

ESR closes first Sustainability-Linked Loan of US\$700 million

- *Fully aligns with ESR's 2025 ESG Roadmap*
- *Synergies of planned ARA acquisition already being realised with lower Group borrowing costs*

SINGAPORE/HONG KONG, 1 November 2021 – **ESR Cayman Limited** (“ESR” or the “Company”, together with its subsidiaries as the “Group”; SEHK Stock Code: 1821) has secured its first Sustainability-Linked Loan (“SLL”) of US\$700 million with an option to upsize it to US\$1 billion. This marks ESR’s first step into sustainable financing, demonstrating its ongoing commitment to Environmental, Social and Governance (“ESG”).

The Group has secured the loan from a consortium of leading international and Asian banks. United Overseas Bank Limited (“UOB”) acted as the Sole Global Coordinator, Mandated Lead Arranger and Sustainability Advisor. Crédit Agricole Corporate and Investment Bank (“Crédit Agricole CIB”) acted as Sustainability Advisor and Mandated Lead Arranger. Other Mandated Lead Arrangers included MUFG Bank, Ltd (“MUFG”) and Oversea-Chinese Banking Corporation Limited (“OCBC”).

The senior unsecured, committed US\$700 million corporate facility consists of a three-year tranche of US\$350 million at Libor plus 2.25% and a five-year tranche of US\$350 million at Libor plus 2.75%. It is designed with a tiered incentive mechanism whereas ESR will be entitled to an interest reduction as sustainability targets are achieved. The proceeds will be used to fund the Group’s refinancing of existing borrowings, working capital requirements and for general corporate purposes.

Jeffrey Perlman, Chairman of ESR, said: “ESG sits at the heart of ESR’s business. I am very proud of the continued progress the Group has made over the past 12 months since we launched our ESG 2025 Roadmap. This SLL is another important milestone in our efforts to build a thriving, resilient future for our business, our stakeholders and our local communities. As ESR emerges to become Asia Pacific’s largest real asset manager post the planned acquisition of ARA Asset Management, we are poised to leverage the expertise and best practices across the enlarged platform to drive our ESG thought leadership further.”

As a leading New Economy real estate platform, ESR is committed to integrating sustainability into every facet of its business. In November 2020, the Group launched its ESG 2025 Roadmap, setting out a clear vision and targets across three key ESG pillars – “Human Centric”, “Property Portfolio” and “Corporate Performance”. The SLL aligns with the Group’s commitment to enhance its overall sustainability practices.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, said: “We are delighted to partner with UOB, Crédit Agricole CIB, MUFG and OCBC for our inaugural corporate financing with sustainability-linked features. It is with great pleasure that we can support the development of sustainable capital markets in Asia Pacific real estate, while further strengthening our commitment to ESG. We look forward to exploring more sustainable ways to finance and operate our business in order to create long-term value for our stakeholders.”

Frederick Chin, Head of Group Wholesale Banking and Markets, UOB, said: “ESR’s first sustainability-linked loan is one of the largest loans extended to the Company in support of its expansion across Asia

Pacific. As one of ESR's key banks in Asia Pacific, UOB shares a common goal with ESR in forging a sustainable future and is proud to be the sole global coordinator, sustainability adviser and mandated lead arranger. The loan will help ESR expand its efforts to develop sustainable buildings and cities."

ESR has demonstrated its market-leading ESG credentials through its solid track record of sustainable properties and operations as well as best corporate practices, all underscored by its ESG 2025 Roadmap. Most recently, ESR notched up another year of outstanding scores and accolades, topping the lists across multiple categories in the 2021 Global Real Estate Sustainability Benchmark ("GRESB") Assessment. The Group has also retained its MSCI ESG Rating of A, in recognition of its outstanding performance in ESG best practices.

This inaugural SLL comes on the heels of ESR's announcement to acquire 100% of the share capital of ARA Asset Management (the "ARA Acquisition"). The ARA Acquisition is set to create the largest real asset manager in Asia Pacific and the third largest listed real estate investment manager globally with a combined AUM of US\$131 billion¹. The enlarged ESR is powered by the leading New Economy real estate platform with over US\$50 billion of AUM and a development work-in-progress of over US\$10 billion.

The enlarged platform will reinforce its deep-rooted commitment to ESG, underpinned by ARA's growth strategy which has a strong focus on sustainability as it adopts a holistic approach in incorporating ESG considerations into its business operations. ARA's initiatives on the sustainability front include joining as a signatory for the Net Zero Carbon Buildings Commitment under the World Green Building Council and adopting the United Nations Principles for Responsible Investment (UNPRI). In addition, ARA is also an active participant in GRESB, and many of its publicly listed REITs and private real estate funds have obtained 5-Star Ratings. Its sustainability efforts have been recognised by industry peers with numerous awards and accolades, including Best Sustainable REIT Fund Manager in Asia Pacific, ESG Real Estate Investor of the Year in Asia, among others.

To learn more about the ESG initiatives and targets of ESR, please visit:
https://www.esr.com/en/esg_over.php.

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 with a growing presence in data centres. ESR and the funds and investment vehicles it manages are backed by some of the world's preeminent investors including APG, CPP Investments, JD.com, Oxford Properties, PGGM and SK Holdings. The ESR platform spans major economies across the APAC region, including China, Japan, South Korea, Singapore, Australia, India, Vietnam and Indonesia. As of 30 June 2021, 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\$36.3 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised over 22.6 million sqm in total. Listed on the Main Board of The Stock Exchange of Hong Kong Limited in November 2019, 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 on ESR, please visit www.esr.com.

¹ Reported AUM of US\$36.3bn for ESR as at 30 June 2021; AUM for ARA Group and its Associates as at 30 June 2021, adjusted for LOGOS' acquisition of Moorebank Logistics Park announced on 5 July 2021 but excludes announced acquisition of Qantas project on 15 October 2021.

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