

A nighttime aerial view of a cityscape, likely McKinley Hill, featuring numerous illuminated high-rise buildings and residential structures. The scene is lit with warm yellow and white lights, contrasting with the dark night sky. In the foreground, there are lush green trees and a road with some traffic. A white rectangular box containing the MREIT logo is overlaid on the left side of the image.

MREIT
A MEGAWORLD COMPANY

FIRST HALF 2023

ANALYST PRESENTATION

HIGHLIGHTS

- MREIT portfolio assets continue to deliver stable occupancy and strong financial performance supported by continued positive net take-up in the market
- Recently acquired assets drove MREIT's growth in the first half compared to the same period last year with the recognition of income beginning January 1, 2023
- The company and its sponsor remain committed to expanding the MREIT portfolio to drive further growth with the successful closing of secondary share placement paving way to the next acquisition



- Colliers reported significant improvement in new lease volume during 1H2023, with a total of **396,000 sqm** leased across various locations in the Philippines.
- Notable transaction sizes coming from Shared Services and POGO in the Ortigas and Bay Area
- First half market vacancy slightly improved to **18.4%** compared to the previous quarter
- Megaworld Premier Offices captured up to **18%** of the reported **new leases** in the market at **71,700 sqm**

1H2023 New Leases (in '000 SQM)



Tenant Mix (by GLA)



BPO
79%



Traditional
15%

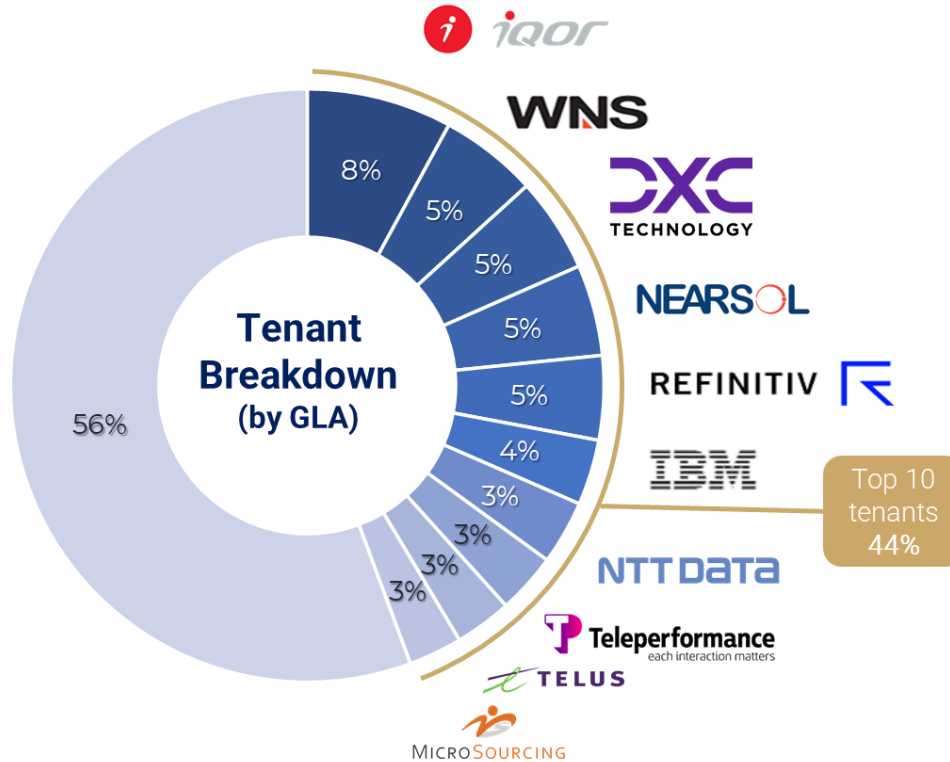


Retail
4%



Hotel
2%

Tenant breakdown (by GLA)



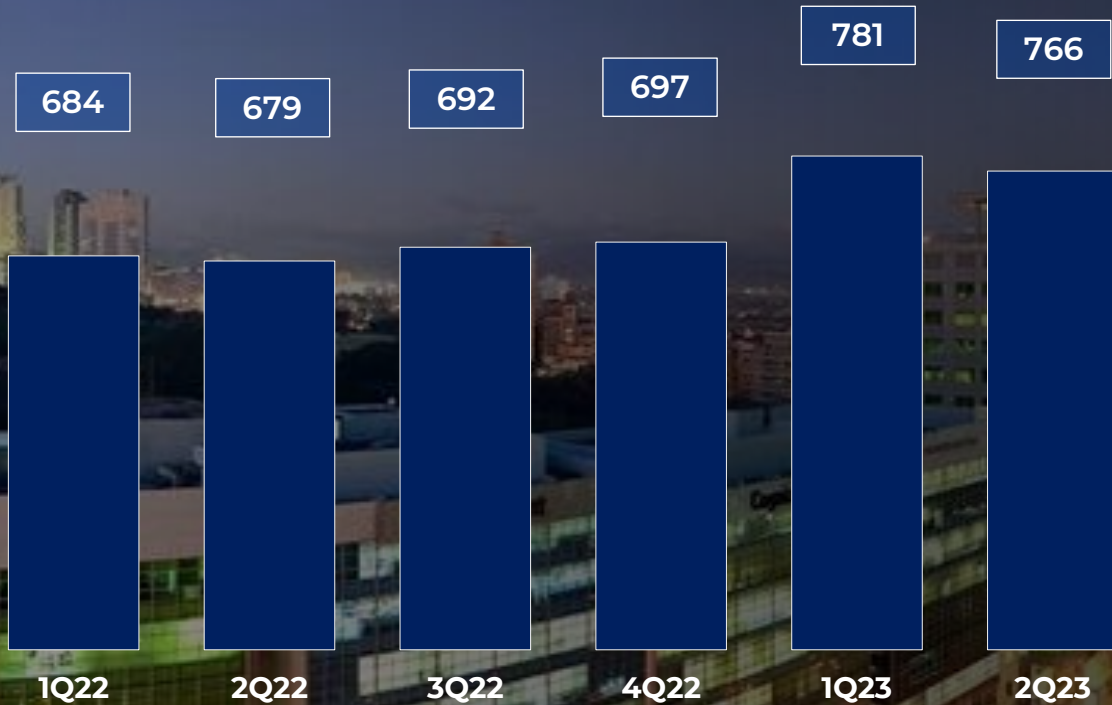
96%
occupancy rate

3.1 YRS
weighted average lease expiry (WALE)

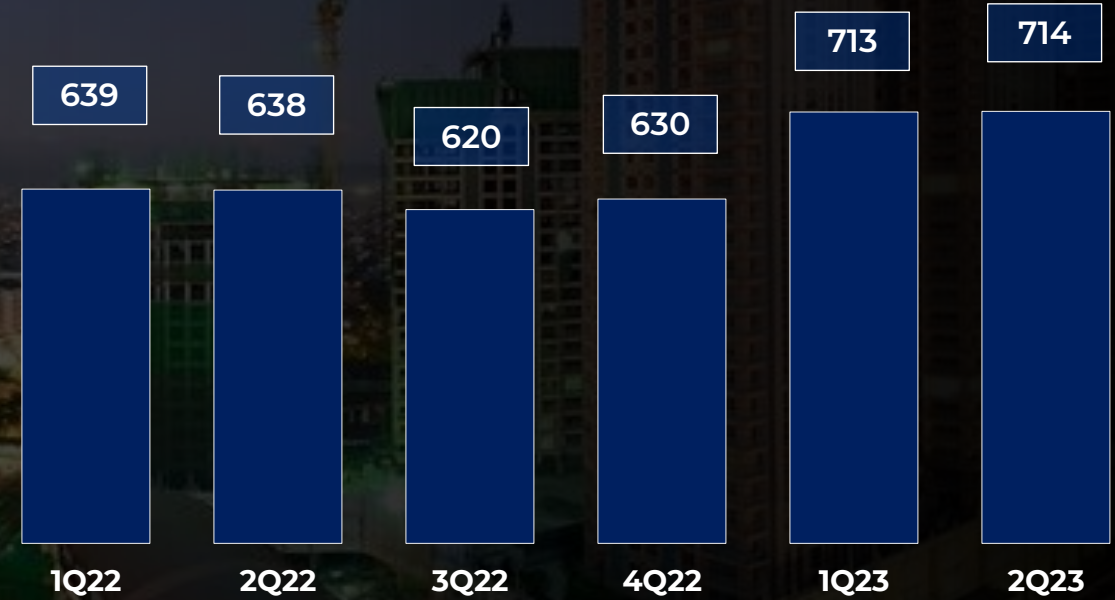
44,500 SQM
signed transactions

Stable distributable income despite decrease in rental income

Rental Income - **Billings** (Pm)



Distributable **Income** (Pm)

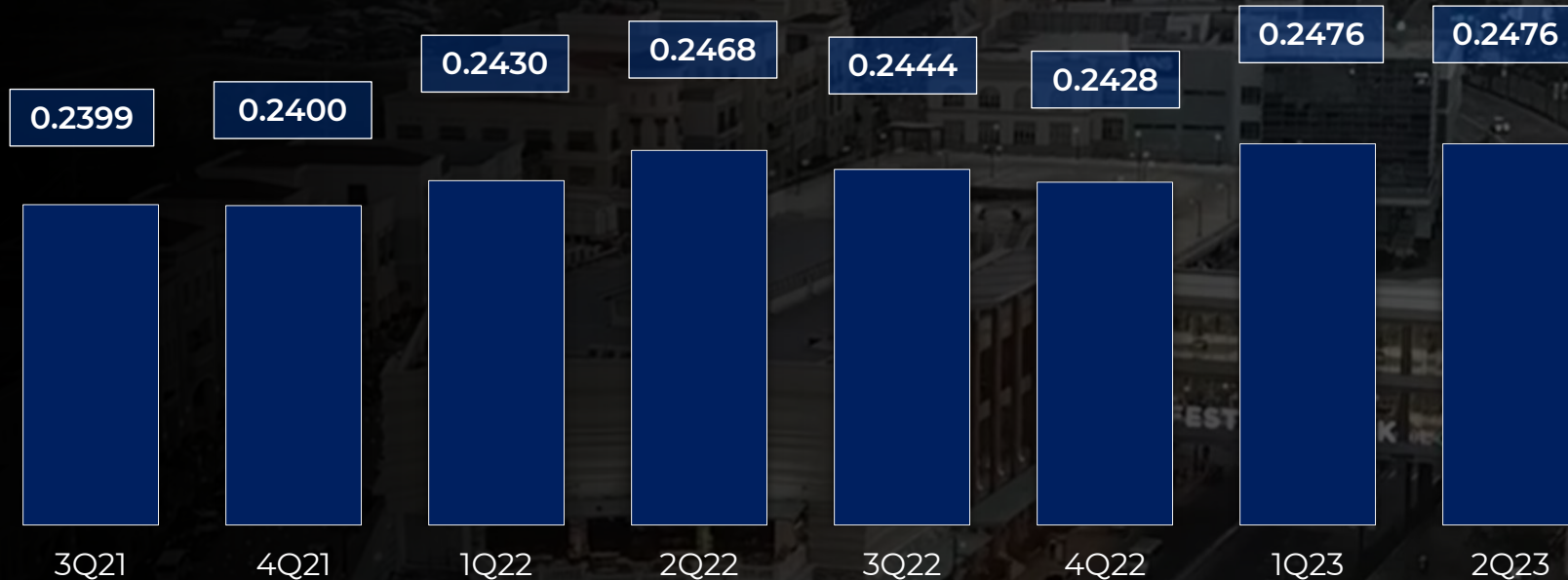


FINANCIAL PERFORMANCE

YTD increase in both revenues and distributable income due primarily to recognition of income from new assets injected

In PHP millions	1H23	1H22	YoY%
Revenues	2,069.8	1,794.4	15%
Direct Operating Costs	430.6	264.5	63%
Gen. & Admin. Expense	40.4	17.4	132%
Net Operating Income	1,598.8	1,512.5	6%
Interest & Other Income	24.3	6.1	299%
Interest Expenses	-154.1	-153.6	<1%
Fair value gains (losses)	-	-	-
Pre-Tax Income	1,469.0	1,365.0	8%
Tax Income (Expense)	-4.7	-1.1	332%
Net Income	1,464.4	1,363.9	7%
Fair value gains (losses)	-	-	-
Straight-line and rental adjustment	-59.8	-90.1	-34%
Other accounting adjustments	22.0	3.5	-65%
Distributable Income	1,426.5	1,277.4	12%

Dividend Per Share



DIVIDEND DECLARATION

Dividend per Share

P0.2476

per share

Payment Date

SEP 14

2023

Annualized Yield

7.0%

based on 09 Aug 2023 closing price

279.4 M

secondary share
placement

P3.63 B

total
consideration

55.6%

MEG shares
post-transaction

- Strong demand led by domestic and international long-only investors
- Transaction was upsized by 10% from 254 million shares
- Upon closing of the transaction, public float improved to **43.4%**, creating room for the next asset infusion through a property-for-share swap transaction

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grade-A
office assets

150,500 SQM

total GLA

475,500 SQM

assets under
management

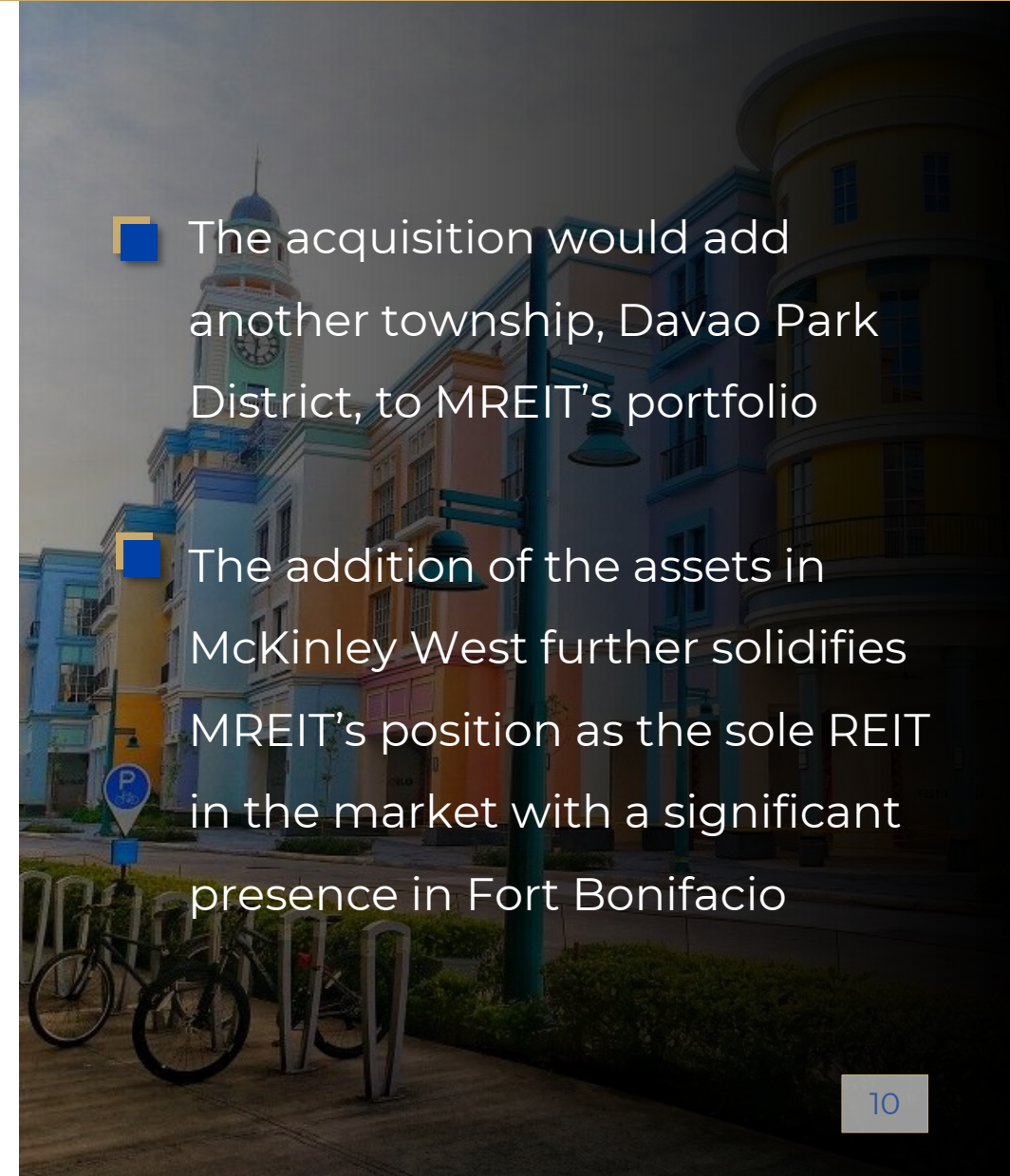
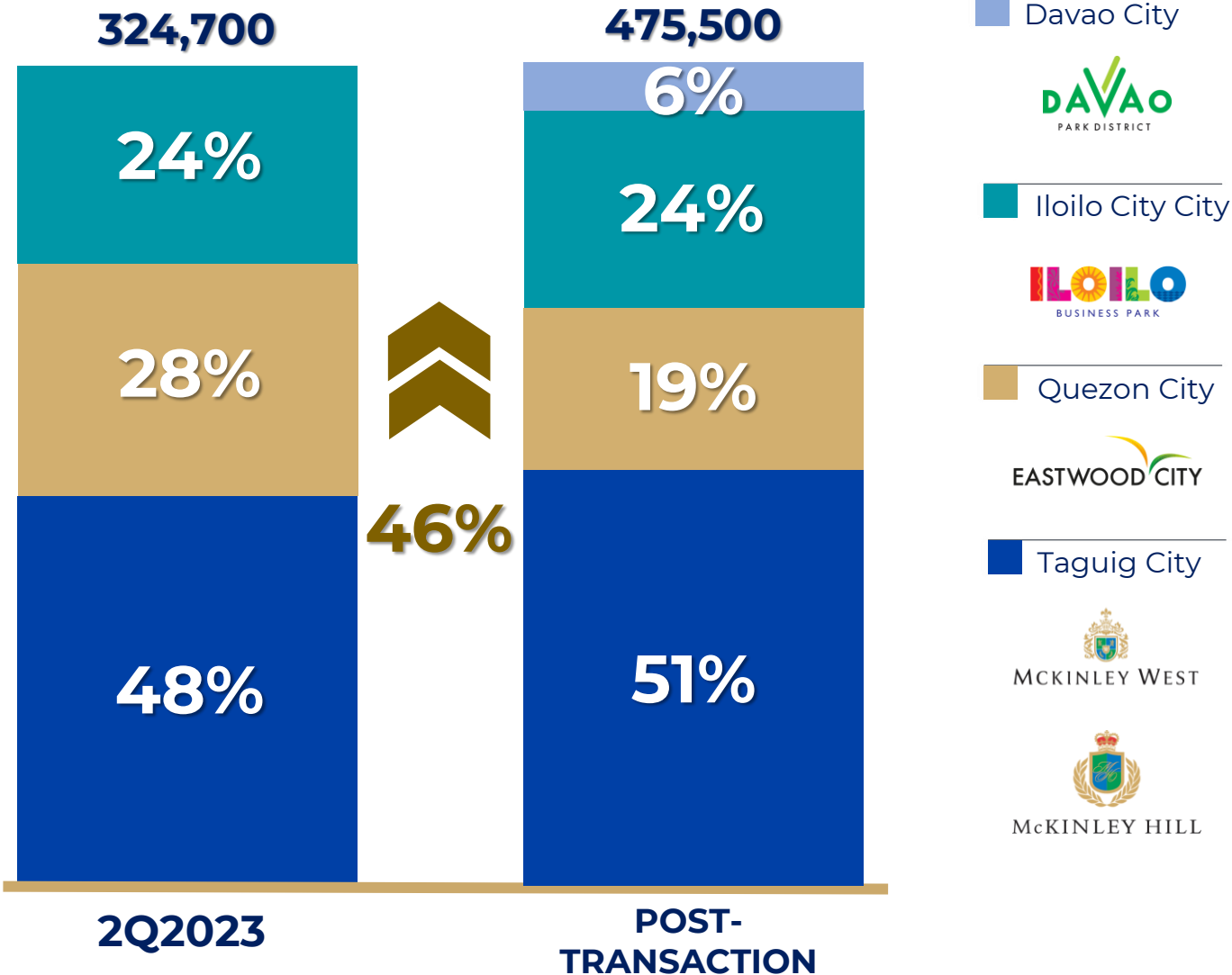
MREIT and Megaworld executed an MOU on **May 31, 2023** to acquire **7 grade-A office assets**

These properties boast high level of **occupancy of 94%** with high quality tenants

Target execution of the definitive agreement within the third quarter of the year

Additional properties being considered for injection potentially bringing total GLA to **511,000 sqm**

Location Breakdown (GLA sqm)



- The acquisition would add another township, Davao Park District, to MREIT's portfolio
- The addition of the assets in McKinley West further solidifies MREIT's position as the sole REIT in the market with a significant presence in Fort Bonifacio

RUNWAY FOR GROWTH



With the **MOU and the additional assets** being considered, MREIT will potentially exceed its target of hitting **500,000 sqm** GLA by the end of 2024



THANK YOU

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