

## NEWS RELEASE

For immediate release

### PROPOSED ACQUISITIONS OF FIVE INSTITUTIONAL-GRADE FREEHOLD LOGISTICS ASSETS IN AUSTRALIA DELIVERING +4.3% DPU ACCRETION

- *Proposed Acquisitions of five high-quality, modern and freehold logistics assets in Melbourne, Australia, at a 1.9% discount to the market valuation of the Properties*
- *Proposed Acquisitions expected to be +4.3% DPU accretive to Unitholders*
- *Proposed Acquisitions follow divestments of mature and non-core assets, recycling proceeds into modern freehold logistics assets with positive rental reversion opportunities, strengthening portfolio and earnings quality*
- *Demonstrates the Manager's proactive and disciplined capital recycling approach and ability to swiftly redeploy divestment proceeds into value-accretive acquisitions, minimising DPU timing mismatches associated with portfolio repositioning*

**Singapore, 7 July 2026** – ESR-REIT Management (S) Limited, the manager of ESR-REIT (the “**Manager**”), is pleased to announce the proposed acquisition of five institutional-grade freehold logistics properties located in Melbourne, Australia (collectively, the “**Properties**”, each a “**Property**” and the Proposed Acquisitions, the “**Proposed Acquisitions**”), for a net purchase consideration of A\$276.8 million (approximately S\$247.9<sup>1</sup> million).

The net purchase consideration represents a 1.9% discount to the market valuation of the properties and the Proposed Acquisitions are expected to be +4.3% DPU accretive to the unitholders of ESR-REIT (“Unitholders”) on a pro forma basis.

Commenting on the acquisitions, Mr. Adrian Chui, CEO and Executive Director of the Manager said, “The Proposed Acquisitions mark an important step in the execution of ESR-REIT’s Total Return Strategy and reflect our disciplined approach to capital recycling. Following the divestment of selected non-core and mature assets ahead of diminishing returns setting in, we are redeploying capital into five institutional-grade freehold logistics assets in Melbourne acquired at an attractive discount to valuation. The acquisitions are expected to be +4.3% DPU accretive and provide embedded organic growth through positive rental reversions, supporting sustainable earnings growth and long-term value creation for Unitholders.

Beyond the immediate DPU accretion, the acquisitions further strengthen the quality and resilience of our portfolio by increasing our exposure to modern, freehold logistics assets with strong occupancy and a high-quality tenant base. Together with the earlier divestments, we have largely addressed ESR-REIT’s land lease decay conundrum while minimising the DPU drag typically associated with

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1 For illustrative purposes, certain Australian dollar (“A\$” or “AUD”) amounts in this announcement have been translated into Singapore dollar (“S\$” or “SGD”). Unless otherwise indicated, such translations have been made based on the illustrative exchange rate of A\$1.00:S\$0.89534 as at 30 June 2026.

portfolio repositioning through a disciplined and timely capital recycling approach. With a higher-quality portfolio, enhanced financial flexibility and a disciplined capital allocation framework, ESR-REIT is well-positioned for sustainable income and capital growth, delivering long-term total returns for Unitholders.”

Please refer to the Appendix of this news release for further details about the Properties.

### **Method of Financing**

The Manager intends to fund the Total Acquisition Outlay of A\$303.0 million (approximately S\$271.3 million) with proceeds from the divestment of properties<sup>2</sup> and debt financing. The Manager does not intend to issue new Units to finance the Proposed Acquisitions.

### **Acquisition Rationale and Key Benefits**

As announced in ESR-REIT’s FY2025 financial results, ESR-REIT outlined its Total Return Strategy, which seeks to deliver sustainable income growth alongside long-term capital appreciation. This strategy is focused on driving total Unitholder return in the long term, supported by active portfolio management, a combination of organic growth via redevelopments, asset enhancement initiatives (“**AEIs**”) and selective value accretive acquisitions underpinned by disciplined capital allocation.

#### **1. Drive sustainable total Unitholder returns through the acquisition of high-quality, modern, freehold logistics assets**

Following the divestment of approximately S\$439.1 million of non-core Singapore assets with short remaining land lease tenures and older specifications, the Proposed Acquisitions allow the Manager to recycle capital into high-quality, modern freehold logistics assets in Melbourne.

The Proposed Acquisitions comprise five institutional-grade freehold logistics assets totalling 122,411 sqm of GLA, with an average building age of approximately 11 years, 90% occupancy and a high-quality tenant base including CEVA Logistics, Silk Logistics and Nick Scali.

Following completion, the Proposed Acquisitions will enhance ESR-REIT’s portfolio quality and resilience by extending the portfolio’s weighted average land lease tenure from 44.9 years to 47.7 years and will increase the proportion of freehold assets from 19.3% to 23.5% as at 31 March 2026.

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2 Please refer to ESR-REIT’s announcement titled “*Proposed Divestment Of Portfolio Of Eight (8) Industrial Properties Located In Singapore For An Aggregate Sale Consideration Of S\$338.1 Million*” dated 15 December 2025 and the announcement titled “*Divestment Of Hotel Strata Lot At 2 Changi Business Park Avenue 1 in Singapore at Valuation*” dated 30 January 2026 for more information regarding the divestment of the eight industrial properties and the hotel. Pending the deployment of the proceeds from such divestment to fund the Proposed Acquisitions, the sale proceeds from the divestment would be used to repay existing debt.

## **2. DPU accretive acquisitions with potential positive rental reversions, which enhance portfolio income quality and provide future organic growth**

Utilising ESR-REIT's debt headroom, the Proposed Acquisitions will be fully debt financed at Completion. On a FY2025 pro forma basis, the Proposed Acquisitions are expected to deliver approximately +4.3% DPU accretion.

The portfolio WALE of 3.2 years comprises a combination of longer-term leases and shorter-term leases which provide an ability to capture near term rental reversions. The current average in-place net rents are between 12% to 17% below market net rents<sup>3</sup>, which provide positive rental reversion in the near term and complementing the longer-term leases with built-in rental escalations of between 3.0% to 3.5% per annum. In addition, the Net Purchase Consideration is a 1.9% discount to the market valuation. Altogether, the Proposed Acquisitions is expected to support both sustainable earnings growth and long-term value creation.

## **3. Leverage strong Singapore base to take advantage of compelling acquisition opportunities in Australia and Japan**

The Proposed Acquisitions demonstrate ESR-REIT's ability to leverage its strong Singapore platform, competitive access to capital and regional investment capabilities to execute accretive opportunities across developed Asia-Pacific markets.

Following completion, Singapore will continue to account for more than 75% of the enlarged portfolio by rental income, while Australia's contribution will increase from 12.7% to 15.5%. The Australian logistics sector continues to benefit from favourable long-term structural tailwinds, including resilient occupier demand, supply chain modernisation and growing demand for high-quality logistics infrastructure.

## **4. Continue to leverage the Sponsor's on-the-ground presence to source opportunities across developed Asia-Pacific markets**

The Proposed Acquisitions highlight the strength of the Sponsor's platform and local expertise in identifying, evaluating and executing high-quality investment opportunities across developed Asia-Pacific markets for the benefit of ESR-REIT.

Secured through a competitive open market sales process, the transaction demonstrates the Sponsor's ability to originate and execute attractive opportunities for ESR-REIT in key markets where its on-the-ground presence is a strategic advantage. As the Sponsor's flagship listed vehicle in the region, ESR-REIT remains well-positioned to benefit from the Sponsor's regional network and capabilities.

## **5. Maintain prudent leverage and disciplined capital management**

The Proposed Acquisitions are expected to be funded entirely through SGD-denominated capital, leveraging ESR-REIT's strong access to Singapore capital markets and BBB (Stable) rating while maintaining a disciplined approach to portfolio-level capital management.

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<sup>3</sup> Source: Colliers International, Australian Industrial & Logistics Snapshot Q1 2026, released April 2026..

Following the Proposed Acquisitions, only 31.7% of the REIT's total assets will be subject to foreign exchange fluctuations. Specifically, 9.6% of total assets are denominated in JPY, of which approximately 97% of the JPY investments are funded by JPY borrowings; and approximately 22.0% of total assets are denominated in AUD, of which 32% of the AUD investments are funded by AUD borrowings. Supported by ESR-REIT's substantial Singapore asset base, this provides the Manager with flexibility to efficiently allocate capital across its regional portfolio while maintaining an appropriate level of natural hedging.

On a pro forma basis, aggregate leverage is expected to be approximately 41.9% following completion of the Proposed Acquisitions, remaining within the Manager's target range. As part of its capital management strategy, the Manager may, subject to market conditions, issue subordinated perpetual securities (the "**Perpetual Securities Issuance**") to partially repay the debt financing drawn down to fund the Proposed Acquisitions. Assuming a Perpetual Securities Issuance of up to S\$175.0 million, aggregate leverage would improve to approximately 38.5% while remaining approximately +1.3% DPU accretive.

The Manager will continue to adopt a disciplined approach towards capital deployment, focusing on opportunities that enhance income resilience, portfolio quality and long-term value creation for Unitholders.

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## APPENDIX

The table below shows selected information on the Properties, breakdown of the Purchase Consideration, Net Purchase Consideration and valuations for each Property.

	Property	Address	GLA (sqm)	Tenure	Building Age (years)	WALE <sup>(1)</sup>	Occupancy (%)	Valuation by JLL (A\$ million)	Net Purchase Consideration (A\$ million)	Purchase Consideration (A\$ million)
1	15 & 33 Archer Road, Truganina	15 & 33 Archer Road, Truganina VIC 3029	30,157	Freehold	8	1.3	100	64.4	64.2	64.8
2	4-12 Doriemus Drive, Truganina	4-12 Doriemus Drive, Truganina VIC 3029	22,840	Freehold	10	3.9	100	49.2	49.2	51.6
3	64 West Park Drive, Derrimut	64 West Park Drive, Derrimut VIC 3026	20,337	Freehold	20	4.0	100	41.8	41.7	44.2
4	39 Naxos Way, Keysborough	39 Naxos Way, Keysborough VIC 3173	20,472	Freehold	13	1.6	46 <sup>(2)</sup>	With Rental Guarantee: 52.8 Without Rental Guarantee: 51.3	49.8	52.3
5	58-76 Naxos Way & 68 Atlantic Drive, Keysborough	58-76 Naxos Way & 68 Atlantic Drive, Keysborough VIC 3173	28,605	Freehold	5	5.4	100	75.5	71.9	75.7
	<b>Total</b>		<b>122,411</b>	-	<b>c. 11</b>	<b>3.2</b>	90	With Rental Guarantee: 283.7 Without Rental Guarantee: 282.2	276.8	288.6

**Notes:**

- (1) This refers to the weighted average lease expiry as at 31 March 2026 based on gross rental income.
- (2) The Rental Guarantee accounts for the remaining 54% at the Property located at 39 Naxos Way, Keysborough, that is currently vacant.

## About ESR-REIT

ESR-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-REIT invests in quality income-producing industrial properties in key gateway markets.

As at 31 December 2025, ESR-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\$5.9 billion. Its portfolio comprises 70 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (50 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.4 million sqm, as well as investments in three property funds in Australia.

ESR-REIT has been assigned a 'BBB' rating with a 'Stable' outlook by Fitch Ratings, and is a constituent of the FTSE EPRA Nareit Global Real Estate Index, iEdge Singapore Next 50 Index, and iEdge Singapore Next 50 Liquidity Weighted Index.

ESR-REIT is managed by ESR-REIT Management (S) Limited (the "Manager") and sponsored by ESR. The Manager is owned by ESR (99.0%) and Shanghai Summit Pte. Ltd. (1.0%), respectively.

For further information on ESR-REIT, please visit [www.esr-reit.com.sg](http://www.esr-reit.com.sg).

## About the Sponsor, ESR

ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate and data centres that power the digital economy and supply chain for investors, customers, and communities. Through our fully integrated real asset fund management and development platform, we strive to create value and growth opportunities for our global portfolio of investors. We offer our customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities we serve to thrive for generations to come. Visit [www.esr.com](http://www.esr.com) for more information.

## Important Notice

The value of units in ESR-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-REIT Management (S) Limited ("**Manager**"), Perpetual (Asia) Limited (in its capacity as trustee of ESR-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-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-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-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-REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.