NEWS RELEASE
For immediate release

ESR-REIT Delivers +4.5% y-o-y Growth in 1H2026 Core DPU to 11.250 Singapore Cents; Proposed Acquisition of Six Freehold Logistics Assets in Australia to Enhance Portfolio Quality, Delivering +5.1% DPU Accretion

- *1H2026 Core DPU grew 4.5% y-o-y to 11.250 Singapore cents, with Total DPU growing 2.4% y-o-y to 11.510 Singapore cents*
- *Gross Revenue and NPI dipped 0.3% and 2.2% respectively due to the divestment of 10 non-core properties, partially offset by positive rental reversions from lease renewals and an increase in occupancy*
- *On a same-store basis, Gross Revenue and NPI grew 2.3% and 0.7% respectively*
- *Positive rental reversions of 9.8%, led by Logistics and High-Specifications Industrial sectors, with stable occupancy at 91.9%*
- *Gearing at 41.4%; expected to reduce to 39.9% after redemption of S$125 million of unsecured notes maturing in August 2026 using proceeds from divestments*
- *Recycling capital into the proposed acquisition of six freehold logistics assets in Australia; expected to be +5.1% DPU accretive, acquired at a 1.6% discount to valuation and largely addressing the portfolio's land lease decay conundrum*

Singapore, 28 July 2026 – ESR-REIT Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), is pleased to announce a Distribution per Unit ("**Total DPU**") of 11.510 Singapore cents for the period from 1 January 2026 to 30 June 2026 ("**1H2026**"), representing a 2.4% year-on-year ("**y-o-y**") increase. Core DPU increased by 4.5% to 11.250 Singapore cents, and accounted for approximately 98% of Total DPU, underpinned by higher core earnings and improved asset performance.

Commenting on ESR-REIT's 1H2026 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager, said, "ESR-REIT has delivered another resilient set of results for 1H2026, with Core DPU increasing 4.5% year-on-year despite the earnings impact from the divestment of 10 non-core assets as part of our portfolio rejuvenation strategy. The improvement was underpinned by healthy leasing momentum, positive rental reversions and continued contributions from our higher-quality logistics and high-specifications industrial assets.

Beyond operational performance, we have also made meaningful progress in strengthening the long-term quality of the portfolio. The successful divestment of non-core assets unlocked value and facilitated the timely recycling of the sale proceeds into six freehold institutional-grade logistics properties in Australia. These DPU accretive acquisitions are expected to improve portfolio metrics, reduce DPU drag associated with portfolio repositioning, enhance income resilience, and position ESR-REIT for sustainable long-term earnings growth."

Summary of Financial Results:

	1H2026 (S$ million)	1H2025 (S$ million)	(+/-) (%)
Gross Revenue[(a)]	222.3	222.9	(0.3)
Net Property Income ("NPI")[(a)]	162.7	166.3	(2.2)
Total amount available for distribution to Unitholders	93.0	90.1	3.2
Applicable number of units for calculation of DPU[(b)] (million)	808.1	802.1	0.7
Core DPU (Singapore cents)	11.250	10.765	4.5
Total DPU (Singapore cents)	11.510	11.239	2.4

(a) Lower gross revenue and NPI were mainly due to the loss of income from the divestment of 10 non-core properties in FY2025 and 1H2026, partially offset by positive rental reversions from lease renewals and higher rental rates from new leases. Divestments include 79 Tuas South Street 5 and 1 Third Lok Yang Road and 4 Fourth Lok Yang Road completed in 1H2025, 2 Changi Business Park Avenue 1, 86 and 88 International Road, 120 Pioneer Road, 21 and 23 Ubi Road 1, 24 Jurong Port Road, 13 Jalan Terusan, 60 Tuas South Street 1 and 43 Tuas View Circuit completed in 1H2026.

(b) Higher applicable number of units is mainly due to the unit buy-back completed in 1H2025.

Financial Performance

In 1H2026, ESR-REIT reported Gross Revenue of S$222.3 million, a marginal 0.3% dip from S$222.9 million in 1H2025. The decrease was driven primarily by the loss of income from the divestment of 10 non-core properties[1] in FY2025 and 1H2026, partially offset by positive rental reversions from lease renewals, higher rental rates from new leases and improved occupancy. Consequently, Net Property Income ("**NPI**") for 1H2026 decreased by 2.2% to S$162.7 million, from S$166.3 million in 1H2025. Excluding the impact of the divestments, the underlying portfolio's earnings continue to grow steadily, with same-store[2] Gross Revenue and NPI increasing by 2.3% and 0.7% respectively.

The total amount available for distribution to Unitholders stood at S$93.0 million in 1H2026, representing an increase of 3.2% from S$90.1 million in 1H2025. 1H2026 Core DPU and Total DPU stood at 11.250 and 11.510 Singapore cents respectively, representing a 4.5% and 2.4% increase from 10.765 and 11.239 Singapore cents respectively in 1H2025. Core DPU accounted for approximately 98% of Total DPU, underscoring the quality and sustainability of ESR-REIT's

1 Divestments include 79 Tuas South Street 5 and 1 Third Lok Yang and 4 Fourth Lok Yang completed in 1H2025, 2 Changi Business Park Avenue 1, 86 and 88 International Road, 120 Pioneer Road, 21 and 23 Ubi Road 1, 24 Jurong Port Road, 13 Jalan Terusan, 60 Tuas South Street 1 and 43 Tuas View Circuit completed in 1H2026.

2 Same-store basis excludes the 10 non-core properties that were divested in FY2025 and 1H2026 mentioned in (1) above.

distributions. Going forward, distributions are expected to be predominantly supported by recurring operating performance. The record date for the 1H2026 Total DPU of 11.510 Singapore cents will be on 5 August 2026, with payment date expected to be on 11 September 2026.

<u>Resilient Portfolio Performance Driven by Logistics and High-Specifications Industrial Assets</u>

ESR-REIT delivered positive rental reversions of 9.8% in 1H2026, led by the Logistics (+11.3%) and High-Specifications Industrial (+5.0%) sectors, with occupancy remaining stable at 91.9% as at 30 June 2026. In 1H2026, a total of 260,976 square metres ("**sqm**") of space was leased, comprising 179,263 sqm of lease renewals (68.7% of total leases) and 81,713 sqm of new leases (31.3% of total leases). ESR-REIT's weighted average lease expiry ("**WALE**") as at 30 June 2026 was 4.8 years, while rental collections remained healthy at approximately 97.4% of total receivables.

Asset Enhancement Initiatives and Redevelopment

On 18 June 2026, ESR-REIT successfully achieved TOP status for the AEI at 29 Tai Seng Street, Singapore. The project involved the conversion of a General Industrial building into a High-Specifications Industrial building, which is targeted to attain Green Mark Gold+ Certification. The enhanced property features upgraded sprinkler and fire protection systems, Variable Refrigerant Flow (VRF) air-conditioning system, newly renovated lift lobbies and restroom facilities, as well as 4.8-tonne and 2-tonne cargo lifts. Leveraging on these enhancements, the Manager is currently in advanced negotiations on all remaining space in the building, potentially increasing the building occupancy to 100% by 2H2026, further driving earnings growth momentum.

Divestments of Non-Core Assets

In 1H2026, ESR-REIT progressed its portfolio rejuvenation strategy through the completion of the divestment of eight non-core assets with a weighted average remaining land lease of 21.9 years[3] at an aggregate sale price of S$338.1 million[4] at 2.0% above valuation, and the completion of the divestment of the non-core Hotel Strata Lot at ESR BizPark @ Changi at valuation for S$101.0 million[5]. These divestments underscore the Manager's disciplined approach to actively identifying and divesting non-core assets, with proceeds earmarked for recycling into modern, high-quality assets that align with evolving tenant demand.

Building on this momentum, in July 2026, ESR-REIT also announced the divestment of 12 Ang Mo Kio Street 65, Singapore, a 29.6-year-old property, at a 2.1% premium to valuation. The divestment is expected to be completed in 3Q2026.

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3 Remaining land tenure as at 31 Mar 2026

4 For more information, please refer to ESR-REIT's announcement titled "*Proposed Divestment of 8 Industrial Properties in SG for an Aggregate Sale Consideration of S$338.1M*" dated 15 December 2025

5 For more information, please refer to ESR-REIT's announcement titled "*Divestment of Hotel Strata Lot at 2 Changi Business Park Avenue 1 in Singapore at Valuation*" dated 30 January 2026

Recycling Capital to Six Freehold Logistics Assets in Australia at +5.1% DPU Accretion

Post-1H2026, ESR-REIT announced the proposed acquisition of six institutional-grade freehold logistics properties in Melbourne, Australia for a purchase consideration of A$341.1 million (approximately S$305.4 million[6]). The acquisition represents the timely recycling of divestment proceeds into a portfolio of modern freehold logistics assets located within Melbourne's established industrial precincts. The purchase consideration represents a 1.6% discount to valuation[7], underscoring ESR-REIT's disciplined acquisition approach and focus on value creation. Upon completion, the acquisition is expected to be approximately 5.1% DPU accretive on a pro forma basis.

Comprising six freehold logistics properties with a total gross lettable area of approximately 145,640 sqm, the portfolio is leased to eight established tenants and enjoys an occupancy rate of 92.3%[8]. The assets feature modern specifications with a WALE of 3.5 years comprising a combination of longer-term (with rental escalations) and shorter-term leases which provide an ability to capture near-term rental reversions. In addition, average in-place rents are estimated to be between 12% and 17% below prevailing market levels[9], offering embedded organic growth potential.

Together with the earlier divestments and through a disciplined and timely capital recycling approach, ESR-REIT's land lease decay conundrum has been largely addressed while DPU drag typically associated with portfolio repositioning has been minimised, further enhancing ESR-REIT's earnings growth momentum.

Proactive Capital Management Maintains Balance Sheet Strength and Financial Flexibility

As at 30 June 2026, ESR-REIT's gearing stood at 41.4% and is expected to reduce to 39.9% after the redemption of the S$125 million of unsecured notes maturing in August 2026 using the balance proceeds from above-mentioned divestments. The MAS interest coverage ratio stood at 2.6x, comfortably above the regulatory minimum of 1.5x, demonstrating robust debt servicing capacity.

As at 30 June 2026, ESR-REIT's all-in cost of debt increased to 3.52%, from 3.35% as at 31 December 2025, mainly due to the pay down of the committed revolving credit facilities using proceeds from the divestments. ESR-REIT continues to maintain an investment-grade 'BBB' credit rating with a 'Stable' outlook by Fitch Ratings, reaffirming its strong financial resilience.

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6 Based on the illustrative exchange rate of A$1.00:S$0.89534 as at 30 June 2026.

7 Based on the comparison between net purchase consideration and valuation without rental guarantee.

8 The financial occupancy rate of the Properties including the rental guarantee that accounts for the remaining 54% at the Property located at 39 Naxos Way, Keysborough that is currently vacant, is 100%. The financial occupancy takes into account the actual rents from the property and the rental guarantee received. Please refer to ESR-REIT's announcement titled "The Proposed Acquisition of five institutional-grade freehold logistics assets located in Melbourne, Australia" dated 7 July 2026 for more information on the rental guarantee.

9 Source: Colliers International, Australian Industrial & Logistics Snapshot Q1 2026, released April 2026.

As at 30 June 2026, approximately 75.5% of ESR-REIT's debt is on fixed interest rates, providing protection against interest rate volatility. ESR-REIT's debt maturity profile remains well-staggered, with no more than approximately 29% of loan expiries in any single year and a weighted average debt expiry of 2.1 years. ESR-REIT also maintains a strong liquidity position with S$871.4 million in debt headroom, and approximately S$284 million in committed undrawn revolving credit facilities.

As at 30 June 2026, only approximately 11.1% of ESR-REIT's total Assets Under Management ("**AUM**") are subject to foreign exchange rate fluctuations, with 18.6% of AUM denominated in AUD (42% of the AUD investments are funded by AUD borrowings) and 9.9% of AUM denominated in JPY (97% of the JPY investments are funded by JPY borrowings).

Looking Ahead

Mr. Adrian Chui added, "The continued expansion of higher-value manufacturing activities, particularly those supported by technology and AI-led industrial growth, is expected to underpin demand for modern logistics and industrial facilities. At the same time, new supply of multi-user factories, warehouses and business parks is expected to remain relatively constrained, particularly within the prime logistics segment, providing a supportive backdrop for rental growth and occupancy.

Our proactive approach towards capital management, debt maturity management and maintaining our investment-grade 'BBB' credit rating with a Stable Outlook positions us well to manage financing costs amid ongoing inflationary and macroeconomic uncertainties. Coupled with our disciplined capital recycling strategy, the successful divestment of non-core assets and the timely capital recycling into six freehold institutional-grade logistics properties in Australia have substantially addressed our portfolio land lease decay conundrum while minimising the DPU drag typically associated with portfolio repositioning.

Looking ahead, we expect Core DPU to continue benefiting from an increasingly resilient and higher-quality portfolio, supported by completed asset enhancement initiatives, improving occupancies, positive rental reversions and built-in rental escalations. Together with our proactive cost management and active asset management, we remain focused on delivering sustainable income growth and attractive total returns for our Unitholders over the long term."

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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 30 June 2026, 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$5.6 billion. Its portfolio comprises 62 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (42 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.2 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.

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 for more information.

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