



ESR Group Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1821

Annual Report 2024

**ADVANCING
AHEAD**



ESR Group (“**ESR**” or the “**Group**”) is Asia-Pacific’s (“**APAC**”) leading New Economy real asset owner and manager. With a core focus in logistics real estate, data centres, and infrastructure, the Group powers the supply chain for investors, customers, and communities. Through its fully integrated real asset fund management and development platform, ESR strives to create value and growth opportunities for its global portfolio of investors. The Group offers customers modern space solutions to realise their ambitions across Australia and New Zealand, Japan, South Korea, Greater China, Southeast Asia, and India, including a presence in Europe. ESR’s purpose, Space and Investment Solutions for a Sustainable Future, drives the Group to manage sustainably and impactfully for the communities it serves to thrive for generations to come. ESR Group Limited is listed on The Stock Exchange of Hong Kong (HKSE: 1821.HK).

Visit www.esr.com for more information.



FUND MANAGEMENT

ESR manages a broad range of funds and investment vehicles that invest in a diverse portfolio of premium real assets in various stages of the property life cycle, providing a single interface with multiple investment opportunities for its capital partners.



NEW ECONOMY DEVELOPMENT

ESR’s New Economy development platform has a comprehensive suite of technical capabilities and services covering every stage of the development cycle including land sourcing, design, construction and leasing.



INVESTMENT

ESR’s investments comprise co-investments into its funds and REITs under management, investments in listed/privately held real estate investment vehicles, as well as investment properties (completed and under development).

The Group’s cover design embodies “Continuous Path, Unified Progress” in ESR’s forward-looking vision and relentless drive for progress. ESR’s signature hexagon is presented in forward momentum towards achieving a seamless collaboration across ESR’s businesses and a shared commitment for a common purpose — to provide the best-in-class real estate development and investment solutions for a meaningful and sustainable growth in its business, the economy, and the environment.



ESR's Core Values

Excellence: We strive for excellence in every aspect of our business. We maintain high standards of performance and accountability, and we seek to learn, explore and improve continuously.

Inclusion: We embrace diversity, equity and inclusion in the workplace. We believe trust and mutual respect among colleagues, partners and stakeholders are cornerstones of growth and success.

Entrepreneurship: Our entrepreneurial spirit reflects our passion, courage and desire to succeed and ultimately drives the creation of opportunities and the delivery of superior outcomes in a competitive marketplace.

Sustainability: Sustainability is central to our mission because we aspire to improve the environmental prospects of our planet. Our responsibilities to stakeholders, local communities and the world at large grow in tandem with our business. Accordingly, we commit to lead and embrace the highest standards of corporate governance in forging a path to become a carbon neutral business.

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ESR Cosmosquare OS1 Data Centre, Osaka, Japan

**SPACE AND INVESTMENT
SOLUTIONS FOR A
SUSTAINABLE FUTURE**



ESR's vision is to deliver a fully integrated solution to leading global capital partners and customers. Leveraging its scale, extensive offerings, capabilities and resources, ESR provides a suite of best-in-class real estate development products and real asset investment solutions that spur meaningful, long-term sustainable growth for its business, the economy, and the environment. ESR is committed to making a positive impact to its stakeholders and communities.

APAC's Largest Real Asset Manager Powered by the New Economy¹

FEE-RELATED ASSETS UNDER
MANAGEMENT ("AUM")^{2,3}

US\$71.4 billion

TOTAL AUM^{2,4}

US\$141.7 billion

GROSS FLOOR AREA ("GFA")

47 million sqm

MAINLAND CHINA

US\$10.1 billion
FEE-RELATED AUM

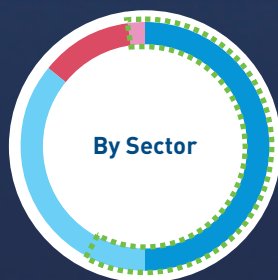


EUROPE AND UK

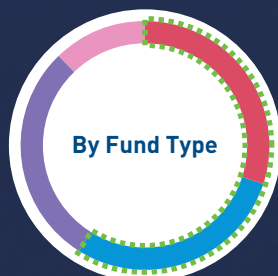
US\$12.4 billion
FEE-RELATED AUM



FEE-RELATED AUM COMPOSITION



Private Logistics	50%
Listed REITs	36%
Credit	12%
Infrastructure and Data Centre	2%
New Economy	58%



Private Core	30%
Listed REITs	29%
Development	29%
Others	12%
Perpetual + Core	59%

FY2024 CAPITAL RAISE

US\$5.4 billion

78% New Economy

UNCALLED CAPITAL

US\$22.3 billion

46% New Economy

Notes:

1. Fund Manager Survey 2024 published by ANREV, INREV and National Council of Real Estate Investment Fiduciaries (NCREIF). In September 2024, ESR Group was also ranked number one in PERE's APAC Fund Manager Guide ranking of the top 50 private equity real estate fund managers in 2024.
2. Based on FX rates as at 31 December 2024.
3. Fee-related AUM excludes AUM from Associates, balance sheet investment properties and levered uncalled capital.
4. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.
5. Includes Singapore listed REITs.

* Information as of 31 December 2024.

HONG KONG

US\$6.9 billion
FEE-RELATED AUM



JAPAN AND SOUTH KOREA

US\$12.6 billion
FEE-RELATED AUM

PAN-APAC (DATA CENTRES
AND INFRASTRUCTURE)

US\$1.8 billion
FEE-RELATED AUM

INDIA AND SEA⁵

US\$14.0 billion
FEE-RELATED AUM

AUSTRALIA AND
NEW ZEALAND

US\$13.6 billion
FEE-RELATED AUM



New Economy



Alternatives



REITs

ESR's Business Model

ESR Stakeholders

Investors



ESR offers a unique and fully-integrated fund management and development platform which creates one-of-a-kind closed loop solutions ecosystem for investors.

Customers



ESR continually creates and delivers best-in-class space and provides integrated solutions for customers, setting new benchmarks in innovation and sustainable operations.

Employees



ESR's employees grow and develop alongside ESR, forging long-term partnerships with investors and customers that are integral in driving ESR's growth to its fullest potential.

Community



Environmental, Social and Governance ("ESG") and sustainability are at the heart of ESR's business. ESR is driven by its conviction that its actions of today should generate a positive impact on the community.



Asset-light and Scalable Business Model

APAC's Real Asset Manager



ESR is ranked as the largest real asset manager in APAC in the 2024 ANREV Fund Manager Survey¹, in addition to being one of the top 10 global real estate investment managers.

Powered by the New Economy



ESR is a leader in New Economy real assets, offering customers modern solutions for logistics, data centres, and infrastructure and renewables.

Full Suite of Investment Solutions



ESR's fully-integrated fund management and development platform and business model generates fees throughout the real asset value chain comprising asset management fees, development fees, acquisition and divestment fees, as well as promote fees.

Extensive APAC Footprint with Global Reach



ESR's unique platform extends across key APAC markets, supported by strong local teams, a premium brand and robust stakeholder relationships in each of its operating markets.

Note:

1. Fund Manager Survey 2024 published by ANREV, INREV and National Council of Real Estate Investment Fiduciaries (NCREIF).



PROFITABILITY AND ENTERPRISE VALUE

Driving long-term, sustainable growth and maximising shareholder value

CORPORATE CITIZENSHIP

Fostering strong internal and external relationships while upholding organisational values and demonstrating commitment to responsible business practices

FIVE FOR 2025

BALANCE SHEET OPTIMISATION

Strengthening the company's financial position through the efficient use of balance sheet capital

ONE ESR

Creating a unified, high-performing ESR team that promotes a consistent brand message and fosters a culture of collaboration and knowledge sharing

OPERATIONAL EXCELLENCE

Enhancing operational efficiency, lowering unit operating costs while driving productivity and improving overall business performance through continuous improvement and innovation

FY2024 Performance Highlights



ESR Yokohama Sachiura Distribution Centre 1, Yokohama City, Japan

BALANCE SHEET OPTIMISATION AND GROWTH IN PERPETUAL ESR-MANAGED VEHICLES

- Completed asset syndications of more than US\$1 billion in the past year, including the listing of ESR China REIT ("ESR C-REIT") on the Shanghai Stock Exchange on 24 January 2025
- US\$5.4 billion capital raised including recapitalisations amid a historically tough fund raising environment

STREAMLINING BUSINESS TO ALIGN WITH STRUCTURAL TAILWINDS

- Continued focus in driving long-term sustainable growth and shareholder value supported by favourable structural trends in digitalisation and decarbonisation
- New Economy Fee-related AUM increased to approximately 60% post non-core divestments

SIGNIFICANT PROGRESS IN BUSINESS INTEGRATION TO FORM ONE ESR

- A unified group of high performing teams embedded in a culture of collaboration, continuous improvement and innovation to drive higher productivity and efficiency across the organisation
- Committed to upholding its leadership as a best In-class APAC Fund Manager and New Economy Leader

DELIVERING ON OPERATIONAL EXECUTION CAPABILITIES IN DATA CENTRES

- Completed core and shell of ESR's flagship data centre project, ESR Cosmosquare OS1 Data Centre
- Announced joint venture ("JV") with CloudHQ to co-develop and operate a US\$2.0 billion, 130MW data centre campus in Japan

STRENGTHENED CAPITAL MANAGEMENT AT REDUCED COST

- Achieved 60 basis points reduction in weighted average interest cost to 4.7% for FY2024
- Secured US\$2.5 billion sustainability-linked facilities, one of the largest loans raised in the Southeast Asia real estate sector in 2024



Fee-related
AUM^{1,2}

**US\$71
billion**



Total
AUM^{2,3}

**US\$142
billion**



Fee
Income

**US\$498
million**



Fund
Management
EBITDA⁴

**US\$321
million**



EBITDA⁵

**-US\$80
million**



PATMI⁶

**-US\$360
million**

Notes:

1 Fee-related AUM excludes AUM from Associates and levered uncalled capital.

2 Based on FX rates as at 31 December 2024.

3 Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis.

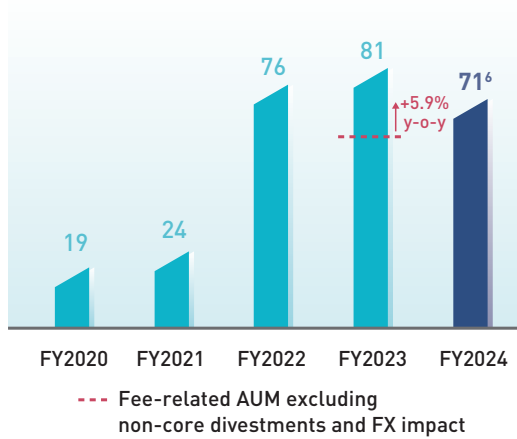
4 Fund Management EBITDA excludes the share of fair value of financial derivative assets in relation to an associate. For FY2024, also excludes disposal loss on assets held for sale.

5 Calculated as (loss)/profit before tax, adding back depreciation and amortisation and finance costs (net). Excludes changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell Property Group ("Cromwell"), share-based compensation expense; and transaction costs related to a possible privatisation of the Company, which, if proceeded with, could result in a delisting of the Company from the Stock Exchange ("Transaction Costs related to Proposed Privatisation").

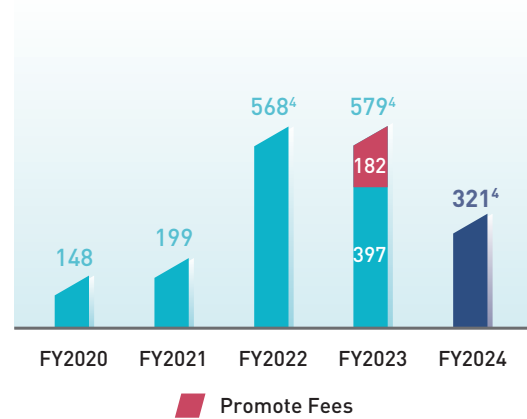
6 Refers to (loss)/profit after tax and minority interests. Excludes the amortisation of intangible assets attributable to the ARA acquisition (net of tax), changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell, share-based compensation expense related to ARA; and Transaction Costs related to Proposed Privatisation.

Fee-related AUM

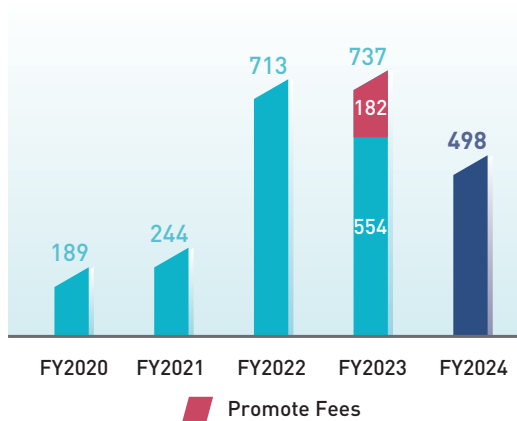
(US\$ billion)

**Fund Management EBITDA**

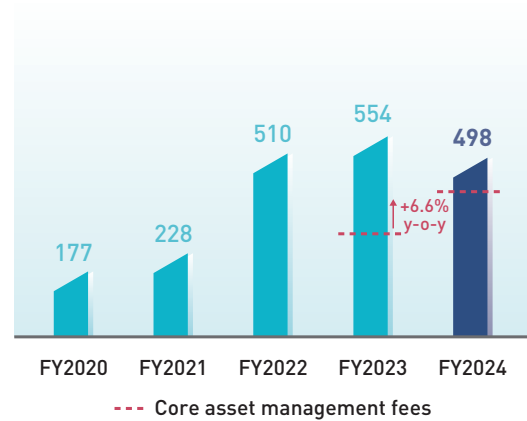
(US\$ million)

**Fee Income**

(US\$ million)

**Fee Income (ex. promote fees)**

(US\$ million)



Balance Sheet (US\$ million)	FY2020	FY2021	FY2022	FY2023	FY2024
Total assets	7,687	9,338	16,199	16,191	14,823
Cash and bank balances	1,515	1,638	1,807	1,002	914
Bank and other borrowings	3,295	4,248	5,497	5,980	6,148
Net debt ⁷	1,780	2,610	3,690	4,978	5,234
Net debt/total assets	23.2%	27.9%	22.8%	30.7%	35.3%

Notes:

6. Post the sale of ARA Private Funds, ARA US Hospitality Trust Manager and interest in ARA US Hospitality Trust.

7. Net debt is calculated as bank and other borrowings less cash and bank balances.

EBITDA, Adjusted EBITDA and Adjusted PATMI are non-IFRS measures. These measures are presented because the Group believes they are useful measures to determine the Group's financial condition and historical ability to provide investment returns. EBITDA, Adjusted EBITDA, Adjusted PATMI and any other measures of financial performance should not be considered as an alternative to cash flows from operating activities, a measure of liquidity or an alternative to net profit or indicators of the Group's operating performance on any other measure of performance derived in accordance with IFRS. Because EBITDA, Adjusted EBITDA and Adjusted PATMI are not IFRS measures, these may not be comparable to similarly titled measures presented by other companies. Refer to non-IFRS measures reconciliation in pages 257 to 258.

* Numbers may not add up due to rounding.

Growing Pan-APAC Data Centre Platform

Under construction
Rabale MU1
Data Centre, Mumbai
(100% pre-leased)

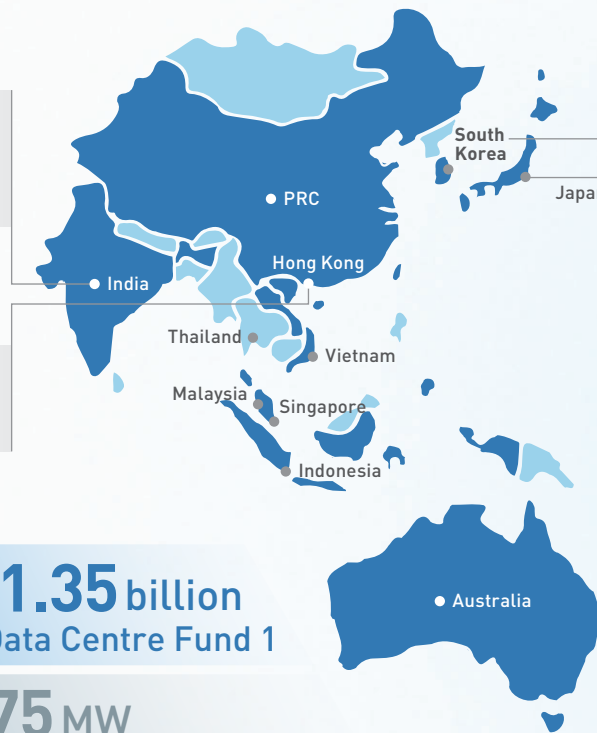
Under construction
Kwai Chung HK1
Data Centre, Hong Kong

Demo completed
Bupyeong KR1
Data Centre, Seoul

Vertical Construction
Start Q2
Keihanna OS4
Data Centre, Osaka

Ready for service
June 2025
Cosmosquare OS1
Data Centre, Osaka

Construction to commence in 2Q 2026
Ariake Data Centre,
Koto-Ku, Central Tokyo



US\$1.35 billion
ESR Data Centre Fund 1



575 MW
Upon completion of 8 sites



375 MW
Under construction



2 GW+
Pipeline of land and projects identified

US\$2 billion, 130 MW
Cosmosquare Data Centre Campus

- Completion of first hyperscale data centre asset within ESR's 130MW campus
- JV with CloudHQ to co-develop and operate announced in December 2024
- To jointly build, fit out, and operate the entire data centre campus over three phases (OS1, OS2 and OS3)
- OS1 will be ready for service in June 2025 and will provide 25 MW of data centre capacity
- Advanced stage of leasing conversation with both American-based and China-based hyperscale customers

Advanced technology solutions

High-quality infrastructure

State-of-the-art solutions

Multi-model platform

LEED NC v4 Gold certification



STRATEGY: GROW PIPELINE AND CAPITAL

- Expand pipeline with operators and hyperscalers across APAC markets
- Seek new capital from investors

Highlights:

- Secured US\$2 billion JV with CloudHQ in early 2025 to deliver 130 MW capacity; engaged with several large multi-national operators for further sites and regional hyperscalers on leasing
- Steady deployment of committed capital from ESR Data Centre Fund 1 expected in 2025

STRATEGY: EXPAND OPERATING SCALE

- Unified platform with LOGOS Property Group Limited ("LOGOS") to bolster ESR's data centre offering in Tier 1 markets, with potential to expand to broader markets leveraging ESR's network in the region
- Expand in-country data centre teams and skills in key markets
- Pursue new opportunities across APAC, including the delivery of our expanded pipeline of 2GW+ of secured land and power

Highlights:

- Enhanced team capabilities across design, development, and operations
- Strengthened cross-border collaboration to better serve our stakeholders across markets



STRATEGY: UPHOLD COMMITMENT TO SUSTAINABILITY AND ESG

- Established robust ESG governance structure and Green Data Centre Framework to embed ESG principles into the planning, design, development and management of ESR's data centre assets
- Effective stakeholder engagement and communication to align with core values, shared business and sustainability objectives

STRATEGY: BROADEN PRODUCT DELIVERY

- To include core fund strategy in the establishment of future core data centre funds
- Deliver state-of-the-art solutions by leveraging ESR's land sourcing and aggregation capabilities to cater for AI and cloud expansion needs for clients

Message from Chairman



BRETT KRAUSE
Chairman

“OUR COMMITMENT IS TO UNLOCK LONG-TERM VALUE AND ENSURE ALL STAKEHOLDERS CAN BENEFIT FROM THE SUCCESS OF OUR BUSINESS, WELL INTO THE FUTURE.”

Dear Shareholders,

2024 was a year of transformation for ESR as we solidified our positioning in New Economy real assets, anchored by three strategic growth engines: logistics real estate, data centres, and infrastructure. Our transformation strategy bore fruit in FY2024, with core businesses generating approximately 60% of the Group's Total Fee-related AUM^{1,2} of US\$71.4 billion.

As we continue to operate in a volatile and uncertain environment, our purpose to provide space and investment solutions for a sustainable future will guide our core business focus and strategic priorities. This will ensure that we strengthen resilience and position ESR to capitalise on favourable structural trends presented by digitalisation and decarbonisation to create long-term value for our stakeholders.

Nonetheless, the persistent macroeconomic headwinds that have built up in the past few years have had a bearing on the Group's profitability. In FY2024, ESR recorded Total Revenue of US\$639 million, over 75% of which was Fund Management Segment Revenue. Fund Management EBITDA³ was US\$321 million in FY2024. The Group's EBITDA⁴ was negative US\$80 million and PATMI⁵ was negative US\$360 million in FY2024. EBITDA and PATMI were significantly impacted by marked-to-market losses tied to non-core divestments, as well as asset and project revaluations which are non-cash in nature.

Notes:

- 1 Based on FX rates as at 31 December 2024.
- 2 Fee-related AUM excludes AUM from Associates and levered uncalled capital. Reported figure of US\$71.4 billion is subsequent to the completion of the sale of ARA Private Funds, ARA US Hospitality Trust Manager and interest in ARA US Hospitality Trust.
- 3 Fund Management EBITDA excludes the share of fair value of financial derivative assets in relation to an associate; and disposal loss on assets held for sale.
- 4 Calculated as (loss)/profit before tax, adding back depreciation and amortisation and finance costs (net). Excludes changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell Property Group ("Cromwell"), share-based compensation expense; and transaction costs related to a possible privatisation of the Company, which, if proceeded with, could result in a delisting of the Company from the Stock Exchange ("Transaction Costs related to Proposed Privatisation").
- 5 Refers to (loss)/profit after tax and minority interests. Excludes the amortisation of intangible asset attributable to the ARA acquisition (net of tax), changes in fair value of financial derivative assets in relation to an associate, impairment losses on non-core divestments/business or near-term divestments, share of fair value losses relating to Cromwell, share-based compensation expense related to ARA; and Transaction Costs related to Proposed Privatisation.

While the results are below expectations, they are not reflective of the long-term performance of the Group. ESR's underlying business is fundamentally resilient, underpinned by the sustained growth in recurring core fee income from asset management, investment management, and property management. Despite downward pressure on valuations, we achieved a 6.6% year-on-year ("**y-o-y**") increase. The uncertain near-term outlook notwithstanding, we are optimistic about the demand for space and investment solutions across APAC in our core business areas as we continue to build on the positive momentum and synergies to realise sustainable growth for ESR.

Furthermore, underscoring investor confidence, we successfully raised US\$5.4 billion in capital — over 75% of which was New Economy driven — growing our perpetual ESR-managed vehicles, including our core logistics fund in South Korea alongside the positive market response to our ESR C-REIT listing.

At the same time, the successful integration of ESR and LOGOS into a unified platform further augments our ability to serve our capital partners, customers, and employees — enabling them to access and scale growth opportunities across our integrated network.

ADVANCING A ONE ESR INTEGRATED PAN-APAC PLATFORM

To drive ESR's sustainable growth in the years ahead, we prioritised the strengthening of business fundamentals and enablers in FY2024. To this end, as a unified group of high-performing teams who are embedded in a culture of collaboration, continuous improvement and innovation, the Group strives to attain our corporate goals in the areas of profitability and enterprise value, optimising the balance sheet, streamlining and simplifying operations, and delivering as One ESR.

ESR is forging ahead with our clear and focused strategy — making a decisive pivot towards data centre and infrastructure, while building on our track record in logistics real estate. This has positioned the Group well to tap the opportunities in high-growth sectors, including e-commerce, logistics, and technology, that are powering economic growth and transforming how we live, work, and play.

In 2024, ESR completed the integration with LOGOS, establishing a much larger, unified business spanning the broader APAC region. This strategic consolidation has created a platform that provides investors, capital partners, and customers with enhanced opportunities to access, expand, and diversify their investments across a broader range of geographies and strategies. The integrated platform also reinforces ESR's deep expertise and presence in all major APAC markets.

Additionally, the integration has bolstered ESR's data centre strategy by enabling a multi-model operating platform that maximises flexibility and outcomes while capturing growth, scale, and diversification. Drawing strong investor interest, the Group has raised a combined US\$2 billion across two funds as One ESR. We are also executing on a 2-gigawatt development pipeline of secured land and power. This positions ESR as an early-mover to capitalise on surging data centre demand driven by AI, cloud, and 5G in tier-1 and emerging markets across APAC.

ESR has also been actively laying the foundations for its infrastructure platform, which will deliver investment solutions backed by equity interests in assets, companies or platforms that drive decarbonisation initiatives, data transmission and use, and supply chain efficiencies.



ESR Amagasaki Distribution Centre, Amagasaki City, Japan

MAXIMISING VALUE OF ESR'S DEVELOPMENT AND FUND MANAGEMENT PLATFORM

ESR remains focused on executing and expanding on our industry leading development workbook of about US\$11.4 billion. With one of APAC's largest workbooks, ESR offers access to a strategically diversified asset portfolio across major Tier 1 markets and in the most sought-after sub-markets. Over 50% of the Group's projects are in Australia and New Zealand, Japan, and South Korea, reflecting a strategic focus on high-growth regions. This robust pipeline not only provides embedded AUM growth but also drives sustainable fee income as ESR continues to pursue our development strategy.

Despite a historically tough fundraising environment for the sector, ESR achieved robust New Economy capital raising at US\$4.2 billion, reflecting a year-on-year increase of 53%. In line with ESR's strategic focus on our core business, the capital raised was focused on industrial logistics and data centre projects. Additionally, the Group raised US\$2.3 billion from new investors, accounting for 42% of the total US\$5.4 billion capital raised in FY2024.

DOUBLING DOWN ON CORE GROWTH BUSINESSES AHEAD OF MARKET RECOVERY

In December 2024, ESR received a privatisation proposal from a consortium of investors who have committed to support ESR's long-term sustainable growth and performance by providing access to capital for the Group's ongoing transformation strategy. The Group remains focused on delivering against our strategic goals and business priorities, and in doing so, we aim to realise our commitment to ensure our capital partners, customers, and employees will benefit from the success of our business, well into the future.

Looking ahead, we are confident that with our more streamlined business, focused on our core strengths, and the momentum behind the One ESR integrated platform, the Group is well-positioned for sustainable growth and to continue unlocking value for all our stakeholders.

Brett Krause
Chairman



ESR Cherry Lane, Victoria, Australia

Message from Group Co-founders and Co-CEOs



STUART GIBSON AND JINCHU SHEN
Group Co-founders and Co-CEOs

"OUR TRACK RECORD IN LOGISTICS REAL ESTATE HAS GIVEN US A HEAD START IN THE STRATEGIC PIVOT WE MADE TOWARDS DATA CENTRES AND INFRASTRUCTURE."

Dear Shareholders,

ESR demonstrated resilience amidst a challenging macroeconomic environment through 2024. With your support and that of our capital partners, customers, and employees, we achieved progress on the strategic business priorities that have strengthened our Group's position and contributed to the broader economy and communities where we operate.

Driving long-term sustainable growth and shareholder value remains a key focus as we continue to navigate the impact of strong headwinds.

In 2024, we stayed focused on our asset-light strategy that guided ESR's ongoing balance sheet optimisation. We completed over US\$1 billion of asset syndications, including the injection of seed assets into ESR China REIT. A further US\$2.7 billion of balance sheet assets and non-core divestments are earmarked for subsequent sell-down as part of our aim to achieve an optimal capital structure. By freeing up capital and investing into our core areas, we are driving recurring fee income growth as AUM scales.

Our sharpened New Economy focus on logistics real estate, data centres, and infrastructure, coupled with our other non-core divestments to streamline and simplify the business, have positioned ESR to realise long-term value for investors, customers, partners, and employees.

Further, having accelerated the integration of LOGOS into ESR in 2024, we are now operating a unified pan-APAC business to maximise the impact and value of our integrated fund management and development platform for stakeholders.

Importantly, our Operational Excellence and One ESR commitments have advanced our purpose of providing investors and customers with space and investment solutions for sustainable growth. These commitments are part of our five strategic priorities for FY2025, alongside Profitability and Enterprise Value, Balance Sheet Optimisation, and Corporate Citizenship.

REINFORCING STRONG FUNDAMENTALS IN LOGISTICS REAL ESTATE

Logistics real estate has always been a core and distinctive advantage for ESR. Our established APAC-wide platform and in-market expertise provide investors and customers with the confidence in ESR's integrated development and fund management solutions.

We continue to generate attractive returns for investors with projected development margins of 34% and work-in-progress development yield on cost of 6.8%, demonstrating our development portfolio's strength. We maintained a well-distributed lease expiry profile for stable income visibility and minimised leasing risk.

We strengthened our relationships with customers, delivering 8 million sqm of space leased, a y-o-y increase of 50%. Overall portfolio occupancy was at 87%, with non-Mainland China markets remaining robust at 95%. Our strong market positioning and premium asset quality led to improved weighted average rental reversions of 12.6% portfolio-wide, with non-Mainland China markets achieving 21.2%.

We closed 2024 with a robust development pipeline of approximately 20.7 million sqm, which is key to supporting AUM growth. Additionally, we have one of APAC's largest development workbooks of about US\$11.4 billion, a diversified portfolio comprising Japan and South Korea (29%), Australia and New Zealand (22%), India and Southeast Asia (13%), Hong Kong (13%), Mainland China (7%), and data centres which increased to 16% of the total.

CAPTURING OPPORTUNITIES IN DIGITALISATION AND DECARBONISATION

We are confident that our track record in logistics real estate has given us a head start in the strategic pivot we made towards data centres and infrastructure in 2024. Our access to land and utilities gives us the ability to deliver projects to investors and customers on time, on spec, and on budget.

Our step-up in momentum is evident in the commencement of 375 megawatts ("MW") of data centre projects under construction in 2024, achieving our previously announced target. A milestone to watch is our first hyperscale asset, OS1, within the US\$2 billion, 130 MW ESR Cosmosquare Data Centre campus in Japan, which was completed in August 2024 and will be ready for service in June 2025.

Underpinning the growth of ESR's data centre platform is the continuous push for faster data speeds and in turn data consumption alongside rapid technology adoption and reliance on AI solutions across APAC — and there are no signs of slowing down.

Another growth engine for the Group is our infrastructure platform. As with our data centre strategy, we are leveraging the natural adjacencies across our New Economy real estate business, APAC-wide footprint, site acquisition prowess, and inherent capabilities to provide immediate access to a proprietary pipeline of infrastructure assets.

Spotlighting this advantage is our investment in Leader Energy Group Berhad through China-ASEAN Investment Cooperation Fund II ("CAF II"), which is sub-advised by ESR. Through this partnership, we are advancing sustainable energy solutions in Southeast Asia while creating significant value for our stakeholders. We expect active developments on this front in 2025, catalysed by a new infrastructure fund that ESR is launching.

MAKING A POSITIVE IMPACT

The space and investment solutions we offer enable a sustainable and resilient supply chain. From sustainable designs to renewable energy generation, logistics fleet electrification, and job creation, we have a unique ability to empower greener flows of products and data through our logistics real estate, data centres, and infrastructure platforms.

Guided by our Environmental, Social and Governance ("ESG") Roadmap, we made steadfast progress across the three key pillars under the Group's ESG Framework: Human Centric, Property Portfolio, and Corporate Performance.

On the environmental front, approximately 154 MW of rooftop solar power capacity as well as approximately 800 Electric Vehicle charging stations were installed across the Group's portfolio to-date, representing a like-for-like¹ increase of 38% and 32%, respectively, from FY2023. Additionally, we obtained sustainable building certifications and ratings for approximately 42% of our portfolio of completed, directly managed assets, comparable on a like-for-like basis with the prior year.

Note:

¹ Like-for-like refers to year-on-year comparisons, excluding divestments.

Our social impact initiatives included 4,500 employee volunteerism hours in outreach activities organised in collaboration with stakeholders in the communities where ESR operates.

We received recognition for our performance across global ESG benchmarks, including GRESB, the global ESG benchmark for financial markets, as well as the Institutional Shareholder Services QualityScores. The Group also maintained its “Low Risk” rating in the Sustainalytics ESG Risk Rating.

LOOKING AHEAD AT ESR'S GROWTH TRAJECTORY

We have entered 2025 with a clear and renewed focus on core growth engines to drive ESR's development. The robust demand for space and investment solutions in logistics real estate, data centres, and infrastructure across APAC presents significant opportunities driven by strong structural long-term trends in the region, including robust GDP growth, increasing disposable income, exponential growth in e-commerce demand, and rapid digital transformation.

Our growth trajectory is also backed by a sound liquidity position and a strong capital base with cash balances and committed loan facilities of approximately US\$4 billion. Reinforcing the Group's strengths in sustainable financing and operations, we secured a landmark five-year syndicated sustainability-linked facilities totalling US\$2.5 billion in 2024. This is the largest sustainability linked loan raised by ESR to-date and is one of the largest within the real estate space in Southeast Asia.

As the interest rate environment shifts favourably, a rebound in asset values is expected — facilitating fund exits, promote income, and a resurgence in development starts. This will also enhance balance sheet asset sales and the completion of non-core divestments and catalyse capital recycling activities. At the same time, we are expanding ESR's offerings by introducing new core vehicles and increasing opportunities for pan-APAC discretionary funds.

As we look to the future and amid the announced privatisation of ESR, we remain focused on our key business priorities to ensure sustainable business growth as well as improve profitability and our operational efficiency to bring value to our stakeholders.

We thank our shareholders for their support, our Board of Directors for their guidance, and our ESR Executive Committee leadership team and colleagues for their dedication as we position ESR for our next phase of growth.

Stuart Gibson and Jinchu Shen
Group Co-founders and Co-CEOs



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