ESR

ESR-REIT INTERIM BUSINESS UPDATE

3Q2025

ESR-REIT | *(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))*

YTD 3Q2025 RESULTS HIGHLIGHTS

Financial Updates

Gross Revenue
S$334.5 million
+22.7% y-o-y

Net Property Income ("NPI")
S$247.8 million
+28.6% y-o-y

Distributable Income
S$134.6 million
+6.8% y-o-y

NAV per Unit
S$2.61
(31 Dec 2024: S$2.75[1])

Portfolio Updates

Positive Rental Reversion
+8.4%
(YTD 3Q2024: +11.0%)

Healthy Occupancy Rate
90.3%

Significant Singapore & New Economy Exposure
- **83.7% Singapore Focused**
  (3Q2024: 84.1%)
- **70.9% New Economy Exposure**
  (3Q2024: 62.3%)

Divestments (S$16.7 mil of Non-Core Assets)
- **1 Third Lok Yang Road and 4 Fourth Lok Yang Road at 3.5% premium to valuation**
- **79 Tuas South Street 5 at 1.5% premium to valuation**

Asset Enhancement Initiatives ("AEI")
- **TOP obtained for 16 Tai Seng Street (18 July 2025)**
- **Ongoing AEI at 29 Tai Seng Street**

Capital Management

Gearing
43.3% as at 30 Sep 2025
(31 Dec 2024: 42.8%)

Cost of Debt Reduced
3.40% per annum
(31 Dec 2024: 3.84%)

Weighted Average Debt Expiry
2.3 years
(31 Dec 2024: 2.8 years)

Interest Rate Exposure Hedged
78.2% on fixed rates

MAS Interest Coverage Ratio ("ICR")
2.4x

Fitch Ratings: Assigned 'BBB' Rating with Stable Outlook

No Refinancing Risk in FY2025
FY2025 expiring loans refinanced ahead of time at lower margins

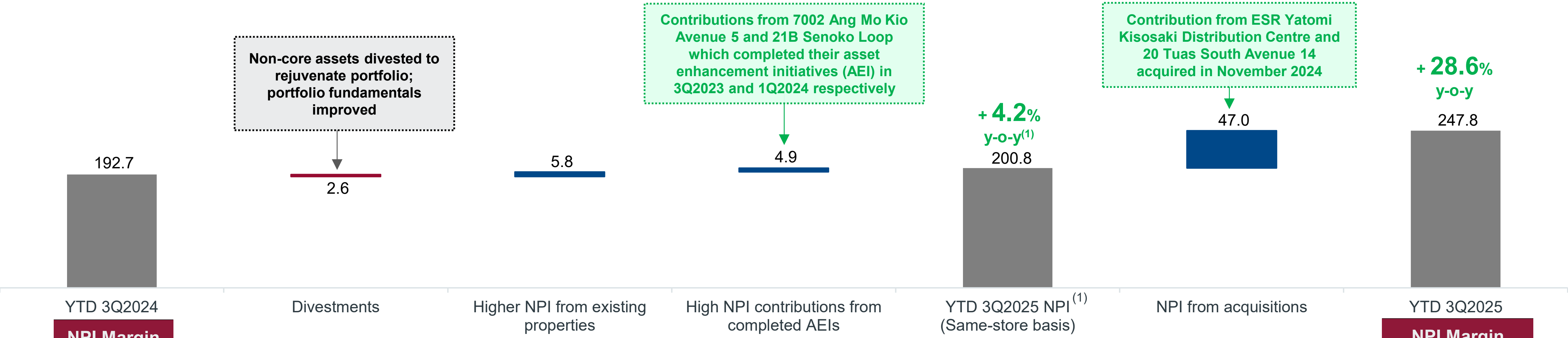
Notes: (1) Adjusted for 10:1 unit consolidation that was completed on 5 May 2025 for a like-for-like comparison.

BREAKDOWN OF NPI CONTRIBUTION

NPI continues to increase on "same-store" basis

- **NPI increased +28.6% y-o-y mainly due to full year-to-date contributions from:**
  1) **"On-Strategy" acquisitions of ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 completed in Nov 2024**
  2) **Completion of AEIs for 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop in 3Q2023 and 1Q2024 respectively**
  3) **Higher NPI from existing properties**
- **On a *same-store basis*[1], NPI grew +4.2% y-o-y mainly due to (a) positive rental reversions (b) higher rental rates from new leases (c) higher NPI contributions from AEIs completed in 3Q2023 and 1Q2024 and (d) lower utilities expense**

NPI (S$ million)



NPI Margin
70.7%

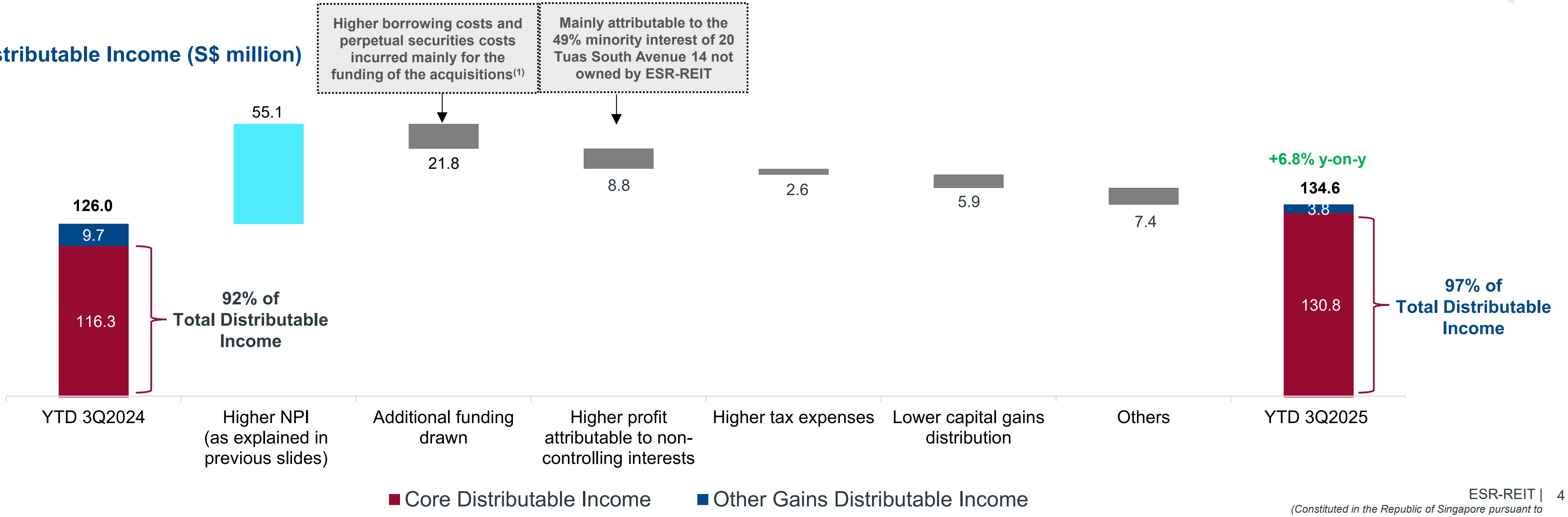
NPI Margin
74.1% (+340bp y-o-y)

Note: (1) Excluding ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 which were acquired in November 2024

DISTRIBUTABLE INCOME INCREASED +6.8% YEAR-ON-YEAR

- **YTD 3Q2025 Distributable Income was +6.8% higher than YTD 3Q2024 mainly due to:**
  - **Acquisitions of the 100% trust beneficiary interest in ESR Yatomi Kisosaki Distribution Centre and 51.0% interest in 20 Tuas South Avenue 14 completed in November 2024;**
- **Partially offset by:**
  - **(i) additional funding drawn to finance the acquisitions[1]; and**
  - **(ii) lower capital gains distribution compared to YTD 3Q2024**

Distributable Income (S$ million)



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Note: (1) Refers to the acquisitions of ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 in November 2024

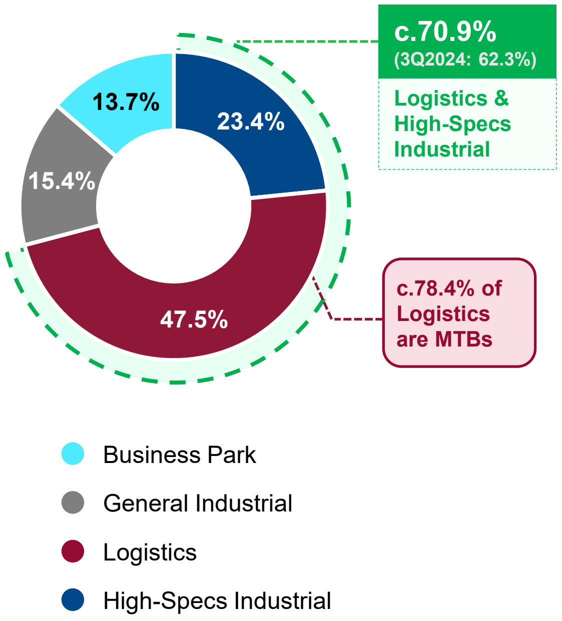
RESILIENT AND DIVERSIFIED PORTFOLIO

Access to Overseas and Freehold Assets Enhances Resilience Against Land Lease Decay

Asset Class Breakdown

(by Rental Income)

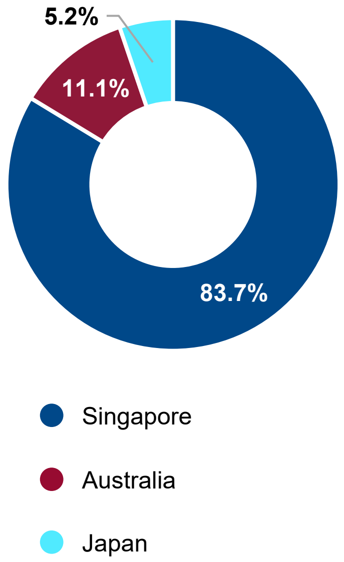
70.9% of portfolio in Logistics & High-Specs Industrial sectors, with majority being multi-tenanted buildings



Portfolio Breakdown by Country[1]

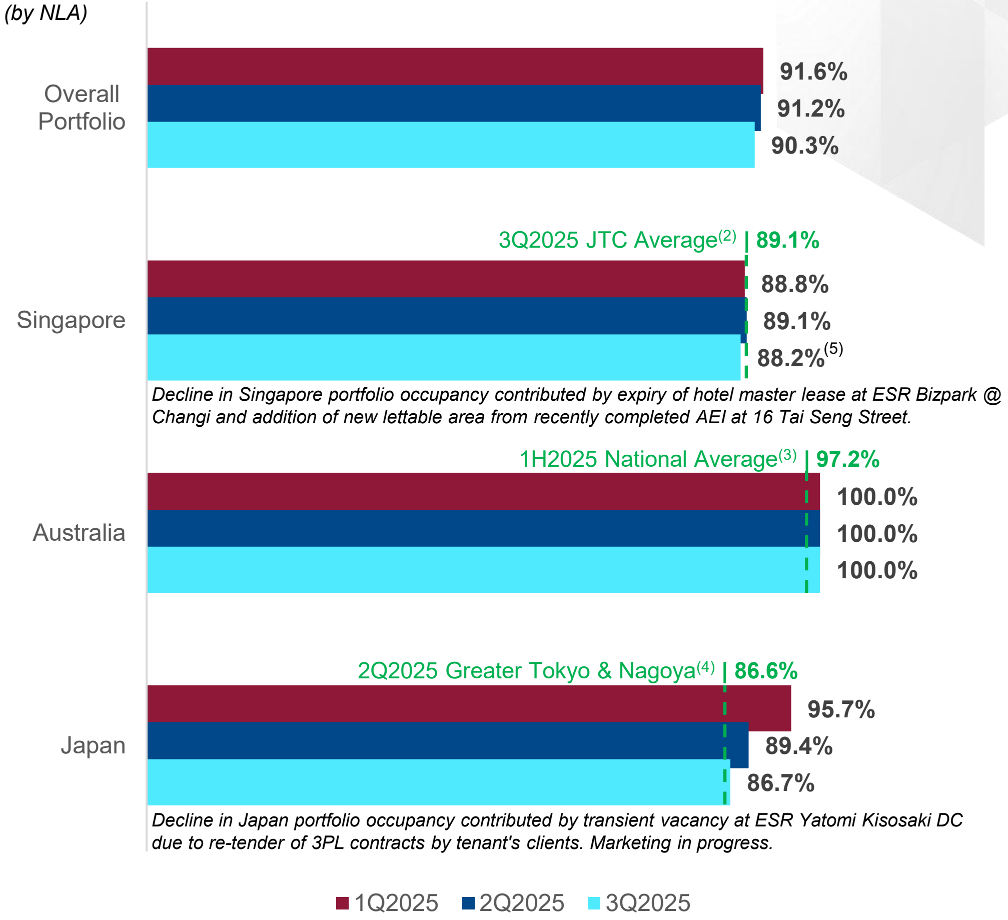
(by Rental Income)

Portfolio exposure to overseas geographies such as Australia and Japan provides exposure to freehold assets



Portfolio Occupancy

(by NLA)



Notes: (1) Excludes rental income contributed by Funds under the REIT's portfolio. (2) Source: Based on JTC 3Q2025 Industrial Property Market Statistics. (3) Source: Based on "Australia's Industrial and Logistics Vacancy Report 1H25" by CBRE on 26 June 2025. (4) Source: Based on CBRE MarketView Japan Logistics Q2 2025.

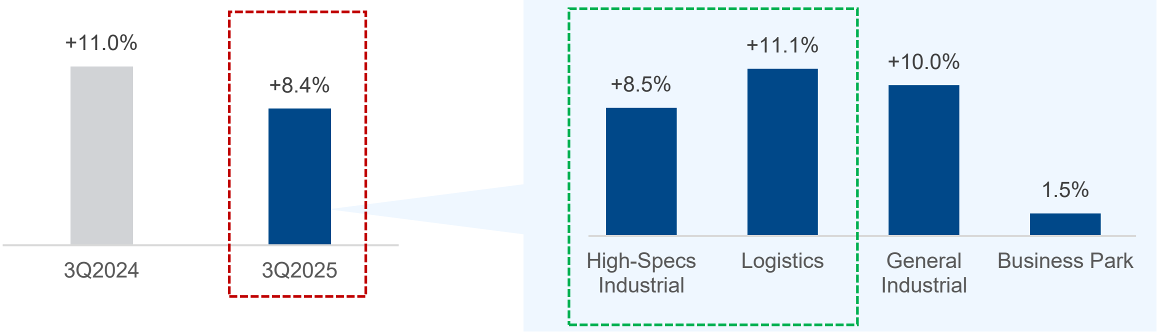
PROACTIVE LEASE MANAGEMENT

Portfolio Continues to Experience Positive Rental Reversions with a Well-Distributed Lease Expiry Profile

Portfolio Rental Reversions

(by Asset Type)

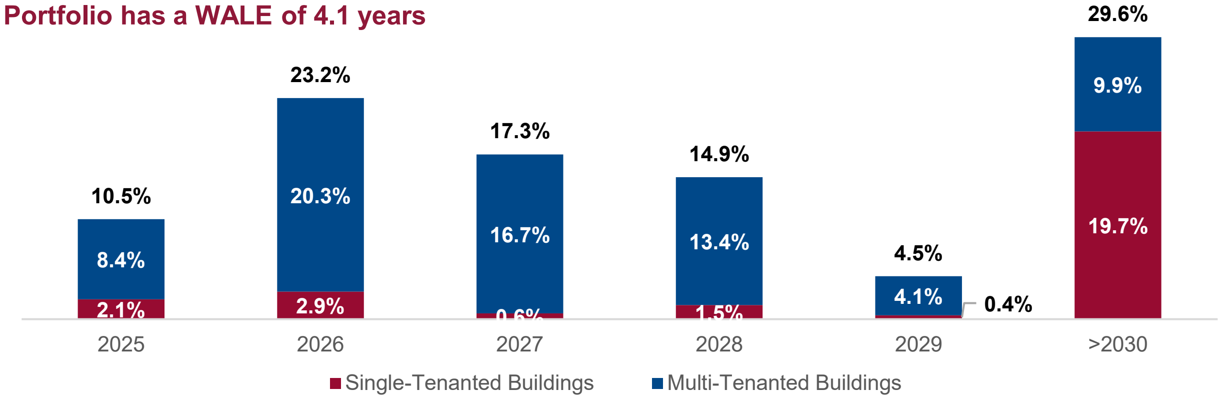
Portfolio recorded +8.4% positive rental reversions in YTD 3Q2025



Lease Expiry Profile

(by Rental Income)

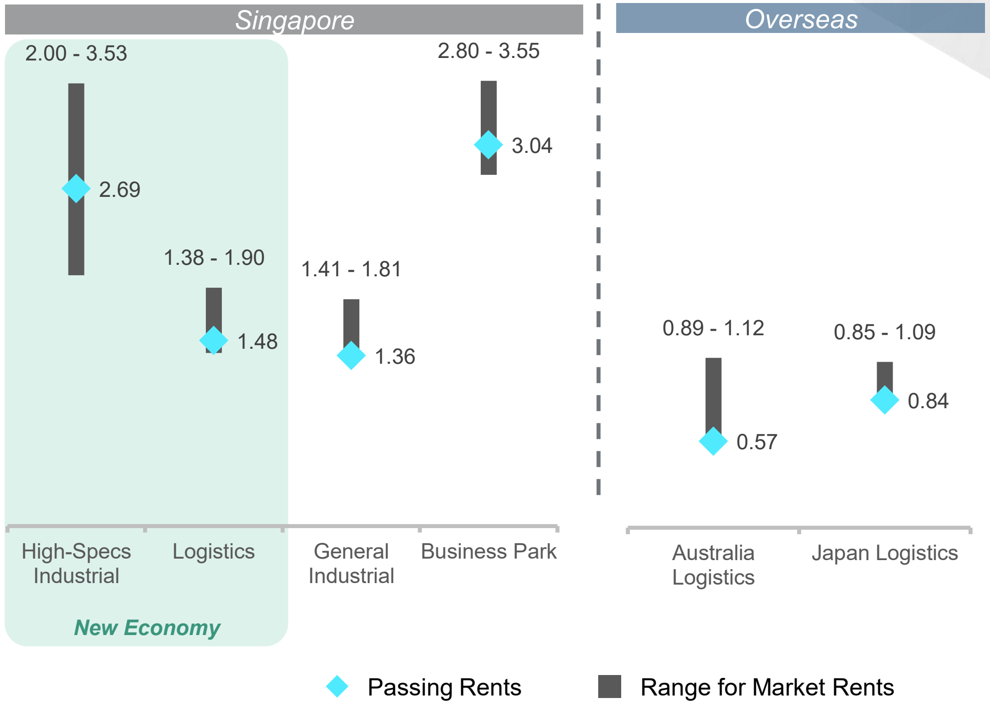
Portfolio has a WALE of 4.1 years



Passing Rents(1) vs Market Rents(2)

(by S$psfpm)

Portfolio passing rents are at low to mid bound of market rents, signalling potential positive rental reversions for upcoming expiries, albeit at a slower rate



Notes: (1) Passing rents are calculated on Effective Gross Rent basis and for MTBs only. (2) Source: CBRE Research Singapore Q3 2025, CBRE Research Australia Industrial & Logistics Q3 2025 & Management estimates for MTBs comparable locations

AEI AND REDEVELOPMENT FOR ORGANIC GROWTH

- **Ongoing AEIs and redevelopment present further organic growth opportunities**

  ✓ To repurpose (e.g., from General Industrial to High-Specs Industrial) and rejuvenate dated assets to suit the demands of the New Economy sector

  ✓ To redevelop assets with older specifications into modern and future-ready assets

	Sector	Property	Address	Completion Date	% Completed	Estimated Cost	Illustrative Yield on Cost	Progress Updates
Completed	High-Specs Industrial		16 Tai Seng Street	TOP obtained on 18 July 2025	Completed	c.S$33.0m	c. 6.0%	▪ Obtained **Green Mark Gold** Certification ▪ Occupancy improved from 39.5% upon TOP to 47.2% ▪ Marketing in progress; in negotiations for additional c.9.0% of NLA
In progress	General Industrial / High-Specs Industrial		29 Tai Seng Street	1H2026	c.50%	c.S$6.8m	c. 6.4%	▪ Conversion of single tenanted General Industrial building to a multi-tenanted High-Specs Industrial building. ▪ Planned for **Green Mark Gold+** Certification
Planning	Logistics		2 Fishery Port Road	Planning in progress				

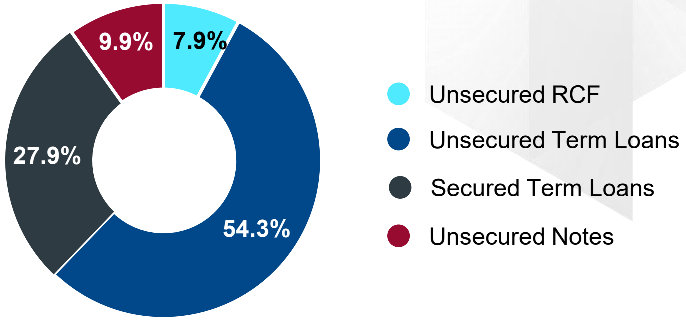
PRUDENT CAPITAL MANAGEMENT WITH EXPECTED LOWER INTEREST COSTS IN FY2025

- ✓ Debt cost **further reduced to 3.40% (from 3.84% as at 31 Dec 24 and 3.47% as at 30 Jun 25)**
- ✓ Well hedged with **78.2% fixed interest rate** exposure for 1.9 years, providing adequate stability in the current environment where interest rates are expected to decrease
- ✓ Gearing at 43.3%; REIT is actively working towards reducing gearing to ≤40% and has identified S$250m – S$350m on non core asset divestments
- ✓ The REIT has been assigned a ‘BBB’ credit rating with Stable outlook by Fitch Ratings
  - ➢ Better positioned to secure improved debt credit margins and broaden access to capital
- ✓ As at 30 Sep 2025, **only c.9.0% of the REIT's total AUM are subject to FX fluctuations**
  - ➢ 16% of AUM is denominated in AUD, of which 43% of the AUD investments are funded by AUD borrowings
  - ➢ 10% of AUM is denominated in JPY, of which 97% of the JPY investments are funded by JPY borrowings

	As at 30 Sep 2025	As at 31 Dec 2024
Total Gross Debt (S$ million)	2,263.4	2,269.7
Debt to Total Assets (%) (1)	43.3	42.8
Weighted Average All-in Cost of Debt (%) p.a.	3.40	3.84
Weighted Average Debt Expiry (“WADE”) (years)	2.3	2.8
MAS Interest Coverage Ratio (times)	2.4	2.5
Fixed Interest Rate Exposure (%)	78.2	74.8
Weighted Average Fixed Debt Expiry (“WAFDE”) (years)	1.9	2.0
Proportion of Unencumbered Investment Properties (%)	72.3	72.4
Debt Headroom (S$ million)(2)	725.8	790.2

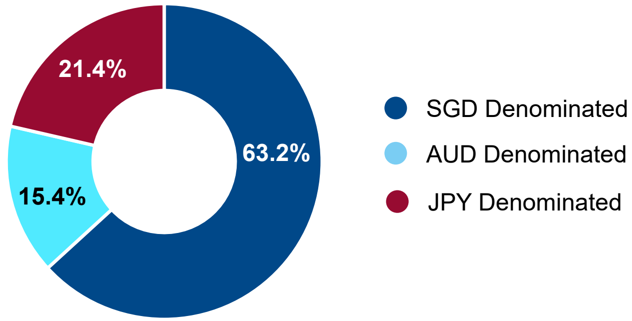
Debt Breakdown (as at 30 Sep 2025) – By Type

Total Debt of S$2,263.4 million



Debt Breakdown (as at 30 Sep 2025) – By Currency

Total Debt of S$2,263.4 million

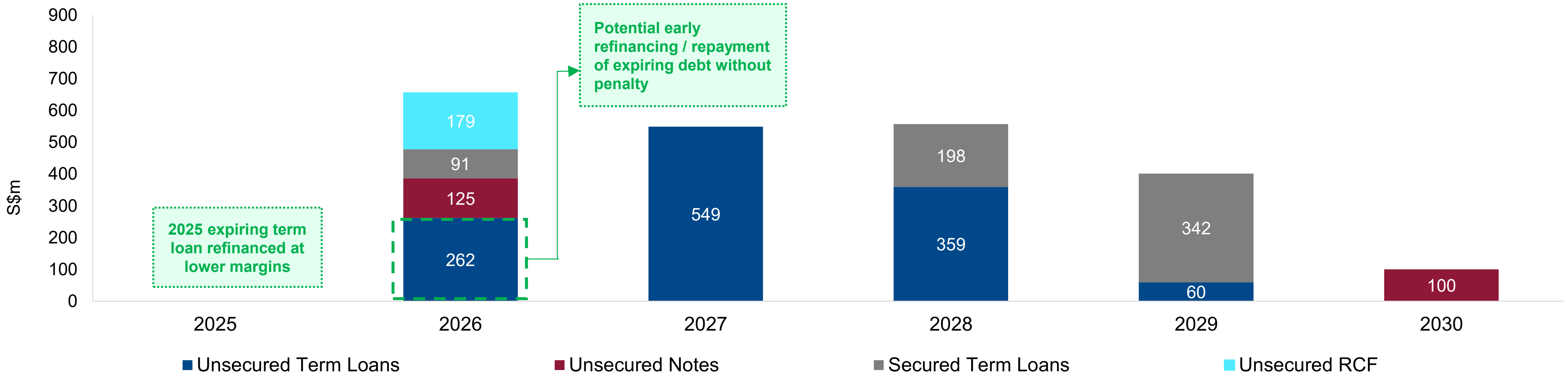


Notes: (1) Includes ESR-REIT’s 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 *Leases*. (2) Assuming gearing limit of 50%. From 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the REIT sector and a minimum MAS interest coverage ratio (ICR) of 1.5 times with a single aggregate leverage limit of 50% will be applied to all REITs.

PROACTIVE DEBT MANAGEMENT

- ✓ ESR-REIT assigned **'BBB'** (**Stable** outlook) credit rating by Fitch Ratings
- ✓ Well spread-out debt expiry profile with no more than c.29% of loans expiring each year
- ✓ **No FY2025 refinancing risk:** 2025 expiring term loans have been refinanced at c.15 bps lower margins
- ✓ ESR-REIT has **c.S$154 m of committed undrawn Revolving Credit Facilities ("RCF")** available and is **well-supported by 10 lending banks** with strong support for refinancing
- ✓ **Potential early refinancing of 2026 debt expiring at lower margins, with no prepayment penalties:**
  - Interest savings expected as expiring loans have margins c.10-15 bps higher[1] than existing loans, better underlying asset and earnings quality going forward
  - **No PERPs coupon resetting or refinancing requirements** until next call date for one PERP tranche in 2027

Debt Maturity Profile as at 30 Sep 2025[2]



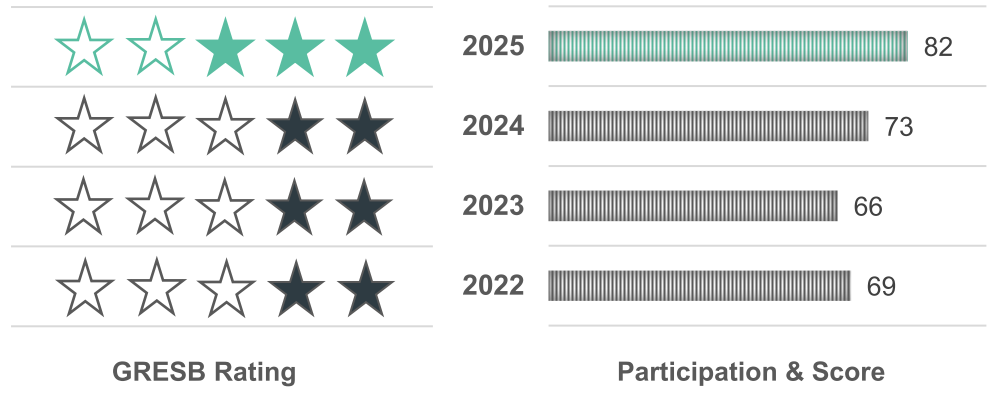
% of Debt Expiring	0	29.0	24.2	24.6	17.7	4.4

Notes: (1) On a like-for-like tenor basis. (2) Presented in SGD with exchange rate of AUD/SGD: 0.84920 and JPY/SGD: 0.00867.

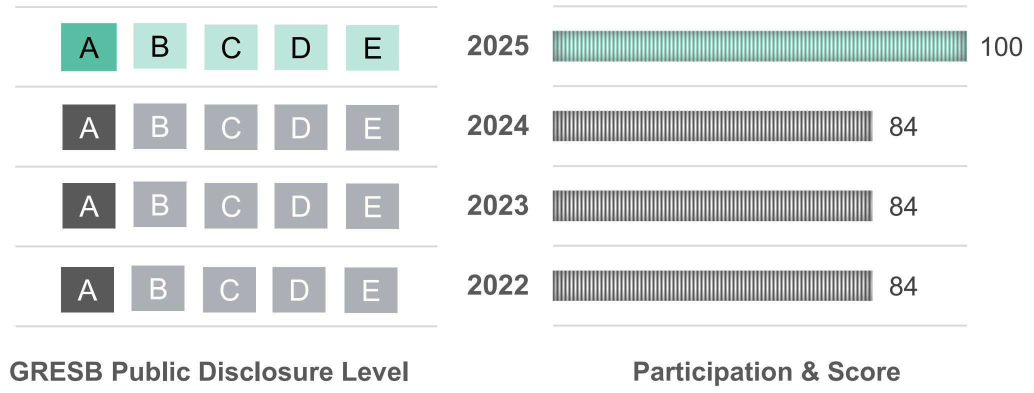
ESG UPDATES

ESR-REIT's GRESB score continues to improve in 2025 | Public disclosure rating increases to 100 and remains at A

GRESB Benchmark Report



GRESB Public Disclosure Report



Environmental

GREEN CERTIFICATION

	No. of Certified Properties 2Q 2025	3Q 2025
Green Mark - (SG)	15	16
LEED - (SG)	2	2
Green Star - (AU)	18	18
CASBEE - (JP)	2	2

Social

340 hours of staff volunteerism hours achieved by 3Q2025

Corporate **S**ocial **R**esponsibility activities aligned with Group Social Impact focus areas

Governance

Compliance

Zero material incidents of non-compliance with socio-economic or environmental laws

CONCLUSION: A FOCUSED STRATEGY FOR FY2025

1

Earnings Turnaround Driven by Effective "4R Strategy"

- YTD 3Q2025 Gross Revenue and NPI increased **+22.7%** and **+28.6%** respectively driven by full period contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Ave 14, which were acquired in Nov 2024
- Profitability growth further supported by completed AEIs, positive rental reversions (+8.4%) and effective costs management (NPI margin = 74.1%)
- Core Distributable Income rose **+12.5% YoY**, reflecting effectiveness of strategy carried out since FY2022

2

Sharpening Focus: Core Operations and Organic DPU Growth

- Core Distributable Income makes up **c.97% of Total Distributable Income** – expected to continue moving forward
- Identified c.S$250 – 350 million of non-core assets, for divestments to further enhance overall portfolio quality
- Strategic capital recycling of divestment proceeds for debt reduction and AEIs

3

ESR-REIT's FY2025 Outlook

Strategic Priorities:

- Focus on driving organic growth for remainder of FY2025 by enhancing asset performance, complete ongoing AEIs and streamlining operations
- Continue to rationalise asset portfolio with divestment of small-sized non-core assets and redeploy proceeds to debt reduction, AEIs and sustainability efforts
- Growth via acquisitions and issue of new equity is not a priority

Key risks:

- **Reciprocal tariffs & sector specific tariffs:** 4Q2025 outlook remains clouded by U.S. tariff uncertainty. Potential impact of newly implemented sector specific tariffs, such as on pharmaceuticals, remains unknown and poses risk for Singapore's export reliant economy. Key ramification lies in heightened uncertainty over future investment decisions, impacting space demand and the types of assets sought by occupiers.
- **Fed caution weighs on rate & FX outlook:** The Federal Reserve's measured and divided stance on rate cuts amid tariff-driven inflation, intensifies uncertainty and potential pressure around financing costs and cap rates, particularly for non-Singapore assets.

GLOSSARY

ALOG: ALOG Trust

ESR Group or the Sponsor: ESR Group Limited

Definitions:

- **AUM**: refers to the total value of investment properties (excluding right of use of leasehold land), investments in joint venture and property funds
- **Effective Gross Rents**: effective rents take into account rent-free periods and rental escalation as the total rent payable for the lease period would be less than what is reported for passing rents
- **Gross Rents:** contracted rent
- **New Economy**: refers to logistics and High-Specs industrial sectors
- **Portfolio Occupancy**: excludes properties under development
- **Passing Rents**: rent payable as stipulated in the lease agreement. These rates are usually quoted on gross basis
- **Rental Reversion:** a metric captured by some REITs to show whether new leases signed have higher or lower rental rates than before. Based on average gross rent
- **Weighted Average Lease Expiry**: a metric used to measure the tenancy risk of a particular property. It is typically measured across all tenants' remaining lease in years and is weighted with either the tenants' occupied area or the tenants' income against the total combined area or income of the other tenants

Abbreviations:

AEI: asset enhancement initiatives

APAC: Asia Pacific

AUM: assets under management

Bn or b: billion

CAGR: compounded annual growth rate

CBD: central business district

DPU: Distribution per Unit

GDP: gross domestic product

ESG: environmental, social, governance

GFA: gross floor area

GLA: gross lettable area

GRI: gross rental income

GRESB: global real estate sustainability benchmarks

JTC: JTC Corporation

m: million

NAV: net asset value

NLA: net lettable area

psfpm: per square foot per month

psf: per square foot

psm: per square metre

q-o-q: quarter on quarter

REIT: real estate investment trust

sqm: square metre

sqft: square feet

TOP: temporary occupation permit

WALE: weighted average lease expiry

WIP: work-in-progress

y-o-y: year on year

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