

ESR Debuts in JPY Bond Markets with a JPY30 billion Dual-Tranche Transaction

- *ESR's debut issuance of JPY Notes is backed by ESR's JCR credit rating of "AA-" (Stable Outlook)*
- *Strong institutional demand from international City Banks and a Public Fund*
- *Demonstrates the Group's focus on further expanding and diversifying its funding sources while also reducing its cost of capital in the process.*

HONG KONG, 30 Jun 2023 – ESR Group Limited ("ESR" or the "Group"; SEHK Stock Code: 1821), APAC's largest real asset manager powered by the New Economy, has launched two series of Japanese Yen denominated fixed rate notes ("the Notes"): (i) JPY20 billion 1.163% fixed rate notes due 2026; and (ii) JPY 10 billion 1.682% fixed rate notes due 2030, under its US\$2 billion Multicurrency Debt Issuance Programme.

The gross proceeds of the Notes Issue will be JPY30 billion. The Group intends to use the gross proceeds, after deduction of fees, commissions and expenses, for the refinancing of existing borrowings, financing of potential acquisition and investment opportunities which the Group may pursue in the future as well as working capital requirements and the general corporate purposes of the Group.

The Notes are assigned an AA- rating with a stable outlook by the Japan Credit Rating Agency, Ltd ("JCR").¹, and are expected to be issued on 10 July 2023. This follows the AA- rating the Group received from JCR in March this year.

In their report, JCR highlighted that the rating reflects "the creditworthiness of the Group based on the management integration with the subsidiary operating companies" and "the company's presence in the Asian market, access to influential investors for co-investment and thereby reduced development risk, stable cash flow generation backed by fund management income, and high financial soundness backed by conservative financial discipline".

The Notes attracted strong institutional demand from international City Banks and a Public Fund. SMBC Nikko Capital Markets Limited was mandated as the Sole Global Coordinator, and a Joint Bookrunner with MUFG Securities Asia Limited Singapore Branch.

Stuart Gibson and Jeffrey Shen, ESR Group Co-founders and Co-CEOs, said: "ESR's inaugural JPY bond issuance is part of our focus on expanding and diversifying our funding sources to fuel the Group's long-term growth. We are very pleased with the strong response and thank the investor community for their support. The demand validates the strength of our asset light business model and our strong and growing presence in Japan. This initiative will further strengthen ESR's robust and well-capitalised balance sheet. More than ever, we are poised to take advantage of continued market dislocation and seize on New Economy opportunities across the Asia-Pacific, including Japan which is a strategic market for ESR."

The Group has an extensive AUM of US\$35.1 billion in Japan and approximately 4.7 million sqm of GFA as of 31 December 2022. Through its subsidiary ARA, ESR holds a 30% stake in Kenedix, Inc., one of

¹ https://www.jcr.co.jp/download/68b4e1c8145eddbab0c10ccc9518d8bcaf81e14ab1efcdb8/23i0023_f.pdf

Japan's largest real estate asset management companies which focusses on fund management of real estate investments via private funds, private REITs and public listed retail REITs.

ESR has US\$1.8 billion in cash and a healthy gearing² of 22.8% as of 31 December 2022. The Group remains focused on its asset light approach with US\$1.7 billion of divestments from its balance sheet to ESR managed funds in FY2022, achieving 3 times its annual historical target. The Group also has a 7.4% average co-investment as of 31 December 2022, which meaningfully enhances the Group's tangible return on equity while maintaining sufficient funding capacity across the Group.

About ESR

ESR is APAC's largest real asset manager powered by the New Economy and the third largest listed real estate investment manager globally. With approximately US\$150 billion in total assets under management (AUM), our fully integrated development and investment management platform extends across key APAC markets, including China, Japan, South Korea, Australia, Singapore, India, New Zealand and Southeast Asia, representing over 95% of GDP in APAC, and also includes an expanding presence in Europe and the U.S. We provide a diverse range of real asset investment solutions and New Economy real estate development opportunities across our private funds business, which allow capital partners and customers to capitalise on the most significant secular trends in APAC. ESR is the largest sponsor and manager of REITs in APAC with a total AUM of US\$46 billion. Our purpose – Space and Investment Solutions for a Sustainable Future – drives us to manage sustainably and impactfully and we consider the environment and the communities in which we operate as key stakeholders of our business. Listed on the Main Board of The Stock Exchange of Hong Kong, 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

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² Net Debt/Total Assets.