

**ESR Kendall Square Asset No.2 REIT
Co., Ltd.**

**Financial Statements
November 30, 2021**

ESR Kendall Square Asset No.2 REIT Co., Ltd.

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Independent Auditor's Report

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
ESR Kendall Square Asset No.2 REIT Co., Ltd.

Opinion

We have audited the accompanying financial statements of ESR Kendall Square Asset No.2 REIT Co., Ltd. (the Company), which comprise the statement of financial position as at November 30, 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period from July 20, 2021 to November 30, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ESR Kendall Square Asset No.2 REIT Co., Ltd. as at November 30, 2021, and its financial performance and its cash flows for the period from July 20, 2021 to November 30, 2021 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 to the financial statements of the Company. As discussed in Note 3 to the financial statements, the world including South Korea is facing uncertainty for severe economic conditions and prolonged situation due to the spread of Coronavirus disease 2019 (COVID-19) since the beginning of 2020. However, the ultimate effect of the recession on the financial position of the Company cannot presently be determined and, accordingly, no adjustments related to such uncertainties have been reflected in the accompanying financial statements.

Other Matter

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting

and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Seoul, Korea

February 11, 2022

This report is effective as of February 11, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

ESR Kendall Square Asset No.2 REIT Co., Ltd.
Statement of Financial Position
November 30, 2021

<i>(in Korean won)</i>	Notes	November 30, 2021
Assets		
Current assets		
Cash and cash equivalents	4,19,20	₩ 6,589,268,159
Other financial assets	6,19,20	732,798
Other current assets	7	4,422,049,055
Current tax assets		2,380
		<u>11,012,052,392</u>
Non-current assets		
Long-term financial instruments	5,19,20	1,275,399,600
Investment properties	8,11	62,610,682,949
		<u>63,886,082,549</u>
Total assets		<u>₩ 74,898,134,941</u>
Liabilities		
Current liabilities		
Other financial liabilities	9,19,20	₩ 5,197,328,299
Short-term borrowings	11	28,143,530,519
Other current liabilities	10	624,977,377
		<u>33,965,836,195</u>
Non-current liabilities		
Long-term borrowings	11,19,20	33,750,678,546
Other non-current financial liabilities	9,19,20	1,121,385,886
Other non-current liabilities	10	124,092,058
		<u>34,996,156,490</u>
Total liabilities		<u>68,961,992,685</u>
Equity		
Share capital	12	856,667,000
Other paid-in-capital	12	5,137,197,770
Accumulated deficit	13	(57,722,514)
Total equity		<u>5,936,142,256</u>
Total liabilities and equity		<u>₩ 74,898,134,941</u>

The above statement of financial position should be read in conjunction with the accompanying notes.

ESR Kendall Square Asset No.2 REIT Co., Ltd.
Statement of Comprehensive Income
For the Period from July 20, 2021 to November 30, 2021

<i>(in Korean won)</i>	Notes	November 30, 2021
Operating revenues	16	₩ 7,409,359
Operating expenses	17	<u>64,304,850</u>
Operating loss		<u>(56,895,491)</u>
Non-operating income		
Financial income	18	148,766
Other income		-
		<u>148,766</u>
Non-operating expense		
Financial expenses	18	975,789
Other expenses		-
		<u>975,789</u>
Loss before income tax expenses		(57,722,514)
Income tax expenses	14	-
Loss for the period		<u>₩ (57,722,514)</u>
Other comprehensive income		-
Total comprehensive loss for the period		<u>₩ (57,722,514)</u>
Losses per share		
Basic and diluted losses per share	15	₩ (184)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

ESR Kendall Square Asset No.2 REIT Co., Ltd.
Statement of Changes in Equity
For the Period from July 20, 2021 to November 30, 2021

(in Korean won)

	Share capital	Other paid-in-capital	Accumulated deficit	Total
Balance at July 20, 2021 (Establishment date)	₩ -	₩ -	₩ -	₩ -
Fund investment	856,667,000	5,137,197,770	-	5,993,864,770
Loss for the period	-	-	(57,722,514)	(57,722,514)
Balance at November 30, 2021	<u>₩ 856,667,000</u>	<u>₩ 5,137,197,770</u>	<u>₩ (57,722,514)</u>	<u>₩ 5,936,142,256</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

ESR Kendall Square Asset No.2 REIT Co., Ltd.
Statement of Cash Flows
For the Period from July 20, 2021 to November 30, 2021

(in Korean won)

November 30, 2021

Cash flows from operating activities

Loss for the period	₩ (57,722,514)
Adjustments for:	
Depreciation	2,408,770
Interest expense	975,789
Interest income	(148,766)
Rental income	(6,782,353)
Other income	(81,963)
	<u>(3,628,523)</u>
Changes in operating assets and liabilities:	
Increase in account receivables	(599,547)
Increase in prepaid value added tax	(4,188,153,404)
Increase in prepaid expenses	(233,895,651)
Increase in trade payables	4,315,769,289
Increase in unearned revenues	530,437,939
Increase in withholdings	6,645,812
	<u>430,204,438</u>
	<u>368,853,401</u>
Interest received	15,515
Interest paid	(463,050,000)
Income taxes paid	(2,380)
Net cash outflow from operating activities	<u>(94,183,464)</u>

Cash flows from investing activities

Acquisition of investment properties (Land)	(18,416,551,416)
Acquisition of investment properties (Building)	(43,183,301,734)
Increase in long-term financial instruments	(1,275,399,600)
Net cash outflow from investing activities	<u>(62,875,252,750)</u>

Cash flows from financing activities

Increase in issued capital	6,000,010,000
Increase in short-term borrowings	28,143,530,519
Increase in long-term borrowings	34,300,000,000
Increase in leasehold deposits received	1,121,309,084
Share issuance cost	(6,145,230)
Net cash inflow from financing activities	<u>69,558,704,373</u>

Net increase in cash and cash equivalents

6,589,268,159

Cash and cash equivalents at the beginning of period

-

Cash and cash equivalents at the end of period

₩ 6,589,268,159

The above statement of cash flows should be read in conjunction with the accompanying notes.

ESR Kendall Square Asset No.2 REIT Co., Ltd.
Notes to the Financial Statements
November 30, 2021

1. Reporting Entity

ESR Kendall Square Asset No.2 REIT Co., Ltd. (the "Company") was established on July 20, 2021 under the Real Estate Investment Companies Act of the Republic of Korea. The Company obtained approval of the business authorization from the Ministry of Land, Infrastructure and Transport of the Republic of Korea on September 29, 2021. The Company is mainly engaged in providing its shareholder with returns earned from investing and managing investment properties, including real estate acquisition, maintenance, improvement and disposal, development, and trade of real estate lease securities. The Company's head office is located on the 35th floor, Gukjegeumyung-ro 10, Yeongdeungpo-Gu, Seoul.

The Company's major shareholders and their respective shareholdings as at November 30, 2021, are as follows:

Shareholders	Common shares		Class shares ¹	
	Number of shares	Percentage of ownership (%)	Number of shares	Percentage of ownership (%)
ESR Kendall Square REIT Co., Ltd.	740,000	100.00	-	-
Kendall Square REIT Management Co., Inc.	-	-	116,667	100.00
	<u>740,000</u>	<u>100.00</u>	<u>116,667</u>	<u>100.00</u>

¹ The class shares issued by the Company have no voting rights and no preferential, cumulative or participating rights over dividends.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying individual financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company's financial position, financial performance or cash flows, is not presented in the accompanying individual financial statements.

The individual financial statements of the Company have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the

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Notes to the Financial Statements

November 30, 2021

Republic of Korea. The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities (including derivative instruments), certain classes of investment property – measured at fair value
- assets held for sale – measured at fair value less costs to sell, and
- defined benefit pension plans – plan assets measured at fair value

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the individual financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing July 20, 2021.

(a) Amendments to Korean IFRS 1116 Lease – Practical expedient for COVID-19 - Related Rent Concessions

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. The amendment does not have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1109 Financial Instruments, Korean IFRS 1039 Financial Instruments: Recognition and Measurement, Korean IFRS 1107 Financial Instruments: Disclosure, Korean IFRS 1104 Insurance Contracts and Korean IFRS 1116 Lease – Interest Rate Benchmark Reform (Phase 2 amendments)

In relation to interest rate benchmark reform, the amendments provide exceptions including adjust effective interest rate instead of book amounts when interest rate benchmark of financial instruments at amortized costs is replaced, and apply hedge accounting without discontinuance although the interest rate benchmark is replaced in hedging relationship. The amendment does not have a significant impact on the financial statements.

2.2.2 New standards and interpretations not yet adopted by the Company

(a) Amendments to Korean IFRS 1103 Business Combination – Reference to the Conceptual Framework

The amendments update a reference of definition of assets and liabilities to be recognized in a

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business combination in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 *Provisions, Contingent Liabilities and Contingent Assets*, and Korean IFRS 2121 *Levies*. The amendments also clarify that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

(b) Amendments to Korean IFRS 1016 Property, Plant and Equipment - Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company is in review for the impact of these amendments on the financial statements.

(c) Amendments to Korean IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts : Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

(d) Amendments to Korean IFRS 1001 Presentation of Financial Statements - Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability includes the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company is in review for the impact of these amendments on the financial statements.

(e) New Standard: Korean IFRS 1117 Insurance Contract

Korean IFRS 1117 *Insurance Contracts* replaces Korean IFRS 1104 *Insurance Contracts*. This Standard estimates future cash flows of an insurance contract and measures insurance liabilities using discount rates applied with assumptions and risks at the measurement date. The entity recognizes insurance revenue on an accrual basis including services (insurance coverage) provided to the policyholder by each annual period. In addition, investment components (Refunds

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due to termination/maturity) repaid to a policyholder even if an insured event does not occur, are excluded from insurance revenue, and insurance financial income or expense and the investment income or expense are presented separately to enable users of the information to understand the sources of income or expenses. This Standard should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted for entities that applied Korean IFRS 1109 Financial Instruments. The Company is in review for the impact of this new standard on the financial statements.

(f) Korean IFRS 1001 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments to Korean IFRS 1001 define and require entities to disclose their material accounting policies. The IASB amended IFRS Practice Statement 2 *Disclosure of Accounting Policies* to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company is in review for the impact of these amendments on the financial statements.

(g) Korean IFRS 1008 Accounting policies, changes in accounting estimates and errors - Definition of Accounting Estimates

The amendments define accounting estimates and clarify how to distinguish them from changes in accounting policies. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

(h) Korean IFRS 1012 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments include an additional condition to the exemption to initial recognition of an asset or liability that a transaction does not give rise to equal taxable and deductible temporary differences at the time of the transaction. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

(i) Amendment to Korean IFRS 1116 - Covid-19 - Related Rent Concessions beyond June 30, 2021

The application of the practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification, is extended to lease payments originally due on or before June 30, 2022. The amendment should be applied for annual periods beginning on or after April 1, 2021, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

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(j) Annual improvements to Korean IFRS 2018-2020

Annual improvements of Korean IFRS 2018-2020 Cycle should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

- Korean IFRS 1101 *First time Adoption of Korean International Financial Reporting Standards* – Subsidiaries that are first-time adopters
- Korean IFRS 1109 *Financial Instruments* – Fees related to the 10% test for derecognition of financial liabilities
- Korean IFRS 1116 *Leases* – Lease incentives
- Korean IFRS 1041 *Agriculture* – Measuring fair value

2.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents, for example in the case of preferred shares when they have a short maturity with a specified redemption date.

2.4 Financial Assets

The Company classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss
- those to be measured at fair value through other comprehensive income, and
- those to be measured at amortized cost

(a) Classification

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Company reclassifies debt investments when, and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of non-designated equity investment are recognized in profit or loss.

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(b) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

A. Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into one of the following three measurement categories:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'financial income' using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'financial income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'other income or expenses' and impairment losses are presented in 'other expenses'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit or loss within 'financial income or expenses' in the year in which it arises.

(c) Impairment

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in

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credit risk. For trade receivables and lease receivables, the Company applies the simplified approach, which requires expected lifetime credit losses to be recognized from initial recognition of the receivables.

- Trade receivables

The Company applies the simplified approach for trade receivables which requires the expected lifetime losses to be recognized from initial recognition of the receivables.

- Financial assets measured at amortized cost

Financial assets measured at amortized costs are considered to have low credit risk if the risk of default is low and the issuer has sufficient ability to pay contractual cash flows in a short period of time. Therefore, any loss allowance is recognized as 12-month expected credit losses.

- Debt instruments measured at fair value through other comprehensive income

Debt instruments measured at fair value through other comprehensive income include government bonds, corporate bonds and trade receivables subject to discount. Loss allowances for debt instruments measured at fair value through other comprehensive income are recognized in profit or loss and reduces the amount that would have been recognized in other comprehensive income due to fair value valuation losses.

(d) Recognition and Derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The Company classified the financial liability as “borrowings” in the statement of financial position.

(e) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required,

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the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable is estimated for each individual asset or for each cash-generating unit to which the asset belongs if the recoverable amount cannot be estimated. The recoverable amount is the higher of the asset's or cash-generating unit's value in use or fair value less costs of disposal. Value in use is determined by discounting the future cash flows expected to be generated by the asset or cash-generating unit at an appropriate discount rate that reflects the current market assessment of the unadjusted asset's specific risk when estimating the time value of money and future cash flows.

Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

2.6 Financial liabilities

(a) Classification and measurement

The Company classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost in the statements of financial position.

(b) Derecognition

Financial liabilities are removed from the statement of financial position when they are extinguished; for example, when the obligation specified in the contract is discharged or cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

2.7 Investment Property

Investment property is a property held to earn rentals or for capital appreciation, or both. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is reported at cost, less accumulated depreciation and accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of an asset or as a separate asset if it is probable that future economic benefits associated with the assets will flow into the Company and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, all other investment property is depreciated based on the respective assets' estimated useful lives of 50 years using the straight-line method.

The depreciation method, the residual value and the useful life of an asset are reviewed at the end of each reporting period and, if management judges that previous estimates should be adjusted, the change is accounted for as a change in an accounting estimate.

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2.8 Capital stock and share issuance expenses

Proceeds from issuance of common shares are classified as capital stock in equity. Incremental costs directly attributable to the issuance of common shares are deducted against capital stock net of tax.

2.9 Revenue recognition

Rental income under operating leases is recognized in profit or loss on a straight-line basis during the term of the lease. The service falls under Korean IFRS 1116 *Leases* and is not subject to Korean IFRS 1115 *Revenue from Contracts with Customers* and there is no service identified as a performance obligation.

2.10 Financial income and financial costs

Financial income comprises of interest income. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Financial costs comprise of interest expenses. Interest expenses are recognized in profit or loss as incurred using the effective interest method.

2.11 Income tax

Income tax expense for the period consists of current and deferred tax and is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity.

Under the Article 51-2 of Corporate Tax Law of the Republic of Korea, Income Deduction for Special Purpose Companies, etc., if the Company payouts 90% and more of its profit available for dividends as dividends, the Company shall be entitled to deduct such amount from its taxable income for the fiscal year.

2.12 Approval of Issuance of the financial statements

The Company's financial statements as at and for the periods ended November 30, 2021 were approved for issue by the Board of Directors on February 3, 2022 and are to be approved at the Annual General Meeting scheduled on February 18, 2022.

3. Critical Accounting Estimates and Assumptions

The preparation of financial statements requires the Company to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Company's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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Additional information of significant judgement and assumptions of certain items are included in relevant notes.

During 2020, the spread of Coronavirus disease 2019 (“COVID-19”) has a material impact on the global economy. It may have a negative impact; such as, decrease in productivity, decrease or delay in sales, collection of existing receivables and others. Accordingly, it may have a negative impact on the financial position and financial performance of the Company.

Significant accounting estimates and assumptions applied in the preparation of the financial statements can be adjusted depending on changes in the uncertainty from COVID-19. Also, the ultimate effect of COVID-19 to the Company’s business, financial position and financial performance cannot presently be determined.

4. Cash and Cash Equivalents

Cash and cash equivalents as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Bank deposits	₩	6,589,268

5. Financial Instruments Restricted in Use

Financial instruments that are restricted in use as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Long-term financial assets ¹	₩	1,275,400

¹ Consist of bank deposit and time deposit and are pledged on the leasehold deposits.

6. Other Financial Assets

Other financial assets as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Account receivables	₩	600
Accrued income		133
	₩	<u>733</u>

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7. Other Current Assets

Other current assets as at November 30, 2021, are as follows:

(in thousands of Korean won)

November 30, 2021

Prepaid expenses	₩	233,896
Prepaid value added tax		4,188,153
	₩	<u>4,422,049</u>

8. Investment Properties

Investment properties as at November 30, 2021, are as follows:

(in thousands of Korean won)

November 30, 2021

	Acquisition cost	Accumulated depreciation	Book amount
Land	₩ 18,653,046	₩ -	₩ 18,653,046
Buildings	43,960,046	(2,409)	43,957,637
	₩ 62,613,092	₩ (2,409)	₩ 62,610,683

Changes in investment properties for the period from July 20, 2021 to November 30, 2021, are as follows:

(in thousands of Korean won)

2021

	Land	Building	Total
Beginning balance	₩ -	₩ -	₩ -
Acquisitions/transfers	18,653,046	43,960,046	62,613,092
Depreciation	-	(2,409)	(2,409)
Ending balance	₩ 18,653,046	₩ 43,957,637	₩ 62,610,683

Details of acquisition for the period from July 20, 2021 to November 30, 2021, are as follows:

(in thousands of Korean won)

Purchase price¹

Seller

Anseong Samjuk logistics park ₩ 59,000,000 KLD&I

¹ The amount excludes the additional cost related to purchase.

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Revenues and expenses related to investment properties for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Operating revenues ¹	₩	7,327
Operating expenses ²		21,516

¹ Operating revenues consist of rental income and management income.

² Operating expenses consist of depreciation expense, asset management consignment fees, asset custody consignment fees, general affairs consignment fees.

Fair value of investment properties as at November 30, 2021 has no significant difference with the book amount.

The Company has provided collateral rights for the underlying mortgage on land and buildings and the insurance coverage rights of the property all risks insurance in relation to long-term borrowings and details are as follows:

<i>(in thousands of Korean won)</i>	Book value of the assets provided as collateral	Contract amount	Maximum amount of bonds (120%)
Tranche A	₩ 62,610,683	₩ 34,300,000	₩ 41,160,000
Tranche B		24,000,000	28,800,000

The Company subscribes to the property all risks insurance (insured amount: ₩ 25,750 million) in relation to investment property.

9. Other Financial Liabilities

Other financial liabilities as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Current liabilities		
Trade payables	₩	5,191,787
Accrued expense		5,541
	₩	<u>5,197,328</u>
Non-current liabilities		
Leasehold deposits		1,275,400
Discount account on present value		(154,014)
	₩	<u>1,121,386</u>

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10. Other Liabilities

Other liabilities as at November 30, 2021, are as follows:

(in thousands of Korean won)

November 30, 2021

Current liabilities		
Withholdings	₩	6,646
Advances		218,850
Unearned revenue		399,482
	₩	<u>624,978</u>
Non-current liabilities		
Unearned revenue		124,092
	₩	<u>124,092</u>

11. Short-term and Long-term Borrowings

Details of short-term borrowings as at November 30, 2021, are as follows:

(in thousands of Korean won)

	Financial institution	Annual interest rate at November 30, 2021	Maturity date	November 30, 2021	
Tranche B	KB CAPITAL CO., LTD	4.25%	2022-11-30	₩	18,000,000
	KB Savings Bank Co.,Ltd.	4.25%	2022-11-30		6,000,000
Tranche E	KB Insurance Co., Ltd	3.50%	2022-02-28		4,143,531
				₩	<u>28,143,531</u>

Details of long-term borrowings as at November 30, 2021, are as follows:

(in thousands of Korean won)

	Financial institution	Annual interest rate at November 30, 2021	Maturity date	November 30, 2021	
Tranche A	KB Insurance Co., Ltd	2.50%	2024-11-30	₩	34,300,000
	Less: discount account on present value				(549,321)
				₩	<u>33,750,679</u>

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Regarding the above borrowings, the Company provided the investment property as collateral and details are as follows:

<i>(in thousands of Korean won)</i>	Collateral	Book value	Secured amount	Related borrowings	Financial institutions
Investment properties	Anseong Samjuk	₩ 62,610,683	₩ 41,160,000	Tranche A	KB Insurance Co., Ltd KB CAPITAL CO., LTD, KB Savings Bank Co.,Ltd.
			28,800,000	Tranche B	

12.Share Capital and Other Paid-in-Capital

Details of share capital as at November 30, 2021, are as follows:

<i>(in Korean won)</i>	Total number of issued shares	Par value per share	Share capital
Common shares	740,000 shares	₩ 1,000	₩ 740,000,000
Class shares ¹	116,667 shares	1,000	116,667,000

¹ The class shares issued by the Company have no voting rights and no preferential, cumulative or participating rights over dividends.

Details of other paid-in-capital as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021
Additional paid-in-capital	₩ 5,137,198

Changes in share capital for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	Common shares		Ordinary shares	
	Number of shares	Amount	Number of shares	Amount
Establishment	300,000	₩ 300,000	-	₩ -
Increase in issued capital	440,000	440,000	116,667	116,667
Ending balance	740,000	₩ 740,000	116,667	₩ 116,667

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13. Accumulated Deficit

Details of accumulated deficit as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Accumulated deficit	₩	(57,723)

Changes in accumulated deficit for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	2021	
Beginning balance	₩	-
Loss for the period		(57,723)
Ending balance	₩	<u>(57,723)</u>

The disposition of accumulated deficit for the period from July 20, 2021 to November 30, 2021, is expected to be disposed at the shareholders' meeting on February 18, 2022.

The disposition of accumulated deficit for the period from July 20, 2021 to November 30, 2021, is as follows:

<i>(in thousands of Korean won)</i>	2021	
Loss for the period	₩	(57,722,514)
Retained earnings available for appropriation		(57,722,514)
Transfers such as additional paid-in-capital		2,068,036,214
Transfers such as other paid-in-capital		2,068,036,214
Disposition of accumulated deficit		-
Undisposed accumulated deficit to be carried forward	₩	<u>2,010,313,700</u>

14. Income Tax Expense

Income tax expense is the sum of income tax calculated at the amount expected to be paid to the taxation authorities under the Corporate Tax Laws and adding or subtracting the changes in deferred tax in the current period.

Under the Article 51-2 of Corporate Tax Law of the Republic of Korea, Income Deduction for Special Purpose Companies, etc., if the Company pay-outs 90% and more of its profit available for dividends as dividends, the Company shall be entitled to deduct such amount from its taxable income for the fiscal year. Since there was no corporate tax to be paid, the Company has not recognized any income tax expenses.

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15. Losses per Share

Basic losses per share for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in Korean won)</i>		2021
Loss for the period	₩	(57,722,514)
Dividends for class shares		-
		<u>(57,722,514)</u>
Weighted average number of common shares outstanding		<u>313,233 shares</u>
Basic losses per share	₩	<u>(184)</u>

Weighted average number of common shares outstanding for the period from July 20, 2021 to November 30, 2021, are calculated as follows:

<i>(in shares)</i>		2021	
	Number of shares	Accumulated number of days	Accumulated number of common shares outstanding
Beginning	300,000	129	38,700,000
Increase in issued capital	740,000	4	2,960,000
Weighted average number of common shares outstanding			<u>313,233</u>

Diluted losses per share

The Company did not issue any potential common shares. Therefore, basic losses per share is identical to diluted losses per share.

16. Operating Revenues

Operating revenues for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>		2021
Rental income	₩	6,782
Management income		545
Other income		82
	₩	<u>7,409</u>

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The future minimum lease payments expected to be received in relation to the operating lease agreement as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	2021	
Within one year	₩	2,328,027
Between 1 and 2 years		2,550,799
Between 2 and 3 years		2,550,799
Between 3 and 4 years		2,574,181
Between 4 and 5 years		2,599,923
Later than five years		370,725
	₩	<u>12,974,454</u>

17. Operating Expenses

Operating expenses for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	2021	
Other fees	₩	33,985
General affairs consignment fees		10,500
Asset custody consignment fees		7,750
Salaries		7,000
Depreciation		2,409
Taxes and due		1,488
Asset management consignment fees		858
Insurance expenses		311
Deemed rent		4
	₩	<u>64,305</u>

18. Financial Income and Expenses

Financial income and expenses for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	2021	
Financial income		
Interest income	₩	149
Financial expenses		
Interest expenses	₩	976

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19. Financial Risk Management

19.1 Capital risk management

The primary objective of The Company's capital management is to maintain its ability to continuously provide return to its shareholders and stakeholders and to optimize its capital structure to reduce capital expenses.

The Company adopted debt-to-equity ratio for the capital management index, which is calculated by dividing total liabilities over total capital.

Debt-to-equity ratio as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Liabilities	₩	68,961,993
Equity		5,936,142
Debt-to-equity ratio		1161.73%

19.2 Financial risk factors

The Company's financial assets and liabilities are exposed to various risks including market risk, credit risk and liquidity risk. The Company's financial risk management focuses on identifying the potential risks that may arise from operating activities and eliminating or minimizing these risks to an acceptable level.

(a) Market risk

The Company has no assets or borrowings that are exposed to changes in foreign currency exchange rates or risk of interest rate fluctuations.

(b) Credit risk

Credit risk refers to the risk that the customer or the counterparty will suffer financial losses due to failure to fulfil their contractual obligations in our ordinary transactions and investment activities.

- Level of exposure to credit risk

The carrying amount of the financial asset represents the maximum exposure to credit risk. The degree of exposure to credit risk as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	November 30, 2021	
Cash and cash equivalents	₩	6,589,268
Long-term financial instruments		1,275,400
Other financial assets		733

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(c) *Liquidity risk*

The Company has established a liquidity risk management framework for the management of The Company's short- and medium-term financial assets and liabilities and continuously monitors forecasts and actual cash flows to respond to the maturity profiles of these financial assets and liabilities. Management assesses that financial liabilities can be repaid through cash flows from operating activities and cash inflows from financial assets.

Analysis of liquidity risk as at November 30, 2021, are as follows:

(in thousands of Korean won)

	November 30, 2021					
	Book amount	Contractual cash flows	Within 1 year	1 year ~ 2 years	2 years ~ 5 years	Over 5 years
Trade payables	₩ 5,191,787	₩ 5,191,787	₩ 5,191,787	₩ -	₩ -	₩ -
Accrued expenses	5,541	5,541	5,541	-	-	-
Short-term borrowings	28,143,531	29,199,290	29,199,290	-	-	-
Long-term borrowings	33,750,679	36,872,500	857,500	857,500	35,157,500	-
Leasehold deposits	1,121,386	1,275,400	-	-	-	1,275,400
	<u>₩ 68,212,924</u>	<u>₩ 72,544,518</u>	<u>₩ 35,254,118</u>	<u>₩ 857,500</u>	<u>₩ 35,157,500</u>	<u>₩ 1,275,400</u>

20. Financial Instruments by Category and Fair Value

Financial instruments by category and fair value as at November 30, 2021, are as follows:

(in thousands of Korean won)

	November 30, 2021	
	Book amount	Fair value
Financial assets		
Cash and cash equivalents	₩ 6,589,268	₩ 6,589,268
Long-term financial instruments	1,275,400	1,275,400
Other financial assets	733	733
	<u>₩ 7,865,401</u>	<u>₩ 7,865,401</u>
Financial liabilities		
Other financial liabilities	₩ 6,318,714	₩ 6,318,714
Short-term borrowings	28,143,531	28,143,531
Long-term borrowings	33,750,679	33,750,679
	<u>₩ 68,212,924</u>	<u>₩ 68,212,924</u>

The Company determines that the acquisition or amortized costs of financial assets and liabilities other than the financial assets and liabilities measured at fair value are reasonable approximation of fair value.

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Net gains or losses on each category of financial instruments for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	2021
Financial assets at amortized cost	
Interest income	₩ 149
Financial liabilities at amortized cost	
Interest expenses	976

21. Related Party Transactions

Related parties as at November 30, 2021, are as follows:

	Related party
Parent Company	ESR Kendall Square REIT Co., Ltd.
Other related party ¹	Kendall Square REIT Management Co., Ltd. ESR Kendall Square Asset No.1 REIT Co., Ltd. CPP Investment Board Real Estate Holdings Inc. ESR Kendall Square REIT Holding PTE, LTD.

Transactions with related parties for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	Related party	Details	2021
Other related party	Kendall Square REIT Management Co., Ltd.	Asset management consignment fees ¹	₩ 590,858

¹ Asset management consignment fees for Kendall Square REIT Management Co., Ltd. includes asset purchase fee ₩ 590 million, which is included in the acquisition cost of investment properties.

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Outstanding balances to related parties as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	Related party	November 30, 2021	
		Trade payables	
Other related party	Kendall Square REIT Management Co., Ltd.	₩	649,944

Fund transactions with related parties for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	Related party	Details	2021
Parent Company	ESR Kendall Square REIT Co., Ltd.	Increase in issued capital	₩ 2,500,000
Other related party	Kendall Square REIT Management Co., Ltd.	Investment in class shares	3,500,010

Compensation for key management of the Company for the period from July 20, 2021 to November 30, 2021, consists of:

<i>(in thousands of Korean won)</i>	2021
Short-term employee benefits	₩ 7,000

22. Operating Segments

The Company operates as a single reporting segment, considering the nature of the services that generate operating profits. Therefore, disclosure of operating income, net income before income tax expense, and total assets and liabilities by reporting sector was omitted in these reports.

23. Cash flow

The significant non-cash transactions for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	2021
Trade payables related to acquisition of property and equipment	₩ 789,245
Accrued expenses related to acquisition of property and equipment	5,144
Rent-free included in acquisition cost of property and equipment	218,850
Transfer of trade payables into discount account on present value	86,774
Reclassification to current portion of unearned revenue	399,482

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Changes in liabilities arising from financial activities for the period from July 20, 2021 to November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	Beginning balance	Cash flow from financial activities	Changes in non-cash transactions¹	Ending balance
Short-term borrowings	₩	-	₩ 28,143,531	₩ 28,143,531
Long-term borrowings		-	34,300,000	33,750,679
Leasehold deposits		-	1,121,309	1,121,386

¹ Changes in non-cash transactions include non-cash movements and interest payments which are presented as operating cash flows in the statement of cash flows when paid.

24. Commitments

(a) Contract for the asset management services

The Company entered into a contract of the asset management services such as acquisition, management, development, improvement and disposal of real estate, lease, and sales of securities with ESR Kendall Square REIT Management Co., Ltd. Details of fees as follows:

Details

Management fees	<p>a. Real estates:</p> <p>(Purchase price + additional cost related to purchase) X 0.5% (Annual Percentage Rate)</p> <p>b. Assets except real estate such as collective investment securities and equity securities:</p> <p>(The amount of real estate that is the underlying asset at the time the consigner purchase + additional cost related to purchase) X 0.5% X consigner's ratio of shareholding</p>
Purchase fee	<p>a. Real estates:</p> <p>Purchase price X 1.0%</p> <p>(*) 0.75%, in the case of real estate held by the asset manager's affiliated company is a collective investment business operator that is a collective investment scheme or a project finance investment company that is an asset management company pursuant to Article 51-2 of the Corporate Tax Act and Article 86-2 of the Enforcement Decree of the Corporate Tax Act.</p> <p>b. Assets except real estate such as collective investment securities and equity securities:</p> <p>The amount of real estate that is the underlying asset of assets for purchase X</p>

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1.0% (*) X Consigner's ratio of shareholding

(*) 0.75%, in the cases of (i) the assets for purchased are shares of a real estate investment company under the Real Estate Investment Company Act and the asset manager or an affiliate of the asset manager is an asset management company of the relevant real estate investment company, (ii) the assets for purchased are collective investment securities issued by a real estate collective investment scheme and the asset manager's affiliated company is a collective investment business operator that is a collective investment scheme.

Basic sales commission	0.5% of the sales amount calculated when each asset is sold
Development fee	5% of the amounts that included acquisition tax (excluding land-related expenses, financial expenses, and operating expenses) and all expenses incurred from the completion date of land purchase to the date of approval of the building (temporary) use included in the acquisition tax table

In consultation with the asset management company, the consigner decides to calculate and pay the fees based on the total estimated amount of development fees reasonably determined. And also, it is decided to settle according to the difference between the estimated total development fee and the actual total development fee for the fiscal year in which the date of approval of the building (temporary) use belongs.

(b) General affairs consignment contract

The Company entered a general affairs consignment contract with Shinhan AITAS Co., Ltd. for affairs related to the issuance of shares, the operation, accounting and disclosure of the Company, and the board of directors and shareholder's meetings. Fees are paid ₩ 30 million per every fiscal year.

(c) Asset custody consignment contract

The Company entered a consignment contract for custody and management of assets such as real estate, securities, and cash with Shinhan Bank. Fees are paid ₩ 15 million per every fiscal year. The Company entered a consignment contract for custody and management of real estate with KB Real Estate Trust Co., Ltd. Separate fees are determined according to the "real estate collateral trust contract", and the trust fee amounts to ₩ 200 million for 5 assets.

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(d) Loan agreement

Details of the loan agreement as at November 30, 2021, are as follows:

<i>(in thousands of Korean won)</i>	Contract amount		Loan amount	
Tranche A (KB Insurance Co., Ltd)	₩	34,300,000	₩	34,300,000
Tranche B (KB CAPITAL CO., LTD, KB Savings Bank Co.,Ltd.)		24,000,000		24,000,000
Tranche C-1 (Kookmin Bank, KB Insurance Co., Ltd)		303,500,000		-
Tranche C-2 (Kookmin Bank)		114,500,000		-
Tranche E (KB Insurance Co., Ltd)		60,100,000		4,143,531
	₩	<u>536,400,000</u>	₩	<u>62,443,531</u>

25.Events After the Reporting Period

(a) Decision on increase in issued capital

After the reporting period, the Company increased its capital amounting to ₩ 395,551,000 thousand and plans to acquire the Gimhae logistics park and other three investment properties additionally.

<i>(in thousands of Korean won)</i>	Expected purchase date	Purchase price	
Gimhae logistics park 2	2021-12-20	₩	71,200,000
Icheon logistics park 5	2021-12-20		198,300,000
Anseong logistics park 2	2021-12-20		324,500,000
Anseong logistics park 3	2021-12-20		127,000,000
		₩	<u>721,000,000</u>

(b) Reduction in class shares

The Company decided to reduce the total amount for 116,667 class shares.