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

NEWS RELEASE
For immediate release

ESR-REIT Delivers 8.1% Growth in 1H2025 Core DPU; Signalling Strategic Turnaround Driven by 4R Strategy

- *1H2025 Gross Revenue and NPI surged 23.2% and 30.1% respectively mainly due to full half-year contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 acquisitions and two completed AEIs*
- *1H2025 Core DPU[1] grew 8.1%; with Total DPU at 11.239 cents, an increase of 0.2% y-o-y, marking a reversal in performance trajectory*
- *Core DPU accounts for c.96% of Total DPU, with future growth to be further anchored by core underlying operations*
- *Robust portfolio of 70.0% New Economy assets with land lease of 43.5 years*
- *Positive 9.7% rental reversion driven by Logistics and High-Specs Industrial sectors with positive trend expected to continue, albeit at a slower rate; stable 91.2% occupancy*
- *Lower all-in-cost of debt at 3.47%, down from 3.84% as at 31 December 2024*
- *Gearing of 42.6%; with ongoing efforts to bring it down to below 40.0%*
- *No refinancing risk in FY2025, with 80.0% of borrowings on fixed interest rates*

Singapore, 29 July 2025 – ESR-REIT Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), is pleased to announce ESR-REIT distribution per Unit ("**Total DPU**") for the period from 1 January 2025 to 30 June 2025 ("**1H2025**") was 11.239 Singapore cents, of which Core DPU was 10.765 Singapore cents (which accounts for c.96% of Total DPU).

Commenting on ESR-REIT's 1H2025 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager said, "We are pleased to report a set of results for 1H2025 that reflects the strength and resilience of ESR-REIT's core underlying asset performance and operations. The turnaround in performance is a direct result of improvements across our existing portfolio, driven by disciplined execution and focused asset management. The uplift in gross revenue (+23.2%) and net property income (+30.1%) was underpinned by full-period contributions from our newly acquired assets, ESR Yatomi Kisosaki Distribution Centre in Japan and 20 Tuas South Avenue 14 in Singapore, and the successful completion of AEIs at key properties, including 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop. Even on a same-store basis[2], gross revenue and net property income increased 2.9% and 4.7% respectively. These enhancements in underlying asset performances have translated into a meaningful increase in DPU, with an 8.1% jump in Core DPU, which accounts for approximately 96% of our Total DPU, reinforcing the effectiveness of our operational strategy. Looking ahead, the future growth of Total DPU will continue to be anchored by the strength of our core underlying operations.

1 Core DPU excludes any capital or other gains top ups and are purely from underlying asset performances.
2 Same-store basis excludes the acquisitions of ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14 which were acquired in November 2024.

Since the launch of our "*4R Strategy*" in FY2022, we have consistently look to strengthen the fundamentals of our portfolio. The average land lease has extended from 37.4 years to 43.5 years, and the proportion of freehold or long-leasehold assets has increased from 54.2% to 70.9%. With 75%[3] of our assets located in Singapore, we remain focused on our core market, which continues to offer stability and long-term growth opportunities."

Summary of Financial Results:

	1H2025 (S$ million)	**1H2024 (S$ million)**	**(+/-) (%)**
Gross Revenue[(a)]	222.9	180.9	23.2
Net Property Income ("NPI")[(a)]	166.3	127.8	30.1
Amount available for distribution to Unitholders	90.1	86.3	4.5
Applicable number of units for calculation of DPU[(b)] (million)	802.1	768.5[(c)]	4.4
Core DPU (Singapore cents)	10.765	9.960[(c)]	8.1
Total DPU (Singapore cents)	11.239	11.220[(c)]	0.2

(a) Higher gross revenue and NPI were mainly due to: (i) the contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14, which were acquired on 15 November 2024 and 29 November 2024 respectively; and (ii) the contributions from 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their asset enhancement initiatives in 3Q2023 and 1Q2024 respectively.

(b) Higher applicable number of Units was mainly due to the preferential offering completed in 4Q2024 for the acquisitions of 20 Tuas South Avenue 14 and ESR Yatomi Kisosaki Distribution Centre, partially offset by the unit buy-backs completed in 1H2025.

(c) Adjusted for 10:1 unit consolidation that was completed on 5 May 2025 for a like-for-like comparison.

<u>Financial Performance</u>

In 1H2025, ESR-REIT reported Gross Revenue of S$222.9 million, a 23.2% increase from S$180.9 million in 1H2024, which was mainly attributed to contributions from ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14, which were acquired on 15 November 2024 and 29 November 2024 respectively. The increase in Gross Revenue was further supported by contributions from 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop which completed their asset enhancement initiatives in 3Q2023 and 1Q2024 respectively. Consequently, 1H2025 NPI recorded a 30.1% increase to S$166.3 million, from S$127.8 million recorded in 1H2024.

3 By AUM. By rental income, Singapore accounts for 83.7% of ESR-REIT's Total Rental Income as at 30 June 2025.

DPU Growth Reflects Strategic Turnaround Driven by Core Underlying Asset Performances

Amount available for distribution to Unitholders stood at S$90.1 million in 1H2025, representing an increase of 4.5% from S$86.3 million in 1H2024. The increase was driven by a 12.7% increase in core distributable income to S$86.3 million, supported by the higher NPI as explained above, and partially offset by the (i) higher borrowing and perpetual securities costs incurred mainly for the funding of the acquisitions, (ii) non-controlling interests attributable to the 49% holders of 20 Tuas South Avenue 14; and (iii) higher tax expenses.

1H2025 Total DPU stood at 11.239 Singapore cents, a 0.2% increase from 11.220[4] Singapore cents in 1H2024. The record date for the 1H2025 Total DPU of 11.239 Singapore cents is on 6 August 2025, with payment date estimated to be on 12 September 2025.

Notably, Core DPU, which accounts for approximately 96% of Total DPU, rose 8.1% year-on-year, reflecting the full-period contribution from the newly acquired assets, completed AEIs, organic growth, and partially offset by the additional funding drawn to support the acquisitions.

Additionally, the Total DPU increase took into account a 4.4% increase in the number of applicable units to 802.1 million, mainly due to the preferential offering completed in 4Q2024 for the acquisitions of 20 Tuas South Avenue 14 and ESR Yatomi Kisosaki Distribution Centre, partially offset by the unit buy-backs completed in 1H2025.

Resilient Operations Driven by Continued Demand for Logistics & High-Specs Industrial Sectors

In 1H2025, ESR-REIT delivered positive rental reversions of 9.7%, which was driven primarily by Logistics (+12.8%) and High-Specs Industrial (+9.1%) sectors. As at 30 June 2025, ESR-REIT's portfolio occupancy remained stable at 91.2%, supported by demand for quality spaces in the Logistics and High-Specs Industrial sectors. In 1H2025, a total of 173,915 square metres ("**sqm**") of space was successfully leased, comprising 138,722 sqm of lease renewals (79.8% of total leases) and 35,193 sqm of new leases (20.2% of total leases). ESR-REIT's weighted average lease expiry as at 30 June 2025 was 4.1 years. Rental collections remained healthy at approximately 98.1% of total receivables. ESR-REIT continues to see good demand from the Logistics and High-Specs Industrial sectors and expects a continuation of this positive trend, albeit at a slower rate due to increase supply and tariff uncertainties.

4 Adjusted for 10:1 unit consolidation that was completed on 5 May 2025 for a like-for-like comparison.

Asset Enhancement Initiatives and Redevelopment

In 1H2025, the Manager continues to progress its AEIs and Redevelopments as part of its portfolio ***Rejuvenation*** strategy to transform its portfolio towards future-ready, modern, in-demand and scalable assets.

On 18 July 2025, ESR-REIT successfully attained TOP status for the AEI at 16 Tai Seng Street, Singapore. Including the additional lettable area created post-AEI, the Property will achieve an occupancy rate of c.40%. The Manager is currently in advanced negotiations with both new and existing tenants, including anchor tenants from the pharmaceutical and food production sectors who are exploring expansion within the property. These leasing activities are expected to improve occupancy to c.47% by 3Q2025 and contribute positively to ESR-REIT's income performance in the near term.

In addition, the Manager has also commenced the AEI of 29 Tai Seng Street, Singapore, which involves the conversion of a single tenanted General Industrial building to a Green Mark Gold+ certified multi-tenanted High-Specs Industrial building, at a yield on cost of approximately 6.4%. The AEI at 29 Tai Seng Street is approximately 22% completed and is expected to be completed in 1H2026.

Divestments of Non-Core Assets

In 1H2025, as part of its continued efforts in its portfolio ***Rejuvenation*** strategy to divest non-core assets and ***Recycling*** the proceeds towards modern, in-demand assets, ESR-REIT completed the divestment of 1 Third Lok Yang Road and 4 Fourth Lok Yang Road, Singapore, for a sale consideration of S$6.8 million, which represented a 3.5% premium above valuation[5], as well as completed the divestment of 79 Tuas South Street 5, Singapore, for a sale consideration of S$9.9 million, which represented a 1.5% premium above valuation[6].

The Manager will continue to evaluate potential divestments of non-core assets to reduce the impact of land lease decay while balancing the needs of stable, growing distributions and having a future-ready asset portfolio.

5 Based on independent valuation of S$6.6 million conducted by Jones Lang LaSalle Property Consultants Pte Ltd as at 31 December 2024.

6 Based on independent valuation of S$9.7 million conducted by Jones Lang LaSalle Property Consultants Pte. Ltd. as at 31 December 2024.

Disciplined Capital Management Reduces Cost of Debt and Strengthens Financial Resilience

ESR-REIT's all-in cost of debt lowered to 3.47% as at 30 June 2025, down from 3.84% as at 31 December 2024, reflecting the Manager's proactive and prudent approach to capital management. This reduction is expected to continue, supported by early refinancing of FY2026 debt maturities without prepayment penalties and refinancing of interest rate hedges at lower rates.

As at 30 June 2025, ESR-REIT's gearing stood at 42.6%, with ongoing efforts to reduce it below 40%. The MAS interest coverage ratio remains healthy at 2.4x, well above the regulatory minimum of 1.5x, reflecting ESR-REIT's strong debt servicing capacity.

Interest rate exposure remains well-managed, with 80.0% of debt on fixed interest rates, providing stability against rate volatility. The debt expiry profile is well-distributed, with a weighted average debt expiry of 2.6 years. ESR-REIT also maintains a strong liquidity position, with S$792.5 million in debt headroom[7] and access to c.S$200.0 million in committed undrawn revolving credit facilities, supported by a network of 10 lending banks.

Looking Ahead

Mr. Adrian Chui added, "As we enter the second half of FY2025 and beyond, our strategic focus remains on driving core organic growth by enhancing asset performance, completing ongoing AEIs, and streamlining operations. These efforts are aimed at translating operational improvements into sustainable growth in NPI and DPU, reinforcing our commitment to long-term value creation for our Unitholders. In line with this focus, growth through acquisitions and new equity issuance will take a back seat as we concentrate on strengthening and optimising our core portfolio. We will continue to rationalise our asset portfolio with divestment of non-core assets and redeploying the proceeds to AEIs, Unit buy-backs and sustainability efforts.

We also remain mindful of the key risks shaping the global business landscape. Significant uncertainties persist in 2H2025, particularly due to inflation-inducing reciprocal tariffs from the U.S. and sector-specific tariffs targeting the semiconductor and pharmaceutical industries. These developments could have a pronounced impact on Singapore's export-reliant economy. Additionally, the Federal Reserve's cautious stance on rate cuts, as it assesses the full inflationary impact of tariffs, adds ambiguity to the interest rate and FX outlook. This has implications for financing costs and capitalisation rates, especially for non-Singapore assets although the proportion of non-Singapore assets accounts for only 16.3% of ESR-REIT's rental income."

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7 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.

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About ESR-REIT

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

As at 30 June 2025, ESR-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$5.9 billion. Its portfolio comprises 70 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (50 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.5 million sqm, as well as investments in three property funds in Australia. ESR-REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

ESR-REIT is managed by ESR-REIT Management (S) Limited (the “Manager”) and sponsored by ESR. The Manager is owned by ESR (99.0%) and Shanghai Summit Pte. Ltd. (1.0%), respectively.

For further information on ESR-REIT, please visit www.esr-reit.com.sg.

About the Sponsor, ESR

ESR is a leading Asia-Pacific real asset owner and manager focused on logistics real estate, data centres, and energy infrastructure that power the digital economy and supply chain for investors, customers, and communities. Through our fully integrated real asset fund management and development platform, we strive to create value and growth opportunities for our global portfolio of investors. We offer our customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities we serve to thrive for generations to come. Visit www.esr.com for more information.

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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-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.

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