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

NEWS RELEASE

For immediate release

ESR-LOGOS REIT Delivers 2Q2022 DPU of 0.737 Cents, 1.9% Higher than Previous Quarter

- *2Q2022 DPU recorded 0.737 cents in the first set of combined financial results released after completion of the Merger, 1.9% higher than 1Q2022 DPU*
- *Positive portfolio rental reversion at 11.4% in 1H2022, led by New Economy sectors comprising c.62.7% of portfolio exposure*
- *More than 90% of utilities costs on a pass-through cost recovery basis starting 1 July 2022, in addition to increase in service charges to mitigate rising inflationary pressures*
- *Gearing at a comfortable 40.6%, with no refinancing requirements for FY2022 and continued access to wider pools of capital*
- *66.2% of borrowings on fixed interest rates*
- *Continuing AEIs, redevelopments, divestments and acquisitions to recalibrate a future-ready quality portfolio that is well positioned to provide total return upside: (i) DPU upside from large exposure to "in-demand" New Economy assets which have positive rental reversions, and (ii) NAV growth upside from exposure to freehold and longer land tenure assets*
- *Leverage upon ESR Group's portfolio pipeline with a focus on acquiring New Economy assets and overseas freehold assets and/or assets with longer land tenures to continuously recalibrate our portfolio quality for NAV growth potential*
- *ESR-LOGOS REIT will be changing the frequency of its distributions to Unitholders from quarterly basis to half-yearly basis with effect from 2H2022*

Summary of Financial Results:

(S$ million)	2Q2022	1Q2022	+/(-) (%)	1H2022	1H2021	+/(-) (%)
Gross Revenue	88.1[(1)]	59.6[(1)]	47.8	147.7[(1)]	119.8[(1)]	23.3
Net Property Income ("NPI")	63.3[(1)]	39.5[(1)]	60.3	102.8[(1)(4)]	87.0[(1)(4)]	18.2
Amount available for distribution to Unitholders	44.3[(2)]	29.3[(2)]	51.2	73.6[(5)]	56.8[(5)]	29.6

Applicable number of Units for calculation of DPU (million)	6,011.8[(3)]	4,052.4[(3)]	48.3		5,041.5[(6)]	3,653.7[(6)]	38.0
DPU (cents)	**0.737**	**0.723**	**1.9**		**1.460**	**1.554**	**(6.0)**

(1) Higher gross revenue and NPI mainly attributed to contributions from ALOG Trust (formerly known as ARA LOGOS Logistics Trust ("**ALOG**")) after ESR-LOGOS REIT completed the merger with ALOG by way of a trust scheme of arrangement (the "**Merger**") in April 2022.

(2) Higher amount available for distribution q-o-q was mainly due to (i) higher NPI as explained above; and (ii) income contributions from 2 property funds held through ALOG Trust (namely 49.5% interest in New LAIVS Trust and 40% interest in Oxford Property Fund), partially offset by lower non-recurrent tax-exempt income distribution of S$0.9 million in 2Q2022 (1Q2022: $2.5 million) from Viva Trust, a wholly-owned sub-trust of ESR-LOGOS REIT.

(3) Higher applicable number of Units q-o-q was mainly due to the issuance of new Units as part of the scheme consideration paid for the Merger.

(4) NPI however increased at a slower pace as compared to gross revenue due to higher utilities expenses arising from a surge in global energy prices and higher electricity demand resulting in higher property expenses in 1H2022.

(5) Higher amount available for distribution y-o-y was mainly due to (i) higher NPI as explained above; (ii) income contributions from the Group's 10% interest in ESR Australia Logistics Partnership, as well as the 2 property funds held through ALOG Trust (namely 49.5% interest in New LAIVS Trust and 40% interest in Oxford Property Fund); and (iii) a non-recurrent tax-exempt income distribution of S$3.5 million from Viva Trust, a wholly-owned sub-trust of ESR-LOGOS REIT.

(6) Higher applicable number of Units y-o-y was mainly due to (i) the issuance of new Units as part of the scheme consideration paid for the Merger; and (ii) the equity fund raising comprising a private placement of 268.8 million new Units and a preferential offering of 124.1 million new Units which were completed on 18 May 2021 and 26 August 2021, respectively.

Singapore, 27 July 2022 – ESR-LOGOS Funds Management (S) Limited, as manager of ESR-LOGOS REIT (the "**Manager**"), is pleased to announce that the DPU for the period from 1 April 2022 to 30 June 2022 ("**2Q2022**") is 0.737 cents, which is 1.9% higher than the DPU for 1Q2022 of 0.723 cents. The 2Q2022 financial results are the first set of combined financial results released after the completion of the merger with ARA LOGOS Logistics Trust (the "**Merger**") in April 2022[1]. ESR-LOGOS REIT (or "**E-LOG**") currently has a quality portfolio comprising approximately S$5.5 billion of total assets and is well positioned to provide total return upside to investors.

Financial Performance

Gross Revenue for the period from 1 January 2022 to 30 June 2022 ("**1H2022**") grew 23.3% to S$147.7 million, while NPI rose 18.2% to S$102.8 million, on a year-on-year ("**y-o-y**") basis, mainly attributed to contributions from ALOG Trust following the completion of the Merger. However, NPI increased at a slower pace as compared to Gross Revenue due to higher utilities expenses arising from a surge in global energy prices and increased electricity demand as the economy recovers post COVID-19, thereby resulting in higher property expenses in 1H2022. Consequently, the amount available for distribution for 1H2022 increased by 29.6% y-o-y to S$73.6 million, driven by higher NPI as a result of the Merger, income contributions from the investments in three Australia property funds, as well as S$3.5 million of tax-exempt income distribution from Viva Trust, a wholly-owned sub-trust of E-LOG. DPU for 1H2022 is 1.460 cents, which is 6.0% lower y-o-y from 1.554 cents mainly due to the higher utilities expenses, as well as the full impact of an enlarged Unit base resulting from the equity fund raising completed in May and August 2021 where a portion of the funds raised was deployed towards asset enhancement initiatives that are still on-going.

[1] Contribution of net income from ALOG Trust following the completion of the Merger was in respect of the period from 22 April 2022 to 30 June 2022.

Out of the 1.460 cents of DPU for 1H2022, a cumulative distribution of 0.910 cents per Unit for the period from 1 January 2022 to 21 April 2022 had been paid on 23 June 2022. The record date for the remaining distribution of 0.550 cents per Unit is expected to be on 4 August 2022, with the expected payment date on 27 September 2022. E-LOG will be changing the frequency of its distributions to Unitholders from quarterly basis to half-yearly basis with effect from the second half of 2022.

Portfolio Overview: New Economy and Future-Ready APAC S-REIT

E-LOG is a leading New Economy and future-ready APAC S-REIT. As at 30 June 2022, post-completion of the Merger with ARA LOGOS Logistics Trust, the enlarged REIT has a portfolio of approximately S$5.5 billion of total assets. The portfolio comprises 83 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (62 assets) and Australia (21 assets), with a total gross floor area of approximately 2.3 million sqm. It also has investments in three property funds in Australia. Since 20 September 2021, E-LOG has been a constituent of the FTSE EPRA Nareit Global Real Estate Index, enjoying increased investor visibility and trading liquidity.

Portfolio Performance: Positive Rental Reversions and a Healthy Occupancy

The portfolio recorded 14.3% and 11.4% positive rental reversions in 2Q2022 and 1H2022 respectively, led by the robust demand in the New Economy sectors of logistics and high specs. With c.62.7% of portfolio underpinned by the New Economy sectors, E-LOG is well positioned to capture positive income upside, as rental reversions are expected to remain positive for the remainder of 2022. This is being supported by continued strong demand in these sectors arising from secular trends and structural changes in the way goods are produced, delivered and consumed.

Portfolio occupancy increased to a healthy 94.1% in 2Q2022, with the Singapore portfolio occupancy at 92.6% and the Australia portfolio occupancy at 99.4% for the same period, both which are consistently above the Singapore and Australia industry averages of 89.8%[2] and 99.0%[3], respectively. During 1H2022, a total of 196,035 sqm of space was leased comprising 52,776 sqm of new leases (26.9% of total leased space) and 143,259 sqm of lease renewals (73.1% of total leased space). Tenants secured during 1H2022 include NTS Components Singapore Pte Ltd with existing tenants including EGIS Nanotech Pte. Ltd. and Rhenus Warehousing Solutions Pte Ltd renewing their leases. Leasing activities remained active with new demand from logistics, manufacturing and electronics sectors.

The weighted average lease expiry as at 30 June 2022 was 3.0 years. Rental income contributed by the top 10 tenants accounted for 27.3% of the portfolio in 2Q2022, with no single tenant contributing more than 4.7% of the portfolio, thereby reducing tenant concentration risks.

[2] Based on JTC 1Q2022 Industrial Property Market Statistics
[3] Australian Industrial & Logistics Snapshot Q2 2022 by Colliers.

Revaluation of Australian Assets

The continued strong demand for Australian industrial properties resulted in a compression of cap rates in Australia. The valuation of E-LOG's directly owned Australian portfolio saw a 9.8% increase while the valuation of its Australia property fund investments rose by 6.8% as at 30 June 2022, as compared to their acquisition prices. This revaluation resulted in an increase in the REIT's NAV which is a testament to E-LOG's strategy of acquiring freehold and/or longer land tenure assets to mitigate land lease decay and provide for NAV upside opportunities.

Prudent Management of Operating Expenditure

While rising utilities costs and inflationary pressures due to on-going global supply chain disruptions and high energy prices caused by the Russia-Ukraine conflict have impacted the REIT's property expenses, the Manager has proactively undertaken steps to mitigate these pressures.

During 2Q2022, the Manager successfully converted a majority of its portfolio utilities cost to SP tariff rates. With effect from 1 July 2022, more than 90% of the portfolio utilities expense are on a pass-through cost recovery basis. Further, the Manager is pursuing green strategies for the portfolio, including the adoption of sustainable resources such as renewable energy, as well as the usage of energy efficient technology and equipment.

The Manager will progressively roll out service charge increases at average 15% for selected assets across the portfolio this year to mitigate any potential impact of inflation on repairs and maintenance costs within the portfolio. In addition, the Manager is also exploring bulk procurement for economies of scale and leveraging on strong partnerships with suppliers to secure longer term contracts.

Portfolio Optimisation and Rejuvenation

The Manager is embarking on a refreshed three-pronged active asset management strategy to unlock value for the portfolio through (i) Asset enhancement initiatives (ii) Divestment of non-core assets, and (iii) Acquisitions, with the goal of recalibrating the portfolio towards modern, in-demand, quality and scalable assets which are freehold or have longer land tenures.

Asset Enhancement Initiatives

In April 2022, the Manager announced the redevelopment of a Built-to-Suit high-specifications facility at 21B Senoko Loop for NTS Components Singapore Pte Ltd ("**NTS**"), to convert the asset from a general industrial building to a high-specs property which is expected to achieve Green Mark Gold certification upon completion. The estimated cost of the redevelopment is approximately S$38.5 million and is expected to be completed by 1Q2024. The estimated yield on cost for this project is c.6.6%.

Other AEI projects in progress include:

- 7002 Ang Mo Kio Avenue 5 – a standalone block with additional 24,600 sqm GFA from unutilised plot ratio and expected to be completed by 3Q2023. Estimated yield on cost is c.7.1%.
- 53 Peregrine Drive – expansion works for an additional 10,100 sqm warehouse which will be fully leased to the incumbent tenant for a long lease term. The project is expected to complete by 4Q2022 and has estimated yield on cost of c.7.5%.
- 16 Tai Seng Street – maximising plot ratio with additional 2,793 sqm of GFA with expected completion in 4Q2023. Estimated yield on cost is c.6.0%.

Divestment of Non-Core Assets

On 22 July 2022, E-LOG completed the divestment of 3 Sanitarium Drive, Berkeley Vale, for A$55.0 million, representing an 18.5%[4] premium to fair value. As part of its recalibration strategy, non-core assets have been identified for divestment over the next 12 – 24 months to recalibrate the portfolio and unlock further value. Divestment proceeds may be used to pare down debt or redeployed towards higher quality New Economy assets.

Acquisitions

ESR-REIT completed the Merger with ARA LOGOS Logistics Trust in April 2022 to form ESR-LOGOS REIT. As a result of the Merger, E-LOG is currently ranked 12 out of 42 S-REITs[5]. Going forward, the Manager intends to leverage upon ESR Group's (including LOGOS') (the "**ESR Group**") portfolio pipeline of more than US$59 billion New Economy assets and US$11 billion work-in-progress developments in an increasingly asset scarce environment. The focus is to acquire assets in the New Economy sectors and overseas freehold assets and/or assets with longer land tenures for NAV growth potential.

Strong Capital Position with No Refinancing Requirements in FY2022

As at 30 June 2022, E-LOG's gearing was at a comfortable 40.6%[6], with its portfolio remaining 100.0% unencumbered. All-in cost of debt reduced to 2.97% per annum as at 30 June 2022, with 66.2% of the REIT's borrowings on fixed interest rates. E-LOG's debt expiry profile remains well spread out with weighted average debt expiry at 3.2 years.

During 1H2022, the Manager successfully refinanced all expiring debt due in FY2022 ahead of expiry, at lower cost and amidst a volatile macroeconomic backdrop of global uncertainties due to the on-going Russia-Ukraine conflict, rising inflation and interest rates. The REIT has no further refinancing requirements for the rest of the year, a demonstration of the REIT's strengthening credit profile and the strong banking support E-LOG has from its 12 lending banks.

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[4] Based on independent valuation conducted by Colliers International Valuation & Advisory Services as at 19 May 2022
[5] Source: Bloomberg, as at 30 June 2022
[6] Includes E-LOG's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*

As part of the Merger, S$835 million and A$365 million of debt was obtained on a 100% unencumbered basis at attractive margins. In June 2022, the REIT also successfully issued S$150.0 million NC5 perpetual securities at a 5.5% coupon. As at 30 June 2022, E-LOG has committed undrawn revolving credit facilities of S$392.5 million.

Outlook

According to JTC's market report for 1Q2022, the price and rental indices of all industrial space in Singapore rose by 2.1% and 1.0% respectively due to the broad recovery of the economy as prices and rentals continue to rebound. The overall occupancy rate fell slightly to 89.8% in 1Q2022 from 90.1% in 4Q2021 from new completions picking up and an increase in supply[7]. The Manager remains optimistic as the industrial leasing market is expected to continue seeing demand in 2022, supported by post-COVID demand recovery, structural growth drivers, supply-side friction and e-commerce expansion[8]. However, continued rising inflation is still expected to undermine business and consumer confidence.

The Australian industrial sector, according to Dexus Research, is well positioned to continue its momentum for another year of strong performance compared to last year[9]. Leasing demand of industrial and logistics reached an all-time high in 2Q2022, with almost 1.5 million sqm leased in the period[10]. National vacancy rates have fallen further and currently average 1.0% in 2Q2022, down from 2.3% in 1Q2022[10]. In the same period, the strong demand and tightened supply has resulted in national rents increasing by a new record high of 5.6%, while y-o-y growth of 13.8% has been recorded. The Manager will continue to monitor the market and review repositioning opportunities to improve asset and tenant quality, so as to drive organic growth within the portfolio.

Looking Ahead

Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager, said, "Our 1H2022 performance reflects our enlarged, well-diversified and quality portfolio which is well-positioned to capture positive rental reversion upside, while mitigating rising utilities and inflationary pressures amidst a volatile interest rate environment with prudent risk management strategies. Our AEIs and redevelopments further position our portfolio to be future-ready as the secular trends and structural growth changes continue."

"The taming of inflationary pressures will have an impact on growth, especially business sentiments and consumer confidence, and moderate the robust demand for space needs. Overall, we still expect an expansionary demand for the logistics and general industrial sectors to continue into the short to medium term"

"At the same time, given the structural changes in the way goods are produced, delivered and consumed, our portfolio recalibration continues as we pursue opportunities via AEIs/redevelopments, divestment of non-core assets and acquisitions through leveraging on our Sponsor, ESR Group's robust high-quality pipeline of New Economy assets in an increasingly asset scarce environment. Going forward, we will focus on total return upside by

[7] Based on JTC 1Q2022 Industrial Market Statistics
[8] Based on Industrial Marketbeat Report by Cushman & Wakefield
[9] Based on Australian Real Estate Quarterly Review Q2 2022 by Dexus Research
[10] Based on Australian Industrial & Logistics Snapshot Q2 2022 by Colliers

propelling E-LOG towards an enhanced growth trajectory through accelerating its exposure to in-demand New Economy and longer land tenure assets to provide rental and NAV upside to our Unitholders", added Mr. Chui.

-End-

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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 2022, 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$5.5 billion. Its portfolio comprises 83 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (62 assets) and Australia (21 assets), with a total gross floor area of approximately 2.3 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 (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%), respectively.

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

About the Sponsor, ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US$140.2 billion in total assets under management (AUM), its fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US$45 billion. ESR's purpose – *Space and Investment Solutions for a Sustainable Future* – drives it to manage its business sustainably and impactfully, and ESR considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index. More information is available at www.esr.com.

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Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors 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 news release may contain forward-looking statements that involve assumptions, 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 occupancy or property rental income, changes in operating expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ESR-LOGOS REIT's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager's current view of future events.

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