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

EXTRAORDINARY GENERAL MEETING TO BE HELD ON 9 OCTOBER 2024
DETAILED RESPONSES TO KEY QUESTIONS FROM UNITHOLDERS

*Capitalised terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the circular to unitholders of ESR-LOGOS REIT ("**E-LOG**", and unitholders of E-LOG, "**Unitholders**") dated 24 September 2024 (the "**Circular**").*

ESR-LOGOS Funds Management (S) Limited, the manager of E-LOG (the "**Manager**"), would like to thank Unitholders for submitting their questions in advance of the Extraordinary General Meeting in respect of (i) the proposed acquisition of 100% trust beneficiary interest in ESR Kisosaki Yatomi Distribution Centre in Japan, as an interested person transaction; (ii) the proposed acquisition of 51.0% interest in 20 Tuas South Avenue 14 in Singapore and the proposed issuance of LOGOS Consideration Units (as defined in the Circular), as interested person transactions, and the proposed issuance of Ivanhoe Consideration Units (as defined in the Circular); and (iii) the proposed issuance of new units in E-LOG under the preferential offering pursuant to Rule 805(1) and Rule 816(2) of the Listing Manual of the Singapore Exchange Securities Trading Limited to be held on 9 October 2024 (Wednesday) at 10.00 a.m. (the **"EGM"**). The Manager's responses to the key questions received from Unitholders can be found in the Appendix to this announcement.

As there was overlap between many questions received from Unitholders, we have, for Unitholders' easy reference and reading, summarised some of the questions and also grouped related and similar questions and our responses together.

BY ORDER OF THE BOARD

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

Adrian Chui
Chief Executive Officer and Executive Director
4 October 2024

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Appendix

Question 1

Who are the shareholders of the New LOGOS Core Fund Purchaser who own the 49% stake in the Singapore TargetCo?

The shareholders of the New LOGOS Core Fund Purchaser comprise of LOGOS Property Group Limited, Ivanhoe Cambridge Asia Inc. and other non-related third party limited partners. The non-related third-party limited partners include Canadian pension funds, global real estate companies and a Malaysian pension fund. Due to non-disclosure agreements, E-LOG is not able to disclose the names of the non-related third party limited partners.

Question 2

How much stake does ESR Group or the Sponsor currently own in the two assets?

The Sponsor only holds an indirect interest of 5.0% in the New Japan Property and an indirect interest of 3.1% in the New Singapore Property.

Question 3

What will ESR Group's stake be after the Preferential Offering?

In connection with the Preferential Offering, the Sponsor has provided an irrevocable undertaking to procure e-Shang Infinity Cayman Limited to subscribe for up to S$140.0 million of the Preferential Offering (the "**ESR IU**"). However, in light of the Perpetual Securities Proceeds, the size of the Preferential Offering has been reduced to S$94.0 million and this will in turn cause the maximum subscription amount by e-Shang Infinity to be S$88.2 million.

Based on total issued units in E-LOG ("**Units**") of 7,698,421,761 Units as at the 19 September 2024, being the latest practicable date prior to the issuance of the Circular, the Sponsor's Unitholding in E-LOG is currently approximately 17.3% and assuming the Sponsor subscribes for up to S$88.2 million of the Preferential Offering, being the maximum subscription amount by e-Shang Infinity pursuant to the ESR IU, the Sponsor's unitholding in E-LOG will increase to approximately 20.7%.

Question 4

Why are the Acquisitions structured to be inter-conditional?

Given the Sponsor's support in providing the ESR IU, which will be utilised towards funding the Acquisitions, and convincing the Japan Acquisition Vendor and the Singapore Acquisition Vendors to sell to E-LOG, the resolutions for the Japan Acquisition and the Singapore Acquisition are inter-conditional.

As the Preferential Offering is to ensure that E-LOG has sufficient funding for the Japan Acquisition and the Singapore Acquisition while maintaining an appropriate level of aggregate leverage, the resolution for the Preferential Offering is also inter-conditional with the resolutions for the Japan Acquisition and the Singapore Acquisition.

Additionally, the Manager notes that all transactions contemplated are expected to result in a pro forma DPU accretion of +3.0% to Unitholders.

Question 5

Why is the Sponsor willing to underwrite the Preferential Offering at a premium to current unit price?

The Sponsor is confident in the merits of the Acquisitions and, by agreeing to procure the subscription of up to $88.2 million pursuant to the ESR IU at NAV, has effectively minimised NAV dilution for existing Unitholders.

By providing the ESR IU and agreeing to subscribe for the LOGOS Consideration Units at a premium to the current market price, the Sponsor believes that the Units are undervalued due to market dislocations affecting S-REITs in the current high interest rate and inflationary environment.

This subscription underscores the Sponsor's commitment to E-LOG and aligns its interests with those of Unitholders for the long term. The Preferential Offering, taking into account the Perpetual Securities Proceeds, which is fully backstopped by the ESR IU and Ivanhoe Consideration Units, also reflects the Sponsor's strong belief in the strategic and DPU-accretive nature of these Acquisitions and in the long-term performance of E-LOG.

Question 6

Why is E-LOG investing in the New Japan Property with short WALE of 2.7 years?

The weighted average lease expiry ("**WALE**") is 2.7 years as the New Japan Property is a multi-tenanted logistics asset and most existing leases are still in their initial term, as ESR Kisosaki was completed on 28 April 2022.

The Manager intends to renew these leases for longer WALEs to enhance income stability. Additionally, the short WALE of the New Japan Property allows E-LOG to capitalise on future rental reversions resulting from potential increases in market rents in the Bay Area, where Nagoya Port is located, over 2025 and 2026, while still maintaining a premium over the Inland Area.

Importantly, ESR Kisosaki is a freehold asset, this will increase E-LOG's weighted average land lease expiry from 40.0 years to 44.3 years post the Acquisitions. The freehold nature of the asset also helps stabilise its NAV, providing the Manager with a longer "runway" to negotiate extended leases and pursue potential Asset Enhancement Initiatives ("**AEIs**") beneficial to E-LOG, without concerns about land lease decay impacting valuation.

Question 7

How will the rising interest rates in Japan impact accretion?

The net proceeds from the new Japanese Yen dominated banking facilities of JPY37,917 million (approximately S$321.5 million) has an assumed weighted average "all-in" finance cost of 1.56% per annum which includes an estimate of the Japanese yen interest hedge rates which are higher than the current levels.

In addition, the SGD interest hedge rates assumed in the pro forma financial effects of the Acquisitions are higher than current levels and does not take into account the impact of the interest rate cuts announced by the Federal Reserve System recently.

The Manager will look to execute the appropriate interest rate hedges once Unitholders' approval is obtained and the Preferential Offering is completed.

Question 8

Has there been any improvement to the Japan Asset's occupancy level?

ESR Japan has concluded negotiations with a potential tenant and parties are currently undergoing documentation. The tenant is expected to take over the premises in 4Q 2024, which is expected to increase the New Japan Property's occupancy from 89.4% to 93.2%. The Manager believes the leasing market in Nagoya presents strong opportunities to increase ESR Kisosaki's occupancy in 2025. As part of the agreement, the Manager has secured the Japan NPI Support of up to 12 months from the Japan Acquisition Vendor, covering any incentives or rent-free periods offered to prospective tenants. This arrangement provides added flexibility for the leasing teams as well.

Question 9

Are E-LOG's Japanese properties adequately insured against natural disasters, particularly earthquakes?

As part of our due diligence, the Manager had commissioned engineering reports on E-LOG's assets and their locations. The seismic risk levels at the locations of E-LOG's assets are low and E-LOG is not required to buy earthquake insurance for them.

During our insurance renewal process, E-LOG conducts annual reviews of natural disaster risks in the areas where our assets are located, and the Manager will assess whether additional insurance coverage is needed or if existing coverage should be increased.

Question 10

Is there any land premium payable for the New Singapore Property and what is the land premium amount?

Land premium is payable by the Singapore PropCo for the New Singapore Property based on the prevailing market price closer to 22 June 2038 (being the end of the existing lease term of 30 years from 22 June 2008 to 22 June 2038). The Singapore Independent Valuers have estimated that the present value of the land premium amount may range from S$27.0 million to S$31.0 million. JTC will notify the Singapore PropCo of the exact land premium payable, based on prevailing market rates, closer to 22 June 2038.

The Manager notes that the valuation of the New Singapore Property incorporates the present value of the estimated land premium for an additional 30-year term, contingent upon the payment of the premium and the absence of existing breach of the lease. According to the valuation report by Savills, the New Singapore Property is valued at S$890.0 million before accounting for the present value of the estimated land premium. After factoring in the S$31.0 million present value of the estimated land premium, the market value stands at S$859.0 million on a 100% basis. E-LOG is acquiring the New Singapore Property for S$840.0 million, reflecting a 2.3% discount to the average valuations by the Singapore Independent Valuers (after accounting for the present value of the estimated land premium).

The acquisition of the New Singapore Property is value accretive based on the Agreed Value of S$840.0 million which translates to an NPI yield of 6.1%. Together with the New Japan Property, this results in a +3.0% FY2023 pro forma DPU accretion to Unitholders.

For illustration, if E-LOG pays the present value of the estimated land premium of S$31.0 million today (rather than 14 years from now) in addition to the agreed value of S$840.0 million, the NPI yield would be 5.9%, translating to a +2.7% FY2023 pro forma DPU accretion to Unitholders. This remains one of the highest DPU accretions compared to other significant S-REIT and property trust transactions since 2023.

In addition, deferring the land premium payment for 14 years provides the Manager with the flexibility to explore asset enhancements and/or redevelopments for the New Singapore Property as Tuas Mega Port matures. This

is advantageous given the remaining long land lease of 44 years, which includes a 30-year lease from 22 June 2008, with a further 30-year term extension from 22 June 2038 to be granted upon payment of land premium and provided there are no existing lease breaches.

Question 11

Are there any potential lease renewal risks for the New Singapore Property in 2025 given 9.8% of leases are expiring?

The Manager will proactively engage with existing tenants well in advance of lease expirations and will actively market to potential tenants to mitigate vacancy risk. 9.8% of the expiring leases in 2025 are from the logistics segment of the New Singapore Property. The demand-supply dynamics of the logistic space are still in favour of landlords due to supply-chain disruptions and geopolitical risks. E-LOG also benefits from a strong property leasing team, averaging over 20 years of experience, which enhances our ability to secure and retain tenants.

Additionally, the New Singapore Property is strategically located about 6.5 km from the Tuas Mega Port, the largest port facility in Singapore and one of the largest port infrastructures in the world. The Tuas Mega Port is expected to create significant tailwinds for the maritime sector, generating incremental and sustainable demand for warehouses and distribution centres nearby. This anticipated growth will drive demand for logistics and high-spec spaces in the proximity, sustaining strong leasing momentum for our New Singapore Property.

Question 12:

Are the loans for the New Japan Property and New Singapore Property secured and how long are the loan tenures? Are the interest costs competitive as interest costs are still high?

The Manager has obtained the following committed debt financing termsheets:

1. **Secured 5-year Term Loan Facility of S$341.5 million** (with a green loan tranche of S$108.6 million) entered into by the Singapore PropCo where E-LOG will have a 51.0% interest in. Net proceeds of S$172.0 million, being E-LOG's proportionate share of net proceeds, will be utilised to complete the Singapore Acquisition
2. **Unsecured 4-year sustainability linked loan of S$225.0 million** of which net proceeds of S$70.0 million will be utilised to complete the Acquisitions.
3. **Onshore secured 4-year term loan facility of JPY22,800 million** (approximately S$193.3 million)
4. **Offshore unsecured 4-year term loan facility of JPY15,500 million** (approximately S$131.4 million)

The financings taken up by E-LOG, both directly and indirectly (specifically the unsecured sustainability linked loan of S$225.0 million, onshore secured term loan facility of JPY22,800 million, and offshore unsecured term loan facility of JPY15,500 million) are competitive, with loan margins being lower than E-LOG's existing loan margins. Additionally, the Manage notes that the pro forma DPU accretion of +3.0% from the Acquisitions take into account the hedge assumptions as set out in Question 7 above. The current hedge rates are significantly lower than those assumed in the pro forma financial effects of the Acquisitions.

In addition, the Japanese yen financings were structured on a 60% Secured Onshore and 40% Unsecured Offshore financing structure that is typical of a tax efficient TMK structure. This provides a natural capital hedge to movements in Japanese yen.

Question 13:

What is your hedging strategy for the loans taken in relation to the New Japan Property and New Singapore Property?

The net proceeds from the new Japanese Yen dominated banking facilities of JPY37,917 million (approximately S$321.5 million) has an assumed weighted average "all-in" finance cost of 1.56% per annum and assumed to be fully hedged with a conservative estimate of the Japanese yen interest hedge rates which are higher than the current levels.

The net proceeds of S$172.0 million, being E-LOG's proportionate share of net proceeds from the new Singapore Dollar secured term loan facility of S$341.5 million (with a green loan tranche of S$108.6 million), were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 5.00% per annum, which is assumed to be fully hedged at a conservative estimate of the SGD interest hedge rates which are higher than the current levels.

The net proceeds of S$70.0 million utilised from the new Singapore Dollar unsecured sustainability linked loan of S$225.0 million, were used to partially finance the Total Acquisitions Outlay at a weighted average "all-in" finance cost of 4.45% per annum, which is assumed to be fully hedged at a conservative estimate of the SGD interest hedge rates which are higher than the current levels.

Question 14

What is the E-LOG's acquisition and divestment strategy going forward?

The Manager will continue to implement our 4R strategy to enhance the portfolio quality and rejuvenate E-LOG's assets toward modern New Economy assets. This strategy will involve acquisitions, asset enhancements, and divestments of non-core assets, as evidenced by the corporate actions undertaken by E-LOG in recent years.

The Manager will evaluate future acquisitions on a case-by-case basis, utilizing an optimal debt-to-equity mix to ensure yield-accretive transactions for Unitholders. E-LOG will also continue in its capital recycling efforts by divesting non-core assets, although the pace and size of divestments, asset enhancements and redevelopments is expected to slow down in comparison to the last two years in particular for divestments given the size and number of non-core assets within the portfolio diminishes as we continue executing our portfolio rejuvenation strategy.

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 30 June 2024, 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$5.0 billion. Its portfolio comprises 71 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 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 Group is Asia-Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Our fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. We provide investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Our focus on New Economy real assets offers customers modern solutions for logistics, data centres, and infrastructure and renewables. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities where we operate and the spaces we develop to thrive for generations to come. ESR Group is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK). Visit www.esr.com for more information.

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This announcement has not been reviewed by the Monetary Authority of Singapore.

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