

ESR-REIT

(a real estate investment trust constituted on 31 March 2006
under the laws of the Republic of Singapore)

Managed by

ESR Funds Management (S) Limited

(Company Registration No: 200512804G)

ARA LOGOS Logistics Trust

(a real estate investment trust constituted on 11 February 2010
under the laws of the Republic of Singapore)

Managed by

ARA LOGOS Logistics Trust Management Limited

(Company Registration No: 200919331H)

JOINT ANNOUNCEMENT

PROPOSED MERGER OF ESR-REIT AND ARA LOGOS LOGISTICS TRUST BY WAY OF A TRUST SCHEME OF ARRANGEMENT – REVISION OF SCHEME CONSIDERATION

- **ESR-REIT MANAGER AND ALOG MANAGER ENTERED INTO AN AMENDED AND RESTATED IMPLEMENTATION AGREEMENT IN RESPECT OF THE MERGER AND THE SCHEME**
- **HIGHER REVISED SCHEME CONSIDERATION¹ COMPRISING S\$0.097 IN CASH AND 1.7729 NEW ESR-REIT UNITS FOR EACH ALOG UNIT**
- **SUBJECT TO THE ALOG IFA OPINION AND IN THE ABSENCE OF A FURTHER SUPERIOR COMPETING OFFER, PRELIMINARY RECOMMENDATION BY THE ALOG INDEPENDENT DIRECTORS IS FOR ALOG UNITHOLDERS TO VOTE IN FAVOUR OF THE MERGER AND THE SCHEME**
- **EGM AND SCHEME MEETING DEFERRED TO A FUTURE DATE TO BE ANNOUNCED**

1. **INTRODUCTION**

1.1 **The Merger and the Scheme.** The respective boards of directors of ESR Funds Management (S) Limited, as manager of ESR-REIT (the "**ESR-REIT Manager**") and ARA LOGOS Logistics Trust Management Limited, as manager of ARA LOGOS Logistics Trust ("**ALOG**", and the manager of ALOG, the "**ALOG Manager**") refer to:

- (a) the joint announcement dated 15 October 2021 issued by the ESR-REIT Manager and the ALOG Manager, in relation to the proposed merger (the "**Merger**") of ESR-REIT and ALOG, to be effected through the acquisition by RBC Investor Services Trust Singapore Limited (in its capacity as trustee of ESR-REIT) (the "**ESR-REIT Trustee**")

¹ Implied gross exchange ratio of 1.970x in Revised Scheme Consideration, compared to implied gross exchange ratio of 1.863x in Scheme Consideration as at 15 October 2021.

of all the units of ALOG held by the unitholders of ALOG (the "**ALOG Unitholders**"), in exchange for a combination of cash and units in ESR-REIT, by way of a trust scheme of arrangement (the "**Scheme**") in compliance with the Singapore Code on Take-overs and Mergers (the "**Code**");

- (b) the circular (the "**Circular**") dated 5 January 2022 issued by the ESR-REIT Manager to the unitholders of ESR-REIT (the "**ESR-REIT Unitholders**") in relation to the Merger; and
- (c) the scheme document (the "**Scheme Document**") dated 5 January 2022 issued by the ALOG Manager to ALOG Unitholders in relation to the proposed amendments to the deed of trust constituting ALOG and the Merger.

Unless otherwise defined, all capitalised terms in this announcement (this "**Announcement**") shall bear the same meaning as set out in the Circular and/or the Scheme Document.

- 1.2 **Amended and Restated Implementation Agreement.** In connection with the Merger, the ESR-REIT Manager, the ESR-REIT Trustee, the ALOG Manager and the ALOG Trustee have today entered into a supplemental letter amending and restating the Implementation Agreement (the "**Amended and Restated Implementation Agreement**") setting out the amended terms on which the Scheme will be implemented. Further details of the amended terms of the Scheme are set out below.

2. **REVISED SCHEME CONSIDERATION**

Pursuant to the Amended and Restated Implementation Agreement, each of the ESR-REIT Trustee and the ESR-REIT Manager will, following the Scheme becoming effective in accordance with its terms, pay or procure the payment of S\$0.970 (the "**Revised Scheme Consideration**") for each ALOG Unit held by each of the ALOG Unitholders as at the Books Closure Date, which shall be satisfied by:

- (a) firstly, the payment of cash consideration, which will be revised from a sum of S\$0.095 in cash to S\$0.097 in cash (the "**Revised Cash Consideration**"). The aggregate Revised Cash Consideration to be paid to each ALOG Unitholder shall be rounded to the nearest S\$0.01; and
- (b) secondly, the allotment and issuance of new ESR-REIT Units for each ALOG Unit, which will be revised from 1.6765 new ESR-REIT Units to 1.7729 new ESR-REIT Units (the "**Consideration Units**"), such Consideration Units to be credited as fully paid. The Consideration Units will be issued at the issue price of S\$0.4924 per Consideration Unit. No fractions of a Consideration Unit shall be allotted and issued to any ALOG Unitholder and fractional entitlements shall be disregarded in the calculation of the Consideration Units to be allotted and issued to any ALOG Unitholder pursuant to the Scheme.

The Consideration Units shall:

- (1) when issued, be duly authorised, validly issued and credited as fully paid-up and shall rank *pari passu* in all respects with the existing ESR-REIT Units as at the date of their issue (and not as at the Joint Announcement Date or the date of this Announcement)²; and
- (2) be issued free from all and any Encumbrances and restrictions or transfers and no person has or shall have any rights of pre-emption over the Consideration Units.

In arriving at the Revised Scheme Consideration, the ESR-REIT Manager had taken into account the following factors including, *inter alia*:

- (a) the commercial rationale of the Merger (as set out in section 3 of this Announcement, the Scheme Document and the Joint Announcement);
- (b) strong conviction that the Merger is the best way forward for both ALOG and ESR-REIT as it would combine two best-in-class platforms to form a leading New Economy APAC S-REIT;
- (c) the quality of ALOG's portfolio, the robustness and strong demand of the overall Australian market, in particular the logistics sector, which continues to see strong demand growth and cap rate compression;
- (d) the historical relative trading prices of ALOG Units and ESR-REIT Units;
- (e) balancing the respective financial impact to ALOG Unitholders and ESR-REIT Unitholders from a DPU and NAV per unit accretion and dilution perspective;
- (f) the gearing of the combined REIT post-Merger; and
- (g) other factors previously set out in the Joint Announcement and Scheme Document.

Illustration of the Revised Scheme Consideration

By way of illustration, if the Scheme becomes effective in accordance with its terms, an ALOG Unitholder will receive S\$97.00 in cash and 1,772 Consideration Units for every 1,000 ALOG Units held by it as at the Books Closure Date.

² For the avoidance of doubt, the Consideration Units shall be issued with all rights, benefits and entitlements attaching on and from the date of their issue (and not as at the Joint Announcement Date or the date of this Announcement), including the right to receive and retain all rights and other distributions (if any) declared or to be declared by the ESR-REIT Manager on or after the date of their issue.

The Parties shall be entitled to announce, declare, pay or make the ALOG Permitted Distributions and ESR-REIT Permitted Distributions (as the case may be) without any adjustment to the Revised Scheme Consideration.

The ALOG Unitholders shall have the right to receive and retain the ALOG Permitted Distributions in addition to the Revised Scheme Consideration. As part of the ALOG Permitted Distributions, the ALOG Manager has on 26 November 2021 paid the distribution of 1.329 cents per ALOG Unit in respect of the period from 1 July 2021 to 30 September 2021 to ALOG Unitholders.

The ESR-REIT Manager reserves the right to adjust the Revised Scheme Consideration by reducing the cash component of the Revised Scheme Consideration, the unit component of the Revised Scheme Consideration or by any combination of such cash and unit components of the Revised Scheme Consideration, if and to the extent any distribution in excess of the ALOG Permitted Distributions is announced, declared, made or paid by the ALOG Manager on or after 15 October 2021, being the date of the Joint Announcement.

3. ALOG MANAGER'S RATIONALE FOR THE MERGER

In addition to the merits of the Merger as previously set out in the Joint Announcement and the Scheme Document, the ALOG Manager wishes to elaborate on the below, which should be read in conjunction with the previous announcements.

3.1 Financial Benchmarking of the Illustrative Value of the Revised Scheme Consideration.

The illustrative value of the Revised Scheme Consideration of S\$0.933 represents an improvement of 5.3% as compared to the illustrative value of the original Scheme Consideration on a like-for-like basis.³ This was computed by computing the illustrative value of the Revised Scheme Consideration and the original Scheme Consideration based on the one (1)-month VWAP of ESR-REIT Units prior to the announcement of the Merger on 15 October 2021 for a like-for-like comparison.

³ References to "illustrative value" of the original Scheme Consideration or Revised Scheme Consideration, as the case may be, in this Announcement shall mean the aggregate sum of (i) the implied value of the Consideration Units computed based on the one-month VWAP of ESR-REIT Units prior to the Joint Announcement Date and (ii) the cash consideration payable.

	(A)	(B)	(C)	(B+C)
	Number of Consideration Units	Illustrative Value of Consideration Units based on one (1) month VWAP of ESR-REIT Units ⁽¹⁾	Cash Consideration	Illustrative Value ⁽²⁾ of Scheme Consideration
Original Scheme Consideration	1.6765	S\$0.791	S\$0.095	S\$0.886
Revised Scheme Consideration	1.7729	S\$0.836	S\$0.097	S\$0.933

Notes:

- (1) The one (1)-month VWAP of ESR-REIT Units prior to the Joint Announcement Date is S\$0.4716 per ESR-REIT Unit. The one-month VWAP of the ESR REIT Units has been used as the basis for the illustrative value of the Consideration Units so as to provide Unitholders with a benchmark price which is reflective of the average traded price of the Consideration Units for the one (1)-month period prior to the Joint Announcement Date, rather than a spot price.
- (2) References to the “illustrative value” of the original Scheme Consideration or Revised Scheme Consideration, as the case may be, in this Announcement shall mean the aggregate sum of the implied value of the Consideration Units computed based on the one-month VWAP of ESR-REIT Units prior to the Joint Announcement Date (Column (B)) and the cash consideration (Column (C)) payable.

The illustrative value of the Revised Scheme Consideration, being S\$0.933 per ALOG Unit, represents a premia of 0.5 per cent., 2.2 per cent., 6.5 per cent., 19.6 per cent. and 31.2 per cent. over the one (1)-month VWAP (S\$0.928), three (3)-month VWAP (S\$0.913), six (6)-month VWAP (S\$0.876), 12-month VWAP (S\$0.780) and 24-month VWAP (S\$0.711) per ALOG Unit, and 37.6 per cent. over the NAV per ALOG Unit as at 30 September 2021 (S\$0.678). The price-to-NAV multiple⁴ of the ALOG Units based on the illustrative value of the Revised Scheme Consideration is 1.4x.

Further, based on the Revised Scheme Consideration and the bases and assumptions set out in **Schedule 1**, the historical pro forma DPU accretion to ALOG Unitholders increases from 8.2% to 12.8%⁵ and the historical pro forma NAV per unit accretion to ALOG Unitholders increases from 2.2% to 5.3%⁶. For the avoidance of doubt, the historical pro formas are for illustrative purposes only and are not intended to be nor shall they constitute projections or forecasts.

3.2 This is a merger, not a complete sell-out of ALOG and/or its underlying assets. The ALOG Manager would like to emphasise that this proposed transaction is intended as a merger and

⁴ Based on the NAV per ALOG Unit of S\$0.678 as of 30 September 2021.

⁵ Refer to Schedule 1 of this Announcement for more details on the pro-forma adjustments

not a complete sell-out of ALOG and/or its underlying assets. As such, the relative valuations of ALOG and ESR-REIT would need to be balanced from the perspectives of their respective unitholders. If the Merger is approved, ALOG Unitholders will continue to be invested in the existing portfolio of ALOG assets, which will be part of the enlarged ESR-REIT.

The Merger will create a leading New Economy APAC Singapore-listed REIT. With the potential increase in weightage on key indices such as FTSE EPRA Nareit Global Developed Index, this would lead to increased interest from institutional investors and increased/widened access to larger pools of capital (e.g. bonds and perpetual securities market) which has the potential to further reduce costs of funding to further grow the enlarged REIT via acquisitions.

Both the ALOG Manager and the ESR-REIT Manager believe that the larger and more diversified enlarged REIT will be in a stronger position to obtain good investment grade ratings (e.g. BBB+ or better) as compared to each of ALOG and ESR-REIT on a standalone basis. As such, it is the intention of the ESR-REIT Manager to seek a credit rating for the enlarged REIT post-Merger. A good investment grade credit is likely to further reduce the cost of funding and increase access to new sources of capital (e.g. US\$ bond market).

3.3 **Growth of ESR-REIT and ALOG likely to be negatively impacted if both ESR-REIT's and ALOG's conflicts of interest arising from a common sponsor are not resolved**

The Proposed ARA Acquisition was completed on 20 January 2022. Accordingly, the ESR Group is now an indirect majority controlling shareholder of the LOGOS Group. Following the completion of the Proposed ARA Acquisition, both ESR-REIT and ALOG will share a common sponsor, and have overlapping mandates. Since ESR-REIT and ALOG have overlapping mandates, conflicts of interest may inevitably arise which may negatively impact both REITs. In the absence of the Merger, both ESR-REIT and ALOG will have to compete for new assets from the ESR Group. The Merger will address the issue of overlapping mandates in relation to asset pipeline, tenant and operational network, and financial resources.

The Merger will address these potential conflicts and safeguard the interests of ESR-REIT Unitholders and ALOG Unitholders. The enlarged ESR-REIT, to be renamed ESR-LOGOS REIT, will enjoy access to the ESR Group's New Economy pipeline of more than US\$59 billion,⁶ development work-in-progress of over US\$10 billion⁷ and a development pipeline of over 9 million square meters⁸ across 10 countries, in addition to the committed financial and operational support from the Sponsor. If ESR-REIT and ALOG were to continue to operate independently, the ESR Group would have to split its resources to support two REITs with overlapping investment mandates. Over time, both ESR-REIT and ALOG may not be able to fully leverage the ESR Group's resources for sustainable growth and would have to compete for the same pool of resources from the ESR Group or even for the same third party assets.

The ALOG Manager would also like to highlight that other alternative options such as a direct sale of portfolio assets and a sale of the ALOG Manager to a third party may not be optimal for the following reasons:

⁶ Based on the ESR Group's management estimate for the ESR Group (including the AUM of its associates) as of 31 December 2021.

⁷ ESR Group data as of 30 June 2021.

⁸ 2021-2023 pipeline as of the financial quarter ended 31 March 2021.

- (i) **Premium to NAV.** As the unit price of ALOG was trading at more than 30 per cent. premium to its NAV⁹, a divestment of the underlying portfolio may not have achieved a similar premium to the NAV and it would also result in ALOG Unitholders ceasing to have an interest in the returns from being invested in the existing portfolio of assets. The Merger would allow ALOG Unitholders to continue to be invested in the existing portfolio and also benefit from potential growth opportunities which may arise from the enlarged REIT's access to the pipeline from the enlarged ESR Group.
- (ii) **Associated costs and financing constraints.** Potential acquirers of the portfolio assets may require acquisition debt financing, which amount could be limited by the asset valuation of the underlying assets. In addition, direct divestment of portfolio assets could result in additional costs relating to stamp duties (for acquirers), and potential tax liability for ALOG.
- (iii) **Limited buyer pool.** The Singapore industrial market is highly regulated, especially for industrial assets located on JTC industrial land. Notably, ALOG's entire portfolio of Singapore assets sits on JTC land. As there are stringent qualifying criteria imposed on buyers of such properties, the pool of potential buyers is likely limited to end-users and entities which hold capital markets services licences.
- (iv) If the ESR Group were to sell the ALOG Manager to a third party, ALOG Unitholders would cease to have access to the potential pipeline of New Economy assets of more than US\$59 billion¹⁰ from the ESR Group, being the largest in APAC.

3.4 **No alternative offers.** Since the Merger was announced on 15 October 2021, the ALOG Manager has not received any other offers for ALOG or any indications of interest to make an offer for ALOG. The Merger with ESR-REIT remains the only offer for the ALOG Units.

3.5 **Preliminary Views of the ALOG Independent Directors and their considerations.** The Revised Scheme Consideration for the Merger is the result of extensive consideration, was negotiated on an arm's length basis and was ultimately approved by the directors of the ALOG Manager who are independent for the purposes of the Scheme (the "**ALOG Independent Directors**").

The ALOG Independent Directors have evaluated the Revised Scheme Consideration and have, subject to the updated opinion of the ALOG IFA in relation to the revised financial terms of the Scheme (to be set out in the Revised Scheme Document (as defined below)) and in the absence of a competing offer, preliminarily recommended that ALOG Unitholders vote in favour of the Merger taking into account, *inter alia*, the following:

- (a) the financial terms of the Revised Scheme Consideration which represent an improvement of 5.3% from the original Scheme Consideration;

⁹ With reference to ALOG's closing price of S\$0.935, as well as one (1)-month VWAP of S\$0.928, 3 month VWAP of S\$0.913, as of the last full trading day immediately prior to the Joint Announcement Date, and NAV per ALOG Unit of S\$0.678, as of 30 September 2021.

¹⁰ Based on the ESR Group's management estimate for the ESR Group (including the AUM of its associates) as of 31 December 2021.

- (b) the rationale and benefits of the Merger, including the potential advantages afforded to ALOG Unitholders as stakeholders in a larger platform with the common sponsorship of the ESR Group;
- (c) the viability of the alternative options apart from Merger; in this connection, the ALOG Independent Directors have discussed with the management and agree that other options such as a sale of the portfolio or the manager will be sub-optimal for ALOG Unitholders; and
- (d) the Merger with ESR-REIT being the only offer for the units of ALOG as at the date hereof; since the date of the Joint Announcement up until the date of this Announcement, ALOG has not received any other offers for ALOG or any indications of interest to make an offer for ALOG.

4. DEFERMENT OF ALOG MEETINGS

In view of the Amended and Restated Implementation Agreement and the Revised Scheme Consideration, the ALOG Manager will be deferring the EGM scheduled at 3.00 p.m. (Singapore time) on 27 January 2022 to a future date to be determined. Similarly, the ALOG Manager will also be deferring the Scheme Meeting scheduled at 3.30 p.m. (Singapore time) on 27 January 2022 to a future date to be determined. The deferred EGM and Scheme Meeting are expected to be held in March 2022. Accordingly, the live audio-visual webcast or live audio-only stream for the EGM and the Scheme Meeting originally scheduled at 3.00 p.m. (Singapore time) and 3.30 p.m. (Singapore time) on 27 January 2022 will be cancelled.

As the EGM and the Scheme Meeting have been deferred, the ALOG Manager will not publish the responses to ALOG Unitholders' substantial and relevant questions in relation to the Merger by 3.30 p.m. (Singapore time) on 22 January 2022. ALOG Unitholders will be permitted to continue submitting questions related to the resolutions to be tabled for approval at the EGM and the Scheme Meeting in the following manner:

- (i) if submitted electronically, be submitted via ALOG's pre-registration website at <https://aralogos-egm.listedcompany.com/ara-logos-2022-egm/>; or
- (ii) if submitted by post, be deposited at the office of the ALOG Manager at 50 Collyer Quay, #05-05 OUE Bayfront, Singapore 049321.

The ALOG Manager will publish the responses to ALOG Unitholders' substantial and relevant questions in relation to the Merger, including those submitted prior to the date of this Announcement, by no later than 72 hours before the deadline for ALOG Unitholders to deposit their proxy forms for the adjourned EGM and Scheme Meeting.

Further details on the deferred meetings, including, among others, details of how to attend the deferred meetings and the new deadline for submission of questions and proxy forms, will be provided by the ALOG Manager in due course.

5. **CONFIRMATION OF FINANCIAL RESOURCES**

Maybank Securities Pte. Ltd. (formerly known as Maybank Kim Eng Securities Pte. Ltd.), one of the ESR-REIT Financial Advisers, confirms that sufficient financial resources are available to ESR-REIT to satisfy in full the aggregate Revised Cash Consideration for the Scheme.

6. **REVISED SCHEME DOCUMENT**

The ALOG Manager will issue a revised Scheme Document (the "**Revised Scheme Document**") containing details of the Amended and Restated Implementation Agreement and the Revised Scheme Consideration, the recommendation of the ALOG Independent Directors and the advice of the ALOG IFA.

ALOG Unitholders are advised to refrain from taking any action in relation to their ALOG Units which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations of the ALOG Independent Directors on the Scheme as well as the advice of the ALOG IFA set out in the Revised Scheme Document.

Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

7. **DOCUMENTS FOR INSPECTION**

The Amended and Restated Implementation Agreement will be made available for inspection¹¹ by ALOG Unitholders during normal business hours at the office of the ALOG Manager in Singapore at 50 Collyer Quay, #05-05 OUE Bayfront, Singapore 049321, from the date of this Announcement up until the Effective Date.

8. **RESPONSIBILITY STATEMENTS**

- 8.1 **ESR-REIT Manager.** The directors of the ESR-REIT Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to ALOG and/or the ALOG Manager) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the ESR-REIT Manager jointly and severally accept responsibility accordingly.

¹¹ Prior appointment is required in light of the COVID-19 situation. Please contact ALOG's Investors Relations team (telephone: +65 6428 7769).

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including the ARA Acquisition Announcement) or obtained from a named source (including ALOG and/or the ALOG Manager), the sole responsibility of the directors of the ESR-REIT Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the ESR-REIT Manager do not accept any responsibility for any information relating to ALOG and/or the ALOG Manager or any opinion expressed by ALOG and/or the ALOG Manager.

- 8.2 **ALOG Manager.** The directors of the ALOG Manager (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and opinions expressed in this Announcement (other than those relating to ESR-REIT and/or the ESR-REIT Manager) are fair and accurate and that there are no other material facts not contained in this Announcement, the omission of which would make any statement in this Announcement misleading. The directors of the ALOG Manager jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including the ARA Acquisition Announcement) or obtained from a named source (including ESR-REIT and/or the ESR-REIT Manager), the sole responsibility of the directors of the ALOG Manager has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement. The directors of the ALOG Manager do not accept any responsibility for any information relating to ESR-REIT and/or the ESR-REIT Manager or any opinion expressed by ESR-REIT and/or the ESR-REIT Manager.

22 January 2022

BY ORDER OF THE BOARD

ESR Funds Management (S) Limited
as Manager of ESR-REIT
(Company Registration No. 200512804G)

BY ORDER OF THE BOARD

ARA LOGOS Logistics Trust Management Limited
as Manager of ARA LOGOS Logistics Trust
(Company Registration No. 200919331H)

Any queries relating to this Announcement, the Merger or the Scheme should be directed to one of the following:

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Forward-Looking Statements

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". 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 business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the ESR-REIT Manager's and the ALOG Manager's current view of future events, and neither the ESR-REIT Manager nor the ALOG Manager undertakes any obligation to update publicly or revise any forward-looking statements.

The value of the ESR-REIT Units or ALOG Units (the "Units") and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, the ESR-REIT Manager, the ALOG Manager or any of their affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they have no right to request the ESR-REIT Manager or the ALOG Manager to redeem or purchase their Units while the Units are listed. It is intended that unitholders may only deal in their Units through trading on SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

This Announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for the Units. The past performance of ALOG and the ALOG Manager is not necessarily indicative of the future performance of ALOG and the ALOG Manager. The past performance of ESR-REIT and the ESR-REIT Manager is not necessarily indicative of the future performance of ESR-REIT and the ESR-REIT Manager.

SCHEDULE 1

PRO FORMA FINANCIAL EFFECTS OF THE MERGER ON ALOG

Purely for illustrative purposes only, the pro forma financial effects of the Merger on ALOG and ESR-LOGOS REIT are set out in the tables below.

1. DPU for FY2020

The pro forma financial effects of the Merger on the amount available for distribution to ALOG Unitholders, the number of ALOG Units and ALOG's DPU, and the accretion thereof, for FY2020, assuming that the Merger had been completed on 1 January 2020 and ESR-LOGOS REIT held and operated the properties of ALOG through to 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions (as defined herein), the FY2021 ESR-REIT Divestments (as defined herein), the ESR-REIT EFR (as defined herein), the FY2021 ALOG Acquisitions (as defined herein), the FY2021 ALOG Divestments (as defined herein) and the ALOG EFR (as defined herein) were completed on 1 January 2020, are as follows:

	ALOG for FY2020		Effects of the Merger – ESR- LOGOS REIT basis
	Actual	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments and ALOG EFR	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR, and the Merger
Amount available for distribution (S\$'000)	58,828	73,779	189,995
Applicable number of ALOG Units ('000)	1,120,533	1,448,234	6,540,541
DPU (cents)	5.250	5.094	2.905
DPU for existing ALOG Unitholders (cents)	5.250	5.094	5.748 ¹²
Accretion (%)			12.8

2. NAV and NTA per ALOG Unit for FY2020

The pro forma financial effects of the Merger on the NAV and NTA, the number of ALOG Units, and NAV and NTA per ALOG Unit, and the accretion thereof, as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that, among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the

¹²

Based on ESR-LOGOS REIT's FY2020 pro forma DPU multiplied by a net exchange ratio of 1.7729 and assuming that the Cash Consideration is reinvested at ESR-REIT's one (1)-month VWAP of S\$0.4716 as at 14 October 2021.

FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ALOG Revaluation were completed on 31 December 2020, are as follows:

	ALOG as at 31 December 2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR and ALOG Revaluation	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR, ALOG Revaluation and the Merger
NAV and NTA (S\$'000)	678,545	1,001,301	2,420,307
Number of issued ALOG Units ('000)	1,186,966 ¹³	1,446,850	6,572,594
NAV and NTA per ALOG Unit (cents)	57.2	69.2	36.8
NAV and NTA per existing ALOG Unit (cents)	57.2	69.2	72.9 ¹⁴
Accretion (%)			5.3

3. Aggregate Leverage for FY2020

The pro forma financial effects of the Merger on ALOG's aggregate leverage as at 31 December 2020, assuming that the Merger had been completed on 31 December 2020, and assuming that among other bases and assumptions stated below, the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments, the ESR-REIT EFR, the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, the ALOG EFR and the ALOG Revaluation were completed on 31 December 2020, are as follows:

¹³ Includes 3,681,162 ALOG Units issued to the ALOG Manager on 26 January 2021 as partial consideration of the ALOG Manager's base fees for Q4 FY2020 and performance fees for FY2020, but excludes 91,112,930 ALOG Units issued on 25 January 2021 in connection with the preferential offering.

¹⁴ Based on ESR-LOGOS REIT's FY2020 pro forma NAV multiplied by a net exchange ratio of 1.7729 and assuming that the Cash Consideration is reinvested at ESR-REIT's one (1)-month VWAP of S\$0.4716 as at 14 October 2021.

	ALOG as at 31 December 2020		Effects of the Merger – ESR-LOGOS REIT basis
	Actual	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR and ALOG Revaluation	After the FY2021 ALOG Acquisitions, FY2021 ALOG Divestments, ALOG EFR, ALOG Revaluation and the Merger
Aggregate leverage (%)	39.0	39.8	42.1

INTRODUCTION

These pro forma financial effects have been prepared in connection with the Merger.

BASES AND ASSUMPTIONS UNDERLYING THE PRO FORMA FINANCIAL EFFECTS OF THE MERGER

Basis of Preparation for the pro forma financial effects of the Merger on ALOG's DPU for FY2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the consolidated audited financial statements of ESR-REIT which were announced on 7 April 2021 ("**FY2020 ESR-REIT Audited Financial Statements**") and the consolidated audited financial statements of ALOG for FY2020 which were announced on 8 April 2021 ("**FY2020 ALOG Audited Financial Statements**"), for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ALOG's DPU for FY2020.

The assumptions are set out as follows:

- (a) the Merger had occurred on 1 January 2020;
- (b) the following acquisitions by ESR-REIT had occurred on 1 January 2020:
 - (i) the acquisition of 10.0% interest in ESR Australia Logistics Partnership ("**EALP**") which was actually completed on 14 May 2021; and
 - (ii) the acquisition of 46A Tanjong Penjuru which was actually completed on 29 June 2021, (collectively, the "**FY2021 ESR-REIT Acquisitions**"), and a full year pro forma financial effect from the FY2021 ESR-REIT Acquisitions was included;
- (c) the following divestments by ESR-REIT had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
 - (i) the divestment of 11 Serangoon North Avenue 5 and 3C Toh Guan Road East as announced on 28 April 2021; and
 - (ii) the divestment of 45 Changi South Avenue 2 as announced on 30 August 2021, (collectively, the "**FY2021 ESR-REIT Divestments**"), and the actual financial information of the FY2021 ESR-REIT Divestments for FY2020 were excluded from the pro forma financial effects of the Merger;
- (d) the ESR-REIT equity fund raising comprising a private placement of 268,818,000 new ESR-REIT Units and a preferential offering of 124,071,569 new ESR-REIT Units (the "**ESR-REIT EFR**"), which were actually completed on 18 May 2021 and 26 August 2021 respectively and raised gross proceeds of S\$149.6 million to partially finance the FY2021 ESR-REIT Acquisitions, had occurred on 1 January 2020;

- (e) the following acquisitions by ALOG had occurred on 1 January 2020:
- (i) the acquisition of 47 Logistics Place, Larapinta, Queensland located in Australia which was actually completed on 16 April 2021;
 - (ii) the acquisition of (1) 1-5 & 2-6 Bishop Drive, (2) 8 Curlew Street, and (3) 53 Peregrine Drive, all located in Port of Brisbane, Queensland, Australia which was actually completed on 21 April 2021;
 - (iii) the acquisition of a 49.5% interest in the New LAIVS Trust and a 40.0% interest in the Oxford Property Fund which was actually completed on 16 April 2021; and
 - (iv) completion of the development and acquisition of the Heron Property based on its contracted purchase consideration, which was actually completed on 11 January 2022,
- (collectively, the "**FY2021 ALOG Acquisitions**"), and a full year pro forma financial effect from the FY2021 ALOG Acquisitions was included;
- (f) the following divestments by ALOG had occurred on 1 January 2020 and the net divestment proceeds were used for the repayment of bank borrowings:
- (i) the divestment of 3 Changi South Street 3, also known as ALOG Changi DistriCentre 2, as announced on 22 April 2021; and
 - (ii) the divestment of 404-450 Findon Road, Kidman Park, South Australia in Australia as announced on 26 April 2021;
- (collectively, the "**FY2021 ALOG Divestments**"), and the actual financial information of the FY2021 ALOG Divestments for FY2020 was excluded from the pro forma financial effects of the Merger;
- (g) the ALOG equity fund raising comprising a private placement of 90,498,000 new ALOG Units and a preferential offering of 91,112,930 new ALOG Units (together with the ALOG Subscription Units Issuance (as defined below), the "**ALOG EFR**"), which were actually completed on 11 November 2020 and 25 January 2021 respectively, and raised gross proceeds of S\$100.3 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;
- (h) the issuance of 126,696,800 new ALOG Units to Ivanhoe Cambridge Asia, and 33,846,100 new ALOG Units to LOGOS Units No. 1 (the "**ALOG Subscription Units Issuance**") which was actually completed on 16 April 2021 and raised gross proceeds of S\$88.7 million to partially finance the FY2021 ALOG Acquisitions, had occurred on 1 January 2020;
- (i) the ESR-REIT Real Properties and the EALP Real Properties held as at 30 September 2021 were revalued in FY2020 based on their latest actual independent valuations as at 30 September 2021;

- (j) the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 1 January 2020 based on their latest actual independent valuations as at 30 September 2021 and these valuations remained unchanged throughout FY2020 (the "**ALOG Revaluation**");
- (k) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FY2020 ALOG Audited Financial Statements;
- (l) based on the number of ALOG Units issued as at the Joint Announcement Date, the Revised Scheme Consideration of approximately S\$1,406.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$140.7 million and the issuance of approximately 2,571.1 million new ESR-REIT Units;
- (m) ALOG's total borrowings and related interest rate swaps of approximately S\$768.7 million¹⁵ and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million¹⁷ at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (n) the estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger and ESR-LOGOS REIT did not incur any land rent expenses for the ALOG SG Real Properties in FY2020;
- (o) acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 32.3 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;
- (p) ALOG's asset management and trustee fee structures were replaced with the management fee and trustee fee structures in the ESR-REIT Trust Deed with effect from 1 January 2020. Consequently, no performance fee was paid by ESR-LOGOS REIT for FY2020 and approximately 74.2% of the asset management fees for ESR-LOGOS REIT was paid in ESR-REIT Units;
- (q) estimated professional fees, stamp duty, and other fees and expenses of approximately S\$32.9 million related to the Merger were funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum;
- (r) transaction costs related to the Merger and the excess of the Revised Scheme Consideration over the acquired net assets of ALOG were written off; and
- (s) excludes any other operational and trust level savings or potential synergies from the Merger.

¹⁵ Inclusive of S\$11 million of ALOG transaction costs

Basis of Preparation for the pro forma financial effects of the Merger on ALOG's NAV and NTA per Unit and aggregate leverage as at 31 December 2020

The unaudited pro forma consolidated financial effects of the Merger on ESR-LOGOS REIT have been prepared based on the FY2020 ESR-REIT Audited Financial Statements which was announced on 7 April 2021 and the FY2020 ALOG Audited Financial Statements which was announced on 8 April 2021, for illustrative purposes only, and based on certain assumptions directly attributable to the Merger after making certain adjustments, to show the pro forma financial effects of the Merger on ALOG's NAV and NTA per ALOG Unit and aggregate leverage as at 31 December 2020.

The assumptions are set out as follows:

- (a) the Merger had occurred on 31 December 2020;
- (b) the FY2021 ESR-REIT Acquisitions, the FY2021 ESR-REIT Divestments and the ESR-REIT EFR had occurred on 31 December 2020;
- (c) the FY2021 ALOG Acquisitions, the FY2021 ALOG Divestments, and the ALOG EFR had occurred on 31 December 2020;
- (d) the ESR-REIT Real Properties, the EALP Real Properties, the ALOG Real Properties and the ALOG Fund Real Properties held as at 30 September 2021 were stated at 31 December 2020 based on their latest actual independent valuations as at 30 September 2021;
- (e) the translation of A\$ to S\$ at the exchange rates prevailing in the preparation of the FY2020 ALOG Audited Financial Statements;
- (f) based on the number of ALOG Units issued as at the Joint Announcement Date, the Revised Scheme Consideration of approximately S\$1,406.7 million for the Merger was settled by way of an aggregate Cash Consideration of approximately S\$140.7 million and the issuance of approximately 2,571.1 million new ESR-REIT Units;
- (g) ALOG's total borrowings and related interest rate swaps of approximately S\$768.7 million¹⁶ and total perpetual securities outstanding of approximately S\$101.5 million were replaced with new banking facilities of approximately S\$618.7 million¹⁹ at a weighted average "all-in" finance cost of 2.25% per annum and approximately S\$251.5 million of new perpetual securities at an illustrative coupon rate of 4.50% per annum;
- (h) estimated upfront land premium of approximately S\$87.9 million, funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum, was paid to JTC at completion of the Merger;
- (i) acquisition fees of approximately S\$15.9 million pursuant to the Merger were paid by way of the issuance of approximately 32.3 million new ESR-REIT Units at the illustrative issue price of S\$0.4924 per ESR-REIT Unit;

¹⁶ Inclusive of S\$11 million of ALOG transaction costs

- (j) estimated professional fees, stamp duty, and other fees and expenses of approximately S\$32.9 million related to the Merger were funded by new banking facilities at a weighted average "all-in" finance cost of 2.25% per annum; and
- (k) transaction costs related to the Merger and the excess of the Revised Scheme Consideration over the acquired net assets of ALOG were written off.