Keppel REIT

Annual General Meeting

21 April 2023



Outline

- FY 2022 in Review 3
- 1Q 2023 Update 9

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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 Russell

FTSE ST Large & Mid Cap Index

FTSE4Good

FTSE4GOOD Developed & FTSE4GOOD ASEAN 5 Index

EPRA Nareit

FTSE EPRA Nareit Global Developed Index

Global property research
Solutions for customized property indices

GPR 250 Index Series

MSCI

MSCI Singapore Small Cap Index

FY 2022 in Review



Marina Bay Financial Centre, Singapore

FY 2022 Key Highlights

Higher Distribution

Distribution to Unitholders

$220.9 million

Up 4.1% y-o-y

Distribution Per Unit

5.92 cents

Up 1.7% y-o-y

Anniversary Distribution

$100 million

To be distributed over 5 years[1]

Prudent Capital Management

Aggregate Leverage

38.4%

As at 31 Dec 2022

All-in interest rate

2.29% p.a.

Borrowings on Fixed Rate

76%

As at 31 Dec 2022

Increased from 63% as at 31 Dec 2021

Strong Operating Metrics

High Portfolio Occupancy

96.3%

As at 31 Dec 2022

Long Portfolio WALE

6.0 years

Top 10 tenants' WALE at 10.5 years

As at 31 Dec 2022

Total Leases Committed

>1.8 million sf

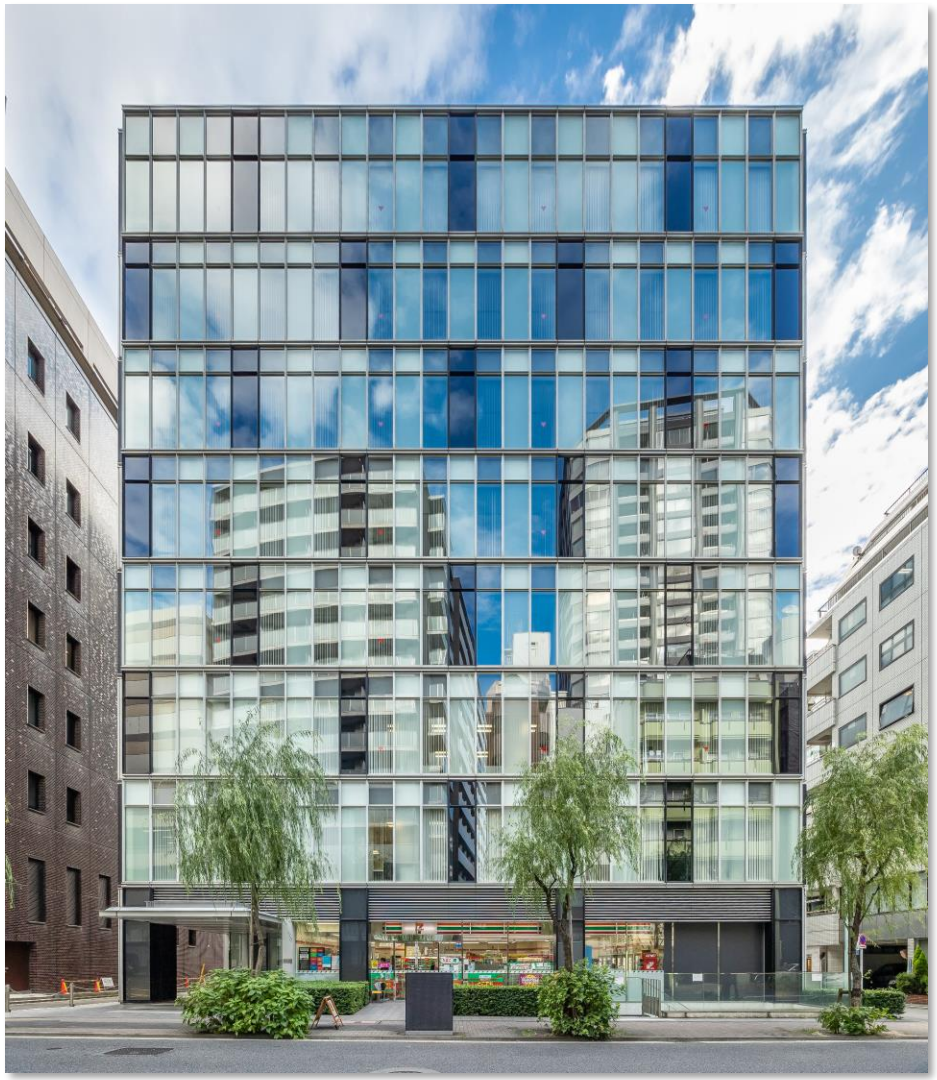
Retention rate of 78%

8.6% of the leases by net lettable area will expire in 2023

(1) As announced on 25 October 2022, to celebrate Keppel REIT's 20th anniversary, a total of $100 million of Anniversary Distribution will be distributed over 5 years. $20 million will be distributed annually with such distribution to be made semi-annually. The first tranche of the Anniversary Distribution of $10 million has been distributed on 1 March 2023 together with 2H 2022 distribution.

Strategic Entry into Japan: Acquisition of KR Ginza II

- ✓ Strategic entry into Japan, largest developed market in Asia with strong office fundamentals
- ✓ A quality freehold boutique office building
  - Located in Chuo ward, one of Tokyo's core 5 wards
  - Enjoys excellent connectivity, within walking distance to 4 metro stations and 5 metro lines
- ✓ Complements and enhances Keppel REIT's portfolio and creates long-term value for Unitholders
- ✓ DPU accretive when fully leased
- ✓ High environmental performance rating of CASBEE A



Well-Executed Portfolio Optimisation Strategy

Will be distributing a total $100m of Anniversary Distribution out of capital gains that were accumulated through well-executed portfolio optimisation strategy

2006
Listed on SGX
>$600m AUM
4 assets in Singapore

2007
Acquired One Raffles Quay (33.3%), Singapore

2009
Increased stake in Prudential Towers, Singapore

2010
Expanded footprint to **Australia:**
77 King Street (100%), Sydney, and 275 George Street (50%), Brisbane

Asset swap: Keppel Towers and GE Tower for MBFC Towers 1 & 2 and MBLM (33.3%), Singapore

2011
Acquired
- 8 Chifley Square (50%), Sydney
- Ocean Financial Centre (87.5%), Singapore

2012
Increased stake in Ocean Financial Centre (to 99.9%), Singapore

2013
Acquired
- David Malcolm Justice Centre (50%), Perth
- 8 Exhibition Street (50%), Melbourne

2014
Acquired MBFC Tower 3 (33.3%), Singapore

Divested Prudential Tower, Singapore
Purchase: $349.1m
Sale: $512.0m (+47%)

2015
Acquired three adjacent retail units (100%) at 8 Exhibition Street, Melbourne

2016
Divested 77 King Street, Sydney
Purchase: A$116.0m
Sale: A$160.0m (+38%)

2017
Acquired Victoria Police Centre (50%), Melbourne

2018
Divested 20% minority stake in Ocean Financial Centre (to 79.9%), Singapore
Purchase: $460.2m
Sale: $537.3m (+17%)

2019
Expanded footprint to **South Korea:**
T Tower (99.4%), Seoul

Divested Bugis Junction Towers, Singapore
Purchase: $159.5m
Sale: $547.7m (+243%)

2020
Acquired Pinnacle Office Park (100%), Sydney

2021
Acquired
- Keppel Bay Tower, Singapore
- Blue & William, Sydney

Divested 275 George Street, Brisbane
Purchase: A$166.0m
Sale: A$264.0m (+59%)

2022
Expanded footprint to **Japan:**
KR Ginza II (98.5%), Tokyo

2023
$9.1b AUM
12 assets in Singapore, Australia, South Korea & Japan

Advancing ESG Agenda



Environmental Stewardship

16.8% reduction in Scope 1 and 2 emissions[1]

28.7% reduction in water consumption[1]

15.3% of waste generated was recycled



Responsible Business

Established Board ESG Committee in Sep 2022

100% of Keppel REIT's operational properties have achieved green certifications

Achieved **50%** sustainability-focused funding since Jun 2022



People and Community

All Singapore assets have achieved the WELL Health-Safety rating

Achieved **30.6** training hours per employee in FY 2022

Dedicated **>1,000** hours to community outreach activities together with Keppel Capital

(1) *As compared to baseline year of 2019.*

Sustainable and Future Ready Portfolio with ESG Excellence



T Tower, Seoul

ESG Benchmarks

- MSCI ESG Rating maintained at **'A'**
- ISS Governance Risk Rating maintained at lowest risk level of "**1**" and ESG Corporate Rating maintained at "**Prime**" status
- Global Real Estate Sustainability Benchmark (GRESB) – **Green Star status; 'A' rating for Public Disclosure**

ESG Indices

- **iEdge SG ESG Transparency Index and ESG Leaders Index**
- **iEdge-UOB APAC Yield Focus Green REIT Index**
- **Morningstar Singapore REIT Yield Focus Index**
- **Solactive CarbonCare Asia Pacific Green REIT Index**

Green Credentials and Green Financing

- **100%** of operational properties are **green certified after T Tower obtained LEED Platinum Certification.** Blue & William, which has achieved practical completion on 3 Apr 2023, is designed to achieve the **5 Star Green Star** Design and As Built Rating by the Green Building Council of Australia and the **5.5 Stars NABERS** energy rating
- All Singapore office assets have maintained **BCA Green Mark Platinum** certification
- NABERS energy rating for Victoria Police Centre has improved from 4.5 stars to 5 stars; Majority of the operational Australian assets achieved 5 Stars and above in the **NABERS Energy** rating
- **Fully powered by renewable energy:** Keppel Bay Tower, 8 Exhibition Street and Victoria Police Centre
- **Carbon neutral:** 8 Exhibition Street and Victoria Police Centre
- Approximately 50% of Keppel REIT's total borrowings are **green**

1Q 2023 Update



Keppel Bay Tower,
Singapore

Diversified Portfolio of Prime Commercial Assets in Asia Pacific

$9.1b portfolio of prime quality assets anchored across different markets enhance **income stability and long-term growth opportunities**



T Tower, Seoul
99.4% Interest
Occupancy: 96.1%

South Korea
3.1%

Japan
1.0%



KR Ginza II, Tokyo
98.5% Interest
Occupancy: 36.3%



Ocean Financial Centre
79.9% Interest
Occupancy: 98.5%

Singapore
78.7%



Marina Bay Financial Centre
33.3% Interest
Occupancy: 97.1%



One Raffles Quay
33.3% Interest
Occupancy: 100.0%



Keppel Bay Tower
100% Interest
Occupancy: 98.2%



Pinnacle Office Park, Sydney
100% Interest
Occupancy: 89.5%



8 Chifley Square, Sydney
50% Interest
Occupancy: 82.0%



Blue & William, Sydney
100% Interest
(Achieved practical completion on 3 Apr 2023)

Australia
17.2%



8 Exhibition Street, Melbourne
50% Interest
Occupancy: 94.4%



Victoria Police Centre, Melbourne
50% Interest
Occupancy: 100.0%



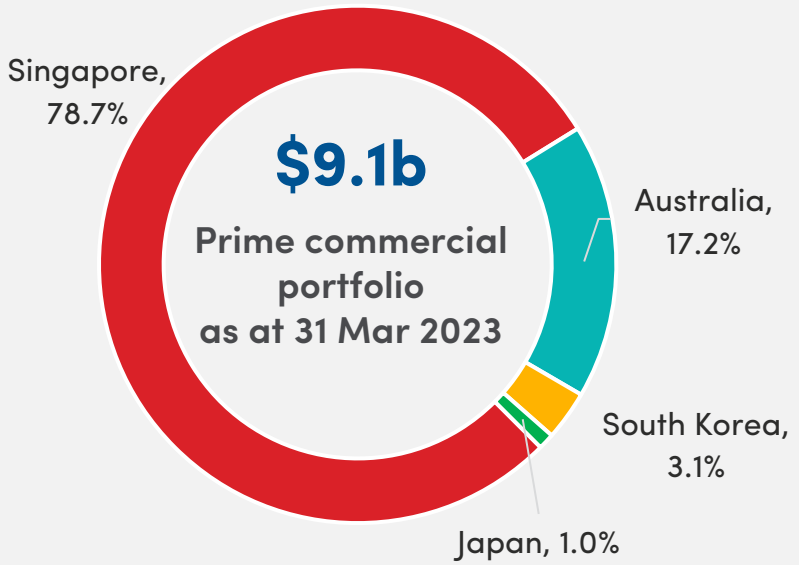
David Malcolm Justice Centre, Perth
50% Interest
Occupancy: 100.0%

Note: Information as of 31 Mar 2023.

1Q 2023 Key Highlights

A Resilient Portfolio of Prime Commercial Assets

Anchored in key business districts of Singapore, Australia, South Korea and Japan



Strong Operating Metrics

High Portfolio Occupancy

96.3%

As at 31 March 2023

Long Portfolio WALE

5.8 years

Top 10 tenants' WALE at 10.3 years

As at 31 March 2023

Building Completion

for Blue & William

on 3 April 2023 and will start contributing income to Keppel REIT

Prudent Capital Management

Healthy Aggregate Leverage

38.7%

As at 31 March 2023

All-in interest rate

2.86% p.a.

75% of borrowings on fixed rates as at 31 March 2023

Unit Buy-Back

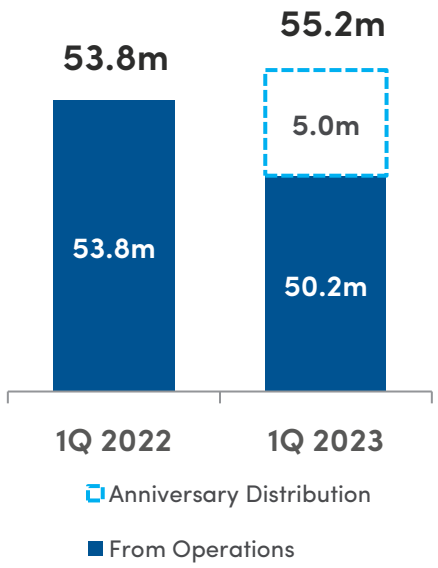
9.5 million units

No. of units purchased and cancelled in 1Q 2023

Stronger NPI Supported by Healthy Operational Performance

- 1Q 2023 NPI was 1.3% higher year-on-year due to higher rentals achieved on leases committed in 2022 and higher portfolio occupancy of 96.3% as at 31 March 2023 as compared to 95.1% as at 31 March 2022
- 1Q 2023 Distributable Income from Operations was **$50.2m**, lower than 1Q 2022 due mainly to higher borrowing costs
- Including **$5m**(1) of Anniversary Distribution, Distributable Income would be **$55.2m**, **2.6%** higher than 1Q 2022

Distributable Income ($m)



	1Q 2023	1Q 2022	+/(-)
Property Income(2)	57.7m	54.5m	5.9%
Net Property Income (NPI)	45.0m	44.2m	1.8%
Less: Attributable to Non-controlling Interests	(4.5m)	(4.2m)	7.1%
NPI Attributable to Unitholders	40.5m	40.0m	1.3%
Interest Income(3)	2.0m	4.1m	(51.2%)
Share of Results of Associates(4)	19.7m	23.0m	(14.3%)
Share of Results of Joint Ventures(5)	6.0m	5.8m	3.4%
Borrowing Costs	(15.4m)	(12.1m)	27.3%
Distributable Income from Operations	50.2m	53.8m	(6.7%)
Anniversary Distribution	5.0m	-	N.m.
Distributable Income including Anniversary Distribution	55.2m	53.8m	2.6%

(1) In appreciation to Unitholders for their support and to celebrate Keppel REIT's 20th anniversary in 2026, Keppel REIT will distribute a total of $100 million of Anniversary Distribution over a 5-year period. $20 million will be distributed annually with such distribution to be made semi-annually; $5 million is the pro-rated amount per quarter.

(2) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, 50% interest in Victoria Police Centre, Pinnacle Office Park, T Tower, Keppel Bay Tower and KR Ginza II after it was acquired on 30 Nov 2022.

(3) Consist mainly of interest income from advances to associates. The decrease is mainly due to repayment of an advance by an associate in Jan 2023.

(4) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre. The decrease is due mainly to higher borrowing costs.

(5) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

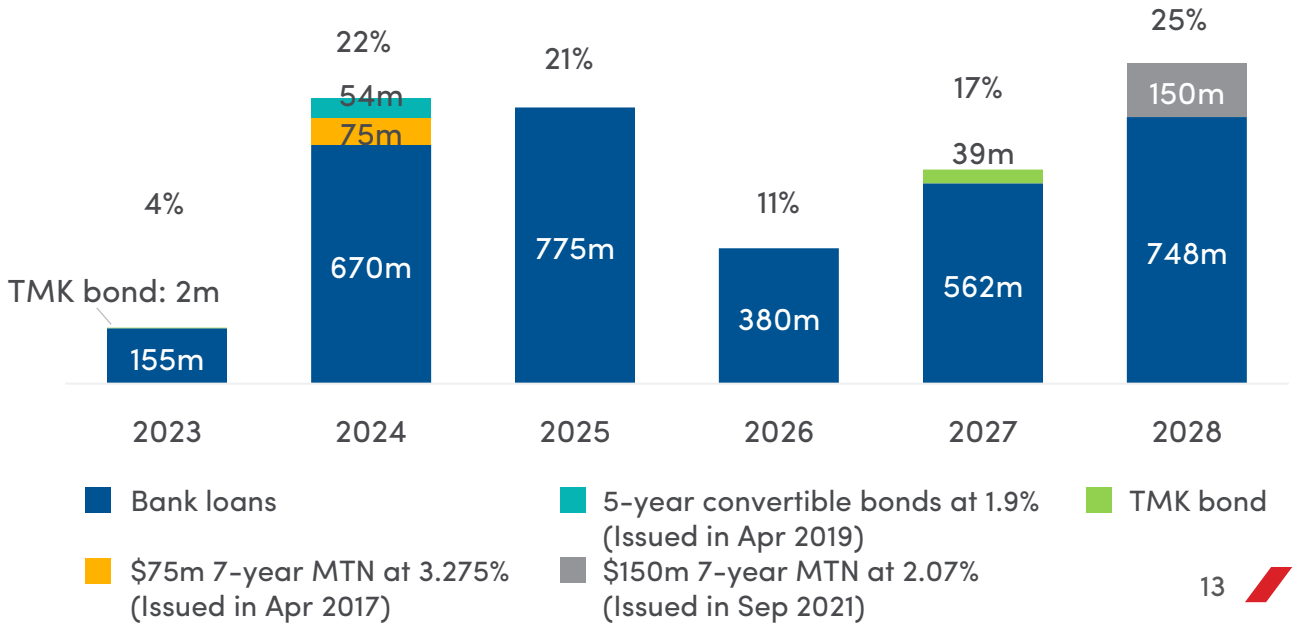
Prudent Capital Management

- Aggregate leverage maintained at a healthy 38.7%
- 75% of borrowings are on fixed rates
- AUD, KRW and JPY denominated loans formed ~16%, ~4% and ~3% of total portfolio borrowings(1) respectively
- Sustainability-focused funding was increased from ~50% as at 31 Dec 2022 to 62% of total borrowings(1)
- No major refinancing requirements in 2023, majority of the debt due in 2023 will mature in 4Q 2023

As at 31 Mar 2023	
Interest Coverage Ratio(2)	3.7x
Adjusted Interest Coverage Ratio(3)	3.2x
All-in Interest Rate	2.86% p.a.
Aggregate Leverage	38.7%
Weighted Average Term to Maturity	3.0 years
Borrowings on Fixed Rates	75%
Sensitivity to Interest Rates(4)	+50 bps = ~0.12 cents/~2.0%(5) ↓ in DPU p.a.

Debt Maturity Profile

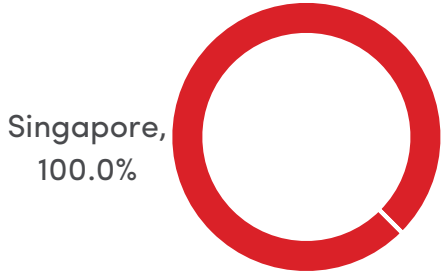
(As at 31 Mar 2023)



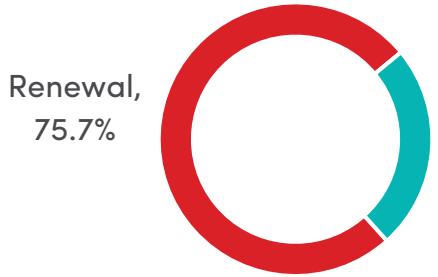
(1) *This includes Keppel REIT's share of external borrowings accounted for at the level of associates.*
(2) *Defined as trailing 12 months earnings before interest, tax, depreciation and amortisation (EBITDA) (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense and borrowing-related fees.*
(3) *Defined as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.*
(4) *Refers to changes to SOR/SORA/BBSW for applicable loans on floating rates.*
(5) *Computed based on DPU of 5.92 cents for FY 2022.*

1Q 2023 Portfolio Performance

Leases Committed by Geography[(1)]



Leases Committed by Type[(1)]



Total Leases Committed

~205,500 sf

(Attributable ~74,400 sf)

Retention Rate

98%

New leasing demand and expansions from:

Banking, insurance and financial services	27.8%
Accounting and consultancy services	25.6%
Energy, natural resources, shipping and marine	16.8%
Technology, media and telecommunications	11.7%
Real estate and property services	3.9%
Retail and F&B	2.4%
Others	11.8%

As at 31 Mar 2023:

96.3%

Portfolio committed occupancy

10.3 years

Top 10 tenants' WALE

5.8 years

Portfolio WALE

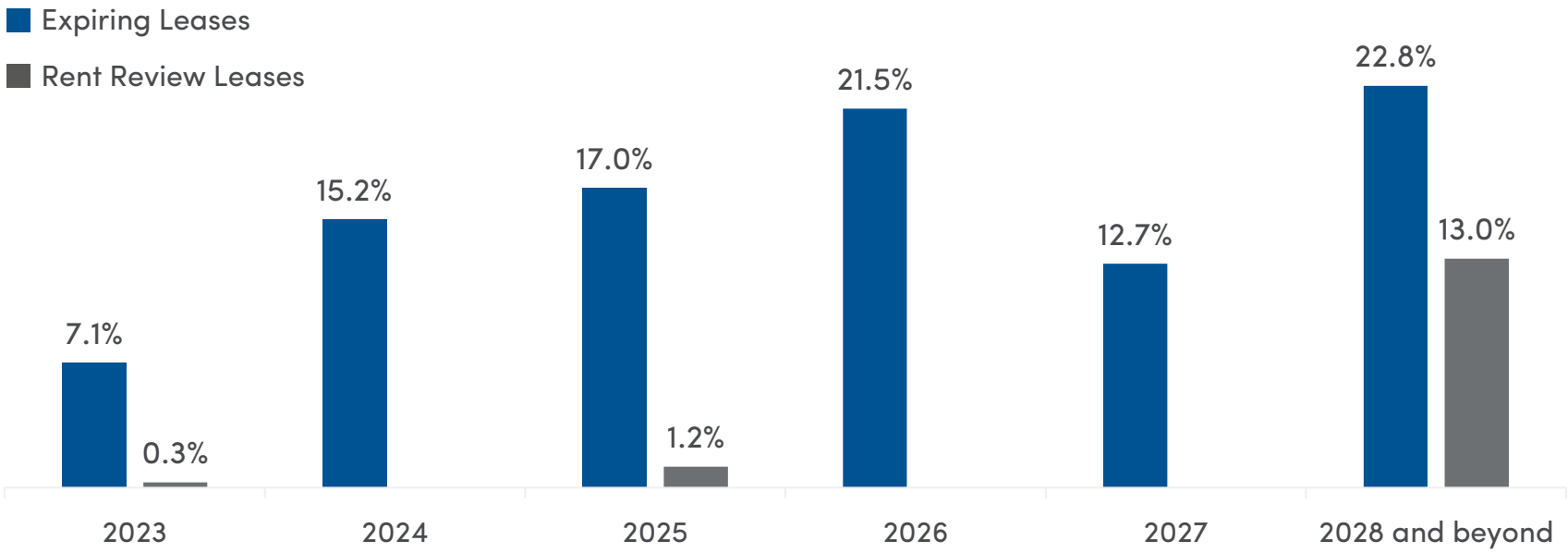
- Singapore portfolio: 2.8 years
- Australia portfolio: 12.6 years
- South Korea portfolio: 3.2 years
- Japan portfolio: 2.9 years

(1) Based on committed attributable area.

Well-spread Lease Expiry Profile

- Average signing rent for Singapore office leases[(1)] concluded in 1Q 2023 was **$12.05 psf pm**, reflecting steady demand for prime office space
- Average expiring rents of Singapore office leases[(2)](psf pm): **$11.66** in 2023, **$11.04** in 2024 and **$11.13** in 2025

Lease Expiries and Rent Reviews
(Based on Committed Attributable NLA)





(1) Weighted average for Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.
(2) Weighted average based on attributable NLA of office lease expiries and rent reviews in Ocean Financial Centre, Marina Bay Financial Centre and One Raffles Quay.

Blue & William Achieved Practical Completion

- Blue & William achieved practical completion on 3 April 2023 and will start contributing income
- Secured first anchor tenant, Equifax, in December 2022
- The developer is providing a three-year rental guarantee on unlet space from practical completion date
- In negotiation with a few prospective tenants for the remaining space





Blue & William is designed to achieve the 5 Star Green Star Design and As Built Rating by the Green Building Council of Australia, as well as the 5.5 Stars NABERS Base Building Energy Rating



Panoramic view of the iconic Sydney Harbour Bridge from the outdoor terraces

Thank You



Ocean Financial Centre,
Singapore

Photo Credit: Central Narcotics Bureau