



(Constituted in the Republic of Singapore pursuant to
a trust deed dated 11 February 2010 as amended and restated)

PRESS RELEASE

ARA LOGOS Logistics Trust Receives Higher Scheme Consideration from ESR-REIT

*Improved Scheme Consideration reiterates ESR-REIT's keenness for a successful merger and
confidence in the long-term merits of the Enlarged REIT*

Key Highlights:

- Illustrative value of improved Scheme Consideration is 5.3% higher than the existing offer
- Historical Pro Forma DPU accretion to ALOG unitholders increases significantly from 8.2% to 12.8% and Historical Pro Forma NAV per unit accretion to ALOG unitholders increases from 2.2% to 5.3%
- Proposed transaction is intended as a merger of two best-in-class platforms and not a sell-out of ALOG and/or its underlying assets
- Preliminary recommendation by the ALOG Independent Directors is for ALOG unitholders to vote in favour of the Merger
- EGM and Scheme Meeting deferred to a future date to be announced

SINGAPORE, 22 January 2022 – The Manager of ARA LOGOS Logistics Trust ("**ALOG**") announced today that in connection with the proposed merger of ESR-REIT and ALOG (the "**Merger**") jointly announced on 15 October 2021, the Managers of ALOG and ESR-REIT have today entered into a supplemental letter amending and restating the Implementation Agreement (the "**Amended and Restated Implementation Agreement**").

This Revised Scheme Consideration by ESR-REIT represents an increase of 2.1% in cash consideration and 5.8% in consideration units for ALOG unitholders. Based on ESR-REIT's 1-month VWAP¹, the illustrative value of the Revised Scheme Consideration is S\$0.933², which represents an increase of 5.3% when compared to the original Scheme Consideration on a like-for-like basis. This

¹ ESR-REIT 1-month VWAP per Unit of S\$0.4716 as at the Last Trading Date

² The illustrative value of the Revised Scheme Consideration represents the sum of (i) the value of the Consideration Units based on ESR-REIT's 1-month VWAP as at the Last Trading Date and (ii) the Cash Consideration.

also represents a 37.6% premium to ALOG's NAV³ which is the highest premium paid for any precedent S-REIT merger and S-REIT privatisations and reflects the high quality of ALOG's logistics assets⁴.

Ms. Karen Lee, Chief Executive Officer of the ALOG Manager, said: "The merits of the Merger remain intact and compelling. The revised offer reflects ESR-REIT's confidence in merging with ALOG to create a leading New Economy APAC S-REIT with a trajectory to supercharge growth. With this revised offer, the attractiveness of the proposal is further enhanced. We continue to believe that the Merger is beneficial for the growth of both ALOG and ESR-REIT moving forward, especially with the completion of the acquisition of ARA Asset Management, which includes our Sponsor LOGOS Group, by ESR Cayman Limited.

We would like to reiterate that the proposed transaction is not a sale process of ALOG or its assets. ALOG Unitholders are not selling out their units, but instead rolling over into an enlarged platform with a strong Sponsor, while crystallising part of their investment returns in cash. The enlarged platform with access to the Sponsor's New Economy pipeline will create unparalleled and long term sustainable value for our Unitholders. This accretive Merger allows the enlarged REIT to utilise its enlarged scale and customer base, diversified portfolio and potentially improved capital cost to leverage on our Sponsor's pipeline to grow instead of competing with each other on a standalone basis. We hope our unitholders will continue to join us on in this growth journey."

Details of the Revised Scheme Consideration

Pursuant to the Amended and Restated Implementation Agreement, ALOG unitholders ("**ALOG Unitholders**") will receive a Revised Scheme Consideration ("**Scheme Consideration**") comprising:

- the payment of S\$0.097 in cash from S\$0.095 per ALOG Unit ("**Cash Consideration**"); and
- the allotment and issue of 1.7729 new ESR-REIT Units from 1.6765 new ESR-REIT Units ("**Consideration Units**") for each ALOG Unit, issued at S\$0.4924.

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

³ With reference to ALOG's NAV as of 30 September 2021

⁴ In comparison for the P/NAV implied by scheme consideration for precedent S-REIT mergers for CapitaLand Commercial Trust, Frasers Commercial Trust, Ascendas Hospitality Trust, OUE Hospitality Trust, Viva Industrial Trust and Keppel Infrastructure Trust, as well as the P/NAV implied by consideration paid for precedent S-REIT privatisations of Soilbuild Business Space REIT, Accordia Golf Trust, Religare Health Trust, Saizen REIT, Croesus Retail Trust, Forterra Trust and Perennial China Retail Trust

Considerations for Revised Scheme Consideration

The Revised Scheme Consideration demonstrates ESR-REIT's 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 (the "**Enlarged REIT**").

Other considerations including the commercial rationale of the Merger; 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; the historical relative trading prices of ALOG Units and ESR-REIT Units; balancing the respective financial impact (based on historical pro forma) to ALOG Unitholders and ESR-REIT Unitholders from a DPU and NAV per unit accretion and dilution perspective; and the gearing of the combined REIT post-Merger; were taken into account for the Revised Scheme Consideration.

ALOG Manager's Rationale for the Merger

In addition to the merits of the Merger as previously set out in the Joint Announcement dated 15 October 2021 and Scheme Document dated 5 January 2022, ALOG Manager's rationale for the Merger are as follows:

1. Financial Benchmarking of the Revised Scheme Consideration

The Revised Scheme Consideration represents an improvement of 5.3% as compared to the original Scheme Consideration based on the 1-month VWAP of ESR-REIT Units prior to the announcement of the Merger on 15 October 2021.

In addition, the historical pro forma DPU accretion to ALOG Unitholders increases from 8.2% to 12.8% and the historical pro forma NAV per unit accretion to ALOG Unitholders increases from 2.2% to 5.3%.

2. Proposed Transaction is a Merger, not a Proposal to Acquire ALOG and/or its Underlying Assets

The proposed transaction is intended as a merger and not a complete sell-out of ALOG and/or its underlying assets. 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 REIT.

The creation of the Enlarged REIT will lead to the potential increase in weightage in key indices such as the FTSE EPRA Nareit Global Developed Index and be in a stronger position to obtain good investment grade ratings that would lead to increased interest from institutional investors and increased/widened access to larger pools of capital.

3. Address Potential Overlapping Mandates

With the completion of the acquisition of ARA (which includes ALOG's current sponsor, LOGOS Group) by ESR Cayman Limited ("**ESR**"), ESR will be an indirect majority controlling shareholder of LOGOS Group. With both ALOG and ESR-REIT having the common sponsor, ESR Group, overlapping investment mandates between ESR-REIT and ALOG result in evident conflicts of interest, impeding growth as a result of competition for the same industrial and logistics pipeline including from the Sponsor's assets, tenant network, financial resources and operational support, which may not be in the best interests of both ALOG and ESR-REIT Unitholders. Potential overlapping investment mandates will be addressed by the Merger.

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:

- (i) **Premium to NAV.** As the unit price of ALOG was trading at more than 30% premium to its NAV⁵, 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.

⁵ With reference to ALOG's closing price of S\$0.935, 1-month VWAP of S\$0.925, 3-month VWAP of S\$0.913, as of last full trading day immediately prior to the Joint Announcement Date, and NAV per ALOG unit of S\$0.68, as of 30 September 2021

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.

5. Preliminary Views of the ALOG Independent Directors and Their Consideration

The ALOG Independent Directors have evaluated the Revised Scheme Consideration and have, subject to the updated opinion of ALOG Independent Financial Adviser (“**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.

Postponement of ALOG Meetings and Revised Scheme Document

In view of the Amended and Restated Implementation Agreement and the Revised Scheme Consideration, the ALOG Manager will be deferring the EGM and Scheme Meeting at 3.00pm and 3.30 pm (Singapore time) respectively on 27 January 2022 to a future date to be determined and will be announced in due course.

The ALOG Manager will also 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 in due course.

Further information on the Revised Scheme Consideration can be found in the announcement, as well as ALOG's investor presentation, which can be downloaded from SGXNET or from ALOG's website.

- END -

For enquiries, please contact:

Investor Contacts

BofA Securities
Investment Banking
+65 6678 0066

DBS Bank Ltd.
Strategic Advisory
+65 6878 4155

Media Contacts

Citigate Dewe Rogerson Singapore

Chia Hui Kheng / Justin Teh / Samantha Lee

Email: huikheng.chia@citigatedewerogerson.com / justin.teh@citigatedewerogerson.com /

samantha.lee@citigatedewerogerson.com

RESPONSIBILITY STATEMENTS

ALOG Manager. The directors of the ALOG Manager (including those who may have delegated detailed supervision of this press release) have taken all reasonable care to ensure that the facts stated and opinions expressed in this press release (other than those relating to ESR-REIT and/or the manager of ESR-REIT (the “**ESR-REIT Manager**”) are fair and accurate and that there are no other material facts not contained in this press release, the omission of which would make any statement in this press release 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 or obtained from a named source (including ESR-REIT, the ESR-REIT Manager, the respective independent valuers engaged by the ALOG Manager 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 press release. 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, the ESR-REIT Manager and/or the abovementioned independent valuers.

ABOUT ARA LOGOS LOGISTICS TRUST (“ALOG”)

Listed on the Singapore Exchange on 12 April 2010, ARA LOGOS Logistics Trust (“**ALOG**”) is a real estate investment trust (“**REIT**”) that invests in quality income-producing industrial real estate used for logistics purposes, as well as real estate-related assets in the Asia Pacific. ALOG is managed by ARA LOGOS Logistics Trust Management Limited.

As at 30 September 2021, ALOG’s portfolio comprises 29 high quality logistics warehouse properties strategically located in established logistics clusters in Singapore and Australia as well as 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively. The portfolio has a total gross floor area of approximately 1.0 million square metres and is valued at approximately S\$1.8 billion⁽⁶⁾.

For more information, please visit <https://www.aralogos-reit.com>.

ABOUT ARA LOGOS LOGISTICS TRUST MANAGEMENT LIMITED

ALOG is managed by ARA LOGOS Logistics Trust Management Limited (the “**Manager**”), a wholly-owned subsidiary of LOGOS and ARA Asset Management Limited (“**ARA**”).

LOGOS is a dynamic and growing logistics specialist with operations across 10 countries in Asia Pacific. LOGOS’ shareholders comprise ESR Group and its Founders, John Marsh and Trent Iliffe. LOGOS has circa 9 million sqm of property owned and under development, with a total completed value of over US\$18 billion, across 29 ventures, including ALOG. As a vertically integrated business, LOGOS manages every aspect of logistics real estate, from

⁶ Portfolio value includes ALOG’s 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively.

sourcing land or facilities, to undertaking development and asset management, on behalf of some of the world's leading global real estate investors.

ARA is part of the ESR Group (the “**Group**”), APAC’s largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With US\$140 billion in gross AUM, our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. With 14 listed REITs managed by the Group and its associates, ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$45 billion. Our purpose – *Space and Investment Solutions for a Sustainable Future* – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, ESR is a constituent of the FTSE Global Equity Index Series (Large Cap), Hang Seng Composite Index and MSCI Hong Kong Index.

For more information, please visit <https://www.esr.com>, <https://www.ara-group.com> and <https://www.logosproperty.com>.

For enquiries, please contact:

ARA LOGOS Logistics Trust Management Limited

Cassandra Seet

Senior Manager, Investor Relations

Tel: +65 6428 7769

Email: cassandraseet@ara-logos.com

IMPORTANT NOTICE

The value of units in ALOG (“**Units**”) and the income derived from them, if any, may fall or rise. Units are not obligations of, deposits in, or guaranteed by, ARA LOGOS Logistics Trust Management Limited (as the manager of ALOG) (the “**Manager**”) or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors should note that they will have no right to request the Manager to redeem or purchase their Units for so long as the Units are listed on Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). It is intended that holders of Units may only deal in their Units through trading on the SGX-ST. The listing of the Units on the SGX-ST does not guarantee a liquid market for the Units. The past performance of ALOG is not necessarily indicative of the future performance of ALOG.

This press release may contain forward-looking statements, including forward-looking financial information, that involve assumptions, known and unknown risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of such assumptions, known and unknown risks 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, property expenses, governmental and public policy changes and the continued availability of financing in amounts and on terms necessary to support ALOG's future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the ALOG Manager's current view of future events. No assurance can be given that future events will occur, that projections will be achieved, or that assumptions are correct. The ALOG Manager does not assume any responsibility to amend, modify, or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

For the avoidance of doubt, historical performance is not an indicator or guarantee of future performance or events.