

Keppel DC REIT

CITIC CLSA ASEAN Access Month: Digitising ASEAN

16-17 March 2021

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Overview

Steady Portfolio Growth Since Listing

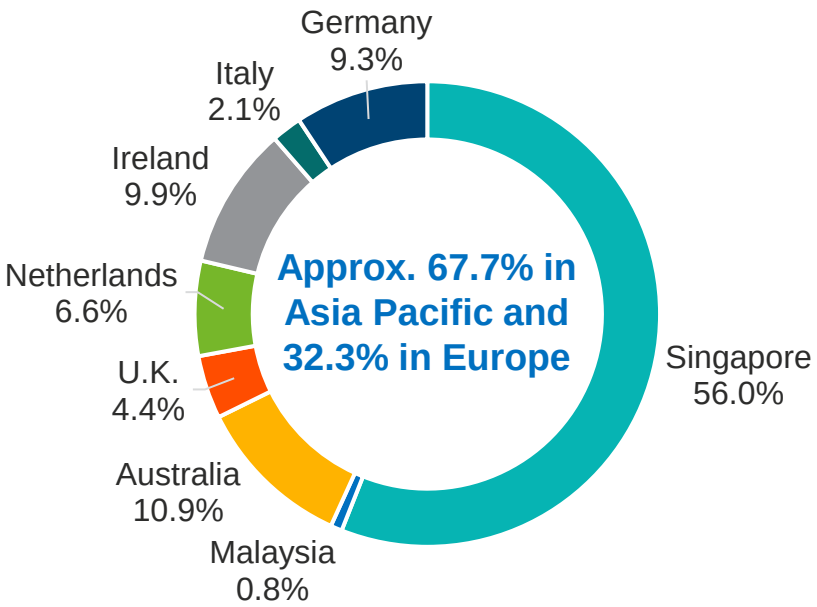


[1] Exclude Intellicentre 3 East Data Centre which development is expected to be completed in 1H 2021.

Diversified and Resilient Portfolio

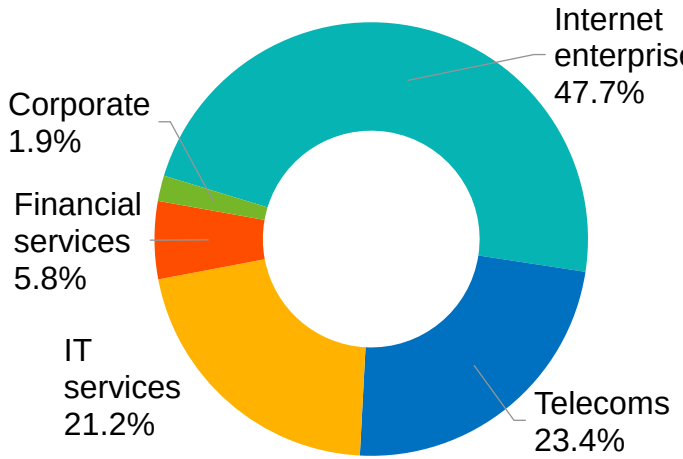
- **Quality data centres that meet the requirements of a global clientele**
  - Colocation facilities provide diverse client profile and lease expiry
  - Fully-fitted and shell & core facilities provide income stability with typically longer lease terms

Portfolio AUM breakdown
(as at 31 Dec 2020)

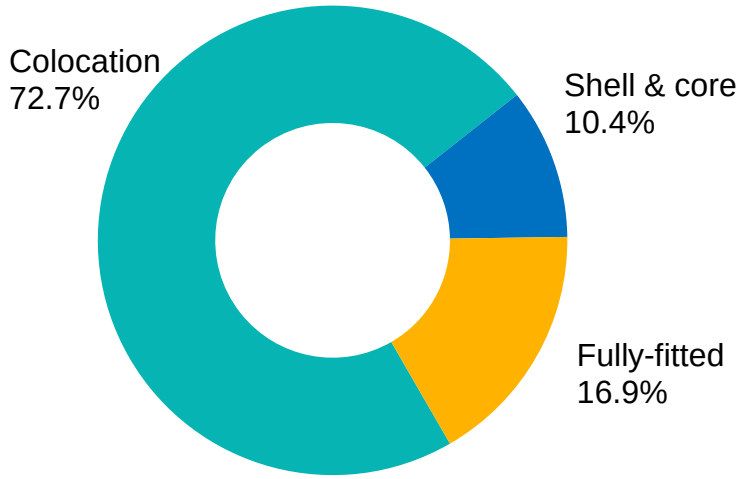


Rental income breakdown
(for Dec 2020[1])

By trade sector:



By lease type:



Lease Type	Client Count	WALE[2] (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.7	✓	✓	-
Fully-fitted	Single	11.2	✓	-	-
Shell & core	Single	7.3	-	-	-

1. Based on the colocation agreements and lease agreements with clients of the properties, treating the Keppel leases on a pass-through basis to the underlying clients.
2. By leased area as at 31 Dec 2020.

Key Highlights in FY 2020

Strengthened European Presence

with 3 acquisitions in FY 2020

Increased AUM by 15.4% y-o-y to

$3.0 billion

as at 31 Dec 2020

Total Unitholder returns of

38.4% in FY 2020 and

311.6% since listing as at 31 Dec 2020

- **Strong financial performance supported by new acquisitions**
  DPU increased 20.5% y-o-y to 9.170 cents, while Distributable Income increased 38.6% to $156.9m in FY 2020
- **Proactive asset enhancement initiatives to improve portfolio returns**
  Fitout works to convert unutilised space to data centre space and improve energy efficiency at various facilities
- **Resilient asset class and stable portfolio matrices provide income visibility**
  Healthy portfolio occupancy of 97.8% and long WALE of 6.8 years
- **Maintain investment focus**
  Continue to pursue growth opportunities, diversify risks and maintain growth momentum

Operational Updates

Strengthened Foothold in the Netherlands with Acquisition

DPU-accretive acquisition

Supports income resilience

Established DC location

Positive market outlook



Amsterdam Data Centre

- **Acquired a data centre and office facility:** Data centre is on a double-net lease while the majority of the office spaces is leased to data centre and IT services firms
- **Well-located in the Schiphol business park in the Amsterdam Metropolitan Area**
  - A point of presence for the Amsterdam Internet Exchange, one of the world's largest in terms of connection and traffic
- **Strong market outlook with limited new supply in Amsterdam**
  - Strong demand from hyperscale cloud providers
  - Amsterdam is one of the four main data centre hubs in Europe; benefits from central location between the UK, Germany, and the Scandinavian region

Amsterdam Data Centre	
Total net lettable area	141,698 sq ft
Occupancy	99.1%
WALE	4.5 years
Land lease title	Freehold
Purchase Price	€30m (approx. S$48.1m)
Funding	Fully funded by Euro-denominated loan

Proactive Asset Enhancement Initiatives



New data hall at
Keppel DC Singapore 5

- **Keppel DC Singapore 5:** Completed fit out of a new data hall, which was handed over to the client in Dec 2020
- **DC1:** Completed fit out of shell & core space in Feb 2021; asset fully leased to 1-Net Singapore on a fully-fitted basis
- Continued progress on the development of **Intellicentre 3 East Data Centre (IC3 East DC)** and the AEI works at **Keppel DC Dublin 2**



Artist impression of
IC3 East DC, Sydney

Assets	Details	Estimated Costs	Estimated Completion
Under development			
IC3 East DC, Sydney	▪ Building on vacant land within Intellicentre 2 Data Centre (IC2 DC) site ▪ New 20-year triple net master lease with Macquarie Telecom for IC2 DC and IC3 East DC to commence upon development completion	A$26.0-A$36.0m	1H 2021
Asset enhancement initiatives			
Keppel DC Dublin 2	▪ Converting additional space into a data hall ▪ Additional data hall has been committed by an existing client in the facility; IT power fully contracted	€12.0m	1H 2021

Leveraging Strong Demand for Data Centres

Stable income stream with high portfolio occupancy and long WALE

Portfolio Occupancy

97.8%

as at 31 Dec 2020

Portfolio WALE

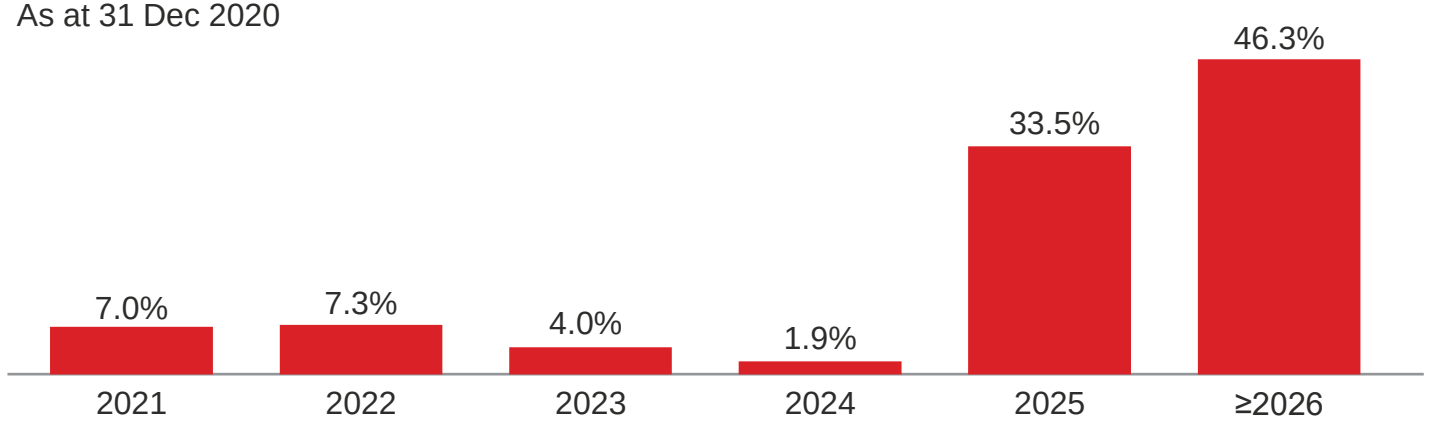
6.8 years

by leased area

- **Achieved 100% occupancy at Keppel DC Singapore 5,** following the completion of asset enhancement works in Dec 2020, up from 84.2% as at 30 Sep 2020
- **Secured a tenant expansion at Keppel DC Singapore 1,** increasing occupancy from 89.2% as at 30 Sep 2020 to 91.1% as at 31 Dec 2020, following a client expansion
- **Secured a new tenant at Keppel DC Singapore 2,** increasing occupancy from 93.5% as at 30 Sep 2020 to 98.2% as at 31 Dec 2020

Lease expiry profile (by leased area)

As at 31 Dec 2020

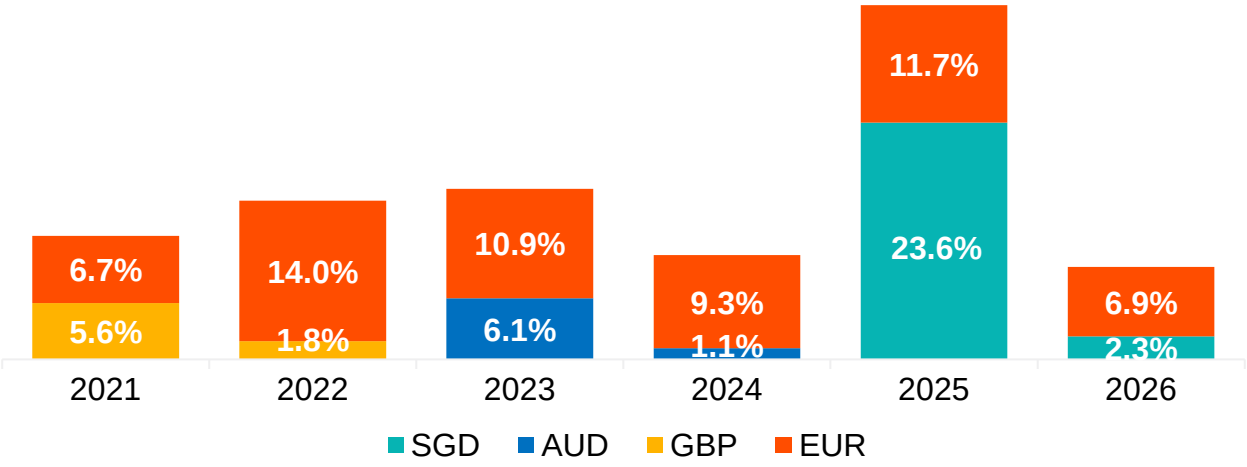


Prudent Capital Management

- Updated $500m MTN Programme to $2b Debt Issuance Programme in Jan 2021
- Refinanced A$13.2m loan to 2024 and obtained new $150m 6-year revolving credit facility in 2H 2020

Debt Maturity Profile

(as at 31 Dec 2020)



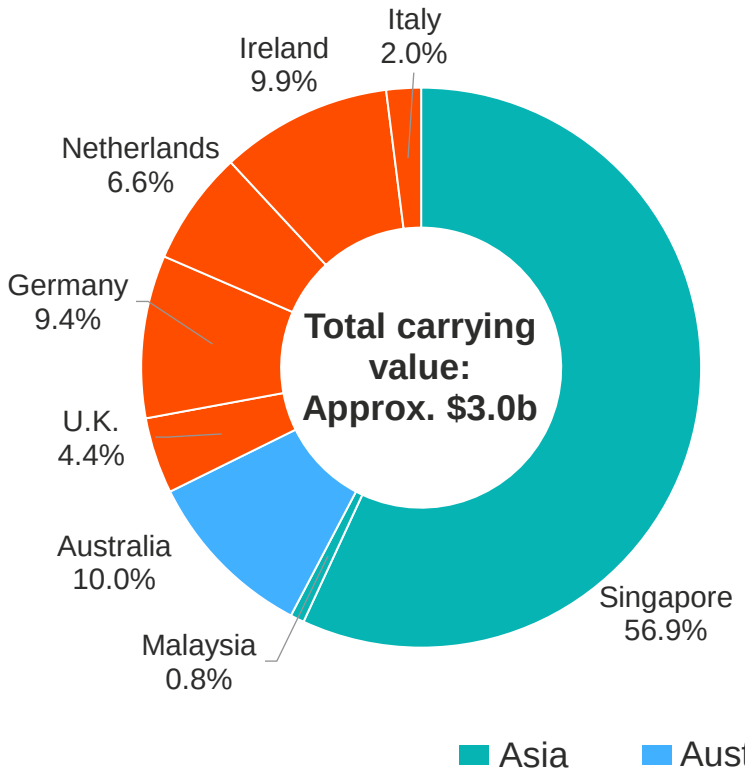
As at 31 Dec 2020	
Total debt[1]	~$1,165.8m of external loans/notes
Available facilities	~$402.3m of unutilised credit facilities
Aggregate leverage[2]	36.2%
Average cost of debt[3]	1.6% per annum
Debt tenor	3.2 years
Interest coverage[4]	13.3 times

1. All the external loans/notes were unencumbered, with the exception of the $15.4m secured bank borrowings taken over as part of the Amsterdam DC acquisition which have been repaid in early Jan 2021.
2. Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent commitments and options.
3. Including amortisation of upfront debt financing costs and excluding lease charges.
4. Interest Coverage Ratio disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

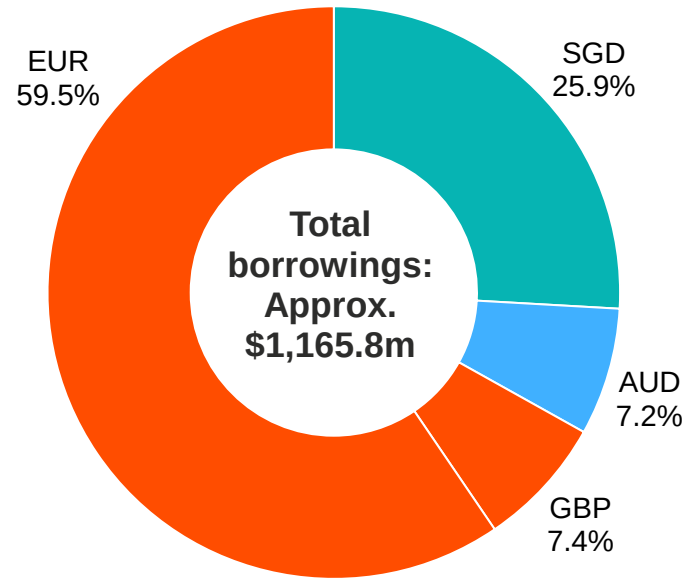
Prudent Capital Management

- **Managing interest rate exposure:** 63% of loans hedged with floating-to-fixed interest rate swaps, with the remaining unhedged borrowings mostly in EUR
- **Mitigating impact of currency fluctuations:**
  - Hedged forecasted foreign-sourced distributions till 1H 2022 through foreign currency forward contracts
  - Adopted natural hedging by borrowing in currencies that match the corresponding investments

Investment properties breakdown[1]
(as at 31 Dec 2020)



Debt currency breakdown
(as at 31 Dec 2020)



1. Based on 100% carrying value as at 31 Dec 2020 without taking into consideration the lease liabilities pertaining to the land rent commitments and options. Intellicentre 3 East Data Centre is separately accounted under property under development.

Outlook

Strong and Resilient Data Centre Demand

- Global colocation market grew by 15% in 2020 amid the pandemic, as data centres continued to be seen as a critical infrastructure[1]
- Expected to record a further 14% y-o-y growth in 2021 as businesses continue to remain reliant on the cloud for remote collaboration and operations[2]
- End-user spending on global data centre infrastructure is forecasted to grow 6% y-o-y in 2021 and through 2024[3]



APAC data centre spending to surpass US$35b by 2024 to account for >35% of global market[1]

>70% of all hyperscale data centres are located in facilities that are leased or owned by partners[4]

Smartphone subscription estimated at 6.1b by end-2020 and forecasted to reach 7.5b in 2026[5]

European data centre market to grow by >40% to over US$25b by 2024, despite limited new supply[1]

Enterprise spending on cloud infrastructure expected to grow by 22%[2] CAGR over next 5 years

5G subscriptions are expected to reach 3.5 billion in 2026, and account for an estimated 54% of total mobile data[5]

Sources: 1. Danseb Consulting (formerly Broadgroup Consulting) (Dec 2020); 2. CBRE (Nov 2020); 3. Gartner (Oct 2020); 4. Synergy Research (Dec 2020); 5. Ericsson (Nov 2020)

Positioned for Growth

- The Manager will continue to strengthen Keppel DC REIT's presence and position it to capitalise growth opportunities in the data centre industry

Fast-growing asset class

Resilient income stream

Focused investment strategy

Prudent capital management



Thank You

Important Notice: The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel DC REIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the "Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT ("Units") and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("SGX-ST"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

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Additional Information

Distributable Income

($'000)	2H 2020	2H 2019	+/(-) %	FY 2020	FY 2019	+/(-) %
Distributable Income to Unitholders	81,935	58,892	39.1	156,915	113,245	38.6
Comprising						
Gross Revenue	141,621	99,333	42.6	265,571	194,826	36.3
Property Expenses	(11,672)	(8,540)	36.7	(21,405)	(17,543)	22.0
Net Property Income	129,949	90,793	43.1	244,166	177,283	37.7
Distribution per Unit[1] (DPU) (cents)	**4.795**	**3.760**	**27.5**	**9.170**	**7.610**	**20.5**
Adjusted DPU[2](cents)	**4.795**	**3.860**	**24.2**	**9.170**	**7.710**	**18.9**
Distribution Yield[3] (%)				3.26	2.71	55bps

1. Exclude an amount of capital expenditure that has been set aside.
2. Exclude the impact of the pro-rata preferential offering in Oct 2019.
3. Based on FY 2020's closing price of $2.810 per Unit.

Balance Sheet

($'000)	As at 31 Dec 2020	As at 31 Dec 2019	+/(-) %
Investment Properties	3,005,038	2,637,026	+14.0
Property under development	24,676	-	Nm
Total Assets	3,349,828	2,927,994	+13.9
Gross Borrowings[1]	1,165,756	870,388	+35.0
Total Liabilities	1,367,586	1,025,446	+31.9
Unitholders' Funds	**1,944,652**	**1,868,018**	**+4.1**
Units in Issue ('000)	1,633,121	1,632,395	-
Net Asset Value (NAV) per Unit ($)	1.19	1.14	+4.4
Unit Price (Closing price of last trading day) ($)	2.81	2.08	+35.1
Premium to NAV (%)	+136.1	+82.5	53.6pp

1. Gross borrowings relates to borrowings drawn down from loan facilities and the medium term note programme.

Aggregate Leverage

($'000)	As at 31 Dec 2020	As at 31 Dec 2019	+/(-) %
Investment Properties[1] *(excluding lease liabilities commitments)*	3,005,559	2,585,178	+16.3
Deposited Properties[1] *(excluding lease liabilities commitments)*	3,287,441	2,838,306	+15.8
Gross Borrowings + Deferred Payment	1,190,432	870,388	+36.8
Aggregate Leverage[2]	**36.2%**	**30.7%**	**550bps**

1. Investment properties relates to carrying value and deposited properties relates to total assets as stipulated in the Property Fund Appendix in CIS Code, without considering lease liabilities pertaining to land rent commitments and options.
2. Aggregate Leverage was computed based on gross borrowings and deferred payment as a percentage of the deposited properties (Note 1). Taking into consideration lease liabilities pertaining to land rent commitments and options, the Aggregate Leverage will be 36.7% (2019: 31.9%).

Portfolio Overview (as at 31 Dec 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Valuation[2]	Lease type	WALE (years)	Land lease title
Asia Pacific									
Keppel DC Singapore 1	Singapore	100%	109,721	23	91.1	S$298.0m	Keppel lease / Colocation	4.0	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	5	98.2	S$174.0m	Keppel lease / Colocation	1.6	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
Keppel DC Singapore 3	Singapore	90%	49,433	2	100.0	S$238.5m	Keppel lease / Colocation	1.4	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S$386.1m	Keppel lease / Colocation	1.6	Leasehold (Expiring 30 Jun 2050)
Keppel DC Singapore 5	Singapore	99%	92,889	3	100.0	S$356.4m	Keppel lease / Colocation	2.0	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100.0	S$212.0m	Triple-net (Fully-fitted/ Shell & core[3])	15.3	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 71.3m (S$23.4m)	Colocation	1.5	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A$208.5m (S$205.8m)	Triple-net (Shell & core) / Colocation	4.4	Freehold
iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	A$35.0m (S$34.5m)	Double-net[4] (Fully-fitted)	10.5	Leasehold (Expiring 29 Jun 2040, with option to extend by 7 years)

1. Certain clients have signed more than one colocation arrangement using multiple entities.
2. Based on latest respective independent valuations and respective ownership interests as at 31 Dec 2020, unless otherwise stated.
3. In February 2021, the fit-out of DC1's shell & core space has been completed and DC1 has been leased to 1-Net Singapore on a fully-fitted basis.
4. Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.

Portfolio Overview (as at 31 Dec 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Valuation[2]	Lease type	WALE (years)	Land lease title
Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	A$59.0m (S$58.2m)	Triple-net (Shell & core)	14.6	Freehold
Intellicentre 3 East Data Centre[3]	Sydney, Australia	100%	Min. 86,000	1	100.0[3]	A$26.0-A$36.0m (development costs)	Triple-net (Shell & core)	20.0	Freehold
Europe									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£36.5m (S$65.1m)	Triple-net (Shell & core)	10.5	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£37.2m (S$66.3m)	Triple-net (Fully-fitted)	6.1	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, Netherlands	100%	118,403	1	100.0	€94.2m (S$150.9m)	Double-net (Fully-fitted)	7.7	Freehold
Amsterdam Data Centre	Schiphol-Rijk, Netherlands	100%	141,698	10	99.1	€28.0m (S$44.9m)	Double-net (Shell & core)	4.5	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	27	81.2	€95.9m (S$153.7m)	Colocation	3.5	Leasehold (Expiring 31 Dec 2998)
Keppel DC Dublin 2	Dublin, Ireland	100%	25,652	4	100.0	€89.3m (S$143.0m)	Colocation	7.9	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€38.2m (S$61.2m)	Double-net (Shell & core)	7.0	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€94.1m (S$150.7m)	Triple-net (Fully-fitted)	12.2	Freehold
Kelsterbach Data Centre	Kelsterbach, Germany	100%	540,869	1	100.0	€79.0m (S$126.6m)	Triple-net (Shell & core)	5.0	Freehold

1. Certain clients have signed more than one colocation arrangement using multiple entities.
2. Based on latest respective independent valuations and respective ownership interests as at 31 Dec 2020, unless otherwise stated..
3. This development is expected to be completed in 1H 2021; Facility will be fully leased to Macquarie Telecom upon completion.

Portfolio Valuation

	31 Dec 2020	31 Dec 2019
Capitalisation Approach		
Capitalisation Rate	4.95% - 10.12%	5.50% -10.25%
Discounted Cash Flow Approach		
Discount Rate	5.04% - 11.50%	4.75% - 12.00%
Terminal Yield Rate	5.25% - 14.35%	4.75% - 15.00%

Overview of Lease Arrangements

Asia Pacific	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Keppel DC Singapore 1	Keppel lease[1] / Colocation[2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 2	Keppel lease[1] / Colocation[2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 3	Keppel lease[1] / Colocation[2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 4	Keppel lease[1] / Colocation[2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 5	Keppel lease[1] / Colocation[2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
DC1	Triple-net lease	■ Client: Pays rent and all outgoings except insurance for the shell of the building, responsible for facilities management	-	✓	-	-
Basis Bay Data Centre	Colocation[2]	■ Client: Pays rent; responsible for facilities management ■ Owner: Bears pre-agreed facilities management amount, insurance and property tax	✓	✓	✓	✓
Gore Hill Data Centre (for one client)	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management in their space	-	-	-	-
Gore Hill Data Centre (for two clients)	Colocation[2]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Intellicentre 2 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Intellicentre 3 East Data Centre[4] (under development)	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
iseek Data Centre	Double-net lease[3]	■ Client: Pays rent and all outgoings except building insurance; responsible for facilities management	-	✓	-	✓

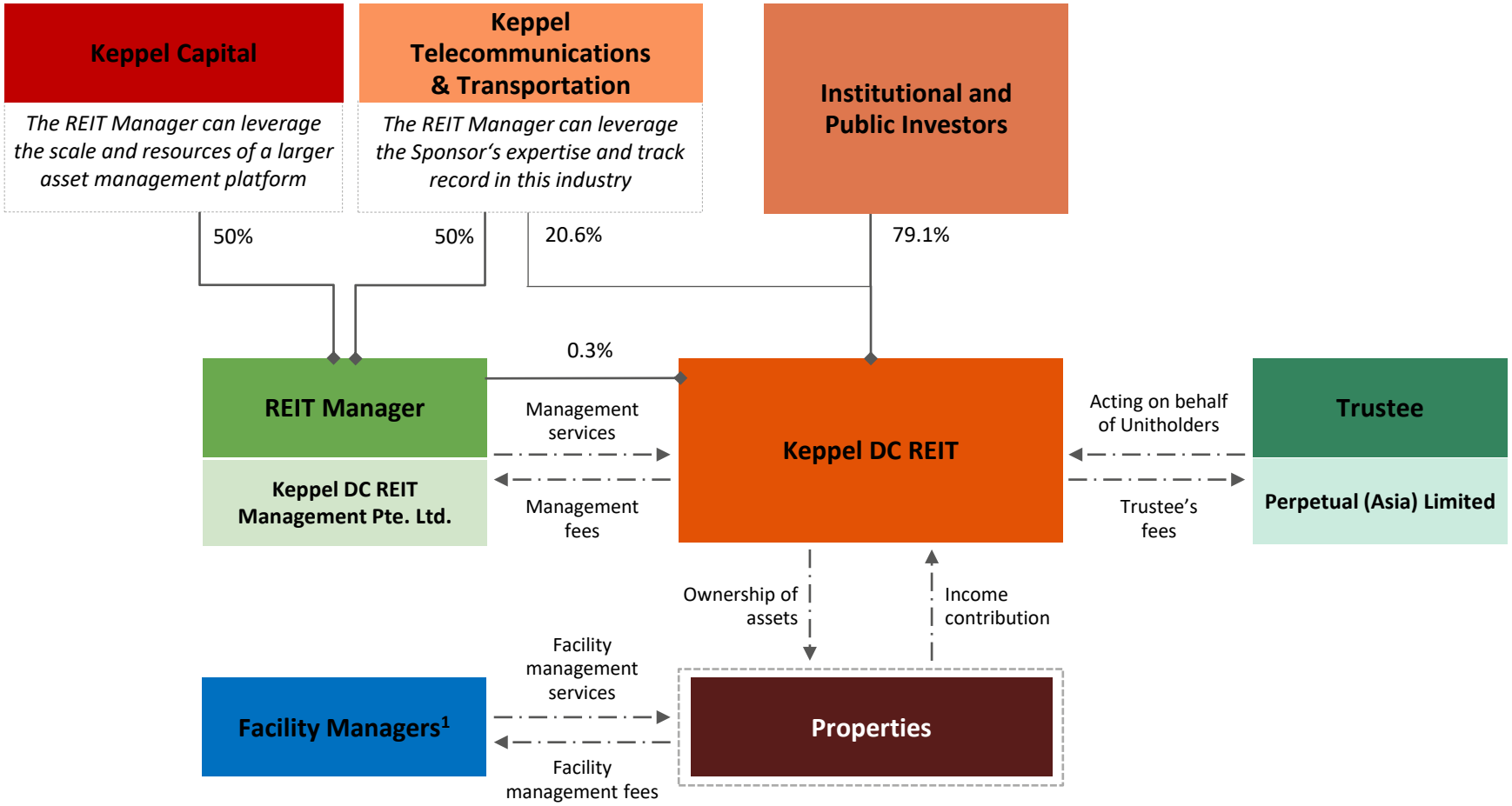
Overview of Lease Arrangements

Europe	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Cardiff Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
GV7 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Almere Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
Amsterdam Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
Keppel DC Dublin 1	Colocation[2,5]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation[2,5]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Milan Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
maincubes Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Kelsterbach Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-

1. Refers to the leases entered into by Keppel DC REIT with the Keppel lessees in relation to Keppel DC Singapore 1, Keppel DC Singapore 2, Keppel DC Singapore 3, Keppel DC Singapore 4 and Keppel DC Singapore 5 respectively. Due to the pass through nature of the Keppel leases, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel lessees and the underlying clients.
2. Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. Keppel DC REIT is usually responsible for facilities management in respect of such colocation arrangements, except in the case of Basis Bay Data Centre where the client is responsible for facilities management.
3. Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.
4. This development is expected to be completed in 1H 2021; Facility will be leased to Macquarie Telecom upon completion.
5. Keppel DC REIT has in place colocation arrangements with the clients of Keppel DC Dublin 1 and Keppel DC Dublin 2.

Keppel DC REIT Structure

as at 31 Dec 2020



1. The Facility Managers are appointed pursuant to the facility management agreements entered into for the respective properties.