SIAS-Keppel DC REIT Virtual Dialogue Session for Proposed Investment in the NetCo Bonds and Preference Shares

22 November 2021

Disclaimer

This presentation shall be read in conjunction with the announcement dated 14 October 2021 and the circular dated 10 November 2021 issued by Keppel DC REIT.

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Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited ("**SGX-ST**"). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

Constituent of:

FTSE Straits Times Index

FTSE EPRA Nareit Global Developed Index

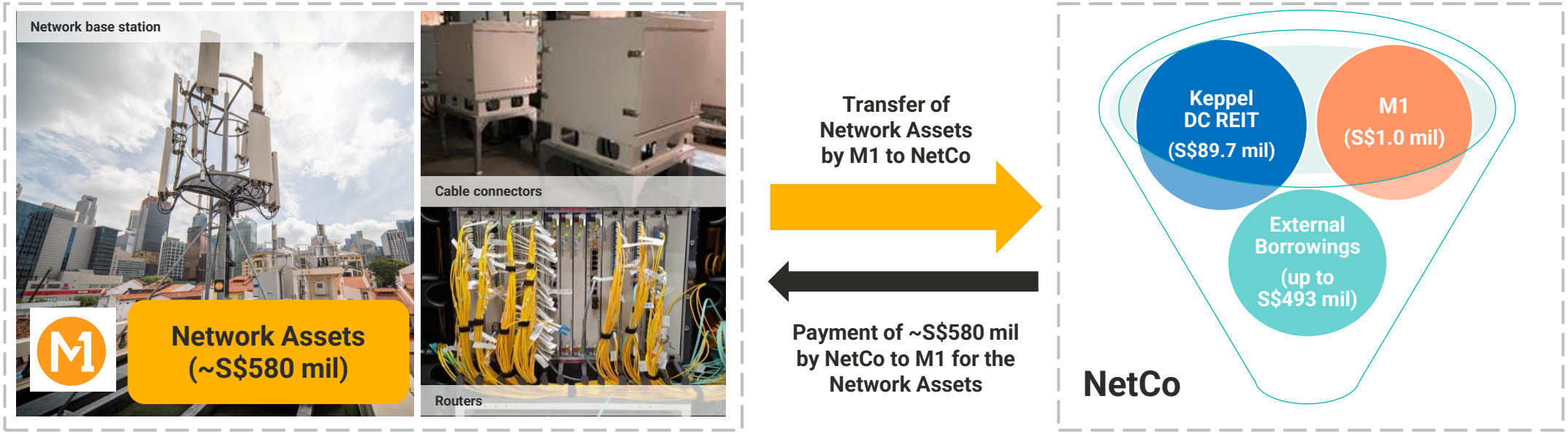
MSCI Singapore Small Cap Index

GPR 250 Index Series

Awards and Certifications:

Transaction Overview (1)

- M1 is one of the largest[1] and most established Singapore telecommunications operators, which has been in operation since 1997
- M1 owns 100% of ordinary shares in M1 Network Private Limited ("NetCo")
- NetCo to own M1's mobile, fixed and fibre assets ("Network Assets") and to receive network service fees from M1
- Keppel DC REIT to subscribe for bonds and preference shares to be issued by NetCo ("NetCo Bonds and Preference Shares Investment")
- Keppel DC REIT to receive from NetCo a fixed amount of S$11.0 mil p.a.(comprising principal and interest) for 15 years



1. As at end-2020, M1 has the second largest post-paid base in Singapore, based on both the numbers of customers and revenue (Source: Keppel Corporation Limited's Annual Report 2020).

Transaction Overview (2)



Network base station

Proposed NetCo Bonds and Preference Shares Investment	
Proposed Investment	S$89.7 mil
Add:	
- Acquisition Fee *(if approved by Unitholders)*	S$0.9 mil
- Estimated Fees and Expenses	S$1.8 mil
Less:	
- Fees and Expenses to be Reimbursed	(S$2.7mil)
Total Investment Outlay (Net of Reimbursement)	**S$89.7 mil**

DPU Accretive Investment Providing Regular and Stable Cash Flow

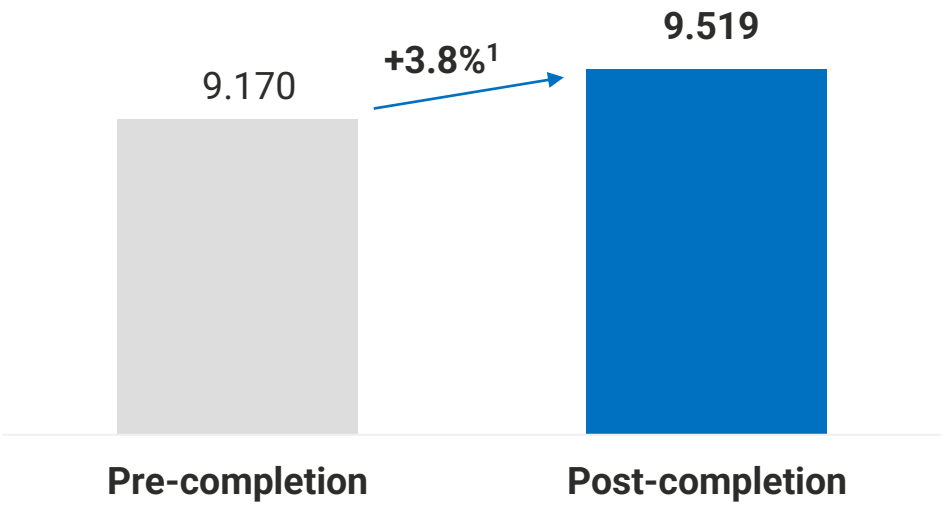
1 DPU Accretive Investment

- **DPU accretion of 3.8%[1]**
- DPU accretive investment forms less than 3% of our portfolio

2 Regular & Stable Cash Flow

- **Regular, stable cash flow of S$11.0 mil p.a.** (comprising principal and interest) **for 15 years**, providing an **effective yield of 9.17% p.a.**
- **No operational management risks or capex obligations** for Keppel DC REIT: M1 will perform the day-to-day operation and maintenance of, as well as capex work for the Network Assets
- Payback period for the aggregate subscription amount is approximately 8 years[2]

Distribution per Unit (cents)



Post-completion, FY2020 pro forma DPU will **increase to 9.519 cents**, with an accretion of **3.8%[1]**

1. Assuming Monetary Authority of Singapore ("MAS") approves the Qualifying Project Debt Securities ("QPDS") application. If the QPDS application is not approved by MAS, the NetCo Bonds will be treated as ordinary bonds and the DPU accretion will be 3.1%.
2. As stated in the Independent Financial Adviser's Letter, which Unitholders can refer to in the Circular.

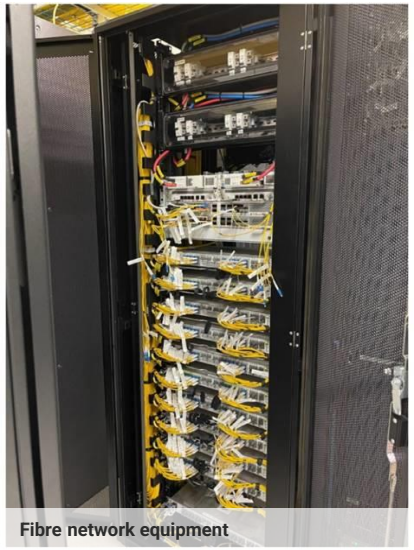
Enhance Income Resilience and Growth Platform

3 Greater Income Resilience

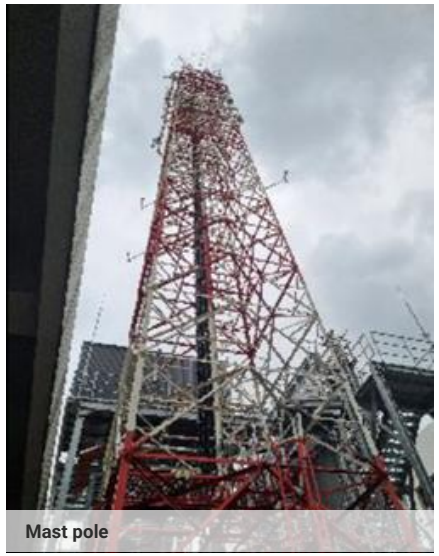
- Further **strengthen income resilience** of Keppel DC REIT's portfolio
- Benefit from **further diversification of income streams**

4 Stronger Growth Platform

- AUM will increase by 2.8% to **S$3.3 bil**
- Enlarged portfolio will create a **stronger platform for acquisition growth** via better access to capital and debt markets


Fibre network equipment


Monopole


Mast pole

Proposed Fee Supplement

- Seeking Unitholders' approval for the acquisition fee payable to the Manager just for this investment
- Keppel DC REIT will be reimbursed for professional and other fees and expenses incurred of up to S$2.7 mil

Proposed Fee Supplement		
	If APPROVED by Unitholders	**If NOT APPROVED by Unitholders**
Nature of fees and expenses	Professional fees Acquisition fee Other fees and expenses	Professional fees Other fees and expenses
Expected Reimbursement	~S$2.7 mil	~S$1.8 mil

- Acquisition fees will be paid in Units and shall not be sold within one year from issuance
- No divestment fee will be payable to the Manager at the maturity of the NetCo Bonds

EGM Resolutions

Resolution 1: The Proposed NetCo Bonds and Preference Shares Investment, as an Interested Person Transaction
Resolution 2: The Proposed Fee Supplement

Deloitte.

Independent Financial Adviser (IFA)[1]
Deloitte & Touche Corporate Finance Pte. Ltd.

The IFA is of the opinion that **both Resolution 1 and Resolution 2** are on **normal commercial terms** and are **not prejudicial to the interests of Keppel DC REIT and its minority Unitholders**.

The IFA advises the Independent Directors and the Audit and Risk Committee to recommend that the minority Unitholders vote **in favour of both Resolution 1 and Resolution 2**.

Institutional Shareholder Services (ISS)[2]

ISS has Recommended a Vote FOR both Resolutions 1 and 2

1. As stated in the Independent Financial Adviser's Letter, which Unitholders can refer to in the Circular.
2. Institutional Shareholder Service, report dated 19 November 2021.

Thank You

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

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