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

NEWS RELEASE

ESR-LOGOS REIT Delivers FY2022 DPU of 3.000 Cents, 2H2022 DPU Increased 7.5% Y-o-Y

- *FY2022 DPU increased 0.4% to 3.000 cents, 2H2022 DPU increased 7.5% y-o-y to 1.540 cents*
- *Positive portfolio rental reversion at 11.8% driven by New Economy businesses in Logistics and High-Specs sectors which comprised 62.8% of E-LOG's portfolio*
- *Resilient operational performance underpinned by high occupancy of 92.7% due to stable demand and limited supply of quality spaces*
- *Gearing at 41.8%, with 72.0% of borrowings on fixed interest rates*
- *S$320.4 million of committed undrawn revolving credit facilities at attractive margins available to refinance FY2023 loan expiries and working capital*
- *Continued focus on Rejuvenation and Recycling strategy: AEIs, Redevelopments, and Divestments, to Rejuvenate the quality of E-LOG's portfolio and Recycling capital towards modern, in-demand and scalable acquisitions*

Summary of Financial Results:

	FY2022 (S$ million)	FY2021 (S$ million)	(+/-) (%)	2H2022 (S$ million)	2H2021 (S$ million)	(+/-) (%)
Gross Revenue[(1)]	343.2	241.3	42.3	195.6	121.4	61.0
Net Property Income ("NPI")[(1)]	244.2	173.3	41.0	141.5	86.3	64.0
Amount available for distribution to Unitholders[(2)]	177.1	114.4	54.8	103.5	57.6	79.6
Applicable number of units for calculation of DPU[(3)] (million)	5,903.2	3,829.7	54.1	6,719.2	4,020.6	67.1
DPU (Singapore cents)	3.000	2.987	0.4	1.540	1.433	7.5

(1) Higher gross revenue and NPI mainly attributed to contributions from ALOG Trust after the Merger in April 2022.

(2) Higher amount available for distribution was mainly due to (i) higher NPI as explained above; (ii) income contributions from the Group's 10% interest in ESR Australia Logistics Partnership, as well as the 2 property funds held through ALOG Trust (namely 49.5% interest in New LAIVS Trust and 40.0% interest in Oxford Property Fund); (iii) a non-recurrent tax-exempt income distribution of S$3.5 million from Viva Trust, a wholly-owned sub-trust of ESR-LOGOS REIT; and (iv) capital gains of S$14.5 million from the sale of investment properties in prior years, partially offset by higher borrowing costs due to higher base rates and borrowing costs for the debt drawn to partially fund the merger with ALOG Trust.

(3) Higher applicable number of Units was mainly due to the issuance of new Units as part of the scheme consideration paid for the Merger.

Singapore, 30 January 2023 – ESR-LOGOS Funds Management (S) Limited, as manager of ESR-LOGOS REIT (the "Manager"), is pleased to announce ESR-LOGOS REIT (or "E-LOG") distribution per Unit ("DPU") for the financial year ended 31 December 2022 ("FY2022") was 3.000 cents.

Commenting on E-LOG's FY2022 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager said, "During the year, we continued to advance our strategy to solidify E-LOG's position as a leading New Economy and future-ready APAC S-REIT. We completed a successful merger with ARA LOGOS Logistics Trust ("ALOG Trust"), divested S$151.3 million of non-core assets and recycled the capital by acquiring our first property in Japan with the ESR Sakura Distribution Centre acquisition, providing us with access to freehold assets and a presence in three footprint and mature markets."

"Despite the uncertainties and challenges posed by the impact of high inflation, rising interest rates and geopolitical tensions, we continue to stay prudent in our risk management strategies and were able to deliver stable growth both operationally and financially. Leveraging on the continued tailwinds of economic structural trends, we continued to rejuvenate E-LOG's portfolio towards in-demand, scalable and quality New Economy assets."

Strong Financial Performance

Gross revenue for FY2022 was recorded at S$343.2 million, an increase of 42.3% from S$241.3 million in FY2021, primarily due to incremental contributions from ALOG Trust following the completion of the merger in April 2022. On the back of higher gross revenue, NPI increased 41.0% to S$244.2 million, from S$173.3 million in FY2021. The increase in NPI was partially offset by divestments and higher property expenses in FY2022 as a surge in global energy prices and electricity demand drove utilities expenses higher, and inflationary pressures resulted in higher operating expenses.

Steady Distributions

The amount available for distribution for FY2022 grew 54.8% to S$177.1 million. FY2022 DPU was 3.000 cents, 0.4% above FY2021 DPU of 2.987 cents. E-LOG's distribution frequency is on a half-yearly basis with effect from 2H2022. The record date for the distribution of 1.540 cents per unit for the period from 1 July to 31 December 2022 is on 7 February 2023 and the expected payment date is 29 March 2023.

Portfolio Performance Underpinned by Strong Demand

Portfolio occupancy remained high at 92.7%, supported by strong demand for quality spaces. A total of 516,501 sqm of space was leased to tenants, comprising 373,650 sqm of lease renewals (72.3% of total leases) and 142,851 sqm of new leases (27.7% of total leases). Retention rate was recorded at 69.3%[1]. Given the continued changes in economic structural trends, E-LOG delivered strong portfolio rental reversions in FY2022 at 11.8%, compared to -1.7% in FY2021. The strong rental reversions were

[1] Excludes leases signed for less than 12 months

broad based across all four sub-sectors and driven primarily by the New Economy sectors of Logistics (15.7%) and High-Specs (12.3%).

E-LOG's weighted average lease expiry as at 31 December 2022 was 3.2 years, compared to 2.7 years as at 31 December 2021. As part of the Manager's efforts to reduce tenant concentration risk, rental income contributed by the top 15 tenants accounted for just 34.8% of the total portfolio, an improvement by 2% from 36.8% in FY2021, with no single tenant contributing more than 5.5% of rental income.

Well-Positioned with a New Economy Future-Ready Portfolio

As at 31 December 2022, E-LOG has a portfolio of 82 quality properties (excluding 48 Pandan Road held through a joint venture) diversified across key gateway markets: Singapore (61), Australia (20) and Japan (1), with a total gross floor area (*"GFA") of approximately 2.3 million sqm. New Economy assets of Logistics and High-Specs accounted for 62.8% of total portfolio. To meet the growing industry demand for quality Logistics, High Specs and Cold Storage spaces, the Manager will continue to rejuvenate E-LOG's portfolio through Asset Enhancements & Redevelopments, Divestments of non-core assets and Recycle the capital towards longer land lease New Economy assets via acquisitions.

Asset Enhancement Initiatives ("AEI") and Redevelopment

In FY2022, the Manager continued to rejuvenate E-LOG's portfolio quality towards modern, in-demand and scalable assets. The Manager undertook a major AEI at 16 Tai Seng which includes adding 2,793 sqm of new GFA at an estimated yield on cost of approximately 6.0%. Currently, 16 Tai Seng is 33.7% pre-committed and the AEI is expected to be completed in 1Q2024.

In April 2022, the Manager announced the redevelopment of 21B Senoko Loop to convert the property from a general industrial building to a high-specs property. The new development is a built-to-suit facility for NTS Components Singapore Pte Ltd who will fully lease the property for 15 years upon completion. Expected to complete by 1Q2024, the asset will be Green Mark Gold certified and generate a yield on cost of approximately 6.6%. In October 2022, 53 Peregrine Drive development was completed, and income contribution commenced in the same month. The Manager is also currently evaluating an approximately S$200 million potential redevelopment of an existing logistics asset into a modern, ramp-up automated cold storage facility with green mark certification.

Together with the ongoing AEIs at 7002 Ang Mo Kio Ave 5, these AEIs and Redevelopments ensure the continued relevance of E-LOG's portfolio to the needs and demands of the New Economy sector.

Divestments of Non-Core Assets

The Manager took measured steps to recalibrate E-LOG's portfolio with the divestment of non-core assets and recycling the capital towards longer land lease New Economy assets. In FY2022, E-LOG announced the divestments of five non-core assets at a weighted average premium of 14.8% above valuation for a total of S$151.3 million. The divestments of 28 Senoko Drive, 3 Sanitarium Drive and 2

Jalan Kilang Barat have been completed while the divestments of 49 Pandan Road and 70 Seletar Aerospace View are expected to be completed in 1Q2023 and 2Q2023, respectively.

The Manager has also identified an additional S$450 million of non-core assets to be divested over the next 12 months.

Delivering Purposeful Growth through Quality Acquisitions

E-LOG delivered purposeful growth through two milestone acquisitions in FY2022. First was the merger with ALOG Trust which accelerated its aspirations to become a New Economy and future-ready REIT. The merger bolstered E-LOG's relevance and resilience with a fully integrated platform that provided greater depth in Singapore and access to a new market, Australia. With increased scale and prominence as a Top 10 S-REIT by free-float market capitalisation, E-LOG is now better positioned to access competitive sources of capital and greater funding flexibility.

E-LOG continues to benefit from the commitment and support of its strong Sponsor, ESR Group, which has a global portfolio of over US$59 billion in New Economy assets. This is a significant competitive advantage for E-LOG as quality modern logistics assets continue to be scarce in major logistics markets globally.

E-LOG made its maiden entry into Japan with the acquisition of freehold ESR Sakura Distribution Centre from its Sponsor for JPY 17,800 million (S$169.8 million[2]) in October 2022. With overwhelming support from its unitholders, the acquisition of the 5-storey modern freehold logistics property with net lettable area of 81,507 sqm will allow E-LOG to ride on the strong logistics growth trends in the Greater Tokyo area.

Robust Capital Management

At the end of FY2022, E-LOG's gearing stood at 41.8%. 72.0% of E-LOG interest rate exposure is fixed with a weighted average fixed debt expiry of 2.0 years as at 31 December 2022. E-LOG's debt expiry profile remains well spread out with weighted average debt expiry at 2.9 years and all-in cost of debt of 3.66% per annum.

The Manager continues to ensure E-LOG's financial flexibility to meet its strategic growth objectives. At the end of FY2022, E-LOG had a debt head room of S$858.8 million and access to S$320.4 million of committed undrawn revolving credit facilities. The Manager intends to utilise the committed undrawn revolving credit facilities which are at attractive margins to refinance FY2023 debt expiries of S$230.0 million, thereby reducing interest expense and commitment fees on the revolving credit facilities. E-LOG remains well supported by 11 banks.

[2] Using an exchange rate of JPY 104.82 : S$1.00

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 for global growth to decelerate to 2.7% in 2023 from around 3.2% last year[3], 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 3Q2022[4]. On a quarter-on-quarter seasonally adjusted basis, the economy expanded by 0.2%, extending the 1.1% expansion against the preceding quarter.

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%[5]. 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.

In 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.

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 weaken[6].

Rental growth will primarily be driven by the logistics and high-specs segments 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 the factories and warehouse segments are expected to see moderated growth as a result of a higher supply delayed from FY2022, stabilisation of stockpiling and e-commerce demand as supply chain disruptions ease from the pandemic peak.

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

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

[5] Based on JTC 4Q2022 Industrial Property Market Statistics

[6] Based on Industrial Marketbeat Report by Cushman & Wakefield

Australia

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 rents[7]. 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.

Japan

The supply of New Large Multi-Tenant (LMT) logistics facility 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 2023[8]. The large supply addresses the insufficient supply as seen during the pandemic when 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.

Looking Ahead

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

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[7] Based on Australian Industrial & Logistics Figures 4Q2022 by CBRE Research
[8] Based on CBRE Market Outlook 2023 for Japan

"On a positive note, the cooling of US inflation data indicates that the pace and number of rate hikes are 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 example, 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."

-End-

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About ESR-LOGOS REIT

ESR-LOGOS REIT is a leading New Economy and future-ready Asia Pacific S-REIT. Listed on the Singapore Exchange Securities Trading Limited since 25 July 2006, ESR-LOGOS REIT invests in quality income-producing industrial properties in key gateway markets.

As at 31 December 2022, ESR-LOGOS REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S$5.7 billion. Its portfolio comprises 82 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (61 assets), Australia (20 assets) and Japan (1 asset), with a total gross floor area of approximately 2.3 million sqm, as well as investments in three property funds in Australia. ESR-LOGOS REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

ESR-LOGOS REIT is managed by ESR-LOGOS Funds Management (S) Limited (the "**Manager**") and sponsored by ESR Group Limited ("**ESR**"). The Manager is owned by ESR (99.0%) and Shanghai Summit Pte. Ltd. (1.0%), respectively.

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

About the Sponsor, ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With over US$140 billion in total assets under management (AUM), its fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S.. ESR provides a diverse range of real asset investment solutions and New Economy real estate development opportunities across its private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US$45 billion. ESR's purpose – *Space and Investment Solutions for a Sustainable Future* – drives it to manage its business sustainably and impactfully, and ESR considers the environment and the communities in which it operates as key stakeholders of its business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information on ESR, please visit www.esr.com

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