



# ESR-REIT ANNUAL GENERAL MEETING

24 April 2026

ESR-REIT | *(Constituted in the Republic of Singapore pursuant to a trust deed dated 31 March 2006 (as amended))*



# FY2025: OVERVIEW AND LOOKING AHEAD

Positive payoffs from 4R strategy demonstrated in FY2025 results, providing ESR-REIT with stronger fundamentals to weather the ongoing Middle Eastern conflict and its aftermath effects while pursuing growth

2025

2026

## Fruits of 4R strategy demonstrated in FY2025 results



### Strong Financial Performance Across All P&L

- Gross Revenue **+20.4%** to S\$446.0 million
- NPI **+25.6%** to S\$328.7 million
- Total DPU **+3.4%** y-o-y to 21.914 cents



### Improved Portfolio Quality

- **Leaner and stronger portfolio rejuvenation** towards modern, scalable and sizeable assets
- Extended WALE and underlying land lease
- **Significant mitigation** of land lease decay concerns on NAV



### Robust Balance Sheet

- Refinancing of loans at **c.30bps lower** margins
- Validated by **Investment Grade 'BBB' (Stable outlook) Rating** from Fitch Ratings

## Optimism for FY2026

due to stronger portfolio fundamentals, supported by lower interest rates and favorable economic outlook for Singapore

*However, the Feb 2026 Middle Eastern conflict pivoted ESR-REIT's focus on Resilience in the near term*

## Key Risks



Prolonged uncertainties, risk of conflict widening and destruction of energy infrastructures, and the aftermath effects are expected to dampen growth prospects resulting in stickier inflation outlook



Uncertain economic outlook with increased disruptions on costs of production and global supply chain resilience



**Resurfacing of increased energy costs, interest costs and FX risks**

# LOOKING AHEAD

While uncertainties in the Middle-East conflict is expected to put pressures on revenue growth and operating expenses, ESR-REIT's leaner and improved underlying asset quality is expected to provide resilience to earnings

## Supply and Demand Dynamics to Weigh On Revenue

### Industrial Supply Significantly Above Historical Average

- Significant **increase in warehouse supply** expected across FY2026 – FY2027
- JTC estimates 1.0 million sqm new industrial space in 2026, and 1.6 million sqm in 2027 (average annual supply for past 3 years: 800,000 sqm)
- Potential **short-term supply-demand imbalance** impacting rental rates and occupancies

### Global Supply Chain Disruptions and Elevated Costs

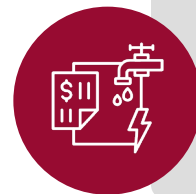
- **Uncertain business landscape** expected to weigh on tenant expansion demand
- Rental reversions are expected to **moderate to single digit positive** rental reversions over the next two years.

### Income Impact from Ongoing Portfolio Optimisation

- Divestments of S\$455.8 million of non-core assets in FY2025 and FY2026 to result in **short-term income gap** pending deployment of divestment proceeds into accretive opportunities
- Asset divestments expected to slow down as land lease decay issue has been significantly addressed

## Operating Expenses Pressures

### Electricity Expenses



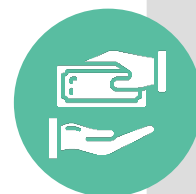
- Electricity expenses expected to **trend upwards** in line with global energy prices
- Management actions minimize the risk of any huge hikes due to surging energy prices

### Repair & Maintenance / Service Contracts



- R&M and SC are anticipated to **increase**, driven by **structural wage adjustments**
- Outcome based contracts & increase use of Proptech help to mitigate significant hikes
- Electricity, R&M and SC Expenses are expected rise at a controlled pace, due to Management's actions

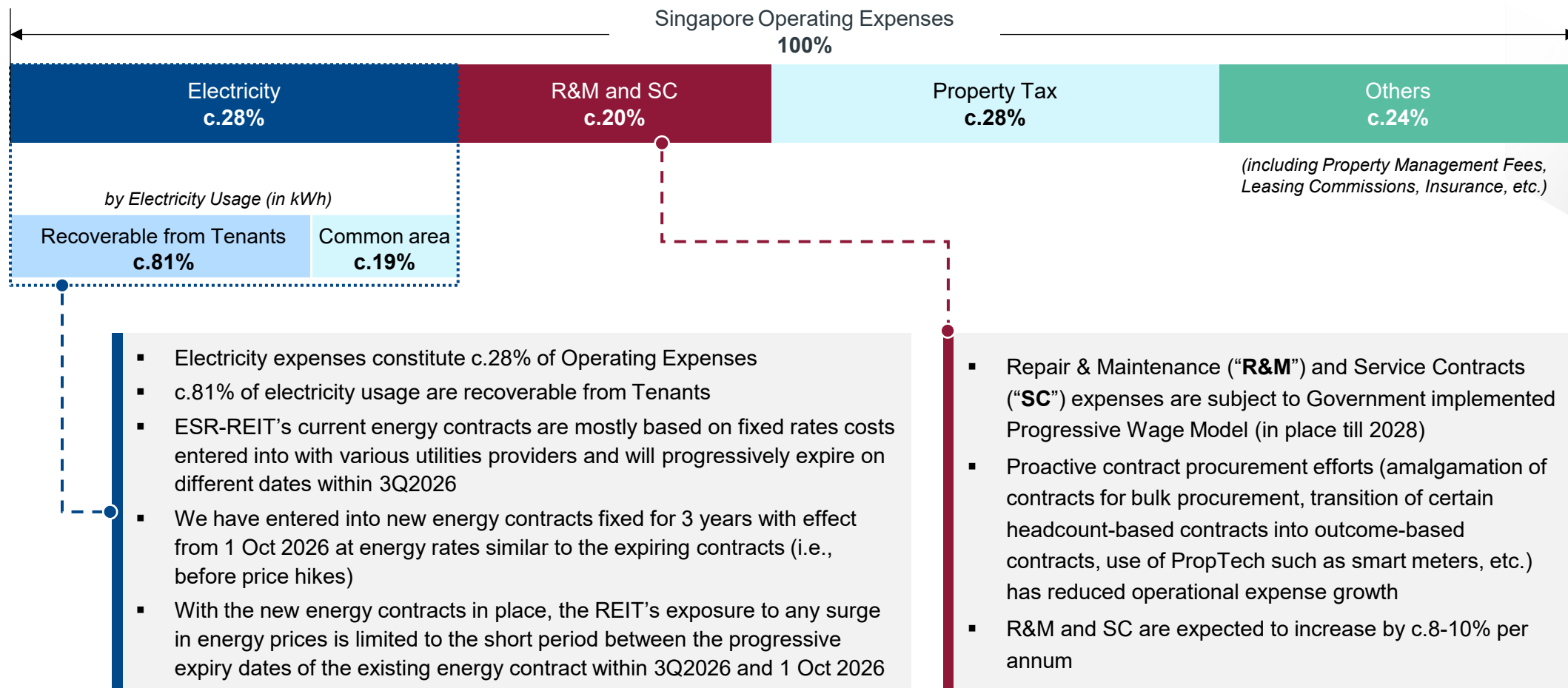
## Interest Rate: Possibly "Higher-for-Longer"



- Interest rates expected to **remain elevated**, amid persistent inflationary pressures from higher energy costs
- **Low leverage**, well spread out debt expiry profile and credit rating helps to offset the risks
- While majority of near-term loans have been refinanced, rates likely to remain elevated amid persistent inflationary pressures

# MANAGING OPERATING EXPENSES RISKS

Electricity expense risk has been managed with proactive action from management in re-contracting expiring contracts at similar levels



**Given the volatile Middle East conflict situation, we will closely monitor Electricity, R&M and SC Expenses**

Note: All tenants' utilities costs for the Australia and Japan portfolio are either paid for by or recovered from tenants.

# MANAGING INTEREST RATE AND FX RISKS

Interest rate and FX risks are not expected to have significant adverse impact on ESR-REIT's financials



## Interest Rate Risk

Interest rates expected to remain elevated amid persistent inflationary pressures from higher energy costs

### Mitigated By:

#### Disciplined Capital Management

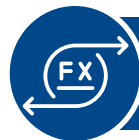
- Divestment proceeds deployed **towards debt reduction** for the time being
- Pro-forma gearing post divestments at **39.5%**

#### Investment Grade Rating

- Investment Grade '**BBB**' Rating with **Stable Outlook** by Fitch Ratings has enabled access to **more competitive** financing margins, to offset potential increases in JPY & AUD base rates

#### Savings from Lower Margins Offset Base Rates Increase

- Net refinancing amount of c.S\$442 million, of which:
- S\$300 million was refinanced at **c.30bps lower** costs than expiring loans
  - JPY 17,600 million (c.S\$142 million) JPY loan is due for refinancing in 4Q2026. **New facilities negotiated at lower margins** but overall JPY cost of debt to rise due to higher base rates



## Foreign Exchange (FX) Risk

**74.6%**  
of AUM

### Singapore Portfolio

- Naturally hedged via SGD-denominated borrowings

**16.2%**  
of AUM

### Australia Portfolio

- c.42% funded by local AUD debt, mitigating FX risk

**9.2%**  
of AUM

### Japan Portfolio

- c.97% funded with JPY debt, providing natural capital hedge

**As at 31 December 2025, c.70.9% of the projected income that will be repatriated from Australia and Japan over the next 12 months has been hedged**

# OUR STRATEGY | FOCUSING ON TOTAL UNITHOLDER RETURN

Targeting 8-10% total Unitholder return over the next 5 years

1	<b>Drive sustainable total Unitholder return through active asset management</b> <ul style="list-style-type: none"><li>▪ Key initiatives to address short land lease assets</li><li>▪ Rejuvenate portfolio via major AEs and/or redevelopments</li></ul>	NAV growth DPU growth
2	<b>Continue growth of ESR-REIT over the next 5 years to capture benefits of scale and improved liquidity</b> <ul style="list-style-type: none"><li>▪ Target accretive acquisitions, enhancing overall portfolio income quality</li><li>▪ Organic growth through select redevelopment opportunities in Singapore</li></ul>	NAV growth DPU growth
3	<b>Retain core focus in Singapore, while taking advantage of compelling international opportunities</b> <ul style="list-style-type: none"><li>▪ Singapore to represent &gt;50% of portfolio value</li><li>▪ Grow exposure to international markets and sectors with strong growth tailwinds</li></ul>	NAV growth DPU growth
4	<b>Leverage ESR's pipeline and presence across developed APAC and selected markets</b> <ul style="list-style-type: none"><li>▪ Capitalise on ESR's regional pipeline and local teams in target markets to source off-market growth opportunities</li></ul>	NAV growth DPU growth
5	<b>Maintain prudent leverage to enhance return and disciplined capital management approach</b> <ul style="list-style-type: none"><li>▪ Maintain leverage target of mid 30s to low 40s LTV across the cycle to enhance total return</li><li>▪ Take advantage of more stable interest rate environment and positive yield spread in Singapore</li></ul>	NAV growth DPU growth

Notes: ESR-REIT is part of the iEdge Singapore Next 50 Index and the iEdge Singapore Next 50 Liquidity Weighted Index and is a sizable BBB (Stable) rated mid-cap stock with strong liquidity. Primed to capture liquidity injection from MAS' S\$5.0 billion EQDP initiatives focused on small and mid-cap stocks.

# COMPELLING GROWTH OPPORTUNITIES

Combination of visible and executable pipeline of redevelopments / AEs and selective accretive acquisitions to drive growth and total Unitholder returns

## Organic Growth from Redevelopments

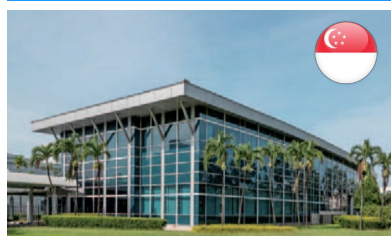


Logistics

<b>Property</b>	2 Fishery Port Road
<b>Description</b>	Redevelopment of a cold storage and food processing facility
<b>Timeline</b>	Up to c.30 months construction period
<b>Estimated start</b>	4Q2026
<b>Estimated cost</b>	c.S\$200 – 250m
<b>Illustrative yield on cost</b>	c.7.0% (stabilised) / c.12-15% EIRR

### Major AEs

#### Potential to Tap on Un-Utilised Plot Ratio



Life Science

Tuas Biomedical Park  
(additional 320,000 sf GFA)



Data Centre /  
Advanced Manufacturing

Ang Mo Kio Cluster  
(additional 230,000 sf GFA)

#### Potential for Land Lease Extension



Ramp-up  
Distribution Centre

Penjurong Road  
(Current GFA: 2,295,000 sf)

## Acquisition Growth Strategy

### Key Acquisition Criteria

- ✓ High quality New Economy assets with logistics focus
- ✓ Markets with strong growth tailwinds
- ✓ Leverage ESR's pipeline & operational footprint
- ✓ DPU and return accretive
- ✓ Grow freehold portfolio mix and quality of income

### ESR Regional Development Pipeline Provides Growth Opportunity



Ramp-up  
Distribution Centre



Ramp-up  
Distribution Centre



Prime Industrial /  
Logistics

...Market dislocations present opportunities for judicious acquisitions.

# KEY DRIVERS OF TOTAL UNITHOLDER RETURN GROWTH

ESR-REIT expects healthy total Unitholder return growth from a combination of non-core asset sales, AElS, redevelopment and judicious accretive acquisitions while maintaining a stable and resilient capital structure

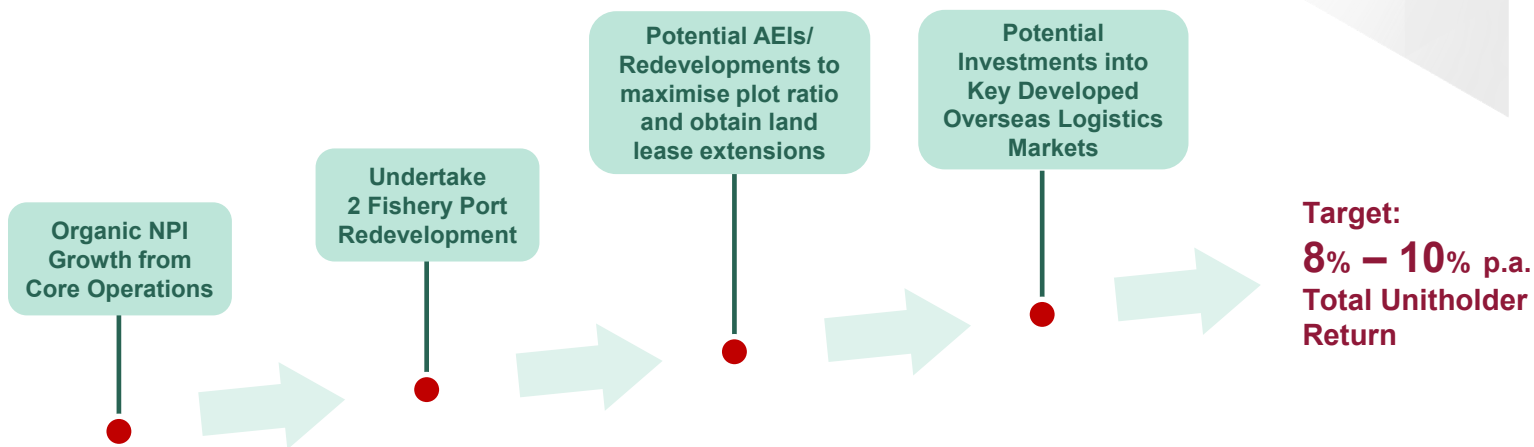
## Key Drivers of Total Unitholder Return Over the Next 5 Years

### Successfully executed “4R Strategy”

- Divested non-core and short land lease assets
- Reinvested into 20TSA and Kisosaki which have longer land lease/ freehold

### Current: Stabilised ESR-REIT

- Increased Total DPU +3.4%
- 38.5%<sup>(1)</sup> low gearing
- Improved portfolio & earnings quality with freehold/ longer land lease New Economy assets



### 2020 – 2025

- Navigating turbulent times
- Covid-19 pandemic
- Unprecedented interest rate hikes
- Highly elevated inflation and interest rate environment

### 2026+

- Volatilities expected in the near term due to Middle-East conflicts
- High energy costs and likely return of “higher-for-longer” interest rate environment
- Continuation of organic growth via Redevelopments and AElS to position for potential global supply chain changes and fund flows in the medium term
- Market dislocations may present opportunities for judicious accretive acquisitions

Target Gearing	Mid-30s to Low 40s%
----------------	---------------------

Note: (1) Assuming the divestment of the portfolio of eight non-core assets announced on 15 Dec 2025 and the divestment of the Hotel Strata Lot at ESR BizPark @ Changi announced on 30 Jan 2026 was completed on 31 Dec 2025 and net proceeds were used to repay debt.

# CONCLUSION

1



## Stronger Footing Driven by Success of 4R Strategy

- 4R Strategy executed over the past years have significantly improved overall portfolio and earnings quality of ESR-REIT
- Strong FY2025 financial performance across all P&L metrics
- Portfolio rejuvenated towards modern, scalable and sizable assets through divestments of non-core assets, accretive acquisitions and completed AELs
- Land lease decay impact on valuation and NAV substantially addressed
- FY2025 Core DPU (comprising 98% of Total DPU) grew **+7.6%**; with Total DPU up **+3.4%** - driven by strong underlying performance
- Investment grade **'BBB' credit rating with 'Stable' outlook by Fitch Rating**, reaffirms prudent capital management approach

2



## Proactive Management of Key Future Cost Pressures

- Locked in 3-year energy contracts at favorable terms to mitigate imminent spikes in utilities costs in tandem with rising global energy prices
- Proactive contract procurement has cushioned Progressive Wage Model-driven labour cost pressures on R&M and service contracts
- Prudent capital management, early refinancing at favourable rates, and hedging strategies to mitigate impending interest rate increases amid inflationary pressures

3



## Outlook & Total Return Strategy to Deliver Sustainable Growth

- Volatilities expected in the near term due to Middle-East conflicts, impacting economic growth outlook
- Persistent inflationary pressures from higher energy costs may lead to a return of "higher-for-longer" interest rate environment
- Continuation of organic growth via Redevelopments & AELs to position for potential global supply chain changes and fund flows in the medium term
- Market dislocations may present opportunities for judicious accretive acquisitions
- Divestments to slow down as land lease decay issue has been substantially addressed
- Singapore remains majority of portfolio as anchor for stability and reduce FX volatility exposures
- ESR-REIT is ESR's flagship regional listed vehicle – Sponsor support and alignment continues
- Maintain prudent leverage, with a target gearing range in the mid-30% to low-40% range, active capital recycling, internal cash flows, and disciplined balance sheet management across the cycle

***Immediate focus is on balance sheet resilience, earnings visibility & stability, and portfolio resilience while keeping an eye on longer term organic growth.***



# Q&A

# GLOSSARY

**ALOG:** ALOG Trust

**ESR or the Sponsor:** ESR

## Definitions:

- **AUM:** refers to the total value of investment properties (excluding right of use of leasehold land), investments in joint venture and property funds
- **Effective Gross Rents:** effective rents take into account rent-free periods and rental escalation as the total rent payable for the lease period would be less than what is reported for passing rents
- **Gross Rents:** contracted rent
- **New Economy:** refers to logistics and High-Specs industrial sectors
- **Portfolio Occupancy:** excludes properties under development
- **Passing Rents:** rent payable as stipulated in the lease agreement. These rates are usually quoted on gross basis
- **Rental Reversion:** a metric captured by some REITs to show whether new leases signed have higher or lower rental rates than before. Based on average gross rent
- **Weighted Average Lease Expiry:** a metric used to measure the tenancy risk of a particular property. It is typically measured across all tenants' remaining lease in years and is weighted with either the tenants' occupied area or the tenants' income against the total combined area or income of the other tenants

## Abbreviations:

**AEI:** asset enhancement initiatives  
**APAC:** Asia Pacific  
**AUM:** assets under management  
**Bn or b:** billion  
**CAGR:** compounded annual growth rate  
**CBD:** central business district  
**DPU:** Distribution per Unit  
**GDP:** gross domestic product  
**ESG:** environmental, social, governance  
**GFA:** gross floor area  
**GLA:** gross lettable area  
**GRI:** gross rental income  
**GRESB:** global real estate sustainability benchmarks  
**JTC:** JTC Corporation  
**m:** million  
**NAV:** net asset value  
**NLA:** net lettable area  
**psfpm:** per square foot per month  
**psf:** per square foot

**psm:** per square metre

**q-o-q:** quarter on quarter

**REIT:** real estate investment trust

**sqm:** square metre

**sqft:** square feet

**TOP:** temporary occupation permit

**WALE:** weighted average lease expiry

**WIP:** work-in-progress

**y-o-y:** year on year



# IMPORTANT NOTICE

**This material shall be read in conjunction with ESR-REIT's results announcements for the full year ended 31 December 2025.**

The value of units in ESR-REIT ("**Units**") and the income derived from them may fall as well as rise. Units are not investments or deposits in, or liabilities or obligations, of ESR-REIT Management (S) Limited ("**Manager**"), Perpetual (Asia) Limited (in its capacity as trustee of ESR-REIT) ("**Trustee**"), or any of their respective related corporations and affiliates (individually and collectively "**Affiliates**"). An investment in Units is subject to equity investment risk, including the possible delays in repayment and loss of income or the principal amount invested. Neither ESR-REIT, the Manager, the Trustee nor any of the Affiliates guarantees the repayment of any principal amount invested, the performance of ESR-REIT, any particular rate of return from investing in ESR-REIT, or any taxation consequences of an investment in ESR-REIT. Any indication of ESR-REIT performance is historical and cannot be relied on as an indicator of future performance.

Investors have no right to request that the Manager redeem or purchase their Units while the Units are listed. It is intended that investors may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This presentation 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-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.

This presentation is for informational purposes only and does not have regard to your specific investment objectives, financial situation or your particular needs. Any information contained in this material is not to be construed as investment or financial advice and does not constitute an offer or an invitation to invest in ESR-REIT or any investment or product of or to subscribe to any services offered by the Manager, the Trustee or any of the Affiliates.



**For Enquiries, please contact:**

**Lyn Ong**

Senior Manager,  
Capital Markets and Investor Relations

Tel: +65 6222 3339

Email: [lyn.ong@esr.com](mailto:lyn.ong@esr.com)

**Sua Xiu Kai**

Manager,  
Corporate Communications and Investor Relations

Tel: +65 6222 3339

Email: [xiukai.sua@esr.com](mailto:xiukai.sua@esr.com)