

MEDIA RELEASE

Keppel Infrastructure Trust Unaudited Results for the First Half ended 30 June 2024

26 July 2024

The Directors of Keppel Infrastructure Fund Management Pte. Ltd., as Trustee-Manager of Keppel Infrastructure Trust, advise the following results of Keppel Infrastructure Trust for the first half ended 30 June 2024.

For more information, please contact:

Media

Mr Ang Lai Lee
Director
Corporate Communications
Tel: (65) 6413 6427
Email: lailee.ang@keppel.com

Investor Relations

Ms Elaine Cheong
Director
Investor Relations and Sustainability
Tel: (65) 6803 1795
Email: elaine.cheong@keppel.com

**Keppel Infrastructure Trust delivered
1.95 cents DPU for 1H 2024**

Results Highlights

- Continued portfolio expansion with the completion of Ventura acquisition and first three phases of the German Solar Portfolio driving growth in assets under management (AUM) to \$8.8 billion¹
- Resumption of contributions from Keppel Merlimau Cogen (KMC) plant and new acquisitions completed in 1H 2024 contributed \$26.9 million or 17.8% of Asset Distributable Income
- DPU of 1.95 cents supported by stable underlying operational performance, with KIT's portfolio well-positioned against inflation and higher energy prices due to cost pass through mechanisms and availability-based revenue models
- Completed the KMC capital restructuring with a \$612.5 million sustainability-linked loan, demonstrating the Trustee-Manager's commitment to long term sustainability

Financial Performance

Keppel Infrastructure Trust (KIT) delivered a stable set of results in 1H 2024. The Trust reported Distributable Income (DI) of \$91.0 million for 1H 2024, underpinned by steady operational performance, the resumption of contributions from KMC as well as contributions from new acquisitions completed in 1H 2024, which contributed \$26.9 million or 17.8% of Asset Distributable Income for 1H 2024.

The lower 1H 2024 DI is largely due to timing differences as well as one-offs. Factoring in these differences to better reflect underlying operational performance, 1H 2024 adjusted DI would be \$117.8 million², 2.1% higher YoY against 1H 2023 adjusted DI of \$115.4 million³.

Accordingly, the Trust declared higher Distribution per Unit (DPU) of 1.95 cents for 1H 2024, an increase of 1% YoY. The 1H 2024 DPU translates to an annualised distribution yield of 8.3%, based on KIT's closing price of \$0.470 as at 28 June 2024.

A segmental breakdown of KIT's financial performance is tabled below:

Segmental Performance	Distributable Income		
	1H 2024 \$ '000	1H 2023 \$ '000	Change (%)
Energy Transition	83,653	97,672	(14.4)
Environmental Services	37,609	38,867	(3.2)
Distribution & Storage	29,984	41,571	(27.9)
Asset Subtotal	151,246	178,110	(15.1)
Corporate ⁴	(60,248)	(45,219)	33.2
Distributable Income	90,998	132,891	(31.5)
Distributable Income (after factoring in one-offs and timing differences)	117,832²	115,401³	2.1

¹ Based on independent valuation conducted by Ernst & Young (except the German Solar Portfolio and Ventura acquisitions). Represents KIT's equity stake in the enterprise value of its investments plus cash held at the Trust.

² 1H 2024 DI would be \$117.8 million after adjusting for performance fees (\$13 million), growth capex (\$8.9 million) and upfront financing fee (\$6.5 million) net of base fees.

³ 1H 2023 DI would be \$115.4 million after adjusting for BKR2 debt amortisation (\$22.4 million), upfront financing fee (\$2.2 million) and growth capex of (\$0.7 million) net of base fees.

⁴ Comprises Trust expenses and distribution paid/payable to perpetual securities holders, management fees and financing costs. The higher cost was mainly due to performance fee recognised in respect of the increase in DPU in FY2023 as compared to FY2022.

Portfolio Performance

The Trustee-Manager continues to drive expansion in its portfolio, with the completion of the Ventura acquisition as well as the first three phases of the German Solar Portfolio in 1H 2024. The Trust's AUM grew approximately 8% from \$8.1 billion⁵ as at 2 January 2024 to \$8.8 billion as at 30 June 2024.

KIT continues to deliver high availability and steady operational performance across its businesses and assets, and is largely insulated from higher energy prices and inflation due to cost pass through mechanisms and availability-based revenue models within its portfolio.

Energy Transition

KIT's acquisition of a 45% interest in a residential solar portfolio in Germany was projected to include over 60,000 bundled solar photovoltaic (PV) systems with a combined generation capacity of over 585MW, which are leased to households under 20-year agreements that provide highly predictable cashflows to the Trust. The first three phases of closing were completed from January to May 2024, with the fourth closing completed on 25 July 2024, following which KIT has completed the acquisition of more than 57,000 installed solar panel systems to date.

KIT's investment in Aramco Gas Pipelines Company continued to deliver stable distributions, supported by healthy gas demand driven by robust economic and population growth in the Kingdom of Saudi Arabia.

In Singapore, the capacity tolling agreement (CTA) for Keppel Merlimau Cogen (KMC) plant was extended by 10 years, from 2030 to 2040. With the CTA extension, KMC's loan facility was restructured, allowing the plant to resume distribution income contributions to KIT. Following the first turbine upgrade in 2022, KMC will also be undergoing a second turbine upgrade, which will further enhance the efficiency of plant operations, increase operational reliability, and extend major maintenance intervals. For 1H 2024, the plant achieved 100% contractual availability.

Since launching its EV charging business in 2022, City Energy has secured exclusive rights to extend charging services to ~23,000 carpark lots as of end-June. In terms of operations, City Energy achieved 100% plant availability in 1H 2024 and maintains a sizeable customer base of more than 900,000, supported by continued growth in the Commercial and Industrial sector.

Environmental Services

In the Environmental Services segment, operations at the Senoko Waste-to-Energy (WTE) Plant, Keppel Seghers Tuas WTE Plant, Keppel Seghers Ulu Pandan NEWater Plant and SingSpring Desalination Plant remained stable and fulfilled their contractual obligations in 1H 2024. The concession for the Senoko WTE Plant with Singapore's National Environment Agency (NEA) was extended for three years with an option to further extend by up to another year, beyond its current expiry of August 2024. As KIT is only funding a small portion of the refurbishment capital expenditure, distribution income contribution is not expected to be significant.

Eco Management Korea (EMK) maintained full utilisation of its incineration business. Given near-term pricing headwinds, EMK was selective in bidding for new volumes at its landfill business. As part of its growth plans, the Trustee-Manager continues to seek expansion opportunities through accretive bolt-on acquisitions and ways to optimise the EMK business for scale and greater efficiency.

⁵ Excluding the first closing of the acquisition of the German Solar Portfolio on 2 January 2024, AUM as at 31 December 2023 was \$7.4 billion.

Distribution & Storage

KIT's acquisition of Ventura, the largest bus operator in Victoria, Australia, was completed in June 2024. As of 30 June 2024, Ventura continues to deliver on market leading performance metrics in measures such as punctuality and reliability as well as achieving high availability, enabling KIT to derive inflation-protected revenue that does not fluctuate with passenger volume nor fares collected.

Ixom's performance remains strong due to continued contributions from the water sector from both Australia and New Zealand. It also registered continued robust contributions from the mining, industrial and pulp and paper sectors.

Underpinned by strong demand, Philippine Coastal Storage and Pipeline Corporation recorded high tank utilisation rate of 97.5% as of end-June. As part of its capacity expansion plans to meet greater storage demand, the construction of new tanks is on track for completion by 2H 2024.

Capital Management

The Trust completed the capital restructuring of KMC with a \$612.5 million 15-year sustainability-linked loan, where the interest cost of the loan is designed to incentivise KMC to produce energy efficiently and demonstrate its continued commitment to long term sustainability and carbon efficient performance. In addition, the acquisition of Ventura in June 2024 was partially funded by a \$392 million term loan due in August 2025. To improve financial flexibility and support KIT's growth, the Trustee-Manager obtained revolving credit facilities totalling \$100 million in 1H 2024.

The Trust's financial position remains strong, maintaining sufficient debt headroom over its financial covenant thresholds. The Trustee-Manager safeguards against evolving market conditions by actively monitoring risk exposures. To mitigate against fluctuating interest rates, approximately 65.3% of KIT's total loans are fixed and hedged as at 30 June 2024.

Commitment to Sustainability

Anchored by a portfolio of critical infrastructure businesses and assets, sustainability management is imperative to KIT's continued success and ability to create value.

In this regard, the Trustee-Manager continues to advance its sustainability agenda through investments in the renewable energy segment. With the acquisition of the German solar portfolio, KIT's total renewable capacity increased significantly from 740MW to 1.3GW. This puts KIT's exposure to renewables at 18% of AUM as at 30 June 2024.

The Trustee-Manager continues to make progress in its decarbonisation roadmap by improving energy efficiency. The second turbine upgrade at KMC which will further enhance the efficiency of plant operations, is expected to lower KMC's carbon emissions by at least 17,800 tCO₂e per year, which is the equivalent of removing more than 5,400 vehicles off the roads annually.

With ESG at the core of its business and strategy, the Trustee-Manager will continue to actively manage the Trust's portfolio and create value to achieve sustainable growth.

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About Keppel Infrastructure Trust (www.kepinfratrust.com)

Keppel Infrastructure Trust (KIT) is a diversified business trust listed on the Singapore Exchange with approximately \$8.8 billion in assets under management as at 30 June 2024. Its goal is to deliver sustainable and growing returns to Unitholders, through a combination of recurring distributions and capital growth.

KIT's portfolio of strategic infrastructure businesses and assets provide essential products and services to a wide array of customers including government agencies, multinational corporations, commercial and industrial enterprises as well as retail consumers.

The Trustee-Manager of KIT is Keppel Infrastructure Fund Management Pte. Ltd. KIT 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.

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