



The Edge - REITs Investment Forum

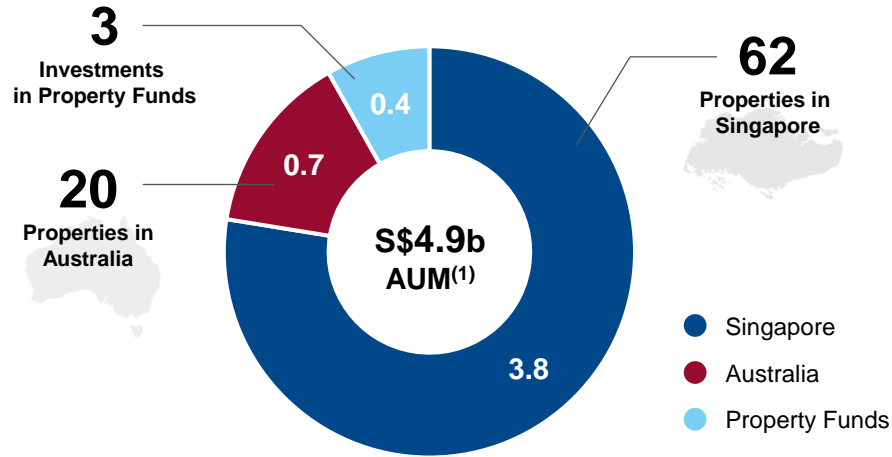
“Portfolio Reconstitution to Meet Future Needs”

29 October 2022



ESR-LOGOS REIT: Future-Ready APAC Industrial S-REIT

Portfolio of Quality Diversified Assets across Key Gateway Markets



Portfolio
82 Properties



Investments
3 Property Funds



Total Assets | **AUM⁽¹⁾**
S\$5.5 billion | **S\$4.9 billion**



Total Net Lettable Area
2.0 million sqm



Portfolio Occupancy
92.4%



Weighted Average Lease Expiry
3.2 years

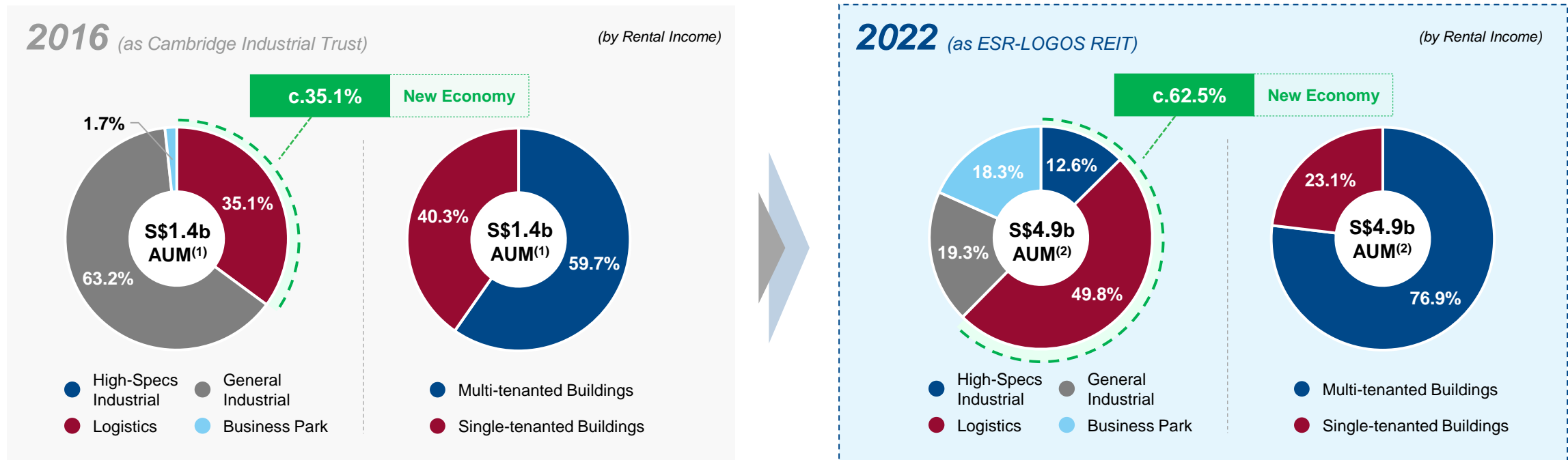


Proportion of New Economy Assets
62.5%



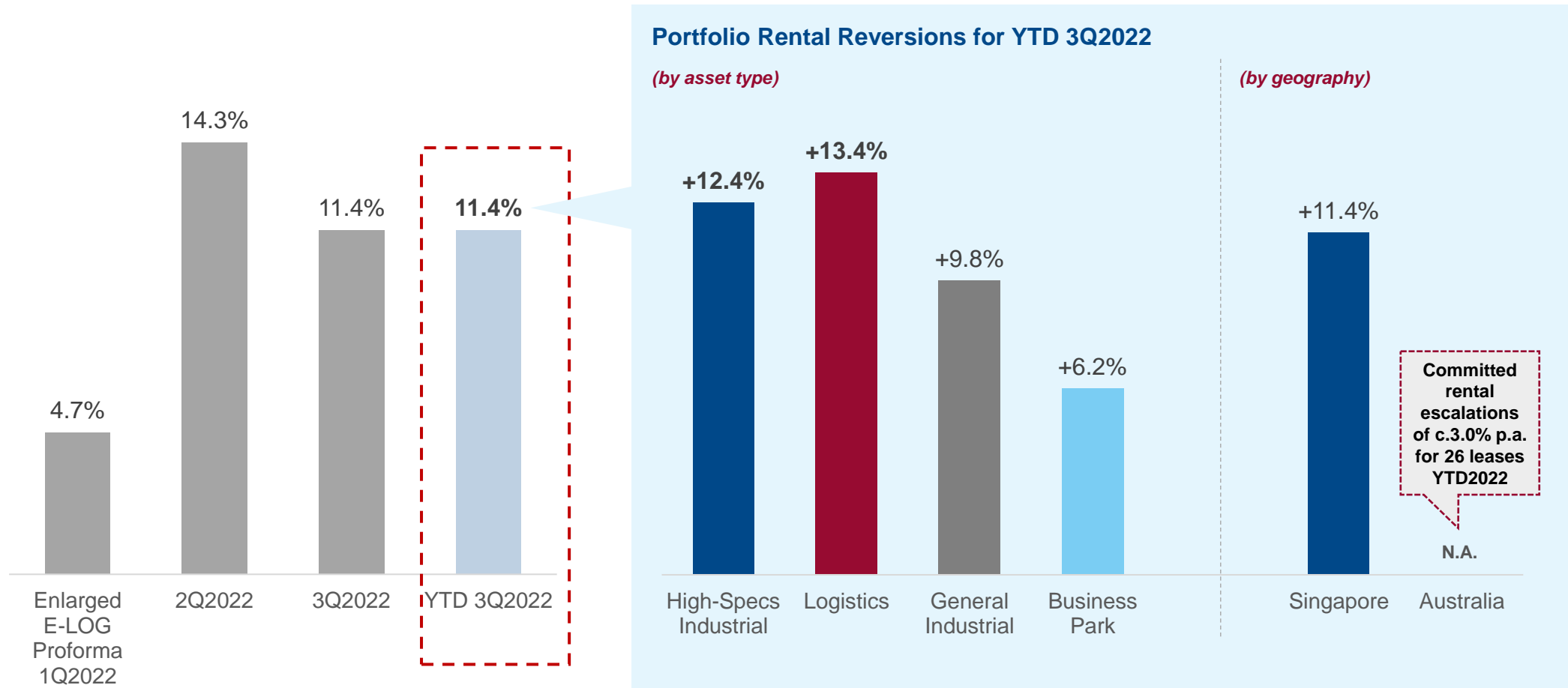
ESG Targets
GRESB submission

ESR-LOGOS REIT: Transformation and Pivoting the Portfolio Towards the New Economy



Sustainable Demand and Continued Tight Supply Driving Positive Rent Reversion

E-LOG's Portfolio recorded +11.4% positive rental reversions in 3Q2022 and YTD2022...



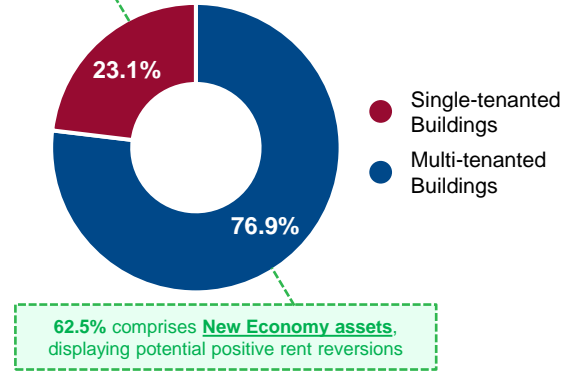
...with Logistics & Hi-Specs segment driving space demand.

Multi-Tenanted Leases Provide Potential for Organic Rental Growth given Positive Sector Demand and Supply Dynamics

E-LOG STB and MTB Breakdown

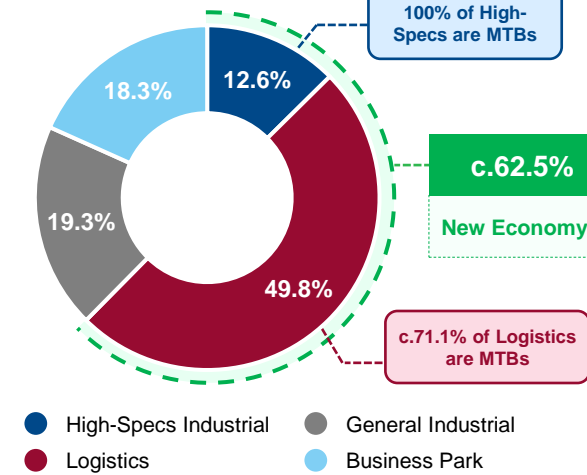
(by Rental Income)

97.2% of STBs have built-in rental escalations ranging from 1.5% to 4.0%



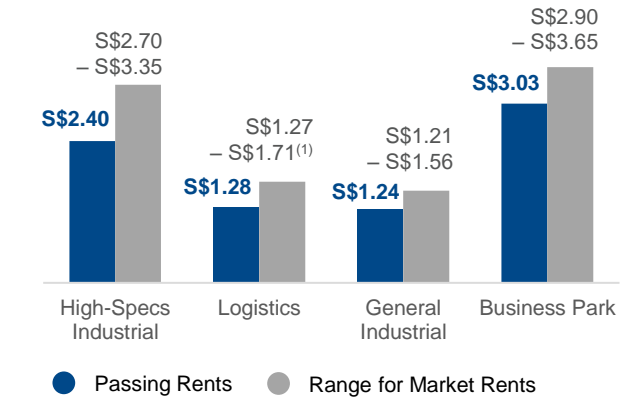
E-LOG Asset Class Breakdown

(by Rental Income)



Passing Rents vs Market Rents

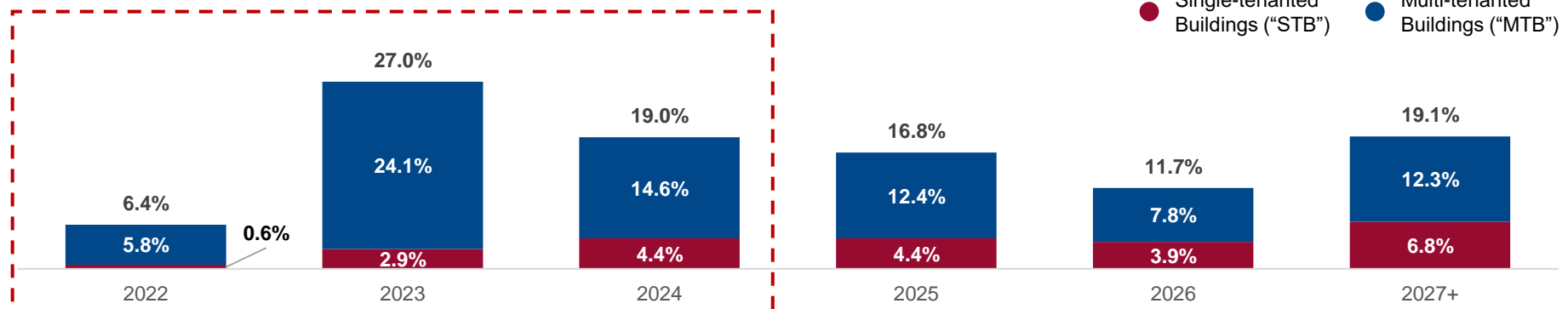
(in S\$/psfpm)



Source: CBRE Research & Management estimates

E-LOG Lease Expiry Profile




- Portfolio has a weighted average lease expiry of 3.2 years with approximate 6.4% of leases due for renewal in FY2022
- Of these expiring leases for FY2022, about 91.0% are in the process of renewal



3Q2022 Leasing Update

More than 213k sqm Renewed and Newly Leased

Key tenants secured during 3Q2022:

	A High Specifications	B Logistics	C Logistics
Name of Tenant	AMS-OSRAM Asia Pacific Pte Ltd 	Venture Corporation Limited 	ACFS Port Logistics Pty Ltd 
Location	7000 Ang Mo Kio Avenue 5 (Singapore)	24 Jurong Port Road (Singapore)	1-5, 2-6 Bishop Drive (QLD, Australia)
Description	AMS-OSRAM is a global leader in optical technologies and a market leader in optical high-tech solutions. The Company designs and manufactures high performance sensor solutions for applications and its products include sensor solutions, sensor ICs, interfaces and related software for mobile consumer, communications, industrial, medical, and automotive markets.	Venture Corporation Limited provides contract manufacturing services to electronics companies worldwide. The Company also provides manufacturing, design, engineering, customization, and logistic services.	ACFS is the largest privately owned container logistics operator in Australia. Their sites are strategically positioned with close proximity to all major ports. These locations have convenient access to wharf terminals to ensure efficient operations
Trade Sector	Electronics	Logistics	Logistics
NLA (sqm)	46,220	54,296	17,712
Lease Commencement Date	3Q2022	3Q2022	3Q2022
Lease Type	Renewal	Renewal	New Lease

High quality tenants across various trade sectors improves tenant diversification and mix

Active Asset Management Strategy

Three-Pronged Strategy to Unlock Value

The Manager is embarking on a three-pronged active asset management strategy to unlock value by achieving the following strategies:

- ✓ Recalibrate portfolio quality towards modern, in-demand and scalable assets
- ✓ Divestments of non-core assets and focus on New Economy assets
- ✓ Acquire freehold developments and assets with longer land tenures to uplift NAV growth

A Asset Enhancement and Redevelopment

- Re-purpose existing dated general industrial properties with lower-specs to ensure continued relevance to the needs and demands of the New Economy sector
- Development of unutilised plot ratio or redevelopment of existing properties to unlock further value

C Acquisitions

- Acquire assets in New Economy sectors
- Acquire freehold or assets with longer land tenures to uplift NAV growth
- Leverage ESR Group's portfolio of >US\$59 billion New Economy assets in an increasingly scarce environment for logistics assets
- **Initial c.US\$2 billion of visible and executable Asia Pacific New Economy pipeline**




B Divestments

- Divestment of non-core assets which are small in size or have short land tenures, with limited development potential
- Key to recalibrate portfolio quality
- Proceeds can be used to pare down debt or redeployed towards higher quality assets
- **Up to S\$450 million of non-core assets identified for divestment over the next 12-24 months**

A

Redevelopments and AEs: Value Creation with Redevelopments and AEs

Timeline for the Redevelopment and AEs are on track for Completion

	Redevelopment	AEI	AEI	AEI
	21B Senoko Loop	7002 Ang Mo Kio Ave 5	16 Tai Seng St	53 Peregrine Dr
				
Estimated Cost	Approx. S\$38.5 million	Approx. S\$53.3 million ⁽¹⁾	Approx. S\$32.0 million ⁽²⁾	Approx. A\$19.2 million
Estimated Yield on Cost	Approx. 6.6%	Approx. 7.1%	Approx. 6.0%	Approx. 7.5%
Details of the Redevelopment	Conversion from a general industrial building to a high-specs property	Creation of standalone block to maximize plot ratio	Creation of additional floor to maximize plot ratio	Creation of additional warehouse and hardstand
Description	Master leased to NTS Components Singapore Pte Ltd ("NTS"). Planned for Green Mark Gold Certification.	Marketing in progress for potential data centre and other high-specifications end users. Planned for Green Mark Gold Certification.	Anchor tenant in Food Industry will occupy the first floor of the Property. Planned for Green Mark Gold Certification.	Fully leased to the incumbent tenant, ACFS Port Logistics Pty Ltd ("ACFS"). Planned for Green Star Certification.
Expected Completion Date	1Q2024	3Q2023	1Q2024	4Q2022
% Completed ⁽³⁾	Approx. 9%	Approx. 28%	Commenced	Approx. 93%

B

Divestments: 49 Pandan Road & 2 Jalan Kilang Barat

Divestments are at a premium to fair values

ESR-LOGOS REIT announced the divestments of 49 Pandan Road and 2 Jalan Kilang Barat at 15.1% and 21.7% premium to fair values in July 2022 and September 2022 respectively



	49 Pandan Road, Singapore	2 Jalan Kilang Barat, Singapore
Asset Type	Logistics	High-Specs
Gross Floor Area	30,575 sqm	7,679 sqm
Valuation	S\$37.8 million ⁽¹⁾	S\$29.0 million ⁽²⁾
Sale Consideration	S\$43.5 million	S\$35.3 million
Divestment Premium	15.1%	21.7%
Remaining Term of Lease	17.0 years	39.8 years ⁽³⁾
Acquisition Date	3 July 2012	25 July 2006
Expected Completion Date	4Q2022	4Q2022



Acquisition: ESR Sakura DC

Maiden Entry into Japan via Acquisition of ESR Sakura DC

- On 12 October 2022, 99.67% of Unitholders approved the Acquisition of ESR Sakura DC
- Completion is expected to be on 31 October 2022



Key expressways serving Greater Tokyo

Asset Type	<ul style="list-style-type: none"> 5-storey modern logistics facility 		
Location	<ul style="list-style-type: none"> Chiba Prefecture, Tokyo, Japan 		
Japan Purchase Consideration	<ul style="list-style-type: none"> JPY17,800m (c.S\$183.5m) with 12 months of Rental Support 		
Land Tenure	<ul style="list-style-type: none"> Freehold 		
Year of Completion	<ul style="list-style-type: none"> November 2015 		
Net Lettable Area	<ul style="list-style-type: none"> 81,507.4 sqm 		
NPI Yield	<ul style="list-style-type: none"> 4.35% (Including Rental Support) 		
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 of up to JPY 17,600 million (approximately S\$181.5 million) provided by MUFG Bank, Ltd (MUFG) and Sumitomo Mitsui Banking Corporation (SMBC). 		
Pro forma Financial Effects	<p><i>FOR ILLUSTRATIVE PURPOSES ONLY NOT A FORWARD-LOOKING PROJECTION</i></p> <table border="1"> <tr> <td> Scenario A: <ul style="list-style-type: none"> (100% Debt) <ul style="list-style-type: none"> DPU Accretion: 2.9% Gearing: 42.0% </td> <td> Scenario B: <ul style="list-style-type: none"> (60% Debt / 40% Equity) <ul style="list-style-type: none"> DPU Accretion: 0.5% Gearing: 40.6% </td> </tr> </table>	Scenario A: <ul style="list-style-type: none"> (100% Debt) <ul style="list-style-type: none"> DPU Accretion: 2.9% Gearing: 42.0% 	Scenario B: <ul style="list-style-type: none"> (60% Debt / 40% Equity) <ul style="list-style-type: none"> DPU Accretion: 0.5% Gearing: 40.6%
Scenario A: <ul style="list-style-type: none"> (100% Debt) <ul style="list-style-type: none"> DPU Accretion: 2.9% Gearing: 42.0% 	Scenario B: <ul style="list-style-type: none"> (60% Debt / 40% Equity) <ul style="list-style-type: none"> DPU Accretion: 0.5% Gearing: 40.6% 		

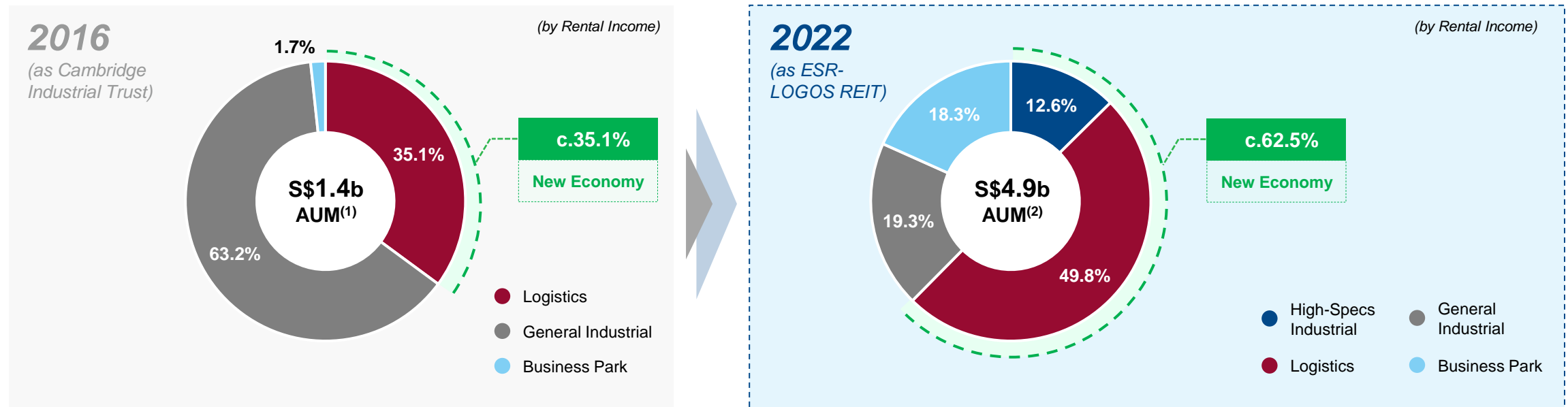


Note: Using an illustrative exchange rate of JPY 97.00 : S\$1.00

Conclusion:

Portfolio Reconstitution to Meet Future Needs

1. E-LOG continues to actively managed our portfolio and pivot towards New Economy assets
2. Currently, 62.5% of the portfolio are New Economy assets with majority MTB leases primed for positive rent reversions
3. We continue to reposition our portfolio to be future-ready to meet the needs of the New Economy
4. Higher property expenses and borrowing costs are expected to negate the positive rent reversions in the short term
5. Increasing concerns on the looming recession is expected to lower business confidence
6. Despite the potential uplift in the medium to longer run with our New Economy pivot, in the short term, we can expect pressure on distributions due to high energy costs and interest costs
 - We are looking to distribute our past capital gains to lessen the impact in the short term



Important Notice

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 presentation 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 presentation is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this material 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.

For enquires, please contact:

Lyn Ong

Manager, Capital Markets and Investor Relations

Tel: (65) 6222 3339

Fax: (65) 6827 9339

Email: lyn.ong@esr-logosreit.com.sg