

ANNOUNCEMENT

COMPLETION OF THE ACQUISITION OF A DATA CENTRE IN VIRGINIA, UNITED STATES

Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the announcement of Mapletree Industrial Trust (“MIT”) dated 14 September 2020 titled “The Proposed Acquisition of a Data Centre Located in Virginia, United States” (“Acquisition Announcement”).

1. INTRODUCTION

SINGAPORE, 13 March 2021 – Further to the Acquisition Announcement, Mapletree Industrial Trust Management Ltd., as manager of MIT (the “**Manager**”), is pleased to announce that MIT through its wholly-owned subsidiary, Richmond DC Assets, LLC has today completed the acquisition of a data centre and office located at 8011 Villa Park Drive, Richmond, Virginia (the “**Property**”) in the United States of America (the “**United States**”), pursuant to the sale, purchase and escrow agreement (the “**Sale, Purchase and Escrow Agreement**”) entered into with an unrelated third party vendor (the “**Vendor**”).

2. THE ACQUISITION

2.1 Description of the Property

The Property is located at 8011 Villa Park Drive in Richmond, Virginia with a land area of approximately 2.0 million square feet (“**sq ft**”). The freehold property with a total net lettable area of about 700,000 sq ft consists of data centre and office space. The value attached to the data centre is more than 50% of the Property’s valuation¹.

2.2 Salient Lease Terms

The Property is fully leased on a triple net basis to a multinational company with strong credit standing (the “**Tenant**”).

The initial term of the lease agreement expires on 10 June 2022 (the “**Lease Agreement**”). Under the Lease Agreement, the Tenant has an option to renew and extend the Lease Agreement for three further consecutive periods of five years each. The Tenant has renewed the Lease Agreement for the first of the three additional terms of five years (the “**First Renewal Term**”).

The Tenant does not pay rent for the remainder of the current term until 10 June 2022 and only pays the operating expenses.

¹ Details can be found in the Acquisition Announcement dated 14 September 2020.

2.3 Purchase Consideration and Distributions

In the absence of rental income from the Property from 13 March 2021 to 10 June 2022, the Vendor will provide an upfront discount of US\$16.9 million (approximately S\$23.0 million²) (the “**Upfront Discount**”) on the purchase consideration of the Acquisition based on the lower end of the range of the extension term base rent to be paid by the Tenant (the “**Purchase Consideration**”).

Under the Sale, Purchase and Escrow Agreement, the Purchase Consideration payable upon completion of the Acquisition after taking into account the Upfront Discount is about US\$207.8 million (approximately S\$282.6 million). An additional amount of US\$35.3 million (approximately S\$48.0 million) will be held in escrow and the full sum or part of it may be payable to Vendor subject to finalisation of the lease terms. The Purchase Consideration has been arrived at on a willing-buyer and willing-seller basis after taking into account the independent valuations of the Property¹.

Distributions from the Property will be based on the average rental income to be received from 13 March 2021 until the end of the First Renewal Term. Distributions from the Property will commence immediately upon completion of the Acquisition.

3. METHOD OF FINANCING AND *PRO FORMA* FINANCIAL EFFECTS OF THE ACQUISITION

3.1 Method of Financing

The Purchase Consideration, the amount held in escrow and the acquisition-related costs (the “**Total Acquisition Outlay**”) is estimated to be approximately US\$246.7 million (approximately S\$335.5 million). The Total Acquisition Outlay has been or expected to be funded fully by debt. Depending on the market conditions, MIT may consider other funding sources to partially refinance the debt. The Acquisition is expected to be distribution per unit (“**DPU**”) accretive to unitholders of MIT (“**Unitholders**”).

3.2 *Pro Forma* Financial Effects of the Acquisition

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition on the DPU presented below are strictly for illustrative purposes and have been prepared based on the audited financial statements of MIT for the financial year ended 31 March 2020 and assuming:

- (i) the Purchase Consideration of the Acquisition at US\$207.8 million (approximately S\$282.6 million);
- (ii) in the case of the Loan to Value (“**LTV**”) of 60.0%, approximately 45.5 million new Units are issued to raise gross proceeds of S\$114.8 million to part-finance the Acquisition;
- (iii) in the event that the Acquisition is funded entirely by debt financing (LTV of 100.0%), no new Units are issued;

² Unless otherwise stated, an illustrative exchange rate of US\$1.00 to S\$1.36 is used in this announcement.

- (iv) approximately 0.3 million new Units issued to the Manager as payment of 50.0% of the base fees based on the historical issue prices of management fees paid in Units for MIT's existing portfolio;
- (v) bank borrowings are used to finance the balance funding requirement, including paying the estimated professional and other fees and expenses incurred or to be incurred by MIT in connection with the Acquisition; and
- (vi) an exchange rate of US\$1.00 to S\$1.36.

3.3 *Pro Forma* DPU

FOR ILLUSTRATIVE PURPOSES ONLY: The *pro forma* financial effects of the Acquisition on MIT's DPU for the financial year ended 31 March 2020, as if the Acquisition was completed on 1 April 2019, and MIT held and operated the Property through to 31 March 2020, are as follows:

	Effects of the Acquisition		
	Before the Acquisition	After the Acquisition at the following LTV	
		60.0%	100.0%
DPU (cents)	12.24	12.34	12.49
DPU Accretion (%)	-	0.8	2.0

By order of the Board
Wan Kwong Weng
Joint Company Secretary
Mapletree Industrial Trust Management Ltd.
(Company Registration No. 201015667D)
As Manager of Mapletree Industrial Trust

Important Notice

The value of units in MIT ("**Units**") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager, or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for Units. The past performance of MIT and the Manager is not necessarily indicative of the future performance of MIT and the Manager.

This announcement may contain forward-looking statements that involve 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. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses (including employee wages, benefits and training costs), property expenses and governmental and public policy changes. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's view of future events.

This announcement is not for distribution, directly or indirectly, in or into the United States and is not an offer of securities for sale in the United States or any other jurisdictions. Any proposed issue of new Units described in this announcement have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or under the securities laws of any state or jurisdiction of the United States, or under the securities laws of any other jurisdiction, and any such new Units may not be offered or sold, directly or indirectly, in the United States or any other jurisdiction except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws. The Manager does not intend to conduct a public offering of any securities of MIT in the United States.