ESR-LOGOS REIT

(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

NEWS RELEASE

ESR-LOGOS REIT Delivers 1H2024 DPU of 1.122 Cents; Positioned for Growth Strategy with Robust Balance Sheet Amidst Stabilising Interest Rate Outlook

- *1H2024 Gross Revenue and NPI dipped 8.1% and 9.2% respectively due to divestment of non-core assets in FY2023 and 2Q2024, and decommissioning of 2 Fishery Port Road*
- *On same-store basis[1], Gross Revenue and NPI grew 1.6% and 0.5% respectively*
- *Strong 11.2% positive rental reversion driven by New Economy assets in Logistics and High-Specs Industrial sectors, with stable occupancy*
- *Newly completed AEI at 7002 Ang Mo Kio Avenue 5 achieved c.87% occupancy*
- *Low gearing of 36.5% provides significant debt headroom for growth strategy, with 75.0% of borrowings on fixed interest rates*
- *No refinancing risk – all FY2024 expiring debt has been refinanced in April 2024 with E-LOG's first sustainability linked loan facility*
- *TOP obtained for built-to-suit Redevelopment at 21B Senoko Loop with 15-year master lease with built-in annual rental escalations*
- *1H2024 DPU at 1.122 cents, a decrease of 18.6%, mainly due to the divestment of non-core assets, decommissioning of 2 Fishery Port Road and enlarged unit base from the equity fund raising in 1H2023 with proceeds pending deployment*
- *Announced proposed acquisitions of +1.8% DPU accretive New Economy assets in Japan and Singapore for total acquisitions outlay of c.S$772.6 million, continuing E-LOG's portfolio Rejuvenation and capital Recycling strategies*

Summary of Financial Results:

	1H2024 (S$ million)	1H2023 (S$ million)	(+/-) (%)
Gross Revenue[(a)]	180.9	196.8	(8.1)
Net Property Income ("NPI")[(a)]	127.8	140.8	(9.2)
Amount available for distribution to Unitholders[(b)]	86.3	101.5	(15.0)
Applicable number of units for calculation of DPU[(c)] (million)	7,685.4	7,363.9	4.4
DPU (Singapore cents)[(d)]	1.122	1.378	(18.6)

(a) Lower gross revenue and NPI were mainly due to the loss of income from (i) the divestment of properties aggregating S$440.6 million in FY2023 and 182-198 Maidstone Street located in Australia in 2Q2024; and (ii) the decommissioning of 2 Fishery Port Road. This was partially offset by additional income contributions from 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their asset enhancement initiatives ("AEI") in 3Q2023 and 1Q2024 respectively. On a same-store basis[1], gross revenue and NPI grew 1.6% and 0.5% y-o-y, respectively.

(b) Lower amount available for distribution in 1H2024 was mainly due to (i) lower NPI as explained above; and (ii) lower distribution of capital gains from the sale of investment properties in prior years. This was partially offset by lower borrowing costs from the repayment of debts using the proceeds from the Equity Fund Raising[2] and divestment of non-core assets.

(c) Higher applicable number of Units was mainly due to the equity fund raising completed in 1H2023.

(d) Lower DPU was mainly due to (i) lower amount available for distribution to Unitholders as explained above; and (ii) the full half-year impact from the Equity Fund Raising completed in 1H2023, with the proceeds pending deployment.

Singapore, 31 July 2024 – ESR-LOGOS Funds Management (S) Limited, as manager of ESR-LOGOS REIT (the "**Manager**"), is pleased to announce ESR-LOGOS REIT (or "**E-LOG**") distribution per Unit ("**DPU**") for the period from 1 January 2024 to 30 June 2024 ("**1H2024**") was 1.122 Singapore cents.

Commenting on E-LOG's 1H2024 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager said, "We are pleased to announce a robust set of results that underscores the resilience of E-LOG's portfolio amidst the challenging landscape for the REIT industry where inflation and interest rates remained elevated in the first half of FY2024. Through the successful initial execution of our "4R Strategy" in FY2023, which focused on ***Recycling*** capital and ***Recapitalising*** our balance sheet, we have optimised the performance of our existing portfolio and lowered our gearing, effectively navigating the high-interest rate and high-inflation environment. Now, with our gearing currently at 36.5%, it provides significant debt headroom as E-LOG positions itself for its next stage of growth.

While the drop in Gross Revenue and NPI in 1H2024 stems mainly from the income loss from the divestment of 11 non-core assets in FY2023 and 2Q2024, as well as the decommissioning of 2 Fishery Port Road, on same-store basis[1], our portfolio continues to demonstrate resilience and stability with Gross Revenue and NPI growing 1.6% and 0.5% respectively, driven primarily by the positive rental reversions achieved.

The positive rental reversion of 11.2% for 1H2024 affirms the effectiveness of our active asset management, strategic portfolio ***Rejuvenation*** initiatives and the continued resilience of our portfolio. Additionally, our newly completed AEI at 7002 Ang Mo Kio Avenue 5 has achieved approximately 87% occupancy and the built-to-suit high-specs redevelopment at 21B Senoko Loop has attained TOP in 1H2024 with a 15-year master lease signed. Notably, both projects were completed on time and within budget. Our focus for the remainder of FY2024 is to continue actively managing our portfolio amidst continued geopolitical and inflation risks which continues to affect business sentiments for expansion."

1 Excluding (a) the 11 non-core properties that were divested during FY2023 and 2Q2024; (b) 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their asset enhancement initiatives in 3Q2023 and 1Q2024 respectively; and (c) 2 Fishery Port Road, which has been decommissioned, for a like-for-like comparison across the relevant periods

2 The equity fund raising comprises a private placement of 454.5 million new Units and a preferential offering of 460.8 million new Units which were completed on 27 February 2023 and 28 April 2023, respectively

Financial Performance

In 1H2024, E-LOG reported Gross Revenue of S$180.9 million, an 8.1% dip from S$196.8 million in 1H2023, which was mainly attributed to the divestment of 10 non-core assets aggregating S$440.6 million completed in FY2023 and 182-198 Maidstone Street located in Australia in 2Q2024, which were part of E-LOG's capital ***Recycling*** strategy. In addition, the decommissioning of 2 Fishery Port Road also contributed to the income loss. The above were partially offset by additional income contributions from 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their AEI in 3Q2023 and 1Q2024 respectively. Consequently, 1H2024 NPI recorded a 9.2% decrease to S$127.8 million, as compared to S$140.8 million in 1H2023. However, on a same-store basis[1], Gross Revenue and NPI grew 1.6% and 0.5% y-o-y, respectively.

Reduced DPU Due to Divestment of Non-Core Assets and Enlarged Unit Base

Amount available for distribution to Unitholders stood at S$86.3 million in 1H2024, representing a decrease of 15.0% from S$101.5 million in 1H2023. 1H2024 DPU was 1.122 Singapore cents, an 18.6% decrease from the 1H2023 DPU of 1.378 Singapore cents.

The decrease in DPU for 1H2024 was mainly attributed to the divestment of 11 non-core assets completed in FY2023 and 2Q2024 and lower distribution of capital gains from the sale of investment properties in prior years, as well as an enlarged unit base of 4.4% in applicable number of units from 7,363.9 million units to 7,685.4 million units due to the Equity Fund Raising conducted in 1H2023. The proceeds from the divestments and Equity Fund Raising have yet to be redeployed, which contributed to the drop in DPU. This decrease in amount available for distribution to Unitholders was partially offset by lower borrowing costs from the repayment of debts using the proceeds from the Equity Fund Raising and divestment of non-core assets.

The record date for the distribution of 1.122 Singapore cents for the period from 1 January 2024 to 30 June 2024 will be on 8 August 2024, with the expected payment date on 17 September 2024.

Positive Rental Reversion Lifted by Strong New Economy Demand Reflects Operational Resilience

In 1H2024, E-LOG delivered positive rental reversions of 11.2%. The strong rental reversion was driven primarily by the New Economy sectors of Logistics (+14.3%) and High-Specs Industrial (+13.8%). As at 30 June 2024, E-LOG's portfolio occupancy remained stable at 91.4%, supported by strong demand for quality spaces in the New Economy sectors. In 1H2024, a total of 99,884 square metres ("**sqm**") of space was successfully leased, comprising 74,368 sqm of lease renewals (74.5% of total leases) and 25,516 sqm of new leases (25.5% of total leases). E-LOG's weighted average lease expiry as at 30 June 2024 was 3.3 years, compared to 3.1 years as at 30 June 2023.

Notably, the AEI at 7002 Ang Mo Kio Avenue 5 which was completed in September 2023, has achieved approximately 87% occupancy. This milestone further highlights the success of E-LOG's portfolio ***Rejuvenation*** strategy to provide tenants with modern, in-demand quality spaces and underscores the capabilities of E-LOG's on-ground leasing team. Rental collections remained healthy at approximately 98.7% of total receivables.

Built-to-Suit High-Specs Redevelopment at 21B Senoko Loop Attains TOP with 15-year Master Lease

In 1H2024, the Manager announced the attainment of TOP for the built-to-suit redevelopment at 21B Senoko Loop for NTS Singapore Pte Ltd ("**NTS**"), transforming the property from a General Industrial property to a Green Mark Gold certified High-Specifications property. Under the redevelopment agreement, 21B Senoko Loop will be leased to NTS on a triple net basis for 15 years and will have built-in annual rental escalations. NTS will fully bear the payment of utilities, maintenance expenses, property tax and land rent.

The Manager continues to identify AEIs and Redevelopments opportunities within our portfolio as part of its portfolio ***Rejuvenation*** strategy to transform its portfolio towards modern, in-demand and scalable assets to enhance E-LOG's earnings quality.

Continued Divestment of Non-Core Assets

In 1H2024, E-LOG completed the divestment 182-198 Maidstone Street in Australia for a sale consideration of A$65.5 million, which represented a 7.4% premium to valuation[3].

Low Gearing with No Refinancing Risks Provides Significant Debt Headroom for Growth

As at 30 June 2024, E-LOG's gearing stood at a prudent 36.5%, providing significant debt headroom for its growth strategy. E-LOG has on 31 January 2024 obtained a commitment from a panel of lending banks to provide E-LOG with its first sustainability linked loan facility. This new facility, which was completed in April 2024, has been used to refinance all the credit facilities that are expiring in FY2024. As such, there are no refinancing risks posed for E-LOG for the remainder of FY2024.

E-LOG adopts a prudent approach to capital management, with 75.0% of its interest rate exposure fixed with a weighted average fixed debt expiry of 1.7 years. Further, E-LOG's debt expiry profile remains well spread out with weighted average debt expiry at 2.1 years and all-in cost of debt at 4.03% per annum. At the end of 1H2024, E-LOG had a debt headroom of S$692.8 million and access to S$229.8

3 Based on independent valuation of A$61.0 million conducted by Cushman & Wakefield (Valuations) Pty Ltd as at 31 December 2023. The valuation was prepared with the emphasis on the capitalisation approach and discounted cash flows method

million of committed undrawn revolving credit facilities. E-LOG remains well supported by 10 lending banks.

Proposed Acquisitions Aggregating S$772.6 million of ESR Yatomi Kisosaki Distribution Centre, Japan and 20 Tuas South Avenue, Singapore are +1.8% DPU Accretive

On 31 July 2024, E-LOG announced the proposed acquisition of a 100% interest in a freehold modern logistics asset, ESR Yatomi Kisosaki Distribution Centre, Japan, as well as a 51% interest in a high-specification manufacturing facility, 20 Tuas South Avenue 14, Singapore, with remaining land lease of approximately 44 years[4], for a total acquisition outlay of approximately S$772.6 million[5]. The two proposed acquisitions are expected to be +1.8% DPU accretive to Unitholders, and are acquired at a 2.3% discount each to their respective average valuation.

The two proposed acquisitions from E-LOG's Sponsor, ESR Group's asset pipeline, aligns with E-LOG's "4R Strategy", focused on (i) ***Rejuvenating*** the asset portfolio, (ii) ***Recycling*** of capital, (iii) ***Recapitalising*** for growth and (iv) ***Reinforcing*** the Sponsor's commitment. Till date, the Manager has executed on (i) and (ii), and the proposed acquisitions will provide E-LOG the opportunity to deliver on (iii) and (iv) in order to grow E-LOG's DPU and accelerate its transformation into a leading Asia Pacific New Economy REIT.

The Manager believes that the proposed acquisitions will bring the following key benefits to Unitholders:

1) Acquisitions are "On-Strategy" to E-LOG;
2) Acquisitions are expected to be +1.8% DPU accretive to Unitholders;
3) Japan Acquisition and Singapore Acquisition are acquired at attractive NPI yields and at a 2.3% discount each to their respective average valuation;
4) Acquisitions demonstrate E-LOG's access to Sponsor's pipeline and strong support to grow E-LOG;
5) Acquisitions will improve E-LOG's key portfolio metrics significantly:
    a. Increase E-LOG's New Economy assets and portfolio underlying land lease;
    b. E-LOG's portfolio will pivot towards future-ready green assets;
    c. Scale up Japan presence with sizable freehold asset while tapping on ESR Japan's on the ground expertise for economies of scale; and
    d. New Singapore property with committed occupancy of 99.7% and close proximity to Tuas Mega Port provide stable income and rental growth opportunities.

The proposed acquisitions are funded by green and sustainability loans taken at both the asset and E-LOG level which further demonstrate E-LOG's commitment to sustainability in conducting its business.

4 As at 30 June 2024. Lease term of 30 years from 22 June 2008 and a further term of 30 years from 22 June 2038 to be granted upon payment of land premium and there being no existing breach of the lease

5 For more details on the proposed acquisitions, please refer to E-LOG's announcement titled *"The Proposed Acquisition of (I) 100% Trust Beneficiary Interest in a logistics property located in Japan; and (II) 51.0% interest in a facility located in Singapore"* dated 31 July 2024

Looking Ahead

Mr. Adrian Chui added, "Our successful initiatives in FY2023 to ***Recapitalise*** via equity fund raising, ***Recycle*** our capital through the divestment of non-core assets, and ***Rejuvenate*** our portfolio through AEIs and redevelopments have strengthened our balance sheet and our portfolio quality. Having entered FY2024 with a robust balance sheet, against a backdrop of stabilising interest rates and easing of key U.S. inflationary indices in 2Q2024 providing optimism for interest rate cuts, E-LOG is well positioned to undertake growth initiatives as both construction costs and cost of funding are expected to ease.

The proposed acquisitions from our Sponsor's pipeline are quality on-strategy assets and timely for E-LOG as we continue to execute our 4R strategy to ***Rejuvenate*** our portfolio and ***Recycle*** capital into modern, in-demand New Economy assets with green features on freehold or longer land leases to improve the quality of our earnings and distributions."

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About ESR-LOGOS REIT

ESR-LOGOS REIT is a leading New Economy and future-ready Asia Pacific S-REIT. Listed on the Singapore Exchange Securities Trading Limited since 25 July 2006, ESR-LOGOS REIT invests in quality income-producing industrial properties in key gateway markets.

As at 30 June 2024, ESR-LOGOS REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S$5.0 billion. Its portfolio comprises 71 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 assets) and Japan (1 asset), with a total gross floor area of approximately 2.1 million sqm, as well as investments in three property funds in Australia. ESR-LOGOS REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

ESR-LOGOS REIT is managed by ESR-LOGOS Funds Management (S) Limited (the "**Manager**") and sponsored by ESR Group Limited ("**ESR**"). The Manager is owned by ESR (99.0%) and Shanghai Summit Pte. Ltd. (1.0%), respectively.

For further information on ESR-LOGOS REIT, please visit www.esr-logosreit.com.sg.

About the Sponsor, ESR Group

ESR Group is Asia-Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Our fully integrated fund management and development platform extends across Australia/New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe and the United States. We provide investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Our focus on New Economy real assets offers customers modern solutions for logistics, data centres, life sciences, infrastructure, and renewables. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities where we operate and the spaces we develop to thrive for generations to come. ESR Group is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK). Visit www.esr.com for more information.

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