



## NEWS RELEASE

### **ESR and VRCO announce collaboration to design and demonstrate the world's first cargo drone logistics facility in Greater Tokyo**



ESR Higashi Ogishima Distribution Centre Phase 1 (project rendering)

**TOKYO/HONG KONG/DERBY, 9 December 2020** – ESR Cayman Limited (“ESR”; SEHK Stock Code: 1821), the largest APAC focused logistics real estate platform, today announced a ground-breaking collaboration with VRCO to design and demonstrate the world’s first cargo drone logistics facility at ESR Higashi Ogishima Distribution Centre (“ESR Higashi Ogishima DC”), strategically located in the Greater Tokyo Metropolitan Area.

Upon completion, this pioneering development will validate how ESR’s tenants can use electric vertical take-off and landing (eVTOL) airframes to revolutionise the movement of commercial cargo from ESR distribution facilities of the future. Working closely with local regulatory authorities, government agencies and the local technology supply chain, ESR and VRCO will demonstrate in detail how a highly automated fleet of smart and self-aware air-cargo vehicles which are controlled by a state-of-the-art command centre can take a scalable approach to volume delivery by air, factoring in weather and changing demand. This concept will be developed at ESR’s Higashi Ogishima DC and expanded to other ESR distribution centres in Japan as well as other markets in ESR’s pan-Asia portfolio.

With a GFA of 365,385 sqm (110,529 tsubo), the ESR Higashi Ogishima DC – Phase 1 will be a nine-storey, double-ramped high-throughput facility and another flagship development of ESR’s network

of strategically located, institutional grade facilities in the Greater Tokyo region. The facility, which is scheduled for completion in March 2023, will be developed with ESR's signature human-centric design, industry leading building specifications, CASBEE Class S certified sustainability features and with an abundance of energy-saving elements. In addition the facility will partially generate its own sustainable energy which will be directly consumed by the tenants thereby reducing pressure on the national grid.

The collaboration with VRCO and its Future of Flight Simulator division will be carried out within the remit of ESR's Future Solutions Group, which proactively evaluates how technological, economic and societal changes will impact the design and operation of ESR's distribution facilities.

Dr. Michael de Jong-Douglas, Senior Managing Director of ESR and Head of the Future Solutions Group said, "We continuously monitor developments that could be of interest to our customers and the movement of cargo in a sustainable, direct aerial mode presents significant opportunities. It is clear that eVTOL aircraft will have a dramatic effect on cargo and people mobility over the coming years."

"VRCO's Future of Flight modelling and Simulation capability will aid ESR to make informed decisions with regard to the definition and adoption of eVTOL services along with the understanding of the required investments and adaptations to existing and future ESR properties to best leverage this," remarked Stuart Gibson, Co-founder and Co-CEO of ESR. "The ability to move high value, time sensitive cargo directly from our distribution centre to its destination presents a significant value proposition for ESR's tenants and operators. At ESR, we are a firm believer in innovation and technology and are committed to providing best-in-class logistics space and solutions for the future."

Daniel Hayes, Co-Founder of VRCO said, "We are delighted to be working with the leading logistics real estate platform in Asia which appreciates the opportunities presented by eVTOL transportation. This is both relevant and timely now that Japan has published a roadmap embracing the Air mobility revolution. Underpinning this revolution is the need for the infrastructure to be there and ready. The evolution of a distribution centre to facilitate eVTOL cargo movement provides a compelling use case and value proposition to both ESR and its customers. Welcome to Airvolution™."

### **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, OMERS, PGGM and Ping An. The ESR platform spans across the People's Republic of China, Japan, South Korea, Singapore, Australia and India. As of 30 June 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\$26.5 billion, and GFA of properties completed and under development as well as GFA to be built on land held for future development comprised 18.7 million sqm in total. ESR has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 1 November 2019.

For more information on ESR, please visit [www.esr.com](http://www.esr.com).

### **About VRCO**

VRCO Limited is an Aerospace company based in Derby, UK, founded by Michael Smith and Daniel Hayes to develop a novel fully electric vertical landing and take-off air vehicle, the NeoXcraft and supporting Technology. In parallel to the design and build of the aircraft and variants for cargo and

special operations, advanced modelling and simulation capabilities have been developed. Currently, initial scale prototyping of the airframes is underway at its facility in the iHub. VRCO has also made significant investment in developing state-of-the-art future of flight infrastructure modelling capabilities. This advanced simulation platform will be used to support ESR to prepare for the Airvolution, enabling the ability to move cargo and people by eVTOL aircraft from suitable sites.

For more information on VRCO, please visit [www.vrco.co.uk](http://www.vrco.co.uk)

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