



Financial Results Presentation

2Q2019



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Key Highlights



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Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial

2Q2019 at a Glance



Proactive Asset Management

- Healthy 91.0% occupancy, above JTC average of 89.3%⁽²⁾
- 2 AEIs planned for 7000 Ang Mo Kio Ave 5 and UE BizHub EAST
- Announced the acquisition of 48 Pandan Road (PTC Logistics Hub) and strategic partnership with PTC Logistics
- Divested 31 Kian Teck Way

Prudent Capital Management

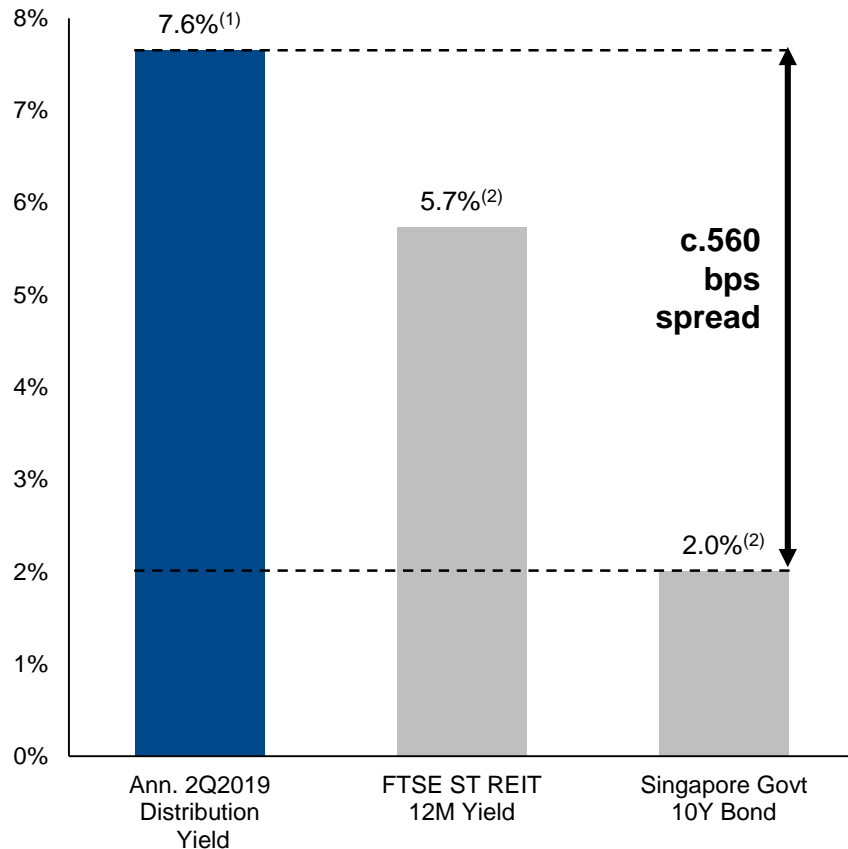
- Successfully completed S\$100.0m Private Placement on 18 June 2019 (2.5x subscribed)
- WADE⁽³⁾ and WAFDE⁽⁴⁾ at 3.1 and 2.9 years respectively
- 89.2% of interest rate exposure fixed for 2.9 years
- Portfolio remains 100% unencumbered
- No major refinancing requirements due in 2019

Financial Performance

- Achieved 1.004 cents DPU for 2Q2019, a +0.3% increase y-o-y
- Advanced distribution of 0.945 cents will be paid on or around 26 July 2019⁽⁵⁾
- Achieved stable distributions with lower portfolio & capital structure risk, demonstrating effective execution of strategy

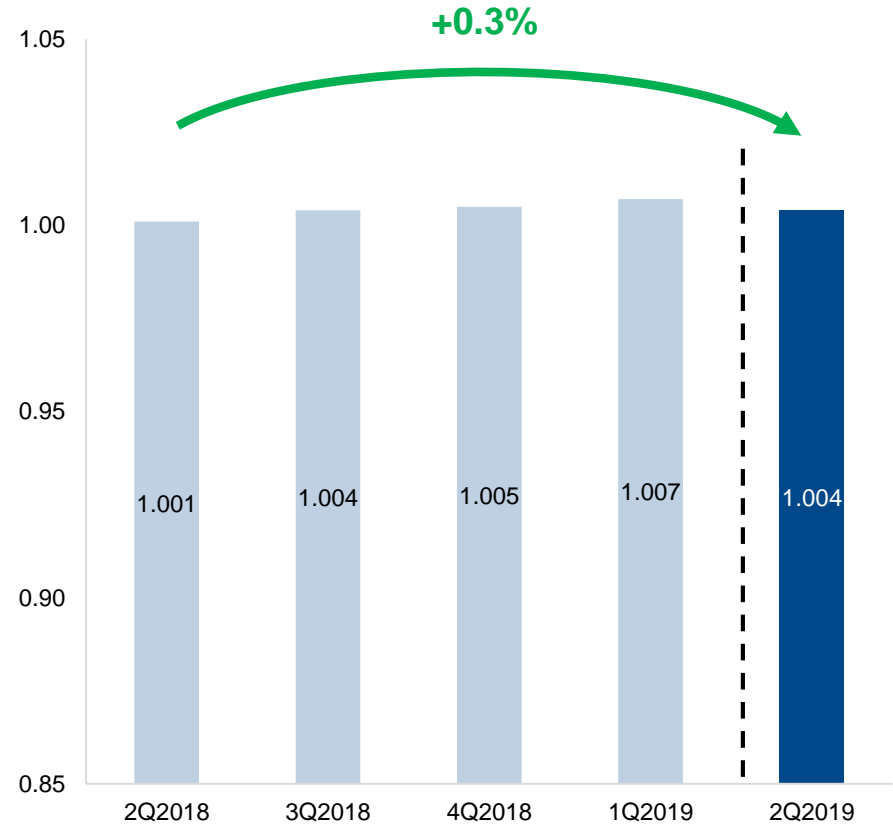
Maintained Stable Distributions

Annualised Quarterly Distribution Yield (%)



Attractive Distribution Yield...

Quarterly Distribution Per Unit (cents)

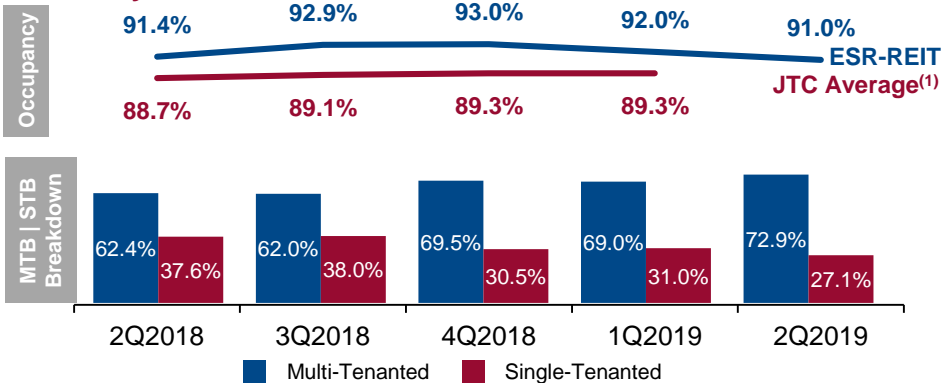


Stabilising DPU

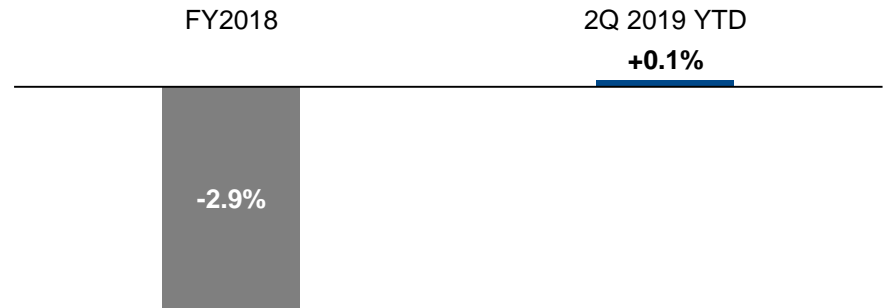
Stabilising and Diversified Portfolio Fundamentals

Stabilised Occupancy and Consistently Above JTC Average

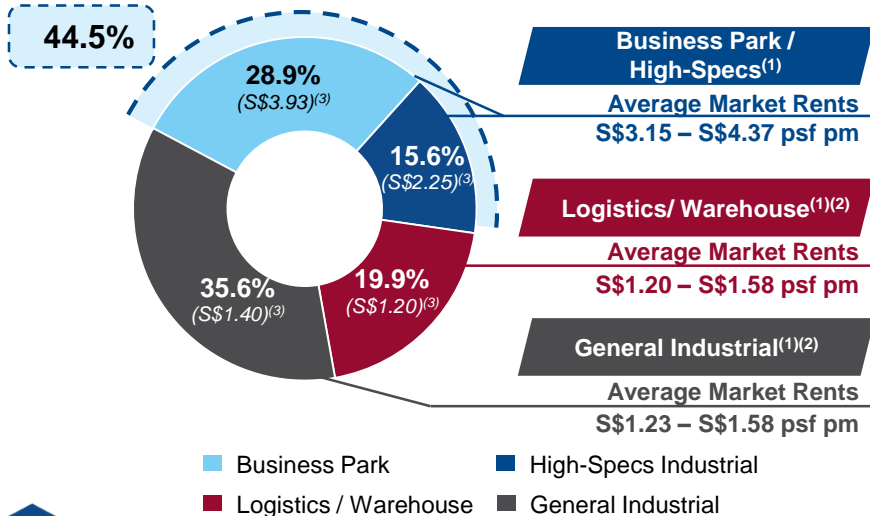
Occupancy fluctuations due to portfolio comprising c.73% MTBs by rental income



Year-to-Date Rental Reversions

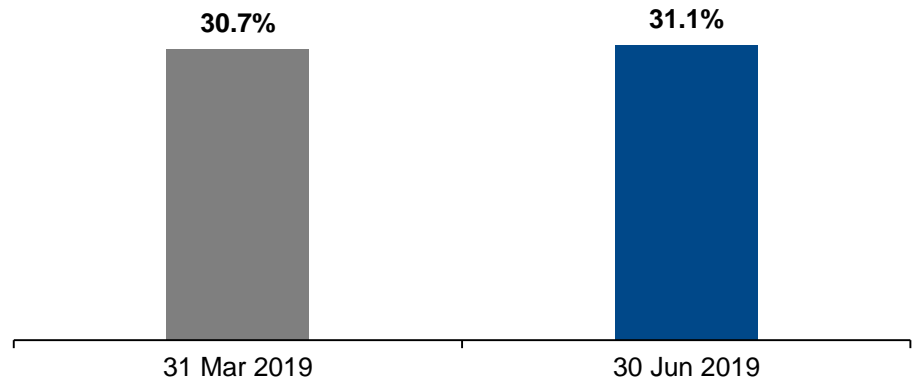


Increased Exposure to Business Park & Hi-Specs Sector



Top 10 Tenant Concentration Risk

Top 10 tenants account for 31.1% of rental income as at 30 Jun 2019



Notes: (1) Based on JTC Quarterly Market Reports 2Q2018-1Q2019. (1) Based on 1Q2019 data from CBRE and JTC. (2) Logistics based on "Warehouse (Ground Floor)" and "Warehouse (Upper Floor)", while General Industrial is based on "Factory (Ground Floor)" and "Factory (Upper Floor)" as defined by JTC. (3) Refers to portfolio MTB passing rents per sqft per month.

Stabilising Portfolio Provides Ample Growth Opportunity to Further Extract Value

The REIT undertook the following corporate actions in 2Q2019 to extract value for Unitholders, in line with its long-term strategy

Organic Growth

1. Plans to execute 2 x AEIs at 7000 AMK and UE BizHub EAST to be “future-ready”
 - a) Estimated yield on cost of up to 9%
 - b) Construction expected to commence in 4Q 2019 with limited downtime for both AEIs

Capital Management

1. Announced Equity Fund Raising of up to S\$150.0 million to fund:
 - a) DPU accretive acquisition – PTC Logistics Hub
 - b) 2 x AEIs up to 9% yield on cost
 - c) Debt repayment to lower gearing
2. Successfully raised S\$100.0 million at S\$0.515 per New Unit via a Private Placement
 - a) 8.3% discount to VWAP⁽¹⁾ and 6.7% discount to adjusted VWAP⁽²⁾
3. Preferential Offering of up to S\$50.0 million to be launched
 - a) Details to be provided at a later date
 - b) Sponsor to demonstrate support by providing backstop for the offer⁽³⁾

2.5x covered

Acquisition and Development Growth

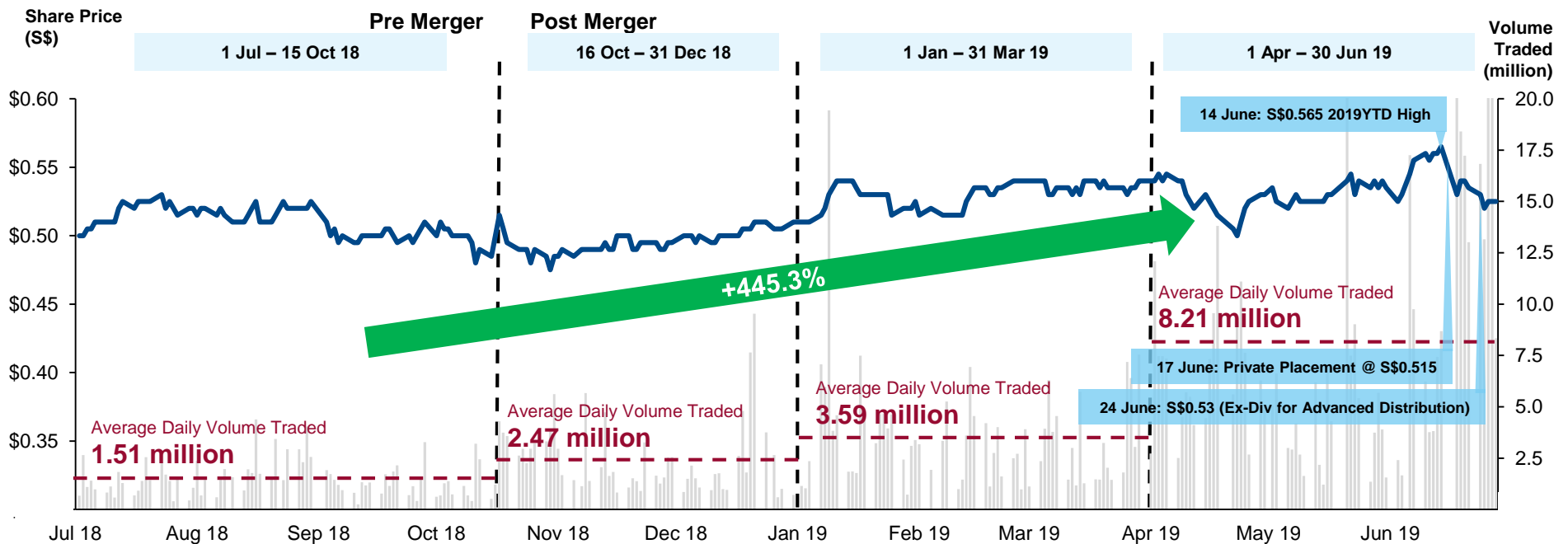
1. DPU accretive acquisition of PTC Logistics Hub, a newly-completed, modern ramp-up warehouse
 - a) 10-year lease with fixed annual rental escalations lengthens WALE
2. Strategic partnership with PTC Logistics to provide real estate solutions for their business expansion



Notes: (1) Volume Weighted Average Price (VWAP) of S\$0.5616 per Unit as per announcement dated 17 June 2019. (2) Adjusted VWAP of S\$0.5521 per Unit as per announcement dated 17 June 2019. (3) Sponsor will provide an undertaking to the Manager that it will accept in full of the provisional allocation of the New Units under the Preferential Offering based on its entitlement and subject to approval of the whitewash resolution by independent unitholders, provided that the Sponsor and the Manager's total subscription under the Preferential Offering will not exceed S\$50.0 million.

Broader Investor Base with Higher Trading Liquidity and Research Coverage

Improved Trading Liquidity



Well-Covered by Research Brokers



“Add”

TP⁽¹⁾: S\$0.60



“Underperform”

TP⁽¹⁾: S\$0.57



“Hold”

TP⁽¹⁾: S\$0.52



“Buy”

TP⁽¹⁾: S\$0.59



“Buy”

TP⁽¹⁾: S\$0.56



“Buy”

TP⁽¹⁾: S\$0.61



“Buy”

TP⁽¹⁾: S\$0.61



Note:

(1) “TP” denotes target price.

2Q2019 Financial Performance



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

2Q2019 vs 2Q2018 Financial Results

	2Q2019 (S\$ million)	2Q2018 (S\$ million)	+ / (-) (%)	
Gross Revenue ⁽¹⁾⁽²⁾	63.8	32.5	95.9	↑
Net Property Income (“NPI”) ⁽¹⁾⁽²⁾	47.8	23.4	103.9	↑
Distributable Income ⁽³⁾	28.3	14.0	101.1	↑
Distribution from Other Gains ⁽⁴⁾	3.8	1.8	112.4	↑
Total Distribution to Unitholders	32.1	15.8	102.4	↑
Distribution Per Unit (“DPU”) (cents)	1.004	1.001	0.3	↑

Notes:

- (1) Higher gross revenue and NPI mainly due to the contributions from the acquisition of 15 Greenwich, Viva Trust’s portfolio of 9 properties after the Merger in Oct 2018 and the leasing up of 30 Marsiling and rental escalations from the existing property portfolio. The growth was partially offset by the lease conversion from single to multi-tenancy for certain properties.
- (2) Includes straight line rent adjustment of S\$1.1 million (2Q2018: S\$0.3 million).
- (3) Includes management fees payable in units of S\$2.1 million for 2Q2019. All management fees for 2Q2018 were paid in cash.
- (4) Capital gains from disposal of investment properties in prior years and ex-gratia payments received from Singapore Land Authority in connection with the compulsory acquisitions of land in prior years.

1H2019 vs 1H2018 Financial Results

	1H2019 (S\$ million)	1H2018 (S\$ million)	+ / (-) (%)	
Gross Revenue ⁽¹⁾⁽²⁾	128.6	66.2	94.4	↑
Net Property Income (“NPI”) ⁽¹⁾⁽²⁾	96.4	47.2	104.2	↑
Distributable Income ⁽³⁾	58.1	27.5	111.6	↑
Distribution from Other Gains ⁽⁴⁾	5.9	1.8	229.8	↑
Total Distribution to Unitholders	64.0	29.3	118.7	↑
Distribution Per Unit (“DPU”) (cents)	2.011	1.848	8.8	↑

Notes:

- (1) Higher gross revenue and NPI mainly due to the contributions from the acquisition of 15 Greenwich, Viva Trust's portfolio of 9 properties after the Merger in Oct 2018 and the leasing up of 30 Marsiling and rental escalations from the existing property portfolio. The growth was partially offset by the lease conversion from single to multi-tenancy for certain properties.
- (2) Includes straight line rent adjustment of S\$1.3 million (1H2018: S\$0.7 million).
- (3) Includes management fees payable in units of S\$4.3 million for 1H2019. All management fees for 1H2018 were paid in cash.
- (4) Capital gains from disposal of investment properties in prior years and ex-gratia payments received from Singapore Land Authority in connection with the compulsory acquisitions of land in prior years.

Financial Position

	As at 30 Jun 2019 (S\$ million)	As at 31 Mar 2019 (S\$ million)
Investment Properties ⁽¹⁾	3,022.1	3,025.3
Right-of-use of Leasehold Land (FRS 116)	226.6	226.6
Other Assets	38.4	24.4
Total Assets	3,287.1	3,276.3
Total Borrowings (net of debt transaction costs)	1,182.9	1,269.6
Lease Liabilities for Leasehold Land (FRS 116)	226.6	226.6
Non-Controlling Interest	61.1	61.1
Other Liabilities	119.7	82.4
Total Liabilities	1,590.3	1,639.7
Net Assets Attributable to:		
- Perpetual Securities Holders	151.1	152.8
- Unitholders	1,545.7	1,483.8
No. of Units (million)	3,379.4	3,173.8
NAV Per Unit (cents)	45.7	46.8

Distribution Timetable

Distribution Details

Distribution Period	26 June 2019 – 30 June 2019
Distribution Rate	0.059 cents per unit comprising: Taxable income – 0.053 cents per unit Other gains – 0.006 cents per unit

Distribution Timetable

Last Trading Day on a “Cum Distribution” Basis	29 July 2019
Distribution Ex-Date	30 July 2019
Books Closure Date	31 July 2019
Distribution Payment Date	30 August 2019

With reference to the Manager’s announcement dated 12 July 2019 titled “Details of Advanced Distribution in connection with the Private Placement”, the Advanced Distribution per unit for the period from 1 April 2019 to 25 June 2019 of 0.945 cents comprising taxable income component of 0.833 cents and other gains component of 0.112 cents will be paid on or around 26 July 2019.

Prudent Capital Management



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

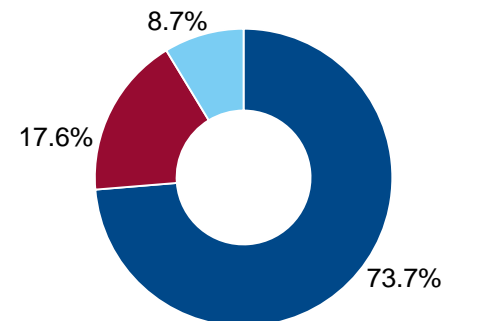
Key Capital Management Indicators

- **WADE and WAFDE at 3.1 years and 2.9 years respectively**
- **89.2% of interest rate exposure is fixed for 2.9 years**

	As at 30 Jun 2019	As at 31 Mar 2019
Total Gross Debt (S\$ million)	1,193.6	1,279.6
Debt to Total Assets (%)	39.0 ⁽¹⁾	42.0 ⁽¹⁾
Weighted Average All-in Cost of Debt (%) p.a.	3.98	3.99
Weighted Average Debt Expiry ("WADE") (years)	3.1	2.8
Interest Coverage Ratio (times)	3.5	3.7
Interest Rate Exposure Fixed (%)	89.2	83.2
Weighted Average Fixed Debt Expiry ("WAFDE") (years)	2.9	2.8
Proportion of Unencumbered Investment Properties (%)	100	100
Gearing Headroom (S\$ million)	333.9	168.7
Undrawn Available Committed Facilities (S\$ million)	140.0	15.0

Breakdown of Debt (as at 30 Jun 2019)

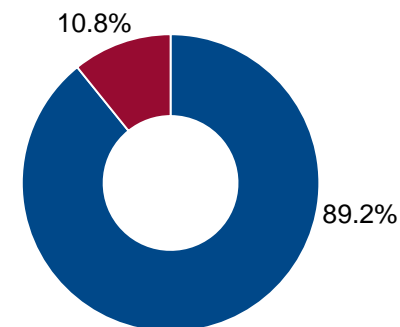
Total Debt of S\$1,193.6m



- Unsecured Term Loans
- MTNs
- Unsecured RCF Loans

Interest Rate Exposure Fixed (%)

89.2% of interest rate exposure fixed for 2.9 years

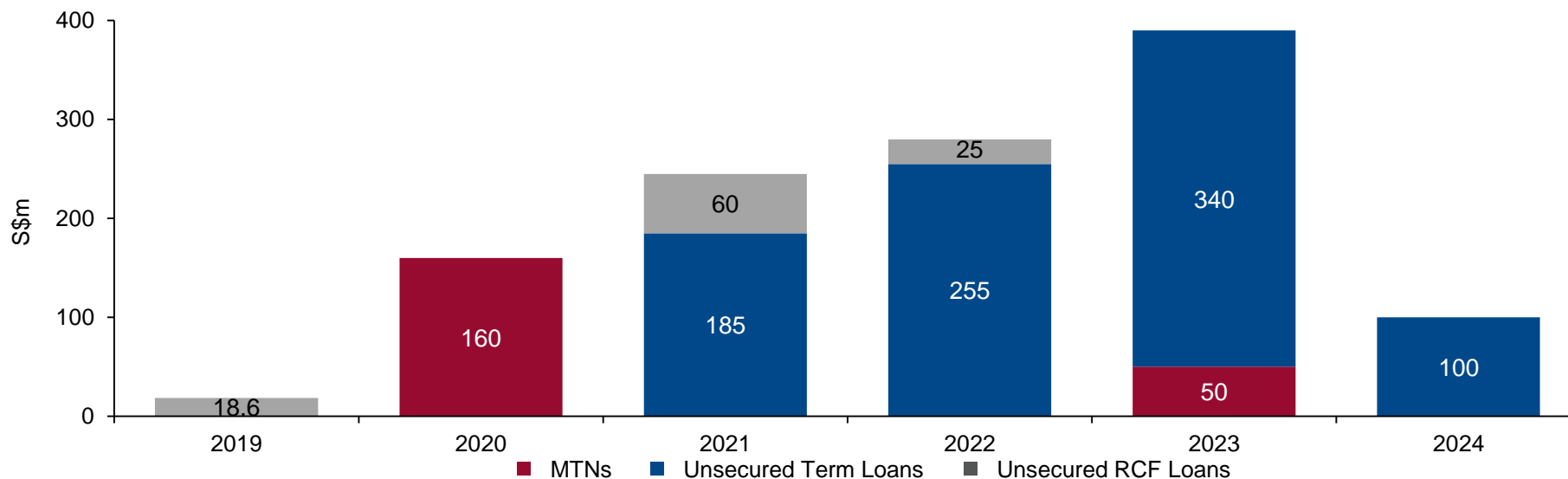


- Fixed Interest Rate
- Floating Interest Rate

Well-Staggered Debt Maturity Profile

- **On 17 June 2019, announced Equity Fund Raising (“EFR”) of up to S\$150 million:**
 - On 18 June 2019, the REIT successfully raised S\$100.0 million at S\$0.515 per New Unit at 8.3% discount to VWAP⁽¹⁾ and 6.7% discount to adjusted VWAP⁽²⁾ via a Private Placement
 - Preferential Offering of up to S\$50.0 million to be launched; details to be provided at a later date
 - Sponsor to demonstrate support by providing backstop for the offer⁽³⁾
- **WADE⁽⁴⁾ as at 30 June 2019 was 3.1 years**
- **No major refinancing requirements due in 2019**

Debt Maturity Profile (as at 30 Jun 2019)



% of Debt Expiring	2019	2020	2021	2022	2023	2024
	1.5	13.4	20.5	23.5	32.7	8.4



Notes: (1) Volume Weighted Average Price (VWAP) of S\$0.5616 per Unit as per announcement dated 17 June 2019. (2) Adjusted VWAP of S\$0.5521 per Unit as per announcement dated 17 June 2019. (3) Subject to relevant approvals to be obtained. (4) Weighted Average Debt Expiry.

Real Estate Highlights



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

Well Located Portfolio Across Singapore

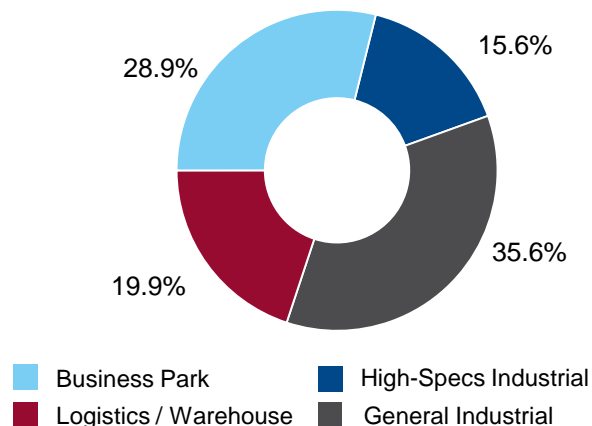
Portfolio of 56 assets totalling S\$3.02bn⁽¹⁾, located close to major transportation hubs and within key industrial zones across Singapore



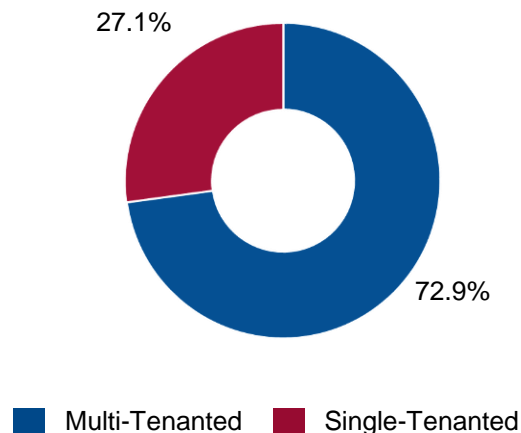
Diversified Portfolio with Stable Fundamentals

Asset Class by Rental Income (as at 30 Jun 2019)

Well-diversified portfolio across sub-sectors

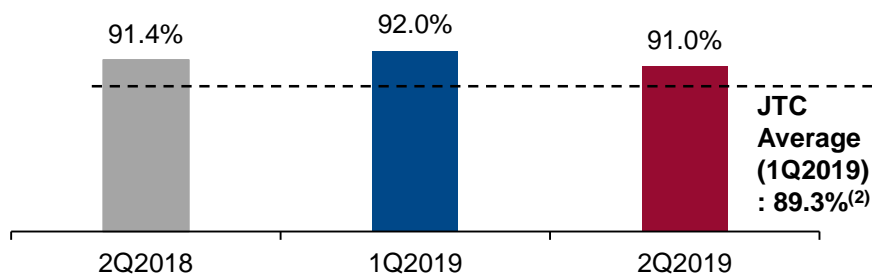


STB and MTB by Rental Income (as at 30 Jun 2019)

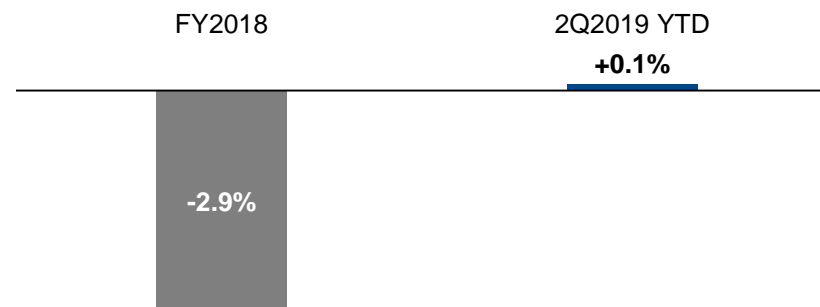


Portfolio Occupancy⁽¹⁾ (as at 30 Jun 2019)

Occupancy at 91.0% (above JTC average of 89.3%), with fluctuations due to 72.9% MTB portfolio



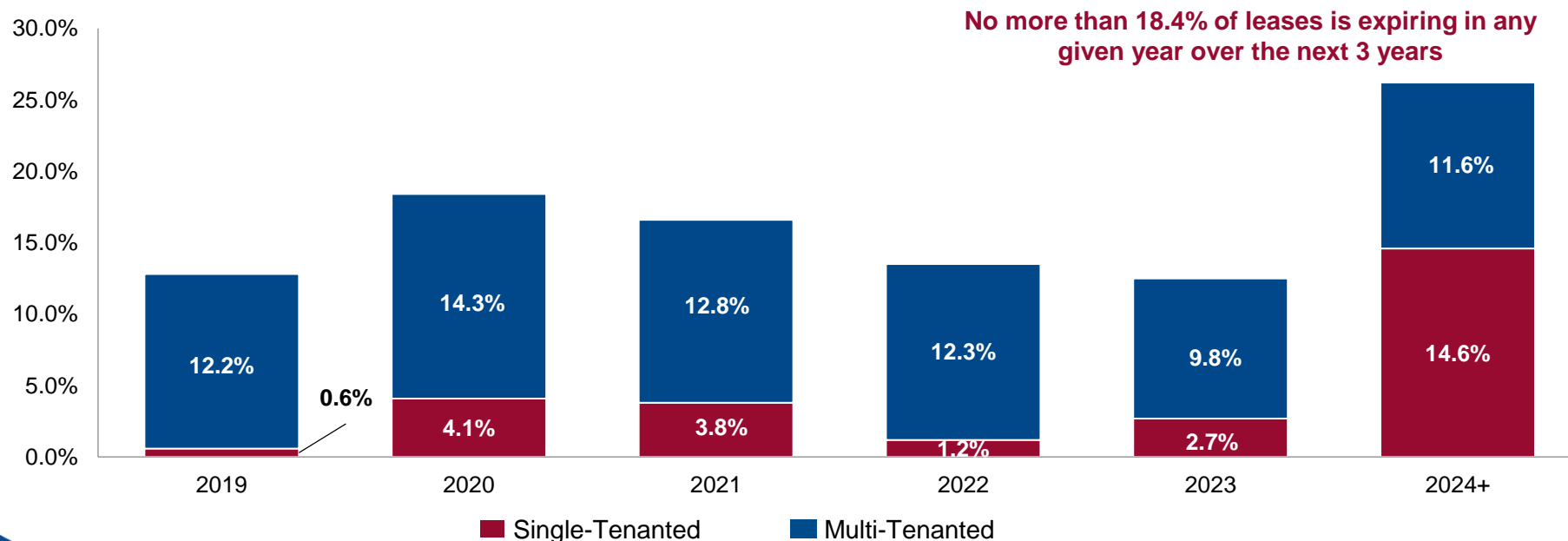
Year-to-Date Rental Reversions



Proactive Lease Management

- Well-staggered WALE of 3.6 years
- Renewed and leased approximately 327,700 sqft of space in 2Q2019, bringing the total leased area to 725,300 sqft for YTD2Q2019
 - Total lease expiry concentration for MTBs reduced from 16.0% to 12.2%
- Tenant retention rate of 54.7%⁽¹⁾
- Divestment of 31 Kian Teck Way completed in 2Q2019 at above valuation

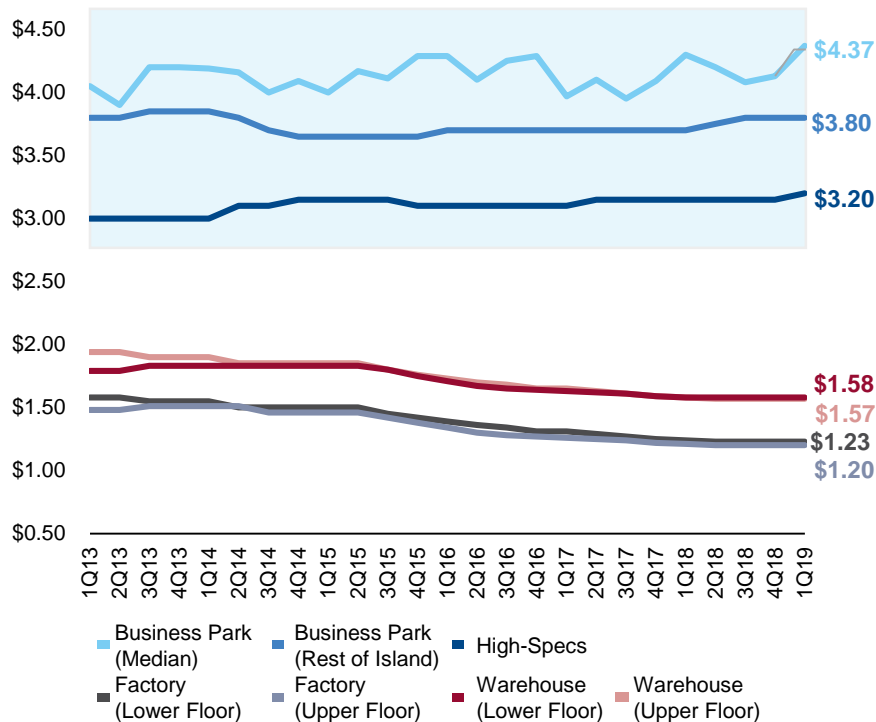
WALE by Rental Income (as at 30 Jun 2019)



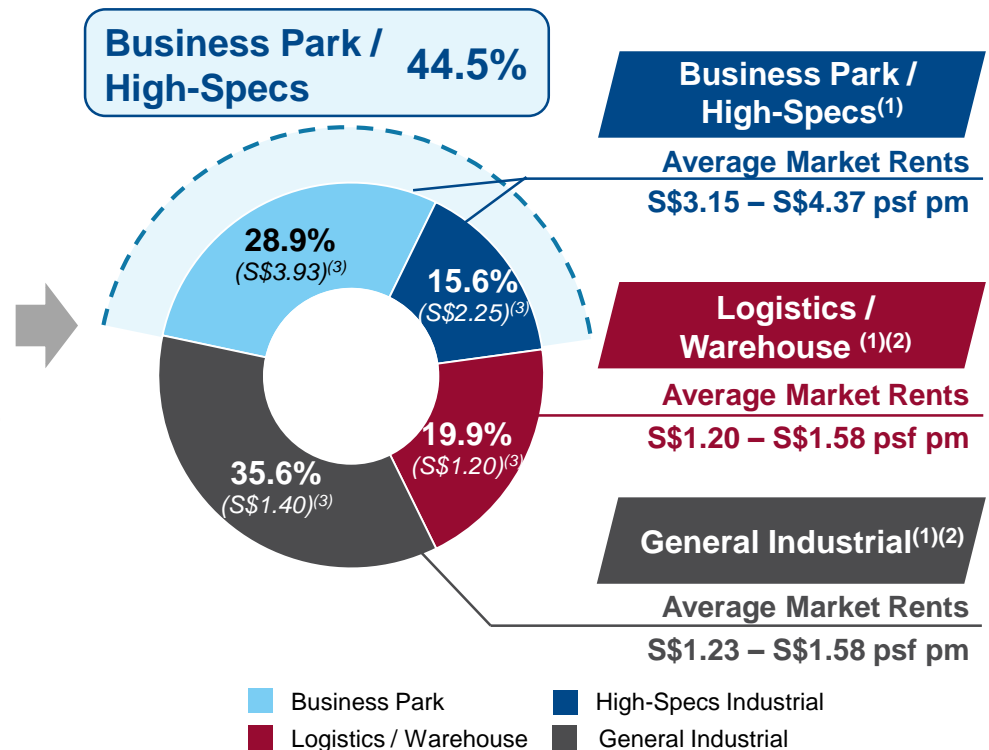
In Sub-Sectors with Favourable Demand/ Supply Dynamics

- 44.5% of properties in Business Parks/High-Specs Sector with favourable demand/supply dynamics
- Provides additional flexibility to conduct AEs on ESR-REIT's identified assets
 - Ensure industrial spaces are “future-ready” to meet the demands of the “industrialists-of-tomorrow”

Average Industrial Rents (\$\$ / sqft / month)⁽¹⁾



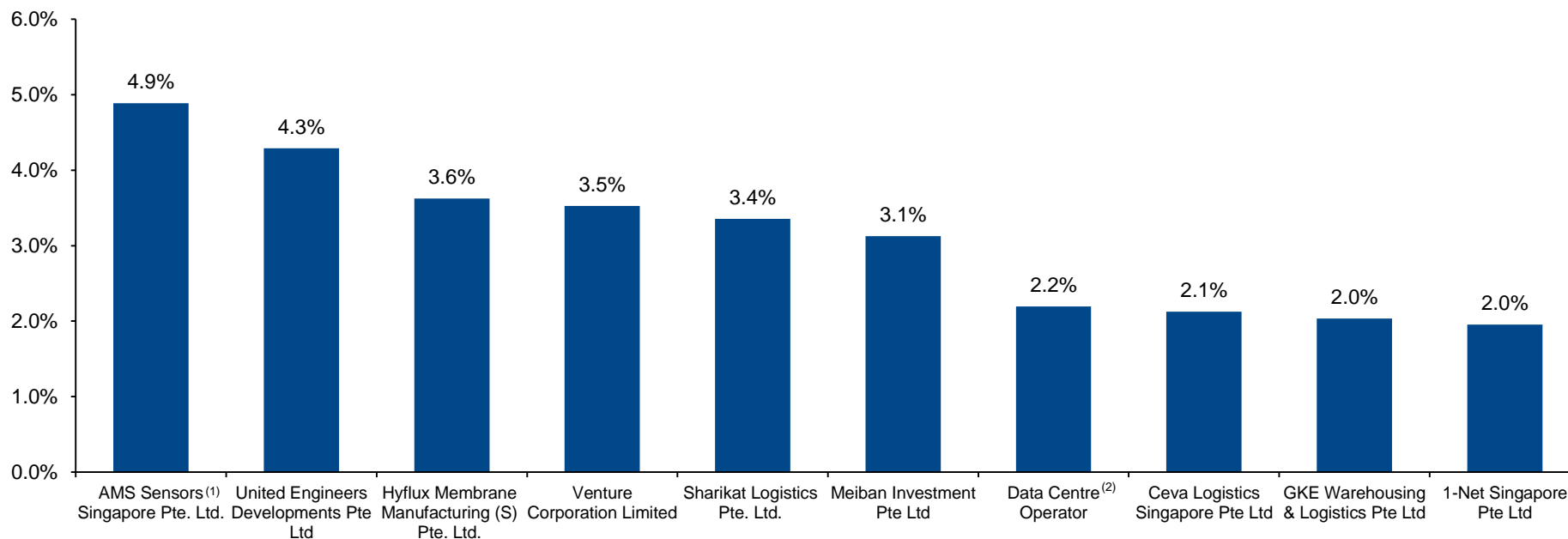
Asset Class Breakdown by Rental Income



Reduced Tenant Concentration Risks

Top 10 tenants account for 31.1% of rental income (as at 30 Jun 2019)

Top 10 Tenants by Rental Income (as at 30 Jun 2019)



Notes:

- (1) Formerly known as Heptagon Micro Optics Pte Ltd.
- (2) Tenant cannot be named due to confidentiality obligations.

DPU Accretive Acquisition: PTC Logistics Hub – Modern Ramp-up Warehouse

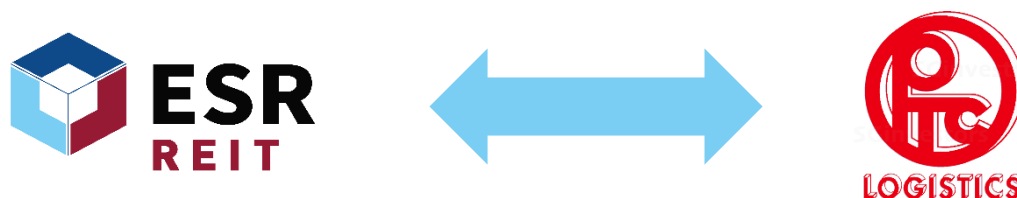


- ✓ Newly-completed, modern ramp-up warehouse
- ✓ Strategically located within the Jurong Industrial Estate
- ✓ Strengthens portfolio exposure to the logistics sector (c. 60% of logistics portfolio comprising in-demand and modern ramp-up facilities)
- ✓ 10-year lease with fixed rental escalation p.a. lengthens WALE

Poh Tiong Choon Logistics Hub	
Address	48 Pandan Road, Singapore 609289
Location	<ul style="list-style-type: none"> ▪ Located within the Pandan area and is in close proximity to major infrastructure – a key logistics cluster of the Jurong Industrial Precinct ▪ Immediate proximity to Jurong Port, International Business Park and Jurong Island ▪ Well accessed by major expressways such as the Ayer Rajah Expressway (“AYE”) and West Coast Highway
Property Description	6-storey ramp-up general warehouse building with ancillary facilities
Type	Business 2
Remaining Land Tenure	Existing lease term with a further term of 24 years 4 months commencing from 1 July 2019
Land Area	c.437,436 square feet
Gross Floor Area	1,093,415 square feet
Independent Valuation / Purchase Consideration	S\$225.0 million (100.0% basis)
ESR-REIT Ownership	49% (via JV with PTC)
Total Acquisition Cost ⁽¹⁾	c.S\$44.4 million
Lease Term	10 years with fixed rental escalation p.a.
Expected Completion	3Q 2019

Strategic Partnership with PTC Logistics

Additional driver to underpin long term growth



The strategic partnership has also been undertaken with PTC to provide real estate solutions for their business expansion and logistics real estate needs in Singapore and the region

Poh Tiong Choon Logistics Limited (“PTC”)

- Owner-operator of transport company founded in 1950 with an established and long track record in Singapore logistics business
- Leading third-party logistics provider with core business in transportation, bulk cargo handling, warehousing, drumming, trading, terminal management, leasing and property development

Executing 2 AEIs to Become “Future-Ready” Proposed New-Built Development at 7000 AMK

A Unlocking Value in Unutilized Plot Ratio at 7000 Ang Mo Kio Avenue 5 (7000 AMK)



Developing a brand new high-specs industrial building with an appealing modern façade

Details of the Proposed AEI

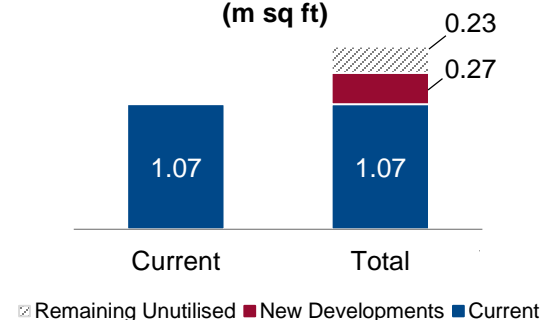
- Brand new GFA of c.270,000 sq ft of high-specification industrial space
- Increase plot ratio from 1.7 to 2.1
- Limited down-time: property will remain fully operational
- Construction expected to commence in 4Q2019 and take 18 to 24 months to complete

Future Potential

- Remaining GFA of c.225,000 sq ft for further development in the future



Gross Floor Area (m sq ft)



Utilising untapped plot ratio at 7000 AMK to develop a modern high-specification industrial facility to attract high value tenants

7000 AMK’s AEI will allow the asset to be “future-ready” and provide Unitholders with sustainable income and NAV growth over the long term

Executing 2 AEIs to Become “Future-Ready” Rejuvenation of UE BizHub EAST

B Rejuvenation Works Estimated at S\$10 million, expected to complete by 4Q 2020



Rejuvenation works to attract quality tenants in the Changi Business Park precinct by improving traffic flow, ease of navigation and accessibility

Details of the Proposed AEI

- Limited down-time: property will remain fully operational
- Construction expected to commence in 4Q2019 and take an estimated 12 months to complete

AEI will rejuvenate, refresh and reinforce its position as Singapore’s leading business park in the East, allowing UEBH to continue to attract and retain quality tenants



Divested 31 Kian Teck Way at Above Valuation



Benefits of the Divestment



In line with Manager's proactive asset management strategy to rejuvenate ESR-REIT's portfolio



Divest lower-yield non-core properties



Improve the quality of ESR-REIT's portfolio and optimise returns for Unitholders



Divested at 1.7% premium above Book Value of Property

Location	31 Kian Teck Way, Singapore 628751
Asset Type	General Industrial
Gross Floor Area	33,088.2 sq ft
Valuation (as at 31 December 2018)	S\$5.7 m
Sale Consideration	S\$5.8 m (excluding divestment costs and applicable goods and services tax)
Remaining Term of Lease	23.3 years ⁽¹⁾
Acquisition Date	25 Jul 2006

Industrial Market Outlook and Strategy

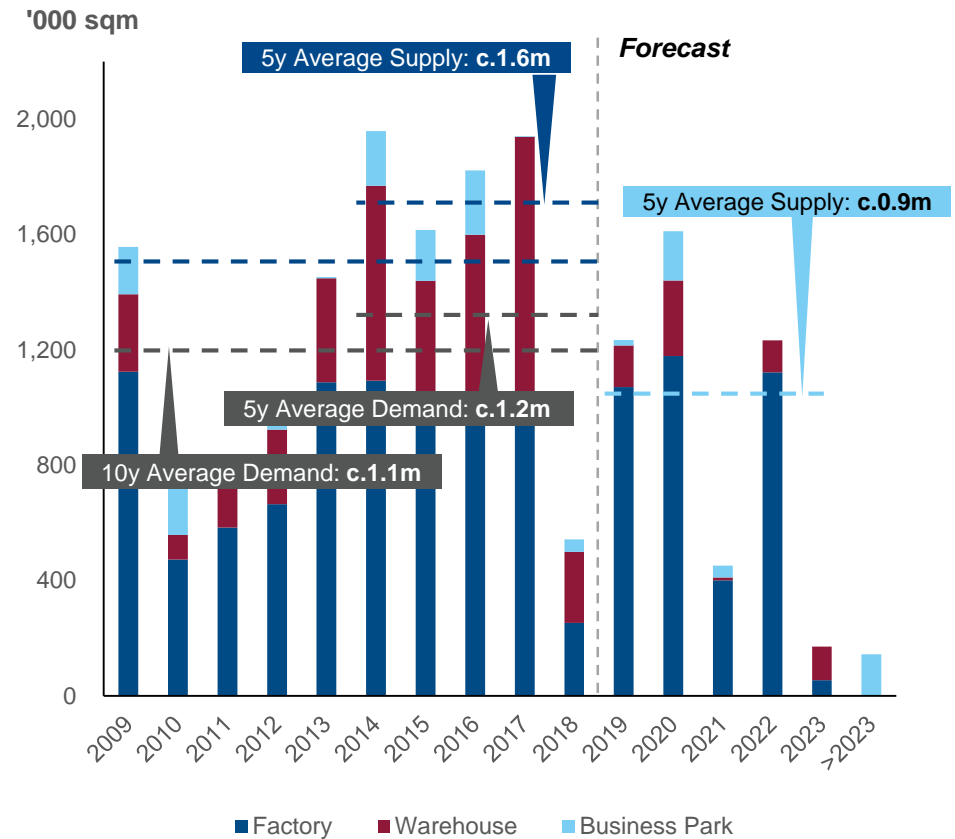


*Top: UE BizHub EAST | Business Park
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Industrial Property Market Outlook

- Singapore's GDP grew by 0.1% on a y-o-y basis in 2Q2019, slightly lower than the 1.1% growth in the previous quarter⁽¹⁾**
 - GDP growth for 2019 is expected to moderate between 1.5% to 2.5% as compared to 2018
 - On a quarter-on-quarter seasonally-adjusted annualised basis, the economy shrank by 3.4%. All three sectors of services, construction and manufacturing saw a reduction.
- Stabilising industrial market, overall market remains unchanged compared to previous quarter**
 - Occupancy rate of overall industrial property market for 1Q2019⁽²⁾ remained stable at 89.3%, no change from the previous quarter and a 0.3% increase from the previous year
 - Prices and rental of industrial space remained relatively stable. Price index fell marginally by 0.1% while rental index remained flat compared to last quarter⁽²⁾
 - 1.2 million sqm of industrial space is expected to come on-stream, representing c.3% of current industrial stock⁽²⁾
- Industrial market expects to remain competitive due to macroeconomic uncertainties resulting in increased risk-averse behaviour amongst industrialists on the demand-side in the short-to-medium term**
 - The continued global trade tension and resulting uncertainties have started impacting industrialists' profitability, thereby increasing risk-averse behaviour

Average Supply of Industrial Space⁽²⁾



Conclusion

ESR-REIT's portfolio and capital risks continue to reduce while distributions continue to be stable...

1



Stabilised Portfolio provides ample opportunity for REIT to Pursue Organic Growth

- Attractive distribution yield of 7.6%
- Healthy occupancy at 91% and stable WALE at 3.6 years
- Improving portfolio metrics supports effective execution of strategies to optimise returns for unitholders

2



Continue the REIT's strategy to Strengthen Quality of Portfolio

- DPU accretive acquisition of PTC Logistics Hub, a high quality, newly-completed modern ramp-up warehouse
- Strategic partnership with PTC to provide real estate solutions for their business expansion
- Focus on accretive AEI works in 7000 AMK and UE BizHub EAST with targeted completion by 4Q 2021 and 4Q 2020 respectively
- Divested 31 Kian Teck Way at above valuation

3



Prudent Capital Management

- Reduced risks to our capital structure by improving WADE⁽¹⁾, WAFDE⁽²⁾, and having a higher proportion of interest rate exposure fixed
- No major refinancing requirements due in 2019
- Broader investor base with higher trading liquidity and research coverage

...with opportunities for organic growth and strengthening of Portfolio Quality to be Future-Ready

Appendix



*Top: UE BizHub EAST | Business Park
Second: 7000 Ang Mo Kio Avenue 5 | High-Specs Industrial
Bottom: 30 Marsiling Industrial Estate Road 8 | High-Specs Industrial*

Real Estate Portfolio Highlights



Diversified portfolio of **56** properties across Singapore

Total GFA of approximately **14.0 million sqft**



Portfolio Occupancy

91.0%

Above JTC Average of 89.3%⁽¹⁾



Asset Valuation

S\$3.02 billion⁽²⁾

328 tenants

From different trade sectors



Located close to major transportation hubs and key industrial zones



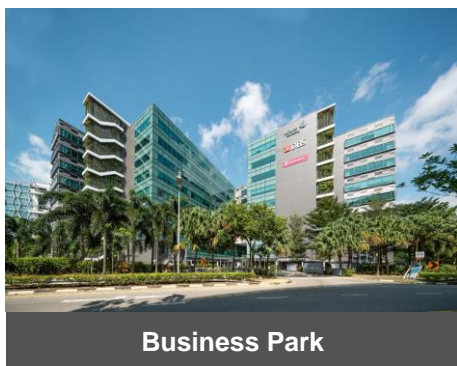
Weighted Average Lease Expiry of

3.6 years



Total assets

S\$3.3 billion⁽²⁾



Business Park



High-Specs Industrial



Logistics / Warehouse



General Industrial

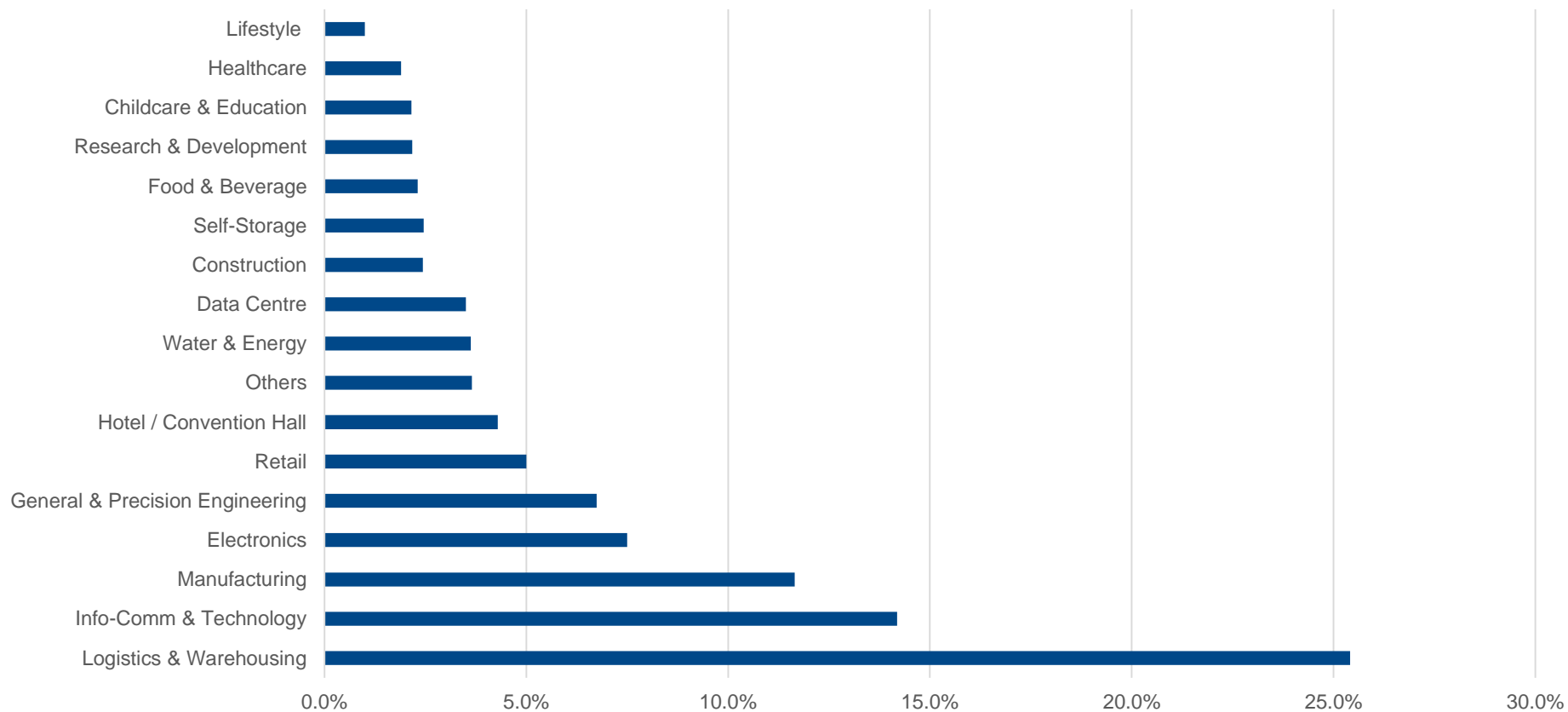
Key Portfolio Statistics

	As at 30 Jun 2019	As at 31 Mar 2019	As at 30 Jun 2018
Number of Properties	56	57	47
Valuation (S\$ million) ⁽¹⁾	3,016.2	3,021.9	1,652.2
GFA (million sqft)	14.0	14.1	9.7
NLA (million sqft)	12.5	12.6	8.9
Weighted Average Lease Expiry (“WALE”) (years)	3.6	3.7	4.5
Weighted Average Land Lease Expiry (years) ⁽²⁾	32.7	33.0	34.0
Occupancy (%)	91.0	92.0	91.4
Number of Tenants	328	336	197
Security Deposit (months)	6.3	6.3	6.8

Diversified Tenant Base and Trade Sectors

No individual trade sector accounts for more than 30% of ESR-REIT's Rental Income

Breakdown by Trade Sectors (by Rental Income) (as at 30 Jun 2019)



ESR-REIT's Competitive Strengths

- **Largest APAC focused** logistics real estate platform with more than **US\$16 billion AUM**
- ESR has c.67% stake in the REIT Manager, 100% stake in Property Manager and a c.9% stake in the REIT
 - Demonstrates long-term **commitment** and **alignment of interest**
- **Co-founded by Warburg Pincus** and backed by blue-chip institutional ownership and investors
- Provides ESR-REIT with **development expertise** and extensive **network to strong regional tenant base**

- **Close to 70 years of collective experience** in local and regional real estate companies and financial institutions
 - In-depth knowledge, proven track record and capabilities in Real Estate market, with focus in industrial property sector
- Members have played key roles in the shaping and management of successful REITs in Singapore

- **Proactively conducting AEI** to optimize asset returns
- **Established track record** of acquiring strategic assets and managing build-to-suit ("BTS") development projects
- **In-house expertise** to specifically address the requirements of clients and their projects
- **Experienced and flexible team** to **pro-actively manage** projects
- **Sponsor ESR has proven track record** of developing BTS warehousing and distribution facilities for leading global e-commerce companies



- 56 properties valued at S\$3.02 billion⁽¹⁾⁽²⁾
- **Strategically located** in key industrial zones across Singapore
- **Proactive** asset and lease management focus
- **Well balanced portfolio** with Single-Tenanted Building conversions to Multi-Tenanted Buildings
- **Diversified Portfolio**: No individual trade sector accounts for >25.4% of rental income
- **Healthy occupancy rate** of 91.0%
- Healthy Portfolio WALE of 3.6 years
- Leases backed by **6.3 months security deposits**
- **Built-in rental escalations** provide organic growth

- Extensive network of 328 tenants
- Diversified across industries including: Logistics, Wholesale Trade, General Storage, Fabrication and Electronics
- Top 10 tenants account for 31.1% of rental income
- **Long lease terms** of 3-15 years provide **stability** for Unitholders, with in-built escalation
- **54.7% tenant retention rate**

- **Stable and secure income stream** supported by **prudent capital and risk management**
 - Staggered debt maturity profile; gearing of 39.0%⁽²⁾
 - **89.2% of interest rate exposure fixed for 2.9 years**
 - **100% of assets unencumbered**
- **No major refinancing requirements due in 2019**
- **Diversified pools of capital** while broadening banking relationships

Our Long-Term Strategy

Our three-pronged strategy focuses on optimising Unitholder returns while reducing risks



Organic Growth

- AEs to unlock value and attract high-valued tenants
- Proactive asset management to optimise investor returns
- Divest non-core assets and redeploy to higher value-adding properties
- Enhance tenant base by leveraging Sponsor networks



Acquisition and Development Growth

- Yield-accretive, scalable, value-enhancing acquisition opportunities in Singapore
- Potential pipeline of overseas assets from ESR
- Exploring opportunities to participate in development projects, either individually or in JV with ESR



Capital Management

- 100% unencumbered
- Well-staggered debt maturity profile
- Diversify funding sources into alternative pools of capital
- Broaden and strengthen banking relationships

Important Notice

This material shall be read in conjunction with ESR-REIT's results announcements for the financial period ended 30 June 2019.

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