Keppel DC REIT

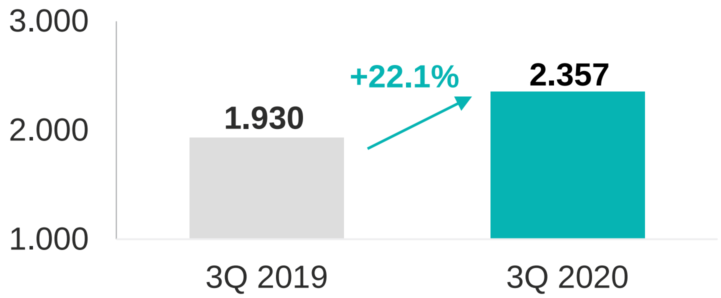
3Q 2020 Operational Updates

20 October 2020

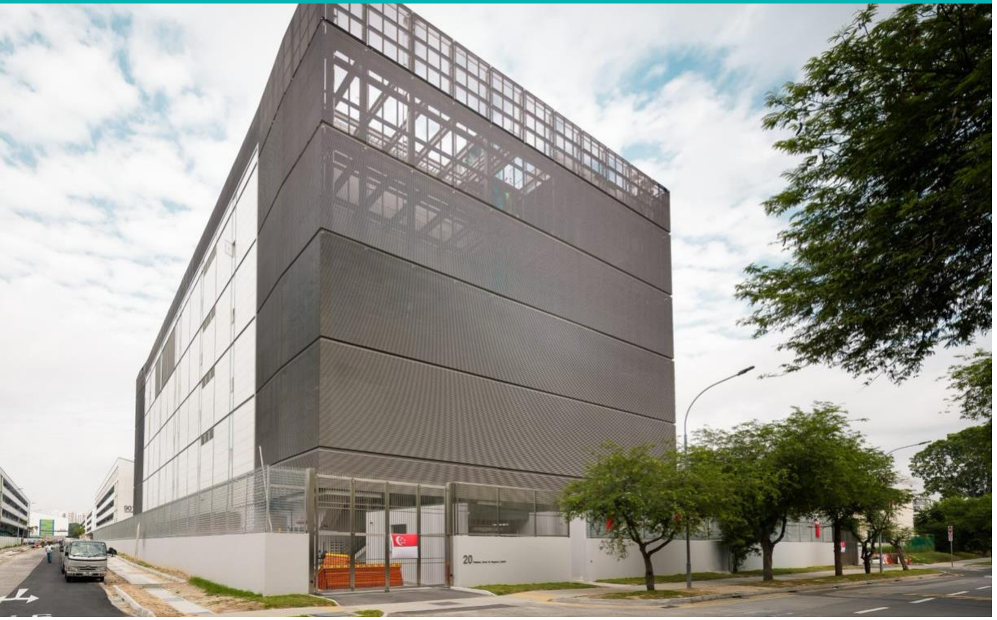
Key Highlights

- **Inclusion in the benchmark Straits Times Index (STI) in Oct 2020**
- **Continued to deliver strong financial performance**
  DPU increased 22.1% y-o-y to 2.357 cents while Distributable Income increased 47.6% to $40.5m in 3Q 2020
- **Strong leasing momentum**
  New take-ups at colocation facilities in Singapore and Dublin, and secured early lease renewal at iSeek Data Centre in Brisbane, Australia
- **Resilient asset class and stable portfolio matrices provide income visibility**
  Healthy portfolio occupancy of 96.7% and long WALE of 7.2 years
- **Maintain investment focus**
  Continue to pursue growth opportunities, diversify risks and maintain growth momentum

Distribution Per Unit (cents)



DPU increased 22.1% y-o-y in 3Q 2020, supported by new acquisitions



Continued to Deliver Strong Returns

($'000)	3Q 2020	3Q 2019	% Change	9M 2020	9M 2019	% Change
Gross Revenue	67,666	46,354	+46.0	191,616	141,846	+35.1
Net Property Income	62,370	42,269	+47.6	176,587	128,758	+37.1
Distributable Income[1]	40,482	27,427	+47.6	115,462	81,780	+41.2
Distribution per Unit (DPU)[2] (cents)	2.357	1.930	+22.1	6.732	5.780	+16.5

Healthy Balance Sheet

	30 Sep 2020	31 Dec 2019	% Change
Unitholders' Funds ($'000)	1,900,975	1,868,018	+1.8
Units in Issue ('000)	1,633,028	1,632,395	-
Net Asset Value (NAV) per Unit ($)	1.16	1.14	+1.8
Unit Price ($)	2.91	2.08	+39.9
Premium to NAV (%)	+150.9	+82.5	+68.4pp

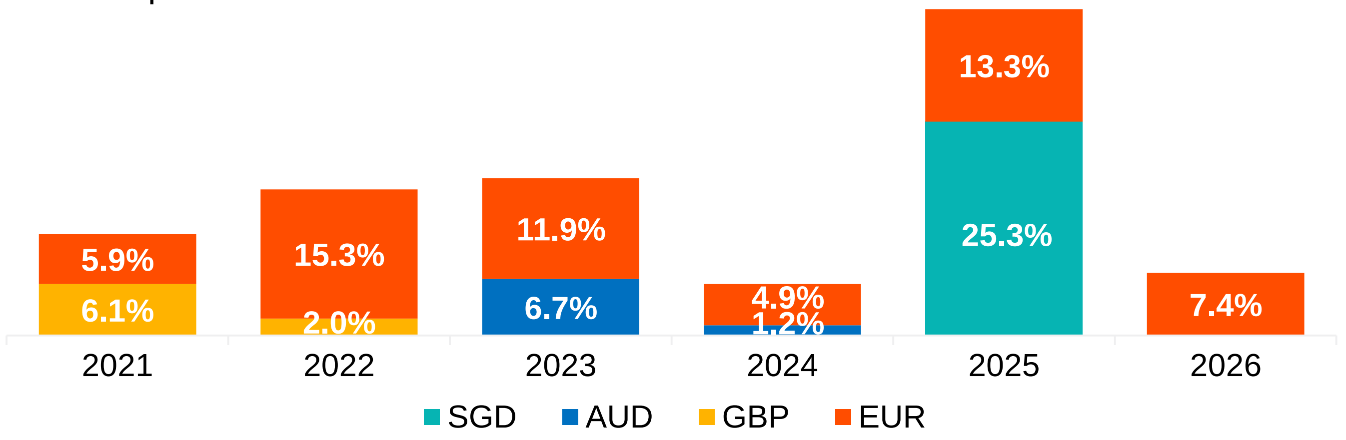
1. Distributable Income includes Capex Reserves. Keppel DC REIT declares distributions on a half-yearly basis. No distribution has been declared for the quarter ended 30 September 2020.
2. Excludes an amount of Capex Reserves that has been set aside.

Prudent Capital Management

- **Refinanced AUD 13.2m loan to 2024 and obtained new SGD 150m 6-year revolving credit facility**
- **Manage interest rate exposure:** 68% of loans hedged with floating-to-fixed interest rate swaps, with the remaining unhedged borrowings in EUR
- **Mitigate impact of currency fluctuations** by hedging forecasted foreign-sourced distributions till 1H 2022 with foreign currency forward contracts

Debt Maturity Profile

As at 30 Sep 2020



As at 30 Sep 2020	
Total debt	~$1.08b of external loans/notes (unencumbered)
Available facilities	~$481.4m of undrawn credit facilities
Aggregate leverage[1]	35.2%
Average cost of debt[2]	1.6% per annum
Debt tenor	3.4 years
Interest coverage[3]	12.7 times

1. 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.
2. Including amortisation of upfront debt financing costs and excluding lease charges.
3. 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.

Proactive Leasing Efforts

- **Keppel DC Singapore 1:** Client expansion, increasing occupancy from 89.2% as at 30 Jun 2020 to 91.0% as at 1 Oct 2020
- **Keppel DC Singapore 2:** Secured new client, increasing occupancy from 93.5% as at 30 Jun 2020 to 98.2% as at 1 Oct 2020
- **Keppel DC Dublin 1:** Secured new client following practical completion of AEI works, increasing occupancy from 63.3% as at 30 Jun 2020 to 81.1% as at 30 Sep 2020
- **Keppel DC Dublin 2:** Additional data hall being fitted out has been committed by an existing client in the facility; IT power fully contracted
- **iSeek Data Centre:** Secured early lease renewal, increasing asset WALE from 6 years as at 30 Jun 2020 to 10.7 years as at 30 Sep 2020

Stable income stream with healthy portfolio occupancy and long WALE

Portfolio Occupancy

96.7%

as at 30 Sep 2020

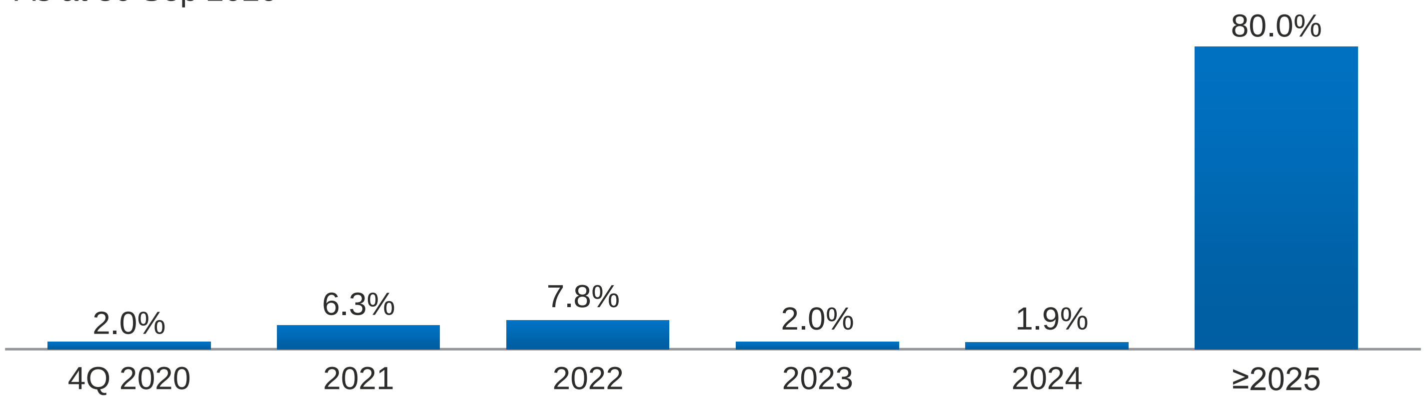
Portfolio WALE

7.2 years

by leased area

Lease expiry profile (by leased area)

As at 30 Sep 2020



Business Updates

Closely Monitoring AEI Works

- **Keppel DC Dublin 1:** Practical completion of AEI works
- **DC1:** Completion of fitout works delayed to 1H 2021 due to COVID-19
- **IC3 East DC:** Topped out in Oct 2020, on track for completion in 1H 2021
- AEI works at **Keppel DC Singapore 5** and **Keppel DC Dublin 2** on track for completion in 1H 2021, subject to COVID-19 developments

Assets	Details	Estimated Costs	Estimated Completion[1]
Under development			
Intellicentre 3 East Data Centre (IC3 East DC), Sydney	▪ Building on vacant land within Intellicentre 2 Data Centre (IC2 DC) site ▪ New 20-year triple net master lease with Macquarie Telecom for IC2 DC and IC3 East DC to commence upon development completion	A$26.0-A$36.0m	1H 2021
Asset enhancement initiatives			
Keppel DC Singapore 5	▪ Converting vacant non-DC space to DC space and increase power capacity	$29.9m	1H 2021
DC1, Singapore	▪ Fitting out shell & core space for client expansion	Up to $56.6m	1H 2021
Keppel DC Dublin 2	▪ Converting additional space into a data hall	€12.0m	1H 2021

1. Subject to further delays due to COVID-19.

Resilient Asset Class that Supports the Digital Economy

- COVID-19 and the changes in working practices accelerated shift to hosted and cloud collaboration solutions[1]
- Cloud is increasingly dominating the IT landscape: Annual spending on cloud services expected to double in under four years[1]
- COVID-19 has accelerated the move to keep data in-country due to stricter border controls as well as more stringent security and data sovereignty regulations[2]

APAC data centre spending to surpass US$30b by 2023 to account for >30% of global market[2]

Global colocation market expected to grow by 15%[2] in 2020

>70% of all hyperscale data centers are located in facilities that are leased or owned by partners[1]

European data centre market to grow by >40% to over US$20b by 2023, despite limited new supply[2]

Enterprise spending on cloud infrastructure expected to grow by 22%[2] CAGR over next 5 years

Global mobile data traffic expected to increase by 31% annually from 2019 to 2025[3]

Sources: 1. Synergy Research (Sep 2020); 2. Danseb Consulting (formerly Broadgroup Consulting) (Oct 2020); 3. Ericsson (Jun 2020)

Well-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

Investment merits

✓ Fast-growing asset class

✓ Resilient income stream

✓ Focused investment strategy

✓ Prudent capital management

Steady DPU growth since listing

Stable income stream with portfolio occupancy of 96.7% and long WALE of 7.2 years

Constituents of the Straits Times Index and FTSE EPRA Nareit Global Developed Index

Low aggregate leverage of 35.2%[1] provides financial flexibility to pursue growth

Limited interest rate exposure with 68% of borrowings hedged over the entire loan term, with the remaining unhedged borrowings in EUR

Forecasted foreign-sourced distributions hedged till 1H 2022 through foreign currency forward contracts

1. Aggregate Leverage was computed based on gross borrowings and deferred payment as a percentage of the deposited properties, both of which do not take into consideration the lease liabilities pertaining to land rent commitments and options for certain data centres.

Thank You

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Constituent of:

FTSE Straits Times Index

FTSE EPRA Nareit Global Developed Index

GPR 250 Index Series

MSCI Singapore Small Cap Index

Awards and Accreditations:

Additional Information

Portfolio Overview (as at 30 Sep 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Valuation[2]	Lease type	WALE (years)	Land lease title
Asia Pacific									
Keppel DC Singapore 1	Singapore	100%	109,721	21	89.2	S$296.0m	Keppel lease / Colocation	4.2	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	4	93.5	S$174.0m	Keppel lease / Colocation	1.8	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	1.7	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S$384.9m[3] (purchase price)	Keppel lease / Colocation	1.9	Leasehold (Expiring 30 Jun 2050)
Keppel DC Singapore 5	Singapore	99%	97,781	3	84.2	S$327.7m	Keppel lease / Colocation	2.0	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100	S$200.2m (purchase price)	Triple-net (Fully-fitted/ Shell & core)	15.5	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 78.2m (S$25.6m)	Colocation	1.7	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A$207.5m (S$192.1m)	Triple-net (Shell & core) / Colocation	4.6	Freehold
iSeek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	A$35.0m (S$32.4m)	Double-net[4] (Fully-fitted)	10.7	Leasehold (Expiring 29 Jun 2040, with option to extend by 7 years)

Portfolio Overview (as at 30 Sep 2020)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients[1]	Occupancy rate (%)	Valuation[2]	Lease type	WALE (years)	Land lease title
Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	A$57.7 m (S$53.4m)	Triple-net (Shell & core)	14.9	Freehold
Intellicentre 3 East Data Centre[5]	Sydney, Australia	100%	Min. 86,000	1	100.0[5]	A$26.0-A$36.0m (development costs)	Triple-net (Shell & core)	20.0[5]	Freehold
Europe									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£35.9m (S$63.2m)	Triple-net (Shell & core)	10.7	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£36.3m (S$64.0m)	Triple-net (Fully-fitted)	6.4	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, Netherlands	100%	118,403	1	100.0	€89.9m (S$135.2m)	Double-net (Fully-fitted)	7.9	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	27	81.1	€49.9m (S$75.0m)	Colocation	2.7	Leasehold (Expiring 31 Dec 2999)
Keppel DC Dublin 2	Dublin, Ireland	100%	25,652	4	100.0	€68.7m (S$103.3m)	Colocation	8.1	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€38.2m (S$57.4m)	Double-net (Shell & core)	7.3	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€91.2m (S$137.1m)	Triple-net (Fully-fitted)	12.5	Freehold
Kelsterbach Data Centre	Kelsterbach, Germany	100%	540,869	1	100.0	€81.8m (S$123.0m) (purchase price)	Triple-net (Shell & core)	5.3	Freehold

1. Certain clients have signed more than one colocation arrangement using multiple entities.
2. Based on respective independent valuations and respective ownership interests as at 31 Dec 2019, unless otherwise stated.
3. Purchase price includes rental support.
4. Keppel DC REIT has in place the iSeek Lease with the client of iSeek Data Centre. While the iSeek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.
5. This development is expected to be completed in 1H 2021 and is excluded from the portfolio’s asset under management; Facility will be fully leased to Macquarie Telecom upon completion.