

ESR Secures KRW 14.7 billion Funding to Launch Renewable Energy Business in South Korea

- *Secured KRW 14.7 billion (circa US\$11 million) funding from Korean Development Bank to install and operate over 13 MW of solar power capacity on seven assets owned by ESR Kendall Square REIT*
- *Aligns with ESR Group's ESG 2030 Roadmap target to achieve 1,000 MW of rooftop solar power capacity by 2030*
- *Expected annual generation of approximately 15,000 MWh of solar energy to be contributed to the main grid, positively impacting the local communities*



Harnessing solar energy through rooftop solar panels on ESR Group's New Economy assets in South Korea

SEOUL, 15 December 2023 – ESR Group Limited (“ESR” or the “Company”, together with its subsidiaries, the “Group”; SEHK Stock Code: 1821), APAC’s largest real asset manager powered by the New Economy, today announced that its subsidiary, Korea Logistics Renewable Energy (“KLRE”), has entered the renewable energy market in South Korea with its first solar project. This foray will boost clean energy supply and usage while enabling the business to secure a consistent long-term revenue stream. Established by ESR, KLRE is a dedicated entity with a focus on renewable energy installation and generation in South Korea.

Having secured a loan agreement of approximately KRW 14.7 billion (circa US\$11 million) with the Korea Development Bank (“KDB”) for its maiden project, KLRE will develop and operate a network of rooftop solar panels on seven logistics assets owned by ESR Kendall Square REIT (“ESR KS REIT”), Korea’s first and largest pure-play logistics REIT. The assets under this project include Yongin Logistics

Park 1, Icheon Logistics Park 5, Anseong Logistics Park 1, Anseong Logistics Park 2, Anseong Logistics Park 3, Anseong Logistics Park 4, and Gimhae Logistics Park 2.

Expected to be fully operational by mid-2024, the solar panels totalling approximately 13 MW in capacity will generate approximately 15,000 MWh of solar energy, equivalent to powering over 4,000 average South Korean households each year. KLRE is evaluating plans to expand its network of solar panels across more New Economy assets, including those owned by ESR KS REIT. To this end, KLRE has executed a lease agreement with ESR KS REIT to tap previously unused areas, such as rooftop spaces, to maximise space utilisation.

KLRE will channel all solar energy generated back to the power grid to boost the clean energy transition for local communities. In addition, KLRE has signed a 20-year fixed-price contract with five Korean power companies to supply them with Renewable Energy Certificates (“RECs”), supporting carbon emission reduction efforts while expanding the wider use of renewable energy across the value chain. Besides building value for the business and communities, this initiative will reduce reliance on fossil fuels and supports the government’s target to increase the adoption of renewable energy in the country.

Thomas Nam, CEO of ESR Kendall Square, ESR’s South Korean platform, said, “We are delighted to announce this solar project and accompanying loan agreement, which strengthen our commitment to promote renewable energy generation at our New Economy properties. As demand for renewable energy from our tenants continues to grow, we aim to expand our efforts to install, generate and supply renewable energy to our tenants. We firmly believe that this agreement reaps the environmental benefits of renewable energy, complementing the Group’s overall decarbonisation efforts.”

This initiative in South Korea aligns with the Group’s ESG 2030 Roadmap, “Accelerating Positive Impact for a Sustainable Future”, which includes a target to install 1,000 MW of rooftop solar power capacity by 2030 in the transition to a low-carbon and climate resilient future. As part of the ESG 2030 Roadmap, ESR will continue to focus on accelerating its renewables strategies, attaining sustainable building certifications and ratings across its portfolio, and reducing its energy consumption in line with its decarbonisation roadmap.

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 approximately US\$45 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

About ESR Kendall Square

ESR Kendall Square, ESR's South Korean platform, is the largest logistics owner in the country with US\$10.3 billion of assets under management (AUM) and 5.6 million sqm of Gross Floor Area (GFA) as of 3 November 2023. In addition to its strong track record in fund management and its best-in-class portfolio of institutional-grade logistics assets, its sustainable approach to investments and operations has gained industry-wide recognition. In the 2023 Global Real Estate Sustainability Benchmark ("GRESB") Assessment, ESR-KS II was named "Regional Sector Leader" in the Development Benchmark, industrial real estate sector. The fund also received the highest possible five Green Stars rating, scoring 98 points and topped five "GRESB Development" rankings. ESR Kendall Square's properties have also earned numerous awards and green building certifications, including APAC's first WELL Gold Certification for logistics real estate and a number of LEED Gold Certifications.

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