

Proposed Acquisition of a Leading Integrated Waste Platform in South Korea

8 August 2022



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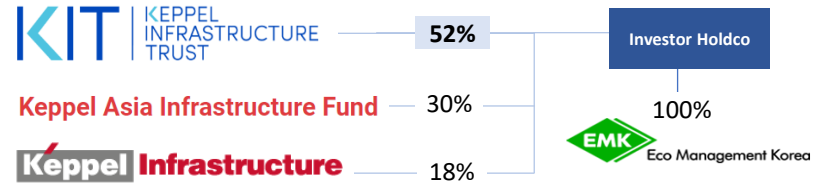
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Proposed acquisition of a leading waste platform in South Korea

Acquisition marks KIT's expansion into South Korea

- Jointly investing with Keppel entities to acquire Eco Management Korea (EMK), with KIT holding 52% majority interest
- EMK is a leading integrated waste management player in South Korea with diversified business operations across solid waste management (incl. incineration), liquid waste management and landfill



Key Terms of Proposed Acquisition

Seller	IMM Investment and Korea Development Bank Private Equity
Purchase Consideration	Total: KRW 626.1b (approx S\$666.1m ¹) KIT's interest: KRW 325.6b (approx S\$346.4m ¹)
Proposed Funding	Combination of internal sources of funds, equity and/or debt capital market issuances and/or external borrowings
Expected Completion	2H 2022, subject to condition precedents ²

- Based on an exchange rate of S\$1 : KRW 940.
- Including the consummation of the spin-off and transfer of all issued and outstanding equity interests in Shindaehan Refined Fuel Co., Ltd. (Shindaehan) and other related assets and liabilities to a new subsidiary of the Seller. Shindaehan is in the business of wastewater treatment and waste oil refining and will not be part of the Target Group to be acquired under the SPA.

EMK: South Korea's leading integrated waste platform

Defensive business backed by blue chip customers



Solid 3rd largest

incineration capacity in South Korea (404 tons/day)



Liquid Largest

waste oil refining player in South Korea (154 tons/day)



Landfill 4th largest

landfill capacity in South Korea, and 2nd largest in Yeongnam area

Solid

- Capable of treating both general and designated waste
- High treatment volume and unit price in Seoul Metropolitan
- The only integrated waste management platform capable of sludge drying

Liquid

- Major waste acid/alkali neutralization player
- Extensive customer base due to its location in Seoul Metropolitan Area

Landfill

- Commencement of business in Jan 2022
- Potential expansion in capacity

Key customers of EMK:

LG, Samsung, Coupang, K Water, KCC Glass Corporation, Hanil Cement, Korea Advanced Nano Fab Center, Korea Electronics Technology Institute, Cheongju City and Jincheon-Gun

EMK: Essential service provider with nationwide coverage

Strong presence in key regions including the Seoul Metropolitan Area and Yeongnam

6

Incineration facilities

in Seoul Metropolitan,
Chungcheong and Honam

5

Sludge dry facilities

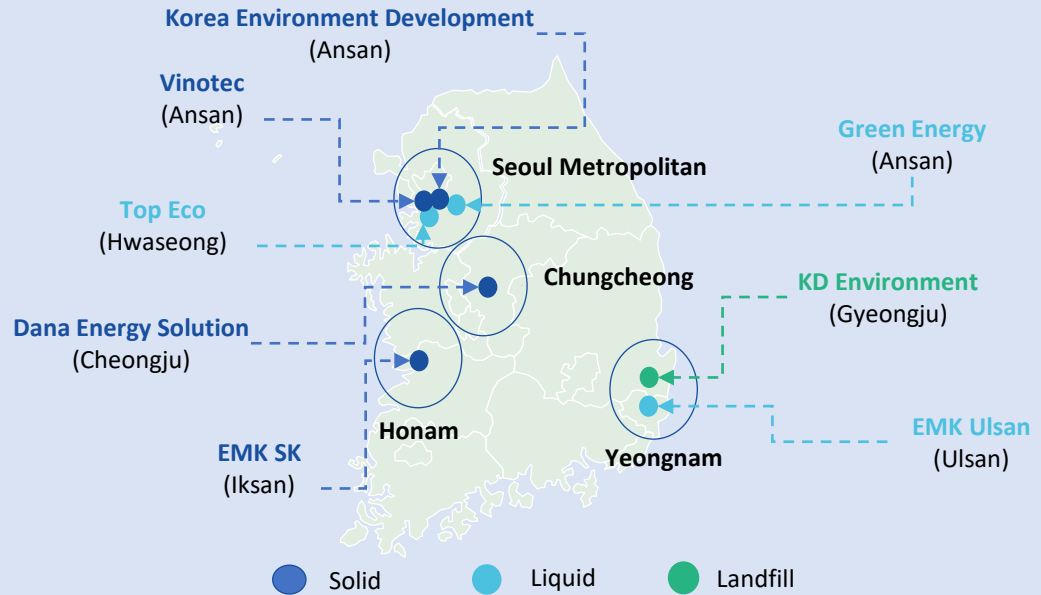
in Seoul Metropolitan,
Chungcheong and Honam

1

Landfill site

in Yeongnam with remaining
capacity of 1.5 million m³
(useful life of approx. 10
years)

Businesses strategically located in key industrial regions



EMK: Strong operational track record with best-in-class operations

Providing essential waste management services

Strong Operational
Track Record

95%

Availability

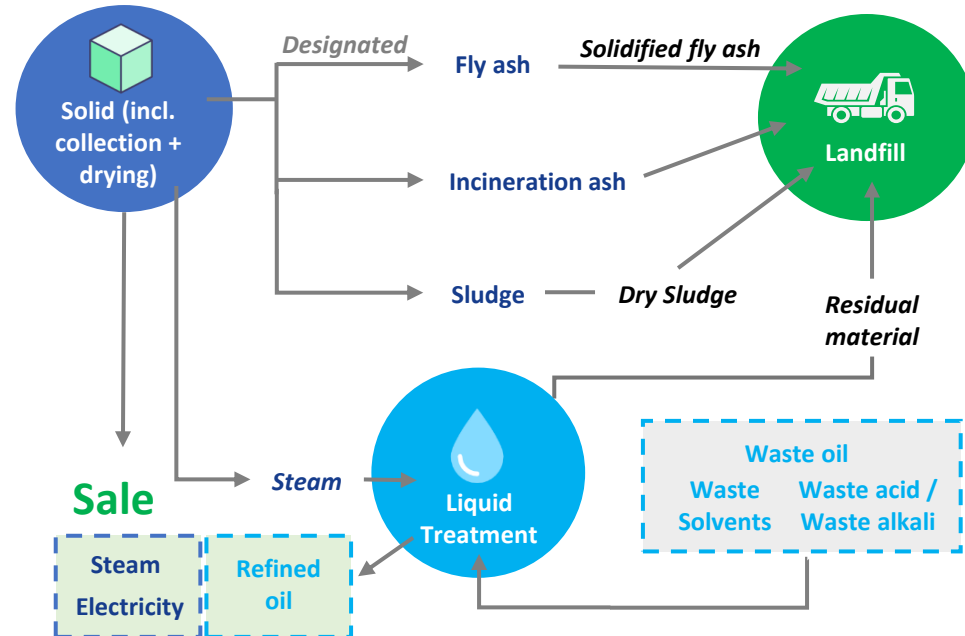
Best-in-class operations

>340

operating days/ annum
in the past 3 years



Fully-integrated value chain that enhances customer retention and satisfaction



Key investment highlights

Rare opportunity to acquire a waste management platform of scale in South Korea



1. Strategic expansion into a waste management market supported by strong tailwinds



2. High barriers of entry favouring incumbent players with scale



Eco Management Korea



3. Draw on proprietary expertise across Keppel ecosystem to value-add and grow EMK



4. Accretive acquisition that strengthens portfolio resiliency and diversification

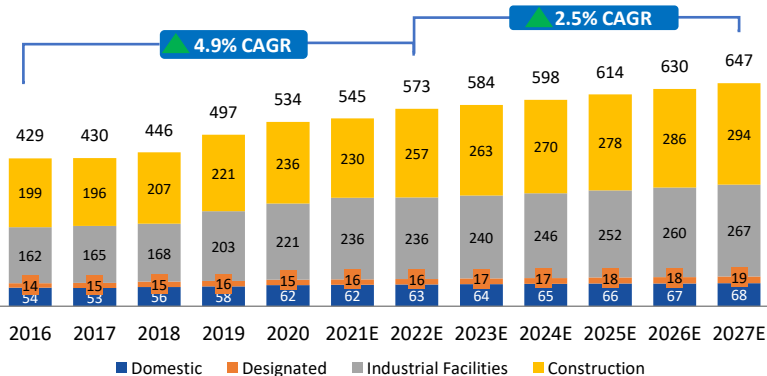


5. Supports KIT's ESG targets, contributing to the circular economy

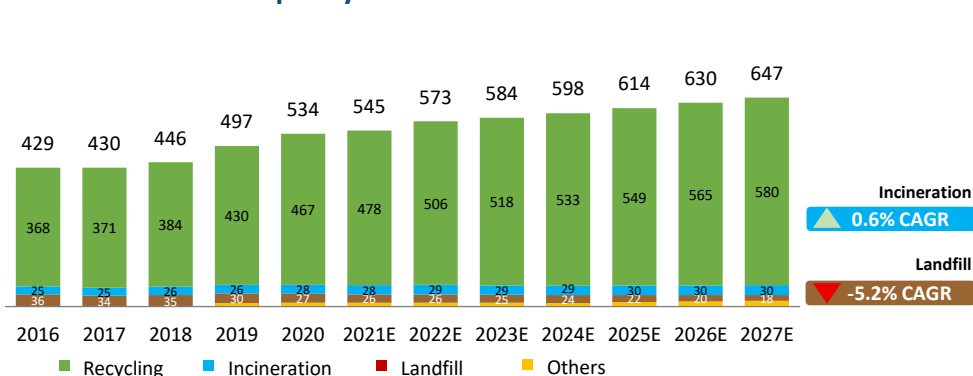
Strategic expansion into a market supported by strong tailwinds

Supported by continued waste production and limited growth in incineration and landfill capacity

Increased Waste Production



Waste Treatment Capacity



Charts source: Deloitte

Supply Constraints

Increasingly **stringent** regulations and difficulties obtaining new licenses

Not in My Backyard phenomenon putting constraints on additional supply

Landfill: Shutdown of public landfills in 2025

Demand Drivers

Waste production to grow at a CAGR of 2.5% from 2022 to 2027

Waste volume **shielded** from macroeconomic turbulence

Incineration: Diaper waste reclassified from medical to industrial to grow volume

Limited expansion in incineration and landfill capacity of 0.6% and -5.2% respectively from 2022 to 2027




Transition from government run to private due to growing government debt ratio

High barriers of entry favouring incumbent players with scale

Sustainable competitive advantage creates favourable macro environment for existing players



Stringent environmental standards impose higher compliance requirements and costs that smaller players are unable to manage, benefiting incumbent players with scale

 Solid	 Liquid	 Landfill
<ul style="list-style-type: none"> ▪ More stringent regulations on the types and amounts of air pollutants emitted for new and expanding incinerator ▪ Limited new licenses granted since 2014 	<ul style="list-style-type: none"> ▪ More stringent regulations and monitoring system for wastewater to reduce illegal discharge ▪ Delay in licensing process 	<ul style="list-style-type: none"> ▪ Government's landfill reduction policy/regulation and monitoring of leachate treatment ▪ Local community consent is becoming a prerequisite

Leveraging proprietary expertise across the Keppel Group

Draw on the Group's development and operational track record to value add and grow EMK

Keppel Infrastructure



Proven and patented WTE technologies used in more than 100 facilities globally

Incineration capacity

>70,000

tonnes/day of solid waste treatment

Completed

>100

WTE projects globally

- Developer, technology provider and operator of WTE plants globally
- Provides a complete suite of solid waste management solutions that suit the varying needs of customers.



Keppel Infrastructure

Keppel Infrastructure Trust



- Capitalise on EMK's strong market position and industrial track record for capacity expansion
- Pursue bolt-on acquisitions



- **Over a decade of track record in managing WTE and water treatment facilities:** owns 2 WTE plants that treat ~40% of Singapore's incinerable waste
- **Strong value creation for portfolio companies through organic and inorganic growth:** successful execution of roll up strategy at Ixom, increasing utilization rate at Philippine Coastal



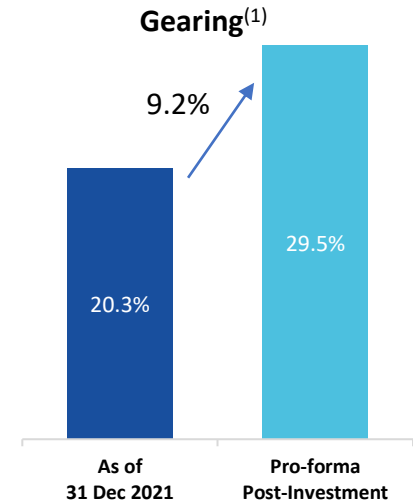
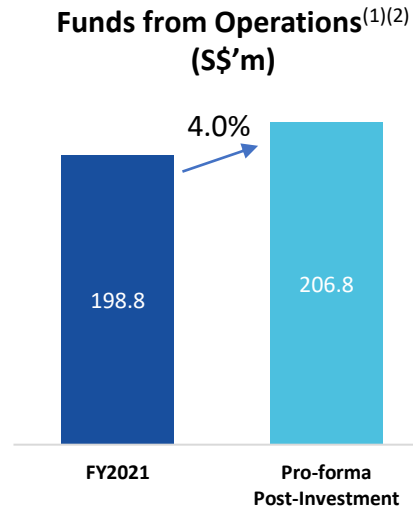
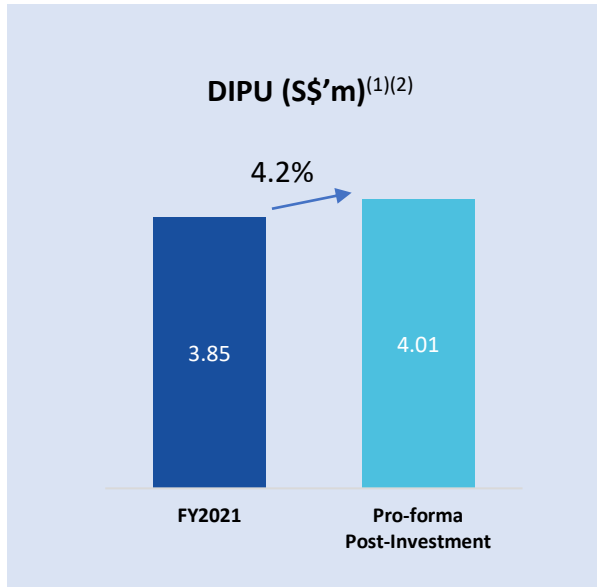
Keppel Asia Infrastructure Fund

Keppel Asia Infrastructure Fund

- Provides growth capital to operating businesses and projects in the infrastructure space

Accretive acquisition that strengthens portfolio resiliency

DIPU expected to increase by 4.2% from 3.85 cents for FY2021 to 4.01 cents



1. Pro-forma figures assume the estimated transaction expenses and KIT's investment is fully funded by existing free cash and debt facilities.
2. Includes adjustments to better reflect a normalized state of business operations in FY2021. Please refer to the SGXNet announcement for details.

Accretive acquisition that strengthens portfolio resiliency

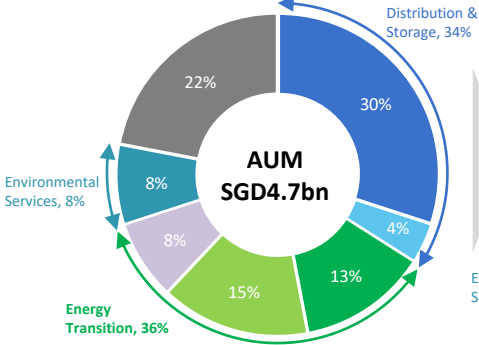
Enhance KIT's income diversification with maiden acquisition in South Korea

- Growing Environmental Services segment from 8% to 15% of AUM as at 30 Jun 2022: key essential businesses and assets with defensive cash flows
- Expansion into South Korea, a key market identified for growth: Rated AA by international credit agencies

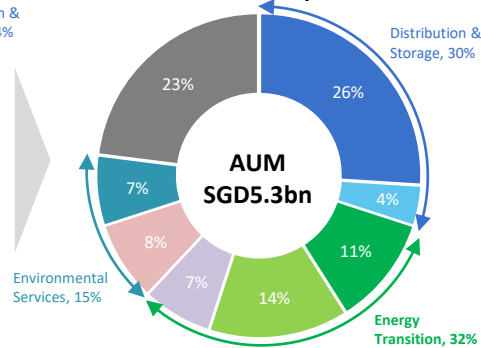
New income stream from Environmental Services segment

Diversification by Asset (%)

As of 30 June 2022



Pro-forma Post-acquisition ⁽¹⁾

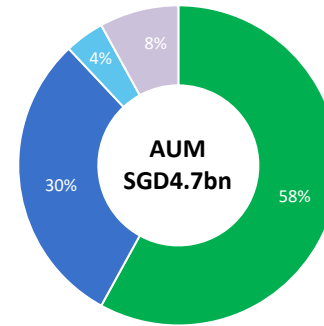


- Ixom
- City Energy
- Aramco Gas Pipelines Company
- Existing Environmental Services assets
- Philippine Coastal
- KMC
- EMK
- Trust Assets and Non-Controlling Interest

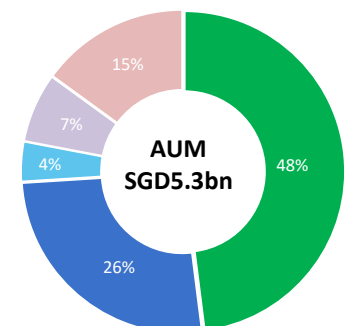
Income diversification with expansion into South Korea

Diversification by Geography (%)

As of 30 June 2022



Pro-forma Post-acquisition ⁽¹⁾



- Singapore
- Philippines
- South Korea
- Australia and New Zealand
- Kingdom of Saudi Arabia

Note: Figures are as of 30 Jun 2022, unless otherwise stated.

1. On a proforma basis that KIT consolidates the financials of the Investor Holdco and EMK and its subsidiaries

Supports KIT's ESG targets, contributing to the circular economy

Waste management is an essential service for building sustainable and liveable cities



Critical
Component of
the Circular
Economy



Waste oil refining, waste acid / alkali neutralization, production of Waste Derived Fuel allows for recycling and reuse of essential raw materials



Energy generated from incineration plants also used for steam and heat supply to key customers



Solid waste incineration reduces volume of waste by up to 90%, ensuring the long-term sustainability of landfill



Essential Waste
Treatment
Infrastructure



Nationwide waste treatment platform with significant capacity held in all key regions, which serves as the backbone of the domestic economy



Leading market player compliant with tightening environmental regulations and standards



Thank You

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