

Value Creation

ESR-LOGOS REIT harnesses its competitive strengths to build a resilient and balanced portfolio of quality assets aligned with market trends and demands to deliver value to its key stakeholders. ESR-LOGOS REIT is committed to further its value creation and seeks new opportunities to expand and strengthen its diversified portfolio.

OUR COMPETITIVE STRENGTHS



Resilient and Balanced Portfolio

A balanced portfolio with 82 quality income-producing industrial properties with total assets amounting to S\$5.7 billion across four sub-asset classes in key industrial zones across Singapore, Australia and Japan, together with investments in three property funds. We have diversified our portfolio by sub-sector type, tenants and geography.



Diversified Tenant Network

An extensive tenant base of 448 tenants create a tenant network that reduces overall exposure to any one particular sector.



Prudent and Balanced Capital and Risk Management

ESR-LOGOS REIT has a stable income stream supported by prudent capital and risk management strategies. Diversified sources of funding ensure ESR-LOGOS REIT can tap into alternative pools of capital in order to optimise Unitholder returns.



Proactive Asset Management

Maximising the growth potential of the portfolio is realised through proactive asset management focusing on marketing and leasing, delivering high standards of property and customer service, improving operational efficacy and costs, and engaging in asset enhancement initiatives.



Experienced and Professional Management Team

ESR-LOGOS REIT's management team comprises real estate and finance professionals with proven track record and a wealth of experience across local and regional real estate companies and financial institutions, setting the tone for a collaborative team culture focused on results.



Backed by Strong and Committed Sponsor

ESR-LOGOS REIT is sponsored by ESR Group, APAC's #1 real asset manager powered by the New Economy.



Continued Commitment Towards Sustainability

ESR-LOGOS REIT's sustainability approach reinforces the integration of environmental, social and governance (ESG) risks and opportunities into its business strategy, asset and property management activities, creating value for its key stakeholders.

OUR LONG-TERM STRATEGY

ESR-LOGOS REIT'S THREE-PRONGED STRATEGY FOCUSES ON OPTIMISING UNITHOLDER RETURNS WHILE MITIGATING RISKS



Active Acquisition and Development Growth

1. Yield-accretive, scalable and value-enhancing acquisition opportunities
2. Potential pipeline of assets from the Sponsor, ESR Group
3. Exploring opportunities to participate in development projects, either individually or in joint ventures with the Sponsor
4. Divest non-core assets and redeploy capital to acquire/develop higher value-adding properties



Achieving Organic Growth

1. Focus on asset enhancements to unlock value and attract high value tenants
2. Proactive asset management to maximise returns
3. Enhance tenant quality and base by leveraging on Sponsor's capabilities and networks



Exercising Prudent Capital Management

1. Maintain a well-staggered debt maturity profile and long-term debt to total assets target range of 30 to $\pm 40\%$ to mitigate financial and liquidity risk
2. Exercise prudent capital and risk management
3. Diversify funding sources into alternative pools of capital
4. Broaden and strengthen banking relationships

OUR ASSETS



Business Parks

Asset Type:

Business Parks are properties that cater to industries/businesses relating to high-technology, research and development ("R&D") value-added and knowledge-intensive sectors.

Tenant Profile:

Companies that engage in a range of activities which are technology and research-oriented industries and non-manufacturing in nature such as technical support, information-communication, product design, R&D, call and service centre and back-end office function.

Read more on pages 116 to 117



High-Specs Industrial

Asset Type:

Mixed-use industrial buildings typically used for higher value industrial activities like testing and certification, research and development (R&D), clean room activities. These buildings have modern facades, air-conditioned units, sufficient floor loading, ceiling height and electrical power capacities to enable both manufacturing and supporting office functions to be carried out concurrently.

Tenant Profile:

Companies in technology, R&D and knowledge-intensive sectors involved in light industrial activities such as precision engineering and data centres.

Read more on pages 118 to 119



Logistics

Asset Type:

Logistics properties are typically equipped with high floor loading and high floor-to-ceiling height suitable for tiered storage of cargo. Such buildings are typically multi-storey properties with vehicular ramp access and/or heavy-duty cargo lift access.

Tenant Profile:

Third-party logistics providers, wholesalers, distributors and import/export companies.

Read more on pages 120 to 121



General Industrial

Asset Type:

General industrial buildings can be single or multi-storey facilities dedicated to general and heavy manufacturing or factory activities.

Tenant Profile:

Companies that engage in general manufacturing activities.

Read more on pages 122 to 125

OUR ACHIEVEMENTS IN 2022

Operational Highlights

- Completion of merger with ALOG to form a leading New Economy and Future-Ready APAC S-REIT
- Maiden acquisition of first Japanese property, ESR Sakura Distribution Centre, Tokyo, Japan
- Completed Asset Enhancement Initiative of 53 Peregrine Drive, Australia
- Ongoing Asset Enhancement Initiatives at:
 - 7002 Ang Mo Kio Avenue 5, Singapore
 - 16 Tai Seng Street, Singapore
- Ongoing Redevelopment at 21B Senoko Loop, Singapore
- Announced the divestments of five non-core assets totalling S\$151.3 million at a 14.9% premium above valuation
 - 28 Senoko Drive, Singapore
 - 3 Sanitarium Drive, Australia
 - 2 Jalan Kilang Barat, Singapore
 - 49 Pandan Road, Singapore
 - 70 Seletar Aerospace View, Singapore
- Identified more than S\$450 million of non-core assets to be divested over the next 12 months

Read more on pages 47 to 55

Financial Highlights

- Net property income increased 41.0% year-on-year to S\$244.2 million
- Amount available for distribution to Unitholders increased 54.8% to S\$177.1 million
- Distribution per Unit of 3.000 Singapore cents for FY2022

Read more on pages 56 to 59

Investor Engagement

- Awarded Best Annual Report Award (Bronze), REITs and Business Trust Category, at Singapore Corporate Awards 2022

Read more on pages 42 to 46

Capital Management

- Entry into S\$835.0 million and A\$365.0 million unsecured loan facilities in relation to the proposed merger of ESR-REIT and ALOG, with DBS Bank Ltd. and its Australia Branch, Malayan Banking Berhad, Singapore Branch, Sumitomo Mitsui Banking Corporation Singapore Branch, The Hongkong and Shanghai Banking Corporation Limited, Oversea-Chinese Banking Corporation Limited and Australia and New Zealand Banking Group Limited
- Successful issuance of S\$150.0 million 5.50% subordinated perpetual securities pursuant to the S\$750.0 million multicurrency debt issuance programme of ESR-LOGOS REIT
- Entry into a JPY12.2 billion secured loan facility with Sumitomo Mitsui Banking Corporation Limited and MUFG Bank, Ltd. and a JPY7.1 billion unsecured loan facility with Sumitomo Mitsui Banking Corporation Singapore Branch and MUFG Bank, Ltd.
- Announced reset of distribution rate for the S\$150.0 million 4.60% fixed rate perpetual securities issued pursuant to the S\$750.0 million multicurrency debt issuance programme of ESR-LOGOS REIT
- Announced notice of redemption to the securityholders of the S\$100.0 million 5.50% subordinated perpetual securities issued under the S\$1 billion multicurrency debt issuance programme of ALOG

Read more on pages 60 to 61

Sustainability

- Refreshed material factors and targets post-merger with ALOG
- Decarbonisation Roadmap to be implemented in FY2023
- Obtained new green building certifications, bringing the total Greenmark or LEED certified buildings in the portfolio to 12 buildings:

Read more on pages 164 to 201

OUR PRIORITIES FOR 2023

1. Rejuvenation of portfolio through acquisitions, redevelopments and AEs
2. Optimise portfolio via divestments of non-core assets and redirect proceeds to reduce gearing or fund future acquisitions or asset enhancements and redevelopments to improve portfolio returns
3. Carry out selective asset optimisation and improvements to capitalise on the Manager's AEI capabilities to optimise the portfolio value
4. Source for income-producing quality assets locally and regionally; with growth consistently supported by the Sponsor
5. Leverage on Sponsor's New Economy pipeline for potential accretive acquisition opportunities
6. Strengthen collaborations with strategic partners to capture growth opportunities in the region
7. Prudent management of capital structure and cost of financing
8. Broadening of banking relationships and alternative pools of capital
9. Proactive marketing and leasing of space to maintain a healthy portfolio occupancy and rental reversion rate
10. Reduce environmental footprint and mobilise resources to create a positive impact on the industrial real estate ecosystem
11. Implementation of Decarbonisation Roadmap