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ESR KendallSquare REIT

Relentless Journey

Annual Report 2024

Relentless Journey

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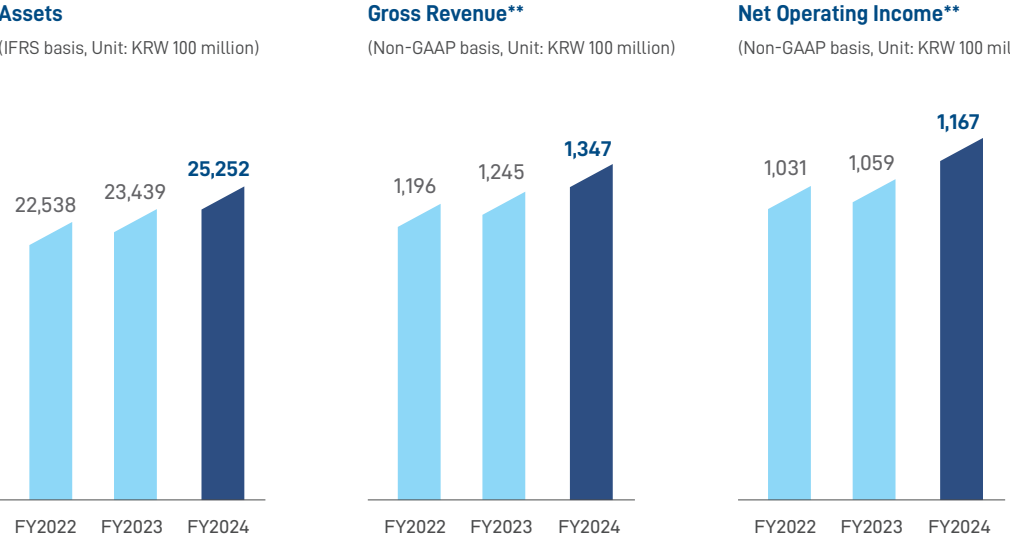


Financial Highlights

ESR Kendall Square REIT has continued to strengthen its foundation for growth since its IPO in 2020 through sustained asset expansion. In 2024, ESR Kendall Square REIT further reinforced its fundamentals by acquiring additional properties and ensuring the stable management of its core asset portfolio. With a focus on maximizing profitability and enhancing shareholder value, ESR Kendall Square REIT remains committed to sustainable growth in the year ahead.

(IFRS basis, Unit: KRW 100 million)		
	FY2023	FY2024
Assets	23,439	25,252
Liabilities	12,270	14,405
Equity	11,169	10,847
Gross revenue *	1,024	1,128
Operating expenses *	521	574
Net operating income (NOI) *	502	554
Non-operating income *	243	229
Non-operating expenses *	348	521
Profit for the period *	398	261
Dividend per share (KRW) *	272	274

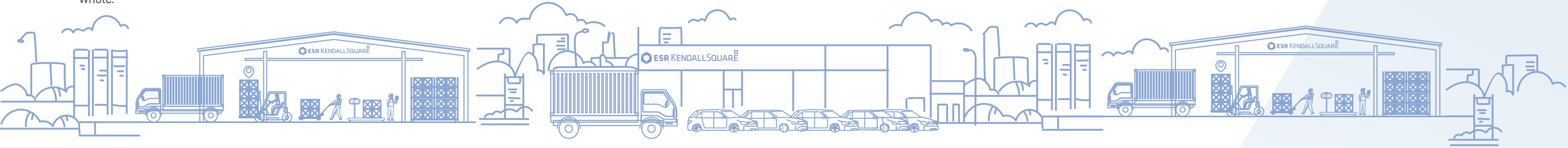
* Figures are for the 12-month periods ending on Nov. 30, 2023 for FY2023 and on Nov. 30, 2024 for FY2024. Figures from the statements of financial position (assets, liabilities, equity) are as of Nov. 30, 2023 and Nov. 30, 2024, respectively.



** The figures are non-GAAP financial measures calculated by the Company as income and expenses of investment assets held by REITs and funds (assumed 100% ownership for real estate funds) using figures in the financial statements of each said year. They may differ from figures reported in the financial statements. Past performance is not a guarantee of future performance, and future financial conditions and operating results may differ from past figures.

History

ESR Kendall Square REIT has been committed to maximizing shareholder value through sustainable growth and transparent management since its inception. ESR Kendall Square REIT continuously strives to establish itself as a sustainable platform that creates positive impact for its shareholders, customers, and society as a whole.



2020

First pure play logistics REIT listed in KOSPI market

- Aug. 24 • Real Estate Investment Trust (REIT) license granted by the Ministry of Land, Infrastructure and Transport
- Sep. 24 • Purchase of issued shares (100,000 common shares) of ESR KendallSquare Asset No. 1 REIT Co., Ltd. (subsidiary REIT No. 1)
- Oct. 27 • 1st convertible bond (CB) issuance of KRW 118.0 billion (bondholders: CPPIB)
 - 2nd paid-in capital increase (private equity): 47,300,000 common shares, KRW 48.2 billion
- Dec. 11 • Incorporation of four logistics centers (REF)
 - Icheon LP 1, Icheon LP 4, Yongin LP 2, Pyeongtaek LP
 - 3rd paid-in capital increase: 71,459,000 common shares / KRW 357.3 billion
 - 4th paid-in capital increase: 23,600,000 common shares / CB conversion
- Dec. 14 • Incorporation of six logistics centers (subsidiary REIT No. 1)
 - Bucheon LP (Cold), Goyang LP, Yongin LP 1, Icheon LP 2, Icheon LP 3, Gimhae LP 1
- Dec. 23 • Listed on Korea Stock Exchange (365550 KOSPI)



2021

Rights offering of KRW 442.0 billion, the largest among listed REITs

- Jun. 01 • Incorporation of Anseong LP 1 (subsidiary REIT No. 1)
- Jun. 10 • Acquisition of equity in Yongin LP 3 (REF)
- Jul. 16 • Establishment of ESR KendallSquare Asset No. 2 REIT Co., Ltd. (subsidiary REIT No. 2; 300,000 common shares)
- Sep. 02 • LEED certification (global green building rating system) (Goyang LP held by subsidiary REIT No. 1)
- Nov. 25 • Additional investment in subsidiary REIT No. 2 (440,000 common shares)
- Nov. 30 • Incorporation of Anseong LP 4 (subsidiary REIT No. 2)
- Dec. 17 • Additional investment in subsidiary REIT No. 2 (79,110,200 common shares)
 - 5th paid-in capital increase: 69,830,000 common shares / KRW 442 billion
 - Acquisition of additional stake (14.2%) in Yongin LP 3 (REF)
- Dec. 20 • Incorporation of four logistics centers (subsidiary REIT No. 2)
 - Gimhae LP 2, Anseong LP 2, Anseong LP 3, Icheon LP 5
- Dec. 21 • Completed rights offering worth KRW 442.0 billion



2022

First Korean listed REIT to be included in global REITs index

- Mar. 21 • First listed REIT in Korea included in FTSE EPRA Nareit Developed Index and FTSE EPRA Nareit Developed Asia Index
- May. 30 • Signing of pre-purchase agreement for Icheon LP 7 (subsidiary REIT No. 2)
 - Additional investment in subsidiary REIT No. 2 (2,000,000 common shares)
- Aug. 29 • Received A- (stable) rating from Korea Investors Service (Moody's)
- Oct. 02 • First Korean listed company to obtain the top grade of 5 stars in GRESB (Global Real Estate Sustainability Benchmark) survey (seven logistics centers of subsidiary REIT No. 1)



2023

Korea's Only Logistics REIT, Strengthening Portfolio Through Capital Recycling Acquisition of Icheon LP 7 & LP 6, Divestment of Icheon LP 1

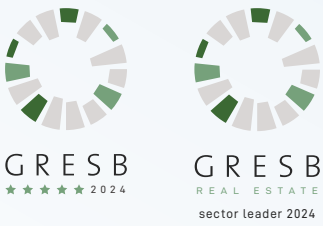
- May. 09 • Additional investment in subsidiary REIT No. 2 (9,000,000 common shares)
- May. 10 • Acquisition of Icheon LP 7 (completed in April 2023, equipped with cutting-edge facilities)
- Jun. 12 • Sale of Icheon LP 1
- Jun. 20 • First to publish sustainability (ESG) report among Korean listed REITs
- Jun. 29 • Additional investment in subsidiary REIT No. 1 (200,000 common shares)
- Oct. 04 • First Korean listed company to obtain GRESB 5-star rating for two consecutive years
- Oct. 27 • Received A- (stable) rating from Korea Investors Service (Moody's) (two consecutive years)
- Dec. 05 • Additional investment in subsidiary REIT No. 1 (600,000 common shares)
- Dec. 14 • Acquisition of Icheon LP 6 (completed in Jan. 2023, state-of-the-art dry logistics center)



2024

Acquired Icheon LP 8, 19 logistics centers in total, Total AUM (appraisal value) surpasses KRW 2.86 trillion

- Jun. 20 • First asset manager in Korea to obtain ISO 45001 certification for all logistics properties
- Oct. 11 • Achieved GRESB 5-Star rating for third straight year (Subsidiary REIT No.1, Subsidiary REIT No.2) and Global and Regional Sector Leader recognitions
- Oct. 24 • Acquired Icheon LP 8 (19th acquisition, LEED Gold-certified asset)



Spearheading the market as Korea's leading logistics REIT

ESR Kendall Square REIT, Korea's largest logistics-focused REIT, has continuously strengthened its foundation for growth since its listing on the Korea Exchange (KRX) in December 2020. Backed by extensive expertise in logistics development, investment, and asset management, the REIT has delivered consistent performance and stable long-term growth.

In 2024, ESR Kendall Square REIT reaffirmed its leadership in sustainability, securing the highest rating (5-Star) in the Global Real Estate Sustainability Benchmark (GRESB) for the third consecutive year. The successful acquisition of Icheon LP 8 further bolstered its asset portfolio, expanding total assets under management (AUM) to KRW 2.86 trillion (based on appraisal value). In addition, at year-end 2024, the REIT recorded a dividend yield of 6.4%, reinforcing its commitment to delivering stable and attractive returns to investors.

Looking ahead, ESR Kendall Square REIT will continue to drive both quantitative and qualitative growth through a sustainable growth strategy, further solidifying its role as the market leader in Korea's logistics REIT sector.

ESR KendallSquare REIT (365550 KS) is an externally managed REIT, and hires KendallSquare REIT Management (KSRM) as its sole day-to-day business operation manager.

CONTENTS

Introduction	Performance	Sustainability Management	Financial Review
10 Message from the CEO	22 Operation Review	48 Board of Directors	59 Independent Auditor's Report
14 Key Highlights	23 Portfolio Detail	50 Risk Management	62 Consolidated Statements of Financial Position
16 Overview of ESR Group	44 Market Overview	52 ESG Performance	63 Consolidated Statements of Comprehensive Income
18 About Our Sponsor	46 Investment Structure		64 Consolidated Statements of Changes in Equity
20 Stock Information			65 Consolidated Statements of Cash Flows
			67 Notes to the Consolidated Financial Statements
			105 Corporate Information

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Unrivalled Logistics Infrastructure: 19 State-of-the-Art
Centers in Seoul & Busan (Total GFA: 1,201,636m²)

Korea's Leading Logistics REIT
Delivering Sustained and
Stable Growth

ESR KendallSquare REIT has continued to grow AUM since its listing in 2020, reinforcing its position as the unrivalled market leader. Drawing on our distinct knowhow in developing and managing logistics properties, we are sustaining growth even in an uncertain market environment.

Unrivaled Logistics Infrastructure: 19 State-of-the-Art Centers in Seoul & Busan (Total GFA: 1,201,636m²)

Sustained Portfolio Expansion

Stable Management

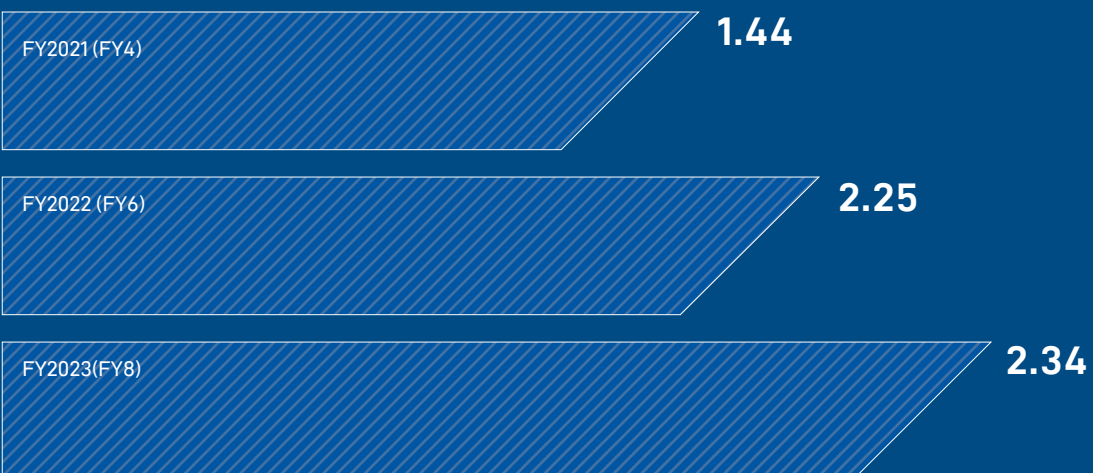
Achieving sustainable and stable growth year after year, ESR KendallSquare REIT has continued to stand at the forefront of Korea's logistics REITs market. In 2024, we successfully completed the acquisition of our 19th logistics property, thereby expanding AUM to over KRW 2.5 trillion and solidifying our unmatched presence among listed REITs in Korea.

Turning to our financial performance in 2024, we posted gross revenue of KRW 134.7 billion and non-operating income (NOI)* of KRW 116.7 billion on non-GAAP basis. For the 4-year period since our IPO at the end of 2020, NOI grew at a CAGR of 21%. By consistently producing solid financial results, ESR KendallSquare REIT is not only upholding its leadership status in the Korean logistics real estate market, but also delivering stable, long-term value to investors.

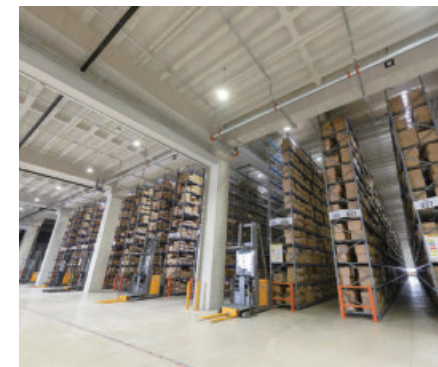
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Assets

(IFRS basis, Unit: KRW trillion)



FY2024 (FY10)



In 2024, ESR KendallSquare REIT expanded its logistics asset portfolio with the acquisition of Icheon LP 8 (GFA: 43,405m²). As a result, the total GFA (gross floor area) of the 19 logistics centers in our portfolio reached 1,201,636m². Located in major logistics hubs across Korea, our assets have established themselves as key logistics infrastructure highly favored by top-quality tenants. The stable management of our properties is evident in their occupancy rate, which stood at 99.0% as of December 2024. ESR KendallSquare REIT will continue to secure competitive, high-quality assets to ensure long-term income generation and value appreciation which, in turn, will contribute to retaining investors' trust.

KRW **2.53** trillion

First Korean REIT Included in the FTSE EPRA Nareit Index,
A- Credit Rating for Three Consecutive Years



Robust Capital Structure and Consistent Dividend Growth



Since becoming the first in Korea to be included in a global REITs index (FTSE EPRA Nareit index) in 2022, ESR KendallSquare REIT has extended its reputation as a trusted REIT in the global logistics real estate market. We maintained a credit rating of A- for three consecutive years, and we are the sole listed REIT in Korea in which the National Pension Service holds a stake exceeding 5%, a sign of recognition for our steady growth potential.

First Korean REIT Included in the FTSE EPRA Nareit Index,
A- Credit Rating for Three Consecutive Years



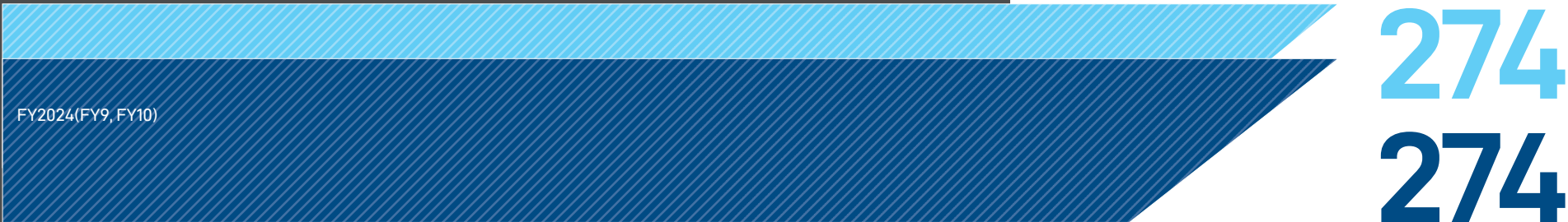
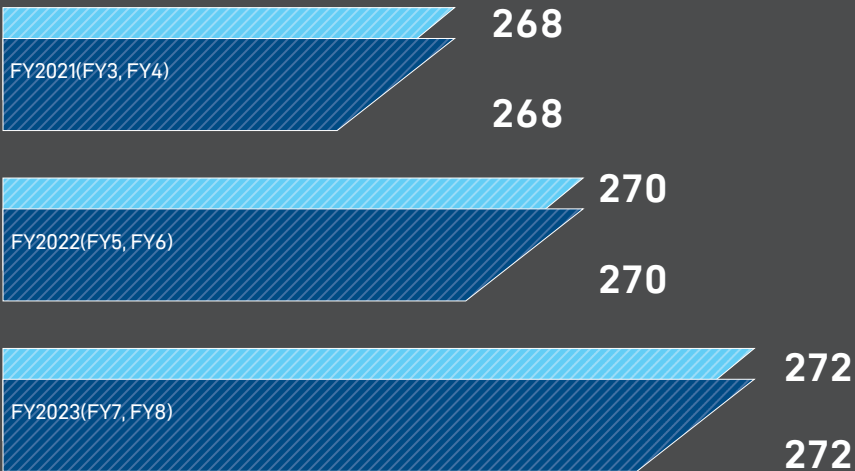
Robust Capital Structure &
Sustained Investment Potential

The successful rights offering worth KRW 442.0 billion, the largest among listed REITs, in 2021, strengthened the capital structure at ESR KendallSquare REIT. With our stable capital structure and healthy financials, we are well positioned for continued investment and portfolio expansion.

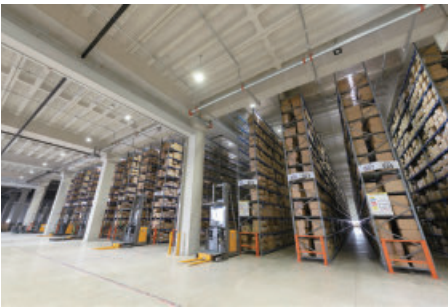
We maintain a consistent dividend growth policy and remain committed to maximizing shareholder value. As of the end of December 2024, our dividend yield stood at 6.4% and our share price was up more than 15% compared to the year's start. These figures reflect the market's confidence in our sound business strategy and improving profitability.

Dividend per Share (Unit: KRW)

Expected DPS* Actual DPS**



* Dividend per share for ordinary stock based on the Company's business plans.
** Finalized dividend per share after approval of financial statements by external auditor and general shareholders' meeting.



ESR KendallSquare REIT maintains financial soundness, with the loan-to-value (LTV) ratio holding steady at 52.4% as of the end of 2024. This is a key factor that enables both effective risk management and sustainable asset management, and allows us to gain a high level of trust from domestic and global investors. Regardless of shifting market conditions, our priority will remain on upholding a robust capital structure and investment stability, and we will continue to spare no effort as a trustworthy investment partner.

Three Consecutive Years of GRESB's Highest Rating



Unlocking Corporate Value with ESG Leadership



In 2022, ESR KendallSquare REIT became the first Korean listed REIT to receive the top GRESB (Global Real Estate Sustainability Benchmark) 5-star rating. Thanks to continued efforts at reinforcing ESG strategy and eco-friendly business pursuits, we won the top rating again in 2023 and in 2024. This demonstrates that we are leading the logistics real estate market with sustainable management practices that are in line with global standards.

Three Consecutive Years of GRESB's Highest Rating

Sustainable Value Creation

Driven by ESG Initiatives

Under its commitment to ESG management, ESR KendallSquare REIT has leased out the roofs of its logistics centers for solar panel installation. This also has the effect of business diversification and generation of additional revenues in the form of rental income. At present, solar panels have been installed in seven of our 19 logistics properties, and this is expected to create incremental rental income of roughly KRW 400 million annually.

Moreover, we pursue sustainable management by actively reflecting ESG factors in the entire asset life cycle, including site selection, design and construction of logistics centers. By incorporating ESG values across all business activities and effectively managing ESG risks, we will make every effort to positively impact the environment and all stakeholders while boosting corporate value over the long run.

Sale of Assets

Reflect ESG values in asset development and operation to increase value upon asset sale

- Sale of real estate reflecting sustainability factors for higher value relative to other assets

Operation & Management

Reduce costs, optimize operation, and adopt new technologies

- Sustainable operation and maintenance guidelines
- Green building certification for existing properties: LEED O+M, WELL Health Safety Rating, etc.
- Monitoring energy/water usage, greenhouse gas emissions, waste generation
- Assessment of climate change risk

Investment Analysis & Decision

Conduct ESG analysis prior to asset investment decision and minimize risk

- Selection of sustainable sites
- ESG due diligence
- Assessment of climate change risk

Sustainable Asset Life Cycle

Planning, Design & Development

Minimize ESG risk and enhance asset functionality

- Green building certification for new properties: LEED BD + C, etc.
- Ecosystem survey
- Assessment on potential for solar panel installation

Lease

Promote eco-friendly lease agreements

- Inclusion of green provisions in lease agreements to facilitate monitoring of energy/water use, waste, etc.

Proactive Commitment to Safety and Health

To foster a safe and healthy work environment, we have established management guidelines and systems related to safety and health, and are taking steps to ensure compliance with these standards. In June 2024, we became the first asset manager in Korea to acquire ISO 45001 certification for all logistics properties under management.



G R E S B
★★★★★ 2022



G R E S B
★★★★★ 2023



G R E S B
★★★★★ 2024



G R E S B
REAL ESTATE
sector leader 2024

Pursuing ESG Initiatives that Adhere to Global Green Standards

ESR KendallSquare REIT received the highest rating in the GRESB (Global Real Estate Sustainability Benchmark) evaluation for three years in a row. GRESB is the world's most authoritative ESG evaluation that comprehensively evaluates real estate assets and management companies for their environmental impact and stakeholder relations. We increased the number of our assets participating in the evaluation from seven in 2023 to 14 in 2024, and achieved the impressive feat of ranking in second place among a total of 47 global listed property companies in the industrial sector.

* GRESB (Global Real Estate Sustainability Benchmark) is the world's most authoritative ESG evaluation that comprehensively evaluates real estate assets and management companies for their impact on the environment and relationships with stakeholders. The GRESB rating system ranges from one (low) to five (high) stars.



Sanghwoi Bae
CEO, KendallSquare REIT Management

Message from the CEO

ESR KendallSquare REIT enhanced its asset management capabilities and profitability, achieving significant value creation for our shareholders. In 2025, we will continue to strive for greater value for our shareholders and customers through strategic asset acquisitions, the pursuit of future growth drivers, and a commitment to sustainable ESG management.

Dear esteemed customers and shareholders,

On behalf of ESR KendallSquare REIT, I would like to extend my heartfelt gratitude and warmest greetings as we welcome 2025. Your unwavering trust and support have enabled us to navigate a challenging market environment, both domestically and internationally, and achieve remarkable milestones in 2024. Over the past year, we have further solidified our position as Korea's leading logistics REIT, driving growth and innovation in alignment with global standards. As we step into 2025, we are committed to making it a year of new opportunities, sustainable growth, and the realization of our future-oriented vision.

Strengthening Investor Confidence through Stable Asset Management and Dividend Growth

As Korea's leading logistics REIT, ESR KendallSquare REIT continues to deliver stable performance and sustainable growth. Over the past year, our 19 logistics assets generated a gross revenue* of KRW 134.7 billion, while net operating income (NOI)* increased by 10% year-over-year to KRW 116.7 billion. These strong results were driven by the acquisition of Icheon LP 8, the stabilization of Icheon LP 6 and LP 7, and rental rate increases. This performance reflects our robust asset management capabilities and proactive portfolio management strategy.

In a highly volatile market environment, ESR Kendall Square REIT has maintained solid performance, outperforming the benchmark index. As of the year-end closing price in 2024, our stock recorded a 15% increase compared to the beginning of the year.

Our portfolio of prime logistics assets, strategically located in key metropolitan areas, continues to demonstrate resilience, with a strong occupancy rate of 99.0%. This high occupancy level underpins our stable cash flows and robust financial performance.

Building upon our portfolio expansion and consistent rental growth, ESR Kendall Square REIT delivered an annual dividend per share (DPS) of KRW 274 in 2024, providing investors with a steady

source of income. Our sustainable dividend growth is driven by the acquisition of high-quality assets, continuous rental escalations, and operational efficiencies. Looking ahead, we remain committed to executing our strategies to generate long-term, sustainable returns for our investors.

Building on these achievements, ESR Kendall Square REIT has maintained a high level of market confidence, securing an A- credit rating from Korea Investors Service (KIS), a Moody's affiliate, for the third consecutive year.

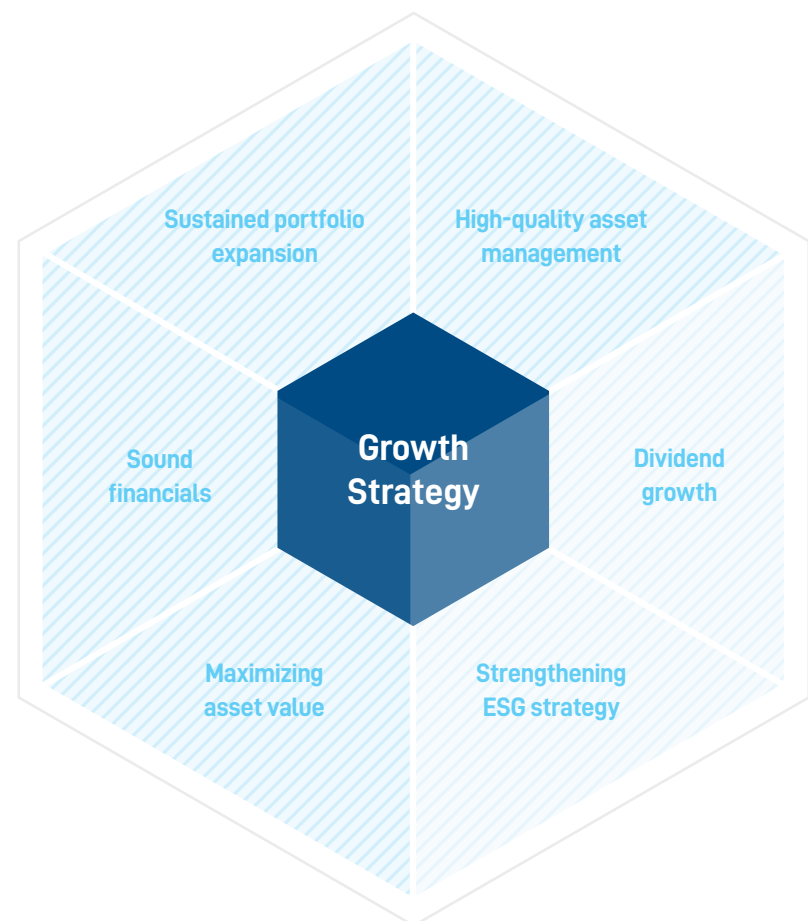
Furthermore, we became the first REIT in Korea to be included in the FTSE EPRA Nareit Global Index, marking a significant milestone in our global recognition. Notably, we are the only publicly listed REIT in Korea in which the National Pension Service (NPS) holds more than a 5% stake as of December 2024, reinforcing our position as a trusted investment platform among institutional investors.

Accelerating stable growth with acquisition of Icheon LP 8

ESR Kendall Square REIT achieved another significant milestone in Korea's logistics real estate market in 2024. In October, we successfully acquired Icheon LP 8, a prime logistics asset located in Icheon, Gyeonggi Province, at a competitive purchase price, once again demonstrating our industry leadership and asset management expertise. With this acquisition, our total assets under management (AUM), based on appraised value, have expanded to KRW 2.86 trillion, further strengthening our portfolio and enhancing corporate value.

Icheon LP 8 is a prime logistics asset strategically located in a key logistics hub of the Seoul Metropolitan Area. It boasts a well-diversified tenant mix, including leading domestic and global 3PL operators, and maintains a high occupancy rate with long-term lease agreements. With an average lease term (WALE) of three years, the property ensures stable and sustainable income. Additionally, its advanced facilities and environmentally friendly features have earned strong recognition from both investors and tenants, further reinforcing its long-term value.

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ESR Kendall Square REIT continues to differentiate itself with a competitive edge in asset management. Through an in-house, full-cycle management system, we provide an integrated solution covering site selection, design, construction, leasing, facility management, and asset disposal. This strategic approach enables us to sustain stable rental growth even in times of economic uncertainty, further solidifying our market position.

We also achieved outstanding results in refinancing. ESR Kendall Square REIT successfully completed refinancing at an average floating rate in the low 4% range, enhancing operational efficiency and positioning itself for improved profitability as interest rates decline. This not only strengthens our long-term asset recycling strategy but also contributes to sustainable earnings growth and shareholder value appreciation. Moreover, this successful refinancing underscores our financial soundness and reinforces market confidence in ESR Kendall Square REIT.

Achieving GRESB 5-Star Rating for Three Consecutive Years Through ESG Initiatives, Including Solar Panel Installations

ESR Kendall Square REIT remains committed to building a sustainable future through its ESG-focused (Environmental,

Social, and Governance) management approach. A key pillar of this strategy is the installation of solar panels on the rooftops of logistics centers, enabling the production of clean energy while creating a new revenue stream.

Currently, ESR Kendall Square REIT has deployed solar panels on major logistics centers, including Anseong LP 1–4, Gimhae LP 2, Icheon LP 5, and Yongin LP 1, contributing to sustainable energy generation. The electricity produced is supplied to the local power grid, helping to reduce carbon emissions and lower energy costs. Additionally, this initiative has evolved into an additional leasing business, generating approximately KRW 400 million in annual revenue, reinforcing a diversified and sustainable income model beyond traditional logistics rental earnings.

Furthermore, ESR Kendall Square REIT actively secures LEED Gold-certified green assets, enhancing energy efficiency and eco-friendly operations within its logistics portfolio. A notable example is Icheon LP 8, acquired in 2024, which boasts sustainable design and high energy efficiency, further aligning with our ESG commitment.

Recognizing these efforts, ESR Kendall Square REIT has been

awarded the highest 5-Star rating from the Global Real Estate Sustainability Benchmark (GRESB) for three consecutive years. This achievement underscores our dedication to ESG excellence and solidifies our position as a leader in sustainability within the domestic and global logistics real estate markets.

2025 Strategy for Future Growth

1. Maximizing profitability through high-quality portfolio expansion

ESR Kendall Square REIT continues to enhance profitability by expanding its portfolio of high-quality logistics assets. A key milestone in this strategy was the acquisition of Icheon LP 8 in 2024, a LEED Gold-certified, strategically located logistics center. By securing premium assets at competitive prices, we are simultaneously diversifying our portfolio and maximizing profitability. Furthermore, as our portfolio expands, we are achieving greater economies of scale, leading to cost reductions and enhanced operational efficiency. This disciplined approach enables us to drive sustainable asset growth and strengthen dividend stability, ensuring long-term value creation for our investors.

2. Cutting-Edge Logistics Solutions and ESG-Driven Asset Management

ESR Kendall Square REIT is committed to developing modern logistics infrastructure that meets global standards, maximizing asset value over the long term. Leveraging ESR Group's global expertise and operational capabilities, we are integrating advanced logistics models while securing a competitive edge through sustainable operations and eco-friendly facilities. In particular, we are embedding the Task Force on Climate-related Financial Disclosures (TCFD) principles into our strategy to proactively address climate change risks. By implementing high-efficiency energy solutions and environmentally friendly facilities across key assets, we are further strengthening our commitment to sustainability and long-term resilience.

3. Optimal financial strategy and efficient capital recycling

ESR Kendall Square REIT secures optimal refinancing terms aligned with market conditions, enabling flexible capital management, reduced interest costs, and long-term financial stability. Additionally, through a proactive capital recycling strategy, we strategically divest assets with appreciated value and reinvest in high-growth, core logistics properties. This disciplined approach allows us to maximize investment returns while reinforcing a sustainable growth foundation for the future.

4. Optimizing Portfolio with Prime Tenants for Stable Rental Income

ESR Kendall Square REIT strategically optimizes its portfolio by focusing on assets secured with high-quality tenants, ensuring stable and resilient rental income. We continue to acquire well-located assets in the Seoul Metropolitan Area and key logistics hubs, strengthening our portfolio's long-term competitiveness while maintaining a flexible asset strategy to adapt to market changes. Furthermore, by maximizing operational efficiency and reducing costs, we are committed to delivering more stable and sustainable dividends to our investors.

5. Growing dividends and maximizing investor return

As of the end of December 2024, ESR Kendall Square REIT's dividend yield stood at 6.4%. The REIT will continue to drive dividend growth through the acquisition of prime assets and rental income expansion. Additionally, it will enhance dividend distribution capacity by leveraging economies of scale and implementing an efficient operational strategy. With a strong foundation for sustainable growth, ESR Kendall Square REIT remains committed to providing investors with a reliable and predictable income stream over the long term.

6. Enhancing ESG management and sustainability

To minimize our environmental footprint, we apply global ESG standards across our entire portfolio, pursuing LEED certification and eco-friendly design for our assets. At our major logistics centers, we have installed solar panels for power generation and adopted energy-saving technologies. We are also taking preemptive measures to reduce carbon emissions and enhance sustainability with our strategy to address climate risk based on TCFD principles. Under our vision of "responsible, sustainable logistics real estate," we will place priority on ESG principles to provide long-term value to investors and society.

Dear esteemed customers and shareholders,

Tracing its origins to 2001, Korea's REIT market reached KRW 50 trillion in 2019 and doubled to KRW 100 trillion in just five years by 2024. In recognition of my contributions to the industry's growth, I was honored to receive the Minister of Land, Infrastructure and Transport Award in December 2024 as the CEO of Kendall Square REIT Management.

To shape a stronger and more sustainable future for the Korean REIT market, ESR Kendall Square REIT remains committed to advancing sustainable management practices, driving market innovation, and maximizing value for our shareholders.

While maintaining robust financial discipline, we will pursue strategic investments and efficient asset management to enhance portfolio quality and diversification. As we take steady steps toward our KRW 10 trillion AUM goal by 2030, we reaffirm our commitment to solidifying our position as Korea's leading logistics REIT and delivering long-term, stable returns to our investors.

Thank you.

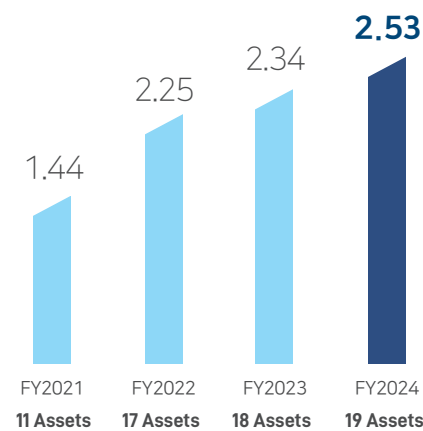
February 2025

Sanghwoi Bae
CEO, KendallSquare REIT Management

Key Highlights

Assets

(Unit: KRW trillion)



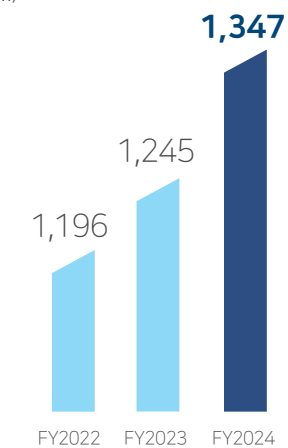
AUM (based on appraisal value)



Gross Revenue*

(Non-GAAP basis, Unit: KRW 100 million)

* The figures are non-GAAP financial measures calculated by the Company as income and expenses of investment assets held by REITs and funds (assumed 100% ownership for real estate funds) using figures in the financial statements of each said year. They may differ from figures reported in the financial statements. Past performance is not a guarantee of future performance, and future financial conditions and operating results may differ from past figures.



Occupancy Rate



99.0 %

As of end-Dec. 2024

No. of Assets

(as of Nov. 30, 2024)

19 (Logistics Parks)

Oct. 2024, acquisition of Icheon LP 8

INDEX

(as of Mar. 21, 2024)

FTSE EPRA Global Nareit Developed
FTSE EPRA Global Nareit Developed Asia

Leading global REITs index; Korea's first listed REITs to be included in the index

Assets with Green Certification

92%

Relative to completed assets' total GFA

In 2024, totally 18 assets acquired/maintained eco-friendly building certification. In terms of GFA, they represent 1,108,615m², or 92% of ESR KendallSquare REIT's total asset portfolio GFA of 1,201,636m². We will continue to expand our green asset portfolio to enhance assets' functionality and minimize climate risk.

Gross Floor Area (GFA)

(Unit: 1000 m²)



Credit Rating

Reflective of high-quality tenants and solid cash flows based on stable financial structure

A-



Stable

Oct. 28, 2024

Korea Investors Service (Moody's)

Awarded GRESB's Highest 5-Star Rating for Three Consecutive Years



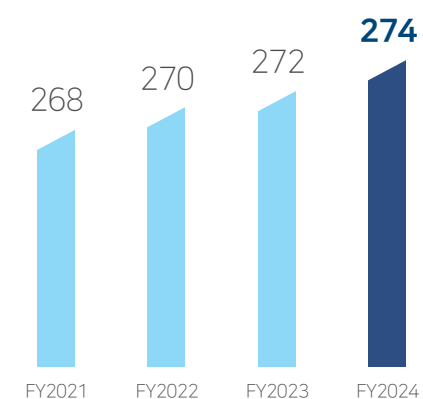
GRESB
★★★★★ 2024

GRESB
REAL ESTATE
sector leader 2024

ESR KendallSquare REIT was the first in Korea to receive the GRESB (Global Real Estate Sustainability Benchmark) top rating. We had seven assets taking part in the GRESB evaluation in 2023. In 2024, we had 14 participating assets and ranked second among 47 global listed property companies in the industrial sector (Subsidiary REIT No.2: Sector Leader).

Dividend Per Share

(Unit: KRW)



Dividend Yield

6.4%

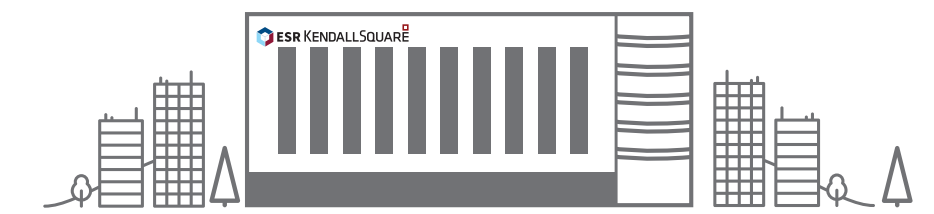
As of end-Dec. 2024



Loan-to-Value (LTV) Ratio

52.4%

As of end-Dec. 2024



Overview of ESR Group

ABOUT ESR GROUP

ESR Group ("ESR") is Asia-Pacific's ("APAC") leading New Economy real asset manager and one of the largest listed real estate investment managers globally.¹ Its fully integrated fund management and development platform extends across Australia/New Zealand, Japan, South Korea, Greater China, Southeast Asia ("SEA"), and India, including a presence in Europe and the United States ("U.S."). ESR provides investors with a diverse range of real asset investment and development solutions across private and public investment vehicles. Its focus on New Economy real

assets offers customers modern solutions for logistics, data centres, life sciences, infrastructure, and renewables. ESR's purpose, Space and Investment Solutions for a Sustainable Future, drives the Group to manage sustainably and impactfully for the communities where it operates and the spaces it develops to thrive for generations to come. ESR Group is listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange") (HKSE:1821.HK). Visit www.esr.com for more information.

FEE-RELATED ASSETS UNDER MANAGEMENT ("AUM")^{2,3}

US\$80 billion

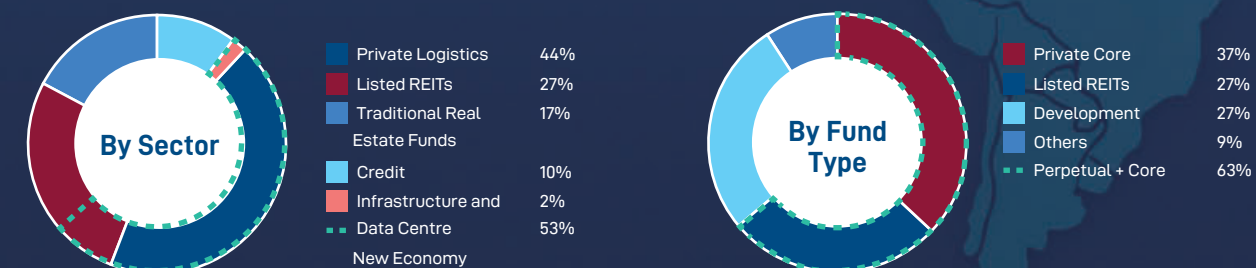
TOTAL AUM^{2,4}

US\$154 billion

GROSS FLOOR AREA ("GFA")

50million sqm

FEE-RELATED AUM COMPOSITION



Notes:

1. Fund Manager Survey 2024 published by ANREV, INREV and National Council of Real Estate Investment Fiduciaries (NCREIF). In September 2024, ESR Group was also ranked number one in PERE's APAC Fund Manager Guide ranking of the top 50 private equity real estate fund managers in 2024.

2. Based on FX rates as at 30 June 2024

3. Fee-related AUM excludes AUM from Associates, balance sheet investment properties and levered uncalled capital

4. Total AUM included the reported AUM of the Associates and assumed the value of the uncalled capital commitments in the private funds and investment vehicles on a levered basis

5. Excludes US\$0.3 billion of uncalled capital attributable to ARA Private Funds

6. Includes Singapore listed REITs

* Source: ESR Group Interim report 2024



FUND MANAGEMENT

ESR manages a broad range of funds and investment vehicles that invest in a diverse portfolio of premium real assets in various stages of the property life cycle, providing a single interface with multiple investment opportunities for its capital partners.



NEW ECONOMY DEVELOPMENT

ESR's New Economy development platform has a comprehensive suite of technical capabilities and services covering every stage of the development cycle including land sourcing, design, construction and leasing



INVESTMENT

ESR's investments comprise coinvestments into its funds and REITs under management, investments in listed/private held real estate investment vehicles, as well as investment properties (completed and under development).

U.S. AND EUROPE

US\$13 billion
FEE-RELATED AUM



MAINLAND CHINA

US\$13 billion
FEE-RELATED AUM



JAPAN AND SOUTH KOREA

US\$14 billion
FEE-RELATED AUM



HONG KONG

US\$7 billion
FEE-RELATED AUM



PAN-APAC, DATA CENTRES AND INFRASTRUCTURE

US\$2 billion
FEE-RELATED AUM



INDIA AND SEA⁶

US\$16 billion
FEE-RELATED AUM



AUSTRALIA AND NEW ZEALAND

US\$15 billion
FEE-RELATED AUM



About Our Sponsor

ESR KendallSquare: Korea's No.1 Logistics Real Estate Platform with Unmatched Expertise and Global Infrastructure



ESR Kendall Square, Korea's premier logistics real estate developer and operator, provides comprehensive, end-to-end solutions across the entire logistics real estate value chain. With a dynamic 4,455,970m² development pipeline, the company sustains a competitive edge while securing long-term, sustainable growth.

Leveraging deep market expertise and ESR Group's extensive global infrastructure, ESR Kendall Square provides cutting-edge logistics warehouse solutions tailored to the evolving needs of both domestic and international tenants. The company also unlocks exclusive investment opportunities in Korea's rapidly expanding logistics real estate sector, catering to leading institutional investors worldwide.

With a nationwide portfolio totaling 7,760,650m², ESR Kendall Square continues to solidify its leadership position, shaping the future of logistics real estate through innovation, operational excellence, and sustainable growth.

**Leadership
in Advanced
Logistics Facility
Development
Business**

**10+ Years of Experience
and Knowhow in
Developing and Operating
State-of-the-Art Facility
Assets in Korea**

**Innovative Design
Technology**

Value Chain

ESR KendallSquare leverages unparalleled expertise in logistics real estate and a robust tenant network to drive market leadership and sustained growth

Strong Capabilities in Logistics

- Development pipeline*: 4,455,970 m²
- Manage the overall logistics center development cycle based on advanced technological expertise and competence (land purchase, design, construction and lease)
- Leverage a range of strategic levers – value addition for distressed assets, advance purchase of logistics centers, and redevelopment – to generate optimal return on logistics center investment

Proven Track Record in Asset Management

- Total AUM in GFA*: 3.3 million m²
- Total AUM in US\$: US\$ 11.9 billion (approx. KRW 16.5 trillion)
- Diversify the lease portfolio by offering optimal solutions and services that cater to diverse tenant needs
- Management expertise: Engage in the management of overall asset operation plans, real estate assets, consignment contracts, and contractual compliance issues
- Develop long-term strategies to secure a reliable profit base for real estate and increase their value

General Partners (GP) Expertise

- Number of joint ventures under management*: 6
- Invest in prime logistics centers through PFV, REF, REIT and other investment vehicles, and manage & operate the overall fund cycle
- Provide optimal fund solutions on the back of track records in raising large-scale funds from major investors, relevant expertise and relationship management

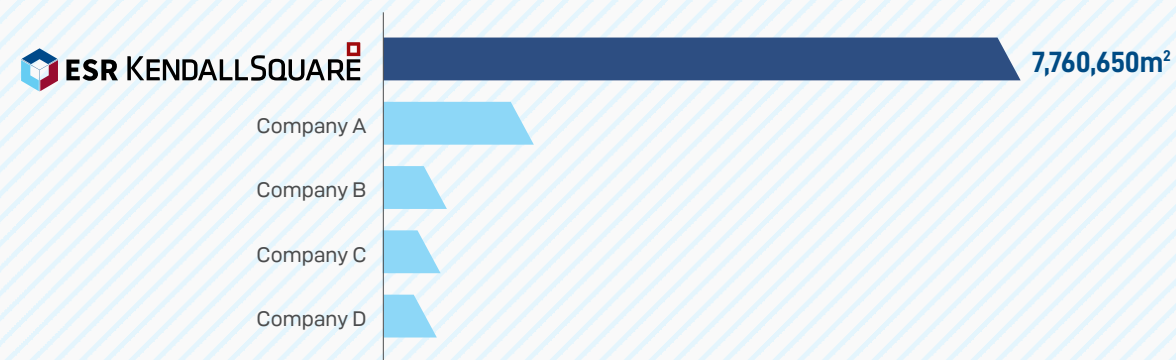
**INVESTMENT
OPPORTUNITY
IDENTIFICATION &
DEVELOPMENT**

ASSET MANAGEMENT

**GENERAL PARTNERS
EXPERTISE**

*As of the end of June 2024

Logistics assets operated and owned by ESR KendallSquare in Korea and its pipeline estimated by 2024



※ based on GFA (m²)

Tenant Network



Global customers that favor ESR Asia Pacific



High quality logistics customers in Korea



Reliable business relationships with global customers and local partners based on trust



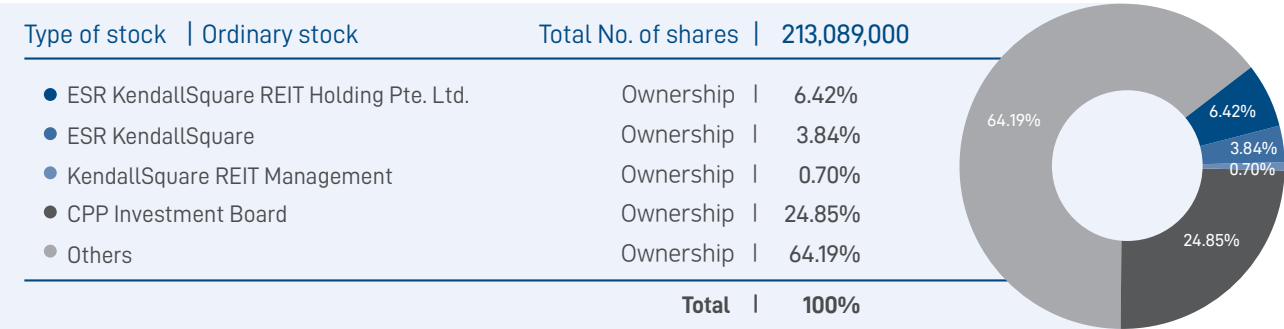
Expanding KendallSquare's influence through agreements and business relationships with a range of distributors

Source: ESR KendallSquare Introduction 2024

Stock Information

Shareholders

As of the end of November 2024, the Canada Pension Plan Investment Board (CPPIB) is the largest shareholder of ESR Kendall Square REIT, holding a 24.85% stake. Following CPPIB, ESR KendallSquare REIT Holding Pte. Ltd., ESR KendallSquare, and Kendall Square REIT Management hold shares in descending order. Notably, ESR Kendall Square REIT is the only publicly listed REIT in Korea in which the National Pension Service (NPS) holds more than a 5% stake. Additionally, it has the highest foreign ownership among all listed REITs in Korea.



Korea Investors Service (Moody's)

A-

As of Oct. 28, 2024

Dividend yield



6.4%

As of end-Dec. 2024

Credit Rating

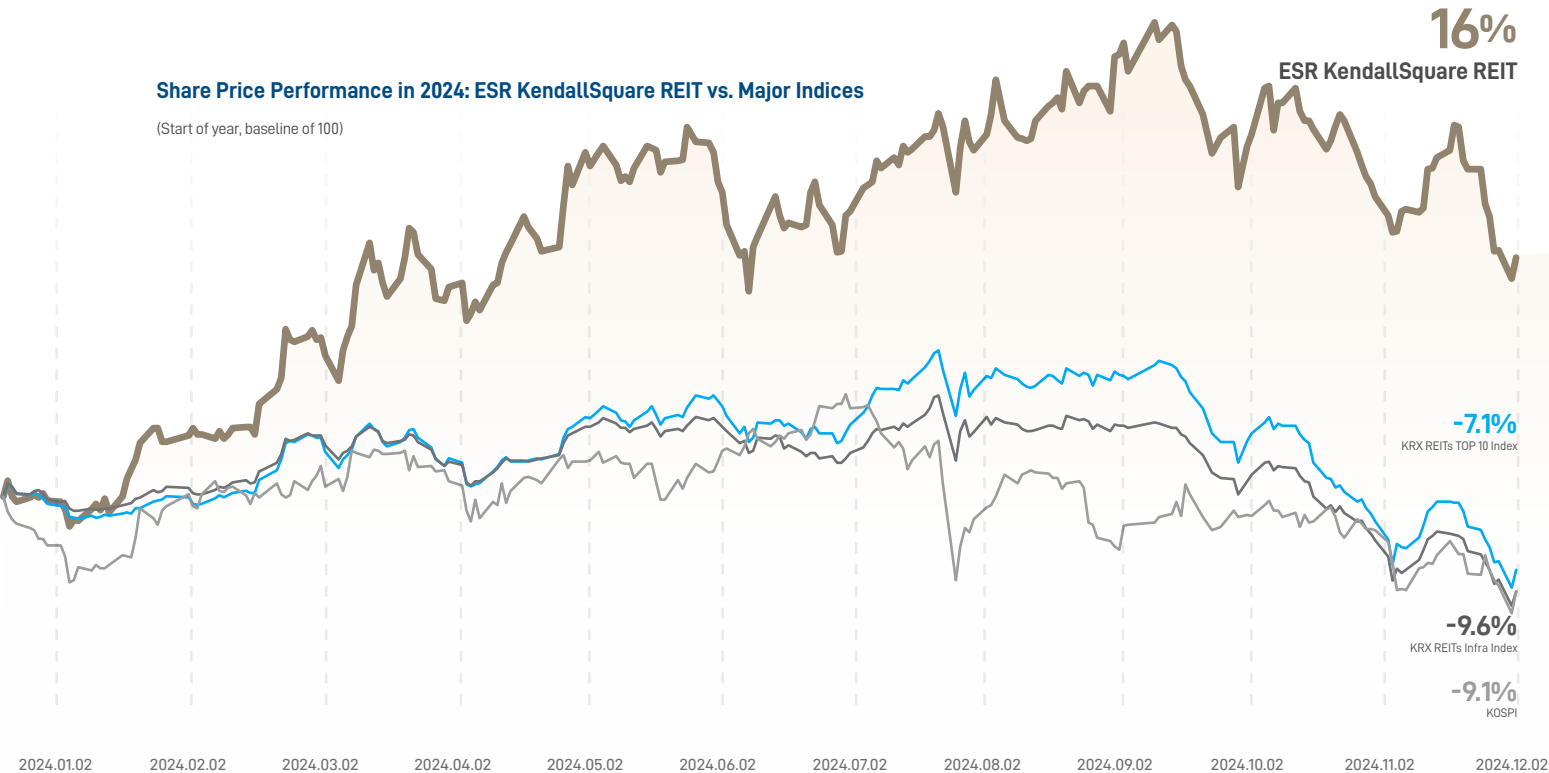
ESR KendallSquare REIT received a credit rating of 'A-' from Korea Investors Service (Moody's) for three consecutive years based on objective assessment of business operations and financial structure. As a listed REIT specializing in logistics centers, we were recognized for the high quality of our asset portfolio, healthy revenue structure, low vacancy rate, and steady financial position backed by rights offering and asset holdings. The rating agency also gave us a 'Stable' outlook considering our asset composition, LTV ratio and cash flows.

Dividends

ESR KendallSquare REIT declares dividends every six months, with the record date being May 31 and November 30 of each year. In 2024, we declared dividend per share of KRW 137 for the respective dates. Dividends are distributed within one month of the annual general shareholders' meeting. Regardless of difficult economic conditions, ESR KendallSquare REIT has consistently increased dividends since its listing. With enhancing shareholder value as our key strategic priority, we are securing market-leading profitability and fulfilling our promise to deliver stable and consistent returns to investors.

Share Price Performance in 2024: ESR KendallSquare REIT vs. Major Indices

(Start of year, baseline of 100)



PERFORMANCE

- 22 Operation Review
- 23 Portfolio Detail
- 44 Market Overview
- 46 Investment Structure



Operation Review

ESR Kendall Square REIT continues to demonstrate strong operational performance and sustainable growth, supported by stable rental income and a robust tenant portfolio.

By actively advancing global ESG initiatives, the REIT reinforces its leadership in sustainability and responsible investment. Backed by market trust and high external recognition, ESR Kendall Square REIT solidifies its position as Korea's leading logistics REIT.

Strategic Asset Expansion and Portfolio Growth

- In October 2024, ESR Kendall Square REIT acquired Icheon LP 8, a prime logistics asset located in Majang-myeon, Icheon, Gyeonggi Province, for KRW 76.4 billion, increasing the total number of assets in its portfolio to 19. This acquisition, made approximately ten months after the purchase of Icheon LP 6 and Icheon LP 7, further strengthens the REIT's market position and asset diversification. Following this addition, the total assets under management (AUM), based on appraised value, reached KRW 2.86 trillion.
- Icheon LP 8 is a dry logistics center with a gross floor area (GFA) of 43,405m² (approximately 13,130 pyeong). Strategically located just 3.3 km (a five-minute drive) from Deokpyeong Interchange, a major logistics hub in the southeastern Seoul metropolitan area, the asset boasts excellent accessibility. It is also in close proximity to key expressways, including the Yeongdong Expressway, Jungbu Expressway, and the Seoul Metropolitan Area Second Ring Expressway, reinforcing its strong logistics and transportation infrastructure. The asset maintains a high occupancy rate and was acquired at a competitive price compared to comparable transactions in the area.
- As of the end of October 2024, ESR Kendall Square REIT owns 19 state-of-the-art logistics centers, with a total GFA of 1,201,636m². The REIT has established a sustainable capital recycling strategy, leveraging strategic acquisitions, well-planned divestments, and reinvestments to maintain a perpetual REIT structure. Furthermore, the continuous expansion of the e-commerce sector and increasing demand for key logistics hubs are expected to drive stable rental income growth, mitigating the impact of inflationary fluctuations and reinforcing ESR Kendall Square REIT's position as a leading logistics real estate investment platform.

Stable rental income generation in 2024

New and renewal lease area

70,671m²

No. of new and renewal lease agreements

9

Average rental fee increase

12%

Leading ESG Initiatives with Global Standards

- In 2024, ESR KendallSquare REIT received the highest 5-Star rating in the GRESB (Global Real Estate Sustainability Benchmark) evaluation for the third consecutive year, following its milestone as the first listed REIT in Korea to achieve this rating in 2022. Additionally, in 2024, JaREIT No.2 was recognized as a Sector Leader, ranking second among 47 global listed industrial real estate companies. The number of assets assessed increased from seven in 2023 to 14 in 2024, demonstrating the REIT's growing commitment to ESG excellence.
- As part of its ESG-driven strategy, ESR Kendall Square REIT has installed solar panels on the rooftops of seven logistics centers, supplying clean energy to nearby power grids, thereby reducing carbon emissions and energy costs. Additionally, this initiative has generated an annual income of KRW 400 million through rooftop leasing, establishing a new and sustainable revenue stream. With a strong commitment to ESG principles, ESR Kendall Square REIT continues to establish a sustainable, long-term ESG-driven business model, reinforcing its leadership in shaping the future of sustainable logistics real estate, both in Korea and globally.

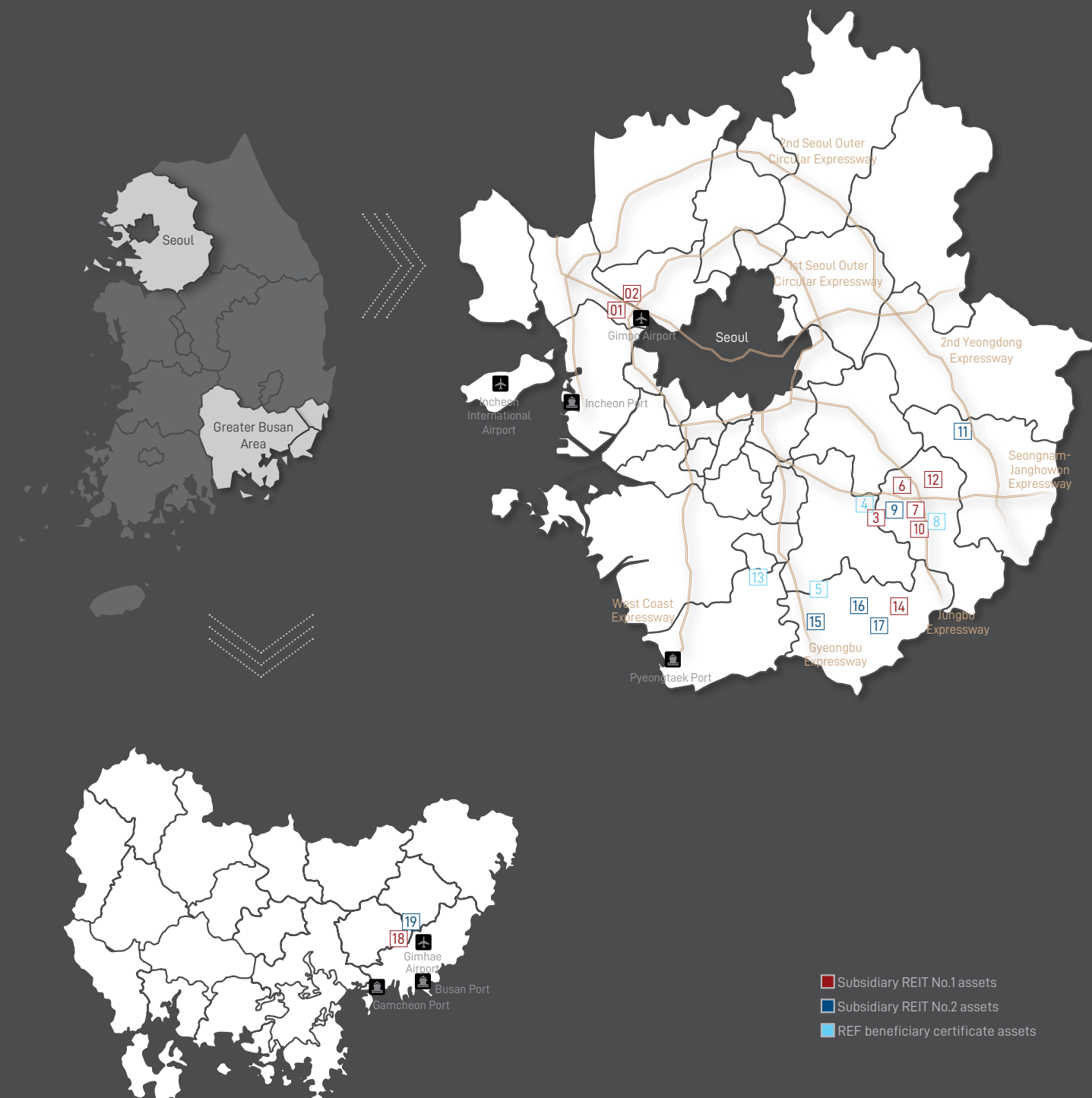
Asset Value Growth and Strategic Refinancing Achievements

- ESR Kendall Square REIT successfully secured competitive refinancing in the low 4% range, despite a high-interest rate environment, leveraging its strong financial position and asset value growth. This achievement facilitated the strategic acquisition of Icheon LP 8, further enhancing the REIT's portfolio and long-term investment potential. This proactive refinancing strategy plays a critical role in enhancing capital efficiency, maintaining a strong financial structure, and driving sustained shareholder value growth. By continuously optimizing its financial and asset management strategy, ESR Kendall Square REIT reinforces its commitment to long-term stability and value creation.

Portfolio Detail

Korea's sole REIT specializing in logistics real estate

Our asset portfolio is composed of top-notch, state-of-the-art logistics facilities located around transportation hubs in the Greater Seoul area and Greater Busan area. We are leading the market with our first-rate tenant network and rigorous asset management.



Subsidiary
REIT No. 1

BUCHEON LP (COLD)

Region	No	Portfolio Asset	GFA (m²)	Completion Date	Acquisition Price (KRW 100 million)	Appraisal Value (KRW 100 million)	Appraisal Date	Occupancy Rate	WALE
Infill Market									
	1	Bucheon LP (Cold)	58,264	July 2019	1,970	2,462	July 2023	100.0%	2.16
	2	Goyang LP	199,678	Jan. 2019	4,780	5,732	Nov. 2023	100.0%	4.70
Greater Seoul Area									
	3	Yongin LP 1	70,028	Nov. 2017	1,290	1,513	July 2023	100.0%	3.39
	4	Yongin LP 2 (REF)	43,176	Jan. 2017	770	870	Dec. 2024	100.0%	0.95
	5	Yongin LP 3 (REF)	43,045	June 2020	940	1,070	Dec. 2024	100.0%	6.41
	6	Icheon LP 2	33,365	Apr. 2018	490	711	July 2023	100.0%	3.36
	7	Icheon LP 3	18,421	Dec. 2018	285	388	July 2023	66.5%	2.56
	8	Icheon LP 4 (REF)	49,616	June 2018	815	975	Dec. 2024	100.0%	3.60
	9	Icheon LP 5	84,545	Feb. 2020	1,983	2,095	Nov. 2023	100.0%	2.16
	10	Icheon LP 6*	62,195	Jan. 2023	1,143	1,197	Dec. 2023	100.0%	3.95
	11	Icheon LP 7*	46,041	Apr. 2023	1,271	1,319	May 2023	100.0%	3.36
	12	Icheon LP 8*	43,405	May 2017	764	809	Oct. 2024	88.8%	2.44
	13	Pyeongtaek LP (REF)	43,212	Aug. 2012 / May 2017	845	917	Dec. 2024	99.9%	1.79
	14	Anseong LP 1	95,265	Feb. 2020	1,600	1,930	Nov. 2023	100.0%	0.81
	15	Anseong LP 2	154,990	June 2020	3,245	3,388	Sep. 2024	100.0%	1.12
	16	Anseong LP 3	63,676	Apr. 2021	1,270	1,343	Sep. 2024	100.0%	2.04
	17	Anseong LP 4	27,040	Nov. 2021	590	600	Sep. 2024	100.0%	2.06
Greater Busan Area									
	18	Gimhae LP 1	25,733	Dec. 2000	460	596	July 2023	100.0%	1.51
	19	Gimhae LP 2	39,941	Dec. 2019	712	769	Sep. 2024	100.0%	1.67

*For Icheon LP 6, Icheon LP 7 and Icheon LP 8, the acquisition date and the appraisal date are the same.

Acquisition Price

Total Appraisal Value

Value Appreciation

KRW 2,522.3 billion

KRW 2,868.4 billion

KRW 346.1 billion



The Bucheon Cold Logistics Park, located within the Bucheon Ojeong district, is a 7-story, 58,264m² facility that was completed in July 2019. It is located within the Bucheon Ojeong Logistics Complex, which is a traffic hub in the western part of the Seoul metropolitan area.

The center also has good accessibility to major cities in the metropolitan area such as Seoul, Incheon, Bucheon, Goyang and Gimpo due to its proximity to the Seoul Outer Circular Expressway, the Gangbyunbuk-ro, the Gyeongin Expressway, and the Incheon International Airport Expressway.

* Occupancy/WALE figures on pages 25-43 are as of December 2024.

Address 112, Sinheung-ro 511 beon-gil (801, Ojeong-dong), Bucheon, Gyeonggi-do
Land Area/GFA 16,659m² / 58,264m²
Occupancy/WALE* 100% / 2.16 years
Completion Date July 2019

Subsidiary
REIT No. 1

GOYANG LP



The Goyang Logistics Park, located within the Goyang Wonheung district, is a 7-story, 199,678m² modern logistics center that was completed in January 2019. It is the largest urban logistics center in the Gangbuk region and able to handle large-scale logistics demand in the Greater Seoul area, especially in the northwest and northern regions.

The center offers convenient access to the Seoul Outer Circular Expressway, the Gangbyunbuk-ro, and the Incheon International Airport Expressway. Its location is ideal for logistics companies with high volume of delivery and distribution.

Address 570, Gwonyul-daero, Deogyanggu (701, Wonheung-dong), Goyang, Gyeonggi-do
Land Area/GFA 56,281.1m² / 199,678m²
Occupancy/WALE 100% / 4.70 years
Completion Date Jan. 2019

Subsidiary
REIT No. 1

YONGIN LP 1



The Yongin Logistics Park 1, located in Yongin, Gyeonggi-do, is a 70,028m² large-scale logistics center. The center maximizes its usage rate by using an environmentally friendly design that utilizes natural slopes, and each floor is directly accessible. It is directly connected to the 17th and 325th national roads and is also easily accessible via the Jungbu Expressway and Yeongdong Expressway, which makes it an optimally located logistics hub serving the entire country.

Solar panel installation was completed at Yongin LP 1 in July 2024. The installed solar power facility has a capacity of 1900.8kW.

Address 120, Deokpyeong-ro (434, Gachang-ri), Baegam-myeon, Cheoin-gu, Yongin, Gyeonggi-do
Land Area/GFA 69,963m² / 70,028m²
Occupancy/WALE 100% / 3.39 years
Completion Date Nov. 2017

Real estate fund
(REF) beneficiary
certificates

YONGIN LP 2



The Yongin Logistics Park 2, located in the city of Yongin, Gyeonggi-do, is a modern, 43,176m² dry logistics center that was completed in January 2017. The center is very close to the Yeongdong Expressway Yangji IC, which gives it distinctive visibility and easy access from suburban areas.

It has secured a long-term lease agreement with a logistics service company specializing in inspection and delivery of garments and product management.

Address 271, Yangji-ro (90-7, Yangji-ri), Yangjimyeon, Cheoin-gu, Yongin, Gyeonggi-do

Land Area/GFA 40,122m² / 43,176m²

Occupancy/WALE 100% / 0.95 years

Completion Date Jan. 2017

Real estate fund
(REF) beneficiary
certificates

YONGIN LP 3



The Yongin Logistics Park 3 is located in the Cheoin district of Yongin, Gyeonggi-do and is a 43,045m² dry & cold-temperature logistics center that was completed in June 2020. It is a cutting-edge facility capable of accommodating both dry and low-temperature logistics demand.

It is adjacent to the 23rd and 306th national roads and has easy access via the Gyeongbu Expressway, making it an optimally located facility for logistics serving the Greater Seoul area.

Address 439, Wonam-ro, Namsa-eup, Cheoin-gu, Yongin, Gyeonggi-do

Land Area/GFA 27,883m² / 43,045m²

Occupancy/WALE 100% / 6.41 years

Completion Date June 2020

Subsidiary
REIT No. 1

ICHEON LP 2



The Icheon Logistics Park 2, situated in Icheon, Gyeonggi-do, is a 33,365m² modern dry logistics center that was completed in June 2018. It is located in the core region of the logistics market in the eastern outskirts. It offers convenient access, being 6km away from the Yeongdong Expressway and the Jungbu Expressway.

Address 472-96, Deokpyeong-ro (580-1, Maegok-ri), Hobeop-myeon, Icheon, Gyeonggi-do
Land Area/GFA 26,560m² / 33,365m²
Occupancy/WALE 100% / 3.36 years
Completion Date Apr. 2018

Subsidiary
REIT No. 1

ICHEON LP 3



Icheon Logistics Park 5, located in Icheon, Gyeonggi-do, is a modern dry and cold logistics center with GFA of 84,545m². It was completed in February 2020. It is located in the key logistics area of Eastern Gyeonggi-do, with excellent access to the Yeongdong and Jungbu Expressways.

Address 472-67, Deokpyeong-ro (567-46, Maegok-ri), Hobeop-myeon, Icheon, Gyeonggi-do
Land Area/GFA 16,196m² / 18,421m²
Occupancy/WALE 66.5% / 2.56 years
Completion Date Dec. 2018

Real estate fund
(REF) beneficiary
certificates

ICHEON LP 4



Icheon Logistics Park 4 located in Icheon, Gyeonggi-do, is a modern, dry logistics center that was completed in June 2018, with GFA of 49,616m². It is located in the key logistics region of the eastern suburbs, and has excellent accessibility to the Yeongdong and Jungbu Expressways.

In addition, Icheon LP 4 generates stable cash flows thanks to a long-term lease contract.

Address 257-34, Deokpyeong-ro (976, Maegok-ri), Hobeop-myeon, Icheon, Gyeonggi-do

Land Area/GFA 32,273m² / 49,616m²

Occupancy/WALE 100% / 3.60 years

Completion Date June 2018

Subsidiary
REIT No. 2

ICHEON LP 5



Icheon Logistics Park 3 in Icheon, Gyeonggi-do, is a modern logistics park with GFA of 18,421m² that was completed in December 2018. It is located in a key transportation hub, being situated in a core area of the logistics market in the eastern suburbs and just 6km away from both the Yeongdong Expressway and the Jungbu Expressway.

The center features both dry and low-temperature storage facilities. Additionally, it generates stable revenue streams from a long-term lease agreement with Ediya, which makes it a reliable asset. Solar panel installation was completed at Icheon LP 5 in April 2024. The installed solar power facility has a capacity of 1825.28kW.

Address 423, Haewol-ri, Majang-myeon, Icheon, Gyeonggi-do

Land Area/GFA 73,255m² / 84,545m²

Occupancy/WALE 100% / 2.16 years

Completion Date Feb. 2020

Subsidiary
REIT No. 1

ICHEON LP 6



Icheon Logistics Park 6, located in Icheon, Gyeonggi-do, is a modern, dry logistics center with GFA of 62,195m². Its acquisition was completed in December 2023. It is well-connected to major transportation routes such as Bundang-Seuseo-ro, Seongnam-Icheon-ro, and Jungbu Inner-city Expressway, making it an asset with excellent accessibility.

Icheon LP 6 signed a lease agreement with Daconet at the time of completion, allowing for immediate revenue generation.

Address 250, Joeup-ri, Baeksa-myeon, Icheon, Gyeonggi-do

Land Area/GFA 48,290m² / 62,195m²

Occupancy/WALE 100% / 3.95 years

Completion Date Jan. 2023

Subsidiary
REIT No. 2

ICHEON LP 7



Completed in April 2023, Icheon Logistics Park 7 boasts state-of-art facilities. Providing excellent accessibility to major expressways and the metropolitan area, its location allows for easy delivery to all regions of the country, which makes it a preferred area for investors and tenants. The property is located near Yeongdong Expressway Icheon IC (7km, 11 minutes), Jungbu Expressway Hobub JC (14km, 16 minutes), Jungbu Inner-city Expressway Yeosu JC (17km, 18 minutes), Pangyo (52km, 47 minutes), and GBD (62km, 68 minutes). All floors can be accessed via ramps, and there is a wide dock and unloading space. Icheon LP 7 secured a 5-year master lease with a logistics company at the time of completion, and stable rental income is expected.

Address 309, Bupil-ri, Daewol-myeon, Icheon, Gyeonggi-do

Land Area/GFA 29,994m² / 46,041m²

Occupancy/WALE 100% / 3.36 years

Completion Date Apr. 2023

Subsidiary
REIT No. 1

ICHEON LP 8



Icheon LP 8 is modern dry logistics facility with GFA of 43,405m². Situated in the city of Icheon in Gyeonggi-do, it was completed in May 2017.

Located just 3.3km (5-minute drive) away from Deokpyeong Interchange in the southeastern hub of the Seoul metropolitan area, it offers good accessibility.

It also stands out in terms of transport infrastructure, boasting proximity to Yeongdong Expressway, Jungbu Expressway, and the 2nd Seoul Outer Circular Expressway. Backed by its numerous advantages, Icheon LP 8 has an occupancy rate of 100%.

Address 253-1, Ichi-ri, Majang-myeon, Icheon, Gyeonggi-do

Land Area/GFA 29,963m² / 43,405m²

Occupancy/WALE 88.8% / 2.44 years

Completion Date May 2017

Real estate fund
(REF) beneficiary
certificates

PYEONGTAEK LP



Pyeongtaek Logistics Park located in Pyeongtaek, Gyeonggi-do, is a modern dry logistics facility with a total GFA of 43,212m², which were completed in August 2012 and June 2017 respectively. It is located close to the Osan IC of the Gyeongbu Expressway, allowing for delivery to all regions nationwide.

Pyeongtaek LP has enjoyed stable operation over the years as it is favored by vendors who sell everyday goods and goods related to the semiconductor complex nearby.

Address 2021, Suworam-ri, Seotan-myeon, Pyeongtaek, Gyeonggi-do, et al.

Land Area/GFA 70,158m² / 43,212m²

Occupancy/WALE 99.9% / 1.79 years

Completion Date Aug. 2012 / May 2017

Subsidiary
REIT No. 1

ANSEONG LP 1



Anseong Logistics Park 1 is located in Juk-san-myeon, Anseong. It has three floors and GFA of about 95,265m² and was completed in February 2020. It is easily accessible from Il-juk IC on the Jungbu Expressway, Yangji IC on the Yeongdong Expressway, and Bukjincheon IC on the Pyeongtaek Expressway.

In addition to its convenience, its location is preferred by major domestic and foreign logistics warehouse tenants and 3rd-party logistics companies due to the lack of large-scale logistics development sites in the region.

Solar panel installation was completed at Anseong LP 1 in July 2024. The installed solar power facility has a capacity of 2680.88kW.

Address 35, Nokbae-gil (35-4, Jangneung-ri), Juksan-myeon, Anseong, Gyeonggi-do

Land Area/GFA 87,383m² / 95,265m²

Occupancy/WALE 100% / 0.81 years

Completion Date Feb. 2020

Subsidiary
REIT No. 2

ANSEONG LP 2



Anseong Logistics Park 2 is located in Wonok-myeon, Anseong and has five floors with GFA of 154,990m². It was completed in February 2020. It is only 2km away from the Seoansung IC, and it offers easy access to the Pyeongtaek-Jecheon Expressway and the Gyeongbu Expressway.

Also, it is expected to become a landmark center as a mega logistics center of our tenant, Coupang.

Solar panel installation was completed at Anseong LP 2 in July 2024. The installed solar power facility has a capacity of 2992kW.

Address 915, Chilgok-ri, Wongok-myeon, Anseong, Gyeonggi-do

Land Area/GFA 90,582m² / 154,990m²

Occupancy/WALE 100% / 1.12 years

Completion Date June 2020

Subsidiary
REIT No. 2

ANSEONG LP 3



Anseong logistics Park 3, located in Anseong, Iljuk-myeon, has six floors and GFA of 63,676m², and was completed in April 2021. It is situated in an easily accessible area near the Iljuk IC of the Jungbu Expressway. It has a long-term lease contract with Coupang and is expected to maintain stable cash flows.

Solar panel installation was completed at Anseong LP 3 in May 2024. The installed solar power facility has a capacity of 1918.4kW.

Address 23-10, Neunggukri, Iljuk-myeon, Anseong, Gyeonggi-do

Land Area/GFA 49,543m² / 63,676m²

Occupancy/WALE 100% / 2.04 years

Completion Date Apr. 2021

Subsidiary
REIT No. 2

ANSEONG LP 4



Anseong Logistics Park 4, located in Samjukmyeon, Anseong, is a 6-story building with GFA of 27,040m² that was completed in November 2021. It is located in a region that is easily accessible via Iljuk IC of the Jungbu Expressway. It has entered into a long-term lease agreement with Samsung Electronics Logitech, which handles smartphones and household appliances, meaning stable cash flow generation.

Solar panel installation was completed at Anseong LP 4 in March 2024. The installed solar power facility has a capacity of 713kW.

Address 409-3, Yongwol-ri, Samjuk-myeon, Anseong, Gyeonggi-do

Land Area/GFA 25,302m² / 27,040m²

Occupancy/WALE 100% / 2.06 years

Completion Date Nov. 2021

Subsidiary
REIT No. 1

GIMHAE LP 1



The Gimhae Logistics Park 1, located in Sangdong-myeon, Gimhae, is a medium-sized modern logistics center with a total of four floors and GFA of 25,733m². It is located in Gimhae, a city in the southeastern part of Korea where logistics functions are being strengthened. With its location, it can accommodate logistics demand from large cities in the region such as Busan, Changwon, Ulsan and Yangsan.

Located near the Sangdong IC of the Central Expressway, it meets the needs of warehouse demand from companies in Gyeongsangnam-do and Busan areas.

Address 680-77, Sangdong-ro (5, Daegam-ri), Sangdongmyeon, Gimhae, Gyeongsangnam-do
Land Area/GFA 65,775m² / 25,733m²
Occupancy/WALE 100% / 1.51 years
Completion Date Dec. 2000

Subsidiary
REIT No. 2

GIMHAE LP 2



The Gimhae Logistics Park 2, located in Gimhae, is a modern logistics park with a total of five floors and GFA of 39,941m². It is located near the Sangdong IC of the Jungbu Expressway, making it a key location for satisfying the warehouse needs of companies in the Gyeongsangnam-do and Busan region.

It has signed a lease agreement with Coupang and is establishing itself as a logistics hub in the Gyeongsangnam-do area.

Solar panel installation was completed at Gimhae LP 2 in January 2024. The installed solar power facility has a capacity of 1240.62kW.

Address 5-8, Daegam-ri, Sangdong-myeon, Gimhae, Gyeongsangnam-do
Land Area/GFA 27,068m² / 39,941m²
Occupancy/WALE 100% / 1.67 years
Completion Date Dec. 2019

Market Overview

Sustained E-Commerce Growth and Logistics Network Expansion

The global e-commerce market has grown rapidly in the wake of the COVID-19 pandemic, establishing online and mobile shopping as dominant purchasing channels. JP Morgan projects Korea's e-commerce market to reach KRW 300 trillion by 2026, while Statistics Korea reports that online shopping transaction volume in 2024 reached a record high of KRW 242.1 trillion.

According to the Ministry of Trade, Industry, and Energy (MOTIE), major domestic retailers recorded total revenues of KRW 179 trillion in 2024, marking a 7.4% year-on-year increase, with online sales growing by 15% to account for 50.6% of total retail sales. This continued expansion of e-commerce is a key driver behind the increasing demand for logistics centers and network expansion.

Data from the National Logistics Information Center shows that Korea's total freight volume in 2023 rose by 22.45% compared to the previous year and has surged by 266.9% since 2012.

The role of Third-Party Logistics (3PL) providers is becoming increasingly vital, with major 3PL companies recording an average annual revenue growth rate of 11.1% over the past five years. In response to this trend, CJ Logistics has partnered with Shinsegae Group and Naver to launch seven-day delivery services, while also expanding its cross-border e-commerce capabilities through a contract with AliExpress.

As logistics networks expand to support the continued growth of the e-commerce sector, ESR Kendall Square REIT's logistics centers are positioned as critical infrastructure reinforcing this transformation.

Competitiveness and Portfolio of ESR Kendall Square REIT

ESR Kendall Square REIT is a market-leading logistics REIT with a strategically positioned portfolio in the Seoul Metropolitan Area. Approximately 72% of its total gross floor area (GFA) is concentrated in the southeastern logistics corridor (Icheon, Yongin, Anseong, and Pyeongtaek), a critical supply chain hub that connects the region to Busan Port, which handles 77% of the country's container cargo volume. This prime location makes it a key operational base for 3PL providers and e-commerce companies seeking efficient nationwide distribution.

In 2023, ESR Kendall Square REIT recorded an 18% increase in average rents for new leases and renewals, followed by a 12% rise in 2024, reinforcing its consistent rental income growth. This sustained rental appreciation is underpinned by strong demand for logistics centers in core submarkets and a limited pipeline of

new supply. The average vacancy rate in the Seoul Metropolitan Area was approximately 15% in 2024. While vacancy rates have increased in some submarkets, logistics centers in prime locations continue to exhibit resilient occupancy levels.

The capitalization rate (Cap Rate) for logistics assets varies depending on location, occupancy stability, and the ratio of ambient-to-cold storage facilities. Additionally, the pricing gap between buyers and sellers has widened amid evolving market conditions. Despite these dynamics, ESR Kendall Square REIT continues to generate stable returns and long-term value through its differentiated portfolio and strategic asset positioning.

Logistics Market Outlook: Supply Constraints & Investment Trends

Korea's logistics market is undergoing a fundamental shift, driven by supply constraints and evolving investment strategies. In the past, strong demand fueled by e-commerce expansion attracted substantial capital inflows, accelerating new developments, particularly in the Seoul Metropolitan Area. However, tightening project financing (PF) conditions, stricter regulatory approvals, rising construction costs, and increasing vacancy risks have significantly curbed new supply.

In 2024, the start rate for new logistics centers ($\geq 10,000$ sqm) in the Seoul Metropolitan Area was recorded at 0%, signaling a supply freeze. This has intensified demand for prime logistics assets, with investors shifting their strategies to prioritize location quality and rental stability.

As the U.S. Federal Reserve commenced its rate-cutting cycle in H2 2024, global investors are recalibrating their strategies. According to CBRE and JLL research, a decline in interest rates could expand the spread between Cap Rates and borrowing costs, driving capital reallocation into high-yielding logistics assets. This dynamic, coupled with a favorable foreign exchange rate, is expected to heighten global institutional interest in Korea's logistics sector.

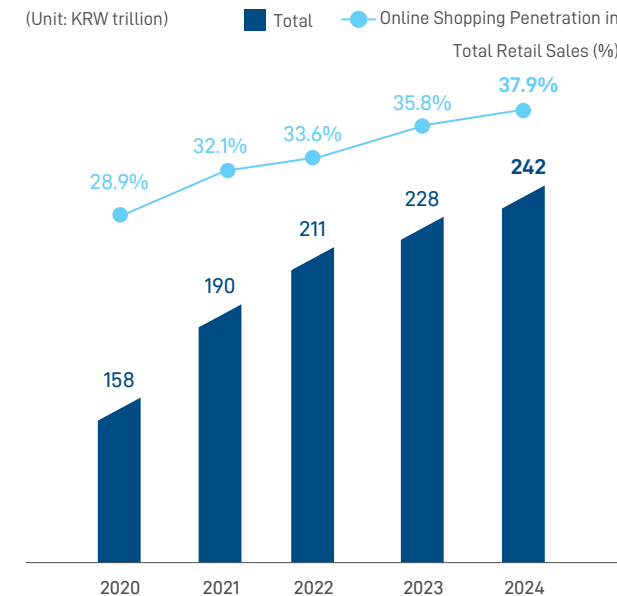
Meanwhile, domestic institutional investors remain cautious, focusing on portfolio rebalancing amid rising interest rates and PF risks. In contrast, foreign institutional investors are adopting a more proactive stance, leveraging long-term logistics demand fundamentals and factoring in Cap Rate stability and currency fluctuations. According to CBRE's latest research, foreign investors accounted for 23% of total logistics investment volume in 2024, reflecting a sustained preference for strategically located, high-growth assets.

Regional demand is diverging from historical patterns. While vacancy rates are rising in previously oversupplied areas, strong demand persists in locations with superior transport accessibility. CBRE's 2024 Asia-Pacific Logistics Occupier Survey highlights that 3PL firms rank transport connectivity and rental costs as the two most critical factors in property selection.

Against this backdrop, ESR Kendall Square REIT is strategically

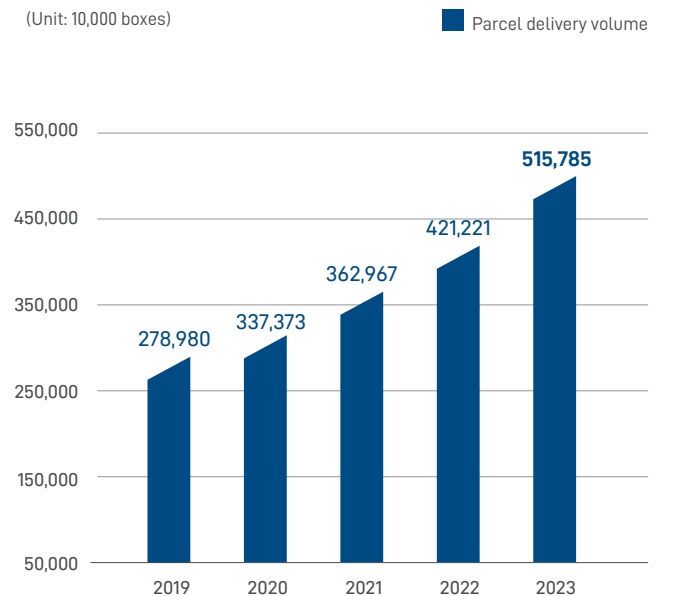
positioned to capture leasing demand in prime logistics hubs and capitalize on shifting investor preferences. As supply constraints persist and investors adopt a more selective approach, ESR Kendall Square REIT remains a core asset, benefiting from resilient leasing demand and sustained foreign investment interest. Looking ahead, the REIT's competitive edge is expected to be further reinforced amid evolving market conditions.

Online Shopping Sales & Transaction Share



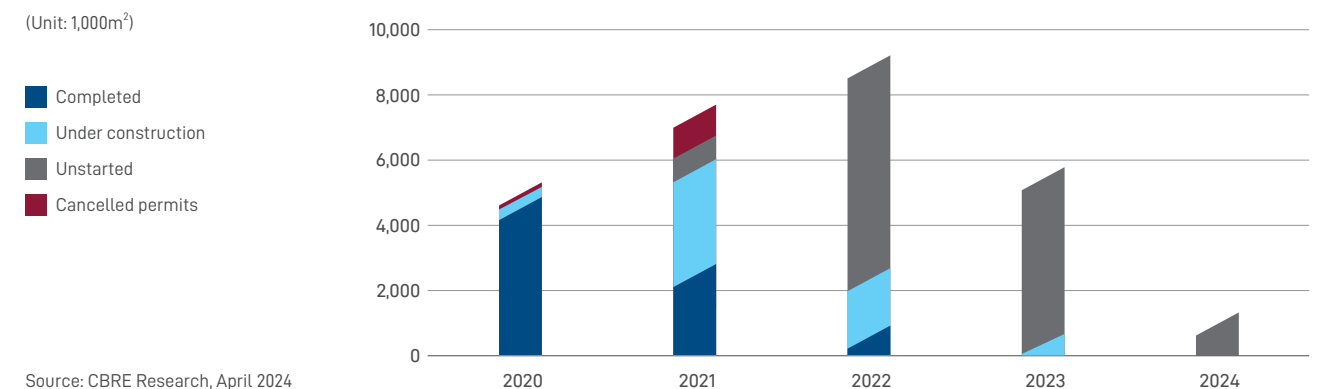
Source: 2024 KOSIS (Korean Statistical Information Service)

Korean Parcel Delivery Market Trend



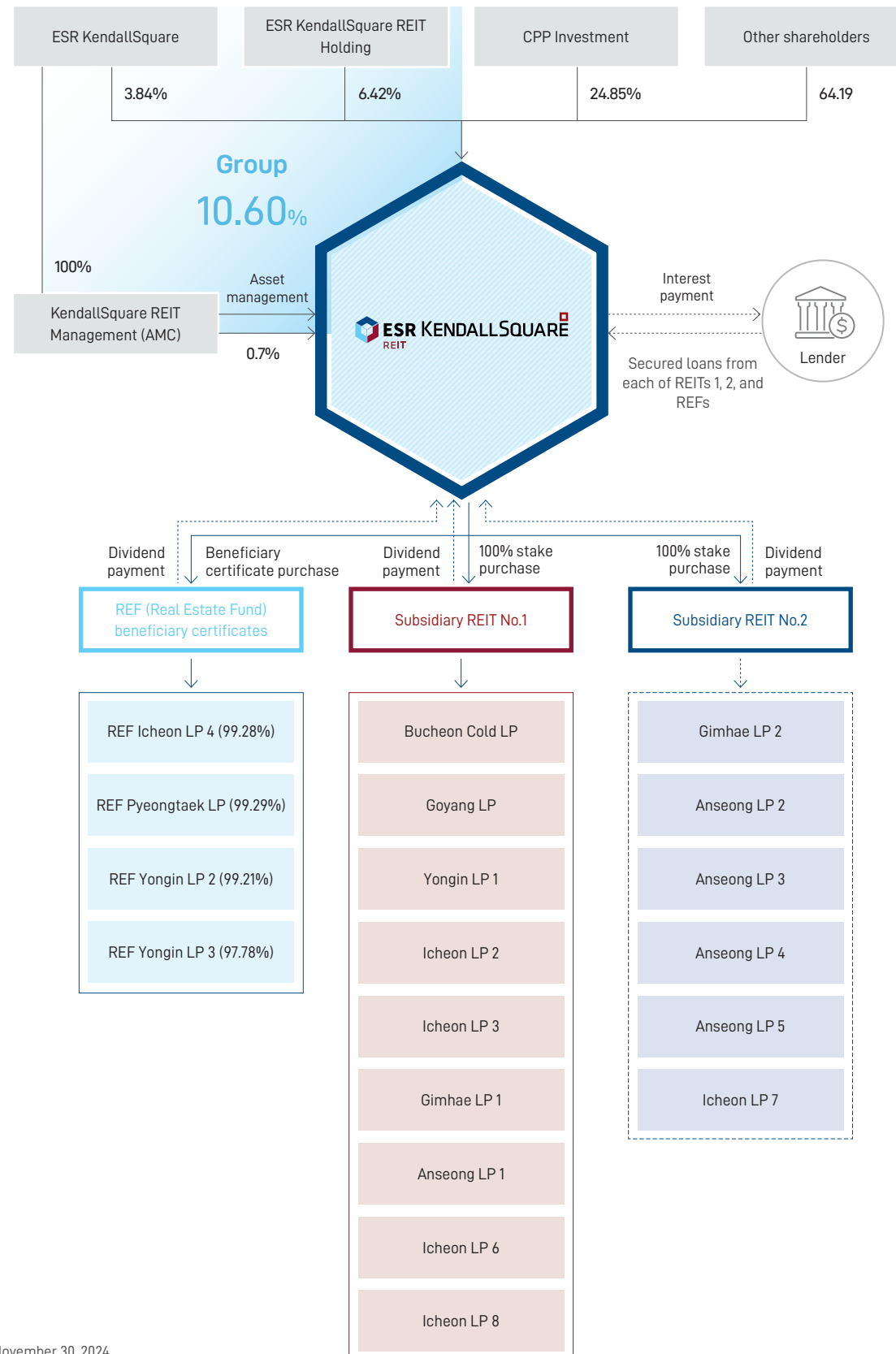
Source: Korea Integrated Logistics Association (KILA)

Metropolitan Area Grade 'A' Logistics Centers: Permits & Construction



Source: CBRE Research, April 2024

Investment Structure



As of November 30, 2024

SUSTAINABILITY MANAGEMENT

- 48 Board of Directors
- 50 Risk Management
- 52 ESG Performance

Board of Directors

The Board of Directors is committed to ensuring that ESR KendallSquare REIT flexibly and swiftly responds to rapid market changes while maximizing corporate value and earning the respect and trust of shareholders, customers, employees and society at large. In addition to reinforcing inherent business capabilities, the Board will work to promote transparency and close communication with all stakeholders. Every effort will be made to maintain high levels of financial soundness and credit rating as ESR KendallSquare REIT pursues sustainable development as a pioneer of Korea's logistics REITs industry.

Board of Directors

Representative Director (CEO)	Juhyun Cho	Tenure Aug. 26, 2022~Aug. 26, 2025	Honorary Professor, Dept. of Real Estate, Konkuk University
Non-Executive Director	Chunwoong Choi	Tenure Feb. 25, 2025~Feb. 25, 2028	Professor, Dept. of Architecture, College of Engineering, Seoul National University
Non-Executive Director	Saeheo Ahn	Tenure Feb. 29, 2024 ~ Feb. 28, 2027	Lawyer, Lee & Ko Law Firm
Non-Executive Director	Minjoo Cho	Tenure Aug. 26, 2022~Aug. 26, 2025	CEO, NISTech Co., Ltd.
Non-Executive Director	Sunho Hwang	Tenure Aug. 25, 2023~Aug. 25, 2026	Korea Teachers' Pension
Auditor	Taeheon Kim	Tenure Aug. 25, 2023~Aug. 25, 2026	Daekyo Accounting Corp., (formerly with Samjung Accounting Firm)

Business Management

Sanghwoi Bae Chief Executive Officer

“We are on a mission to create Korea's most trusted and high-performing logistics REIT through a best-in-class portfolio.”

- Global CEO leading growth of the Korean REITs sector
- Appointed CEO of KendallSquare REIT Management in December 2020
- Responsible for overseeing the IPO and investment activities of ESR KendallSquare REIT
- Responsible for overseeing investments of ESR KendallSquare Logistics Real Estate Income JV in 2019
- Abundant real estate investment knowhow gained from 20-plus years of experience working in financial institutions such as LaSalle Asset Management and Hana Financial Group
- B.A. in International Relations, Boston University

Dongjin Lee Head of IR & Capital Markets

“Maximizing corporate and shareholder value is our top priority, and we will continue to enhance engagement through active and transparent IR initiatives.”

- Responsible for overseeing overall capital market response tasks, including devising IR strategies
- Played a key role in the rights issue in December 2021 (raised KRW 442 billion, the largest among listed REITs in Korea)
- Joined KendallSquare REIT Management in 2021
- Capital market expert with over 15 years of experience working at financial institutions such as ABN Amro, Samsung Securities, Standard Chartered Securities, and HSBC Securities
- B.A. in Business Administration, Yonsei University

Jaehyun Kim Head of Management Planning

“We will expand AUM and increase asset value to generate stable income and enhance investment value.”

- Received the Minister of Land, Infrastructure and Transport Award in 2020 (for contribution to advancing logistics REIT-related transport industry)
- Played a key role in the establishment and IPO in 2020
- Joined ESR KendallSquare as finance team leader in 2017
- Accounting expert with experience in external audit and corporate consulting at firms such as Samjong KPMG Accounting Corp.
- B.A. in Accounting, Kyung Hee University / CPA

Miae Park Head of Compliance

“Through rigorous compliance and systematic risk management, we are driving stable and consistent growth.”

- Expert in compliance and risk management
- Established compliance and risk management systems required of asset management companies
- Joined KendallSquare REIT Management in 2021
- Over two decades of experience working in financial institutions including BOS Securities and QUAD Investment Management
- B.A. in Economics, Sungkyunkwan University

Jinkook Lee Head of Investment

“By expanding our portfolio and concentrating investment in modern logistics facilities, we will foster a future-oriented logistics environment.”

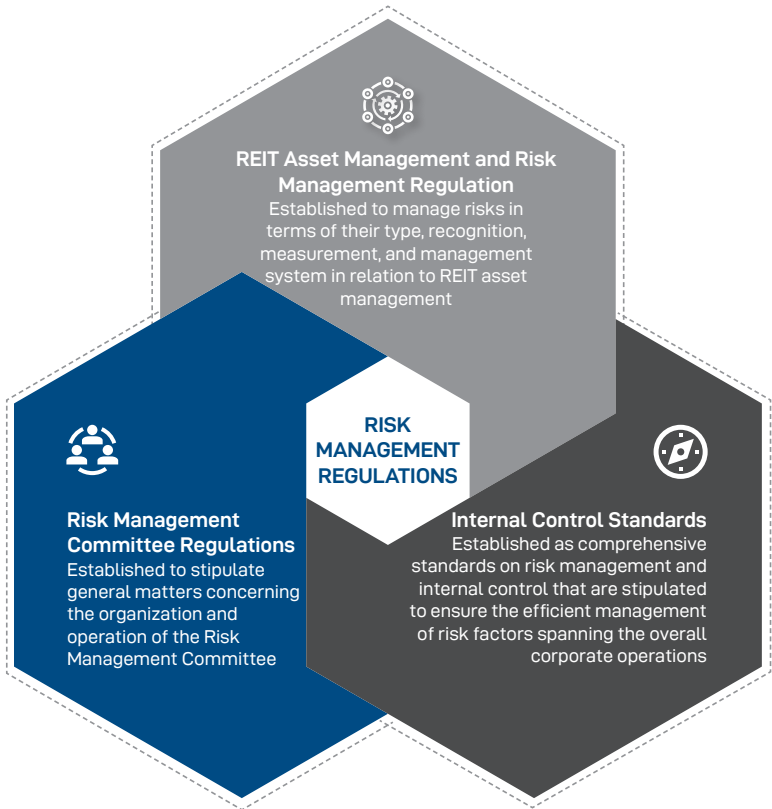
- Led the successful launch of ESR KendallSquare REIT with the selection of optimal logistics assets
- Joined KendallSquare REIT Management in 2020
- Expertise in real estate investment, acquisition consulting and asset management gained from working at companies such as Korea Investment & Securities, KT Estate, and EY Hanyoung Korea
- B.A. in International Trade, Hankuk University of Foreign Studies / CPA

ESR KendallSquare REIT (365550 KS) is an externally managed REIT, and hires KendallSquare REIT Management (KSRM) as its sole day-to-day business operation manager.

Risk Management

Risk Management Regulations

At KendallSquare REIT Management, risk management operations follow internal control standards and REIT asset management & risk management regulations. These standards and regulations aim to ensure the sound operation of assets under management and the efficient management of relevant risks in order to promote the quality and stability of REIT assets and protect investors in so doing



Risk Management Organization

►4th Line of Defense

The last line of defense against risks in any organization is the Board of Directors. The Board, supported by the Auditor, is responsible for overall risk management, governance, and assurance within KendallSquare REIT Management to safeguard the interests of the Company and its stakeholders as a whole.

►3rd Line of Defense

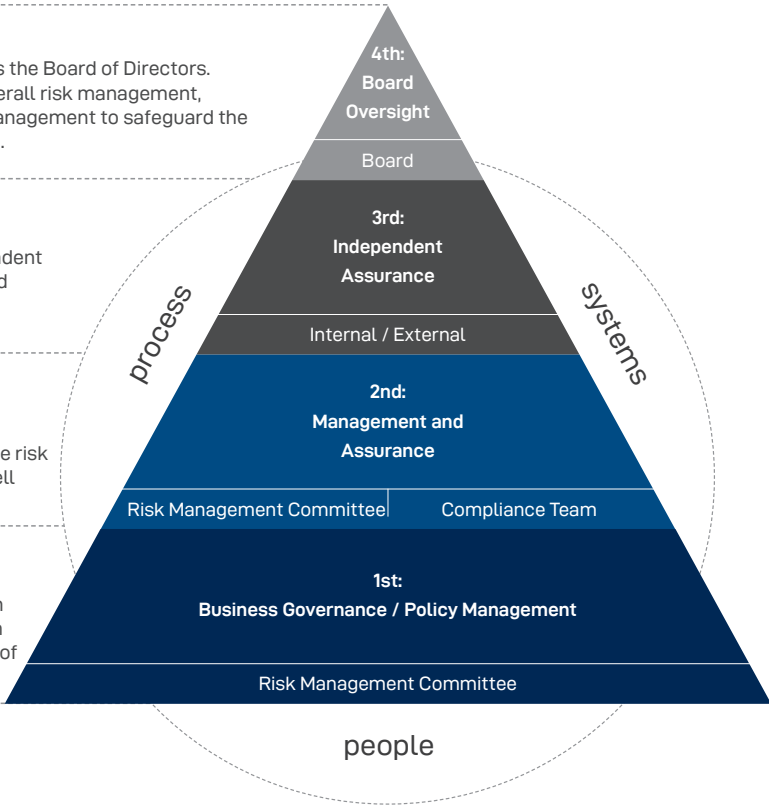
Functions in this line of defense primarily provide independent assurance over the effectiveness of risk management and internal controls.

►2nd Line of Defense

This line of defense comprises risk management and governance related functions within KendallSquare REIT Management. The main role of these functions is to ensure risk management and governance related frameworks are well defined and consistently applied across the organization.

►1st Line of Defense

Business, processes, and risk owners constitute the first line of defense. Risk management should be embedded in day-to-day routines and governed by procedures that can manage risks to an acceptable level for the achievement of the business objectives.

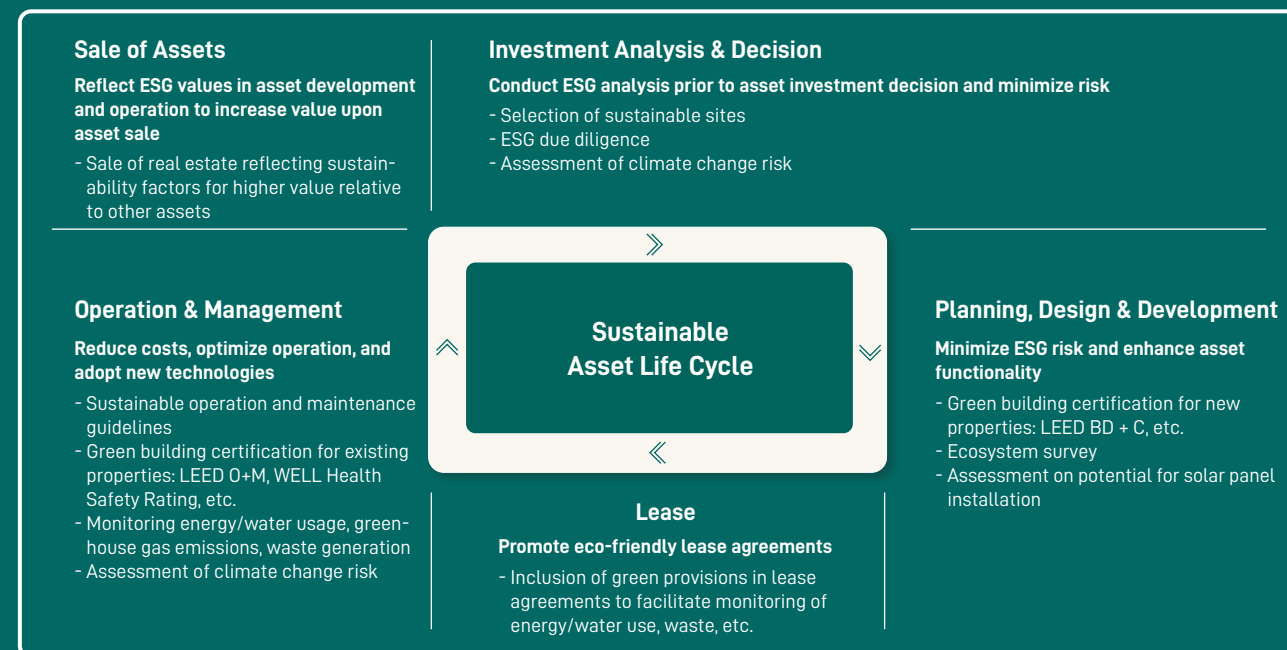


Risk Management Methodology by Type of Risk

Market Risk	Credit Risk	Liquidity Risk	Operational Risk	Legal Risk	Leverage Risk
<p>Risks that occur when investment assets suffer unexpected losses due to fluctuations in the real estate market, interest rates and currency rates across the economic and financial landscape causing uncertainties in future value or sudden price changes</p> <p>Management Methodology</p> <ol style="list-style-type: none">1. Monitor market situations continuously2. Create scenarios to respond to risk factors, and analyze risk factors under respective scenarios3. Assess business results and reflect them in business planning	<p>Risks that may occur when debtors, investment target companies or transaction parties fail to comply with their repayment or settlement obligations to the company or third parties</p> <p>Management Methodology</p> <ol style="list-style-type: none">1. Select transaction parties or tenants by considering their credit ratings or their ability to pay2. Constantly check transaction parties for their financial conditions (decline in credit rating) or delay on lease payments	<p>Risks that may occur due to a lack of proper response to the outflow of funds caused by mismatch in cash flow between assets and liabilities, decreased market liquidity of assets owned, and abrupt change in value of pledged assets and the resulting risk of repaying short-term debts</p> <p>Management Methodology</p> <ol style="list-style-type: none">1. Constant checks on loan-to-value ratios and debt service ratios by the asset manager2. Compliance with the limit of liquidity investment specified in applicable laws and the articles of incorporation by the asset manager3. Constant monitoring for compliance with the limit of liquidity investment by the compliance department4. Review business plans including funding plans	<p>Risks that are attributable to errors that may occur due to a lack of internal/ external business conduct systems and/ or negligence or malpractice on the part of the company or transaction parties in relation to REIT asset management</p> <p>Management Methodology</p> <ol style="list-style-type: none">1. Select service providers through open competition2. Analyze risk factors (numerical business data, credit rating of business partners, etc.) and explore measures of risk aversion prior to investment execution3. Regular monitoring and asset management assessment by the asset manager4. Make it mandatory to obtain prior approval from the compliance officer as to management instructions given by the asset management department or deposit/ withdrawal of funds5. Perform external accounting audits and disclose auditor reports	<p>Risks that occur due to the failure to promptly take appropriate measures in response to the risk of losing in any dispute or litigation that may arise due to non-compliance with applicable laws or anti-competitive transactions as well as to the amendment of applicable laws and regulations</p> <p>Management Methodology</p> <ol style="list-style-type: none">1. Consult with the compliance officer prior to entering into new contracts2. Request the compliance officer to provide legal interpretations when it is believed that significant legal risks exist in light of applicable laws, the articles of incorporation and company regulations in conducting major business operations, and process the concerned work in consideration of the outcomes3. Check quarterly through the use of the compliance checklist and report the outcomes to the CEO	<p>Risks that may occur when the REIT suffers unexpected losses due to change in value of target investment assets when the REIT makes investments in excess of its own assets by leveraging such assets, change in value of pledged assets, currency fluctuations, and other change in the economic/ financial landscape</p> <p>Management Methodology</p> <p>Check in advance compliance with applicable laws and regulations in relation to leveraging including lenders and maximum leverage</p>

ESG Performance

ESR Kendall Square REIT integrates ESG principles at every stage of the asset lifecycle, from site selection, design, and construction to full-scale operations, driving a commitment to sustainable growth. By embedding environmental and social responsibility across all business activities, the REIT proactively mitigates ESG risks and enhances long-term resilience. The ESG framework is structured in alignment with six key UN Sustainable Development Goals (SDGs) for 2030, the UN Principles for Responsible Investment (UN PRI), and leading global ESG frameworks, standards, and industry best practices. This global alignment enables a systematic ESG strategy, guiding sustainability-driven business decisions and long-term value creation. By creating a positive impact on the environment and fostering strong stakeholder engagement, ESR Kendall Square REIT is committed to strengthening collaborative growth and solidifying its position as a leading global logistics REIT.



ESG Strategy

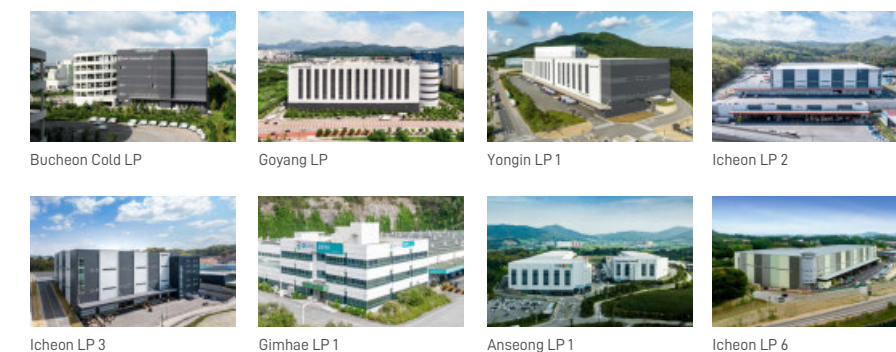
Environmental	Social	Governance
<p>Sustainable Portfolio We are focusing our capabilities on developing and operating eco-friendly assets to create a sustainable future and environment.</p> <p>Focus Areas</p> <ul style="list-style-type: none"> Sustainable & Efficient Operations Sustainable Building Certifications Climate Change Resilience Biodiversity and Habitat Protection Flexible & Adaptable Properties Strategic Locations 	<p>Human Centric Based on trust, we hope to coexist and prosper with tenants, local communities, employees, and all other stakeholders.</p> <p>Focus Areas</p> <ul style="list-style-type: none"> Stakeholder Engagement Safety, Health & Well-being Managing & Fostering Talent Diversity, Equity & Inclusion (DEI) Community Investment 	<p>Corporate Governance We are boosting corporate and shareholder value based on transparent governance and responsible management.</p> <p>Focus Areas</p> <ul style="list-style-type: none"> Corporate Governance Risk Management Responsible Investing Disclosure & Reporting Supply Chain Management

First Korean listed REIT to achieve GRESB 5-Star rating and Global and Regional Sector Leader recognitions

ESR Kendall Square REIT has solidified its position as a leader in sustainable management, consistently delivering outstanding performance since its first participation in the GRESB Real Estate Assessment in 2022. As the first publicly listed company in Korea to participate the GRESB assessment, the REIT has upheld its GRESB 5-Star rating for three consecutive years, once again earning the highest distinction in 2024. In its commitment to advancing ESG management, ESR Kendall Square REIT has expanded the scope of its GRESB assessment, reinforcing its dedication to sustainability. As a result, Subsidiary REIT No.2, which participated in the GRESB assessment for the first time in 2024, earned the prestigious GRESB 5-Star rating and was further recognized as a GRESB Global Sector Leader and Regional Sector Leader, underscoring its excellence in ESG performance. These achievements reaffirm ESR Kendall Square REIT's recognition as a global benchmark for sustainable management in the logistics and industrial sectors. Through the participation of REIT No.1 and REIT No.2 in the GRESB assessment, 84% of the total gross floor area in the REIT's portfolio has been evaluated with high ESG ratings, further solidifying its position as a globally recognized sustainability leader. Moving forward, ESR Kendall Square REIT remains steadfast in its commitment to ESG excellence, aligning with global standards and driving a lasting positive impact on both the environment and society.

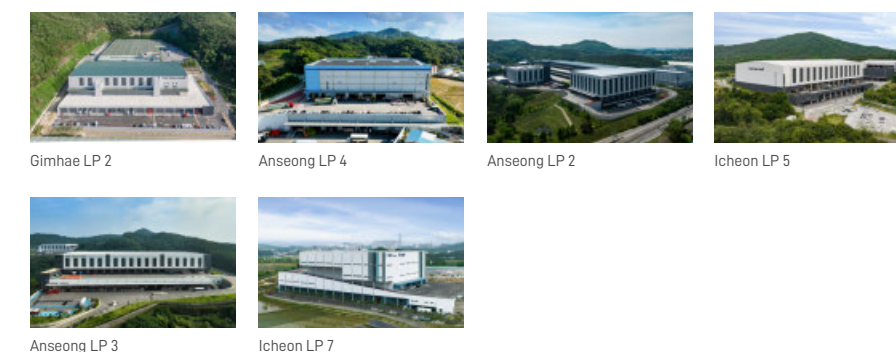
ESR KendallSquare REIT (365550 KS) Subsidiary REIT No.1

GRESB 5-Star in Asia Industrial Real Estate Sector



ESR KendallSquare REIT (365550 KS) Subsidiary REIT No.2

GRESB 5-Star in Asia Industrial Real Estate Sector / Global & Regional Sector Leader



* GRESB (Global Real Estate Sustainability Benchmark) is the world's most authoritative ESG evaluation that comprehensively evaluates real estate assets and management companies for their impact on the environment and relationships with stakeholders. The GRESB rating system ranges from one (low) to five (high) stars.

ENVIRONMENT

Eco-Friendly Asset Design, Construction and Operation

Commitment to ESG issues such as climate change and social responsibility is a global trend that is having an impact across all industries. Logistics is no exception, and preference is growing for eco-friendly logistics centers. In line with this trend, ESR KendallSquare REIT strives to develop and operate logistics assets that incorporate ESG philosophy. We seek to acquire properties that minimize environmental impact, while the environment is a key factor in real estate development across the entire process, from design to construction. With respect to logistics center operations, we carry out regular energy inspections and data monitoring to promote responsible water use, resource recycling, adoption of renewable energy, and less power consumption. Such efforts are helping to minimize carbon emissions and environmental footprint.

Global green building certification

Green building certification for our real estate assets is leading the way to sustainable development and operation at ESR KendallSquare REIT, while our commitment to ESG values is helping to increase asset value.

Aimed at reducing GHG emissions, LEED (Leadership in Energy and Environmental Design) certification, devised by the US Green Building Council, is the world's most prominent green building rating system. ESR KendallSquare REIT pursues properties certified for LEED BD+C (LEED for Building Design and Construction) when acquiring assets, and works to achieve LEED O+M (LEED for Operations and Maintenance) certification for existing properties.

Developed by the International WELL Building Institute (IWBI), the WELL Health-Safety Rating (HSR) certification focuses on people's health and wellbeing. It addresses health and safety issues, including health resilience to climate change. ESR KendallSquare REIT is striving to expand WELL HSR certification for its existing properties every year.





In 2024, a total of 18 assets in our portfolio maintained or newly obtained environmental certification. Their combined gross floor area (GFA) is 1,108,615m², which represents 92% of our total portfolio GFA of 1,201,636m². We intend to expand our holdings of eco-friendly properties to enhance functionality of our assets while minimizing climate and environmental risks.

Leasing out logistics center roofs for solar power

We are at the forefront of efforts to address climate risk by promoting renewable energy using the roofs of logistics centers and contributing to carbon neutrality. In June 2023, a proposal

to lease logistics center roofs was approved at the extraordinary general meetings of the subsidiary REIT No. 1 and subsidiary REIT No. 2. Subsequently, Korea Logistics Renewable Energy (KLRE) was given access to the centers' roofs for the installation of solar panels. This eco-friendly measure also led to a new business model whereby income is generated for leasing out the roofs. As of July 2024, installation of solar panels with total generation capacity of 13MW has been completed at seven logistics centers located in Yongin, Icheon, Anseong and Gimhae. The solar power facilities have already gone into operation and are leading to stable income streams from the roof lease arrangements.

ESR KendallSquare REIT plans to further expand its business model based on renewable energy. We remain dedicated to fulfilling our environmental responsibilities and delivering real value to our stakeholders to realize a sustainable future.

LEED BD+C (LEED Building Design and Construction) Green certification that addresses design and construction activities of new buildings (evaluates performance in site management, energy, building materials, etc.)	 Gold  Certified
LEED O+M (LEED Operation and Maintenance) Green certification for existing buildings (evaluates performance in heating/cooling, energy/water use, cleaning, maintenance, etc.)	 Gold
WELL HSR (WELL Health-Safety Rating) Rating system developed by the International WELL Building Institute (IWBI) that evaluates ability to address health and safety issues	

SOCIAL

Human-Centric Management

Human-centric management is a core value at ESR KendallSquare REIT. Through close communication with diverse stakeholders, from tenants, employees and shareholders to partner firms, local communities and government authorities, we pursue win-win cooperation and sustainability. We support the Ten Principles of UN Global Compact Network (UNGC) in the areas of human rights, labor, environment and anti-corruption. In carrying out all business activities, we give priority to protecting employees' rights and promoting their welfare. We are also building up trust and cooperation with external stakeholders in step with our commitment to shaping a fair and transparent culture. Based on the concept of diversity, equity and inclusion (DEI), we make every effort to promote respect for all employees and create a safe and healthy workplace. In line with our emphasis on health and safety and the environment, we acquired ISO 45001 (occupational health and safety management system) and ISO 14001 (environmental management system) certifications. Concerning the environment, we are doing our part to offset carbon emissions through forestation projects and working together with local communities by participating in various activities for sustainable development. Based on human-centric management, ESR KendallSquare REIT remains committed to meeting our environmental responsibilities and contributing to society, thereby providing real value to all stakeholders.

Engaging with local communities

'Happiness Box' delivery

ESR KendallSquare REIT has participated in the 'Happiness Box' program, a social contribution project initiated by SK Group to address the issue of malnourished children, together with the social contribution coalition Happiness Alliance since 2021. Employees of KendallSquare REIT Management also joined in from 2022. Every year, we send out 'happiness boxes' containing nutritious snacks and other goods to 600 underprivileged children at risk of malnutrition across the country.



"Forestation for carbon offsets"

Forestation agreements and forestry volunteering

ESR KendallSquare REIT signed an agreement with SK Forest to create and manage forests related to the Forest Carbon Offset Scheme. This endeavor enables us to realize carbon neutrality and secure carbon credits while simultaneously restoring local ecosystems and preserving the natural environment.

In 2024, we planted larch trees in the hills of the Gwangdeok-myeon area in the city of Cheonan. The forestry effort not only has the effect of boosting carbon absorption, but also helps to restore local ecosystems and foster natural habitats. ESR KendallSquare REIT will further expand participation in forest creation and management programs to satisfy its environment responsibilities and contribute to sustainable development.



ISO 14001 and ISO 45001 certifications

Systematic management for sustainability and safety

Observing global standards for health and safety and the environment, ESR KendallSquare REIT acquired ISO 14001 (environmental management system) and ISO 45001 (occupational health and safety management system) certifications. In accordance with the ISO 14001 standard, we are taking steps to protect the environment and raise resource efficiency and contributing to reducing carbon emissions and preserving biodiversity. Based on the ISO 45001 certification, we place priority on workers' safety and health within our organization as well as in partner firms and take measures to prevent safety accidents and foster a pleasant workplace. With the two ISO certifications forming the basis for sustainable growth and ESG management, ESR KendallSquare REIT will continue to reinforce environmental and safety management in its business operations.

SOCIAL

Safety and Health

Safety and health policy

KendallSquare REIT Management is committed to fostering a safe and healthy work environment for employees. This approach also extends to employees of partner firms and visitors to our facilities. With safety and health included in the core values of our company and employees, we will observe the guidelines outlined below.

Safety and health management guidelines

With priority value on the safety and health of employees, partner firms and local communities, ESR KendallSquare REIT observes the following guidelines to create a safe and healthy workplace.

- ① All employees including senior management will comply with laws and company regulations concerning safety and health, and give priority to safety and health in conducting all business activities.
- ② All employees will recognize and fulfill their roles and responsibilities related to safety and health.
- ③ All employees will be able to participate in improving the safety and health environment, and the company will continue to pursue activities to improve the environment and prevent accidents.
- ④ The company will secure the resources and budget to maintain a safe and healthy work environment for all employees.
- ⑤ The company will provide active support to preserve the happiness and wellbeing of all employees and their families, and will not compromise on matters that conflict with safety and health.

With the priority on safety and health, KendallSquare REIT Management has drawn up the safety and health management guidelines and is taking active measures for safety and health improvement.

Safety and health management system

KendallSquare REIT Management has set up a comprehensive safety and health management system to faithfully fulfill its duties under the Serious Accidents Punishment Act and the Occupational Safety and Health Act. In relation to this, five new provisions on safety and health were formulated in the company regulations. Safety and health inspections are conducted on a quarterly basis at all our facility assets under management. Hazards and risks as well as necessary improvements identified through the inspections are systematically managed according to the PDCA (Plan-Do-Check-Act) cycle. Through this approach, we are constantly working to provide a safe workplace for employees and all other stakeholders. Furthermore, KendallSquare REIT Management is helping to enhance professional knowhow of employees working at facility management (FM) partner firms. In 2024, we extended support so that all fire safety supervisors of FM partner firms could participate in training to enhance fire safety management.



ISO 45001 certification

In June 2024, KendallSquare REIT Management became the first asset management firm in Korea to acquire ISO 45001 certification for all its facility assets under management. ISO 45001 was developed by the International Organization for Standardization (ISO) and sets forth the global standard for safety and health management systems. This certification is given to companies that meet strict global standards after thorough inspection by an international accredited certification body. KendallSquare REIT Management's ISO 45001 certification attests to the following:

- ① Construction of a topnotch safety and health management system
- ② Continued efforts to foster a safe and healthy work environment at all worksites
- ③ Systematic and effective approach to safety and health management

GOVERNANCE

Sound Corporate Governance

Good corporate governance is vital for proper decision-making and building trust with shareholders and other stakeholders. ESR KendallSquare REIT maintains a board of directors with expertise in their respective fields to ensure transparent and responsible management. Moreover, various committees have been set up at KendallSquare REIT Management to sustain growth and enhance corporate value. In particular, the ESG Committee was created in 2021 to incorporate ESG strategy, including related guidelines and responsible investing policy, across all business activities. Chaired by CEO Sanghwoi Bae, the ESG Committee oversees the overall ESG direction. Committee members include the head of the investment management division, head of the asset management & business planning division, leader of the asset management team, and compliance officer. To gather objective opinions from an outsider's perspective, we receive advice from external ESG experts. These efforts provide us with a sturdy framework for implementing ESG policy and promoting good understanding of ESG among employees.

Corporate governance policy

ESR KendallSquare REIT entrusts its asset investment and management to an asset management company, and its stock issuance and general affairs to a management outsourcing company, in accordance with Article 22-2 of the Real Estate Investment Trust Act. Matters necessary for entrusting the business of a delegated management real estate investment trust, such as an asset management company and a management outsourcing company, are specified in Article 19 of the Enforcement Decree of the Real Estate Investment Trust Act (Delegation of Business of Delegated Management Real Estate Investment Trusts). The company has established a governance structure that is stable, rational and transparent, which forms the basis of sound management. Furthermore, as a nominal company, in accordance with Article 47, Paragraph 1 of the Real Estate Investment Trust Act (Establishment of Internal Control Standards, etc.), ESR KendallSquare REIT's asset management company, Kendall Square REITs Management Co., Ltd., has established internal control standards and a code of ethics with a compliance officer in place. The company also has a risk management committee and an investment review committee to analyze and review deliberation and decision-making matters, thereby operating with a legal and risk management system in place.

Governance structure

ESR KendallSquare REIT has established the general meeting of shareholders and board of directors in accordance with the Commercial Act and the Real Estate Investment Trust Act. Their roles and authorities are specified in the Real Estate Investment Trust Act and the company's articles of incorporation. Through decision-making and monitoring by the general meeting of shareholders and the board of directors, we strive to ensure transparency in management, enhance investment returns and protect investors. According to Article 31, Paragraph 1 of the articles of incorporation, ESR KendallSquare REIT must have three or more directors and one or more auditors. In accordance with Article 49, Paragraph 1 of the Real Estate Investment Trust Act, the company does not appoint outside directors as stipulated in Article 542-8 of the Commercial Act, which requires the appointment of outside directors for listed companies. Also, there are no separate committees under the board of directors. Comprising six experts (including the auditor) in the field of logistics REITs, the board of directors oversees and decides on important business matters. As noted, the company is not required to appoint outside directors, according to the Real Estate Investment Trust Act. Thus, the board is composed of only executive and non-executive directors. Female representation on the board increased in 2022

compared to 2021. The board members do not fall under any of the reasons for disqualification stipulated in Article 14, Paragraph 2 of the Real Estate Investment Trust Act. The auditor is an internal auditor who is a certified public accountant under the Certified Public Accountants Act and does not fall under any of the reasons for disqualification stipulated in Article 14-2, Paragraph 2 of the aforementioned law.

ESG policy and action

ESR KendallSquare REIT's ESG strategy and policy are established by the ESG Committee. Subsequently, detailed action plans are drawn up by ESG-related personnel and relayed to the various business departments. Diverse efforts are made so that all employees are aware of the ESG strategy and policy. We conduct ESG training for all employees every year to raise their understanding of ESG. We also introduced the annual 'ESG Champion' scheme, under which awards are given for outstanding performance in terms of sustainability, to spread ESG values throughout the company.

E	<ul style="list-style-type: none">• Minimize impact of business development and operation• Maintain resilience to climate change risk• Reduce energy consumption, water use, waste, and carbon emission• Promote purchase and use of eco-friendly materials• Improve indoor environment quality
S	<ul style="list-style-type: none">• Protect labor and human rights, create a safe and healthy environment• Enhance diversity and inclusion in the workplace• Foster employee engagement• Provide employees with incentive and opportunity for career development• Pursue community engagement
G	<ul style="list-style-type: none">• Conduct business activities in a moral and ethical manner• Promote responsible checks and balances across the entire business cycle• Respect shareholder rights and firmly establish fiduciary duty• Raise awareness of the importance of ESG principles

FINANCIALS REVIEW

- 59 Independent Auditor's Report
- 62 Consolidated Statements of Financial Position
- 63 Consolidated Statements of Comprehensive Income
- 64 Consolidated Statements of Changes in Equity
- 65 Consolidated Statements of Cash Flows
- 67 Notes to the Consolidated Financial Statements
- 105 Corporate Information

Independent auditor's report

The Shareholders and Board of Directors
ESR Kendall Square REIT Co., Ltd.



We have audited the consolidated financial statements ESR Kendall Square REIT Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as, the "Group"), which comprise the consolidated statements of financial position as of November 30, 2024 and May 31, 2024, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the six-month periods ended November 30, 2024 and May 31, 2024, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of November 30, 2024 and May 31, 2024, and its consolidated financial performance and its consolidated cash flows for each of the six-month periods ended November 30, 2024 and May 31, 2024, in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

BASIS FOR OPINION

We conducted our audit in accordance with Korean Standards on Auditing ("KSA"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

A key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

(1) Occurrence of rental income

Reason why the matter was determined to be a key audit matter

As described in Note 17 to the consolidated financial statements, rental income, which accounts for approximately 95% of the Group's operating revenue, is recognized according to the contracts with customers and terms and conditions therein. Accordingly, we focused on this area because we determined that there is a significant risk in relation to the occurrence of rental income.

How our audit addressed the key audit matter

To address the key audit matter, we performed the following audit procedures:

- Assessed the reasonableness of the Group's accounting policies on revenue recognition.
- Performed analytical review by comparing the rental income from the previous period to that of the current period and performed a review of monthly trend analysis of rental income to verify the existence of unusual circumstances.
- Selected a sample of rental income and performed recalculation according to the terms and conditions of the contract and

Independent auditor's report

- performed a review of the rental income in the statements of comprehensive income for the differences, if any.
- Selected a sample of rental income and performed a substantive test of established contracts for rental income transaction, calculation and confirmation of revenue amount, payments and the related accounting.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated 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 KSA 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jongsun Lee.



February 17, 2025

This audit report is effective as of February 17, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the consolidated financial statements and may result in modifications to this report.

Consolidated statements of financial position

as of November 30, 2024 and May 31, 2024

ESR Kendall Square REIT Co., Ltd. and its subsidiaries

	Notes	November 30, 2024	(in Korean won) May 31, 2024
Assets			
Current assets			
Cash and cash equivalents	4,21,22	58,597,175,630	66,858,601,849
Short-term financial instruments	5,21,22	7,712,785,600	14,560,885,000
Other financial assets	6,21,22	13,511,128,772	11,549,761,628
Other assets	7	6,750,357,567	1,696,018,922
Current tax assets		1,049,692,826	604,435,606
		87,621,140,395	95,269,703,005
Non-current assets			
Long-term financial instruments	5,21,22	39,631,507,282	44,662,012,974
Investments in associates	8	183,501,461,945	184,162,033,243
Investment properties	9	2,213,342,269,172	2,147,901,830,210
Property and equipment		169,454,992	56,137,183
Intangible assets		4,058,026	4,058,026
Other non-current financial assets	6,21,22	150,000,000	150,000,000
Other non-current assets	7	763,234,198	1,091,731,767
		2,437,561,985,615	2,378,027,803,403
Total assets		2,525,183,126,010	2,473,297,506,408
Liabilities			
Current liabilities			
Other financial liabilities	10,21,22	18,826,549,047	15,221,100,039
Other current liabilities	11	2,659,676,489	2,678,820,398
Short-term borrowings	12,21,22	21,100,000,000	-
Current portion of long-term borrowings	12,21,22	10,000,000,000	336,812,036,038
		52,586,225,536	354,711,956,475
Non-current liabilities			
Long-term borrowings	12,21,22	1,342,855,835,145	960,116,117,607
Other non-current financial liabilities	10,21,22	42,505,432,063	45,361,914,618
Other non-current liabilities	11	2,574,827,396	2,854,059,757
		1,387,936,094,604	1,008,332,091,982
Total liabilities		1,440,522,320,140	1,363,044,048,457
Equity			
Issued capital	13	213,089,000,000	213,089,000,000
Other paid-in-capital	13	900,186,631,606	900,186,631,606
Retained earnings	14	(28,614,825,736)	(3,022,173,655)
Equity attributable to equity holders of the Parent Company		1,084,660,805,870	1,110,253,457,951
Total equity		1,084,660,805,870	1,110,253,457,951
Total liabilities and equity		2,525,183,126,010	2,473,297,506,408

Consolidated statements of comprehensive income

for each of the six-month periods ended November 30, 2024 and May 31, 2024

ESR Kendall Square REIT Co., Ltd. and its subsidiaries

	Notes	November 30, 2024	(in Korean won) May 31, 2024
Operating revenues	17	56,876,297,402	55,878,154,102
Operating expenses	18	30,324,757,456	27,070,998,024
Operating income		26,551,539,946	28,807,156,078
Non-operating income			
Financial income	19,22	1,188,799,400	1,176,080,518
Other income	20	59,380,028	16,906,932
Profits of associates accounted for using equity method	8	2,283,477,613	18,150,466,752
		3,531,657,041	19,343,454,202
Non-operating expense			
Financial expenses	19,22	26,167,373,198	25,607,408,454
Other expenses	20	1	9,141,076
Losses of associates accounted for using equity method	8	315,282,869	-
		26,482,656,068	25,616,549,530
Profit before income tax expenses		3,600,540,919	22,534,060,750
Income tax expenses	15	-	-
		3,600,540,919	22,534,060,750
Profit for the period			
Owners of the Parent Company		3,600,540,919	22,534,060,750
		-	-
Other comprehensive income			
		3,600,540,919	22,534,060,750
Total comprehensive income for the period			
Owners of the Parent Company		3,600,540,919	22,534,060,750
Earnings per share			
Basic and diluted earnings per share	16	17	106

Consolidated statements of changes in equity

for each of the six-month periods ended November 30, 2024 and May 31, 2024

ESR Kendall Square REIT Co., Ltd. and its subsidiaries

	(in Korean won)			
	Equity attributable to equity holders of the Parent Company			Non-controlling interests
	Issued Capital	Other paid-in-capital	Retained earnings (Deficits)	
				Total
Balance as of December 1, 2023	213,089,000,000	900,186,631,606	3,636,958,595	-
Dividends	-	-	(29,193,193,000)	-
Profit for the period	-	-	22,534,060,750	-
Balance as of May 31, 2024	213,089,000,000	900,186,631,606	(3,022,173,655)	-
Balance as of June 1, 2024	213,089,000,000	900,186,631,606	(3,022,173,655)	-
Dividends	-	-	(29,193,193,000)	-
Profit for the period	-	-	3,600,540,919	-
Balance as of November 30, 2024	213,089,000,000	900,186,631,606	(28,614,825,736)	-

Consolidated statements of cash flows

for each of the six-month periods ended November 30, 2024 and May 31, 2024

ESR Kendall Square REIT Co., Ltd. and its subsidiaries

	(in Korean won)	
	November 30, 2024	May 31, 2024
Cash flows from operating activities		
Profit for the period	3,600,540,919	22,534,060,750
Adjustments for:		
Depreciation for property and equipment	16,682,191	10,204,734
Depreciation for investment properties	15,791,392,023	15,595,427,375
Interest expense	26,167,373,198	25,607,408,454
Losses on valuation using equity method	315,282,869	-
Interest income	(1,188,799,400)	(1,176,080,518)
Other income	(694,138,328)	(701,519,616)
Gains on valuation using equity method	(2,283,477,613)	(18,150,466,752)
	38,124,314,940	21,184,973,677
Changes in operating assets and liabilities:		
Increase in account receivables	(4,438,291,299)	(214,880,354)
Increase in accrued income	(521,183,457)	(24,039,502)
Decrease(Increase) in prepaid expenses	(308,310,477)	656,356,918
Increase in prepaid value added tax	(4,625,230,599)	-
Increase in unearned revenue	743,147,816	85,049,537
Increase(decrease) in non-trade payables	(32,940,776)	408,451,438
Increase(decrease) in with holdings	(305,030)	347,970
Increase(decrease) in value added tax withheld	(675,895,319)	24,051,521
	(9,859,009,141)	935,337,528
	31,865,846,718	44,654,371,955
Interest received	820,683,116	1,054,212,629
Income taxes received (paid)	(445,257,220)	2,327,886,050
Interest paid	(30,529,039,998)	(27,473,749,477)
Dividends received	5,994,973,080	2,869,894,673
Net cash inflows from operating activities	7,707,205,696	23,432,615,830
Cash flows from investing activities		
Decrease in short-term financial instruments	12,217,308,000	12,444,924,301
Decrease in long-term financial instruments	-	12,370,759,434
Increase in long-term financial instruments	(338,686,050)	(15,327,085,071)
Increase in short-term financial instruments	-	(14,343,577,000)
Acquisition of investment properties (Land)	(24,276,425,403)	(35,976,882,047)
Acquisition of investment properties (Building)	(56,747,705,582)	(75,037,636,817)
Acquisition of Property and equipment	(130,000,000)	-
Increase in advanced payments	-	(207,700,000)
Net cash outflows from investing activities	(69,275,509,035)	(116,077,197,200)

Consolidated statements of cash flows

for each of the six-month periods ended November 30, 2024 and May 31, 2024

	(in Korean won)	
	November 30, 2024	May 31, 2024
Cash flows from financing activities		
Increase in short-term borrowings	21,100,000,000	-
Increase in long-term borrowings	397,400,000,000	390,000,000,000
Increase in advance received	-	82,573,050
Increase in leasehold deposits received	2,050,070,120	3,104,968,000
Dividends paid	(29,193,193,000)	(29,193,193,000)
Decrease in leasehold deposits received	(250,000,000)	(99,279,600)
Repayments of current portion of long-term borrowings	(337,800,000,000)	(255,000,000,000)
Net cash inflows from financing activities	53,306,877,120	108,895,068,450
Net increse(decrease) in cash and cash equivalents	(8,261,426,219)	16,250,487,080
Cash and cash equivalents at the beginning of period	66,858,601,849	50,608,114,769
Cash and cash equivalents at the end of period	58,597,175,630	66,858,601,849

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

ESR Kendall Square REIT Co., Ltd. and its subsidiaries

1. REPORTING ENTITY

In accordance with KIFRS 1110 Consolidated Financial Statements, the consolidated financial statements were prepared for ESR Kendall Square REIT Co., Ltd., the controlling company, and its subsidiaries ESR Kendall Square Asset No.1 REIT Co., Ltd. and ESR Kendall Square Asset No.2 REIT Co., Ltd. included in consolidation (collectively referred to as the “Group”).

1.1 Controlling company

ESR Kendall Square REIT Co., Ltd. (the “Parent company”) was established on February 20, 2020 under the Real Estate Investment Companies Act of the Republic of Korea. The Parent company obtained an approval of the business authorization from the Ministry of Land, Infrastructure and Transport of the Republic of Korea on August 24, 2020. The Parent 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 Parent company's head office is located on the 35th floor, Gukjegeumyung-ro 10, Yeongdeungpo-Gu, Seoul. The Parent company's major shareholders and their respective shareholdings as of November 30, 2024, are as follows:

Shareholders	Number of shares	Percentage of ownership (%)
ESR Kendall Square REIT Holding PTE, LTD.	13,684,437	6.42
ESR Kendall Square Co., Ltd.	8,183,698	3.84
Kendall Square REIT Management Inc.	1,487,438	0.70
CPP Investment Board Real Estate Holdings Inc.	52,952,822	24.85
Others	136,780,605	64.19
	213,089,000	100.00

1.2 Subsidiaries

Details of subsidiaries as of November 30, 2024 and May 31, 2024, are as follows:

	Location	Business type	Percentage of ownership	
			November 30, 2024	May 31, 2024
ESR Kendall Square Asset No. 1 REIT Co., Ltd.	Korea	Real estate	100%	100%
ESR Kendall Square Asset No. 2 REIT Co., Ltd.	Korea	Real estate	100%	100%

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

The financial information of subsidiaries as of and for each of the six-month periods ended November 30, 2024 and May 31, 2024 is as follows:

(in thousands of Korean won)						
as of and for the six-month period ended November 30, 2024						
	Assets	Liabilities	Equity	Operating revenues	Profit for the period	Total comprehensive income
ESR Kendall Square Asset No. 1 REIT Co., Ltd.	1,351,155,981	811,878,603	539,277,378	34,041,334	2,562,440	2,562,440
ESR Kendall Square Asset No. 2 REIT Co., Ltd.	961,171,068	553,872,603	407,298,465	22,834,964	476,127	476,127

(in thousands of Korean won)						
as of and for the six-month period ended May 31, 2024						
	Assets	Liabilities	Equity	Operating revenues	Profit for the period	Total comprehensive income
ESR Kendall Square Asset No. 1 REIT Co., Ltd.	1,291,119,651	758,761,687	532,357,964	33,359,767	4,173,159	4,173,159
ESR Kendall Square Asset No. 2 REIT Co., Ltd.	965,398,276	546,029,617	419,368,659	22,518,387	1,594,753	1,594,753

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The Group maintains its accounting records in Korean won (presented as "Korean won" or "₩") and prepares statutory consolidated financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"), enacted by the Act on External Audit of Stock Companies. The accompanying consolidated financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements of the Group have been prepared in accordance with KIFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea. The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivatives), certain classes of property, plant and equipment, and investment property – measured at fair value; and
- assets held for sale – measured at fair value less costs to sell.

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

2.2 Summary of material accounting policy information

2.2.1 Consolidated financial statements

(a) Subsidiaries

The subsidiaries are entities controlled by the Group. The Group controls an entity when it has the power to govern the financial and operating policies of an investee so as to obtain benefit from its activities. When assessing control, the Group considers its potential voting rights that can be exercised or converted, to determine whether it has power. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

(b) Transactions eliminated in consolidation

Intra-group balances and transactions, including income and expenses and any unrealized income and expenses arising from intragroup transactions, are eliminated. Unrealized losses arising from intra-group transactions are recognized as profit or loss in the case of indication of impairment that is recognized in the consolidated financial statements.

(c) Non-controlling interests

Non-controlling interest that is defined as the equity interest in a subsidiary not attributable to a parent should be presented separately from the equity interest of the shareholders of the parent. The Group shall attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. The Group shall also attribute total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in ownership interests in subsidiaries

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In this situation, the carrying amounts of the controlling and non- controlling interests were adjusted to reflect the changes in their relative interests in the subsidiary. The Group shall recognize directly in equity any difference between the amount by which the non- controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

(e) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in

substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If there is an objective indication of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss. If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, if necessary, adjustments

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

shall be made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

2.2.2 Cash and cash equivalents

Cash and cash equivalents on the consolidated statement of financial position are easy to convert into cash with a fixed amount of money held for the purpose of meeting short-term cash demand, have a minor risk of value fluctuations, and consist of ordinary deposits, small cash, and short-term deposits with a maturity of less than three months at the time of acquisition.

2.2.3 Financial assets - initial recognition and subsequent measurement

(1) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially 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. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under KIFRS 1115.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- financial assets at amortized cost (debt instruments);
- financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition; and
- financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's amortized cost measurement financial assets include associated loans and executive loans included in accounts receivable and other non-current financial assets

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the statement of profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under KIFRS 1032 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes derivative instruments and listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI.

Dividends on listed equity investments are also recognized in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(2) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- financial liabilities at fair value through profit or loss; and
- financial liabilities measured after amortized cost (loans and borrowings).

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as of fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by KIFRS 1109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in KIFRS 1109 are satisfied. The Group has not designated any financial liability as of fair value through profit or loss.

Financial liabilities measured at amortized cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss.

(3) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

2.2.4 Impairment of non-financial assets

The Group 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, the Group 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 materially 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.

2.2.5 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation of the Group's property and equipment, consisting of supplies, is calculated using the straight-line method over their estimated useful lives (5 years).

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2.2.6 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 Group 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 within 5-50 years using the straight-line method.

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

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.

2.2.7 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.2.8 Capital stock and share issuance expenses

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

2.2.9 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 KIFRS 1116 Leases and is not subject to KIFRS 1115 Revenue from Contracts with Customers and there is no service identified as a performance obligation.

2.2.10 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.

2.2.11 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 a business combination, or items recognized in other comprehensive income or directly in equity.

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

2.2.12 Approval of issuance of the consolidated financial statements

The Group's consolidated financial statements as of and for the six-month period ended November 30, 2024 were approved for issue by the Board of Directors on January 14, 2025 and are to be approved at the Annual General Meeting scheduled on February 26, 2025.

2.2.13 New and amended standards adopted by the Group

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after June 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(1) Amendments to KIFRS 1001 Presentation of Financial Statements – classification of liabilities as current or non-current, non-current liabilities with covenants

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. In addition, covenants that an entity is required to comply with after the end of the reporting period would not affect classification of a liability as current or non-current at the reporting date. When an entity classifies a liability that is subject to the covenants which an entity is required to comply with within twelve months of the reporting date as non-current at the end of the reporting period, the entity shall disclose information in the notes to understand the risk that non-current liabilities with covenants could become repayable within twelve months after the reporting period. The amendments do not have a material impact on the Group's consolidated financial statements.

(2) Amendments to KIFRS 1007 Statement of Cash Flows, KIFRS 1107 Financial Instruments: Disclosures – supplier finance arrangements

When applying supplier finance arrangements, an entity shall disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments do not have a material impact on the Group's consolidated financial statements.

(3) Amendments to KIFRS 1116 Leases – lease liability in a sale and leaseback

When subsequently measuring lease liabilities arising from a sale and leaseback, a seller-lessee shall determine lease payments or revised lease payments in a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not have a material impact on the Group's consolidated financial statements.

(4) Amendments to KIFRS 1001 Presentation of Financial Statements – disclosure of cryptographic assets

The amendments require an additional disclosure if an entity holds cryptographic assets, or holds cryptographic assets on behalf of the customer, or issues cryptographic assets. The amendments do not have a material impact on the Group's consolidated financial statements.

2.2.14 New standards and interpretations not yet adopted by the Group

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

(1) Amendments to KIFRS 1021 The Effects of Changes in Foreign Exchange Rates and 1101 First-time Adoption of International Financial Reporting Standards – lack of exchangeability

When an entity estimates a spot exchange rate because exchangeability between two currencies is lacking, the entity shall disclose related information. The amendments should be applied for annual periods beginning on or after January 1, 2025, and earlier application is permitted. The Group is in review for the impact of these amendments on its consolidated financial statements.

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

(2) Amendments to KIFRS 1109 Financial Instruments, KIFRS 1107 Financial Instruments: Disclosures

KIFRS 1109 Financial Instruments and KIFRS 1107 Financial Instruments: Disclosures have been amended to respond to recent questions arising in practice, and to include new requirements. The amendments should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. These amendments:

- clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion;
- add new disclosures of impact on the entity and the extent to which the entity is exposed for each type of financial instruments if the timing or amount of contractual cash flow changes due to amendment of contract term; and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

(3) Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS -Volume 11 should be applied for annual periods beginning on or after January 1, 2026, and earlier application is permitted. The Group does not expect the amendments to have a material impact on its consolidated financial statements.

- Amendments to KIFRS 1101 First-time adoption of KIFRS: Hedge accounting by a first-time adopter
- Amendments to KIFRS 1107 Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice
- Amendments to KIFRS 1109 Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices
- Amendments to KIFRS 1110 Consolidated Financial Statements: Determination of a 'de facto agent'
- Amendments to KIFRS 1007 Statement of Cash Flows: Cost Method

3. MATERIAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group'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. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

Fair Value of Investment Properties

The Group used a valuation technique with unobservable inputs in the market to estimate the fair value of investment properties.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won)	
	November 30, 2024	May 31, 2024
Bank deposits	38,097,176	36,858,602
Time deposits	20,500,000	30,000,000
	58,597,176	66,858,602

5. FINANCIAL INSTRUMENTS RESTRICTED IN USE

Financial instruments that are restricted in use as of November 30, 2024 and May 31 2024 are as follows:

	(in thousands of Korean won)	
	November 30, 2024	May 31, 2024
Short-term financial instruments ¹	5,369,209	217,308
Long-term financial instruments ¹	39,631,507	44,662,013
	45,000,716	44,879,321

¹Consist of bank deposit, time deposit, and financial receivables with compound interests of small- and-medium-sized companies and are pledged on the leasehold deposits.

6. OTHER FINANCIAL ASSETS

Other financial assets as of November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won)	
	November 30, 2024	May 31, 2024
Current assets		
Account receivables	5,797,861	1,359,569
Accrued income	7,713,268	10,190,192
	13,511,129	11,549,761
Non-current assets		
Other leasehold deposits	150,000	150,000
	150,000	150,000

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

7. OTHER ASSETS

(in thousands of Korean won)

Other assets as of November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won)	
	November 30, 2024	May 31, 2024
Current assets		
Prepaid expenses	2,125,127	1,696,019
Value added tax receivables	4,625,231	-
	6,750,358	1,696,019
Non-current assets		
Prepaid expenses	763,234	884,032
Advance payments	-	207,700
	763,234	1,091,732

8. INVESTMENTS IN ASSOCIATES

Investments in associates as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)

	November 30, 2024						
	Location	Percentage of ownership	Number of shares invested	Beginning balance	Share of profit or lose	Dividends	Ending balance
Beneficiary certificates: ¹							
KendallSquare General Private Placement Real Estate Investment Fund #7	Korea	99.28%	41,126,694,806	55,895,618	924,724	(992,758)	55,827,584
KendallSquare General Private Placement Real Estate Investment Fund #8	Korea	99.21%	37,743,009,474	47,829,883	773,265	(992,114)	47,611,034
KendallSquare General Private Placement Real Estate Investment Fund #11	Korea	99.29%	42,104,284,981	48,846,800	585,489	(546,109)	48,886,180
KendallSquare General Private Placement Real Estate Investment Fund #18	Korea	97.78%	30,898,138,840	31,589,732	(315,283)	(97,785)	31,176,664
				184,162,033	1,968,195	(2,628,766)	183,501,462

¹Although the percentage of ownership of the above beneficiary certificates exceed 50%, the beneficiary certificates are classified as associates because they are trust type beneficiary certificates that are determined to have no de facto control in accordance with the Financial Investment Services and Capital Markets Act and trust contract.

	May 31, 2024						
	Location	Percentage of ownership	Number of shares invested	Beginning balance	Share of profit or lose	Dividends	Ending balance
Beneficiary certificates: ¹							
KendallSquare General Private Placement Real Estate Investment Fund #7	Korea	99.28%	41,126,694,806	44,614,921	13,464,765	(2,184,068)	55,895,618
KendallSquare General Private Placement Real Estate Investment Fund #8	Korea	99.21%	37,743,009,474	46,721,863	1,504,866	(396,846)	47,829,883
KendallSquare General Private Placement Real Estate Investment Fund #11	Korea	99.29%	42,104,284,981	47,040,178	2,005,207	(198,585)	48,846,800
KendallSquare General Private Placement Real Estate Investment Fund #18	Korea	97.78%	30,898,138,840	31,000,811	1,175,629	(586,708)	31,589,732
				169,377,773	18,150,467	(3,366,207)	184,162,033

¹Although the percentage of ownership of the above beneficiary certificates exceed 50%, the beneficiary certificates are classified as associates because they are trust type beneficiary certificates that are determined to have no de facto control in accordance with the Financial Investment Services and Capital Markets Act and trust contract.

9. INVESTMENT PROPERTIES

Investment properties as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)

	November 30, 2024			May 31, 2024		
	Acquisition cost	Accumulated depreciation	Book amount	Acquisition cost	Accumulated depreciation	Book amount
Land	703,762,033	-	703,762,033	679,485,607	-	679,485,607
Buildings	1,610,052,609	(100,472,373)	1,509,580,236	1,553,097,203	(84,680,980)	1,468,416,223
	2,313,814,642	(100,472,373)	2,213,342,269	2,232,582,810	(84,680,980)	2,147,901,830

Changes in investment properties for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)

	for the six-month period ended November 30, 2024			
	Land	Buildings	Construction in progress	Total
Beginning balance	679,485,607	1,468,416,223	-	2,147,901,830
Acquisition	24,276,426	56,955,405	-	81,231,831
Transfer	-	-	-	-
Depreciation	-	(15,791,392)	-	(15,791,392)
Ending balance	703,762,033	1,509,580,236	-	2,213,342,269

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

	(in thousands of Korean won)			
	for the six-month period ended May 31, 2024			
	Land	Buildings	Construction in progress	Total
Beginning balance	640,172,508	1,401,950,604	10,359,626	2,052,482,738
Acquisition	35,976,882	75,037,637	-	111,014,519
Transfer	3,336,217	7,023,409	(10,359,626)	-
Depreciation	-	(15,595,427)	-	(15,595,427)
Ending balance	679,485,607	1,468,416,223	-	2,147,901,830

Details of acquisition for the six-month period ended November 30, 2024 are as follows:

(in thousands of Korean won)		
	Purchase price ¹	Seller
Icheon logistics park 8	76,400,000	DWS No22 Professional Investors Private Real Estate Investment Limited Liability Company

¹The amount excludes the additional cost related to purchase.

Revenues and expenses related to investment properties for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won)	
	for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Operating revenues ¹	56,174,035	55,170,014
Operating expenses ²	23,619,936	19,998,511

¹Operating revenues consist of rental income and management income.

²Operating expenses consist of insurance expense, depreciation expense, real estate management consignment fees, facility maintenance & administrative expenses, taxes and due, utilities expenses, deemed rent, and rental brokerage fees.

The fair values of investment properties as of November 30, 2024 are as follows:

(in thousands of Korean won)				
Classification		Address	Book amount	Fair value
Goyang logistics park	Land	701, Wonheung-dong, Deogyang- gu,	197,132,816	248,195,600
	Building	Goyang-si, Gyeonggi-do	284,183,551	325,004,400
			481,316,367	573,200,000
Anseong logistics park	Land	35-4, Jangneung-ri, Juksan-myeon,	40,658,182	41,482,000
	Building	Anseong-si, Gyeonggi-do	119,167,946	151,488,000
			159,826,128	192,970,000
Bucheon cold logistics park	Land	801, Ojeong-dong, Bucheon-si,	57,965,399	93,309,800
	Building	Gyeonggi-do	139,656,353	152,890,200
			197,621,752	246,200,000

			(in thousands of Korean won)	
Classification		Address	Book amount	Fair value
Gimhae logistics park	Land	5, Daegam-ri, Sangdong-myeon, Gimhae-si,	30,398,338	36,236,800
	Building	Gyeongsangnam-do	16,981,636	23,363,200
			47,379,974	59,600,000
Yongin logistics park	Land	434, Gachang-ri, Cheoin-gu, Yongin-si,	39,837,801	55,829,700
	Building	Gyeonggi-do	89,043,034	95,470,300
			128,880,835	151,300,000
Icheon logistics park 2	Land	580-1, Maegok-ri, Hobeop-myeon, Icheon-si,	11,375,771	19,623,600
	Building	Gyeonggi-do	37,356,380	51,476,400
			48,732,151	71,100,000
Icheon logistics park 3	Land	567-46, Maegok-ri, Hobeop-myeon, Icheon-si,	7,099,609	11,329,600
	Building	Gyeonggi-do	21,303,907	27,470,400
			28,403,516	38,800,000
Icheon logistics park 6	Land	250, Jo-eup-ri, Baeksa-myeon, Icheon-si,	39,313,098	39,313,098
	Building	Gyeonggi-do	80,410,040	80,410,040
			119,723,138	119,723,138
Icheon logistics park 8	Land	253-1, e-chi-ri, majang-myeon, Icheon-si,	24,276,427	24,276,427
	Building	Gyeonggi-do	56,582,379	56,582,379
			80,858,806	80,858,806
Anseong logistics park 2	Land	915/916 Chilgok-ri, Wongok-myeon, Anseong-si,	99,246,022	102,360,000
	Building	Gyeonggi-do	229,201,942	236,470,000
			328,447,964	338,830,000
Anseong logistics park 3	Land	23-10/13/14, Neungguk-ri, Iljuk- myeon,	27,156,790	27,348,000
	Building	Anseong-si, Gyeonggi-do	100,672,096	106,992,000
			127,828,886	134,340,000
Icheon logistics park 5	Land	423, Haewol-ri, Majang-myeon, Icheon-si,	59,300,980	63,722,000
	Building	Gyeonggi-do	141,274,866	145,808,000
			200,575,846	209,530,000
Gimhae logistics park 2	Land	5-8, Daegam-ri, Sangdong-myeon, Gimhae-si,	18,497,330	18,950,000
	Building	Gyeongsangnam-do	53,418,963	57,960,000
			71,916,293	76,910,000
Anseong logistics park 4	Land	409-3, Yongwol-ri , Samjuk-myeon, Anseong-si,	18,658,263	18,693,000
	Building	Gyeonggi-do	41,319,830	41,347,000
			59,978,093	60,040,000
Icheon logistics park 7	Land	309, Bupil-ri, Daewol-myeon, Icheon-si,	32,845,207	32,845,207
	Building	Gyeonggi-do	99,007,313	99,007,313
			131,852,520	131,852,520
			2,213,342,269	2,485,254,464

The investment properties held by the Group are logistics warehouses, and their marketability and profitability through integrated utility are major factors in determining their value. Therefore, the fair value of the Group's investment properties

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

has been determined by integrating estimates from both a market approach (sales comparison approach) and an income approach.

The fair values of the five investment properties, Bucheon cold logistics park, Gimhae logistics park, Yongin logistics park, Icheon logistics park 2, and Icheon logistics park 3, were appraised by Daeil Appraisal Corporation, an external independent valuer with appropriate qualifications and experience in real estate valuation in the relevant region (the valuation date of July 25, 2023). There have been no significant changes since then. The fair values of the four investment properties, Anseong logistics park 2, Anseong logistics park 3, Gimhae logistics park 2, and Anseong logistics park 4, were appraised by Daeil Appraisal Corporation, an external independent valuer with appropriate qualifications and experience in real estate valuation in the relevant region (the valuation date of September 25, 2024). The fair values of the three investment properties, Goyang logistics park, Anseong logistics park, Icheon logistics park 5, were appraised by Cheil Appraisal Corporation, an external independent valuer with appropriate qualifications and experience in real estate valuation in the relevant region (the valuation date of November 30, 2023). There are no material differences between the fair value of Icheon logistics park 6, Icheon logistics park 7 and Icheon logistics park 8 at acquisition and its book amount at the end of the reporting period.

The Group 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 their details are as follows:

(in thousands of Korean won)			
	Book value of the assets provided as collateral	Contract amount	Maximum amount of bonds (120%)
Tranche A	570,741,364	362,000,000	434,400,000
Tranche A1-1	328,447,964	195,100,000	234,120,000
Tranche A1-2	127,828,886	77,800,000	93,360,000
Tranche A1-3	59,978,093	34,600,000	41,520,000
Tranche A1-4	71,916,293	44,500,000	53,400,000
Tranche B&C	641,142,497	364,200,000	437,040,000
Tranche C2	200,575,846	114,500,000	137,400,000
Secured loan of East-Icheon BRIC logistics park	131,852,520	72,600,000	87,120,000
Secured loan of Icheon logiport	80,858,806	45,400,000	54,480,000
	2,213,342,269	1,310,700,000	1,572,840,000

The Group subscribes to the property all risks insurance (insured amount: ₩ 1,156,707 million) in relation to investment property.

10. OTHER FINANCIAL LIABILITIES

Other financial liabilities as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)		
	November 30, 2024	May 31, 2024
Current liabilities		
Non-trade payables	6,571,975	6,604,916
Accrued expense	6,738,818	8,111,532
Leasehold deposits	5,639,936	505,876
Discount account on present value	(124,180)	(1,224)
	18,826,549	15,221,100
Non-current liabilities		

(in thousands of Korean won)		
	November 30, 2024	May 31, 2024
Leasehold deposits	46,364,611	49,616,028
Discount account on present value	(3,859,179)	(4,336,686)
Advance received	-	82,573
	42,505,432	45,361,915

11. OTHER LIABILITIES

Other liabilities as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)		
	November 30, 2024	May 31, 2024
Current liabilities		
Withholdings	100,832	101,137
Value added tax withholdings	470,546	1,146,441
Unearned revenue	2,088,298	1,431,242
	2,659,676	2,678,820
Non-current liabilities		
Unearned revenue	2,574,827	2,854,060
	2,574,827	2,854,060

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

12. BORROWINGS

Details of short-term borrowings as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)					
	Financial institution	Annual interest rate (%)	Maturity date	November 30, 2024	May 31, 2024
Shot-term Borrowings	Shinhan Bank	4.90	Sep. 25, 2025	10,000,000	-
Line of credit	Shinhan Bank	4.89	Sep. 25, 2025	6,500,000	-
	Suhyup Bank	6.00	Jan. 24, 2025	4,600,000	-
				21,100,000	-

Details of current portion of long-term borrowings as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)					
	Financial institution	Annual interest rate (%)	Maturity date	November 30, 2024	May 31, 2024
Tranche A	KB Insurance Co., Ltd.	-	-	-	34,300,000
	Kookmin Bank	-	-	-	32,751,000
Tranche C1-1	KB Insurance Co., Ltd.	-	-	-	9,049,000
	Kookmin Bank	-	-	-	147,225,000
Tranche C1-2	KB Insurance Co., Ltd.	-	-	-	40,675,000
	Kookmin Bank	-	-	-	57,824,000
Tranche C1-3	KB Insurance Co., Ltd.	-	-	-	15,976,000
Facility Loan	NongHyup Bank	5.08	September 22 2025	10,000,000	-
				10,000,000	337,800,000
	Less: discount			-	(987,964)
				10,000,000	336,812,036

Details of long-term borrowings as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)					
	Financial institution	Annual interest rate (%)	Maturity date	November 30, 2024	May 31, 2024
Tranche A1	KB Insurance Co., Ltd.	-	-	-	34,300,000
	Korea Development Bank ³	4.31	December 14, 2026	100,000,000	100,000,000
	NongHyup Bank ³	4.31	December 14, 2026	60,000,000	60,000,000
	NongHyup Life Insurance Co.,Ltd. ³	4.31	December 14, 2026	40,000,000	40,000,000
	Industrial Bank of Korea ³	4.66	December 14, 2026	77,000,000	77,000,000
	Shinhan Bank ³	4.96	December 14, 2026	45,000,000	45,000,000
	Bank of China ³	4.96	December 14, 2026	40,000,000	40,000,000
	Kookmin Bank	4.51	May 29, 2028	48,800,000	-
	Busan Bank	4.51	May 29, 2028	3,300,000	-
	IM Bank	4.51	May 29, 2028	8,300,000	-
Tranche A1-1 ¹⁴	KB Insurance Co., Ltd.	4.51	May 29, 2028	48,800,000	-
	Suhyup Bank	4.51	May 29, 2028	8,300,000	-
	Credit Union	4.51	May 29, 2028	22,200,000	-
	Federation of Fisheries Cooperatives	4.77	May 29, 2028	22,200,000	-
	MG Communit credit Cooperatives	4.78	May 29, 2028	33,200,000	-
	Kookmin Bank	4.51	May 29, 2028	19,500,000	-
	Busan Bank	4.51	May 29, 2028	1,300,000	-
	IM Bank	4.51	May 29, 2028	3,300,000	-
	KB Insurance Co., Ltd.	4.51	May 29, 2028	19,500,000	-
	Suhyup Bank	4.51	May 29, 2028	3,300,000	-
Tranche A1-2 ¹⁴	Credit Union	4.51	May 29, 2028	8,800,000	-

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

(in thousands of Korean won)				
	Financial institution	Annual interest rate (%)	Maturity date	May 31, 2024
Tranche A1-3 ¹⁴	Federation of Fisheries Cooperatives	4.77	May 29, 2028	8,800,000
	MG Communit credit Cooperatives	4.78	May 29, 2028	13,300,000
	Kookmin Bank	4.51	May 29, 2028	8,600,000
	Busan Bank	4.51	May 29, 2028	600,000
	IM Bank	4.51	May 29, 2028	1,500,000
	KB Insurance Co., Ltd.	4.51	May 29, 2028	8,600,000
	Suhyup Bank	4.51	May 29, 2028	1,500,000
	Credit Union	4.51	May 29, 2028	3,900,000
	Federation of Fisheries Cooperatives	4.77	May 29, 2028	3,900,000
	MG Communit credit Cooperatives	4.78	May 29, 2028	6,000,000
Tranche A1-4 ¹⁴	Kookmin Bank	4.51	May 29, 2028	11,100,000
	Busan Bank	4.51	May 29, 2028	800,000
	IM Bank	4.51	May 29, 2028,	1,900,000
	KB Insurance Co., Ltd.	4.51	May 29, 2028,	11, 100,000
	Suhyup Bank	4.51	May 29, 2028,	1, 900,000
	Credit Union	4.51	May 29, 2028,	5, 100,000
	Federation of Fisheries	4.77	May 29, 2028,	5, 100,000
	MG Communit credit Cooperatives	4.78	May 29, 2028,	7, 500,000
	Industrial Bank of Korea	2.50	December 14, 2025	155, 500,000
	NongHyup Life Insurance Co., Ltd.	2.50	December 14, 2025	40, 000,000
Tranche B ¹	Industrial Bank of Korea	2.50	December 14, 2025	28, 700,000

(in thousands of Korean won)				
	Financial institution	Annual interest rate (%)	Maturity date	May 31, 2024
Tranche C ¹	Hanwha General Insurance Co., Ltd.	2.50	December 14, 2025	50,000,000
	NongHyup Life Insurance Co.,Ltd.	2.50	December 14, 2025	40,000,000
	TONGYANG Life Insurance Co.,Ltd.	2.50	December 14, 2025	50,000,000
Tranche C1-1	Kookmin Bank	-	-	32,751,000
	KB Insurance Co., Ltd.	-	-	9,049,000
	Kookmin Bank	-	-	147,225,000
Tranche C1-2	KB Insurance Co., Ltd.	-	-	40,675,000
	Kookmin Bank	-	-	57,824,000
Tranche C1-3	KB Insurance Co., Ltd.	-	-	15,976,000
Tranche C-2 ¹	Kookmin Bank	2.70	December 20, 2026	114,500,000
	Industrial Bank of Korea	3.80	December 14, 2025	20,000,000
Tranche D	Kookmin Bank ⁵	3.43	May 9, 2026	28,000,000
Facility loan	NongHyup Bank	5.08	September 22, 2025	10,000,000
Secured loan of East-Icheon	The Kwangju Bank, Ltd.	5.03	May 10, 2026	5,000,000
BRIC logistics park ¹²	IM Bank	5.03	May 10, 2026	10,000,000
	BUSAN BANK	5.03	May 10, 2026	5,000,000
	NongHyup Bank	5.03	May 10, 2026	27,000,000
	Shinhan Bank	5.03	May 10, 2026	25,600,000
Secured Loan of Icheon 8 Logiport ¹	Credit Union	4.55	October 24, 2027	30,000,000
	Suhyup Bank	4.55	October 24, 2027	15,400,000
				1,368,700,000
Less: discount				(15,844,165)
Less: reclassification to current portion				(10,000,000)
				1,342,855,835
				1,309,100,000
				(12,171,846)
				(336,812,036)
				960,116,118

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

¹The Group provided the investment properties and leasehold deposits as collateral for the borrowings (Note 26).

²Interest rate for the Secured loan of East-Icheon BRIC logistics park is floating rate, which is CD+1.6%. The initial disclosed interest rate is 5.15%.

³Interest rate for the secured loan is floating rate, which is CD+1.03% (weighted average). The CD interest rate on the initial withdrawal date is 3.84%.

⁴Tranche A1 has "CD+additional interest rate" at a variable rate, and the initial published interest rates are 4.51%, 4.77%, and 4.78%, respectively, on each financial institution basis.

⁵Line of credit has a variable interest rate, "CD interest rate + Spread (if Spread is negative, 0)" and the CD interest rate is 3.43% as of the interest base date for the last three months.

13. ISSUED CAPITAL AND OTHER PAID-IN-CAPITAL

Details of issued capital as of November 30, 2024 are as follows:

	Total number of authorized shares	Total number of issued shares	Par value per share	(in Korean won) Issued capital
Common shares	2,000,000,000 shares	213,089,000 shares	1,000	213,089,000,000

Details of other paid-in-capital as of November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won) November 30, 2024	May 31, 2024
Additional paid-in-capital	900,186,632	900,186,632

Changes in issued capital for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in shares and in thousands of Korean won)		for the six-month period ended May 31, 2024	
	for the six-month period ended November 30, 2024			
	Number of shares	Amount	Number of shares	Amount
Beginning balance	213,089,000	213,089,000	213,089,000	213,089,000
Ending balance	213,089,000	213,089,000	213,089,000	213,089,000

14. DEFICITS

Details of deficits as of November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won) November 30, 2024	May 31, 2024
Retained earnings (deficits)	(28,614,826)	(3,022,174)

Changes in retained deficits for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won) for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Beginning balance	(3,022,174)	3,636,959
Dividends	(29,193,193)	(29,193,193)
Profit for the period	3,600,541	22,534,060
Ending balance	(28,614,826)	(3,022,174)

Dividends for each of the six-month periods ended November 30, 2024 and May 31, 2024 are calculated as follows:

	(in Korean won) for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
1. Dividends	29,193,193,000	29,193,193,000
2. Total number of shares issued	213,089,000	213,089,000
3. Dividend per share (1./2.)	137	137
4. Par value	1,000	1,000
5. Dividend rate per share (3./4.)	13.70%	13.70%

15. 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 Act and adding or subtracting the changes in deferred tax in the current period.

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

16. EARNINGS PER SHARE

Basic earnings per share for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in shares and in Korean won) for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Profit for the period attributable to owners of the Parent Company	3,600,540,919	22,534,060,750
Weighted average number of common shares outstanding	213,089,000	213,089,000
Basic earnings per share	17	106

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

The weighted average number of common shares outstanding for each of the six-month periods ended November 30, 2024 and May 31, 2024 is calculated as follows:

(in shares)			
for the six-month period ended November 30, 2024			
	Number of shares	Accumulated number of days	Accumulated number of common shares outstanding
Beginning	213,089,000	183	38,995,287,000
Weighted average number of common shares outstanding			213,089,000

(in shares)			
for the six-month period ended May 31, 2024			
	Number of shares	Accumulated number of days	Accumulated number of common shares outstanding
Beginning	213,089,000	183	38,995,287,000
Weighted average number of common shares outstanding			213,089,000

Diluted earnings per share

As of November 30, 2024 and May 31, 2024, the Group did not issue any potential ordinary shares. Therefore, basic earnings per share are identical to diluted earnings per share.

17. OPERATING REVENUES

Operating revenues for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)		
	for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Rental income	54,221,768	53,277,285
Management income	1,952,267	1,892,729
Other income	702,262	708,140
	56,876,297	55,878,154

The future minimum lease payments expected to be received in relation to the operating lease agreement as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)		
	November 30, 2024	May 31, 2024
Within one year	107,701,235	103,395,221
Between 1 and 2 years	82,894,386	93,051,661
Between 2 and 3 years	62,717,433	69,318,833
Between 3 and 4 years	46,372,752	54,295,087
Between 4 and 5 years	22,294,182	32,104,434
Later than five years	6,510,131	6,867,652
	328,490,119	359,032,888

18. OPERATING EXPENSES

Operating expenses for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)		
	for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Operating expenses related to investment properties:		
Insurance expenses	1,428,538	1,736,641
Depreciation	15,791,392	15,595,427
Real estate management consignment fees	2,250,235	2,355,808
Facility maintenance & administrative expenses	27,787	2,675
Taxes and due	3,773,933	14,883
Utilities expenses	9,448	6,107
Deemed rent	65,557	62,755
Rental brokerage fees	273,046	224,215
	23,619,936	19,998,511
Other operating expenses:		
Asset management consignment fees	5,628,435	5,564,402
Asset management performance fees	-	126,675
Other fees	750,337	1,011,678
Agent bank fees	-	50,000
Asset custody consignment fees	82,500	83,563
General affairs consignment fees	136,867	135,964
Salaries	90,000	90,000
Depreciation	16,682	10,205
	6,704,821	7,072,487
	30,324,757	27,070,998

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

19. FINANCE INCOME AND EXPENSES

Financial income and expenses for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won) for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Financial income		
Interest income	1,188,799	1,176,081
Financial expenses		
Interest expenses	26,167,373	25,607,408

20. OTHER INCOME AND EXPENSES

Other income and expenses for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won) for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Other income		
Miscellaneous income	59,380	16,907
Other expenses		
Miscellaneous expenses	-	9,141

21. FINANCIAL RISK MANAGEMENT

21.1 Capital risk management

The primary objective of the Group'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 Group adopted the debt-to-equity ratio for the capital management index, which is calculated by dividing total liabilities over total capital.

The debt-to-equity ratio as of November 30, 2024 and May 31, 2024 is as follows:

	(in thousands of Korean won) November 30, 2024	May 31, 2024
Liabilities	1,440,522,320	1,363,044,048
Equity	1,084,660,806	1,110,253,458
Debt-to-equity ratio	132.81%	122.77%

21.2 Financial risk factors

The Group's financial assets and liabilities are exposed to various risks including market risk, credit risk and liquidity risk. The Group'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

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group is exposed to the risk of fluctuations in market interest rates related to the part of borrowings. The management of the Group periodically reviews the status of interest rates. As of November 30, 2024 and May 31, 2024, when all other variables are constant and the interest rate changes by 1%, the impact on the Groups profit before tax is as follows:

	(in thousands of Korean won) November 30, 2024	May 31, 2024
1% increase	(4,300,000)	(2,173,000)
1% decrease	4,300,000	2,173,000

Foreign exchange risk

As of November 30, 2024 and May 31, 2024, the Group has no assets or liabilities exposed to changes in foreign exchange rates.

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices other than those arising from interest rate risk or currency risk. In the case of the Group, other price risk is limited.

(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 of November 30, 2024 and May 31, 2024 is as follows:

	(in thousands of Korean won) November 30, 2024	May 31, 2024
Cash and cash equivalents	58,597,176	66,858,602
Short-term financial instruments	7,712,786	14,560,885
Long-term financial instruments	39,631,507	44,662,013
Other financial assets	13,661,129	11,699,762
	119,602,598	137,781,262

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

(c) Liquidity risk

The Group has established a liquidity risk management framework for the management of the Group's short- and medium-to-long 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.

The analysis of liquidity risk as of November 30, 2024 and May 31, 2024 is as follows:

(in thousands of Korean won)						
November 30, 2024						
	Book amount	Contractual cash flows	Within 1 year	1 year ~ 2 years	2 years ~ 5 years	Over 5 years
Non-trade payables	6,571,975	6,571,975	6,571,975	-	-	-
Short-term borrowings and interest	21,100,000	21,805,575	21,805,575	-	-	-
Current portion of long-term borrowings and interest	10,000,000	10,413,359	10,413,359	-	-	-
Long-term borrowings and interest	1,342,855,835	1,477,838,392	52,199,780	524,937,479	900,701,133	-
Leasehold deposits	48,021,188	52,004,547	5,639,936	10,782,592	35,325,906	256,113
	1,428,548,998	1,568,633,848	96,630,625	535,720,071	936,027,039	256,113

(in thousands of Korean won)						
May 31, 2024						
	Book amount	Contractual cash flows	Within 1 year	1 year ~ 2 years	2 years ~ 5 years	Over 5 years
Non-trade payables	6,604,916	6,604,916	6,604,916	-	-	-
Advance received	82,573	82,573	-	-	82,573	-
Current portion of long-term borrowings and interest	336,812,036	342,454,521	342,454,521	-	-	-
Long-term borrowings and interest	960,116,118	1,047,542,049	35,264,780	524,900,247	487,377,022	-
Leasehold deposits	45,783,993	50,121,903	505,876	13,295,961	23,360,066	12,960,000
	1,349,399,636	1,446,805,962	384,830,093	538,196,208	510,819,661	12,960,000

22. FINANCIAL INSTRUMENTS BY CATEGORY AND FAIR VVALUE

(a) Financial instruments by category and fair value as of November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)				
	November 30, 2024		May 31, 2024	
	Book amount	Fair value	Book amount	Fair value
Financial assets at amortized cost				
Cash and cash equivalents	58,597,176	58,597,176	66,858,602	66,858,602
Short-term financial instruments	7,712,786	7,712,786	14,560,885	14,560,885
Long-term financial instruments	39,631,507	39,631,507	44,662,013	44,662,013
Other financial assets	13,661,129	13,661,129	11,699,762	11,699,762
	119,602,598	119,602,598	137,781,262	137,781,262
Financial liabilities				
Short-term borrowings	21,100,000	21,100,000	-	-
Current portion of long-term borrowings	10,000,000	10,000,000	336,812,036	336,812,036
Long-term borrowings	1,342,855,835	1,342,855,835	960,116,118	960,116,118
Other financial liabilities	61,331,981	61,331,981	60,583,015	60,583,015
	1,435,287,816	1,435,287,816	1,357,511,169	1,357,511,169

(b) Net gains or losses on each category of financial instruments for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

(in thousands of Korean won)		
	for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Financial assets at amortized cost		
Interest income	1,188,799	1,176,081
Financial liabilities at amortized cost		
Interest expenses	26,167,373	25,607,408

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

23. CASH FLOWS

The significant non-cash transactions for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won)	
	for the six-month period ended November 30, 2024	for the six-month period ended May 31, 2024
Reclassification to buildings of advance payments	207,700	-
Reclassification to leasehold deposits received of advance received	82,573	205,600
Reclassification to current portion of leasehold deposits received	5,384,060	390,574
Transfer of discount on present value of leasehold deposits to unearned revenues	328,815	527,559
Reclassification to current portion of discount on present value of leasehold deposits	122,956	8,930
Reclassification to current portion of financial instruments	5,369,209	-
Transfer of accrued income to investments in associates	2,628,766	3,366,207
Reclassification to land of construction in Progress	-	3,336,217
Reclassification to buildings of construction in Progress	-	7,023,409
Reclassification to current portion of unearned Revenue	282,313	767,966
Reclassification to current portion of prepaid Expenses	120,798	15,497
Reclassification to current portion of long-term Borrowings	10,000,000	337,800,000
Reclassification to current portion of discount on present value of long-term borrowings	-	1,472,597

Changes in liabilities arising from financial activities for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

	(in thousands of Korean won)			
	for the six-month period ended November 30, 2024			
	Beginning balance	Cash flow from financing activities	Changes in non-cash transactions ¹	Ending balance
Short-term borrowings	-	21,100,000	-	21,100,000
Current portion of long-term borrowings	336,812,036	(337,800,000)	10,987,964	10,000,000
Long-term borrowings	960,116,118	397,400,000	(14,660,283)	1,342,855,835
Advance received	82,573	-	(82,573)	-
Leasehold deposits	45,783,993	1,800,070	437,125	48,021,188

¹Changes 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.

	(in thousands of Korean won)			
	for the six-month period ended May 31, 2024			
	Beginning balance	Cash flow from financing activities	Changes in non-cash transactions ¹	Ending balance
Advance received	205,600	82,573	(205,600)	82,573
Current portion of long-term borrowings	254,969,726	(255,000,000)	336,842,310	336,812,036
Long-term borrowings	912,070,325	390,000,000	(341,954,207)	960,116,118
Leasehold deposits	42,416,729	3,005,688	361,576	45,783,993

¹Changes 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.

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

24. RELATED PARTY TRANSACTIONS

The Group's related parties as of November 30, 2024 and May 31, 2024 are as follows:

	November 30, 2024	May 31, 2024
Associates	KendallSquare General Private Placement Real Estate Investment Fund #7	KendallSquare General Private Placement Real Estate Investment Fund #7
	KendallSquare General Private Placement Real Estate Investment Fund #8	KendallSquare General Private Placement Real Estate Investment Fund #8
	KendallSquare General Private Placement Real Estate Investment Fund #11	KendallSquare General Private Placement Real Estate Investment Fund #11
	KendallSquare General Private Placement Real Estate Investment Fund #18	KendallSquare General Private Placement Real Estate Investment Fund #18
Other related parties	Kendall Square REIT Management Inc.	Kendall Square REIT Management Inc.
	CPP Investment Board Real Estate Holdings Inc.	CPP Investment Board Real Estate Holdings Inc.
	ESR Kendall Square REIT Holding PTE, LTD.	ESR Kendall Square REIT Holding PTE, LTD.

Transactions with the related parties for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

		(in thousands of Korean won)
Related party		for the six-month period ended November 30, 2024
		Asset management consignment fees ¹
Other related party	Kendall Square REIT Management Inc.	6,392,435

¹Asset management consignment fees for ESR Kendall Square REIT Management Co., Ltd. includes asset purchase fee amounting to ₩764 million, which is included in the acquisition cost of investment properties.

		(in thousands of Korean won)	
Related party		for the six-month period ended May 31, 2024	
		Asset management consignment fees ¹	Asset management performance fee
Other related party	Kendall Square REIT Management Inc..	5,564,402	139,343

¹Asset management consignment fees for ESR Kendall Square REIT Management Co., Ltd. includes asset purchase fees amounting to ₩1,143 million, which is included in the acquisition cost of investment properties.

Outstanding balances to the related parties as of November 30, 2024 and May 31, 2024 are as follows:

		(in thousands of Korean won)		
Related party		November 30, 2024	May 31, 2024	
		Non-trade payables	Accrued income	Non-trade payables
Associates	KendallSquare General Private Placement Real Estate Investment Fund #7	-	2,184,068	-
	KendallSquare General Private Placement Real Estate Investment Fund #8	-	396,846	-
	KendallSquare General Private Placement Real Estate Investment Fund #11	-	198,585	-
	KendallSquare General Private Placement Real Estate Investment Fund #18	-	586,708	-
Other party	related Kendall Square REIT Management Inc..	6,191, 278	-	6,120,842
		6,191, 278	3,366,207	6,120,842

Fund transactions with the related parties for each of the six-month periods ended November 30, 2024 and May 31, 2024 are as follows:

		(in thousands of Korean won)			
Related party		for the six-month period ended November 30, 2024		for the six-month period ended May 31, 2024	
		Dividends received	Dividends paid	Dividends received	Dividends paid
Associates	KendallSquare General Private Placement Real Estate Investment Fund #7	3,176,827		1,290,586	
	KendallSquare General Private Placement Real Estate Investment Fund #8	1,388,960	-	396,846	-
	KendallSquare General Private Placement Real Estate Investment Fundt #11	744,694	-	595,755	-
	KendallSquare General Private Placement Real Estate Investment Fund #18	684,492	-	586,708	-
Other related parties	Kendall Square REIT Management Inc.	-	203,779	-	203,779
	CPP INVESTMENT BOARD REAL ESTATE HOLDINGS INC	-	7,254,537	-	7,254,537
	ESR Kendall Square REIT Holding PTE, LTD.	-	1,874,768	-	1,874,768
		5,994,973	9,333,084	2,869,895	9,333,084

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

Compensations for key management of the Group for each of the six-month periods ended November 30, 2024 and May 31, 2024 consist of:

	(in thousands of Korean won)
	for the six-month period ended November 30, 2024
Short-term employee benefits	57,000

25. OPERATING SEGMENTS

The Group 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.

Revenues of approximately \ 37,029 million (\ 37,028 million as of May 31, 2024), accounting for over 10% of the Group's revenue, are derived from a single external customer who leases Bucheon cold logistics park and 6 others.

26. COMMITMENTS

(a) Contract for the asset management services

The Group 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 Kendall Square REIT Management Inc. Details of fees as follows:

	Details
Management fees	a. Real estates: (Purchase price + additional cost related to purchase) X 0.5% (Annual Percentage Rate) b. Assets except real estate such as collective investment securities and equity securities: (The amount of real estate that is the underlying asset at the time the consigner purchase + additional cost related to purchase) X 0.5% (Annual Percentage Rate) X consigner's ratio of shareholding
Operation performance fees	(Amounts of dividends before deduction of operating performance fee per share for the current year - the maximum amounts of dividends before deducting operating performance fees per share in the past) X Weighted average total number of shares issued for the current year X 25% (However, if the calculated amount is negative (-) or no dividend for the previous year (clearly, if the current year is the year in which the first dividend was incurred), the operation performance fee would not be paid.)

	Details
Purchase fee	a. Real estates: Purchase price X 1.0% (*) 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. b. Assets except real estate such as collective investment securities and equity securities: The amount of real estate that is the underlying asset of assets for purchase X 1.0% (*) X Consigner's ratio of shareholding (*) 0.75%, in the cases of (i) the assets for purchase 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 purchase 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.

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

(b) General affairs consignment contract

The Group entered into a general affairs consignment contract with SHINHAN FUND PARTNERS CO.,LTD. for affairs related to the issuance of shares, the operation, accounting and disclosure of the Group, and the board of directors and shareholder's meetings. ₩105,000 thousand of fees are paid per every fiscal year. In addition, for the assets that the Group additionally purchases, the defined fee rate (0.005%~0.01%) of the weighted average purchase price of the additionally acquired assets is paid.

(c) Asset custody consignment contract

The Group entered into a consignment contract for custody and management of assets such as real estate, securities, and cash with NH INVESTMENT & SECURITIES CO.,LTD. ₩5,000 thousand of fees are paid per every fiscal year. The Group entered into a consignment contract for custody and management of securities, cash and other assets except for real estate with Woori Bank. ₩40,000 thousand of fees are paid per every fiscal year. The Group entered into a consignment contract with KB Real Estate Trust Co., Ltd. for real estate storage and management and ₩37,500 thousand of fees are paid per every fiscal year.

(d) Real estate collateral trust contract

The Group entered into a real estate collateral trust agreement with KB Real Estate Trust Co., LTD. to manage real estate ownership and guarantee the performance of the Group's debts and obligations. The scope of the secured debts guaranteed by this collateral trust agreement is as follows

(in thousands of Korean won)			
Priority beneficiary	Secured Obligations	Amount of secured debt	Maximum profit amount
Industrial Bank of Korea, etc. and five financial institutions	Tranche A	362,000,000	434,400,000
Suhyup Bank and 7 financial institutions	Icheon logistics park 8	45,400,000	54,480,000
Kookmin Bank and 35 financial institutions	Tranche A1	352,000,000	422,400,000
Kookmin Bank	Tranche C-2	114,500,000	137,400,000
The Kwangju Bank, Ltd., iM Bank, BUSAN BANK, NongHyup Bank, Shinhan Bank	Secured loan of East-Icheon BRIC logistics park	72,600,000	87,120,000

(e) Loan agreement

Details of the loan agreement as of November 30, 2024 are as follows:

(in thousands of Korean won)		
	Contract amount	Loan amount
Tranche A (Industrial Bank of Korea, etc. and 5 others)	362,000,000	362,000,000
Tranche A1-1(Kookmin bank and others)	195,100,000	195,100,000
Tranche A1-2(Kookmin bank and others)	77,800,000	77,800,000
Tranche A1-3(Kookmin bank and others)	34,600,000	34,600,000
Tranche A1-4(Kookmin bank and others)	44,500,000	44,500,000
Tranche B&C (Industrial Bank of Korea, etc. and three financial institutions)	364,200,000	364,200,000
Tranche C-2(Kookmin bank)	114,500,000	114,500,000
Tranche D (Industrial Bank of Korea and others)	50,000,000	48,000,000
Facility loans (NongHyup Bank)	10,000,000	10,000,000
Line of Credid(Shinhan bank)	10,000,000	6,500,000
Short-term borrowings((Shinhan bank))	10,000,000	10,000,000
Secured Loan of Icheon 8 Logiport	45,400,000	45,400,000
Loan of value-added tax	4,600,000	4,600,000
Secured loan of East-Icheon BRIC logistics park	72,600,000	72,600,000
	1,395,300,000	1,389,800,000

Notes to the consolidated financial statements

November 30, 2024 and May 31, 2024

Regarding the loan agreements, the Group provided the investment properties as collaterals and their details are as follows:

(in thousands of Korean won)				
	Collateral	Book value	Secured amount	Related borrowings Financial institutions
Investment properties	Bucheon cold logistics park and 4 others	570,741,366	434,400,000	Tranche A Industrial Bank of Korea, etc. and five financial institutions
	Goyang logistics park	481,316,368	437,040,000	Tranche B&C Industrial Bank of Korea, etc. and three financial institutions
	Anseong logistics park	159,826,129		
	Icheon logistics park 8	80,858,805	54,480,000	Secured loan of Icheon logiport Suhyup Bank and seven financial institutions
	Anseong logistics park 4	59,978,092	41,520,000	Tranche A1-3 Kookmin Bank and others
	Gimhae logistics park 2	71,916,293	53,400,000	Tranche A1-4 Kookmin Bank and others
	Anseong logistics park 2	328,447,964	234,120,000	Tranche A1-1 Kookmin Bank and others
	Anseong logistics park 3	127,828,886	93,360,000	Tranche A1-2 Kookmin Bank and others
	Icheon logistics park 5	200,575,846	137,400,000	Tranche C-2 Kookmin Bank
	Icheon logistics park 7	131,852,520	87,120,000	Secured loan of East-Icheon BRIC logistics park The Kwangju Bank, Ltd., iM Bank, BUSAN BANK, NongHyup Bank, Shinhan Bank
		2,213,342,269	1,572,840,000	

Among the Tranche A, in relation to the leasehold deposits of ₩310,684 thousand, the right of registered lease on deposit basis and pledge of ₩452,984 thousand are established as senior collateral.

The collaterals for the leasehold deposits of ₩398,249 thousand and ₩278,591 thousand are established as senior collateral for the Icheon Logistics park 8.

As of November 30, 2024, the Group has been provided with a payment guarantee of ₩ 1,064,548 thousand in relation to leasehold deposits, management fee payment and permission for development activities under the lease contract, restoration costs according to permission for use of agricultural production infrastructures from Seoul Guarantee Insurance Company.

CORPORATE INFORMATION

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