

GREATER SCALE AND INCREASED PRESENCE



**Proposed Acquisition of 46A Tanjong Penjuru,
Proposed Acquisition of 10.0% Interest in ESR Australia
Logistics Partnership and the Asset Enhancement Initiatives**

6 May 2021

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Proposed Acquisition of 46A Tanjong Penjuru ("Singapore Acquisition")⁽¹⁾



Proposed Acquisition of ESR Australia Logistics Partnership ("Australia Acquisition")



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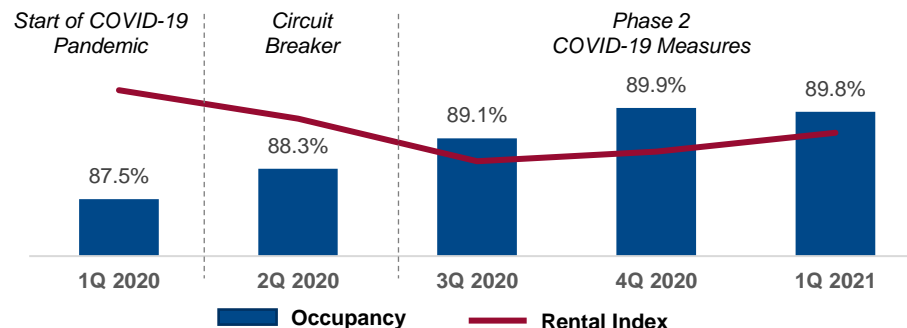
Appendix

Executive Summary

A Singapore Acquisition

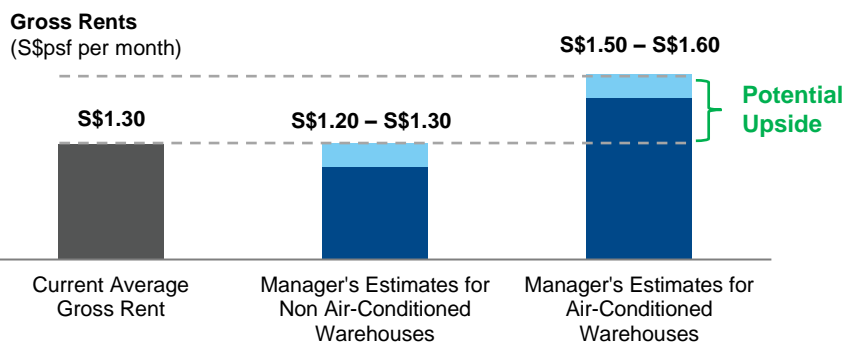


Strengthens ESR-REIT's Portfolio Exposure to the Logistics Sector which has Remained Resilient During the COVID-19 Pandemic



Source: JTC Quarterly Market Reports 1Q2020 – 1Q2021

Opportunity to Enhance Specifications of the Singapore Property to Capture Higher Rental Demand through Active Asset Management

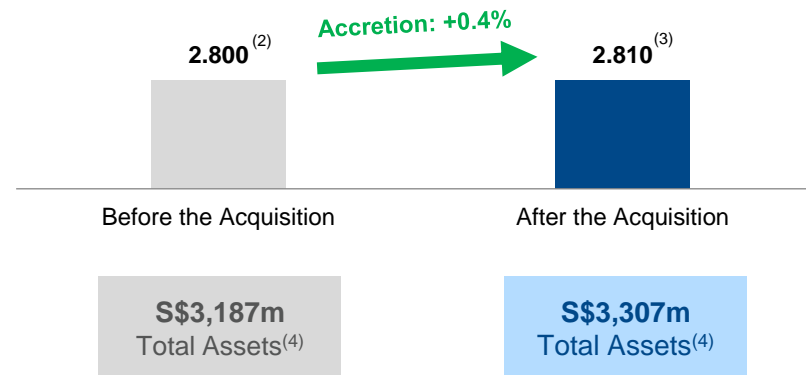


Source: Manager's estimates

Current average gross rent of the Property vs the Manager's estimates of the gross rents for air-conditioned and non air-conditioned warehouses

Singapore Acquisition is Expected to be DPU Accretive on a Pro Forma Historical Basis for FY2020⁽¹⁾

Distribution per Unit (Singapore Cents)



Notes: (1) Assumes the Singapore Acquisition had been completed on 1 January 2020 and ESR-REIT had held the Singapore Property through to 31 December 2020. (2) Based on ESR-REIT's DPU for FY2020. (3) Includes approximately 196.3 million new Units issued at an illustrative issue price of S\$0.375 per new Unit to raise gross proceeds of S\$73.6 million and approximately 0.9 million new Units issued as payment of management fees to the Manager in FY2020 at an issue price of S\$0.410 per Unit as at 5 May 2021. (4) As at 31 December 2020.

Executive Summary

B Australia Acquisition

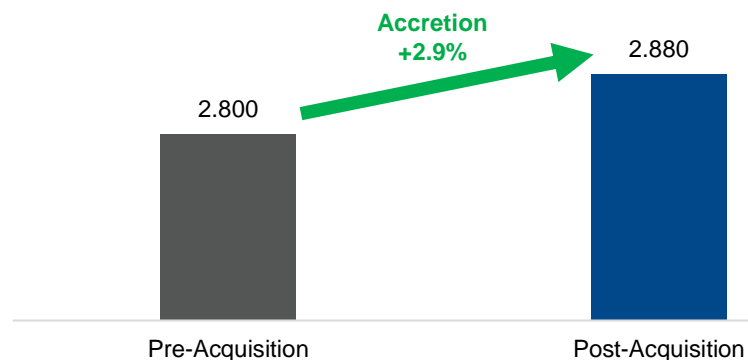
1. Acquisition of a 10.0% interest in ESR Australia Logistics Partnership (the “Fund”) from a subsidiary of the sponsor of ESR-REIT, ESR Cayman Limited (the “Sponsor”) for A\$60.5m (approximately S\$62.4m⁽¹⁾) (the “Purchase Consideration)
2. The land leases of the 32 Income-Producing Properties⁽²⁾ are predominantly freehold (81.4% by value as at 31 March 2021) with assumed first year post tax dividend yield of 6.8%⁽³⁾
3. Provides opportunity to capitalise on Australia’s attractive logistics market
4. Provides exposure to an income-producing portfolio with a complementary opportunity for risk-managed development upside
 - 55.3% of the leases in the Fund’s portfolio (by rental income)⁽²⁾ are single tenant master leases with longer lease tenures and built-in rental escalations (averaging 2.5% to 3.0% per annum)
 - Potential for development upside with four land parcels, two of which are currently under development
5. Provides geographical diversification and exposes ESR-REIT to freehold assets while leveraging on the Sponsor’s operational capabilities and presence in Australia

Properties by State⁽²⁾



Australia Acquisition is Expected to be DPU Accretive on a Pro Forma Historical Basis for FY2020⁽³⁾⁽⁴⁾

Distribution per Unit (Singapore Cents)



Notes: (1) Using an illustrative exchange rate of A\$1.000 : S\$1.032. (2) Excludes 65-75 Strelecki Avenue, Sunshine West, Victoria, (“65-75 Strelecki Avenue”) which was acquired by the Fund on 19 April 2021. (3) Assumes the Australia Acquisition had been completed on 1 January 2020 and ESR-REIT had held the Sale Units through to 31 December 2020. (4) Purchase Consideration of S\$62.4 million is fully funded by borrowings with an all-in interest cost of approximately 2.31% per annum.

Executive Summary

C Proposed Asset Enhancement Initiatives (“AEIs”)

- The AEIs reflect the Manager’s commitment to continually seek organic growth by active asset management to unlock value
- Creating new gross floor area (“GFA”) through the development of un-utilised plot ratio for high-specifications assets will enhance ESR-REIT’s portfolio to ensure that they remain relevant to the needs and demands of industrialists in the manufacturing and data centre sectors

16 Tai Seng Street



Location 16 Tai Seng Street, Singapore 534138

Estimated Costs Approximately S\$25.9m

Description

- Maximising the plot ratio by adding an additional floor to increase GFA by approximately 29,000 square feet (“sq ft”) or 13.8%
- Redesigning and repositioning works to the façade, drop-off point, lift lobbies, lifts, the external linkway to the Mass Rapid Transit station

7000 Ang Mo Kio Ave 5 (“7000 AMK”)



Location 7000 Ang Mo Kio Avenue 5, Singapore 569877

Estimated Costs Approximately S\$53.3m⁽¹⁾

Description

- In view of the current demand for quality high-specifications spaces from the advance manufacturing and electronics sector, the Manager intends to proceed with the previously announced AEI to 7000 AMK on a multi-tenanted basis to create approximately 265,000 sq ft of additional GFA
- New design to allow for flexibility and specifications that are suitable for potential data centre tenants
- Post-AEI, there will be approximately 230,000 sq ft of un-utilised GFA remaining

Executive Summary

D Proposed Equity Fund Raising (“EFR”)

- Assuming up to approx. S\$150.0 million EFR proceeds raised:

1. Private Placement

- Up to approx. S\$100.0 million
 - Base Deal: S\$75.0 million
 - Upsize Option: S\$25.0 million
- Up to approx. 400.0 million new Units⁽¹⁾
 - Base Deal: Up to approx. 333.3 million new Units⁽¹⁾
 - Upsize Option: Up to approx. 66.7 million Units⁽¹⁾

Use of Proceeds

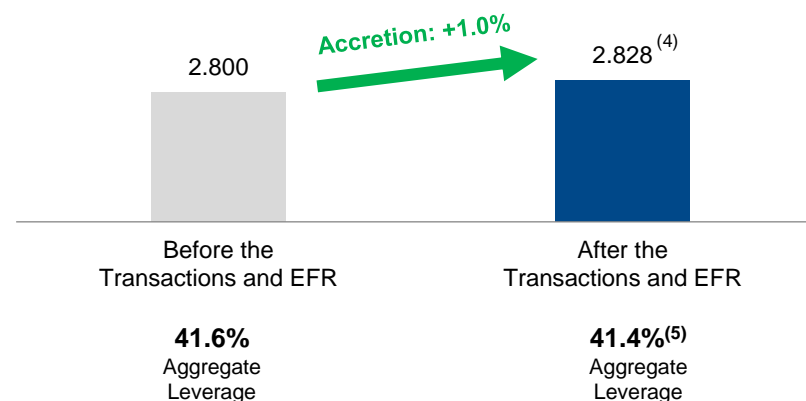
	Amount	% of EFR gross proceeds
Singapore Acquisition	Approx. S\$71.8m	47.8%
AEIs	Approx. S\$43.5m	29.0%
Debt Repayment	Approx. S\$31.0m	20.7%
Estimated fees and expenses	Approx. S\$3.8m	2.5%
	Approx. S\$150.0m	100.0%

2. Preferential Offering

- Up to approx. S\$50.0 million
- The Sponsor will be providing an undertaking
 - Sponsor Backstop⁽²⁾ – Subscription of up to S\$50.0 million

Transactions are expected to be DPU Accretive on a *Pro Forma* Historical Basis for FY2020 based on an EFR size of S\$150.0 million⁽³⁾

Distribution per Unit (Singapore Cents)



Proposed Acquisition of 46A Tanjong Penjuru ("Singapore Acquisition")



Proposed Acquisition of 46A Tanjong Penjuru

46A Tanjong Penjuru



Description	5-storey modern ramp-up logistics facility with mezzanine offices on each floor
Location	46A Tanjong Penjuru, Singapore 609040
Independent Valuation⁽¹⁾	S\$119.6m
Purchase price⁽²⁾	S\$119.6m
Total Acquisition Cost⁽³⁾	c. S\$124.7m
Lease Term	30 years ⁽⁴⁾ with an option to renew for a further term of 14 years

Rationale for the Singapore Acquisition

1



Strategically Located Property in a Well Sought After Location

2



Opportunity to Enhance Specifications of the Property to Capture Higher Rental Demand through Active Asset Management

3



Strengthens ESR-REIT's Portfolio Exposure to the Logistics Sector

4



Improves Portfolio Asset Offering with Reduced Single Tenant Concentration

5

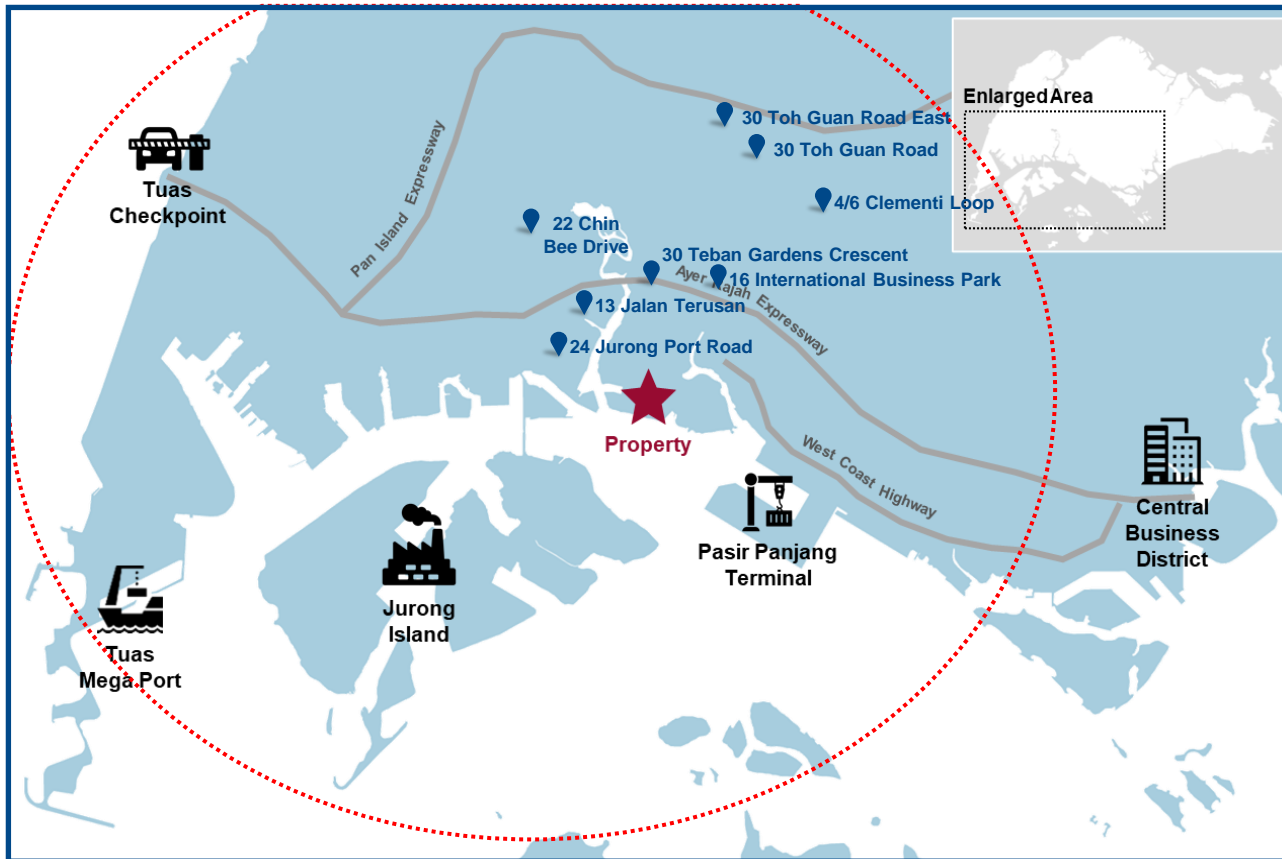


DPU Accretive Acquisition

1 Strategically Located Property in a Well Sought After Location

Strategically Located within Tanjong Penjuru, an established logistics cluster in Singapore

Established Logistics Cluster Well Sought After by Logistics Players due to its Relatively Central Location



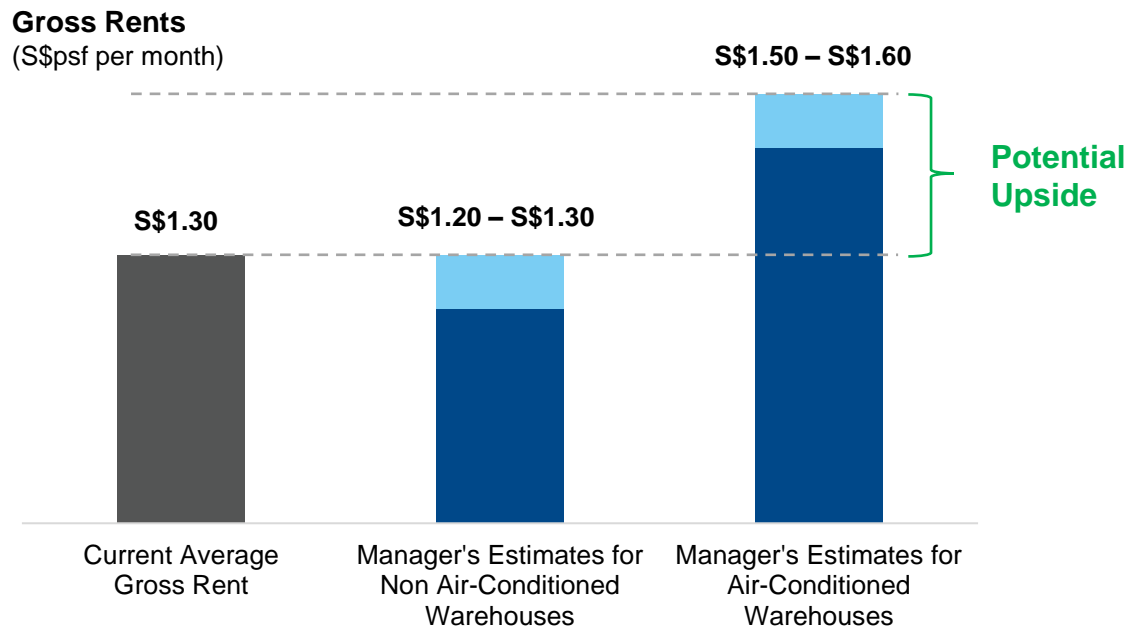
- Located within Tanjong Penjuru, an established logistics cluster well sought after by logistics players
- Well served by major expressways such as the Ayer Rajah Expressway, the West Coast Highway and the Pan Island Expressway
- Close proximity to the Central Business District, Jurong Port, Tuas Megaport and key container yards

★ 46A Tanjong Penjuru ◆ Other ESR-REIT properties

2 Opportunity to Enhance Specifications of the Property to Capture Higher Rental Demand through Active Asset Management

- The Singapore Property is well sought after by potential higher rental paying tenants handling high-valued goods, such as electronics and pharmaceutical products, and e-commerce players who typically require a controlled environment to store, pack and distribute temperate-sensitive products
- The Manager intends to enhance the Singapore Property's specifications into an air-conditioned warehouse to capture such tenants
- The multi-tenanted nature of the Singapore Property, weighted average lease tenor of 2.7⁽¹⁾ years and the staggered lease expiry profile will allow the Manager to actively manage and progressively enhance the Singapore Property to capture such higher rental demand

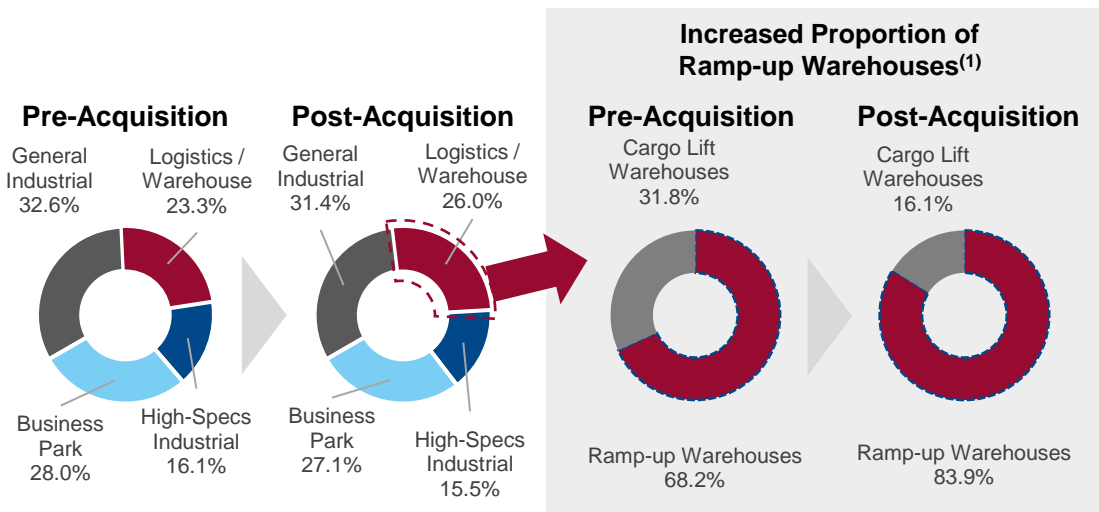
Current Average Gross Rent of the Property vs the Manager's Estimates of the Gross Rents for Air-conditioned and Non Air-conditioned Warehouses



3 Strengthens ESR-REIT's Portfolio Exposure to the Logistics Sector

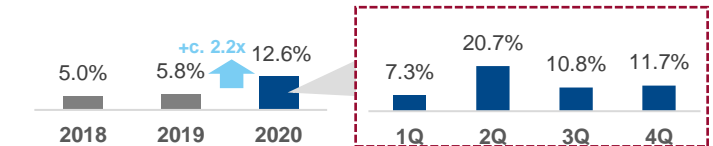
- The logistics sector has remained resilient during the COVID-19 pandemic amid an e-commerce surge, as well as stockpiling for essential goods
- Singapore Acquisition will raise the REIT's portfolio income exposure in the logistics sector from 23.3% to 26.0%⁽¹⁾
- Singapore Property will be the 6th modern ramp up warehouse in ESR-REIT's portfolio
- Proportion of in-demand ramp-up warehouses within the ESR-REIT's logistics sector would be increased from 68.2% to 83.9%⁽¹⁾
- Acquisition is in line with ESR-REIT's strategy to rejuvenate its portfolio organically and through the acquisition of quality assets

Increased Proportion of Logistics in Portfolio⁽¹⁾



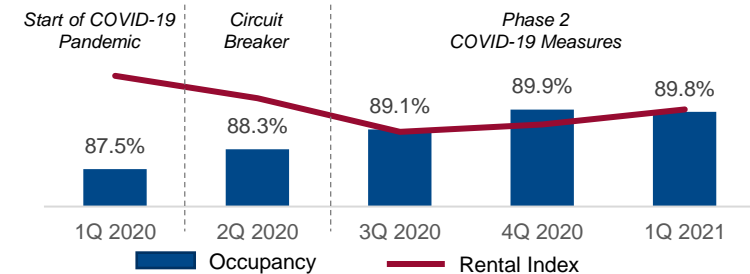
Average E-commerce Adoption in Singapore has Increased to 12.6% in 2020

(as measured by proportion of total retail sales)



Source: Singapore Department of Statistics

Strengthens ESR-REIT's Portfolio Exposure to the Logistics Sector which has Remained Resilient During the COVID-19 Pandemic

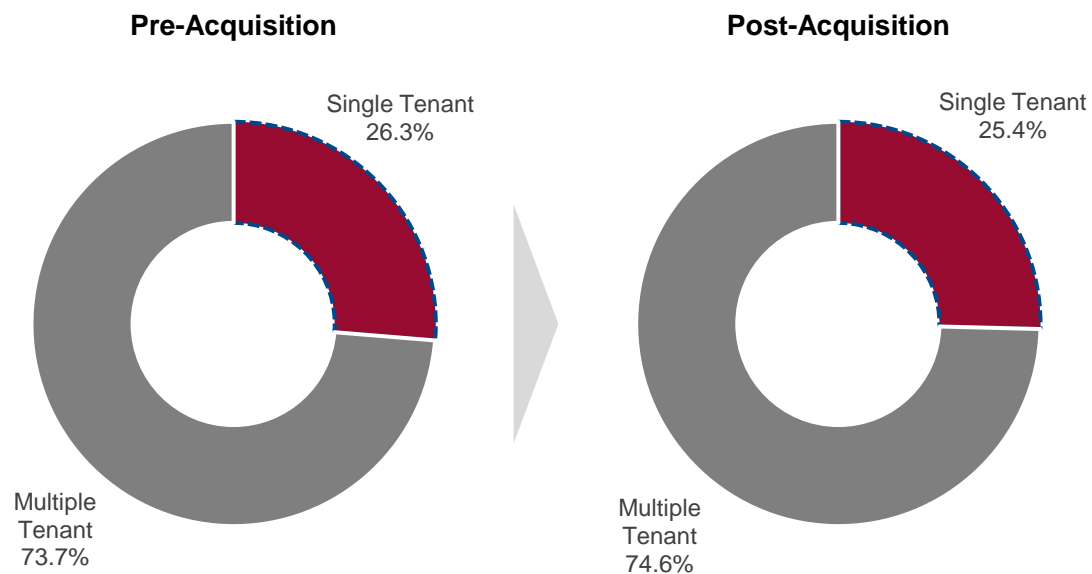


Source: JTC Quarterly Market Reports 1Q2020 – 1Q2021

4 Improves Portfolio Asset Offering with Reduced Single Tenant Concentration

- The Singapore Property is currently fully committed with six tenants⁽¹⁾
- Leases will provide stable income to ESR-REIT and reduce single-tenant concentration and credit risks
- The proportion of single-tenant buildings in ESR-REIT's portfolio will decrease from 26.3%⁽¹⁾ to 25.4% post-Singapore Acquisition
- Remaining land lease tenure of the Singapore Property is relatively long at approximately 29 years⁽²⁾

Reduced Single-tenant Concentration Risk (by rental income)⁽¹⁾

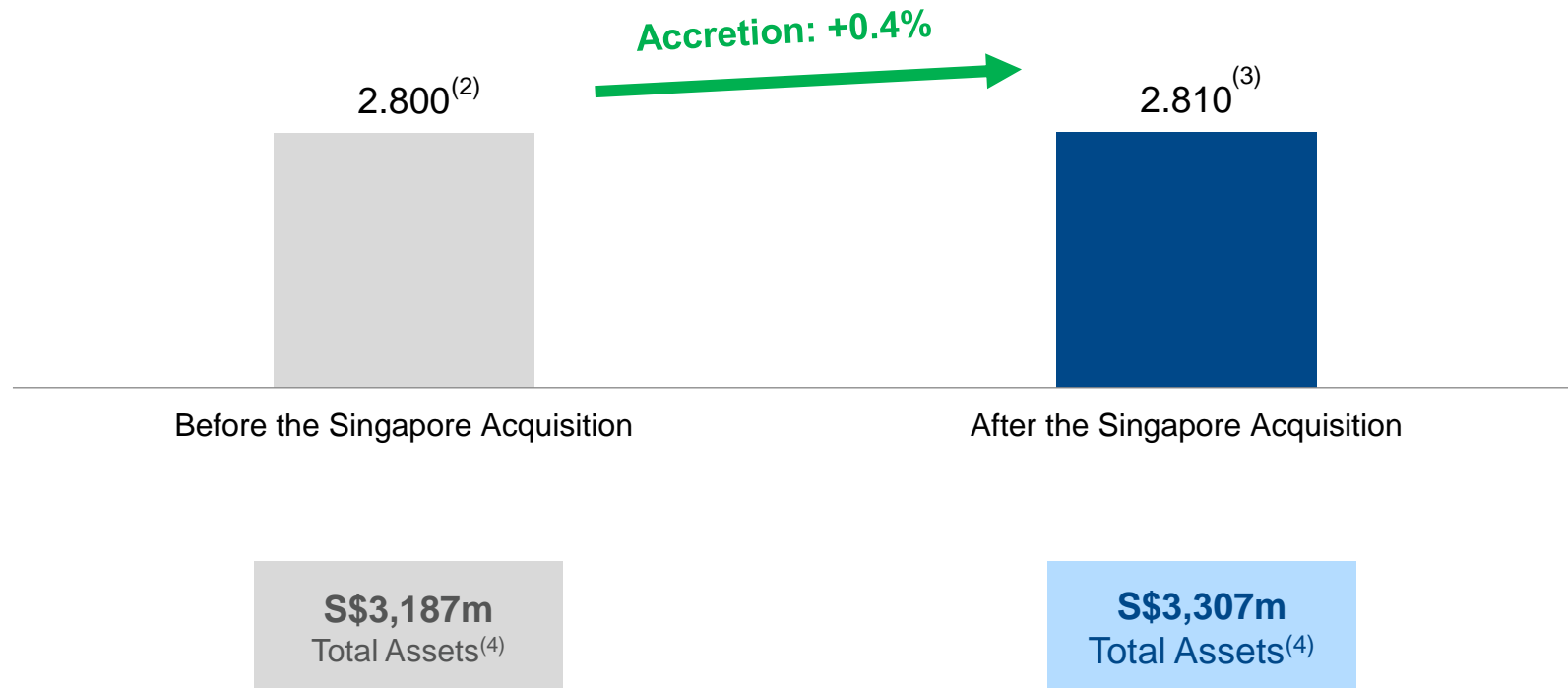


5 DPU Accretive Acquisition

The Singapore Acquisition is expected to be distribution per unit (“DPU”) accretive on a *pro forma* historical basis for FY2020

Distribution per Unit (Singapore Cents)⁽¹⁾

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**Proposed Acquisition
of ESR Australia
Logistics Partnership
("Australia
Acquisition")**



ESR-REIT's Maiden Overseas Acquisition

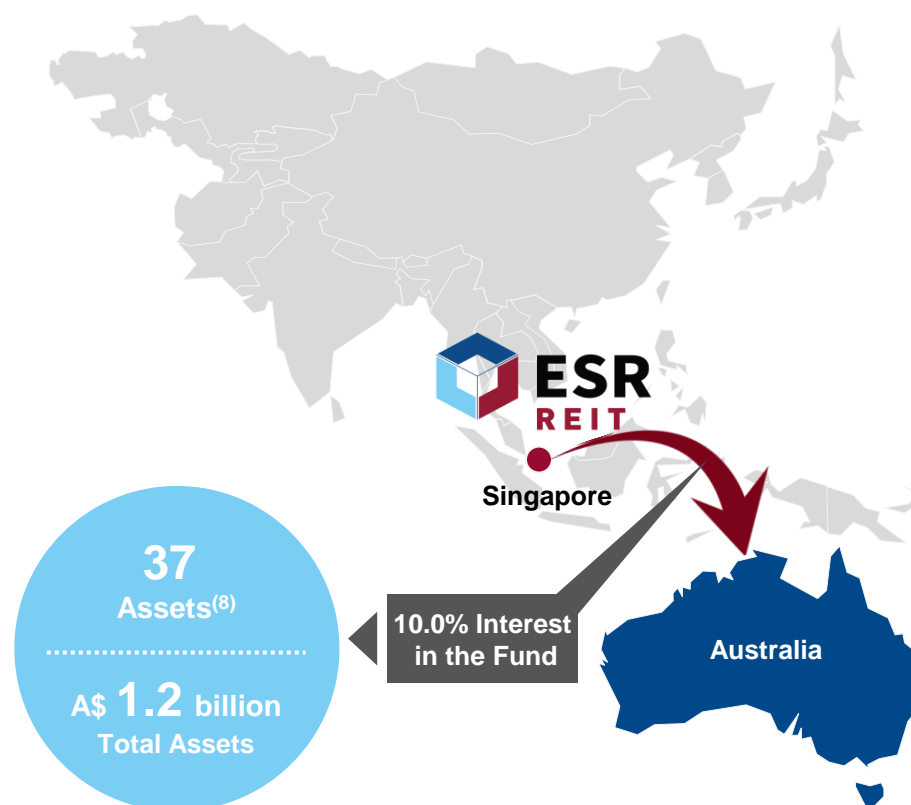
Transaction Overview

- A\$60.5m (approximately S\$62.4m⁽¹⁾⁽²⁾) acquisition for a 10.0% interest in the Fund (the “**Australia Acquisition**”) from a subsidiary of the Sponsor
- As at 31 March 2021, the Fund’s portfolio consists of 32 income – producing properties (the “**32 Income-Producing Properties**)⁽³⁾, 2 land parcels for future development (the “**Land Parcels**”) and 2 properties which are currently under development (the “**Development Properties**”)
- As at 31 March 2021, the Fund’s Assets under Management is A\$1.2b

Key Statistics of the Fund’s Portfolio⁽³⁾

Assumed 1 st Year Post Tax Dividend Yield	6.8% ⁽⁴⁾
Occupancy (as at 31 March 2021)	95.9%
Weighted Average Lease Expiry (“WALE”) (as at 31 March 2021)	4.87 years ⁽⁵⁾
Weighted Average Land Lease Expiry	89.8 years ⁽⁶⁾
Lease structure	55.3% single tenant master lease (by rental income) ⁽⁷⁾ with built-in rental escalations averaging 2.5% to 3.0% per annum

ESR-REIT strengthens its portfolio with Maiden Overseas Acquisition of 10.0% interest in A\$1.2b Fund



Fund Portfolio Overview

As at 31 March 2021



32 Income-Producing Logistics Properties⁽¹⁾
2 Land Parcels
2 Development Properties



81.4%
Freehold⁽²⁾



1,319,468
Total Land Area (sqm)



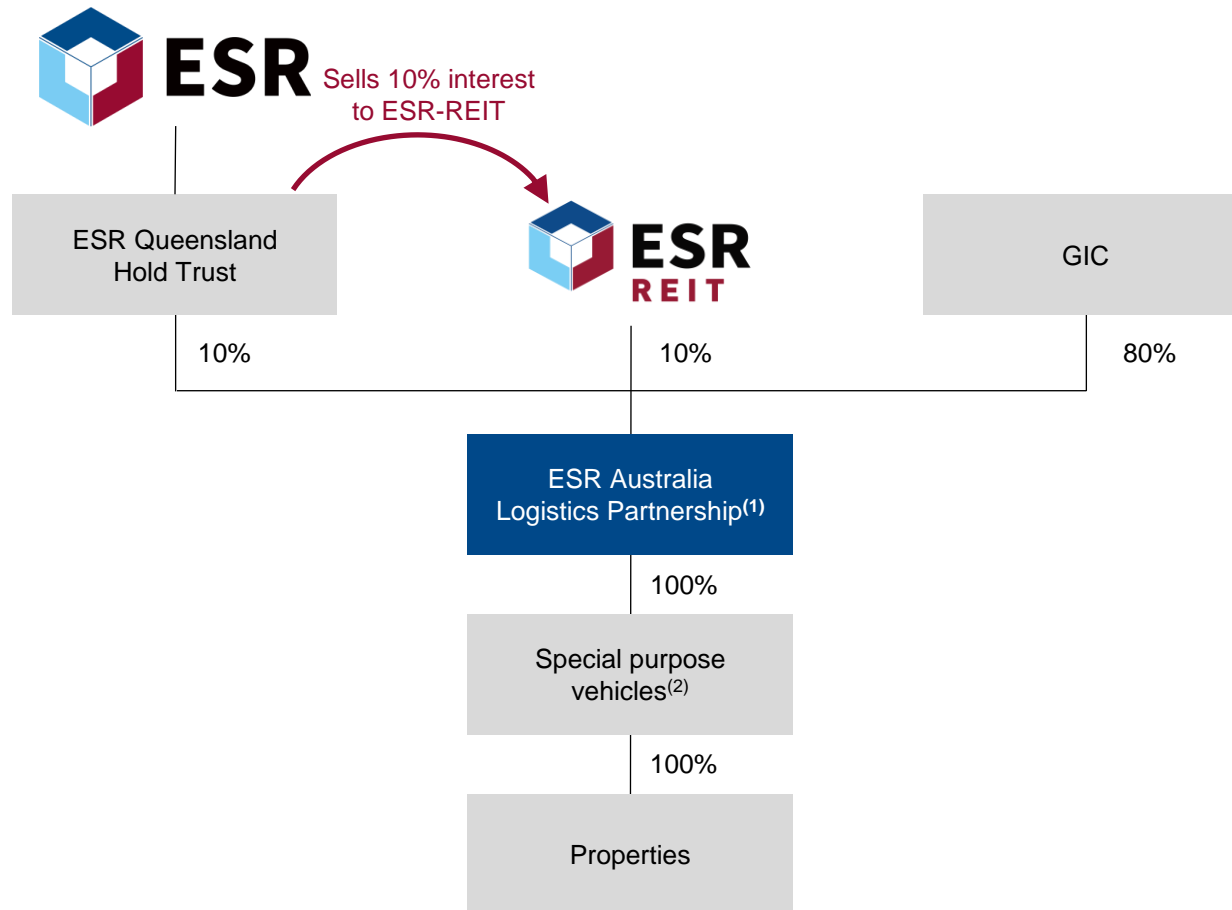
95.9%
Occupancy

Rental Income Breakdown by State⁽¹⁾



Transaction Structure

Following the Australia Acquisition, ESR-REIT and ESR Queensland Hold Trust will each hold a 10.0% interest in the Fund, and a wholly owned subsidiary of GIC (Realty) Private Limited (“GIC”) will hold the remaining 80.0% interest in the Fund



Transaction Rationale and Key Benefits

1

ESR-REIT's Maiden Overseas Acquisition Provides Geographical Diversification

2

Provides Opportunity to Capitalise on Australia's Attractive Logistics Market

3

Exposes ESR-REIT to Freehold Assets and Lengthens the Weighted Average Land Lease Tenure of ESR-REIT's Portfolio

4

Provides Exposure to an Income-Producing Portfolio with a Complementary Opportunity for Risk-managed Development Upside

5

Increases Portfolio WALE and Occupancy

6

DPU Accretive Acquisition

7

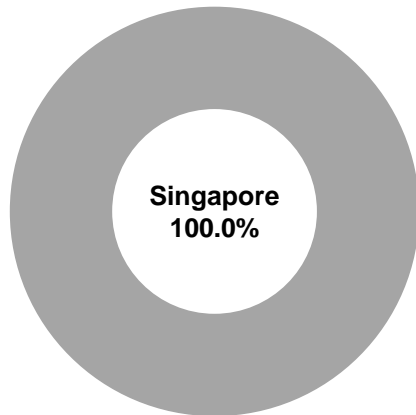
Demonstrates ESR-REIT's Access to the Sponsor's Pipeline of Assets with the Fund's Underlying Assets a Potential Asset Pipeline for ESR-REIT

1 ESR-REIT's Maiden Overseas Acquisition Provides Geographical Diversification

- The Australia Acquisition is ESR-REIT's maiden overseas acquisition
- In line with the Manager's strategy to invest in markets where the Sponsor has real estate operational capabilities and presence so as to leverage on the Sponsor's capabilities in those markets

Pre-Acquisition

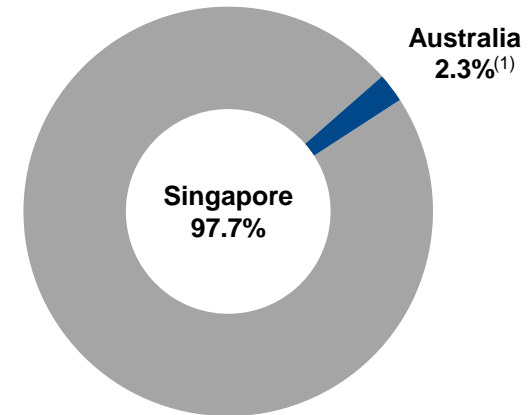
Portfolio Geographical Breakdown
(By rental income)



As at 31 March 2021

Post-Acquisition

Portfolio Geographical Breakdown
(By rental income)



Pro forma as at 31 March 2021

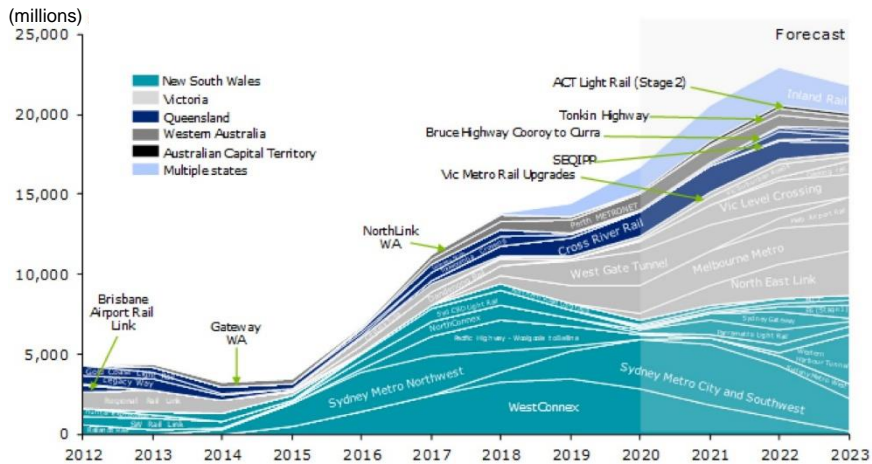
ESR-REIT's exposure to Australia post-Australia Acquisition is expected to be 2.3% by rental income as at 31 March 2021⁽¹⁾. This provides geographical diversification to ESR-REIT's portfolio, thereby reducing current concentration risk.

2

Provides Opportunity to Capitalise on Australia's Attractive Logistics Market

- Despite the outbreak of COVID-19, the industrial and logistics sector in Australia has outperformed all other mainstream real estate sectors
 - Occupiers in e-commerce, food logistics, pharmaceutical, transport and logistics sectors have performed well with some businesses reporting a doubling of revenue since March 2020

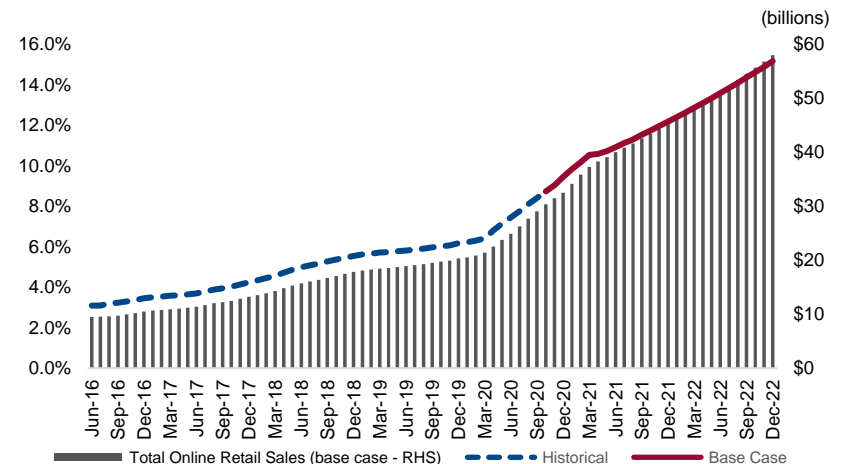
Unprecedented Amount of Transport Infrastructure Projects under Construction and Committed



Source: Deloitte Access Economics, Colliers Research

- These projects will shape the location of industrial demand as areas that were previously considered secondary may become prime demand areas
- Estimated A\$133 billion worth of transport infrastructure projects are under construction and committed, 65% of which is scheduled for completion in the next 3-5 years

The Attractiveness of E-commerce Has Increased Exponentially as a Result of COVID-19



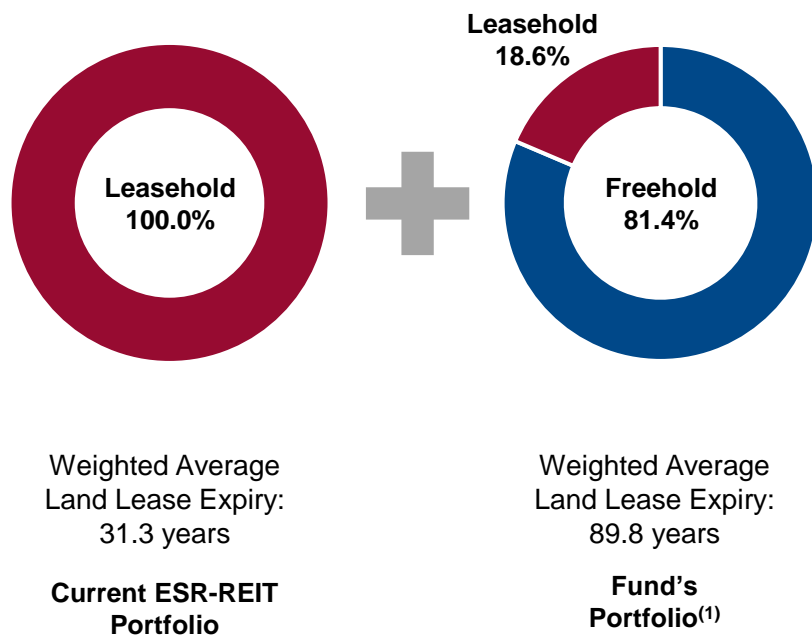
Source: Colliers Research

- COVID-19 is expected to pave the way to a significant structural and cultural shift in the way consumers buy their goods
- In the long term, these buying habits are expected to be permanent as consumers become accustomed to online shopping

3 Exposes ESR-REIT to Freehold Assets and Lengthens the Weighted Average Land Lease Tenure of ESR-REIT's Portfolio

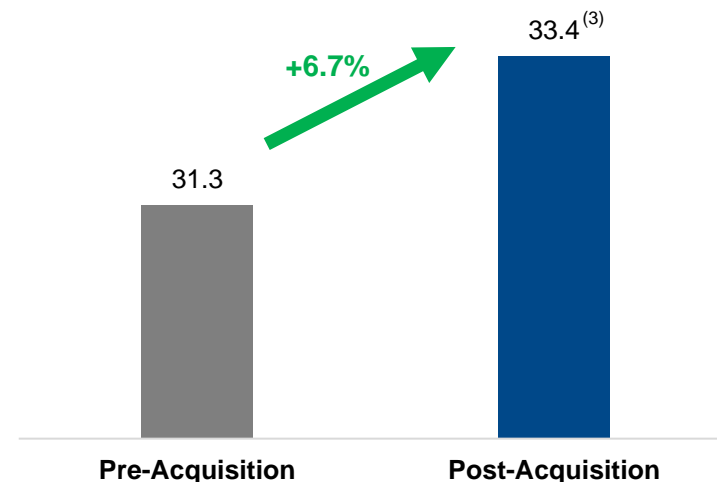
- Land lease of the 32 Income-Producing Properties⁽¹⁾ is predominantly freehold (81.4% by value⁽²⁾), with weighted average land lease expiry of 89.8 years⁽³⁾
- Post-Australia Acquisition⁽⁴⁾, the *pro forma* weighted average land lease expiry of ESR-REIT's enlarged portfolio will increase from 31.3 years to 33.4 years⁽³⁾

Fund's Portfolio⁽¹⁾ Provides the REIT Exposure to Predominantly Freehold Land



Resulting in the Lengthening of ESR-REIT's Land Lease Tenure⁽¹⁾

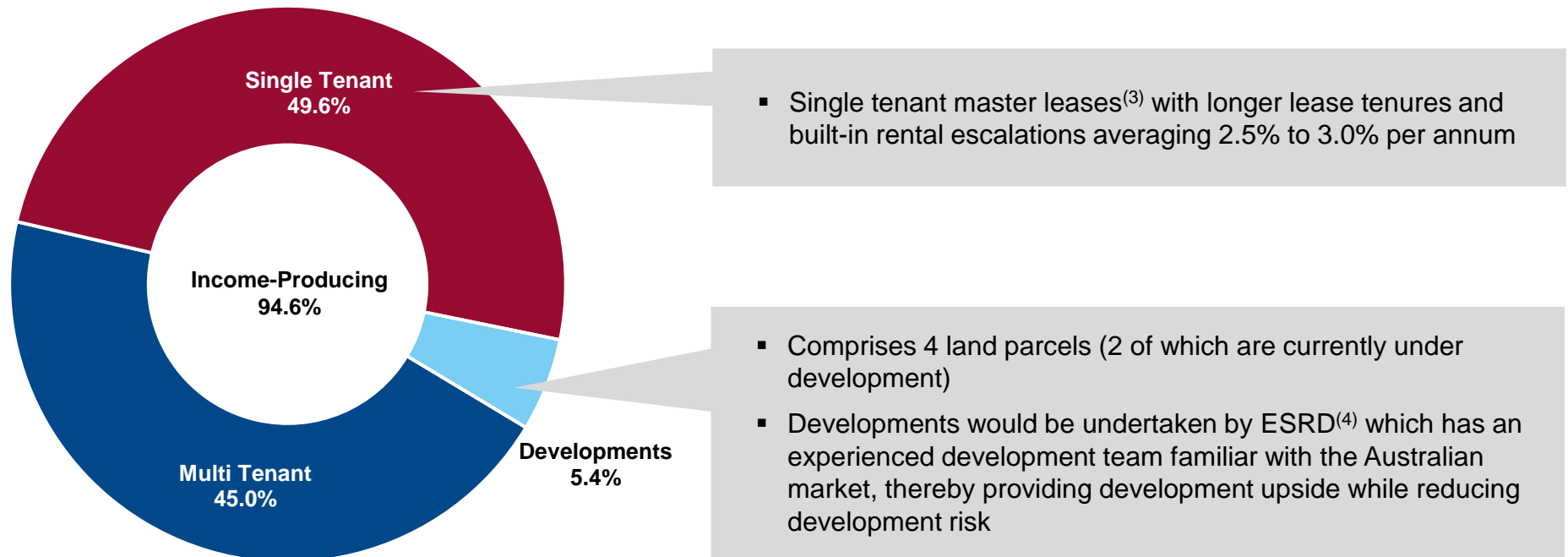
Weighted Average Land Lease Expiry (years)



4 Provides Exposure to an Income-Producing Portfolio with a Complementary Opportunity for Risk-managed Development Upside

- Fund's portfolio consists of predominantly income-producing assets with long leases and built-in rental escalations averaging 2.5% to 3.0% per annum and also comprises assets with risk-managed development upside

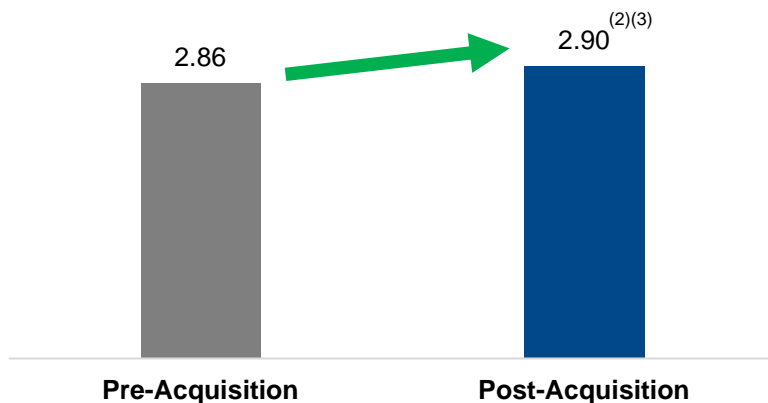
Fund Portfolio ⁽¹⁾⁽²⁾ (by value)



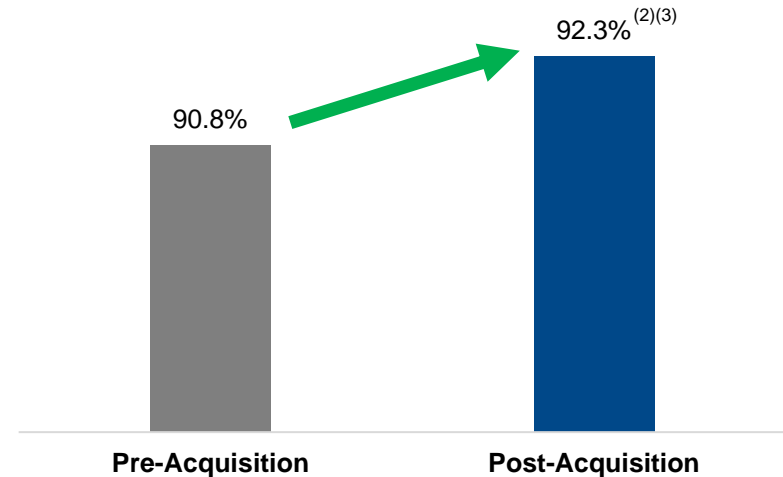
5 Increases Portfolio WALE and Occupancy

- Complements ESR-REIT's existing portfolio⁽¹⁾ which consists wholly of income-producing assets, of which a majority are multi-tenanted (73.7% by rental income) with average lease tenure of 3 years
- *Pro forma* WALE profile by rental income⁽²⁾ of the enlarged portfolio will increase from 2.86 years to 2.90 years⁽¹⁾
- 55.3% of leases in the Fund's portfolio (by rental income)⁽¹⁾⁽³⁾ are single tenant master leases with longer lease tenures and built-in rental escalations averaging 2.5% to 3.0% per annum
- *Pro forma* portfolio occupancy rate of ESR-REIT's enlarged portfolio will increase from 90.8% to 92.3% post-Australia Acquisition⁽¹⁾

ESR-REIT Portfolio WALE (by rental income)⁽¹⁾
(years)



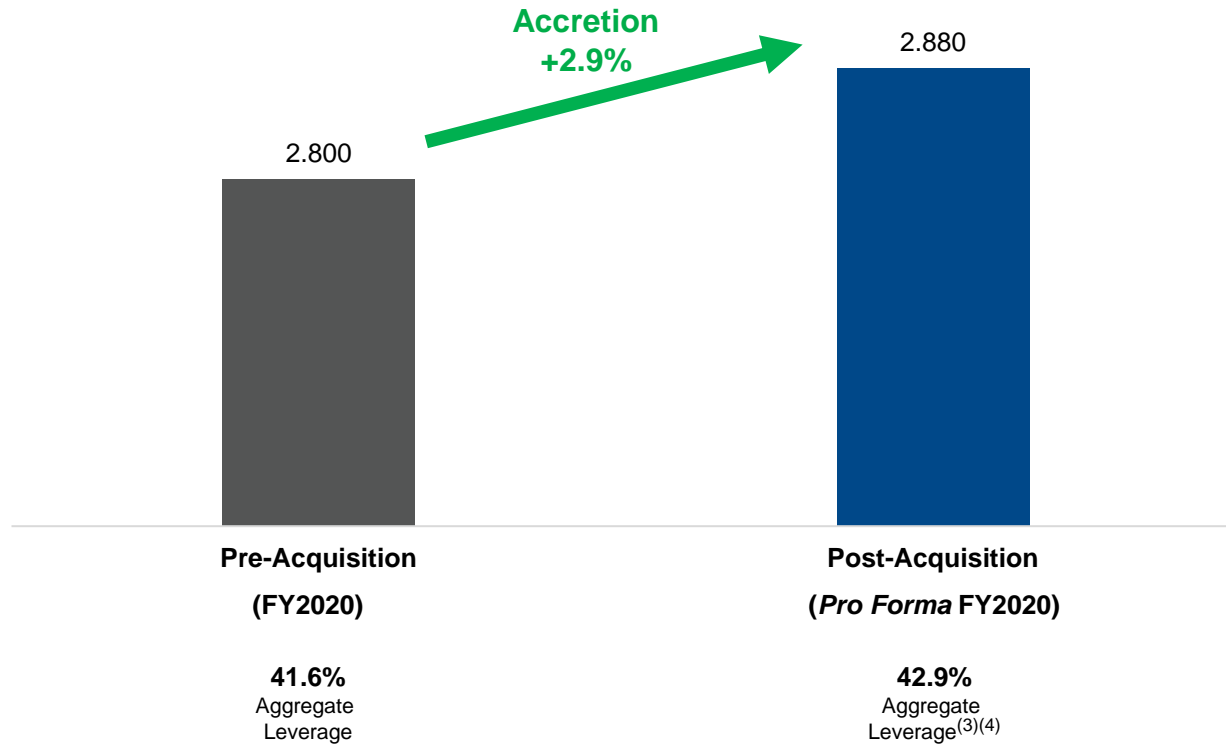
ESR-REIT Portfolio Occupancy⁽¹⁾
(%)



6 DPU Accretive Acquisition

The Australia Acquisition is expected to be distribution per unit (“DPU”) accretive on a *pro forma* basis

(DPU Singapore cents)⁽¹⁾⁽²⁾

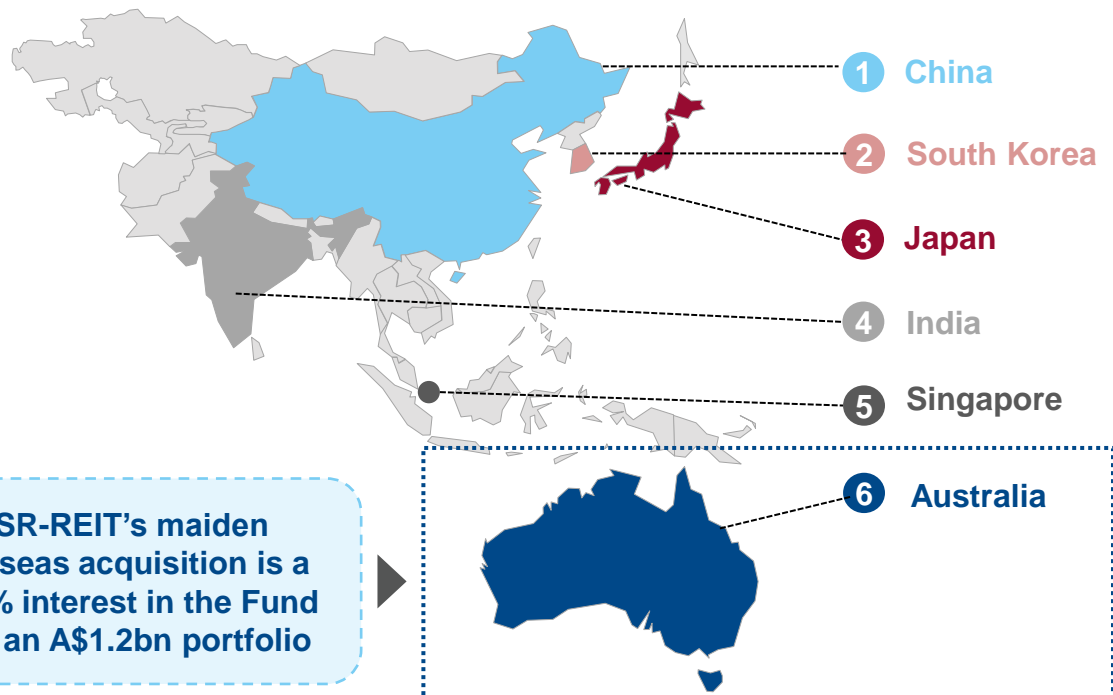


7 Demonstrates ESR-REIT's Access to the Sponsor's Pipeline of Assets with the Fund's Underlying Assets a Potential Asset Pipeline for ESR-REIT

- The Australia Acquisition demonstrates ESR-REIT's ability to access the Sponsor's pipeline of quality assets
- Signals the Sponsor's commitment to grow ESR-REIT by facilitating the diversification of ESR-REIT's portfolio and reducing ESR-REIT's operational risks
- ESR-REIT's 10.0% interest in the Fund provides comparative advantage in acquisition opportunities should the Fund decide to divest its underlying assets in an increasingly competitive market where access to quality logistics assets is scarce

ESR Group's Regional Presence

ESR-REIT has first look on more than US\$27.0bn⁽¹⁾ of ESR Group's portfolio of assets in an increasingly scarce environment for quality logistics assets



ESR-REIT's maiden overseas acquisition is a 10.0% interest in the Fund with an A\$1.2bn portfolio

Proposed Asset Enhancement Initiatives (“AEIs”)



Executing ESR-REIT's AEI Strategies

Optimising Asset Value Through AEIs

16 Tai Seng Street



Location	16 Tai Seng Street, Singapore 534138
Estimated Costs	Approximately S\$25.9 million

- Description**
- Maximising the plot ratio by adding an additional floor to increase GFA by approximately 29,000 square feet ("sq ft") or 13.8%
 - Redesigning and repositioning works to the façade, drop-off point, lift lobbies, lifts, the external linkway to the Mass Rapid Transit station

7000 Ang Mo Kio Avenue 5



Location	7000 Ang Mo Kio Avenue 5, Singapore 569877
Estimated Costs	Approximately S\$53.3 million ⁽¹⁾

- Description**
- In view of the current demand for quality high-specifications spaces from the advance manufacturing and electronics sector, the Manager intends to proceed with the previously announced AEI to 7000 AMK on a multi-tenanted basis to create approximately 265,000 sq ft of additional GFA
 - New design to allow for flexibility and specifications that are suitable for potential data centre tenants
 - Post-AEI, there will be approximately 230,000 sq ft of un-utilized GFA remaining

Proposed Equity Fund Raising



Overview of the Equity Fund Raising

To Raise Gross Proceeds of Up to approx. S\$150.0 million

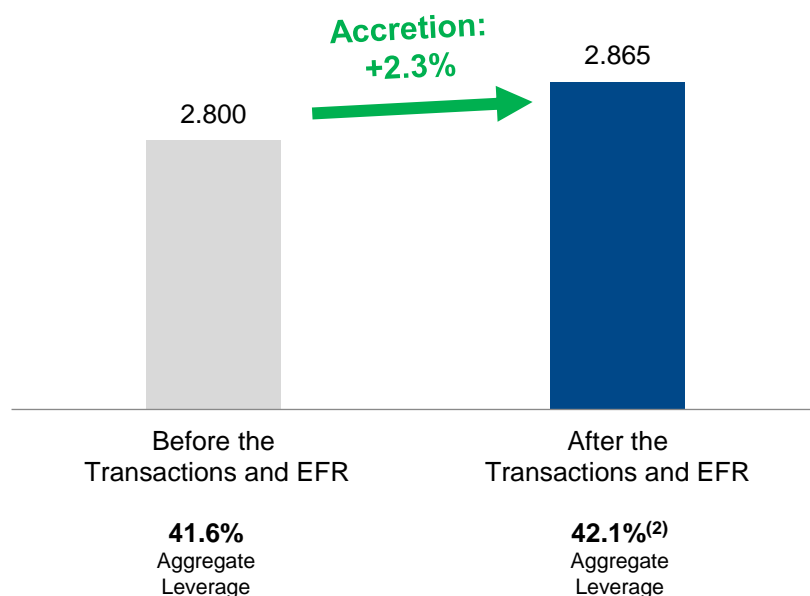
Private Placement	Preferential Offering
<p>Issue Size</p> <ul style="list-style-type: none"> ▪ Up to approx. S\$100.0 million <ul style="list-style-type: none"> – Base Deal: S\$75.0 million – Upsize Option: S\$25.0 million 	<p>Issue Size</p> <ul style="list-style-type: none"> ▪ Up to approx. S\$50.0 million
<p>Further Details</p> <ul style="list-style-type: none"> ▪ Up to approx. 400.0 million Units⁽¹⁾ <ul style="list-style-type: none"> – Base Deal: Up to approx. 333.3 million new Units⁽¹⁾ – Upsize Option: Up to approx. 66.7 million Units⁽¹⁾ 	<p>Further Details</p> <ul style="list-style-type: none"> ▪ The Sponsor will be providing an undertaking to the Manager (the “Sponsor Undertaking”) to subscribe for a number of Preferential Offering New Units such that Sponsor's total subscription under the Preferential Offering will not exceed S\$50.0 million

Pro forma Financial Effects

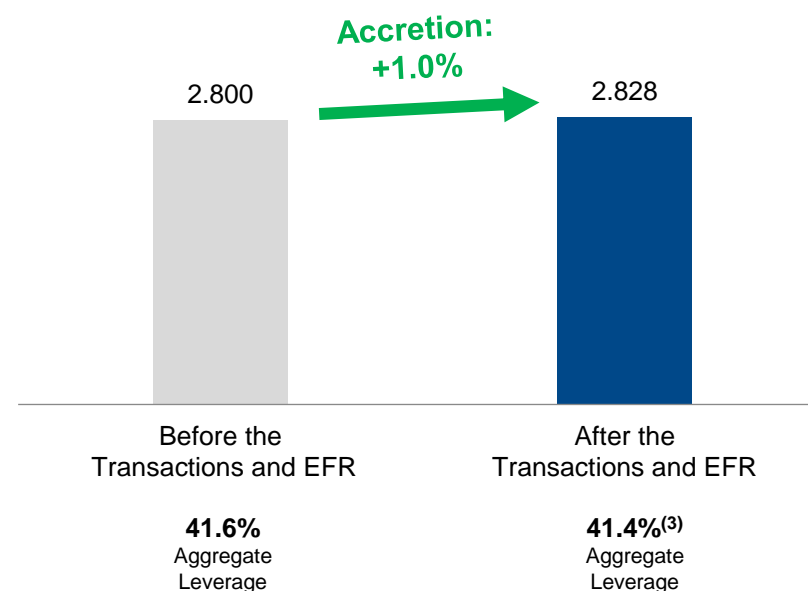
Distribution per Unit (Singapore Cents)

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EFR size of S\$125.0m







EFR size of S\$150.0m



Notes: Please refer to the announcement titled “Launch of Equity Fund Raising to Raise Gross Proceeds of Up To Approximately S\$150.0 Million” dated 6 May 2021 (1) Assumes the Transactions had been completed on 1 January 2020 and ESR REIT held the properties pursuant to the Acquisitions and the sale units pursuant to the Australia Acquisition through to 31 December 2020. (2) Includes the net property income from the AElS based on assumed yield on cost of approximately 7.1%. (3) On 28 April 2021, ESR REIT announced the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East for approximately S\$53.0 million (the “Divestment”). Assuming the Divestment had been completed on 31 December 2020 and the net proceeds from the Divestment had been fully utilised to repay outstanding borrowings, the *pro forma* aggregate leverage of ESR REIT as at 31 December 2020 would have been reduced by approximately 1.0% from 42.1% to 41.1% for the EFR Size of S\$125.0 million and from 41.4% to 40.4% for the EFR Size of S\$150.0 million.

Equity Fund Raising and Use of Proceeds

Assuming up to approx. S\$150.0m Equity Fund Raising (“EFR”) proceeds raised:

			Amount	% of EFR Gross Proceeds
1	 Singapore Acquisition	<ul style="list-style-type: none"> To partially finance ESR-REIT’s total costs of the acquisition of a modern ramp-up logistics asset located at 46A Tanjong Penjuru (together with the plant and mechanical and electrical equipment) Total Acquisition Cost: S\$124.7m 	Approx. S\$71.8m	47.8%
2	 AEIs	<ul style="list-style-type: none"> To partially finance the AEIs of the properties <p>AEI (1) : 16 Tai Seng Street AEI (2) : 7000 Ang Mo Kio Ave 5</p> <ul style="list-style-type: none"> Total Cost: S\$25.9m Additional Cost: S\$17.6m⁽¹⁾ 	Approx. S\$43.5m	29.0%
3	 Debt Repayment	<ul style="list-style-type: none"> Repayment of existing indebtedness of ESR-REIT 	Approx. S\$31.0m	20.7%
4	 Estimated fees and expenses	<ul style="list-style-type: none"> Including professional fees and expenses, incurred or to be incurred by ESR-REIT in connection with the EFR 	Approx. S\$3.8m	2.5%
			Approx. S\$150.0m	100.0%

Appendix



Australia – Logistics Market Overview

Sydney

~A\$95bn in transport infrastructure projects underway

- The A\$16.8bn WestConnex project, expected to complete in 2023, will bring several important road projects together which would form a vital link in Sydney's Orbital Network. The Sydney Metro City and Southwest project, valued at A\$15.5bn, is currently in stage two of works, which will line 5.5 kilometres ("km") twin rail tunnels from Chatswood to Sydenham and seven new stations

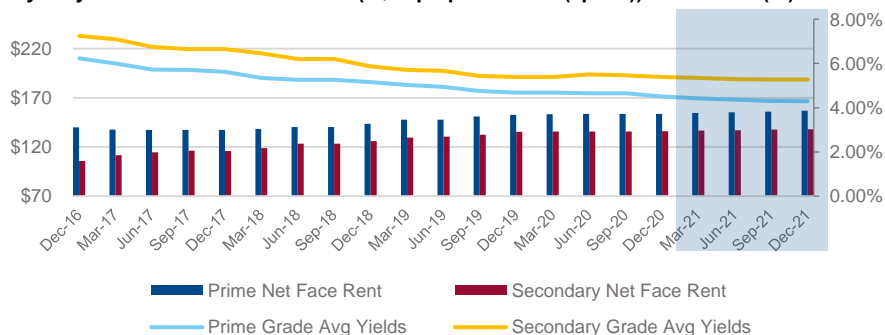
Leasing activity & demand concentrated in western markets in Sydney

- Despite recent events surrounding COVID-19, the short-term outlook for the Sydney industrial market remains positive. On the demand side, there has been a large pick-up in active requirements come to the market, totaling ~1.3m square metres ("sqm") which should flow through to lease deals throughout 2021
- Demand is being led by transport and logistics and warehouse/storage while more recently there has been an evident pick-up in manufacturing requirements. Enquiry levels have picked up significantly over the past month with 1.3m sqm in active briefs, up from 0.5m sqm at the depths of COVID-19

Rental growth forecasted to improve in 2021 with yields expected to tighten

- Colliers is forecasting rental growth to improve in 2021 across most submarkets as economic growth picks up
- Current momentum within the investment market as well as stock which has remained tightly held, is expected to place downward pressure on prime yields in 2021

Sydney Industrial Net Face Rents (A\$/sqm per annum ("p.a.)) and Yields (%)



Melbourne

~A\$70bn in upcoming transport infrastructure projects

- The largest project, the North East Link, valued at A\$15.8bn, will connect the M80 Ring Road with an upgraded Eastern Freeway. Expected to complete in 2028, it will slash travel time between the M80 Ring Road and the Eastern Freeway by up to 35 minutes

Leasing activity & demand remains positive across Melbourne

- Tenant demand has been dominated by e-commerce, retails and transport and logistics groups underpinned by the continued rise of online retail
- Leasing volumes are expected to pick up further in 2021 with several major tenant briefs within the market

Rents to improve in 2021 with expected yield compression

- Rental growth is forecasted to measure 1.0% in 2021, before picking up in 2022
- Strong demand relative to supply of investment grade stock has driven a tightening of prime and secondary yields across all precincts
- With stock remaining tightly held and given the high level of institutional ownership in the West submarket, yield compression for prime assets is expected

Melbourne Net Face Rents (A\$/sqm p.a) and Yields (%)



Australia – Logistics Market Overview

Brisbane

~A\$15bn in transport infrastructure projects

- 55% of the transport infrastructure projects are currently under construction
- The A\$10.0bn Inland Rail project, expected to complete in 2028, is a rail freight route which will connect Melbourne to Brisbane via regional New South Wales, strategically lifting the national freight capacity by creating distribution and transport efficiencies

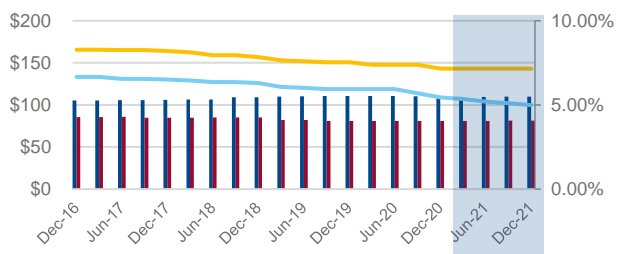
Leasing activity & demand remained steady

- Occupier demand has remained steady over the past 12 months despite the uncertainties brought about by COVID-19, with increasing demand from industrial operators within the pharmaceutical and logistics sectors

Rents to see modest growth in 2021 with further yield compression anticipated

- Net face rents will experience modest growth within the prime market over the next 12 months
- Redirected capital to perceived lower-risk profile investments have triggered a compression of prime grade yields

Brisbane Industrial Net Face Rents (A\$/sqm p.a) and Yields (%)



■ Prime Net Face Rent ■ Secondary Net Face Rent
— Prime Grade Avg Yields — Secondary Grade Avg Yields

Perth

~A\$8bn in transport infrastructure projects

- The A\$5.2bn METRONET (Stage One) is a planned integrated transport network that will significantly expand rail capacity across the city – 70km of new heavy passenger rail and 14 new rail stations

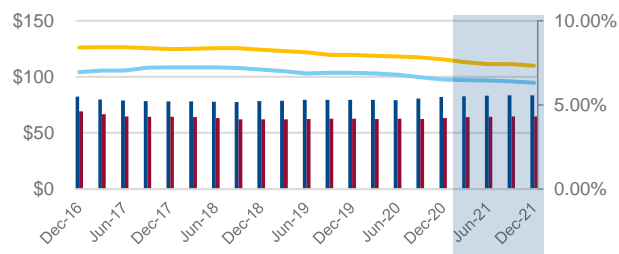
Leasing activity & demand have improved significantly following the COVID-19 lockdown

- Leasing enquiries are reporting stronger tenant interest than pre-COVID-19 levels
- Tenant demand is starting to generate better prospects for rental growth in the larger prime (above 5,000 sqm) segment

Expected rental growth in 2021 with yields to compress further

- Net face rents are forecasted to record growth of 2.0 - 2.2% in 2021
- Yields are expected to compress further due to high levels of pent-up demand for well-leased assets backed by strong covenants

Perth Industrial Net Face Rents (A\$/sqm p.a) and Yields (%)



■ Prime Net Face Rent ■ Secondary Net Face Rent
— Prime Grade Avg Yields — Secondary Grade Avg Yields

Adelaide

~A\$12bn in transport infrastructure projects in the pipeline or underway

- The A\$9.0bn North-South Corridor will provide a dedicated non-stop thoroughfare for north and south bound traffic running between Gawler and Old Noarlunga and passing through Adelaide's Central Business District

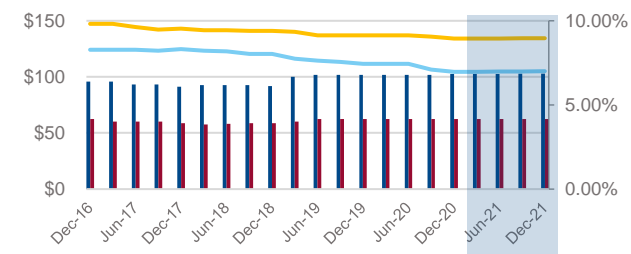
Rebound in leasing activity & demand

- The Adelaide industrial leasing market saw a small lull in activity at the height of the pandemic, but has since seen a rebound in enquiry levels above pre-COVID-19 levels
- Recent demand has largely stemmed from the smaller end of the market (sub-2,000 sqm)

Rents expected to remain at or near current levels with further yield compression forecasted in 2021

- Industrial rents have held firm in Adelaide submarkets
- Continued yield compression has been recorded across all Adelaide submarkets in 2020, albeit contained within the prime market

Adelaide Industrial Net Face Rents (A\$/sqm p.a) and Yields (%)



■ Prime Net Face Rent ■ Secondary Net Face Rent
— Prime Grade Avg Yields — Secondary Grade Avg Yields

Disclaimer

This material shall be read in conjunction with ESR-REIT's results announcements for the financial period ended 31 December 2020 and the announcements dated 6 May 2021 in relation to the proposed Singapore Acquisition, Australia Acquisition and the proposed Equity Fund Raising.

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