



Proposed Acquisition of Keppel DC SGP 7 and 8

19 Nov 2024

AI-Ready Hyperscale Data Centres within a Campus in Singapore

Keppel DC REIT is one of the largest owners of stabilised data centres in Asia's top data centre hub

Artificial Intelligence (AI)
Inference Ready



100% Contracted to
Global Hyperscalers¹



Excellent Connectivity
to Key Network Infrastructure



Purpose-built,
Carrier-neutral Data Centres within
the Keppel Data Centre Campus



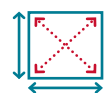
Tier III-equivalent
Specifications with
Dark Fibre Connectivity



Designed with
Sustainability at the Core



KDC SGP 7



~72,923 sq ft
of Lettable
Area



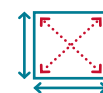
4
clients



~3.9 yrs
WALE²



KDC SGP 8



~77,532 sq ft
of Lettable
Area



3
clients



~5.0 yrs
WALE²

1. Both KDC SGP 7 and KDC SGP 8 are currently fully contracted to clients.

2. As at 30 Sep 2024. By lettable area.

Acquisition Overview

Proposed Acquisition of 99.49% Economic Interest in 2 Colocation Data Centres in Singapore (Proposed Shares and Notes Transactions)¹

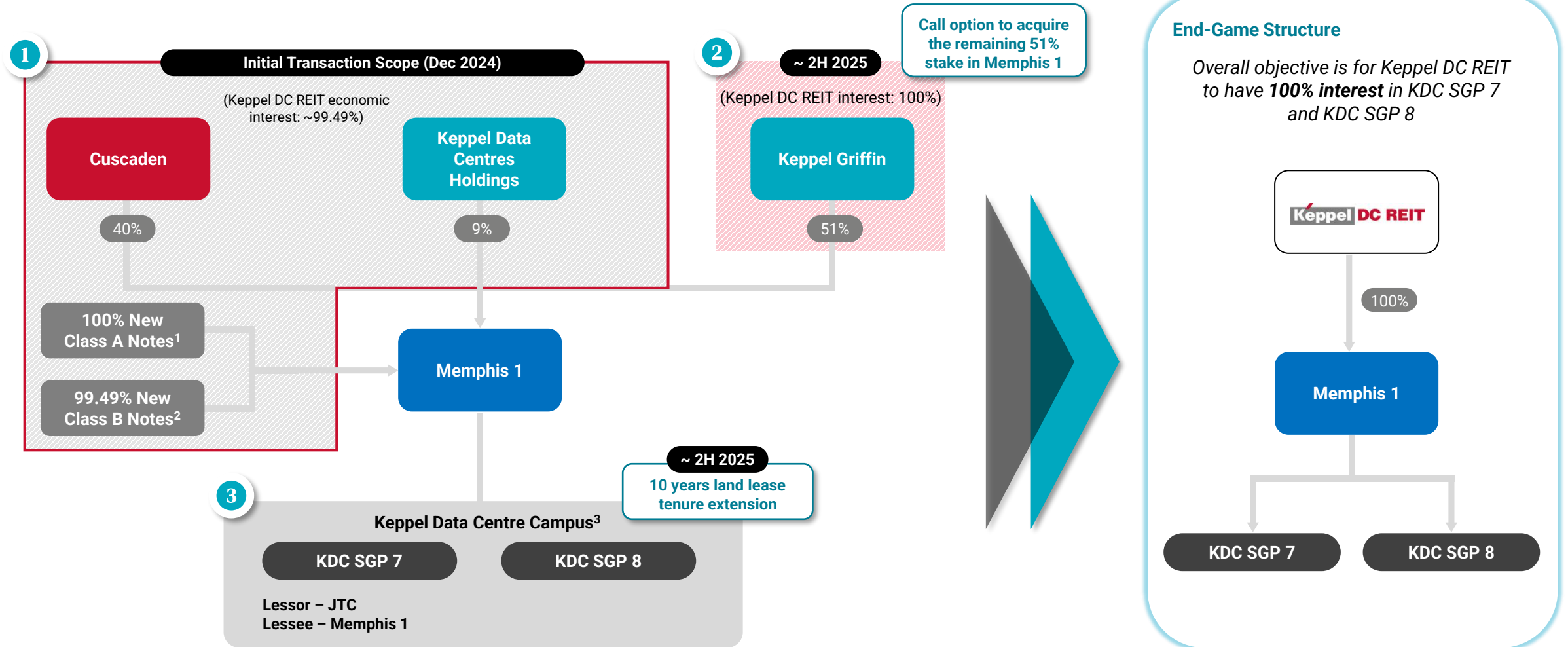
Agreed KDC SGP 7 and 8 Value	100% Basis: - S\$1,030.0m (~15.5 years land tenure) - S\$1,380.0m (~25.5 years land tenure)
Independent Valuation²	Knight Frank: - S\$1,033.0m (~15.5 years land tenure) - S\$1,403.0m (~25.5 years land tenure) Savills: - S\$1,054.5m (~15.5 years land tenure) - S\$1,383.5m (~25.5 years land tenure)
Total Acquisition Cost (for 99.49% economic interest)	Estimated to be ~S\$1,066.8m comprising: - Purchase Consideration of ~S\$1,030.2m - Acquisition fees payable to the Manager for the Proposed Shares and Notes Transactions of ~S\$10.2m - Professional fees, expenses and taxes in connection with the Proposed Shares and Notes Transactions of ~S\$26.4m
Method of Financing	Combination of equity (via private placement, preferential offering and Sponsor subscription) and debt

Asset Details

	KDC SGP 7	KDC SGP 8
Description	Completed and 100% occupied	Received Temporary Occupation Permit in Aug 2024, expected to be 100% occupied by 3Q 2025 ³
No. of Storeys	7	6
Lettable Area	72,923 sq ft	77,532 sq ft
No. of Clients	4	3
Contracted Occupancy	100%	100% ³
Contract Type	Colocation	
Weighted Average Lease to Expiry (WALE) by lettable area as at 30 Sep 2024	3.9 yrs	5.0 yrs
Land Type	Leasehold title expiring on 15 Jul 2040 (~15.5 yrs remaining) ⁴ (~25.5 yrs remaining if land lease is extended) ⁵	

- The Proposed Acquisition, subject to Unitholders' approval, is structured for Keppel DC REIT (i) to acquire 49% equity ownership in Memphis 1 Pte. Ltd (Memphis 1) and (ii) to subscribe for 100% of New Class A Notes and 99.49% of New Class B Notes issued by Memphis 1 which would provide Keppel DC REIT with 99.49% of the economic interest in KDC SGP 7 and KDC SGP 8. Keppel DC REIT is granted a Call Option as part of the Proposed Acquisition to acquire the remaining 51.0% of the Memphis 1 Shares. Should the Call Option be exercised, Keppel DC REIT will have 100.0% interest in KDC SGP 7 and KDC SGP 8. Please refer to the Acquisition Announcement for further details.
- The valuations do not take into account the income support.
- KDC SGP 8 is fully contracted to clients on a colocation basis. It is currently partially fitted and occupied. The data centre is expected to be fully fitted and occupied by 3Q 2025.
- As at 31 Dec 2024.
- The Existing Shareholders and Noteholders and Keppel Griffin shall continue to engage the relevant authorities post completion of the Proposed Shares and Notes Transactions to extend the land tenure of the Property for an additional 10 years until 15 Jul 2050.

Proposed Acquisition Structure

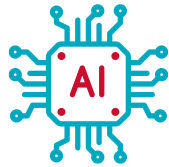


1. Subscription amount of up to S\$553.8m. Amount payable is variable depending on the performance of KDC SGP 7 and KDC SGP 8.

2. Subscription amount of up to S\$472.8m. Balance 0.51% of New Class B Notes will be held by Keppel Griffin under the Notes Subscription Agreement. Keppel DC REIT will have 99.49% of the economic interest in Memphis 1 and Keppel Griffin will hold the balance 0.51% of the economic interest in Memphis 1. Fixed amount payable is 4.0% per annum.

3. For the avoidance of doubt, Keppel DC REIT will only be acquiring interests in KDC SGP 7 and KDC SGP 8, and not KDC SGP 9.

Key Investment Merits



Strategic addition of AI-ready hyperscale data centres in Asia's top data centre hub

1



Immediate distribution per Unit ("DPU") accretion

2



Multiple levers to drive further growth via rental uplifts and capacity expansion

3



Stronger platform to drive long-term growth

4

1 Strategic Addition of **AI-ready Hyperscale Data Centres** in Asia's Top Data Centre Hub

Strategic acquisition to capitalise on growth driven by exponential demand in generative AI

AI-ready specifications



Designed to handle **AI inference** workloads



Future-ready with flexibility to accommodate fit-out modifications, including **liquid cooling** to house AI workloads efficiently



High power connection and in proximity to nearby cable landing stations, offering **ultra-low latency connectivity**



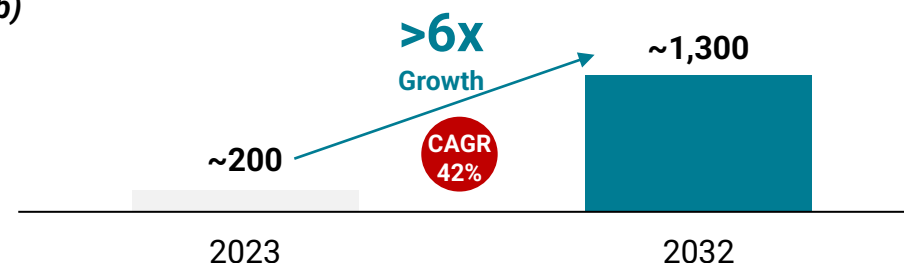
KDC SGP 7 and KDC SGP 8 have achieved the **Building and Construction Authority's (BCA) Green Mark Platinum Award**



KDC SGP 7 and KDC SGP 8 are situated within the **Keppel Data Centre Campus** which will support the **adoption of green data centre solutions**¹

Capitalise on growing demand for AI data centres and structural tailwinds

Revenue for Global Generative AI Market (US\$b)



- Growth will be **driven by training infrastructure in the near-term** and **AI inference use in the medium to long term**
- Future demand bolstered by the **ubiquitous adoption of technologies** and **structural tailwinds**

Ubiquitous Adoption of Technologies



AI



5G Rollout



Internet of Things



Cloud Adoption



E-commerce



Social Media & Streaming

Structural Tailwinds Bolster Demand

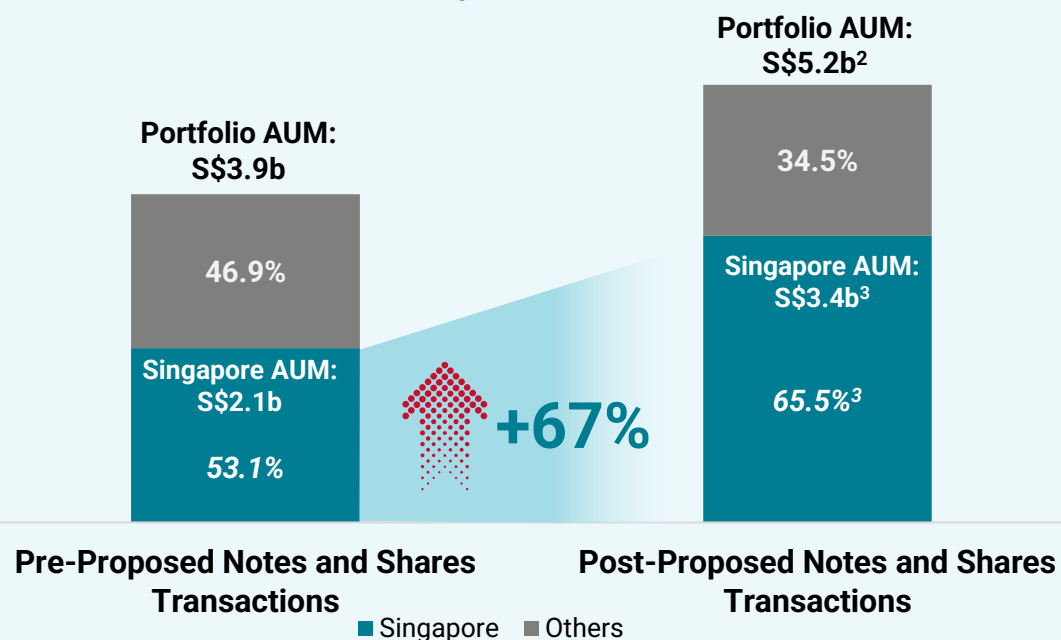
1. Keppel's latest data centre in Singapore achieves BCA Green Mark Platinum Award, Keppel, Jul 2024.

Source: Bloomberg (Jun 2023), DC Byte (Oct 2024).

1 Strategic Addition of **AI-ready Hyperscale Data Centres** in Asia's Top Data Centre Hub

Strengthen foothold in Singapore, Asia's top data centre hub

Assets Under Management (AUM)¹ in Singapore to increase by ~67% to S\$3.4b



- ✓ Singapore is the **top data centre hub in Asia** with extensive undersea cable networks and high-speed internet access
- ✓ Demand continues to be fuelled by **increasing digitalisation**, and **continued cloud adoption and AI**
- ✓ One of the most **power-constrained** markets globally; **colocation vacancy rate of ~1%** is among the lowest in Asia Pacific
- ✓ As **one of the largest owners of stabilised data centre assets in Singapore**, Keppel DC REIT is poised to benefit from a **further growth in colocation rates** underpinned by strong demand and limited capacity

Source: DC Byte (Oct 2024), Cushman & Wakefield (Jun 2024).

1. As at 30 Sep 2024.

2. This is on the basis of Keppel DC REIT having an economic interest of 99.49% in KDC SGP 7 and KDC SGP 8 and including the Land Tenure Lease Extension being obtained. Excluding the Land Tenure Lease Extension, the AUM will be S\$4.9b.

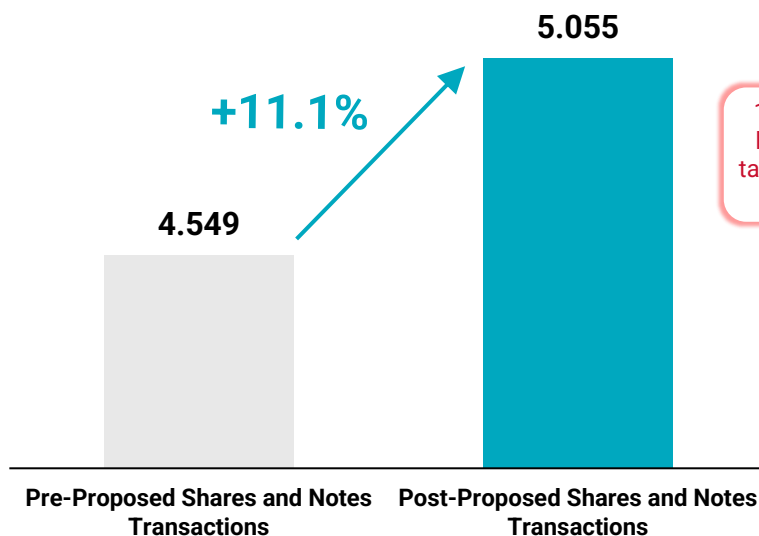
3. Excluding the Land Tenure Lease Extension, Keppel DC REIT's exposure to Singapore assets will be S\$3.1b and proportion of Singapore assets by AUM will be 63%.

2 Immediate DPU Accretion

Proposed Shares and Notes Transactions is DPU accretive

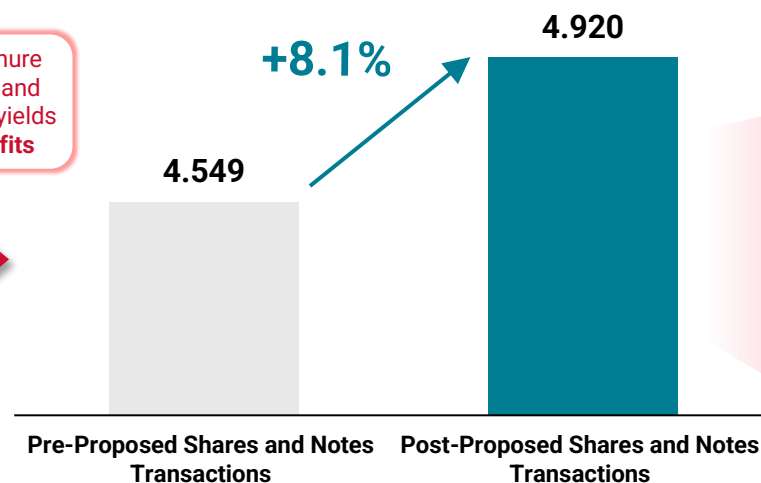
1H 2024 Pro Forma DPU Accretion
On an Immediate Basis^{1,2}
(Singapore cents)

1H 2024 Pro Forma DPU Accretion^{2,3,4,5}
(Singapore cents)



Assuming land lease title of ~15.5 years
without tax transparency

10 years land tenure
lease extension and
tax transparency yields
long-term benefits



Assuming exercise of the Call Option, land lease
title of ~25.5 years and with tax transparency

Multiple benefits from the 10 years
land lease tenure extension

- ✓ Stable and growing stream of high-quality cash flow over a longer period
- ✓ Strengthens position to drive organic growth for existing/new contracts
- ✓ Potential capital value uplift

1. As if the Proposed Shares and Notes Transactions were completed on 1 Jan 2024 and as if the Equity Fund Raising was completed on 1 Jan 2024, assuming no tax transparency and based on 99.49% economic interest.
2. Please refer to the Acquisition Announcement for details on FY 2023 DPU accretion.
3. The Lease Extension Consideration of S\$350.0m is assumed to be financed fully by debt. In addition, there is a 1.0% acquisition fee on the Land Tenure Lease Extension amount which is assumed to be financed by issuance of Acquisition Fee in units.
4. An advance ruling application to the Inland Revenue Authority of Singapore (IRAS) for tax transparency treatment for the income from Memphis 1 will be submitted.
5. 1H 2024 pro forma DPU accretion will be (i) +6.7% assuming land lease title of ~25.5 years and without tax transparency, (ii) +12.3% assuming land lease title of ~15.5 years with tax transparency, based on 100.0% interest.

3 Multiple Levers to Drive Further Growth Via Rental Uplifts and Capacity Expansion

Optimise returns through proactive portfolio and asset management

A

Potential for rental uplifts

Singapore Data Centres Pricing
(per kW/month)



- Contracted rentals for KDC SGP 7 and KDC SGP 8 on take-or-pay basis are estimated to be **at least 15% to 20% below comparable market colocation rents**
- Colocation rents in Singapore for data centre capacity is expected to **trend upwards** over the next few years given the **tight demand-supply dynamic**

B

Potential for capacity expansion

Potential for capacity expansion



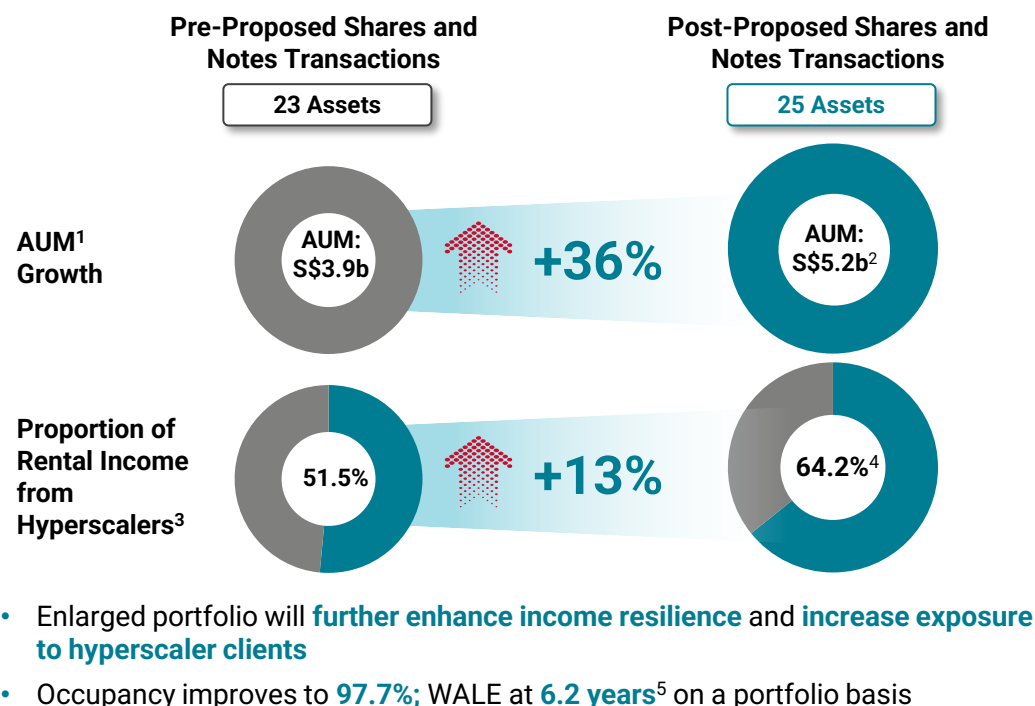
- Potential **revenue upside in the mid to long term capacity expansion**, subject to authority's approvals including power
- Potential conversion of ~1.5 floors** of unutilised space at KDC SGP 8 **into data halls**
- Manager's proven track record** of delivering positive reversions and successful asset enhancement initiatives **to unlock value**

4 Stronger Platform to Drive Long-term Growth

Portfolio AUM increases by ~36%, creating stronger platform for future growth

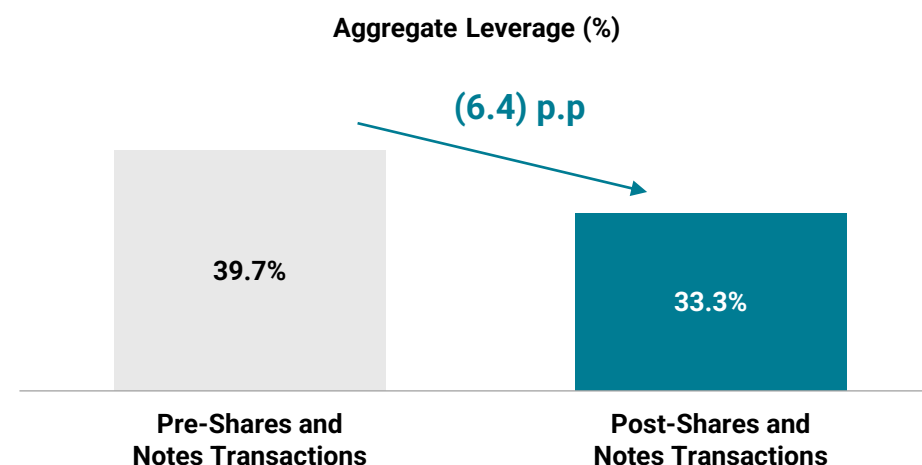
A

Enhances portfolio income resilience



B

Well-positioned to capture future growth catalysts



- **Improved aggregate leverage** from 39.7% to 33.3%⁶ post the Proposed Shares and Notes Transactions and Equity Fund Raising (EFR), creating **greater debt headroom of S\$565.3m⁷**
- **Greater financial flexibility** for continued pursuit of accretive opportunities and future growth

1. As at 30 Sep 2024.

2. This is on the basis of Keppel DC REIT having an economic interest of 99.49% in KDC SGP 7 and KDC SGP 8 and including the Land Tenure Lease Extension being obtained. Excluding the Land Tenure Lease Extension, the AUM will be S\$4.9b.

3. For the month of Sep 2024. Based on agreements with clients of the portfolio and in the case of Keppel DC Singapore 1 to 5, the underlying client contracts.

4. Includes a review and reclassification of key client profiles to reflect their evolving business.

5. By lettable area. WALE by rental income will be 4.4 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

6. Aggregate leverage is expected to increase from 33.3% to 37.9% had the Lease Extension Consideration been included.

7. Based on 40% aggregate leverage.

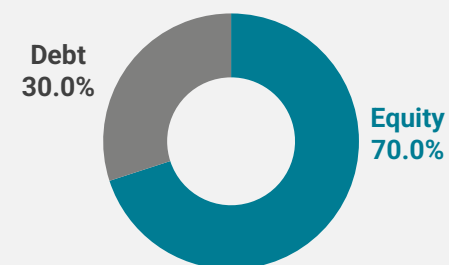
Financing of the Proposed Shares and Notes Transactions

Proposed Shares and Notes Transactions to be funded mostly by equity, with land lease extension funded via debt

Method of Financing (S\$m)

Item	KDC SGP 7 and 8 (S\$m)
Estimated Purchase Consideration (incl. Lease Extension Consideration of ~S\$350.0m)	~1,386.3
Other Expenses	~37.8
Acquisition Fees in Units	~13.8
Estimated Total Acquisition Cost	~1,437.9 ¹

Breakdown of Sources



- Estimated total acquisition cost (save for Acquisition Fee) to be funded by net proceeds from EFR and debt
- **Equity**
 - Net proceeds from EFR of ~S\$973.2m (excluding transaction costs of ~ S\$11.8m)
- **Debt**
 - Total debt raised of ~S\$450.9m in relation to the 10 years land tenure lease extension as well other transaction expenses. The Lease Extension Consideration is expected to be fully funded via debt

1. Total Acquisition Cost of Proposed Shares and Notes Transactions, Lease Extension Consideration and the Call Option purchase consideration.

Leverage **Sponsor's Data Centre Expertise** to Drive Growth for Keppel DC REIT

35

data centres across
Asia Pacific and Europe¹

650 MW

current gross power capacity, of which
~70% is operational

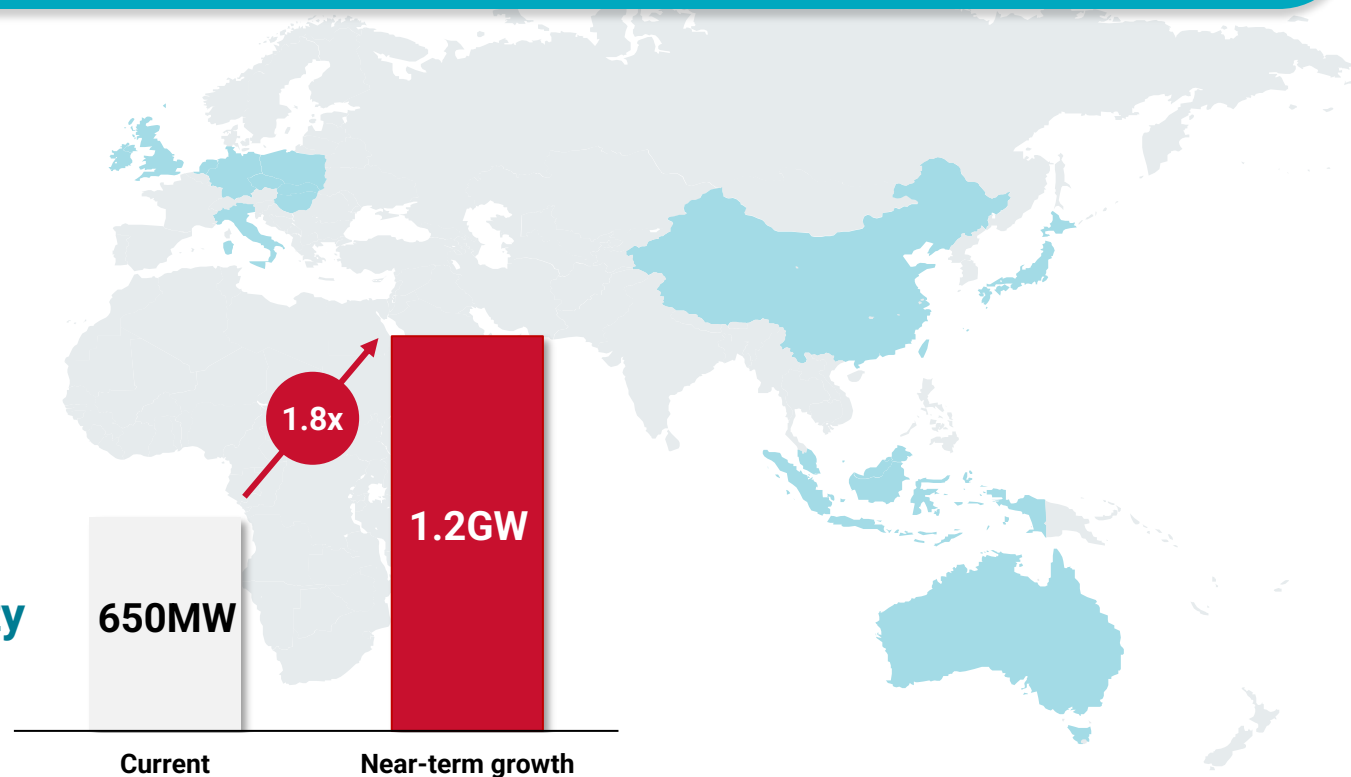
- Singapore: 200MW
- Rest of Asia Pacific: 350MW
- Europe: 100MW

>500 MW

potential near-term growth, fueled by
dry powder from upcoming DC Fund III
and co-investments

Keppel has over two decades of experience in designing, developing and operating data centres

Driving
Capacity
Growth



1. Including Keppel's portfolio of 33 data centre assets as at end Sep 2024, as well as 2 pipeline assets being planned, namely Keppel DC SGP 9 which is part of the Keppel Data Centre Campus in Singapore, and Keppel Data Centre Tokyo 2 in Japan.

Strengthening Portfolio; Delivering Growth



AI-Ready Hyperscale Data Centres



AI Inference Ready

100% Contracted to Global Hyperscalers



Flexibility to adopt liquid cooling

High power connection; sustainability at the core



Strengthened Foothold in Singapore



Exposure to Singapore Market¹
Increased from 53.1% to

65.5%



Singapore AUM¹
Increased to

S\$3.4b

Post Proposed Shares and Notes Transactions



DPU Accretive



Pro Forma DPU accretion

+8.1%

for 1H 2024²



Multiple Growth Levers



Potential rental uplifts

as contracted rentals are at least

15% to 20%

below comparable market colocation rents



Potential organic growth through capacity expansion e.g. potential

conversion of ~1.5 floors into data halls for KDC SGP 8³



Stronger Platform to Capture Growth Opportunities



Portfolio AUM

from S\$3.9b to

S\$5.2b⁴



Increased Debt Headroom

+S\$565.3m

Post Proposed Shares and Notes Transactions

1. As at 30 Sep 2024. This is on the basis of Keppel DC REIT having an economic interest of 99.49% in KDC SGP 7 and KDC SGP 8 and including the Land Tenure Lease Extension being obtained. Excluding the Land Tenure Lease Extension, Keppel DC REIT's exposure to Singapore assets will be S\$3.1b and proportion of Singapore assets by AUM will be 63%
2. As if the Proposed Shares and Notes Transactions were completed on 1 Jan 2024 and as if the Equity Fund Raising was completed on 1 Jan 2024. Assuming exercise of the Call Option, land lease title of ~25.5 years and with tax transparency.
3. Subject to authority approvals including power.
4. This is on the basis of Keppel DC REIT having an economic interest of 99.49% in KDC SGP 7 and KDC SGP 8 and including the Land Tenure Lease Extension being obtained. Excluding the Land Tenure Lease Extension, the AUM will be S\$4.9b.

Diversified Global Portfolio with Strong Asia Pacific Presence

Keppel DC REIT
Assets under Management

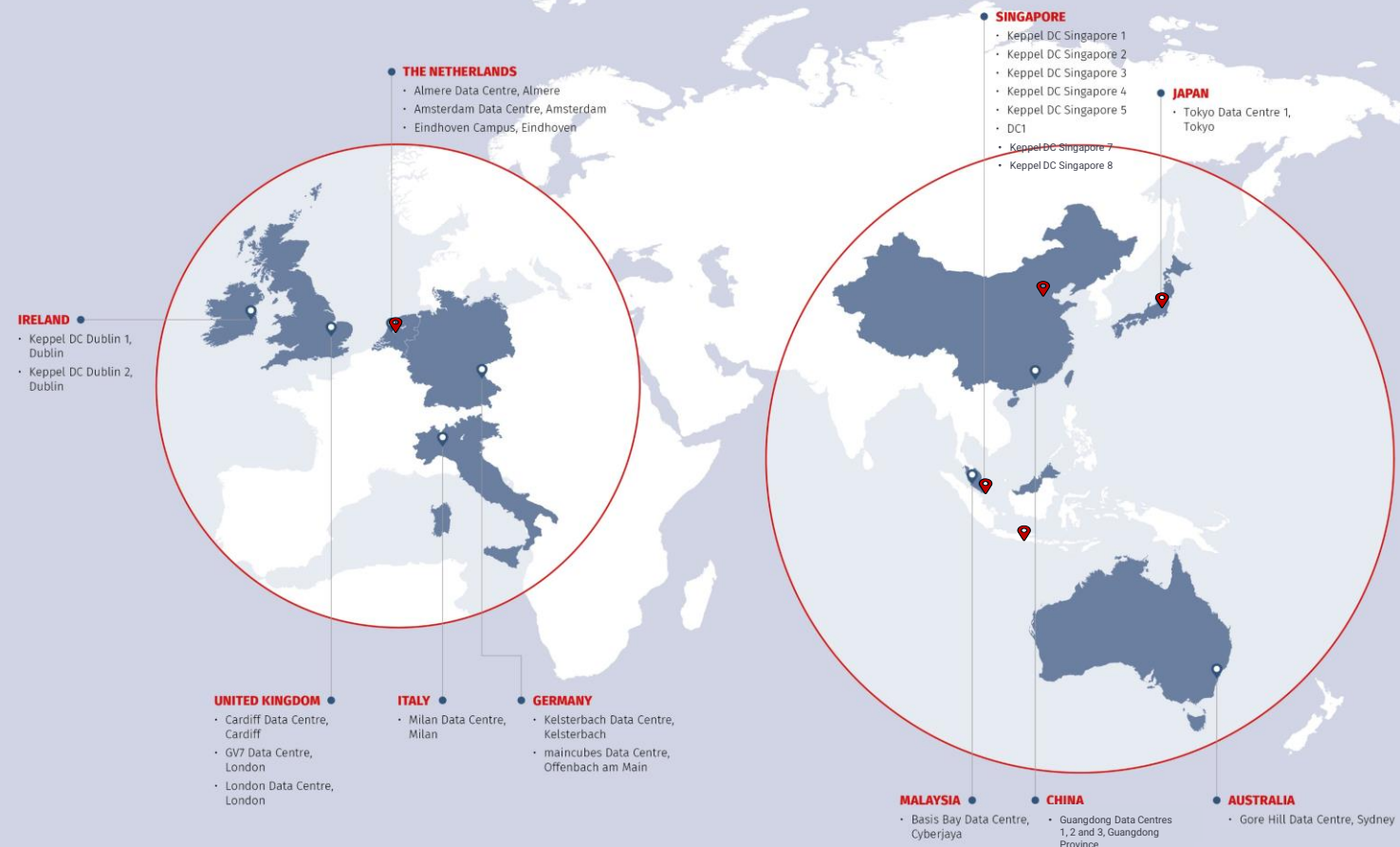
S\$5.2b¹

25 data centres across 10 countries

AUM Breakdown ¹			
Asia Pacific	80.2%	Europe	19.8%
Singapore	65.5%	Germany	4.7%
Australia	5.3%	Ireland	5.8%
China	5.1%	Italy	1.1%
Japan	4.0%	The Netherlands	4.8%
Malaysia	0.3%	United Kingdom	3.4%

📍 KEPPEL'S ASSETS²

- SINGAPORE
- CHINA
- INDONESIA
- JAPAN
- THE NETHERLANDS



1. As at 30 Sep 2024, Includes investments in debt securities and the Proposed Notes and Shares Transactions. This is on the basis of Keppel DC REIT having an economic interest of 99.49% in KDC SGP 7 and KDC SGP 8 and including the Land Tenure Lease Extension being obtained. Excluding the Land Tenure Lease Extension, the AUM will be S\$4.9b.

2. Through Keppel and Keppel's private data centre funds.

Thank You

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