Keppel DC REIT

Investor Presentation

SGX-DBSV-NH Singapore Corporate Day
Seoul, Korea

6 March 2019



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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.

Content

- Key Highlights
- Portfolio Review
- Capital Management
- Outlook
- Additional Information



Key Highlights

Portfolio Growth since Listing



(1) Not included in $2.0b AUM as at 31 Dec 2018. Completion is expected in 2020.

Strengthened foothold in key data hubs

Asia Pacific	▪ Acquired Keppel DC Singapore 5, largely funded by private placement of 224.0m new Units; obtained tax transparency treatment in Jan 2019 ▪ Entered into agreement with Macquarie Telecom to construct Intellicentre 3 East Data Centre on vacant land within Intellicentre 2 Data Centre site
Europe	▪ Completed acquisition of maincubes Data Centre in Offenbach am Main, Germany ▪ Entered into agreement to acquire remaining 999-year leasehold land interest in Keppel DC Dublin 1 with expected completion in 1H 2020



Keppel DC Singapore 5



Intellicentre 3 East Data Centre



maincubes Data Centre

Intellicentre 3 East Data Centre

- Strengthened foothold in Sydney through optimising land use in an existing asset
- Expected to be DPU-accretive, consistent with investment strategy
- Greater income stability with new 20-year triple net master lease with MT incorporating both IC2 DC and IC3 East DC will commence upon development completion

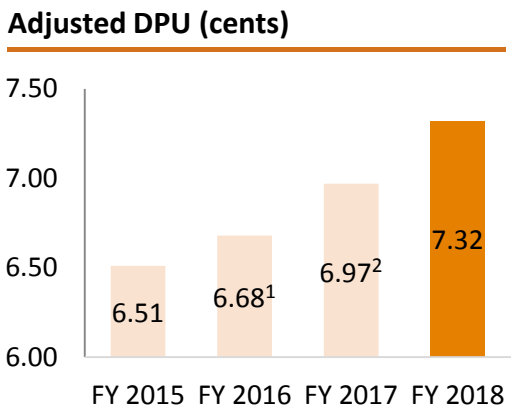


The development of IC3 East DC will be undertaken by Macquarie Telecom, the master lessee of IC2 DC.

Location	Sydney, Australia
Lettable Area	Min. 86,000 sq ft
Lease Type	Shell & core
Expected Completion	2020
Costs Payable	Actual total costs of construction works: within A$26-36 million, payable on completion

Key Highlights

Steady growth in adjusted DPU, increased by 5.0% to 7.32 cents in FY 2018



Stable income stream with healthy portfolio occupancy and long WALE

Portfolio Occupancy

93.1%

as at 31 Dec 2018

Portfolio WALE

8.3 years

by leased area

Low aggregate leverage provides financial flexibility to pursue growth

Aggregate Leverage[3]

30.8%

as at 31 Dec 2018

Interest Coverage

11.4 times

as at 31 Dec 2018

(1) Exclude the impact of the pro-rata preferential offering and the one-off net property tax refund in 2016.
(2) Exclude the one-off capital distribution arising from the later completion of Keppel DC Singapore 3 in 2017.
(3) Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the finance lease liabilities pertaining to land rent commitments for iseek Data Centre and Keppel DC Dublin 1.

Keppel DC REIT



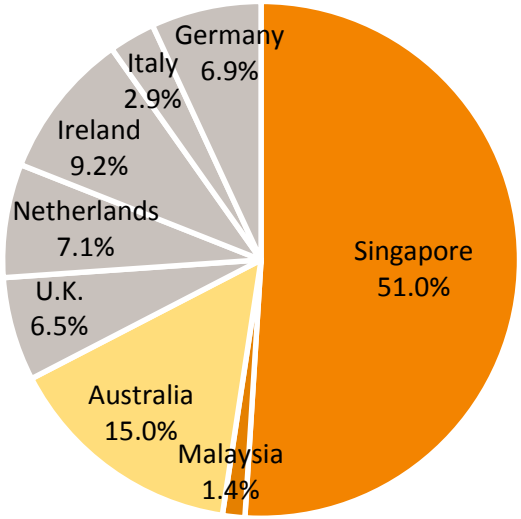
Portfolio Review

Well-diversified Portfolio

- 67.4% of portfolio in Asia Pacific and 32.6% in Europe
- Long portfolio WALE of 8.3 years and strong occupancy rate of 93.1%

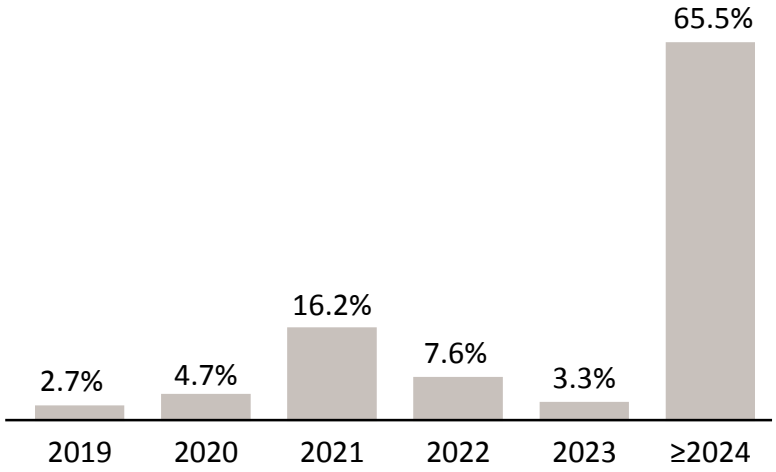
Portfolio AUM breakdown

As at 31 Dec 2018



Lease expiry profile (by leased area)

As at 31 Dec 2018

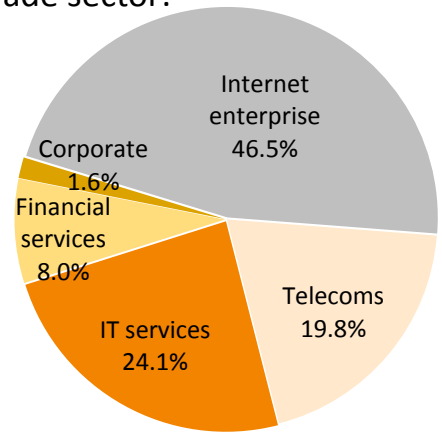


(1) Portfolio AUM is based on respective independent valuations, capital expenditures and ownership interests

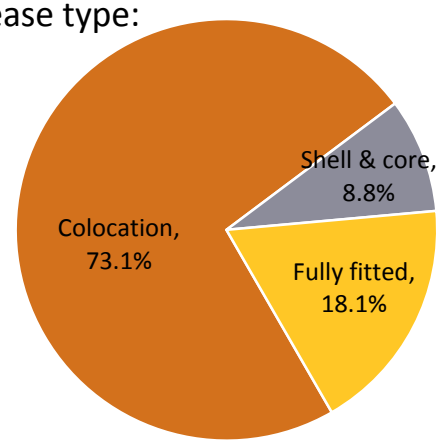
Well-diversified Portfolio (cont'd)

Rental income breakdown for the month of Dec 2018[1]

By trade sector:



By lease type:



- Quality data centres that cater to the requirements of global clientele
  - Colocation facilities provide diverse client profile and lease expiry
  - Fully fitted and shell & core facilities provide income stability with typically longer lease terms

Lease Type	Client Count	WALE[2] (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	3.3	✓	✓	-
Fully fitted	Single	11.2	✓	-	-
Shell & core	Single	11.1	-	-	-

(1) Based on the colocation agreements and lease agreements with clients of the properties, treating the Keppel leases on a pass-through basis to the underlying clients.
(2) By leased area as at 31 Dec 2018.

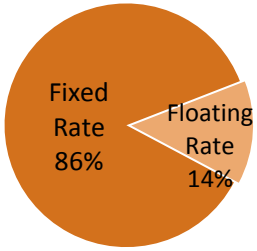

Keppel DC REIT
Capital Management

Prudent Capital Management

- **Diversifying sources of funding:** Issued €50m in floating rate notes due 2023 in Mar 2018, and another €50m due 2026 in Feb 2019
- **Managing interest rate exposure:** Interest rates of loans substantially hedged with floating-to-fixed interest rate swaps
- **Maintaining low aggregate leverage:** Provides flexibility and a healthy debt headroom for growth

Borrowings on fixed rate

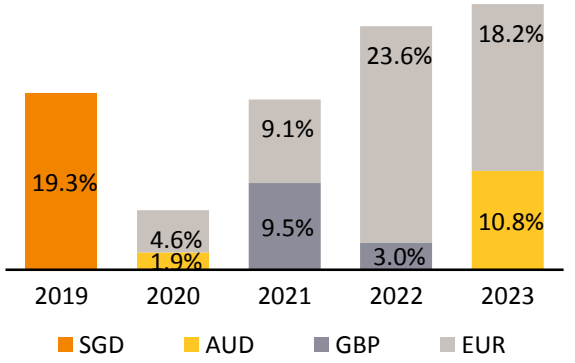
As at 31 Dec 2018



As at 31 Dec 2018	
Total debt	~$674.0m of external loans/notes (unencumbered)
Available facilities	~$140.0m of undrawn credit facilities
Aggregate Leverage[1]	30.8%
Average cost of debt[2]	1.9% per annum
Debt tenor	3.0 years
Interest coverage[3]	11.4 times

Debt maturity profile

As at 31 Dec 2018

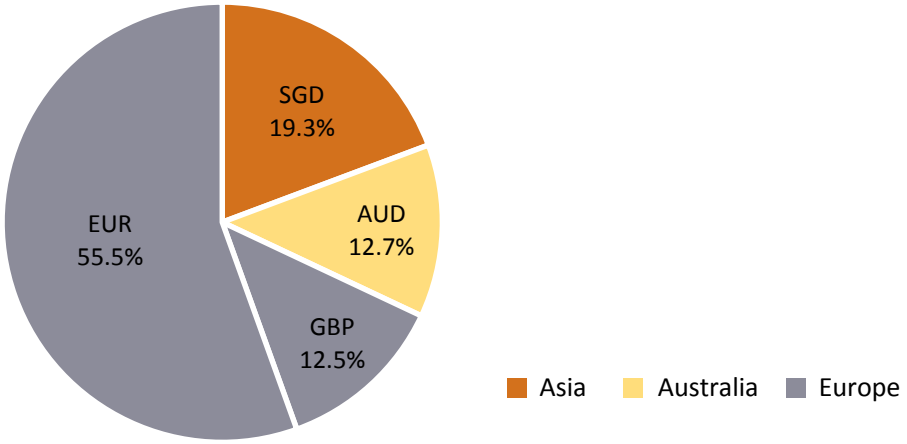


(1) Aggregate Leverage was computed based on gross borrowings as a percentage of the deposited properties, both of which do not take into consideration the finance lease liabilities pertaining to land rent commitments for iseek Data Centre and Keppel DC Dublin 1.
(2) Including amortisation of upfront debt financing costs and excluding finance lease charges.
(3) Calculated as EBIT / Finance costs, where EBIT is NPI less Manager's base and performance fees, Trustee's fee and Other trust expenses. Finance costs pertain to interest expense based on total debt drawn and debt amortisation costs.

Prudent Capital Management (Cont'd)

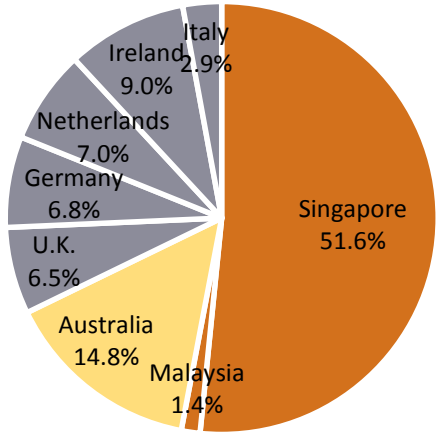
- Mitigating impact of currency fluctuations:
  - Hedged forecasted foreign-sourced distributions till 1H 2020 through foreign currency forward contracts
  - Adopted natural hedging by borrowing in currencies that match the corresponding investments

Debt currency breakdown
(as at 31 Dec 2018)



Total borrowings:
Approx. $684m

Investment properties breakdown[1]
(as at 31 Dec 2018)



Total carrying value:
Approx. $2.00b

(1) Based on 100% carrying value as at 31 Dec 2018 without taking into consideration the finance lease liabilities pertaining to the land rent commitments for iseek Data Centre and Keppel DC Dublin 1.

Keppel DC REIT



Outlook

Sound Industry Fundamentals

- Demand for data centre space underpinned by increasing cloud adoption, rapid digital transformation, data centre outsourcing and data sovereignty regulations
- Global cloud infrastructure market is expected to grow by 25% CAGR in 2019-2023[1]
- Global co-location market is expected to grow by 15-17% in 2019[1]

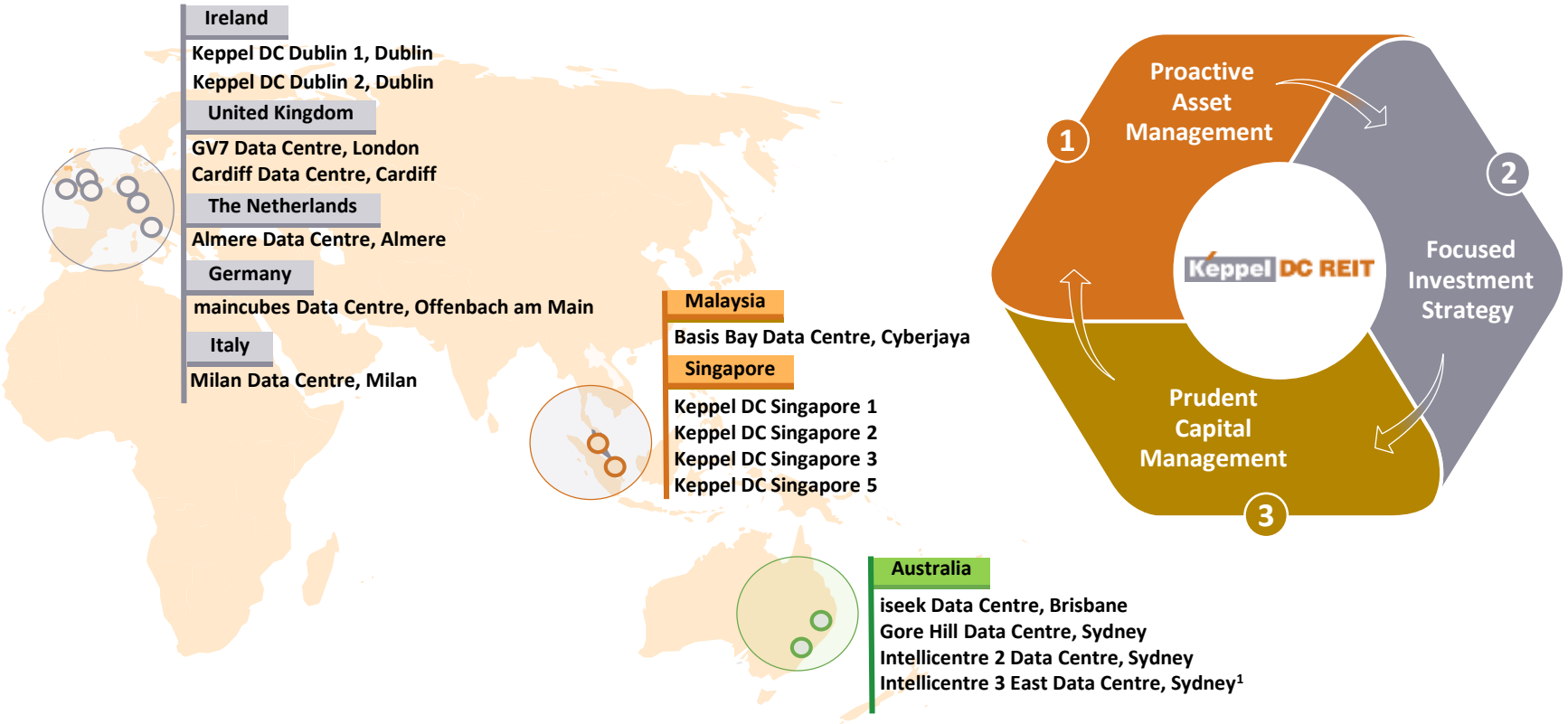




(1) Source: BroadGroup Consulting

Positioned for Growth

- The Manager will continue to strengthen Keppel DC REIT's presence and position it to capitalise growth opportunities in the data centre industry



(1) Construction expected to be completed in ~~2019~~ 2020.

Committed to Deliver Value



Vision: To be the preferred data centre real estate investment trust, serving as a trusted partner to our stakeholders.

Mission: Guided by the Keppel Group's operating principles and core values, we will create value for our investors by growing a quality portfolio of data centre assets that generates sustainable returns.


Keppel DC REIT
Additional Information

Distributable Income

($'000)	FY 2018	FY 2017	+/(-) %
Distributable Income to Unitholders	**96,096**	**82,320**	**+16.7**
Gross Revenue	175,535	139,050	+26.2
Property Expenses	(17,862)	(13,931)	+28.2
Net Property Income	157,673	125,119	+26.0
Distribution per Unit[1,2] (DPU) (cents)	7.32	7.12	+2.8
Adjusted DPU[2,3] (cents)	7.32	6.97	+5.0
Distribution Yield[2,4] (%)	5.42	5.27	+15 bps

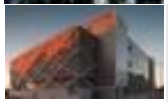
(1) FY 2017 DPU included a one-off capital distribution of 0.15 cents per Unit for the month of Dec 2016 arising from the later completion of Keppel DC Singapore 3. This excludes the Capex Reserves set aside for Keppel DC Singapore 3 and Keppel DC Singapore 5.
(2) The Manager declared distributions of 3.62 cents per Unit for 1H 2018. For 2H 2018, eligible Unitholders received a distribution of 3.70 cents per Unit.
(3) Excluding the one-off capital distribution of 0.15 cents per Unit recorded in 1Q 2017, the adjusted DPU for FY 2017 would be 6.97 cents.
(4) Distribution yields were computed based on FY 2018 closing price of $1.350.

Balance Sheet Highlights

($'000)	As at 31 Dec 2018	As at 31 Dec 2017	+/(-) %
Investment Properties	2,028,672	1,570,090	+29.2
Total Assets	2,252,931	1,763,282	+27.8
Gross Borrowings[1]	673,952	546,481	+23.3
Total Liabilities	776,937	646,780	+20.1
Unitholders' Funds	**1,444,839**	**1,089,716**	**+32.6**
Units in Issue ('000)	1,351,578	1,127,171	+19.9
Net Asset Value (NAV) per Unit ($)	1.07	0.97	+10.3
Unit Price (Closing price of last trading day) ($)	1.350	1.430	(5.6)
Premium to NAV (%)	**+26.2**	**+47.4**	**-21.2 bps**

(1) Gross borrowings relates to bank borrowings drawn down from loan facilities and the medium term note programme.

Portfolio Overview (as at 31 Dec 2018)

Asia Pacific		Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Valuation[2] ($m)	Lease type	WALE (years)	Land lease title
	**Keppel DC Singapore 1**	Singapore	100%	109,721	17	86.9	287.0	Keppel lease / Colocation	3.2	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
	**Keppel DC Singapore 2**	Singapore	100%	37,098	4	100.0	169.0	Keppel lease / Colocation	2.6	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
	**Keppel DC Singapore 3**	Singapore	90%	49,433	2	100.0	231.3	Keppel lease / Colocation	3.4	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
	**Keppel DC Singapore 5**	Singapore	99%	97,781	3	84.2	316.8	Keppel lease / Colocation	2.8	Leasehold (Expiring 31 Aug 2041)
	**Basis Bay Data Centre**	Cyberjaya, Malaysia	99%	48,193	1	63.1	27.6	Colocation	3.5	Freehold
	**Gore Hill Data Centre**	Sydney, Australia	100%	90,955	3	100.0	207.5	Triple-net (Shell & core) / Colocation	6.4	Freehold
	**Intellicentre 2 Data Centre**	Sydney, Australia	100%	87,930	1	100.0	53.9	Triple-net (Shell & core)	16.6	Freehold
	**iseek Data Centre**	Brisbane, Australia	100%	12,389	1	100.0	34.7	Double-net[3] (Fully fitted)	7.5	Leasehold (Expiring 29 Sep 2040, with option to extend by 7 years)
	**Intellicentre 3 East Data Centre[4] (under development)**	Sydney, Australia	100%	Min. 86,000	1	100.0[4]	A$26.0-A$36.0m (development costs)	Triple-net (Shell & core)	20.0[4]	Freehold

(1) Certain clients have signed more than one colocation arrangement using multiple entities.
(2) Based on respective independent valuations and respective ownership interests as at 31 Dec 2018.
(3) Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.
(4) This development is expected to be completed in 2020 and is excluded from the portfolio's asset under management; Facility will be fully leased to Macquarie Telecom upon completion.

Portfolio Overview (as at 31 Dec 2018) (Cont'd)

Europe		Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Valuation[2] ($m)	Lease type	WALE (years)	Land lease title
	**Cardiff Data Centre**	Cardiff, United Kingdom	100%	79,439	1	100.0	65.4	Triple-net (Shell & core)	12.5	Freehold
	**GV7 Data Centre**	London, United Kingdom	100%	24,972	1	100.0	63.5	Triple-net (Fully fitted)	8.1	Leasehold (Expiring 28 Sep 2183)
	**Almere Data Centre**	Almere, Netherlands	100%	118,403	1[3]	100.0	139.0	Double-net (Fully fitted)	9.7	Freehold
	**Keppel DC Dublin 1**	Dublin, Ireland	100%	68,118	17	61.1	76.7	Colocation	1.7	Leasehold[4] (Expiring 11 Apr 2041)
	**Keppel DC Dublin 2**	Dublin, Ireland	100%	25,127	4	90.7	104.8	Colocation	9.7	Leasehold (Expiring 31 Dec 2997)
	**Milan Data Centre**	Milan, Italy	100%	165,389	1	100.0	57.3	Double-net (Shell & core)	9.0	Freehold
	**maincubes Data Centre**	Offenbach am Main, Germany	100%	97,043	1	100.0	135.5	Triple-net (Fully fitted)	14.3	Freehold

(1) Certain clients have signed more than one colocation arrangement using multiple entities.
(2) Portfolio AUM is based on respective independent valuations and respective ownership interests as at 31 Dec 2018.
(3) Keppel DC REIT, through its wholly-owned subsidiary has entered into the Ground Lease with Borchveste. With the Ground Lease in place, the lease with the underlying client becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold client of KDCR Almere B.V. and (ii) the lessor to the underlying client.
(4) On 14 Mar 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year (from 1 Jan 2000) leasehold land interest in Keppel DC Dublin 1. Legal completion of the acquisition is expected in 1H 2020.

Overview of Lease Arrangements

Asia Pacific

Property	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Keppel DC Singapore 1	Keppel lease[1] / Colocation[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 2	Keppel lease[1] / Colocation[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 3	Keppel lease[2] / Colocation[3]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Singapore 5	Keppel lease[2] / Colocation[3]	■ Client: Pays rent; ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Basis Bay Data Centre	Colocation[3]	■ Client: Pays rent; responsible for facilities management ■ Owner: Bears pre-agreed facilities management amount, insurance and property tax	✓	✓	✓	✓
Gore Hill Data Centre *(for one client)*	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management in their space	-	-	-	-
Gore Hill Data Centre *(for two clients)*	Colocation Arrangement[4]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Intellicentre 2 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
iseek Data Centre	Double-net lease[4]	■ Client: Pays rent and all outgoings except building insurance; responsible for facilities management	-	✓	-	✓
Intellicentre 3 East Data Centre[5] (under development)	Triple-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	-	-	-	-

Overview of Lease Arrangements (Cont'd)

Europe

Property	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Cardiff Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
GV7 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Almere Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
Keppel DC Dublin 1	Colocation[3,6]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation[3,6]	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Milan Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
maincubes Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-

(1) Refers to the leases entered into by Keppel DC REIT with the Keppel lessees (Keppel DC Singapore 1 Ltd and Keppel DC Singapore 2 Pte Ltd) in relation to Keppel DC Singapore 1 and Keppel DC Singapore 2 respectively. However, due to the pass-through nature of the Keppel leases, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel lessees and the underlying clients.

(2) Refers to the lease entered into by Keppel DC Singapore 3 LLP and Keppel DC Singapore 5 Pte Ltd with the Keppel lessee (Keppel DCS3 Services Pte Ltd) in relation to Keppel DC Singapore 3 and Keppel DC Singapore 5 respectively. However, due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangement between Keppel lessee and the underlying client.

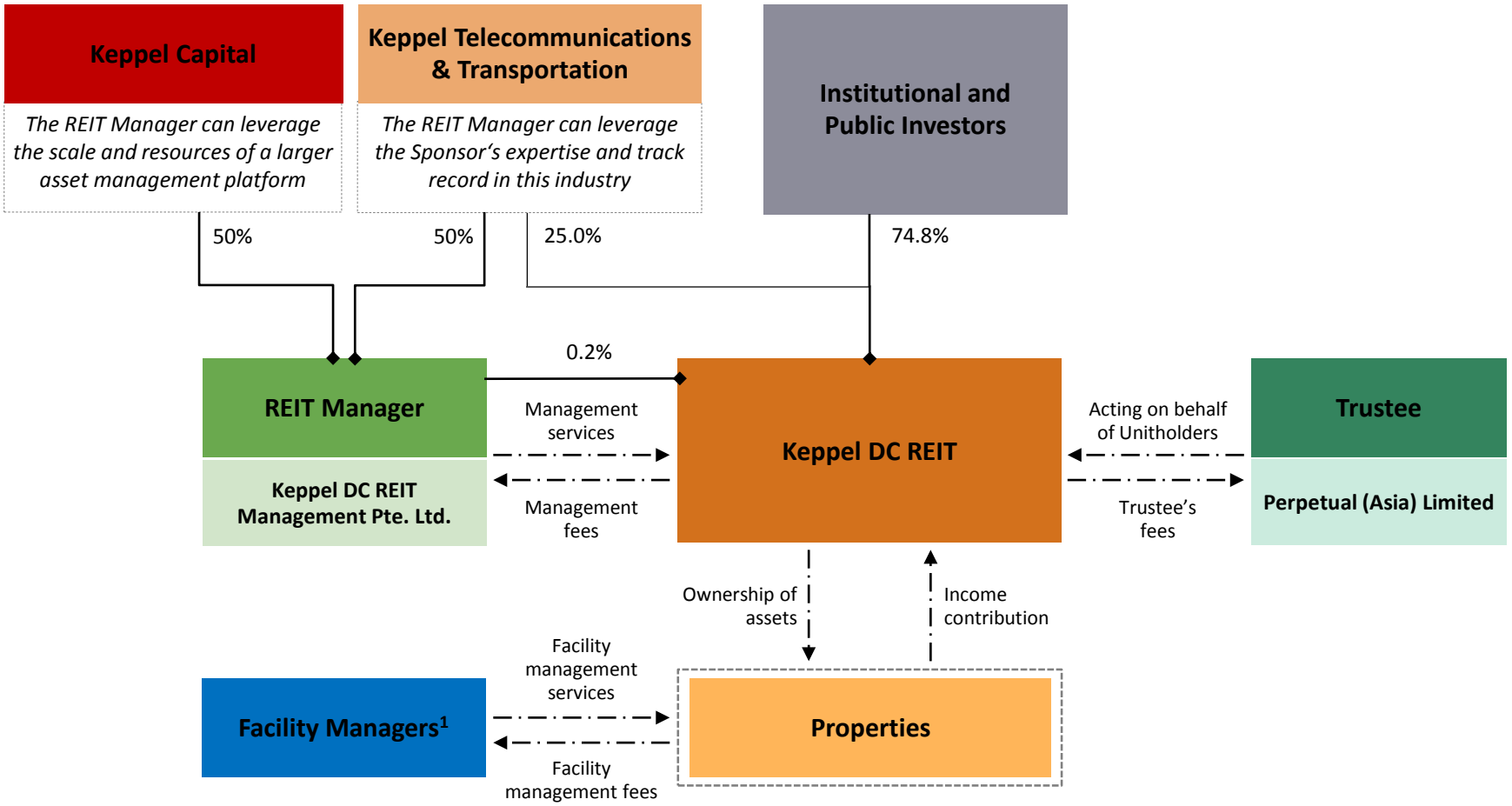
(3) Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. Keppel DC REIT is usually responsible for facilities management in respect of such colocation arrangements, except in the case of Basis Bay Data Centre where the client is responsible for facilities management.

(4) Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.

(5) This development is expected to be completed in 2020 and is excluded from the portfolio's asset under management; Facility will be leased to Macquarie Telecom upon completion

(6) Keppel DC REIT has in place colocation arrangements with the clients of Keppel DC Dublin 1 and Keppel DC Dublin 2.

Keppel DC REIT Structure



(1) The Facility Managers are appointed pursuant to the facility management agreements entered into for the respective properties.

What is a Data Centre?

- As data centres support clients' critical business operations, technical expertise and intricate understanding of the industry and clients' needs are required

Internet Connectivity

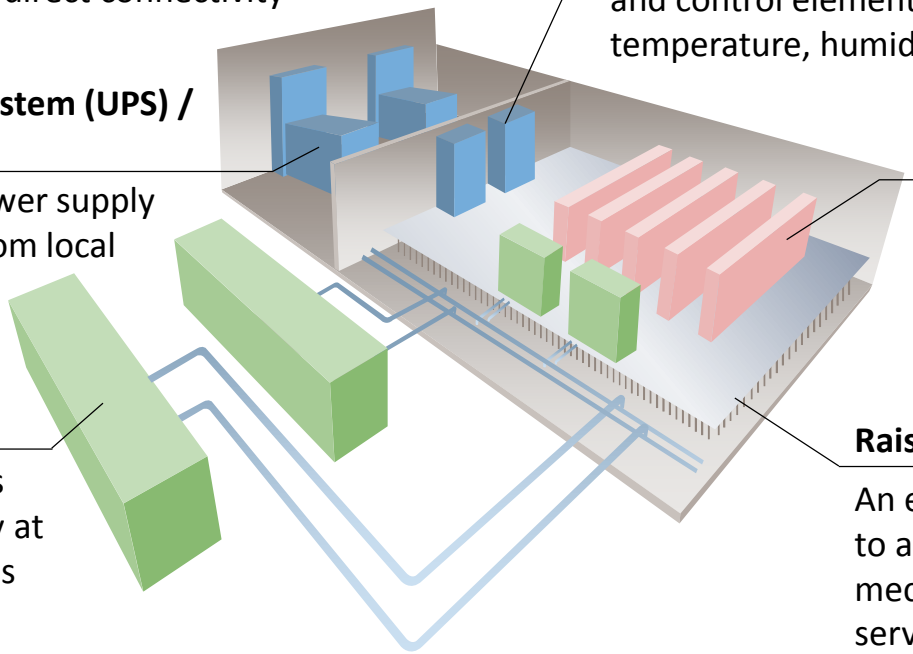
Physical telecommunication cables brought into the data centre to allow direct connectivity

Fire suppression and building monitoring systems

Hardware and associated software to monitor and control elements such as the facility's temperature, humidity, security and operations

Uninterruptible Power System (UPS) / Generators

To provide continuous power supply in the event of outages from local power grids



Client's servers

Enclosures to house client's computer servers and connect to power and cooling sources

Cooling equipment

To maintain a facility's temperature, typically at 18 - 24 degrees Celsius

Raised flooring

An elevated structural floor to allow the passage of mechanical and electrical services

Source: BroadGroup Research

Strong Fundamental Growth Drivers

1	**Growing data requirements**	■ Strong growth in data creation, usage and requirements expected to continue.
2	**Mission-critical infrastructure**	■ Data centre facilities support clients' critical day-to-day business operations, and/or meet regulatory and compliance requirements.
3	**Substantial relocation costs**	■ The need to replicate costly and high specifications set of IT services and data centre equipment for seamless relocation. ■ Risk of downtime and business disruptions.
4	**Long lead time to develop data centres**	■ Technical expertise and intricate understanding of industry and clients' needs are required. ■ Anchor clients or significant pre-let, on top of the necessary power, cooling and network connectivity, have to be secured before development.
5	**Scarcity of attractive sites**	■ Limited suitable sites with specialised data centre requirements: – Access to sufficient power and fibre connectivity – Minimal risk factors such as flooding or natural disasters


Keppel DC REIT
Thank you