



# Proposed Investment in a Solar Portfolio in Germany

21 December 2023

## Important Notice

The information contained in this presentation is for information purposes only and does not constitute or form part of, and should not be construed as, any offer or invitation to sell or issue or any solicitation of any offer or invitation to purchase or subscribe for any units ("Units") in Keppel Infrastructure Trust ("KIT") or rights to purchase Units in Singapore, the United States or any other jurisdiction. This presentation is strictly confidential to the recipient, may not be reproduced, retransmitted or further distributed to the press or any other person, may not be reproduced in any form and may not be published, in whole or in part, for any purpose to any other person with the prior written consent of the Trustee-Manager (as defined hereinafter). This presentation should not, nor should anything contained in it, form the basis of, or be relied upon in any connection with any offer, contract, commitment or investment decision whatsoever and it does not constitute a recommendation regarding the Units.

The past performance of KIT is not necessarily indicative of its future performance. Certain statements made in this presentation may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar businesses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business. Such forward-looking statements speak only as of the date on which they are made and KIT does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking statements.

Prospective investors and unitholders of KIT ("Unitholders") are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel Infrastructure Fund Management Pte. Ltd. (as trustee-manager of KIT) ("Trustee-Manager") on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this presentation. The information is subject to change without notice, its accuracy is not guaranteed, has not been independently verified and may not contain all material information concerning KIT. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of Units and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, KIT, the Trustee-Manager or any of its affiliates and/or subsidiaries. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

Investors have no right to request the Trustee-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.

The information contained in this presentation is not for release, publication or distribution outside of Singapore (including to persons in the United States) and should not be distributed, forwarded to or transmitted in or into any jurisdiction where to do so might constitute a violation of applicable securities laws or regulations.

This presentation is not for distribution, directly or indirectly, in or into the United States. No Units are being, or will be, registered under the U.S. Securities Act of 1933, as amended ("Securities Act"), or the securities laws of any state of the U.S. or other jurisdiction and no such securities may be offered or sold in the U.S. except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state or local securities laws. No public offering of securities is being or will be made in the U.S. or any other jurisdiction.

# Deepen renewables exposure with first solar portfolio investment

Attractive portfolio backed by 20-year lease contracts with German households

- To acquire a 45% stake in a German solar portfolio comprising > 60,000 bundled solar photovoltaic (PV) systems, including > 55,000 battery storage systems and > 30,000 EV charging equipment, backed by 20-year contracts
- Jointly acquiring with Equitix, a global infrastructure developer and fund manager, and their co-investors
- Monitoring and maintenance of assets within the portfolio will continue to be handled by Enpal



Assets under Management

**\$8.4b**

Up by 15.1% from  
\$7.3b in FY 2022



Renewables Exposure

**1.3GW**

Up from 740MW<sup>1</sup>



Accretive investment

**2.0%<sup>2</sup>**

Based on 3.82 cents proforma  
for FY 2022



Carbon emissions avoidance

**115k tonnes<sup>3</sup>**

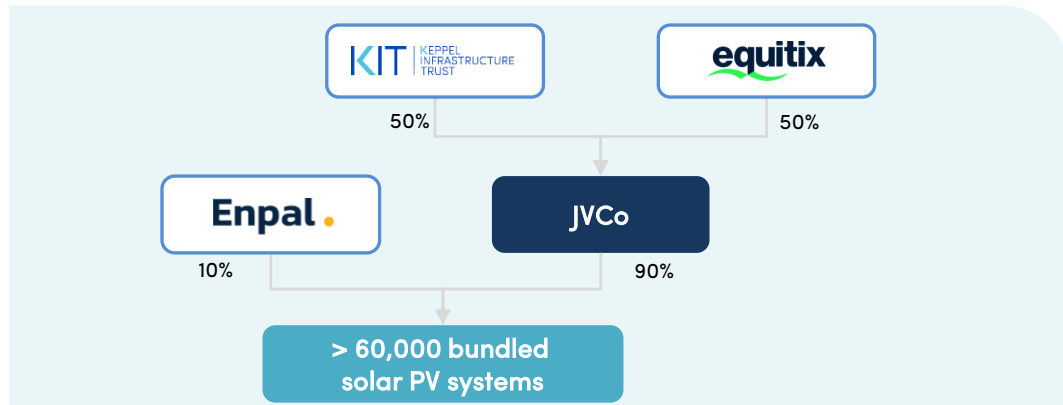
per annum

1. Includes the proposed investment in Fäbodliden II which is expected to be completed in 4Q 2023.  
2. Based on the first closing of 53,500 systems which is expected in end-2023.  
3. Based on conversion factor of 349 gCO<sub>2</sub>/KWh per IEA emissions factors.



# Key terms of proposed investment

Opportunity to invest in the competitive solar energy segment



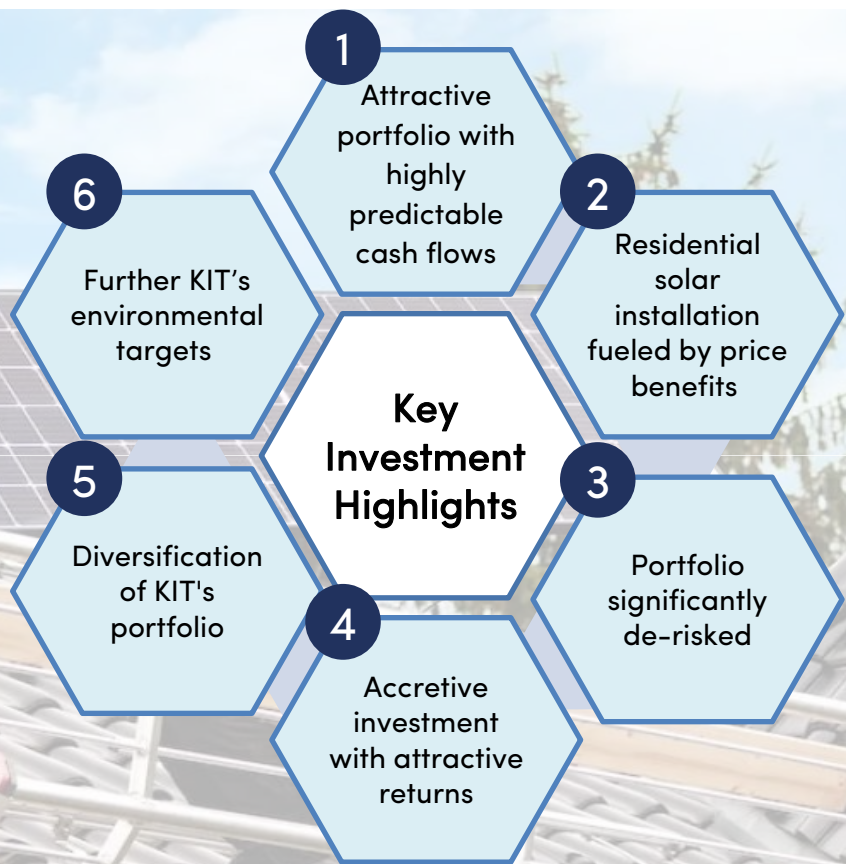
## Key Terms

|  |   |
|--|---|
| <b>Seller</b>                          | Enpal GmbH, the largest provider of solar solutions to residential homes in Germany |
| <b>Purchase Consideration</b>          | €109m (S\$159m) <sup>1</sup>  |
| <b>Enterprise Value</b>                | €733m (S\$1.1b) <sup>1</sup>  |
| <b>Proposed Funding</b>                | Internal sources of funds and/or external borrowings                                |
| <b>Expected Completion<sup>2</sup></b> | First 53,500 systems: End-2023<br>Remaining 6,500 systems: By end-Jun 2024          |

1. Based on EUR/SGD of 1.465. Purchase consideration exclude acquisition and transaction costs.

2. To be completed in four phases: First close of 53,500 systems in end-2023; second close of 2,100 systems in 1Q 2024; third close of 4,400 systems in 2Q 2024; where applicable, the fourth closing shall take place as an adjustment to meet the guaranteed internal rate of return by end-Jun 2024.

# Key investment highlights



1

# Attractive portfolio with highly predictable cash flows

20-year lease contracts with German households providing fixed monthly rental fees



## > 19.2 years

Weighted Average Contract Expiry  
based on number of systems as of Dec 2023



**Long-term lease agreements:** Revenues backed by 20-year<sup>1</sup> contracts, providing strong cash flow visibility



**Supported by strong regulatory framework** in Germany and robust contracts with strict customer selection criteria



**Enpal, continues to be responsible for operations and maintenance** as well as ongoing services e.g. purchasing and monitoring

1. Solar lease agreements with households are entered into for a fixed 20-year contract.

## Strong and reputable partners

**Enpal.**

One of the fastest growing energy company in Germany

> 200

Local craftsmen teams

> 60,000

Customers in Germany

**equitix**

A global infrastructure investor, developer and fund manager

> £300m

Solar PV  
investments deployed

> £10.5b

Assets under  
management

## Residential solar installation fueled by price benefits

Further supported by Germany's climate protection goals

Highly beneficial for homeowners  
to lease solar PV systems

- Save on electricity bills
- Earn additional income on electricity sold



Customers avoid

~€120

For an average household, based on  
~€0.41/kWh in monthly electricity bills<sup>1</sup>



Customers earn

~€0.082/kWh

for any excess electricity generated and fed  
into the grid, based on a locked-in FiT<sup>2</sup>

Supported by Germany's  
climate protection goals

- Germany to replace nuclear and fossil fuels with renewable energy to achieve carbon neutrality by 2045
- Germany to increase total solar PV capacity to 215GW by 2030 and 400GW by 2040



1. Average household electricity prices in 1H 2023 excluding the Electricity Price Brake, based on an annual electricity consumption of 3,500kWh.

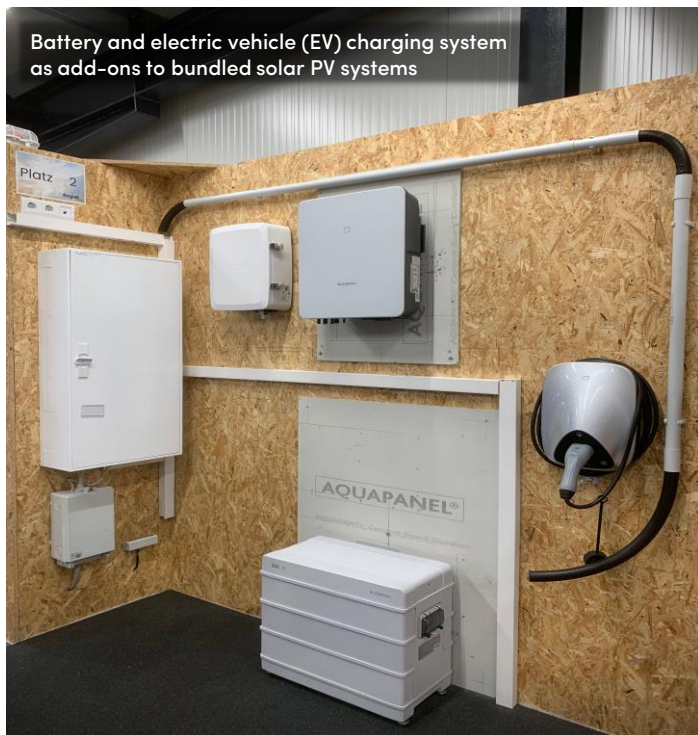
2. Feed-in-Tariff (FiT) as of Nov 2023 for small-scale solar roof top installations.



3

## Portfolio significantly de-risked

Supported by a diversified portfolio across Germany



### No refinancing and interest rate risks

Loans locked in at attractive rates

### No merchant risk

Portfolio not exposed to energy price fluctuations; revenue not linked to energy generation

### Low historical default rate

Option to sell generated electricity to the grid in the event of a customer default

### Quality equipment

Equipment supplied by Tier 1 manufacturers, supported by long-term warranties

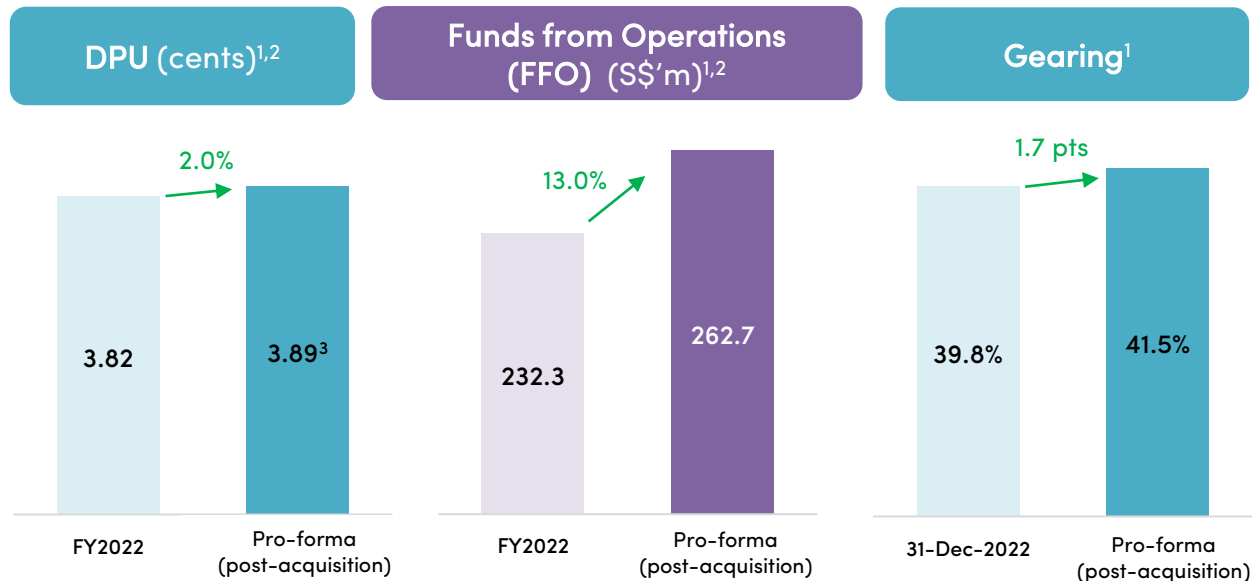


# Accretive investment with attractive returns

## Support DPU-accretion to Unitholders



- DPU and FFO boost with proposed investment:



1. Pro-forma figures assume the estimated transaction expenses and purchase consideration are fully funded by internal sources of funds and/or debt facilities.

2. Based on the first closing of 53,500 systems which is expected in end-2023. Please refer to sections 6.2 and 6.3 in the related SGX announcement for more details.

3. Assumed cash distribution received from the investment, net of corporate expenses, is fully distributed to unitholders. The pro-forma DPU post-investment set out herein should not be interpreted as being representative of the future DPU.

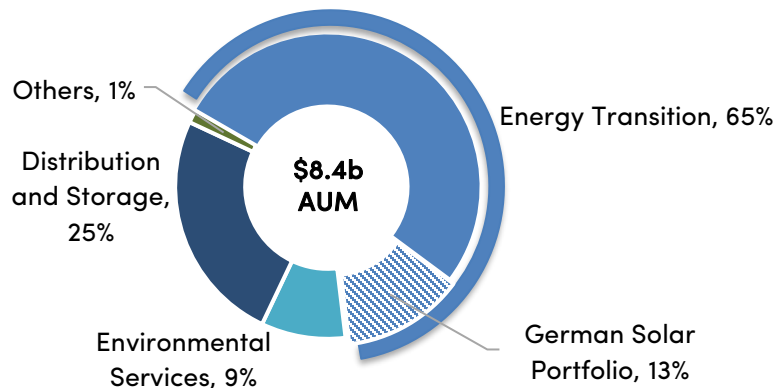
# Contribute to an enlarged and diversified portfolio

KIT's AUM to grow from \$7.3b in FY 2022 to ~\$8.4b<sup>1</sup> post-investment

Deepen renewables exposure  
with first solar portfolio investment

## Diversification by Asset (%)

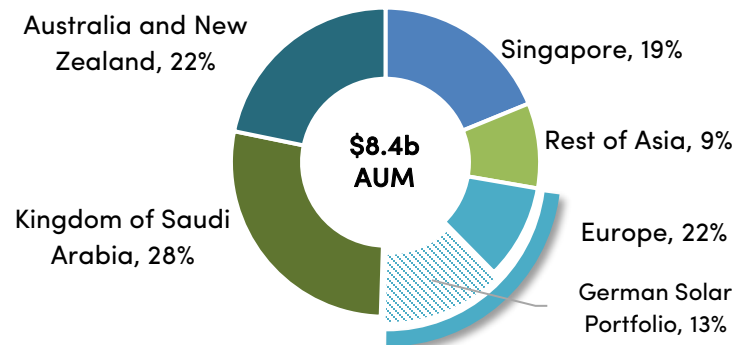
### Pro-forma Post-Investment



Expand KIT's portfolio in Germany;  
22% of KIT's AUM in Europe

## Diversification by Geography (%)

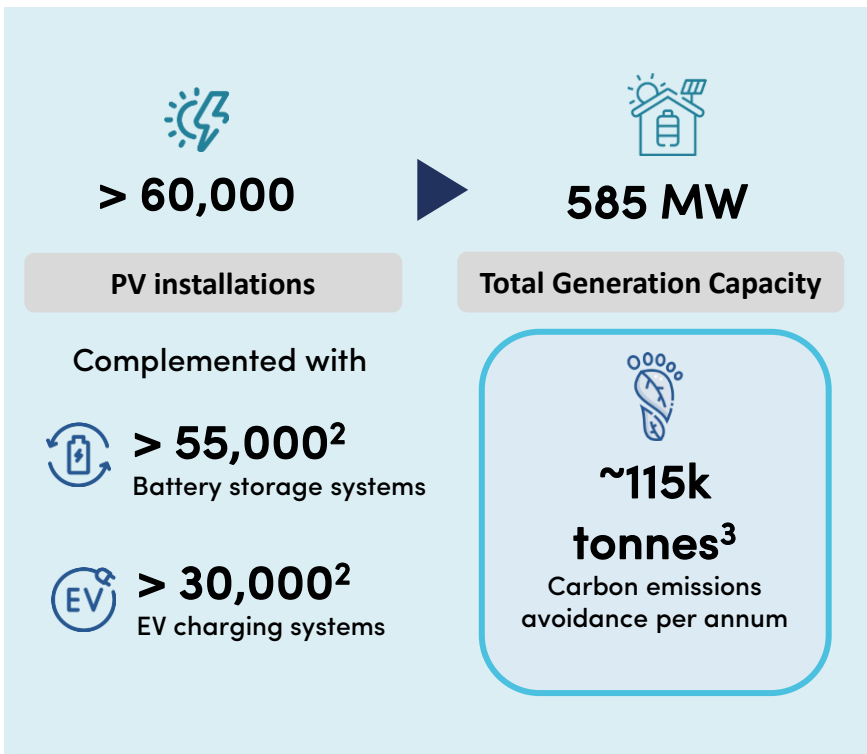
### Pro-forma Post-Investment



1. Represents KIT's equity interest of enterprise value of its portfolio investments, plus cash held at the Trust, of \$7.3b for FY 2022; including the \$1.1b enterprise value of the proposed investment (adjusted for KIT's equity interest).

# Further environmental targets with increased renewables exposure

Reduces KIT's emission intensity and contribute to renewables target



- Progressing KIT's decarbonisation roadmap, reducing carbon emission intensity by 4.8% from 2022's level
- Increase KIT's renewable energy portfolio to ~1.3GW
- Increase exposure to renewable energy to 22%<sup>1</sup> of AUM

▼ KIT's carbon emissions intensity by 4.8%

### Carbon emissions intensity

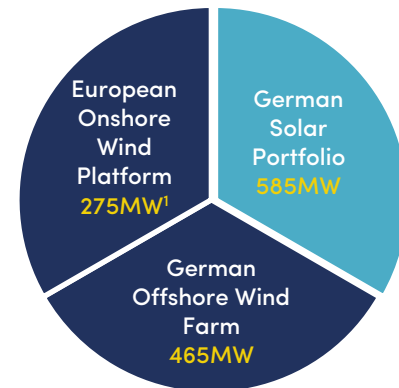
Carbon emissions ('000t CO<sub>2</sub>) / Distributable Income (\$\$m)

8.6 → 8.2<sup>1</sup> (4.8% decrease)

31 Dec 2022

Post-investment

▲ KIT's renewable energy portfolio to 1.3GW



1. Includes the proposed investment in Fäbodliden II which is expected to be completed in 4Q 2023.

2. Add-on services for battery storage or EV charging systems as part of PV installations.

3. Based on conversion factor of 349 gCO<sub>2</sub>/KWh per IEA emissions factors.

# Thank You

[www.kepinfratrust.com](http://www.kepinfratrust.com)

Connect with us on: 

