



ESR KendallSquare REIT closes US\$400 million follow-on equity offering

Represents the largest ever follow-on offering for a listed REIT in Korea¹

SEOUL / HONG KONG, 21 December 2021 – ESR Cayman Limited (“ESR” or the “Group”; SEHK Stock Code: 1821) today announced that ESR KendallSquare REIT (KRX Stock Code: 365550), Korea’s leading logistics and industrial real estate investment trust (“REIT”), has successfully closed its books and sold 100% of its c.US\$400 million follow-on equity offering (97.2% through book building and 2.8% through pre-arranged block deals). This marks the biggest follow-on offering for a listed REIT in Korea in terms of offering size, demonstrating investors’ strong interest and confidence in the quality of the assets and the management track record of ESR KendallSquare REIT.

Sanghwoi Bae, CEO of KendallSquare REIT Management, said: “This marks a major milestone since our IPO in December 2020. As the only pure-play logistics and industrial REIT in Korea, our portfolio of prime assets provides public investors with a uniquely positioned platform to gain exposure to the logistics market in Korea, a major economy in APAC with one of the most impressive e-commerce growth rates in the world. With the completion of the follow-on offering, ESR KendallSquare REIT is poised to become Korea’s biggest listed REIT in terms of market capitalisation and asset size, further cementing our leadership position as the biggest logistics asset operator in the country and enjoying a clear lead over the next largest player.”

Listed on the KRX KOSPI Market of the Korea Stock Exchange in December 2020, ESR KendallSquare REIT is the first publicly listed institutional quality logistics asset focused REIT in Korea. It has a portfolio of 18 primely located, best-in-class logistics assets, with a total asset value of approximately US\$2.2 billion. Following the successful equity raising, ESR KendallSquare REIT is set to show an unprecedented 70% year-on-year growth or c.US\$880 million (KRW1 trillion) increase in asset size within its first 12 months since listing, making it the fastest growing and largest REIT in Korea, with a post-offering market capitalisation of approximately US\$1.2 billion.

Jeffrey Shen and Stuart Gibson, Co-founders and Co-CEOs of ESR, said: “We are very pleased with the performance and growth of ESR KendallSquare REIT to date. Korea is a core strategic market of ESR where we continue to see great potential and prospects driven by strong e-commerce and a limited supply of prime institutional-grade logistics assets.

“The ESR KendallSquare REIT is a great example of the continued financialisation of real estate in APAC. We are seeing the emergence of a large and thriving REIT sector, accelerated by new REIT legislation in various key markets across the region, including in Korea. Following the planned acquisition of ARA, the enlarged ESR Group is set to become APAC’s #1 real asset manager as well as the largest sponsor of REITs in APAC. We believe we are uniquely positioned to continue to capture the outsized growth of one of the largest secular trends in the region.”

The new shares will be listed on the Korea Stock Exchange (KRX) on 28 December 2021.

¹ in terms of offering size and institutional investor participation

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 and PGGM. 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.

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