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ESR KENDALL SQUARE REIT

1H 2024 Earnings Call

August 2024



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1H 2024 (FY 9) Financial Results – In accordance with K-IFRS

- + Operating revenues, operating profit and net profit increased by +5.5% / +19% / +89% respectively, compared to the previous fiscal year
- + Revenue and profit increased thanks to new asset acquisitions (Icheon 6, 7), FY2023 rent hikes, and reduced operating expenses
- + Assets and liabilities increased as a result of new asset acquisitions

Consolidated Income Statement (K-IFRS)

Unit: KRW/bn

	FY 9 (Dec 2023~May 2024)	FY 8 (June 2023~Nov 2023)	Percentage change(%)
Operating Revenues	55.9	53	+5.5%
Operating Expenses	27.1	28.8	
Operating Profit	28.8	24.2	+19.0%
Non-operating Income	19.3	6.5	
Non-operating expense	25.6	18.8	
Profit for the period	22.5	11.9	89.1%

Consolidated Balance Sheet (K-IFRS)

Unit: KRW bn

	FY 9 (May 2024)	FY 8 (Nov 2023)	Percentage change(%)
Current assets	95	79	
Non-current assets	2,378	2,264	
Total assets	2,473	2,343	+5.5%
Current liabilities	355	270	
Non-current liabilities	1,008	957	
Total liabilities	1,363	1,227	+11.1%
Share capital	213	213	
Other paid-in-capital	900	9,00	
Retained earnings	(3)	36	
Total equity	1,110	1,116	-0.6%

Note : Based on FY 9 Audit report

1H 2024 (FY 9) Financial Results – NOI & FFO

- + Net Operating Income (NOI) increased by 11% year-over-year, rising from KRW 54.2 billion to KRW 60.1 billion.
- + Growth fueled by new acquisitions and reduced SG&A and maintenance costs
- + Planned ahead cash balance management ensures dividend stability

Net Operating Income*

Unit: KRWbn

	1H24 (FY9)	2H23 (FY8)	1H23 (FY7)	2H22 (FY6)
Gross Revenue*	66.7	62.6	61.8	60.6
Property Opex ^{(1)*}	6.6	10.9	7.6	10.1
Net Operating Income	60.1	51.7	54.2	50.5

Fund From Operations*

Profit for the period (K-IFRS)	22.5	11.9	28	12.8
Adjustment for depreciations	15.6	14.8	13.8	13.7
Adjustment for Investment in associates	(16.3)	0.1	(12.3)	-
Funds From Operation (FFO)*	21.8	26.8	29.5	26.5

Cash assets(Consolidated K-IFRS)

Cash and cash equivalents	66.8	50.6	25.5	31.1
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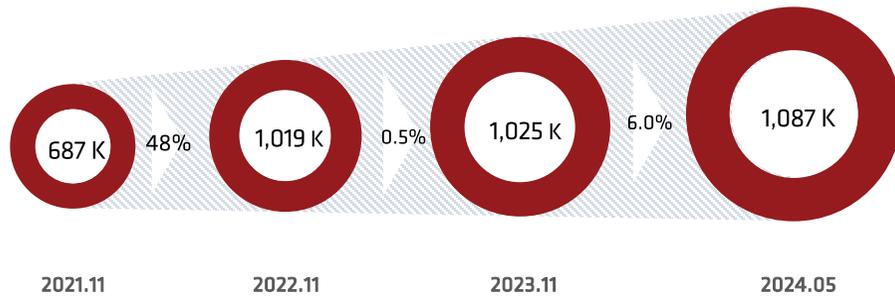
Note : As a Non-GAAP financial metric, it includes the total revenue and expenses of the investment properties held by the REIT (taking into account REF's ownership percentage), which may differ from the figures in the financial statements. Net profit converted into annualized basis for the corresponding fiscal period financial statements(K-IFRS) / Property operating expense includes costs regards to insurance, facility management fee, taxes, utility etc

1H 2024 (FY 9) Business Activity Updates

100% Occupancy rate (since IPO upto 2024.05)

All spaces fully occupied and active since IPO

Leasable Area(m²) Growth(%) YoY



Roof-top space 'Solar Panel' operation status

Asset	GFA(sqrm)	Planned Power Capacity (kWh)	Date of Operation
Yongin LP1	17,666	1,902	2024.06.30
Icheon LP5	16,093	1,828	2024.04.23
Gimhae LP2	10,164	1,244	2024.01.29
Anseong LP1	23,782	2,681	2024.06.30
Anseong LP 2	25,733	3,000	2024.06.30
Anseong LP 3	16,940	1,922	2024.05.21
Anseong LP 4	6,638	724	2024.03.25
Total	117,056	13,283	

Solar Panel installation photos





Anseong Logistics Park 2

SECTION

Appendix

Consolidated Income Statement (K-IFRS)

Unit: KRW/bn

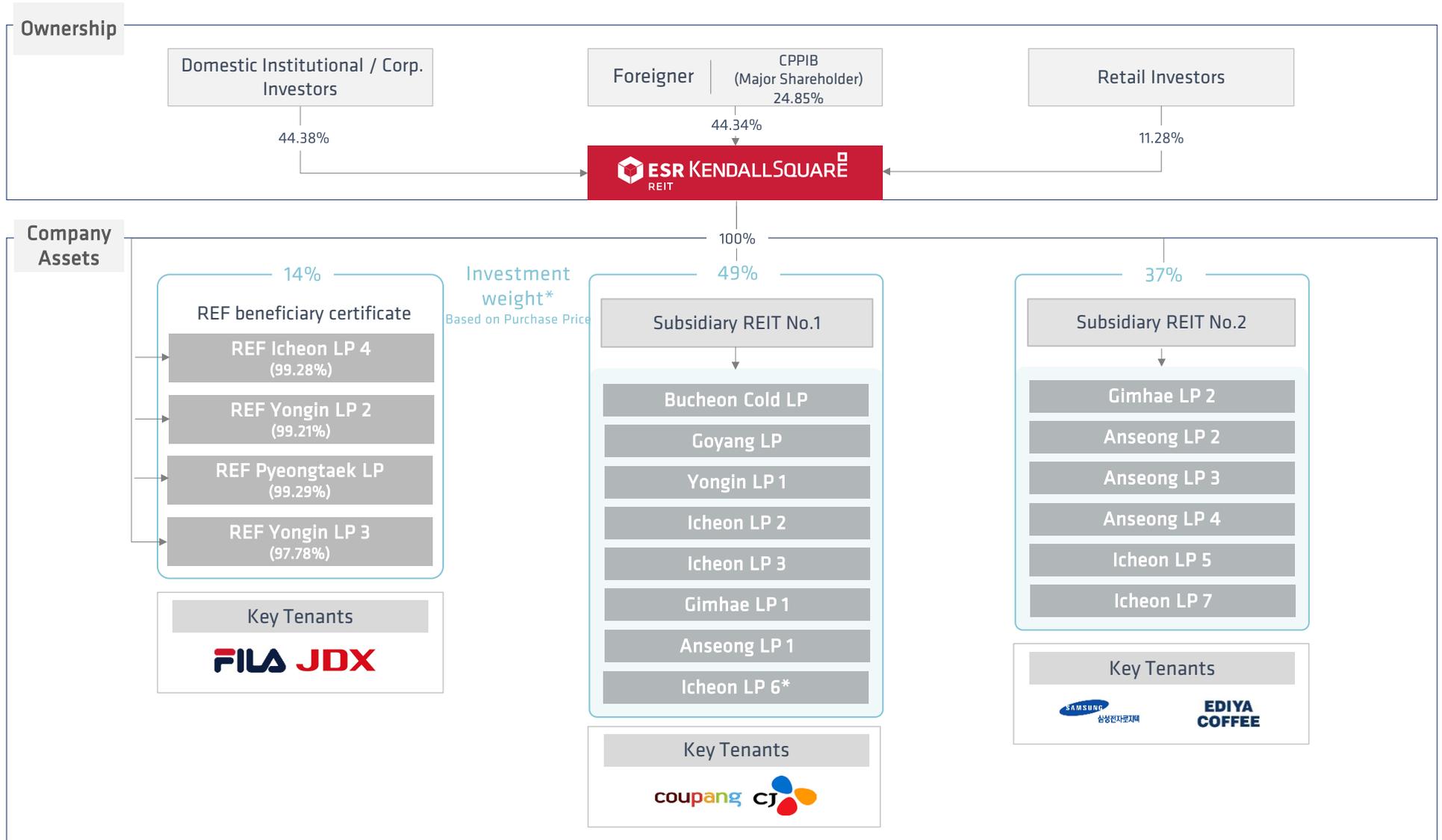
	FY 9	FY 8	FY 7
Operating Revenues	559	530	495
Rental Income	533	505	475
Management Income	19	18	15
Other Income	7	6	5
Operating Expenses	271	288	234
Depreciation	156	148	138
Expenses related to investment properties	44	77	36
Other operating expenses	71	62	60
Operating Income	288	242	261
Non-operating Income	193	65	179
Financial Income	12	9	10
Other Income	0	0	0
Profit of associates accounted for using equity method	182	56	169
Non-Operating Expenses	256	188	159
Financial Expenses	256	188	159
Other Expenses	0	0	0
Profit for the period	225	119	280

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

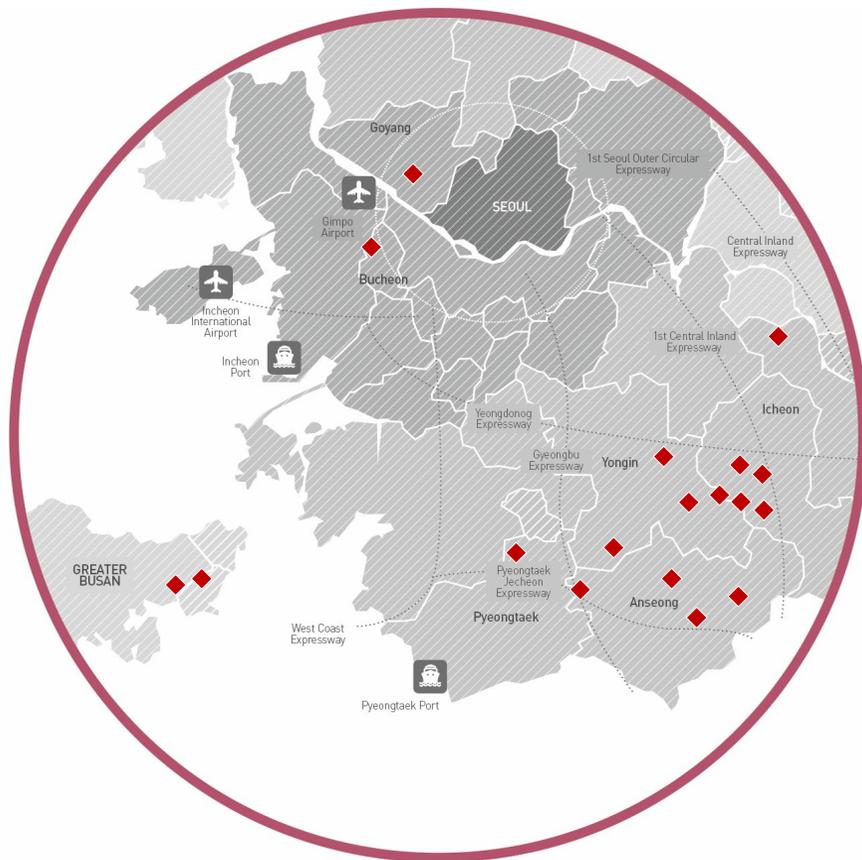
ESR KendallSquare REIT - Company Structure



Note : Based on 2024/05/31 Shareholder composition

ESR KendallSquare REIT Portfolio

- + Setting the Benchmark in Korea logistics real estate market with 18 cutting-edge tech logistics centers under management
- + All assets are strategically located within key South Korean transportation networks, ensuring high asset and operational value



#	Assets	GFA (m ²)	Completion Year	Occupancy Rate	Appraisal Value (KRW bn) ⁽¹⁾	Acquisition Price (KRW bn) ⁽¹⁾	Secured Loan (KRW bn)
1	Goyang LP	199,678	2019.01	100%	573.2	478	272.8
2	Anseong LP 2	154,990	2020.06	100%	337.7	324.5	187.9
3	Anseong LP 1	95,265	2020.02	100%	193	160	91.4
4	Icheon LP 5	84,545	2020.02	100%	209.5	198.3	114.5
5	Yongin LP 1	70,028	2017.11	100%	151.3	129	79.1
6	Anseong LP 3	63,676	2021.04	100%	131.2	127	73.8
7	Icheon LP 6	62,195	2023.01	100%	121	114.3	70.8
8	Bucheon Cold LP	58,264	2019.07	100%	246.2	197	124.5
9	REF Icheon LP 4	49,616	2018.06	100%	96.5	81.5	42
10	Icheon LP 7	46,041	2023.04	100%	133	127.1	72.6
11	REF Pyeongtaek LP	43,212	2012.08/2017.05	99.90%	90.4	84.5	42.7
12	REF Yongin LP 2	43,176	2017.01	100%	85.8	77	38
13	REF Yongin LP 3	43,045	2020.06	100%	103.3	93.9	70.5
14	Gimhae LP 2	39,941	2019.12	100%	75.7	71.2	41.8
15	Icheon LP 2	33,365	2018.04	100%	71.1	49	36.5
16	Anseong LP 4	27,040	2021.11	100%	59.8	59	34.3
17	Gimhae LP 1	25,733	2000.12	100%	59.6	46	31
18	Icheon LP 3	18,421	2018.12	100%	38.8	28.5	20.1
		1,158,231			2,777	2,445	1,444

Note: As of 2024.04.30

(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.