

Keppel DC REIT

DBS Vickers Pulse of Asia Conference 2022

5 January 2022

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Constituent of:

FTSE Straits Times Index

FTSE EPRA Nareit Global Developed Index

MSCI Singapore Small Cap Index

GPR 250 Index Series

Awards and Certifications:

Overview

Focused on Growing Data Centre Portfolio

Keppel DC REIT Assets under Management

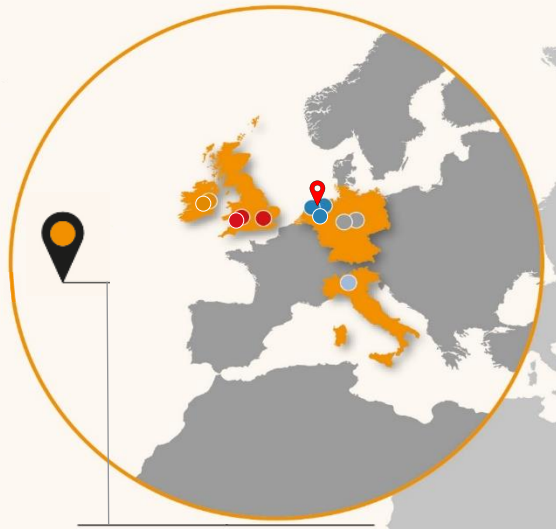
$3.3b[1]

20 data centres across 9 countries
as at 30 Sep 2021

Potential Data Centre Assets for Acquisitions

>$2b

Data centre assets under development and management through Keppel T&T[2], and Keppel's private data centre funds







EUROPE

UNITED KINGDOM
- Cardiff Data Centre, Cardiff
- GV7 Data Centre, London
- London Data Centre, London

IRELAND
- Keppel DC Dublin 1, Dublin
- Keppel DC Dublin 2, Dublin

THE NETHERLANDS
- Almere Data Centre, Almere
- Amsterdam Data Centre, Amsterdam
- Eindhoven Campus, Eindhoven

ITALY
- Milan Data Centre, Milan

GERMANY
- maincubes Data Centre, Offenbach am Main
- Kelsterbach Data Centre, Kelsterbach









KEPPEL'S ASSETS
- The Netherlands
- China
- Singapore
- Indonesia
- Australia

ASIA PACIFIC

SINGAPORE
- Keppel DC Singapore 1
- Keppel DC Singapore 2
- Keppel DC Singapore 3
- Keppel DC Singapore 4
- Keppel DC Singapore 5
- DC1

MALAYSIA
- Basis Bay Data Centre, Cyberjaya

AUSTRALIA
- Gore Hill Data Centre, Sydney
- Intellicentre Campus, Sydney

CHINA
- Guangdong Data Centre, Guangdong Province[3]

1. Includes Guangdong Data Centre and investment in bonds and preference shares issued by M1 Network Private Limited; excludes London Data Centre as it is expected to complete in 1Q 2022.
2. Keppel T&T has granted the Rights of First Refusal (ROFR) to Keppel DC REIT for future acquisition opportunities of its data centre assets.
3. The acquisition of Guangdong Data Centre was completed in Dec 2021.



London Data Centre

Acquisition of Second Data Centre in London

- Strengthen foothold in London, a top global data centre hub
- DPU-accretive acquisition
- Improve portfolio WALE by leased area from 7.7 years to 8.1 years[1] and income resilience through further diversification of income streams

London Data Centre is located in Bracknell, a thriving commercial centre in the Thames Valley which is a region dubbed as United Kingdom's Silicon Valley.

London Data Centre	
Description	• Three interlinked two-storey buildings with data centre space and ancillary office space • Triple-net lease on a shell and core basis for 17 years
Lettable Area	8,813 sm (94,867 sf)
Land Tenure	Freehold; Built in 1986 and last refurbished in 2016
Purchase Consideration	Approx. GBP 57.0m (S$105.5m[2])
Expected Completion	1Q 2022

1. As at 30 Sep 2021, adjusted for the acquisition of Guangdong Data Centre and asset under management impact of the investment in debt securities and preference shares in M1 Network Private Limited (the "**NetCo Investment**"). The NetCo Investment is not included in rental, WALE, occupancy and lease classification as it is a debt securities investment, and its underlying investment is non real estate in nature.
2. Based on the exchange rate of GBP 1.00 to S$ 1.85 as at 30 Sep 2021.

Value Creation with DPU Accretive Investments

DPU Accretive Investment with Stable Cash Flow

- Unitholders voted in favour for the proposed investment of $89.7m in bonds and preference shares issued by M1 Network Private Limited[1,2]
- Provides Keppel DC REIT stable cash flow of $11.0m p.a. (comprising both principal[3] and interest) for 15 years, without assuming any operational management risks
- Further strengthen income resilience and create a stronger platform for growth



M1 Network Assets, Singapore

Deepening footprint in the Netherlands

- Strategic addition of **Eindhoven Campus** located in the key technology hub of Eindhoven
- The NL-IX is one of the top 10 largest internet exchanges in the world, with connectivity presence in Eindhoven
- The Netherlands data centre market is among the top 4 major data centre hubs in Europe, and expected to see 5.3% CAGR in 2021 - 2026[4]



Eindhoven Campus, The Netherlands

Tapping into China's Growing Digital Economy

- Maiden acquisition in the vast data centre market in China
- Acquisition of **Guangdong Data Centre** will improve Keppel DC REIT's portfolio occupancy and strengthen income resilience
- Guangdong is one of the top and fastest growing data centre locations in China, with demand supported by the city government's push to develop a digital and intelligent economy



Guangdong Data Centre, China

1. Comprising $88.7m for the bond subscription amount and $1.0m for the preference shares subscription amount. NetCo will reimburse Keppel DC REIT up to $2.7m of the fees and expenses incurred or to be incurred by Keppel DC REIT in connection with the proposed NetCoBonds and Preference Shares Investment.
2. On 14 Oct 2021, Keppel DC REIT and M1 Limited ("**M1**") signed agreements for wholly-owned subsidiary(ies) of Keppel DC REIT to subscribe for bonds to be issued by and preference shares of M1 Network Private Limited ("**NetCo**"). NetCo was established by M1 to own M1's Network Assets.
3. Principal repayments from the investment may be used to pare down external borrowings, as well as fund potential acquisitions and/or capital expenditures.
4. Source: EIN Presswire.

3Q 2021 Financial and Portfolio Updates

Key Highlights for 3Q 2021

Robust financial performance

Distributable Income[1] and DPU[2] for 3Q 2021 increased by 6.3% and 4.5% y-o-y respectively, supported by contributions from DPU accretive acquisitions and AEI works

Resilient asset class and stable portfolio matrices provide long-term income sustainability

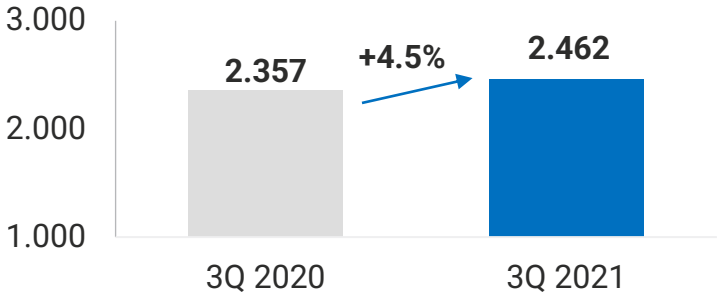
Maintained strong portfolio occupancy of 98.1% and long WALE of 7.0 years[3]

Healthy balance sheet

Raised $204.3m via a private placement in Aug 2021 to fund acquisitions and pare down debt[4]; aggregate leverage of 35.1%[5] as at 30 Sep 2021

1. Distributable Income includes Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. In connection with the Private Placement launched on 12 Aug 2021, the Manager has declared an advanced distribution of 1.421 cents per Unit to eligible Unitholders for the period from 1 Jul 2021 to 22 Aug 2021. Keppel DC REIT declares distributions on a half-yearly basis. The next distribution will be for the period 23 Aug 2021 to 31 Dec 2021. Semi-annual distributions will resume thereafter.
2. Excludes an amount of Capex Reserves that has been set aside.
3. By leased area. WALE by rental income was 4.9 years as a higher proportion of rental income is from colocation assets, which typically have shorter lease periods.
4. Debt previously drawn down for investments to create debt headroom for future acquisitions.
5. Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent commitments and options. Aggregate leverage as at 31 Dec 2021 was 36.2%.

Distribution per Unit (cents)



DPU increased 4.5% y-o-y in 3Q 2021



Eindhoven Campus, The Netherlands

Steady Growth in DPU

($'000)	3Q 2021	3Q 2020	% Change	9M 2021	9M 2020	% Change
Gross Revenue	69,341	67,666	+2.5	204,488	191,616	+6.7
Net Property Income	63,781	62,370	+2.3	187,615	176,587	+6.2
Distributable Income[1]	43,052	40,482	+6.3	127,308	115,462	+10.3
Distribution per Unit (DPU)[2] (cents)	2.462	2.357	+4.5	7.386	6.732	+9.7

Healthy Balance Sheet

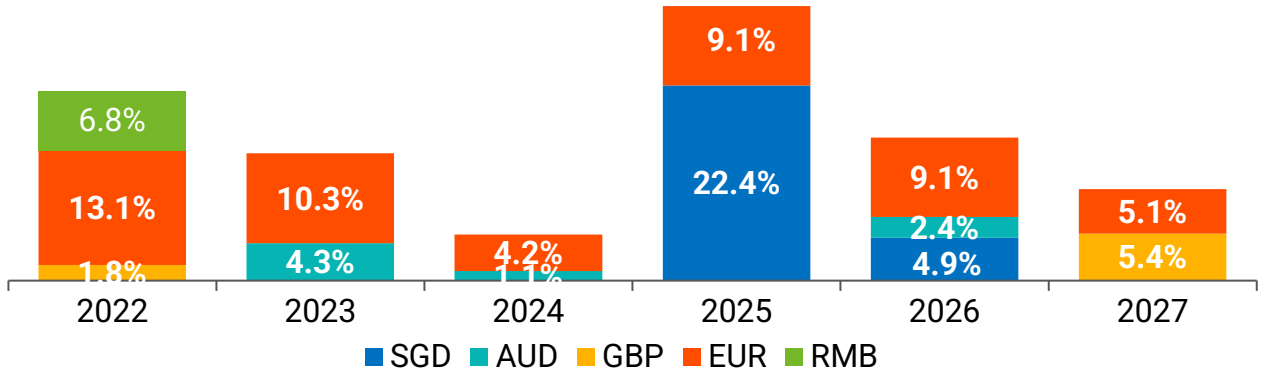
	30 Sep 2021	31 Dec 2020	% Change
Unitholders' Funds ($'000)	2,111,276	1,944,652	+8.6
Units in Issue ('000)	1,714,734	1,633,121	+5.0
Net Asset Value (NAV) per Unit ($)	1.23	1.19	+3.4
Unit Price ($)	2.48	2.81	(11.7)
Premium to NAV (%)	+101.6	+136.1	(34.5pp)

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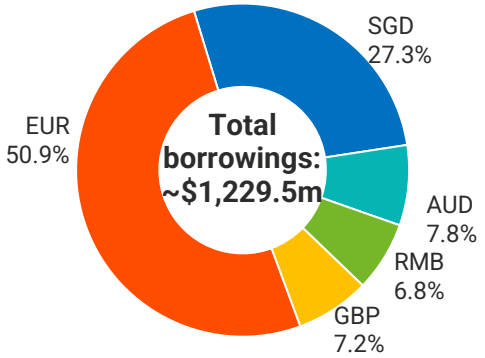
Prudent Capital Management

- In 4Q 2021, Keppel DC REIT:
  - Extended 2 SGD loans amounting to S$275m for 2 years until 2027; and
  - Obtained SGD loan facility amounting to S$150m and RMB loan facility amounting to RMB400m

Debt Maturity Profile (as at 30 Sep 2021)

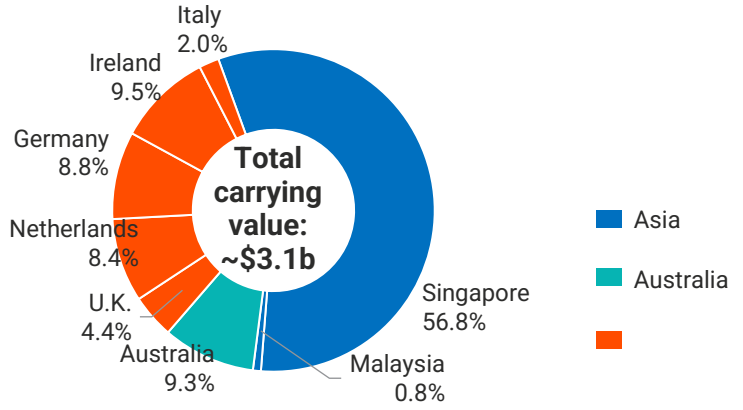


Debt Currency Breakdown (as at 30 Sep 2021)



As at 30 Sep 2021	
Available Facilities	~$409.0m of undrawn credit facilities
Aggregate Leverage[1]	35.1%
Average Cost of Debt[2]	1.6%
Debt Tenor	3.2 years
Interest Coverage (ICR)	12.2 times
Borrowings on fixed rates	73%

Investment Properties Breakdown[3] (as at 30 Sep 2021)



1. Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent commitments and options. Aggregate leverage as at 31 Dec 2020 was 36.2%.
2. Including amortisation of upfront debt financing costs and excluding lease charges. Based on 100% carrying value as at 30 Sep 2021 without taking into consideration the lease liabilities pertaining to the land rent commitments and options.



Business Updates

Sustainable income stream underpinned by healthy portfolio occupancy and long WALE

Record High Portfolio Occupancy

98.1%

as at 30 Sep 2021

Long Portfolio WALE

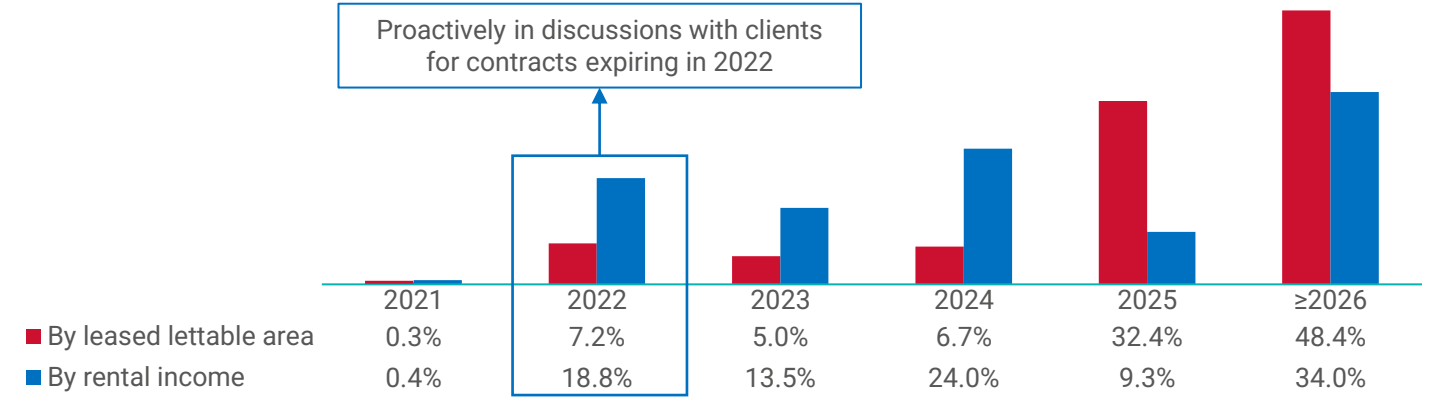
7.0 years[1]

by leased area

Portfolio Updates

- Continued leasing momentum in 3Q 2021 with healthy renewal and expansion of leases with existing clients
- Completed the divestment of iseek Data Centre in Brisbane at A$34.5m in Sep 2021 at 21.5% above the IPO purchase price of A$28.4m
- Commenced a new 20-year triple-net master lease with Macquarie Data Centres at Intellicentre Campus in Jul 2021

Lease Expiry Profile (as at 30 Sep 2021)

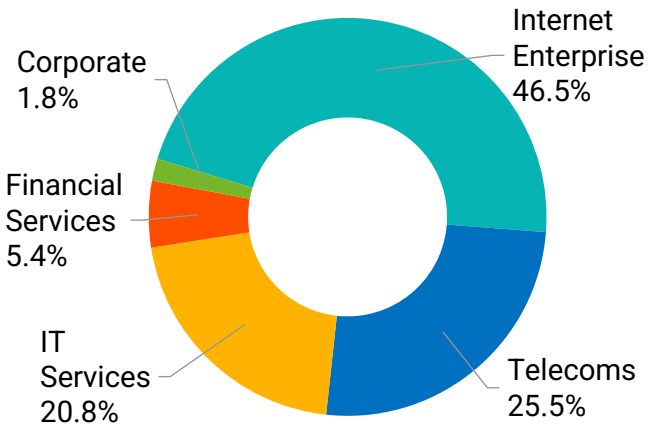


	2021	2022	2023	2024	2025	≥2026
By leased lettable area	0.3%	7.2%	5.0%	6.7%	32.4%	48.4%
By rental income	0.4%	18.8%	13.5%	24.0%	9.3%	34.0%

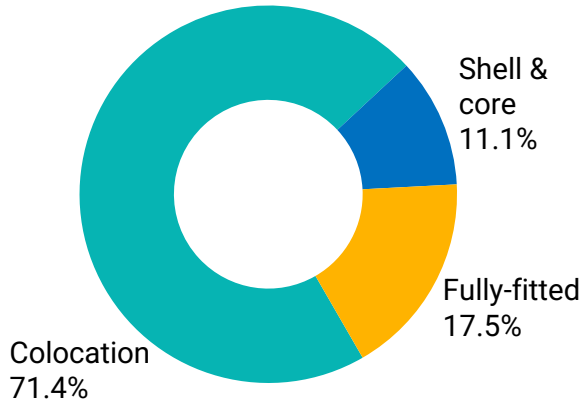
1. By leased area. WALE by rental income was 4.9 years as a higher proportion of rental income is from colocation assets, which typically have shorter lease periods.

Diversified and Resilient Portfolio

Rental Income by Trade Sector
(for the month of Sep 2021)[1]

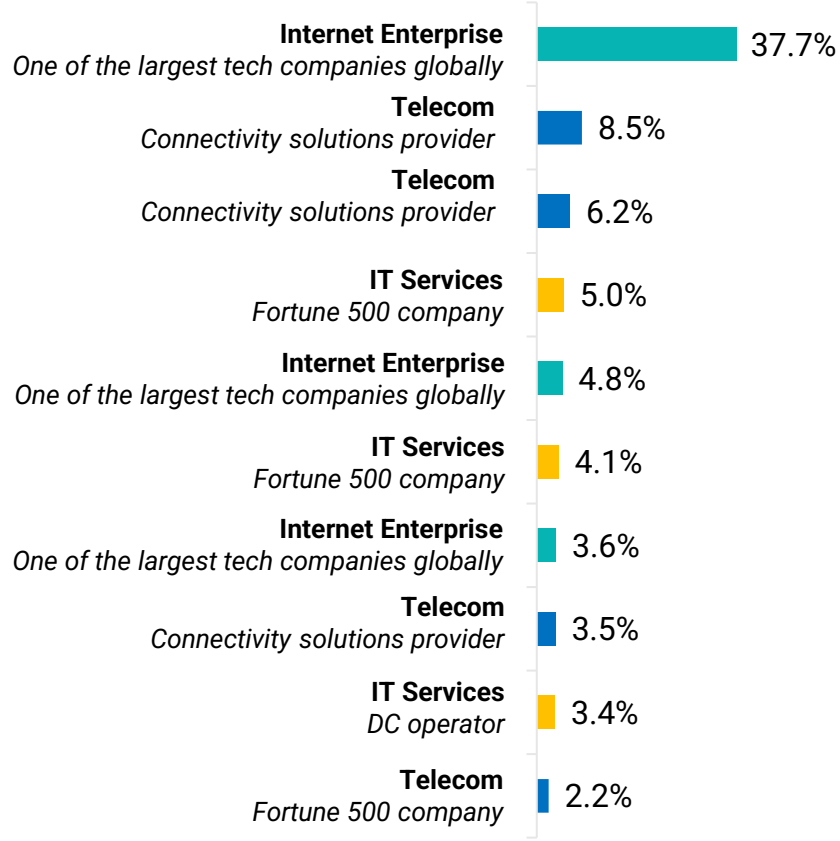


Rental Income by Lease Type
(for the month of Sep 2021)[1]



Lease Type	Client Count	WALE[2] (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.7	✓	✓	-
Fully-fitted	Single	11.4	✓	-	-
Shell & core	Single	7.1	-	-	-

Top 10 Clients
(for the month of Sep 2021)[1]



1. Based on the colocation agreements and lease agreements with clients of the properties, treating the Keppel leases on a pass-through basis to the underlying clients.
2. By leased area as at 30 Sep 2021.

Outlook

Commitment to ESG Excellence

Environmental Stewardship

- **Quality and green data centres**
  - Implementation of advanced energy management practices and use of clean energy sources
  - Portfolio comprises assets that are fully powered by renewable energy, including in Germany, Ireland, Italy, the Netherlands and the UK

- **Green certifications**
  - All colocation facilities in Singapore have certifications in energy and water management systems
  - Signatory of the Climate Neutral Data Centre Operator Pact in Europe

Responsible Business

- **Strong corporate governance**
  - 5 of 7 directors are independent
  - Lead Independent Director to enhance objectivity and independence of the Board
  - A diverse board with appropriate balance and mix of skills, knowledge and experience

- **Prudent risk management**
  - Robust risk management framework which also accounts for environmental and social risks
  - Close monitoring of external risks with mitigation measures in place, where appropriate

People & Community

- **A safe and healthy workplace**
  - Fostering an inclusive and positive work culture
  - 2020 Employee Engagement Survey showed high levels of engagement and satisfaction among employees

- **Developing our people**
  - Continued investments in training and development to nurture, develop and empower staff
  - Achieved an average of 23.6 training hours per employee in 2020



Cloud, technology and social media companies continue to drive near-record levels of demand for data centres globally.

Robust and Resilient Data Centre Demand

End-user spending on public cloud services is expected to grow by 23.1% in 2021 to $332.3b, up from $270b in 2020[1]

Hyperscale operator capex has almost tripled in 1H 2021, in tandem with revenues growing by over 30% per annum[2]

Strong demand for data centers in Europe's main markets of Frankfurt, London, Amsterdam, Paris, and Dublin. Demand in 1H 2021 of 93MW has surpassed 1H 2020's record high 91MW[3]

Healthy demand in Asia Pacific, driven by data security and sovereignty regulations[4]

The number of 5G subscriptions are forecast to reach 580m by end 2021 and 3.5b globally by 2026[5]

Sources: 1. Gartner (Apr 2021); 2. Synergy Research (Sep 2021); 3. JLL (Sep 2021); 4. CBRE (Sep 2021); 5. Ericsson (Jun 2021); 6. Climate Neutral Data Centre Pact (Mar 2021)

Well-Positioned for Growth

The Manager will continue to capitalise on growth opportunities in the data centre industry, and strengthen Keppel DC REIT's global presence.

Proxy to Fast-Growing Tech Sector

Resilient asset class with highly defensive and long-term sustainable income stream

Strong operational expertise and proven track record

Focused and disciplined investment strategy

- Growing a diversified portfolio of assets globally, with a large and stable client base
- Over $2b of data centre assets under development and management through our sponsor, Keppel T&T[1], and Keppel's private data centre funds

Ongoing commitment to address climate change issues

- Utilising green energy, where available, at our data centres
- Pursuing sustainability-related certifications
- Potential new sustainable growth opportunities including Keppel Data Centres' Floating Data Centre Park project

1. Keppel T&T has granted the Rights of First Refusal (ROFR) to Keppel DC REIT for future acquisition opportunities of its data centre assets.

Thank You

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