Financial Results Presentation
4Q2018
Key Highlights

120 Pioneer Road
4Q2018 at a Glance

**DPU (Cents)**
1.005

**Gross Revenue**
S$58.4m

**Net Property Income**
S$42.3m

**Total Assets**
S$3.1bn

**NAV Per Unit (Cents)**
46.7

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**Proactive Asset Management**
- Healthy 93.0% occupancy, above JTC average of 89.1% (2)
- Top 10 Tenant concentration (3) reduced
- Improving rental reversions; from -15.8% (FY2017) to -2.9% (FY2018)

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

**Financial Performance**
- Achieved 1.005 cents DPU for 4Q2018, a +8.2% increase y-o-y
- First set of financial results since ESR-REIT and VIT merger

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**Note:**
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest. (2) Based on JTC 3Q2018 Industrial Property market Statistics. (3) Top 10 Tenants by Rental Income. (4) Weighted Average Debt Expiry. (5) Weighted Average Fixed Debt Expiry.
Increasingly stable distributions achieved, demonstrating effective execution of ESR-REIT’s strategy

Quarterly Distribution Per Unit (cents)

Note:
(1) Based on 262.8 million new units issued on 28 March 2018.
Attractive Distribution Yield with Potential Upside

Attractive Distribution Yield…

…With Potential Upside From:

1. Operational Synergies and Economies of Scale via Integration of Enlarged Portfolio
2. Flexibility to Accelerate AEI to Optimize Value
3. Value-Enhancing Asset Acquisitions

FY2018 Distribution Yield: 7.6%\(^{(1)}\)
FTSE ST REIT 12M Yield: 5.1%
Singapore Govt 10Y Bond: 2.0%
c.560 bps spread

Note:
(1) Based on closing price of S$0.51 on 31 Dec 2018 and FY2018 DPU of 3.857 cents.
Improving Portfolio Fundamentals

Improving Occupancy and Consistently Above JTC Average

<table>
<thead>
<tr>
<th>Period</th>
<th>Pre Merger</th>
<th>Post Merger</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q2018</td>
<td>90.7%</td>
<td></td>
</tr>
<tr>
<td>2Q2018</td>
<td>91.4%</td>
<td></td>
</tr>
<tr>
<td>3Q2018</td>
<td>89.0%</td>
<td></td>
</tr>
<tr>
<td>4Q2018</td>
<td>88.7%</td>
<td>89.1%</td>
</tr>
</tbody>
</table>

ESR-REIT

JTC Average (1)

Improving Rental Reversions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>FY2017</th>
<th>FY2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

-15.8%

Reduced Top 10 Tenant Concentration Risk

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

<table>
<thead>
<tr>
<th>Date</th>
<th>31 Dec 2017</th>
<th>31 Dec 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>38.7%</td>
<td>30.1%</td>
</tr>
</tbody>
</table>

Notes: (1) Based on JTC Quarterly Market Reports 1Q2018-3Q2018. (2) Based on data from 4Q2018 data from CBRE and 3Q2018 data from JTC. (3) Logistics based on "Warehouse (Ground Floor)" and "Warehouse (Upper Floor)", while Light and General Industrial is based on "Factory (Ground Floor)" and "Factory (Upper Floor)" as defined by JTC.
Higher Liquidity and Trading Activity Post Merger

- Larger market capitalisation of c.S$1.62 billion\(^{(1)}\), resulting in higher liquidity and trading volume

### Enlarged Market Capitalisation\(^{(2)}\)

<table>
<thead>
<tr>
<th></th>
<th>Pre Merger (1 Jul 2018)</th>
<th>Post Merger (31 Dec 2018)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Capitalisation (S$ million)</td>
<td>807.7</td>
<td>1,616.8</td>
</tr>
</tbody>
</table>

\(^{(1)}\) As at 31 Dec 2018.

\(^{(2)}\) Pre Merger market capitalisation as at 1 Jul 2018; Post Merger market capitalisation as at 31 Dec 2018.

### ESR-REIT Price and Volume (1 Jul 2018 – 31 Dec 2018)

<table>
<thead>
<tr>
<th>Share Price (S$)</th>
<th>Pre Merger</th>
<th>Post Merger</th>
<th>Volume Traded (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.60</td>
<td></td>
<td></td>
<td>12.0</td>
</tr>
<tr>
<td>$0.55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$0.35</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

**Notes:**
1. As at 31 Dec 2018.
2. Pre Merger market capitalisation as at 1 Jul 2018; Post Merger market capitalisation as at 31 Dec 2018.
4Q2018 and FY2018 Financial Performance
# 4Q2018 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>4Q2018 (S$ million)</th>
<th>4Q2017 (S$ million)</th>
<th>+/(-) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Revenue</td>
<td>58.4</td>
<td>27.2</td>
<td><strong>114.9</strong></td>
</tr>
<tr>
<td>Net Property Income</td>
<td>42.3</td>
<td>19.9</td>
<td><strong>112.1</strong></td>
</tr>
<tr>
<td>Amount Available for Distribution to Unitholders</td>
<td>27.5</td>
<td>12.2</td>
<td><strong>125.7</strong></td>
</tr>
<tr>
<td>Distribution from Other Gains</td>
<td>1.8</td>
<td>-</td>
<td>n.m</td>
</tr>
<tr>
<td>Total Amount Available for Distribution to Unitholders</td>
<td>29.3</td>
<td>12.2</td>
<td><strong>140.2</strong></td>
</tr>
<tr>
<td>Distribution Per Unit (“DPU”) (cents) for 4Q2018</td>
<td>1.005</td>
<td>0.929</td>
<td><strong>8.2</strong></td>
</tr>
</tbody>
</table>

**Notes:**

1. Includes straight line rent adjustment of S$0.03 million (4Q2017: S$0.3 million).
2. Higher Net Property Income (“NPI”) mainly due to full quarter contributions from two acquisitions (8 TS and 7000 AMK) in Dec 2017, contribution from property acquisition from Viva Trust from Oct 2018, partially offset by non renewal of leases at 21 Ubi Rd, 31 Tuas, 54SRN, 4/6 Clementi, 3CTGRE, lease conversion of 16 Tai Seng (2Q2018) and 21B Senoko Loop (1Q2018), 4 property divestments (87 Defu, 23 WT, 55 Ubi and 9 BB) since 4Q2017 and 30 Marsiling on AEI.
3. Includes Non-Controlling Interest (“NCI”) of 20% of 7000 AMK LLP in 4Q2018.
4. Includes 50% of management fees are payable in units for 4Q2018.
5. Represents $1.8m payout from ex-gratia payments received from SLA in connection to the compulsory acquisition of land from prior years.
## FY2018 Financial Results

<table>
<thead>
<tr>
<th></th>
<th>FY2018 (S$ million)</th>
<th>FY2017 (S$ million)</th>
<th>+/- (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Revenue</strong>&lt;sup&gt;(1)(3)&lt;/sup&gt;</td>
<td>156.9</td>
<td>109.7</td>
<td>43.0</td>
</tr>
<tr>
<td><strong>Net Property Income</strong>&lt;sup&gt;(2)(3)&lt;/sup&gt;</td>
<td>112.0</td>
<td>78.4</td>
<td>42.8</td>
</tr>
<tr>
<td><strong>Amount Available for Distribution to Unitholders</strong>&lt;sup&gt;(4)&lt;/sup&gt;</td>
<td>68.4</td>
<td>50.4</td>
<td>35.8</td>
</tr>
<tr>
<td><strong>Distribution from Other Gains</strong>&lt;sup&gt;(5)&lt;/sup&gt;</td>
<td>6.0</td>
<td>-</td>
<td>n.m.</td>
</tr>
<tr>
<td><strong>Total Amount Available for Distribution to Unitholders</strong></td>
<td>74.4</td>
<td>50.4</td>
<td>47.8</td>
</tr>
</tbody>
</table>

**Distribution Per Unit ("DPU") (cents) for FY2018**

|                                | 3.857               | 3.853               | 0.1     |

**Notes:**

1. Includes straight line rent adjustment of S$1.1 million (FY2018: S$0.8 million).
2. Higher NPI mainly due to full-year contributions from two acquisitions (8 TS and 7000 AMK) acquired in mid December 2017 and the acquisition of 15 GW and the portfolio of Viva Trust in late Oct 2018, partially offset by non renewal of leases at 12 AMK, 31 KT, 31 Tuas, 54SRN, 3C TGRE, 1&2 Changi, lease conversion of 16 Tai Seng (2Q2018), 21B Senoko Loop (1Q2018) and 3 PS3 (3Q2017), 4 property divestments (87 Defu, 23 WT,55 Ubi and 9 BB) since FY2017 and 30 Marsiling on AEI.
3. Includes Non-Controlling Interest ("NCI") of 20% of 7000 AMK LLP in FY2018.
4. Higher distributable income due to better NPI performance of the portfolio as per (2). 50% of management fees are payable in units for 4Q2018.
5. Represents $6.0m payout from ex-gratia payments received from SLA in connection to the compulsory acquisition of land from prior years.
## Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2018 (S$ million)</th>
<th>As at 30 Sep 2018 (S$ million)</th>
<th>As at 31 Dec 2017 (S$ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Investment Properties</strong> (1)</td>
<td>3,021.9</td>
<td>1,655.4</td>
<td>1,675.8</td>
</tr>
<tr>
<td><strong>Other Assets</strong></td>
<td>28.8</td>
<td>25.9</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>3,050.7</strong></td>
<td><strong>1,681.3</strong></td>
<td><strong>1,695.8</strong></td>
</tr>
<tr>
<td><strong>Total Borrowings (net of loan transaction costs)</strong></td>
<td>1,268.2</td>
<td>508.5</td>
<td>669.8</td>
</tr>
<tr>
<td><strong>Other Liabilities</strong></td>
<td>90.6</td>
<td>40.8</td>
<td>35.4</td>
</tr>
<tr>
<td><strong>Non-Controlling Interest</strong></td>
<td>61.1</td>
<td>60.6</td>
<td>60.6</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>1,419.9</strong></td>
<td><strong>609.9</strong></td>
<td><strong>765.8</strong></td>
</tr>
<tr>
<td><strong>Net Assets Attributable to:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Perpetual Securities Holders</td>
<td>151.1</td>
<td>152.8</td>
<td>151.1</td>
</tr>
<tr>
<td>- Unitholders</td>
<td>1,479.7</td>
<td>918.6</td>
<td>778.9</td>
</tr>
<tr>
<td><strong>No. of Units Issued/Issuable (million)</strong></td>
<td>3,170.2</td>
<td>1,583.7</td>
<td>1,313.6</td>
</tr>
<tr>
<td><strong>NAV Per Unit (cents)</strong></td>
<td><strong>46.7</strong></td>
<td><strong>58.0</strong></td>
<td><strong>59.3</strong></td>
</tr>
</tbody>
</table>

**Note:**
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.
## Distribution Details

**Distribution Period (4Q2018)**: 1 October 2018 – 31 December 2018

**Distribution Rate**: 1.005 cents per unit comprising:

- **A**: Period: 1 October 2018 – 15 October 2018 = **0.164 cents**
  (Advance distribution paid on 26 November 2018)

- **B**: Period: 16 October 2018 – 31 December 2018 = **0.841 cents**
  (Payable on 28 February 2019)

## Distribution Timetable

<table>
<thead>
<tr>
<th>Last Trading Day on a “Cum Distribution” Basis</th>
<th>24 January 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution Ex-Date</td>
<td>25 January 2019</td>
</tr>
<tr>
<td>Books Closure Date</td>
<td>28 January 2019</td>
</tr>
<tr>
<td>Distribution Payment Date</td>
<td>28 February 2019</td>
</tr>
</tbody>
</table>
Key Capital Management Indicators

- Portfolio remains 100% unencumbered
- 83.4% of interest rate exposure is fixed
- WAFDE increased from 2.2 years to 3.0 years; aligned with WADE at 2.7 years

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2018</th>
<th>As at 30 Sep 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross Debt (S$ million)</td>
<td>1,277.6</td>
<td>510.0</td>
</tr>
<tr>
<td>Debt to Total Assets (%)</td>
<td>41.9</td>
<td>30.3</td>
</tr>
<tr>
<td>Weighted Average All-in Cost of Debt (%) p.a.</td>
<td>3.81</td>
<td>3.76</td>
</tr>
<tr>
<td>Weighted Average Debt Expiry (&quot;WADE&quot;) (years)</td>
<td>2.7</td>
<td>2.2(^{(1)})</td>
</tr>
<tr>
<td>Interest Coverage Ratio (times)</td>
<td>3.8</td>
<td>4.1</td>
</tr>
<tr>
<td>Interest Rate Exposure Fixed (%)</td>
<td>83.4</td>
<td>91.2(^{(2)})</td>
</tr>
<tr>
<td>Weighted Average Fixed Debt Expiry (&quot;WAFDE&quot;) (years)</td>
<td>3.0</td>
<td>2.2</td>
</tr>
<tr>
<td>Proportion of Unencumbered Investment Properties (%)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>Undrawn Available Committed Facilities (S$ million)</td>
<td>82.4</td>
<td>205.0</td>
</tr>
</tbody>
</table>

Note:
(1) Assumes the loan facility expiring in 2019 is extended based on the loan facility pending for utilisation to refinance the existing loan.
(2) Excludes forward start interest rate swaps entered into which only commence in December 2018.
Healthy Capital Management Indicators

Breakdown of Debt (as at 31 Dec 2018)

Total Debt of S$1,277.6m

- 56.8% Unsecured Term Loans
- 26.8% Unsecured RCF Loans
- 16.4% MTNs

Proportion of Unencumbrances (%)

Portfolio remains 100% unencumbered

WADE and WAFDE Tenor (years)

Lengthened WADE and WAFDE tenor

Interest Rate Exposure Fixed (%)

83.4% of interest rate exposure fixed for 3.0 years
Well-Staggered Debt Maturity Profile

- No more than 27.0% of debt expiring in each year
- WADE increased from 2.2 years to 2.7 years
- MTNs and Unsecured Term Loans make up 16.4% and 56.8% of total debt respectively

Debt Maturity Profile (as at 31 Dec 2018)

<table>
<thead>
<tr>
<th>Year</th>
<th>MTN (S$m)</th>
<th>Unsecured Term Loans (S$m)</th>
<th>Unsecured RCF Loans (S$m)</th>
<th>New Unsecured Term Loans (S$m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>155&lt;sup&gt;(1)&lt;/sup&gt;</td>
<td>100</td>
<td>27.6</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>160</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>185</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>180</td>
<td></td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>260</td>
<td></td>
<td></td>
<td>80</td>
</tr>
</tbody>
</table>

% of Debt Expiring

<table>
<thead>
<tr>
<th>Year</th>
<th>MTN</th>
<th>Unsecured Term Loans</th>
<th>Unsecured RCF Loans</th>
<th>New Unsecured Term Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>22.1</td>
<td>12.5</td>
<td>27.0</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

Note:
(1) Assuming the maturing RCF is refinanced with a new term loan facility comprising a S$75m 3-year tranche and a S$80m 4-year tranche.
Diversified Pools of Capital to Reduce Funding Risks

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

### Perpetual Securities Issuance
- $150.0m perpetual securities at 4.6% coupon
- Issued on 3 November 2017

**Joint Bookrunners:**
- Credit Suisse
- DBS
- HSBC

### Preferential Offering
- $141.9m Preferential Offering, issued 262.8m new units at 7.1% discount to VWAP price of $0.5812 per unit
- Sponsor committed to take up to $125.0m; with resultant being 170.6% subscribed
- Completed on 28 March 2018

Financial Advisor and Global Coordinator for the Preferential Offering:
- RHB

### Broadened Lending Bank Relationships

<table>
<thead>
<tr>
<th>Facility Type</th>
<th>Amount</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unsecured Loan Facility</td>
<td>$150m</td>
<td>June 2015</td>
</tr>
<tr>
<td>Unsecured Loan Facility</td>
<td>$200m</td>
<td>Sep 2016</td>
</tr>
<tr>
<td>Committed Loan Facility</td>
<td>$700m</td>
<td>Oct 2018</td>
</tr>
<tr>
<td>Committed Loan Facility</td>
<td>$100m</td>
<td>Oct 2018</td>
</tr>
</tbody>
</table>

Merger with Viva Industrial Trust:
- Oct 2018
Real Estate Highlights

120 Pioneer Road
Well Located Portfolio Across Singapore

Portfolio of 57 assets totalling S$3.0bn, located close to major transportation hubs and within key industrial zones across Singapore.
Diversified Portfolio with High Occupancy

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

Portfolio Occupancy (1) (as at 31 Dec 2018)

Occupancy increased to 93.0%, above JTC average of 89.1%

Asset Class by Rental Income (as at 31 Dec 2018)
Well-diversified portfolio across sub-sectors

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-Specs Industrial</td>
<td>31.5%</td>
</tr>
<tr>
<td>Light Industrial</td>
<td>13.7%</td>
</tr>
<tr>
<td>General Industrial</td>
<td>17.1%</td>
</tr>
<tr>
<td>Logistics/Warehouse</td>
<td>19.1%</td>
</tr>
<tr>
<td>Business Park</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

STB and MTB by Rental Income (as at 31 Dec 2018)

- Multi-Tenanted: 69.5%
- Single-Tenanted: 30.5%

Note:
(1) Excludes properties that are held for divestment.
**Pro-active Lease Management**

- Well-staggered WALE of 3.8 years compared to 4.3 years as at 31 Dec 2017
- Renewed and leased 204,315 sq ft of space in 4Q2018, bringing the total amount of lease renewals and new leases to c.1.7 million sq ft for FY2018
- Tenant retention rate of 56.6%
- Rental reversion of -2.9% for FY2018, improved from -15.8% for FY2017

**WALE by Rental Income (as at 31 Dec 2018)**

No more than 21.2% of leases p.a expiring in any given year over the next 3 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Single-Tenanted</th>
<th>Multi-Tenanted</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>20.0%</td>
<td>1.2%</td>
</tr>
<tr>
<td>2020</td>
<td>5.1%</td>
<td>13.6%</td>
</tr>
<tr>
<td>2021</td>
<td>3.7%</td>
<td>9.7%</td>
</tr>
<tr>
<td>2022</td>
<td>1.1%</td>
<td>9.1%</td>
</tr>
<tr>
<td>2023</td>
<td>2.6%</td>
<td>9.3%</td>
</tr>
<tr>
<td>2024+</td>
<td>17.4%</td>
<td>7.2%</td>
</tr>
</tbody>
</table>
In Sub-Sectors with Potential to Achieve Higher Rentals

- c.45% of properties in Business Parks/High-Specs Sector which has higher average rents
  - Favourable demand/supply dynamics
- Provides additional flexibility to conduct AEIs on ESR-REIT’s existing identified assets
  - Targeting higher-paying industrialists requiring high-specs space requirements

### Average Industrial Rents (S$ / sq ft / month)(1)

<table>
<thead>
<tr>
<th>Quarter</th>
<th>1Q13</th>
<th>3Q13</th>
<th>1Q14</th>
<th>3Q14</th>
<th>1Q15</th>
<th>3Q15</th>
<th>1Q16</th>
<th>3Q16</th>
<th>1Q17</th>
<th>3Q17</th>
<th>1Q18</th>
<th>3Q18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Park (Median)</td>
<td>$0.50</td>
<td>$1.00</td>
<td>$1.50</td>
<td>$2.00</td>
<td>$2.50</td>
<td>$3.00</td>
<td>$3.50</td>
<td>$4.00</td>
<td>$4.50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High-Specs Factory (Ground Floor)</td>
<td>$1.20</td>
<td>$1.50</td>
<td>$1.80</td>
<td>$2.10</td>
<td>$2.40</td>
<td>$2.70</td>
<td>$3.00</td>
<td>$3.30</td>
<td>$3.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warehouse (Ground Floor)</td>
<td>$1.23</td>
<td>$1.57</td>
<td>$1.91</td>
<td>$2.25</td>
<td>$2.59</td>
<td>$2.93</td>
<td>$3.27</td>
<td>$3.61</td>
<td>$3.95</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logistics/Warehouse</td>
<td>$1.20</td>
<td>$1.50</td>
<td>$1.80</td>
<td>$2.10</td>
<td>$2.40</td>
<td>$2.70</td>
<td>$3.00</td>
<td>$3.30</td>
<td>$3.60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Light and General Industrial</td>
<td>$1.00</td>
<td>$1.30</td>
<td>$1.60</td>
<td>$1.90</td>
<td>$2.20</td>
<td>$2.50</td>
<td>$2.80</td>
<td>$3.10</td>
<td>$3.40</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Asset Class Breakdown by Valuation

- **Business Park / High-Specs**: c.45%
- **Logistics/Warehouse**: 19.1%
- **Light and General Industrial**: 18.6%
- **High-Specs Industrial**: 13.7%
- **Business Park (Rest of Island)**: 17.1%

Notes: (1) Based on 4Q2018 data from CBRE and 3Q2018 data from JTC. (2) Logistics based on “Warehouse (Ground Floor)” and “Warehouse (Upper Floor)”, while Light and General Industrial is based on “Factory (Ground Floor)” and “Factory (Upper Floor)” as defined by JTC.
Reduced Tenant Concentration Risks

Top 10 Tenants Account for 30.1% of rental income (as at 31 Dec 2018), a reduction from 38.7% of rental income (as at 31 Dec 2017)

Top 10 Tenants by Rental Income (as at 31 Dec 2018)

Note:
(1) Formerly known as Heptagon Micro Optics Pte Ltd.
(2) Tenant cannot be named due to confidentiality obligations.
AEI Update: 30 Marsiling Industrial Estate Road 8

✓ AEI works are currently 94% complete
✓ AEI facilitates conversion of asset from a General Industrial to a High-Specs Industrial property
✓ Addition of two quality tenants(1) from high-value added manufacturing sectors
✓ Asset and Portfolio Stability
  – Secured long leases with two major tenants
  – Following project completion, property will be 100% occupied for the next five years

<table>
<thead>
<tr>
<th>Address</th>
<th>30 Marsiling Industrial Estate Road 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Upgrading of the asset to a High-Specs Industrial building</td>
</tr>
<tr>
<td>Gross Floor Area</td>
<td>217,953 square feet</td>
</tr>
<tr>
<td>Remaining Land Tenure</td>
<td>31.4 years</td>
</tr>
<tr>
<td>Valuation (as at 31 Dec 2018)</td>
<td>S$47.5 million</td>
</tr>
<tr>
<td>Estimated Cost</td>
<td>c.$12.0 m</td>
</tr>
<tr>
<td>Estimated TOP</td>
<td>Feb 2019</td>
</tr>
</tbody>
</table>

Note:
(1) Aptiv is a global technology company that develops safer, greener and more connected solutions, which enable the future of mobility. FormFactor, Inc. is a Nasdaq-listed company and is a leading provider of essential test and measurement technologies along the full Integrated Circuit life cycle - from characterization, modelling, reliability, and design de-bug, to qualification and production test.
Industrial Market Outlook
Singapore economy grew by 2.2% Y-o-Y in the fourth quarter of 2018 and 3.3% in 2018\(^{(1)}\)

- Economic growth in 2019 is expected to moderate to between 1.5% to 3.5% as compared to 2018
- Uncertainties from ongoing trade wars, interest hikes and geopolitical tensions could lead to slowdown in global and Singapore economies and a pullback of investment and consumption growth

**Signs point to increasingly stable industrial market**

- Occupancy rate of overall industrial property market for 3Q2018\(^{(2)}\) increased to 89.1%, a 0.4% increase from the previous quarter and a 0.5% increase from the previous year
- Industrial rents remain relatively stable; JTC’s rental index fell 0.1% compared to last quarter and a 0.4% reduction from the previous year.

**Tapering future new supply from 4Q2018 may stabilise prices and rents in the next few years**

---

**Note:** Source: MTI, JTC

(1) Based on advanced estimates released on 2 January 2019 from MTI.

(2) Based on 3Q2018 data from JTC.
Strategy

120 Pioneer Road
Targeted Strategy To Deliver Returns

3 areas targeted to deliver stable and value-added returns to Unitholders on the back of an increasingly stabilised supply environment; adding on to already resilient ESR-REIT portfolio

1. Operational Synergies and Economies of Scale via Integration of Enlarged Portfolio
   - Wider product suite for tenants and leasing
   - Reduced property expenses
   - Reduced cost of funding

2. Flexibility to Optimize Assets Through AEIs
   - Almost all non-core assets divested
   - Up to 7 properties identified for AEI over next 3 years
   - c.1m sq ft of unutilised plot ratio identified

3. Value-Enhancing Asset Acquisitions
   - Yield-accrative and/or value-adding acquisitions

Unitholders enjoy sustainable returns on the back of an increasingly stabilised supply environment; adding on to already resilient ESR-REIT portfolio.
Self-Management of Property Management Services

We are implementing a strategy of self-managing our property management services and taking some of these services in-house, to improve cost efficiencies and enhance tenant service quality.

**A. Clustering of Property Management Services**
- Clustering of assets by region for better on-site management and tenant service
- Move towards self-management of properties
- Selective non-renewal of third-party Integrated Facility Management contracts

**B. Bulk Tender Contracts for Property Services**
- Larger portfolio creates economies of scale
- Stronger bargaining power with service providers
- Bulk tender contracts for property services to reduce operational maintenance cost

- **Examples of Bulk Contracts**
  - Cleaning
  - Security
  - Landscaping

- **Validity**
  - ✓ Cost savings from direct self-management model
  - ✓ On-site clusters encourage faster response time and better service quality to tenants
Flexibility to Optimize Assets Through AEIs

Up to 7 ESR-REIT assets have been identified for AEIs over the next 3 years
- Includes c.1 million\(^{(1)}\) sq ft of unutilized plot ratio

Maximise Plot Ratio

A) Unlocking Value in Unutilized Plot Ratio

- 7000 Ang Mo Kio Avenue 5
  - c.495,000 sq ft untapped GFA

- 3 Tuas South Avenue 4
  - c.500,000 sq ft untapped GFA

General Industrial → High-Specs

B) Rejuvenation of Assets

- 30 Marsiling Industrial Estate Road 8
  - AEI works currently 94% complete
  - Upgrading of the asset to a High-Specs industrial building
  - Estimated TOP in Feb 2019

Note:
(1) With reference to untapped GFA at 7000 Ang Mo Kio Avenue 5 and 3 Tuas South Avenue 4.
**ESR Group\(^{(1)}\): Strong Developer Sponsor**

- A leading APAC focused logistics real estate platform developing and managing institutional-quality logistics facilities with a high-quality tenant base
- ESR-REIT has “first look” on the pipeline of assets in an increasingly asset scarce environment for quality logistics assets

### Selected Equity Investors

- **Warburg Pincus**
- **Goldman Sachs**
- **StepStone**
- **apg**

### Selected Fund Level Investors

- **CPP Investment Board**
- **apg**
- **PINGAN**
- **PGGM**
- **Invesco**
- **Allianz**

<table>
<thead>
<tr>
<th>Country</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>China</strong></td>
<td>- One of the top players by logistics facilities area and a leading landlord of key global e-commerce players</td>
</tr>
<tr>
<td><strong>South Korea</strong></td>
<td>- One of the largest modern warehouse developers in Korea upon completion of projects under development</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>- A top 5 institutional operator with an established and experienced team, as well as one of the highest new development starts over the past 24 months</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>- A top industrial real estate developer with best-in-class management team with initial focus on Tier-1 cities</td>
</tr>
<tr>
<td><strong>Singapore</strong></td>
<td>- Invested in ESR-REIT, an early industrial S-REIT player with c.14.1m sq ft of GFA across key industrial zones</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td>- The largest shareholder of PropertyLink and Centuria Capital which collectively have over A$6b of AUM</td>
</tr>
</tbody>
</table>

*Notes: Information above as of 30 Sep 2018. (1) ESR Cayman Limited and its subsidiaries.*
Committed to Supporting ESR-REIT’s Growth

- ESR-REIT has “first look” on more than US$14bn of ESR Group’s portfolio of assets
- REIT’s overseas exposure will be in countries where ESR has a footprint and established “on the ground” expertise

ESR Group’s Regional Presence

- GFA of approx 11m sqm in operation and under development
- AUM of more than US$14bn

Selected properties from ESR’s regional portfolio

Notes: Information above as of 30 Sep 2018.
Conclusion

1 Transformational Year
Merger of ESR-REIT and VIT created an enlarged REIT that provides a stronger platform for future growth opportunities.

2 Resilient and Diversified Portfolio
Good occupancy, diversified tenant base and improving rental reversions are backed by clear targeted strategies to deliver stabilized and value-add returns on the back of an increasingly stabilised industrial market.

3 Healthy Capital Management Indicators
Well-staggered debt maturity profile, and robust hedging profile with over 80% of interest rates fixed.

4 Backed by Strong Developer-Sponsor ESR Group
ESR Group provides strong financial support, access to regional tenant networks and potential pipeline of assets.
Appendix
ESR-REIT’s Competitive Strengths

- **Leading Pan-Asian** logistics real estate platform with more than US$14 billion AUM
  - ESR has c.67% stake in the REIT Manager, 100% stake in Property Manager and a c.9% stake in the REIT
  - Demonstrates long-term commitment and alignment of interest
- **Co-founded by Warburg Pincus** and backed by blue-chip institutional ownership and investors
- Provides ESR-REIT with development expertise and extensive network to strong regional tenant base

- **Close to 70 years of collective experience** in local and regional real estate companies and financial institutions
  - In-depth knowledge, proven track record and capabilities in Real Estate market, with focus in industrial property sector
- Members have played key roles in the shaping and management of successful REITs in Singapore

- **Proactively conducting AEI Initiatives** to optimize asset returns
- **Established track record** of acquiring strategic assets and managing build-to-suit ("BTS") development projects
- **In-house expertise** to specifically address the requirements of clients and their projects
- Experienced and flexible team to pro-actively manage projects
- **Sponsor ESR has proven track record** of developing BTS warehousing and distribution facilities for leading global e-commerce companies

- **57 properties valued at S$3.0 billion**
- Strategically located in key industrial zones across Singapore
- **Proactive** asset and lease management focus
- **Well balanced portfolio** with Single-Tenanted Building conversions to Multi-Tenanted Buildings
- **Diversified Portfolio**: No individual trade sector accounts for >24.2% of rental income
- **Healthy occupancy rate** of 93.0%
- **Healthy Portfolio WALE of 3.8 years**
- Leases backed by 6.3 months security deposits
- **Built-in rental escalations** provide organic growth

- **Extensive network of 339 tenants**
- Diversified across industries including: Logistics, Wholesale Trade, General Storage, Fabrication and Electronics
- **Top 10 tenants** account for 30.1% of rental income
- Long lease terms of 3-15 years provide stability for Unitholders, with in-built escalation
- **56.5% tenant retention rate**

- **Stable and secure income stream** supported by prudent capital and risk management
  - Staggered debt maturity profile; gearing of 41.9%
  - 83.4% of interest rate exposure fixed for 3.0 years
  - 100% of assets unencumbered
- Diversified pools of capital while broadening banking relationships

Note:
(1) Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest. (2) Includes committed lease with Delphi Automotive System Singapore Pte Ltd at 30 Marsiling Industrial Estate Road 8.
Our Long-Term Strategy

Our three-pronged strategy focuses on optimising Unitholder returns while reducing risks

Organic Growth

- AEIs to unlock value and attract high-valued tenants
- Pro-active asset management to optimise investor returns
- Divest non-core assets and redeploy to higher value-adding properties
- Enhance tenant base by leveraging Sponsor networks

Acquisition and Development Growth

- Yield-accretive, scalable, value-enhancing acquisition opportunities in Singapore
- Potential pipeline of assets from ESR
- Exploring opportunities to participate in development projects, either individually or in JV with ESR

Capital Management

- Debt to Total Assets between 30-40%
- 100% unencumbered
- Well-staggered debt maturity profile
- Diversify funding sources into alternative pools of capital
- Broaden and strengthen banking relationships
## Key Portfolio Statistics

<table>
<thead>
<tr>
<th></th>
<th>As at 31 Dec 2018</th>
<th>As at 30 Sep 2018</th>
<th>As at 31 Dec 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Properties</td>
<td>57</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>Valuation (S$ million)$^{(1)}</td>
<td>3,021.9</td>
<td>1,652.2</td>
<td>1,675.8</td>
</tr>
<tr>
<td>GFA (million sq ft)</td>
<td>14.1</td>
<td>9.7</td>
<td>9.9</td>
</tr>
<tr>
<td>NLA (million sq ft)</td>
<td>12.6</td>
<td>8.8</td>
<td>9.0</td>
</tr>
<tr>
<td>Weighted Average Lease Expiry (“WALE”) (years)</td>
<td>3.8</td>
<td>4.4</td>
<td>4.3</td>
</tr>
<tr>
<td>Weighted Average Land Lease Expiry (years)</td>
<td>30.7</td>
<td>32.7</td>
<td>33.8</td>
</tr>
<tr>
<td>Occupancy (%)</td>
<td>93.0</td>
<td>92.9</td>
<td>93.0</td>
</tr>
<tr>
<td>Number of Tenants</td>
<td>339</td>
<td>184</td>
<td>207</td>
</tr>
<tr>
<td>Security Deposit (months)</td>
<td>6.3</td>
<td>6.6</td>
<td>7.0</td>
</tr>
</tbody>
</table>

**Note:**

$^{(1)}$ Includes valuation of 7000 Ang Mo Kio Avenue 5 on a 100% basis, of which ESR-REIT has 80% economic interest.
Diversified Tenant Base and Trade Sectors

No individual trade sector accounts for more than 24.2% of ESR-REIT’s Rental Income

Breakdown by Trade Sectors (by Rental Income) (as at 31 Dec 2018)
Important Notice

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

Important Notice

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

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 material may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of occupancy or property rental income, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support future ESR-REIT business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

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For enquires, please contact:

**Cheryl Lim**
Marketing Communications Manager
Tel: (65) 6222 3339
Fax: (65) 6827 9339
Email: cheryl.lim@esr-reit.com.sg

**Lyn Ong**
Investor Relations Manager
Tel: (65) 6222 3339
Fax: (65) 6827 9339
Email: lyn.ong@esr-reit.com.sg