



3Q 2021

Key Business and Operational Updates

26 October 2021



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Constituent of:



FTSE ST Large &
Mid Cap Index



FTSE EPRA Nareit Global
Developed Index



GPR 250
Index Series



MSCI Singapore
Small Cap Index

9M 2021 Key Highlights



\$159.9m

9M 2021 distributable income from operations⁽¹⁾

Up 20.8% y-o-y

37.6%

Aggregate leverage as at 30 Sep 2021

1.99% p.a.

All-in interest rate for 9M 2021



97.1%

High portfolio committed occupancy as at 30 Sep 2021

6.1 years

Long portfolio weighted average lease expiry (WALE) as at 30 Sep 2021

Top 10 tenants' WALE was 10.8 years

99%

Rental collection⁽²⁾ in 9M 2021



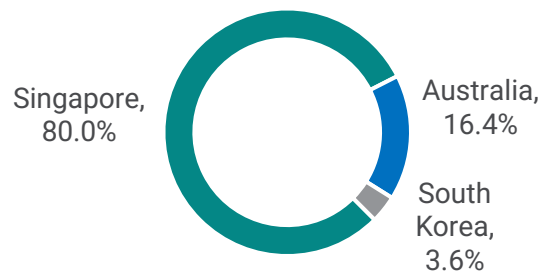
Continuing Portfolio Optimisation

Divested 275 George Street in Brisbane on 30 Jul 2021 to realise attractive gains and provide financial flexibility

Pan-Asian Portfolio with Income Resilience

\$8.6b

Grade A commercial portfolio with strong committed occupancy and an established and diversified tenant base



ESG Certifications

- **BCA Green Mark Platinum** award for all Singapore assets
- 5 Stars and above in the **NABERS Energy** rating for majority of the Australian assets



ESG Benchmarks

- **ISS ESG corporate rating** – Prime status
- **Global Real Estate Sustainability Benchmark (GRESB)** – Green Star status



ESG Indices

- iEdge SG ESG **Transparency** Index
- iEdge SG ESG **Leaders** Index
- iEdge-UOB **APAC** Yield Focus Green REIT Index

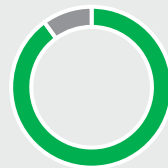
Commitment to ESG Excellence

Environmental Stewardship

- **Supporting climate action**, adopting energy optimisation measures and use of renewable energy resources
- **Increasing emphasis on sustainability-focused funding** with green loans representing approximately 31% of Keppel REIT's total borrowings
- **Communicating ESG integration and progress** via various platforms including annual sustainability reporting:
 - Tracking key environmental data including **Scope 1, 2 and 3 carbon emissions, energy, water and waste**
 - Aligned with Global Reporting Initiative (**GRI**) Standards and incorporated United Nations' Sustainable Development Goals (**SDGs**)
 - Enhancing disclosure by aligning with recommendations of Task Force on Climate-related Financial Disclosures (**TCFD**)



Keppel Bay Tower is Singapore's first commercial building to be certified BCA Green Mark Platinum Zero Energy



9* out of 10
are green-certified properties

Carbon neutral:

- 8 Exhibition Street in Melbourne

Fully powered by renewable energy:

- Keppel Bay Tower in Singapore
- 8 Exhibition Street in Melbourne
- Victoria Police Centre in Melbourne

Commitment to ESG Excellence (Cont'd)

Responsible Business

- ESG factors are considered in key business decisions and operations
- ESG factors are incorporated into corporate scorecard and remuneration
- Encourage adoption of sustainability principles throughout the supply chain
- Independent directors form majority of the Board



Independent Directors

4/7



Female Directors

2/7

People and Community

- Support employee wellness, foster collaboration, as well as encourage training and development
- Stringent measures to provide safe and conducive work environment for building occupants
- Tenant engagement initiatives to strengthen partnerships and raise awareness of key sustainability issues
- Continuing efforts to uplift the community during the pandemic through online community outreach initiatives



Beach clean-up initiative with tenant that was organised by property manager, Raffles Quay Asset Management



Lit up in blue to commemorate World Mental Health Day and promote mental health awareness



Ocean Financial Centre is Singapore's first commercial building to achieve the WELL Health-Safety rating

Financial & Portfolio Highlights

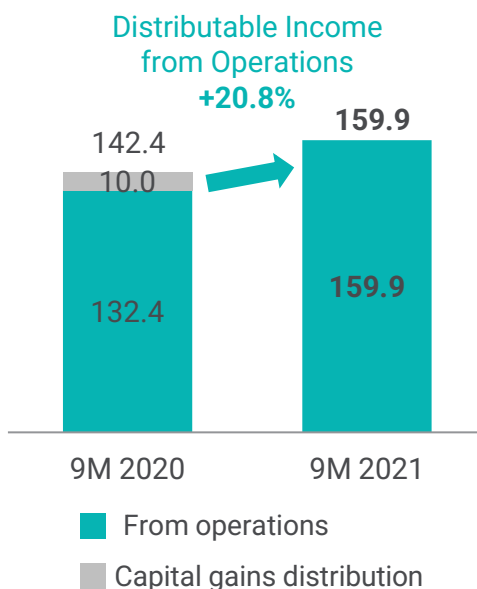
Pinnacle Office Park,
Sydney



20.8% Growth in Distributable Income from Operations

- Year-on-year growth in distributable income was due mainly to contributions from Victoria Police Centre, Pinnacle Office Park and Keppel Bay Tower
- The increase was partially offset by the impact of the divestment of 275 George Street in Jul 2021

Distributable Income (\$m)



	9M 2021	9M 2020	+/(−)
Property Income⁽¹⁾	\$162.2m	\$120.3m	+34.8%
Net Property Income (NPI)	\$129.4m	\$94.6m	+36.8%
Less: Attributable to Non-controlling Interests	(\$12.6m)	(\$12.7m)	(0.8%)
NPI Attributable to Unitholders	\$116.8m	\$81.9m	+42.6%
Share of Results of Associates⁽²⁾	\$67.8m	\$63.6m	+6.6%
Share of Results of Joint Ventures⁽³⁾	\$22.7m	\$21.9m	+3.7%
Distributable Income from Operations	\$159.9m	\$132.4m	+20.8%
Capital Gains Distribution	- (4)	\$10.0m	N.m.

N.m. = Not meaningful

(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, T Tower, 50% interest in Victoria Police Centre after it achieved practical completion on 9 Jul 2020, Pinnacle Office Park after it was acquired on 31 Dec 2020, 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.

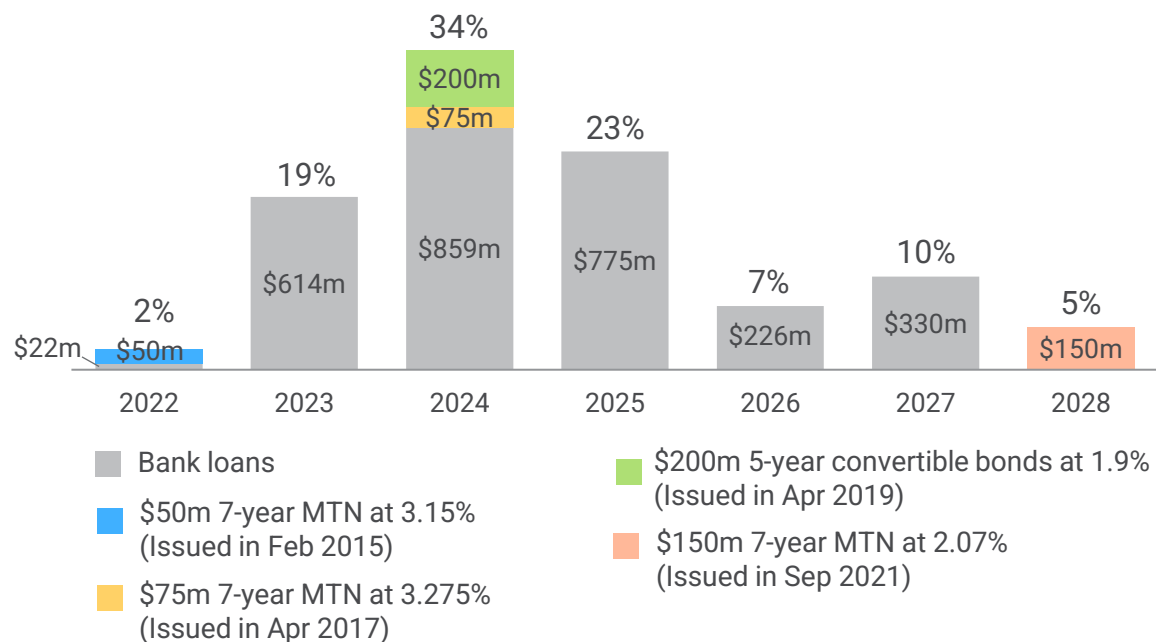
(3) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

(4) Any distribution of capital gains for 2H 2021 will be disclosed at the FY 2021 results announcement.

Prudent Capital Management

- Aggregate leverage lowered to 37.6% after proceeds from the divestment of 275 George Street was used to repay debt
- All-in interest rate reduced year-on-year to 1.99% p.a. from 2.39% p.a.
- Lengthened weighted average term to maturity of borrowings with the issuance of \$150m of 7-year medium term notes at 2.07% p.a. in Sep 2021

Debt Maturity Profile (As at 30 Sep 2021)



As at 30 Sep 2021	
Adjusted NAV per Unit ⁽¹⁾	\$1.28
Interest Coverage Ratio ⁽²⁾	3.9x
All-in Interest Rate	1.99% p.a.
Aggregate Leverage	37.6%
Weighted Average Term to Maturity	3.3 years
Borrowings on Fixed Rates	71%

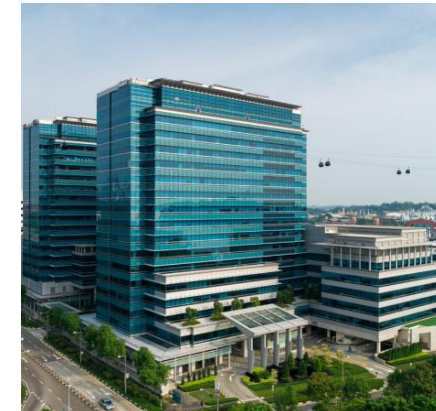
Continuing Portfolio Optimisation

- Portfolio optimisation strategy to enhance income resilience and deliver sustainable total return to Unitholders
- Build a robust portfolio of quality and well-located assets across different markets for improved income stability and more long-term growth opportunities



Developments in 2021:

- 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



May 2021: Acquired Keppel Bay Tower in Singapore



Jul 2021: Divested 275 George Street in Brisbane

2018

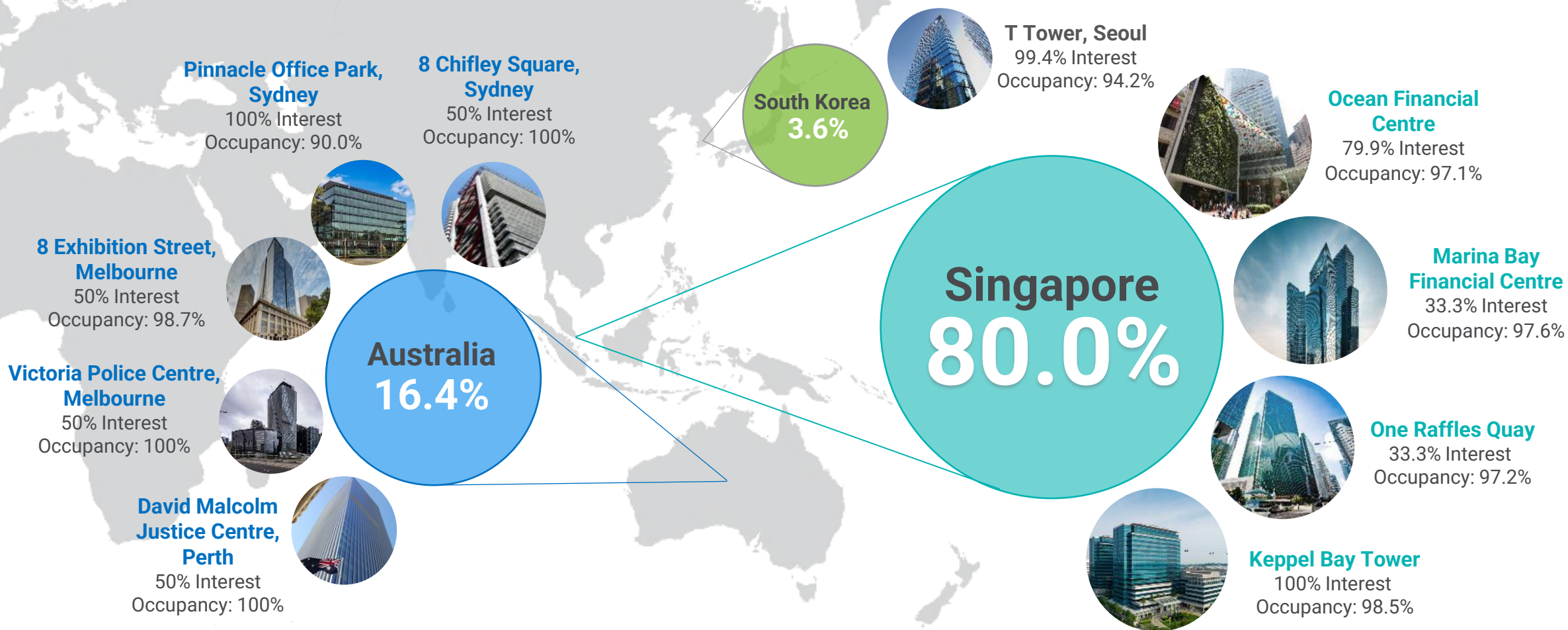
2019

2020

2021

Grade A Portfolio with High Occupancy and Long WALE

\$8.6b portfolio with high portfolio committed occupancy of 97.1% and long overall portfolio WALE of 6.1 years (Top 10 tenants' WALE was 10.8 years)

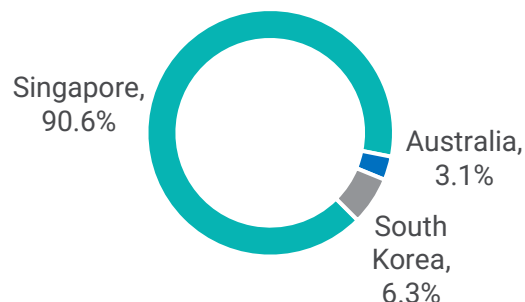


9M 2021 Portfolio Update

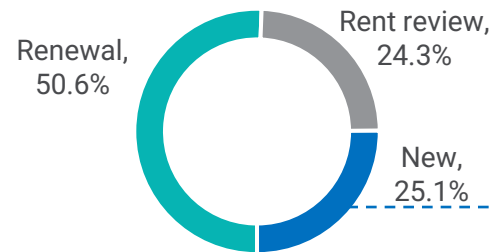
Total Leases Committed
~1,717,000 sf
 (Attributable ~738,500 sf)

Retention Rate
64%⁽¹⁾

Leases Committed by Geography⁽²⁾



Leases Committed by Type⁽²⁾

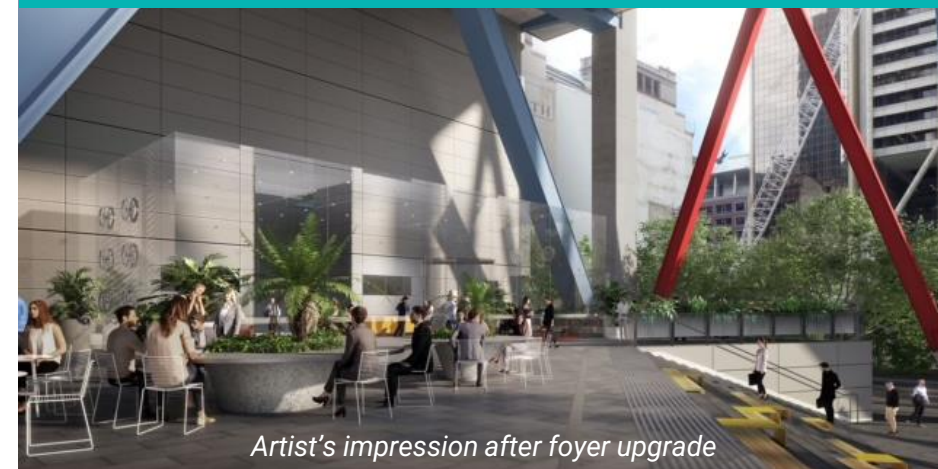


New leasing demand and expansions from:

Banking, insurance and financial services	34.5%
Technology, media and telecommunications	22.0%
Manufacturing and distribution	18.4%
Accounting and consultancy services	10.1%
Energy, natural resources, shipping and marine	5.0%
Legal	4.0%
Government agency	2.1%
Real estate and property services	0.9%
Retail and F&B	0.6%
Others	2.4%

- Rental collection remained healthy at 99%⁽³⁾ in 9M 2021, while outstanding rent deferrals were ~\$0.8m
- Tenant relief measures of ~\$2.0m were granted in 9M 2021
- Asset enhancement initiatives at 8 Chifley Square to enhance tenants' experience and rejuvenate the asset

Asset Enhancement at 8 Chifley Square, Sydney

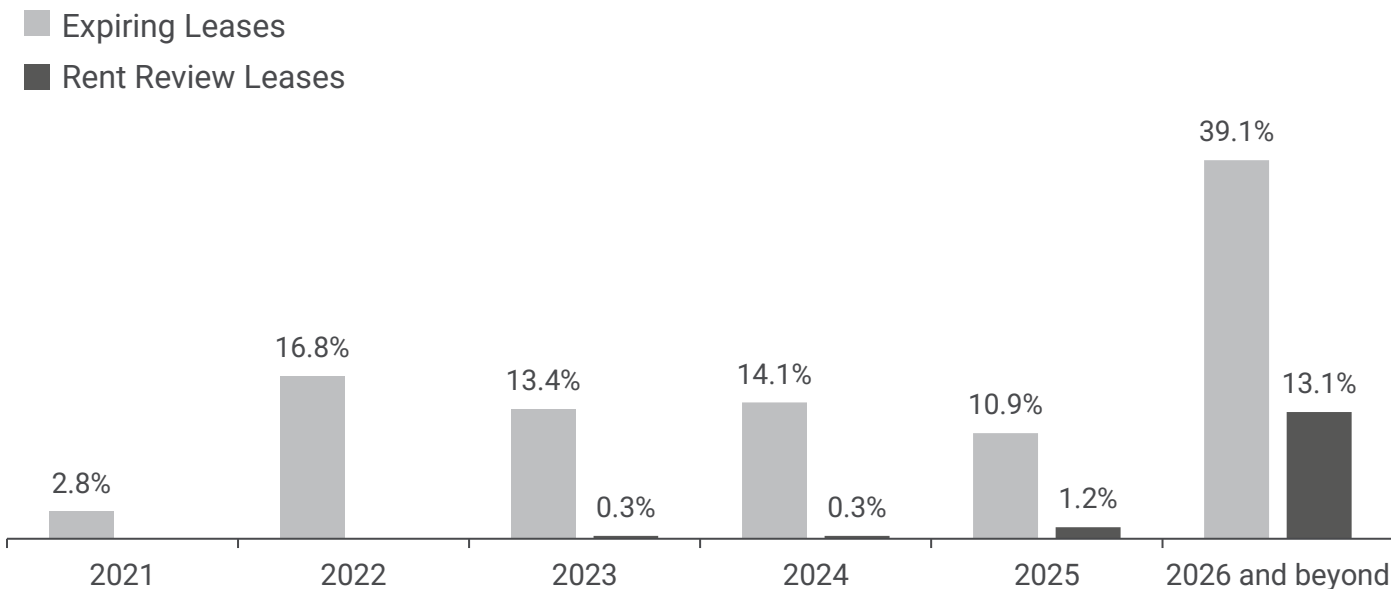


Artist's impression after foyer upgrade

9M 2021 Portfolio Update (Cont'd)

- Average signing rent for Singapore office leases⁽¹⁾ concluded in 9M 2021 was \$10.49 psf pm
- Average expiring rents of Singapore office leases⁽²⁾(psf pm): \$10.38 in 2022, \$10.87 in 2023 and \$10.68 in 2024

Lease Expiries and Rent Reviews⁽³⁾



Established and Diversified Tenant Base

- Keppel REIT has a diversified tenant base of 377⁽¹⁾ tenants, many of which are established blue-chip corporations

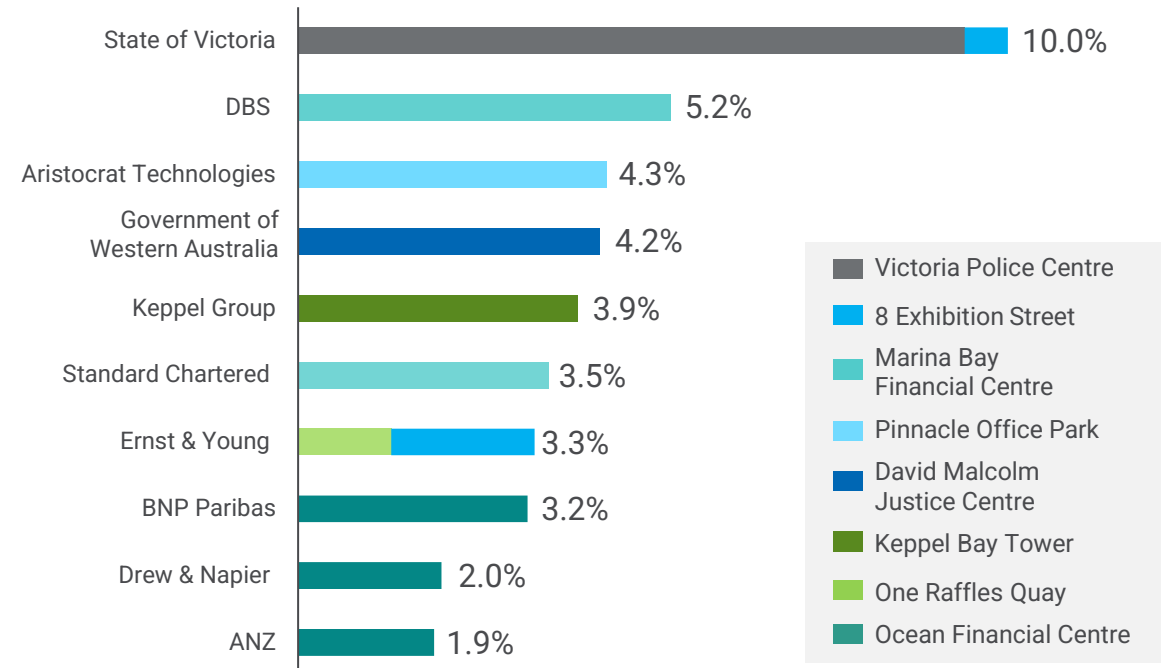
- Top 10 tenants take up 41.5% of NLA and contribute 37.0% of gross rent



Tenant Business Sector

Banking, insurance and financial services	30.8%
Government agency	14.7%
Technology, media and telecommunications	13.5%
Legal	7.0%
Manufacturing and distribution	6.8%
Energy, natural resources, shipping and marine	6.4%
Real estate and property services	5.9%
Accounting and consultancy services	5.1%
Services	4.5%
Retail and food & beverage	2.5%
Others	2.8%
Total	100%

Top 10 Tenants



Victoria Police Centre
 8 Exhibition Street
 Marina Bay Financial Centre
 Pinnacle Office Park
 David Malcolm Justice Centre
 Keppel Bay Tower
 One Raffles Quay
 Ocean Financial Centre

Meeting Diverse Tenant Needs

Robust portfolio of Grade A office properties that caters to tenants' diverse business needs

Quality Workplaces with Strong ESG Focus

Grade A office buildings that are well managed with sustainable and technologically-advanced features



Fitted/Flexible Solutions

Providing greater tenant flexibility with fully fitted out spaces and/or flexible space operators in Keppel REIT's portfolio



Hub-and-Spoke Business Model

Offering alternatives to tenants seeking cost-effective solutions or dual locations for business continuity purposes



Market Review

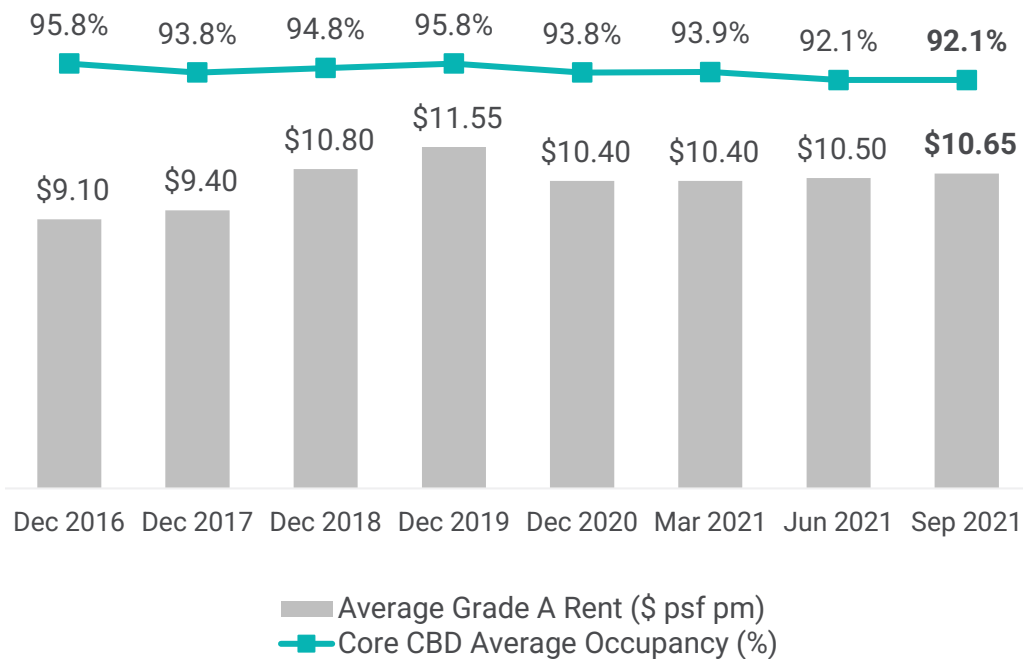
Keppel Bay Tower,
Singapore



Singapore Office Market

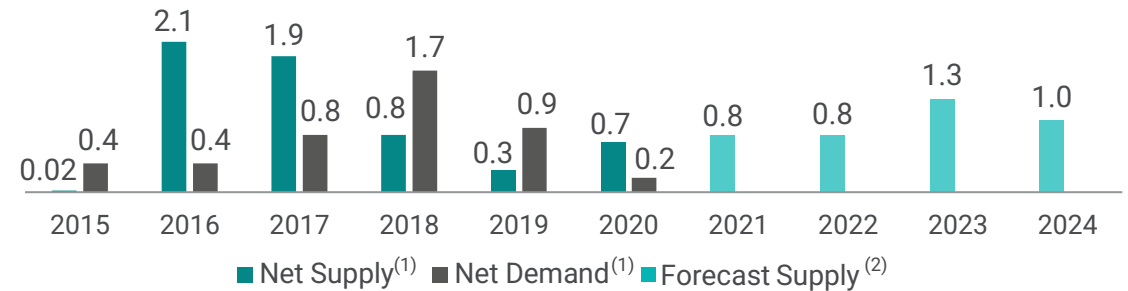
- Average core CBD Grade A office rents increased to \$10.65 psf pm in 3Q 2021 while average occupancy in core CBD remained stable at 92.1%

Grade A Rent and Core CBD Occupancy



Source: CBRE, 3Q 2021.

Demand and Supply



Key Upcoming Supply in CBD⁽²⁾

		sf
2022	Guoco Midtown	667,100
	Hub Synergy Point Redevelopment	131,200
2023	IOI Central Boulevard Towers	1,258,000
	333 North Bridge Road	40,000
2024	Keppel Towers Redevelopment	526,100
	Shaw Tower Redevelopment	435,600

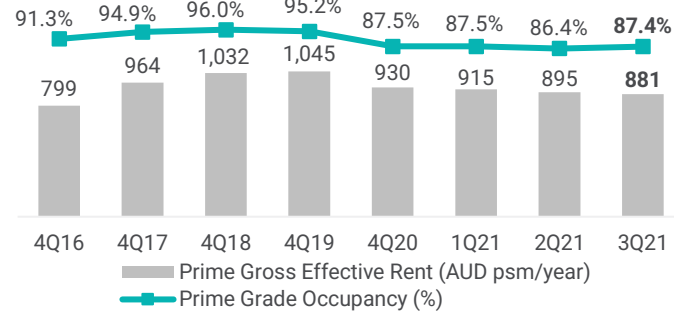
(1) Based on URA data on historical net demand and supply of office space in Downtown Core and Rest of Central Area. Supply is calculated as net change of stock over the year and may include office stock removed from market due to demolitions or change of use.

(2) Based on CBRE data on CBD Core and CBD Fringe.

Australia Office Market

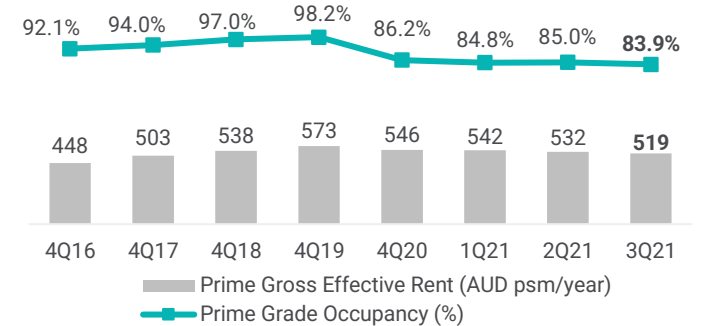
Sydney CBD

Prime Grade occupancy was higher at 87.4%



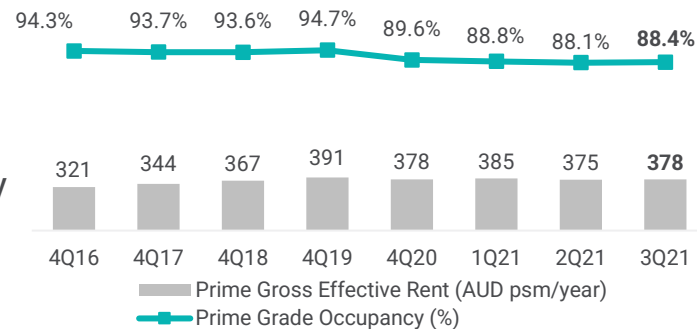
Melbourne CBD

Prime Grade occupancy was lower at 83.9%



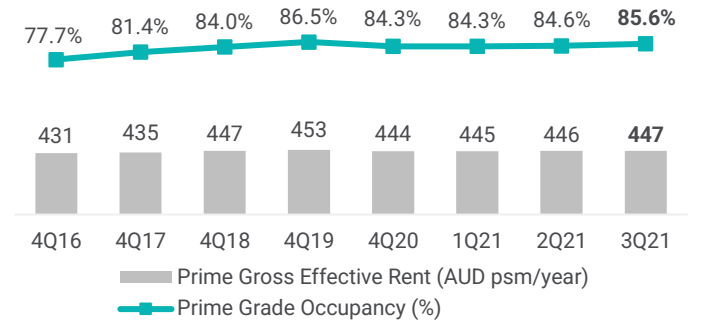
Macquarie Park

Prime Grade occupancy was higher at 88.4%



Perth CBD

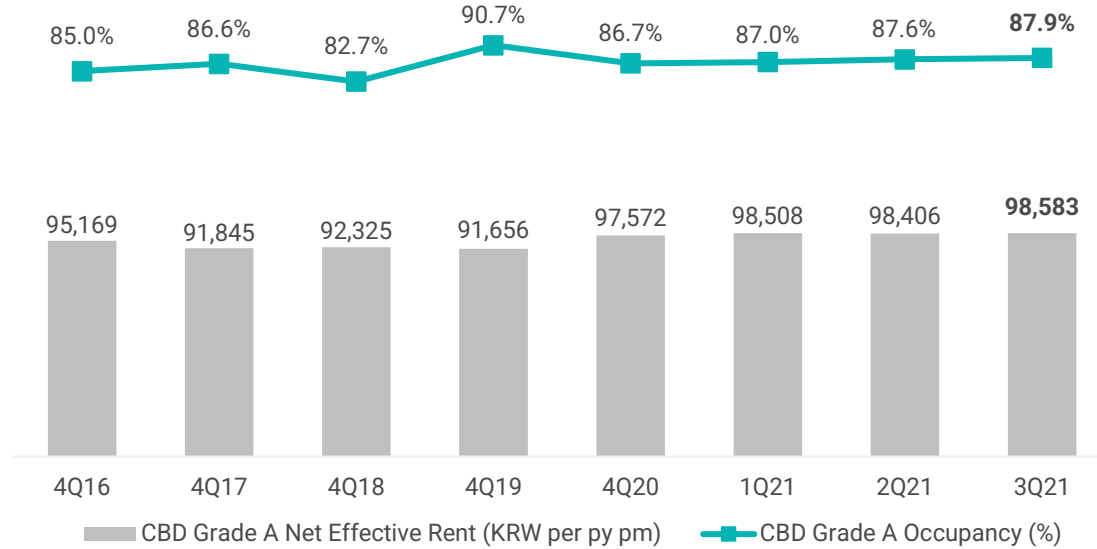
Prime Grade occupancy was higher at 85.6%



Seoul Office Market

- CBD Grade A occupancy increased to 87.9% in 3Q 2021

CBD Grade A Rent and Occupancy



Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

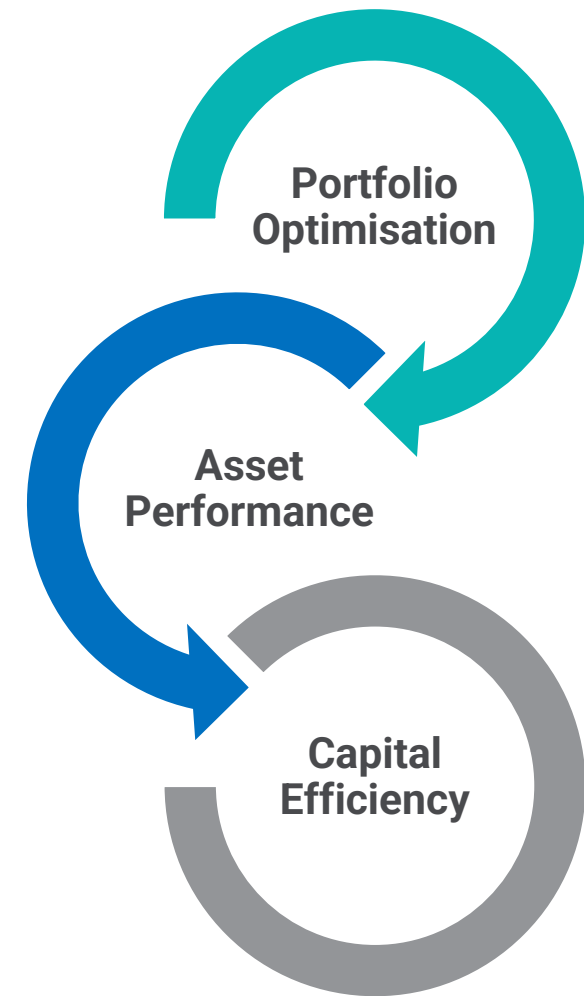
- Portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

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



Additional Information

Ocean Financial Centre,
Singapore



Portfolio Information: Singapore

<u>As at 30 Sep 2021</u>	Ocean Financial Centre	Marina Bay Financial Centre ⁽⁴⁾	One Raffles Quay	Keppel Bay Tower
Attributable NLA	698,637 sf	1,023,079 sf	441,155 sf	386,223 sf
Ownership	79.9%	33.3%	33.3%	100.0%
Principal tenants ⁽¹⁾	BNP Paribas, ANZ, Drew & Napier	DBS Bank, Standard Chartered Bank, HSBC	Deutsche Bank, Ernst & Young, TikTok	Keppel Group, BMW Asia, Mondelez International
Tenure	99 years expiring 13 Dec 2110	99 years expiring 10 Oct 2104 ⁽⁵⁾ and 7 Mar 2106 ⁽⁶⁾	99 years expiring 12 Jun 2100	99 years expiring 30 Sep 2096
Purchase price (on acquisition)	S\$1,838.6m ⁽³⁾	S\$1,426.8m ⁽⁵⁾ S\$1,248.0m ⁽⁶⁾	S\$941.5m	S\$657.2m
Valuation ⁽²⁾	S\$2,066.2m	S\$1,665.0m ⁽⁵⁾ S\$1,265.3m ⁽⁶⁾	S\$1,240.0m	S\$667.3m
Capitalisation rates	3.50%	3.45% ⁽⁷⁾ ; 4.25% ⁽⁸⁾ ; 3.63% ⁽⁶⁾	3.45%	3.60%

1) On committed gross rent basis.

2) Valuation as at 30 Jun 2021 based on Keppel REIT's interest in the respective properties.

3) Based on Keppel REIT's 79.9% of the historical purchase price.

4) Comprises Marina Bay Financial Centre (MBFC) Towers 1, 2 and 3 and Marina Bay Link Mall (MBLM).

5) Refers to MBFC Towers 1 and 2 and MBLM.

6) Refers to MBFC Tower 3.

7) Refers to MBFC Towers 1 and 2.

8) Refers to MBLM.

Portfolio Information: Australia & South Korea

As at 30 Sep 2021	8 Chifley Square, Sydney	Pinnacle Office Park, Sydney	8 Exhibition Street⁽³⁾, Melbourne	Victoria Police Centre, Melbourne	David Malcolm Justice Centre, Perth	T Tower, Seoul
Attributable NLA	104,055 sf	376,975 sf	244,595 sf	364,180 sf	167,784 sf	226,949 sf
Ownership	50.0%	100.0%	50.0%	50.0%	50.0%	99.4%
Principal tenants ⁽¹⁾	Corrs Chambers Westgarth, Quantum, QBE Insurance	Aristocrat Technologies, Konica Minolta, Coles Supermarkets	Ernst & Young, Amazon, Minister for Finance - State of Victoria	Minister for Finance - State of Victoria	Minister for Works - Government of Western Australia	Hankook Corporation, Philips Korea, SK Communications
Tenure	99 years expiring 5 Apr 2105	Freehold	Freehold	Freehold	99 years expiring 30 Aug 2114	Freehold
Purchase price (on acquisition)	A\$165.0m S\$197.8m	A\$306.0m S\$289.9m	A\$168.8m S\$201.3m ⁽³⁾	A\$347.8m S\$350.1m	A\$165.0m S\$208.1m	KRW252.6b S\$292.0m
Valuation ⁽²⁾	A\$234.5m S\$239.9m	A\$307.5m S\$314.6m	A\$273.4m S\$279.7m ⁽³⁾	A\$385.0m S\$393.9m	A\$235.0m S\$240.4m	KRW264.7b S\$315.3m
Capitalisation rates	4.63%	5.13%	5.00% ⁽⁴⁾ ; 4.75% ⁽⁵⁾	4.50%	5.38%	3.80%

1) On committed gross rent basis.

2) Valuation as at 30 Jun 2021 based on Keppel REIT's interest in the respective properties and the exchange rates of A\$1 = S\$1.0231 and KRW 1,000 = S\$1.191.

3) Keppel REIT owns a 50% interest in the 8 Exhibition Street office building and a 100% interest in the three adjacent retail units.

4) Refers to Keppel REIT's 50% interest in the office building.

5) Refers to Keppel REIT's 100% interest in the three adjacent retail units.

Thank You

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

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Melbourne

