Singapore Company Update

ESR-LOGOS REIT

Bloomberg: EREIT SP | Reuters: ESRR.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

27 Jul 2023

BUY

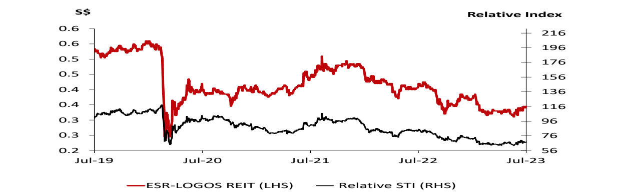
Last Traded Price (26 Jul 2023): S$0.345 (STI: 3,304.96)
Price Target 12-mth: S$0.38 (11% upside) (Prev S$0.40)

Analyst
Dale LAI +65 66823715 dalelai@dbs.com
Derek TAN +65 6682 3716 derektan@dbs.com

What's New

- Strong double-digit positive rent reversions continued at +11.6% in 1H23
- Redevelopment of ALOG Cold Centre announced with an estimated ROI of 7.0%
- FY23 marked the year of "reset" with divestments and redevelopments; organic growth to be amplified from FY25
- Maintain BUY with revised TP of S$0.38

Price Relative



Forecasts and Valuation

FY Dec (S$m)	2022A	2023F	2024F	2025F
Gross Revenue	343	387	373	382
Net Property Inc	244	284	277	284
Total Return	0.0	171	176	182
Distribution Inc	148	194	200	205
EPU (S cts)	7.66	2.30	2.29	2.36
EPU Gth (%)	653	(70)	0	3
DPU (S cts)	3.00	2.60	2.60	2.65
DPU Gth (%)	0	(13)	0	2
NAV per shr (S cts)	36.2	35.7	35.4	35.3
PE (X)	4.5	15.0	15.1	14.6
Distribution Yield (%)	8.7	7.5	7.5	7.7
P/NAV (x)	1.0	1.0	1.0	1.0
Aggregate Leverage (%)	45.9	38.4	38.5	38.6
ROAE (%)	22.2	6.6	6.4	6.7
Distn. Inc Chng (%):		(2)	(4)	(4)
Consensus DPU (S cts):		2.70	2.70	2.80
Other Broker Recs:		B: 8	S: 1	H: 0

Source of all data on this page: Company, DBS Bank, Bloomberg Finance L.P.

Recapitalised for growth

Investment Thesis

Rising large-cap industrial S-REIT. Following a successful merger in April 2022, EREIT is now the fifth largest industrial S-REIT with a total asset base of c.S$5.5bn, but is yet to re-rate. With a yield of more than 7% (c.200bps higher than its large-cap industrial S-REIT peers), it is attractive. The manager is executing an asset recalibration strategy post-merger, which we believe should be value accretive and drive a re-rating of the share price.

Portfolio repositioning and rejuvenation underway. EREIT will embark on the repositioning of its portfolio soon, having more than S$500m in divestments since FY21. EREIT will continue to divest non-core assets and recycle the proceeds into higher yielding opportunities. The rejuvenation of its portfolio entails redevelopment projects and AEIs to drive organic growth in earnings and NAV.

Enviable sponsor pipeline. While its peers find it increasingly challenging to make accretive acquisitions given the negative cap rate spreads in most major markets, EREIT can look to its sponsor's pipeline of c.US$2.0bn. It recently completed the acquisition of a modern logistics facility in Japan from its sponsor at a relatively attractive yield and is projected to generate c.3% accretion to DPU.

Maintain BUY with a TP of S$0.38. Despite near-term challenges as interest rates continue to rise, as well as the recent S$300m EFR leading to dilution in DPUs, we see EREIT's ongoing AEIs and redevelopment projects as key drivers to earnings in future.

Key Risks

Slower-than-anticipated deployment of debt headroom. As EREIT continues to divest non-core assets and utilise proceeds to recapitalize its balance sheet, there will be a void in earnings from these divestments. We understand that EREIT continues to actively look at redeploying proceeds into better quality assets in the long-term, but a slower-than-anticipated deployment will keep earnings depressed.

At A Glance

Issued Capital (m shrs)	7,199
Mkt. Cap (Sm/USm)	2,484 / 1,871
Major Shareholders (%)	
Tong Jinquan	5.6
Free Float (%)	94.4
3m Avg. Daily Val (US$m)	2.8

GIC Industry : Real Estate / Equity Real Estate Investment (REITs)

ed: PJ/ sa: AS, PY, CS

WHAT'S NEW

Recapitalised for growth

Higher revenues and NPI mainly due to ALOG merger

- 1H23 Revenues and NPI were 33.35% and 37.0% higher, mainly due to April 2022's merger with ALOG
  - it was also partly due to acquisition of Sakura Distribution Centre in October 2022
- When compared against 2H22, NPI was down slightly (c.-0.5%) as higher revenues were offset by higher operating expenses
  - Partially also due to the divestment of Pandan Logistics Hub on 21 February

1H23 DPU of 1.378 Scts in line with our projections

- 1H23 DI of S$101.5m was 37.9% higher y-o-y, mainly due to the merger with ALOG as well as the acquisition in Japan
  - Partially offset by higher financing costs
  - Includes S$17.5m in capital gains distribution
- Capital gains distribution likely to continue in coming quarters to help offset some of the absence of income from ongoing AEIs and redevelopments
  - Estimated to have a remaining S$30m in capital gains able to be utilised
- 1H23 DPU was c.5.6% lower y-o-y, mainly due to enlarged unit base
  - S$150m private placement on 27 February 2023
  - S$150m preferential offering on 28 April 2023
- The 1.378 Scts makes up c.52% of our previous FY23 DPU projections

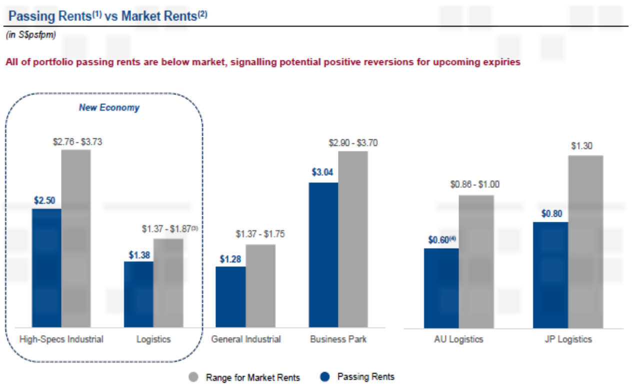
Slight decline in overall portfolio valuations

- Compared to 31 December 2023, portfolio valuations declined c.2.0% (c.S$94m)
  - Mainly due to the divestment of Pandan Logistics Hub
  - Partly due to valuation decline of hotel components at ESR BizPark @ Changi
  - Hotel lease renewed for two years at a c.25%-30% lower rent
  - Land lease decay of Singapore portfolio also contributed to some of the valuation decline
- Cap rates could continue to expand in the medium-term as interest rates remain high
  - Cap rates in Singapore could expand slightly (c.25bps), but valuations should be held up by higher rents
  - Cap rates in Australia could expand by c.50-75bps, but to be partly offset by higher rents
    - EREIT's exposure to Australia is relatively small (c.20% of AUM)
- Every 25bps increase in overall portfolio cap rates could lead to a c.2.3% (or c.S$115m) decline in portfolio valuations

Double-digit positive rental reversions

- Strong double-digit positive rental reversion of +11.6% for 1H23
  - Vs. +7.3% in 1Q23
  - Positive rental reversions in 1H23 recorded across property segments:
    - +35.6% for high-specs industrial
    - +16.1% for general industrial
    - +10.9% for logistics
    - +5.1% for business parks
  - Exceptionally high positive rental reversions for high-specs industrial was mainly due to a renewal from an anchor tenant at 16 Tai Seng Drive, where rents renewed at c.40% higher
    - Higher rents at the property following the AEIs
- Positive rental reversion reports expected to continue in 2H23 and next year.
  - Overall positive rental reversions for FY23 expected to be between +9% to +10%
  - Positive rental reversions in 2H23 expected to remain strong, but slightly lower than 1H23
    - Rate of rent increases for high-spec industrial and general industrial should taper off
- 15.1% of leases will be due for renewal in 2H23; bulk from the logistics segment
- 20.6% and 21.3% of leases will be due to expire in FY24 and FY25
  - Positive rental reversions should continue as majority of leases are from logistics property
  - There is room for further positive reversions as passing rents across portfolio are still significantly below current market rents
- Slight improvement in portfolio occupancy rates to 92.9% in 2Q23
  - Occupancy rates were 92.1% in 1Q23
  - Higher occupancy rates were driven by Singapore and Australia portfolios

Room for further positive rental reversions



Source: ESR-LOGOS REIT

Gearing expected to improve to c.35% by year end

- Divestments on track to be completed by 3Q23 and 4Q23; proceeds will mostly be used to repay loans due in FY24
- Current gearing of 39.4% will improve to c.33.6% once divestments are completed
  - To inch up to c.35% when payments for AEIs and redevelopments are gradually paid by year end
- All loans maturing in FY23 have already been refinanced
- Significant portion of S$505m of loans due for refinancing in FY24 will be repaid once divestment proceeds are received
  - C.S$320m in divestment proceeds to be received in 3Q23 and 4Q23
- All-in financing costs maintained at 3.96% (vs. 3.95% in 1Q23)
- 74.8% of loans hedged to fixed rates
  - Average hedge duration of 1.7 years
  - Will increase to more than 80% of loans hedged once loans are gradually repaid
- We see a potential slight compression in loan margins even as base rates remain high

Announced the redevelopment of ALOG Cold Centre

- Redevelopment of two Fishery Ports into a modern ramp-up cold storage facility
- Estimated redevelopment cost S$240.0m; projected ROI c.7.0%
  - Construction expected to start in 4Q23
  - Construction to take 29 months
  - Remaining land tenure of 42.5 years
- Non-binding lease with a master tenant for 20+5 years with built-in annual rental escalations signed
- Likely to be carrying out redevelopment together with EREIT's Sponsor
  - EREIT will still maintain majority stake in the redevelopment
  - Development risks to spread out and tap on Sponsor's expertise

Portfolio recalibration still ongoing

- c.S$350m in divestments have been announced so far in FY23
- Still looking at another S$150m in divestments of non-core assets in 2H23
- Working on breaking up ESR BizPark @ Changi into separate strata titles (ie. office, hotel, and convention centre)
  - Looking to divest hotel and convention centre components as they are non-core and not aligned to EREIT's strategy
  - Obtaining separate strata titles could take another six months or more
    - Any potential divestment of the hotel and convention centre component will only happen in FY24
- On the lookout for higher yielding assets with freehold or long land tenures
  - With asset repricing going on globally, EREIT sees potential opportunities within Sponsor's pipeline and third parties

Our views

With the c.S$350m in divestments expected to complete in 2H23, we anticipate a c.4.5% downside in DPUs due to the absence in income. The recently announced redevelopment of ALOG Cold Centre will also lead to a further absence in FY24. Despite this, there will be significant savings in borrowing costs as the bulk of the proceeds will be used to repay debt. Moreover, EREIT has distributed S$17.5m in capital gains in 1H23 and will continue to tap on capital gains distribution to account for the transitional absence of income from divestments and ongoing redevelopments.

As such, we have revised our projections to account for the portfolio "reset" in 2H23 as EREIT continues to divest non-core assets and work on further redevelopment and AEI projects in order to rejuvenate its portfolio. Although there will be some near-term pressure to earnings due to the absence of income, EREIT is now in a financially stronger position with ample debt headroom to seize accretive acquisitions and portfolio improvement initiatives. Due to the enlarged unit base, divestments (and redevelopments), we have revised our estimates for FY23 and FY24 as we expect DPU to remain relatively flat, before posting a healthy organic growth from FY25 onwards.

Looking ahead, we continue to remain positive on EREIT as its 4R strategy (Reinforce Sponsor commitment, Rejuvenate portfolio, Recycle capital, and Recapitalise for growth) bears fruit. Despite the absence of income from ALOG Cold Centre – which will begin its redevelopment – the completion of AEI works at 7002 Ang Mo Kio Avenue 5, 16 Tai Seng Street, and 21B Senoko Loop will help partially offset the dip in income. Moreover, EREIT's recapitalised balance sheet places them in a strong position to act on accretive acquisitions. We have not priced in any acquisition assumptions into our forecasts, and any **accretive acquisitions will lead to an upside to our estimates**. We maintain our **BUY** recommendation with a slightly lowered TP of **S$0.38** on the back of our lower DPU estimates arising from recent divestments and properties taken offline for AEI.

Company Background

Following the successful merger with ARA LOGOS Logistics Trust (ALOG) on 28 April 2022, ESR REIT was renamed ESR-LOGOS REIT (EREIT). Including the c.S$2.0bn ALOG portfolio, EREIT's total assets are valued at c.S$5.5bn. Its portfolio consists of 81 properties in Singapore, Japan, and Australia, as well as investments in three property funds which make up c.7.8% of EREIT's AUM (EREIT's stake in the funds is valued at c.A$377.8m).

Interim Income Statement (S$m)

FY Dec	1H2022	2H2022	1H2023	% chg y-o-y	% chg h-o-h
Gross revenue	148	196	197	33.3	0.7
Property expenses	(44.9)	(54.1)	(56.0)	24.7	3.6
Net Property Income	103	141	141	37.0	(0.5)
Other Operating expenses	(12.1)	(14.3)	(15.0)	24.2	4.6
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	3.13	2.22	1.96	(37.4)	(11.8)
Net Interest (Exp)/Inc	(33.9)	(52.1)	(40.3)	(18.9)	22.7
Exceptional Gain/(Loss)	(439)	43.2	(1.8)	nm	nm
Net Income	(374)	126	76.4	nm	(39.6)
Tax	(11.9)	2.37	(0.2)	(98.2)	(108.9)
Minority Interest	(2.5)	(4.3)	(2.4)	3.5	(43.3)
Net Income after Tax	(389)	124	73.7	nm	(40.7)
Total Return	(346)	67.9	(22.3)	93.6	(132.8)
Non-tax deductible Items	411	26.8	110	(73.2)	312.3
Net Inc available for Dist.	68.9	103	97.1	41.0	(5.5)
Ratio (%)					
Net Prop Inc Margin	69.6	72.3	71.5		
Dist. Payout Ratio	300.0	300.0	300.0		

Source of all data: Company, DBS Bank

Historical Distribution Yield and PB band

Distribution yield (%)

Source: Bloomberg Finance L.P., DBS Bank estimates

PB band (x)

Source: Bloomberg Finance L.P., DBS Bank estimates

Income Statement (S$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Gross revenue	241	343	387	373	382
Property expenses	(68.0)	(99.0)	(102)	(95.9)	(98.2)
Net Property Income	173	244	284	277	284
Other Operating expenses	(16.1)	(15.2)	(16.9)	(16.5)	(16.3)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	7.70	5.34	5.55	5.58	5.61
Net Interest (Exp)/Inc	(55.7)	(86.0)	(80.8)	(69.0)	(70.8)
Exceptional Gain/(Loss)	39.0	39.2	0.0	0.0	0.0
Net Income	148	188	192	197	203
Tax	(2.2)	(9.5)	0.0	0.0	0.0
Minority Interest	(4.1)	(3.0)	(2.3)	(2.6)	(2.6)
Preference Dividend	(102)	274	(18.9)	(18.2)	(18.2)
Net Income After Tax	40.4	450	171	176	182
Total Return	0.0	0.0	171	176	182
Non-tax deductible Items	18.9	438	22.5	18.8	18.8
Net Inc available for Dist.	114	148	194	200	205
Growth & Ratio					
Revenue Gth (%)	4.9	42.3	12.7	(3.6)	2.6
N Property Inc Gth (%)	5.5	41.0	16.5	(2.7)	2.7
Net Inc Gth (%)	(32.4)	1,013.2	(61.9)	2.9	3.3
Dist. Payout Ratio (%)	100.0	100.0	100.0	100.0	100.0
Net Prop Inc Margins (%)	71.8	71.2	73.6	74.3	74.3
Net Income Margins (%)	16.7	131.0	44.3	47.3	47.6
Dist to revenue (%)	47.1	43.0	50.1	53.6	53.5
Managers & Trustee's fees	6.7	4.4	4.4	4.4	4.3
ROAE (%)	2.7	22.2	6.6	6.4	6.7
ROA (%)	1.2	10.0	3.1	3.2	3.3
ROCE (%)	5.0	5.0	5.0	4.9	5.1
Int. Cover (x)	2.8	2.7	3.3	3.8	3.8

Absence of income from divestment of 7 properties and redevelopment of ALOG Cold Centre.

Source: Company, DBS Bank

Interim Income Statement (S$m)

FY Dec	1H2021	2H2021	1H2022	2H2022	1H2023
Gross revenue	120	121	148	196	197
Property expenses	(32.9)	(35.2)	(44.9)	(54.1)	(56.0)
Net Property Income	87.0	86.3	103	141	141
Other Operating	(8.6)	(9.0)	(12.1)	(14.3)	(15.0)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	3.22	4.48	3.13	2.22	1.96
Net Interest (Exp)/Inc	(27.5)	(28.2)	(33.9)	(52.1)	(40.3)
Exceptional Gain/(Loss)	(4.8)	15.0	(439)	43.2	(1.8)
Net Income	68.8	70.1	(374)	126	76.4
Tax	0.05	(2.2)	(11.9)	2.37	(0.2)
Minority Interest	(2.0)	(2.1)	(2.5)	(4.3)	(2.4)
Net Income after Tax	66.9	65.7	(389)	124	73.7
Total Return	62.0	39.5	(346)	67.9	(22.3)
Non-tax deductible Items	(1.8)	20.8	411	26.8	110
Net Inc available for Dist.	63.6	63.7	68.9	103	97.1
Growth & Ratio					
Revenue Gth (%)	3	1	22	32	1
N Property Inc Gth (%)	4	(1)	19	38	0
Net Inc Gth (%)	35	(2)	(691)	(132)	(41)
Net Prop Inc Margin (%)	72.6	71.1	69.6	72.3	71.5
Dist. Payout Ratio (%)	300.0	300.0	300.0	300.0	300.0

Balance Sheet (S$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Investment Properties	3,146	5,103	4,863	4,863	4,863
Other LT Assets	107	404	404	404	404
Cash & ST Invts	24.2	50.0	112	112	117
Inventory	0.0	0.0	0.0	0.0	0.0
Debtors	23.1	40.7	29.5	28.5	29.2
Other Current Assets	29.3	56.6	56.6	56.6	56.6
Total Assets	3,330	5,654	5,464	5,463	5,469
ST Debt	209	229	229	229	229
Creditor	64.3	91.6	105	101	104
Other Current Liab	74.8	85.8	85.8	85.8	85.8
LT Debt	981	1,847	1,348	1,353	1,358
Other LT Liabilities	251	552	552	552	552
Unit holders' funds	1,749	2,849	3,142	3,137	3,133
Minority Interests	0.0	0.0	2.26	4.84	7.46
Total Funds & Liabilities	3,330	5,654	5,464	5,463	5,469
Non-Cash Wkg. Capital	(86.8)	(80.1)	(105)	(102)	(104)
Net Cash/(Debt)	(1,167)	(2,026)	(1,466)	(1,471)	(1,471)
Ratio					
Current Ratio (x)	0.2	0.4	0.5	0.5	0.5
Quick Ratio (x)	0.1	0.2	0.3	0.3	0.3
Aggregate Leverage (%)	42.3	45.9	38.4	38.5	38.6
Z-Score (X)	0.6	0.6	0.6	0.6	0.6

Due to divestments announced so far in FY23.

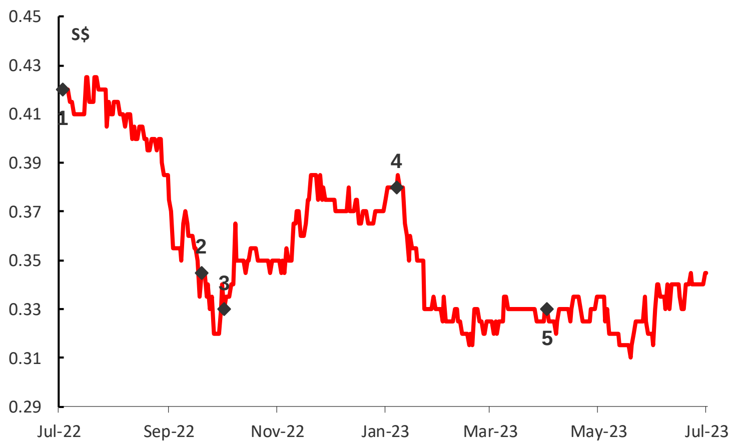
Source: Company, DBS Bank

Cash Flow Statement (S$m)

FY Dec	2021A	2022A	2023F	2024F	2025F
Pre-Tax Income	46.6	462	173	179	185
Dep. & Amort.	0.0	0.0	0.0	0.0	0.0
Tax Paid	0.0	0.0	0.0	0.0	0.0
Associates &JV Inc/(Loss)	(7.7)	(5.3)	(5.6)	(5.6)	(5.6)
Chg in Wkg.Cap.	6.80	93.9	24.5	(2.7)	1.89
Other Operating CF	118	(234)	22.5	18.8	18.8
Net Operating CF	164	316	215	189	200
Net Invt in Properties	(28.5)	(98.6)	240	0.0	0.0
Other Invts (net)	(71.3)	(56.6)	0.0	0.0	0.0
Invts in Assoc. & JV	0.0	(107)	0.0	0.0	0.0
Div from Assoc. & JVs	5.00	4.83	5.55	5.58	5.61
Other Investing CF	(54.6)	(9.9)	0.0	0.0	0.0
Net Investing CF	(149)	(267)	246	5.58	5.61
Distribution Paid	(118)	(87.6)	(194)	(200)	(205)
Chg in Gross Debt	16.6	163	(498)	5.00	5.00
New units issued	146	(2.4)	293	0.0	0.0
Other Financing CF	(60.2)	(108)	0.0	0.0	0.0
Net Financing CF	(16.0)	(34.9)	(399)	(195)	(200)
Currency Adjustments	0.0	0.0	0.0	0.0	0.0
Chg in Cash	(1.6)	14.4	61.7	(0.1)	5.51
Operating CFPS (S cts)	3.95	3.79	2.56	2.50	2.56
Free CFPS (S cts)	3.41	3.71	6.11	2.46	2.59

Source: Company, DBS Bank

Target Price & Ratings 12-mth History



S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	28 Jul 22	0.42	0.50	BUY
2:	14 Oct 22	0.35	0.50	BUY
3:	27 Oct 22	0.33	0.44	BUY
4:	01 Feb 23	0.38	0.44	BUY
5:	27 Apr 23	0.33	0.40	BUY

***Note**: Share price and Target price are adjusted for corporate actions.*

Source: DBS Bank

Analyst: Dale LAI

Derek TAN

DBS Bank recommendations are based on an Absolute Total Return* Rating system, defined as follows:
STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)
SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

**Share price appreciation + dividends*

Completed Date: 27 Jul 2023 06:34:40 (SGT)
Dissemination Date: 27 Jul 2023 08:11:02 (SGT)

Sources for all charts and tables are DBS Bank unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

(a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
(b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate[1] does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests[2] in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), DBSVUSA, or their subsidiaries and/or other affiliates have a proprietary position in ESR-LOGOS REIT recommended in this report as of 30 Jun 2023.
2. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates have a net long position exceeding 0.5% of the total issued share capital in ESR-LOGOS REIT recommended in this report as of 30 Jun 2023.
3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, or their subsidiaries and/or other affiliates beneficially own a total of 1% or more of any class of common equity securities of ESR-LOGOS REIT as of 30 Jun 2023.

Compensation for investment banking services:

4. DBS Bank Ltd, DBS HK, DBSVS their subsidiaries and/or other affiliates of DBSVUSA have received compensation, within the past 12 months for investment banking services from ESR-LOGOS REIT as of 30 Jun 2023.
5. DBS Bank Ltd, DBS HK, DBSVS, their subsidiaries and/or other affiliates of DBSVUSA have managed or co-managed a public offering of securities for ESR-LOGOS REIT in the past 12 months, as of 30 Jun 2023.
6. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.

[1] An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

[2] Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

Disclosure of previous investment recommendation produced:

7. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946. DBS Bank Ltd, DBSVS and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws. Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.
Hong Kong	This report has been prepared by a personnel of DBS Bank Ltd, who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore. For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies. Wong Ming Tek, Executive Director, ADBSR
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd. For any query regarding the materials herein, please contact Chanpen Sirithanarattanakul at research@th.dbs.com

United Kingdom	This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore. This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK, This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.
Dubai International Financial Centre	This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules. This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates. DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our--network/default.page. Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC. Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010). The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way. Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.

United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG
DBS (Hong Kong) Ltd
Contact: Dennis Lam
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE
DBS Bank Ltd
Contact: Paul Yong
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA
PT DBS Vickers Sekuritas (Indonesia)
Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: indonesiaresearch@dbs.com

THAILAND
DBS Vickers Securities (Thailand) Co Ltd
Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand