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MEDIA RELEASE

Keppel Education Asset Fund acquires two assets in Sydney for A$198 million
Keppel's portfolio in Australia is expected to grow to A$4.8 billion upon completion of the acquisitions.

Singapore, 12 October 2023 – Keppel's private fund, the Keppel Education Asset Fund (KEAF), is expanding its quality portfolio with the acquisition of two education assets in Sydney, Australia, at an aggregate purchase price of approximately A$198 million (approximately S$175 million). This would bring Keppel's portfolio to A$4.8 billion (S$4.3 billion) of assets in Australia upon completion of both acquisitions.

Backed by institutional investors, including a large sovereign wealth fund and pension funds, KEAF's investment objective is to make strategic investments in education-related assets, including those in the kindergarten to 12th grade (K12), higher education as well as research and tertiary education segments in the Asia Pacific. Keppel, as the sponsor, has committed US$50 million to KEAF. Following its launch in 2020, KEAF has successfully worked with established operators to capitalise on the fast-growing education sector in the region, and currently has two education assets in Singapore and Japan.

Ms Christina Tan, CEO of Fund Management and Chief Investment Officer of Keppel Corporation, said, "The demand for quality schools and campuses in Asia Pacific continues to be well supported by macrotrends including rapid urbanisation, an expanding middle class and rising affluence, as well as a continued focus on high-quality education. The education market is a resilient one, with education assets offering stable returns and inflation-adjusted rentals.

"Riding on this trend, KEAF has invested in Singapore and Japan, and is now expanding into Australia. These two latest assets in Sydney, as well as the other assets in KEAF's portfolio, enjoy long leases with established tenants, and offer our investors attractive risk-adjusted returns and yield steady cashflows. Leveraging Keppel's strong value-add capabilities, we have also successfully uplifted the values of KEAF's assets in Singapore and Japan by over 40%. With Keppel's robust network on the ground, we have developed a strong deal flow pipeline of over US$2 billion in education assets which we are currently exploring."

The first education asset KEAF acquired in Australia is an existing purpose-built campus strategically located in Kensington, Sydney, which is a 15-minute drive or 20 minutes by light rail to the Sydney central business district. The property has a total net lettable area of approximately 10,700 sm. It is currently fully leased to the University of New South Wales (UNSW), one of Australia's leading universities, on a long-term basis. The acquisition of the asset was completed in August 2023, and allows KEAF to participate in the healthy fundamentals and recovery of the tertiary international education sector in Australia.

KEAF's second acquisition in Australia is a seven-storey commercial building in North Sydney to be acquired under a forward purchase agreement. Under the agreement with the vendor, extensive asset enhancements would be carried out to the existing building to upgrade and convert it to a K12 independent school campus, which will yield a total net lettable area of approximately 9,150 sm. Located within the Ward Street Precinct in the heart of the North Sydney central business district, the property is well connected by major arterial roads and public transportation nodes, with the existing North Sydney train station within walking distance, and the soon-to-be-completed Victoria Cross metro station in close proximity. The property comes with pre-commitment from a leading global operator of premium schools for a long-term lease. The completion of this acquisition is subject to the fulfilment of conditions precedent and is expected to take place by the first quarter of 2025. The acquisition allows KEAF to tap into the strong demand by both locals and overseas students in the Sydney independent K12 schools market.

Keppel, through its private funds and listed real estate and business trusts, has been investing in the Australian market for over a decade and has an experienced team of investment and asset management professionals on the ground. Keppel's portfolio in Australia comprises assets in the key cities of Sydney, Melbourne and Perth, including infrastructure, prime commercial assets and data centres.

The latest transactions in Australia are not expected to have any material impact on the earnings per share and net tangible assets per share of Keppel Corporation for the current financial year.

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The first asset KEAF has acquired in Australia is an existing purpose-built campus strategically located in Kensington, Sydney.

About Keppel

Keppel Corporation Limited (SGX:BN4) is a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity. Headquartered in Singapore, Keppel operates in more than 20 countries worldwide, providing critical infrastructure and services for renewables, clean energy, decarbonisation, sustainable urban renewal and digital connectivity.

Keppel creates value for investors and stakeholders through its quality investment platforms and diverse asset portfolios, including private funds and listed real estate and business trusts, and has a total portfolio with more than $65 billion of assets under management.

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