

## **MEDIA RELEASE**

### **Keppel DC REIT acquires second data centre in Germany**

**Singapore, 12 December 2019** – Keppel DC REIT has entered into a sale and purchase agreement with Maena KG for the acquisition of 100% freehold interest in a shell and core purpose-built data centre facility in Kelsterbach, Germany, for €81.8 million (approximately S\$125.3 million<sup>1</sup>). This will be the REIT's second data centre in Germany and its eighth in Europe.

The property is located near the Frankfurt Airport and approximately 18km from Frankfurt's city centre. Frankfurt is an established international connectivity hub with significant investments from hyperscale cloud and international players. Home to DE-CIX, the world's largest internet exchange, Frankfurt's data centre demand is supported by its strong connectivity, favourable business climate, as well as its position as a major financial hub in Germany.

With a total lettable area of approximately 540,869 sq ft, the property is fully leased on a triple-net basis until end-2025. Based on the valuation by Jones Lang Lasalle SE, an independent valuation firm appointed by the Trustee, the market value of the 100.0% freehold interest in the Property was €86.0 million (approximately S\$131.8 million<sup>1</sup>), using both the income capitalisation and discounted cash flow methods.

Mr Chua Hsien Yang, CEO of Keppel DC REIT Management Pte. Ltd., said, "The addition of this data centre will strengthen Keppel DC REIT's foothold in Germany, which is one of the most established data centre markets in Europe. This acquisition underscores our focus on executing and delivering on our growth initiatives to capture value from the fast-growing digital economy and capitalise on rising demand for data centre facilities."

The acquisition is expected to be accretive to Keppel DC REIT's Distribution per Unit. Post-acquisition, the REIT's portfolio occupancy rate will increase from 94.5%<sup>2</sup> to 96.0%.

Expected to be completed in 2020, the acquisition is likely to be fully funded by debt. Post completion, the REIT's aggregate leverage is expected to increase from 30.3%<sup>3</sup> to 33.6%.

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<sup>1</sup> Based on an exchange rate of €1.00 to S\$1.5321 as at 30 September 2019.

<sup>2</sup> As of 30 September 2019 on a pro forma basis, assuming Keppel DC Singapore 4 and DC1 were completed on 30 September 2019.

<sup>3</sup> The aggregate leverage of 30.3% assumes the listing of the preferential offering Units, the drawdown of S\$155.0 million borrowings and the issuance of acquisition fees in Units for the acquisitions of Keppel DC Singapore 4 (99% interest) and DC1 as at 30 September 2019.

With the proposed acquisition<sup>4</sup> and the completion of the acquisitions of Keppel DC Singapore 4 and DC1, assets under management by Keppel DC REIT is expected to increase to \$2.7 billion<sup>5</sup>, comprising 18 data centres with an aggregate lettable area of approximately 1,952,281 sq ft across key data centre hubs globally.

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**About Keppel DC REIT ([www.keppeldcreit.com](http://www.keppeldcreit.com))**

Listed on 12 December 2014, Keppel DC REIT is the first pure-play data centre REIT listed in Asia and on the Singapore Exchange (SGX-ST).

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate related assets.

The REIT is managed by Keppel DC REIT Management Pte. Ltd.. Keppel Capital Holdings Pte. Ltd. (Keppel Capital) has a 50% interest in the Manager, with the remaining interest held by Keppel Telecommunications & Transportation Ltd (Keppel T&T). Keppel Capital is a premier asset manager in Asia with assets under management comprising real estate, infrastructure and data centre properties in key global markets.

Keppel T&T, the Sponsor of the REIT, has also granted Rights of First Refusal (ROFR) to the REIT for future acquisition opportunities of its data centre assets.

The Manager's key objectives are to provide the REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.

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<sup>4</sup> None of the directors of the Manager or controlling unitholders of Keppel DC REIT has any interest, direct or indirect, in the acquisition (otherwise than through their unitholdings, if any, in Keppel DC REIT).

<sup>5</sup> Excludes Intellicentre 3 East Data Centre, which is currently under development and expected to be completed in 2020. Includes the acquisitions of Keppel DC Singapore 4 and DC1 which were completed on 31 October 2019 and 21 November 2019 respectively.