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

EXTRAORDINARY GENERAL MEETING TO BE HELD ON 12 OCTOBER 2022

DETAILED RESPONSES TO KEY QUESTIONS FROM UNITHOLDERS

ESR-LOGOS Funds Management (S) Limited, as manager of ESR-LOGOS REIT (the "**Manager**") would like to thank all unitholders of ESR-LOGOS REIT ("**Unitholders**") who have summitted their questions in advance of our Extraordinary General Meeting in respect of the Japan Acquisition to be held on Wednesday, 12 October 2022 at 10.00 a.m. (Singapore time). The Manager's responses to the key questions received from Unitholders can be found in the Appendix to this announcement.

As there was substantial overlap between the questions received from Unitholders, we have, for Unitholders' easy reference and reading, summarised some of the questions and also grouped related and similar questions and our responses together. Accordingly, not all questions received from Unitholders may be individually addressed.

Unless otherwise defined herein, all capitalised terms have the meaning ascribed to them in the circular to Unitholders dated 27 September 2022 (the "**Circular**").

BY ORDER OF THE BOARD

ESR-LOGOS Funds Management (S) Limited
(Company Registration No.: 200512804G, Capital Markets Services Licence No.: CMS 100132)
(as Manager of ESR-LOGOS REIT)

Adrian Chui
Chief Executive Officer and Executive Director
7 October 2022

For further enquiries, please contact:

ESR-LOGOS Funds Management (S) Limited

Lyn Ong
Manager, Capital Markets and Investor Relations
Tel: +65 6222 3339
Email: lyn.ong@esr-logosreit.com.sg

Appendix

1. What is the historical vacancy rate for ESR Sakura DC?

- The occupancy rate for ESR Sakura DC (the "**Property**") has been 100% from 2018 to May 2022.

2. Why is 25% of NLA not tenanted? Are there any structural design flaws or other reason resulting in the vacancy?

- Since May 2022, occupancy of the Property has been 75%.
- A tenant vacated the premise to consolidate operations to their own built-to-suit facility.
- The vacated unit has specifications on par with the other units in the building with warehouse floor loading of 15 kilonewton/sqm and ceiling height of 5.5m.
- ESR Japan is currently in discussion with prospective tenants to lease the space, and asking rental rates are at market rates.
- There is a 12-month rental support for this vacant space which will be provided by the Sponsor Vendor for prudence to mitigate the downtime in negotiating and securing a lease for the vacant space, which is provided at market rates.
- We would like to highlight that this 12-month rental support is provided solely by the Sponsor Vendor and not the Fund Vendor (which comprises three investors including the Sponsor) despite the Sponsor owning only 14.3% stake in the Property.
- Please refer to the Circular for further details on the rental support.

3. Is the Manager confident of filling up the vacant space by the time the rental support arrangement expires in 12 months?

- Given the strong demand-supply dynamics of the logistics market in Tokyo, especially in the Chiba area where the Property is located and the excellent connectivity to major transportation nodes such as the Narita International Airport, Chiba Port and the Higashi Kanto Expressway, the Manager is confident of filling up the vacant space within 12 months.
- Moreover, tenants are increasingly attracted to modern facilities such as the Property due to its quality building specifications.
- ESR Japan is currently in discussion with prospective tenants to lease the space, and asking rental rates are at market rates.

4. **How was the duration and sum of rental support derived?**

- As disclosed in the Circular, the 12-month rental support for the vacant space of JPY 3,200 per tsubo per month was negotiated (i) based on market rent; and (ii) is in line with the current rental rates being charged for the rest of the tenanted space in the Property.
- Each of the Japan Independent Valuers – CBRE K.K and Colliers International Japan KK, is also of the opinion that the Rental Support is in line with market rental rates.
- A 12-month period was negotiated for prudence to mitigate the downtime and provide E-LOG with a better position in negotiating and securing a lease for the vacant space.

5. **Why is there a difference in the Sponsor Vendor's purchase price of JPY 17,450 million from the Fund Vendor and the on-selling price of JPY 17,800 million to the REIT?**

- As disclosed in the Circular, the seller of the Property is indirectly held by a fund (the "**Fund Vendor**") and the investors in the fund are third party investors (with effective stake of 85.7%) and ESR Group Limited (the "**Sponsor**"), which only has a minority stake of 14.3% (the third-party investors and together with the Sponsor, the "**Investors**").
- The Investors were initially offered the purchase price of JPY 17,800 million with the condition of providing Rental Support and waiving the non-refundable deposit date of 31 August 2022. However, there was no unanimous approval obtained from the Investors in relation to such offer, hence the Sponsor stepped in to provide the rental support and mitigate the non-refundable deposit risks (JPY 872.5 million or approximately SGD 9.0 million) to Unitholders. This is the same price at which the Sponsor Vendor is on-selling the Property to the REIT.
- The Sponsor Support in relation to the Japan Acquisition further demonstrates the alignment of interests of the Sponsor with those of Unitholders in supporting E-LOG's growth by providing transaction certainty and mitigating the risks for E-LOG.
- Please refer to the Circular for further details on the Sponsor Support in relation to the Japan Acquisition.

6. **Is it economically viable for the REIT to acquire just one asset in Japan? Would the REIT need to specially hire an onshore Japanese team or have a Japanese office just for this one asset?**

- The acquisition of the Property is in line with our announced strategy of E-LOG being a leading New Economy REIT in Asia Pacific where ESR Group has a footprint. Japan is one of the core markets of ESR Group where E-LOG can leverage the Sponsor's footprint and on-the-ground management experience. Importantly, the Japan market is a highly scalable market where E-LOG can access ESR Group's Japan assets for its acquisition pipeline.

- Upon completion of the Japan Acquisition, ESR Ltd ("**ESR Japan**") which is a wholly-owned subsidiary of the Sponsor, will provide property management, leasing services (including lease management) and asset management services in relation to the Property pursuant to a property management agreement and an asset management agreement to be entered into with ESR Japan.
- E-LOG will not need to specially hire an onshore Japanese team or have a Japanese office to manage the Property.

7. What is the reason for diversifying into the Japanese logistics market?

- Japan represents a very sizeable and scalable growth market for logistic assets, with attractive yield spreads against government bonds. The yield spreads for Japanese real estate are driven by the Bank of Japan's adoption of a negative interest rate policy. Long term government bond yields are expected to remain low as the Bank of Japan will maintain its current monetary policy despite inflationary pressures.
- Compared to Singapore, Beijing and Shanghai, where logistics assets are situated on short land leases, Japan's logistics assets are largely situated on freehold land.
- There is strong supply and demand dynamics expected to drive rent growth:

  (a) **High demand for modern logistics warehouses**: Tenants are attracted to modern logistics facilities due to better specifications. According to the Independent Market Research Consultant, the proportion of modern logistics facilities within the total stock in Japan accounts for only 13% of the total logistics supply, leaving potential for expansion and growth in the future.

  (b) **High net absorption**: According to the Independent Market Research Consultant, net absorption rates for logistics and warehouse space in Greater Tokyo have been higher than supply completions since 2017 which has resulted in low vacancy rates. Despite more supply coming onstream, vacancy rate is expected to remain low especially in the Chiba area where the Property is situated.

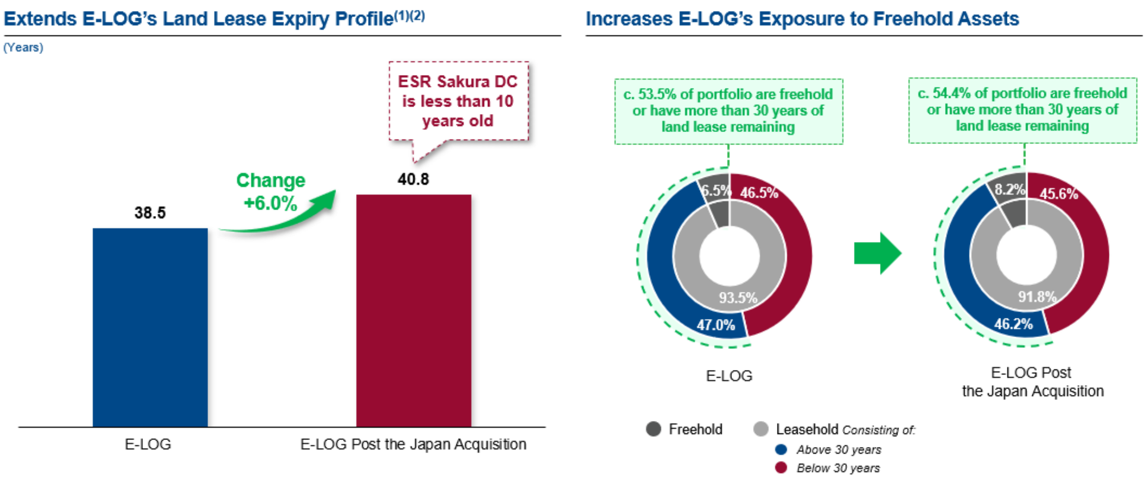
  (c) **Low vacancy rates across the industry**: Underpinned by the strong demand for logistics assets (in particular by e-commerce), the vacancy rates hit 0% at the end of 2020 in most submarkets in Japan.

  (d) **Rising rental rates:** According to the Independent Market Research Consultant, gross rents continue to rise in Greater Tokyo. Logistic rents tend to be stable due to its longer lease term compared to other asset types such as office properties. A tighter market environment coupled with extremely low vacancies have also contributed to the increase of rents. Consequently, the asking rents of newly developed properties tend to be higher, compared to the market rents of the existing properties in the surrounding areas, resulting in an overall increase in rental rates in recent years.

- The Japan Acquisition is also at a purchase consideration which is approximately 21.8% lower than transacted market comparables on average.
- Please refer to the Circular for further details on the rationale for and key benefits of the Japan Acquisition.

8. **What is the pre and post land lease breakdown?**

- ESR Sakura DC is a freehold asset and post-acquisition, E-LOG will gain more exposure to freehold assets which do not suffer from valuation decay as a result of declining land lease. As we have mentioned in our various investor engagements, due to government policies, Singapore industrial land leases are increasingly getting shorter, averaging 20 to 30 years, thereby resulting in land lease decay which negatively impacts the asset valuation of the Singapore industrial properties. Freehold land does not suffer from such land lease valuation decay.
- Post-acquisition, E-LOG's exposure to freehold and longer leasehold assets with more than 30 years of land lease remaining will increase from 53.5% to 54.4%
- E-LOG's portfolio land lease expiry will also increase from 38.5 years to 40.8 years post-acquisition of ESR Sakura DC



***Notes**: Portfolio metrics are as at 30 June 2022 and have not been adjusted for the divestments of 3 Sanitarium Drive which was completed on 22 July 2022, 49 Pandan Road and 2 Jalan Kilang Barat which are expected to be completed in 4Q2022.*
(1) Excludes investments in Fund Properties. Weighted on valuation as at 30 June 2022.
(2) Assumes freehold land has an equivalent land lease tenure of 99 years.

9. **What is the REIT's target geographical breakdown? Specifically, what proportion of total assets will be Japanese assets?**

- Management will balance the country-specific risks and leverage the Sponsor's resources and local expertise before increasing exposure to any particular market.
- We expect the Singapore portfolio to still account for at least two-thirds of our portfolio in the short to medium term.

10. Are you intending to raise equity to finance the acquisition?

- The Manager expects to finance the Total Acquisition Outlay (save for Acquisition Fee) with internal sources of funds and external bank borrowings.
- As at 12 July 2022, the Manager has received committed debt financing term sheets for up to JPY 17,600 million (approximately S$181.5 million) from MUFG Bank, Ltd and Sumitomo Mitsui Banking Corporation for the purpose of financing the Japan Acquisition. We intend to use these debt facilities to fund the Japan Acquisition.
- The pro forma DPU accretion of financing the Japan Acquisition via 100% debt is +2.9%.

11. What are the REIT's plans to mitigate currency and interest rate risk?

- The Japan Acquisition will be financed by utilising JPY-denominated debt. This will enable E-LOG to achieve a natural currency hedge (or capital hedge) on its balance sheet such that E-LOG will not be materially affected by adverse movements in the SGD : JPY exchange rate for the duration of the loan.
- On an ongoing basis, E-LOG may enter into forward foreign exchange contracts to hedge the JPY distributions to be remitted to E-LOG.
- On the interest rate risk front, E-LOG intends to hedge 100% of the JPY-denominated debt to be utilised to finance the Japan Acquisition.

12. Gearing level will remain above 40% post the acquisition. What are your plans to mitigate rising interest rate risk?

- Given our well-staggered debt expiry profile (e.g., no more than 20% of our loans are expiring in each of the next three years), weighted average debt tenor of 3.2 years and majority of our loans are on fixed rate, we believe E-LOG's gearing level post-acquisition is adequate to manage adverse interest rate rise impact.
- In addition, in our 1H2022 results, the Manager announced that it has identified up to S$450 million of non-core assets for divestment over the next 12 to 24 months.
- The divestment proceeds will be used to pare down debt to reduce gearing or redeployed towards higher quality and/or higher yielding assets.

13. Have we properly integrated the two REITS post-merger in order to reap benefits and economies of scale? Please illustrate tangible benefits from the Merger?

- Post-completion of the merger between ESR-REIT and ARA LOGOS Logistics Trust in April 2022, the Manager has fully integrated both REITs and announced the first set of merged results as an enlarged REIT in 1H2022.

- Already some of the benefits of the enlarged REIT are evident, e.g., positive rental reversion of 11.4% in 1H2022 across the portfolio with Logistics and General Industrial segments registering rental reversions of +15.4% and +13.1% respectively – the highest quarterly rental reversions achieved. In addition, with better bargaining power with service providers, as at 1 July 2022, more than 90% of our utility costs are on a pass-through basis to our tenants.

14. Growth plans of the REIT?

- The Manager is embarking on a refreshed three-pronged strategy to unlock value for Unitholders by recalibrating its portfolio towards quality modern, in-demand and scalable assets.

  (a) Undertaking Asset Enhancement Initiatives ("**AEI**") and redevelopment of existing properties to ensure they remain relevant to industrialists.

  (b) Divesting non-core assets.

  (c) Acquiring freehold developments and assets with longer land lease tenures in overseas markets to uplift NAV growth and/or reduce land lease decay valuation.

- This is where E-LOG is in a unique position to leverage ESR Group's regional footprint and approximately US$59 billion of New Economy assets pipeline in an increasingly scarce environment for quality logistics assets. There is an initial US$2 billion of visible and executable Asia Pacific New Economy pipeline.

15. Share price has dropped since the announcement. Why has the market reacted negatively to the Merger?

- We are unable to speculate on share price movements as there are many contributing factors.

- Nevertheless, one of the key factors is the broader macroeconomic market volatility due to geopolitical tensions, continued US-China trade tensions and China's continued pursue of Covid-zero policy resulting in supply chain disruptions which manifested into high inflationary environment and hence, aggressive interest rate hikes. This further exacerbates a potential recession possibility and hence, results in global investors being risk adverse.

16. Why should unitholders approve this transaction?

- As set forth in the Circular, the ESR Sakura DC is in line with E-LOG's strategy to position E-LOG as the leading New Economy REIT. In pursuing this transaction, the Manager has also ensured that downside risks (e.g., capital value, distribution, interest rate risks, non-refundability and leasing risks) are mitigated in addition to the attractive price (i.e., purchase consideration is approximately 21.8% lower than transacted market comparables on average).

- Transaction Summary
  - Acquisition marks E-LOG's maiden entry into Japan's attractive and asset scarce logistics market, and is also the REIT's first direct acquisition from Sponsor's asset pipeline
  - ESR Sakura DC is a 5-storey modern logistics facility located in Chiba Prefecture, Tokyo. The asset is freehold and strategically situated between Narita International Airport and Chiba Port in the Greater Tokyo area
  - Transaction is expected to be up to 2.9% DPU accretive, with full debt funding already secured
  - Attractive NPI yield and purchase price
    - NPI yield of approximately 4.35% (including Rental Support)
    - Purchase consideration of JPY 208,372 per sqm is approximately 21.8% lower than transacted market comparables on average
  - Japan logistics sector fundamentals underpinned by attractive market dynamics
    - Strong supply and demand expected to drive positive rent growth
  - Delivery of portfolio reconstitution strategy to establish E-LOG as leading New Economy REIT
    - Acquisition further increases E-LOG's New Economy exposure to 63.4%
    - Demonstrates superior access to Sponsor's pipeline
  - Sponsor's support and alignment of interest with unitholders
    - Sponsor to backstop E-LOG's risk of forfeiting deposit
    - Sponsor to provide 12 months of rental support to mitigate leasing risks
- Please refer to the Circular for further details on the rationale for and key benefits of the Japan Acquisition, as well as the Independent Directors' and the Audit, Risk Management and Compliance Committee's recommendation in relation to the Japan Acquisition.

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 (91.3%), Mitsui & Co., Ltd (7.7%), 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

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.

Important Notice

The value of units in ESR-LOGOS REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR-LOGOS Funds Management (S) Limited ("**Manager**"), RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-LOGOS REIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-LOGOS REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-LOGOS REIT, any particular rate of return from investing in ESR-LOGOS REIT, or any taxation consequences of an investment in ESR-LOGOS REIT. Any indication of ESR-LOGOS REIT performance returns is historical and cannot be relied on as an indicator of future performance.

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 announcement 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.

This announcement is for information purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this announcement is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-LOGOS REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.