

PRESS RELEASE

Mapletree Industrial Trust to Acquire Remaining 60% Interest in 14 Data Centres in the United States of America

- Agreed property value of the 14 data centres on a 60% basis is US\$494.0 million¹
- Increases exposure to the resilient Data Centres segment to 39.0% of assets under management
- Enhances income stability of MIT Portfolio with the increased freehold land component and long leases with annual rental escalations

23 June 2020 – Mapletree Industrial Trust Management Ltd., as manager (the “Manager”) of Mapletree Industrial Trust (“MIT”), is pleased to announce that DBS Trustee Limited, as trustee of MIT (the “Trustee”), has entered into agreements for the proposed acquisition of the remaining 60% interest in the 14 data centres in the United States of America (the “United States”) currently held by Mapletree Redwood Data Centre Trust (“MRDCT” and the “MRDCT Portfolio”) at a purchase consideration of US\$210.9 million (approximately S\$299.5 million²) (the “Proposed Acquisition”). The agreed property value of the 14 data centres on a 60% basis is US\$494.0 million (approximately S\$701.5 million). MIT holds a 40% interest in MRDCT, with Mapletree DC Ventures Pte. Ltd., a wholly-owned subsidiary of Mapletree Investments Pte Ltd (“MIPL”), holding the remaining 60% interest. Upon completion of the Proposed Acquisition, MIT will hold a 100% interest in the 14 data centres.

Mr Tham Kuo Wei, Chief Executive Officer of the Manager, said, “The Proposed Acquisition increases our exposure to the resilient data centre segment and deepens our presence in the United States. The United States is the largest and most established data centre market in the world. It offers attractive growth prospects and is well supported by favourable supply-demand dynamics. The Proposed Acquisition will improve MIT’s income stability with the increased freehold land component and long leases with annual rental escalations.”

¹ The agreed property value of the 14 data centres held by MRDCT on a 100% basis is US\$823.3 million.

² Based on an illustrative exchange rate of US\$1.00 to S\$1.42.

Increases Exposure to the Resilient Data Centres Segment

The Proposed Acquisition is in line with the Manager's strategy to grow the Hi-Tech Buildings segment. Upon completion of the Proposed Acquisition, MIT's assets under management will increase to S\$6.6 billion³ from S\$5.9 billion⁴ as at 31 March 2020. MIT's Data Centres segment is expected to increase to 39.0%³ from 31.6%⁴ as at 31 March 2020, which increases MIT's exposure to a resilient asset class with growth opportunities. The Hi-Tech Buildings segment will account for about 59.9%³, as compared to 55.0%⁴ as at 31 March 2020.

According to 451 Research, the global insourced and outsourced data centre market is projected to grow at a compound annual growth rate of 2.2% from 2018 to 2024F, with the United States accounting for about 28% of the global market (by net operational square feet ("sq ft"))⁵. Growth in data creation and storage as well as cloud computing continues to drive the demand for data centre space. Data centres had demonstrated to be a resilient asset class during the COVID-19 pandemic as it was identified as essential infrastructure in North American and had remained open during the lockdown period. The pace of cloud adoption from the increased usage of remote working, video streaming and online gaming is expected to intensify, which will underpin the demand for data centre space⁵.

Enhances Income Stability of the Enlarged Portfolio

All 14 data centres are 97.4%⁶ leased to 15 established tenants, including Fortune Global 500 corporations and NYSE-listed/Nasdaq-listed companies. The MRDCT Portfolio has a weighted average lease to expiry of about 4.6 years, with about 20% of the leases expiring within the next three years⁷. About 97.8%⁷ of the MRDCT Portfolio have annual rental escalations of 2% and above. They are primarily powered shell data centres on triple net leases with all outgoings borne by the tenants.

³ Based on MIT's portfolio as at 31 March 2020 and the total acquisition outlay.

⁴ Based on MIT's book value of investment properties as well as MIT's interests in the joint ventures with MIPL in a portfolio of 14 data centres in the United States, three fully fitted hyperscale data centres and 10 powered shell data centres in North America and includes MIT's right-of-use assets of S\$25.2 million as at 31 March 2020.

⁵ Source: 451 Research, LLC., Q4 2019.

⁶ As at 31 March 2020.

⁷ By gross rental income as at 31 March 2020.

With a net lettable area of 2.3 million sq ft, the 14 data centres are sited on freehold land⁸, which are strategically located in established data centre markets across the United States. Following the completion of the Proposed Acquisition, freehold properties will increase from about 37.9% as at 31 March 2020 to 51.8%⁹ of the enlarged portfolio (by land area).

The total acquisition outlay for the Proposed Acquisition is approximately US\$218.0 million (approximately S\$309.6 million). The Manager intends to finance the total acquisition outlay through the proceeds from an equity fund raising and the issuance of the acquisition fee in units. The Proposed Acquisition is expected to be distribution per unit and net asset value per unit accretive to MIT Unitholders¹⁰.

The agreed property value of the MRDCT Portfolio of US\$823.3 million (approximately S\$1,169.1 million) (on a 100% basis) represents a discount of 0.7% to the independent valuation by Newmark Knight Frank Valuation & Advisory, LLC (“NKF”) and in line with the independent valuation by Cushman & Wakefield Western, Inc. (“C&W”). NKF (commissioned by the Trustee) and C&W (commissioned by the Manager) have valued the MRDCT Portfolio (on a 100% basis) at US\$828.7 million (approximately S\$1,176.8 million) and US\$823.3 million (approximately S\$1,169.1 million) respectively.

As MIPL is a “controlling unitholder” of MIT and a “controlling shareholder” of the Manager under the Listing Manual of the Singapore Exchange Securities Trading Limited and the Property Funds Appendix, the Proposed Acquisition will constitute an “interested person transaction” and an “interested party transaction” respectively. Accordingly, the Proposed Acquisition is subject to the approval of MIT’s Unitholders at an extraordinary general meeting, which will be held at an appropriate time.

⁸ All properties are sited on freehold land, except for the parking deck (150 Carnegie Way) at 180 Peachtree, Atlanta. As at 31 March 2020, the parking deck has a remaining land lease tenure of approximately 35.8 years, with an option to renew for an additional 40 years.

⁹ Based on MIT’s portfolio as at 31 March 2020 and assuming that the Proposed Acquisition is completed on 31 March 2020.

¹⁰ Based on pro forma financial impact of the Proposed Acquisition for the financial year ended 31 March 2020. Refer to the announcement dated 23 June 2020 titled “The Proposed Acquisition of the Remaining 60.0% Interest in 14 Data Centres Located in the United States of America”.

For further information, please contact:

Mapletree Industrial Trust Management Ltd.

Melissa TAN

Director, Investor Relations

Tel: +65 6377 6113

Email: melissa.tanhl@mapletree.com.sg

CHENG Mui Lian

Manager, Investor Relations

Tel: +65 6377 4536

Email: cheng.muilian@mapletree.com.sg

Website: www.mapletreeindustrialtrust.com

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.

MIT’s property portfolio comprises 87 industrial properties in Singapore and 27 data centres in North America (through the joint ventures with Mapletree Investments Pte Ltd). The properties in Singapore include Hi-Tech Buildings, Flatted Factories, Business Park Buildings, Stack-up/Ramp-up Buildings and Light Industrial Buildings. As at 31 March 2020, MIT’s total assets under management was S\$5.9 billion.

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

Mapletree Investments Pte Ltd (“MIPL”) is a leading real estate development, investment, capital and property management company headquartered in Singapore. 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.

MIPL currently manages four Singapore-listed REIT and five private equity real estate funds, which hold a diverse portfolio of assets in Asia Pacific, Europe, the United Kingdom and the United States.

As at 31 March 2020, MIPL owns and manages S\$60.5 billion of office, retail, logistics, industrial, data centre, residential and lodging properties.

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.