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

NEWS RELEASE

ESR-REIT Delivers FY2024 DPU of 2.119 Cents; Transformational Acquisitions Improve Asset & Earnings Quality, Paving Way for DPU Growth

- *FY2024 Gross Revenue and NPI dipped 4.1% and 4.2% respectively due to divestment of non-core assets in FY2023 and FY2024, and decommissioning of 2 Fishery Port Road*
- *FY2024 DPU at 2.119 cents, a decrease of 17.4%, mainly due income loss from divestments of non-core assets and the decommissioning of 2 Fishery Port Road, lower capital gains distributed in FY2024 and an enlarged unit base from the equity fund raising in 1H2023 with proceeds pending deployment*
- *Transformational "On-Strategy" acquisitions of ESR Yatomi Kisosaki Distribution Centre and 51% interest in 20 Tuas South Avenue 14, which are expected to be +3.0% DPU accretive on a pro forma basis[1], commenced income contribution, with full year revenue contribution to come in FY2025; portfolio and earnings quality improved*
- *Portfolio now has 70.2% New Economy assets with portfolio land lease increased to 43.8 years, freehold or >30 years land lease assets in portfolio increasing to 71.6%*
- *Strong 10.3% positive rental reversion driven by New Economy assets in Logistics and High-Specs Industrial sectors with positive trend expected to continue; stable 92.3% occupancy*
- *Lower all-in-cost of debt at 3.84%, down from 4.03% as at 30 June 2024*
- *Gearing of 42.8%, with 74.8% of borrowings on fixed interest rates*
- *No refinancing risk – all FY2025 expiring debt has been refinanced ahead of expiry at lower margins; commencing early refinancing of FY2026 expiring debt*
- *Entered into ESR-REIT's inaugural sustainability-linked and green loans in FY2024*

Singapore, 24 January 2025 – ESR-REIT Management (S) Limited, as manager of ESR-REIT (the "**Manager**"), is pleased to announce ESR-REIT distribution per Unit ("**DPU**") for the period from 1 January 2024 to 31 December 2024 ("**FY2024**") was 2.119[2] Singapore cents.

1 Assuming the acquisitions had been completed on 1 January 2023 and ESR-REIT held and operated the properties through to 31 December 2023. Please refer to the announcement titled "Updated Method of Financing - Proposed Acquisition of 100% Interest in Kisosaki & 51% Interest in 20TSA" dated 13 August 2024 for the pro forma bases and assumptions.

2 Inclusive of an advanced distribution of 0.722 Singapore cents per Unit for the period of 1 July 2024 to 10 November 2024 paid on 8 January 2025, pursuant to the preferential offering which was completed on 11 November 2024

Summary of Financial Results:

	FY2024 (S$ million)	FY2023 (S$ million)	(+/-) (%)	2H2024 (S$ million)	2H2023 (S$ million)	(+/-) (%)
Gross Revenue[(a)]	370.5	386.4	(4.1)	189.6	189.5	0.0
Net Property Income ("NPI")[(a)]	261.7	273.2	(4.2)	133.8	132.3	1.1
Amount available for distribution to Unitholders[(b)]	164.1	192.7	(14.9)	77.8	91.2	(14.7)
Applicable number of units for calculation of DPU[(c)] **(million)**	7,742.5	7,515.5	3.0	7,804.3	7,689.2	1.5
DPU (Singapore cents)	2.119	2.564	(17.4)	0.997	1.186	(15.9)

(a) Lower gross revenue and NPI were mainly due to the loss of income from (i) the divestment of non-core assets aggregating S$440.6 million in FY2023, 182-198 Maidstone Street located in Australia in 2Q2024 and 81 Tuas Bay Drive in Singapore in 4Q2024; and (ii) the decommissioning of 2 Fishery Port Road. This was partially offset by contributions from the acquisitions of ESR Yatomi Kisosaki Distribution Centre completed on 15 November 2024 and 20 Tuas South Avenue 14 completed on 29 November 2024 and the completion of asset enhancement initiatives for 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop in 3Q2023 and 1Q2024 respectively.

(b) Lower amount available for distribution in FY2024 was mainly due to (i) lower NPI as explained above; and (ii) lower distribution of capital gains from the sale of investment properties in prior years. This was partially offset by lower borrowing costs from the repayment of debts using the proceeds from the Equity Fund Raising[3] and divestment of non-core assets.

(c) Higher applicable number of Units was mainly due to the equity fund raising completed in 1H2023 and the preferential offering completed in 4Q2024 for the acquisitions of 20 Tuas South Avenue 14 and ESR Yatomi Kisosaki Distribution Centre.

(d) Lower DPU was mainly due to (i) lower amount available for distribution to Unitholders as explained above; and (ii) the full year impact from the Equity Fund Raising completed in 1H2023, with the proceeds pending deployment.

Commenting on ESR-REIT's FY2024 performance, Mr. Adrian Chui, Chief Executive Officer and Executive Director of the Manager said, "Since embarking on our "4R strategy" of ***Recapitalising*** balance sheet, ***Rejuvenation*** of asset portfolio, ***Recycle*** Capital and ***Reinforcing*** Sponsor's Support, the execution of the various initiatives over the past two years is beginning to deliver income growth and is expected to translate into NPI and DPU growth, as well as better asset and earnings quality moving forward. In FY2024, while Gross Revenue, NPI and DPU declined primarily due to the divestments of non-core assets, the decommissioning of 2 Fishery Port Road and lower capital gains distribution, our portfolio's quality has continued to stand out as we reported a positive 10.3% rental reversion – underscoring the effectiveness of our portfolio ***Rejuvenation*** strategy of divesting dated, non-core assets while maintaining a resilient and in-demand portfolio amidst evolving market conditions. In addition, we successfully ***Recycled*** the divestment proceeds into two transformational acquisitions: ESR Yatomi Kisosaki Distribution Centre in Japan and a 51% interest in 20 Tuas South Avenue 14 in Singapore, which are expected to be +3.0% DPU accretive on a pro forma basis. Together with the completion of our AEIs, these transactions have significantly enhanced our portfolio quality with ESR-REIT's portfolio's land lease extending from 37.4 years to 43.8 years and the proportion of freehold

3 The equity fund raising comprises a private placement of 454.5 million new Units and a preferential offering of 460.8 million new Units which were completed on 27 February 2023 and 28 April 2023, respectively

assets or long-leasehold assets (over 30 years) increasing from 54.2% to 71.6%. We firmly believe that robust portfolio quality is essential for navigating the complexities of today's business environment amidst an elevated interest rate environment with fewer anticipated interest rate cuts in 2025 than previously expected.

Looking ahead, we expect these improved portfolio fundamentals to translate into NPI and DPU contributions in FY2025, benefitting from a full-year revenue contribution from the acquisitions, positive rental reversions and from lower interest costs. However, global macroeconomic uncertainties, unpredictable policy shifts in the U.S., and persistent inflation concerns may present challenges. Despite this, we remain cautiously optimistic of real estate demand, rental growth, and operating costs given the improved portfolio quality.

With the execution of the initiatives undertaken the past two years, we are confident that ESR-REIT is in a good position to navigate the evolving business landscape while continuing to deliver earnings growth and sustainable value for our stakeholders."

Financial Performance

In FY2024, ESR-REIT reported Gross Revenue of S$370.5 million, a 4.1% dip from S$386.4 million in FY2023, which was mainly attributed to the divestments of non-core assets aggregating S$440.6 million completed in FY2023, 182-198 Maidstone Street located in Australia in 2Q2024 and 81 Tuas Bay Drive located in Singapore in 4Q2024, which were part of ESR-REIT's portfolio ***Rejuvenation*** strategy. In addition, the decommissioning of 2 Fishery Port Road for redevelopment also contributed to the income loss. The above were partially offset by contributions from the acquisitions of ESR Yatomi Kisosaki Distribution Centre completed on 15 November 2024 and 20 Tuas South Avenue 14 completed on 29 November 2024, and the completion of asset enhancement initiatives for 7002 Ang Mo Kio Avenue 5 and 21B Senoko Loop in 3Q2023 and 1Q2024 respectively. With these acquisitions only contributing one month of income contribution in FY2024, FY2024 NPI recorded a 4.2% decrease to S$261.7 million, as compared to S$273.2 million in FY2023.

Lower DPU Attributed to Non-Core Asset Divestments, Absence of Capital Gains Payment and Expanded Unit Base

Amount available for distribution to Unitholders stood at S$164.1 million in FY2024, representing a decrease of 14.9% from S$192.7 million in FY2023. FY2024 DPU stood at 2.119[4] Singapore cents, a 17.4% decrease from the FY2023 DPU of 2.564 Singapore cents.

The decrease in DPU for FY2024 was primarily driven by the loss of income from the divestments of non-core assets in FY2023 and FY2024 and the decommissioning of 2 Fishery Port Road in FY2024.

4 Inclusive of an advanced distribution of 0.722 Singapore cents per Unit for the period of 1 July 2024 to 10 November 2024 paid on 8 January 2025, pursuant to the preferential offering which was completed on 11 November 2024

This was partially offset by approximately one month of income contribution from the newly acquired ESR Yatomi Kisosaki Distribution Centre and 20 Tuas South Avenue 14. Additionally, the DPU decline takes into account a 3.0% increase in the number of applicable units to 7,742.5 million, following the Equity Fund Raising completed in 1H2023 and the preferential offering in 4Q2024 which was undertaken to partially finance the acquisitions. Lower capital gains distributed in FY2024 as AEIs are completed also contributed to the lower DPU.

Pursuant to the preferential offering, which was completed on 11 November 2024, an advanced distribution of 0.722 Singapore cents per Unit for the period of 1 July 2024 to 10 November 2024 was paid on 8 January 2025. The record date for the balance distribution of 0.275 Singapore cents[5] for the period from 11 November 2024 to 31 December 2024 will be on 5 February 2025, with the expected payment date on 14 March 2025.

Operational Resilience Cemented by Strong New Economy Demand Driving Positive Rental Reversion

In FY2024, ESR-REIT delivered strong positive rental reversions of 10.3%, which was driven primarily by the New Economy sectors of Logistics (+14.4%) and High-Specs Industrial (+12.0%). As at 31 December 2024, ESR-REIT's portfolio occupancy remained stable at 92.3%, supported by strong demand for quality spaces in the New Economy sectors. In FY2024, a total of 310,834 square metres ("**sqm**") of space was successfully leased, comprising 233,214 sqm of lease renewals (75.0% of total leases) and 77,620 sqm of new leases (25.0% of total leases). ESR-REIT's weighted average lease expiry as at 31 December 2024 was 4.2 years, higher than the 3.4 years as at 31 December 2023. Rental collections remained healthy at approximately 98.2% of total receivables. ESR-REIT continues to see strong rental demand from New Economy sectors and expects a continuation of this positive trend.

Portfolio Rejuvenation Through Divestments of Non-Core Assets

In 2H2024, ESR-REIT completed the divestment of 81 Tuas Bay Drive, Singapore, for a sale consideration of S$35.0 million, which represented a 16.7% premium above valuation[6], as part of its continued efforts in its portfolio ***Rejuvenation*** strategy to divest non-core assets and ***Recycling*** the proceeds towards modern, in-demand New Economy assets. In 1H2024, ESR-REIT also completed the divestment of 182-198 Maidstone Street, Altona, Victoria, for a sale consideration of A$65.5 million, which represented a 7.4% premium above valuation[7], and recently, announced the divestment of 79

5 The distribution rate for the ESR-REIT temporary Counter A Units, which are entitled to income accruing from 29 November 2024 (being the date of issuance) to 31 December 2024, is 0.195 Singapore cents. Please refer to the announcement titled "Completion of The Acquisition Of 51% Interest In 20 Tuas South Avenue 14 In Singapore And Use Of Proceeds From The Preferential Offering" dated 29 November 2024 for more details.

6 Based on independent valuation of S$30.0 million conducted by Jones Lang LaSalle Property Consultants Pte Ltd as at 16 August 2024. The valuation was prepared with the emphasis on the income capitalisation method and discounted cash flow analysis

7 Based on independent valuation of A$61.0 million conducted by Cushman & Wakefield (Valuations) Pty Ltd as at 31 December 2023. The valuation was prepared with the emphasis on the capitalisation approach and discounted cash flow method

Tuas South Street 5, Singapore, on 15 January 2025 at 1.5% premium above valuation. With these non-core divestments, the REIT only has c.13% of assets with less than 15 years land lease remaining, and is looking to further divest c.S$200 million of non-core assets in FY2025 as a follow-on to its portfolio ***Rejuvenation*** strategy.

Prudent Capital Management Approach Lowers Cost-of-Debt with No Refinancing Risks

ESR-REIT's all-in-cost of debt has reduced to 3.84% as at 31 December 2024, down from the 4.03% reported as at 30 June 2024. The lower interest cost trend is expected to continue from (a) refinancing of FY2025 expiring debt at c.15 bps lower margins, (b) early refinancing of FY2026 expiring debt (with no prepayment penalties), (c) refinancing of hedges at lower rates, and (d) potential redemption of exchange of remaining S$75.3 million 6.632% coupon perpetual securities. ESR-REIT's gearing stood at 42.8% as at 31 December 2024, with MAS adjusted ICR at 2.5x, well above the 1.5x regulatory requirement.

Additionally, 74.8% of ESR-REIT's interest rate exposure is fixed, and the debt expiry profile remains well spread out with a lengthened weighted average debt expiry of 2.8 years, as compared to 2.1 years as at 30 June 2024. ESR-REIT maintains a strong liquidity position with S$790.2 million in debt headroom[8] and access to S$235.8 million in committed undrawn revolving credit facilities, supported by a network of 11 lending banks.

In FY2024, ESR-REIT also entered into its inaugural sustainability-linked loan with a S$200 million sustainability-linked unsecured revolving credit facility in March as well as a S$225 million sustainability-linked unsecured term loan announced as part of the acquisitions in July. These milestones underscore ESR-REIT's ongoing commitment to sustainability and social responsibility by integrating environmental, social, and governance (ESG) considerations into its funding strategy and capital sourcing.

Transformational Acquisitions Expected to be +3.0% DPU Accretive on a Pro Forma Basis, and Driving Better Asset Quality and Earnings Growth

In FY2024, ESR-REIT completed the transformational acquisitions of a 100% interest in a freehold modern logistics asset, ESR Yatomi Kisosaki Distribution Centre, Japan, as well as a 51% interest in a high-specification manufacturing facility, 20 Tuas South Avenue 14, Singapore, with remaining land lease of approximately 44 years, for a total acquisition outlay of approximately S$772.6 million. The two acquisitions are expected to be +3.0% DPU accretive (on a pro forma basis) to Unitholders and were acquired at a 2.3% discount each to their respective average valuation.

8 Assuming gearing limit of 50%. From 28 November 2024, the Monetary Authority of Singapore issued revisions to the Code on Collective Investment Schemes to rationalise leverage requirements for the REIT sector and a minimum MAS interest coverage ratio (ICR) of 1.5 times with a single aggregate leverage limit of 50% will be applied to all REITs.

The two “on-strategy” acquisitions from ESR-REIT’s Sponsor, ESR Group’s asset pipeline, aligns with ESR-REIT’s “4R Strategy”, focused on (i) ***Rejuvenating*** the asset portfolio, (ii) ***Recycling*** of capital, (iii) ***Recapitalising*** for growth and (iv) ***Reinforcing*** the Sponsor’s support to accelerate its transformation into a leading Asia Pacific New Economy REIT.

The acquisition of ESR Yatomi Kisosaki Distribution Centre, Japan, has been completed on 15 November 2024, and the acquisition of 51% interest in 20 Tuas South Avenue 14, Singapore, has been completed on 29 November 2024, and both assets have commenced income contribution to ESR-REIT, with full year revenue contribution to be seen in FY2025.

The acquisitions are funded by green and sustainability loans taken at both the asset and ESR-REIT level which further demonstrate ESR-REIT’s commitment to sustainability in conducting its business.

Looking Ahead

Mr. Adrian Chui added, "Over the past two years, we have successfully executed our “4R Strategy”, achieving key milestones that have strengthened our position. In FY2023, our successful initiatives to ***Recapitalise*** via equity fund raising and ***Recycle*** our capital through the divestment of non-core assets laid the foundation to ***Rejuvenate*** our portfolio through AEIs and redevelopments. In FY2024, we further advanced by ***Recycling*** capital into two “on-strategy” New Economy assets. These initiatives have significantly enhanced our asset and earnings quality by lengthening portfolio land leases and increasing the proportion of New Economy assets. This is expected to translate into sustainable core DPU contributions going forward, supported by (a) expected full-year rental contributions from the completed acquisitions and AEIs, (b) positive rental reversions from existing portfolio, (c) prudent management of operating expenses and (d) lower interest rates, thereby setting a robust foundation for ESR-REIT to deliver on future DPU growth.”

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About ESR-REIT

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

As at 31 December 2024, ESR-REIT holds interests in a diversified portfolio of logistics properties, high-specifications industrial properties, business parks and general industrial properties with total assets of approximately S$6.0 billion. Its portfolio comprises 72 properties (excluding 48 Pandan Road held through a joint venture) located across the developed markets of Singapore (52 assets), Australia (18 assets) and Japan (2 assets), with a total gross floor area of approximately 2.5 million sqm, as well as investments in three property funds in Australia. ESR-REIT is also a constituent of the FTSE EPRA Nareit Global Real Estate Index.

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

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

About the Sponsor, ESR Group

ESR Group is Asia-Pacific's leading New Economy real asset manager and one of the largest listed real estate investment managers globally. Our fully integrated fund management and development platform extends across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. We provide investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Our focus on New Economy real assets offers customers modern solutions for logistics, data centres, and infrastructure and renewables. Our purpose, Space and Investment Solutions for a Sustainable Future, drives us to manage sustainably and impactfully for the communities where we operate and the spaces we develop to thrive for generations to come. ESR Group Limited is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK). Visit www.esr.com for more information.

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