

NEWS RELEASE

For immediate release

ESR-LOGOS REIT to Divest Seven Non-Core Assets Aggregating S\$337.0 Million¹; Significant Milestone in Capital Recycling and Asset Rejuvenation Strategy with Clear Plan to Redeploy Capital Back into Leading New Economy Real Estate Assets

- *Divestments achieve significant milestone as part of E-LOG's capital recycling strategy:*
 - 1) *Divestment of a portfolio of five non-core assets for S\$313.5 million; representing a 5.1% discount to valuation*
 - 2) *Divestment of 22 Chin Bee Drive, Singapore, for S\$13.8 million, representing a 6.2% premium over valuation*
 - 3) *Divestment of 51 Musgrave Road, Australia, for A\$10.8 million, representing a 2.4% premium over valuation*
- *E-LOG's pro forma aggregate leverage will decrease from 41.8% to 33.6% post completion*
- *Significant increase in debt headroom grants E-LOG flexibility to optimise its capital structure and recycle capital towards higher quality New Economy assets in rejuvenating its portfolio*
- *Uplifts portfolio quality with pro forma WALE increasing from 3.2 to 3.3 years, pro forma weighted average land lease expiry increasing from 37.1 to 37.9 years*
- *Reduces pro forma concentration risk of single-tenanted buildings from 23.3% to 21.7%*

Singapore, 23 June 2023 – ESR-LOGOS Funds Management (S) Limited, the manager of ESR-LOGOS REIT (the “**Manager**”), is pleased to announce the proposed divestments of seven non-core assets in Singapore and Australia, comprising a portfolio of six non-core assets in Singapore and 51 Musgrave Road, Australia (collectively, the “**Proposed Divestments**”), for approximately S\$337.0 million¹ (excluding divestment costs and applicable goods and services tax).

Earlier in the year, E-LOG successfully completed a \$300 million Equity Fund Raising^{2,3} and completed the divestment of 49 Pandan Road⁴.

1 Based on foreign exchange rate of A\$1:S\$0.9065.

2 “Equity Fund Raising” means the equity fund raising to raise gross proceeds of not less than approximately S\$300.0 million (see announcement titled “Launch of Equity Fund Raising to Raise Gross Proceeds of Not Less Than Approximately S\$300.0 Million” for further details). The Equity Fund Raising was completed on 28 April 2023.

3 Includes redemption of perpetual securities on 1 February 2023. For additional details, please refer to the announcement titled “Notice of Redemption to The Securityholders of S\$100,000,000 5.50 Per Cent. Subordinated Perpetual Securities (ISIN: SG7MA2000006) Issued Under The S\$1,000,000,000 Multicurrency Debt Issuance Programme of ALOG Trust” dated 30 December 2022.

4 For further details on the divestment of 49 Pandan Road (Pandan Logistics Hub), please refer to the announcement titled “ESR-LOGOS REIT to Divest Pandan Logistics Hub in Singapore at 15.1% Premium to Valuation” dated 29 July 2022. The divestment was completed on 21 February 2023 (please refer to the announcement titled “ESR-LOGOS REIT Completes Divestment of Pandan Logistics Hub” dated 21 February 2023 for further details).

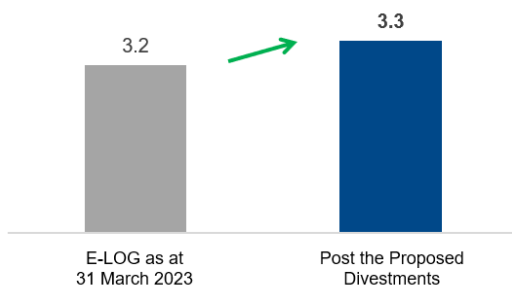
Upon completion of the Proposed Divestments, for illustrative purposes, assuming that net proceeds from the Proposed Divestments, Equity Fund Raising and divestment of 49 Pandan Road are fully used to repay existing debt, E-LOG's FY2022 *pro forma* aggregate leverage will reduce to 33.6%, as compared to the actual aggregate leverage of 41.8% as at 31 December 2022.

Post completion of the Proposed Divestments, E-LOG's *pro forma* Weighted Average Lease Expiry ("**WALE**") will also increase from 3.2 years as at 31 March 2023, to 3.3 years, and its *pro forma* portfolio weighted average land lease expiry will increase from 37.1 years as at 31 March 2023, to 37.9 years. In addition, the *pro forma* concentration risk of single-tenanted buildings ("**STB**") as a portion of E-LOG's portfolio by rental income will also reduce from 23.3%, as at 31 March 2023, to 21.7% and the *pro forma* contribution of the top 15 tenants of E-LOG will reduce from 35.1%, as at 31 March 2023, to 34.8%, thereby diversifying E-LOG's tenant concentration risks.

After taking into account the divestment costs and applicable goods and services tax, the net proceeds from the Proposed Divestments are approximately S\$322.4 million. The net proceeds of the Proposed Divestments will provide E-LOG with the flexibility to optimise its capital structure and recycle capital towards higher quality New Economy assets and to finance upcoming asset enhancement initiatives and/or redevelopment works given the favourable secular trends impacting how goods are produced, delivered and consumed, in particular driving the demand for logistics facilities.

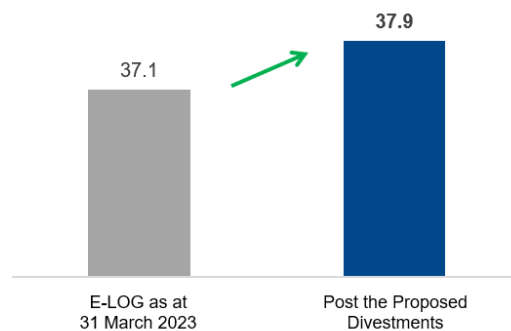
Weighted Average Lease Expiry

(in Years)

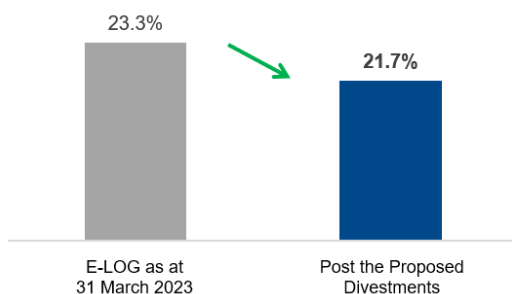


Weighted Average Land Lease Expiry

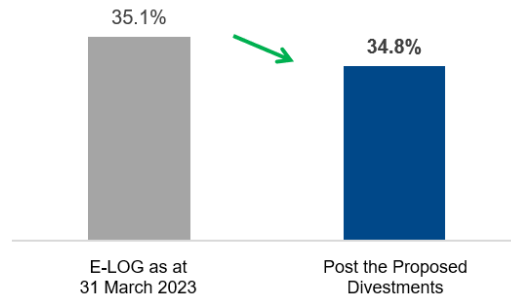
(in Years)



STB Proportion of E-LOG's Portfolio



Contribution of top 15 tenants



Commenting on the Proposed Divestments, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager, said, “We are delighted to announce the divestment of these non-core assets as part of our ongoing portfolio rejuvenation and capital recycling strategy to strategically recalibrate E-LOG to capitalise on emerging market opportunities specifically towards New Economy assets. These divestments mark the achievement of another milestone to our announced 4R strategy: (i) portfolio **Rejuvenation**; (ii) capital **Recycling**; (iii) **Recapitalising** balance sheet; and (iv) **Reinforcing** sponsor support, as shared in our FY2022 results, through a calculated and focused action plan of divesting non-core assets and recycling them towards modern and in-demand New Economy assets via asset enhancement initiatives, redevelopments and acquisitions. In short, we seek to continue to improve the overall portfolio quality and position E-LOG to further capitalise on the favourable trends which are reshaping the production, delivery and consumption of goods as the pre-eminent New Economy REIT in APAC.

The proposed divestments aggregating approximately S\$337.0 million⁵ in FY2023 will result in E-LOG’s gearing reducing to 33.6%⁶ post these proposed divestments. This significant debt headroom would facilitate E-LOG to recapitalise for growth in a very timely environment as asset valuations begin to correct and improve our portfolio quality with in-demand New Economy assets.

By proactively assessing and realigning our portfolio, E-LOG has demonstrated its commitment in maintaining a dynamic and forward-thinking approach in an ever-evolving market landscape. The proposed divestments mark a strategic move to unlock value for our Unitholders and position the REIT well for sustainable long-term growth.”

5 Based on foreign exchange rate of A\$1:S\$0.9065.

6 On a pro forma basis. Including (i) the Equity Fund Raising and the divestment of 49 Pandan Road, assuming the net proceeds from both, together with the net proceeds from the Proposed Divestments, were fully used to repay existing debt and (ii) the redemption of perpetual securities completed on 1 February 2023.

More Information on the Proposed Divestments

The seven non-core assets included in the Proposed Divestments – 3 Pioneer Sector 3, 4 & 6 Clementi Loop, 6 Chin Bee Avenue, 21 Changi North Way, 30 Toh Guan Road, 22 Chin Bee Drive and 51 Musgrave Road, Australia, have been acquired over the years as part of E-LOG's growth strategy to solidify its foothold in the Singapore and Australia industrial property markets and E-LOG has successfully extracted substantial value from these assets throughout its ownership.

	3 Pioneer Sector 3	4 & 6 Clementi Loop	6 Chin Bee Avenue	21 Changi North Way	30 Toh Guan Road	22 Chin Bee Drive	51 Musgrave Road, Australia	Total
Building Description	Two warehouse blocks comprising of a part 2-storey / part 3-storey warehouse and a 4-storey warehouse with ancillary offices	Two 3-storey warehouses blocks, both with ancillary office blocks of 4-levels (including mezzanine levels)	A 5-storey warehouse partially fitted with air-conditioning and cold storage facilities, with ancillary offices and warehouse on mezzanine floors	A 4-storey ramp-up warehouse with ancillary office space	A part 6-storey / part 8-storey industrial building with ancillary offices and an adjoining 2-storey warehouse building	A 4-storey industrial building with a 6-storey ancillary office and a 5-storey annex building.	Two single storey adjoining warehouses with an additional single storey standalones warehouse.	
Land Area (sqm)	47,551	18,623	12,054	11,438	12,338	6,434	15,960	108,438
Gross Floor Area (sqm)	66,566	27,956	30,116	18,301	30,844	11,209	9,485	194,477
Remaining Land Lease (years)⁷	27.6	30.4	20.5	17.1	32.3	12.4	Freehold	27.2 ⁸ (average)
Valuation⁹ (S\$ million)	100.0	39.6	98.3	31.7	60.8	13.0	9.5 (A\$10.5 million)	352.9
Sale Consideration (S\$ million)	95.0	37.6	93.0	30.1	57.8	13.8	9.7 (A\$10.8 million)	337.0
Premium / (Discount) to Valuation	(5.0%)	(5.0%)	(5.4%)	(5.0%)	(5.0%)	6.2%	2.4%	(4.5%)

-End-

7 Calculation of average remaining land lease is from 30 April 2023.

8 For calculation purposes, freehold properties are treated with 99.0 years land lease remaining.

9 The valuations for all properties (other than 6 Chin Bee Avenue) are dated 31 December 2022 and the valuation of 6 Chin Bee Avenue is dated 31 May 2023.

For media and analyst enquiries, please contact:

ESR-LOGOS Funds Management (S) Limited

Lyn Ong

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

Sua Xiu Kai

Assistant Manager,
Corporate Communications
Tel: +65 6222 3339
Email: xiukai.sua@esr-logosreit.com.sg

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 31 December 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\$5.7 billion. Its portfolio comprises 82 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (61 assets), Australia (20 assets) and Japan (1 asset), 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 (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

ESR is APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 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\$46 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.

For more information on ESR, please visit 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**”), Perpetual (Asia) 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 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.

This news release 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 news release 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.