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

PROPOSED MERGER OF ESR-REIT AND ARA LOGOS LOGISTICS TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT – REVISION OF SCHEME CONSIDERATION

FREQUENTLY ASKED QUESTIONS

ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), has prepared a list of frequently asked questions in relation to the proposed merger (the "**Merger**") of ESR-REIT and ARA LOGOS Logistics Trust ("**ALOG**"). The Manager's responses to key questions can be found in the Appendix to this announcement.

Unless otherwise defined herein, all capitalised terms have the meaning ascribed to them in the circular to ESR-REIT Unitholders dated 25 February 2022 in relation to the Merger (the "**Circular**").

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited
As Manager of ESR-REIT
(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132)

Adrian Chui
Chief Executive Officer and Executive Director
15 March 2022

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Responsibility Statement

*The directors of the Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to ALOG and/or the manager of ALOG (the "**ALOG Manager**") are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the Manager jointly and severally accept responsibility accordingly.*

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including the ARA Acquisition Announcement) or obtained from a named source (including ALOG and/or the ALOG Manager), the sole responsibility of the directors of the Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the Manager do not accept any responsibility for any information relating to ALOG and/or the ALOG Manager or any opinion expressed by ALOG and/or the ALOG Manager.

Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". 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 (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support 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, and the Manager does not undertake any obligation to update publicly or revise any forward-looking statements.

Appendix

Question 1:

Please provide 3 key merits and 3 key risks of the Merger to the ESR-REIT Unitholders.

- **The Merger resolves potential conflicts of interest between ESR-REIT and ALOG arising from a common sponsor** – The Merger will address the issue of overlapping mandates and potential conflicts of interest arising from a common Sponsor due to the acquisition of ARA Asset Management by ESR Cayman ("Sponsor"), and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders.
    - The enlarged REIT, ESR-LOGOS REIT ("**E-LOG**") will enjoy access to the ESR Group's New Economy pipeline of more than US$59 billion[1], development work-in-progress of over US$10 billion and a development pipeline of over 9 million square metres across 10 countries[2], in addition to the committed financial and operational support from the Sponsor.
    - An initial pipeline of approximately US$2 billion of visible and executable Asia Pacific New Economy assets available from the ESR Group will accelerate E-LOG's growth as a leading Future-Ready APAC S-REIT.
    - E-LOG can also de-risk new market entry into key Asia Pacific markets where the Sponsor has a market leading presence and create a network effect allowing its existing and new customers to expand and optimise their distribution network. This is increasingly important as customers in the logistics space are focused on creating an efficient distribution network for their operations and it is a critical part of their strategy to work with a credible landlord with an established presence across multiple geographies for greater efficiency.

- **Increased Exposure to Sustainable "In-Demand" New Economy Properties as well as the Australia Industrial / Logistics Sector**
    - The Manager believes that New Economy assets such as High-Specs industrial properties and, in particular, the logistics sector remains the largest secular opportunity in Asia given the paradigm shift in the way goods are consumed, produced and delivered, exacerbated by technological improvements which are expected to continue to drive sustainable demand for logistics and High-Specs industrial space.
    - Post-Merger, the exposure to New Economy assets will increase from 47.0%[3] to 65.7%[3], with exposure to the logistics sector increasing from 15.6%[3] to 45.3%[3].
    - ESR-REIT Unitholders could also benefit from the strong performing Australia logistics sector with 50% of ALOG's portfolio by net lettable area consisting of Australian properties.

- **Size Increasingly Matters** – The Merger will add a high-quality portfolio of 29 logistics Portfolio Properties[4], which results in E-LOG owning 87 Portfolio Properties[5]. With the increased scale, the Manager is of the view that E-LOG will become a stronger platform, and at the same time, enjoy the benefits of a larger and well-diversified portfolio as outlined below:
    - **Income Diversification** – both geographically and operationally.
    - **Increased Income Stability** – Higher occupancy, underpinned by a longer WALE profile of 3.2 years[6]. The single-tenanted building ("**STB**") portfolio in Australia will scale up the visibility

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1 ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of its associates) as of 31 December 2021.

2 2021-2023 pipeline as of the financial quarter ended 31 March 2021.

3 Based on GRI for the month of June 2021. Excludes contribution from Fund Properties.

4 Portfolio Properties refer to all properties owned either directly or indirectly but exclude Fund Properties.

5 Unless otherwise stated, all references to E-LOG, ESR-REIT and ALOG portfolio metrics in this announcement are as at 30 June 2021 and have not been adjusted for ESR-REIT's divestments of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East which were completed on 30 November 2021, and 28 Senoko Drive, which was completed on 14 January 2022, and ALOG's acquisition of the Heron Property, which was completed on 11 January 2022.

6 Based on valuation as at 30 June 2021. Excludes contributions from Fund Properties. Assumes that freehold land has an equivalent land lease tenure of 99 years. Australia's industrial properties are generally freehold in nature or have longer lease

and quality of earnings due to longer leases and built-in rental escalations of between 2.5% to 4.0% throughout the lease tenures.

- **Enhanced Portfolio Resilience** – Post-Merger, E-LOG will gain more exposure to freehold and/or longer land lease assets, which will further strengthen its portfolio's resilience.
- **Improved Tenant Quality and Reduced Concentration Risk** – E-LOG is expected to benefit from the introduction of more established companies that will enhance the quality and diversification of its tenant base.
- **Opportunities for Operational Synergies and Portfolio Optimisation** – A larger size equates to better bargaining power with tenants and service providers, and more opportunities for operational synergies and portfolio optimisation.
- **Leads to More Competitive Cost of Capital** – A larger free-float market capitalisation will result in E-LOG having access to a wider and more diversified investor base, increased analyst coverage, higher trading liquidity and larger weightage in the FTSE EPRA Nareit Global Development Index, resulting in a potential positive re-rating. In addition, a larger sized E-LOG is likely to have access to wider pools of funding (e.g., bond and perpetual securities markets) and lower cost of funding.

- The Manager believes the key risk to the ESR-REIT Unitholders is the potential conflicts of interest between ESR-REIT and ALOG arising from a common sponsor.
  - The Merger is a combination of two "best-in-class" platforms to create a well-diversified portfolio with a broader geographic diversification while maintaining strategic focus in developed markets.
  - The ALOG portfolio sits within ESR-REIT's investment mandate both from the sector and geography perspectives. This is a same sector merger with majority of ESR-REIT's and ALOG's assets in the same jurisdictions (Singapore and Australia), which is more likely to provide to operational synergies and extract economies of scale., unlike other REIT mergers which are across two totally distinct sectors.

Question 2:

Will ESR-REIT Unitholders be allotted additional ESR-REIT Units following the Merger with ALOG?

- ESR-REIT Unitholders will not be allotted additional ESR-REIT Units pursuant to the Merger.
- However, the Manager will like to highlight that the Merger has many benefits for ESR-REIT Unitholders as set out in paragraph 6 (Rationale for the Merger) of the Letter to ESR-REIT Unitholders in the Circular. The Merger is also 4.7% accretive to ESR-REIT Unitholders on a DPU basis based on the FY2020 pro forma financials, and offers ESR-REIT Unitholders one of the highest DPU accretion amongst completed S-REIT mergers.

Question 3:

In terms of competition, if the Merger is successful, how will this set E-LOG apart from the other industrial S-REITs?

- If the Merger is approved, E-LOG is expected to become amongst the top 10 largest S-REITs with a free float market capitalisation of S$2.5 billion[7].
- With increased scale and exposure to New Economy, the Manager believes that E-LOG should be well placed to trade closer to its larger peers e.g. MLT which trades at c.1.5x[8] NAV given the below tangible and intangible benefits:

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tenure as compared to Singapore industrial properties on JTC land, which generally have a tenure of 30 years or less and for older assets, a tenure of less than 60 years.

7 Free float excludes ESR-REIT Units held by the Sponsor, Summit Group, the Manager, the directors of the Manager, other substantial ESR-REIT Unitholders and their respective associates. The free float of E-LOG post-Merger also excludes E-LOG units that would be held by the ALOG Manager, the directors of the ALOG Manager, and their respective associates. E-LOG's free float of S$2.5 billion is computed based on 5,035 million free float units multiplied by an issue price of S$0.4924 per E-LOG unit.

8 Based on closing price as of 14 October 2021 and NAV as of 30 September 2021.

- E-LOG will enjoy access to the Sponsor's New Economy pipeline of more than US$59 billion[9], development work-in-progress of over US$10 billion and a development pipeline of over 9 million square meters across 10 countries[10], in addition to the committed financial and operational support from the Sponsor. There is also an initial pipeline of approximately US$2 billion of visible and executable Asia Pacific New Economy assets available from the ESR Group, which will accelerate E-LOG's growth as a leading Future-Ready APAC S-REIT.
- Acquisition of ALOG's portfolio will address the underlying short land lease issue inherent with Singapore industrial land with exposure to ALOG's freehold and longer land tenure logistics properties.
- E-LOG will benefit from continued reduction in its cost of capital with all-in cost of debt decreasing by 40 basis points, with an all-in-cost of debt of 2.84%.
- The larger free-float market capitalisation will result in E-LOG having access to a wider and more diversified investor base, increased analyst coverage and trading liquidity, larger weighting in the FTSE EPRA Nareit Global Developed Index, and a potential positive re-rating. In addition, a larger sized E-LOG is likely to have access to wider pools of funding (e.g., bond and perpetual securities markets) and lower cost of funding.

Question 4:

What is the immediate growth strategy of E-LOG post-Merger?

- The Manager's immediate plan is to integrate operations of both REITs in order to realise synergies and extract economies of scale. Other growth strategies include:
- Value-accretive acquisitions:
  - On the acquisition front, the Manager will analyse opportunities sourced from both the ESR Group (i.e., an initial pipeline of approximately US$2.0 billion of visible and executable Asia Pacific New Economy assets available from the ESR Group) and other third parties, and ensure the transactions are in line with the Manager's strategic direction and beneficial to the unitholders of E-LOG.
- Organic growth via asset enhancements:
  - Post-Merger, the Manager will also assess the existing portfolio for assets that are suitable for AEIs and / or redevelopments to reposition the portfolio to become future-ready and enhance portfolio quality to attract high value tenants.
- Divestments of non-core assets:
  - The Manager will also constantly review and consider divesting selected non-core assets as part of its ongoing portfolio optimisation strategy to free up capital to pursue growth opportunities, thus improving the quality of E-LOG's portfolio while optimising unitholders' returns.

Question 5:

Should the Merger go through, how long will the integration of the REITs and the managers take?

- As this is a merger of two REITs in the same sector i.e., industrial / logistics sector, the Manager expects the integration to be relatively seamless. The respective management teams of both REITs have significant experience and expertise in managing industrial / logistics assets, hence the Manager does not envisage any major issues with integration. Furthermore, ESR-REIT has previously acquired Viva Industrial Trust in 2018 and has successfully integrated with Viva Industrial Trust and its REIT manager. Most importantly, while integration is important, the main focus for the combined management team is to deliver growth and stability to the unitholders.

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9 ESR Group's data as at 31 December 2021, based on the Sponsor's management estimates for the ESR Group (including AUM of its associates) as of 31 December 2021.

10 2021-2023 pipeline as of the financial quarter ended 31 March 2021.

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 2021 holds interest in a diversified portfolio of 56 properties located across Singapore, with a total gross floor area of approximately 15.3 million square feet and an aggregate property value of S$3.2 billion[11]. 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. ESR-REIT also holds a 10.0% interest in ESR Australia Logistics Partnership, a private fund comprising 36 predominantly freehold logistics properties all located in Australia.

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 APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US$140 billion in gross assets under management (AUM), ESR's fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allows capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by ESR and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US$45 billion. ESR's purpose – Space and Investment Solutions for a Sustainable Future – drives it to manage sustainably and impactfully and ESR considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

More information is available at www.esr.com.

11 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 announcement 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.

This announcement is for information purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this announcement is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.