MESSAGE FROM THE CHAIRMAN AND CEO

> **WE ARE PLEASED TO REPORT THAT MLT DELIVERED A COMMENDABLE PERFORMANCE IN FY22/23, NOTWITHSTANDING HEADWINDS FROM VOLATILITY IN EXCHANGE RATES AND SHARPLY HIGHER FINANCING COSTS.**

Dear Unitholders,

On behalf of the Board of Directors and Management of Mapletree Logistics Trust Management Ltd. (the "Manager"), we are pleased to present the annual report of Mapletree Logistics Trust ("MLT") for the financial year ended 31 March 2023 ("FY22/23").

FY22/23 was a turbulent year for businesses and communities as a confluence of geopolitical and macroeconomic events impacted investment, consumption and growth. Pent-up demand as countries emerged from Covid-19 lockdowns, global supply chain disruptions and high energy prices caused inflation to surge. In response, central banks across the world raised interest rates at a record pace to combat persistently high inflation rates.

RESILIENT PERFORMANCE IN TURBULENT TIMES

Against this backdrop, we are pleased to report that MLT delivered a commendable performance in FY22/23, notwithstanding headwinds from volatility in exchange rates and sharply higher financing costs.

Gross revenue and net property income increased 7.7% and 7.2% to S$730.6 million and S$634.8 million respectively. Our stable and resilient growth was attributed to higher revenues generated from existing properties and incremental contributions from accretive acquisitions. This was partially offset by the impact of depreciation of foreign currencies against our functional currency – the Singapore Dollar.

Nevertheless, through proactive and disciplined hedging and financing strategies, MLT's distributable income was cushioned from the impact of weakening foreign currencies and interest rate hikes. Amount distributable to Unitholders increased 10.8% to S$432.9 million from S$390.7 million in FY21/22, while distribution per unit ("DPU") grew 2.5% to 9.011 cents on an enlarged issued unit base, from 8.787 cents in the year-ago period. FY22/23 DPU would have increased 4.6% or 0.400 cents on a like-for-like basis based on FY21/22 exchange rates.

MLT's geographically diversified portfolio continued to achieve a stable and resilient performance throughout the year. Through active lease management and marketing efforts, the Manager secured new and renewal leases for 2.1 million square metres ("sqm") of space and achieved an average rental reversion of 2.9% for FY22/23. Overall occupancy improved to 97.0% from 96.7% a year ago, while the weighted average lease expiry (by net lettable area) of MLT's portfolio remained healthy at 3.1 years.

As at 31 March 2023, MLT's portfolio of 185 properties was valued at S$12.8 billion, compared to S$13.1 billion last year. The 2.5% decrease in valuation was largely due to a forex translation loss of S$757.9 million, attributable to

COGNISANT OF THE POTENTIAL HEADWINDS THAT MAY EMERGE DURING THIS PERIOD OF UNCERTAINTY, WE ARE FOCUSED ON REJUVENATING MLT'S PORTFOLIO FOR ENHANCED RESILIENCE.

the depreciation of mainly the Chinese Yuan, Japanese Yen, South Korean Won and Australian Dollar against the Singapore Dollar during the period. Partially mitigating this impact was a revaluation gain of S$224.2 million, primarily driven by valuation uplifts from properties in Japan and Hong Kong SAR. Correspondingly, MLT's net asset value per unit as at 31 March 2023 was S$1.44, compared to S$1.48 as at 31 March 2022.

ACCELERATING PORTFOLIO REJUVENATION

Since our inception, we have remained steadfast in the execution of our "Yield + Growth" strategy and prudent risk and capital management approach to deliver sustainable, growing returns for MLT. Cognisant of the potential headwinds that may emerge during this period of uncertainty, we are focused on rejuvenating MLT's portfolio for enhanced resilience.

To this end, we will pursue our portfolio rejuvenation and recycling strategy. This approach includes value-accretive asset enhancement initiatives, prudent yield-accretive acquisitions with long term upside potential, as well as divestments of non-core assets to allow us to redeploy the capital into investments offering higher growth potential.

During FY22/23, we embarked on two asset enhancement projects to create value for the portfolio – the redevelopment at 51 Benoi Road, Singapore, and the potential amalgamation of two newly acquired land parcels with MLT's existing assets, Subang 3 and 4, in Subang Jaya, Malaysia.

At a cost of approximately S$197 million, the Benoi Road redevelopment project will see the property transformed into a six-storey ramp-up facility built to modern specifications. The project will increase the gross floor area ("GFA") by 2.3 times to 82,400 sqm, thereby realising untapped potential while enhancing the yield of the asset. Construction is expected to commence in July 2023 and the project is targeted for completion in first quarter of 2025.

Over in Subang Jaya, the amalgamation and redevelopment project is expected to increase the plot ratio of Subang 3 and 4 by five-fold, and provide the redeveloped property with approximately 133,000 sqm of GFA. Upon completion in first quarter of 2027, this project is poised to be the first modern mega logistics facility in Subang Jaya, an established logistics hub with excellent connectivity to Kuala Lumpur city centre.

To further accelerate MLT's portfolio towards a resilient and future-ready portfolio, we had on 30 March 2023 announced the proposed acquisitions of eight modern logistics properties in Japan, Australia and South Korea at a purchase price of S$904.4 million. These high-quality, modern freehold logistics

Shiroi Centre

MESSAGE FROM THE CHAIRMAN AND CEO

Mapletree (Yuyao) Logistics Park

assets are set to deepen MLT's presence in the major logistics markets of Tokyo, Sydney and Seoul, where logistics facilities are in tight supply and vacancy rates are low. Fully leased to a diversified base of strong blue-chip tenants, these assets will augment the resilience and growth potential of MLT's portfolio.

In addition, we completed the acquisitions of three properties in China, South Korea and Malaysia with an aggregate value of S$166.0 million during the year.

To rebalance and optimise our portfolio for greater returns, we have divested over S$600 million of assets at an average premium of 33% to valuations since our inception. The divestments mostly involved smaller assets that had limited potential for redevelopment or further value enhancement. Capital raised from the sale of these assets allowed us to strengthen our balance sheet and provided us with improved financial flexibility to pursue new value-accretive acquisitions.

This approach remains core to our portfolio rejuvenation and recycling strategy. On 31 March 2023, 3 Changi South Lane in Singapore was divested for S$22.0 million, reflecting a premium of 39% to the independent valuation of S$15.8 million. During the year, we had also announced the proposed divestments of two non-core assets in Malaysia, Subang 1 and Chee Wah, for an aggregate value of MYR50.2 million, reflecting a premium of 6% to valuation. Completion of the divestments in Malaysia is expected in the first half of FY23/24.

PROACTIVE CAPITAL MANAGEMENT

The financial markets were extremely challenging in FY22/23 as central banks raised interest rates at a record pace in a bid to combat decades-high levels of inflation. Since the start of 2022, the US Federal Reserve raised the federal funds rate from around zero to 5.00%-5.25% as of May 2023. Central banks in our markets, with the exception of Japan and China, have moved in lockstep with the US Federal Reserve's rate hikes to protect their currencies and combat inflation.

Besides interest rates, MLT's revenue and distributable income is also affected by the currency exchange rates of our regional markets as over 70% of revenue is derived from overseas markets. During FY22/23, all currencies except the Hong Kong Dollar depreciated against the Singapore Dollar. In particular, the Chinese Yuan, Japanese Yen, South Korean Won and Australian Dollar, which accounted for 46% of FY22/23 revenue, depreciated by 7% to 15% against the Singapore Dollar.

Against this backdrop, our proactive capital management approach served us well, mitigating the impact of interest rate and foreign exchange volatilities on MLT's distributable income. Through consistent and disciplined hedging, the weighted average cost of debt achieved in FY22/23 was 2.5%, slightly higher than the 2.2% recorded in FY21/22. At the distribution level, the impact of weakening foreign currencies was largely mitigated through currency forward contracts to hedge the income from our regional markets. Looking ahead, 84% of total debt has been hedged into fixed rates, while 77% of distributable income for FY23/24 has been hedged into or derived in Singapore Dollar.

In March 2023, we successfully raised S$200 million via a private placement to partially fund the proposed acquisitions of eight properties in Japan, Australia and South Korea. The placement, which saw strong participation from new and existing investors, was approximately 3.9 times covered with the issue price fixed at the highest end of the indicative price range. This robust response is a clear affirmation of investors' confidence in MLT's strong fundamentals.

We closed the period with a gearing level of 36.8%, well below the aggregate leverage limit of 50% set by the regulator. Our debt maturity profile remains well-staggered with an average debt duration of 3.8 years. Debt due in FY23/24 is approximately S$374 million or 8% of total debt. With available committed credit facilities of approximately S$1.16 billion and an adjusted interest cover ratio of 3.5 times, MLT remains well positioned to meet its maturing debt and debt servicing obligations.

GREENING OUR PORTFOLIO

As a leading logistics REIT and a responsible corporate citizen, we are committed to operating sustainably and integrating ESG best practices into our business and operational processes. Demonstrating our resolve to walk the talk, we launched a green roadmap in FY22/23 to sharpen our focus in driving sustainability forward. It includes ambitious targets to achieve carbon neutrality for Scope 1 and 2 emissions by

IN FY22/23, WE MADE SIGNIFICANT PROGRESS ON THE SUSTAINABILITY PERFORMANCE OF OUR PROPERTIES, EXCEEDING ALL ENVIRONMENTAL TARGETS SET FOR THE YEAR.

2030, an intermediate goal that is aligned with the Mapletree Group's commitment to achieve net zero emissions by 2050.

In FY22/23, we made significant progress on the sustainability performance of our properties, exceeding all environmental targets set for the year.

We achieved approximately 1.7 million sqm of green certified space, an increase of 295% from 422,360 sqm last year with the attainment of new green certifications for 14 properties. As of March 2023, approximately 22% of our total portfolio GFA is green certified, compared to 5% a year ago. We target to increase green certified space to cover more than 80% of our portfolio GFA by 2030.

We have more than doubled our portfolio's cumulative solar generating capacity to 36.3 MWp[1] from 13.8 MWp in FY21/22, with the installation of rooftop solar panels at 10 properties. Our target is to expand MLT's total solar generating capacity to 100 MWp by 2030.

Understanding the importance of active engagement with our tenants to gain their support for our carbon reduction ambitions, we rolled out a tenant ESG engagement programme and a green lease initiative in Singapore. These initiatives help to raise awareness and promote green practices among our tenants. At the same time, we also gained invaluable feedback on our tenants' ESG-related priorities and concerns, enabling us to identify ways to support them and strengthen landlord-tenant relationships.

OUTLOOK

The global outlook remains uncertain. With rising interest rates, persistent inflation and continued geopolitical tensions likely to put a drag on growth, the World Bank has forecast that global growth in 2023 will slow to 2%, compared to 3.1% in 2022[2]. As the business landscape continues to be challenging, our customers remain cautious and are slower to commit on renewals and expansion plans.

While we are cautious about the uncertain market conditions we may face over the next 12 months, we believe MLT is well placed to navigate the current economic headwinds given its resilient portfolio and healthy financial position.

Our industry's long term fundamentals remain sound, supported by positive secular trends such as e-commerce and supply chain diversification that continue to drive demand for logistics space. Our portfolio of quality and strategically located assets is well diversified geographically and we have a diverse tenant base spanning a wide range of industries. Further, our warehouses are flexible and can be adapted for different use. These factors have bolstered our portfolio's resilience, enabling us to seize growth opportunities and ride through economic cycles, as we have done in the past.

Given the continued rise in interest rates and strength of the Singapore Dollar, we will remain vigilant and proactive in managing the hedging of interest rate and foreign-sourced income to mitigate the impact of rising borrowing costs and forex volatilities on MLT's distributions.

ACKNOWLEDGEMENTS

Mr Tarun Kataria retired as Lead Independent Non-Executive Director and Chairman of the Nominating and Remuneration Committee ("NRC") of the Manager with effect from 31 August 2022. We would like to thank Mr Kataria for his invaluable contributions to the Manager throughout his nine years of service and wish him well in his future endeavours.

With Mr Kataria's retirement, Mr Loh Shai Weng was redesignated as Lead Independent Non-Executive Director and Chairman of the NRC of the Manager with effect from 1 September 2022, and Ms Judy Lee was appointed as a member of the Audit and Risk Committee of the Manager with effect from 1 September 2022.

On behalf of the Board and Management, we would like to express our heartfelt thanks to our employees for their contributions and commitment over the past year. We would also like to thank our Unitholders, tenants and business partners for their confidence, trust and support.

With the right team and strategies in place, we are confident MLT will emerge from this challenging period with strengthened resilience to deliver enhanced value and returns to our stakeholders over the long term.

Lee Chong Kwee
Non-Executive Chairman and Director

Ng Kiat
Executive Director and CEO

1 Comprising self-funded projects and projects funded by third-parties including vendors and tenants. Excluding third-party projects, MLT's solar generating capacity in FY22/23 would be 17.2 MWp, a 25% increase from 13.8 MWp in FY21/22.

2 Spring Meetings 2023 Media Call: World Bank Group President David Malpass, 10 April 2023.