Keppel REIT

Annual General Meeting

22 April 2022



Outline

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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.

Constituent of:

FTSE ST Large & Mid Cap Index

FTSE EPRA Nareit Global Developed Index

GPR 250 Index Series

MSCI Singapore Small Cap Index

FY 2021 in Review



Artist's Impression of
Blue & William,
Sydney

FY 2021 Performance

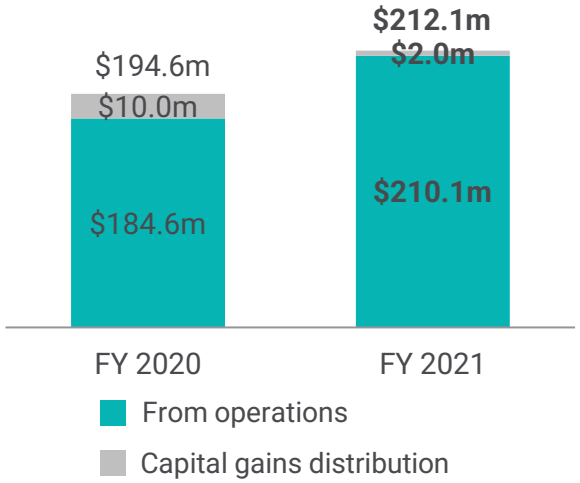
Growth in Distribution

5.82 cents

DPU up 1.6% y-o-y

$212.1m

Distribution to Unitholders up 9.0% y-o-y



Proactive Capital Management

38.4%

Aggregate leverage as at 31 Dec 2021

Low all-in interest rate of 1.98%

4.6x covered

$270.0m private placement

in Feb 2021

$150.0m

7-year medium term notes issued at 2.07% p.a.

in Sep 2021

Portfolio Optimisation & Sustainability

- **Healthy portfolio metrics** with portfolio committed occupancy of 95.4% and long portfolio weighted average lease expiry (WALE) of 6.1 years
- **Strong ESG focus** with MSCI ESG Rating upgraded to 'A' in Dec 2021 and refreshed ESG targets announced in Jan 2022
- **Supporting the transition to a low-carbon future** with the acquisitions of Keppel Bay Tower and Blue & William


Keppel Bay Tower


Blue & William (Artist's Impression)

Diversified Pan-Asian Portfolio of Prime Commercial Assets

$8.9b portfolio of quality and well-located assets across different markets enhance income stability and long-term growth opportunities

Australia
18.1%

Pinnacle Office Park, Sydney
100% Interest
Occupancy: 91.5%



8 Chifley Square, Sydney
50% Interest
Occupancy: 68.6%



Blue & William, Sydney
100% Interest
(Under Development)



8 Exhibition Street, Melbourne
50% Interest
Occupancy: 93.7%



Victoria Police Centre, Melbourne
50% Interest
Occupancy: 100%





David Malcolm Justice Centre, Perth
50% Interest
Occupancy: 100%

South Korea
3.5%



T Tower, Seoul
99.4% Interest
Occupancy: 100%

Singapore
78.4%



Ocean Financial Centre
79.9% Interest
Occupancy: 94.6%



Marina Bay Financial Centre
33.3% Interest
Occupancy: 95.5%



One Raffles Quay
33.3% Interest
Occupancy: 98.5%



Keppel Bay Tower
100% Interest
Occupancy: 96.4%

Note: Information as of 31 Dec 2021.

Quality Portfolio with Diversified Tenant Base

- Well-leased to diversified tenant base, including many established corporations
- As at end-2021, there were 384[(1)] tenants from various business sectors

Tenant Business Sector	%[(2)]
Banking, insurance and financial services	30.1%
Government agency	15.2%
Technology, media and telecommunications	13.1%
Legal	7.1%
Energy, natural resources, shipping and marine	6.7%
Manufacturing and distribution	6.5%
Real estate and property services	6.1%
Accounting and consultancy services	5.2%
Services	4.5%
Retail and food & beverage	2.6%
Others	2.9%
Total	100%

- Healthy rental collection of 99.6% in FY 2021
- Ongoing asset enhancement initiatives at 8 Chifley Square to enhance building amenities

Enhancing Tenants' Experience at 8 Chifley Square, Sydney



Artist's impression after foyer upgrade

(1) Tenants with multiple leases were accounted as one tenant.
(2) As at 31 Dec 2021 and based on portfolio committed NLA.

Continuing Portfolio Optimisation

- Acquired Keppel Bay Tower, a Grade A office building in the Keppel Bay waterfront precinct in HarbourFront on 18 May 2021
- Unlocked value with the divestment of 275 George Street on 30 Jul 2021
- Expanded into North Sydney on 14 Dec 2021 with the acquisition of Blue & William development which will offer Grade A office spaces with advanced green features and smart building technologies

Developments in 2020:



Jul 2020: Completed Victoria Police Centre in Melbourne

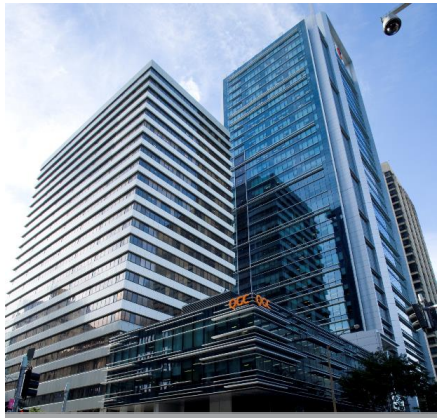


Dec 2020: Acquired Pinnacle Office Park in Sydney

Developments in 2021:



May 2021: Acquired Keppel Bay Tower in Singapore



Jul 2021: Divested 275 George Street in Brisbane



Dec 2021: Acquired Blue & William development in Sydney

Blue & William: DPU-Accretive Fund-through Development with Regular Coupon

Blue & William will offer panoramic views of the Sydney Harbour Bridge and Sydney CBD



- **DPU accretive investment** with 4.5% initial NPI yield after practical completion
- **Coupon of 4.5% per annum receivable**(1) during fund-through development
- **Deepen Australian footprint** with 100% interest in a freehold Grade A office building development in North Sydney
- **Strategic expansion** into major commercial district with excellent connectivity and positive leasing dynamics
- **3-year rental guarantee** on any unlet space after practical completion estimated in mid-2023
- **Strong sustainability credentials**

(1) *During the development period, Lendlease, as the Developer, will provide a coupon of 4.5% per annum on cumulative progress payments made. Coupon receivable will be applied as a reduction of the progress payments payable by Keppel REIT.*

Refreshed ESG Targets

To further its efforts on the sustainability front, the Manager has set new targets for the management of material ESG aspects

Environmental Stewardship

- Halve Scope 1 and 2 emissions by 2030 from 2019 levels
- Reduce energy and water usage
- Increase renewable energy usage
- Increase waste recycling rate

Responsible Business

- Uphold high standards of corporate governance and risk management
- Attain green certification for all properties by 2023
- Increase sustainability-focused funding to 50% by 2025

People and Community

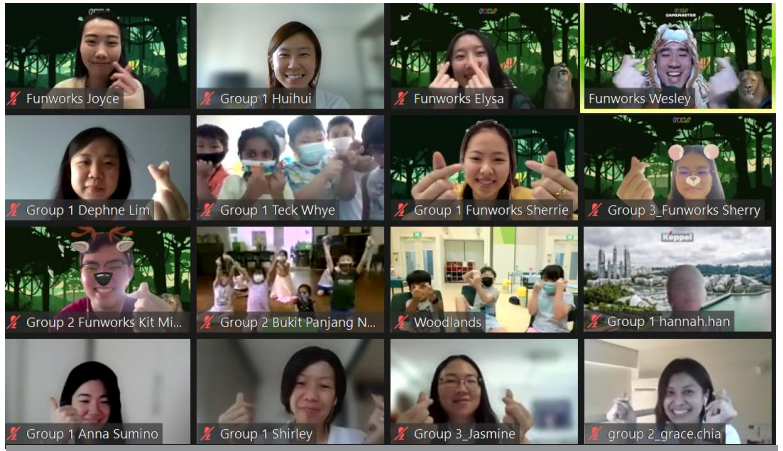
- Provide a safe and healthy workplace
- Invest in developing and training its people
- Uplift communities wherever it operates
- Maintain approximately 30% of female directors on the Board



Solar panels were installed at Pinnacle Office Park in Dec 2021 to tap on renewable energy



Sustainability credentials and potential for enhancement are taken into consideration in investment decisions



Virtual game session with New Life Community Services (Singapore) Children and Student Care

1Q 2022 Update



View from Keppel Bay Tower, Singapore

1Q 2022 Key Highlights

$53.8m

1Q 2022 distributable income from operations[1]

Up 4.3% y-o-y

38.7%

Aggregate leverage as at 31 Mar 2022

1.81% p.a.

All-in interest rate for 1Q 2022

95.1%

Portfolio committed occupancy as at 31 Mar 2022

6.1 years

Long portfolio weighted average lease expiry (WALE) as at 31 Mar 2022

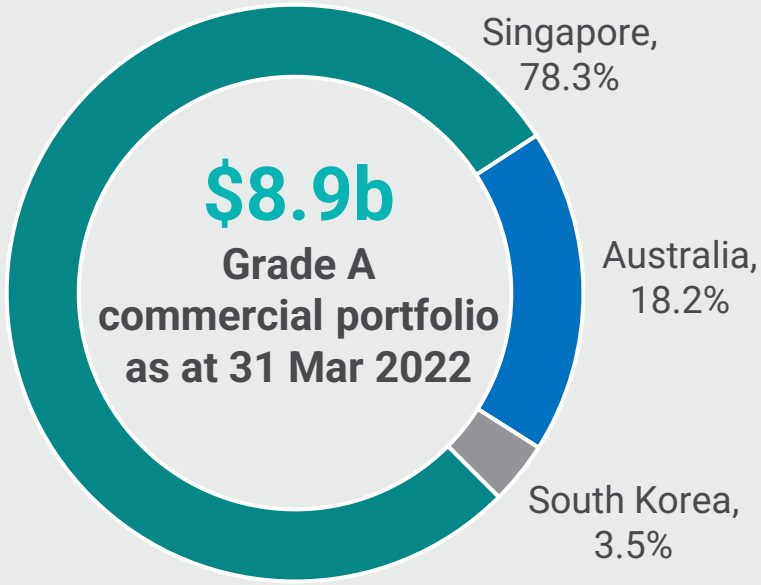
Top 10 tenants' WALE was 10.7 years

Certified Carbon Neutral

By Climate Active for Victoria Police Centre in April 2022

Pan-Asian Portfolio with Income Resilience

Anchored in key business districts of Singapore, Australia and South Korea

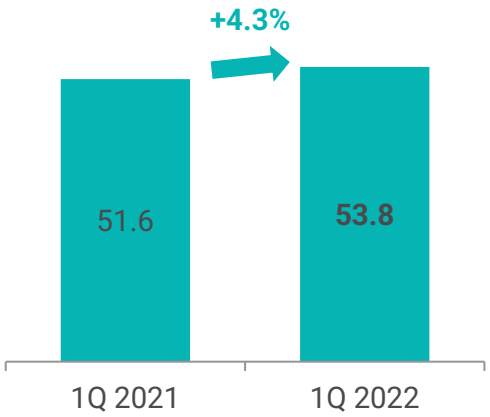


(1) *Keppel REIT adopts half-yearly distributions and any distribution of capital gains for 1H 2022 will be disclosed at the 1H 2022 results announcement.*

Higher Distributable Income from Operations

- Distributable income of $53.8 million, a 4.3% year-on-year growth due mainly to the acquisition of Keppel Bay Tower in May 2021
- The increase was partially offset by the impact of the divestment of 275 George Street in July 2021

Distributable Income from Operations ($m)



	1Q 2022	1Q 2021	+/(-)
Property Income(1)	$54.5m	$51.1m	+6.7%
Net Property Income (NPI)	$44.2m	$40.7m	+8.6%
Less: Attributable to Non-controlling Interests	($4.2m)	($4.3m)	(2.3%)
NPI Attributable to Unitholders	$40.0m	$36.4m	+9.9%
Share of Results of Associates(2)	$23.0m	$24.9m	(7.6%)
Share of Results of Joint Ventures(3)	$5.8m	$7.7m	(24.7%)
Distributable Income from Operations	**$53.8m**	**$51.6m**	**+4.3%**

(1) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, 50% interest in Victoria Police Centre, Pinnacle Office Park, T Tower, Keppel Bay Tower after it was acquired on 18 May 2021 and 50% interest in 275 George Street before it was divested on 30 Jul 2021.

(2) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre.

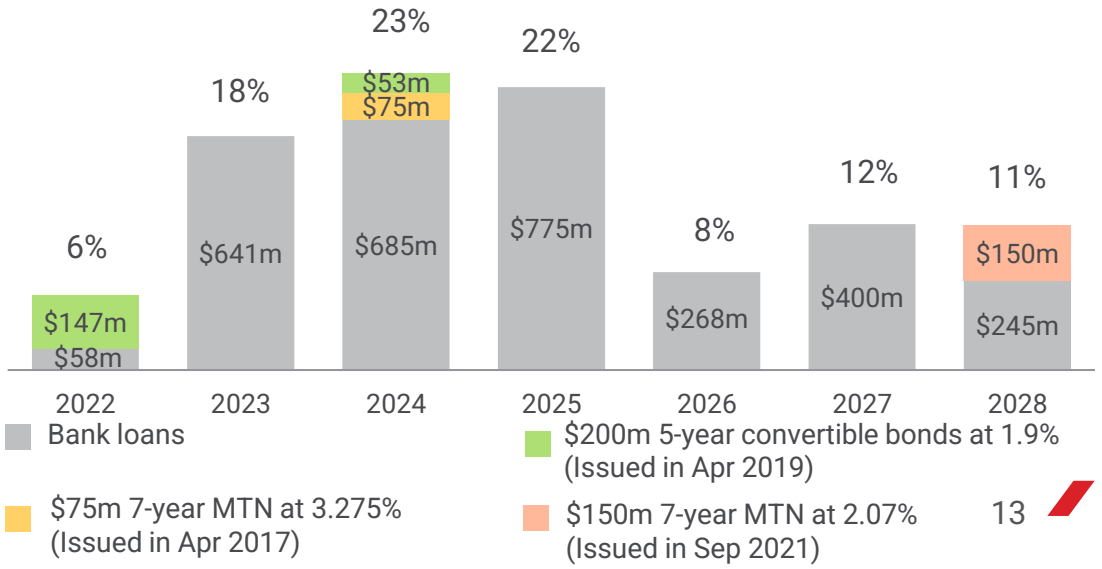
(3) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

Prudent Capital Management

- All-in interest rate reduced year-on-year to 1.81% p.a. from 2.01% p.a.
- Total borrowings on fixed rates increased from 63% to 71% during the quarter, to mitigate interest rate volatility
- Approximately 48%[(1)] of Keppel REIT's total borrowings are green loans
- On 11 April 2022, $146.5 million of the 1.90% convertible bonds due 2024 were redeemed. The redemption was funded through loan facilities at comparable interest rates, maturing mainly in 2026 and 2027

As at 31 Mar 2022	
Adjusted NAV per Unit[(2)]	$1.29
Interest Coverage Ratio[(3)]	3.8x
All-in Interest Rate	1.81% p.a.
Aggregate Leverage	38.7%
Weighted Average Term to Maturity	3.1 years
Borrowings on Fixed Rates	71%
Sensitivity to Interest Rates[(4)]	+ 50 bps = ~0.14 cents ⬇ in DPU p.a. or ~2.4%[(5)] ⬇ in DPU p.a.

Debt Maturity Profile (As at 31 Mar 2022)



(1) This includes Keppel REIT's share of external borrowings accounted for at the level of associates.
(2) Excluded the distributable income for the period 1 Jan 2022 to 31 Mar 2022 to be paid in Aug 2022.
(3) Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.
(4) Refers to changes to SOR/SORA/BBSW for applicable loans on floating rates.
(5) Computed based on DPU of 5.82 cents for FY 2021.

Robust 1Q 2022 Portfolio Performance

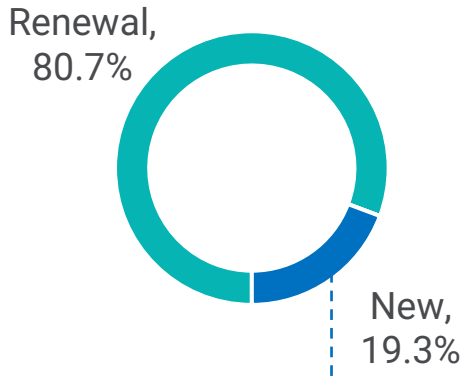
Total Leases Committed
~475,000 sf
(Attributable ~222,500 sf)

Retention Rate
91%

Leases Committed by Geography[(1)]



Leases Committed by Type[(1)]



- Rental collection remained healthy at 99% in 1Q 2022
- Tenant relief measures of ~$0.2m were granted in 1Q 2022, mostly to ancillary retail tenants

New leasing demand and expansions from:

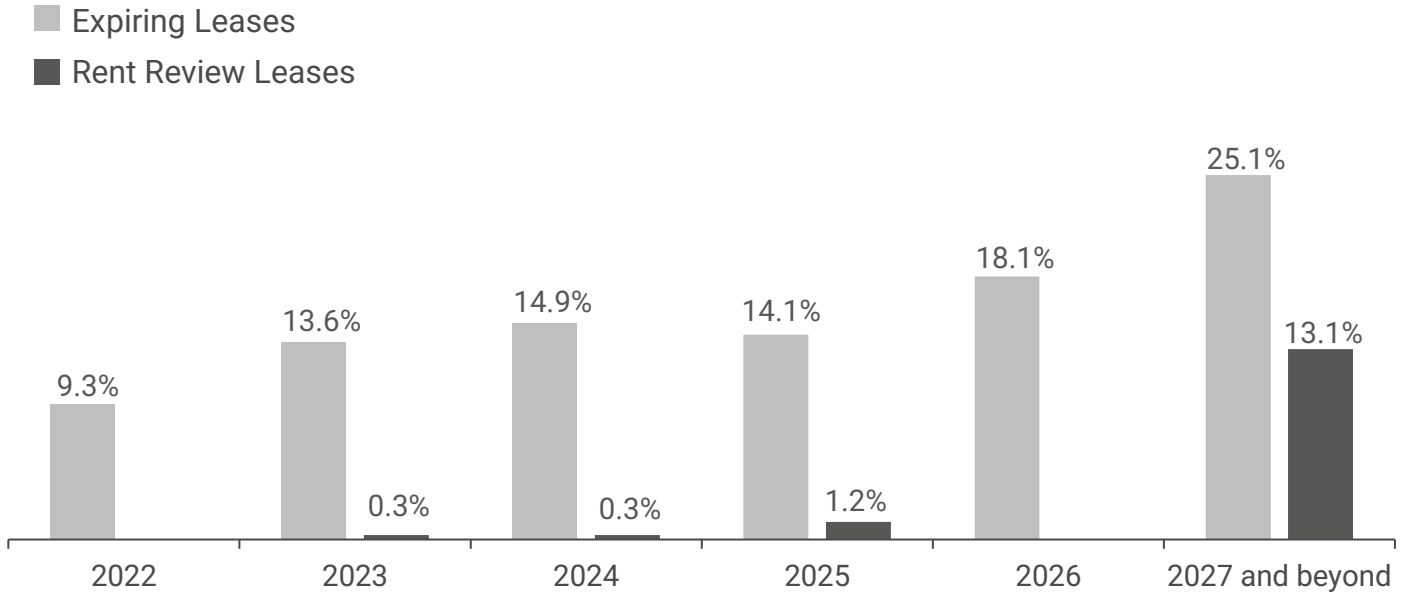
Real estate and property services	43.4%
Manufacturing and distribution	23.1%
Banking, insurance and financial services	13.0%
Accounting and consultancy services	8.9%
Technology, media and telecommunications	6.3%
Legal	4.3%
Retail and F&B	1.0%

(1) Based on committed attributable area.

Well-spread Lease Expiry Profile

- Average signing rent for Singapore office leases[(1)] concluded in 1Q 2022 was $11.15 psf pm
- Average expiring rents of Singapore office leases[(2)](psf pm): $10.10 in 2022, $10.84 in 2023 and $10.72 in 2024

Lease Expiries and Rent Reviews[(3)]





(1) Weighted average for Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.
(2) Weighted average based on attributable NLA of office lease expiries and rent reviews in Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.
(3) Based on committed attributable area.

Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

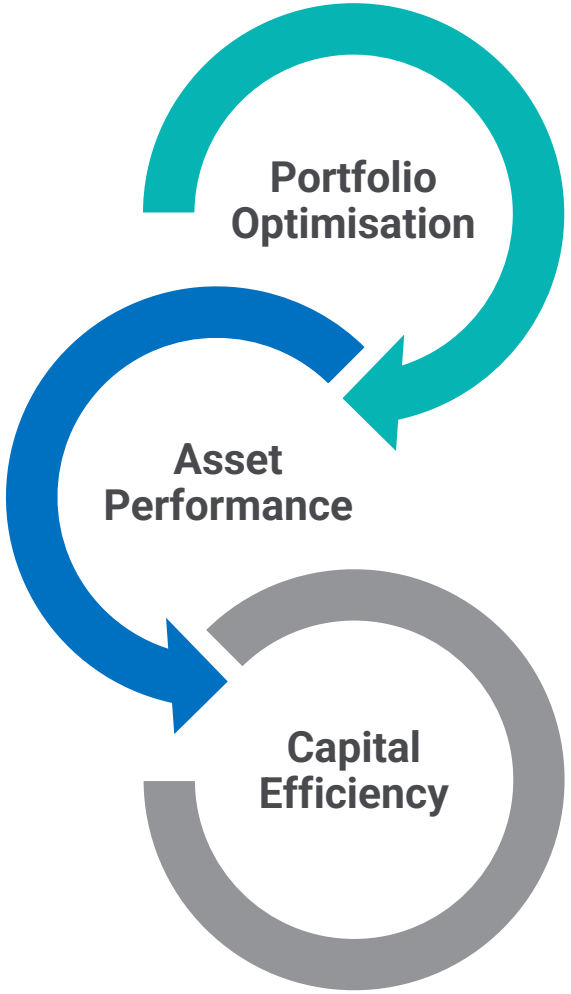
- Portfolio optimisation to improve yield, anchored by prime CBD assets in Singapore
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

Asset Performance

- Drive individual asset performance with proactive leasing and cost management strategies
- Implement initiatives to future proof assets and enhance sustainability

Capital Efficiency

- Optimise capital structure to reduce borrowing costs and improve returns
- Manage debt maturities and hedging profiles to reduce risk



Thank You

For more information, please visit:
www.keppelreit.com

Connect with us on:



Victoria Police Centre,
Melbourne

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