

Interim Business Update

1Q2025



1Q2025 Business Update

Financial Updates



Gross Revenue
S\$110.5⁽¹⁾ million
+24.2% y-o-y

Net Property Income (“NPI”)
S\$82.5 million⁽¹⁾
+31.3% y-o-y

Distributable Income
S\$44.2 million
+7.0% y-o-y

NAV per Unit
26.9 cents

Portfolio Updates



Positive Rental Reversion
+8.6%
(1Q2024: +10.8%)

Healthy Occupancy Rate
91.6%
(1Q2024: 91.7%)

Significant New Economy Exposure
70.3%
(1Q2024: 62.8%)

Divestments

- 1 Third Lok Yang Road and 4 Fourth Lok Yang Road at 3.5% premium to valuation
- 79 Tuas South Street 5 at 1.5% premium to valuation

Asset Enhancement Initiatives (“AEI”)
▪ [New] AEI at 29 Tai Seng Street

Capital Management



Gearing
41.9% as at 31 Mar 2025

Cost of Debt
3.65% per annum
(31 Dec 2024: 3.84%)

Weighted Average Debt Expiry
2.8 years
(31 Dec 2024: 2.8 years)

Interest Rate Exposure Hedged
81.7% on fixed rates

MAS Interest Coverage Ratio (ICR)
2.4x

No Refinancing Risk in FY2025

- FY2025 expiring loans refinanced ahead of time at lower margins

1Q2025 Gross Revenue +24.2% and NPI +31.3%

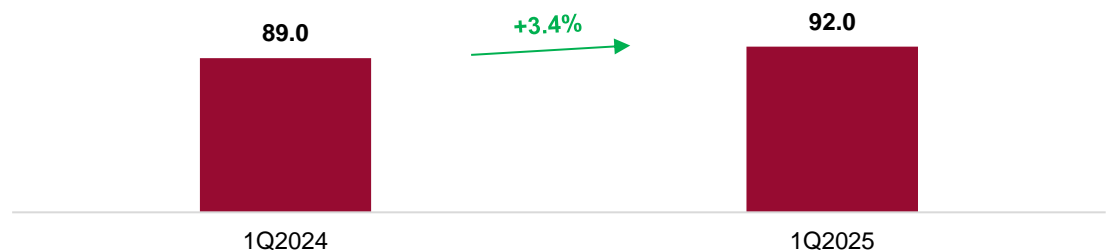
- Gross Revenue and NPI grew +24.2% and +31.3% y-o-y respectively mainly due to the full quarter contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14, which were acquired on 15 Nov 2024 and 29 Nov 2024 respectively

Gross Revenue (S\$ million)

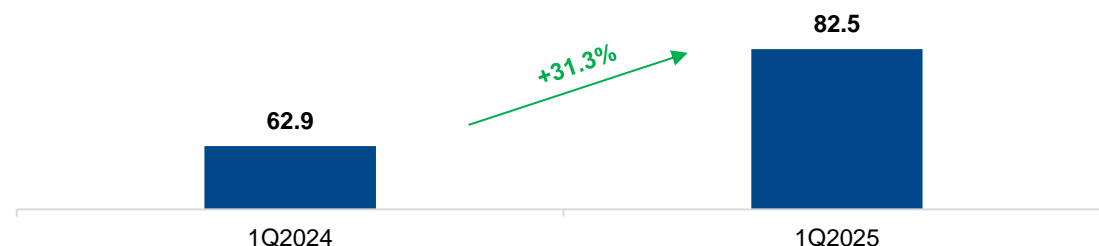


- On a *same-store basis*⁽¹⁾, Gross Revenue grew +3.4% y-o-y mainly due to (a) positive rental reversions (b) higher rental rate from new leases and (c) higher contributions from AEIs that were completed in 3Q2023 and 1Q2024.

Gross Revenue (same-store basis⁽¹⁾) (S\$ million)

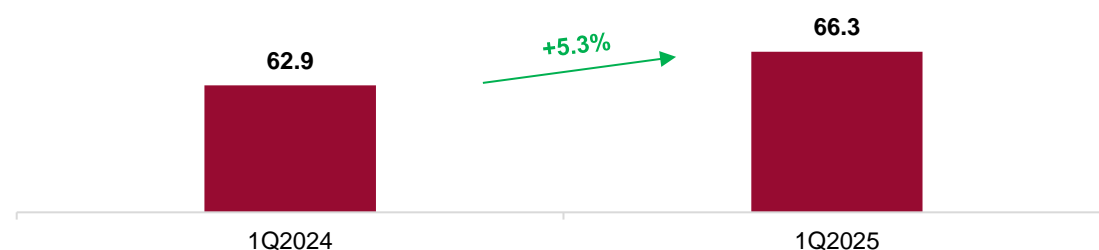


Net Property Income (S\$ million)



- On a *same store basis*⁽¹⁾, Net Property Income grew +5.3% y-o-y mainly due to higher gross revenue and lower utilities expense.

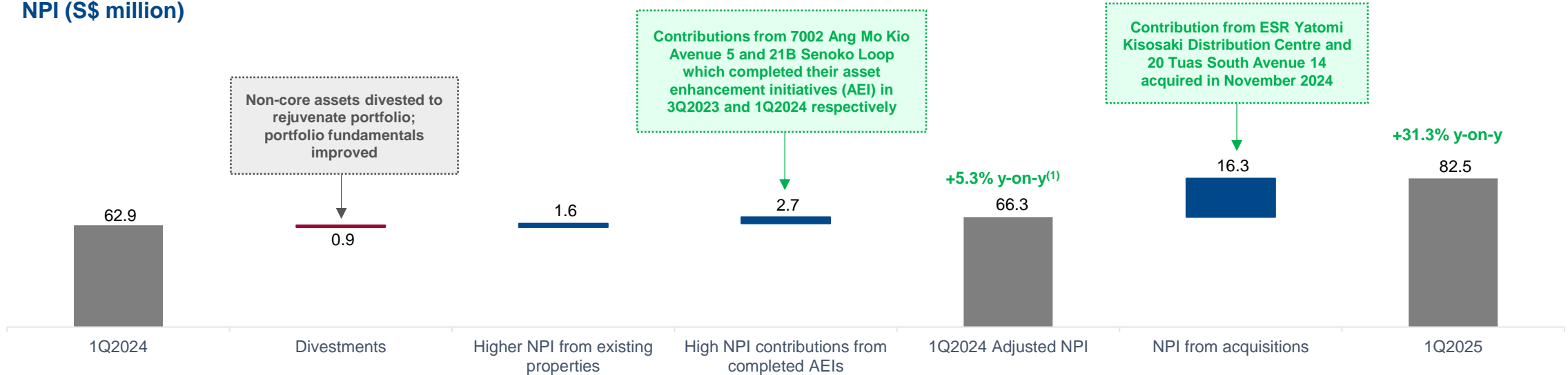
Net Property Income (same-store basis⁽¹⁾) (S\$ million)



NPI Increased +31.3% Year-on-Year

- Net Property Income (“NPI”) increased +31.3% y-o-y mainly due to the full quarter contributions from:
 - 1) “On-Strategy” acquisitions of ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 completed in November 2024
 - 2) the completion of asset enhancement initiatives for 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop in 3Q2023 and 1Q2024 respectively
 - 3) Higher NPI from existing properties
- On a same-store basis⁽¹⁾, NPI grew +5.3% y-o-y mainly due to (a) positive rental reversions (b) higher rental rates from new leases (c) higher NPI contributions from AEIs completed in 3Q2023 and 1Q2024 and (d) lower utilities expense.

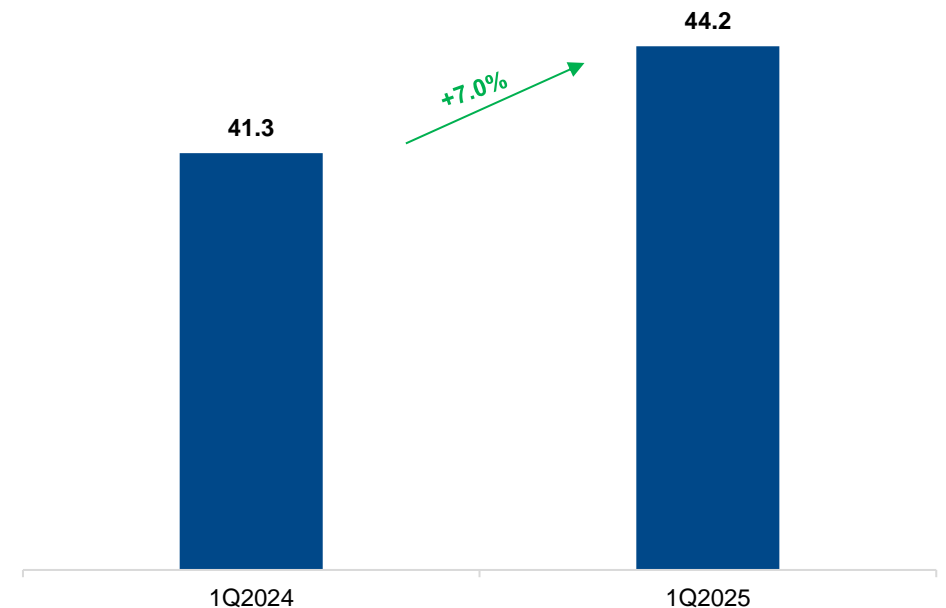
NPI (S\$ million)



1Q2025 Distributable Income Increased by +7.0% Y-o-Y

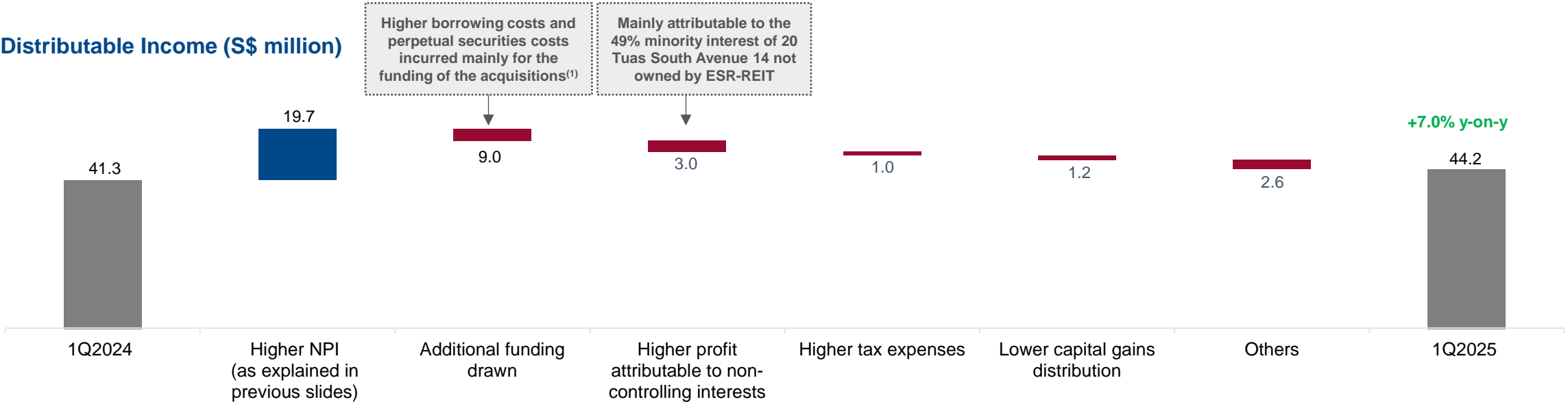
- 1Q2025 Distributable Income was +7.0% higher than 1Q2024 mainly due to:
 - Acquisitions of the 100% trust beneficiary interest in ESR Yatomi Kisosaki Distribution Centre and 51.0% interest in 20 Tuas South Avenue 14 completed in November 2024,
- Partially offset by:
 - (i) additional funding drawn to finance the acquisitions⁽¹⁾; and
 - (ii) lower capital gains distribution compared to 1Q2024
- Demonstrates results of the “4R Strategy” executed, and start of upturn of DPU trend

Distributable Income (S\$ million)



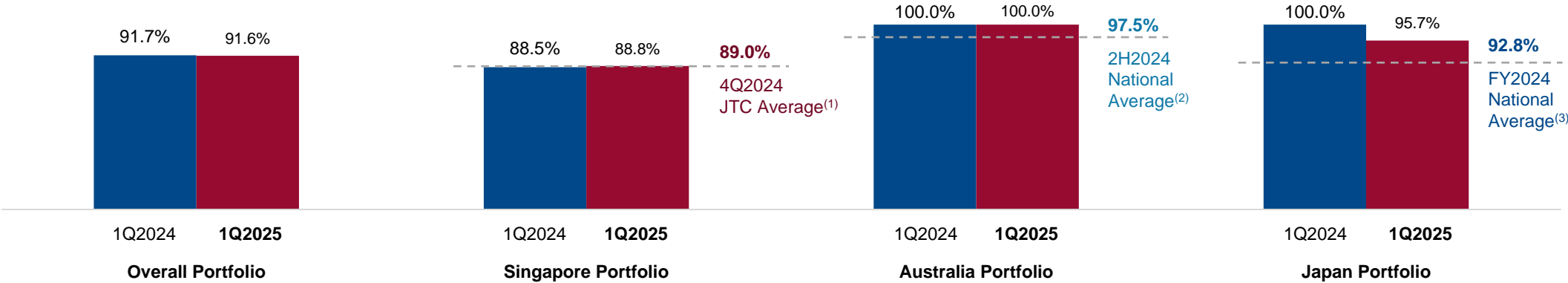
Distributable Income Increased +7.0% Year-on-Year

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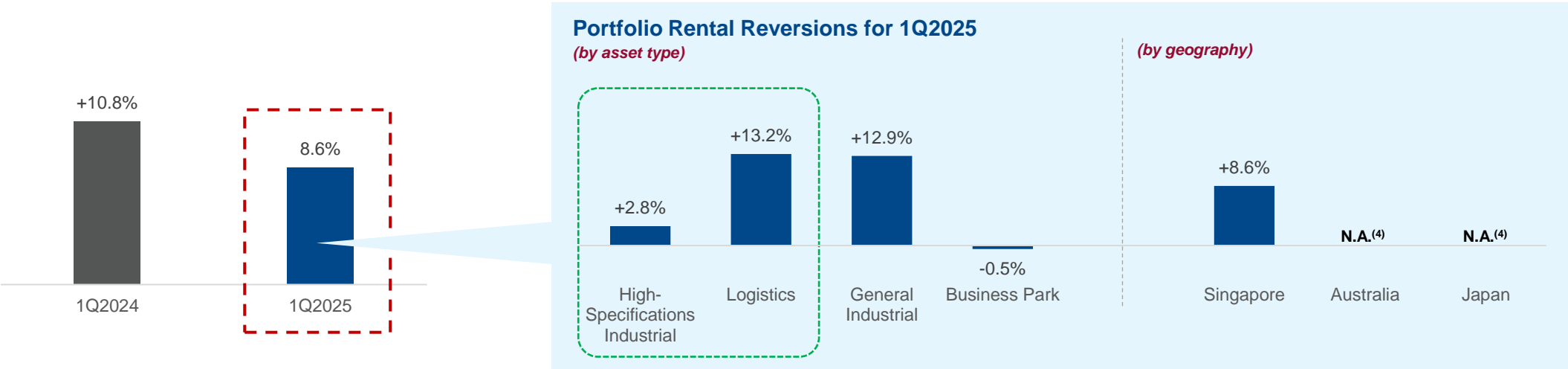


+8.6% Positive Rental Reversions, with New Economy Sectors Expected to Lead Positive Rental Reversions Albeit at a Slower Pace

Stabilised Occupancy



Portfolio Recorded +8.6% Positive Rental Reversions in 1Q2025

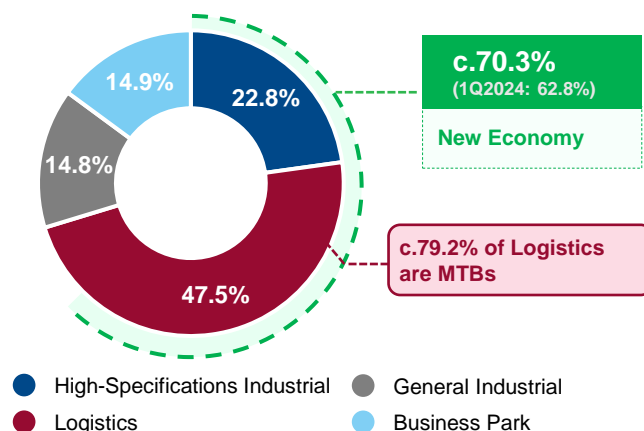


70.3% of Portfolio in New Economy Sectors, with Majority of Upcoming Lease Expiries in Logistics Segment

Asset Class Breakdown

(by Rental Income)

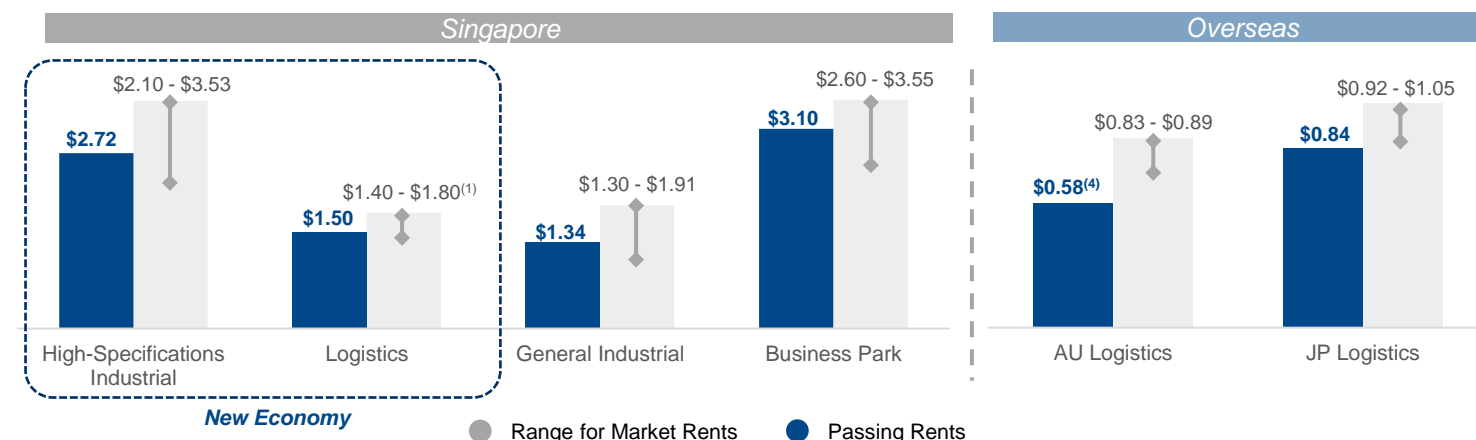
70.3% of portfolio in New Economy sectors, with majority being multi-tenanted buildings



Passing Rents⁽²⁾ vs Market Rents⁽³⁾

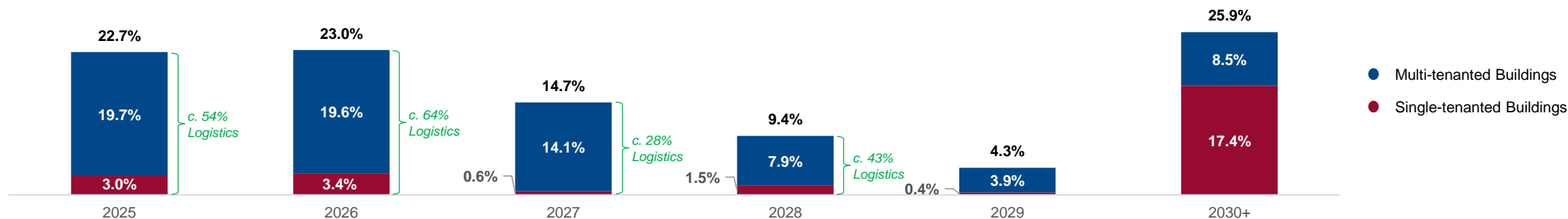
(in S\$psfpm)

All of portfolio passing rents are below or at lower bound of market rents, signalling potential positive rental reversions for upcoming expiries



Lease Expiry Profile

Portfolio has a WALE of 4.1 years as at 31 Mar 2025



Completed Non-Core Asset Divestments at Premium to Valuations

- 1 Third Lok Yang Road and 4 Fourth Lok Yang Road was divested at 3.5% premium to valuation
- 79 Tuas South Street 5 was divested at 1.5% premium to valuation



	1 Third Lok Yang Road and 4 Fourth Lok Yang Road, Singapore	79 Tuas South Street 5, Singapore
Asset Type	Logistics	General Industrial
Gross Floor Area	10,601 sqm	6,312 sqm
Occupancy	100%	100%
Valuation	S\$6.6 million ⁽¹⁾	S\$9.7 million ⁽²⁾
Sale Consideration	S\$6.8 million	S\$9.9 million
Divestment Premium to Valuation	3.5%	1.5%
Expected Completion Date	Completed on 24 March 2025	Completed on 28 March 2025
Remaining Land Tenure ⁽³⁾	7.0 years	35.1 years




NPI Contributions from AEI and Redevelopment

▪ Full year rental contribution in FY2025 from AEIs completed in FY2024 expected to improve DPU

- ✓ 7002 AMK and 21 Senoko Loop AEI completions were phased throughout the year and only contributed c.60-70% of full year income in FY2024
- ✓ Full year NPI contribution from FY2025 onwards

▪ Ongoing AEIs and redevelopment present further organic growth opportunities

- ✓ To repurpose (from General Industrial to High-Specifications Industrial) and rejuvenate dated assets to suit the demands of the New Economy sector
- ✓ To redevelop assets with older specifications into modern and future-ready assets

	Sector	Property	Address	Completion Date	% Completed	Estimated Cost	Illustrative Yield on Cost	Progress Updates
In progress	General Industrial / High-Specifications Industrial		29 Tai Seng Street	1H2026	Commenced in March 2025	c.S\$6.8m	c. 6.4%	<ul style="list-style-type: none"> Conversion of single tenanted General Industrial building to a multi-tenanted High-Specifications Industrial building. Planned for Green Mark Gold+ Certification
	High-Specifications Industrial		16 Tai Seng Street	1H2025	c.80%	c.S\$32.0m	c. 6.0%	<ul style="list-style-type: none"> Obtained Green Mark Gold Certification Projected delay due to authority approvals and design changes
Planning	Logistics		2 Fishery Port Road	Up to 30 months construction period	Construction expected to commence in 2H2025	TBC	c. 6.50% - 6.75%	<ul style="list-style-type: none"> Proposed redevelopment to a modern high-specification ramp-up cold storage facility Planned for Green Mark Platinum Certification

Prudent Capital Management with Expected Lower Interest Costs in FY2025

- ✓ Debt cost **reduced to 3.65% (from 3.84%)**
- ✓ Well hedged, with **81.7% fixed interest rate** exposure for 2.2 years
- ✓ ESR-REIT has **c.S\$216.1m of committed undrawn Revolving Credit Facilities (“RCF”)** available and is **well-supported by 10 lending banks** with strong support for refinancing
- ✓ Issued S\$125m Series 011 5.75% perpetual securities which will be partially used to **redeem the remaining more expensive Series 006 6.632% perpetual securities on 5 May 2025**
- ✓ Issued S\$100m 4.05% fixed rate notes due 2030 which was **c.2.5x subscribed**

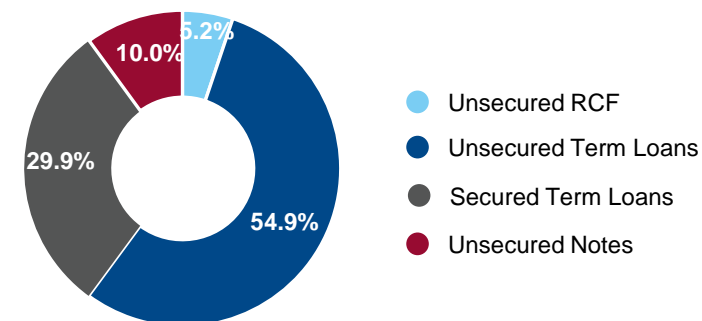
	As at 31 Mar 2025	As at 31 Dec 2024
Total Gross Debt (S\$ million)	2,241.8	2,269.7
Debt to Total Assets (%) ⁽¹⁾	41.9	42.8
Weighted Average All-in Cost of Debt (%) p.a.	3.65	3.84
Weighted Average Debt Expiry (“WADE”) (years)	2.8	2.8
MAS Interest Coverage Ratio (times)	2.4	2.5
Fixed Interest Rate Exposure (%)	81.7	74.8
Weighted Average Fixed Debt Expiry (“WAFDE”) (years)	2.2	2.0
Proportion of Unencumbered Investment Properties (%)	72.1	72.4
Debt Headroom (S\$ million) ⁽²⁾	888.4	790.2



Notes: (1) Includes ESR-REIT's 49.0% share of the borrowings and total assets of PTC Logistics Hub LLP, but excludes the effects arising from the adoption of FRS 116 Leases. (2) Assuming gearing limit of 50%. From 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the REIT sector and a minimum MAS interest coverage ratio (ICR) of 1.5 times with a single aggregate leverage limit of 50% will be applied to all REITs.

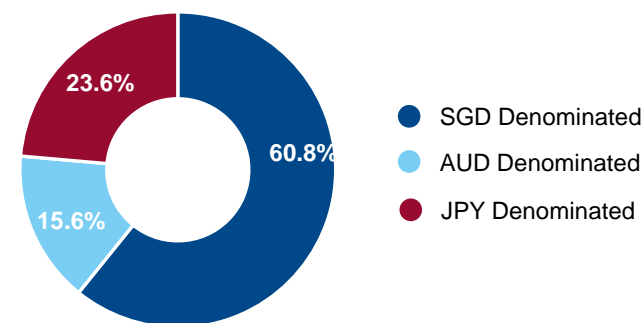
Debt Breakdown (at 31 Mar 2025) – By Type

Total Debt of S\$2,241.8 million



Debt Breakdown (as at 31 Mar 2025) – By Currency

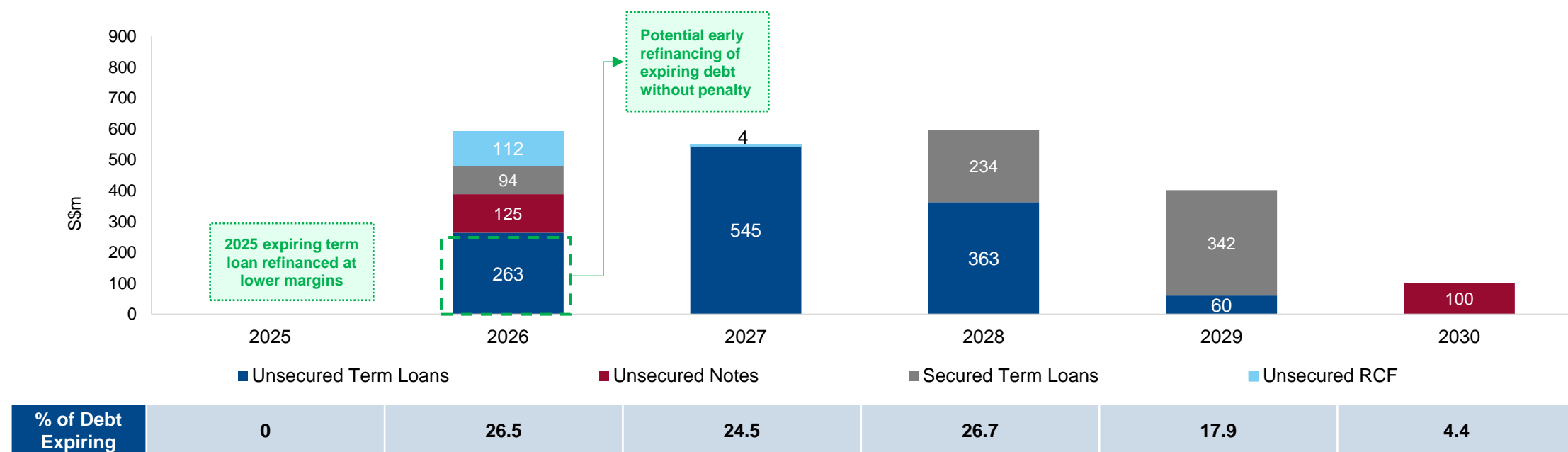
Total Debt of S\$2,241.8 million



Proactive Debt Management with No Refinancing Risk

- ✓ Well spread-out debt expiry profile with no more than c.27% of loans expiring each year
- ✓ **No FY2025 refinancing risk:** 2025 expiring term loan has been refinanced at c.15 bps lower margins
- ✓ **Potential early refinancing of 2026 debt expiring at lower margins, with no prepayment penalties:**
 - Interest savings expected as expiring loans have margins c.10-15 bps higher⁽¹⁾ than existing loans and improved REIT credit profile with better asset and earnings quality going forward
- ✓ **No PERPs coupon resetting or refinancing requirements** until 2027

Debt Maturity Profile as at 31 Mar 2025⁽²⁾



Focus for FY2025



Execution of Asset Rejuvenations & Recycling of Capital is Beginning to Yield Results

- Completed AEs / Redevelopments and Acquisitions are beginning to contribute positively to Gross Revenue and NPI
- Interest costs have peaked and expected to come down further in FY2025, in addition to redemption of expensive PERPs
- We have executed Unit Buybacks to reduce the number of units outstanding and will continue to do so
- We have also proposed a Unit consolidation to reduce stock price volatility and stock speculation
- Quality of earnings are expected to improve, driven by positive “core” income from the higher quality assets



Focus on Consolidation of Assets, Operations & Capital Structure to Drive Organic Growth

- FY2025 focus is on driving organic growth by enhancing asset performance, complete ongoing AEs and streamlining operations
- Monitoring ESR-REIT’s capital structure amid volatile markets, especially with the potential return of higher interest rates if global inflation persists due to inflation inducing tariff policies by the Trump Administration
- Continue to rationalise asset portfolio with divestment of non-core assets and redeploy proceeds to AEs, Unit Buybacks and Sustainability efforts
- Growth via acquisitions and issue of new equity will take a back seat

Conclusion and Outlook

1



Enhanced Portfolio & Earnings Quality via “4R Strategy”

- Lengthened portfolio land lease to 43.7 years with increased freehold/longer land lease assets to 70.9% of portfolio,
- Positive rental reversions of +8.6% in 1Q2025 driven by New Economy sectors including Logistics due to strong demand and limited supply
- Divested 2 non-core assets at 1.5% - 3.5% premium to valuations
- Completed AEIs (7002AMK and 21 Senoko Loop) contributing full year NPI from FY2025 onwards
- Commenced additional AEI at 29 Tai Seng St to convert single-tenanted General Industrial into a multi-tenanted High-Specifications Industrial building

2



Acquisitions Recycle Capital and Improve ESR-REIT's Asset & Earnings Quality

- Acquisitions of ESR Yatomi Kisosaki DC and 20 Tuas South Ave 14 recycle capital into new modern New Economy assets with freehold or longer land lease with sustainability features
- ESR-REIT's exposure to New Economy sector increases to 70.3% post completion of acquisitions
- FY2025 will receive full year contributions from the 2 acquisitions – key focus on core operations and to demonstrate NPI/ DPU uptrend in 2025

3




ESR-REIT's FY2025 Outlook

- YoY NPI and DI expected to increase given meaningful full year contributions from (a) completed Acquisitions (b) completed AEIs / Redevelopments and (c) positive rental reversions
 - ESR-REIT's fixed rate hedges and loan expiries are well positioned to capitalise on lower hedge costs given lower interest rates (vs. FY2023)
 - Redemption of more expensive S\$75 million Series 006 6.632% PERPS in May 2025 subsequent to new S\$125 million Series 011 5.75% PERPS issued in March 2025
- a) Initiatives undertaken in past 2 years expected to enhance Assets and Earnings quality and reduce Debt concentration risks
- b) **Beyond 2025: Significant increased uncertainties in global trade and economic growth with U.S.' unleashing of global tariffs on 2 Apr**
- Global supply chain is expected to undergo significant changes given the uneven tariffs, ongoing bilateral negotiations with the U.S. by countries and U.S.-China ramped-up tariff retaliations
 - Inflation is expected to increase, eroding NPI margins. The inflation impact on direction of interest rates is still uncertain now
 - Demand for logistics space largely depends on how global supply chain resets and emerging of new markets amongst trading partners.

Appendix







ESG Plans on Track and to be Further Strengthened




Environmental

Implementation **Decarbonisation Roadmap** with clear steps, targets, capex planning, and timeline to build a future-proof and climate resilient portfolio


		 	
Roadmap	Implementation of Decarbonisation Roadmap for Singapore <ul style="list-style-type: none"> Set FY2023 as baseline year Continuously tracking and implementing the Decarbonisation Roadmap developed in 2024 with data management system Key initiatives: Green certification, Solar PV, EV charging, etc. 	Developing Decarbonisation Roadmap for Overseas Assets <ul style="list-style-type: none"> Consultants have been engaged to develop Decarbonisation Roadmap by 1H2025 Scope of the Decarbonisation Roadmap will include Green certification, Solar PV, EV charging, etc. Collaborating closely with local teams 	Alignment with Group's Targets <ul style="list-style-type: none"> Review all assets and conduct gap analysis to address shortfall to align with ESR Group's 2050 targets (with reference to ESR Group's policies) <div> <i>Reduce emission</i> <i>Net Zero</i> </div>
Timeline	2024 - 2030	2024 - 2030	20302050

GREEN CERTIFICATION

Newly attained Green Mark Super Low Energy certifications



11 Chang Charn Road
High-Specifications Industrial



511 & 513 Yishun Industrial Park A
General Industrial

Green Building Certification increased from

18 properties in 4Q2024 to

20 properties in 1Q2025

ESG Highlights for FY2024



Social



✓ **~570 hours** of staff volunteerism hours achieved in FY2024



✓ **84.2%** employee satisfaction rate



✓ **Corporate Social Responsibility** activities aligned with Group Social Impact focus areas



Governance



Structure

✓ **New Board Sustainability Committee** to provide strategic oversight on ESG policies and implementation



Compliance

✓ **Zero** material incidents of non-compliance with socio-economic or environmental laws



Diversity, Equity & Inclusion

✓ **2 women** directors at least on the board

✓ **4** different age group categories represented

✓ **Various** tenures within the Manager's Board

✓ **50.0%** of the Board at least to be independent

Glossary

ALOG: ALOG Trust

ESR Group or the Sponsor: ESR Group Limited

Definitions:

- **AUM:** refers to the total value of investment properties (excluding right of use of leasehold land), investments in joint venture and property funds
- **Effective Gross Rents:** effective rents take into account rent-free periods and rental escalation as the total rent payable for the lease period would be less than what is reported for passing rents
- **Gross Rents:** contracted rent
- **New Economy:** refers to Logistics and High-Specifications Industrial sectors
- **Portfolio Occupancy:** excludes properties under development
- **Passing Rents:** rent payable as stipulated in the lease agreement. These rates are usually quoted on gross basis
- **Rental Reversion:** a metric captured by some REITs to show whether new leases signed have higher or lower rental rates than before. Based on average gross rent
- **Weighted Average Lease Expiry:** a metric used to measure the tenancy risk of a particular property. It is typically measured across all tenants' remaining lease in years and is weighted with either the tenants' occupied area or the tenants' income against the total combined area or income of the other tenants

Abbreviations:

AEI: asset enhancement initiatives

APAC: Asia Pacific

AUM: assets under management

Bn or b: billion

CAGR: compounded annual growth rate

CBD: central business district

DPU: Distribution per Unit

GDP: gross domestic product

ESG: environmental, social, governance

GFA: gross floor area

GLA: gross lettable area

GRI: gross rental income

GRESB: global real estate sustainability benchmarks

JTC: JTC Corporation

m: million

NAV: net asset value

NLA: net lettable area

psfpm: per square foot per month

psf: per square foot

psm: per square metre

q-o-q: quarter on quarter

REIT: real estate investment trust

sqm: square metre

sqft: square feet

TOP: temporary occupation permit

WALE: weighted average lease expiry

WIP: work-in-progress

y-o-y: year on year

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