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- 1Q2019 Financial Performance
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- Real Estate Highlights
- Industrial Market Outlook and Strategy
- Appendix
Key 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
1Q2019 at a Glance

**Proactive Asset Management**
- Healthy 92.0% occupancy, above JTC average of 89.3%\(^{(2)}\)
- Positive rental reversions at +1.6% (1Q2019) from -2.9% (4Q2018)
- c.44.1% of properties in Business Parks/High-Specs Sector

**Financial Performance**
- Achieved 1.007 cents DPU for 1Q2019, a +18.9% increase y-o-y
- Increasingly stable distributions achieved, demonstrating effective execution of strategy

**Prudent Capital Management**
- No refinancing requirements for 2019\(^{(3)}\)
- Portfolio remains 100% unencumbered
- Both WADE\(^{(4)}\) and WAFDE\(^{(5)}\) at 2.8 years
- 83.2% of interest rate exposure fixed for 2.8 years

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Notes:
1. Includes (i) valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest and (ii) the recognition of right-of-use of leasehold land of S$226.6 million on the Statement of Financial Position as a result of the adoption of FRS 116 Leases which became effective on 1 January 2019. (2) Based on JTC 4Q2018 Industrial Property Market Statistics. (3) Following the drawdown of the S$155.0 million unsecured loan facility with ANZ, CTBC and SCB on 15 April 2019; and the execution of a S$150.0 million committed revolving credit and term loan facility mandate letter with CIMB in March 2019. (4) Weighted Average Debt Expiry. (5) Weighted Average Fixed Debt Expiry.
Increasingly Stable Distributions Achieved

Increasingly stable distributions achieved, demonstrating effective execution of ESR-REIT’s strategy

Quarterly Distribution Per Unit (cents)

Note:
(1) Including 262.8 million new units issued on 28 March 2018.
Improving Portfolio Fundamentals

Improving Occupancy and Consistently Above JTC Average

Year-to-Date Rental Reversions

Top 10 Tenant Concentration Risk

Notes: (1) Based on JTC Quarterly Market Reports 1Q2018-4Q2018. (1) Based on 4Q2018 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.
Attractive Distribution Yield with Potential Upside

**Attractive Distribution Yield**

- **7.5%**
- Trading at a 15.4% premium to NAV

- **5.7%**

- **2.1%**

**Ann. 1Q2019 Distribution Yield**

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**FTSE ST REIT 12M Yield**

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**Singapore Govt 10Y Bond**

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**1**

**Operational Synergies and Economies of Scale via Integration of Enlarged Portfolio**

**2**

**Flexibility to Accelerate AEI to Optimize Value**

**3**

**Value-Enhancing Asset Acquisitions**

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**Notes:**

1. Based on closing price of S$0.54 as at 31 March 2019 and annualised 1Q2019 DPU of 1.007 cents.
2. Based on closing price as of 31 March 2019.
Improved Trading Liquidity and Research Coverage

Well-Covered by Research Brokers

<table>
<thead>
<tr>
<th>Broker</th>
<th>Rating</th>
<th>TP (S$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CGS CIMB</td>
<td>Add</td>
<td>S$0.62</td>
</tr>
<tr>
<td>Daiwa Capital Markets</td>
<td>Outperform</td>
<td>S$0.57</td>
</tr>
<tr>
<td>DBS</td>
<td>Buy</td>
<td>S$0.59</td>
</tr>
<tr>
<td>OCBC Investment Research</td>
<td>Hold</td>
<td>S$0.55</td>
</tr>
<tr>
<td>CLSA</td>
<td>Outperform</td>
<td>S$0.59</td>
</tr>
<tr>
<td>RHB</td>
<td>Buy</td>
<td>S$0.61</td>
</tr>
</tbody>
</table>

Notes:
(1) “TP” denotes target price.
1Q2019
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
## 1Q2019 vs 1Q2018 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>1Q2019 (S$ million)</th>
<th>1Q2018 (S$ million)</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue (1)(3)</strong></td>
<td>64.8</td>
<td>33.6</td>
<td>92.9</td>
</tr>
<tr>
<td><strong>Net Property Income (2)(3)</strong></td>
<td>48.6</td>
<td>23.8</td>
<td>104.2</td>
</tr>
<tr>
<td><strong>Amount Available for Distribution to Unitholders (4)</strong></td>
<td>29.9</td>
<td>13.4</td>
<td>123.1</td>
</tr>
<tr>
<td><strong>Distribution from Other Gains (5)</strong></td>
<td>2.1</td>
<td>-</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Total Amount Available for Distribution to Unitholders</strong></td>
<td>32.0</td>
<td>13.4</td>
<td>138.8</td>
</tr>
<tr>
<td><strong>Distribution Per Unit (“DPU”) (cents)</strong></td>
<td>1.007</td>
<td>0.847(6)</td>
<td>18.9</td>
</tr>
</tbody>
</table>

**Notes:**
1. Includes straight line rent adjustment of S$0.3 million (1Q2018: S$0.4 million).
2. Higher Net Property Income ("NPI") mainly due to the contributions from the acquisition of 15 Greenwich Drive, Viva Trust’s portfolio of 9 properties after the Merger in Oct 2018 and the leasing up of 30 Marsiling Industrial Estate Road 8 and 3 Pioneer Sector 3 and rental escalations in the existing property portfolio.
3. Includes Non-controlling Interest ("NCI") of 20% in 7000 AMK LLP.
4. Includes management fees partially payable in units for 1Q2019 comprising S$1.3 million and S$0.8 million for Manager’s fees and the Property Manager’s fees respectively. All management fees for 1Q2018 were paid in cash.
5. Comprises S$0.3 million payout from ex-gratia payments received from SLA in connection to the compulsory acquisitions of land in prior years and S$1.8 million of capital gains from the disposal of investment properties in prior years.
6. The 1Q2018 DPU was lower due to dilution from the Preferential Offering of new units issued in 1Q2018. If 1Q2018 DPU was computed based on the weighted average number of units in issue during 1Q2018, the adjusted 1Q2018 DPU would be 1.008 cents which is 0.1% higher than the 1Q2019 DPU.
### Financial Position

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Mar 2019 (S$ million)</th>
<th>As at 31 Dec 2018 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Properties (1)</td>
<td>3,025.3</td>
<td>3,021.9</td>
</tr>
<tr>
<td>Right-of-use of Leasehold Land (FRS 116)</td>
<td>226.6</td>
<td>-</td>
</tr>
<tr>
<td>Other Assets</td>
<td>24.4</td>
<td>28.8</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>3,276.3</strong></td>
<td><strong>3,050.7</strong></td>
</tr>
<tr>
<td>Total Borrowings (net of loan transaction costs)</td>
<td>1,269.6</td>
<td>1,268.2</td>
</tr>
<tr>
<td>Lease Liabilities for Leasehold Land (FRS 116)</td>
<td>226.6</td>
<td>-</td>
</tr>
<tr>
<td>Non-Controlling Interest</td>
<td>61.1</td>
<td>61.1</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>82.4</td>
<td>90.6</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1,639.7</strong></td>
<td><strong>1,419.9</strong></td>
</tr>
<tr>
<td><strong>Net Assets Attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Perpetual Securities Holders</td>
<td>152.8</td>
<td>151.1</td>
</tr>
<tr>
<td>- Unitholders</td>
<td>1,483.8</td>
<td>1,479.7</td>
</tr>
<tr>
<td>No. of Units Issued/Issuable (million)</td>
<td>3,173.8</td>
<td>3,170.2</td>
</tr>
<tr>
<td><strong>NAV Per Unit (cents)</strong></td>
<td><strong>46.8</strong></td>
<td><strong>46.7</strong></td>
</tr>
</tbody>
</table>

**Note:**
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.
## Distribution Details

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Period (1Q2019)</td>
<td>1 January 2019 – 31 March 2019</td>
</tr>
<tr>
<td>Distribution Rate</td>
<td>1.007 cents per unit comprising:</td>
</tr>
<tr>
<td></td>
<td>Taxable income – 0.942 cents per unit</td>
</tr>
<tr>
<td></td>
<td>Other gains – 0.065 cents per unit</td>
</tr>
<tr>
<td>Distribution Reinvestment Plan (“DRP”)</td>
<td>DRP switched on with 2% discount</td>
</tr>
</tbody>
</table>

## Distribution Timetable

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Trading Day on a “Cum Distribution” Basis</td>
<td>2 May 2019</td>
</tr>
<tr>
<td>Distribution Ex-Date</td>
<td>3 May 2019</td>
</tr>
<tr>
<td>Books Closure Date</td>
<td>6 May 2019</td>
</tr>
<tr>
<td>Fixing of Issue Price for DRP Units</td>
<td>7 May 2019</td>
</tr>
<tr>
<td>Distribution Payment Date</td>
<td>10 June 2019</td>
</tr>
<tr>
<td>Listing of the DRP Units</td>
<td>10 June 2019</td>
</tr>
</tbody>
</table>
Prudent Capital Management
# Key Capital Management Indicators

- **WADE and WAFDE** aligned at 2.8 years
- **83.2%** of interest rate exposure is fixed for 2.8 years

<table>
<thead>
<tr>
<th>Metric</th>
<th>As at 31 Mar 2019</th>
<th>As at 31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Debt (S$ million)</td>
<td>1,279.6</td>
<td>1,277.6</td>
</tr>
<tr>
<td>Debt to Total Assets (%)</td>
<td>42.0(1)</td>
<td>41.9</td>
</tr>
<tr>
<td>Weighted Average All-in Cost of Debt (%) p.a.</td>
<td>3.99</td>
<td>3.81</td>
</tr>
<tr>
<td>Weighted Average Debt Expiry (“WADE”) (years)</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>Interest Coverage Ratio (times)</td>
<td>3.7</td>
<td>3.8</td>
</tr>
<tr>
<td>Interest Rate Exposure Fixed (%)</td>
<td>83.2</td>
<td>83.4</td>
</tr>
<tr>
<td>Weighted Average Fixed Debt Expiry (“WAFDE”) (years)</td>
<td>2.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Proportion of Unencumbered Investment Properties (%)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Gearing Headroom (S$ million)</td>
<td>168.7</td>
<td>173.2</td>
</tr>
<tr>
<td>Undrawn Available Committed Facilities (S$ million)</td>
<td>15.0</td>
<td>82.4</td>
</tr>
</tbody>
</table>

**Note:**
(1) Excluding the effects of FRS 116.

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### Breakdown of Debt (as at 31 Mar 2019)

- **Total Debt of S$1,279.6m**
- **Unsecured Term Loans** (68.8%)
- **Unsecured RCF Loans** (14.8%)
- **MTNs** (16.4%)

### Interest Rate Exposure Fixed (%)

- **83.2%** of interest rate exposure fixed for 2.8 years

- **Fixed Interest Rate** (83.2%)
- **Floating Interest Rate** (16.8%)
Well-Staggered Debt Maturity Profile

- No refinancing requirements for 2019 following:
  (a) Drawdown of the S$155.0 million unsecured loan facility with ANZ, CTBC and SCB on 15 April 2019; and
  (b) Execution of a S$150.0 million committed revolving credit and term loan facility mandate letter with CIMB in March 2019

- No more than 27.0% of debt expiring in each year (as at 31 March 2019)
- WADE\(^{(3)}\) as at 31 Mar 2019 was 2.8 years; with est. WADE post completion of refinancing at 3.3 years

Debt Maturity Profile (as at 31 Mar 2019)

Notes: (1) Refinanced with the new S$155.0 million unsecured term loan facility announced on 5 March 2019 comprising a S$75.0m 3-year tranche and a S$80.0m 4-year tranche, which was fully drawn on 15 April 2019. (2) On 29 March 2019, a mandate letter for a committed revolving credit and term loan facility of up to S$150.0 million was signed with CIMB Bank Berhad, Singapore Branch. (3) 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 57 assets totalling S$3.02bn, 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 31 Mar 2019)

Well-diversified portfolio across sub-sectors

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Park</td>
<td>28.9%</td>
</tr>
<tr>
<td>High-Specs Industrial</td>
<td>15.2%</td>
</tr>
<tr>
<td>Logistics / Warehouse</td>
<td>19.7%</td>
</tr>
<tr>
<td>General Industrial</td>
<td>36.2%</td>
</tr>
</tbody>
</table>

STB and MTB by Rental Income (as at 31 Mar 2019)

<table>
<thead>
<tr>
<th>Tenancy Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multi-Tenanted</td>
<td>31.0%</td>
</tr>
<tr>
<td>Single-Tenanted</td>
<td>69.0%</td>
</tr>
</tbody>
</table>

Portfolio Occupancy\(^{(1)}\) (as at 31 Mar 2019)

Occupancy at 92.0%, above JTC average of 89.3%

Year-to-Date Rental Reversions

<table>
<thead>
<tr>
<th>Year</th>
<th>Reversion</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2018</td>
<td>-2.9%</td>
</tr>
<tr>
<td>1Q2019 YTD</td>
<td>1.6%</td>
</tr>
</tbody>
</table>

Note:
(1) Excludes properties that are held for divestment.
(2) Based on 4Q2018 data from JTC.
Proactive Lease Management

- Well-staggered WALE of 3.7 years
- Renewed and leased 397,585 sqft of space in 1Q2019
  - Total lease expiry concentration for the MTBs reduced from 20.0% to 16.0%
- Tenant retention rate of 53.8% (1)
- Positive rental reversion of 1.6% for 1Q2019 YTD.
- Entered into new lease with DBS at UE BizHub EAST for c.42,600 sqft

### WALE by Rental Income (as at 31 Mar 2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>Multi-Tenanted</th>
<th>Single-Tenanted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>16.0%</td>
<td>0.6%</td>
</tr>
<tr>
<td>2020</td>
<td>13.8%</td>
<td>5.2%</td>
</tr>
<tr>
<td>2021</td>
<td>11.8%</td>
<td>3.8%</td>
</tr>
<tr>
<td>2022</td>
<td>9.9%</td>
<td>1.1%</td>
</tr>
<tr>
<td>2023</td>
<td>9.5%</td>
<td>2.7%</td>
</tr>
<tr>
<td>2024+</td>
<td>8.0%</td>
<td>17.6%</td>
</tr>
</tbody>
</table>

No more than 19.0% of leases is expiring in any given year over the next 3 years

(1) Mainly from the non-renewal of Cisco System (USA) Pte. Ltd. at UE Bizhub EAST.
In Sub-Sectors with Favourable Demand/Supply Dynamics

- c.44.1% of properties in Business Parks/High-Specs Sector with favourable demand/supply dynamics
- Provides additional flexibility to conduct AEIs on ESR-REIT’s identified assets
  - Ensure industrial spaces are “future-ready” to meet the demands of the “industrialists-of-tomorrow”

### Average Industrial Rents (S$/ sqft / month)$^{(1)}$

<table>
<thead>
<tr>
<th>Year</th>
<th>Business Park Median</th>
<th>Business Park Upper</th>
<th>High-Specs Median</th>
<th>High-Specs Upper</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$3.80</td>
<td>$4.13</td>
<td>$1.23</td>
<td>$1.57</td>
</tr>
<tr>
<td>2014</td>
<td>$3.50</td>
<td>$3.93</td>
<td>$1.20</td>
<td>$1.57</td>
</tr>
<tr>
<td>2015</td>
<td>$3.20</td>
<td>$3.70</td>
<td>$1.15</td>
<td>$1.53</td>
</tr>
<tr>
<td>2016</td>
<td>$3.00</td>
<td>$3.50</td>
<td>$1.10</td>
<td>$1.50</td>
</tr>
<tr>
<td>2017</td>
<td>$2.80</td>
<td>$3.20</td>
<td>$1.05</td>
<td>$1.45</td>
</tr>
<tr>
<td>2018</td>
<td>$2.60</td>
<td>$3.00</td>
<td>$1.00</td>
<td>$1.40</td>
</tr>
<tr>
<td>2019</td>
<td>$2.40</td>
<td>$2.80</td>
<td>$0.95</td>
<td>$1.35</td>
</tr>
</tbody>
</table>

### Asset Class Breakdown by Rental Income

- **Business Park / High-Specs** c.44.1%
- **Logistics / Warehouse** c.20%
- **General Industrial** c.36.2%

**Average Market Rents**
- Business Park / High-Specs
  - S$3.15 – S$4.13 psf pm
- Logistics / Warehouse
  - S$1.20 – S$1.58 psf pm
- General Industrial
  - S$1.23 – S$1.57 psf pm

Notes: (1) Based on 4Q2018 data from CBRE and 4Q2018 data from 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.
Portfolio Strategically located in line with URA Draft Master Plan 2019

- Based on recently released URA 2019 draft master plan, ESR-REIT portfolio is located in key industrial zones
- Our assets are well positioned to capture the vibrancy in the Woodlands and Changi urban transformation projects
  - **Woodlands Region:** *Woodlands Regional Centre is poised to be the largest economic hub in Singapore’s North region*
  - **Changi Region:** *A vibrant Live-Work-Play-Learn ecosystem around the airport with Changi Aviation Park, Changi City and Jewel Changi Airport*

Note: Source: URA
### Completed AEI On Time and within Cost Estimates

<table>
<thead>
<tr>
<th>Address</th>
<th>30 Marsiling Industrial Estate Road 8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Description</strong></td>
<td>Conversion of asset from General Industrial to High-Specs Industrial</td>
</tr>
<tr>
<td><strong>Occupancy</strong></td>
<td>100% occupied over the next five years</td>
</tr>
<tr>
<td><strong>Tenants</strong></td>
<td>2 quality tenants(^{(1)}) from high-value added manufacturing sectors</td>
</tr>
<tr>
<td><strong>Valuation</strong></td>
<td>Estimated S$36.6m</td>
</tr>
<tr>
<td><strong>Project Cost</strong></td>
<td>Est. S$12.0m</td>
</tr>
<tr>
<td><strong>Project Completion</strong></td>
<td>1Q2019</td>
</tr>
</tbody>
</table>

Note: (1) Aptiv is a global technology company that develops safer, greener and more connected solutions, which enable the future of mobility. FormFactor, Inc. is a Nasdaq-listed company and is a leading provider of essential test and measurement technologies along the full Integrated Circuit life cycle - from characterization, modelling, reliability, and design de-bug, to qualification and production test.
Reduced Tenant Concentration Risks

Top 10 Tenants Account for 30.7% of rental income (as at 31 Mar 2019)

Top 10 Tenants by Rental Income (as at 31 Mar 2019)

Notes:
(1) Formerly known as Heptagon Micro Optics Pte Ltd.
(2) Tenant cannot be named due to confidentiality obligations.
Strategic Location of 8 Tuas South Lane

- Strategically located at the gateway to Tuas mega port
  - Tuas mega port is expected to be the largest container terminal in the world when completed in 2030, Phase 1 will commence operations in early 2020
  - Well placed to capture upcoming vibrancy when Tuas mega port commences operation
- Remaining land lease of c.35 years in an area where land is only allocated to end users
- Based on URA’s draft Master Plan 2019, the West is primed to remain as Singapore’s largest manufacturing hub

Notes: PSF data denotes purchase consideration per square foot, as disclosed.
Status Update on 8 Tuas South Lane

- Hyflux Membrane Manufacturing (S) Pte Ltd has made rental payments up till March 2019
- Primarily used for the membrane manufacturing business
- Hyflux Membrane accounts for 3.7% of the monthly rental income for March 2019
- ESR-REIT holds three-month security deposit amounting to S$2.1m in the form of a bank guarantee

### Illustrative Pro Forma Impact Analysis

**FOR ILLUSTRATIVE PURPOSES ONLY**

<table>
<thead>
<tr>
<th></th>
<th>1Q2019</th>
<th>Annualised 1Q2019</th>
<th>Pro Forma Annualised 1Q2019 (1)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributable Income</td>
<td>31,962</td>
<td>127,848</td>
<td>121,565</td>
<td>(4.9%)</td>
</tr>
<tr>
<td>(S$'000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DPU (cents)</td>
<td>1.007</td>
<td>4.028</td>
<td>3.830</td>
<td>(4.9%)</td>
</tr>
</tbody>
</table>

Above Impact Analysis assumes that:
- Hyflux Membrane is unable to fulfil its rental obligations; and
- There is **no** leasing out of any space in the property for the rest of the year

1) ESR-REIT has commenced leasing out the unoccupied space to other prospective tenants; recently leased out c.19,000 sqft of space
2) Potential to re-develop part or all of the property due to its strategic location to the future Tuas Mega Port

Notes: (1) Assuming Hyflux Membrane was unable to fulfil its rental obligations under the Lease Agreements since 1 January 2019 and consequently, ESR-REIT had fully utilized the security deposits obtained under the Lease Agreements which are equivalent to three (3) months of rental, thus resulting in loss of nine (9) months of rental income from Hyflux Membrane in FY2019 notwithstanding that ESR-REIT has already received the rental from Hyflux Membrane for 1Q2019.
Industrial Market Outlook and Strategy

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
Singapore economy grew by 1.9% Y-o-Y in the fourth quarter of 2018 and 3.2% in 2018\(^{(1)}\)

- Economic growth in 2019 is expected to moderate to between 1.5% to 3.5% as compared to 2018
- Uncertainties from ongoing trade wars and Brexit, sharper than expected interest hikes and geopolitical tensions could lead to slowdown in global and Singapore economies and a pullback of investment and consumption growth

**Signs point to increasingly stable industrial market**

- Occupancy rate of overall industrial property market for 4Q2018\(^{(2)}\) increased to 89.3%, a 0.2% increase from the previous quarter and a 0.4% increase from the previous year
- Industrial rents remain relatively stable; JTC’s rental index remained the same as compared to last quarter and a 0.3% reduction from the previous year

**Remain cautiously optimistic despite tapering future supply over the next few years due to ongoing global trade tensions and risk-averse behaviour amongst industrialists on the demand side**

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**Notes:**

(1) Based on Economic Survey of Singapore 2018 released on 15 Feb 2019 by MTI.
(2) Based on 4Q2018 data from JTC.
3 areas targeted to deliver stable and value-added returns to Unitholders on the back of an increasingly stabilised supply environment; adding on to already resilient ESR-REIT portfolio.

UNITHOLDERS ENJOY SUSTAINABLE RETURNS

Value-Enhancing Asset Acquisitions

- Continue to pursue sensible acquisitions (eg individual assets, portfolio acquisitions and/or M&A) which are value-adding to REIT

Flexibility to Optimize Assets Through AEIs

- Almost all non-core assets divested
- Up to 7 properties identified for AEI over next 3 years
- c.1m sqft of unutilised plot ratio identified

Operational Synergies and Economies of Scale via Integration of Enlarged Portfolio

- Wider product suite for tenants and leasing
- Reduced property expenses
- Reduced cost of funding
Unlocking Further Asset Value Through AEIs to Rejuvenate Assets to Become “Future-Ready”

Potential for AEI in the “General Industrial” Sub-sector
(As at 31 Mar 2019)

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Park</td>
<td>28.9%</td>
</tr>
<tr>
<td>Logistics / Warehouse</td>
<td>15.2%</td>
</tr>
<tr>
<td>High-Specs Industrial</td>
<td>36.2%</td>
</tr>
<tr>
<td>General Industrial</td>
<td>19.7%</td>
</tr>
</tbody>
</table>

AEI Opportunities within Portfolio
Up to 7 ESR-REIT assets identified for AEIs over the next 3 years
– Includes c.1 million(1) sqft of unutilized plot ratio

A) Unlocking Value in Unutilized Plot Ratio
- 7000 Ang Mo Kio Avenue 5
c.495,000 sqft untapped GFA
  (High-Specs Industrial)
- 3 Tuas South Avenue 4
c.500,000 sqft untapped GFA
  (General Industrial)

B) Rejuvenation of Assets
- 16 Tai Seng Avenue(2)
  (High-Specs Industrial)
- UE BizHub EAST
  (Business Park)

Post non-core divestment, rejuvenation and potential acquisitions, the proportion of General Industrial sub-sector is expected to decrease to <30%

Upgrading and improvement of building specifications
Change of building use to align with current market trends
Redevelopment & amalgamation of adjacent sites to enjoy economies of scale

Case Study:
30 Marsiling Industrial Estate Road 8
Conversion from General Industrial to High-Specs

- Upgrading of the asset from General Industrial to High-Specs industrial
- 100% occupied over the next 5 years
- 2 quality tenants from high-value added manufacturing sectors
- AEI completed on time (9 months) and within cost estimates

Notes:
(1) With reference to untapped GFA at 7000 Ang Mo Kio Avenue 5 and 3 Tuas South Avenue 4.
(2) Artist impression may differ from the actual view of the completed property.
ESR Group⁽¹⁾: Strong Developer Sponsor

- The largest APAC focused logistics real estate platform by GFA and by value of the assets owned directly and by the funds and investment vehicles ESR manages, and have the largest development pipeline in aggregate across the major APAC markets
- Backed by some of the world's preeminent investors including Warburg Pincus, APG, SK Holdings, JD.com, CLSA, Goldman Sachs, CPPIB, Ping An and Allianz Real Estate

ESR Group’s Regional Presence

- GFA of approx 11m sqm completed and under development
- AUM of more than US$14bn

China
ESR has established a leading market position in the PRC, with one of the largest logistics property portfolios in Greater Shanghai, Greater Beijing and Greater Guangzhou.

South Korea
ESR builds, operates and invests in modern logistics facilities in Greater Seoul and Busan markets. It is the largest owner of logistics stocks and has the largest development pipeline in the Seoul Metropolitan Area.

Japan
ESR is a top institutional operator in Japan with the largest development pipeline in the Greater Tokyo and Greater Osaka regions. It is also a leading landlord for 3PL providers.

India
With an initial focus on Tier 1 cities, ESR launched its India platform to capitalise on the growing demand for larger industrial facilities in modern logistics parks.

Singapore
- Invested in ESR-REIT, an early industrial S-REIT player with c.14.1m sqft of GFA across key industrial zones
- c.9% stake in ESR-REIT; c.67% stake in ESR-REIT Manager and 100% stake in its Property Manager

Australia
ESR Australia was officially launched in 2018. ESR’s Australian business includes Commercial & Industrial Property, a property development group, and Propertylink, which owns and manages a portfolio of Australian industrial, business park and office properties.

Notes: Information above as of 30 September 2018.
⁽¹⁾ ESR Cayman Limited and its subsidiaries.
Committed to Supporting ESR-REIT’s Growth

- ESR-REIT has “first look” on more than US$14bn of ESR Group’s portfolio of assets in an increasingly asset scarce environment for quality logistics assets
- REIT’s overseas exposure will be in countries where ESR has a footprint and established “on the ground” expertise

ESR Group’s Demonstration of Support for ESR-REIT

- Payment of S$62.0m for the VI-REIT Manager to facilitate the Merger with Viva Industrial Trust
- Financial commitment to grow ESR-REIT via S$125.0m backstop in March 2018 Preferential Offering

Selected properties from ESR’s regional portfolio

China | South Korea | Japan

Notes: Information above as of 30 September 2018.
Conclusion

1. Portfolio Post Merger is Diversified; Reducing Concentration Risks
   - More diversified and stable portfolio with Total Assets increasing by 96%; REIT is now amongst the Top 5 Industrial S-REITs
   - Reduced portfolio concentration risks given diversification of segments and tenants
   - Improved trading liquidity and coverage

2. Focus on Organic Growth to Unlock Further Asset Value Through AEIs
   - Rejuvenation of our portfolio assets to remain “future-ready” amidst an increasingly stable industrial market supply environment
   - Up to 7 ESR-REIT assets identified for AEIs over the next 3 years, including c.1 million sqft of unutilized plot ratio

3. Prudent Capital Management with No Refinancing Needs for 2019
   - Reduced risks to our capital structure by improving WADE(1), WAFDE(2), and having a higher proportion of interest rate exposure fixed
   - No refinancing requirements for 2019(3)

4. REIT Growth Has Been Supported By Developer Sponsor ESR
   - ESR demonstrated financial support by committing to undertake up to S$125.0m in March 2018 Preferential Offering and payment of S$62.0m for VI-REIT Manager
   - Continued support in terms of financial commitment, asset pipeline and access to their tenant base & partner networks

Notes:
(1) Weighted Average Debt Expiry. (2) Weighted Average Fixed Debt Expiry. (3) Following the drawdown of the S$155.0 million unsecured loan facility with ANZ, CTBC and SCB on 15 April 2019; and the execution of a S$150.0 million committed revolving credit and term loan facility mandate letter with CIMB in March 2019.
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

- **Portfolio Occupancy**: 92%
  - Above JTC Average of 89.3% (1)

- **Asset Valuation**: S$3.02 billion (2)
  - 44%

- **Total assets**: S$3.3 billion (2)

- **Diversified portfolio of**: 57 properties across Singapore

- **Total GFA of approximately**: 14.1 million sqft

- **336 tenants**
  - From different trade sectors

- **Located close to major transportation hubs and key industrial zones**

Notes: (1) Based on 4Q2018 data from JTC. (2) As at 31 March 2019.
# Key Portfolio Statistics

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Mar 2019</th>
<th>As at 31 Dec 2018</th>
<th>As at 31 Mar 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Properties</td>
<td>57</td>
<td>57</td>
<td>47</td>
</tr>
<tr>
<td>Valuation (S$ million)^(1)</td>
<td>3,021.9</td>
<td>3,021.9</td>
<td>1,652.2</td>
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<tr>
<td>GFA (million sqft)</td>
<td>14.1</td>
<td>14.1</td>
<td>9.7</td>
</tr>
<tr>
<td>NLA (million sqft)</td>
<td>12.6</td>
<td>12.6</td>
<td>8.9</td>
</tr>
<tr>
<td>Weighted Average Lease Expiry (“WALE”) (years)</td>
<td>3.7</td>
<td>3.8</td>
<td>4.4</td>
</tr>
<tr>
<td>Weighted Average Land Lease Expiry (years)^(2)</td>
<td>33.0</td>
<td>33.2</td>
<td>33.5</td>
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<tr>
<td>Occupancy (%)</td>
<td>92.0</td>
<td>93.0</td>
<td>90.7</td>
</tr>
<tr>
<td>Number of Tenants</td>
<td>336</td>
<td>339</td>
<td>193</td>
</tr>
<tr>
<td>Security Deposit (months)</td>
<td>6.3</td>
<td>6.3</td>
<td>7.0</td>
</tr>
</tbody>
</table>

Notes:

(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.

(2) Weighted by valuation
Diversified Tenant Base and Trade Sectors

No individual trade sector accounts for more than 25.2% of ESR-REIT’s Rental Income

Breakdown by Trade Sectors (by Rental Income) (as at 31 Mar 2019)
ESR-REIT’s Competitive Strengths

- Largest APAC focused logistics real estate platform with more than US$14 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 Initiatives 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

Notes: (1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest. (2) Mainly from the non-renewal of Cisco System (USA) Pte. Ltd. at UE BizHub EAST. (3) Following the drawdown of the S$155.0 million unsecured loan facility with ANZ, CTBC and SCB on 15 April 2019; and the execution of a S$150.0 million committed revolving credit and term loan facility mandate letter with CIMB in March 2019.
Our Long-Term Strategy

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

- **有机增长** (Organic Growth)
  - AEIs to unlock value and attract high-valued tenants
  - Pro-active asset management to optimise investor returns
  - Divest non-core assets and redeploy to higher value-adding properties
  - Enhance tenant base by leveraging Sponsor networks

- **资产与开发增长** (Acquisition and Development Growth)
  - Yield-accretive, scalable, value-enhancing acquisition opportunities in Singapore
  - Potential pipeline of assets from ESR
  - Exploring opportunities to participate in development projects, either individually or in JV with ESR

- **资本管理** (Capital Management)
  - 100% unencumbered
  - Well-staggered debt maturity profile
  - Diversify funding sources into alternative pools of capital
  - Broaden and strengthen banking relationships

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Our Long-Term Strategy

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

This material shall be read in conjunction with ESR-REIT’s results announcements for the financial period ended 31 March 2019.

Important Notice

The value of units in ESR-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 Funds Management (S) Limited ("Manager"). RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-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-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance returns is historical and cannot be relied on as an indicator of future performance.

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