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**MEDIA RELEASE**

**Unaudited Results of Keppel DC REIT for the Second Half and Full Year Ended 31 December 2020**

**26 January 2021**

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the second half and full year ended 31 December 2020.

*The materials are also available at [www.keppeldcreit.com](http://www.keppeldcreit.com), [www.keppeltt.com.sg](http://www.keppeltt.com.sg), [www.kepcapital.com](http://www.kepcapital.com) and [www.kepcorp.com](http://www.kepcorp.com).*

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**Keppel DC REIT delivers 20.5% year-on-year  
growth in DPU to 9.170 cents for FY 2020**

**Key Highlights**

- Strong performance in FY 2020 with full year contributions from Keppel DC Singapore 4 and DC1 as well as new acquisitions in Europe
- Strengthened European presence with three DPU-accretive acquisitions: The remaining 999-year leasehold land interest at Keppel DC Dublin 1 in Ireland and Kelsterbach Data Centre in Germany in 1H 2020, as well as Amsterdam Data Centre in end-December 2020
- Achieved total Unitholder returns of 38.4% for FY 2020, and 311.6% since listing as at 31 December 2020
- Capitalised on strong demand for data centre space by undertaking proactive asset management initiatives to improve portfolio occupancy
- Aggregate leverage of 36.2% provides debt headroom for acquisition growth and asset enhancement initiatives

(\$'000)	2H 2020	2H 2019	Change %	FY 2020	FY 2019	Change %
Gross Revenue	141,621	99,333	42.6	265,571	194,826	36.3
Property Expenses	(11,672)	(8,540)	36.7	(21,405)	(17,543)	22.0
Net Property Income	129,949	90,793	43.1	244,166	177,283	37.7
Distributable Income to Unitholders	81,935	58,892	39.1	156,915	113,245	38.6
Distribution per Unit <sup>(1)</sup> (DPU) (cents)	4.795	3.760	27.5	9.170	7.610	20.5
Adjusted DPU <sup>(2)</sup> (cents) (cents)	4.795	3.860	24.2	9.170	7.710	18.9
Distribution Yield <sup>(3)</sup> (%)				3.26	2.71	55bps

(1) Exclude an amount of capital expenditure that has been set aside.

(2) Exclude the impact of the pro-rata preferential offering in Oct 2019.

(3) Based on FY 2020's closing price of \$2.810 per Unit.

**Financial Review**

Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT, is pleased to announce that the REIT has delivered a distributable income (DI) of \$81.9 million for 2H 2020, 39.1% higher than 2H 2019's \$58.9 million. This brought the DI for FY 2020 to \$156.9 million, an increase of 38.6% over FY 2019's \$113.2 million. The growth in DI was supported by full year contributions from Keppel DC Singapore 4 and DC1, as well as new acquisitions in Europe.

Accordingly, Keppel DC REIT has declared a DPU of 4.795 cents for 2H 2020, bringing the FY 2020 DPU to 9.170 cents, which was 20.5% above FY 2019's 7.610 cents. Keppel DC REIT delivered total Unitholder returns of 38.4% for FY 2020, and 311.6% since listing in December 2014, as at 31 December 2020.

During the year, Keppel DC REIT was included in the benchmark Straits Times Index (STI) from October 2020. The REIT is also a constituent of the FTSE EPRA Nareit Global Developed Index, MSCI Singapore Small Cap Index and the GPR 250 Index Series. The inclusion in these globally-recognised indices further increased Keppel DC REIT's visibility among global investors, and enhanced its trading liquidity.

## Portfolio Review

In end-December 2020, the Manager completed the acquisition of Amsterdam Data Centre, a shell and core data centre facility and office property in the Amsterdam Metropolitan Area, for €30.0 million (approximately S\$48.1 million<sup>1</sup>). The data centre is located within the Schiphol-Rijk business park where the Amsterdam Internet Exchange, one of the world's largest in terms of connection and traffic, has a point of presence. New supply of data centres remains limited in Amsterdam, which continues to benefit from strong demand from hyperscale cloud providers.

Together with the acquisitions of the remaining 999-year leasehold land interest at Keppel DC Dublin 1 in Ireland and Kelsterbach Data Centre in Germany in 1H 2020, the strategic addition of Amsterdam Data Centre strengthened Keppel DC REIT's foothold in Europe. As at 31 December 2020, Keppel DC REIT's assets under management was approximately \$3.0 billion, an increase from \$2.6 billion as at 31 December 2019.

Apart from seeking growth through acquisitions, the Manager had also embarked on several asset enhancement initiatives during the year to further optimise portfolio returns.

The fitout of a new data hall at Keppel DC Singapore 5 has been completed and handed over to the client in 4Q 2020, increasing the asset occupancy from 84.2% as at 30 September 2020 to 100% as at 31 December 2020. This demonstrates the Manager's ability to capitalise on strong demand for quality data centre space to convert unutilised space at its facility to improve portfolio returns.

Meanwhile, the fit out works at DC1 is expected to be completed in 1Q 2021, and the conversion of additional space at Keppel DC Dublin 2 into a data hall remains on track for completion in 1H 2021. In Sydney, Australia, Intellicentre 3 East Data Centre has topped out in October 2020 and is also on track for completion in 1H 2021.

As at 31 December 2020, the REIT's portfolio occupancy rate remained high at 97.8% with a long weighted average lease expiry (WALE) of 6.8 years.

## Capital Management

In January 2021, the Manager expanded the REIT's \$500 million MTN Programme to a \$2.0 billion Debt Issuance Programme, which will provide greater flexibility to tap the market for acquisitions and growth.

Keppel DC REIT's average cost of debt remained low at 1.6% per annum and its interest coverage ratio remained high at 13.3 times as at 31 December 2020. The REIT ended the year with an aggregate leverage of 36.2%, which will provide a comfortable debt headroom to capture growth opportunities.

The Manager continues to monitor risk exposure and safeguard against evolving market conditions. Approximately 63% of the REIT's borrowings have been hedged through floating-to-fixed interest rate swaps, with the remaining unhedged borrowings mostly in Euro. The REIT's forecasted foreign-sourced distributions have also been hedged with foreign currency forward contracts till 1H 2022 to enhance the stability of distributions to Unitholders.

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<sup>1</sup> Based on the exchange rate of €1.00 to S\$1.6024 as at 31 December 2020. Purchase price arrived at on a willing-buyer and willing-seller basis.

## **Sustainability**

In 2020, the Manager stepped up efforts to improve energy efficiency at its colocation facilities. Keppel DC Singapore 5 achieved the BCA Green Mark Platinum Award while Keppel DC Singapore 2 was re-certified with the BCA Green Mark Gold<sup>PLUS</sup> Award.

Keppel DC REIT was also recognised for upholding strong corporate governance and transparency, ranking second in the Governance Index for Trusts (GIFT) and 15<sup>th</sup> in the Singapore Governance and Transparency Index under the REITs and Business Trusts Category. Continuing its commitment towards adopting best practices, Mr Kenny Kwan was appointed as the Lead Independent Director of the Board in November 2020.

## **Looking Ahead**

In its Global Economic Prospects published in January 2021, the World Bank expects a subdued recovery of 4% of the global economy in 2021 following a 4.3% contraction in 2020, assuming widespread COVID-19 vaccine rollout throughout the year. The World Bank also cautioned that the pandemic may depress economic activity for a prolonged period.

While a number of business sectors have been adversely affected by the pandemic, the digital economy continues to thrive. The widespread lockdowns during the pandemic have contributed to accelerated adoption of technology. The Manager expects this global trend of digitalisation to continue post-pandemic.

According to Synergy Research Group, hyperscale operators generated over 80% of their 9M 2020 revenues from cloud, digital services and online activities, all of which have seen COVID-19 related boosts. Their revenues and capex have grown by strong double-digits in 2020, with spending on data centres having increased by 18% in the year alone.

While the resilience and rapid growth of the data centre market have attracted more competition for assets and capital, the barriers of entry for the data centre sector remain high, especially for quality colocation assets.

The Manager's track record coupled with the ability to leverage the Keppel ecosystem in providing end-to-end solutions, from project development to facilities management to client networking, have ensured that Keppel DC REIT is well-positioned to benefit from the growth of the data centre market.

- END -

## **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.

As at 31 December 2020, its portfolio comprises 19<sup>2</sup> data centres strategically located in key data centre hubs. With an aggregate lettable area of approximately 2,089,085 sq ft, the portfolio spans 12 cities in eight countries across Asia Pacific and Europe.

Keppel Telecommunications & Transportation Ltd (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 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 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.

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.

#### **Important Notice**

*The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this release 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 developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.*

*Prospective investors and unitholders of Keppel DC REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the 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 release. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. 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 in Keppel DC REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.*

*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.*

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<sup>2</sup> Excludes Intellicentre 3 East Data Centre, which is currently under development and is expected to be completed in 1H 2021.

**KEPPEL DC REIT  
FINANCIAL STATEMENTS ANNOUNCEMENT****UNAUDITED RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020**

TABLE OF CONTENTS	
SUMMARY OF KEPPEL DC REIT RESULTS.....	2
INTRODUCTION.....	3
1 UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2020.....	4
1(A)(i) STATEMENT OF PROFIT AND LOSS AND DISTRIBUTION STATEMENT.....	4
1(A)(ii) STATEMENT OF COMPREHENSIVE INCOME .....	6
1(B)(i) BALANCE SHEETS .....	7
1(B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES .....	9
1(C) CONSOLIDATED STATEMENT OF CASH FLOWS .....	10
1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS .....	12
1(D)(ii) DETAIL OF CHANGES IN THE UNITS .....	16
1(D)(iii) TOTAL NUMBER OF ISSUED UNITS.....	16
1(D)(iv) SALES, TRANSFER, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS .....	16
2 AUDIT.....	16
3 AUDITORS' REPORT .....	16
4 ACCOUNTING POLICIES .....	16
5 CHANGES IN ACCOUNTING POLICIES.....	16
6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT .....	17
7 NET ASSET VALUE (NAV) / NET TANGIBLE ASSET (NTA) PER UNIT .....	17
8 REVIEW OF PERFORMANCE.....	18
9 PROSPECTS .....	19
10 RISK FACTORS AND RISK MANAGEMENT.....	19
11 DISTRIBUTIONS .....	21
12 DISTRIBUTION STATEMENT .....	22
13 SEGMENTAL INFORMATION.....	23
14 MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS.....	24
15 BREAKDOWN OF SALES .....	24
16 INTERESTED PERSON TRANSACTIONS.....	25
17 BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION.....	25
18 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1).....	26
19 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION .....	26

## SUMMARY OF KEPPEL DC REIT RESULTS

	2H 2020 \$'000	2H 2019 \$'000	+/(-) %	FY2020 \$'000	FY2019 \$'000	+/(-) %
<b>Gross Revenue</b>	<b>141,621</b>	<b>99,333</b>	42.6	<b>265,571</b>	<b>194,826</b>	36.3
<b>Property Expenses</b>	<b>(11,672)</b>	<b>(8,540)</b>	36.7	<b>(21,405)</b>	<b>(17,543)</b>	22.0
<b>Net Property Income</b>	<b>129,949</b>	<b>90,793</b>	43.1	<b>244,166</b>	<b>177,283</b>	37.7
<b>Distributable Income to Unitholders (DI)</b>	<b>81,935</b>	<b>58,892</b>	39.1	<b>156,915</b>	<b>113,245</b>	38.6
<b>Distribution per Unit (DPU) (cents)<sup>1,2</sup></b>	<b>4.795</b>	<b>3.760</b>	27.5	<b>9.170</b>	<b>7.610</b>	20.5
<b>Adjusted DPU (cents)<sup>3</sup></b>	<b>4.795</b>	<b>3.860</b>	24.2	<b>9.170</b>	<b>7.710</b>	18.9
<b>Distribution Yield (%)<sup>4</sup></b>				<b>3.26</b>	<b>2.71</b>	55bps

### Notes:

- 1 Excludes an amount of capital expenditure that has been set aside.
- 2 Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 July to 31 December 2020, eligible unitholders will receive a distribution of 4.795 cents per Unit.
- 3 Excluding the impact of the pro-rata preferential offering in October 2019 of approximately 0.10 cents per Unit, the adjusted DPU for 2H 2019 and FY 2019 would be approximately 3.860 cents and 7.710 cents respectively.
- 4 Distribution yields were computed based on 2H 2020 closing unit price of \$2.810.

For details, refer to **Paragraph 1A(i) - Statement of profit and loss and distribution statement and Paragraph 8 - Review of Performance.**

<b>Distribution</b>	<u>14th</u> Distribution Distribution for the period from 1 July to 31 December 2020
<b>Distribution type</b>	(a) Taxable Income (b) Tax-exempt Income
<b>Distribution rate</b>	Distribution for the period from 1 July to 31 December 2020 (a) Taxable Income – 2.876 cents per Unit (b) Tax-exempt Income – 1.919 cents per Unit
<b>Distribution amount (\$'000)</b>	78,308
<b>Record Date</b>	3 February 2021
<b>Payment Date</b>	8 March 2021

## INTRODUCTION

Keppel DC REIT was listed on Singapore Exchange Securities Trading Limited (SGX-ST) on 12 December 2014.

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

On 7 August 2018, Keppel DC REIT entered into an agreement to construct Intellicentre 3 East Data Centre on the vacant land within the current Intellicentre 2 Data Centre site. The completion is expected to be in 2021.

As at 31 December 2020, the REIT has a portfolio size of approximately \$3.0 billion. The portfolio comprises 19 high quality and well located data centres in Singapore, Malaysia, Australia, the United Kingdom (UK), the Netherlands, Republic of Ireland (Ireland), Italy and Germany, and 1 data centre under development in Australia.

### Asia-Pacific

1)	Keppel DC Singapore 1	Singapore	(KDC SGP 1)
2)	Keppel DC Singapore 2	Singapore	(KDC SGP 2)
3)	Keppel DC Singapore 3	Singapore	(KDC SGP 3)
4)	Keppel DC Singapore 4	Singapore	(KDC SGP 4)
5)	Keppel DC Singapore 5	Singapore	(KDC SGP 5)
6)	DC1	Singapore	(DC1)
7)	Basis Bay Data Centre	Malaysia	(Basis Bay DC)
8)	Gore Hill Data Centre	Australia	(Gore Hill DC)
9)	Intellicentre 2 Data Centre	Australia	(IC2 DC)
10)	iseek Data Centre	Australia	(iseek DC)

### Europe

11)	GV7 Data Centre	UK	(GV7 DC)	
12)	Cardiff Data Centre	UK	(Cardiff DC)	
13)	Almere Data Centre	The Netherlands	(Almere DC)	
14)	Amsterdam Data Centre	The Netherlands	(Amsterdam DC)	<i>(Acquired on 24 December 2020)</i>
15)	Keppel DC Dublin 1	Ireland	(KDC DUB 1)	<i>(Acquired 999-year leasehold land interest on 31 March 2020)</i>
16)	Keppel DC Dublin 2	Ireland	(KDC DUB 2)	
17)	Milan Data Centre	Italy	(Milan DC)	
18)	maincubes Data Centre	Germany	(maincubes DC)	
19)	Kelsterbach Data Centre	Germany	(Kelsterbach DC)	<i>(Acquired on 1 May 2020)</i>

The notes below shall be applicable to the relevant paragraphs thereafter:

- 2H – Refers to the second half from 1 July to 31 December 2020 and the corresponding period of the preceding year.
- FY – Refers to the financial year ended 31 December 2020 and the corresponding period of the preceding year.
- Distributable income includes an amount of capital expenditure set aside for certain properties (Capex Reserves). The DPU has excluded Capex Reserves.
- Nm – Not meaningful



## 1 UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2020

The Directors of Keppel DC REIT Management Pte. Ltd., as the manager of Keppel DC REIT, advise the following unaudited results of the Group for the financial year ended 31 December 2020:

### 1(A)(i) STATEMENT OF PROFIT AND LOSS AND DISTRIBUTION STATEMENT

#### Performance between 2020 and 2019 results

Statement of profit and loss and distribution statement, together with a comparative statement for the corresponding period of the immediately preceding financial year

#### Statement of Profit and Loss (Group)

		2H 2020	2H 2019		FY 2020	FY 2019	
	Note	\$'000	\$'000	+/(-) %	\$'000	\$'000	+/(-) %
Gross rental income	1	138,086	98,544	40.1	257,642	189,315	36.1
Other income	2	3,535	789	>100.0	7,929	5,511	43.9
<b>Gross Revenue</b>		<b>141,621</b>	<b>99,333</b>	<b>42.6</b>	<b>265,571</b>	<b>194,826</b>	<b>36.3</b>
Property operating expenses	3	(11,672)	(8,540)	36.7	(21,405)	(17,543)	22.0
<b>Net Property Income</b>		<b>129,949</b>	<b>90,793</b>	<b>43.1</b>	<b>244,166</b>	<b>177,283</b>	<b>37.7</b>
Finance income	4	119	878	(86.4)	445	1,182	(62.4)
Finance costs	4	(8,963)	(8,431)	6.3	(18,730)	(16,560)	13.1
Trustees' fees		(210)	(189)	11.1	(416)	(386)	7.8
Manager's base fee	5	(7,121)	(5,305)	34.2	(13,741)	(10,218)	34.5
Manager's performance fee	5	(4,166)	(2,907)	43.3	(7,936)	(5,794)	37.0
Net (losses) / gains on derivatives	6	(3,051)	1,599	Nm	(1,092)	2,642	Nm
Other trust expenses	7	(3,502)	(2,792)	25.4	(10,591)	(8,501)	24.6
<b>Profit before tax and fair value changes in investment properties</b>		<b>103,055</b>	<b>73,646</b>	<b>39.9</b>	<b>192,105</b>	<b>139,648</b>	<b>37.6</b>
Net change in fair value of investment properties	8	645	(15,948)	Nm	645	(15,948)	Nm
<b>Profit before tax</b>		<b>103,700</b>	<b>57,698</b>	<b>79.7</b>	<b>192,750</b>	<b>123,700</b>	<b>55.8</b>
Tax expenses	9	(16,299)	(7,387)	>100.0	(21,022)	(12,592)	66.9
<b>Profit after tax</b>		<b>87,401</b>	<b>50,311</b>	<b>73.7</b>	<b>171,728</b>	<b>111,108</b>	<b>54.6</b>
<b>Attributable to:</b>							
Unitholders		85,620	47,301	81.0	168,152	106,502	57.9
Non-controlling interests		1,781	3,010	(40.8)	3,576	4,606	(22.4)
		<b>87,401</b>	<b>50,311</b>	<b>73.7</b>	<b>171,728</b>	<b>111,108</b>	<b>54.6</b>
<u>Distribution Statement</u>							
Profit after tax attributable to Unitholders		85,620	47,301	81.0	168,152	106,502	57.9
Net tax and other adjustments	10	(3,685)	11,591	Nm	(11,237)	6,743	Nm
<b>Income available for distribution</b>	11	<b>81,935</b>	<b>58,892</b>	<b>39.1</b>	<b>156,915</b>	<b>113,245</b>	<b>38.6</b>
<b>Distribution per Unit (cents)</b>	12	<b>4.795</b>	<b>3.760</b>	<b>27.5</b>	<b>9.170</b>	<b>7.610</b>	<b>20.5</b>

**Notes (2020 and 2019):**

- 1 In 2H 2020, higher gross rental income was mainly due to the acquisitions of Kelsterbach DC and full half year contribution from KDC SGP 4 and DC1 which were acquired in 2H 2019.

In FY 2020, higher gross rental income was mainly due to the acquisitions of Kelsterbach DC and full year contribution from KDC SGP 4 and DC1.

- 2 In 2H 2020 and FY 2020, higher other income was mainly due to the higher rental top up recognised.

- 3 Included as part of the property operating expenses were the following:

	2H 2020 \$'000	2H 2019 \$'000	FY2020 \$'000	FY2019 \$'000
Property-related taxes	(1,752)	(1,442)	(3,405)	(2,866)
Facility management costs	(5,408)	(4,413)	(10,516)	(8,816)
Repairs and maintenance	(1,087)	(637)	(1,589)	(1,635)
Other property-related costs	(3,425)	(2,048)	(5,895)	(4,226)
	<u>(11,672)</u>	<u>(8,540)</u>	<u>(21,405)</u>	<u>(17,543)</u>

- 4 Finance income relates mainly to interest income derived from fixed deposits. Included in finance costs were interest expense, amortisation of debt-related transaction costs from borrowings and lease charges recognised.

- 5 Increase in Manager's base fees and performance fees were mainly due to the acquisition of Kelsterbach DC, as well as full year contribution from KDC SGP 4 and DC1.

- 6 This relates to the net effect of gains and losses arising from the foreign currency forward contracts entered into by the Group for hedging purposes.

- 7 Included in the higher other trust expenses in 2H 2020 and FY 2020 were higher amortisation of intangible assets and higher foreign exchange loss.

- 8 Net change in fair value of investment properties for 2020 pertains to the effects of recognising rental income on a straight-line basis over the lease terms and the net revaluation gains (2019: net revaluation losses) of the Group's investment properties based on independent valuations obtained from third party valuers.

- 9 Tax expenses comprise (i) tax in relation to the taxable income that are not accorded full tax transparency treatment, (ii) tax expenses of the Group's overseas properties, and (iii) net deferred tax expenses recognised on tax losses carried forward and fair value changes in investment properties.

- 10 Included in the net tax and other adjustments were the following:

	2H 2020 \$'000	2H 2019 \$'000	FY2020 \$'000	FY2019 \$'000
Trustee's fees	172	152	341	311
Rental income adjustment on a straight-line basis	(4,509)	(2,749)	(5,910)	(3,678)
Amortisation of capitalised transaction costs	243	186	451	362
Net fair value (gains) / losses in investment properties	(728)	16,700	(728)	16,700
Foreign exchange (gains) / losses	(97)	(59)	1,077	791
Deferred tax	13,572	2,297	14,763	4,864
Amortisation of intangible assets	2,178	363	5,627	4,363
Other net adjustments	(14,516)	(5,299)	(26,858)	(16,970)
<b>Net tax and other adjustments</b>	<u>(3,685)</u>	<u>11,591</u>	<u>(11,237)</u>	<u>6,743</u>

Included in other net adjustments were dividends and distribution income, lease charges, other non-taxable income and non-deductible expenses.

- 11 Higher DI in 2H 2020 and FY 2020 were mainly due to the acquisitions of Kelsterbach DC and the remaining 999-year leasehold land interest in KDC DUB 1 as well as full year contribution from KDC SGP 4 and DC1 which were acquired in 2H 2019. These were partially offset by higher Manager's fee and higher finance costs.

- 12 The DPU was computed based on DI (Note 11) and has excluded Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 July to 31 December 2020, eligible unitholders will receive a distribution of 4.795 cents per Unit.

## 1(A)(ii) STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income, together with a comparative statement for the corresponding period of the immediate preceding financial year

### Statement of Comprehensive Income (Group)

	2H 2020 \$'000	2H 2019 \$'000	+ / (-) %	FY 2020 \$'000	FY 2019 \$'000	+ / (-) %
<b>Profit after tax</b>	<b>87,401</b>	<b>50,311</b>	<b>73.7</b>	<b>171,728</b>	<b>111,108</b>	<b>54.6</b>
<b>Other comprehensive income</b>						
Movement in fair value of cash flow hedges	(478)	27	Nm	(19,105)	(5,375)	>100.0
Foreign currency translation movement	15,582	(15,560)	Nm	26,596	(28,414)	Nm
<b>Total other comprehensive income/(loss)</b>	<b>15,104</b>	<b>(15,533)</b>	<b>Nm</b>	<b>7,491</b>	<b>(33,789)</b>	<b>Nm</b>
<b>Total comprehensive income</b>	<b>102,505</b>	<b>34,778</b>	<b>&gt;100.0</b>	<b>179,219</b>	<b>77,319</b>	<b>&gt;100.0</b>
<b>Attributable to:</b>						
Unitholders	100,722	31,782	>100.0	175,626	72,726	>100.0
Non-controlling interests	1,783	2,996	(40.5)	3,593	4,593	(21.8)
	<b>102,505</b>	<b>34,778</b>	<b>&gt;100.0</b>	<b>179,219</b>	<b>77,319</b>	<b>&gt;100.0</b>

#### **Note:**

These other comprehensive income items relate to the fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and the movement in foreign currency transaction reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

## 1(B)(i) BALANCE SHEETS

Balance sheets together with a comparative statement for the end of the immediately preceding financial year

	Note	Group			Trust		
		31-Dec-20 \$'000	31-Dec-19 \$'000	+ / (-) %	31-Dec-20 \$'000	31-Dec-19 \$'000	+ / (-) %
<b>Non-current assets</b>							
Investment properties	1	3,005,038	2,637,026	14.0	483,182	480,898	0.5
Property under development	2	24,676	-	Nm	-	-	-
Investment in subsidiaries	3	-	-	-	1,946,969	1,421,796	36.9
Loans to subsidiaries	3	-	-	-	332,493	273,611	21.5
Trade and other receivables	4	13,161	-	Nm	-	-	-
Intangible assets	5	-	8,349	(100.0)	-	8,349	(100.0)
Derivative financial assets	6	39	518	(92.5)	39	485	(92.0)
Deferred tax assets	7	2,353	2,149	9.5	-	-	-
<b>Total non-current assets</b>		<b>3,045,267</b>	<b>2,648,042</b>	<b>15.0</b>	<b>2,762,683</b>	<b>2,185,139</b>	<b>26.4</b>
<b>Current assets</b>							
Trade and other receivables	4	54,381	95,848	(43.3)	45,238	390,279	(88.4)
Deposits	8	-	25,349	(100.0)	-	-	-
Intangible assets	5	2,723	-	Nm	2,723	-	Nm
Derivative financial assets	6	34	2,879	(98.8)	34	2,879	(98.8)
Tax Recoverable	12	3,036	-	Nm	-	-	-
Cash and cash equivalents		244,387	155,876	56.8	116,711	61,713	89.1
<b>Total current assets</b>		<b>304,561</b>	<b>279,952</b>	<b>8.8</b>	<b>164,706</b>	<b>454,871</b>	<b>(63.8)</b>
<b>TOTAL ASSETS</b>		<b>3,349,828</b>	<b>2,927,994</b>	<b>14.4</b>	<b>2,927,389</b>	<b>2,640,010</b>	<b>10.9</b>
<b>Current liabilities</b>							
Loans from subsidiaries	9	-	-	-	127,914	36,789	>100.0
Loans and borrowings	10	144,316	40,264	>100.0	-	-	-
Derivative financial liabilities	6	2,362	137	>100.0	1,986	-	Nm
Trade and other payables	11	79,951	60,698	31.7	19,622	29,857	(34.3)
Provision for taxation	12	6,989	7,058	(1.0)	2,913	3,774	(22.8)
<b>Total current liabilities</b>		<b>233,618</b>	<b>108,157</b>	<b>&gt;100.0</b>	<b>152,435</b>	<b>70,420</b>	<b>&gt;100.0</b>
<b>Non-current liabilities</b>							
Loans from subsidiaries	9	-	-	-	1,022,486	833,599	22.7
Loans and borrowings	10	1,043,604	880,455	18.5	11,182	10,898	2.6
Derivative financial liabilities	6	24,447	7,750	>100.0	1,227	142	>100.0
Provision	13	21,100	-	Nm	-	-	-
Deferred tax liabilities	7	44,817	29,084	54.1	8,136	6056	34.3
<b>Total non-current liabilities</b>		<b>1,133,968</b>	<b>917,289</b>	<b>23.6</b>	<b>1,043,031</b>	<b>850,695</b>	<b>22.6</b>
<b>TOTAL LIABILITIES</b>		<b>1,367,586</b>	<b>1,025,446</b>	<b>33.4</b>	<b>1,195,466</b>	<b>921,115</b>	<b>29.8</b>
<b>NET ASSETS</b>		<b>1,982,242</b>	<b>1,902,548</b>	<b>4.2</b>	<b>1,731,923</b>	<b>1,718,895</b>	<b>0.8</b>
<b>Represented by:</b>							
Unitholders' funds		1,944,652	1,868,018	4.1	1,731,923	1,718,895	0.8
Non-controlling interests	14	37,590	34,530	8.9	-	-	-
		<b>1,982,242</b>	<b>1,902,548</b>	<b>4.2</b>	<b>1,731,923</b>	<b>1,718,895</b>	<b>0.8</b>
<b>Net asset value per Unit (\$)</b>	15	<b>1.19</b>	<b>1.14</b>	<b>4.4</b>	<b>1.06</b>	<b>1.05</b>	<b>1.0</b>
<b>Aggregate leverage / Deposited properties (%)</b>	16	<b>36.2</b>	<b>30.7</b>	<b>550bps</b>	<b>Nm</b>	<b>Nm</b>	<b>Nm</b>

**Notes:**

- 1 Included in the investment properties were leases of \$24.1 million capitalised at the lower of its fair value and the present value of the lease payments for certain investment properties.

<u>Investment Properties</u>	<u>Tenure</u>	<u>Carrying Value (\$'000)</u>
Keppel DC Singapore 1	Leasehold, expiring 30 Sept 2055^	305,528
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051^	177,654
Keppel DC Singapore 3	Leasehold, expiring 31 Jan 2052^	268,626
Keppel DC Singapore 4	Leasehold, expiring 30 June 2050	387,250
Keppel DC Singapore 5	Leasehold, expiring 31 August 2041	360,000
DC1	Leasehold, expiring 31 July 2044	212,000
Basis Bay Data Centre	Freehold	23,630
Gore Hill Data Centre	Freehold	205,810
Intellcentre 2 Data Centre	Freehold	58,239
iseek Data Centre	Leasehold, expiring 29 June 2047^	43,896
GV7 Data Centre	Leasehold, expiring 28 Sept 2183	66,346
Cardiff Data Centre	Freehold	65,054
Almere Data Centre	Freehold	150,946
Amsterdam Data Centre	Freehold	44,867
Keppel DC Dublin 1	Leasehold, expiring 31 Dec 2998	153,670
Keppel DC Dublin 2	Leasehold, expiring 31 Dec 2997	143,014
Milan Data Centre	Freehold	61,212
maincubes Data Centre	Freehold	150,706
Kelsterbach Data Centre	Freehold	126,590
		3,005,038

^ Include options to renew between 7 to 30 years

Pursuant to Rule 703 of the Listing Manual of the SGX-ST, the Manager has obtained latest independent valuations for all properties; the values are tabulated in the Presentation Slides for "Second Half and Full Year 2020 Financial Results" under "Portfolio Overview".

The valuations for Singapore properties were conducted by CBRE Pte Ltd. The valuations for Basis Bay DC and Amsterdam DC were conducted by CBRE Limited. The valuations for the Australian properties were conducted by Cushman & Wakefield (Valuations) Pty Ltd. The valuations for the properties in UK, Ireland and Germany as well as Almere DC and Milan DC were conducted by Jones Lang LaSalle Limited. The valuation reports are available for inspection by prior appointment at the Manager's registered office at 1 HarbourFront Avenue #18-01 Keppel Bay Tower Singapore 098632 during business hours for a period of 3 months from today.

- 2 Property under development pertains to costs capitalised for IC3 East DC according to construction progress till date.
- 3 These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- 4 Included in trade and other receivables were accrued rental revenue from the clients and deferred lease receivables relating to lease income which had been recognised due to the straight-lining of rental revenue in accordance with SFRS(I) 16 Leases, but not yet received from the clients. The non-current other receivables relates to a recoverable from a related corporation.
- 5 This relates to intangible assets with finite useful lives recognised in relation to a rental top up provided by the vendors. The intangible assets have been amortised on a diminishing balance method over the relevant rental top up periods.
- 6 These relate to the fair value of the foreign currency forward contracts entered into in relation to the income from overseas investment properties, and the fair value of interest rate swaps entered into by the Group for hedging purposes.
- 7 These relate to the net deferred tax assets/liabilities recognised in different tax jurisdictions that arose on tax losses carried forward and fair value changes in certain investment properties.
- 8 These relate to deposit paid in 2019 to the vendor for the acquisition of Kelsterbach DC.
- 9 These relate to loans from subsidiaries. The higher balances as at 31 December 2020 were mainly due to the additional loans drawn, partially offset by the repayment of certain loans.
- 10 These relate to external borrowings of \$1,165.8 million (refer to Paragraph 1(B)(ii)), lease liabilities pertaining to land rent commitments and options, and capitalised debt-related transaction costs. The higher external borrowings as at 31 December 2020 were mainly due to proceeds drawn from new bank borrowings.
- 11 Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.

**Notes (cont'd):**

- 12 Included in tax recoverable and income tax provision were income tax credit/expense accrued for the Group and provision of withholding tax expense in relation to the income received from the Group's overseas investments.
- 13 This relates to a provision for contractual obligation assumed on the acquisition of a subsidiary. An amount of cash was set aside by the vendor (refer to Paragraph 1(C) Note B) to settle part of the provision and the remaining amount is recoverable from a related corporation (Note 4).
- 14 This relates to the non-controlling interests' share of net assets.
- 15 This excludes the non-controlling interests' share of net assets.
- 16 Aggregate leverage relates to the \$1,165.8 million external borrowings (refer to Paragraph 1(B)(ii)) and deferred payment over deposited properties which refers to the value of the Group's total assets based on the latest valuation defined in the property fund guidelines in the Code on Collective Investment Schemes issued by MAS, without considering lease liabilities pertaining to the land rent commitments and options. If these lease liabilities pertaining to land rent commitments and options were included, the ratio would be 36.7% (31 December 2019: 31.9%).

**1(B)(ii) AGGREGATE AMOUNT OF BORROWINGS AND DEBT SECURITIES**

	Group	
	As at 31 Dec 20 \$'000	As at 31 Dec 19 \$'000
<b><u>Secured borrowings<sup>1</sup></u></b>		
Amount repayable within one year	15,356	-
	15,356	-
<b><u>Unsecured borrowings<sup>2</sup></u></b>		
Amount repayable within one year	127,914	36,789
Amount repayable after one year	1,022,486	833,599
	1,150,400	870,388
<b>Total borrowings</b>	<b>1,165,756</b>	<b>870,388</b>

**Notes:**

- 1 These borrowings were taken over as part of the acquisition of Amsterdam DC and have been fully repaid in early January 2021.
- 2 Keppel DC REIT has unsecured borrowings of approximately \$681.1 million (2019: \$498.2 million) and \$309.2 million (2019: \$221.8 million) and \$160.1 million (2019: \$150.4 million) under its term loan facilities, revolving credit facilities and Multicurrency Medium Term Note Programme respectively.

As at 31 December 2020, the Group had total borrowings of approximately \$1,165.8 million and unutilised facilities of approximately \$402.3 million to meet its future obligations. The all-in average interest rate for borrowings was 1.6% per annum for the financial year ended 31 December 2020.

## 1(C) CONSOLIDATED STATEMENT OF CASH FLOWS

	2H 2020 \$'000	2H 2019 \$'000	FY 2020 \$'000	FY 2019 \$'000
<b>Operating activities</b>				
Profit after tax for the financial period	87,401	50,311	171,728	111,108
Adjustments for:				
Tax expenses	16,299	7,387	21,022	12,592
Finance income	(119)	(878)	(445)	(1,182)
Finance costs	8,963	8,431	18,730	16,560
Amortisation of intangible asset	2,178	363	5,627	4,363
Net change in fair value of derivatives	3,141	-	3,141	-
Net change in fair value of investment properties	(645)	15,948	(645)	15,948
Management fees payable in Units	908	794	1,765	1,575
Unrealised currency translation differences	12,732	(4,876)	7,296	(9,144)
	<b>130,858</b>	<b>77,480</b>	<b>228,219</b>	<b>151,820</b>
Changes in working capital:				
- Trade and other receivables	(5,995)	1,460	17,804	8,704
- Trade and other payables	20,327	21,092	(1,969)	10,257
<b>Cash generated from operations</b>	<b>145,190</b>	<b>100,032</b>	<b>244,054</b>	<b>170,781</b>
Net tax refunded/(paid)	287	(8,951)	(9,070)	(15,507)
<b>Net cash generated from operating activities</b>	<b>145,477</b>	<b>91,081</b>	<b>234,984</b>	<b>155,274</b>
<b>Cash flows from investing activities</b>				
Acquisition of interests in investment properties (Note A)	(32,923)	(585,653)	(133,709)	(585,653)
Acquisition of a subsidiary, net of cash acquired (Note B)	-	-	7,920	-
Acquisition of an intangible asset	-	(8,712)	-	(8,712)
Rental top up received	-	8,712	-	8,712
Additions to investment properties	(20,952)	(14,655)	(23,318)	(23,765)
Capital expenditures on investment properties	(51,871)	(17,009)	(59,703)	(33,229)
Deposits paid	-	(26,597)	-	(26,597)
<b>Net cash used in investing activities</b>	<b>(105,746)</b>	<b>(643,914)</b>	<b>(208,810)</b>	<b>(669,244)</b>
<b>Cash flows from financing activities</b>				
Gross proceeds from equity fund raising	-	478,242	-	478,242
Proceeds from borrowings and medium term note	133,070	299,846	371,359	383,172
Capital contribution from a non-controlling interest	292	-	2,900	-
Payment of financing transaction costs	(324)	(996)	(924)	(1,111)
Repayment of borrowings	(55,755)	(120,000)	(131,052)	(166,890)
Payment of lease liabilities	-	(3,743)	(51,050)	(3,743)
Interest paid	(8,604)	(4,196)	(17,674)	(11,841)
Distributions paid to Unitholders	(71,440)	(76,533)	(103,272)	(126,541)
Dividends paid to non-controlling interests	(917)	(1,156)	(3,433)	(2,553)
Payment of equity fund raising transaction costs	-	(5,557)	-	(5,557)
<b>Net cash (used in) / generated from financing activities</b>	<b>(3,678)</b>	<b>565,907</b>	<b>66,854</b>	<b>543,178</b>
<b>Net increase in cash and cash equivalents</b>	<b>36,053</b>	<b>13,074</b>	<b>93,028</b>	<b>29,208</b>
Cash and cash equivalents at beginning of period	205,167	143,889	155,876	128,415
Effects of exchange rate fluctuations on cash held	3,167	(1,087)	(4,517)	(1,747)
<b>Cash and cash equivalents at end of period</b>	<b>244,387</b>	<b>155,876</b>	<b>244,387</b>	<b>155,876</b>

### Note A – Acquisition of interests in investment properties

In May 2020, Keppel DC REIT completed the acquisition of Kelsterbach DC. The remaining balance of the purchase consideration was paid, along with the release of the deposit, to the vendor as settlement of the purchase consideration.

In December 2020, Keppel DC REIT established a wholly-owned subsidiary, KDCR Netherlands 5 B.V. (KN5BV) in the Netherlands<sup>1</sup>. KN5BV has share capital of €1.00 and its principal activity is an investment holding company. On 24 December 2020, Keppel DC REIT, through KN5BV, completed the acquisition of a 100% interest in Penta Schiphol-Rijk B.V. (PSR BV), a company incorporated in Netherlands, which in turns hold Amsterdam DC<sup>1</sup>. The aggregate consideration paid was €30.2 million in cash and was arrived at on a willing-seller, willing-buyer basis after arms' length negotiations taking into account, among other factors, the net asset value of PSR BV in the amount of approximately €18.5 million. This acquisition has been accounted for as an asset acquisition.

<sup>1</sup> Disclosed pursuant to Rule 706A of the Listing Manual of the SGX-ST.

## 1(C) CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

### Note B – Acquisition of a subsidiary, net of cash acquired

Keppel DC REIT completed the acquisition of Borchveste Almere B.V. in May 2020. This represented the effect on the cash flows of the Group after net of consideration paid, assets acquired and liabilities assumed.

### Cash flow analysis (FY 2020 vs FY 2019)

Cash generated from operating activities for the FY 2020 was \$235.0 million, \$79.7 million higher than the \$155.3 million for the corresponding period last year. This was mainly due to higher operational cash inflow and lower net tax paid during the year.

Net cash used in investing activities for FY 2020 was \$208.8 million, comprising mainly the acquisitions of Kelsterbach DC, the remaining leasehold land interest of KDC DUB 1 and Amsterdam DC as well as capital expenditures. Net cash used in investing activities for the corresponding period last year was \$669.2 million, comprising the acquisitions of KDC SGP 4 and DC1, a deposit paid to the vendor for the acquisition of Kelsterbach DC and capital expenditures.

The Group recorded net cash generated from financing activities of \$66.9 million in FY 2020 as compared to net cash generated from financing activities of \$543.2 million for the corresponding period last year. Net cash generated in FY 2020 was mainly from bank borrowings. These were partially offset by distributions paid to Unitholders, payment of lease liabilities and repayment of borrowings and finance costs. Net cash generated from financing activities for FY 2019 comprised mainly the issuance of equity, bank borrowings and medium term notes, partially offset by distributions paid to Unitholders, repayment of borrowings and finance costs.

### Cash flow analysis (2H 2020 vs 2H 2019)

Cash generated from operating activities for the 2H 2020 was \$145.5 million, \$54.4 million higher than \$91.1 million for the corresponding period last year. This was mainly due to higher operational cash inflow and lower net tax paid in 2H 2020.

Net cash used in investing activities for 2H 2020 was \$105.7 million, comprising mainly the acquisition of Amsterdam DC and capital expenditures. Net cash used in investing activities for the corresponding period last year was \$643.9 million, comprising the acquisitions of KDC SGP 4 and DC1, a deposit paid to the vendor for the acquisition of Kelsterbach DC and capital expenditures.

The Group recorded net cash used in financing activities of \$3.7 million in 2H 2020 as compared to net cash generated from financing activities of \$565.9 million for the corresponding period last year. Net cash used in 2H 2020 was mainly due to distributions paid to Unitholders, repayment of borrowings and finance costs, partially offset by proceeds from bank borrowings. Net cash generated from 2H 2019 was mainly from issuance of equity and bank borrowings, partially offset by distributions paid to Unitholders.

### Usage of proceeds of the Equity Fund Raising

Further to the announcement dated 21 January 2020 titled "Unaudited Results for the Year ended 31 December 2019" (the Announcement), the Manager wishes to update on the use of the remaining net proceeds as at 31 December 2020 raised from the Equity Fund Raising (the Net Proceeds) as follows.

<b>Intended Use</b>	<b>Amount allocated (as stated in the Announcements)</b>	<b>Reallocation of the use of Net Proceeds</b>	<b>Amount utilised as at 31 December 2020</b>	<b>Balance of Net Proceeds as at 31 December 2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
To partially fund the acquisitions of 99% interest in KDC SGP 4 and 100% interest in DC1	438,548	16,668	(455,216)	-
To fund capital expenditures or acquisitions	31,086	(13,996) <sup>1</sup>	(2,823)	14,267
<b>Total Use of Net Proceeds</b>	<b>469,634</b>	<b>2,672</b>	<b>(458,039)</b>	<b>14,267</b>

#### **Note:**

- 1 During the year, approximately \$2.7 million of transaction costs has been adjusted from the Unitholder's funds and reallocated to other uses.



**1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS**

<b>GROUP (2020)</b>	<b>Note</b>	<b>Foreign Currency</b>		<b>Hedging Reserve</b>	<b>Other Reserve</b>	<b>Accumulated Profits</b>	<b>Unitholders' Funds</b>	<b>Non- Controlling Interests</b>	<b>Total</b>
		<b>Units in Issue</b>	<b>Translation Reserve</b>						
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>At 1 January 2020</b>		1,855,019	(11,985)	(4,490)	(95,751)	125,225	1,868,018	34,530	1,902,548
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	82,532	82,532	1,795	84,327
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>82,532</b>	<b>82,532</b>	<b>1,795</b>	<b>84,327</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		-	-	-	-	(31,832)	(31,832)	-	(31,832)
Payment of management fees in Units		1,058	-	-	-	-	1,058	-	1,058
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>1,058</b>	-	-	-	<b>(31,832)</b>	<b>(30,774)</b>	-	<b>(30,774)</b>
Capital contribution of a non-controlling interest into a subsidiary		-	-	-	-	-	-	2,608	2,608
Dividends paid to non-controlling interests		-	-	-	-	-	-	(2,516)	(2,516)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	(18,627)	-	-	(18,627)	-	(18,627)
Foreign currency translation movement	1	-	10,999	-	-	-	10,999	15	11,013
<b>Net decrease in other comprehensive income</b>		-	<b>10,999</b>	<b>(18,627)</b>	-	-	<b>(7,628)</b>	<b>15</b>	<b>(7,614)</b>
<b>At 30 June 2020</b>		<b>1,856,077</b>	<b>(986)</b>	<b>(23,117)</b>	<b>(95,751)</b>	<b>175,925</b>	<b>1,912,148</b>	<b>36,432</b>	<b>1,948,580</b>
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	85,620	85,620	1,781	87,401
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>85,620</b>	<b>85,620</b>	<b>1,781</b>	<b>87,401</b>
<b>Unitholders' transactions</b>									
Net increase in net assets resulting from Unitholders' contribution		2,672	-	-	-	-	2,672	-	2,672
Distributions to Unitholders		-	-	-	-	(71,440)	(71,440)	-	(71,440)
Payment of management fees in Units		550	-	-	-	-	550	-	550
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>3,222</b>	-	-	-	<b>(71,440)</b>	<b>(68,218)</b>	-	<b>(68,218)</b>
Capital contribution of a non-controlling interest into a subsidiary		-	-	-	-	-	-	292	292
Dividends paid to non-controlling interests		-	-	-	-	-	-	(917)	(917)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	(478)	-	-	(478)	-	(478)
Foreign currency translation movement	1	-	15,580	-	-	-	15,580	2	15,582
<b>Net increase in other comprehensive income</b>		-	<b>15,580</b>	<b>(478)</b>	-	-	<b>15,102</b>	<b>2</b>	<b>15,104</b>
<b>At 31 December 2020</b>		<b>1,859,299</b>	<b>14,594</b>	<b>(23,595)</b>	<b>(95,751)</b>	<b>190,105</b>	<b>1,944,652</b>	<b>37,590</b>	<b>1,982,242</b>

**Note:**

- 1 These other comprehensive income items relate to the fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and the movement in foreign currency translation reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)

GROUP (2019)	Note	Foreign Currency		Hedging Reserve	Other Reserve	Accumulated Profits	Unitholders' Funds	Non- Controlling Interests	Total
		Units in Issue	Translation Reserve						
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>At 1 January 2019</b>		1,378,025	16,416	885	(95,751)	145,264	1,444,839	31,155	1,475,994
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	59,201	59,201	1,596	60,797
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>59,201</b>	<b>59,201</b>	<b>1,596</b>	<b>60,797</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		-	-	-	-	(50,008)	(50,008)	-	(50,008)
Payment of management fees in Units		761	-	-	-	-	761	-	761
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>761</b>	-	-	-	<b>(50,008)</b>	<b>(49,247)</b>	-	<b>(49,247)</b>
Dividends paid to non-controlling interests		-	-	-	-	-	-	(1,397)	(1,397)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	(5,402)	-	-	(5,402)	-	(5,402)
Foreign currency translation movement	1	-	(12,855)	-	-	-	(12,855)	1	(12,854)
<b>Net decrease in other comprehensive income</b>		-	<b>(12,855)</b>	<b>(5,402)</b>	-	-	<b>(18,257)</b>	<b>1</b>	<b>(18,256)</b>
<b>At 30 June 2019</b>		<b>1,378,786</b>	<b>3,561</b>	<b>(4,517)</b>	<b>(95,751)</b>	<b>154,457</b>	<b>1,436,536</b>	<b>31,355</b>	<b>1,467,891</b>
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	47,301	47,301	3,010	50,311
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>47,301</b>	<b>47,301</b>	<b>3,010</b>	<b>50,311</b>
<b>Unitholders' transactions</b>									
Net increase in net assets resulting from Unitholders' contribution		469,856	-	-	-	-	469,856	-	469,856
Distributions to Unitholders		-	-	-	-	(76,533)	(76,533)	-	(76,533)
Payment of management fees in Units		6,377	-	-	-	-	6,377	-	6,377
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>476,233</b>	-	-	-	<b>(76,533)</b>	<b>399,700</b>	-	<b>399,700</b>
Acquisition of an interest in a subsidiary		-	-	-	-	-	-	1,335	1,335
Dividends paid to non-controlling interests		-	-	-	-	-	-	(1,156)	(464)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	27	-	-	27	-	27
Foreign currency translation movement	1	-	(15,546)	-	-	-	(15,546)	(14)	(15,560)
<b>Net decrease in other comprehensive income</b>		-	<b>(15,546)</b>	<b>27</b>	-	-	<b>(15,519)</b>	<b>(14)</b>	<b>(8,308)</b>
<b>At 31 December 2019</b>		<b>1,855,019</b>	<b>(11,985)</b>	<b>(4,490)</b>	<b>(95,751)</b>	<b>125,225</b>	<b>1,868,018</b>	<b>34,530</b>	<b>1,902,548</b>

**Note:**

- 1 These other comprehensive income items relate to the fair value changes of the cash flow hedges as a result of interest rate swaps and foreign currency forward contracts entered into by the Group and the movement in foreign currency translation reserve that arises from the translation of foreign entities and intercompany loans that form part of the Group's net investment in foreign entities.

1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)

<b>TRUST (2020)</b>	<b>Note</b>	<b>Unit in Issue \$'000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Profits \$'000</b>	<b>Unitholders' Funds \$'000</b>
<b>At 1 January 2020</b>		1,855,019	3,222	(95,751)	(43,595)	1,718,895
<b>Operations</b>						
Profit after tax for the period		-	-	-	69,014	69,014
<b>Net increase in net assets resulting from operations</b>		-	-	-	69,014	69,014
<b>Unitholders' transactions</b>						
Distribution to Unitholders		-	-	-	(31,832)	(31,832)
Payment of management fees in Units		1,058	-	-	-	1,058
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		1,058	-	-	(31,832)	<b>(30,774)</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	(2,063)	-	-	(2,063)
<b>Net decrease in other comprehensive income</b>		-	(2,063)	-	-	(2,063)
<b>At 30 June 2020</b>		<b>1,856,077</b>	<b>1,159</b>	<b>(95,751)</b>	<b>(6,413)</b>	<b>1,755,072</b>
<b>Operations</b>						
Profit after tax for the period		-	-	-	46,228	46,228
<b>Net increase in net assets resulting from operations</b>		-	-	-	46,228	46,228
<b>Unitholders' transactions</b>						
Net increase in net assets resulting from Unitholders' contribution		2,672	-	-	-	2,672
Distribution to Unitholders		-	-	-	(71,440)	(71,440)
Payment of management fees in Units		550	-	-	-	550
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		3,222	-	-	(71,440)	<b>(68,218)</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	(1,159)	-	-	(1,159)
<b>Net decrease in other comprehensive income</b>		-	(1,159)	-	-	(1,159)
<b>At 31 December 2020</b>		<b>1,859,299</b>	<b>-</b>	<b>(95,751)</b>	<b>(31,625)</b>	<b>1,731,923</b>

**1(D)(i) STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D)**

<b>TRUST (2019)</b>	<b>Note</b>	<b>Unit in Issue '000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Profits \$'000</b>	<b>Unitholders' Funds \$'000</b>
<b>At 1 January 2019</b>		1,378,025	3,655	(95,751)	410	1,286,339
<b>Operations</b>						
Profit after tax for the period		-	-	-	46,677	46,677
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>46,677</b>	<b>46,677</b>
<b>Unitholders' transactions</b>						
Distribution to Unitholders		-	-	-	(50,008)	(50,008)
Payment of management fees in Units		761	-	-	-	761
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>761</b>	-	-	<b>(50,008)</b>	<b>(49,247)</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	380	-	-	380
<b>Net increase in other comprehensive income</b>		-	<b>380</b>	-	-	<b>380</b>
<b>At 30 June 2019</b>		<b>1,378,786</b>	<b>4,035</b>	<b>(95,751)</b>	<b>(2,921)</b>	<b>1,284,149</b>
<b>Operations</b>						
Profit after tax for the period		-	-	-	35,859	35,859
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>35,859</b>	<b>35,859</b>
<b>Unitholders' transactions</b>						
Net increase in net assets resulting from Unitholders' contribution		469,856	-	-	-	469,856
Distribution to Unitholders		-	-	-	(76,533)	(76,533)
Payment of management fees in Units		6,377	-	-	-	6,377
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>476,233</b>	-	-	<b>(76,533)</b>	<b>399,700</b>
<b>Other comprehensive income</b>						
Movement in hedging reserve	1	-	(813)	-	-	(813)
<b>Net decrease in other comprehensive income</b>		-	<b>(813)</b>	-	-	<b>(813)</b>
<b>At 31 December 2019</b>		<b>1,855,019</b>	<b>3,222</b>	<b>(95,751)</b>	<b>(43,595)</b>	<b>1,718,895</b>

**Note:**

- 1 The other comprehensive income item relates to the fair value changes of the cash flow hedges as a result of foreign currency forward contracts and interest rate swaps entered into by the Trust.

#### 1(D)(ii) DETAIL OF CHANGES IN THE UNITS

GROUP AND TRUST	1 Jul 20 to 31 Dec 20	1 Jan 20 to 30 Jun 20	1 Jan 19 to 31 Dec 19
	No. of Units	No. of Units	No. of Units
<b>Issued Units as at beginning of period</b>	<b>1,632,919,713</b>	1,632,395,361	1,351,578,450
Management fees paid in Units	<b>200,893</b>	524,352	3,827,294
Issuance of placement Units	-	-	276,989,617
<b>Issued Units as at end of period</b>	<b>1,633,120,606</b>	<b>1,632,919,713</b>	<b>1,632,395,361</b>

#### 1(D)(iii) TOTAL NUMBER OF ISSUED UNITS

Keppel DC REIT did not hold any treasury units as at 31 December 2020 and 31 December 2019.

	Group	
	As at 31 Dec 20	As at 31 Dec 19
<b>Total number of issued Units</b>	<b>1,633,120,606</b>	1,632,395,361

#### 1(D)(iv) SALES, TRANSFER, DISPOSALS, CANCELLATION OR USE OF TREASURY UNITS

Not applicable.

#### 2 AUDIT

Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have neither been audited nor reviewed by the auditors.

#### 3 AUDITORS' REPORT

Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

#### 4 ACCOUNTING POLICIES

Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation have been consistently applied during the current reporting period except that in the current financial year, the Group has adopted new and revised standards and SFRS (I) Interpretation that are effective for annual period beginning on 1 January 2020.

#### 5 CHANGES IN ACCOUNTING POLICIES

If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Refer to Paragraph 4 - Accounting Policies.

## 6 CONSOLIDATED EARNINGS PER UNIT AND DISTRIBUTION PER UNIT

	2H 2020	2H 2019	FY 2020	FY 2019
<b>Earnings per Unit (EPU)</b>				
<b>EPU (basic and diluted) (cents)</b>	<b>5.24</b>	3.19	<b>10.30</b>	7.51
Weighted average number of Units <sup>1</sup>	<b>1,633,037,442</b>	1,483,209,010	<b>1,632,901,066</b>	1,418,114,004
Profit after tax <sup>2</sup> (\$'000)	<b>85,620</b>	47,301	<b>168,152</b>	106,502
<b>Distribution per Unit (DPU)</b>				
<b>DPU<sup>3</sup> (cents)</b>	<b>4.795</b>	3.760	<b>9.170</b>	7.610
Total number of Units in issue at end of period	<b>1,633,120,606</b>	1,632,395,361	<b>1,633,120,606</b>	1,632,395,361
Income available for distribution to Unitholders (\$'000)	<b>81,935</b>	58,892	<b>156,915</b>	113,245

## 7 NET ASSET VALUE (NAV) / NET TANGIBLE ASSET (NTA) PER UNIT

	Group	
	As at 31 Dec 20	As at 31 Dec 19
<b>NAV<sup>2</sup> per Unit<sup>4</sup> (\$)</b>	<b>1.19</b>	1.14
Adjusted NAV <sup>2</sup> per unit <sup>4</sup> (excluding the distributable income)	<b>1.14</b>	1.12
<b>NTA<sup>2</sup> per Unit<sup>4</sup> (\$)</b>	<b>1.19</b>	1.14
Adjusted NTA <sup>2</sup> per unit <sup>4</sup> (excluding the distributable income)	<b>1.14</b>	1.12

### Notes:

- 1 The weighted average number of Units was based on the issued Units during the financial period in review.
- 2 This excludes the non-controlling interests' share of net asset value / net tangible asset and profit and loss for the period after tax.
- 3 DPU excludes Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 July to 31 December 2020, eligible unitholders will receive a distribution of 4.795 cents per Unit.
- 4 The NAV per Unit and the NTA per Unit were computed based on the issued Units at the end of the financial period.

## **8 REVIEW OF PERFORMANCE**

### Review of the Performance between 2020 and 2019 results

#### (FY 2020 vs FY 2019)

Gross rental income for FY 2020 was \$257.6 million, an increase of \$68.3 million or 36.1% from FY 2019 of \$189.3 million. This was mainly due to full year contribution from KDC SGP 4 and DC1 as well as the acquisition of Kelsterbach DC.

Other income of \$7.9 million was \$2.4 million higher than FY 2019 mainly due to rental top up income provided by the relevant vendors.

Property operating expenses for FY 2020 was \$21.4 million, an increase of \$3.9 million or 22.0% from FY 2019 of \$17.5 million. This was mainly due to the acquisition of KDC SGP 4, as well as higher property-related expenses recorded at the assets in Dublin.

Net property income of \$244.2 million for FY 2020 was \$66.9 million or 37.7% higher than FY 2019.

Profit after tax for FY 2020 was \$171.7 million, after taking into account the net fair value gain in investment properties of \$0.6 million (2019: net fair value loss of \$15.9 million) and deferred tax expense of \$6.2 million (2019: deferred tax expense of \$2.2 million) provided on the fair value movement for the portfolio. Excluding the fair value changes and related deferred tax impact, profit after tax for FY 2020 was \$177.3 million, an increase of \$48.1 million or 37.2% as compared to FY 2019 of \$129.2 million. This was mainly due to higher net property income, partially offset by higher Manager's fees, higher finance costs and higher tax expenses as compared to FY 2019.

#### (2H 2020 vs 2H 2019)

Gross rental income for 2H 2020 was \$138.1 million, an increase of \$39.6 million or 40.1% from 2H 2019 of \$98.5 million. This was mainly contributed by the acquisitions of KDC SGP 4, DC1 and Kelsterbach DC.

Other income of \$3.5 million was \$2.7 million higher than 2H 2019 due to higher rental top up income recognised.

Property operating expenses for 2H 2020 was \$11.7 million, an increase of \$3.2 million or 36.7% from 2H 2019 of \$8.5 million. This was mainly due to the acquisition of KDC SGP 4, as well as higher property-related expenses recorded at the assets in Dublin.

Net property income of \$129.9 million for 2H 2020 was \$39.1 million or 43.1% higher than 2H 2019.

Profit after tax for 2H 2020 was \$87.4 million, after taking into account the net fair value gain in investment properties of \$0.6 million (2019: net fair value loss of \$15.9 million) and deferred tax expense of \$6.2 million (2019: deferred tax expense of \$2.2 million) provided on the fair value movement for the portfolio. Excluding the fair value changes and related deferred tax impact, profit after tax for 2H 2020 was \$93.0 million, an increase of \$24.6 million or 36.0% as compared to 2H 2019 of \$68.4 million. This was mainly due to higher net property income, partially offset by higher Manager's fees, higher finance costs and higher tax expenses as compared to 2H 2019.

## **9 PROSPECTS**

A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

In its Global Economic Prospects published in January 2021, the World Bank expects a subdued recovery of 4% of the global economy in 2021 following a 4.3% contraction in 2020, assuming widespread COVID-19 vaccine rollout throughout the year. The World Bank also cautioned that the pandemic may depress economic activity for a prolonged period.

While a number of business sectors have been adversely affected by the pandemic, the digital economy continues to thrive. The widespread lockdowns during the pandemic have contributed to accelerated adoption of technology. The Manager expects this global trend of digitalisation to continue post-pandemic.

According to Synergy Research Group, hyperscale operators generated over 80% of their 9M 2020 revenues from cloud, digital services and online activities, all of which have seen COVID-19 related boosts. Their revenues and capex have grown by strong double-digits in 2020, with spending on data centres having increased by 18% in the year alone.

While the resilience and rapid growth of the data centre market have attracted more competition for assets and capital, the barriers of entry for the data centre sector remain high, especially for quality colocation assets.

The Manager's track record coupled with the ability to leverage the Keppel ecosystem in providing end-to-end solutions, from project development to facilities management to client networking, have ensured that Keppel DC REIT is well positioned to benefit from the growth of the data centre market.

## **10 RISK FACTORS AND RISK MANAGEMENT**

The Manager ascribes importance to risk management and constantly takes initiatives to systematically review the risks it faces and mitigates them. Some of the key risks that the Manager has identified are as follows:

### **Interest rate risk**

The Manager constantly monitors its exposure to changes in interest rates for its interest-bearing financial liabilities. Interest rate risk is managed on an on-going basis with the primary objective of limiting the extent to which net interest expense can be affected by adverse movements in interest rates through financial instruments or other suitable financial products.

### **Liquidity risk**

The Manager monitors and maintains Keppel DC REIT's cash flow position and working capital to ensure that there are adequate liquid reserves in terms of cash and credit facilities to meet short-term obligations. Consideration has been given to funding and expense requirements so as to manage the cash position at any point in time.

### **Credit risk**

Credit risk assessments of prospective clients are carried out by way of evaluation of information from corporate searches conducted prior to the signing of lease agreements. In addition, the Manager also monitors the property portfolio's client trade sector mix to assess and manage exposure to any potentially volatile trade sector.

### **Currency risk**

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, Europe and Malaysia, and the distributable income and interest income from progressive payments related to such foreign investments. The Group maintains a natural economic hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located or by borrowing in currencies that match the future revenue stream to be generated from its investments.

The Manager monitors the Group's foreign currency exposure on an on-going basis and will manage its exposure to adverse movements in foreign currency exchange rates through financial instruments or other suitable financial products.



### **Operational risk**

Measures have been put in place to ensure sustainability of net property income. These measures include steps taken to negotiate for favourable terms/covenants, manage expenses, and actively monitor rental payments from clients and continuously evaluate the Group's counter-parties.

In addition, the Manager also continuously reviews disaster and pandemic business continuity plans and modifies them, when necessary. The Manager manages such risks through multiple layers of redundancy and back-up systems supported by detailed operational procedures and maintenance programmes. However, the Manager notes that no system of risk management can provide absolute assurance against all potential risks.

### **Competition risk**

The Manager will actively manage the properties and grow strong relationships with its clients by providing value-added property-related services. Through such active asset management and enhancements, the Manager seeks to maintain high client retention and occupancy levels and achieve stable rental growth, as well as minimise the costs associated with marketing and leasing space to new clients.

The Manager will work with the facility managers (where applicable) to actively manage (i) contract and colocation renewals and (ii) new contracts and colocation arrangements to maintain high client retention levels and minimise vacancy periods. The Manager also intends to leverage on its relationship with existing data centre clients as well as data centre brokers to secure new clients for the Group's new and existing data centre facilities.

## 11 DISTRIBUTIONS

### (a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Name of distribution:	<u>14th Distribution</u> Distribution for the period from 1 July to 31 December 2020
Distribution type:	(a) Taxable income distribution (b) Tax-exempt income distribution
Distribution rate:	Distribution for the period from 1 July to 31 December 2020 (a) Taxable income – 2.876 cents per Unit (b) Tax-exempt income – 1.919 cents per Unit
Distribution amount (\$'000):	78,308
Tax rate:	<p>(a) <u>Taxable Income Distribution:</u></p> <p>Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>Subject to meeting certain conditions, qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p>(b) <u>Tax-exempt income distribution</u></p> <p>Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.</p>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any distribution declared for the corresponding period of the immediately preceding financial year?

Name of distribution:	(i) <u>11th</u> Distribution for the period from 1 July to 24 September 2019 (ii) <u>12th</u> Distribution for the period from 25 September to 31 December 2019
Distribution type:	(a) Taxable income distribution (b) Tax-exempt income distribution
Distribution rate:	<u>11th</u> Distribution for the period from 1 July to 24 September 2019 (a) Taxable income – 1.24 cents per Unit (b) Tax-exempt income – 0.57 cents per Unit  <u>12th</u> Distribution for the period from 25 September to 31 December 2019 (a) Taxable income – 0.72 cents per Unit (b) Tax-exempt income – 1.23 cents per Unit
Distribution amount (\$'000):	(i) 11th Distribution – 24,476 (ii) 12th Distribution - 31,832
Tax rate:	(a) <u>Taxable Income Distribution:</u>  Qualifying investors and individuals (other than those who hold their units through a partnership) will generally receive pre-tax distribution. These distributions are exempt from tax in the hands of individuals unless such distributions are derived through a Singapore partnership or from the carrying on of a trade, business or profession. Such individual unitholders, i.e. to whom the exemption will not apply, must declare the distribution received as income in their tax returns.  Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.  Subject to meeting certain conditions, qualifying foreign non-individual investors and qualifying non-resident funds will receive their distributions after deduction of tax at the rate of 10%.  All other investors will receive their distributions after deduction of tax at the rate of 17%.  (b) <u>Tax-exempt income distribution</u>  Tax-exempt income distribution is exempt from tax in the hands of all Unitholders. Tax-exempt income relates to net taxed income, exempt dividend income and interest income received by Keppel DC REIT.

**(c) Record date**

The Transfer Books and Register of Unitholders of Keppel DC REIT for the 14th Distribution will be closed at 5.00 p.m. on 3 February 2021 for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

**(d) Date payable**

The date the distribution is payable: 8 March 2021

**12 DISTRIBUTION STATEMENT**

If no distribution has been declared / recommended, a statement to that effect.

Other than as disclosed in Paragraph 11(a), no distribution has been declared / recommended.

### 13 SEGMENTAL INFORMATION

<u>By type of asset class (\$'000)</u>	FY 2020			Total
	Colocation	Fully fitted	Shell and core	
Gross revenue	188,523	46,821	30,227	265,571
Net property income	168,973	46,075	29,118	244,166
Finance income	436	-	9	445
Finance costs	(11,338)	(4,419)	(2,890)	(18,647)
Amortisation of intangible assets	(5,627)	-	-	(5,627)
Net change in fair value of investment properties <sup>1</sup>	20,918	7,686	(27,959)	645
<b>Reportable segment profit before tax</b>	<b>173,572</b>	<b>48,251</b>	<b>(4,413)</b>	<b>217,410</b>
<b>Unallocated amounts:</b>				
- Finance costs				(83)
- Other corporate expenses:				(24,577)
<b>Profit before tax</b>				<b>192,750</b>
<u>By type of asset class (\$'000)</u>	Colocation	Fully fitted	Shell and core	Total
<b>Segment assets</b>	1,991,874	561,016	680,192	3,233,082
Other unallocated amounts				116,746
<b>Consolidated assets</b>				<b>3,349,828</b>
<b>Segment liabilities</b>	605,900	303,061	431,834	1,340,795
Other unallocated amounts				26,791
<b>Consolidated liabilities</b>				<b>1,367,586</b>
<b>Other segment items:</b>				
Capital expenditures / Additions	85,583	71	43,879	129,533

<u>By type of asset class (\$'000)</u>	FY 2019			Total
	Colocation	Fully fitted	Shell and core	
Gross revenue	145,752	33,357	15,717	194,826
Net property income	129,387	33,057	14,839	177,283
Finance income	1,123	32	27	1,182
Finance costs	(9,396)	(4,697)	(2,252)	(16,345)
Amortisation of intangible assets	(4,363)	-	-	(4,363)
Net change in fair value of investment properties <sup>1</sup>	(14,848)	(2,889)	1,789	(15,948)
<b>Reportable segment profit before tax</b>	<b>102,248</b>	<b>23,710</b>	<b>11,948</b>	<b>137,906</b>
<b>Unallocated amounts:</b>				
- Finance costs				(215)
- Other corporate expenses:				(13,991)
<b>Profit before tax</b>				<b>123,700</b>
<u>By type of asset class (\$'000)</u>	Colocation	Fully fitted	Shell and core	Total
<b>Segment assets</b>	1,880,917	533,789	448,178	2,862,884
Other unallocated amounts				65,110
<b>Consolidated assets</b>				<b>2,927,994</b>
<b>Segment liabilities</b>	508,399	286,952	187,376	982,727
Other unallocated amounts				42,719
<b>Consolidated liabilities</b>				<b>1,025,446</b>
<b>Other segment items:</b>				
Capital expenditures / Additions	50,892	3,739	2,363	56,994

**Note:**

1 Pertains to the effects of recognising rental income on a straight-line basis over the lease terms and the revaluation gains/losses of the Group's investment properties based on independent valuations obtained from third party valuers.

### 13 SEGMENTAL INFORMATION (CONT'D)

#### By geographical area

	FY 2020	FY 2019
<u>Gross Revenue</u>	\$'000	\$'000
- Singapore	161,711	107,397
- Australia	29,101	29,099
- Ireland	26,129	22,061
- Germany	21,805	9,925
- Other countries	26,825	26,344
<b>Total gross revenue</b>	<b>265,571</b>	<b>194,826</b>

#### Major Customers

Revenue of \$154.9 million (2019: \$116.0 million) were derived from 2 separate clients from Singapore and Australia (2019: Singapore and Australia).

	FY 2020	FY 2019
<u>Investment Properties</u>	\$'000	\$'000
- Singapore	1,711,057	1,665,518
- Australia	307,946	286,798
- Ireland	296,684	201,942
- Germany	277,296	137,119
- Other countries	412,055	345,649
<b>Total value of investment properties</b>	<b>3,005,038</b>	<b>2,637,026</b>

### 14 MATERIAL CHANGES IN CONTRIBUTION BY OPERATING SEGMENTS

In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Refer to paragraph 8 on the review of performance.

### 15 BREAKDOWN OF SALES

	FY 2020	FY 2019	+/( - )
	\$'000	\$'000	%
<b>First half year</b>			
Gross revenue reported	123,950	95,493	29.8
Profit after tax	84,327	60,797	38.7
<b>Second half year</b>			
Gross revenue reported	141,621	99,333	42.6
Profit after tax <sup>1</sup>	92,964	68,438	35.8

#### **Note:**

1 Profit after tax excludes net losses of \$5.6 million relating to net fair value gains and their related deferred tax impact (2H 2019: net losses of \$18.1 million relating to net fair value losses and their related deferred tax impact) of the investment properties. These fair value changes and their related deferred taxes had no impact on the distributable income to Unitholders.

## 16 INTERESTED PERSON TRANSACTIONS

Name of Interested Persons	Aggregate value of all interested person transaction during the financial period under review (excluding transactions less than \$100,000)	
	FY 2020 \$'000	FY 2019 \$'000
<b>Temasek Holdings Group</b>		
- Rental income in relation to a supplementary deed	-	73,580
- Rental income	18,094	2,985
- Professional and consultancy fees	-	165
<b>Keppel Corporation Limited and its subsidiaries</b>		
- Purchase consideration of 99% interest in KDC SGP 4	503	392,848
- Manager's acquisition and development management fees	4,853	5,937
- Manager's management fees	21,677	16,012
- Fixed rental income	-	144,476
- Variable rental income	103,979	76,109
- Rental top up income	5,626	363 <sup>1</sup>
- Facility management fees	4,543	3,075
- Support services fees	850	581
- Recoverables in relation to an obligation assumed	13,161	-
<b>Keppel Infrastructure Trust and its subsidiaries</b>		
- Acquisition of an interest in DC1	-	104,255
<b>Perpetual (Asia) Limited</b>		
- Trustee fees	341	311

<sup>1</sup> With reference to the FY2019 annual report, the rental top up income should be \$363,000.

Keppel DC REIT has not obtained a general mandate from Unitholders for Interested Person Transactions for the financial period under review.

## 17 BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	FY 2020 \$'000	FY 2019 \$'000
1 January 2019 to 30 June 2019	-	52,057
1 July 2019 to 31 December 2019	-	56,305
1 January 2020 to 30 June 2020	<b>71,440</b>	-
1 July 2020 to 31 December 2020	<b>78,308</b>	-
	<b>149,748</b>	108,365

**18 CONFIRMATION THAT THE ISSUER HAS PROCURED UNDERTAKINGS FROM ALL ITS DIRECTORS AND EXECUTIVE OFFICERS UNDER RULE 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

**19 DISCLOSURE OF PERSON OCCUPYING A MANAGERIAL POSITION**

Pursuant to Rule 704(13) of the Listing Manual of the SGX-ST, we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this announcement 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 developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel DC REIT (“Unitholders”) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the “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 announcement. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection with this announcement. 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 in Keppel DC REIT (“Units”) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. 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 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.

**By Order of the Board**  
**Keppel DC REIT Management Pte. Ltd.**  
**(Company Registration Number: 199508930C)**  
**As Manager of Keppel DC REIT**

Tan Weiqiang, Marc

Company Secretary  
26 January 2021



The logo for Keppel DC REIT, featuring the word "Keppel" in white on a grey background, followed by "DC REIT" in red. The background of the slide is a server room with blue lighting and a red diagonal graphic.

**Keppel DC REIT**

# Second Half and Full Year 2020 Financial Results

26 January 2021

# Contents

- Key Highlights
- Financial Performance
- Capital Management
- Portfolio Update
- Outlook

## Constituent of:



FTSE Straits  
Times Index



FTSE EPRA Nareit  
Global Developed Index



MSCI Singapore  
Small Cap Index



GPR 250  
Index Series

## Awards and Accreditations:



# Key Highlights

## Strengthened European Presence

with 3 acquisitions in FY 2020

Increased AUM by 15.4% y-o-y to

**Approx. \$3.0 billion**

as at 31 Dec 2020

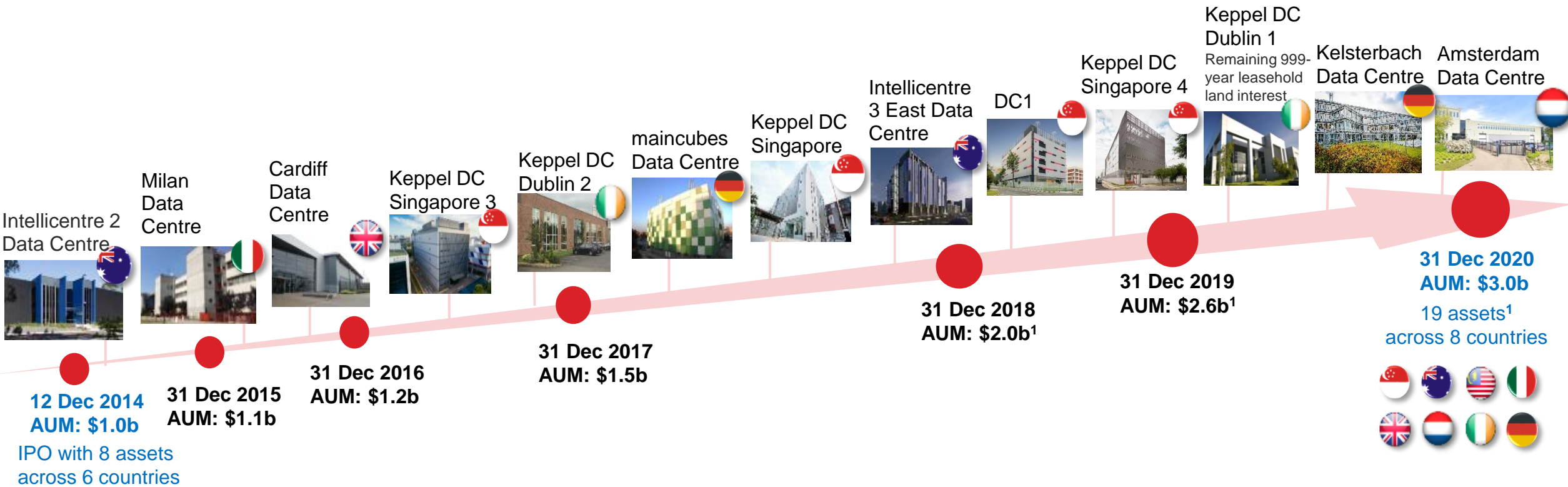
Total Unitholder returns of

**38.4%** in FY 2020 and

311.6% since listing as at 31 Dec 2020

- **Strong financial performance supported by new acquisitions**  
DPU increased 20.5% y-o-y to 9.170 cents while Distributable Income increased 38.6% to \$156.9m in FY 2020
- **Proactive asset management to improve portfolio returns**  
Fitout works to convert unutilised space to data centre space, improve energy efficiency at various facilities and leasing of vacant space
- **Resilient asset class and stable portfolio matrices provide income visibility**  
Healthy portfolio occupancy of 97.8% and long WALE of 6.8 years
- **Maintain investment focus**  
Continue to pursue growth opportunities, diversify risks and maintain growth momentum

# Steady Portfolio Growth Since Listing



<sup>1</sup> Exclude Intellicentre 3 East Data Centre which development is expected to be completed in 1H 2021.

# Strengthened Foothold in the Netherlands with Acquisition



**DPU-accretive acquisition**



**Supports income resilience**



**Established DC location**



**Positive market outlook**

- **Acquired a data centre and office facility:** Data centre is on a double-net lease while the majority of the office spaces is leased to data centre and IT services firms
- **Well-located in the Schiphol business park in the Amsterdam Metropolitan Area**
  - A point of presence for the Amsterdam Internet Exchange, one of the world's largest in terms of connection and traffic
- **Strong market outlook with limited new supply in Amsterdam**
  - Strong demand from hyperscale cloud providers
  - Amsterdam is one of the four main data centre hubs in Europe; benefits from central location between the UK, Germany, and the Scandinavian region

## Amsterdam Data Centre

Total net lettable area	141,698 sq ft
Occupancy	99.1%
WALE	4.5 years
Land lease title	Freehold
Purchase Price	€30m (approx. S\$48.1m)
Funding	Fully funded by Euro-denominated loan

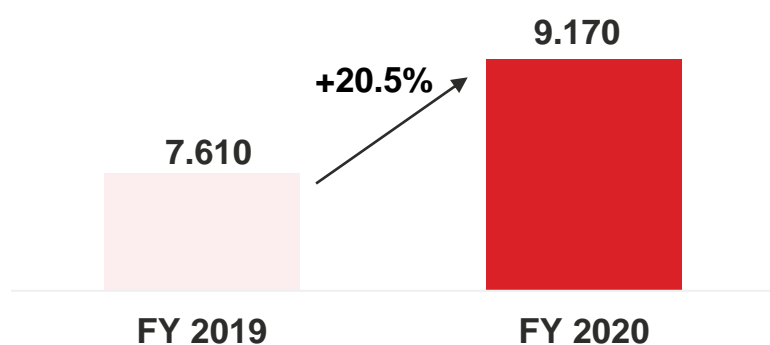


Amsterdam Data Centre

# Financial Performance

# Distributable Income

Distribution Per Unit (cents)<sup>1</sup>



## Distribution

for the period from 1 Jul to 31 Dec 2020

**DPU** 4.795 cents

**Ex-Date** 2 Feb 2021

**Record Date** 3 Feb 2021

**Payment Date** 8 Mar 2021

(\$'000)	2H 2020	2H 2019	+ / (-) %	FY 2020	FY 2019	+ / (-) %
<b>Distributable Income to Unitholders</b>	81,935	58,892	39.1	156,915	113,245	38.6
<b>Comprising</b>						
<b>Gross Revenue</b>	141,621	99,333	42.6	265,571	194,826	36.3
<b>Property Expenses</b>	(11,672)	(8,540)	36.7	(21,405)	(17,543)	22.0
<b>Net Property Income</b>	129,949	90,793	43.1	244,166	177,283	37.7
<b>Distribution per Unit<sup>1</sup> (DPU) (cents)</b>	<b>4.795</b>	<b>3.760</b>	<b>27.5</b>	<b>9.170</b>	<b>7.610<sup>2</sup></b>	<b>20.5</b>
<b>Adjusted DPU<sup>2</sup>(cents)</b>	<b>4.795</b>	<b>3.860</b>	<b>24.2</b>	<b>9.170</b>	<b>7.710</b>	<b>18.9</b>
<b>Distribution Yield<sup>3</sup> (%)</b>				3.26	2.71	55bps

1. Exclude an amount of capital expenditure that has been set aside.
2. Exclude the impact of the pro-rata preferential offering in Oct 2019.
3. Based on FY 2020's closing price of \$2.810 per Unit.

# Balance Sheet

(\$'000)	As at 31 Dec 2020	As at 31 Dec 2019	+ / (-) %
<b>Investment Properties</b>	3,005,038	2,637,026	+14.0
<b>Property under development</b>	24,676	-	Nm
<b>Total Assets</b>	3,349,828	2,927,994	+13.9
<b>Gross Borrowings<sup>1</sup></b>	1,165,756	870,388	+35.0
<b>Total Liabilities</b>	1,367,586	1,025,446	+31.9
<b>Unitholders' Funds</b>	<b>1,944,652</b>	<b>1,868,018</b>	<b>+4.1</b>
<b>Units in Issue ('000)</b>	1,633,121	1,632,395	-
<b>Net Asset Value (NAV) per Unit (\$)</b>	1.19	1.14	+4.4
<b>Unit Price (Closing price of last trading day) (\$)</b>	2.81	2.08	+35.1
<b>Premium to NAV (%)</b>	+136.1	+82.5	53.6pp

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



# Aggregate Leverage

(\$'000)	As at 31 Dec 2020	As at 31 Dec 2019	+/(-) %
Investment Properties <sup>1</sup> <i>(excluding lease liabilities commitments)</i>	3,005,559	2,585,178	+16.3
Deposited Properties <sup>1</sup> <i>(excluding lease liabilities commitments)</i>	3,287,441	2,838,306	+15.8
Gross Borrowings + Deferred Payment	1,190,432	870,388	+36.8
<b>Aggregate Leverage<sup>2</sup></b>	<b>36.2%</b>	<b>30.7%</b>	<b>550bps</b>

1. Investment properties relates to carrying value and deposited properties relates to total assets as stipulated in the Property Fund Appendix in CIS Code, without considering lease liabilities pertaining to land rent commitments and options.
2. Aggregate Leverage was computed based on gross borrowings and deferred payment as a percentage of the deposited properties (Note 1). Taking into consideration lease liabilities pertaining to land rent commitments and options, the Aggregate Leverage will be 36.7% (2019: 31.9%).

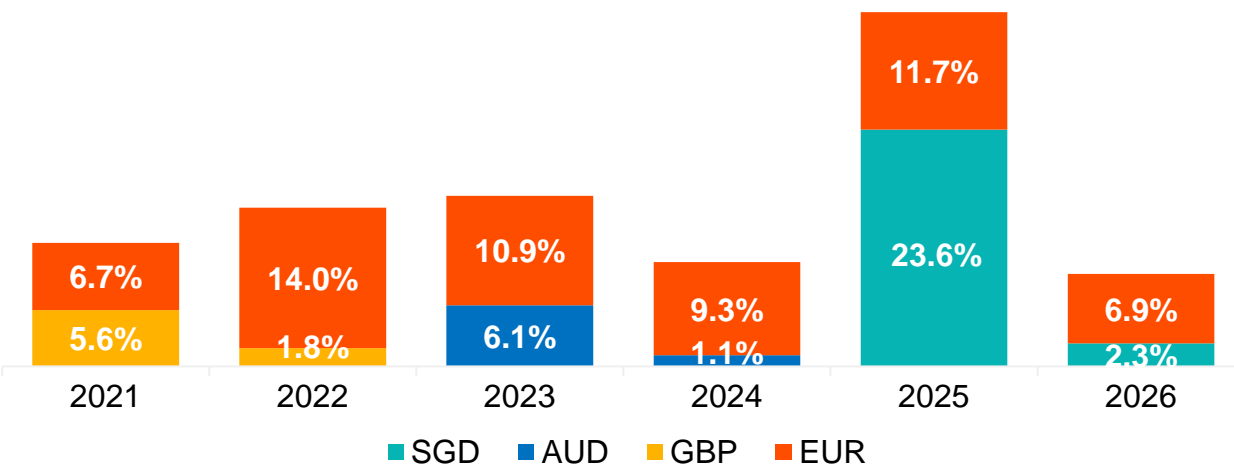
# Capital Management

# Prudent Capital Management

- Updated \$500m MTN Programme to \$2b Debt Issuance Programme in Jan 2021
- Refinanced A\$13.2m loan to 2024 and obtained new \$150m 6-year revolving credit facility in 2H 2020

## Debt Maturity Profile

(as at 31 Dec 2020)



## As at 31 Dec 2020

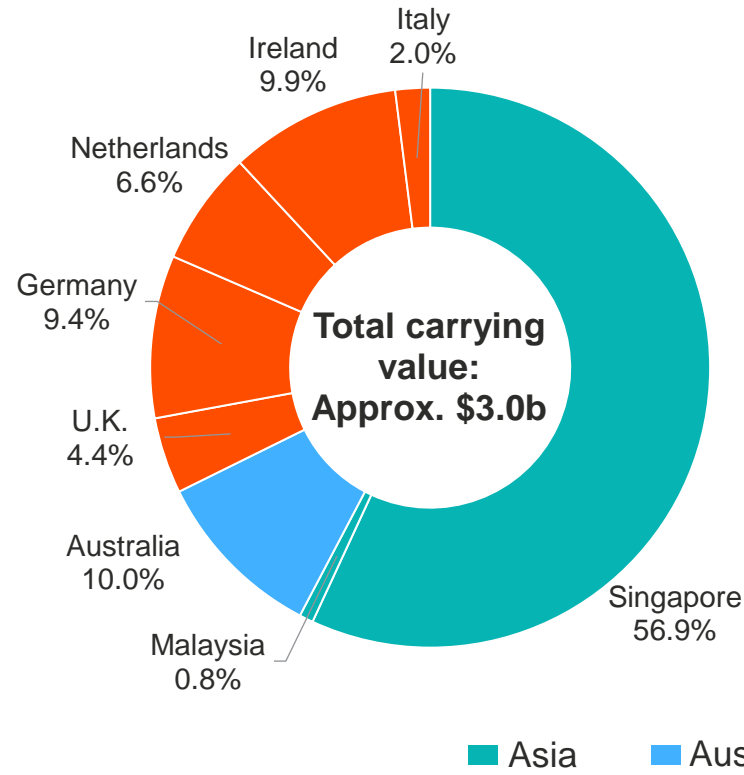
<b>Total debt<sup>1</sup></b>	~\$1,165.8m of external loans/notes
<b>Available facilities</b>	~\$402.3m of unutilised credit facilities
<b>Aggregate leverage<sup>2</sup></b>	36.2%
<b>Average cost of debt<sup>3</sup></b>	1.6% per annum
<b>Debt tenor</b>	3.2 years
<b>Interest coverage<sup>4</sup></b>	13.3 times

1. All the external loans/notes were unencumbered, with the exception of the \$15.4m secured bank borrowings taken over as part of the Amsterdam DC acquisition which have been repaid in early Jan 2021.
2. Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent commitments and options.
3. Including amortisation of upfront debt financing costs and excluding lease charges.
4. Interest Coverage Ratio disclosed above is computed based on the definition set out in Appendix 6 of the Code on Collective Investment Schemes revised on 16 April 2020.

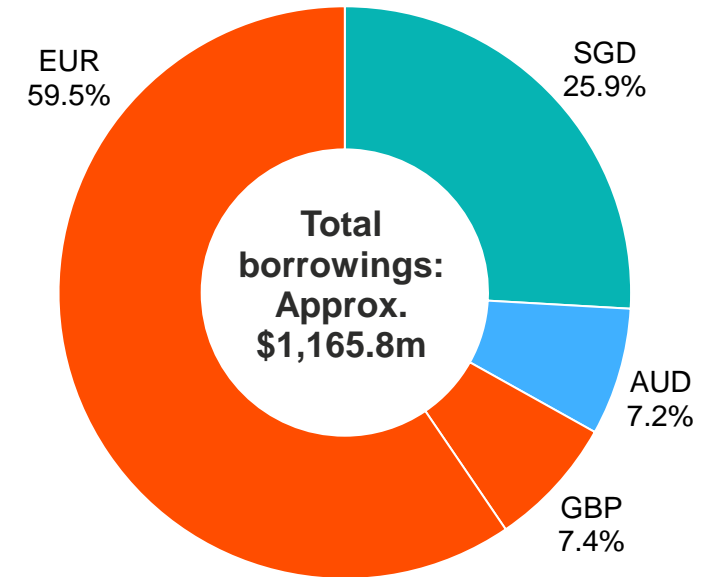
# Prudent Capital Management

- **Managing interest rate exposure:**  
63% of loans hedged with floating-to-fixed interest rate swaps, with the remaining unhedged borrowings mostly in EUR
- **Mitigating impact of currency fluctuations:**
  - Hedged forecasted foreign-sourced distributions till 1H 2022 through foreign currency forward contracts
  - Adopted natural hedging by borrowing in currencies that match the corresponding investments

**Investment properties breakdown<sup>1</sup>**  
(as at 31 Dec 2020)



**Debt currency breakdown**  
(as at 31 Dec 2020)



# Portfolio Update

# Leveraging Strong Demand for Data Centres

**Stable income stream with high portfolio occupancy and long WALE**

**Portfolio Occupancy**

**97.8%**

as at 31 Dec 2020

**Portfolio WALE**

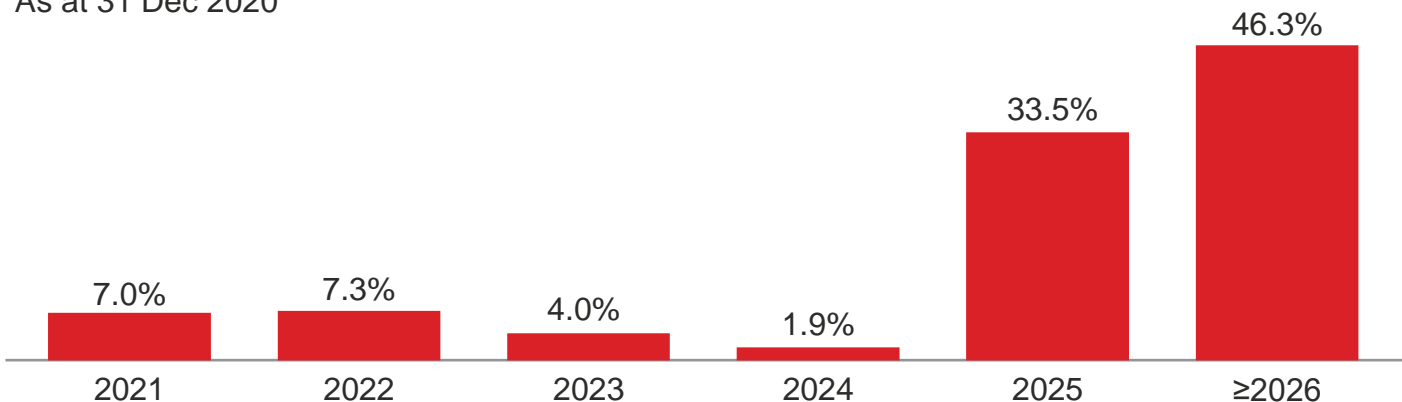
**6.8 years**

by leased area

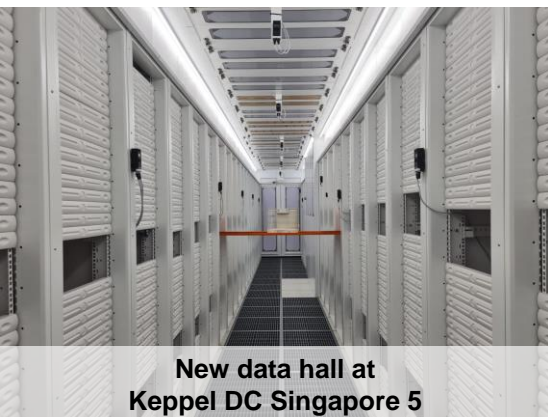
- **Achieved 100% occupancy at Keppel DC Singapore 5**, following the completion of asset enhancement works in Dec 2020, up from 84.2% as at 30 Sep 2020
- **Secured a tenant expansion at Keppel DC Singapore 1**, increasing occupancy from 89.2% as at 30 Sep 2020 to 91.1% as at 31 Dec 2020, following a client expansion
- **Secured a new tenant at Keppel DC Singapore 2**, increasing occupancy from 93.5% as at 30 Sep 2020 to 98.2% as at 31 Dec 2020

## Lease expiry profile (by leased area)

As at 31 Dec 2020

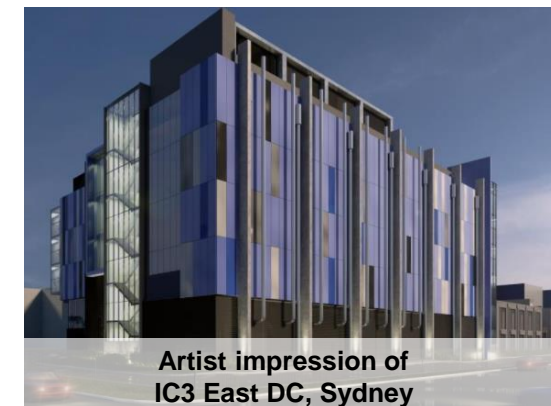


# Proactive Asset Enhancement Initiatives



New data hall at Keppel DC Singapore 5

- **Keppel DC Singapore 5:** Completed fit out of a new data hall, which was handed over to the client in Dec 2020
- Continued progress on the development of **Intellicentre 3 East Data Centre (IC3 East DC)**, as well as AEI works at **DC1** and **Keppel DC Dublin 2**



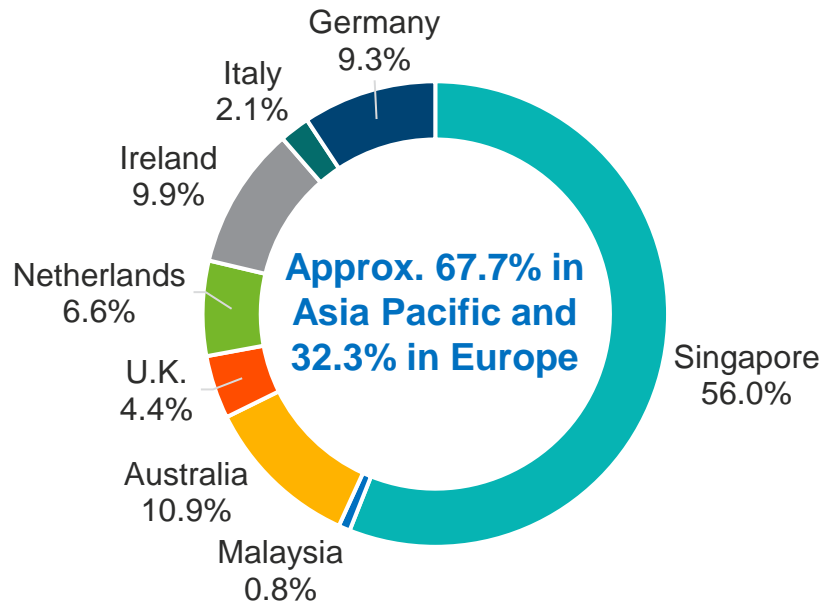
Artist impression of IC3 East DC, Sydney

Assets	Details	Estimated Costs	Estimated Completion
<b>Under development</b>			
IC3 East DC, Sydney	<ul style="list-style-type: none"> <li>▪ Building on vacant land within Intellicentre 2 Data Centre (IC2 DC) site</li> <li>▪ New 20-year triple net master lease with Macquarie Telecom for IC2 DC and IC3 East DC to commence upon development completion</li> </ul>	A\$26.0-A\$36.0m	1H 2021
<b>Asset enhancement initiatives</b>			
DC1, Singapore	<ul style="list-style-type: none"> <li>▪ Fitting out shell &amp; core space for client expansion</li> </ul>	Up to \$56.6m	1Q 2021
Keppel DC Dublin 2	<ul style="list-style-type: none"> <li>▪ Converting additional space into a data hall</li> <li>▪ Additional data hall has been committed by an existing client in the facility; IT power fully contracted</li> </ul>	€12.0m	1H 2021

- Quality data centres that cater to the requirements of global clientele

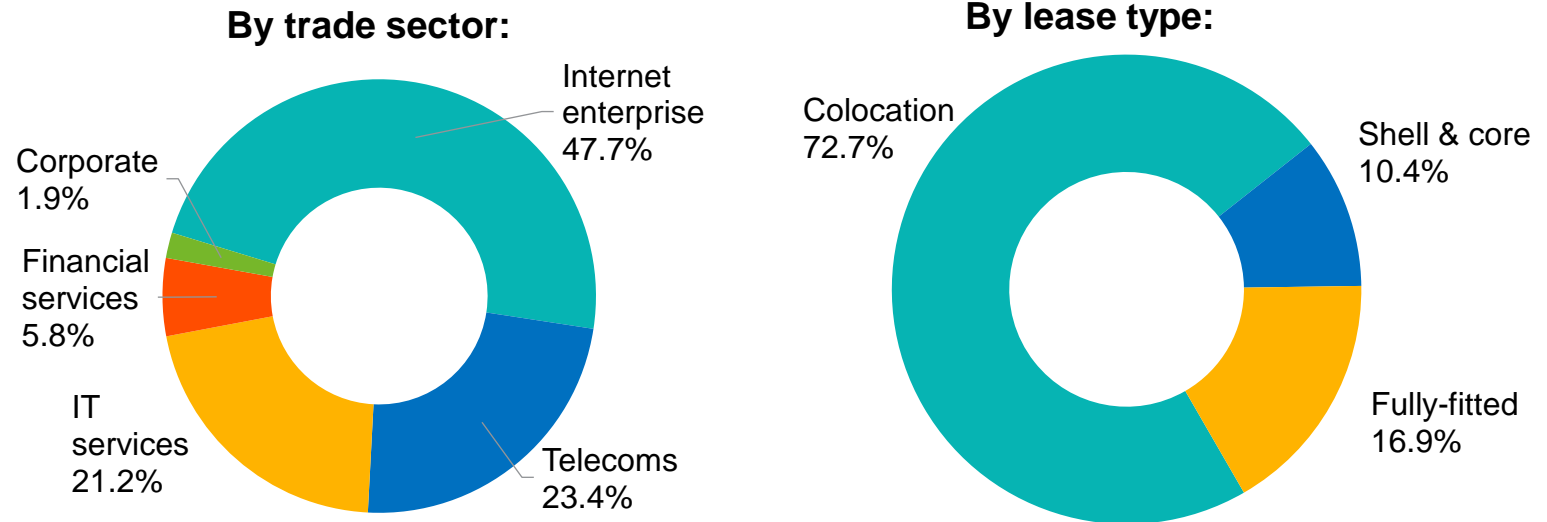
- Colocation facilities provide diverse client profile and lease expiry
- Fully-fitted and shell & core facilities provide income stability with typically longer lease terms

**Portfolio AUM breakdown**  
(as at 31 Dec 2020)



# Diversified and Resilient Portfolio

**Rental income breakdown**  
(for Dec 2020<sup>1</sup>)



Lease Type	Client Count	WALE <sup>2</sup> (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.7	✓	✓	-
Fully-fitted	Single	11.2	✓	-	-
Shell & core	Single	7.3	-	-	-

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 2020.



# Outlook

# Strong and Resilient Data Centre Demand

- Hyperscale operators generated over 80% of their 9M 2020 revenues from cloud, digital services and online activities, all of which have seen COVID-19 related boosts<sup>1</sup>
- Hyperscale operator capex sets new record of US\$100b in 9M 2020, an increase of 16% from 2019<sup>1</sup>
- Global colocation market grew by 15% in 2020 amid the pandemic, as data centres continued to be seen as a critical infrastructure<sup>2</sup>



**APAC data centre spending** to surpass US\$35b by 2024 to account for >35% of global market<sup>2</sup>



**>70% of all hyperscale data centres** are located in facilities that are leased or owned by partners<sup>1</sup>



**Smartphone subscription** estimated at 6.1b by end-2020 and forecasted to reach 7.5b in 2026<sup>3</sup>



**European data centre market** to grow by >40% to over US\$25b by 2024, despite limited new supply<sup>2</sup>



**Enterprise spending on cloud infrastructure** expected to grow by 22%<sup>2</sup> CAGR over next 5 years



**5G subscriptions are expected to reach 3.5 billion in 2026**, and account for an estimated 54% of total mobile data<sup>3</sup>

# 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



Fast-growing  
asset class



Resilient  
income stream



Focused  
investment strategy



Prudent  
capital management




# Thank You

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

# Additional Information

# Portfolio Overview (as at 31 Dec 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients <sup>1</sup>	Occupancy rate (%)	Valuation <sup>2</sup>	Lease type	WALE (years)	Land lease title
<b>Asia Pacific</b>									
Keppel DC Singapore 1	Singapore	100%	109,721	23	91.1	S\$298.0m	Keppel lease / Colocation	4.0	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	5	98.2	S\$174.0m	Keppel lease / Colocation	1.6	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
Keppel DC Singapore 3	Singapore	90%	49,433	2	100.0	S\$238.5m	Keppel lease / Colocation	1.4	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S\$386.1m	Keppel lease / Colocation	1.6	Leasehold (Expiring 30 Jun 2050)
Keppel DC Singapore 5	Singapore	99%	92,889	3	100.0	S\$356.4m	Keppel lease / Colocation	2.0	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100.0	S\$212.0m	Triple-net (Fully-fitted/ Shell & core)	15.3	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 71.3m (S\$23.4m)	Colocation	1.5	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A\$208.5m (S\$205.8m)	Triple-net (Shell & core) / Colocation	4.4	Freehold
iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	A\$35.0m (S\$34.5m)	Double-net <sup>3</sup> (Fully-fitted)	10.5	Leasehold (Expiring 29 Jun 2040, with option to extend by 7 years)

# Portfolio Overview (as at 31 Dec 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients <sup>1</sup>	Occupancy rate (%)	Valuation <sup>2</sup>	Lease type	WALE (years)	Land lease title
Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	A\$59.0m (S\$58.2m)	Triple-net (Shell & core)	14.6	Freehold
Intellicentre 3 East Data Centre <sup>4</sup>	Sydney, Australia	100%	Min. 86,000	1	100.0 <sup>5</sup>	A\$26.0-A\$36.0m (development costs)	Triple-net (Shell & core)	20.0	Freehold
<b>Europe</b>									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£36.5m (S\$65.1m)	Triple-net (Shell & core)	10.5	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£37.2m (S\$66.3m)	Triple-net (Fully-fitted)	6.1	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, Netherlands	100%	118,403	1	100.0	€94.2m (S\$150.9m)	Double-net (Fully-fitted)	7.7	Freehold
Amsterdam Data Centre	Schiphol-Rijk, Netherlands	100%	141,698	10	99.1	€28.0m (S\$44.9m)	Double-net (Shell & core)	4.5	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	27	81.2	€95.9m (S\$153.7m)	Colocation	3.5	Leasehold (Expiring 31 Dec 2998)
Keppel DC Dublin 2	Dublin, Ireland	100%	25,652	4	100.0	€89.3m (S\$143.0m)	Colocation	7.9	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€38.2m (S\$61.2m)	Double-net (Shell & core)	7.0	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€94.1m (S\$150.7m)	Triple-net (Fully-fitted)	12.2	Freehold
Kelsterbach Data Centre	Kelsterbach, Germany	100%	540,869	1	100.0	€79.0m (S\$126.6m)	Triple-net (Shell & core)	5.0	Freehold

1. Certain clients have signed more than one colocation arrangement using multiple entities.

2. Based on latest respective independent valuations and respective ownership interests as at 31 Dec 2020, unless otherwise stated.

3. Keppel DC REIT has in place the isek Lease with the client of isek Data Centre. While the isek 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 1H 2021; Facility will be fully leased to Macquarie Telecom upon completion.

# Portfolio Valuation

	31 Dec 2020	31 Dec 2019
<b>Capitalisation Approach</b>		
Capitalisation Rate	4.95% - 10.12%	5.50% - 10.25%
<b>Discounted Cash Flow Approach</b>		
Discount Rate	5.04% - 11.50%	4.75% - 12.00%
Terminal Yield Rate	5.25% - 14.35%	4.75% - 15.00%



# Overview of Lease Arrangements

Asia Pacific	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Keppel DC Singapore 1	Keppel lease <sup>1</sup> / Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent</li> <li>Owner: Bears all expenses; responsible for facilities management</li> </ul>	✓	✓	✓	✓
Keppel DC Singapore 2	Keppel lease <sup>1</sup> / Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent</li> <li>Owner: Bears all expenses; responsible for facilities management</li> </ul>	✓	✓	✓	✓
Keppel DC Singapore 3	Keppel lease <sup>1</sup> / Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent</li> <li>Owner: Bears all expenses; responsible for facilities management</li> </ul>	✓	✓	✓	✓
Keppel DC Singapore 4	Keppel lease <sup>1</sup> / Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent</li> <li>Owner: Bears all expenses; responsible for facilities management</li> </ul>	✓	✓	✓	✓
Keppel DC Singapore 5	Keppel lease <sup>1</sup> / Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent</li> <li>Owner: Bears all expenses; responsible for facilities management</li> </ul>	✓	✓	✓	✓
DC1	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings except insurance for the shell of the building, responsible for facilities management</li> </ul>	-	✓	-	-
Basis Bay Data Centre	Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent; responsible for facilities management</li> <li>Owner: Bears pre-agreed facilities management amount, insurance and property tax</li> </ul>	✓	✓	✓	✓
Gore Hill Data Centre (for one client)	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings; responsible for facilities management in their space</li> </ul>	-	-	-	-
Gore Hill Data Centre (for two clients)	Colocation <sup>2</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent</li> <li>Owner: Bears all expenses; responsible for facilities management</li> </ul>	✓	✓	✓	✓
Intellicentre 2 Data Centre	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings; responsible for facilities management</li> </ul>	-	-	-	-
Intellicentre 3 East Data Centre <sup>4</sup> (under development)	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings; responsible for facilities management</li> </ul>	-	-	-	-
iseek Data Centre	Double-net lease <sup>3</sup>	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings except building insurance; responsible for facilities management</li> </ul>	-	✓	-	✓

# Overview of Lease Arrangements

Europe	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	✓	✓	-	-
Amsterdam 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 <sup>2,5</sup>	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation <sup>2,5</sup>	■ 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	-	-	-	-
Kelsterbach 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 in relation to Keppel DC Singapore 1, Keppel DC Singapore 2, Keppel DC Singapore 3, Keppel DC Singapore 4 and Keppel DC Singapore 5 respectively. 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. 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.
3. Keppel DC REIT has in place the isseek Lease with the client of isseek Data Centre. While the isseek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.
4. This development is expected to be completed in 1H 2021; Facility will be leased to Macquarie Telecom upon completion.
5. 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

as at 31 Dec 2020

