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ESR KENDALL SQUARE REIT

2H 2024 Earnings Call

February 2025

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2H 2024 (FY 10) Financial Results – In accordance with K-IFRS

- + Operating revenue increased, driven by new asset acquisitions (Icheon 6 & 7) and additional income streams
- + Operating profit adjusted due to property tax effects in the second half, but remained strong, up +9.9% YoY
- + Net profit declined, as stable earnings from key assets were offset by lower equity-method gains and higher interest expenses

Consolidated Income Statement (K-IFRS)

Unit: KRW bn

	FY 10 (June 2024~Nov 2024)	FY 9 (Dec 2023~May 2024)	HoH (%) (FY 10 Vs. FY 9)	FY 8 (June 2023~Nov 2023)	YoY (%) (FY 10 Vs. FY 8)
Operating Revenues	56.9	55.9	+1.8%	53.0	7.4%
Operating Expenses	30.3	27.1		28.8	
Operating Profit	26.6	28.8	-7.6%	24.2	9.9%
Non-operating Income	3.5	19.3		6.5	
Non-operating expense	26.5	25.6		18.8	
Profit for the period	3.6	22.5	-84.0%	11.9	-69.7%

Note : Based on FY 10 Audit report

2H 2024 (FY 10) Financial Results – Balance Sheet

- + Total assets increased to KRW 2,525.2 billion, up +2.1% HoH and +7.7% YoY, driven by the acquisition of the Icheon LP 8 asset in 2024
- + Total liabilities rose to KRW 1,440.5 billion, up +5.7% QoQ and +17.4% YoY, due to borrowings and financial liabilities related to the Icheon LP 8 acquisition

Consolidated Balance Sheet (K-IFRS)

Unit: KRW bn

	FY 10 (Nov 2024)	FY 9 (May 2024)	HoH (%) (FY 10 Vs. FY 9)	FY 8 (Nov 2023)	YoY (%) (FY 10 Vs. FY 8)
Current assets	876	953		793	
Non-current assets	24,376	23,780		22,646	
Total assets	25,252	24,733	+2.1%	23,439	+7.7%
Current liabilities	526	3,547		2,701	
Non-current liabilities	13,879	10,083		9,569	
Total liabilities	14,405	13,630	+5.7%	12,270	+17.4%
Share capital	2,131	2,131		2,131	
Other paid-in-capital	9,002	9,002		9,002	
Retained earnings	(286)	(30)		36	
Total equity	10,847	11,103	-2.3%	11,169	-2.9%

Note : Based on FY 10 Audit report

2H 2024 (FY 10) Financial Results – NOI & FFO

- + Net Operating Income (NOI) grew +9.3% YoY, sustaining a long-term upward trend
- + Growth driven by new asset acquisitions and cost reductions in SG&A and maintenance expenses
- + Stronger dividend stability, supported by an increase in cash-equivalent assets compared to the previous calendar year (FY8)

Net Operating Income*

	2H24 (FY10)	1H24 (FY9)	HoH (%) (FY 10 Vs. FY 9)	2H23 (FY8)	YoY (%) (FY 10 Vs. FY 8)
Gross Revenue*	67.9	66.7	1.8%	62.6	8.5%
Property Opex ^{(1)*}	11.4	6.6		10.9	
Net Operating Income	56.5	60.1	-6.0%	51.7	9.3%

Fund From Operations*

Profit for the period (K-IFRS)	3.6	22.5		11.9	
Adjustment for depreciations	15.8	15.6		14.8	
Adjustment for Investment in associates	-	(16.3)		1	
Funds From Operation (FFO)*	19.4	21.8	-11.0%	26.8	-27.6%

Cash assets(Consolidated K-IFRS)

Cash and cash equivalents	58.6	66.8	-12.3%	50.6	15.8%
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Note : As a Non-GAAP financial metric, it includes the total revenue and expenses of the investment properties held by the REIT (taking into account REF's ownership percentage), which may differ from the figures in the financial statements. Net profit converted into annualized basis for the corresponding fiscal period financial statements(K-IFRS) / Property operating expense includes costs regards to insurance, facility management fee, taxes, utility etc

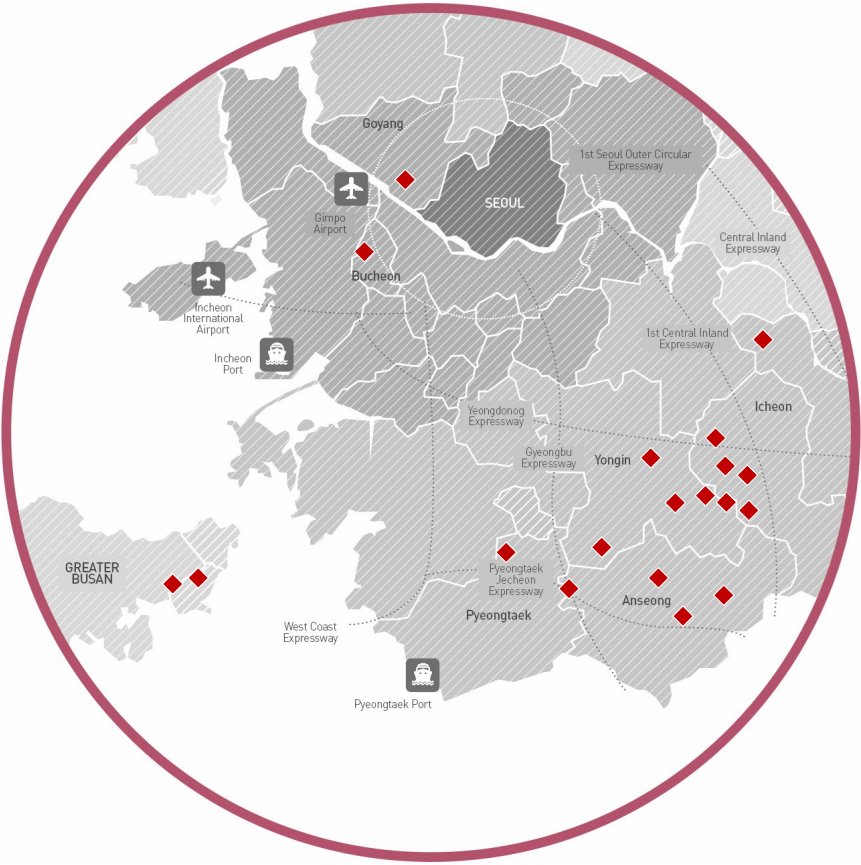
2H 2024 (FY 10) Leasing Overview

Key Portfolio Metrics

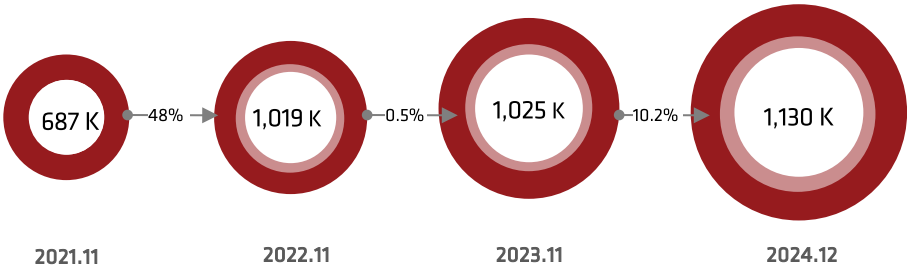
Cold Storage Proportion of Total Portfolio	Avg. NOI (%)	Avg. Monthly Revenue per Py
15%	88%	34,000 Won

Occupancy rate (since IPO upto 2024.12)

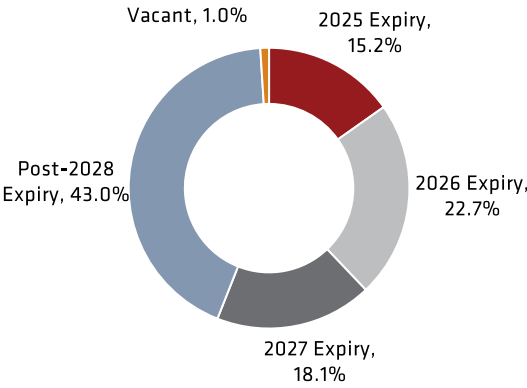
Maintained 99.0% occupancy as of December 2024



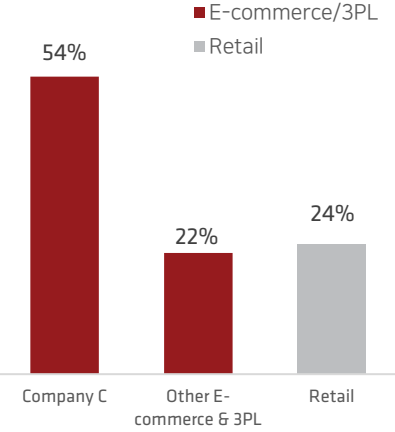
Leasable Area(m²) Growth(%) YoY



Lease Expiry Schedule (As of December 2024)



Tenant Composition (Based on Leased Area)

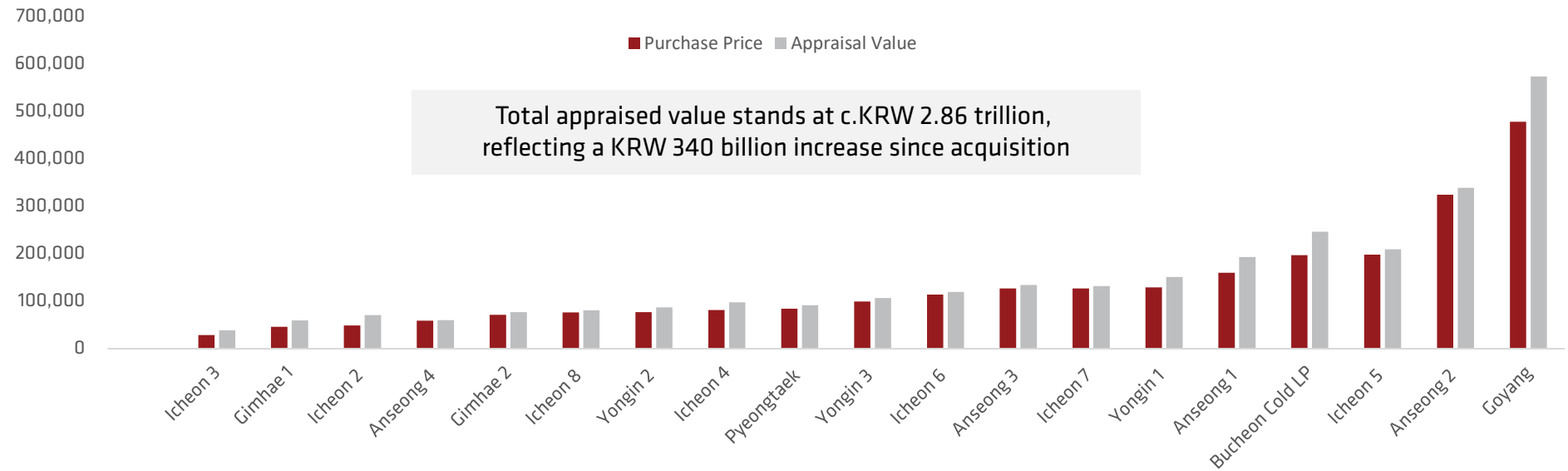


Note : As of 2024.12.31

2H 2024 (FY 10) Asset & Liability Overview

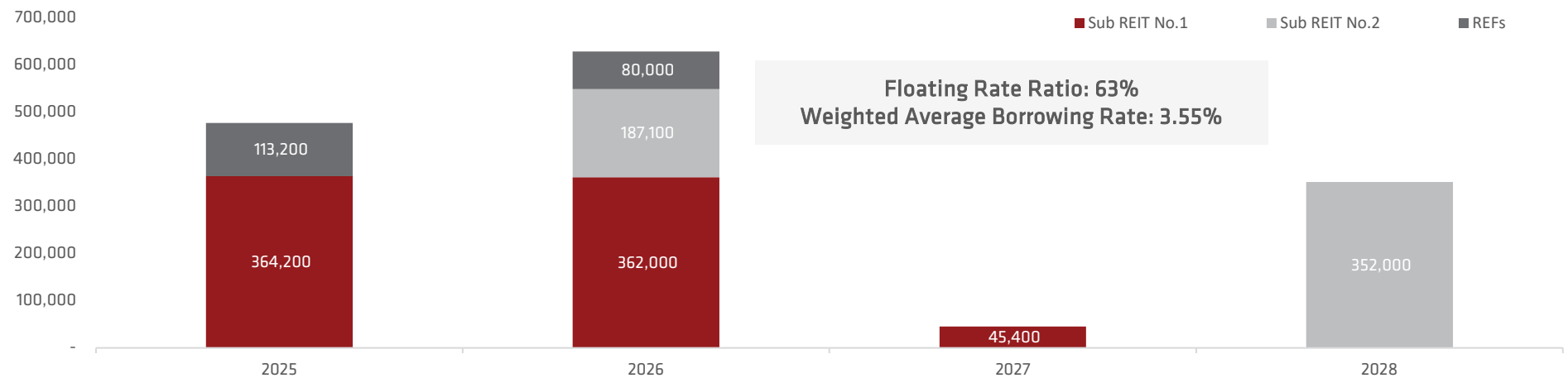
Asset Valuation Overview

Unit: KRW mn



Long-Term Debt Maturity Schedule

Unit: KRW mn



Note : As of 2024.12.31



SECTION II

Appendix

Consolidated Income Statement (K-IFRS)

Unit: KRW mn

	FY 10	FY 9	FY 8	FY 7
Operating Revenues	56,876	55,878	52,957	49,483
Rental Income	54,222	53,277	50,515	47,507
Management Income	1,952	1,893	1,840	1,454
Other Income	702	708	602	522
Operating Expenses	30,324	27,070	28,762	23,403
Depreciation	15,791	15,595	14,838	13,823
Expenses related to investment properties	7,828	4,403	7,687	3,628
Other operating expenses	6,705	7,072	6,237	5,951
Operating Income	26,552	28,808	24,195	26,079
Non-operating Income	3,531	19,343	6,464	17,863
Financial Income	1,189	1,176	900	1,002
Other Income	59	17	2	8
Profit of associates accounted for using equity method	2,283	18,150	5,563	16,853
Non-Operating Expenses	26,482	25,616	18,807	15,928
Financial Expenses	26,167	25,607	18,807	15,928
Other Expenses	315	9	-	-
Profit for the period	3,600	22,534	11,852	28,013

Note : Operating expenses include insurance, depreciation, facility management fee, maintenance & administrative, taxes, deemed rent and rental brokerage fee

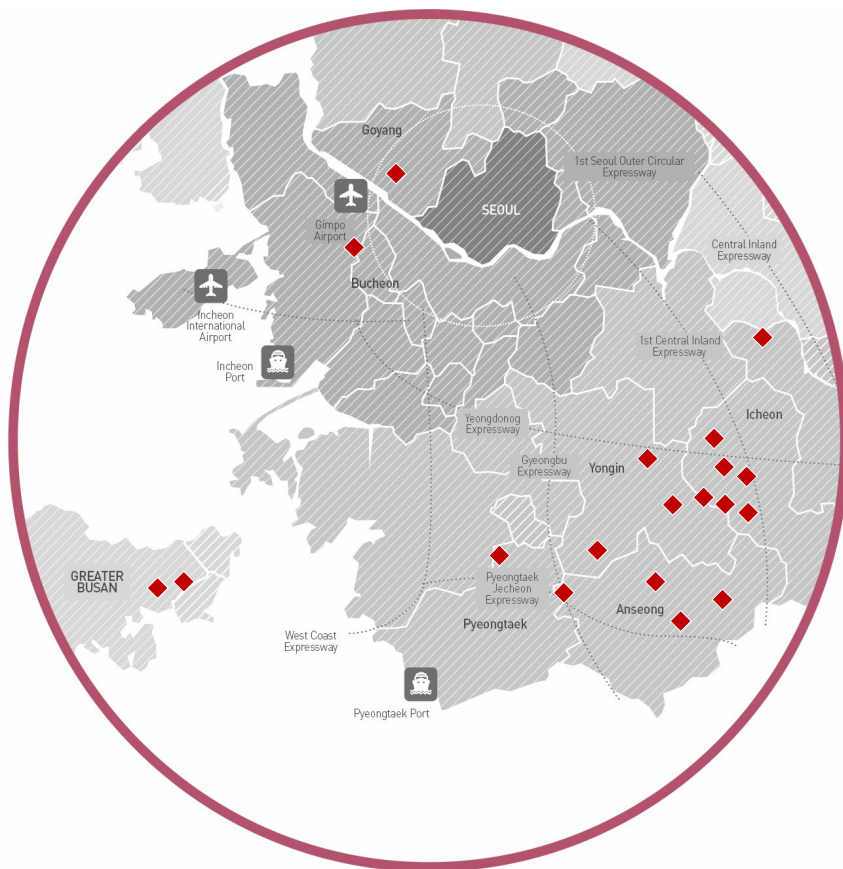
Consolidated Balance Sheet (K-IFRS)

Unit: KRW/bn

	FY 10	FY 9	FY 8	FY 7
Current assets	88	95	79	52
Cash and cash equivalents	59	67	51	26
Short-term financial instruments	8	15	13	5
Other financial assets	14	12	11	10
Other assets	7	2	2	11
Current tax assets	1	1	3	1
Non-current assets	2,438	2,378	2,265	2,326
Long-term financial instruments	40	45	42	39
Investments in associates	184	184	169	218
Investment properties	2,213	2,148	2,052	2,067
Property and equipment	0	0	0	0
Intangible assets	0	0	0	0
Other non-current financial assets	0	0	0	0
Other non-current assets	1	1	1	1
Total Assets	2,525	2,473	2,344	2,378
Current liabilities	53	355	270	282
Other financial liabilities	19	15	13	25
Other current liabilities	3	3	2	2
Current portion of long-term borrowings	31	337	255	255
Non-current liabilities	1,388	1,008	957	962
Long-term borrowings	1,343	960	912	920
Other non-current financial liabilities	43	45	42	39
Other non-current liabilities	3	3	3	4
Total liabilities	1,441	1,363	1,227	1,244
Equity attributable to equity holders of the Parent Company	1,085	1,110	1,117	1,134
Issue capital	213	213	213	213
Other paid-in-capital	900	900	900	900
Retained earnings	(29)	(3)	4	21
Total equity	1,085	1,110	1,117	1,134
Total liabilities and equity	2,525	2,473	2,344	2,378

ESR KendallSquare REIT Portfolio

- + Setting the Benchmark in Korea logistics real estate market with 19 cutting-edge tech logistics centers under management
- + All assets are strategically located within key South Korean transportation networks, ensuring high asset and operational value
- + Bucheon & Goyang assets recognized as Prime Core, irreplaceable within the current market landscape

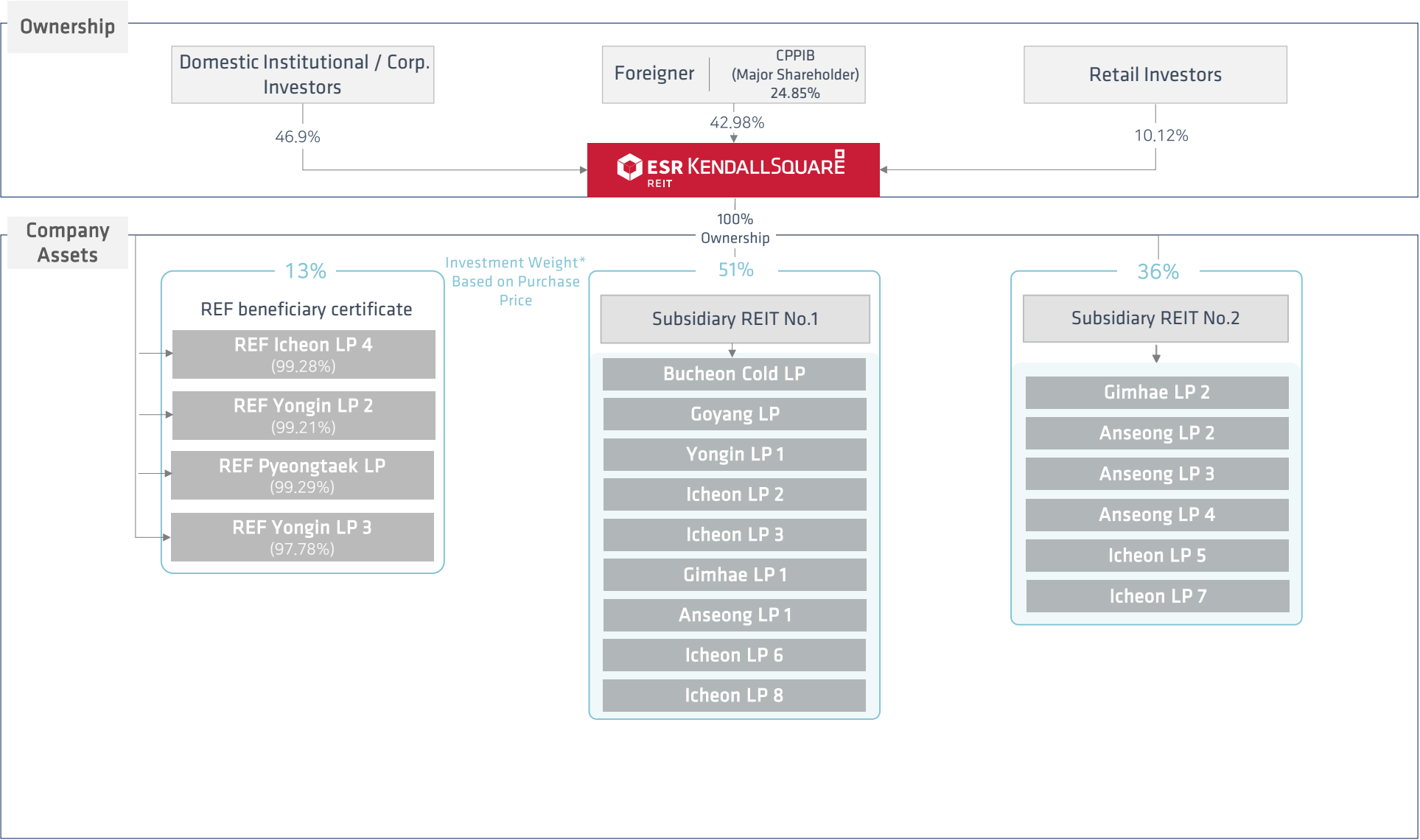


#	Assets	GFA (m ²)	Completion Year	Occupancy Rate	Acquisition Price (KRW bn) ⁽¹⁾	Appraisal Value (KRW bn) ⁽¹⁾
1	Goyang LP	199,678	2019.01	100%	4,780	5,732
2	Anseong LP 2	154,990	2020.06	100%	3,245	3,388
3	Anseong LP 1	95,265	2020.02	100%	1,600	1,930
4	Icheon LP 5	84,545	2020.02	100%	1,983	2,095
5	Yongin LP 1	70,028	2017.11	100%	1,290	1,513
6	Anseong LP 3	63,676	2021.04	100%	1,270	1,343
7	Icheon LP 6	62,195	2023.01	100%	1,143	1,197
8	Bucheon Cold LP	58,264	2019.07	100%	1,970	2,462
9	REF Icheon LP 4	49,616	2018.06	100%	815	975
10	Icheon LP 7	46,041	2023.04	100%	1,271	1,319
11	Icheon LP 8	43,405	2017.05	89%	764	809
12	REF Pyeongtaek LP	43,212	2012.08 / 2017.05	99.90%	845	917
13	REF Yongin LP 2	43,176	2017.01	100%	770	870
14	REF Yongin LP 3	43,045	2020.06	100%	940	1,070
15	Gimhae LP 2	39,941	2019.12	100%	712	769
16	Icheon LP 2	33,365	2018.04	100%	490	711
17	Anseong LP 4	27,040	2021.11	100%	590	600
18	Gimhae LP 1	25,733	2000.12	100%	460	596
19	Icheon LP 3	18,421	2018.12	67%	285	388
		1,201,637			25,223	28,684

Note: As of 2024.12.31

(1) As the acquisition prices of assets, real estates which Subsidiary REITs acquire are in actual contractual price and which REFs retain are priced based on our company's acquiring REF trading price and equity ratio of business structure.

ESR KendallSquare REIT - Company Structure



Note : Based on 2024/11/30 Shareholder composition, 2024/12/31 Company assets