

**Keppel DC REIT Management Pte Ltd**

(Co Reg No. 199508930C) Tel: (65) 6803 1818

1 HarbourFront Avenue, Level 2 Fax: (65) 6803 1717

Keppel Bay Tower

Singapore 098632

www.keppeldcreit.com

**MEDIA RELEASE****Keppel DC REIT unlocks A\$174.0 million from divestment of Sydney data centre at 35.4% premium over valuation**

- *Opportunistic divestment is in line with proactive asset management strategy to unlock value from existing portfolio and optimise returns for Unitholders.*
- *Allows Keppel DC REIT to retain exposure to Australia data centre market.*
- *Transactions are 0.7% accretive to DPU.*
- *Post-transactions, pro-forma aggregate leverage is expected to improve to 36.6%.*

**Singapore, 16 April 2024** – Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT, has entered into a sale and purchase agreement to divest its 100% freehold interest in Intellicentre Campus in Sydney, Australia at an agreed value of A\$174.0 million (approximately S\$152.1 million)<sup>1</sup> to Macquarie Data Centres Macquarie Park Property SubTST Pty Ltd (as trustee of Macquarie Data Centres Macquarie Park Property SubTrust). The trustee and Macquarie Data Centres Macquarie Park Property SubTrust are indirect wholly-owned subsidiaries of Australian-listed Macquarie Technology Group Ltd (MTG), which is also the ultimate parent company of Macquarie Data Centres Pty Limited (MDC), the existing tenant of the property.

The agreed value represents a 35.4% premium to the property's FY2023 valuation of A\$128.5 million (approximately S\$112.3 million)<sup>1</sup> and is 148.6% higher than the original investment of approximately A\$70.0 million (approximately S\$73.0 million). The divestment represents an exit cap rate of approximately 3.6%.

In conjunction with the divestment, Keppel DC REIT will re-invest A\$90.0 million (approximately S\$78.7 million)<sup>1</sup> of the sale proceeds into an Australia Data Centre Note (AU DC Note) issued by Macquarie Data Centres Group Pty Ltd. The AU DC Note is guaranteed by MTG, whose facilities house data for some of the world's biggest hyperscalers, clouds and 42% of the Australian Federal Government. Through the AU DC Note, Keppel DC REIT will retain its exposure to the Australia data centre market, and receive a regular income stream starting from approximately A\$6.3 million (approximately S\$5.5 million) per year, with a CPI-linked annual escalation mechanism, for 8.5 years. The income stream from the AU DC Note will mirror the rental the REIT would receive from Intellicentre Campus if the asset was held for another 8.5 years.

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<sup>1</sup> Based on the illustrative exchange rate of AUD1.00 to S\$0.874.

The transactions are expected to be 0.7% accretive to distribution per unit (DPU) from the Australia DC Note subscription and with the cessation of property expenses and financing costs associated with the asset. Assuming that the transactions had been completed on 1 January 2023, the pro forma DPU for FY2023 will increase from 9.383 cents to 9.446 cents.

Mr Loh Hwee Long, CEO of Keppel DC REIT Management Pte. Ltd, said, “As a whole, these transactions are DPU-accretive and present a unique opportunity for Keppel DC REIT to crystallise value from its investment in Intellicentre Campus at a highly attractive premium, while continuing to earn recurring income that mirrors the rents that we have been receiving from the asset. They also attest to the Manager’s proactive portfolio management strategy and commitment to optimise Unitholders’ returns, while improving the resilience of Keppel DC REIT’s earnings. Post-transactions, Keppel DC REIT remains well-positioned to pursue further growth opportunities, supported by a strong balance sheet.”

Intellicentre Campus is located within the Macquarie Park in the north of Sydney and is 12km from the Central Business District. Macquarie Park is a research and business park in Sydney with a high concentration of companies in the communications and information technology sectors.

The Manager will repay existing loans of approximately A\$43.2 million (equivalent to approximately S\$37.7 million) relating to the original investment of Intellicentre Campus. The remaining net sale proceeds of about A\$22.3 million (approximately S\$19.5 million)<sup>1</sup>, subject to closing adjustments, will be used for repaying debt, funding acquisitions, capital expenditures and/or working capital.

### **Pro forma financial effects of the Transactions**

For illustrative purposes only, based on Keppel DC REIT’s audited results for the full year ended 31 December 2023 (FY 2023):

#### **(a) DPU**

The financial effects of the Transactions on the DPU for FY2023, as if the Transactions were completed on 1 January 2023, are as follows:

	<b>Before the Transactions</b>	<b>After the Transactions</b>
Net Profit before Tax (S\$’000)	137,778	138,555
Distributable Income (S\$’000)	167,718	168,890
Units entitled for distribution (’000)	1,721,430	1,721,703
DPU (cents)	9.383	9.446
Accretion (%)	-	0.7

#### **(b) NAV per Unit**

The financial effects of the Transactions on the NAV per Unit as at 31 December 2023, as if the Transactions were completed on 31 December 2023, are as follows:

	<b>Before the Transactions</b>	<b>After the Transactions</b>
NAV (S\$’000)	2,310,980	2,335,571
Units issued and to be issued (’000)	1,721,430	1,721,703

	<b>Before the Transactions</b>	<b>After the Transactions</b>
NAV per Unit (S\$)	1.34	1.36

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**For more information, please contact:**

**Media Relations**

Mr Stefan Loe  
Senior Manager  
Corporate Communications  
Keppel Ltd.  
Tel: (65) 6413 6426  
Email: [stefan.loe@keppel.com](mailto:stefan.loe@keppel.com)

**Investor Relations**

Ms Renee Goh  
Manager  
Investor Relations & Sustainability  
Keppel Ltd.  
Tel: (65) 6803 1679  
Email: [renee.goh@keppel.com](mailto:renee.goh@keppel.com)

**About Keppel DC REIT ([www.keppeldcreit.com](http://www.keppeldcreit.com))**

Keppel DC REIT was listed on the Singapore Exchange on 12 December 2014 as the first pure-play data centre REIT in Asia.

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise a mix of colocation, fully-fitted and shell and core assets, as well as debt securities, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is managed by Keppel DC REIT Management Pte. Ltd. (the Manager) and is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.