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

NEWS RELEASE

ESR-LOGOS REIT Delivers FY2023 DPU of 2.564 Cents; FY2023 Revenue & NPI Grew 12.6% and 11.8% Respectively; Well Positioned for Growth with Low Gearing

- *FY2023 Revenue and NPI grew 12.6% and 11.8% respectively mainly due to the full year contributions from the merger in April 2022 and the acquisition of ESR Sakura Distribution Centre in October 2022, partially offset by loss of income from divestment of non-core assets*
- *Financial discipline and prudent actions achieved early in FY2023 through equity fund raising and S$440.6 million of non-core assets divestments resulted in E-LOG's resilient position and robust balance sheet strength amidst rising inflation and "higher-for-longer" interest rate concerns*
- *Strong 11.1% positive portfolio rental reversion driven by New Economy assets in Logistics and High-Specs sectors, with stable occupancy*
- *Low gearing at 35.7%, with 81.6% of borrowings on fixed interest rates mitigated the impact of the high interest rate environment*
- *FY2023 DPU at 2.564 cents, dip of 14.5% y-o-y mainly due to new units issued for the equity fund raising (accounting for 13.6% of total outstanding units[1]) and divestments of non-core assets, with proceeds planned for future deployment*
- *No refinancing risk; obtained commitment from a panel of lending banks to provide E-LOG with its first sustainability linked loan facility, which will be used to refinance all FY2024 expiring debt*
- *TOP obtained for new development at 7002 Ang Mo Kio Avenue 5[2] and built-to-suit redevelopment at 21B Senoko Loop[3]*

Summary of Financial Results:

	FY2023 (S$ million)	FY2022 (S$ million)	(+/-) (%)	2H2023 (S$ million)	2H2022 (S$ million)	(+/-) (%)
Gross Revenue[(a)]	386.4	343.2	12.6	189.5	195.6	(3.1)
Net Property Income ("NPI")[(a)]	273.2	244.2	11.8	132.3	141.5	(6.5)
Amount available for distribution to Unitholders[(b)]	192.7	177.1	8.8	91.2	103.5	(11.9)
Applicable number of units for calculation of DPU[(c)] (million)	7,515.5	5,903.2	27.3	7,689.2	6,719.2	14.4
DPU (Singapore cents)	2.564	3.000	(14.5)	1.186	1.540	(23.0)

1 As at 31 December 2022
2 TOP for 7002 Ang Mo Kio Avenue 5 was obtained on 8 September 2023
3 TOP for 21B Senoko Loop Phase 1A and 1B was obtained on 18 August 2023 and 10 November 2023, respectively. TOP for Phase 2 was obtained on 17 January 2024

(a) Higher gross revenue and NPI in FY2023 mainly attributed to full-year contributions from ALOG Trust after the merger in April 2022 and the acquisition of ESR Sakura Distribution Centre in October 2022, partially offset by loss of income from the divestment of non-core assets

(b) Higher amount available for distribution in FY2023 was mainly due to (i) higher NPI as explained above; and (ii) distribution of capital gains amounting to S$27.7 million from the sale of investment properties in prior years, partially offset by higher borrowing costs due to higher base rates and borrowing costs for the debt drawn to partially fund the merger with ALOG Trust and the acquisition of ESR Sakura Distribution Centre. The higher borrowing costs is partially offset by interest savings from the repayment of debt using the proceeds from the equity fund raising and divestment of non-core assets during FY2023

(c) Higher applicable number of Units in FY2023 was mainly due to (i) the issuance of new Units as part of the scheme consideration paid for the Merger in April 2022 and (ii) the equity fund raising in 1H2023

Singapore, 1 February 2024 – ESR-LOGOS Funds Management (S) Limited, as manager of ESR-LOGOS REIT (the "**Manager**"), is pleased to announce ESR-LOGOS REIT (or "**E-LOG**") distribution per Unit ("**DPU**") for financial year ended 31 December 2023 ("**FY2023**") was 2.564 Singapore cents.

Commenting on E-LOG's FY2023 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager said, "We are pleased to announce a robust set of financial results for FY2023, amidst a challenging 2023 dominated by inflation and a rapidly rising interest rate environment. Recognising the potential detriment of a higher-for-longer interest rate environment on distribution, valuation, and gearing, we took proactive measures early in FY2023 through the execution of our "4R Strategy" to ***Recycle*** capital and ***Recapitalise*** our balance sheet.

In response to emerging headwinds in the financial markets, we swiftly executed a S$300.0 million equity fund raising exercise, and ***Recycled*** capital via the divestments of 10 non-core assets amounting to S$440.6 million in anticipation of capitalisation rate expansion and more expensive funding costs. These strategic moves not only ***Recapitalised*** E-LOG's balance sheet to navigate rapidly rising interest rates but provided us with the flexibility to continue our portfolio rebalancing and ***Rejuvenation*** activities with minimal disruptions. Our proactive approach led to a notable reduction in gearing, now standing at a lean 35.7%, providing E-LOG with significant debt headroom for growth as the interest rate environment stabilises.

E-LOG's portfolio continues to demonstrate sustained strength, achieving a positive rental reversion of 11.1% for FY2023, the second consecutive year of double-digit positive rent reversions. Our commitment to create a quality, future-ready and sustainable portfolio for Unitholders is evident as we continue to actively identify and pursue opportunities for redevelopment, asset enhancement initiatives, and divestment of non-core assets."

Resilient Financial Performance

In FY2023, E-LOG reported Gross Revenue of S$386.4 million, an increase of 12.6% from S$343.2 million in FY2022, which was mainly attributed to the full-year contributions from ALOG Trust after the Merger in April 2022 and the acquisition of ESR Sakura Distribution Centre in October 2022, partially offset by the loss of income from the divestment of non-core assets during FY2023. Consequently, NPI recorded a 11.8% increase to S$273.2 million in FY2023, as compared to S$244.2 million in FY2022.

Reduced DPU Due to Enlarged Unit Base from Equity Fund Raising Pending Deployment

The amount available for distribution to Unitholders stood at S$192.7 million in FY2023, representing an increase of 8.8% from S$177.1 million in FY2022. FY2023 DPU was 2.564 Singapore cents, a 14.5% dip from the FY2022 DPU of 3.000 Singapore cents.

The decrease in DPU for FY2023 was attributable to a 27.3% increase in applicable number of units to 7,515.5 million units, from 5,903.2 million units in FY2022, mainly due to the issuance of new Units as part of the scheme consideration paid for the merger and the equity fund raising exercise. The equity fund raising comprised a private placement of 454.5 million new Units and a preferential offering of 460.8 million new Units which were completed on 27 February 2023 and 28 April 2023, respectively. The new units issued for the Equity Fund Rasing accounted for 13.6% of total outstanding units as at 31 December 2022.

The record date for the distribution of 1.186 Singapore cents for the period from 1 July 2023 to 31 December 2023 will be on 9 February 2024, with the expected payment date on 27 March 2024.

Portfolio Performance Reflects Strong Demand Led by New Economy Sectors

Given the continued changes in economic structural trends and continued supply chain disruptions, E-LOG continues to be a beneficiary, delivering positive portfolio rental reversions in FY2023 of 11.1%. The strong rental reversion was driven primarily by the New Economy sectors of Logistics (12.4% positive rental reversion) and High-Specs (19.6% positive rental reversion). As at 31 December 2023, E-LOG's portfolio occupancy remained stable at 92.8%, supported by strong demand for quality spaces in the New Economy sectors. In FY2023, a total of 645,841 square metres ("**sqm**") of space was successfully leased, comprising 469,864 sqm of lease renewals (72.8% of total leases) and 175,977 sqm of new leases (27.2% of total leases). E-LOG's weighted average lease expiry as at 31 December 2023 was 3.4 years, compared to 3.2 years as at 31 December 2022.

In 1Q2024, E-LOG announced the signing of a new 20-year master lease with PharmaGend Global Medical Services Pte. Ltd. ("**PharmaGend**") at 3 Tuas South Avenue 4. This new master lease extends E-LOG's weighted average lease expiry from 3.4 years to 3.5 years, and contributes c.1.1% of E-LOG's portfolio rental income as at 31 December 2023, representing a positive rental growth of more than 35% over the previous lease.

As part of the Manager's efforts to reduce tenant concentration risk, rental income contributed by the top 15 tenants in FY2023 accounted for no more than 35.9% of the total portfolio, with no single tenant contributing more than 5.9% of rental income. Rental collections remained healthy at c.99% of total receivables.

Leading New Economy and Future-Ready Portfolio with Implementation of “4R Strategy”

As at 31 December 2023, E-LOG has a portfolio of 72 quality properties (excluding 48 Pandan Road held through a joint venture) diversified across key gateway markets: Singapore (52), Australia (19) and Japan (1), with a total gross floor area (“**GFA**”) of approximately 2.1 million sqm. New Economy assets of Logistics and High-Specs accounted for 62.2% of total portfolio. The Manager seeks to meet the growing demands in the industry for Logistics, High-Specs, and cold storage spaces and intends to achieve it by improving the quality of E-LOG’s portfolio through the implementation of the Manager’s “4R Strategy”, encompassing (i) portfolio ***Rejuvenation***; (ii) capital ***Recycling***; (iii) ***Recapitalising*** balance sheet; and (iv) ***Reinforcing*** sponsor support.

Strategic Investment in ESR Japan Income Fund

Post FY2023, the Manager made the announcement of entering into a subscription agreement for E-LOG to invest US$70.0 million (approximately S$93.0 million[4]) in the ESR Japan Income Fund (“**JIF**”) on 1 February 2024[5]. The investment is expected to be 1.8% DPU accretive[6] and will pivot E-LOG’s portfolio toward freehold New Economy and future-ready assets in Japan. E-LOG’s subscription amount represents approximately 8.4% of the current total commitments from JIF’s current limited partners [7].

As at 31 December 2023, JIF has five properties (“**JIF Properties**”) under management with an aggregate valuation of approximately S$1,744.7 million[8]. The JIF Properties are sited on freehold land located across Tokyo, Osaka and Nagoya in Japan with a total land area and GFA of 353,065 sqm and 727,557 sqm respectively. As at 31 December 2023, the JIF Properties have an average age of 3.9 years and reported 100% occupancy with a weighted average lease expiry of 4.2 years.

New Development at 7002 Ang Mo Kio Avenue 5 and Built-to-Suit Redevelopment at 21B Senoko Loop Completed with Another Ongoing AEI at 16 Tai Seng Street

In FY2023, the new development at 7002 Ang Mo Kio Avenue 5, was completed and attained TOP status in September 2023, securing occupancy of c.62% within two months from the new development’s completion. The new development comprises of a multi-tenanted high-specifications building with a GFA of approximately 25,000 sqm suitable for advanced manufacturing, info-comm and data centre tenants. Together with the adjacent 7000 Ang Mo Kio Avenue 5, the site still has unutilised plot ratio, providing additional GFA of c.21,000 sqm.

---

[4] Based on an exchange rate of US$100: S$1.329
[5] For more details, please refer to E-LOG’s announcement titled “*US$70.0 million Investment in ESR Japan Income Fund”* dated 1 February 2024
[6] For more details on the *pro forma* financial effect, please refer to paragraph 6 of E-LOG’s announcement titled *“US$70.0 million Investment in ESR Japan Income Fund”* dated 1 February 2024
[7] This figure may change in the future, depending on, among others, further subscriptions in JIF by third parties, E-LOG or otherwise
[8] Based on an exchange rate of JPY100 : S$0.931

Post FY2023, the Manager continued to make significant progress in its AEIs and Redevelopments as part of its portfolio ***Rejuvenation*** strategy to transform its portfolio towards modern, in-demand and scalable assets.

In early 1Q2024, the Manager announced the attainment of TOP for the build-to-suit redevelopment at 21B Senoko Loop for NTS Singapore Pte Ltd ("**NTS**"), transforming the property from a General Industrial property to a Green Mark Gold certified High-Specifications property. Under the redevelopment agreement, 21B Senoko Loop will be leased to NTS on a triple net basis for 15 years and will have built-in annual rental escalations. NTS will take full responsibility for the payment of utilities, maintenance expenses, property tax and land rent.

In addition, the ongoing AEI at 16 Tai Seng Street is in progress and currently c.31% completed. This AEI is expected to add 2,793 sqm of new GFA at an estimated yield on cost of approximately 6.0%. With the AEI, the Manager has managed to secure the lease renewal of an incumbent tenant in the pharmaceutical industry in 2Q2023, achieving a positive rental reversion of c.40%. The AEI is expected to be completed in 1Q2025.

Divestment of S$440.6 Million of Non-Core Assets

In FY2023, E-LOG continued its capital ***Recycling*** strategy and completed the divestment of 10 non-core assets in Singapore and Australia aggregating S$440.6 million.

The non-core assets which were divested in line with the Manager's "4R Strategy", exhibits one or more of the following characteristics: (i) short underlying land lease of less than 25 years; (ii) small in size; (iii) limited AEI and/or redevelopment potential; or (iv) dated property specifications. The Manager believes that the divestment of these non-core assets is in the best interests of Unitholders given the accelerated rate of decline in value for properties with short land leases and the expected increase in capitalisation and discount rates, resulting in a potential double whammy on portfolio valuation.

Low Gearing with No Refinancing Risks

As at 31 December 2023, E-LOG's gearing stood at a prudent 35.7%. E-LOG has on 31 January 2024 obtained a commitment from a panel of lending banks to provide the REIT with its first sustainability linked loan facility. This new facility, when completed, will be used to refinance all the credit facilities that are expiring in FY2024, as such there will not be any refinancing risks posed for E-LOG for the remaining of FY2024. E-LOG adopts a prudent approach to capital management, with 81.6% of its interest rate exposure fixed with a weighted average fixed debt expiry of 1.3 years. Further, E-LOG's debt expiry profile remains well spread out with weighted average debt expiry at 2.4 years and all-in cost of debt at 3.91% per annum. At the end of FY2023, E-LOG had a debt headroom of S$775.5 million and access to S$280.9 million of committed undrawn revolving credit facilities. E-LOG remains well supported by 9 lending banks.

Looking Ahead

Mr. Adrian Chui added, "Entering FY2024 with a robust balance sheet, the timing of the anticipated interest rate cuts augurs well for both distribution and NAV growth potential. Despite the challenges posed by inflation on property expenses, E-LOG remains resilient, with c.90% of its utility costs on a pass-through basis, ensuring proactive management of inflationary pressures.

The successful initiatives undertaken in FY2023 to ***Recapitalise*** via the equity fund raising, ***Recycle*** via the divestment of non-core assets and ***Rejuvenate*** via AEIs and redevelopments, have fortified our balance sheet and portfolio, and we now stand well positioned to capture growth opportunities amidst the stabilising interest rate environment."

-End-

For media and analyst enquiries, please contact:

ESR-LOGOS Funds Management (S) Limited

Lyn Ong
Senior Manager,
Capital Markets and Investor Relations
Tel: +65 6222 3339
Email: lyn.ong@esr-logosreit.com.sg

Sua Xiu Kai
Assistant Manager,
Corporate Communications
Tel: +65 6222 3339
Email: xiukai.sua@esr-logosreit.com.sg

About ESR-LOGOS REIT

ESR-LOGOS 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-LOGOS REIT invests in quality income-producing industrial properties in key gateway markets.

As at 31 December 2023, ESR-LOGOS 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$5.1 billion. Its portfolio comprises 72 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (19 assets) and Japan (1 asset), with a total gross floor area of approximately 2.1 million sqm, as well as investments in three property funds in Australia. ESR-LOGOS REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

ESR-LOGOS REIT is managed by ESR-LOGOS Funds Management (S) Limited (the "**Manager**") and sponsored by ESR Group Limited ("**ESR**"). The Manager is owned by ESR (99.0%) and Shanghai Summit Pte. Ltd. (1.0%), respectively.

For further information on ESR-LOGOS REIT, please visit www.esr-logosreit.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 approximately US$150 billion in total assets under management (AUM), its 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 allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US$46 billion. ESR's purpose – *Space and Investment Solutions for a Sustainable Future* – drives it to manage its business 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.

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

Important Notice

The value of units in ESR-LOGOS 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-LOGOS Funds Management (S) Limited ("**Manager**"), Perpetual (Asia) Limited (in its capacity as trustee of ESR-LOGOS 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-LOGOS REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-LOGOS REIT, any particular rate of return from investing in ESR-LOGOS REIT, or any taxation consequences of an investment in ESR-LOGOS REIT. Any indication of ESR-LOGOS 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-LOGOS 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 news release 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 news release is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-LOGOS REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.