Proposed Investment in M1's NetCo Bonds and Preference Shares

14 October 2021

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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:

DPU Accretive Investment Providing Long-term Stable Income

M1's network base stations in Singapore

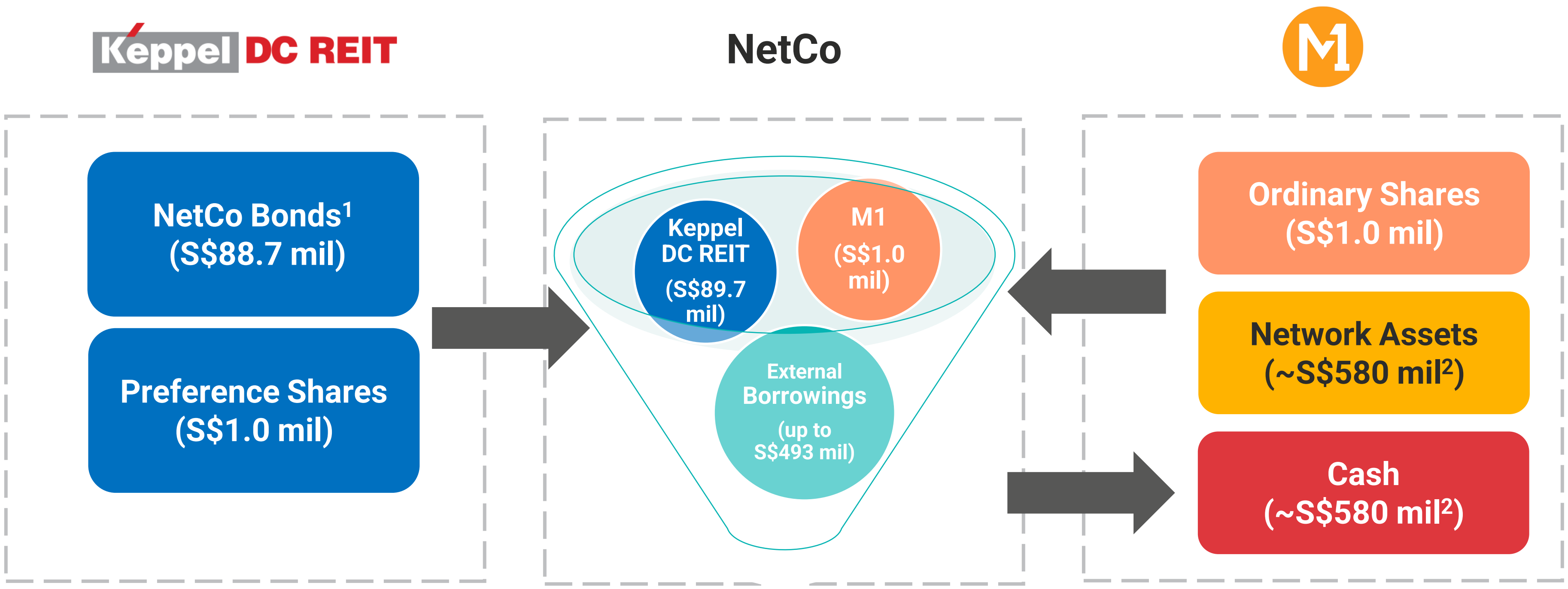
- Proposed investment in bonds and preference shares issued by M1 Network Private Limited ("**NetCo**")
- NetCo was established by M1 Limited ("**M1**") to own M1's mobile, fixed and fibre assets[1] ("**Network Assets**")

Transaction Overview	
NetCo Bonds and Preference Shares Investment Subscription Amount	S$89.7 mil
Add, - Acquisition Fee - Estimated Professional and Other Fees and Expenses	 S$0.9 mil[2] S$1.8 mil
Total Acquisition Outlay	**S$92.4 mil**
Less, - Fees and Expenses to be Reimbursed	S$2.7 mil[3]
Total Acquisition Outlay (Net of Reimbursement)	**S$89.7 mil**[2,3]
DPU Accretion (%)	+3.8%[4]
Intended Funding Structure	External bank borrowings and remaining cash proceeds (after debt repayment) from the divestment of iseek Data Centre

1. Excludes the 5G standalone assets which are jointly owned between M1 and another party, as well as the co-owned and "right of use" assets that cannot be transferred and will not be part of the Network Assets.
2. Subject to Unitholders' approval to amend Keppel DC REIT's trust deed to allow for a one-off acquisition fee payable to the Manager in connection with the NetCo Bonds and Preference Shares Investment, which is a non-real estate investment ("**Proposed Fee Supplement**").
3. Up to S$2.7 mil of fees and expenses will be reimbursable. If the Proposed Fee Supplement is approved, the Acquisition Fee would be reimbursed by the NetCo. If the Proposed Fee Supplement is not approved, the Manager will seek reimbursement of fees and expenses incurred, which is expected to be approximately S$1.8 mil.
4. If Monetary Authority of Singapore ("**MAS**") approves the application for the NetCo Bonds to qualify as Qualifying Project Debt Securities ("**QPDS**"). If the QPDS application is not approved, the NetCo Bonds will be treated as ordinary bonds and the interest income arising therefrom, will be subject to the prevailing corporate tax of 17% and the DPU accretion will be 3.1%.

Transaction Overview

- Keppel DC REIT to subscribe for bonds and preference shares issued by the NetCo for S$89.7 mil
- NetCo to take up external financing of up to S$493 mil to part finance the NetCo's acquisition of the Network Assets



1. The NetCo Bonds will be subordinated to the external borrowings.
2. Net book value of the Network Assets as at 28 February 2021 is ~S$580 mil. The amount NetCo will pay M1 for the Network Assets will be equivalent to the net book value of the Network Assets (as at a date no later than two (2) business days prior to the completion of the transfer of the Network Assets from M1 to NetCo) in accordance with the terms and conditions of the Asset Transfer Agreement entered into between NetCo and M1.

Key Benefits to Unitholders

Investment is in line with Keppel DC REIT's objective to provide Unitholders with regular and stable distributions

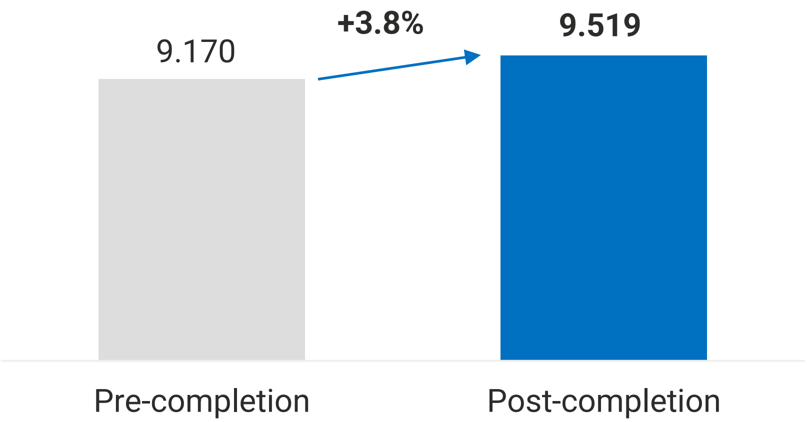
1. DPU Accretive investment
2. Stable and long-term cash flow investment
3. Greater income resilience through diversification of income streams
4. Enlarged portfolio that creates a stronger growth platform

Investment Merits

1 DPU Accretive Investment

- Proposed investment generates **sustainable** returns and **enhances total Unitholders' returns**, in line with the Manager's goal to create value for Unitholders
- Investment will be funded by external bank borrowings and remaining cash proceeds (after debt repayment) from the divestment of iseek Data Centre

Distribution per Unit (cents)



Post-completion, FY2020 pro forma DPU will increase to 9.519 cents, an accretion of 3.8%

Pro Forma Financial Effects of the Investment

FOR ILLUSTRATIVE PURPOSES ONLY:

	Before the Investment	After the Investment	
FY 2020		QPDS application approved	QPDS application not approved
Distributable Income (S$'000)	156,915	162,649	161,637
Issued Units ('000)	1,633,121[1]	1,633,491[2]	1,633,491[2]
DPU (cents)	9.170	9.519	9.457
DPU Accretion (%)	-	3.8	3.1
NAV (S$)	1.19	1.19	1.19
Aggregate Leverage (%)	36.7	38.0	38.0

1. Number of Units issued as at 31 December 2020.
2. Assuming approximately 0.4 mil acquisition fee units (at an illustrative issue price of S$2.356 per Unit) issuable to the Manager in relation to the NetCo Bonds and Preference Shares Investment.

Investment Merits

2 Stable & Long-term Cash Flow

- Provides **long-term stable cash flow of S$11.0 mil p.a. (comprising both principal and interest) for 15 years**[1], **without assuming any operational management risks**
- M1 will perform the day-to-day operation and maintenance of, as well as perform the capex works[2] for the Network Assets

3 Greater Income Resilience

- Further **strengthen income resilience** of Keppel DC REIT's portfolio
- Benefit from **further diversification in income streams** from the **enlarged asset base**

4 Stronger Growth Platform

- Assets under management will increase by 2.7%[3] to S$3.3 bil
- Enlarged portfolio will create a **stronger platform for acquisition growth** via better access to capital and debt markets

1. Term of the NetCo bonds, which is 15 years from the date of issuance of the NetCo bonds.
2. Capex works refers to any extension, modification, improvement, diversion, enhancement, renewal or replacement works.
3. As at 30 June 2021, adjusted for the acquisitions of Eindhoven Campus and Guangdong Data Centre, as well as the divestment of iseek Data Centre.

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.

Keppel DC REIT

Summary of Investment Merits

DPU Accretive Investment

Accretion of
3.8%
Post completion, FY2020 Pro Forma DPU will increase to 9.519 cents[1]

Stable & Long-term Cash Flow

Stable cash flow of
S$11.0 mil
per annum for 15 years without assuming any operational management risks

Greater Income Resilience

Diversification in income streams
from the enlarged asset base

Stronger Growth Platform

Assets under management
+ 2.7%[2]
to S$3.3 bil

1. If MAS approves the application for the NetCo Bonds to qualify as QPDS. If the QPDS application is not approved, the NetCo Bonds will be treated as ordinary bonds and the interest income arising therefrom, will be subject to the prevailing corporate tax of 17% and the DPU accretion will be 3.1%.
2. As at 30 June 2021, adjusted for the acquisitions of Eindhoven Campus and Guangdong Data Centre, as well as the divestment of iseek Data Centre.

Thank You

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