(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))

NEWS RELEASE

For immediate release

ESR-REIT's 4Q2020 Core DPU Increases 5.9% Q-o-Q; FY2020 Core DPU Down 20.7% Y-o-Y due to COVID-19 Pandemic

- Core DPU increased 5.9% Q-o-Q to 0.741 cents in 4Q2020 despite the impact of COVID-19; FY2020 core DPU amounted to 2.800 cents
- Operations and cashflow have stabilised; remaining 0.099 cents of the DPU retained in 1Q2020 will be fully distributed, taking 4Q2020 DPU to 0.840 cents
- Portfolio occupancy resilient at 91.0% with ~3.87 million sqft of leases signed in FY2020, over 40% of which comprise new leases; retention ratio up from 69.6% in FY2019 to 84.6% in FY2020
- AEIs at UE BizHub EAST and 19 Tai Seng Avenue on track for completion in 2021
- In advanced discussions with lending banks to refinance all expiring debt due in FY2021 ahead of expiry; new loan expected to lengthen WADE and reduce overall cost of debt
- ESR-REIT's strategy for FY2021:
    - Enhance operational and income stability
    - Reduce uncertainties in capital structure and increase financial flexibility for operations
    - Pursue asset rejuvenations to position the portfolio to remain relevant to industrialists' space needs
    - Additional AEIs include S$60 – S$70 million of identified potential enhancement works and the development of a multi-tenanted high-specs building at 7000 Ang Mo Kio Avenue 5
    - Drive portfolio growth via scalable local and overseas acquisitions/developments with the continued support of a committed Sponsor
    - Divest up to ~S$50 million of non-core assets, with sale proceeds to be used to pare down debt and/or fund asset rejuvenations

Summary of Financial Results:

	4Q2020 (S$ million)	3Q2020 (S$ million)	+/(-) (%)	FY2020 (S$ million)	FY2019 (S$ million)	+/(-) (%)
Gross Revenue (before rental rebates) (1)	60.0	58.9	1.9	237.3	253.0	(6.2)
COVID-19 Rental Rebates (2)	(0.7)	(2.0)	65.0	(7.4)	-	n.m.
Gross Revenue (after rental rebates) (1)	59.3	56.9	4.2	229.9	253.0	(9.1)
Net Property Income (1)	43.6	40.4	7.9	164.2	187.9	(12.6)
Distributable Income (3)	26.5	24.8	6.9	99.1	116.5	(14.9)
Distribution from Other Gains (4)	-	-	-	-	16.1	(100.0)
Total amount available for distribution to Unitholders	26.5	24.8	6.9	99.1	132.6	(25.3)
Applicable number of units for calculation of DPU (million)	3,576.4	3,544.6	0.9	3,540.3	3,305.1	7.1

Core DPU (cents)	0.741	0.700	5.9	2.800	3.529	(20.7)
DPU (cents)	**0.741**	**0.700**	**5.9**	**2.800**	**4.011**	**(30.2)**

n.m. – Not meaningful

(1) Lower gross revenue and NPI mainly attributed to (a) lease conversion from single to multi-tenancy for a number of properties where certain property expenses including property tax previously borne by the master tenants are now borne by ESR-REIT; and (b) non-renewals and downsizing by certain tenants due to the poor economic conditions brought about by COVID-19. The NPI also includes approximately S$1.3 million of additional costs incurred in response to the pandemic.
(2) Rental rebates set aside for and/or given to tenants as part of ESR-REIT's measures to support tenants adversely affected by the COVID-19 outbreak, as well as under the Rental Relief Framework pursuant to the COVID-19 (Temporary Measures) Act 2020.
(3) Includes management fees paid/payable to the Manager and the Property Manager in ESR-REIT units of S$7.3 million for FY2020 (FY2019: S$8.9 million).
(4) Capital gains from disposal of investment properties in prior years and ex-gratia payments received from Singapore Land Authority in connection with the compulsory acquisitions of land in prior years.

Singapore, 20 January 2021 – ESR Funds Management (S) Limited, the Manager of ESR-REIT (the "Manager"), today announced ESR-REIT's financial results for the year ended 31 December 2020 ("FY2020"). Core distributable income available per unit ("DPU") for 4Q2020 increased 5.9% from 0.700 cents in the previous quarter to 0.741 cents. On a full-year basis, core DPU amounted to 2.800 cents for FY2020, down 20.7% from 3.529 cents in the year ended 31 December 2019 ("FY2019") due to the impact of the COVID-19 pandemic. Despite facing COVID-19-related challenges between 1Q2020 and 2Q2020, operational and cashflow metrics have since shown signs of stabilisation. As such, the remaining S$3.5 million (or 0.099 cents per unit) of distributable income previously retained in 1Q2020 for cashflow purposes, will be paid out in 4Q2020, bringing 4Q2020 and FY2020 DPU to 0.840 cents and 2.800 cents respectively.

Financial Performance

Gross revenue and net property income ("NPI") for FY2020 was S$229.9 million and S$164.2 million respectively, down 9.1% year-on-year ("y-o-y") and 12.6% y-o-y. The declines were mainly due to the lease conversion from single to multi-tenancy for a number of properties where certain property expenses including property tax previously borne by the master tenants are now borne by ESR-REIT. Some non-renewals and downsizing, as well as the provision of rental rebates to tenants affected by the challenging conditions brought about by COVID-19 also impacted gross revenue and NPI.

The books closure date for the DPU of 0.840 Singapore cents for the period from 1 October 2020 to 31 December 2020 is 28 January 2021 and the expected payment date is 19 March 2021.

Portfolio Performance

Despite COVID-19, portfolio occupancy has remained resilient at 91.0%, consistently above JTC's average of 89.6%[1]. The portfolio has a weighted average lease expiry ("WALE") of 3.0 years and a diversified tenant base of 343 tenants. A total of over 3.87 million sqft of renewals and new leases were

[1] Based on 3Q2020 data from JTC.

secured in FY2020, 40.9% more than in FY2019, with about 42.5% (1.65 million sqft) comprising new leases. Tenants signed in 4Q2020 include fabric innovation company, EGIS Nanotech Pte. Ltd., automation solutions provider, PSB Technologies Ptd. Ltd., and leading maritime technology company, Cornes Singapore Pte. Ltd. The Manager has also seen an uptick in demand and leasing enquiries from pharmaceutical, advanced manufacturing, precision engineering, third-party logistics provider and e-commerce companies.

Despite COVID-19-related uncertainties, the tenant retention rate improved significantly from 69.6% in FY2019 to 84.6% in FY2020, while portfolio rental reversions remained relatively flat at -0.6% for FY2020. All single-tenant leases that were due for renewal in FY2020 were renewed. Furthermore, approximately 19.3% of leases (by rental income) expiring in FY2021 have been renewed as at 31 December 2020, bearing further testament to the effectiveness of the Manager's proactive leasing strategy.

The portfolio's average security deposit is 5.4 months, with the amount for multi-tenanted properties standing at 4.2 months and single-tenanted properties standing at 8.8 months. The top 10 tenants accounted for 31.0% and 27.9% of ESR-REIT's portfolio by rental income and net leasable area respectively, with no single tenant contributing more than 5.3% of the portfolio's rental income. The Manager will strive for an optimal balance between achieving healthy occupancy levels and maximising returns from the portfolio.

Portfolio Optimisation

The two asset enhancement initiatives ("AEIs") announced previously are on track for timely completion. At 19 Tai Seng Avenue, the AEI to upgrade building specifications and enhance tenant experience is on track for completion in 3Q2021, and discussions with prospective tenants are ongoing. The AEI works include a modern facelift of the building façade, significant infrastructure enhancements of the entrances and common areas, as well as mechanical and electrical upgrades to cater for a greater variety of high-tech tenants. The AEI at UE BizHub EAST has progressed to the final stages and is on track for completion in 1Q2021. The new "Food Alley" is already open to the public and boasts an improved design that creates a more conducive dining environment for tenants and visitors. The rest of the rejuvenation works are on track to complete in 1Q2021.

Prudent Capital Management with Strong Banking Support

The Manager continued with its disciplined and proactive capital management strategy with 89.0% of its borrowings on fixed interest rates over the next 2.0 years. As at 31 December 2020, ESR-REIT's debt to total assets ratio was 41.6% and it has a well-staggered debt maturity profile with a weighted average debt expiry ("WADE") of 2.2 years. The weighted average all-in cost of debt is 3.54% per annum, down from

3.92% as at 31 December 2019, and the portfolio remains 100% unencumbered[2]. ESR-REIT ended the financial year with committed undrawn revolving credit facilities of S$119.0 million. The Manager is in advanced discussions with its lending partners to refinance all debt due in FY2021 ahead of expiry, with the new loan expected to lengthen WADE and reduce overall cost of debt. ESR-REIT remains well-supported by 11 lending banks on a 100% unsecured basis, and the Manager will continue to diversify risks in the REIT's capital structure.

COVID-19 Update

Rental collection levels in FY2020 have been over 97% since the onset of COVID-19. The Manager previously estimated that S$10.1 million of rental rebates may be required for tenant support, and ~S$8.0 million is expected to be utilised for rental rebates and lease restructuring as at 31 December 2020. This includes the mandatory one- and two-month rental relief for industrial and retail tenants, respectively, under the COVID-19 (Temporary Measures) Act for qualifying small and medium enterprises. The Manager does not expect the REIT to be significantly impacted by the government's Re-Align Framework.

Outlook for FY2021

Advance estimates by the Ministry of Trade & Industry indicated that Singapore's economy contracted by 5.8% in 2020[3]. This is slightly better than the official forecast of a 6.0% – 6.5% contraction, with the economy mostly bolstered by the electronics, biomedical manufacturing and precision engineering clusters[3]. The Purchasing Managers' Index ("PMI") registered the sixth straight month of expansion for the overall manufacturing sector with a 0.1-point increase to 50.5 in December 2020[4]. Nonetheless, economic recovery is projected to be long and uneven, and will hinge on the rollout of vaccination programmes and the effectiveness of COVID-19 vaccines. According to JTC, the rental and price index of industrial space dropped in 3Q2020 while the completion of new industrial properties have been delayed to 2021 and 2022, directly impacting rents and prices in the coming quarters[5]. As such, the Manager expects the industrial market rents and prices to remain soft in the near future as global demand conditions and growth recovery are dependent on the COVID-19 situation and vaccination progress, both domestically and globally.

Strategy for FY2021

The Manager's key focus in FY2021 is to enhance operational stability and focus on organic growth initiatives by rejuvenating assets to position the portfolio to remain relevant to industrialists' space needs. The Manager will also reduce uncertainties in the REIT's capital structure via early refinancing of all expiring debt due in FY2021 and achieve an optimal balance of hedging ratio and debt tenor to maintain financial flexibility and reduce financing costs. Upcoming AEIs in FY2021 include (i) S$60 – S$70 million

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[2] Excludes ESR-REIT's 49% interest in 48 Pandan Road.
[3] Based on Advance GDP Estimates for Fourth Quarter of 2020 released by Ministry of Trade and Industry (MTI) on 4 January 2021.
[4] Based on monthly PMI figures obtained from the SPIMM institute.
[5] Based on JTC 3Q2020 Industrial Property Market Statistics.

of enhancement works to be carried out over 12 to 18 months, and (ii) the development of a multi-tenanted high-specification building at 7000 Ang Mo Kio Avenue 5 suitable for advanced manufacturing, info-comm and data centre tenants. ESR-REIT still has ~S$59.1 million of capital gains available for distribution, which may be utilised to support the loss of income for the assets during construction. In addition, the Manager intends to divest up to S$50 million of non-core assets, in line with its portfolio reconstitution strategy to improve portfolio quality, and use the sale proceeds to pare down debt and/or fund AEIs and developments. Acquisitions remain an integral part of ESR-REIT's growth strategy and the Manager intends to execute single-asset and portfolio acquisitions and/or developments, locally and overseas, in markets where the Sponsor, ESR Group, has an established operation platform.

Looking Forward to 2021

Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager, said, "Despite the ongoing COVID-19 pandemic, our core DPU has shown signs of operational stability and registered steady growth from quarter to quarter throughout FY2020. Thus, we have now decided to fully pay out the remaining distributable income that was previously retained in 1Q2020 for cashflow purposes in 4Q2020."

Mr. Chui added, "Going forward, our key focus amidst the still uncertain outlook would be enhancing portfolio and cashflow stability, as well as growth potential. We will further reduce uncertainties in ESR-REIT's capital structure by refinancing debt ahead of expiry and work towards lengthening the loan tenor and reducing the cost of debt. AEIs will be undertaken to position the portfolio to remain relevant to industrialists' space needs. Moreover, we will continue to explore potential value-accretive acquisition and development opportunities – both locally and in countries where the Sponsor has a footprint – in a scalable and disciplined manner. Given the REIT's relatively stable financials and operating metrics, as well as committed and supportive Sponsor, we are confident we can capitalise on transitional downtime during the COVID-19 period to undertake more growth opportunities within the portfolio to be ready for the post-pandemic recovery."

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About ESR-REIT

ESR-REIT has been listed on the Singapore Exchange Securities Trading Limited since 25 July 2006.

ESR-REIT invests in quality income-producing industrial properties and as at 31 December 2020 holds interest in a diversified portfolio of 57 properties located across Singapore, with a total gross floor area of approximately 15.1 million square feet and an aggregate property value of S$3.1 billion[6]. The properties are in the following business sectors: Business Park, High-Specs Industrial, Logistics/Warehouse and General Industrial, and are located close to major transportation hubs and key industrial zones island-wide.

The Manager's objective is to provide Unitholders with a stable income stream through the successful implementation of the following strategies:

- Acquisition of value-enhancing properties;
- Proactive asset management;
- Divestment of non-core properties; and
- Prudent capital and risk management.

ESR Funds Management (S) Limited, the Manager of ESR-REIT, is owned by namely, ESR Cayman Limited ("**ESR**") (67.3%), Shanghai Summit Pte. Ltd. (25.0%), and Mitsui & Co., Ltd (7.7%).

For further information on ESR-REIT, please visit www.esr-reit.com.sg.

About the Sponsor, ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, SK Holdings, JD.com, CPP Investments, Oxford Properties and PGGM. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 June 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US$26.5 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised 18.7 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit www.esr.com.

[6] Includes 100% of the valuation of 7000 Ang Mo Kio Avenue 5 and 48 Pandan Road, in which ESR-REIT holds 80% interest in 7000 Ang Mo Kio Avenue 5 and 49% interest in 48 Pandan Road, but excludes the effects arising from the adoption of Financial Reporting Standard (FRS) 116 *Leases* which became effective on 1 January 2019.

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 Funds Management (S) Limited ("**Manager**"), RBC Investor Services Trust Singapore 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.

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