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Mapletree Commercial Trust

1Q FY20/21 Business Updates

23 July 2020

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Key Highlights

VivoCity

Key Highlights

Financial Performance

- 1Q FY20/21 gross revenue and net property income ("NPI") down 10.5% and 10.7% respectively from 1Q FY19/20, mainly due to COVID-19 rental rebates disbursed during the quarter but mitigated by contribution from Mapletree Business City II ("MBC II") acquired in November 2019

Capital Management

- Proactive and prudent capital management prioritising financial flexibility and liquidity
- New facilities in place and on track to refinance all borrowings due in FY20/21 and FY21/22
- Well-distributed debt maturity profile with no more than 15% of debt due for refinancing in any financial year

Key Highlights

Portfolio Performance

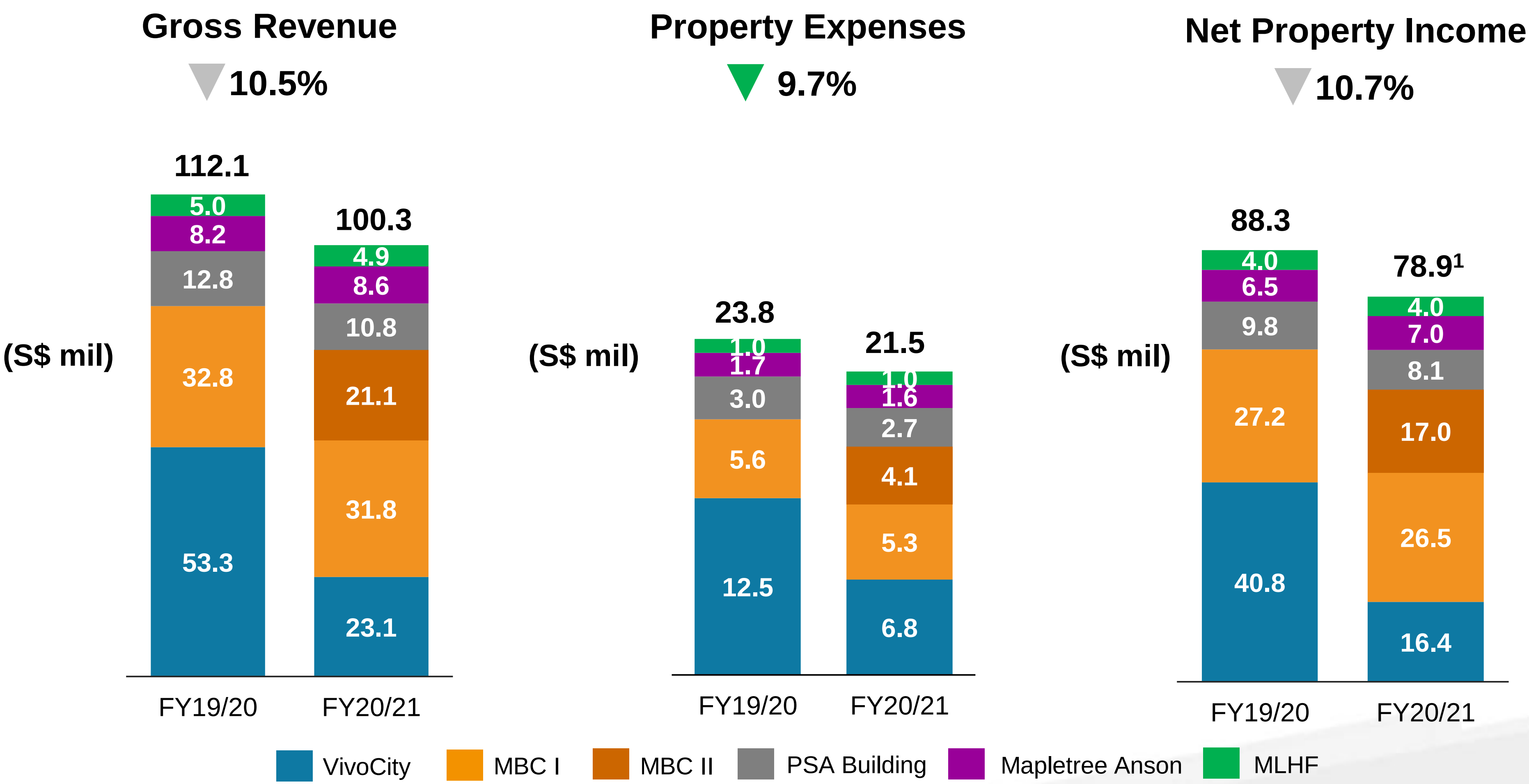
- VivoCity's 1Q FY20/21 shopper traffic and tenant sales impacted by eight-week circuit breaker and other COVID-19 restrictions
- Gradual recovery at VivoCity since Phase Two of Singapore's re-opening but pressure remains from prolonged COVID-19 measures and disruptions
- Portfolio achieved 98.2% committed occupancy
- Mapletree Business City ("MBC") continues to provide support and stability

Financial Performance

Mapletree Business City II

1Q FY20/21 Financial Scorecard

1Q FY20/21 gross revenue and NPI down 10.5% and 10.7% respectively mainly due to rental rebates granted to eligible tenants impacted by COVID-19



1. Total does not add up due to rounding differences

Key Financial Indicators

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Maintained robust balance sheet
Every 25 bps change in Swap Offer Rate estimated to impact DPU by 0.06 cents p.a.

	As at 30 June 2020	As at 31 March 2020	As at 30 June 2019
Total Debt Outstanding	**S$3,068.2 mil**	**S$3,003.2 mil**	**S$2,349.0 mil**
Gearing Ratio	**33.7%[1]**	**33.3%**	**33.1%**
Interest Coverage Ratio (12-month trailing basis)	**4.1 times**	**4.3 times**	**4.5 times**
% Fixed Rate Debt	**73.5%**	**78.9%**	**80.5%**
Weighted Average All-In Cost of Debt (p.a.)[2]	**2.61%[3]**	**2.94%**	**3.00%[4]**
Average Term to Maturity of Debt	**3.9 years**	**4.2 years**	**3.4 years**
Unencumbered Assets as % of Total Assets	**100%**	**100%**	**100%**
MCT Corporate Rating (by Moody's)	**Baa1 (negative)**	**Baa1 (stable)**	**Baa1 (stable)**

1. Based on total gross borrowings divided by total assets. Correspondingly, the ratio of total gross borrowings to total net assets is 52.9%
2. Including amortised transaction costs
3. Annualised based on the quarter ended 30 June 2020
4. Annualised based on the quarter ended 30 June 2019

Debt Maturity Profile (as at 30 June 2020)

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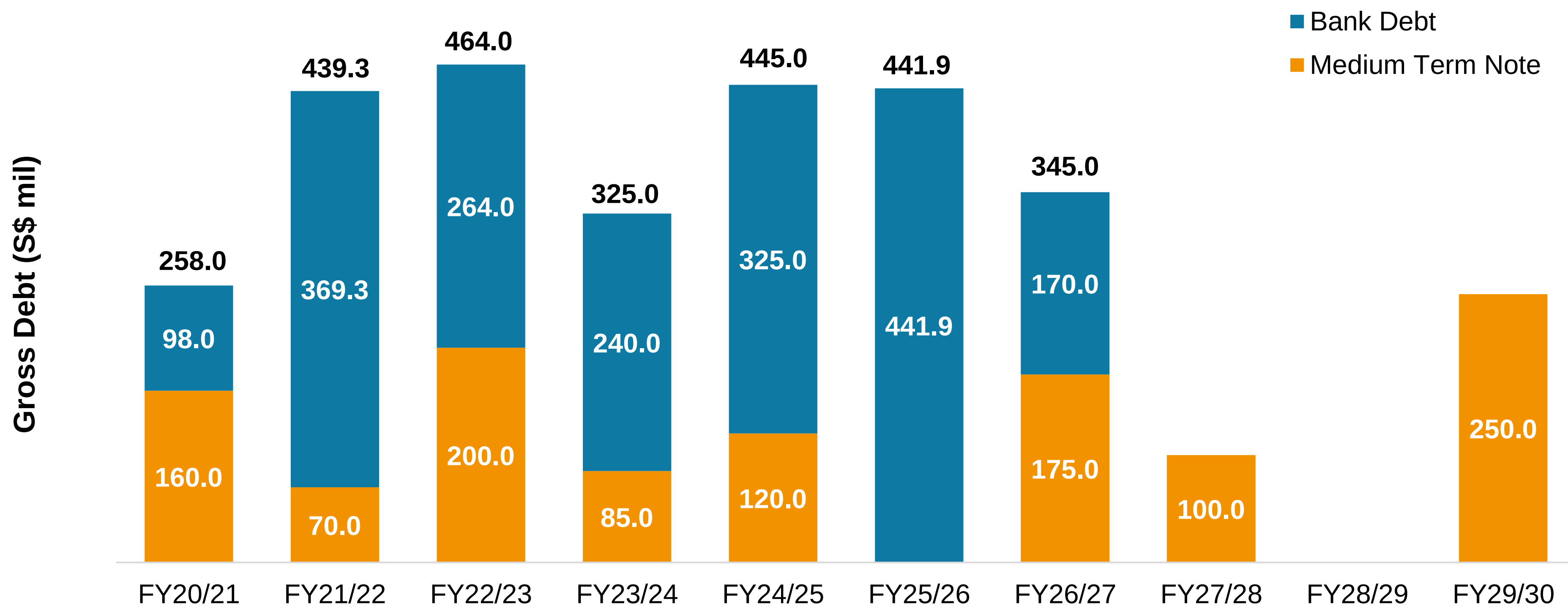
Enhanced financial flexibility from more than S$1 bil of cash and undrawn committed facilities
Well-distributed debt maturity profile with no more than 15% of debt due in any financial year

Total gross debt: S$3,068.2 mil

- New facilities secured and on track to refinance all borrowings due in FY20/21 and FY21/22



	FY20/21	FY21/22	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30
% of Total Debt	9%	14%	15%	11%	15%	14%	11%	3%	-	8%

Portfolio Updates

Mapletree Business City I

Portfolio Occupancy

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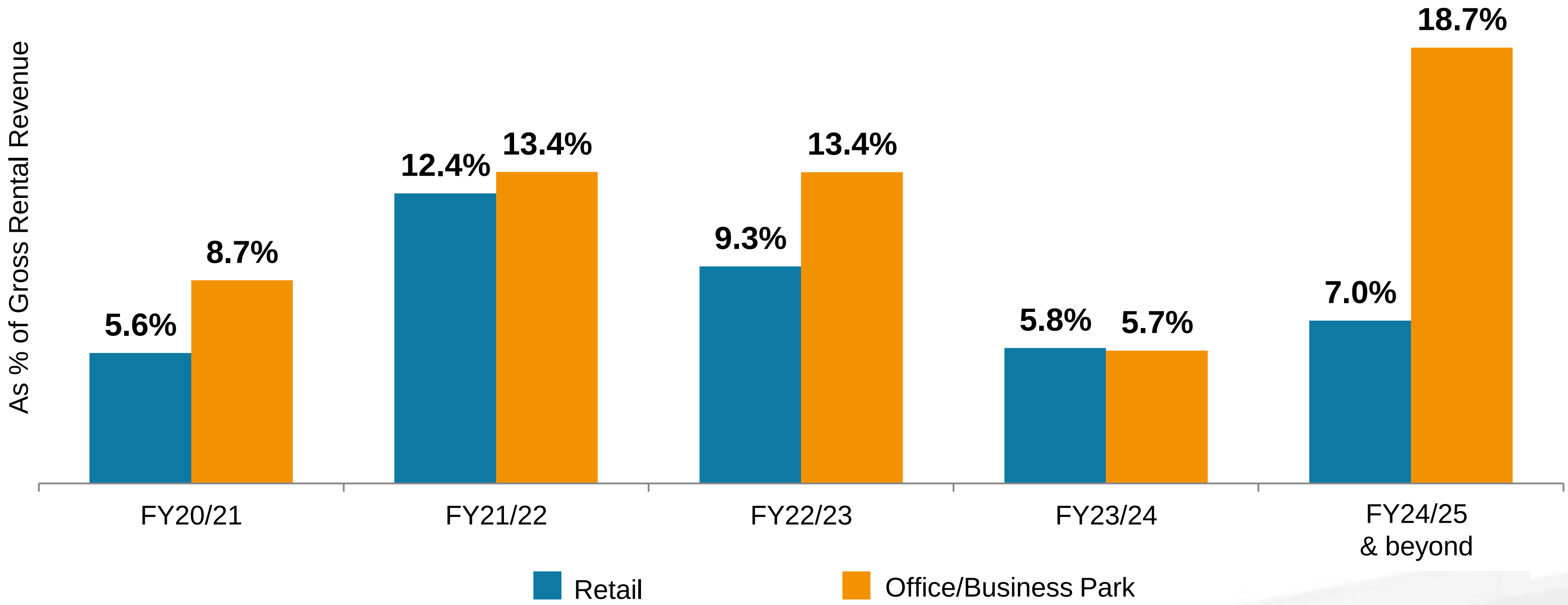
Portfolio maintained healthy committed occupancy of 98.2%
MBC, comprising both MBC I and MBC II, continues to provide stability

	As at 30 June 2019	As at 31 March 2020	Occupancy as at 30 June 2020	
			Actual	Committed
VivoCity	99.1%	99.6%	98.3%	98.4%
MBC I	98.9%	96.4%	96.4%	98.7%
MBC II	-	99.4%	99.4%	100%
PSA Building	90.6%	88.1%	88.7%	90.4%
Mapletree Anson	92.7%	97.8%	100%	100%
MLHF	100%	100%	100%	100%
MCT Portfolio	**97.3%**	**97.1%**	**97.1%**	**98.2%**

Lease Expiry Profile (as at 30 June 2020)

Portfolio resilience supported by manageable lease expiries

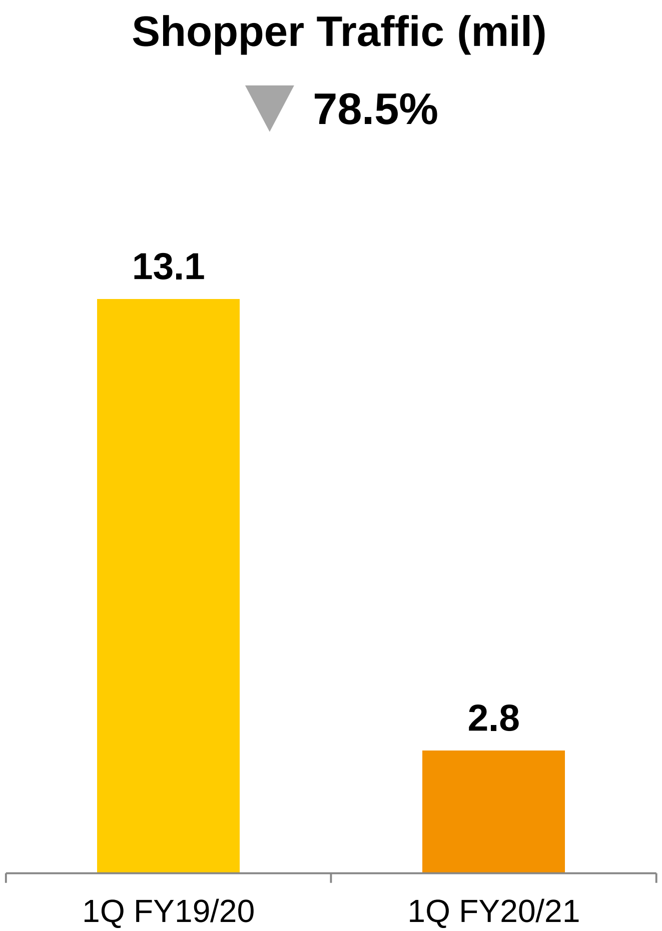
WALE	Committed Basis
Portfolio	**2.6 years[1]**
Retail	2.3 years
Office/Business Park	2.9 years

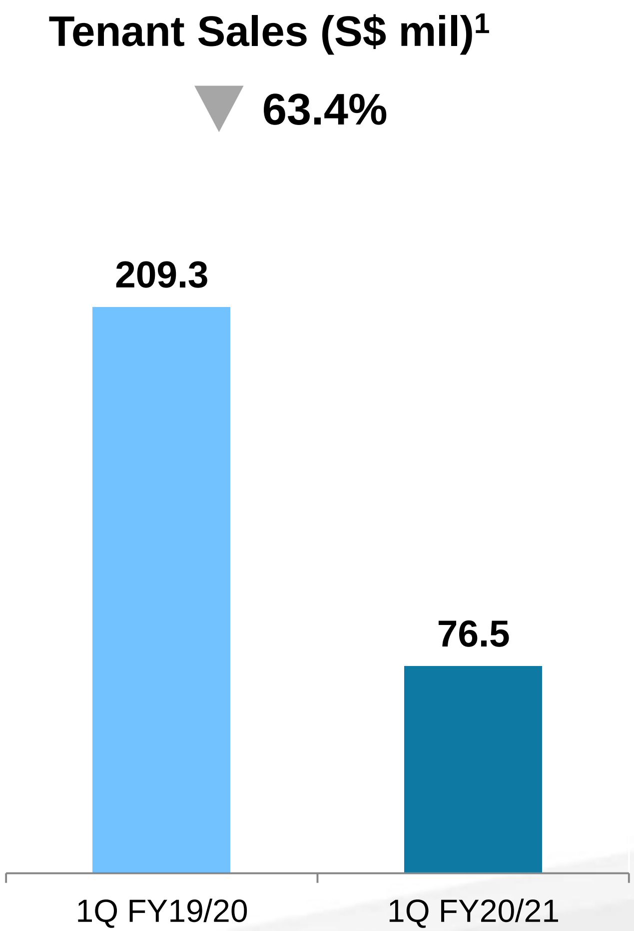


1. Portfolio WALE was 2.2 years based on the date of commencement of leases

VivoCity – Shopper Traffic and Tenant Sales

Shopper traffic and tenant sales impacted by circuit breaker and other COVID-19 measures
Encouraging performance since Phase Two of re-opening but various disruptions remain





1. Includes estimates of tenant sales for a small portion of tenants

Assisting Our Tenants to Weather the COVID-19 Headwinds

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Rental rebate for eligible retail tenants raised to 100% of fixed rent for 1 to 18 June 2020 when most retailers were still restricted from operating during the first phase of circuit breaker easing[1]

24 February 2020	26 March 2020	22 April 2020	22 June 2020 (NEW)
1st round: ~S$11 million Support Package	**2nd round: ~S$18 million Support Package**	**3rd round: Rental Waiver Package**	**4th round: ~S$6 million Support Package**
Key Feature: Average rental rebate of ~0.5 months fixed rent for eligible tenants	**Key Feature:** Average rental rebate of ~2 months fixed rent for eligible tenants	**Key Feature:** Waiver of fixed rent for April 2020 for eligible tenants	**Key Feature:** Raise rental rebate for eligible tenants from 50% to 100% of fixed rent during *Phase One: Safe Re-opening* period[1]

Eligible tenants would receive rebates that would offset in total close to 4 months[2] of fixed rent from March to July 2020, allowing them to plan ahead

February	March	April	May	June	July

7 February 2020 Government raised DORSCON level from yellow to orange	**23 March 2020** No entry or transit through Singapore for all short-term visitors	**7 April – 1 June 2020** Circuit breaker period • All non-essential industries and retail shall be closed • The public is required to stay at home unless for essential services	**2 June 2020** Easing of circuit breaker *Phase One: Safe Re-opening* – majority of business continued to be closed	**From 19 June 2020** Further easing of circuit breaker *Phase Two: Safe Transition* – most businesses allowed to resume operations *(Phase Three easing of circuit breaker to be announced)*

1. Previously waiver of 50% of fixed rent for the month of June 2020 for eligible retail tenants as announced on 26 March 2020. The increase in rental rebate to 100% of fixed rent will be pro-rated for the period from 1 to 18 June 2020
2. Equivalent to more than four months of base rent. Refers to assistance for eligible retail tenants granted and/or announced to date, and includes the passing on of property tax rebates, cash grants from the government and other mandated grants to qualifying tenants

VivoCity – Moving into Phase Two Re-opening

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Gradual recovery in shopper traffic and tenant sales since Phase Two of Singapore's re-opening from 19 June 2020

General mall traffic during Phase Two of re-opening

VivoCity – Moving into Phase Two Re-opening *(cont'd)*

Majority of tenants have resumed operations although pressure remains from continued social distancing measures and prolonged disruptions from COVID-19

Social distancing with capacity limits in shops and restaurants

Queue management with social distancing

Digital check-in system to facilitate contact tracing

Temperature screenings

Outlook

Bank of America Merrill Lynch HarbourFront

Outlook

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Singapore Economy

- The Singapore economy contracted by 12.6% on a year-on-year basis in the second quarter of 2020, due to the circuit breaker implemented from 7 April to 1 June 2020 to slow the spread of COVID-19, which included the suspension of non-essential services and closure of most workplace premises, as well as weak external demand amidst a global economic downturn precipitated by the COVID-19 pandemic. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 41.2% in the second quarter.

Retail

- According to CBRE, leasing volume slowed significantly in Q2 2020 given economic uncertainties that impacted new to market and expansion activities. Tenant retention was challenging due to increasing closures from the F&B and entertainment sectors, coupled with international retailers looking to downsize their footprint to focus on their better-performing stores. Landlords have also begun to lower their rental expectations in order to maintain occupancy.
- However, current rental corrections for prime malls have been relatively muted, partially offset by government reliefs, as well as marketing assistance and additional reliefs from some of the proactive landlords.
- CBRE believes it will be imperative for landlords and tenants to work closely together to overcome the challenges, particularly when government support expires.

Sources: The Singapore Ministry of Trade and Industry Press Release, 14 July 2020 and CBRE MarketView Singapore Q2 2020

Outlook

Office

- As companies and businesses impacted by COVID-19 move to contain costs, more are pursuing to downsize through renewals or relocations.
- In Q2 2020, office rents corrected for the second consecutive quarter. Looking forward, vacancy levels are likely to rise as the volume of secondary space increases due to the relocations of major occupiers. Coupled with subdued demand, CBRE expects further downward pressure on rents in the second half of 2020.

Business Park

- The business park market displayed signs of resilience amid ongoing market uncertainties, largely due to business parks' efficient floorplates and their value proposition as a cost-competitive alternative to offices.
- Rents for City Fringe and Rest of Island Business Parks maintained at S$5.85 per square foot per month and S$3.75 per square foot per month respectively in Q2 2020. CBRE expects tight supply in the City Fringe submarket to continue to support rents.
- Although tenants continue to exhibit stronger preferences for newer business parks in the City Fringe, tight vacancy in this submarket may prompt some of them to turn to the Rest of Island business parks. The more cost-conscious tenants may also consider moving to decentralised locations.

Outlook

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Overall

- MCT is cognisant of the challenges posed by COVID-19 on the overall sector and will continue to be proactive and nimble in implementing suitable measures to assist tenants, manage costs, and to mitigate potential impact from further disruptions. MCT will also work closely with the authorities to support their effort in containing the outbreak.
- Notwithstanding the headwinds, MCT has a well-diversified portfolio with key best-in-class assets. In particular, Mapletree Business City's stable cashflows from high-quality tenants is expected to provide support to the Group's performance. The Group's robust financial position will also add strength to overcome the challenges.

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Thank You

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