ESR-REIT
(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 FY2025 Core DPU Grew 7.6% to 21.440 Singapore Cents with Total DPU Growing 3.4% to 21.914 Singapore Cents; Unveils Total Return Strategy for Sustainable Growth

- *FY2025 Core DPU grew 7.6% to 21.440 Singapore cents with Total DPU growing 3.4% to 21.914 Singapore cents*
- *Gross Revenue and NPI grew 20.4% and 25.6% respectively*
- *Positive rental reversions of 11.7%, led by Logistics and High-Specifications Industrial sectors, with occupancy at 91.1% and long land lease of 43.6 years*
- *Gearing at 43.4%; with pro-forma gearing at 38.5% post divestment completion*
- *Lower all-in-cost of debt at 3.35%, down from 3.84% y-o-y*
- *Achieved investment grade 'BBB' credit rating with 'Stable' outlook from Fitch Ratings*
- *Total Return Strategy unveiled: Targeting 8-10% total Unitholder return, focusing on organic growth via AEIs & redevelopments, selective acquisitions from Sponsor pipeline, and active portfolio management*

Singapore, 4 February 2026 – ESR-REIT Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), is pleased to announce a Distribution per Unit ("**Total DPU**") of 21.914 Singapore cents for the period from 1 January 2025 to 31 December 2025 ("**FY2025**"), representing a 3.4% year-on-year ("**y-o-y**") increase. Core DPU increased by 7.6% to 21.440 Singapore cents, and accounted for approximately 98% of Total DPU, underpinned by higher core earnings and improved asset performance.

Commenting on ESR-REIT's FY2025 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager, said, "FY2025 was a year of disciplined execution as we strengthened our core earnings, enhanced portfolio quality and reinforced our balance sheet to deliver stable DPU growth despite a challenging operating and interest rate environment.

Building on this stronger foundation and supported by the achievement of an investment grade 'BBB' credit rating with a 'Stable' outlook from Fitch Ratings which validates our prudent approach to capital management, we have unveiled our Total Return Strategy to drive sustainable income growth and long-term value creation. This strategy targets total Unitholder return of approximately 8–10% and aims to grow target assets under management ("**AUM**") to c.S$8.0 billion over the next five years, sharpening our focus on active asset management, capital recycling and scalable, sustainable organic growth, while maintaining a resilient balance sheet through the cycle. With an enhanced portfolio and balance sheet, together with access to our Sponsor, ESR's global footprint, we are well positioned to deliver long-term value for our Unitholders in the next phase of growth."

Summary of Financial Results:

	FY2025 (S$ million)	FY2024 (S$ million)	(+/-) (%)	2H2025 (S$ million)	2H2024 (S$ million)	(+/-) (%)
Gross Revenue[(a)]	446.0	370.5	20.4	223.1	189.6	17.6
Net Property Income ("NPI")[(a)]	328.7	261.7	25.6	162.4	133.8	21.4
Total amount available for distribution to Unitholders	176.1	164.1	7.3	85.9	77.8	10.4
Applicable number of units for calculation of DPU[(b)] (million)	803.5	774.3[(c)]	3.8	805.0	780.4[(c)]	3.1
Core DPU (Singapore cents)	21.440	19.930[(c)]	7.6	10.675	9.970[(c)]	7.1
Total DPU (Singapore cents)	21.914	21.190[(c)]	3.4	10.675	9.970[(c)]	7.1

(a) Higher gross revenue and NPI were mainly due to: (i) contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14, which were acquired on 15 November 2024 and 29 November 2024 respectively; (ii) positive rental reversions from lease renewals; and (iii) the contributions from 7002 Ang Mo Kio Avenue 5, 21B Senoko Loop and 16 Tai Seng Street which completed their asset enhancement initiatives in 3Q2023, 1Q2024 and 3Q2025 respectively.

(b) Higher applicable number of Units was mainly due to the preferential offering completed in 4Q2024 for the acquisitions of 20 Tuas South Avenue 14 and ESR Yatomi Kisosaki Distribution Centre, partially offset by the unit buy-backs completed in 1H2025.

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

Financial Performance

In FY2025, ESR-REIT reported Gross Revenue of S$446.0 million, a 20.4% increase from S$370.5 million in FY2024, driven primarily by income contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 (acquired on 15 November 2024 and 29 November 2024, respectively) and positive rental reversions from lease renewals. This was further supported by income contributions from 7002 Ang Mo Kio Avenue 5, 21B Senoko Loop and 16 Tai Seng Street, which completed their Asset Enhancement Initiatives ("**AEIs**") in 3Q2023, 1Q2024 and 3Q2025, respectively. As a result, Net Property Income ("**NPI**") for FY2025 increased by 25.6% to S$328.7 million, from S$261.7 million in FY2024.

The total amount available for distribution to Unitholders stood at S$176.1 million in FY2025, representing an increase of 7.3% from S$164.1 million in FY2024. The increase was driven by an 11.6% increase in core distributable income to S$172.3 million, supported by higher NPI, and partially offset by (i) higher borrowing costs and perpetual securities costs incurred mainly to fund the acquisitions, (ii) non-controlling interests attributable to the 49% holders of 20 Tuas South Avenue 14, and (iii) higher tax expenses.

FY2025 Core DPU and Total DPU stood at 21.440 and 21.914 Singapore cents respectively, representing a 7.6% and 3.4% increase from 19.930[1] and 21.190[1] Singapore cents respectively in FY2024. Core DPU accounts for c.98% of Total DPU and going forward, DPU will primarily comprise of distributions from underlying operations. The record date for the 2H2025 Total DPU of 10.675 Singapore cents will be on 12 February 2026, with payment date expected to be on 24 March 2026.

Sustained Portfolio Performance Supported by Logistics and High-Specifications Industrial

ESR-REIT delivered positive rental reversions of 11.7%[2] in FY2025, led by the Logistics (+12.4%) and High-Specifications Industrial (+22.2%) sectors, with occupancy remaining stable at 91.1%[3] as at 31 December 2025. In FY2025, a total of 463,760 square metres ("**sqm**") of space was leased, comprising 328,220 sqm of lease renewals (70.8% of total leases) and 135,540 sqm of new leases (29.2% of total leases). ESR-REIT's weighted average lease expiry ("**WALE**") as at 31 December 2025 was 4.4 years, while rental collections remained healthy at approximately 98.7% of total receivables.

Asset Enhancement Initiatives and Redevelopment

On 18 July 2025, ESR-REIT successfully achieved TOP status for the AEI at 16 Tai Seng Street, Singapore, adding 2,793 sqm of high-specifications industrial space, an increase in plot ratio from 3.08 to 3.50, and an expansion of total gross floor area to approximately 22,800 sqm. The enhanced asset has attained BCA Green Mark Gold certification and achieved approximately 50% occupancy as at 31 December 2025, and the Manager is in advanced discussion with both new and existing tenants, including potential anchor tenants from the pharmaceutical and food production sectors exploring expansion.

In parallel, the Manager commenced the AEI at 29 Tai Seng Street, Singapore, which involves the conversion of a single-tenanted general industrial building into a Green Mark Gold PLUS-certified, multi-tenanted high-specifications industrial asset. The project is expected to deliver a yield on cost of approximately 6.4%. As at 31 December 2025, the AEI was approximately 76% completed and remains on track for completion in 1H2026.

Divestments of Non-Core Assets

In FY2025, ESR-REIT progressed its portfolio rejuvenation strategy through the divestment of two non-core assets with an aggregate value of S$16.7 million at 2.3% above valuation, and the announcement in December 2025 of the proposed divestment of eight non-core assets with an aggregate value of

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1 Adjusted for 10:1 unit consolidation that was completed on 5 May 2025 for a like-for-like comparison
2 Rental reversion for FY2025 would have been +9.2%, excluding the renewal of a particular 12-year lease at 7000 Ang Mo Kio Avenue 5
3 Excluding divestment of Hotel Strata Lot at ESR BizPark @ Changi, portfolio occupancy would have been 91.6%.

S$338.1 million[4] at 2.0% above valuation. 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 January 2026, ESR-REIT announced the divestment of the non-core Hotel Strata Lot at ESR BizPark @ Changi at valuation for S$101.0 million[5] while retaining ownership of the business park, retail and convention centre components, preserving the core income-generating assets within the integrated development.

Upon completion of these divestments, the portfolio's land lease profile is expected to improve meaningfully, with the proportion of assets with less than 15 years of remaining land lease reducing from 11.9%[6] to 10.8%, while Weighted Average Land Lease will be extended from 43.6 years[6] to 48.0 years.

<u>Prudent Capital Management Strategy Underpins a Strong and Resilient Balance Sheet</u>

As at 31 December 2025, ESR-REIT's gearing stood at 43.4%. Upon completion of the above-mentioned divestments and assuming net proceeds are used for debt repayment, gearing on a pro-forma basis is expected to be 38.5%. The MAS interest coverage ratio stood at 2.5x, comfortably above the regulatory minimum of 1.5x, demonstrating robust debt servicing capacity.

As at 31 December 2025, ESR-REIT's all-in cost of debt declined to 3.35%, improving from 3.84% a year ago. In FY2025, ESR-REIT was also assigned an investment grade 'BBB' credit rating with a 'Stable' outlook by Fitch Ratings, reaffirming its strong financial resilience and enhancing further capital optimisation. Refinancing of the FY2026 SGD term loan and revolving credit facility have been secured at c.30 bps lower margins and longer tenor, reducing interest cost and lengthening debt expiry profile.

As at 31 December 2025, approximately 68.4% of ESR-REIT's debt is on fixed interest rates, providing protection against interest rate volatility and 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 1.9 years. ESR-REIT also maintains a strong liquidity position with S$701.4 million in debt headroom with approximately S$161 million in committed undrawn revolving credit facilities and continues to be supported by a diversified network of 10 lending banks.

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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

6 As at 31 December 2025. Does not include 79 Tuas South Street 5 and 1 Third and 4 Lok Yang Road as the divestments were completed on 15 January 2025 and 24 March 2025 respectively

Unveiling Total Return Strategy to Drive Sustainable Growth

Building on the stable and resilient performance achieved in FY2025, ESR-REIT has unveiled its Total Return Strategy to drive sustainable income growth and long-term capital value creation over the next phase of growth. The strategy targets total Unitholder return of approximately 8–10% and aims to grow target AUM to c.S$8.0 billion over the next five years, supported by active portfolio management and disciplined capital allocation.

The Total Return Strategy is anchored on five key pillars:

1) Active asset management, including initiatives to address short land lease assets and rejuvenate the portfolio through AEIs and selective redevelopments.
2) Increase target AUM to c.S$8.0 billion, capturing the benefits of scale and improved liquidity, through a combination of organic growth from redevelopments and accretive acquisitions.
3) ESR-REIT will retain its core focus in Singapore, which is expected to continue representing more than 50% of portfolio value, while selectively pursuing compelling international opportunities.
4) ESR-REIT is ESR's flagship regional listed vehicle, and will continue to leverage its Sponsor, ESR's pipeline and established presence across developed Asia-Pacific markets, while exploring selected opportunities in other developed markets.
5) ESR-REIT will maintain prudent leverage, with a target gearing range in the mid-30% to low-40% range, supported by selective divestments of non-core assets, active capital recycling, internal cash flows, and disciplined balance sheet management across the cycle.

This strategy is underpinned by ESR-REIT's enhanced portfolio earnings quality, strengthened balance sheet and disciplined capital management, positioning the REIT to pursue growth while continuing to deliver stable distributions and long-term value for Unitholders.

Looking Ahead

Mr. Adrian Chui added, "Looking ahead, our strategy for FY2026 and beyond remains clear and firmly focused on growing total return for our Unitholders through a balanced approach to portfolio management and capital allocation. We will continue to deliver progressive distributions alongside sustainable capital appreciation, supported by improved portfolio performance, the completion of AEIs and opportunistic acquisitions aligned with long-term demand trends, while leveraging the scale and experience of our Sponsor, ESR.

With a core focus in Singapore, Logistics and High-Specifications Industrial assets are expected to remain key drivers of portfolio performance amid resilient structural demand, even as rental growth may be moderated by increased supply and macroeconomic uncertainties in the near term. Against this backdrop, we will maintain a prudent capital management approach, supported by divestments of non-core/short land lease assets and active capital recycling. We believe that with our strategy in place, ESR-REIT is positioned to navigate near-term uncertainties and deliver sustainable long-term value for our Unitholders."

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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 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.

About the Sponsor, ESR

ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate, data centres, and energy infrastructure 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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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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