



Extraordinary General Meeting

12 October 2022



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Important Notice

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Approval Sought

Approval Required

- Interested Person Transaction Pursuant to the Listing Manual
- Interested Party Transaction Pursuant to the Property Funds Appendix

(Ordinary Resolution)

Requirements

- The Manager is seeking approval from unitholders of E-LOG for the Proposed Acquisition of 100% of the Trust Beneficiary Interest in ESR Sakura DC, a 5-storey modern logistics facility located in Chiba Prefecture, Tokyo, Japan, (the “**Japan Acquisition**”) as an interested person transaction (*Ordinary Resolution*)
- Majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
- The Sponsor, LOGOS and their associates are prohibited from voting on the resolution to approve the Japan Acquisition

Resolution 1 : To approve the Proposed Acquisition of 100% Trust Beneficiary Interest in ESR Sakura DC, as an Interested Person Transaction

Overview of ESR Sakura Distribution Centre



Property Description	▪ 5-storey modern logistics facility
Land Tenure	▪ Freehold
Year of Completion	▪ November 2015
Net Lettable Area	▪ 81,507.4 sqm
WALE	▪ 2.9 years
NPI Yield	▪ 4.35% (Including Rental Support)



Key expressways serving Greater Tokyo

Modern Logistics Facility

Accessibility via **ramp** and **11 cargo lifts**

Attractive Entry Yield

Acquired at an attractive NPI yield of **4.35%** and purchase price **below market comparables**

Strategic Location

Excellent connectivity to key transportation nodes and infrastructure

ESG Initiatives

Roof spaces feature solar panels while **c.42% of the Net Lettable Area** is fitted with eco-friendly LED lighting

Maiden Entry into Japan via Japan Acquisition



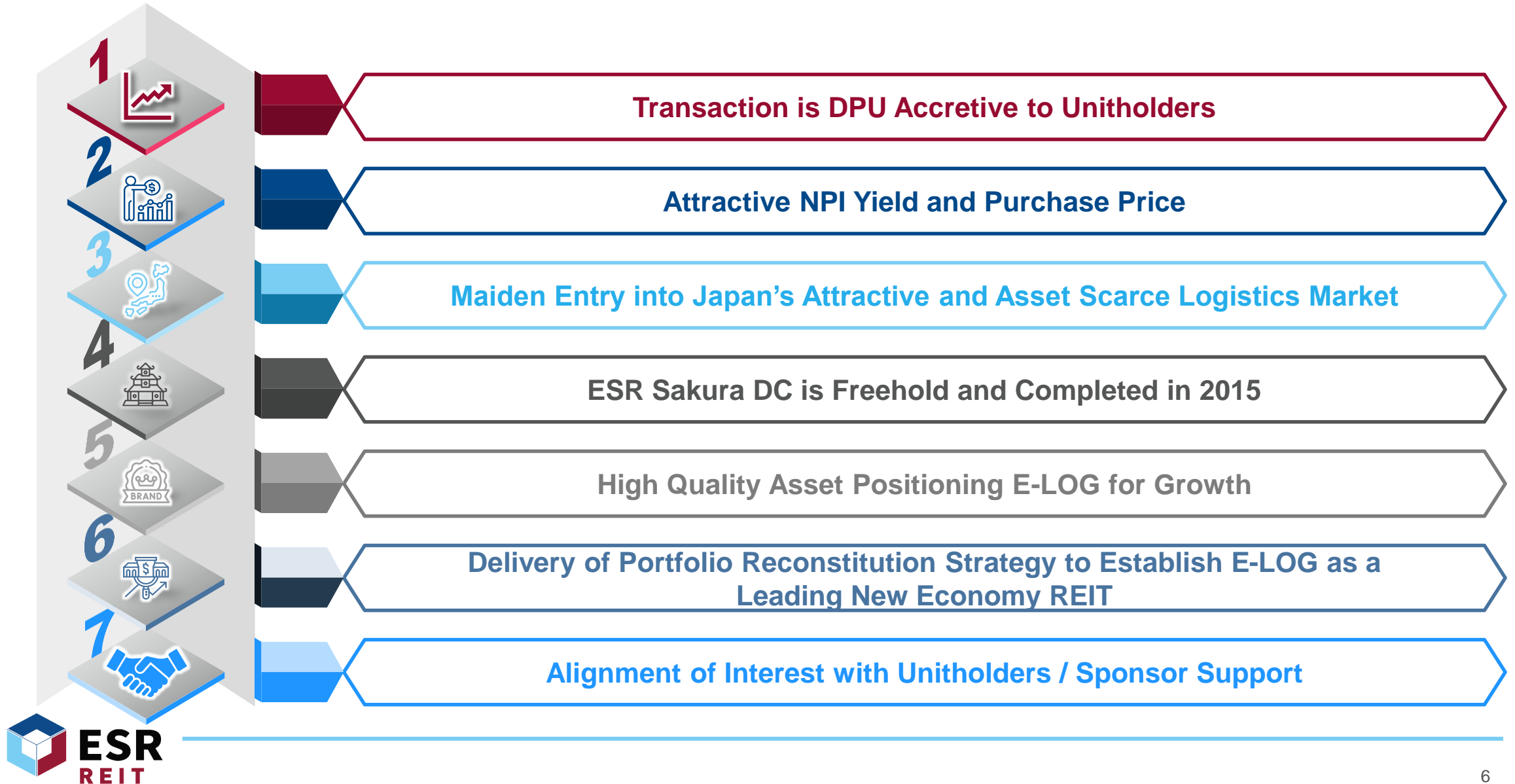
Key expressways serving Greater Tokyo

Proposed Acquisition	<ul style="list-style-type: none"> Acquisition of 100% of the Trust Beneficiary Interest in ESR Sakura DC, a 5-storey modern logistics facility located in Chiba Prefecture, Tokyo, Japan (the “Japan Acquisition”) 										
Independent Valuation⁽¹⁾	<table border="1"> <thead> <tr> <th></th> <th>CBRE</th> <th>Colliers</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> With Rental Support: </td> <td>JPY18,000m (c.S\$185.6m)</td> <td>JPY18,030m (c.S\$185.9m)</td> </tr> <tr> <td> <ul style="list-style-type: none"> Without Rental Support: </td> <td>JPY17,800m (c.S\$183.5m)</td> <td>JPY17,730m (c.S\$182.8m)</td> </tr> </tbody> </table>			CBRE	Colliers	<ul style="list-style-type: none"> With Rental Support: 	JPY18,000m (c.S\$185.6m)	JPY18,030m (c.S\$185.9m)	<ul style="list-style-type: none"> Without Rental Support: 	JPY17,800m (c.S\$183.5m)	JPY17,730m (c.S\$182.8m)
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Japan Purchase Consideration	<ul style="list-style-type: none"> JPY17,800m (c.S\$183.5m) with 12 months of Rental Support 										
Total Acquisition Costs	<ul style="list-style-type: none"> c.S\$187.0m⁽²⁾ 										
Method of Financing	<ul style="list-style-type: none"> 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 of up to JPY 17,600 million (approximately S\$181.5 million) from MUFG Bank, Ltd (MUFG) and Sumitomo Mitsui Banking Corporation (SMBC) for the purpose of financing the acquisition. 										
Pro forma Financial Effects	<p><i>FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION</i></p> <table border="1"> <thead> <tr> <th>Scenario A:</th> <th>Scenario B:</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> (100% Debt) – DPU Accretion: 2.9% – Gearing: 42.0% </td> <td> <ul style="list-style-type: none"> (60% Debt / 40% Equity) – DPU Accretion: 0.5% – Gearing: 40.6% </td> </tr> </tbody> </table>		Scenario A:	Scenario B:	<ul style="list-style-type: none"> (100% Debt) – DPU Accretion: 2.9% – Gearing: 42.0% 	<ul style="list-style-type: none"> (60% Debt / 40% Equity) – DPU Accretion: 0.5% – Gearing: 40.6% 					
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Notes: Using an illustrative exchange rate of JPY 97.00 : S\$1.00. (1) Valuation as at 30 June 2022. (2) Comprises Purchase Price of JPY 17,800m (S\$183.5m), Acquisition Fee of S\$1.8m, and transaction costs of S\$1.7m.

Transaction Rationale



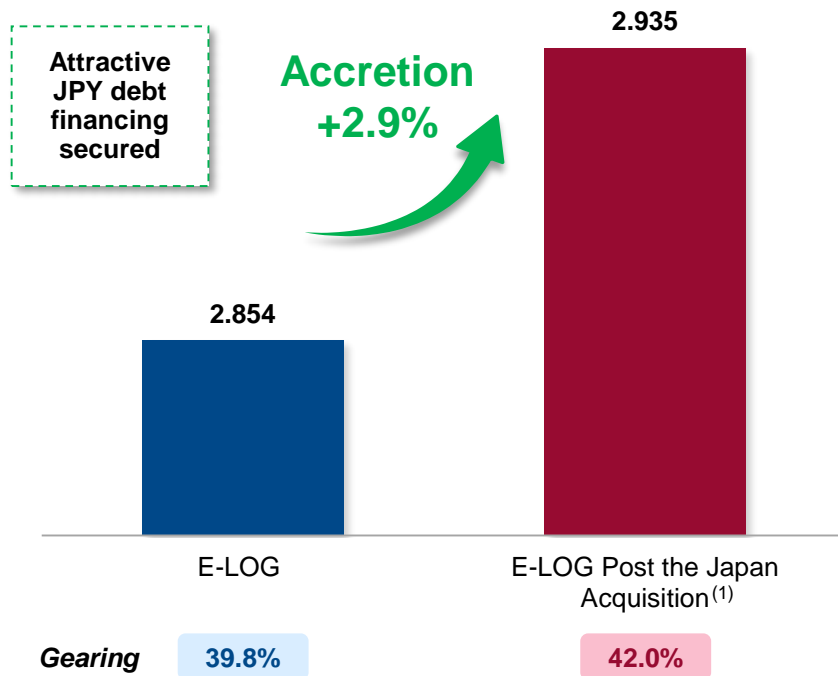
1 Transaction is DPU Accretive to Unitholders

Transaction expected to be DPU accretive to Unitholders, with funding already secured

Scenario A: DPU (100% Debt Funded)

(Singapore Cents)

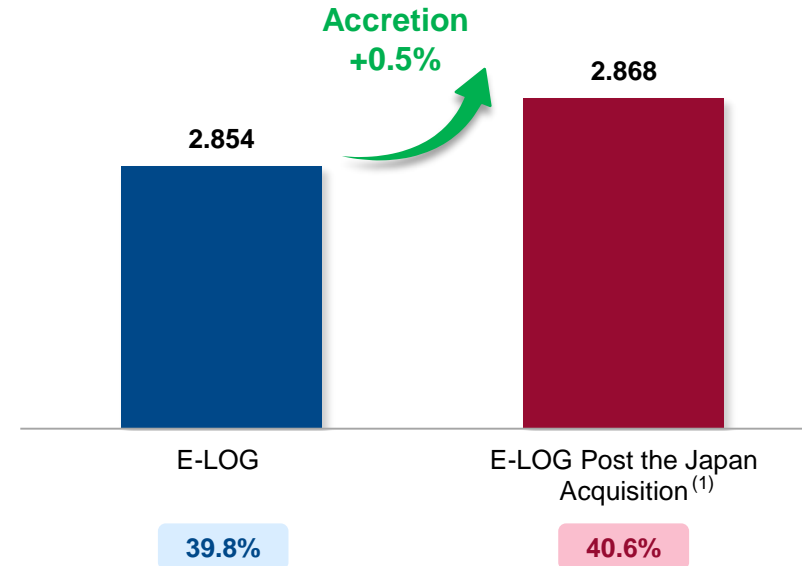
FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION



Scenario B: DPU (60% Debt / 40% Equity Funded)

(Singapore Cents)

FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION

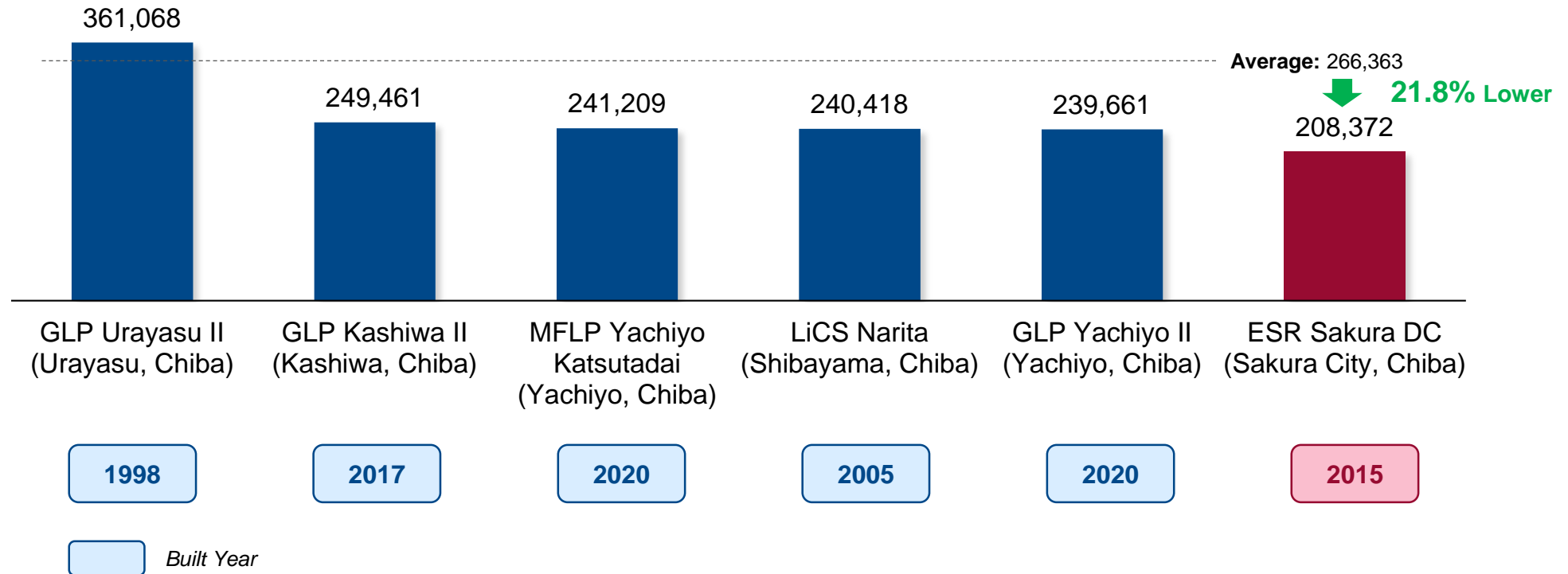


2 Attractive NPI Yield and Purchase Price

Attractive NPI yield of c.4.35% and Purchase Consideration of JPY 208,372 per sqm
 (approximately 21.8% lower than market comparables on average)⁽¹⁾

Lowest Price per sqm Among Recent Logistics Asset Transactions in the Chiba Prefecture, Tokyo

(Value per sqm in JPY)

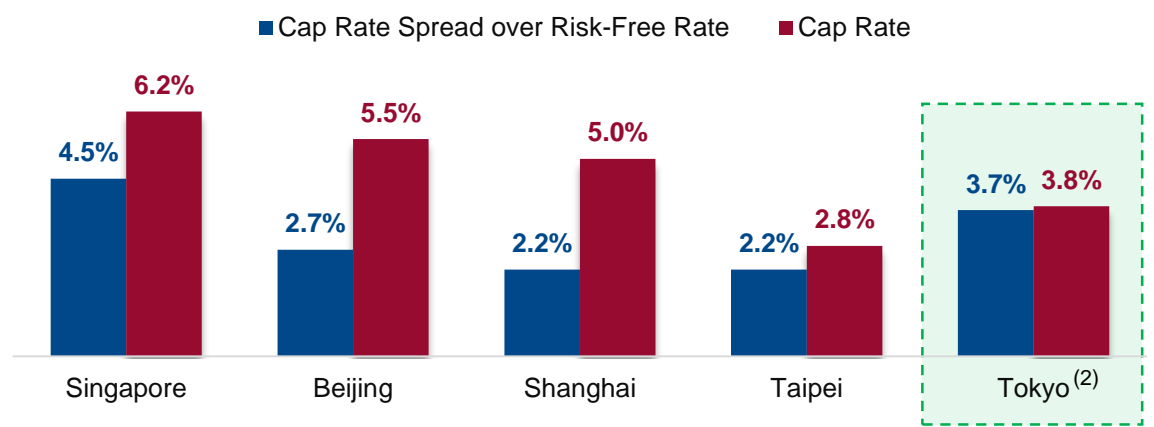


3

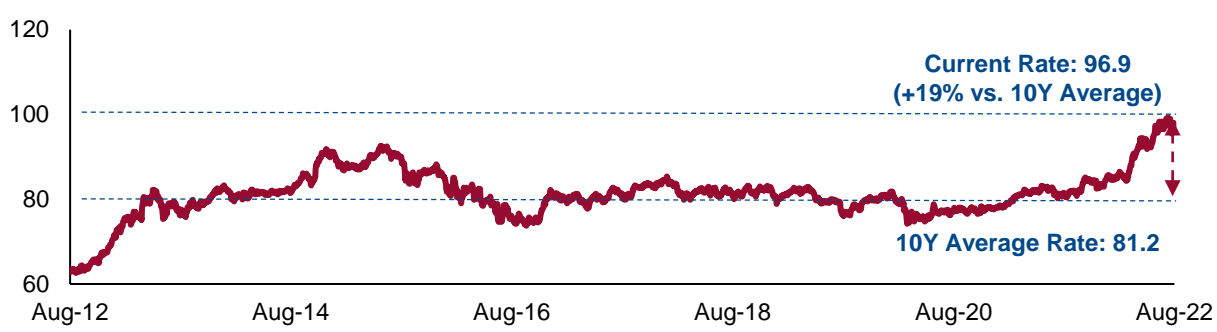
Maiden Entry into Japan's Attractive and Asset Scarce Logistics Market

Attractive entry point into a market which exhibits good risk / reward investment

Attractive Yield Spreads⁽¹⁾ for Japan Logistic Investments Driven by the Bank of Japan's Adoption of a Negative Interest Rate Policy



JPYSGD Chart (JPY per S\$)



What Does This Mean For the ESR-LOGOS REIT

- 1 High yield spreads for Japanese real estate is driven by the **Bank of Japan's** adoption of a negative interest rate policy
- 2 Long term government bond yields expected to remain low as the BoJ is expected to maintain its current monetary policy despite inflationary pressures
- 3 JPYSGD exchange rate is currently lower than the 10-year average, resulting in favorable capital market conditions to raise offshore capital with potential upside from FX gains on income distributions

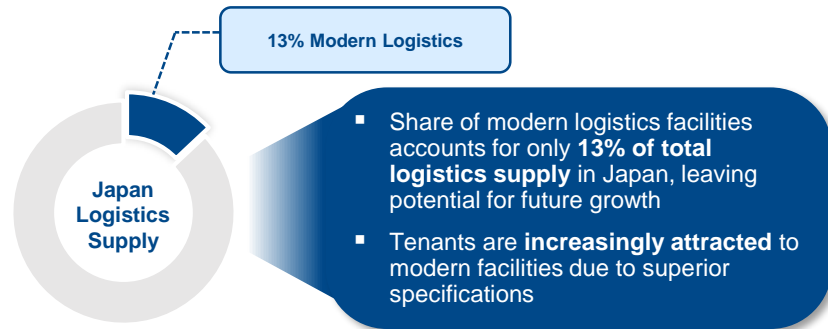


Source: Monetary Authority of Singapore, Macrobond, ARES, Knight Frank Asia-Pacific, Knight Frank Consultancy, FactSet. Market data as of 11 August 2022.
Notes: (1) The 10-year government bond yield is taken as a proxy of the risk-free rates. All government bond yields are based on the respective country of origination. (2) Refers to the "23 Special Wards of Tokyo".

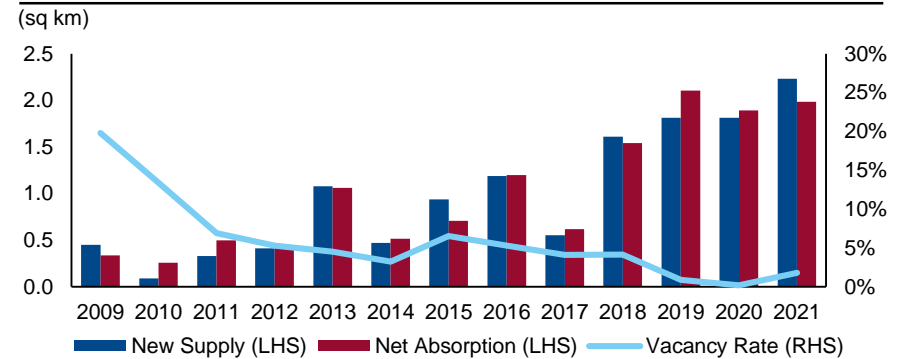
3 Sector Fundamentals Underpinned by Attractive Market Dynamics

Strong supply and demand dynamics expected to drive positive rent growth

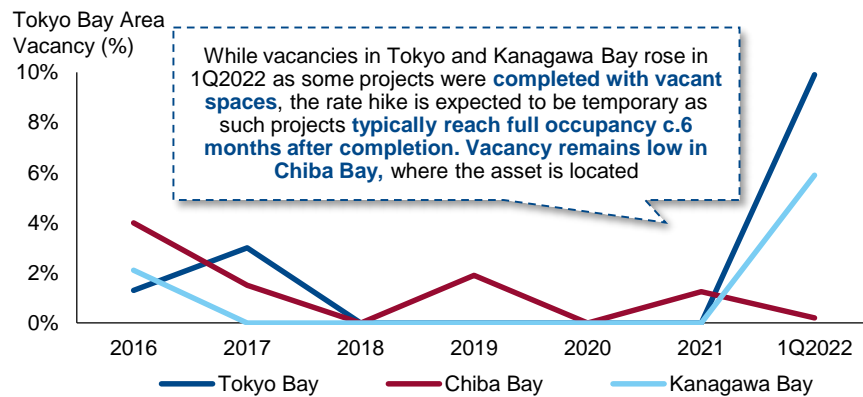
High Demand for Modern Logistics Warehouse



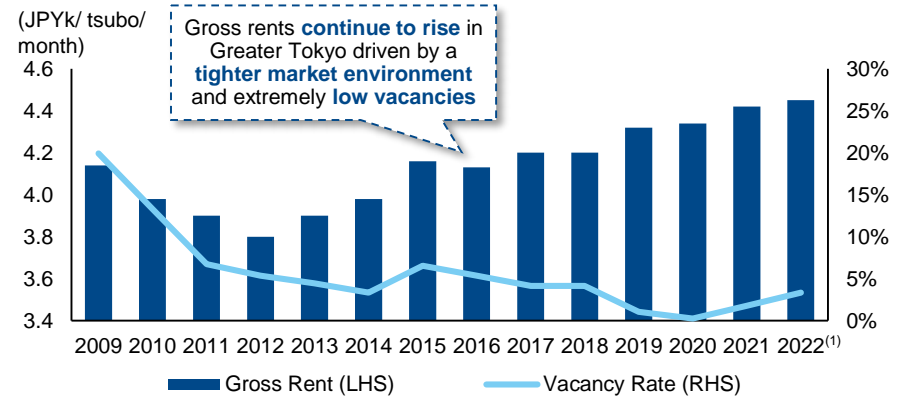
High Net Absorption in Greater Tokyo



Low Vacancy Rates Across the Industry



Rising Rental Rates in Greater Tokyo



3 Prime Location with Excellent Connectivity

Strategically located asset with excellent connectivity to major transportation nodes and transportation infrastructure

Good Location within Greater Tokyo...



Legend:

Ports Airport Key expressways serving Greater Tokyo

...Connected to Major Transport Nodes

1

Located in the Chiba Logistics Market, located c.40km east of the Tokyo CBD, which includes:

- **Narita International Airport**, the largest air freight transportation centre in Japan
- **Chiba Port**, Japan's largest seaport and 2nd busiest container port

2

1.9km from the **Higashi Kanto Expressway**, providing connectivity to **central Tokyo** and the **East/North-East** of the Greater Tokyo Region

3

Located within an **Exclusive Industrial District**, where:

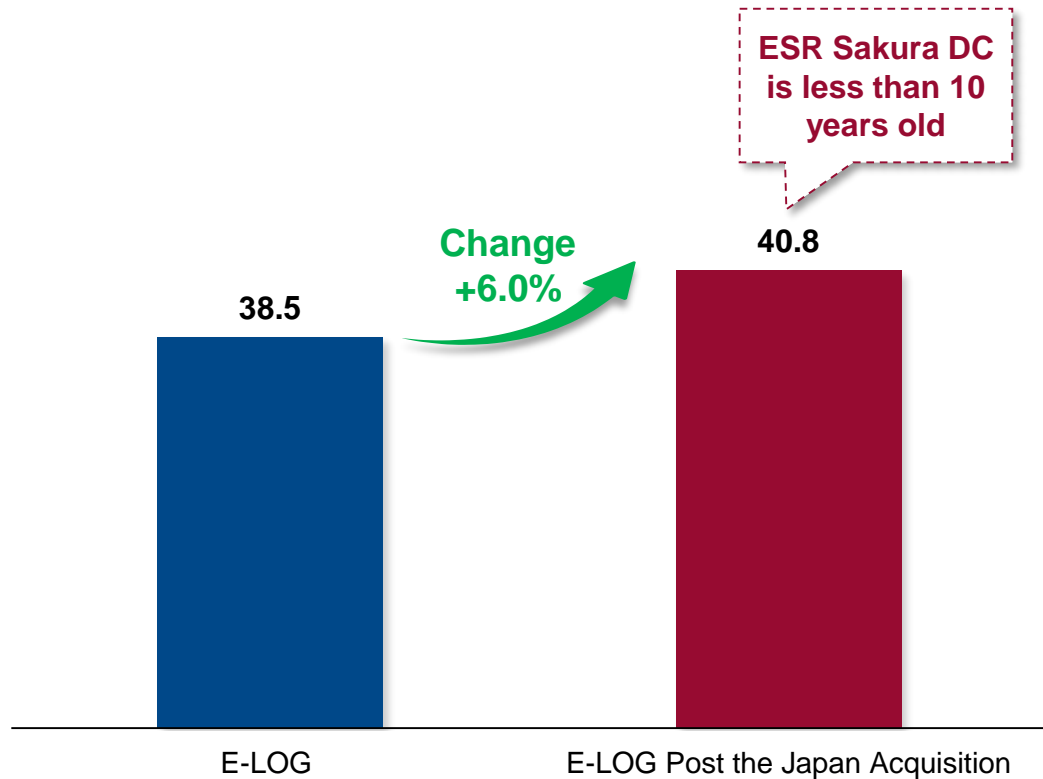
- Only **14% of the 327ha** of land is designated as industrial⁽¹⁾
- Substantial industrial-zoned land has been **fully built out**, limiting new supply

4 ESR Sakura DC is Freehold and Completed in 2015

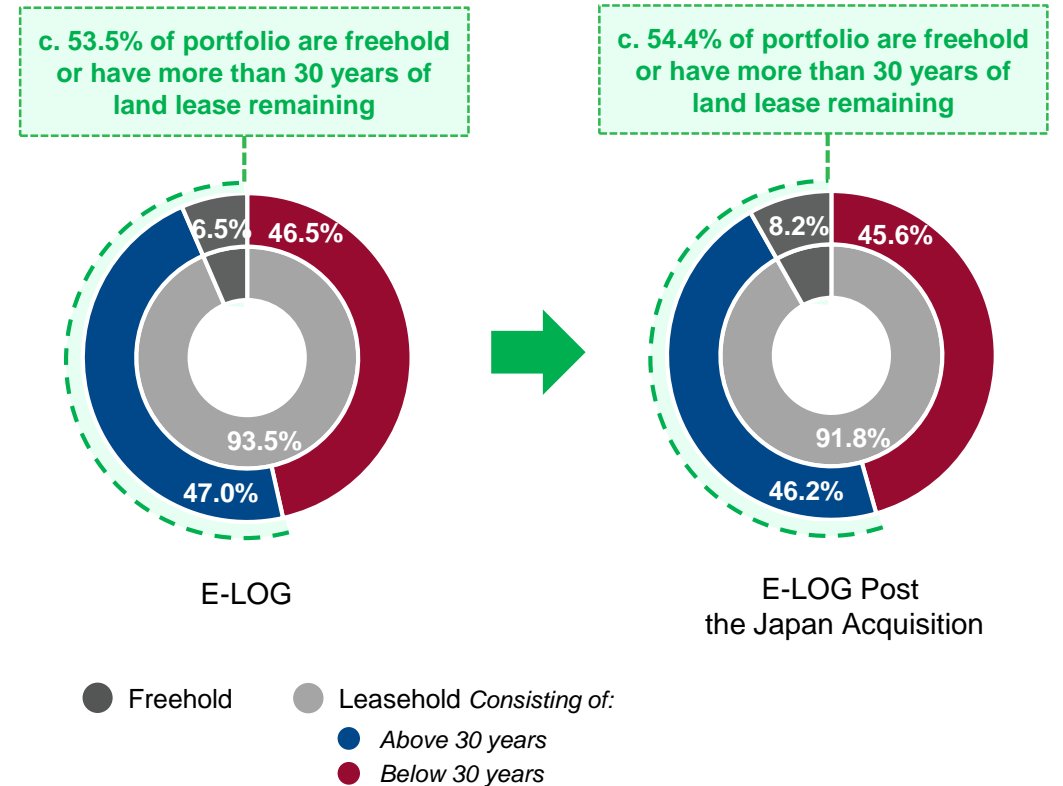
E-LOG will gain more exposure to freehold assets which do not suffer from valuation decay as a result of declining land lease

Extends E-LOG's Land Lease Expiry Profile⁽¹⁾⁽²⁾

(Years)



Increases E-LOG's Exposure to Freehold Assets



5 Future-Ready New Economy Asset | ESR Sakura DC

Well-Spec Modern Logistics Asset

Green Features
Roof space features **solar panels** while **c.42%** of Net Lettable Area fitted with eco-friendly **LED lighting**

Floor Loading and Ceiling Height
Warehouse floor loading of **15kilonewton/sqm** and ceiling height of **5.5m**

Loading/ Unloading Bays
1st Storey: 21 bays and 6 dock levellers
4th Storey: 13 bays and 3 dock levellers

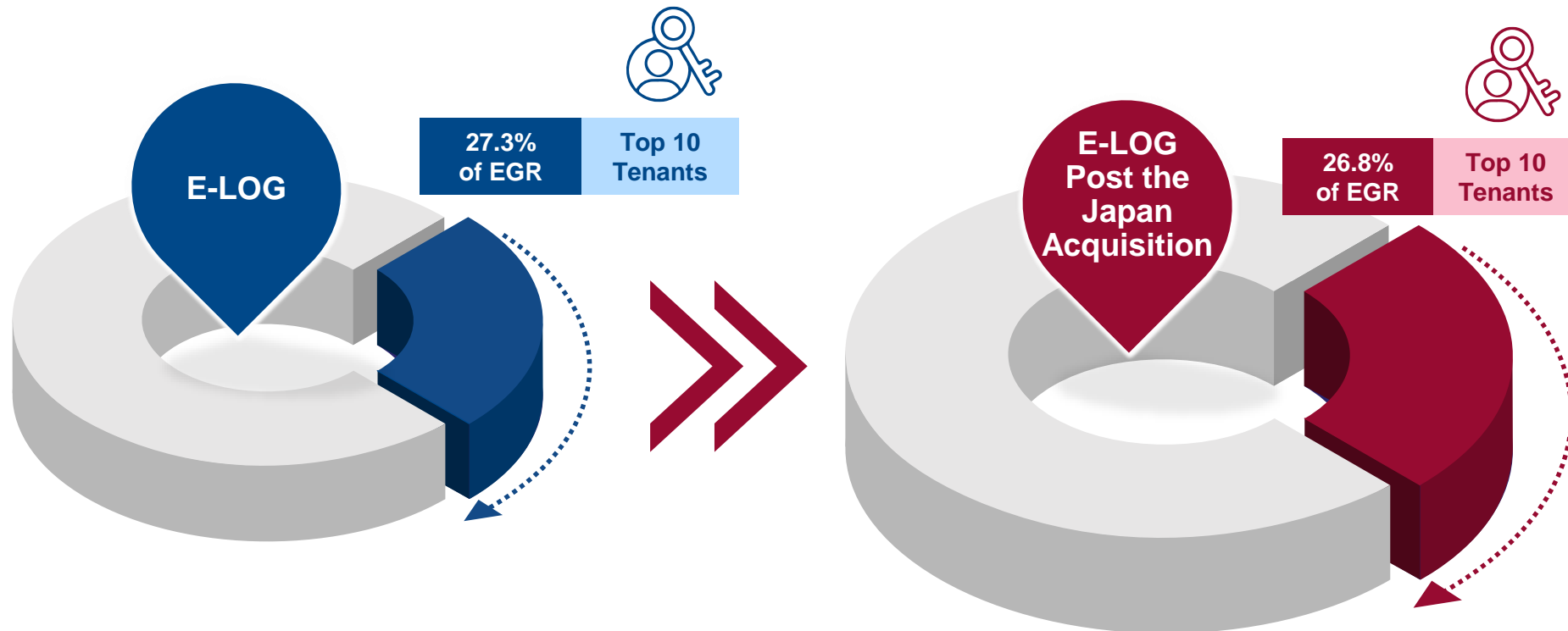
Ancillary Amenities
Office workspaces for tenants, a cafeteria, convenience stores and adequate parking lots

Access
5-storey modern warehouse facility accessible by ramp and **11 cargo lifts**

5 High Quality Asset Positioning E-LOG for Growth

Acquisition of ESR Sakura DC enhances tenant diversification

Reduced Contribution by Top 10 Tenants⁽¹⁾

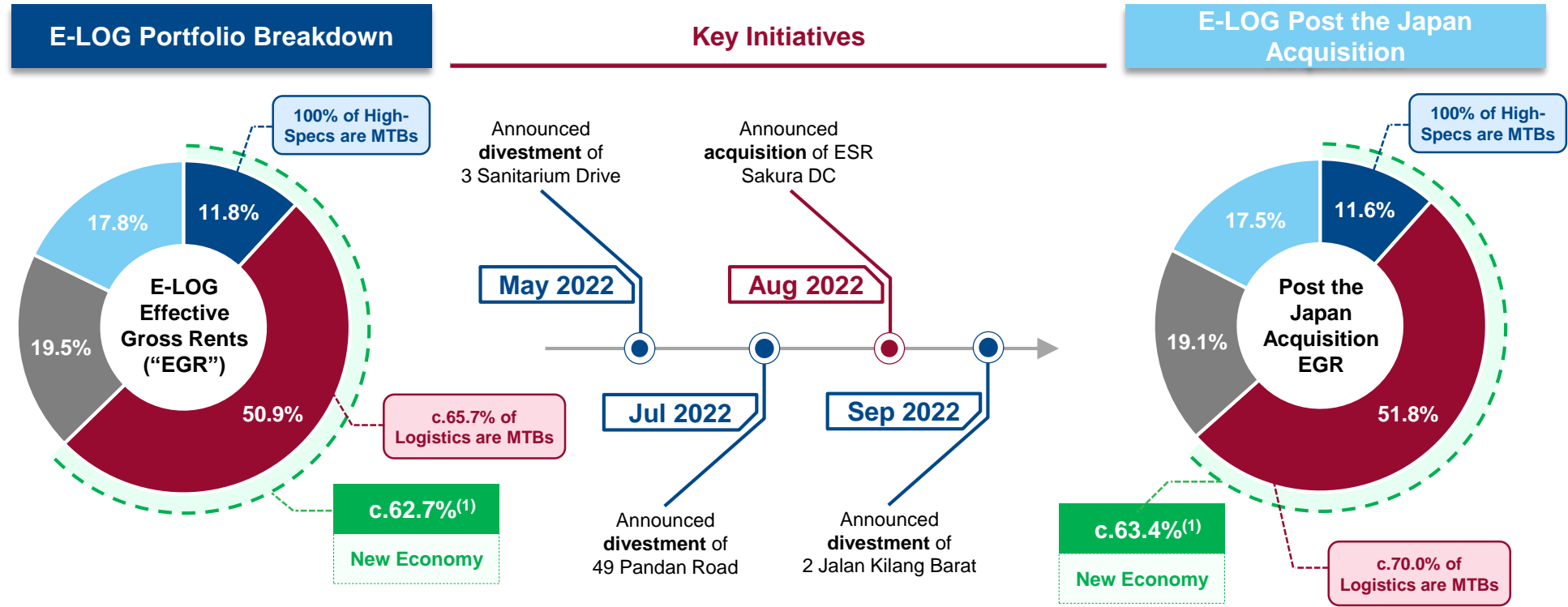


No single tenant accounts for more than 4.6% of E-LOG's EGR (reduced from 4.7%)

6

Delivery of Portfolio Reconstitution Strategy to Establish E-LOG as a Leading New Economy REIT

Execution of E-LOG's portfolio constitution and acquisition strategy in creating a flagship New Economy REIT to ride on changing structural growth trends



- ✓ New Economy exposure increases to 63.4%
- ✓ Demonstrates E-LOG's access to Sponsor's pipeline of New Economy freehold assets

● Business Park ● High-Specs ● Logistics ● General Industrial



Notes: Unless otherwise stated, all references to portfolio metrics in this presentation 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) Based on Effective Gross Rents for the month of June 2022. Excludes contribution from Fund Properties.

7 Alignment of Interests / Sponsor Support

Sponsor Support demonstrates alignment of interest with Unitholders in supporting E-LOG's growth by providing transaction certainty and mitigating risks for E-LOG

i Sponsor to backstop E-LOG's risk of forfeiting the deposit

- It is a condition of the Fund Vendor that the purchaser of ESR Sakura DC provides a **deposit of JPY 872.5 million (approximately S\$9.0 million)** (the "**Deposit**") to show its commitment to the acquisition, and accordingly, the Deposit is payable upon signing of the sale and purchase agreement and such Deposit will **not** be refundable after 31 August 2022⁽¹⁾
- As E-LOG would not be able to convene an EGM to obtain Unitholder's approval for the Japan Acquisition prior to 31 August 2022, the Deposit would be forfeited if Unitholders do not approve proceeding with the Japan Acquisition
- To backstop E-LOG's risks of having the Deposit forfeited, the Sponsor Vendor, as a show of support to E-LOG to allow E-LOG to secure the transaction, has therefore agreed to enter into the Fund SPA and on-sell the asset to E-LOG via the Japan Sale and Purchase Agreement (which provides for the refund of the Deposit from the Sponsor Vendor to E-LOG⁽²⁾ in the event Unitholders do not approve proceeding with the Japan Acquisition)

ii Sponsor to provide 12 months of Rental Support to mitigate leasing risks

- The Sponsor Vendor has agreed to provide E-LOG with a rental support for the vacant space (25% of NLA) which the Fund Vendor would not be providing
 - a) The rental support is provided solely by the Sponsor Vendor despite the Sponsor only owning a minority stake of 14.3% in ESR Sakura DC
 - b) Had the Investors agreed to provide a rental support and waived the non-refundable deposit date of 31 August 2022, E-LOG would have paid JPY 17,800 million as the purchase price in any case
- The 12 months of rental support for the vacant space amounting to JPY 236.5 million (approximately S\$2.4 million) (the "**Rental Support**") is (i) based on market rent and (ii) in line with the current rates being charged for the rest of the tenanted spaces in ESR Sakura DC
- Each of the Japan Independent Valuers is of the opinion that the Rental Support is in line with market rental rates
- The Rental Support will also be used to cover any rent free period(s) provided to new tenant(s) for securing new lease(s)

The Sponsor Vendor will acquire ESR Sakura DC (at the purchase price of JPY17,450 million without rental support) from the Fund Vendor and on-sell the asset to E-LOG at JPY17,800 million⁽³⁾ with 12 months of Rental Support

Conclusion

ESR Sakura DC acquisition is in line with E-LOG's long-term strategy to create a high quality New Economy REIT



1  Transaction is DPU Accretive to Unitholders

2  Attractive NPI Yield and Purchase Price

3  Maiden Entry into Japan's Attractive and Asset Scarce Logistics Market Leveraging on Sponsor's Local Presence

4  ESR Sakura DC is Freehold and Completed in 2015

5  High Quality Asset Positioning E-LOG for Growth

6  Delivery of Portfolio Reconstitution Strategy to Establish E-LOG as a Leading New Economy REIT

7  Alignment of Interest with Unitholders / Sponsor Support

Approval Sought

Approval Required

- Interested Person Transaction Pursuant to the Listing Manual
- Interested Party Transaction Pursuant to the Property Funds Appendix

(Ordinary Resolution)

Requirements

- The Manager is seeking approval from unitholders of E-LOG for the Japan Acquisition as an interested person transaction (*Ordinary Resolution*)
- Majority being greater than 50.0% or more of the total number of votes cast for and against such resolution at a meeting of Unitholders convened in accordance with the provisions of the Trust Deed
- The Sponsor, LOGOS and their associates are prohibited from voting on the resolution to approve the Japan Acquisition

Resolution 1 : To approve the Proposed Acquisition of 100% Trust Beneficiary Interest in ESR Sakura DC, as an Interested Person Transaction

What Do the Directors Recommend?

“Having regard to the **rationale for and key benefits of the Japan Acquisition** as set out in paragraph 3 above, the Independent Directors and the Audit, Risk Management and Compliance Committee believe that the Japan Acquisition is on **normal commercial terms** and is **not prejudicial to the interests of E-LOG and its minority Unitholders**.

Accordingly, the Independent Directors and the Audit, Risk Management and Compliance Committee **recommend that Unitholders vote at the EGM in favour** of the Resolution relating to the Japan Acquisition.”



ESR-LOGOS REIT INDEPENDENT DIRECTORS AND THE AUDIT, RISK MANAGEMENT AND COMPLIANCE COMMITTEE.



Extraordinary General Meeting

Question & Answer Session



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