

ESR secures Milestone Portfolio in a landmark deal with Blackstone

- ESR Milestone Partnership (“EMP”) to purchase the Milestone Portfolio (“The Portfolio”) from Blackstone, which is both Australia’s largest ever logistics and general property portfolio transaction
- The A\$3.8 billion portfolio consists of 45 high-quality, income-producing assets set over 3.6 million sqm as well as the management rights
- EMP to be a 80/20 Investment Partnership between GIC and ESR; ESR to acquire Milestone Operations Limited (“MOL”), the manager of The Portfolio
- Post-transaction, ESR will emerge as the third-largest manager of logistics and industrial real estate in Australia by value with AUM of A\$7.9 billion, including an additional development pipeline of A\$1.6 billion

SYDNEY / HONG KONG, 18 April 2021 – ESR Cayman Limited (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821) today announced that EMP and ESR Australia (“ESR” or “ESR Australia”), a subsidiary of the Group, have entered into a binding agreement with Blackstone to acquire the Milestone Portfolio and MOL for a total consideration of A\$3.8 billion, subject to merger clearance approval in relevant jurisdictions.

The deal represents the most significant logistics portfolio transaction in Australia and encompasses 45 high-quality, income-producing assets across Australia’s major capital cities. With a land area of 3.6 million sqm and GLA of 1.4 million sqm the site cover is a modest 38% and provides significant scope for further development. The transaction will see ESR emerge as the third-largest logistics landlord in Australia with AUM increasing to A\$7.9 billion.

ESR Australia partnered with GIC for the acquisition under a newly formed investment vehicle, EMP, which will see ESR contribute 20% of the equity. Australia and New Zealand Banking Group Limited, MUFG Bank, Ltd., Standard Chartered Bank and United Overseas Bank Limited are providing fully underwritten debt facilities for the acquisition of the real estate assets. NortonRose Fulbright were legal adviser to EMP whilst the underwriting banks were advised by Gilbert & Tobin.

The Portfolio boasts a very high quality customer base consisting of national, multi-national, ASX listed or government clients such as Woolworths, Lineage Logistics, Toll (Japan Post), Daimler Benz, Australia Post, Mazda and WesTrac. The consideration attributed to the Portfolio is expected to provide an initial yield of 4.5% with a 6.9-year Weighted Average Lease Expiry.

ESR Australia CEO, Phil Pearce, described the acquisition as transformative providing ESR’s Australia business with immediate scale.

“The opportunity to secure such a large portfolio with extremely well-located assets across Adelaide, Brisbane, Melbourne, Perth and Sydney, strategically positions EMP to benefit from the continued growth in demand for warehouse space, particularly as the robust demand for logistics real estate is expected to remain strong due to sustained growth in e-commerce.”

“The portfolio is land rich, with low site coverage of only 38%, providing plenty of opportunity for ESR to redevelop these assets over time,” said Mr Pearce.

Jeffrey Shen and Stuart Gibson, ESR Co-founders and Group Co-CEOs, remarked, “We are extremely pleased to deepen our partnership with GIC with this momentous transaction. The acquisition of the Milestone portfolio is a significant leap forward for ESR. This tremendous expansion not only adds

immediate scale to our presence in Australia and the region, but also extends our footprint and reaffirms our commitment to one of our highest conviction markets in Asia Pacific.”

“Under Phil’s leadership, we have built a great platform and a top-notch team in Australia. This has been a key factor in ESR’s ability to establish itself as a major mover in this critical market.”

The sale process commenced in January 2021 and was highly competitive with more than ten first-round bids received, subsequently reduced to five parties.

The Transaction is subject to Foreign Investment Review Board (FIRB) approval being obtained.

About ESR

ESR is the largest APAC focused logistics real estate platform by gross floor area (GFA) and by value of the assets owned directly and by the funds and investment vehicles it manages. Co-founded by its senior management team and Warburg Pincus, ESR and the funds and investment vehicles it manages are backed by some of the world’s preeminent investors including APG, SK Holdings, JD.com, CPP Investments, Oxford Properties and PGGM. The ESR platform spans across the People’s Republic of China, Japan, South Korea, Singapore, Australia and India. As of 31 December 2020, the fair value of the properties directly held by ESR and the assets under management with respect to the funds and investment vehicles managed by ESR recorded approximately US\$30 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 20 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong in November 2019, ESR is a constituent of the Hang Seng Composite Index and MSCI Hong Kong Index. For more information on ESR, please visit www.esr.com.

About GIC

GIC is a leading global investment firm established in 1981 to manage Singapore’s foreign reserves. As a disciplined long-term value investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. Headquartered in Singapore, GIC has investments in over 30 countries and employs over 1,700 people across 10 offices in key financial cities worldwide. For more information on GIC, please visit www.gic.com.sg or [LinkedIn](#).

About Blackstone Real Estate

Blackstone is a global leader in real estate investing. Blackstone’s real estate business was founded in 1991 and has \$187 billion of investor capital under management. Blackstone is one of the largest property owners in the world, owning and operating assets across every major geography and sector, including logistics, multifamily and single-family housing, office, hospitality and retail. Our opportunistic funds seek to acquire undermanaged, well-located assets across the world. Blackstone’s Core+ strategy invests in substantially stabilized real estate globally through regional open-ended funds focused on high-quality assets and Blackstone Real Estate Income Trust, Inc. (BREIT), a non-listed REIT that invests in U.S. income-generating assets. Blackstone Real Estate also operates one of the leading global real estate debt businesses, providing comprehensive financing solutions across the capital structure and risk spectrum, including management of Blackstone Mortgage Trust (NYSE: BXMT).

ESR CONTACTS:

Investor Relations

Chang Rui Hua
Group Managing Director
Capital Markets and Investor Relations
+852 2376 9623 / +852 5506 7719
rh.chang@esr.com

Media

Antonia Au
Group Executive Director
Corporate Communications
+852 2376 9617
antonia.au@esr.com