EXECUTING OUR STRATEGIES

STRENGTHENING OUR PORTFOLIO

REVITALISING OUR ASSETS

INTEGRATING STRENGTHS ACHIEVING GROWTH

10th ANNUAL GENERAL MEETING

24 APRIL 2019
Contents

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B  FY2018 Financial Performance
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Key Developments in FY2018

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
Transformational Corporate Developments in FY2018

**Acquisition and Development Growth**

1. **Diversified Portfolio by Increasing Total Assets by 82%**
   - AUM at S$3.1 billion – The REIT is now amongst the Top 5 Industrial S-REITS
   - Enables economies of scale

2. **Reduced Concentration Risks and Improved Portfolio Fundamentals**
   - More diversified and stable portfolio
   - Reduced risks given diversified segments and tenants

**Capital Management**

4. **Reduced Capital Structure Risks**
   - Improved WADE, WAFDE, with a higher proportion of fixed interest rate exposure
   - Our increased banking relationships resulting in higher proportion of bank loans increase at favourable terms
   - No refinancing requirements for 2019(1)

5. **Improved Trading Liquidity and Research Coverage**

**Organic Growth and Portfolio Management**

3. **Completed Asset Enhancement Initiatives On Time and Within Cost Estimates**
   - Kickstarted the rejuvenation of our portfolio assets to remain “future-ready”
   - An increasingly stable industrial market supply environment

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Note: (1) 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.
Diversified Portfolio by Increasing Total Assets by 82%

Grew REIT’s total assets by 82% to S$3.1bn⁽¹⁾

<table>
<thead>
<tr>
<th>(S$ billion)</th>
<th>As at 31 Dec 2017</th>
<th>As at 31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>S$1.7bn</td>
<td>S$3.1bn</td>
<td>S$1.3bn</td>
</tr>
</tbody>
</table>

Total S$1.4bn of yield accretive acquisitions:

1. **15 Greenwich Drive**
   Modern ramp-up logistics facility located in Tampines LogisPark

2. **Merger with Viva Industrial Trust**
   (“VIT Merger”)
   First REIT merger via Scheme of Arrangement

To Become Amongst the Top 5 Industrial S-REITs⁽¹⁾

<table>
<thead>
<tr>
<th>Developer-backed S-REITs</th>
<th>(S$ billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A-REIT</td>
<td>1.1</td>
</tr>
<tr>
<td>MLT</td>
<td>7.9</td>
</tr>
<tr>
<td>MIT</td>
<td>4.3</td>
</tr>
<tr>
<td>ESR REIT</td>
<td>3.1</td>
</tr>
<tr>
<td>FLT</td>
<td>3.0⁽²⁾</td>
</tr>
<tr>
<td>ECWREIT</td>
<td>1.5</td>
</tr>
<tr>
<td>AA-REIT</td>
<td>1.5</td>
</tr>
<tr>
<td>CLT</td>
<td>1.3</td>
</tr>
<tr>
<td>Soilbuild</td>
<td>1.2</td>
</tr>
<tr>
<td>Sabana</td>
<td>1.0</td>
</tr>
</tbody>
</table>

Notes: (1) As at 31 December 2018. (2) Assumes exchange rate of AUD:SGD of 1.000:0.961 as at 31 December 2018.
Reduced Concentration Risks and Improved Portfolio Fundamentals

Improving Occupancy and Consistently Above JTC Average

<table>
<thead>
<tr>
<th></th>
<th>Pre Merger</th>
<th>Post Merger</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESR-REIT</td>
<td>90.7%</td>
<td>91.4%</td>
</tr>
<tr>
<td>JTC Average (1)</td>
<td>89.0%</td>
<td>88.7%</td>
</tr>
</tbody>
</table>

1Q2018 2Q2018 3Q2018 4Q2018

Improving Rental Reversions

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>-15.8%</td>
<td>-15.8%</td>
<td></td>
</tr>
</tbody>
</table>

Reduced Top 10 Tenant Concentration Risk

Top 10 Tenants now account for 30.1% of rental income as at 31 Dec 2018

As at 31 Dec 2017 As at 31 Dec 2018

- Business Park
- High-Specs Industrial
- Logistics / Warehouse
- General Industrial

Pre Merger

<table>
<thead>
<tr>
<th></th>
<th>Pre Merger</th>
<th>Post Merger</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 Dec 2017</td>
<td>38.7%</td>
<td>30.1%</td>
</tr>
</tbody>
</table>

Reduced portfolio concentration risks given diversification of segments and tenants
### 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>Description</td>
<td>Conversion of asset from General Industrial to High-Specs Industrial</td>
</tr>
<tr>
<td>Occupancy</td>
<td>100% occupied over the next five years</td>
</tr>
<tr>
<td>Tenants</td>
<td>2 quality tenants(^1) from high-value added manufacturing sectors</td>
</tr>
<tr>
<td><strong>Estimated</strong></td>
<td><strong>Actual</strong></td>
</tr>
<tr>
<td>Valuation</td>
<td>S$36.6m</td>
</tr>
<tr>
<td>Project Cost</td>
<td>Est. S$12.0m</td>
</tr>
<tr>
<td>Project Completion</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.

Kickstarted the rejuvenation of our portfolio assets to remain “future-ready” amidst an increasingly stable industrial market supply environment
Reduced Capital Structure Risks

Lengthened WADE\(^{(1)}\) and WAFDE\(^{(2)}\) Tenor

<table>
<thead>
<tr>
<th></th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>WADE (years)</td>
<td>2.4</td>
<td>2.7</td>
</tr>
<tr>
<td>WAFDE (years)</td>
<td>1.9</td>
<td>3.0</td>
</tr>
</tbody>
</table>

Increased Fixed Interest Rate Exposure (%)

83.4% of interest rates are fixed for 3.0 years

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2017</th>
<th>As at 31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Interest Rate</td>
<td>30.8%</td>
<td>69.2%</td>
</tr>
<tr>
<td>Floating Interest Rate</td>
<td>69.2%</td>
<td>30.8%</td>
</tr>
</tbody>
</table>

Breakdown of Debt (%)

Increased banking relationships saw proportion of bank loans increase at favourable terms

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2017</th>
<th>As at 31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured Term Loans</td>
<td>54.3%</td>
<td>45.7%</td>
</tr>
<tr>
<td>Unsecured RCF Loans</td>
<td>45.7%</td>
<td>54.3%</td>
</tr>
<tr>
<td>MTNs</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Reduced risks to our capital structure by improving WADE, WAFDE with a higher proportion of fixed interest rate exposure; Increased banking relationships resulting in higher proportion of bank loans increase at favourable terms.

Notes:
(1) Weighted Average Debt Expiry. (2) Weighted Average Fixed Debt Expiry.
Successful Capital Raisings

We have successfully tapped into new pools of capital during the year and broadened our banking relationships.

- **Mar 2018**
  - S$141.9m Preferential Offering

- **Oct 2018**
  - S$700m Unsecured Loan Facility for merger with Viva Industrial Trust

- **Oct 2018**
  - S$100m Unsecured Loan Facility for acquisition of 15 Greenwich Drive

- **Mar 2019**
  - S$150m Unsecured Loan Facility for refinancing (1)

- **Mar 2019**
  - S$155m Unsecured Loan Facility for refinancing

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Notes:
1. A mandate letter for this refinancing was provided by CIMB Bank, documentation is currently underway and the Manager will make the necessary announcements at the appropriate time.
2. 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.

ESR-REIT has no refinancing requirements for 2019.

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We have successfully tapped into new pools of capital during the year and broadened our banking relationships.
5 Improved Trading Liquidity and Research Coverage

**Improved Trading Liquidity**

<table>
<thead>
<tr>
<th>Share Price (S$)</th>
<th>Pre Merger</th>
<th>Post Merger</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.60</td>
<td>1 Jul – 15 Oct 18</td>
<td>16 Oct – 31 Dec 18</td>
</tr>
<tr>
<td>$0.55</td>
<td></td>
<td>1 Jan – 31 Mar 19</td>
</tr>
<tr>
<td>$0.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.45</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.40</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average Daily Volume Traded:
- Pre Merger: 1.51 million
- Post Merger: 2.47 million

Average Daily Volume Traded:
- Pre Merger: 3.59 million
- Post Merger: +138.4%

**Attractive Distribution Yield**

- FY2018 Distribution Yield: 7.6%
- FTSE ST REIT 12M Yield: 5.1%
- Singapore Govt 10Y Bond: 2.0%
- c.560 bps spread

...and trading at a 9.2% premium to NAV

**Well-Covered by Research Brokers**

- **CGS Cimb**: “Add” TP($): S$0.62
- **Daiwa Capital Markets**: “Outperform” TP($): S$0.57
- **DBS**: “Buy” TP($): S$0.59
- **OCBC Investment Research**: “Hold” TP($): S$0.55
- **CLSA**: “Outperform” TP($): S$0.59
- **RHB**: “Buy” TP($): S$0.61

Notes:
1. Based on closing price of S$0.51 on 31 December 2018 and FY2018 DPU of 3.857 cents.
2. “TP” denotes target price.
ESR-REIT Portfolio has been Integrated Post Merger

Financial and Real Estate Systems have been Integrated

People and Bench Strength Improved

Self-Management of Property Management Services Implemented

Better Operating Platform

More Synergies for Extraction

Improved Customer Service
FY2018 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
FY2018 at a Glance

**DPU (Cents)**
3.857

**Gross Revenue**
S$156.9m

**Net Property Income**
S$112.0m

**Total Assets**
S$3.1bn

**NAV Per Unit (Cents)**
46.7

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**Proactive Asset Management**
- Healthy 93.0% occupancy, above JTC average of 89.3%(2)
- Top 10 tenant concentration(3) reduced
- Improving rental reversions; from -15.8% (FY2017) to -2.9% (FY2018)

**Prudent Capital Management**
- Portfolio remains 100% unencumbered
- Lengthened WADE(4) and WAFDE(5) to 2.7 years and 3.0 years
- 83.4% of interest rate exposure fixed for 3.0 years

**Financial Performance**
- Achieved 3.857 cents DPU for FY2018, a +0.1% increase y-o-y
- Achieved 1.005 cents DPU for 4Q2018, a +8.2% increase y-o-y
- 4Q2018 was first set of financial results post merger

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Notes:
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest. (2) Based on JTC 4Q2018 Industrial Property Market Statistics. (3) Top 10 Tenants by Rental Income. (4) Weighted Average Debt Expiry. (5) Weighted Average Fixed Debt Expiry.
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.
## FY2018 Financial Results

- Gross Revenue and NPI were 43.0% and 42.8% higher respectively due to:
  1. Full year contributions from the two acquisitions of 8 Tuas South Lane and 7000 Ang Mo Kio Avenue 5 completed in December 2017
  2. Additional contributions from the newly acquired 15 Greenwich Drive and the 9 properties from Viva Trust’s portfolio from the merger

- Higher DPU attributed to higher net income from portfolio and divestment gains from properties divested in prior years, offset by a larger unit base

<table>
<thead>
<tr>
<th></th>
<th>FY2018 (S$ million)</th>
<th>FY2017 (S$ million)</th>
<th>+/-(-) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>156.9</td>
<td>109.7</td>
<td>43.0</td>
</tr>
<tr>
<td>Net Property Income</td>
<td>112.0</td>
<td>78.4</td>
<td>42.8</td>
</tr>
<tr>
<td>Distribution Per Unit (“DPU”) (cents) for FY2018</td>
<td>3.857</td>
<td>3.853</td>
<td>0.1</td>
</tr>
</tbody>
</table>

Notes:
(1) Includes straight line rent adjustment of S$1.1 million (FY2017: S$0.8 million).
(2) Higher NPI mainly due to full-year contributions from two acquisitions (8 TS and 7000 AMK) completed in December 2017 and the acquisition of 15 GW and the portfolio of Viva Trust in Oct 2018, partially offset by non-renewal of leases at 12 AMK, 31 KT, 31 Tuas, 54SRN, 3C TGRE, 1&2 Changi, lease conversion of 16 Tai Seng (2Q2018), 21B Senoko Loop (1Q2018) and 3 PS3 (3Q2017), 4 property divestments (87 Defu, 23 WT, 55 Ubi and 9 BB) since FY2017 and 30 Marsiling on AEI.
(3) Includes Non-Controlling Interest (“NCI”) of 20% in 7000 AMK LLP in FY2018.
## Financial Position Summary

<table>
<thead>
<tr>
<th>Main changes to the Financial Position:</th>
<th>31 Dec 2018 (S$ million)</th>
<th>31 Dec 2017 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Investment Properties up by 80.3% due to property acquisitions and VIT Merger</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2) Borrowings increased by 90.1% to S$1,277.6 million in 2018 to fund new acquisitions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3) Preferential Offer raised S$141.9 million with 262.8 million units issued in March 2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4) Reduction in NAV per unit due to issuance of new units in relation to VIT Merger and Preferential Offer</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 2018 (S$ million)</th>
<th>31 Dec 2017 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Assets</td>
<td>3,050.7</td>
<td>1,695.8</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,419.9</td>
<td>765.8</td>
</tr>
<tr>
<td>Net Assets Attributable to:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Perpetual Securities Holders</td>
<td>151.1</td>
<td>151.1</td>
</tr>
<tr>
<td>- Unitholders</td>
<td>1,479.7</td>
<td>778.9</td>
</tr>
<tr>
<td>No. of Units Issued (million)</td>
<td>3,170.2</td>
<td>1,313.6</td>
</tr>
<tr>
<td>NAV Per Unit (cents)</td>
<td>46.7</td>
<td>59.3</td>
</tr>
</tbody>
</table>
### Prudent Capital and Risk Management

- **Portfolio remains 100% unencumbered**
- **83.4% of interest rate exposure fixed amidst rising interest rate environment**
- **WAFDE increased from 1.9 years to 3.0 years; aligned with WADE at 2.7 years**

<table>
<thead>
<tr>
<th>Metric</th>
<th>As at 31 Dec 2018</th>
<th>As at 31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Debt (S$ million)</td>
<td>1,277.6</td>
<td>672.0</td>
</tr>
<tr>
<td>Debt to Total Assets (%)</td>
<td>41.9</td>
<td>39.6</td>
</tr>
<tr>
<td>Weighted Average All-in Cost of Debt (%) p.a.</td>
<td>3.81</td>
<td>3.55</td>
</tr>
<tr>
<td>Weighted Average Debt Expiry (“WADE”) (years)</td>
<td>2.7</td>
<td>2.4</td>
</tr>
<tr>
<td>Interest Coverage Ratio (times)</td>
<td>4.0</td>
<td>3.5</td>
</tr>
<tr>
<td>Interest Rate Exposure Fixed (%)</td>
<td>83.4</td>
<td>69.2</td>
</tr>
<tr>
<td>Weighted Average Fixed Debt Expiry (“WAFDE”) (years)</td>
<td>3.0</td>
<td>1.9</td>
</tr>
<tr>
<td>Proportion of Unencumbered Investment Properties (%)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Undrawn Available Committed Facilities (S$ million)</td>
<td>82.4</td>
<td>43.0</td>
</tr>
</tbody>
</table>

- **Increase due to VIT Merger and acquisition of 15 Greenwich Drive**
- **Increase due to interest rate swaps entered into to hedge interest rate exposure**
- **Higher % of debt on fixed rate basis**
- **WAFDE has been extended**
- **Portfolio remains 100% unencumbered**
Well-Staggered Debt Maturity Profile

- No more than 27.0% or S$350m of debt expiring in each year
- WADE\(^{(1)}\) as at 31 Dec 2018 was 2.7 years
- No refinancing requirements for 2019 (as at 31 March 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\(^{(3)}\)

Debt Maturity Profile (as at 31 Dec 2018)

Notes: (1) Weighted Average Debt Expiry. (2) 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. (3) 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.
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
Real Estate Portfolio Highlights

Portfolio Occupancy
93%
Above JTC Average of 89.3% (1)

339 tenants
From different trade sectors

Asset Valuation
S$3.02 billion (2)

Weighted Average Lease Expiry of 3.8 years

Total assets S$3.1 billion (2)

Diversified portfolio of properties across 57 Singapore
Total GFA of approximately 14.1 million sqft

Located close to major transportation hubs and key industrial zones

Business Park
Hi-Specs Industrial
Logistics / Warehouse
General Industrial

Notes: (1) Based on 4Q2018 data from JTC. (2) As at 31 December 2018.
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.

- Tuas Mega Port
- Jurong / Tuas
- Ang Mo Kio / Serangoon North
- Tai Seng / Ubi
- Alexandra / Bukit Merah
- Changi Business Park
- Woodlands/Kranji/Yishun
- 7000 Ang Mo Kio Avenue 5
- 3 Tuas South Ave 4
- 30 Marsiling Industrial Estate Road 8
- 15 Greenwich Drive
- UE BizHub EAST

Major Industrial Cluster
- Business Park
- High Specs Industrial
- Logistics / Warehouse
- General Industrial

Unutilised plot ratio available
- Major Highways
- MRT Lines

Obtained TOP in Jan 2019
Diversified Portfolio with High Occupancy

- Completed acquisition of Viva Industrial Trust and 15 Greenwich Drive
- Portfolio occupancy of 93.0%
- ESR-REIT has embarked on a STB to MTB conversion since 2012
  - Current mix of MTB (69.5%) and STB (30.5%) positions the portfolio to ensure the flexibility to capture potential rental upside in an increasingly stabilised supply environment

Portfolio Occupancy

- Occupancy maintained at c.93.0%, above JTC average of 89.3%\(^{(1)}\)

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

- Well-staggered WALE of 3.8 years compared to 4.3 years as at 31 Dec 2017
- Secured new leases and lease renewals for c.1.7 million sqft in FY2018
- Tenant retention rate of 56.6%
- Rental reversion of -2.9% for FY2018, improved from -15.8% for FY2017

WALE by Rental Income (as at 31 Dec 2017)

- No more than 21.2% of leases is expiring in any given year over the next 3 years

WALE by Rental Income (as at 31 Dec 2018)
Portfolio Strategically located in line with URA Draft Master Plan 2019

- Based on recently released URA 2019 draft master plan, ESR-REIT’s 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
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 3.5% of the monthly rental income for December 2018
- ESR-REIT holds three-month security deposit amounting to S$2.1m in the form of a bank guarantee

Illustrative Pro Forma Impact Analysis

<table>
<thead>
<tr>
<th></th>
<th>4Q2018</th>
<th>Annualised 4Q2018</th>
<th>Pro Forma Annualised 4Q2018 (1)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distributable Income</td>
<td>29,288</td>
<td>117,152</td>
<td>110,869</td>
<td>(5.4%)</td>
</tr>
<tr>
<td>(S$'000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DPU (cents)</td>
<td>1.005</td>
<td>4.020</td>
<td>3.804</td>
<td>(5.4%)</td>
</tr>
</tbody>
</table>

Above 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

Note: (1) Assuming Hyflux Membrane was unable to fulfil its rental obligations under the Lease Agreements in FY2018 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 FY2018.
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

Note: PSF data denotes purchase consideration per square foot, as disclosed.
Looking Ahead

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

We remain cautiously optimistic despite tapering future new 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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Note: Source: MTI, JTC

\(^{(1)}\) Based on Economic Survey of Singapore 2018 released on 15 February 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>Sub-sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Park</td>
<td>28.9%</td>
</tr>
<tr>
<td>Logistics / Warehouse</td>
<td>19.7%</td>
</tr>
<tr>
<td>High-Specs Industrial</td>
<td>36.2%</td>
</tr>
<tr>
<td>General Industrial</td>
<td>15.2%</td>
</tr>
</tbody>
</table>

Potential for AEI

Some of the 37 assets within the General Industrial sub-sector are non-core, slightly aged, and not as relevant to the “industrialists of tomorrow”

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

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 (General 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)

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.
Conclusion

1. **Portfolio Post Merger is Diversified; Reducing Concentration Risks**
   - More diversified and stable portfolio with Total Assets increasing by 82%; 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 over the next 2 years
   - 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\(^{(2)}\) with 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 and 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.
Executing our strategies

Strengthening our portfolio

Revitalising our assets
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
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

- **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 Sep 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$62m for the VI-REIT Manager to facilitate the Merger with Viva Industrial Trust
- Financial commitment to grow ESR-REIT via S$125m backstop in March 2018 Preferential Offering

Selected properties from ESR’s regional portfolio

- China
- South Korea
- Japan

Note: Information above as of 30 September 2018.
Important Notice

This material shall be read in conjunction with ESR-REIT’s results announcements for the financial year ended 31 December 2018.

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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This material 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 (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future ESR-REIT 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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