



FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022

The Directors of ESR-LOGOS Funds Management (S) Limited (“E-LOG FM”), as manager of ESR-LOGOS REIT (the “Manager”), are pleased to announce the unaudited financial results of ESR-LOGOS REIT and its subsidiaries (the “Group”) for the half year (“2H2022”) and full year ended 31 December 2022 (“FY2022”).

ESR-LOGOS REIT (the “Trust”) is a Singapore-domiciled unit trust constituted pursuant to the trust deed dated 31 March 2006 (as amended) entered into between E-LOG FM as the Manager and Perpetual (Asia) Limited as the trustee (the “Trustee”), and is governed by the laws of the Republic of Singapore (“Trust Deed”). On 31 March 2006, ESR-LOGOS REIT was declared as an authorised unit trust scheme under the Trustees Act, Chapter 337. The Trustee is under a duty to take into custody and hold the assets of the Group in trust for the holders (“Unitholders”) of units in the Trust (“Units”).

On 25 July 2006, ESR-LOGOS REIT was admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”). On 3 April 2006, ESR-LOGOS REIT was included under the Central Provident Fund Investment Scheme.

The principal activity of ESR-LOGOS REIT is to invest in a diversified portfolio of industrial properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth.

ESR-LOGOS REIT’s distribution policy is to distribute at least 90% of its annual distributable income comprising income from letting of its properties after deduction of allowable expenses. The actual level of distribution will be determined at the Manager’s discretion.

In January 2022 and March 2022, ESR-LOGOS REIT completed the divestment of 28 Senoko Drive and 45 Changi South Avenue 2 respectively for an aggregate sale consideration of S\$23.1 million.

On 22 April 2022, ESR-LOGOS REIT completed the merger with ARA LOGOS Logistics Trust (“ALOG”), now known as ALOG Trust, by way of a trust scheme of arrangement (the “Merger”). Under the terms of the Merger, ESR-LOGOS REIT acquired all the units of ALOG held by the unitholders of ALOG for a scheme consideration of S\$0.970 per ALOG unit. The scheme consideration was satisfied by the payment of a 10% cash consideration of S\$0.097 per ALOG unit and the issuance of 1.7729 new ESR-LOGOS REIT Units (at an issue price of S\$0.4924 per Unit) for every ALOG unit held by the unitholders of ALOG.

On 9 June 2022, ESR-LOGOS REIT issued S\$150 million in aggregate principal amount of 5.50% subordinated perpetual securities comprised in Series 008 (the “Series 008 PS”). The Series 008 PS were issued pursuant to the S\$750,000,000 Multicurrency Debt Issuance Programme.

In July 2022 and November 2022, ESR-LOGOS REIT completed the divestment of 3 Sanitarium Drive (through an indirect wholly-owned entity, Berkeley Trust) and 2 Jalan Kilang Barat respectively for an aggregate sale consideration of S\$88.7 million.

On 31 October 2022, ESR-LOGOS REIT completed the acquisition of ESR Sakura Distribution Centre in Japan, through its wholly-owned Japan tokutei mokuteki kaisha, ESR-LOGOS REIT TMK 1, an entity that was acquired by the Group on 5 August 2022. As part of its maiden acquisition in Japan, ESR-LOGOS REIT also established ESR-LOGOS REIT ISH1 and ESR-LOGOS REIT GK1.

As at 31 December 2022, the Group holds interest in a diversified portfolio of 82 properties (excluding 48 Pandan Road, which is held through a joint venture) located across Singapore, Australia and Japan with a diversified tenant base of approximately 450 tenants across the following sub sectors: business park, high-specs industrial, logistics and general industrial.

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Summary of the Group's Results

	FY2022	FY2021	Fav/(Unfav)
	S\$'000	S\$'000	%
Gross revenue	343,232	241,286	42.3
Net property income	244,243	173,261	41.0
Amount available for distribution	177,097	114,393	54.8
- Taxable income	147,561	113,568	29.9
- Tax exempt income	12,049	183	n.m.
- Capital distribution	17,487	642	n.m.
Distributable amount available per unit (cents)	3.000	2.987	0.4
- Taxable income	2.518	2.967	(15.1)
- Tax exempt income	0.219	0.004	n.m.
- Capital distribution	0.263	0.016	n.m.

Breakdown of distributable amount available per unit

	2022	2021	Fav/(Unfav)
	cents	cents	%
For the half year ended 30 June	1.460	1.554	(6.0)
For the half year ended 31 December	1.540	1.433	7.5
For the year ended 31 December	3.000	2.987	0.4

Distribution details for 2H2022

Distribution period	1 July 2022 to 31 December 2022
Distribution rate	1.540 cents per unit comprising:
	(a) taxable income 1.287 cents per unit
	(b) tax-exempt income 0.085 cents per unit
	(c) capital distribution 0.168 cents per unit
Record date	7 February 2023
Payment date	29 March 2023

The Manager has determined that the distribution reinvestment plan ("DRP") **will apply** to the distribution for the period from 1 July 2022 to 31 December 2022. The issue price of the DRP units will be based on the market price less a discount of 2% to be announced by the Manager on 8 February 2023.

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1(a) Statement of Total Return, together with comparative statement for the corresponding period of the immediately preceding financial year

	Note	Group					
		2H2022 S\$'000	2H2021 S\$'000	Fav/(Unfav) %	FY2022 S\$'000	FY2021 S\$'000	Fav/(Unfav) %
Gross revenue	7	195,564	121,446	61.0	343,232	241,286	42.3
Property expenses	8	(54,083)	(35,152)	(53.9)	(98,989)	(68,025)	(45.5)
Net property income		141,481	86,294	64.0	244,243	173,261	41.0
Income from investments at fair value through profit or loss		5,901	1,536	284.2	11,129	1,536	n.m.
Management fees	9	(12,100)	(7,632)	(58.5)	(21,201)	(14,840)	(42.9)
Trust expenses	10	(2,220)	(1,406)	(57.9)	(5,172)	(2,772)	(86.6)
Borrowing costs, net	11	(37,066)	(22,183)	(67.1)	(62,247)	(43,869)	(41.9)
Finance costs on lease liabilities for leasehold land		(15,035)	(6,008)	(150.2)	(23,743)	(11,825)	(100.8)
Net income		80,961	50,601	60.0	143,009	101,491	40.9
Loss on disposal of investment properties		-	-	-	(46)	-	n.m.
Foreign exchange (loss)/gain		(641)	3,124	n.m.	(2,256)	3,125	n.m.
Change in fair value of investments at fair value through profit or loss	4	(6,934)	11,672	n.m.	8,360	9,312	(10.2)
Change in fair value of financial derivatives		3,181	11,026	(71.2)	27,570	24,925	10.6
Change in fair value of investment properties	3	(49,649)	(37,900)	(31.0)	(22,465)	(40,381)	44.4
Fair value adjustments relating to the Merger		36,799	-	n.m.	(427,055)	-	n.m.
Change in fair value of right-of-use of leasehold land	3	3,841	831	362.2	5,593	1,588	252.2
Share of results of joint venture		2,217	4,479	(50.5)	5,343	7,701	(30.6)
Total return/(loss) for the period before income tax		69,775	43,833	59.2	(261,947)	107,761	n.m.
Income tax		2,372	(2,214)	n.m.	(9,492)	(2,162)	(339.0)
Total return/(loss) for the period after income tax		72,147	41,619	73.4	(271,439)	105,599	n.m.
Attributable to:							
Unitholders of the Trust and perpetual securities holders		67,850	39,505	71.8	(278,261)	101,521	n.m.
Non-controlling interest - perpetual securities holders		2,772	-	n.m.	3,827	-	n.m.
Non-controlling interest - others		1,525	2,114	(27.9)	2,995	4,078	(26.6)
Total return/(loss) for the period		72,147	41,619	73.4	(271,439)	105,599	n.m.
Earnings per Unit (cents)							
Basic and diluted		0.891	0.907	(1.8)	(4.972)	2.481	n.m.
Distribution per Unit (cents)		1.540	1.433	7.5	3.000	2.987	0.4
Distribution Statement							
Total return/(loss) after income tax, before distribution for the period		67,850	39,505	71.8	(278,261)	101,521	n.m.
Distribution adjustments (Note A)		26,766	20,763	28.9	437,871	18,947	n.m.
Net income available for distribution for the period		94,616	60,268	57.0	159,610	120,468	32.5
Amount reserved for distribution to perpetual securities holders		(8,153)	(3,478)	(134.4)	(12,049)	(6,900)	(74.6)
Net income available for distribution for the period		86,463	56,790	52.3	147,561	113,568	29.9
Total amount available for distribution comprising:							
- Taxable income		86,463	56,790	52.3	147,561	113,568	29.9
- Tax-exempt income		5,701	183	n.m.	12,049	183	n.m.
- Capital distribution		11,328	642	n.m.	17,487	642	n.m.
Amount available for distribution to Unitholders for the period		103,492	57,615	79.6	177,097	114,393	54.8

n.m. – not meaningful

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Note A - Distribution adjustments

	Group					
	2H2022 S\$'000	2H2021 S\$'000	Fav/(Unfav) %	FY2022 S\$'000	FY2021 S\$'000	Fav/(Unfav) %
Non-tax deductible/(chargeable) items and other adjustments:						
Management fees paid/payable in Units	6,576	3,123	110.6	10,837	6,033	79.6
Property Manager's fees paid/payable in Units	1,704	1,457	17.0	3,257	2,872	13.4
Trustee's fees	586	327	79.2	1,028	595	72.8
Financing related costs, including amortisation of debt related costs	6,262	4,007	56.3	11,091	7,261	52.7
Realised foreign exchange loss/(gain)	252	-	n.m.	(1,779)	-	n.m.
Unrealised foreign exchange loss/(gain)	264	(3,133)	n.m.	4,163	(3,134)	n.m.
Change in fair value of investments at fair value through profit or loss	6,934	(11,672)	n.m.	(8,360)	(9,312)	10.2
Fair value adjustments relating to the Merger	(36,799)	-	n.m.	427,055	-	n.m.
Change in fair value of investment properties	49,649	37,900	31.0	22,465	40,381	(44.4)
Change in fair value of financial derivatives	(3,181)	(11,026)	71.2	(27,570)	(24,925)	(10.6)
Legal and professional fees	(1,035)	95	n.m.	(867)	95	n.m.
Adjustment for straight line rent and lease incentives	(904)	(752)	(20.2)	(1,976)	(1,140)	(73.3)
Miscellaneous expenses	1,462	245	496.7	2,291	850	169.5
Share of results of joint venture	(2,217)	(4,479)	50.5	(5,343)	(7,701)	30.6
Distributable income from joint venture	2,260	3,448	(34.5)	5,236	5,937	(11.8)
Withholding tax paid for capital gains	-	209	(100.0)	-	209	(100.0)
Deferred tax expense	(6,578)	1,867	n.m.	5,069	1,867	171.5
Non-controlling interest share of non-tax deductible items	(776)	572	n.m.	(643)	572	n.m.
Interest income from subsidiary that was capitalised	169	-	n.m.	227	-	n.m.
Loss on disposal of investment properties	-	-	-	46	-	n.m.
Rollover adjustment from prior years	-	(169)	n.m.	(2,224)	(171)	n.m.
Tax interest adjustment	262	210	24.8	262	210	24.8
Net tax adjustments for income from subsidiaries and investments at fair value through profit or loss	1,876	(1,466)	n.m.	(6,394)	(1,552)	(312.0)
Net effect of distribution adjustments	26,766	20,763	28.9	437,871	18,947	n.m.

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Financial Review of the Statement of Total Return

Gross revenue

The Group recorded gross revenue of S\$343.2 million in FY2022, 42.3% higher than FY2021 mainly attributed to contributions from the Merger which was completed on 22 April 2022.

Net property income

Net property income increased by 41.0% to S\$244.2 million in FY2022, mainly attributed to contributions from the Merger which was completed on 22 April 2022, partially offset by higher electricity rates arising from a surge in global energy prices and higher electricity demand.

Income from investments at fair value through profit or loss

Income from investments at fair value through profit or loss comprises distribution income from the Group's interests in 3 Australian property funds that are classified as investments at fair value through profit or loss.

Please refer to Note 4 of the *Notes to the Financial Statements Announcement* for more details on the Group's investments at fair value through profit or loss.

Trust expenses

Trust expenses comprised statutory expenses, professional fees, compliance costs, listing fees and other non-property related expenses. Increase in trust expenses in FY2022 were mainly due to the enlarged group after the Merger in April 2022.

Borrowing costs, net

Borrowing costs comprised interest expenses on loans and interest rate swaps, as well as the amortisation of debt related transaction costs, net of interest income. Borrowing costs were 41.9% higher in FY2022 mainly due to increase in borrowings and higher base rates.

Please refer to Note 5 of the *Notes to the Financial Statements Announcement* for more details on borrowings.

Lease liabilities and right-of-use of leasehold land

Following the adoption of FRS 116 *Leases*, lease payments made for land rent are reflected as finance cost on lease liabilities for leasehold land and fair value change of the right-of-use of leasehold land on the Statement of Total Return and as payments for lease liabilities under financing cash flows on the Statement of Cash Flows.

The amount of finance costs on lease liabilities for leasehold land net of the change in fair value of right-of-use of leasehold land for FY2022 increased to S\$18.2 million (FY2021: S\$10.2 million) mainly due to the enlarged portfolio post-Merger where some of ALOG Trust's properties in Singapore and Australia are leasehold properties.

Change in fair value of investments at fair value through profit or loss

The change in fair value of investments at fair value through profit or loss relates to the fair value changes in the Group's interests in 3 Australian property funds that are classified as investments at fair value through profit or loss. The fair value gain was mainly due to the increase in the fair values of the investment properties held by the property funds. Such fair value changes are recognised on the Statement of Total Return but are not taxable and therefore, have no impact on distributable income.

Please refer to Note 4 of the *Notes to the Financial Statements Announcement* for more details on the Group's investments at fair value through profit or loss.

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Change in fair value of financial derivatives

The change in fair value of financial derivatives represented the change in fair values of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the floating rate borrowings of the Group; and (b) forward foreign currency exchange contracts entered into to hedge against foreign currency movements on net income denominated in Australian dollars ("A\$") from its investments in Australia. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Change in fair value of investment properties

The change in fair value of investment properties of approximately S\$22.5 million in FY2022 comprised fair value loss of S\$24.3 million based on the valuations of the investment properties as at 31 December 2022 and credit adjustments for straight-line rent and marketing commission for FY2022 of S\$1.8 million. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Fair value adjustment relating to Merger

Fair value adjustment relating to the Merger of S\$427.1 million represents the write-off of acquisition-related costs and premium over the fair value of net assets of ALOG upon completion of the Merger on 22 April 2022. Such fair value changes are recognised on the Statement of Total Return but are not taxable / tax deductible and therefore, have no impact on distributable income.

Share of results of joint venture

Share of results of joint venture relates to the Group's 49.0% share of the net income of PTC Logistics Hub LLP, which owns 48 Pandan Road.

Income tax

Income tax consists of corporate income tax, deferred tax and withholding tax. The increase in income tax was mainly attributable to higher withholding tax in relation to the income received from Australia, and deferred tax expense mainly due to the fair value uplift of the Group's Australia investment properties and investments in the Australia property funds. The deferred tax expense is not tax deductible and therefore, has no impact on distributable income.

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1(b) Statements of Financial Position, together with comparatives as at the end of the immediately preceding financial year

	Note	Group		Trust	
		31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 S\$'000	31-12-21 S\$'000
Assets					
Non-current assets					
Investment properties	3	5,103,400	3,146,010	1,570,449	1,585,914
Investments in subsidiaries		-	-	2,104,974	761,591
Investment in joint venture		41,233	40,714	41,233	40,714
Investments at fair value through profit or loss	4	342,665	66,542	77,320	66,542
Loans to subsidiaries		-	-	648,863	636,800
Derivative financial instruments		19,617	-	10,488	-
		5,506,915	3,253,266	4,453,327	3,091,561
Current assets					
Trade and other receivables		40,683	23,085	132,982	33,421
Derivative financial instruments		4,386	-	4,316	-
Cash and cash equivalents		45,579	24,150	9,539	14,164
		90,648	47,235	146,837	47,585
Investment properties held for divestment	3	56,595	29,264	8,141	29,264
		147,243	76,499	154,978	76,849
Total assets		5,654,158	3,329,765	4,608,305	3,168,410
Liabilities					
Current liabilities					
Trade and other payables		91,560	64,308	46,709	39,245
Lease liabilities for leasehold land		16,180	2,717	2,895	2,717
Interest-bearing borrowings	5	229,257	209,439	229,257	209,439
Derivative financial instruments		-	3,707	-	3,707
Amount due to non-controlling interest		63,316	62,036	-	-
		400,313	342,207	278,861	255,108
Liabilities directly attributable to investment properties held for divestment	6	6,328	6,373	1,076	6,373
		406,641	348,580	279,937	261,481
Non-current liabilities					
Trade and other payables		20,530	20,283	5,537	9,467
Lease liabilities for leasehold land		521,440	218,593	155,154	155,097
Interest-bearing borrowings	5	1,846,799	981,413	1,410,479	981,413
Derivative financial instruments		1,907	9,946	1,907	9,946
Deferred tax liabilities		7,754	1,867	4,208	1,867
		2,398,430	1,232,102	1,577,285	1,157,790
Total liabilities		2,805,071	1,580,682	1,857,222	1,419,271
Net assets		2,849,087	1,749,083	2,751,083	1,749,139
Represented by:					
Unitholders' funds		2,444,653	1,597,968	2,448,955	1,598,024
Perpetual securities holders' funds		302,128	151,115	302,128	151,115
Non-controlling interest - perpetual securities		102,306	-	-	-
		2,849,087	1,749,083	2,751,083	1,749,139
Units in issue ('000)		6,719,188	4,030,257	6,719,188	4,030,257
Net asset value per Unit (cents)		36.4	39.6	36.4	39.7

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Financial Review of the Statement of Financial Position

Investment properties

As at 31 December 2022, the total carrying value of investment properties was S\$5.2 billion based on independent external valuation. The increase of S\$2.0 billion from 31 December 2021 was mainly due to the inclusion of ALOG Trust's portfolio of 30 properties after the Merger, the acquisition of ESR Sakura Distribution Centre in Japan, as well as capital expenditure and asset enhancement costs incurred for certain properties. This was partially offset by the divestment of 3 Sanitarium Drive, located at New South Wales, Australia and 2 Jalan Kilang Barat, Singapore and the reclassification of two properties as investment properties held for divestment as further elaborated below.

Lease liabilities and right-of-use of leasehold land

The Group is required to pay land rent, whether annually or on an upfront land premium basis, for properties in its portfolio. Following the adoption of FRS 116 *Leases*, the Group recognised right-of-use assets and lease liabilities for these land leases previously classified as operating leases. The right-of-use assets were recognised based on the amount equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application or the lease commencement date.

Investment in joint venture

Investment in joint venture relates to ESR-LOGOS REIT's 49.0% share of the net assets of PTC Logistics Hub LLP, which owns 48 Pandan Road. The Group applies the equity method to account for its interest in the joint venture.

Investments at fair value through profit or loss

Investments at fair value through profit or loss relates to ESR-LOGOS REIT's investments in 3 Australian property funds, namely a 10.0% interest in EALP, a 49.5% interest in NEW LAIVS Trust and a 40.0% interest in Oxford Property Fund.

Investment properties held for divestment

Investment properties held for divestment as at 31 December 2022 comprise 2 properties, namely 49 Pandan Road and 70 Seletar Aerospace View, for which agreements have been entered into on 29 July 2022 and 19 December 2022, respectively to divest them for approximately S\$50.6 million. The amount as at 31 December 2021 relates to 45 Changi South Avenue 2 and 28 Senoko Drive, both of which have since been divested in 1Q2022.

Trade and other receivables

Trade and other receivables increased by S\$17.6 million mainly due to the inclusion of ALOG Trust's trade and other receivables and the Japan Consumption Tax receivable in relation to the acquisition of ESR Sakura Distribution Centre in Japan.

Trade and other payables

Trade and other payables increased by S\$27.5 million mainly due to the inclusion of the liabilities of ALOG Trust, including items such as accrued operating expenses, security deposit and advance rental received from the tenants of the properties held under ALOG Trust.

Amount due to non-controlling interest

The amount due to non-controlling interest represents 20.0% interest in 7000 AMK LLP that is not owned by the Group.

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Derivative financial instruments

Derivative financial instruments represent the fair value of (a) interest rate swaps entered into to hedge against interest rate fluctuations on the Group's floating rate borrowings; and (b) forward foreign currency exchange contracts entered into to hedge against foreign currency movements on net income denominated in Australian dollars from its investments in Australia. The aggregate notional amounts of interest rate swaps and forward foreign currency exchange contracts as at 31 December 2022 were S\$955.0 million (31 December 2021: S\$1,165.0 million) and A\$18.0 million (31 December 2021: Nil) respectively.

Aggregate leverage and interest coverage ratios

	Note	Group	
		31-12-22	31-12-21
Aggregate leverage ratio	(1)	41.8%	40.0%
Interest coverage ratio	(2)	3.5x	3.5x
Adjusted Interest coverage ratio	(3)	2.8x	3.1x

- (1) The aggregate leverage ratio includes ESR-LOGOS 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) The interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases* and the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense (excluding the effects arising from the adoption of FRS 116 *Leases*) and borrowing-related fees (including amortisation of debt-related transaction costs).
- (3) The adjusted interest coverage ratio is calculated by dividing the trailing 12 months earnings before interest, tax, depreciation and amortisation (excluding the effects arising from the adoption of FRS 116 *Leases* and the effects of any fair value changes in financial instruments and investment properties, and foreign exchange translation), by the trailing 12 months interest expense (excluding the effects arising from the adoption of FRS 116 *Leases*), borrowing-related fees (including amortisation of debt-related transaction costs) and distributions on perpetual securities.

For details of the Group's interest-bearing borrowings, please refer to Note 5 of the *Notes to the Financial Statements Announcement*.

Liabilities directly attributable to investment properties held for divestment

Liabilities directly attributable to investment properties held for divestment are mainly the lease liabilities for the leasehold land of the properties.

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Perpetual securities

ESR-LOGOS REIT has issued S\$150.0 million of subordinated perpetual securities (“Perps”) under Series 006 (“Series 006 PS”) and S\$150.0 million of Series 008 PS under its S\$750 million Multicurrency Debt Issuance Programme.

Series 006 PS confer a right to receive distribution at a rate of 4.60% per annum, with the first distribution rate reset falling on 3 November 2022 and subsequent resets occurring every 5 years thereafter. The distribution rate applicable to Series 006 PS in respect of the period from (and including) the first reset date (being 3 November 2022) to (but excluding) the next reset date (being a date falling 5 calendar years after the first reset date) was reset at 6.632% per annum. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 006 PS may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on any future distribution payment date and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 006 PS is classified as equity instruments and recorded as equity in the financial statements.

Series 008 PS confer a right to receive distribution at a rate of 5.50% per annum, with the first distribution rate reset falling on 9 June 2027 and subsequent resets occurring every 5 years thereafter. The distribution will be payable semi-annually in arrears on a discretionary basis and will be non-cumulative in accordance with the terms and conditions of the Perps. Distribution to Unitholders can only be made if distribution to Perps holders has been made.

The Series 008 PS may be redeemed at the option of ESR-LOGOS REIT in whole, but not in part, on 9 June 2027 or on any distribution payment date thereafter and otherwise upon the occurrence of certain redemption events specified in the conditions of the issuance. The Series 008 PS is classified as equity instruments and recorded as equity in the financial statements.

Non-controlling interest – Perpetual securities

On 1 February 2018, ALOG Trust issued S\$100.0 million of perpetual securities (the “ALOG Perps”) under a S\$1.0 billion Multicurrency Debt Issuance Programme (the “ALOG Debt Issuance Programme”) established by ALOG Trust. The ALOG Perps confer a right to receive distribution payments at a rate of 5.50% per annum with the first distribution rate reset falling on 1 February 2023 and subsequent resets occurring every 5 years thereafter. The distributions are payable semi-annually in arrears on a discretionary basis and are noncumulative; will constitute direct, unsecured and subordinated obligations of ALOG Trust and rank *pari passu* and without any preference among themselves and with any Parity Obligations (as defined in the terms and conditions of the ALOG Debt Issuance Programme).

The ALOG Perps may be redeemed at the option of ALOG Trust and are classified as non-controlling interest in ESR-LOGOS REIT’s consolidated statement of financial position.

On 30 December 2022, ALOG Trust has elected to redeem the S\$100.0 million ALOG Perps on the first call date on 1 February 2023.

The Group is in net current liabilities position as at 31 December 2022. Notwithstanding the net current liabilities position, based on the Group’s available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due.

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1(c) Statement of Cash Flows

	Group			
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Cash flows from operating activities				
Total return/(loss) for the period before income tax and distribution	69,775	43,833	(261,947)	107,761
Adjustments for:				
Unrealised foreign exchange gain	(5,608)	(3,133)	(1,907)	(3,134)
Borrowing costs, net	37,066	22,183	62,247	43,869
Management fees paid/payable in Units	6,576	3,123	10,837	6,033
Property Manager's fees paid/payable in Units	1,704	1,457	3,257	2,872
Share of results of joint venture	(2,217)	(4,479)	(5,343)	(7,701)
Finance costs on lease liabilities for leasehold land	15,035	6,008	23,743	11,825
Income from investments at fair value through profit or loss	(5,901)	(1,536)	(11,129)	(1,536)
Loss on disposal of investment properties	-	-	46	-
Fair value adjustments relating to the Merger	(36,799)	-	427,055	-
Change in fair value of financial derivatives	(3,181)	(11,026)	(27,570)	(24,925)
Change in fair value of investment properties	49,649	37,900	22,465	40,381
Change in fair value of right-of-use of leasehold land	(3,841)	(831)	(5,593)	(1,588)
Change in fair value of investments at fair value through profit or loss	6,934	(11,672)	(8,360)	(9,312)
Operating income before working capital changes	129,192	81,827	227,801	164,545
Changes in working capital				
Trade and other receivables	(16,090)	(7,548)	(9,464)	(10,735)
Trade and other payables	129,458	1,705	104,346	(341)
Cash generated from operating activities	242,560	75,984	322,683	153,469
Income tax paid	(780)	(349)	(974)	(698)
Net cash generated from operating activities	241,780	75,635	321,709	152,771
Cash flows from investing activities				
Capital expenditure on investment properties	(46,046)	(10,936)	(98,573)	(28,477)
Acquisition of investment at fair value through profit or loss	-	(79)	-	(64,979)
Acquisition of an investment property	(167,517)	(1,800)	(167,517)	(124,292)
Deposits received for divestment of property	356	1,210	581	1,210
Proceeds from disposal of investment properties	87,862	52,760	110,962	52,760
Distributions from joint venture	2,258	2,515	4,825	5,004
Income from investments at fair value through profit or loss	5,901	1,536	11,129	1,536
Return of capital from investment at fair value through profit or loss	-	7,882	-	7,882
Acquisition of subsidiaries, net of cash acquired (Note A)	-	-	(106,857)	-
Payment for Merger related transaction costs	(6,859)	-	(22,165)	-
Interest received	551	10	594	20
Net cash (used in)/generated from investing activities	(123,494)	53,098	(267,021)	(149,336)
Cash flows from financing activities				
Proceeds from issuance of new Units	-	49,629	-	149,629
Proceeds from issuance of perpetual securities	-	-	150,000	-
Issue costs for perpetual securities paid	-	-	(1,508)	-
Equity issue costs paid	(2,143)	(1,243)	(2,378)	(3,707)
Borrowing costs paid	(35,275)	(20,107)	(73,971)	(44,279)
Proceeds from borrowings	206,185	134,000	1,251,259	548,630
Repayment of borrowings	(233,917)	(238,985)	(1,238,139)	(531,985)
Loan from non-controlling interest	900	1,200	1,900	1,200
Distributions paid to Unitholders (Note B)	(29,581)	(33,438)	(86,220)	(96,792)
Distributions paid to perpetual securities holders	(7,615)	(3,478)	(11,036)	(6,900)
Distribution to non-controlling interest - perpetual securities holders	(2,727)	-	(2,727)	-
Distribution to non-controlling interest	(942)	(962)	(1,336)	(2,941)
Payment of interest portion for lease liabilities for leasehold land	(5,349)	(4,083)	(10,376)	(8,097)
Payment of principal portion of lease liabilities for leasehold land	(5,845)	(1,095)	(7,774)	(2,141)
Movement in restricted cash	(2,630)	-	(2,630)	-
Net cash (used in)/generated from financing activities	(118,939)	(118,562)	(34,936)	2,617
Net (decrease)/increase in cash and cash equivalents	(653)	10,171	19,752	6,052
Cash and cash equivalents at beginning of the period	44,194	13,982	24,150	18,101
Effect of exchange rate fluctuations on cash held	(592)	(3)	(953)	(3)
Cash and cash equivalents at end of the period (Note C)	42,949	24,150	42,949	24,150

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Note:

(A) Acquisition of subsidiaries

The Merger was completed by way of a trust scheme of arrangement on 22 April 2022. The consideration for the Merger comprised 90% in Units issued by ESR-LOGOS REIT and 10% in cash.

The fair value of the assets acquired and liabilities assumed as at the acquisition date were as follows:

	S\$'000
Investment properties	1,915,602
Investment at fair value through profit or loss	300,467
Trade and other receivables	6,953
Cash and cash equivalents	34,071
Other assets	9,454
Interest-bearing borrowings	(776,222)
Trade and other payables	(47,560)
Non-controlling interest - perpetual securities	(101,205)
Other liabilities	<u>(320,688)</u>
Fair value of net assets acquired	1,020,872
Premium over the fair value of net assets acquired	<u>388,374</u>
Total consideration paid in cash and units	<u>1,409,246</u>
Less:	
Cash and cash equivalents acquired	(34,071)
Consideration paid in units	<u>(1,268,318)</u>
Cashflow on acquisition net of cash acquired	<u>106,857</u>

(B) Distributions paid to Unitholders

Distributions during the year ended 31 December 2022 were partially paid by issuing an aggregate of 39.9 million new Units (FY2021: 43.5 million new Units) amounting to S\$16.4 million (FY2021: S\$18.6 million) pursuant to the Distribution Reinvestment Plan.

	Group			
	2H2022	2H2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Distributions paid to Unitholders	(36,720)	(41,870)	(102,664)	(115,364)
Distributions paid in Units pursuant to Distribution Reinvestment Plan	7,139	8,432	16,444	18,572
Distributions paid to Unitholders in cash	<u>(29,581)</u>	<u>(33,438)</u>	<u>(86,220)</u>	<u>(96,792)</u>

(C) Cash and cash equivalents

For purpose of the Statement of Cash Flows, the Group's cash and cash equivalents comprise the following:

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Bank and cash balances	45,579	24,150
Less: Restricted cash	(2,630)	-
Cash and cash equivalents	<u>42,949</u>	<u>24,150</u>

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1(d)(i) Statements of Movements in Unitholders' funds

	Group		Trust	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Unitholders' Funds				
Balance at beginning of the period	1,597,968	1,446,990	1,598,024	1,449,302
<u>Operations</u>				
Total (loss)/return for the period attributable to Unitholders and perpetual securities holders	(278,261)	101,521	(346,713)	99,265
Amount reserved for distribution to perpetual securities holders	(12,049)	(6,900)	(12,049)	(6,900)
Net (decrease)/increase in net assets resulting from operations	(290,310)	94,621	(358,762)	92,365
Movement in foreign currency translation reserve	(72,698)	-	-	-
<u>Unitholders' transactions</u>				
Issuance of new Units pursuant to:				
- Management fees paid in Units	12,230	7,377	12,230	7,377
- Distribution Reinvestment Plan	16,444	18,572	16,444	18,572
- Private Placement	-	100,000	-	100,000
- Preferential Offering	-	49,629	-	49,629
- Acquisition fees paid in units	17,647	-	17,647	-
- Partial consideration paid in units pursuant to the Merger	1,268,318	-	1,268,318	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(557)	(400)	(557)	(400)
- Private Placement	-	(2,239)	-	(2,239)
- Preferential Offering	(6)	(1,218)	(6)	(1,218)
- Perpetual Securities	(1,719)	-	(1,719)	-
Distributions paid to Unitholders	(102,664)	(115,364)	(102,664)	(115,364)
Net increase in net assets resulting from Unitholders' transactions	1,209,693	56,357	1,209,693	56,357
Balance at end of the period	2,444,653	1,597,968	2,448,955	1,598,024
Perpetual Securities Holders' Funds				
Balance at beginning of the period	151,115	151,115	151,115	151,115
Issue of perpetual securities	150,000	-	150,000	-
Amount reserved for distribution to perpetual securities holders	12,049	6,900	12,049	6,900
Distribution to perpetual securities holders	(11,036)	(6,900)	(11,036)	(6,900)
Balance at end of the period	302,128	151,115	302,128	151,115
Non-controlling interest				
- ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the period	-	-	-	-
Non-controlling interest acquired pursuant to the Merger	101,205	-	-	-
Amount reserved for distribution to perpetual securities holders	3,828	-	-	-
Distribution to non-controlling interest - perpetual securities holders	(2,727)	-	-	-
Balance at end of the period	102,306	-	-	-
Total	2,849,087	1,749,083	2,751,083	1,749,139

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1(d)(i) Statements of Movements in Unitholders' funds (cont'd)

	Group		Trust	
	2H2022 S\$'000	2H2021 S\$'000	2H2022 S\$'000	2H2021 S\$'000
Unitholders' Funds				
Balance at beginning of the period	2,439,029	1,542,303	2,439,998	1,543,675
<u>Operations</u>				
Total return for the period attributable to Unitholders and perpetual securities holders	67,850	39,505	37,573	38,189
Amount reserved for distribution to perpetual securities holders	(8,153)	(3,478)	(8,153)	(3,478)
Net increase in net assets resulting from operations	59,697	36,027	29,420	34,711
Movement in foreign currency translation reserve	(33,610)	-	-	-
<u>Unitholders' transactions</u>				
Issuance of new Units pursuant to:				
- Management fees paid in Units	7,766	4,840	7,766	4,840
- Distribution Reinvestment Plan	7,139	8,432	7,139	8,432
- Preferential Offering	-	49,629	-	49,629
- Acquisition fees paid in units	1,694	-	1,694	-
Equity costs pursuant to:				
- Distribution Reinvestment Plan	(278)	(119)	(278)	(119)
- Private Placement	-	(56)	-	(56)
- Preferential Offering	-	(1,218)	-	(1,218)
- Perpetual Securities	(64)	-	(64)	-
Distributions paid to Unitholders	(36,720)	(41,870)	(36,720)	(41,870)
Net (decrease)/increase in net assets resulting from Unitholders' transactions	(20,463)	19,638	(20,463)	19,638
Balance at end of the period	2,444,653	1,597,968	2,448,955	1,598,024
Perpetual Securities Holders' Funds				
Balance at beginning of the period	301,590	151,115	301,590	151,115
Amount reserved for distribution to perpetual securities holders	8,153	3,478	8,153	3,478
Distribution to perpetual securities holders	(7,615)	(3,478)	(7,615)	(3,478)
Balance at end of the period	302,128	151,115	302,128	151,115
Non-controlling interest				
- ALOG Trust's Perpetual Securities Holders				
Balance at beginning of the period	102,260	-	-	-
Amount reserved for distribution to perpetual securities holders	2,773	-	-	-
Distribution to non-controlling interest - perpetual securities holders	(2,727)	-	-	-
Balance at end of the period	102,306	-	-	-
Total	2,849,087	1,749,083	2,751,083	1,749,139

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1(d)(ii) Details of any changes in the number of issued units

	Note	Trust			
		2H2022 Units	2H2021 Units	FY2022 Units	FY2021 Units
Issued units at beginning of the period		6,676,303,226	3,877,236,558	4,030,257,149	3,576,362,126
Issuance of new Units pursuant to:					
- Management fees paid in units		20,095,189	10,989,226	29,931,841	17,475,221
- Distribution Reinvestment Plan		17,741,732	17,959,796	39,907,171	43,530,233
- Private Placement		-	-	-	268,818,000
- Preferential Offering		-	124,071,569	-	124,071,569
- Partial consideration paid in units pursuant to the Merger	(1)	-	-	2,575,788,303	-
- Acquisition fees paid in units	(2)	5,047,840	-	43,303,523	-
Issued units at end of the period		6,719,187,987	4,030,257,149	6,719,187,987	4,030,257,149

Notes:

- (1) The new units were issued on 28 April 2022 at an issue price of S\$0.4924 per unit.
- (2) The acquisition fees paid in units during FY2022 comprised (i) 38,255,683 new units issued on 17 May 2022 at an issue price of S\$0.4170 per unit pursuant to the Merger; and (ii) 5,047,840 new units issued on 15 November 2022 at an issue price of S\$0.3357 per unit in relation to the acquisition of ESR Sakura Distribution Centre.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period, and as at the end of the immediately preceding year.

The total number of issued units, excluding treasury units, as at the end of the current and the comparative financial period are disclosed in Section 1(d)(ii). There were no treasury units acquired since the date of listing of ESR-LOGOS REIT on 25 July 2006.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

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4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The accounting policies and methods of computation applied by the Group in the preparation of these financial statements for the current financial period are the same as those applied by the Group in its audited annual financial statements for the financial year ended 31 December 2021, except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual period beginning on 1 January 2022. The adoption of these standards did not have any effect on the financial performance or position of the Group.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per unit (“EPU”) and distributable amount available per unit for the period

			Group		
	Note	2H2022	2H2021	FY2022	FY2021
<u>EPU</u>					
Total return/(loss) after income tax before distribution for the period	(\$'000)	59,697	36,027	(290,310)	94,621
Weighted average number of units	('000)	6,697,794	3,970,520	5,839,349	3,813,334
Basic and diluted EPU	(cents) (a)	0.891	0.907	(4.972)	2.481
<u>Distributable amount available per unit</u>					
Total amount available for distribution for the period	(\$'000)	103,492	57,615	177,097	114,393
Applicable number of units	('000)	6,719,188	4,020,586	5,903,218	3,829,695
Distributable amount available per unit	(cents) (b)	1.540	1.433	3.000	2.987

Notes:

- (a) The basic EPU was calculated using total return after income tax before distribution for the period and the weighted average number of units in issue during the period. The basic and diluted EPU were the same as there were no dilutive instruments in issue during the period.
- (b) Distributable amount available per unit was calculated using the total amount available for distribution and the number of units entitled to such distributable amount for the period.

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7 Net asset value (“NAV”) / Net tangible asset (“NTA”) per unit based on units issued at the end of the period

	Note	Group		Trust	
		31-12-22	31-12-21	31-12-22	31-12-21
NAV / NTA per unit (cents)	(a)	36.4	39.6	36.4	39.7

Note:

(a) NAV / NTA per unit was calculated based on the number of units issued as at the end of the respective periods.

8 Review of the performance

The review of the performance is set out in Section 1(a) – Statement of Total Return and Distribution Statements and Section 1(b) – Statements of Financial Position.

9 Review of the performance against Forecast/Prospect Statement

The Group has not disclosed any forecast to the market.

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10 Commentary on the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(a) Market Outlook

The global economy experienced a multitude of challenges in 2022 – high energy prices, runaway inflation, aggressive rise in interest rates by central banks, geopolitical risks arising from continued Russia-Ukraine conflict, slowdown of the China economy due to its zero-COVID policy and continued supply chain disruptions – resulting in increased expectations of looming recession in 2023 as global demand weakens. The International Monetary Fund forecasted global growth to decelerate to 2.7% in 2023 from around 3.2% last year¹, although this is expected to bottom out with the US Federal Reserve expected to implement smaller rate hikes as US inflation data looks to be cooling off.

Singapore

Based on advance estimates released by the Ministry of Trade and Industry (“**MTI**”) on 3 January 2023, Singapore’s economy grew by 2.2% year-on-year (“**y-o-y**”) in 4Q2022, a moderated growth as compared to 4.2% growth in 3Q2022². On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 0.2%, extending the 1.1% expansion against the preceding quarter.

The fourth-quarter slowdown was mainly due to 3% y-o-y contraction of the key manufacturing sector, a reversal from the 1.4% growth in the previous quarter. This is the sector’s first contraction since 2Q2020, when Singapore implemented a “circuit breaker” at the height of the COVID-19 pandemic.

The Singapore Purchasing Manager’s Index (“**PMI**”) for December 2022 continued its downwards trend, posting a marginal contraction by 0.1 point to 49.7 from the previous month. This is the fourth consecutive month of contraction, after the PMI has expanded for 26 straight months between July 2020 and August 2022³. Manufacturing momentum has shown signs of faltering, especially on growing concerns over global recession and a pullback in demand for electronics and semiconductors.

According to JTC’s market report for 4Q2022, the occupancy rate of the overall industrial property market dipped slightly to 89.4% in 4Q2022 from the previous quarter at 89.7%⁴. The drop was mainly due to fall in occupancy of the Business Park segment. Notwithstanding the slight fall in occupancy, price and rental indices of all industrial spaces continue to trend higher, rising by 1.7% and 2.1% respectively.

As at 30 September 2022, approximately 0.6 million sqm of new industrial space could be completed in 4Q2022. Close to 2.9 million sqm of new industrial space is also expected to be completed between 2023 and 2024, resulting in an average annual supply of about 1.4 million sqm over the next three years, which is about twice the average annual supply of 0.7 million sqm industrial space over the past three years. However, while the expected supply for FY2023 appears to be high, close to 80% is estimated to be already pre-committed and continuous high construction and financing costs may delay construction completions. MTI has launched 7.16 ha of industrial land supply across seven sites under its Industrial Government Land Sales (“**IGLS**”) programme for 1H2023, higher than the 6.36 ha in the 2H2022 IGLS programme.

During 4Q2022, the Manager secured leases for approximately 110,000 sqm of space comprising approximately 35,000 sqm of new leases and 75,000 sqm of lease renewals. Global macro events continue to pose uncertainties for the major economies and are causing firms to be more cautious of their expansion needs.

¹ Based on World Economic Outlook: Countering the Cost-of-Living Crisis released by International Monetary Fund on 11 October 2022

² Based on Advanced GDP Estimates for Fourth Quarter 2022 released by Ministry of Trade and Industry (MTI) on 3 January 2023

³ Based on monthly PMI figures obtained from the SPIMM institute

⁴ Based on JTC 4Q2022 Industrial Property Market Statistics

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The Business Park and High-Specs industrial sectors may benefit from decentralised demand as companies are likely looking to cut cost by moving away from central locations as economic conditions weaken⁵.

Rental growth will primarily be driven by the logistics and high-specs segment due to continued deep economic structural trends towards New Economy assets although the overall industrial rental growth is expected to moderate in 2023 with looming recession concerns in the US, Europe and low economic growth in China. Both factories and warehouse segments are expected to see moderated growth as a result of a higher supply delayed from 2022, stabilisation of stockpiling and e-commerce demand as supply chain disruptions ease from the pandemic peak.

Australia

The Reserve Bank of Australia (“RBA”) shared in a recent statement that inflation continued to trend higher at 6.9% over the year to October 2022⁶. A further increase in inflation is expected over the months ahead, and forecasted to peak at approximately 8% in 2022. However, inflation is expected to moderate in 2023 due to the ongoing resolution of global supply-side problems, recent declines in some commodity prices and slower growth in demand. As continued high inflation will impact the economy negatively, the RBA’s priority is to re-establish low inflation and return inflation to the 2% to 3% range over time. The cash rate target has been increased by 25 basis points to 3.10%.

The Australian industrial sector continues to benefit from strong occupier demand and all-time low vacancy rates, resulting in upwards pressure on rents with double digit yearly growth ranging from 18.2% to 25.3% on national level for super prime, prime and secondary rents⁷. Land values remained steady over the quarter after a strong run, however they could come under pressure from rising cap rates in the year ahead. The outlook for leasing in 2023 may be more subdued given the possibility that rising interest rates will slow down retail spending.

New supply increased significantly in 4Q2022 with almost 1.1 million sqm completed nationally, an increase from 430,000 sqm in 3Q2022. In particular, Melbourne and Sydney recorded the largest volume of completions with almost 400,000 sqm respectively. Total supply for 2022 has just crossed the 2.4 million sqm mark, moderately lower than previously forecasted as some projects were pushed into 2023 due to construction delay. As it stands, supply for 2023 is expected to be at 3.6 million sqm.

Industrial and logistics leasing demand reached new record highs in 2022 with almost 4.85 million sqm leased, 3.0% up from the preceding year⁸. Occupier demand accelerated in 4Q2022 with almost 1.5 million sqm being leased. The national vacancy rates continued its downwards trend, falling further to 0.6% from 0.9% in 3Q2022 with Sydney being the tightest at 0.2%.

Japan

The Bank of Japan shared that Japan’s economy is picking up with the progressive resumption of economic activity from the impact of COVID-19 and supply-side constraints, being supported by accommodating financial conditions and the government’s economic measures⁹.

The projected GDP growth for 2023 is expected to increase. Although international individual tourism accounts for more than 40% of individual tourist consumption prior to pre-pandemic levels, domestic consumers with increased savings during pandemic will drive the economic recovery through individual spending. However, the pace will be moderated with inflation of everyday items.

⁵ Based on by Industrial Marketbeat Report by Cushman & Wakefield

⁶ Based on by Reserve Bank of Australia’s statement on 20 December 2022

⁷ Based on Australian Industrial & Logistics Figures 4Q2022 by CBRE Research

⁸ Based on Australian Industrial & Logistics Snapshot 4Q2022 by Colliers

⁹ Based on Bank of Japan Outlook for Economic Activity and Prices released on 31 October 2022

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The supply of new Large Multi-Tenant (LMT) logistics facilities in Greater Tokyo is projected to reach a record high of 913,000 Tsubo in 2023 and 653,000 Tsubo in 2024. These high levels of new supply are expected to lead to a projected higher vacancy rate of 8.1% by the end of 2023¹⁰. The large supply addresses the insufficient supply seen when the pandemic hit, and logistics facilities were prioritised to meet the demand.

Although robust demand for logistics facilities is shown by logistics operators and e-commerce businesses, the new supply still outstrips net absorption and will exert pressure on the vacancy rate of existing properties. Tenants now enjoy an abundance of options in the new market but are yet cautious with expansion in the face of economic uncertainty.

In Greater Tokyo, the effective rents are projected to drop by 0.4% y-o-y in 2023, recording the first decline since 2016. Forecasted rents are expected to be flattish moving into 2023 and 2024 for most of Greater Tokyo, apart for Tokyo Bay Area due to lack of supply and its location being closest to Tokyo City.

Conclusion

A multitude of macro challenges is expected to carry into 2023 with recession expected to set into two of the largest economies – US and Europe. Supply chain disruptions and continued interest rate hikes will continue to affect economic sentiments, trade, financial and economic activities. This in turn will impact demand for space, rental growth, and operating costs for E-LOG.

On a positive note, the cooling of US inflation data indicates that the pace and number of interest rate hikes is expected to slow down. The opening up of China's borders should help to ease the supply chain disruptions that have been driving global inflation and increase demand for goods and services. In addition, the depth and pace of the economic structural trends is expected to continue furnishing the tailwinds for E-LOG. For instance, ensuring food security and MNCs move towards improving supply chain resilience by expanding logistics capabilities as part of their "Just-In-Case" or "JIC" manufacturing process is expected to drive demand for E-LOG's logistics properties.

The Manager will continue to actively review and undertake asset management strategies to reposition identified properties to address the needs of industrialists and emerging segments (e.g., cold storage facilities) to grow together with our tenants.

¹⁰ Based on CBRE Market Outlook 2023 for Japan

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11 Distributions

(a) Current financial period

Any distributions declared for the current financial period:

Yes

Name of distribution: **69th distribution for the period from 1 July 2022 to 31 December 2022**

Distribution Type: Taxable income / Tax-exempt income / Capital distribution

Distribution Rate: 1.540 cents per unit comprising:
 (a) Taxable income distribution 1.287 cents per unit
 (b) Tax-exempt income distribution 0.085 cents per unit
 (c) Capital distribution 0.168 cents per unit

Par value of units: Not meaningful

Tax Rate: Taxable income distribution
 The distribution is made out of ESR-LOGOS REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

Tax-exempt income distribution
 Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
 The distribution out of capital is not a taxable distribution to the Unitholders.

Record date: 7 February 2023

Date payable: 29 March 2023

The Manager has determined that the DRP **will apply** to the distribution for the period from 1 July 2022 to 31 December 2022.

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(b) Corresponding period of the immediately preceding year

Any distributions declared for the previous corresponding financial period:

Yes

Name of distribution: **65th and 66th distribution for the period from 1 July 2021 to 31 December 2021**

Distribution Type: Taxable income / Tax-exempt income / Capital distribution

Distribution Rate: 1.433 cents per unit comprising:

(a) Taxable income distribution	1.413 cents per unit
(b) Tax-exempt income distribution	0.004 cents per unit
(c) Capital distribution	0.016 cents per unit

Par value of units: Not meaningful

Tax Rate: Taxable income distribution
The distribution is made out of ESR-LOGOS REIT's taxable income. Unitholders receiving distributions will be subject to Singapore income tax on the distributions received except for individuals where the distribution is exempt from tax (unless they hold their units through partnership or as trading assets).

Tax-exempt income distribution
Tax-exempt income distribution is exempt from tax in the hands of all Unitholders.

Capital distribution
The distribution out of capital is not a taxable distribution to the Unitholders.

12 If no distribution has been declared/recommended, a statement to that effect

Not applicable.

13 If the Group has obtained a general mandate from unitholders for IPTs, the aggregate value of each transaction as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained any IPT general mandate from the Unitholders.

14 Confirmation pursuant to Rule 720(1) of the Listing Manual

The Manager confirms that it has procured undertakings from all Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the Listing Manual.

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15 Use of proceeds raised from offerings pursuant to Chapter 8 of the Listing Manual

- a) Gross proceeds of S\$150.0 million raised pursuant to the private placement of 194,174,000 new units completed on 26 June 2019 and the pro rata and non-renounceable preferential offering of 98,117,183 new units completed on 14 October 2019 (together, the “2019 Equity Fund Raising”) has been used in the following manner:

Intended Use of Proceeds	Amount Allocated (S\$ million)	Aggregate Amount Utilised To Date (S\$ million)	Remaining Proceeds Pending Utilisation (S\$ million)
To fully finance the total acquisition costs for 48 Pandan Road	44.4	44.4	-
To fully finance the proposed asset enhancements at 7000 Ang Mo Kio Avenue 5 and ESR BizPark @ Changi (formerly known as UE BizHub East)	45.7	32.5	13.2
To repay existing indebtedness	56.8	56.8	-
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the 2019 Equity Fund Raising	3.1	3.1	-
Total	150.0	136.8	13.2

The use of proceeds from the 2019 Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2019 Equity Fund Raising allocated to such use as set out in the announcement dated 17 June 2019 titled “Launch of Equity Fund Raising to raise Gross Proceeds of up to approximately S\$150.0 million”.

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- b) Gross proceeds of S\$149.6 million raised pursuant to the private placement of 268,818,000 new units completed on 18 May 2021 and the pro rata and non-renounceable preferential offering of 124,071,569 new units completed on 26 August 2021 (together, the “2021 Equity Fund Raising”) has been used in the following manner:

Intended Use of Proceeds	Amount Allocated (S\$ million)	Aggregate Amount Utilised To Date (S\$ million)	Remaining Proceeds Pending Utilisation (S\$ million)
To partially finance the total acquisition costs for 46A Tanjong Penjuru	71.8	71.8	-
To partially finance the proposed asset enhancements at 16 Tai Seng Street and 7000 Ang Mo Kio Avenue 5	43.3	2.8	40.5
To repay existing indebtedness	31.0	31.0	-
To pay for the transaction related expenses including the underwriting and selling commission and expenses related to the 2021 equity fund raising	3.5	3.5	-
Total	149.6	109.1	40.5

The use of proceeds from the 2021 Equity Fund Raising set out above is in accordance with the stated use and in accordance with the percentage of the gross proceeds of the 2021 Equity Fund Raising allocated to such use as set out in the announcement dated 6 May 2021 titled “Launch of Equity Fund Raising to raise Gross Proceeds of up to approximately S\$150.0 million”.

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ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 16 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediately preceding year.**

	Group		Fav/ (Unfav) %
	FY2022 S\$'000	FY2021 S\$'000	
Gross revenue			
Singapore	303,300	241,286	25.7
Australia	38,702	-	n.m.
Japan	1,230	-	n.m.
	<u>343,232</u>	<u>241,286</u>	<u>42.3</u>
Net Property Income			
Singapore	212,375	173,261	22.6
Australia	30,841	-	n.m.
Japan	1,027	-	n.m.
	<u>244,243</u>	<u>173,261</u>	<u>41.0</u>

- 17 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to 1(a) Statement of Total Return on pages 5 to 6 for performance review.

- 18 Breakdown of revenue**

	FY2022 S\$'000	FY2021 S\$'000	Fav/ (Unfav) %
(a) Gross revenue reported for first half year	147,668	119,840	23.2
(b) Total (loss)/return after tax before distribution for first half year	(343,586)	63,980	n.m.
(c) Gross revenue reported for second half year	195,564	121,446	61.0
(d) Total return after tax before distribution for second half year	72,147	41,619	73.4

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19 Breakdown of the total distributions for the financial year ended 31 December 2022

	FY2022 S\$'000	FY2021 S\$'000
22-04-2022 to 30-06-2022	36,720	-
01-01-2022 to 21-04-2022	36,886	-
01-10-2021 to 31-12-2021	29,058	-
01-07-2021 to 30-09-2021	-	28,532
18-05-2021 to 30-06-2021	-	13,338
01-04-2021 to 17-05-2021	-	14,724
01-01-2021 to 31-03-2021	-	28,729
01-10-2020 to 31-12-2020	-	30,041
Total distributions to Unitholders	102,664	115,364

20 Confirmation pursuant to Rule 704(13) of the Listing Manual

Pursuant to Rule 704(13) of the Listing Manual, the Board of Directors of ESR-LOGOS Funds Management (S) Limited (the "Company"), as manager of ESR-LOGOS REIT, confirms that there are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a Director or the Chief Executive Officer or substantial Unitholders of ESR-LOGOS REIT.

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21 Interested Person Transactions (“IPTs”)

Name of Entity	2022		2021	
	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review
	S\$'000	S\$'000	S\$'000	S\$'000
ESR-LOGOS Funds Management (S) Limited (the "Manager")				
Management fees paid and payable				
- in cash	9,001	-	8,807	-
- in units	10,837	-	6,033	-
Acquisition fees				
- in cash	-	-	1,196	-
- in units	17,648	-	-	-
Development management fees paid and payable	1,055	-	21	-
Divestment fees paid in cash	557	-	265	-
ESR-LOGOS Property Management (S) Pte Ltd (Subsidiary of immediate holding company of the Manager)				
Property manager's fees paid and payable				
- in cash	5,589	-	4,194	-
- in units	3,257	-	2,872	-
Lease marketing services commissions paid and payable	3,592	-	3,877	-
Project management fees paid and payable	419	-	299	-
Site staff cost recovery	1,088	-	802	-
Rental income received and receivable ^(b)	-	-	1,906	-
Utilities income received and receivable	16	-	2	-

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21 Interested Person Transactions (“IPTs”) (cont’d)

Name of Entity	2022		2021	
	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review	Aggregate value of all IPTs during the financial year under review Note (a)	Aggregate value of all IPTs under the IPT mandate or shareholders' mandate for IPTs under Rule 920 during the financial year under review
	S\$'000	S\$'000	S\$'000	S\$'000
RBC Investor Services Trust Singapore Limited (the "Trustee") ^(c)				
Trustee fees paid	434	-	412	-
Perpetual (Asia) Limited (the "Trustee") ^(d)				
Trustee fees paid and payable	43	-	-	-
ESR Group Limited				
Base and performance fees paid	439	-	-	-
Investment management fees paid and payable	542	-	-	-
Asset management fees paid and payable	864	-	-	-
Property management fees paid and payable	1,329	-	-	-
Acquisition of ESR Sakura Distribution Centre	169,812	-	-	-
Rental support received and receivable ^(e)	2,256	-	-	-
Acquisition of a 10% interest in ESR Australia Logistics Partnership	-	-	62,630	-
TSMP Law Corporation				
Legal fees	192	-	438	-

Notes:

- (a) Except as disclosed, these IPTs exclude transactions of less than S\$100,000 each.
- (b) Represents the total rental receivable from ESR-LOGOS Property Management (S) Pte Ltd (“ELPM”) pursuant to a 3-year tenancy agreement entered into between the Group and ELPM.
- (c) On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.
- (d) Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.
- (e) Pertains to rental support received and receivable from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

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Investment Properties Portfolio Statement

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Investment Properties Portfolio Statement

Group	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
<u>Singapore</u>										
Business Park Properties ⁽¹⁾										
16 INTERNATIONAL BUSINESS PARK	Leasehold	30+30	34 ⁽⁵⁾	16 International Business Park Singapore 609929	100	100	32,500	32,500	1.33	2.03
750 - 750E CHAI CHEE ROAD	Leasehold	60/43	8/8 ⁽⁶⁾	750 to 750E Chai Chee Road Singapore 469000	80	81	232,000	257,600	9.49	16.12
6/8 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	45 ⁽⁷⁾	6/8 Changi Business Park Avenue 1 Singapore 486017	59	57	384,000	381,000	15.71	23.84
2/4 CHANGI BUSINESS PARK AVENUE 1	Leasehold	30+30	45 ⁽⁷⁾	2/4 Changi Business Park Avenue 1 Singapore 486015	100	100	189,000	165,000	7.73	10.33
Total Business Park Properties							837,500	836,100	34.26	52.32

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders		
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %	
Singapore											
High-Specs Industrial Properties ⁽²⁾											
	21/23 UBI ROAD 1	Leasehold	30+30	34 ⁽⁸⁾	21/23 Ubi Road 1 Singapore 408724/408725	94	82	37,100	36,500	1.52	2.28
+	2 JALAN KILANG BARAT	Leasehold	99	-	2 Jalan Kilang Barat Singapore 159346	-	100	-	28,800	-	1.80
	11 CHANG CHARN ROAD	Leasehold	99	34 ⁽⁹⁾	11 Chang Charn Road Singapore 159640	62	39	28,200	28,100	1.15	1.76
	12 ANG MO KIO STREET 65	Leasehold	30+30	28 ⁽¹⁰⁾	12 Ang Mo Kio Street 65 Singapore 569060	92	91	37,200	37,000	1.52	2.32
	16 TAI SENG STREET	Leasehold	30+30	44 ⁽¹¹⁾	16 Tai Seng Street Singapore 534138	81	40	87,100	58,500	3.56	3.66
	30 MARSILING INDUSTRIAL ESTATE ROAD 8	Leasehold	30+30	27 ⁽¹²⁾	30 Marsiling Industrial Estate Road 8 Singapore 739193	100	100	46,500	46,000	1.90	2.88
	19 TAI SENG AVENUE	Leasehold	30+30	45 ⁽¹³⁾	19 Tai Seng Avenue Singapore 534054	76	76	51,500	49,300	2.11	3.09
#	7000 ANG MO KIO AVENUE 5	Leasehold	32+30	34 ⁽¹⁴⁾	7000 Ang Mo Kio Avenue 5 Singapore 569877	88	97	328,300	306,200	13.43	19.16
Total High-Specs Industrial Properties								615,900	590,400	25.19	36.95

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Singapore										
Logistics Properties ⁽³⁾										
1 THIRD LOK YANG ROAD AND 4 FOURTH LOK YANG ROAD	Leasehold	30	9 ⁽¹⁵⁾	1 Third Lok Yang Road Singapore 627996 and 4 Fourth Lok Yang Road Singapore 629701	100	100	8,000	10,300	0.33	0.64
25 CHANGI SOUTH AVENUE 2	Leasehold	30+30	32 ⁽¹⁶⁾	25 Changi South Ave 2 Singapore 486594	100	100	13,000	12,000	0.53	0.75
160 KALLANG WAY	Leasehold	30+30	10 ⁽¹⁷⁾	160 Kallang Way Singapore 349246	8	100	22,200	24,400	0.91	1.53
4/6 CLEMENTI LOOP	Leasehold	30+30	31 ⁽¹⁸⁾	4/6 Clementi Loop Singapore 129810 and 129814	86	92	39,600	39,200	1.62	2.45
24 JURONG PORT ROAD	Leasehold	30+12	14 ⁽¹⁹⁾	24 Jurong Port Road Singapore 619097	98	98	84,000	85,700	3.44	5.36
3 PIONEER SECTOR 3	Leasehold	30+30	28 ⁽²⁰⁾	3 Pioneer Sector 3 Singapore 628342	100	93	100,000	98,100	4.09	6.14
15 GREENWICH DRIVE	Leasehold	30	19 ⁽²¹⁾	15 Greenwich Drive Singapore 534022	100	100	90,000	93,500	3.68	5.85
46A TANJONG PENJURU	Leasehold	30+14	27 ⁽²²⁾	46A Tanjong Penjuru Singapore 609040	80	100	118,000	119,600	4.83	7.48
6 CHIN BEE AVENUE	Leasehold	30	21 ⁽²³⁾	6 Chin Bee Avenue Singapore 619930	100	100	97,900	96,400	4.00	6.03
Balance carried forward							572,700	579,200	23.43	36.23

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Singapore										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							572,700	579,200	23.43	36.23
30 PIONEER ROAD	Leasehold	30	14 ⁽²⁴⁾	30 Pioneer Road Singapore 628502	100	100	39,800	41,400	1.63	2.59
ALOG COMMODITY HUB	Leasehold	29	13 ⁽²⁵⁾	24 Penjuru Road, Singapore 609128	100	-	251,500	-	10.29	-
ALOG COLD CENTRE	Leasehold	30+30	43 ⁽²⁶⁾	2 Fishery Port Road, Singapore 619746	63	-	110,000	-	4.50	-
SCHENKER MEGAHUB	Leasehold	30	42 ⁽²⁷⁾	51 Alps Avenue, Singapore 498783	100	-	94,500	-	3.86	-
ALOG CHANGI DISTRICT CENTRE 1	Leasehold	30+30	43 ⁽²⁸⁾	5 Changi South Lane, Singapore 486045	93	-	96,200	-	3.93	-
AIR MARKET LOGISTICS CENTRE	Leasehold	30+16	30 ⁽²⁹⁾	22 Loyang Lane, Singapore 508931	100	-	13,400	-	0.55	-
PAN ASIA LOGISTICS CENTRE	Leasehold	30	17 ⁽³⁰⁾	21 Changi North Way, Singapore 498774	100	-	31,700	-	1.29	-
ALOG GUL LOGISCENTRE	Leasehold	30	11 ⁽³¹⁾	15 Gul Way, Singapore 629193	100	-	28,300	-	1.16	-
DHL SUPPLY CHAIN ADVANCED REGIONAL CENTRE	Leasehold	30	21 ⁽³²⁾	1 Greenwich Drive, Tampines LogisPark, Singapore 533565	100	-	165,000	-	6.75	-
Balance carried forward							1,403,100	620,600	57.39	38.82

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Singapore										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							1,403,100	620,600	57.39	38.82
^ PANDAN LOGISTICS HUB	Leasehold	30	17 ⁽³³⁾	49 Pandan Road, Singapore 609290	92	-	43,201	-	1.77	-
Total Logistics Properties							1,446,301	620,600	59.16	38.82
General Industrial Properties ⁽⁴⁾										
^ 70 SELETAR AEROSPACE VIEW	Leasehold	30	19 ⁽³⁴⁾	70 Seletar Aerospace View Singapore 797564	-	-	7,065	7,000	0.29	0.44
30 TeBAN GARDENS CRESCENT	Leasehold	10+22	16 ⁽³⁵⁾	30 Teban Gardens Crescent Singapore 608927	63	100	29,300	30,500	1.20	1.91
30 TOH GUAN ROAD	Leasehold	30+30	33 ⁽³⁶⁾	30 Toh Guan Road Singapore 608840	97	97	60,800	60,800	2.49	3.80
128 JOO SENG ROAD	Leasehold	30+30	29 ⁽³⁷⁾	128 Joo Seng Road Singapore 368356	97	96	12,300	11,700	0.50	0.73
130 JOO SENG ROAD	Leasehold	30+30	29 ⁽³⁸⁾	130 Joo Seng Road Singapore 368357	100	100	16,000	15,300	0.65	0.96
136 JOO SENG ROAD	Leasehold	30+30	28 ⁽³⁹⁾	136 Joo Seng Road Singapore 368360	100	100	12,900	12,600	0.53	0.79
Balance carried forward							138,365	137,900	5.66	8.63

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	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							138,365	137,900	5.66	8.63
79 TUAS SOUTH STREET 5	Leasehold	30+30	37 ⁽⁴⁰⁾	79 Tuas South Street 5 Singapore 637604	100	100	9,600	10,700	0.39	0.67
31 TUAS AVENUE 11	Leasehold	30+30	31 ⁽⁴¹⁾	31 Tuas Avenue 11 Singapore 639105	100	100	12,200	12,100	0.50	0.76
1/2 CHANGI NORTH STREET 2	Leasehold	30+30/30+30	38/43 ⁽⁴²⁾	1/2 Changi North Street 2 Singapore 498808/498775	100	100	23,000	22,400	0.94	1.40
9 TUAS VIEW CRESCENT	Leasehold	30+30	36 ⁽⁴³⁾	9 Tuas View Crescent Singapore 637612	100	-	10,300	10,000	0.42	0.63
+ 28 SENOKO DRIVE	Leasehold	30+30	-	28 Senoko Drive Singapore 758214	-	100	-	11,916	-	0.75
31 CHANGI SOUTH AVENUE 2	Leasehold	30+30	32 ⁽⁴⁴⁾	31 Changi South Avenue 2 Singapore 486478	100	100	13,500	13,300	0.55	0.83
22 CHIN BEE DRIVE	Leasehold	30	13 ⁽⁴⁵⁾	22 Chin Bee Drive Singapore 619870	-	-	13,000	13,900	0.53	0.87
54 SERANGOON NORTH AVENUE 4	Leasehold	30+30	33 ⁽⁴⁶⁾	54 Serangoon North Avenue 4 Singapore 555854	91	99	23,400	22,900	0.96	1.43
2 TUAS SOUTH AVENUE 2	Leasehold	60	36 ⁽⁴⁷⁾	2 Tuas South Ave 2 Singapore 637601	100	100	39,200	36,700	1.60	2.30
21B SENOKO LOOP	Leasehold	30+30	30 ⁽⁴⁸⁾	21B Senoko Loop Singapore 758171	-	-	23,800	22,800	0.97	1.43
Balance carried forward							306,365	314,616	12.52	19.70

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							306,365	314,616	12.52	19.70
60 TUAS SOUTH STREET 1	Leasehold	30	12 ⁽⁴⁹⁾	60 Tuas South Street 1 Singapore 639925	100	100	4,000	4,100	0.16	0.26
5/7 GUL STREET 1	Leasehold	29.5	15 ⁽⁵⁰⁾	5/7 Gul Street 1 Singapore 629318/629320	63	63	11,400	13,900	0.47	0.87
28 WOODLANDS LOOP	Leasehold	30+30	33 ⁽⁵¹⁾	28 Woodlands Loop Singapore 738308	100	100	18,000	17,300	0.74	1.08
25 PIONEER CRESCENT	Leasehold	30+28	44 ⁽⁵²⁾	25 Pioneer Crescent Singapore 628554	100	100	16,800	16,400	0.69	1.03
11 WOODLANDS WALK	Leasehold	30+30	33 ⁽⁵³⁾	11 Woodlands Walk Singapore 738265	100	100	18,000	17,600	0.74	1.10
43 TUAS VIEW CIRCUIT	Leasehold	30	15 ⁽⁵⁴⁾	43 Tuas View Circuit Singapore 637360	100	100	16,700	17,400	0.68	1.09
13 JALAN TERUSAN	Leasehold	28	12 ⁽⁵⁵⁾	13 Jalan Terusan Singapore 619293	100	100	23,500	25,000	0.96	1.56
160A GUL CIRCLE	Leasehold	27	18 ⁽⁵⁶⁾	160A Gul Circle Singapore 629618	35	82	13,900	13,700	0.57	0.86
3 TUAS SOUTH AVENUE 4	Leasehold	30+30	36 ⁽⁵⁷⁾	3 Tuas South Avenue 4 Singapore 637610	100	100	45,000	43,200	1.84	2.70
8 TUAS SOUTH LANE	Leasehold	30+16	31 ⁽⁵⁸⁾	8 Tuas South Lane Singapore 637302	100	100	101,100	103,700	4.14	6.49
120 PIONEER ROAD	Leasehold	30+28	32 ⁽⁵⁹⁾	120 Pioneer Road Singapore 639597	82	84	33,900	36,500	1.39	2.28
Balance carried forward							608,665	623,416	24.90	39.02

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

Investment Properties Portfolio Statement

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Singapore										
General Industrial Properties ⁽⁴⁾ (cont'd)										
Balance brought forward							608,665	623,416	24.90	39.02
+ 45 CHANGI SOUTH AVENUE 2	Leasehold	30+30	-	45 Changi South Avenue 2 Singapore 486133	-	68	-	10,975	-	0.69
511/513 YISHUN INDUSTRIAL PARK A	Leasehold	29+30/30 +30	31/31 ⁽⁶⁰⁾	511/513 Yishun Industrial Park A Singapore 768768/768736	100	79	25,900	25,900	1.06	1.62
86/88 INTERNATIONAL ROAD	Leasehold	30+30	32 ⁽⁶¹⁾	86/88 International Road Singapore 629176/629177	100	100	41,500	40,500	1.70	2.53
11 UBI ROAD 1	Leasehold	30+30/ 21+30	33 ⁽⁶²⁾	11 Ubi Road 1 Singapore 408723	100	100	87,900	87,500	3.60	5.48
29 TAI SENG STREET	Leasehold	30+30	44 ⁽⁶³⁾	29 Tai Seng Street Singapore 534120	100	100	37,000	35,500	1.51	2.22
11 LORONG 3 TOA PAYOH	Leasehold	60	6 ⁽⁶⁴⁾	11 Lorong 3 Toa Payoh Singapore 319579	74	75	42,800	48,700	1.75	3.05
81 TUAS BAY DRIVE	Leasehold	60	44 ⁽⁶⁵⁾	81 Tuas Bay Drive Singapore 637308	100	100	28,500	28,000	1.17	1.76
Total General Industrial Properties							872,265	900,491	35.69	56.37
Total Singapore investment properties							3,771,966	2,947,591	154.30	184.46

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022
Investment Properties Portfolio Statement**

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Australia										
Logistics Properties ⁽³⁾										
127 ORCHARD ROAD, CHESTER HILL, NEW SOUTH WALES, AUSTRALIA	Freehold	Freehold	-	127 Orchard Road, Chester Hill, New South Wales, Australia	100	-	71,616	-	2.93	-
16 – 28 TRANSPORT DRIVE, SOMERTON, VICTORIA, AUSTRALIA	Freehold	Freehold	-	16 – 28 Transport Drive, Somerton, Victoria, Australia	100	-	37,168	-	1.52	-
51 MUSGRAVE ROAD, COOPERS PLAINS, QUEENSLAND, AUSTRALIA	Freehold	Freehold	-	51 Musgrave Road, Coopers Plains, Queensland, Australia	86	-	9,519	-	0.39	-
203 VIKING DRIVE, WACOL, QUEENSLAND, AUSTRALIA	Freehold	Freehold	-	203 Viking Drive, Wacol, Queensland, Australia	100	-	32,544	-	1.33	-
223 VIKING DRIVE, WACOL, QUEENSLAND, AUSTRALIA	Freehold	Freehold	-	223 Viking Drive, Wacol, Queensland, Australia	100	-	11,513	-	0.47	-
76-90 LINK DRIVE, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	-	76-90 Link Drive, Campbellfield, Victoria, Australia	100	-	15,638	-	0.64	-
67-93 NATIONAL BOULEVARD, CAMPBELLFIELD, VICTORIA	Freehold	Freehold	-	67-93 National Boulevard, Campbellfield, Victoria, Australia	100	-	40,341	-	1.65	-
41-51 MILLS ROAD, BRAESIDE, VICTORIA	Freehold	Freehold	-	41-51 Mills Road, Braeside, Victoria, Australia	97	-	47,819	-	1.96	-
Balance carried forward							266,158	-	10.89	-

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022
Investment Properties Portfolio Statement**

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value		Percentage of net assets attributable to Unitholders	
					31-12-22 %	31-12-21 %	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 %	31-12-21 %
Australia										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							266,158	-	10.89	-
151-155 WOODLANDS DRIVE, BRAESIDE, VICTORIA	Freehold	Freehold	-	151-155 Woodlands Drive, Braeside, Victoria, Australia	100	-	20,623	-	0.84	-
41-45 HYDRIVE CLOSE, DANDENONG, VICTORIA	Freehold	Freehold	-	41-45 Hydrive Close, Dandenong, Victoria, Australia	100	-	15,411	-	0.63	-
16-24 WILLIAM ANGLISS DRIVE, LAVERTON NORTH, VICTORIA	Freehold	Freehold	-	16-24 William Angliss Drive, Laverton, North Victoria, Australia	100	-	25,836	-	1.06	-
217-225 BOUNDARY ROAD, LAVERTON NORTH, VICTORIA	Freehold	Freehold	-	217-225 Boundary Road, Laverton North, Victoria, Australia	100	-	35,355	-	1.45	-
182-198 MAIDSTONE STREET, ALTONA, VICTORIA	Freehold	Freehold	-	182-198 Maidstone Street, Altona, Victoria, Australia	100	-	55,298	-	2.26	-
196 VIKING DRIVE, WACOL, QUEENSLAND	Freehold	Freehold	-	196 Viking Drive, Wacol, Queensland, Australia	100	-	18,901	-	0.77	-
11-19 KELLAR STREET, BERRINBA, QUEENSLAND	Freehold	Freehold	-	11-19 Kellar Street, Berrinba, Queensland, Australia	100	-	16,408	-	0.67	-
47 LOGISTICS PLACE, LARAPINTA, QUEENSLAND	Freehold	Freehold	-	47 Logistics Place, Larapinta, Queensland, Australia	100	-	17,859	-	0.73	-
Balance carried forward							471,849	-	19.30	-

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022
Investment Properties Portfolio Statement**

	Tenure of land	Term of lease (years)	Remaining term of lease (years)	Location	Occupancy rate		Fair value 31-12-22 S\$'000	Percentage of net assets attributable to Unitholders		
					31-12-22 %	31-12-21 %		31-12-21 S\$'000	31-12-22 %	31-12-21 %
Australia										
Logistics Properties ⁽³⁾ (cont'd)										
Balance brought forward							471,849	-	19.30	-
21 CURLEW STREET (HERON), PORT OF BRISBANE, QUEENSLAND	Leasehold	43	40 ⁽⁶⁶⁾	21 Curlew Street (Heron), Port of Brisbane, Queensland, Australia	100	-	56,930	-	2.33	-
8 CURLEW STREET, PORT OF BRISBANE, QUEENSLAND	Leasehold	46	37 ⁽⁶⁷⁾	8 Curlew Street, Port of Brisbane, Queensland, Australia	100	-	36,896	-	1.51	-
53 PEREGRINE DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	40	37 ⁽⁶⁸⁾	53 Peregrine Drive, Port of Brisbane, Queensland, Australia	100	-	24,114	-	0.99	-
1-5 BISHOP AND 2-6 BISHOP DRIVE, PORT OF BRISBANE, QUEENSLAND	Leasehold	55	37 ⁽⁶⁹⁾	1-5 Bishop and 2-6 Bishop Drive, Port of Brisbane, Queensland	100	-	72,069	-	2.95	-
Total Logistics Properties							661,858	-	27.08	-
Total Australia investment properties							661,858	-	27.08	-
Japan										
Logistics Property										
ESR SAKURA DISTRIBUTION CENTRE	Freehold	Freehold	-	2464-11 and others, Ota, Sakura-shi, Chiba-ken	75	-	182,223	-	7.45	-
Total Japan investment property							182,223	-	7.45	-
Total Group's investment properties							4,616,047	2,947,591	188.83	184.46

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

Investment Properties Portfolio Statement

	31-12-22 S\$'000	31-12-21 S\$'000	Percentage of net assets attributable to Unitholders	
			31-12-22 %	31-12-21 %
Trust				
Investment properties (Note 3)	1,419,465	1,450,991	57.96	90.80
Other assets and liabilities (net)	1,331,618	298,148	54.37	18.66
Net assets of the Trust	2,751,083	1,749,139	112.34	109.46
Perpetual securities holders' funds	(302,128)	(151,115)	(12.34)	(9.46)
Net assets attributable to Unitholders	2,448,955	1,598,024	100.00	100.00
Group				
Investment properties (Note 3)	4,616,047	2,947,591	188.83	184.46
Other assets and liabilities (net)	(1,766,960)	(1,198,508)	(72.29)	(75.00)
Net assets of the Group	2,849,087	1,749,083	116.54	109.46
Perpetual securities holders' funds	(302,128)	(151,115)	(12.36)	(9.46)
Non-controlling interest - perpetual securities holders' funds	(102,306)	-	(4.18)	-
Net assets attributable to Unitholders	2,444,653	1,597,968	100.00	100.00

	Fair value	
	31-12-22 S\$'000	31-12-21 S\$'000
As disclosed in the Statement of Financial Position:		
Trust		
Investment properties – non-current	1,570,449	1,585,914
Investment properties held for divestment	8,141	29,264
Less: Right-of-use assets (Note 3)	(159,125)	(164,187)
Total investment properties	1,419,465	1,450,991
Group		
Investment properties – non-current	5,103,400	3,146,010
Investment properties held for divestment	56,595	29,264
Less: Right-of-use assets (Note 3)	(543,948)	(227,683)
Total investment properties	4,616,047	2,947,591

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
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Investment Properties Portfolio Statement

Notes:

- (1) Business Parks are clusters of buildings and offices typically dedicated to business activities relating to high-technology, research and development (R&D) value-added and knowledge-intensive sectors. Companies that take up space in Business Parks can engage in a range of light and clean uses such as technical support, information-communications, healthcare devices, product design, development and testing, service centres and back-end office functions.
- (2) High-Specs Industrial properties are mixed-use industrial buildings with a high proportion of space that can be allocated for office use. These buildings typically have facilities such as air-conditioned units and sufficient floorboard, ceiling height and electrical power capacities to enable both office and manufacturing functions to be carried out concurrently.
- (3) Logistics properties are typically equipped with high floor loading and also have a high floor-to-ceiling height. Such buildings can be either single-storey or multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.
- (4) General Industrial properties can be single or multi-storey facilities dedicated to general industrial, manufacturing or factory activities. Such spaces also have a low percentage of the usable space which can be set aside for office use.
- (5) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 August 1996.
- (6) Viva Trust holds the remainder of a 60 year lease commencing from 1 April 1971 for Plot 1: Lot 8134N Mukim 27 and 43 year lease commencing from 1 March 1988 for Plot 2: Lot 7837V Mukim 27.
- (7) Viva Trust holds the remainder of a 30+30 year lease commencing from 1 February 2008.
- (8) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 1997.
- (9) ESR-LOGOS REIT holds the remainder of a 99 year lease commencing from 1 January 1958.
- (10) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1990.
- (11) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 4 July 2007.
- (12) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 December 1989.
- (13) Viva Trust holds the remainder of a 30+30 year lease commencing from 11 September 2007.
- (14) 7000 AMK LLP holds the remainder of a 32+30 year lease commencing from 30 January 1995.
- (15) ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 December 2001.
- (16) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1994.
- (17) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 February 1973.
- (18) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 October 1993.
- (19) ESR-LOGOS REIT holds the remainder of a 30+12 year lease commencing from 1 March 1995.
- (20) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 December 1990.
- (21) ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 December 2011.
- (22) ESR-LOGOS REIT holds the remainder of a 30+14 year lease commencing from 1 May 2006.
- (23) Viva Trust holds the remainder of a 30 year lease commencing from 16 October 2013.

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

Investment Properties Portfolio Statement

Notes:

- (24) Viva Trust holds the remainder of a 30 year lease commencing from 16 February 2007.
- (25) ALOG Trust holds the remainder of a 29 year lease commencing from 19 August 2006.
- (26) ALOG Trust holds the remainder of a 30+30 year lease commencing from 20 December 2005.
- (27) ALOG Trust holds the remainder of a 30 year lease commencing from 1 June 2005.
- (28) ALOG Trust holds the remainder of a 30+30 year lease commencing from 16 August 2005.
- (29) ALOG Trust holds the remainder of a 30+16 year lease commencing from 1 February 2007.
- (30) ALOG Trust holds the remainder of a 30 year lease commencing from 1 June 2010.
- (31) ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2003.
- (32) ALOG Trust holds the remainder of a 30 year lease commencing from 16 June 2014.
- (33) ALOG Trust holds the remainder of a 30 year lease commencing from 1 October 2009.
- (34) ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 October 2011.
- (35) ESR-LOGOS REIT holds the remainder of a 10+22 year lease commencing from 1 June 2007.
- (36) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 August 1995.
- (37) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 May 1992.
- (38) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 December 1991.
- (39) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 October 1990.
- (40) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 2000.
- (41) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 April 1994.
- (42) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 March 2001 for 1 Changi North Street 2 and 30+30 year lease commencing from 23 November 2005 for 2 Changi North Street 2.
- (43) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 July 1998.
- (44) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 March 1995.
- (45) ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 September 2005.
- (46) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 June 1996.
- (47) ESR-LOGOS REIT holds the remainder of a 60 year lease commencing from 4 January 1999.
- (48) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 February 1993.
- (49) ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 16 March 2005.
- (50) ESR-LOGOS REIT holds the remainder of a 29.5 year lease commencing from 1 April 2008.
- (51) ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

Investment Properties Portfolio Statement

Notes:

- ⁽⁵²⁾ ESR-LOGOS REIT holds the remainder of a 30+28 year lease commencing from 1 February 2009.
- ⁽⁵³⁾ ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 October 1995.
- ⁽⁵⁴⁾ ESR-LOGOS REIT holds the remainder of a 30 year lease commencing from 1 February 2008.
- ⁽⁵⁵⁾ ESR-LOGOS REIT holds the remainder of a 28 year lease commencing from 25 March 2007.
- ⁽⁵⁶⁾ ESR-LOGOS REIT holds the remainder of a 27 year lease commencing from 30 September 2013.
- ⁽⁵⁷⁾ ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 1 May 1999.
- ⁽⁵⁸⁾ ESR-LOGOS REIT holds the remainder of a 30+16 year lease commencing from 1 April 2008.
- ⁽⁵⁹⁾ ESR-LOGOS REIT holds the remainder of a 30+28 year lease commencing from 16 February 1997.
- ⁽⁶⁰⁾ ESR-LOGOS REIT holds the remainder of a 29+30 year lease commencing from 1 June 1995 for 511 Yishun and 30+30 year lease commencing from 1 December 1993 for 513 Yishun.
- ⁽⁶¹⁾ ESR-LOGOS REIT holds the remainder of a 30+30 year lease commencing from 16 December 1994.
- ⁽⁶²⁾ Viva Trust holds the remainder of a 30+30 year lease commencing from 1 September 1995 for Plot 1 and 21+30 year lease commencing from 1 September 2004 for Plot 2.
- ⁽⁶³⁾ Viva Trust holds the remainder of a 30+30 year lease commencing from 1 May 2007.
- ⁽⁶⁴⁾ Viva Trust holds the remainder of a 60 year lease commencing from 16 May 1969.
- ⁽⁶⁵⁾ Viva Trust holds the remainder of a 60 year lease commencing from 19 July 2006.
- ⁽⁶⁶⁾ The Trust Company (Australia) Limited as trustee for Heron (QLD) Trust holds the remainder of a 43 year lease commencing from 21 November 2019.
- ⁽⁶⁷⁾ The Trust Company (Australia) Limited as trustee for LP Curlew Asset Trust holds the remainder of a 46 year lease commencing from 1 July 2013.
- ⁽⁶⁸⁾ The Trust Company (Australia) Limited as trustee for Peregrine (QLD) Trust holds the remainder of a 40 year lease commencing from 1 July 2019.
- ⁽⁶⁹⁾ The Trust Company (Australia) Limited as trustee for LP Bishop Asset Trust holds the remainder of a 55 year lease commencing from 1 November 2004.

+ Property divested during the financial year

Property is on 100% basis which includes a 20% non-controlling interest.

^ Property classified as held for divestment as at reporting date.

Investment properties comprise a diversified portfolio of industrial properties that are leased to external tenants. All of the leases are structured under single-tenancy or multi-tenancy and the tenancies range from 6 to 25 years for single tenancy and from 2.5 months to 15 years for multi-tenancy.

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR ENDED 30 JUNE 2022**

Notes to the Financial Statements Announcement

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

1. Summary of significant accounting policies

1.1 Basis of preparation

The condensed financial statements for the half year and full year ended 31 December 2022 have been prepared in accordance with FRS 34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore, the recommendations of Statement of Recommended Accounting Practice (“RAP”) 7 *Reporting Framework for Investment Funds* applicable to annual and interim financial statements issued by the Institute of Singapore Chartered Accountants, the applicable requirements of the Code on Collective Investment Schemes (the “CIS Code”) issued by the Monetary Authority of Singapore (“MAS”) and the provisions of the Trust Deed. RAP 7 requires that accounting policies adopted should generally comply with the recognition and measurement principles of Singapore Financial Reporting Standards (“FRS”).

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since its last annual financial statements for the financial year ended 31 December 2021.

1.2 Basis of measurement

The condensed financial statements are prepared on the historical cost basis, except for investment properties, investments at fair value through profit or loss, and derivative financial instruments, which are measured at fair value.

As at 31 December 2022, the current liabilities of the Group and the Trust exceeded their current assets by S\$259.4 million and S\$125.0 million, respectively. This is primarily due to the classification of medium-term notes of S\$50.0 million and term loans of S\$180.0 million as current liabilities as they are maturing within the next 12 months from 31 December 2022. Notwithstanding the net current liabilities position, based on the Group’s available financial resources and sources of funding, the Manager is of the view that the Group will be able to refinance its borrowings and meet its current financial obligations as and when they fall due.

1.3 Functional and presentation currency

The condensed financial statements are presented in Singapore dollars (“S\$”), which is the Trust’s functional currency. All financial information presented in Singapore dollars has been rounded to the nearest thousand, unless otherwise stated.

1.4 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial period, the Group has adopted all the new and revised standards that are effective for annual financial period beginning on 1 January 2022. The adoption of these standards did not have any significant effect on the financial performance or position of the Group and the Trust.

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

2. Significant accounting judgements and estimates

The preparation of condensed financial statements in conformity with RAP 7 requires the Manager to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

The significant judgements made by the Manager in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Group's annual financial statements for the financial year ended 31 December 2021.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods effected.

Information about critical judgements, assumptions and estimation uncertainties that have the most significant effect on the amounts recognised in the condensed financial statements are included in Note 13.

**ESR-LOGOS REIT
FINANCIAL STATEMENTS ANNOUNCEMENT
FOR THE HALF YEAR AND FULL YEAR ENDED 31 DECEMBER 2022**

3. Investment properties

	Group		Trust	
	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 S\$'000	31-12-21 S\$'000
<u>Investment properties</u>				
At beginning of the year	2,947,591	2,889,300	1,450,991	1,385,700
Additions through acquisition of subsidiaries	1,595,262	-	-	-
Acquisition of investment property	169,887	124,590	-	124,590
Capital expenditure incurred	108,365	27,007	21,184	5,386
Disposal of investment properties	(109,570)	(52,525)	(57,954)	(52,525)
Change in fair value during the year*	(24,282)	(40,781)	5,244	(12,160)
Effect of movement in exchange rates	(71,206)	-	-	-
At end of the year	4,616,047	2,947,591	1,419,465	1,450,991
Investment properties (non-current)	4,565,780	2,924,700	1,412,400	1,428,100
Investment properties held for divestment (current)	50,267	22,891	7,065	22,891
	4,616,047	2,947,591	1,419,465	1,450,991
<u>Right-of-use assets</u>				
At beginning of the year	227,683	229,758	164,187	165,637
Re-measurement due to change in lease rates	22,903	1,417	2,865	4,859
Recognition due to additions through acquisition of subsidiaries	320,340	-	-	-
Recognition due to acquisition of investment properties	-	3,996	-	3,996
Decognition due to disposal of investment properties	(6,365)	(8,448)	(6,365)	(8,448)
Change in fair value due to accretion of interest	23,578	11,862	8,470	9,043
Change in fair value due to lease payment	(18,150)	(10,237)	(9,488)	(10,235)
Change in fair value due to interest and payment borne by tenants	(636)	(665)	(544)	(665)
Effect of movement in exchange rates	(25,405)	-	-	-
At end of the year	543,948	227,683	159,125	164,187
Right-of-use assets (non-current)	537,620	221,310	158,049	157,814
Right-of-use assets attributable to investment properties held for divestment (current)	6,328	6,373	1,076	6,373
	543,948	227,683	159,125	164,187
Investment properties (including right-of-use assets) (non-current)	5,103,400	3,146,010	1,570,449	1,585,914
Investment properties held for divestment (including right-of-use assets) (current)	56,595	29,264	8,141	29,264
	5,159,995	3,175,274	1,578,590	1,615,178

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3. Investment properties (cont'd)

* The fair value loss of S\$24.3 million (2021: S\$40.8 million), together with a credit adjustment for the effect of lease incentives and marketing fee amortisation of S\$1.8 million (2021: S\$0.4 million), aggregate to S\$22.5 million (2021: S\$40.4 million) as disclosed in the Statement of Total Return.

** The change in fair value of right-of-use of leasehold land has been adjusted for the effect of interest and payments borne by tenants of S\$0.6 million (2021: S\$0.7 million).

Information on the fair value assessment of investment properties is disclosed in Note 13.

Security

As at 31 December 2022, an investment property with a carrying value of S\$182,223,000 (2021: Nil) is pledged as security to secure bank loans (see Note 5).

4. Investments at fair value through profit or loss

	Group		Trust	
	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 S\$'000	31-12-21 S\$'000
At the beginning of the year	66,542	-	66,542	-
Additions through acquisition of subsidiaries	300,467	-	-	-
(Reversal)/recognition of acquisition cost	(7)	65,112	(7)	65,112
Changes in fair values during the year	8,360	9,312	10,785	9,312
Return of capital	-	(7,882)	-	(7,882)
Effect of movement in exchange rate	(32,697)	-	-	-
At the end of the year	342,665	66,542	77,320	66,542

The Group's investments in property funds comprise a 10.0% interest in EALP, a 49.5% interest in NEW LAIVS Trust and a 40.0% interest in Oxford Property Fund.

The Group has determined that it neither has significant influence in nor control over the property funds as it does not have the ability to direct the relevant activities nor participate in the property funds' financial and operating policy decisions. These investments are classified as financial assets measured at fair value through profit or loss.

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5. Interest-bearing borrowings

	Group		Trust	
	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 S\$'000	31-12-21 S\$'000
Current liabilities				
Unsecured SGD loans	180,000	210,000	180,000	210,000
Unsecured SGD fixed rate notes	50,000	-	50,000	-
Unamortised debt transaction costs	(743)	(561)	(743)	(561)
	229,257	209,439	229,257	209,439
Non-current liabilities				
Unsecured SGD loans	1,169,000	755,000	1,169,000	755,000
Unsecured AUD loan	372,131	59,507	54,845	59,507
Secured Japanese Yen ("JPY") loan	124,326	-	-	-
Unsecured JPY loan	72,562	-	72,562	-
Unsecured SGD fixed rate notes	125,000	175,000	125,000	175,000
Unamortised debt transaction costs	(16,220)	(8,094)	(10,928)	(8,094)
	1,846,799	981,413	1,410,479	981,413
Total interest-bearing borrowings	2,076,056	1,190,852	1,639,736	1,190,852

As at 31 December 2022, the Group has in place unsecured borrowings comprising:

- (i) the following notes issued under its S\$750 million Multicurrency Debt Issuance Programme (the "MTN Programme"):
 - S\$50 million 7-year fixed rate notes (the "Series 005 Notes") issued in May 2016, bearing a fixed interest rate of 3.95% per annum payable semi-annually in arrears which will mature in May 2023; and
 - S\$125 million 5-year fixed rate notes (the "Series 007 Notes") issued in August 2021, bearing a fixed interest rate of 2.60% per annum payable semi-annually in arrears which will mature in August 2026.
- (ii) loan facility of S\$150 million from CIMB Bank Berhad, Singapore Branch consisting of:
 - Facility A: S\$100 million term loan facility maturing in May 2024 at an interest margin plus swap offer rate ("SOR"); and
 - Facility B: S\$50 million revolving credit facility which matured in May 2022.
- (iii) loan facility of S\$500 million from a syndicate of four banks comprising United Overseas Bank Limited ("UOB"), The Hongkong and Shanghai Banking Corporation Limited ("HSBC"), Malayan Banking Berhad, Singapore Branch ("Maybank") and RHB Bank Berhad ("RHB") consisting of:
 - Facility A: S\$160 million term loan facility at an interest margin plus SOR, which has been fully repaid and cancelled;
 - Facility B: S\$180 million term loan facility at an interest margin plus SOR, which has been fully repaid and cancelled; and
 - Facility C: S\$160 million term loan facility maturing in October 2023 at an interest margin plus SOR, of which S\$80 million has been repaid and cancelled.
- (iv) term loan facility of S\$100 million from BNP Paribas, Singapore Branch maturing in October 2023 at an interest margin plus SOR.

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5. Interest-bearing borrowings (cont'd)

- (v) club loan facility of S\$200 million from MUFG Bank, Ltd. (“MUFG”) and Sumitomo Mitsui Banking Corporation, Singapore Branch (“SMBC Singapore”) consisting of:
- Facility A: S\$150 million term loan facility maturing in February 2024 at an interest margin plus SOR; and
 - Facility B: S\$50 million revolving credit facility maturing in February 2024 at an interest margin plus SOR.
- (vi) club loan facility of S\$320 million from UOB, Maybank, RHB and HSBC consisting of:
- Facility A: S\$160 million term loan facility maturing in March 2026 at an interest margin plus SOR; and
 - Facility B: S\$160 million revolving credit facility maturing in March 2025 at an interest margin plus SOR.
- (vii) loan facility of A\$68.5 million from RHB consisting of:
- Facility A: A\$60.5 million term loan facility maturing in May 2027 at an interest margin plus Bank Bill Swap Bid Rate (“BBSY Bid”); and
 - Facility B: A\$8.0 million revolving credit facility maturing in May 2027 at an interest margin plus BBSY Bid.
- (viii) loan facility of A\$15 million from Australia and New Zealand Banking Group Limited (“ANZ”) maturing in April 2027 at an interest margin plus BBSY Bid.
- (ix) loan facility of S\$835 million and A\$365 million from a syndicate of six banks comprising DBS Bank Ltd. and its Australia Branch, Maybank, SMBC Singapore, HSBC, Oversea-Chinese Banking Corporation Limited and ANZ consisting of:
- Facility A: S\$185 million term loan facility maturing in April 2025 at an interest margin plus Singapore Overnight Rate Average (“SORA”);
 - Facility B: S\$200 million term loan facility maturing in April 2026 at an interest margin plus SORA;
 - Facility C: S\$200 million term loan facility maturing in April 2027 at an interest margin plus SORA;
 - Facility D: S\$250 million revolving credit facility maturing in April 2024 at an interest margin plus SORA.
 - Facility E: A\$350 million term loan facility maturing in April 2027 at an interest margin plus BBSY Bid; and
 - Facility F: A\$15 million revolving credit facility maturing in April 2027 at an interest margin plus BBSY Bid.

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5. Interest-bearing borrowings (cont'd)

(x) unsecured loan facility of JPY7.1 billion from MUFG and SMBC Singapore maturing in October 2026 at an interest margin plus Tokyo Interbank Offered Rate ("TIBOR").

(xi) secured loan facility of JPY12.2 billion from MUFG and Sumitomo Mitsui Banking Corporation to ESR-LOGOS REIT TMK1 consisting of:

- Term loan facility of JPY9.5 billion maturing in October 2026 at a fixed interest rate;
- Consumption tax bridging loan facility of JPY1.7 billion at an interest margin plus TIBOR; and
- Specified bond of JPY1.0 billion maturing in October 2026 at a fixed interest rate.

The secured loan facility of JPY12.2 billion is secured on the following:

- Investment property with a carrying amount of S\$182,223,000 (2021: Nil);
- A pledge over the trust beneficial interest in the above investment property;
- A conditional pledge over the insurance claims relating to the above investment property; and
- A pledge over the specified shares of certain subsidiaries.

As at 31 December 2022, the total amounts outstanding under the MTN Programme, the term loan and the revolving credit facilities were S\$175.0 million, S\$1,744.0 million and S\$174.0 million, respectively.

6. Liabilities directly attributable to investment properties held for divestment

	Group		Trust	
	31-12-22 S\$'000	31-12-21 S\$'000	31-12-22 S\$'000	31-12-21 S\$'000
Lease liabilities	6,328	6,373	1,076	6,373

7. Gross revenue

	Group		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Property rental income	180,648	111,700	317,584	221,938
Other income	14,843	9,136	25,575	18,383
Reversal of rental rebates ⁽¹⁾	73	610	73	965
	<u>195,564</u>	<u>121,446</u>	<u>343,232</u>	<u>241,286</u>

⁽¹⁾ Rental rebates to eligible tenants as part of the Group's measures to support tenants adversely affected by the COVID-19 outbreak, and under the Rental Relief Framework pursuant to the COVID-19 (Temporary Measures) Act 2020.

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8. Property expenses

	Group		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Property Manager's fees paid and payable in:				
- cash	7,389	3,983	12,237	7,933
- Units	1,704	1,457	3,257	2,872
	9,093	5,440	15,494	10,805
Property tax	16,099	10,307	28,393	20,101
Repair and maintenance expenses	10,998	9,534	21,463	18,877
Other property operating expenses	17,893	9,871	33,639	18,242
	<u>54,083</u>	<u>35,152</u>	<u>98,989</u>	<u>68,025</u>

9. Management fees

	Group		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Base fees paid and payable in:				
- cash	5,524	4,509	10,274	8,807
- Units	6,576	3,123	10,837	6,033
Performance fees ⁽¹⁾	-	-	90	-
	<u>12,100</u>	<u>7,632</u>	<u>21,201</u>	<u>14,840</u>

⁽¹⁾ Paid to the former manager of ALOG Trust.

10. Trust expenses

	Group		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Auditor's remuneration				
- audit fees	302	130	565	278
- non-audit fees	136	41	216	87
Trustee's fees	702	327	1,189	595
Valuation fees	287	338	419	452
Professional fees	1,503	185	2,007	275
Other expenses ⁽¹⁾	(710)	385	776	1,085
	<u>2,220</u>	<u>1,406</u>	<u>5,172</u>	<u>2,772</u>

⁽¹⁾ Other expenses comprise investor relations costs, compliance costs, listing fees and other non-property related expenses.

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11. Borrowing costs, net

	Group		Group	
	2H2022	2H2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Finance income:				
- interest income	551	10	594	20
- financial derivatives	4,942	-	-	-
Finance costs paid and payable:				
- bank loans	(36,679)	(9,295)	(50,562)	(18,468)
- financial derivatives	-	(8,487)	(955)	(17,767)
- fixed rate notes	(2,634)	(2,331)	(5,225)	(3,311)
- amortisation of transaction costs relating to debt facilities	(3,246)	(2,080)	(6,099)	(4,343)
	<u>(37,066)</u>	<u>(22,183)</u>	<u>(62,247)</u>	<u>(43,869)</u>

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12. Related parties

For the purposes of these condensed financial statements, parties are considered to be related to the Group if the Manager or the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Manager and the party are subject to common significant influence. Related parties may be individuals or other entities. The Manager and the Property Manager are indirect subsidiaries of a substantial Unitholder of the Trust.

Other than as disclosed elsewhere in the condensed financial statements, there were the following significant related party transactions carried out in the normal course of business on terms agreed between the parties:

	Group		Group	
	2H2022	2H2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
ESR-LOGOS Funds Management (S) Limited (the "Manager")				
Management fees paid and payable				
- in cash	4,752	4,509	9,001	8,807
- in units	6,576	3,123	10,837	6,033
Acquisition fees paid and payable				
- in cash	-	-	-	1,196
- in units	1,695	-	17,648	-
Development management fees paid and payable	614	21	1,055	21
Divestment fees paid in cash	441	265	557	265
ESR-LOGOS Property Management (S) Pte Ltd (Subsidiary of immediate holding company of the Manager)				
Property and lease management fees paid and payable				
- in cash	3,203	2,102	5,589	4,194
- in units	1,704	1,457	3,257	2,872
Lease marketing services commissions paid and payable	2,531	2,161	3,592	3,877
Project management fees paid and payable	238	51	419	299
Site staff cost recovery	612	471	1,088	802
Rental income received and receivable ⁽¹⁾	336	280	673	280
Utilities income received and receivable	9	2	16	2
RBC Investor Services Trust Singapore Limited (the "Trustee") ⁽²⁾				
Trustee fees paid	196	237	434	412
Perpetual (Asia) Limited (the "Trustee") ⁽³⁾				
Trustee fees paid and payable	43	-	43	-
ESR Group Limited				
Base and performance fees paid	-	-	439	-
Investment management fees paid and payable	388	-	542	-
Asset management fees paid and payable	669	-	864	-
Property management fees paid and payable	897	-	1,329	-
Acquisition of a 10% interest in ESR Australia Logistics Partnership	-	-	-	62,630
Acquisition of ESR Sakura Distribution Centre	169,812	-	169,812	-
Rental support received and receivable ⁽⁴⁾	421	-	421	-
TSMP Law Corporation				
Legal fees paid and payable	630	-	630	-

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12. Related parties (cont'd)

- (1) Relates to rental income received and receivable from ESR-LOGOS Property Management (S) Pte Ltd ("E-LOG PM") pursuant to a 3-year tenancy agreement entered into between the Group and E-LOG PM during FY2021.
- (2) On 24 November 2022, RBC Investor Services Trust Singapore Limited retired as the trustee of ESR-LOGOS REIT.
- (3) Perpetual (Asia) Limited was appointed as the trustee of ESR-LOGOS REIT effective from 25 November 2022.
- (4) Pertains to rental support received and receivable from ESR 34 GK in relation to the acquisition of ESR Sakura Distribution Centre.

13. Fair value measurement

Valuation processes applied by the Group

The Group has an established control framework with respect to the measurement of fair values. This framework includes a real estate team that reports directly to the Chief Executive Officer of the Manager, and has an overall responsibility for all significant fair value measurements, including Level 3 fair values.

The valuation team regularly reviews significant unobservable input and valuation adjustments. If third party information is used to measure fair value, then the valuation team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified.

Significant valuation issues are reported to the Manager's Board.

(a) Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation input used as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable input for the asset or liability.

If the input used to measure the fair value of an asset or a liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to entire measurement (with Level 3 being the lowest).

The Group recognises any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no such transfers during the current and previous financial periods.

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13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value

The table below shows an analysis of each class of assets and liabilities of the Group and the Trust measured at fair value as at the end of the reporting period:

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Group				
As at 31 December 2022				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	56,595	–	5,103,400	5,159,995
Financial assets				
Investments at fair value through profit or loss	–	–	342,665	342,665
Derivative financial instruments	–	24,003	–	24,003
	<u>56,595</u>	<u>24,003</u>	<u>5,446,065</u>	<u>5,526,663</u>
Financial Liabilities				
Derivative financial instruments	–	(1,907)	–	(1,907)
Amount due to non-controlling interest	–	–	(63,316)	(63,316)
	<u>–</u>	<u>(1,907)</u>	<u>(63,316)</u>	<u>(65,223)</u>
As at 31 December 2021				
Non financial assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	29,264	–	3,146,010	3,175,274
Financial assets				
Investments at fair value through profit or loss	–	–	66,542	66,542
	<u>29,264</u>	<u>–</u>	<u>3,212,552</u>	<u>3,241,816</u>
Financial Liabilities				
Derivative financial instruments	–	(13,653)	–	(13,653)
Amount due to non-controlling interest	–	–	(62,036)	(62,036)
	<u>–</u>	<u>(13,653)</u>	<u>(62,036)</u>	<u>(75,689)</u>

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13. Fair value measurement (cont'd)

(b) Assets and liabilities measured at fair value (cont'd)

	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Trust				
As at 31 December 2022				
Non financial assets				
Investment properties (including right-of-use assets and investment property held for divestment)	8,141	–	1,570,449	1,578,590
Financial assets				
Investments at fair value through profit or loss	–	–	77,320	77,320
Derivative financial instruments	–	14,804	–	14,804
	8,141	14,804	1,647,769	1,670,714
Financial Liabilities				
Derivative financial instruments	–	(1,907)	–	(1,907)
As at 31 December 2021				
Non financial assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	29,264	–	1,585,914	1,615,178
Financial assets				
Investment at fair value through profit or loss	–	–	66,542	66,542
	29,264	–	1,652,456	1,681,720
Financial Liabilities				
Derivative financial instruments	–	(13,653)	–	(13,653)

(c) Level 1 fair value measurements

Investment properties held for divestment

The fair values of investment properties held for divestment are based on recently agreed selling price for the subject property between unrelated third parties in an arm's length transaction.

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13. Fair value measurement (cont'd)

(d) Level 2 fair value measurements

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Financial derivatives

The fair values of derivative financial instruments such as interest rate swaps and forward foreign currency exchange contracts (Level 2 fair values) are based on valuation statements from banks that are the counterparties of the transactions. These quotes are tested for reasonableness by discounting estimated future cashflows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

(e) Level 3 fair value measurements

The following is a description of the valuation techniques and input used in the fair value measurement for assets and liabilities that are categorised within Level 3 of the fair value hierarchy:

Amount due to non-controlling interest

The fair value of the amount due to non-controlling interest is determined based on the non-controlling interest's 20% share of the net assets of 7000 AMK LLP with reference to the fair value of its underlying investment property. The fair value of the investment property is determined based on significant unobservable inputs which have been included in the disclosures for investment properties held directly or through joint venture in this Note 13(e).

Investment properties held directly or through joint venture

Investment properties are stated at fair value based on valuations performed by independent professional valuers, having appropriate recognised professional qualifications and experience in the location and category of property being valued. Independent valuations are obtained annually for all investment properties. Any change in the fair value is recorded in profit or loss.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing seller and a willing buyer in an arm's length transaction after proper marketing wherein the parties have each acted knowledgeably, prudently and without compulsion.

In determining the fair values, the valuers have used valuation methods including direct comparison method, capitalisation approach and discounted cash flows method in arriving at the open market value as at the reporting date. These valuation methods involve certain estimates. The Manager has exercised its judgement and is satisfied that the valuation methods and estimates are reflective of the current market conditions.

The direct comparison method involves the analysis of comparable sales of similar properties and adjusting the sale prices to that reflective of the investment properties. The capitalisation approach capitalises an income stream into a present value using a market-corroborated capitalisation rate. The discounted cash flows method involves the estimation of an income stream over a period and discounting the income stream with an expected internal rate of return and terminal yield.

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13. Fair value measurement (cont'd)

(e) Level 3 fair value measurements (cont'd)

Investment properties held directly or through joint venture (cont'd)

The above fair value has been classified as a Level 3 fair value based on the inputs to the valuation techniques used.

The following table shows the key unobservable inputs in Level 3 fair value measurement used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Investment properties held directly or through joint venture</i>		
Discounted cash flows method, direct comparison method and capitalisation approach	<ul style="list-style-type: none"> Market rental growth ranges from 3.0% to 7.0% (2021: 1.5% to 3.0%) per annum. 	The estimated fair value would increase/(decrease) if: <ul style="list-style-type: none"> expected market rental growth were higher/(lower);
	<ul style="list-style-type: none"> Adjusted price (psm) of S\$1,834 (2021: S\$972 to S\$1,723) 	<ul style="list-style-type: none"> the adjusted price psm were higher/(lower);
	<ul style="list-style-type: none"> Risk-adjusted discount rates of 4.00% to 9.50% (2021: 7.00% to 8.25%) 	<ul style="list-style-type: none"> the risk-adjusted discount rates were lower/(higher);
	<ul style="list-style-type: none"> Capitalisation rates of 4.20% to 7.50% (2021: 5.00% to 7.25%) 	<ul style="list-style-type: none"> the capitalisation rates were lower/(higher); or
	<ul style="list-style-type: none"> Terminal yield rates of 4.30% to 7.50% (2021: 5.25% to 7.25%) 	<ul style="list-style-type: none"> the terminal yield rates were lower/(higher)

Key unobservable inputs correspond to:

- Market rental growth, adjusted price psm, capitalisation and terminal yield rates derived from specialised publications from the industrial market and recent sales in the industrial sector.
- Discount rates, based on the risk-free rates derived from government-issued bonds, adjusted for a risk premium to reflect the increased risk of investing in the asset class.

The reconciliation of investment properties for the financial year for Level 3 fair value measurements is shown in Note 3.

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13. Fair value measurement (cont'd)

(e) Level 3 fair value measurements (cont'd)

Investments at fair value through profit or loss

The fair value of the investments at fair value through profit or loss, which are unquoted equity investments in property funds, is determined based on the Group's share of the net assets of the property funds with reference to the fair value of the underlying investment properties of the funds. The fair value of these underlying investment properties is determined based on significant unobservable inputs. Accordingly, the fair value of the investments are categorised under Level 3 of the fair value hierarchy.

The following table shows the key unobservable inputs used in the valuation model:

Type	Key unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<i>Investment properties held by property funds</i>		
Discounted cash flows method and capitalisation approach	<ul style="list-style-type: none"> • Risk-adjusted discount rates of 5.50% to 7.00% (2021: 5.50% to 7.25%) • Capitalisation rates from 3.60% to 6.25% (2021: 3.75% to 6.75%) • Terminal yield rates from 3.85% to 7.25% (2021: 4.00% to 7.00%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> • the risk-adjusted discount rates were lower/(higher); • the capitalisation rates were lower/(higher); or • the terminal yield rates were lower/(higher).

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13. Fair value measurement (cont'd)

(f) Classification of financial instruments

The fair values of financial assets and liabilities, together with their carrying amounts shown in the Statement of Financial Position, are as follows:

Group	Note	Financial assets at amortised cost S\$'000	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total carrying amount S\$'000	Fair value S\$'000
As at 31 December 2022						
Investments at fair value through profit or loss	4	–	342,665	–	342,665	342,665
Trade and other receivables*		20,991	–	–	20,991	20,991
Cash and cash equivalents		45,579	–	–	45,579	45,579
Derivative financial instruments (net)		–	22,096	–	22,096	22,096
Loans and borrowings	5	–	–	(2,076,056)	(2,076,056)	(2,064,557)
Trade and other payables^		–	–	(103,466)	(103,466)	(103,466)
Amount due to non-controlling interest		–	(63,316)	–	(63,316)	(63,316)
		66,570	301,445	(2,179,522)	(1,811,507)	(1,800,008)
As at 31 December 2021						
Investment at fair value through profit or loss	4	–	66,542	–	66,542	66,542
Trade and other receivables*		18,455	–	–	18,455	18,455
Cash and cash equivalents		24,150	–	–	24,150	24,150
Loans and borrowings	5	–	–	(1,190,852)	(1,190,852)	(1,188,251)
Trade and other payables^		–	–	(77,370)	(77,370)	(77,370)
Amount due to non-controlling interest		–	(62,036)	–	(62,036)	(62,036)
Derivative financial instruments		–	(13,653)	–	(13,653)	(13,653)
		42,605	(9,147)	(1,268,222)	(1,234,764)	(1,232,163)

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13. Fair value measurement (cont'd)

(f) Classification of financial instruments (cont'd)

	Note	Financial assets at amortised cost S\$'000	Fair value through profit or loss S\$'000	Financial liabilities at amortised cost S\$'000	Total carrying amount S\$'000	Fair value S\$'000
Trust						
As at 31 December 2022						
Loans to subsidiaries		648,863	–	–	648,863	648,863
Investment at fair value through profit or loss	4	–	77,320	–	77,320	77,320
Trade and other receivables*		132,864	–	–	132,864	132,864
Cash and cash equivalents		9,539	–	–	9,539	9,539
Derivative financial instruments (net)		–	12,897	–	12,897	12,897
Loans and borrowings	5	–	–	(1,639,736)	(1,639,736)	(1,628,237)
Trade and other payables^		–	–	(43,170)	(43,170)	(43,170)
		791,266	90,217	(1,682,906)	(801,423)	(789,924)
As at 31 December 2021						
Loans to subsidiaries		636,800	–	–	636,800	636,800
Investment at fair value through profit or loss	4	–	66,542	–	66,542	66,542
Trade and other receivables*		28,826	–	–	28,826	28,826
Cash and cash equivalents		14,164	–	–	14,164	14,164
Loans and borrowings	5	–	–	(1,190,852)	(1,190,852)	(1,188,251)
Trade and other payables^		–	–	(42,975)	(42,975)	(42,975)
Derivative financial instruments		–	(13,653)	–	(13,653)	(13,653)
		679,790	52,889	(1,233,827)	(501,148)	(498,547)

* Excludes prepayments, GST receivable and capitalised cost.

^ Excludes rent received in advance, deposits received for properties held for divestment and GST payable.

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14. Segment reporting

The Manager considers the business from a geographical segment perspective. Geographically, the Manager manages and monitors the business by 3 countries: Singapore, Australia and Japan. All geographical locations are in the business of investing in industrial properties, which is the only business segment of the Group.

The Manager assesses the performance of the geographical segments based on a measure of Net Property Income (“NPI”). Interest income and finance expenses are not allocated to the segments as treasury activities are centrally managed by the Group.

The segment information provided to the Manager for the reportable segments are as follows:

	Singapore S\$'000	Australia S\$'000	Japan S\$'000	Total S\$'000
Segment Results				
For the year ended 31 December 2022				
Gross revenue	303,300	38,702	1,230	343,232
Property expenses	(90,925)	(7,861)	(203)	(98,989)
Net property income	212,375	30,841	1,027	244,243
Share of results of joint venture	5,343	–	–	5,343
Income from investments at fair value through profit or loss	–	11,129	–	11,129
Loss on disposal of investment properties	(46)	–	–	(46)
Change in fair value of investments at fair value through profit or loss	–	8,360	–	8,360
Change in fair value of financial derivatives	26,446	1,124	–	27,570
Change in fair value of investment properties	(28,805)	5,858	482	(22,465)
Change in fair value of right-of-use of leasehold land	1,095	4,498	–	5,593
Finance costs on lease liabilities for leasehold land	(12,702)	(11,041)	–	(23,743)
Unallocated amounts:				
- Interest income				594
- Borrowing costs				(62,841)
- Fair value adjustment relating to the Merger				(427,055)
- Foreign exchange loss				(2,256)
- Management fees				(21,201)
- Trust expenses				(5,172)
Total loss for the year before tax				(261,947)
Tax expense				(9,492)
Total loss for the year after tax				(271,439)
Segment Assets and Liabilities				
As at 31 December 2022				
Segment assets				
Investment properties (including right-of-use assets and investment properties held for divestment)	4,042,825	934,947	182,223	5,159,995
Investment in joint venture	41,233	–	–	41,233
Investments at fair value through profit or loss	–	342,665	–	342,665
Others	60,256	25,269	24,740	110,265
Consolidated total assets	<u>4,144,314</u>	<u>1,302,881</u>	<u>206,963</u>	<u>5,654,158</u>
Segment liabilities	449,160	274,647	3,301	727,108
Unallocated liabilities ⁽¹⁾				2,077,963
Consolidated total liabilities				<u>2,805,071</u>

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14. Segment reporting (cont'd)

	Singapore S\$'000	Australia S\$'000	Japan S\$'000	Total S\$'000
Segment Results				
For the year ended 31 December 2021				
Gross revenue	241,286	–	–	241,286
Property expenses	(68,025)	–	–	(68,025)
Net property income	173,261	–	–	173,261
Share of results of joint venture	7,701	–	–	7,701
Income from investment at fair value through profit or loss	–	1,536	–	1,536
Change in fair value of investment at fair value through profit or loss	–	9,312	–	9,312
Change in fair value of financial derivatives	24,925	–	–	24,925
Change in fair value of investment properties	(40,381)	–	–	(40,381)
Change in fair value of right-of-use of leasehold land	1,588	–	–	1,588
Finance costs on lease liabilities for leasehold land	(11,825)	–	–	(11,825)
Unallocated amounts:				
- Interest income				20
- Borrowing costs				(43,889)
- Foreign exchange gain				3,125
- Management fees				(14,840)
- Trust expenses				(2,772)
Total return for the year before tax				107,761
Tax expense				(2,162)
Total return for the year after tax				105,599
Segment Assets and Liabilities				
As at 31 December 2021				
<u>Segment assets</u>				
Investment properties (including right-of-use assets and investment properties held for divestment)	3,175,274	–	–	3,175,274
Investment in joint venture	40,714	–	–	40,714
Investment at fair value through profit of loss	–	66,542	–	66,542
Others	47,235	–	–	47,235
Consolidated total assets	3,263,223	66,542	–	3,329,765
Consolidated total liabilities	1,580,682	–	–	1,580,682

(1) Unallocated liabilities consist of interest-bearing borrowings and derivative financial instruments.

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15. Financial ratios

	31.12.2022	31.12.2021
	%	%
Expenses to weighted average net assets ⁽¹⁾		
- including performance component of management fees	1.04	1.04
- excluding performance component of management fees	1.03	1.04
Portfolio turnover rate ⁽²⁾	4.40	3.12

(1) The annualised ratios are computed in accordance with the guidelines of Investment Management Association of Singapore. The expenses used in the computation relate to expenses of the Group, excluding property related expenses, borrowing costs and income tax expense.

(2) The annualised ratio is computed based on the lesser of purchases or sales of underlying investment properties of the Group expressed as a percentage of daily average net asset value.

16. Capital commitments

As at 31 December 2022, the Group had S\$104.2 million (31 December 2021: S\$65.9 million) of capital commitments in respect of asset enhancement initiatives and capital expenditure for investment properties that had been authorised and contracted for but not provided for in the financial statements. These projects are targeted to be completed by 2024.

17. Contingent liability

On 1 April 2022, HSBC Institutional Trust Services (Singapore) Limited, as trustee of ALOG Trust, and ARA LOGOS Property Management Pte. Ltd., as the property manager of ALOG Trust at that time, received a writ of summons from a former tenant of a property in Singapore claiming damages from losses suffered arising from damages in its rented premises. The total sum claimed to date amounted to approximately S\$13.3 million comprising S\$8.0 million in special damages and S\$5.3 million in general damages. The case is currently being held in abeyance pending mediation. Based on the Manager's assessment of the merits of the claim which has yet to be determined by the Court, the Manager has determined that as at the date of these financial statements, provision for this claim need not be recognised as the Manager does not consider it probable that these proceedings will result in a significant outflow of resources.

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This announcement 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-LOGOS 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.

Any discrepancies in the tables included in this announcement between the listed amounts and total thereof are due to rounding.

BY ORDER OF THE BOARD

ESR-LOGOS Funds Management (S) Limited

As Manager of ESR-LOGOS REIT

(Company Registration No. 200512804G, Capital Markets Services Licence No. 100132)

Adrian Chui

Chief Executive Officer and Executive Director

30 January 2023

For further enquiries, please contact:

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