



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

SIAS-ARA LOGOS Logistics Trust Virtual Information Session Responses to Substantial and Relevant Questions

ARA LOGOS Logistics Trust Management Limited, as manager of ARA LOGOS Logistics Trust (“**ALOG**”, and the manager of ALOG, the “**Manager**”), would like to thank unitholders of ALOG for joining the SIAS-ARA LOGOS Logistics Trust Virtual Information Session on 9 March 2022 (the “**SIAS Virtual Information Session**”), facilitated and moderated by the Securities Investors Association (Singapore) (“**SIAS**”).

During the SIAS Virtual Information Session, Ms. Karen Lee, Chief Executive Officer (“**CEO**”) of the Manager, delivered a presentation on the proposed merger of ESR-REIT and ALOG (the “**Proposed Merger**”) followed by a live Q&A session to address questions submitted by unitholders of ALOG. The session was moderated by Mr. David Gerald, Founder, President and CEO of SIAS.

Please follow the link <https://youtu.be/wtnFs8Wuync> to view the SIAS Virtual Information Session in relation to the Proposed Merger.

The appendix to this Announcement sets out the responses to questions received from ALOG unitholders prior to and/or at the SIAS Virtual Information Session which the Manager did not have the opportunity to answer during the session, as well as questions posed by SIAS during the SIAS Virtual Information Session. As some of the questions received overlap with other questions asked, the Manager will not be providing responses to every question received.

By Order of the Board
ARA LOGOS Logistics Trust Management Limited
(as manager of ARA LOGOS Logistics Trust)
(Company registration no. 200919331H)

Karen Lee
Chief Executive Officer
11 March 2022



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 31 December 2021, ALOG’s portfolio comprises 29⁽¹⁾ 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⁽²⁾.

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, 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 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 assets under management (“**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

Jeanette Pang

Senior Manager, Investor Relations

Tel: +65 6428 7769

Email: jeanettepang@ara-logos.com

DIRECTORS’ RESPONSIBILITY STATEMENT

The directors of the 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 which relate to ALOG and/or the Manager (excluding those relating to ESR-REIT and/or ESR Funds Management (S) Limited (the “**ESR-REIT Manager**”) are fair and accurate and that there are no other material facts not contained in this Announcement, the

¹ As at 11 January 2022, ALOG’s portfolio comprises 30 high quality logistics warehouse properties with the completion of 21 Curlew Street (formerly known as the Heron Property).

² Portfolio value includes ALOG’s 49.5% and 40.0% stakes in the New LAIVS Trust and Oxford Property Fund respectively.



omission of which would make any statement in this Announcement misleading. The directors of the 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 and/or the ESR-REIT Manager), the sole responsibility of the directors of the 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 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.

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) 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.

Appendix

All capitalised terms in this Appendix unless separately defined shall have the same meanings ascribed to them in the revised scheme document (the “Scheme Document”) dated 25 February 2022 in relation to the Proposed Merger. Unitholders are encouraged to read this Appendix in conjunction with the Scheme Document.

Responses to Substantial and Relevant Questions

1. How is the issue price of ESR-REIT Consideration Units determined?

- As described in Paragraph 2.1(a)(ii) of the Letter to ALOG Unitholders in the Scheme Document, the ESR-REIT Manager has considered the following: (a) the ESR-REIT Unit price performance over the last six (6) months up to 14 October 2021; and (b) brokers' / investment research houses' average target price consensus, in deriving the revised issue price of the ESR-REIT Consideration Units.

- (a) **Over the last six (6) months up to 14 October 2021, the revised issue price of S\$0.4924:**
- remains within the trading range of S\$0.379 - S\$0.510; and
 - represents a premium of 5.6%, 4.5%, 5.0%, 10.1% to the one (1)-day, one (1)-month, three (3)-month, and six (6)-month VWAP respectively.

	VWAP (S\$)	Highest Price (S\$)	Lowest Price (S\$)	Premium of Issue Price to VWAP
14 October 2021	0.466	0.470	0.460	5.6%
Last one (1) month(15 September – 14 October 2021)	0.471	0.485	0.450	4.5%
Last three (3) months (15 July – 14 October 2021)	0.469	0.510	0.429	5.0%
Last six (6) months (15 April – 14 October 2021)	0.447	0.510	0.379	10.1%

Source: Factset

- (b) **The revised issue price of S\$0.4924 is also in line with brokers' / investment research houses' average target price consensus as of 14 October 2021.**

	Target Price	Date of Report
RHB Research	S\$0.54	7 October 2021
CGS-CIMB	S\$0.54	29 September 2021
DBS	S\$0.53	27 September 2021
Maybank	S\$0.55	9 September 2021
Morningstar	S\$0.44	7 September 2021
SooChow CSSD Capital Markets	S\$0.48	26 July 2021
Daiwa Securities	S\$0.42	23 July 2021
Morningstar	S\$0.44	23 July 2021
Median	S\$0.51	
Average	S\$0.49	
Low	S\$0.42	
High	S\$0.55	

Source: Bloomberg

- The ALOG Manager would like to emphasise that this proposed transaction is intended as a merger and 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 REIT.

**2. Is the Scheme Consideration final?
Is the revised offer attractive enough for ALOG Unitholders?**

- The revised proposal represents an improved set of terms for our unitholders:
 - The improved scheme consideration comprises a cash consideration of S\$0.097 (vs S\$0.095) and consideration units of 1.7729 (vs 1.6765) new ESR-REIT Units, for each ALOG unit
 - Illustrative value of improved Scheme Consideration of S\$0.933 is 5.3% higher than the existing offer when compared on a like-for-like basis using ESR-REIT's 1-month VWAP as at the date of the initial joint announcement on 15 October 2021
 - The Illustrative Value per ALOG Unit also represents a premium of 0.5 - 31.2% when compared to ALOG's 1-month to 24-month VWAP. This also represents a 37.6% premium to ALOG's NAV which is the highest premium paid for any precedent S-REIT merger and S-REIT privatisations since 2014 (refer to paragraph 2.4(b)(vii) of the Letter to ALOG Unitholders in the Scheme Document)
 - Historical Pro Forma FY2020 DPU accretion to ALOG Unitholders increases significantly from 8.2% to 12.8% and Historical Pro Forma FY2020 NAV per unit accretion to ALOG Unitholders increases from 2.2% to 5.3%³
- Further, the ALOG Manager also considered the full context and considerations of the merger which includes the various benefits of the merger and the limitations associated with remaining as a standalone REIT, e.g. both ESR-REIT and ALOG will compete with each other in respect of the areas where they have an overlapping mandate. Please refer to Pages 53 to 78 of the Scheme Document on "ALOG Manager's Rationale for the Merger".
- Given this is a merger, the relative valuations of ALOG and ESR-REIT would need to be balanced from the perspectives of their respective unitholders.
- The ALOG Manager welcomes the revised offer and notes that the ALOG IFA has also opined that the revised terms of the Scheme are fair and reasonable from the financial point of view. The ALOG Independent Directors have also recommended that ALOG Unitholders VOTE IN FAVOUR of the resolutions relating to the Merger. Please also refer to Appendix B of the Scheme Document which contains the ALOG IFA Letter and the Letter to ALOG Unitholders in the Scheme Document.

3. ALOG has done well as a standalone REIT, why not remain as standalone REIT?

- ALOG Unitholders will note that we have experienced strong unit price performance and price to NAV expansion since the introduction of LOGOS as sponsor, and we attribute the outperformance to unitholders endorsing the new sponsor LOGOS and accrediting the benefits of an exclusive sponsor which brings about added growth trajectory and financial commitment to support ALOG. Having a committed sponsor who is aligned with REIT's interest is therefore highly important for the growth of the REIT.
- However, following the completion of ESR Group's acquisition of ARA (including LOGOS), both ESR-REIT and ALOG now share a common sponsor, ESR Group. There are currently overlapping mandates between both ESR-REIT and ALOG.
- The ALOG Manager would like to emphasize the potential limitations to ALOG remaining as a standalone REIT while sharing a common sponsor with ESR-REIT.
- 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. These could also lead to price wars and increase costs of either REIT acquiring the new economy AUM pipeline. Remaining as a standalone REIT may not be in the best interests of ALOG and our unitholders under such circumstances.

³ Refer to Appendix D1 of the Scheme Document for more details on the pro-forma adjustments.

4. ALOG has lower yield and cost of capital than ESR-REIT and will be more competitive when bidding for assets. So why should we fear having to compete?
<ul style="list-style-type: none"> • Post the completion of ESR Group's acquisition of ARA (including LOGOS) on 20 January 2022, both ESR-REIT and ALOG share a common sponsor and have overlapping mandates. Conflicts of interest may inevitably arise which may negatively impact the growth prospects of both REITs. • To illustrate, <ul style="list-style-type: none"> (a) If ESR-REIT and ALOG are bidding for the same third-party assets, there may be an increase in the prices of such assets and thereby reducing the potential economic benefits to ESR-REIT unitholders and/or ALOG Unitholders (b) If ESR-REIT and ALOG are competing for new tenants from the Sponsor's network, each REIT may be offering increasingly attractive terms to tenants to secure the new lease (e.g. lower rent and/or more rent-free arrangements) which will reduce the potential benefits to ESR-REIT unitholders and/or ALOG Unitholders • We note that under the above scenarios, either REIT may have to pay more and/or accept less attractive terms and the respective sets of unitholders may not be better off. The ALOG Manager would like to highlight that the conflicts of interest and its corresponding negative impact to either REIT is unnecessary and may be resolved through the Merger.
5. With this merger can we expect better distributions for future years? What are the short to medium term plans to create value for Unitholders if the Merger is successful?
<ul style="list-style-type: none"> • We are not able to provide forecasts for future distributions. • Should the merger be successful, ESR-REIT and ALOG are expected to create a leading New Economy APAC S-REIT, with access to a pipeline of more than US\$59 billion⁴ New Economy assets and US\$10 billion⁵ work-in-progress development pipeline from its sponsor, the ESR Group. • ESR-LOGOS REIT will first focus on realising the potential of the enlarged platform through the integration of existing ALOG and ESR-REIT teams across core functions and geographies. In doing so, ESR-LOGOS REIT's management will not only retain LOGOS' expertise in logistics but also seek to harness synergies with ESR-REIT / the Sponsor's fully integrated platform and strong tenant network as well as extensive pipeline to continue delivering growth for unitholders. • ESR-LOGOS REIT's management will then focus on the initial pipeline of approximately US\$2.0 billion of visible and executable Asia Pacific New Economy assets from the ESR Group to accelerate the enlarged REIT's growth. • ESR-LOGOS REIT's management will also seek for further accretive acquisition opportunities vis-à-vis potential expansion overseas, with focus on markets in which the Sponsor has an operating platform, footprint, and network, that is, Southeast Asia, China, South Korea, Japan, India, and Australia. • With the enlarged scale of the REIT allowing more competitive sources of capital and greater funding flexibility, we are confident that ESR-LOGOS REIT has a competitive edge to supercharge its growth in an environment where quality New Economy properties are becoming increasingly scarce.
6. Should the merger fail, how does the ALOG Manager intend to continue growing shareholder value?
<ul style="list-style-type: none"> • As explained in the response to question 3 above, in the absence of the Merger, both ESR-REIT and ALOG will have to compete for the common pipeline of new assets and operational and financial resources from the ESR Group and will also be competing against each other for new assets and tenants from third parties. • The ALOG Manager will remain focused on the core business of managing existing ALOG assets and continue to evaluate opportunities in the best interest of the ALOG Unitholders.

⁴ Based on the ESR Group's management estimate for the ESR Group (including the AUM of its associates) as of 31 December 2021.

⁵ ESR Group data as of 30 June 2021.