSalle SE and Savills (UK) Limited for the New EU Properties, and Knight Frank LLP for the New UK Properties.

<sup>5</sup> Being the aggregate of the higher of the two independent valuations for each New EU Property and the valuation of the New UK Properties.

<sup>6</sup> Excludes the acquisition fee and other transaction costs to be paid to the Manager and other transaction costs.

<sup>7</sup> “Online retail sales penetration” is defined as the percentage share of online retail sales as a percentage of total retail sales.

<sup>8</sup> Source: Office for National Statistics, UK (ONS). ONS has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

<sup>9</sup> Source: eMarketer. eMarketer has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

<sup>10</sup> Source: Knight Frank LLP. Knight Frank LLP has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

logistics space in Germany and the Netherlands increased 19.0% Y-o-Y and 8.7% Y-o-Y respectively during the first quarter of 2021<sup>11</sup>.

Mr. Robert Wallace, Chief Executive Officer of the Manager, commented, “The New Properties are complementary to FLCT’s portfolio and provides FLCT with a long-term income stream from a lineup of high-quality and diversified tenants. The tenants also strengthen our global customer network and provide further exposure to attractive growth sectors. Furthermore, FLCT’s maiden third-party acquisition of the properties in UK with a site available for development as a potential value-add opportunity showcases FLCT’s deal-sourcing capabilities to identify value for its unitholders. The Proposed Acquisition is also expected to be DPU and NAV per unit accretive.”

With a total lettable area of 62,115 square metres (“sqm”), the New EU Properties are located within the key logistics hubs of Frankfurt and Mannheim in southwest Germany, and in the east of the Netherlands at the Food & Business Park Ede, which is close to key trading routes. With a young average age of just 2.8 years<sup>12</sup>, the new EU Properties are high quality and modern logistics facilities with high specifications, which would require little near-term capital expenditure and equipped with installations that meet a wide range of e-commerce and logistics requirements. The New EU Properties are also located in close proximity to FLCT’s existing European properties and will continued to be managed leveraging on FPL’s integrated asset and property management platform.

With a total lettable area of approximately 61,213 sqm, the New UK Properties are strategically located in West Midlands and within proximity to Birmingham, the country’s second largest populated city after London. Situated in the heart of the UK and within the “Golden Triangle” region<sup>13</sup>, the New UK Properties have direct access to over 90% of the UK’s population within a four-hour drive. The synergistic mix of logistics and business space of the UK Properties enable existing and new occupiers to conduct end-to-end business operations and progress alongside the growth within this mixed-use campus.

As at 31 March 2021, the New Properties have a blended occupancy rate of 97.4% with a long WALB of 7.6 years, with tenants that include established third-party logistics companies and corporates, such as Hermes Germany GmbH, Gymshark Limited, Lounge Underwear Limited and BASF SE. All of the New EU Properties are 100% occupied with leases that have built-in consumer price indexation.

With the New Properties being freehold, the proportion of freehold assets in FLCT’s portfolio will increase in proportion from 65.1% to 67.9%<sup>14</sup> upon completion of the Proposed Acquisition. FLCT portfolio’s WALB will also extend from 4.4 years to 4.7 years after the Proposed Acquisition. The Proposed Acquisition will also further strengthen FLCT’s portfolio by contributing to further diversification of FLCT’s quality tenant base and reduce tenants’ concentration, with GRI contribution from FLCT’s top 10 tenants reducing by 0.6 percentage points, from 24.0% to 23.4%<sup>15</sup> after the Proposed Acquisition.

Funding for the Proposed Acquisition will be via a combination of proceeds from the equity fund raising announced on 24 May 2021 and borrowings. The Proposed Acquisition is expected to be completed by June 2021.

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<sup>11</sup> Source: BNP Paribas Real Estate Q1 2021. BNP Paribas Real Estate has not provided its consent to the inclusion of the information extracted from the relevant report published by it and therefore is not liable for such information.

<sup>12</sup> As at 31 March 2021.

<sup>13</sup> From Northamptonshire to East Midlands Airport and Tamworth area with proximity to major motorways, notably the M1 and M6, which leads to major cities such as London and Manchester.

<sup>14</sup> Based on the existing portfolio book value and property purchase price for the New Properties.

<sup>15</sup> Based on GRI, being the contracted rental income and estimated recoverable outgoings for the month of March 2021. Excludes straight lining rental adjustments and include committed leases.

### **About the New Properties**

The New EU Properties comprise a portfolio of four freehold modern logistics facilities. The New EU Properties have high specifications which would require little near-term capital expenditure and equipped with installations that meet a wide range of e-commerce and logistics requirements. The New EU Properties are located within the key logistics hubs of Frankfurt and Mannheim in southwest Germany and in east of the Netherlands at the Food & Business Park Ede, which is close to key trading routes. With a combined lettable area of 62,115 sqm, the New EU Properties are fully leased out to single-let tenants, being Hermes Germany GmbH, BASF SE and Hendi B.V. over a long WALB of 12.1 years.

The New UK Properties comprise two freehold properties known as Connexion and Blythe Valley Business Park, which is strategically located in West Midlands, and within close proximity to Birmingham. The New UK Properties are within the UK's "Golden Triangle" region, giving the properties access to over 90% of the UK's population within a four-hour drive. Spanning a lettable area of 61,213 sqm in total, both Connexion and Blythe Valley Park are leased to a variety of tenants. This synergistic mix of logistics and business space enables existing and new occupiers to conduct end-to-end business operations and progress alongside the growth within the mixed-used campus. In particular, retailers such as Gymshark Limited and Lounge Underwear Limited are tenants of Connexion and Blythe Valley Park. Additionally, a 3-hectare land which is part of Blythe Valley Park could provide for development of additional logistics space.

### About Frasers Logistics & Commercial Trust

Frasers Logistics & Commercial Trust (“**FLCT**”) is a Singapore-listed real estate investment trust with a portfolio comprising 97 industrial and commercial properties, worth approximately S\$6.3 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](http://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 owner-operator-developer 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\$39.2 billion as at 31 March 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 people, Frasers Property aspires to raise sustainability ideals across its value chain, and build a more resilient business. It has 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](http://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 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 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 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 Manager and its management, as well as financial statements.

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