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ESR KENDALL SQUARE REIT

November 2023



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Anseong Logistics Park 2

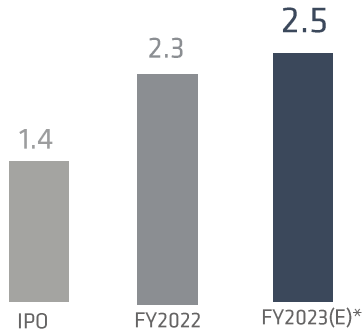
SECTION I

2H 2023 Business Updates

ESR KS REIT Key Highlights

AUM

(KRW trillion)

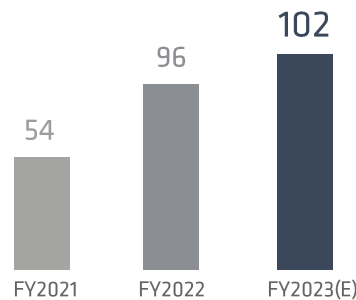


AUM is a measure of the total value of assets and investments managed by a fund or investment management company. It considers factors such as the market value of the assets and the fund's ownership stake in them. It may differ from the total assets reported on the company's financial statements.

*Based on Purchase Price of 18 Assets(Except Icheon 1, Include Icheon 6,7)

Operating Revenue

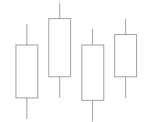
(KRW billion)



Operating revenue converted into annualized basis for the corresponding fiscal period financial statements. The incomes from REFs are classified as non-operating income since they represent investments in trust securities and do not entail substantial control

Market Capitalization

(KRW billion)



720

Based on closing price of 2023/11/6

No. of stabilized Assets

(As of 2023/10/31)

17 assets

Occupancy Rate

100%

As of 2023/10/31

Credit Rating

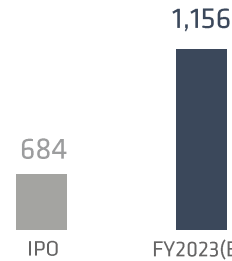
(As of Oct 27, 2023)

A-

Stable Korea Investors Service (Moody's Korea)

GFA

(Unit: 1000 m²)



*Based on 18 Assets(Except Icheon 1, Include Icheon 6,7)

ESG Achievement

2023 GRESB Standing Investments Benchmark Report

ESR Kendall Square Asset No. 1 REIT Co., Ltd. | Kendall Square REIT Management, Inc.

GRESB Rating



Participation & Score



GRESB Score within Industrial / Listed
Out of 42

Avg. Borrowing Interest rate

As of 2023/10/31

All-In 2.90% p.a

Coupon 2.64% p.a

*Based on Asset-backed loans of 17 assets

LTV (%)

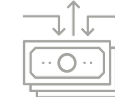
As of 2023/10/31

53.9%

Asset backed Loan : 1,336 billion won // Properties Value : Appraisal value of 8 Refinancing assets (836.1 billion won) + Book value of 9 assets(1,639.1 billion won)

DPS(E) in FY2023 (Yield)

(KRW won)



272(8.1%)

Annualized (dividend per share in FY2023(E) based on closing price of 2023/11/6)

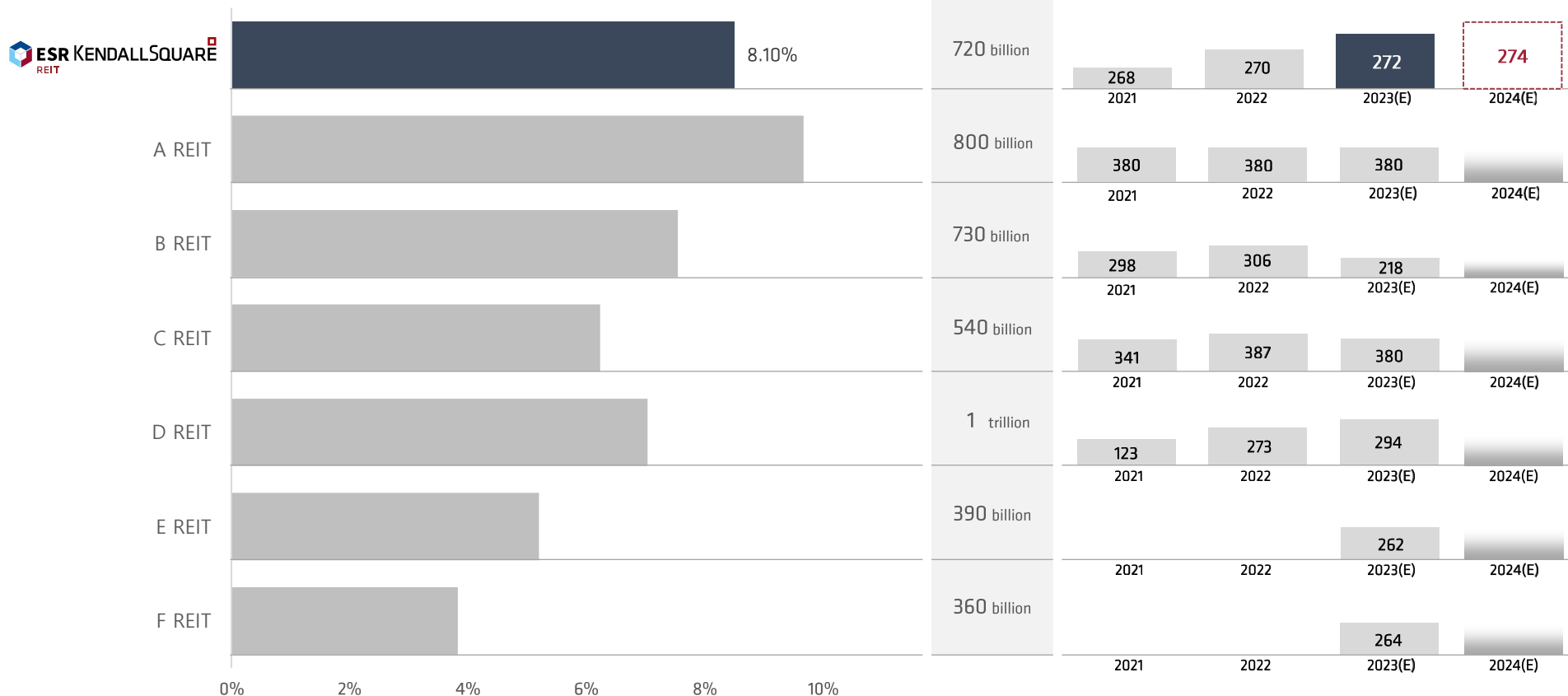
High Dividend Yield & Accretive DPS Guidance

- + ESR KS REIT is currently showing high dividend yield in the market with consecutive DPS growth for 2023e & 2024e
- + Current cash dividend yield stands at 8.10%, offering a 4.6% higher return vs. Bank of Korea's policy rate of 3.5%

Market Dividend Yield⁽¹⁾

Market Cap (KRW)⁽²⁾

DPS Guidance ⁽³⁾



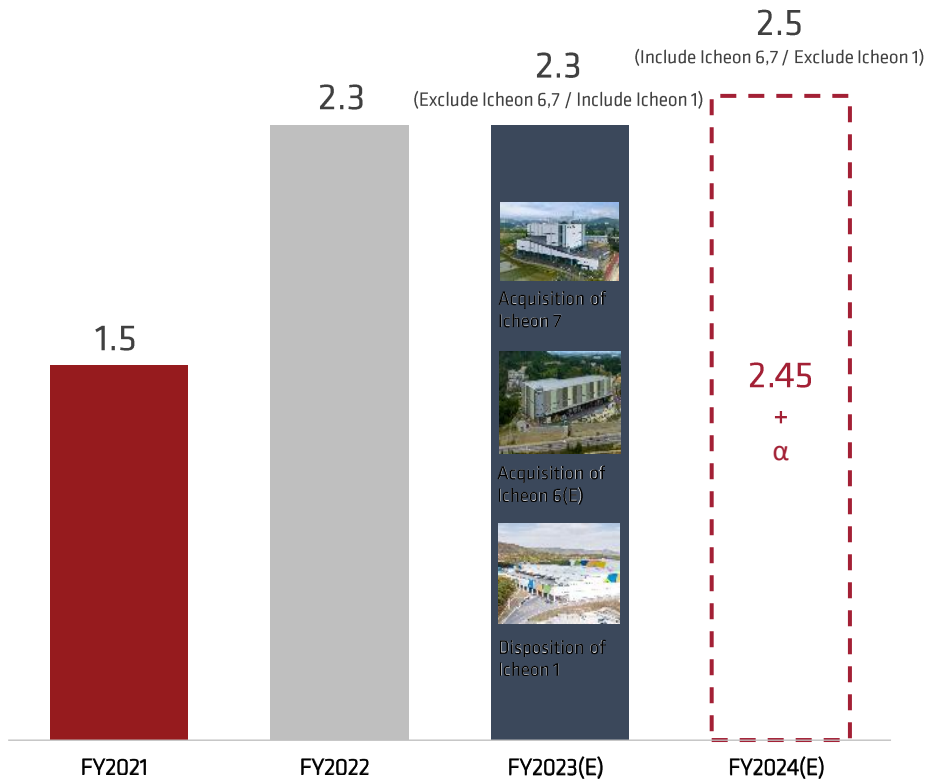
Note:
 1) Based on closing price of 2023/11/6 respect to 2023 DPS(E)
 2) Market Capitalization based on 2023/11/6 trading price, unit: nearest 10 billion won
 3) ESR KS REIT DPS based on company's business plan, late Sep., Other REITs Expected DPS = [2023 cumulative DPS / Number of payments * Annual Settlement Cycle]
 DPS increment: Expected full-year dividend calculated by current number of shares(213,089,000 shares), could be changed by capital increase, rise in loan interest rates etc., do not determine or guarantee

Strong Financial Performance Continues – AUM & Dividends

+ Adding 2 additional assets, Icheon LP 6 & Icheon LP 7 by end-2023, to compensate the successful capital recycling of Icheon LP 1 in Jun 2023

AUM ⁽¹⁾

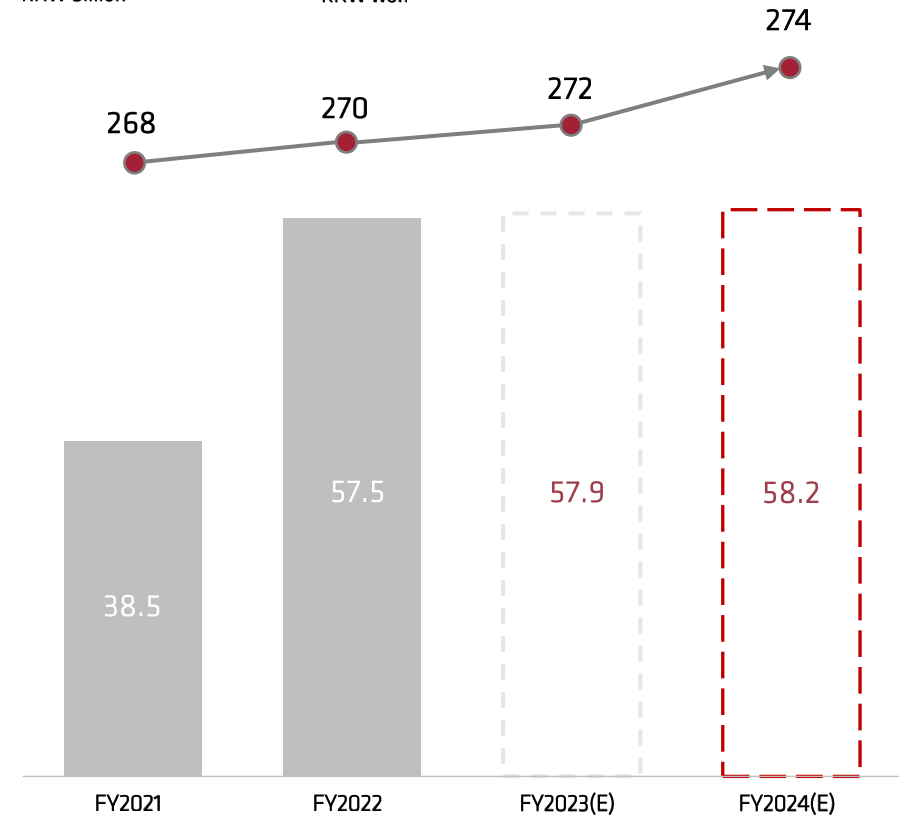
KRW trillion



Dividend payout^{*(2)} & DPS Guidance⁽²⁾

KRW billion

KRW won



Note: *As of the end of September 2023, based on our business plan, 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.

1) AUM (Assets Under Management) is a metric that measures the total value of assets and investments managed by a fund or investment management company. It takes into account the market value of assets as well as the stakes owned by funds. This value may differ from the total assets reported in a company's financial statements.

2) Past performance does not guarantee future returns, and future financial conditions or operational results may differ from historical figures. FY2023 represents normalized NOI, excluding operating income related to one-time asset disposals.

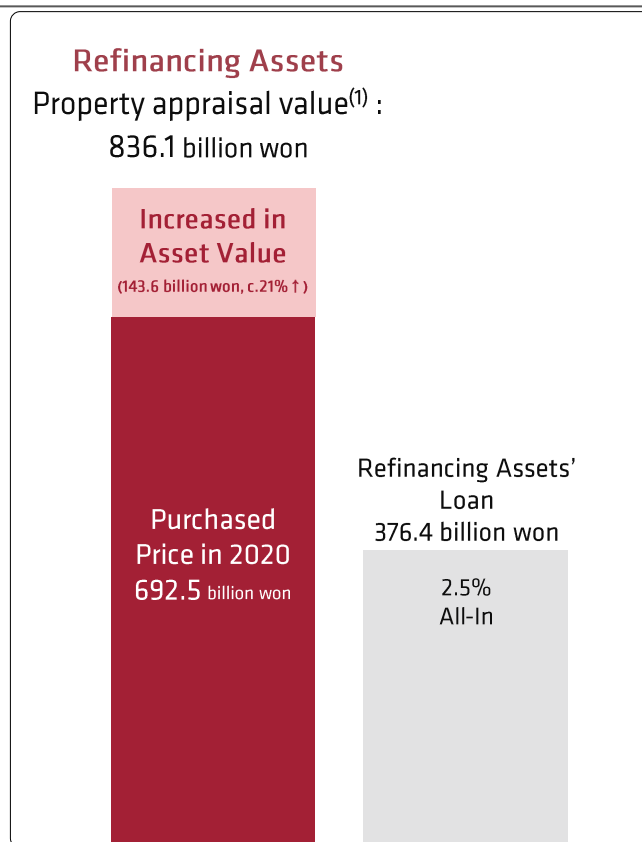
The mentioned NOI and the increase in dividends per share are estimated amounts calculated based on the current number of shares (213,089,000 shares) and are subject to change due to factors such as share issuance, changes in interest rates, and other variables, without being confirmed or guaranteed.

Updates for Dec. 2023 Refinancing

- + The appraisal value of 8 refinancing assets now stands at KRW 836.1 billion, reflecting a 21% increase from its purchase price of KRW 692.5 billion in 2020
- + Value of 'Subsidiary REIT No.1' assets increased by c.25% since IPO whereas the appraisal values of REF assets were adjusted annually
- + Appraisal methodology uses a 50:50 weighting of i) comparable sales price approach and ii) income method (DCF), respectively

Refinancing Assets Outline

Vehicle	Asset	GFA(Py)	Purchased price in 2020 (KRW billion)	Loan (KRW billion)
REF	Icheon 4	15,009	81.5	40.7
REF	Yongin 2	13,061	77	38
REF	Pyeongtaek	13,072	84.5	42.7
REF SUM(A)		41,141	243*	121.4
Subsidiary REIT No.1	Bucheon Cold	17,625	197	111.7
Subsidiary REIT No.1	Yongin 1	21,184	129	73.2
Subsidiary REIT No.1	Icheon 2	10,093	49	27.8
Subsidiary REIT No.1	Icheon 3	5,572	28.5	16.2
Subsidiary REIT No.1	Gimhae 1	7,784	46	26.1
Subsidiary REIT No.1 SUM(B)		62,258	449.5	255
Total SUM (A+B)		103,399	692.5	376.4



Note: *consider 100% stake of investment assets
1) Based on as of end of Oct. 2023, Market property appraisal value by Kyung-il Appraisal Corporation

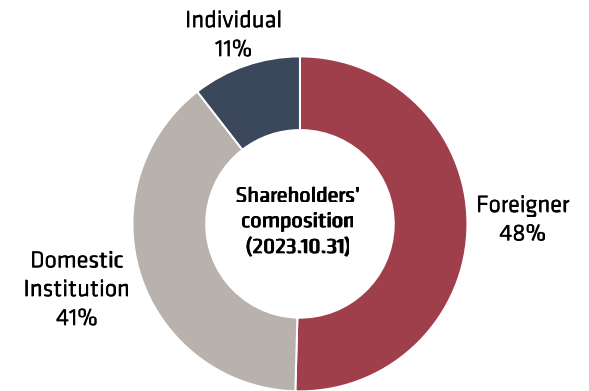
Foreign Investor Ownership & USD/KRW FX

- + ESR KS REIT has the highest 'foreign institutional investors ownership' among K-REITs (49% vs. single digit)
- + Over the past 12 months foreign investors have net-sold 8.4 million shares, equivalent to 4% of the total issued outstanding shares

USDKRW vs Stock value Trend*(2021 ~ 2023.10)



Shareholders' composition¹ (2023.10.31)



USDKRW 23-Yr Historical Chart (2000 ~ 2023.10)



Investors Net Buy-Sell

Period	Foreigner	Institution	Individual
6-months Cumulative ²	-5 million shares (2.3%)	2.5 million shares	1.8 million shares
12-months Cumulative ²	-8.4 million shares (3.9%)	0.6 million shares	5 million shares

※ Last 12 months Daily Average trading Volume : 230 K shares

Note : *Source from Yahoo finance, based on closing price

1) Foreigner is based on 2023.10.11, Domestic Institution and Individual are based on 2023.05.31

2) Recent 6 months : (2023/4/14~2023/10/12) / Recent 1 year : (2022/10/7~2023/10/12)

Class of 2020 – IPO Assets

■ Area by GFA (m²) ■ % of Portfolio by GFA⁽¹⁾



Asset	Completion date	GFA (py)	Acquisition Price ⁽²⁾ (100 million won)	Occupancy rate	Main Tenant
Goyang LP	2019.01	60,403 py	4,780	100%	Coupang
Bucheon Cold LP	2019.07	17,625 py	1,970	100%	Coupang
Anseong LP 1	2020.02	28,722 py	1,600	100%	Coupang
Yongin LP 1	2017.11	21,184 py	1,290	100%	Maersk
Pyeongtaek LP	2012.08	13,071 py	845	99.90%	JDX
REF Icheon LP 4	2018.06	15,009 py	815	100%	Fila
REF Yongin LP 2	2017.01	13,061 py	770	100%	Assist
Icheon LP 2	2018.04	10,093 py	490	100%	CJ
Gimhae LP 1	2000.12	7,784 py	460	100%	GS
Icheon LP 3	2018.12	5,572 py	285	100%	DL
Total		192,524 py	13,305		

Note:

1) Based on 18 Assets (Include Icheon 6,7 Except Icheon 1)

2) The acquisition cost for the assets mentioned above represents the actual real estate transaction prices in the case of real estate acquired by the REIT. In the case of real estate held by our investment target funds, it is based on the sale price of the securities issued by our company for the specific fund, as well as the calculated acquisition cost for the real estate, based on our company's ownership percentage within the fund, derived from our business structure.

Class of 2021~2023 - Incorporated Assets after IPO

■ Area by GFA (m²) ■ % of Portfolio by GFA⁽¹⁾



Asset	Completion date	GFA (py)	Acquisition Price ⁽²⁾ (100 million won)	Occupancy rate	Main Tenant
Anseong LP 2	2020.06	46,643 py	3,245	100%	Coupang
Icheon LP 5	2020.02	25,575 py	1,983	100%	Coupang
Icheon LP 7	2023.04	13,918 py	1,271	100%	Team Fresh
Anseong LP 3	2021.04	19,200 py	1,270	100%	Coupang
REF Yongin LP 3	2020.06	13,021 py	924	100%	Korea Food
Gimhae LP 2	2019.12	12,082 py	712	100%	Coupang
Anseong LP 4	2021.11	8,179 py	590	100%	Samsung Logitech
Icheon LP 6 *	2023.01	18,814 py	1,142	100%	Dakonet
Total		157,433 py	11,154		

* Icheon 6 is planned to be acquired by the end of 2023 & Master Lease(5y)

Note:

1) Based on 18 Assets(Include Icheon 6,7 Except Icheon 1)

2) The acquisition cost for the assets mentioned above represents the actual real estate transaction prices in the case of real estate acquired by the REIT. In the case of real estate held by our investment target funds, it is based on the sale price of the securities issued by our company for the specific fund, as well as the calculated acquisition cost for the real estate, based on our company's ownership percentage within the fund, derived from our business structure.



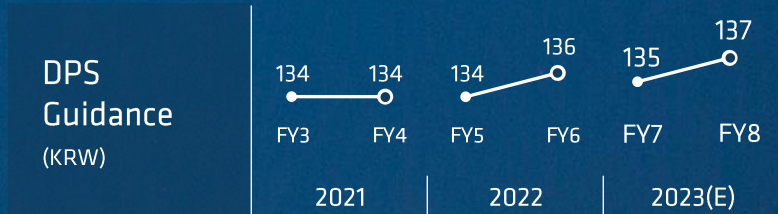
Yongin Logistics Park 1

SECTION II

Operation Highlights

Q3 2023 Results Highlights

Unit: KRW billion	YTD FY2023 (Nov 2022 ~ Aug 2023)	YoY
Operating Revenue(consolidated)	76.0	↑ 6.7%
Net Operating Income(consolidated)	37.1	↑ 9.4%
Avg. Rent per Month ⁽¹⁾	10.4	↑ 4.7%

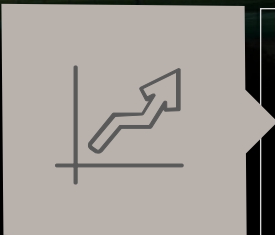


Note :
 1) Operating revenue: sum of Sub1, Sub2 & REFs (17 assets), 2 month rolling average
 2) As of 2023/10/31



Solid Results Continue

- Operating Revenue: +6.7% YoY thanks to higher rents
- NOI: +9.7% YoY, exceeds top-line growth through effective cost & operating-expense control
- Avg. Rent: +4.7% YoY consists of annual rent escalation of c.2% & lease contract renewals that took place in 1H 2023 (rent increased by avg. c.18%)



Outlook

- ESR KS REIT expects solid fundamentals to continue in 2H 2023, as well as in 2024 contrary to market & macro jitters. Steady demand specifically witnessed at ESR KS REIT to provide tailwind support as company has procured nation's top tenants with a stable long-term lease.
- Debt refinancing – company to fully leverage its industry leading position and successfully conduct its refinancing practice at market leading rates.
- Thanks to these firm fundamentals company's annual DPS growth to continue in 2023e as well as in 2024e

Consolidated Financial Statements

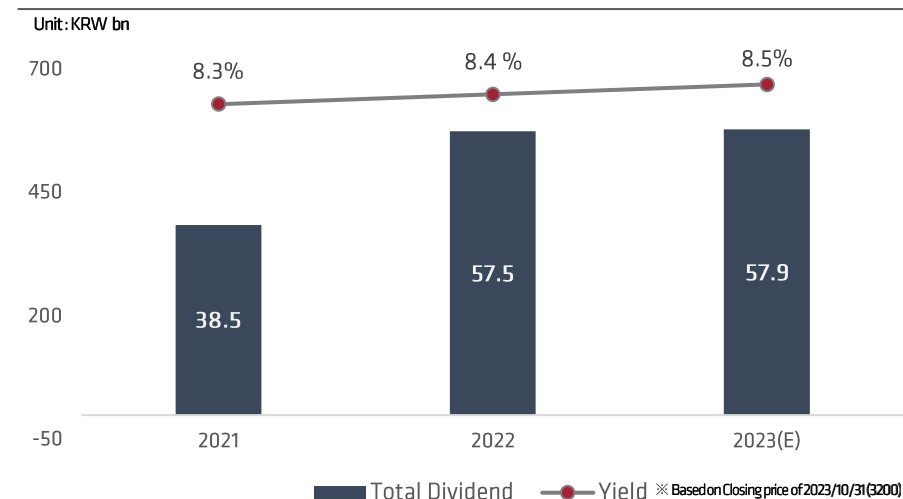
Consolidated Financial Position (For 3 months periods ended)

Unit: KRWbn	3Q 2023 Aug 31, 2023	3Q 2022 Aug 31, 2022	YoY(%)	
Current assets	79	64		
Non-current assets	2,271	2,207		
Total Assets	2,350	2,271	+3.5%	Both increased due to Icheon LP #7 acquisition
Current liabilities	295	44		
Non-current liabilities	945	1,100		
Total Liabilities	1,241	1,144	+8.4%	
Share Capital	213	213		
Other paid-in-capital	900	900		
Retained earning	(4)	13		
Total Equity	1,109	1,127	-1.5%	

Consolidated Income Statement (For 9 months periods ended)

Unit: KRWbn	FY 2023 (Dec 2022- Aug 2023)	FY 2022 (Dec 2021- Aug 2022)	YoY(%)	
Operating Revenue	76	71.2	+6.7%	<ul style="list-style-type: none"> Higher rents Additional assets Effective Cost Control
Operating Expense	38.9	37.3		
Net Operating Income	37.1	33.9	+9.4%	
Non-operating Income	20.0	24.7		
Non-operating expense	25.5	23.4		REF appraisal related non-cash items
Profit before tax	31.6	35.1		
Profit for period	31.6	35.2	-10.2%	

Dividend Yield

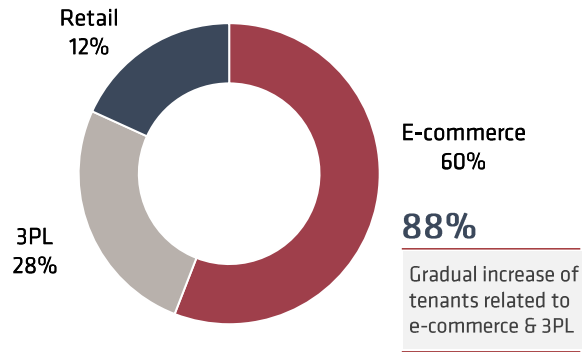


Fiscal Year	Total Dividend Unit: KRW bn	DPS(KRW)	Payment Date
FY 3, May 31, 2021	19.3	134	2021-09-15
FY 4, Nov 30, 2021	19.2	134	2022-03-11
FY 5, May 31, 2022	28.5	134	2022-09-08
FY 6, Nov 30, 2022	29.0	136	2023-03-09
FY 7, May 31, 2023	28.7	135	2023-09-08
FY 8, Nov 30, 2023	29.2	-	Mar. 2024

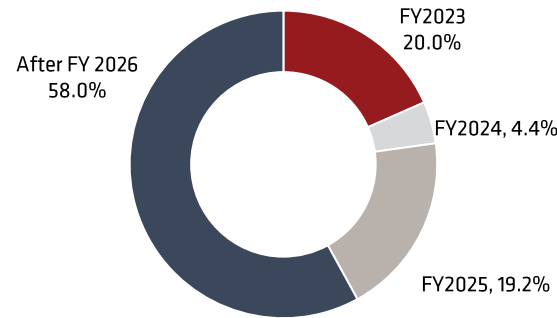
Diversified Tenant Base and Stable Lease Agreements

+ c.20% of the total lease agreements are set to expire in 2023, we expect 100% contract renew with c.18% higher rents by year-end

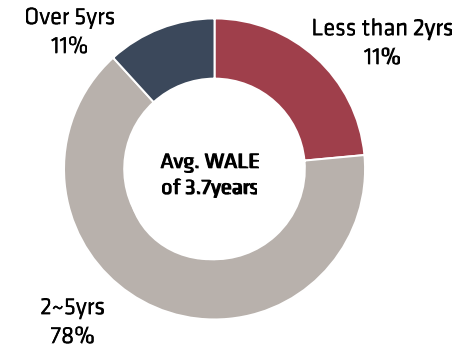
Diversified tenant portfolio ⁽¹⁾



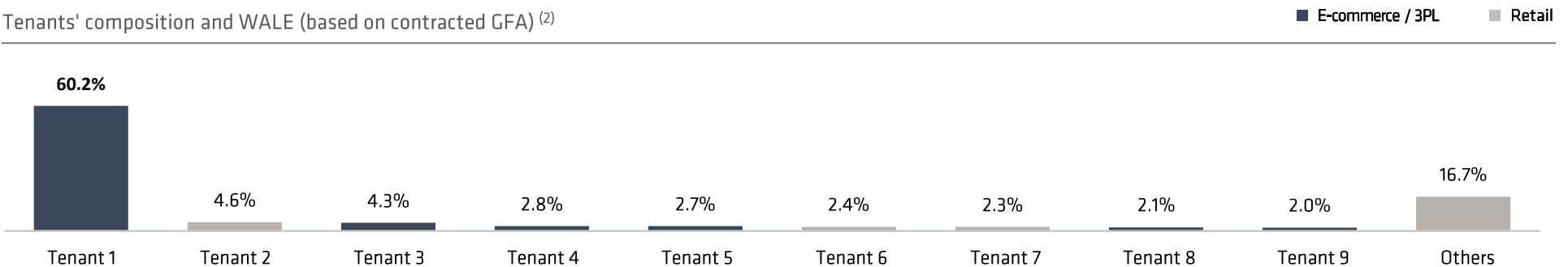
Expected Rent expiry (based on contracted GFA)



WALE of 17 Assets



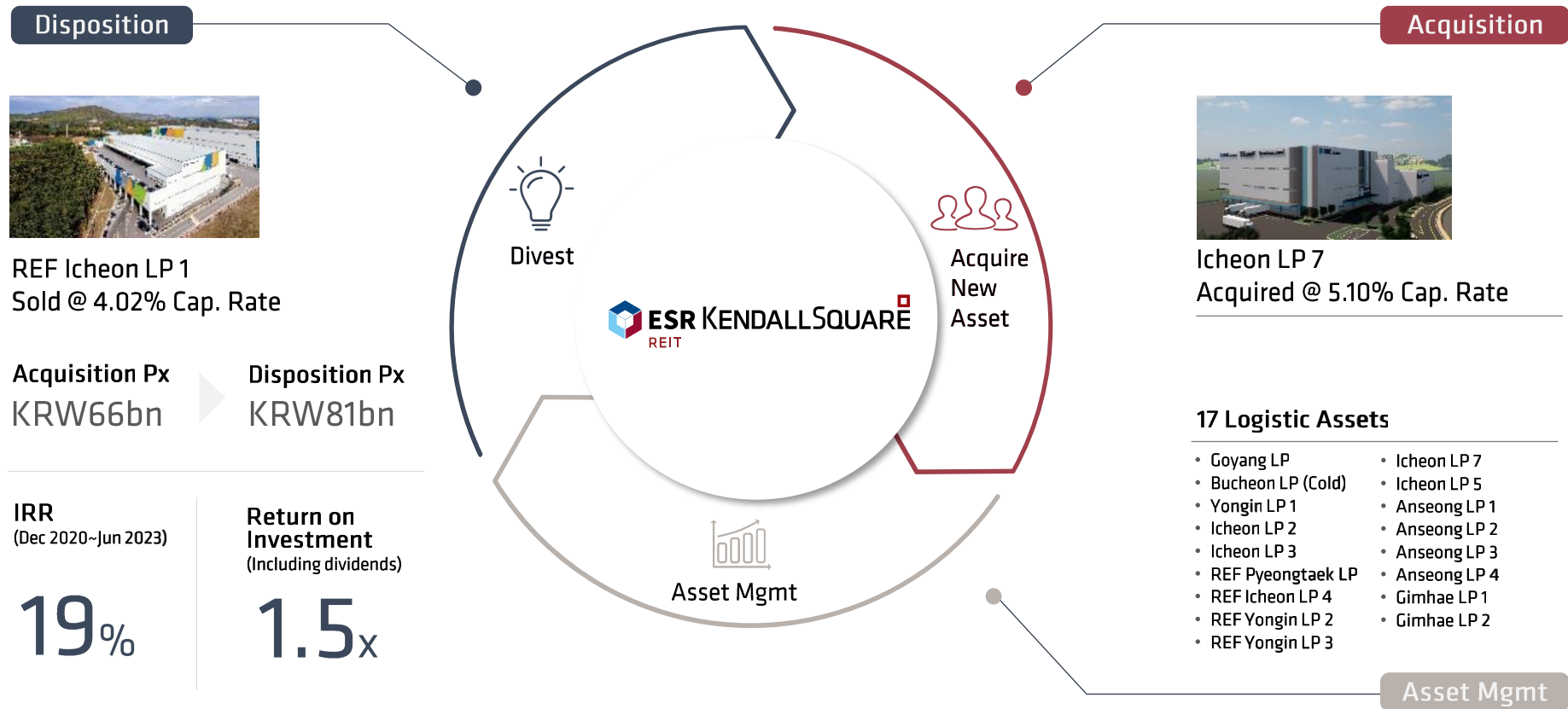
Tenants' composition and WALE (based on contracted GFA) ⁽²⁾



Note:
 (1) Including additional assets planned for acquisition
 (2) Calculated as WALE by contracted GFA as of the end of June 2023

Successful Capital Recycling in June 2023

- + Implementing the 'High Cap-rate Acquisition & Low Cap-rate Disposition' strategy leveraging ESR KS REIT's dominant position in the logistic assets market.
- + Lower external capital reliance of raising high-cost equity & high-cost borrowing
- + Maximize shareholder return through unlocking value among asset disposition

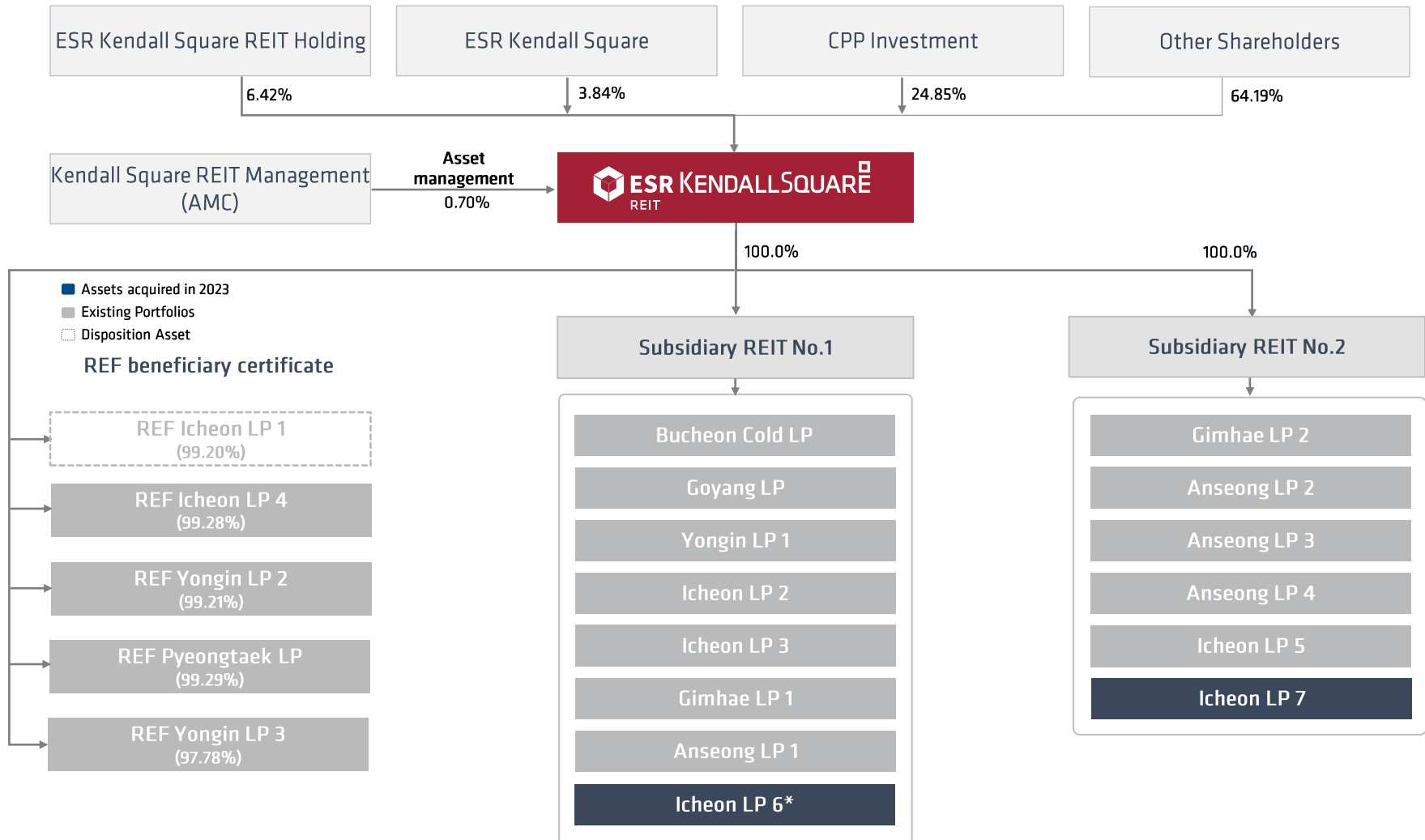




SECTION III

Appendix

ESR Kendall Square REIT – Investment Structure



Note : Shareholder composition as of 2023/5/31
 *Icheon 6 to be acquired in 2023(pre-purchase agreement)

ESR Kendall Square REIT Portfolio

- + Setting the Benchmark in Korea logistics real estate market with 17 cutting-edge tech logistics centers under management
- + All assets are strategically presented within the key transportation networks of South Korea and garners high asset value & operational value thanks to its exceptional locations
- + Goyang LP and Bucheon LP (Cold), due to its proximity to the center of Seoul city, are irreplaceable "Prime Core Assets" in the Korean logistics market



#	Assets	GFA (m ²)	Completion Date	Occupancy Rate	Acquisition Cost ⁽²⁾ (In KRW bn)
1	Goyang LP	199,678	2019.01	100%	478
2	Anseong LP 2	154,990	2020.06	100%	324.5
3	Anseong LP 1	95,265	2020.02	100%	160
4	Icheon LP 5	84,545	2020.02	100%	198
5	Yongin LP 1	70,028	2017.11	100%	129
6	Anseong LP 3	63,471	2021.04	100%	127
7	Icheon LP 6 ⁽¹⁾	62,195	2023.01	100%	122
8	Bucheon Cold LP	58,264	2019.07	100%	197
9	REF Icheon LP 4	49,616	2018.06	100%	81
10	REF Icheon LP 1	47,653	2017.02	100%	65
11	Icheon LP 7	46,041	2023.04	100%	127
12	REF Pyeongtaek LP	43,212	2012.08	99.90%	84
13	REF Yongin LP 2	43,176	2017.01	100%	76
14	REF Yongin LP 3	43,045	2020.06	100%	92
15	Gimhae LP 2	39,941	2019.12	100%	71
16	Icheon LP 2	33,365	2018.04	100%	49
17	Anseong LP 4	27,040	2021.11	100%	59
18	Gimhae LP 1	25,733	2000.12	100%	46
19	Icheon LP 3	18,421	2018.12	100%	28.5
		1,205,679			2,514

Note:

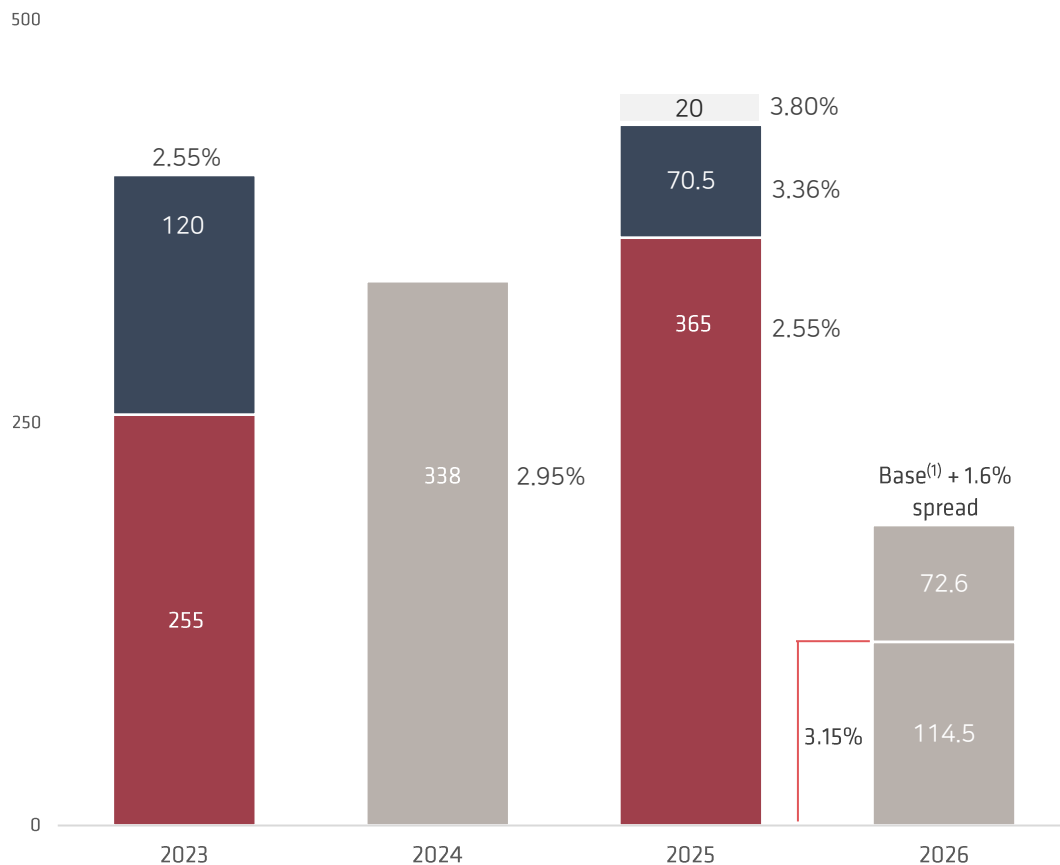
1) Based on 18 Assets (Include Icheon 6,7 Except Icheon 1)

2) 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.

Borrowing Breakdown

Borrowing by Maturities

Unit: In KRW Bn, Interest rate (%)



Note: As of 2023/9/20

1)Base rate= Certificate of deposit(CD) 91days

Borrowing - Investment type

Investment type	Financial Institution	Annual interest rate (%) All-In	Maturity date	Amount
Subsidiary REIT No. 1	H General Insurance	2.5	2023-12-14	50
	C Bank	2.5	2023-12-14	50
	S Bank	2.5	2023-12-14	50
	B Bank	2.5	2023-12-14	105
	B Bank	2.7	2025-12-14	156
	N Life Insurance	2.7	2025-12-14	40
	B Bank	2.7	2025-12-14	29
	H General Insurance	2.7	2025-12-14	50
	N Life Insurance	2.7	2025-12-14	40
	T Life Insurance	2.7	2025-12-14	50
Subsidiary REIT No. 2	K Insurance	2.9	2024-11-30	34
	K Bank	2.9	2024-12-20	33
	K Insurance	2.9	2024-12-20	9
	K Bank	2.9	2024-12-20	147
	K Insurance	2.9	2024-12-20	41
	K Bank	2.9	2024-12-20	58
	K Insurance	2.9	2024-12-20	16
	K Bank	3.1	2026-12-20	114.5
N Bank	Base ⁽¹⁾ + 160 bps	2026-05-10	72.6	
REF	D Bank	2.5	2023-12-11	40
	D Bank	2.5	2023-12-11	38
	D Bank	2.5	2023-12-11	42
	S Bank	3.3	2025-07-09	70.5
Parent (RCF)	I Bank	3.80	2025-12-20	20
Total				1,356