

PRESS RELEASE

Mapletree Industrial Trust to Strengthen Portfolio through Accretive Acquisitions and Active Capital Management

- While FY22/23 Distributable Income increased by 1.6%, DPU fell by 1.7% to 13.57 cents due to an enlarged unit base
- Newly completed Mapletree Hi-Tech Park @ Kallang Way to contribute positively in FY23/24
- Focused on strengthening the portfolio through accretive acquisitions, opportunistic divestments of non-core assets as well as active capital management

27 April 2023 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), wishes to announce that the amount available for distribution to Unitholders for the Financial Year 2022/2023 from 1 April 2022 to 31 March 2023 (“FY22/23”) was S\$356.6 million, an increase of 1.6% over the S\$350.9 million for the previous financial year. Distribution per Unit (“DPU”) for FY22/23 fell by 1.7% year-on-year to 13.57 cents on an enlarged unit base with additional units issued under the distribution reinvestment plan (“DRP”).

Financial Results of MIT for 4Q & FY22/23

	4QFY22/23	4QFY21/22	↑/(↓)%	FY22/23	FY21/22	↑/(↓)%
Gross revenue (S\$'000)	171,099	164,092	4.3	684,865	610,063	12.3
Property expenses (S\$'000)	(42,183)	(39,885)	5.8	(166,914)	(138,082)	20.9
Net property income (S\$'000)	128,916	124,207	3.8	517,951	471,981	9.7
Amount available for distribution to Unitholders (S\$'000)	87,156	90,328	(3.5)	356,649	350,906	1.6
No. of units in issue ('000)	2,739,870 ¹	2,676,562 ¹	2.4	2,739,870 ¹	2,676,562 ¹	2.4
DPU (cents)	3.33 ^{2,3}	3.49 ²	(4.6)	13.57 ^{2,3}	13.80 ²	(1.7)

¹ Includes new units issued pursuant to the DRP.

² Includes the distribution of net divestment gain of S\$15.7 million from 26A Ayer Rajah Crescent over eight quarters from 2QFY21/22 to 1QFY23/24.

³ Includes the distribution of tax-exempt income of S\$6.6 million withheld in 4QFY19/20 over three quarters from 3QFY22/23 to 1QFY23/24.

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Gross revenue and net property income for FY22/23 grew 12.3% and 9.7% year-on-year to S\$684.9 million and S\$518.0 million respectively. The amount available for distribution to Unitholders for FY22/23 increased by 1.6% year-on-year to S\$356.6 million. This was mainly driven by the contribution from the acquisition of 29 data centres in the United States of America, partially offset by higher borrowing costs.

For the Fourth Quarter Financial Year 2022/2023 from 1 January 2023 to 31 March 2023 (“4QFY22/23”), the amount available for distribution to Unitholders and DPU were S\$87.2 million and 3.33 cents, representing declines of 3.5% and 4.6% respectively.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “The challenging macroeconomic environment as well as headwinds from higher operating expenses and borrowing costs have affected MIT’s financial performance for the financial year. With a strong balance sheet, we will focus on strengthening the portfolio through accretive acquisitions and developments, such as the Mapletree Hi-Tech Park @ Kallang Way. We will also explore opportunistic divestments in our portfolio rebalancing efforts.”

Completion of Mapletree Hi-Tech Park @ Kallang Way

MIT’s largest redevelopment of Flatted Factories into a new high-tech industrial park was successfully completed after Blocks 161 and 163 Kallang Way obtained Temporary Occupation Permits on 23 March 2023 and 2 February 2023 respectively. Both buildings have also been awarded the BCA Green Mark Platinum Award. The incorporation of environmentally sustainable features within the Hi-Tech Park underscores MIT’s focus on building a climate-resilient platform.

MIT has successfully leased another floor of 163 Kallang Way, which increased the committed occupancy of the Mapletree Hi-Tech Park @ Kallang Way (161, 163 and 165 Kallang Way) to about 44.1% (by net lettable area). The income from the committed leases is expected to contribute progressively in FY23/24.

Portfolio Update for 4QFY22/23

Average Overall Portfolio occupancy fell to 94.9% in 4QFY22/23 from 95.7% in 3QFY22/23 due to the lower average Singapore Portfolio occupancy rate. The average occupancy rate for the Singapore Portfolio decreased to 95.4% in 4QFY22/23 from 96.9% in 3QFY22/23, due to the increase in leasable area upon completion of the redevelopment at 161 and 163 Kallang Way. The average occupancy rate for the North American Portfolio improved to 93.7% in 4QFY22/23 from 93.1% in 3QFY22/23.

Stable Portfolio Valuation

As at 31 March 2023, the total valuation of 141 properties in MIT's portfolio was S\$8,725.1 million. This represented a 0.1% increase over the previous valuation of S\$8,718.6 million as at 31 March 2022.

Capital Management Update

The weighted average all-in funding cost for 4QFY22/23 was 3.5%, as compared to 3.3% for the previous quarter due to higher benchmark reference rates. About 75.5% of MIT Group's gross borrowings of S\$2,848.4 million had been hedged through interest rate swaps and fixed rate borrowings as at 31 March 2023, which would help to contain the impact of interest rate fluctuations on distributions. The weighted average tenor of debt was extended to 3.7 years as at 31 March 2023 to 3.1 years as at 31 December 2022.

The Manager has raised total proceeds of S\$184.1 million from the DRP for distributions from 3QFY21/22 to 3QFY22/23 to finance the progressive funding needs of the redevelopment project at Kallang Way. Proceeds from this series of DRP, which has since been completed and suspended after the 3QFY22/23 Distribution, have helped to strengthen MIT's balance sheet and kept MIT's aggregate leverage ratio healthy at 37.4% as at 31 March 2023.

Outlook

Global growth was projected to bottom out at 2.8% in 2023 before rising modestly to 3.0% in 2024. Numerous risks, such as sharp deterioration in financing conditions, systemic debt

distress due to higher borrowing costs and lower growth, persistent inflation, and geopolitical fragmentation, could cause the global growth forecast to decline further⁴.

2023 will be a challenging year with increased risk to global financial stability due to the banking crisis and geo-economic fragmentation. Increasing property operating expenses and borrowing costs continue to exert pressure on distributions. The Manager will adopt cost-mitigating measures while focusing on tenant retention and forward lease renewals to maintain a stable portfolio occupancy.

Distribution to Unitholders

Unitholders can expect to receive their quarterly DPU for the period from 1 January 2023 to 31 March 2023 on 7 June 2023. The closure of MIT's transfer books and register of Unitholders will be at 5.00pm on 8 May 2023.

For further information, please contact:

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⁴ Source: World Economic Outlook, International Monetary Fund, April 2023.

About Mapletree Industrial Trust

Mapletree Industrial Trust is a real estate investment trust (“REIT”) listed on the Main Board of Singapore Exchange. Its principal investment strategy is to invest in a diversified portfolio of income-producing real estate used primarily for industrial purposes in Singapore and income-producing real estate used primarily as data centres worldwide beyond Singapore, as well as real estate-related assets.

As at 31 March 2023, MIT’s total assets under management was S\$8.8 billion, which comprised 85 properties in Singapore and 56 properties in North America (including 13 data centres held through the joint venture with Mapletree Investments Pte Ltd). MIT’s property portfolio includes Data Centres, Hi-Tech Buildings, Business Park Buildings, Flatted Factories, Stack-up/Ramp-up Buildings and Light Industrial Buildings.

MIT is managed by Mapletree Industrial Trust Management Ltd. and sponsored by Mapletree Investments Pte Ltd.

About Mapletree Industrial Trust Management Ltd.

Mapletree Industrial Trust Management Ltd. is the manager of MIT. It manages MIT’s assets and liabilities for the benefit of the Unitholders, sets MIT’s strategic directions and provides recommendations on the acquisition, divestment, development and/or enhancement of MIT’s assets in accordance with MIT’s investment strategy. Employing proactive asset management, value-creating investment management and prudent capital management strategies, Mapletree Industrial Trust Management Ltd. seeks to deliver sustainable and growing returns for Unitholders. Mapletree Industrial Trust Management Ltd. is a wholly-owned subsidiary of Mapletree Investments Pte Ltd.

About Mapletree Investments Pte Ltd

Headquartered in Singapore, Mapletree Investments Pte Ltd (“MIPL”) is a global real estate development, investment, capital and property management company committed to sustainability. Its strategic focus is to invest in markets and real estate sectors with good growth potential. By combining its key strengths, MIPL has established a track record of award-winning projects, and delivers consistent and high returns across real estate asset classes.

As at 31 March 2022, MIPL owns and manages S\$78.7 billion of office, retail, logistics, industrial, data centre, residential and lodging properties. MIPL currently manages four Singapore-listed REIT and seven private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

MIPL’s assets are located across 13 markets globally, namely Singapore, Australia, Canada, China, Europe, Hong Kong SAR, India, Japan, Malaysia, South Korea, the United Kingdom, the United States and Vietnam. To support its global operations, MIPL has established an extensive network of offices in these countries.