

Annual General Meeting

23 April 2021

Outline

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Constituent of:



FTSE ST Large & Mid Cap Index



FTSE EPRA Nareit Global Developed Index



GPR 250 Index Series



MSCI Singapore Small Cap Index

FY 2020 in Review

Pinnacle Office Park,
Sydney



Sustainable Pan-Asian Portfolio with Income Resilience

\$8.9b

Grade A commercial portfolio with strong committed occupancy to an established and diversified tenant base



ESG Awards

- **BCA Green Mark Platinum** award for all Singapore assets
- 5 Stars and above in the **NABERS Energy** rating for most Australian assets



ESG Benchmarking

- **ISS ESG corporate rating** – Prime status
- **Global Real Estate Sustainability Benchmark (GRESB)** – Green Star status



ESG Indices

- **iEdge SG ESG Transparency Index**
- **iEdge SG ESG Leaders Index**

Established and Diversified Tenant Base

- Keppel REIT has a diversified tenant base of 353⁽¹⁾ tenants, many of which are established blue-chip corporations

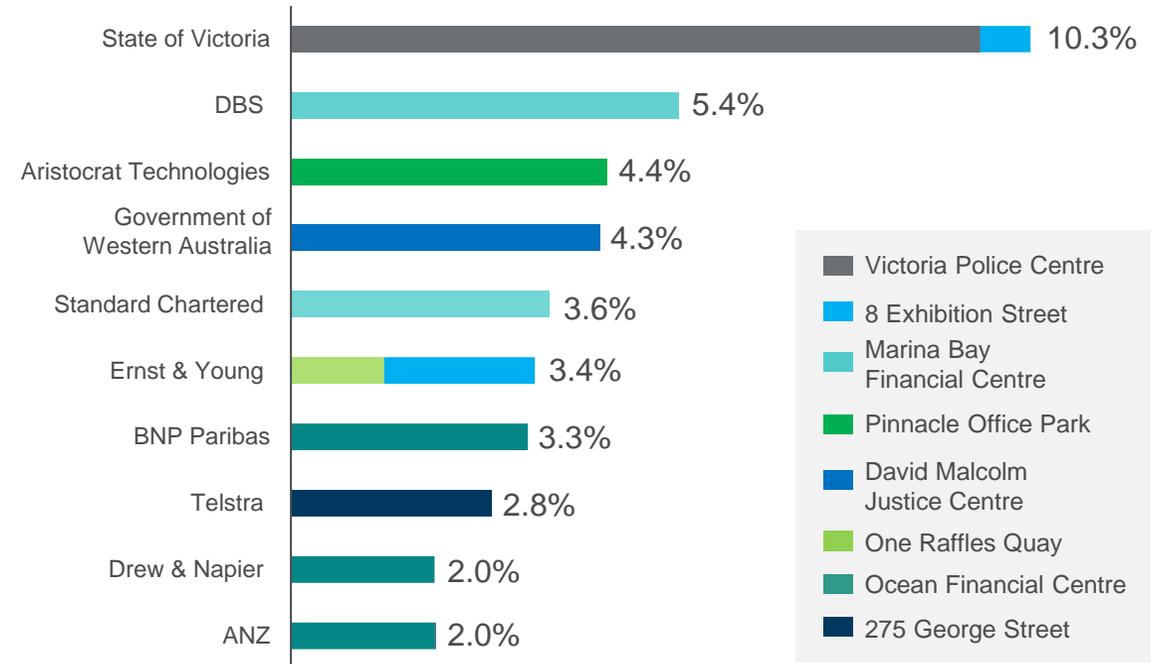
- Top 10 tenants take up 41.5% of NLA and contribute 36.7% of gross rent



Tenant Business Sector

Banking, insurance and financial services	32.8%
Government agency	16.0%
Technology, media and telecommunications	15.4%
Legal	7.1%
Energy, natural resources, shipping and marine	6.4%
Real estate and property services	5.3%
Accounting and consultancy services	4.7%
Services	4.6%
Manufacturing and distribution	4.2%
Retail and food & beverage	2.7%
Hospitality and leisure	0.1%
Others	0.7%
Total	100%

Top 10 Tenants



Managing the COVID-19 Situation

- Keppel REIT's quality office portfolio and high-quality tenant profile continue to provide income resilience
- To support tenants, and in line with government measures, measures were implemented to alleviate tenants' cashflow and cost pressures



Rental collection⁽¹⁾

98% in 4Q 2020



Total rent deferrals

\$1.9m as at 31 Dec 2020

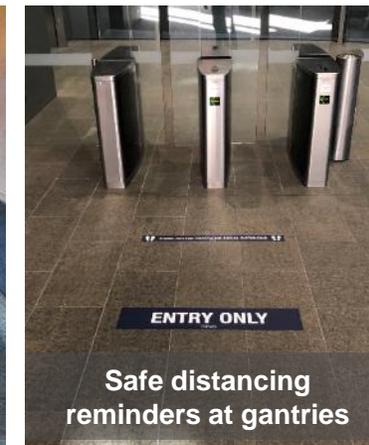
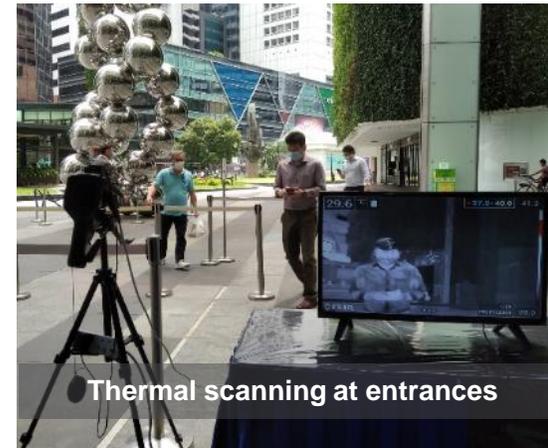


Tenant relief measures⁽²⁾

Approx. \$14.6m

including \$9.9m of government property tax rebates and cash grant

Safety measures to facilitate return to workplaces:



Continuing Portfolio Optimisation

- Portfolio optimisation to improve yield and create long-term value for Unitholders
- Holding quality assets across different markets enhances income diversification and long-term stability



Dec 2018: Divested 20% of Ocean Financial Centre in Singapore



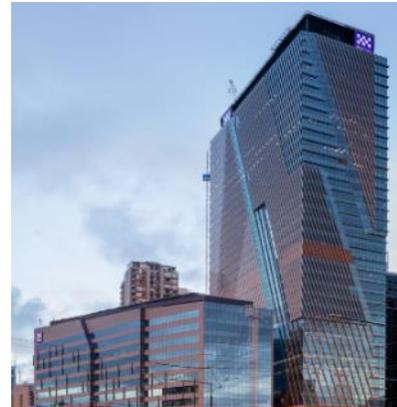
May 2019: Acquired T Tower in Seoul



Nov 2019: Divested Bugis Junction Towers in Singapore

FY 2020 developments:

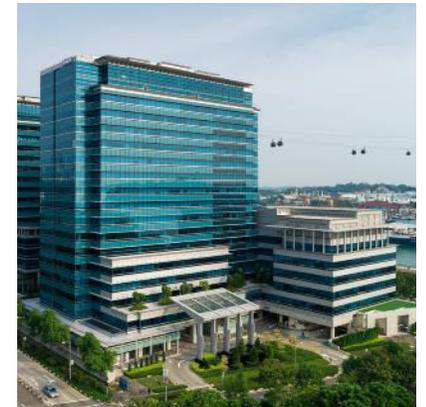
- Commencement of Victoria Police Centre's income contribution
- Acquired Pinnacle Office Park to expand into Sydney's Grade A metropolitan office space
- Announced proposed acquisition of Keppel Bay Tower in Singapore



Jul 2020: Completed Victoria Police Centre in Melbourne



Dec 2020: Acquired Pinnacle Office Park in Sydney



Dec 2020: Announced Proposed Acquisition of Keppel Bay Tower in Singapore

Victoria Police Centre Achieved Practical Completion

Practical Completion:
9 Jul 2020



- Commencement of the 30-year lease for Victoria Police's new headquarters contributes a steady income stream to Keppel REIT
- The Grade A office tower is powered by 100% renewable electricity as part of the City of Melbourne's second Melbourne Renewable Energy Project

Victoria Police Centre at 311 Spencer Street, Melbourne

Ownership	50.0%
Attributable NLA	364,180 sf (33,833 sm)
Tenure	Freehold
Committed Occupancy	100%
Valuation⁽¹⁾	A\$385.0m (S\$380.0m)

Acquired Pinnacle Office Park in Sydney

- Acquisition completed on 31 Dec 2020 as part of ongoing portfolio optimisation to improve income resilience and portfolio yield
- Gains exposure to Macquarie Park, a key Australian metropolitan office market
- Expands into Grade A metropolitan office space to meet demand for cost-effective or hub-and-spoke business models

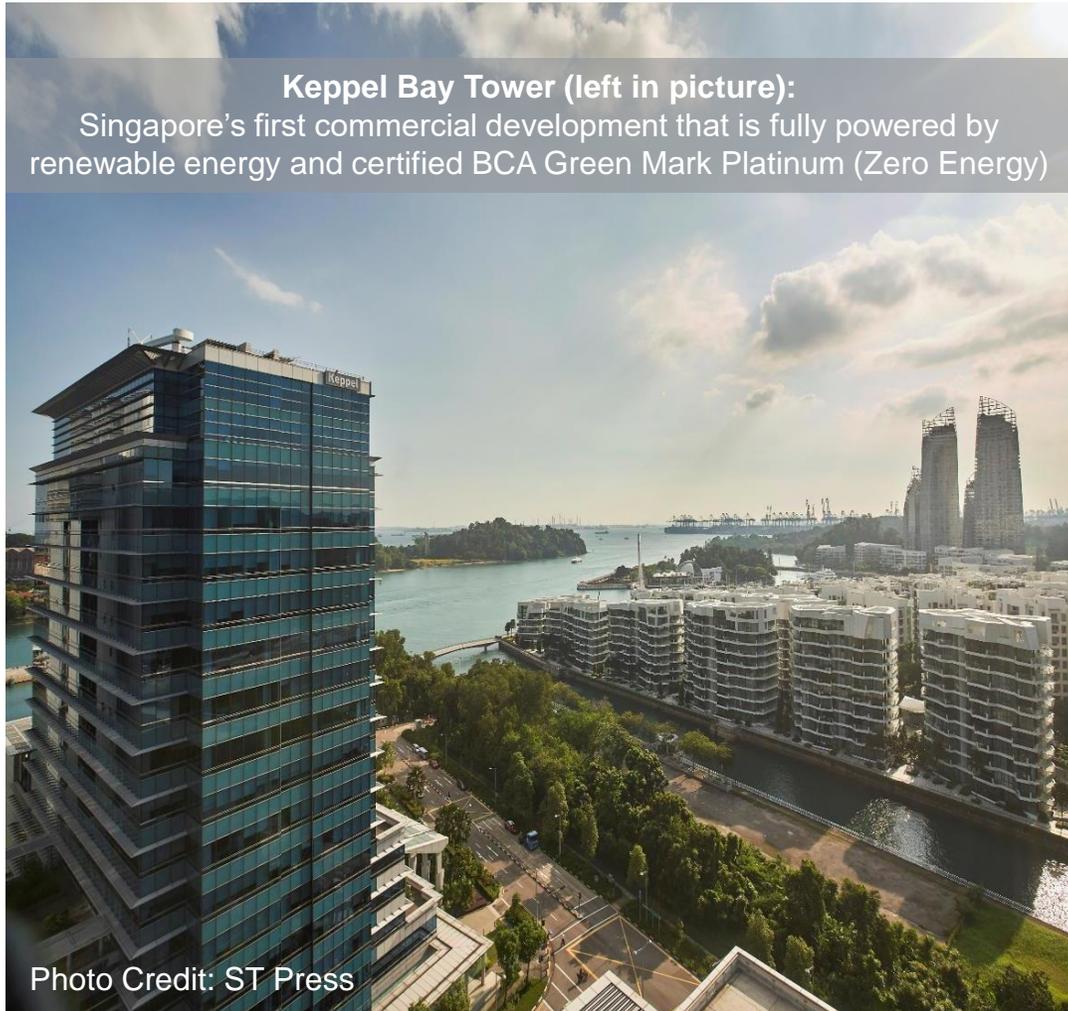
Acquisition Completed:
31 Dec 2020



Pinnacle Office Park, Sydney

Ownership	100.0%
Attributable NLA	378,164 sf (35,132 sm)
Tenure	Freehold
Committed Occupancy	96.9%
Valuation⁽¹⁾	A\$306.1m (S\$302.1m)

Strategic Acquisition of Keppel Bay Tower



- Obtained Unitholders' approval at the Extraordinary General Meeting and targeted for completion in 2Q 2021
- Located in the HarbourFront/Alexandra submarket of Singapore, Keppel Bay Tower complements Keppel REIT's core CBD offering, strengthening and diversifying the portfolio, while staying focused on Keppel REIT's core markets
- Grade A office building with established tenant base of multinational corporations and anchored by the Keppel Group

DPU and NPI yield accretive acquisition of Keppel Bay Tower (100%)

Agreed Property Value⁽¹⁾	\$657.2m ⁽²⁾ (\$1,700 psf)
Valuation⁽¹⁾	<ul style="list-style-type: none"> ▪ JLL (commissioned by Trustee): \$665.0m (\$1,720 psf) ▪ C&W (commissioned by Manager): \$667.3m (\$1,726 psf)
Funding	Debt financing and private placement proceeds
Initial NPI Yield	4.0% ⁽³⁾

(1) Takes into account rental support of up to \$3.2m for vacant units and leases that are expiring in the 18 months post-completion. Without rental support, valuation is \$664.0m (\$1,718 psf) and \$665.0m (\$1,720 psf) by JLL and C&W respectively; (2) Total acquisition cost would be \$667.0m, comprising total consideration which takes into account the estimated net asset value, transaction costs and equity fund raising costs; (3) Based on the estimated net property income (NPI) for a year from completion of the acquisition, including rental support by the vendor for the same period.

FY 2020 Key Highlights



5.73 cents

FY 2020 DPU

Up 2.7% y-o-y; 2H 2020 DPU was 2.93 cents (Up 4.6% y-o-y)

\$194.6m

FY 2020 distributable income, including \$10.0m capital gains

Up 2.8% y-o-y

\$300m⁽¹⁾

3.15% perpetual securities issued to refinance 4.98% perpetual securities⁽²⁾ and increase financial flexibility



Ongoing portfolio optimisation

Added Melbourne's Victoria Police Centre⁽³⁾ and Sydney's Pinnacle Office Park. Proposed acquisition of Keppel Bay Tower in Singapore

97.9%

High portfolio committed occupancy as at 31 Dec 2020

6.7 years

Long portfolio weighted average lease expiry as at 31 Dec 2020



Keppel Bay Tower

Proposed acquisition of Grade A office building in the Keppel Bay waterfront precinct is a strategic expansion that complements the REIT's core CBD offering

1Q 2021 Update

Marina Bay Financial Centre,
Singapore



Key Highlights



\$51.6m

1Q 2021 distributable income from operations⁽¹⁾

Up 22.0% y-o-y

\$270.0m

Gross proceeds raised from the private placement⁽²⁾ that was approximately 4.6 times covered

35.2%

Aggregate leverage as at 31 Mar 2021

Low all-in interest rate of 2.01% p.a.



96.5%

High portfolio committed occupancy as at 31 Mar 2021

6.7 years

Long portfolio weighted average lease expiry (WALE) as at 31 Mar 2021

Top 10 tenants' WALE was 11.8 years

Pinnacle Office Park

Commencement of income contribution in 1Q 2021, after acquisition completion on 31 Dec 2020



Keppel Bay Tower

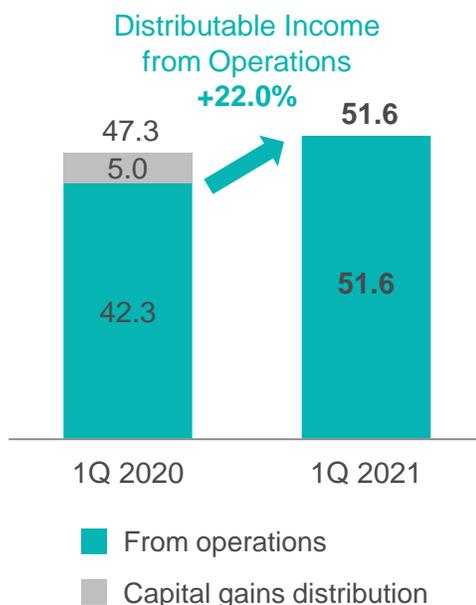
Acquisition of Grade A office building in the Keppel Bay waterfront precinct obtained Unitholders' approval at the EGM and is targeted to be completed in 2Q 2021

Financial Performance

Achieved year-on-year growth in distributable income from operations due mainly to:

- Contributions from Victoria Police Centre and Pinnacle Office Park, higher one-off income as well as lower borrowing costs
- Offset by the impact of slightly lower portfolio occupancy

Distributable Income (\$m)



	1Q 2021	1Q 2020	+ / (-)
Property Income⁽¹⁾	\$51.1m	\$38.7m	+32.0%
Net Property Income (NPI)	\$40.7m	\$30.2m	+34.8%
Less: Attributable to Non-controlling Interests	(\$4.3m)	(\$4.3m)	-
NPI Attributable to Unitholders	\$36.4m	\$25.9m	+40.5%
Share of Results of Associates⁽²⁾	\$24.9m	\$19.0m	+31.1%
Share of Results of Joint Ventures⁽³⁾	\$7.7m	\$6.9m	+11.6%
Distributable Income from Operations	\$51.6m⁽⁴⁾	\$42.3m	+22.0%
Capital Gains Distribution	N.a. ⁽⁵⁾	\$5.0m	N.m.

N.m. = Not meaningful

(1) Property income relates to income from directly-held properties including Ocean Financial Centre, 50% interest in 275 George Street, 50% interest in 8 Exhibition Street office building and 100% interest in the three adjacent retail units, T Tower, Victoria Police Centre after it achieved practical completion on 9 Jul 2020, and Pinnacle Office Park after it was acquired on 31 Dec 2020.

(2) Share of results of associates relates to Keppel REIT's one-third interests in One Raffles Quay and Marina Bay Financial Centre.

(3) Share of results of joint ventures relates to Keppel REIT's 50% interests in 8 Chifley Square and David Malcolm Justice Centre.

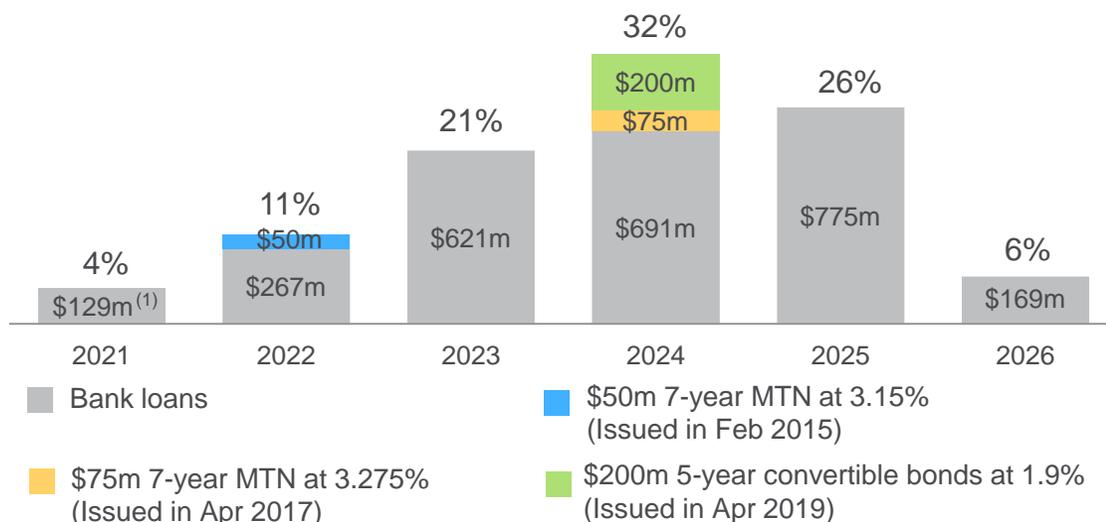
(4) Includes advanced distribution of \$32.2m (0.94 cents per Unit) for the period from 1 Jan 2021 to 28 Feb 2021 that was paid to eligible Unitholders on 31 Mar 2021, in connection with the private placement launched on 18 Feb 2021. Distribution for the period from 1 Mar 2021 to 30 Jun 2021 will be disclosed at the 1H 2021 results announcement.

(5) Any distribution of capital gains for 1H 2021 will be disclosed at the 1H 2021 results announcement.

Prudent Capital Management

- All-in interest rate reduced year-on-year to 2.01% p.a. from 2.58% p.a.
- Successful private placement of 238.9m new Units to partially fund the acquisition of Keppel Bay Tower, as well as increase Keppel REIT's free float and liquidity
- Green loans represented approximately 25% of Keppel REIT's attributable share of total borrowings, including the additional A\$50m green loan facility obtained in 1Q 2021

Debt Maturity Profile (As at 31 Mar 2021)



As at 31 Mar 2021	
Adjusted NAV per Unit ⁽²⁾	\$1.29
Interest Coverage Ratio ⁽³⁾	3.7x
All-in Interest Rate	2.01% p.a.
Aggregate Leverage	35.2% ⁽⁴⁾
Weighted Average Term to Maturity	3.0 years
Borrowings on Fixed Rates	85%
Undrawn Credit Facilities	\$1,059m (\$592m committed)

(1) Obtained loan facilities to refinance all outstanding loans in 2021 as at the date of announcement.

(2) Excluded the distributable income for the period 1 Mar 2021 to 31 Mar 2021 to be paid in Aug 2021.

(3) Computed as trailing 12 months EBITDA (excluding effects of any fair value changes of derivatives and investment properties, and foreign exchange translation), over trailing 12 months interest expense, borrowing-related fees and distributions on hybrid securities.

(4) Assuming the acquisition of Keppel Bay Tower was completed as at 31 Mar 2021, the aggregate leverage would have been 39.4%.

1Q 2021 Leasing Update

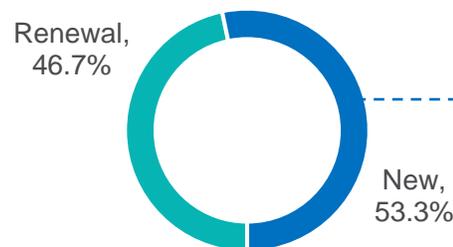
Total Leases Committed
~309,800 sf
 (Attributable ~146,800 sf)

Retention Rate
44%

Leases Committed by Geography⁽¹⁾



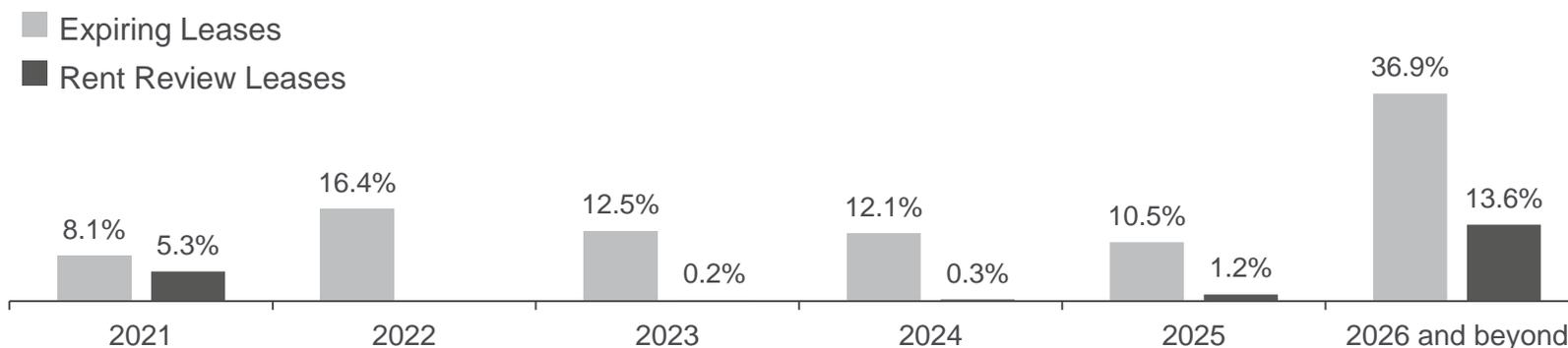
Leases Committed by Type⁽¹⁾



New leasing demand and expansions from:

Banking, insurance and financial services	38.8%
Manufacturing and distribution	32.7%
Legal	10.8%
Energy, natural resources, shipping and marine	9.5%
Technology, media and telecommunications	6.2%
Government agency	1.7%
Retail and F&B	0.3%

Lease Expiries and Rent Reviews⁽¹⁾



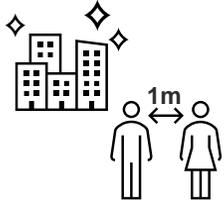
- Average signing rent for Singapore office leases concluded in 1Q 2021 was \$10.64⁽²⁾ psf pm
- Average expiring rents⁽³⁾ of Singapore office leases (psf pm): \$9.98 in 2021, \$10.27 in 2022 and \$10.96 in 2023

(1) Based on committed attributable area.

(2) Based on a weighted average calculation. Simple average signing rent was \$10.94 psf pm.

(3) Weighted average based on attributable NLA of office lease expiries and reviews in Singapore.

Operating in the New Environment



Wellness

Strong hygiene, air quality and safe management measures to enhance well-being and safety



Flexibility

Incorporation of flexibility into office design and work arrangement to facilitate collaboration and increase resilience



Technology

Robust IT infrastructure and smart building technology to support tenant requirements, enhance workplace safety and optimise energy consumption



Ocean Financial Centre (pictured):

Singapore's first commercial building to achieve the WELL Health-Safety rating by the International WELL Building Institute

Keppel REIT will continue to optimise the portfolio and calibrate its leasing strategy to meet tenants' evolving business needs

- Build a robust portfolio with strong operational excellence which would be well sought after by tenants in view of health, environmental and business continuity considerations
- Proactive tenant engagement to develop mutually beneficial lease arrangements, as well as position Keppel REIT for the next leasing cycle

Committed to Delivering Stable Income & Sustainable Returns

Portfolio Optimisation

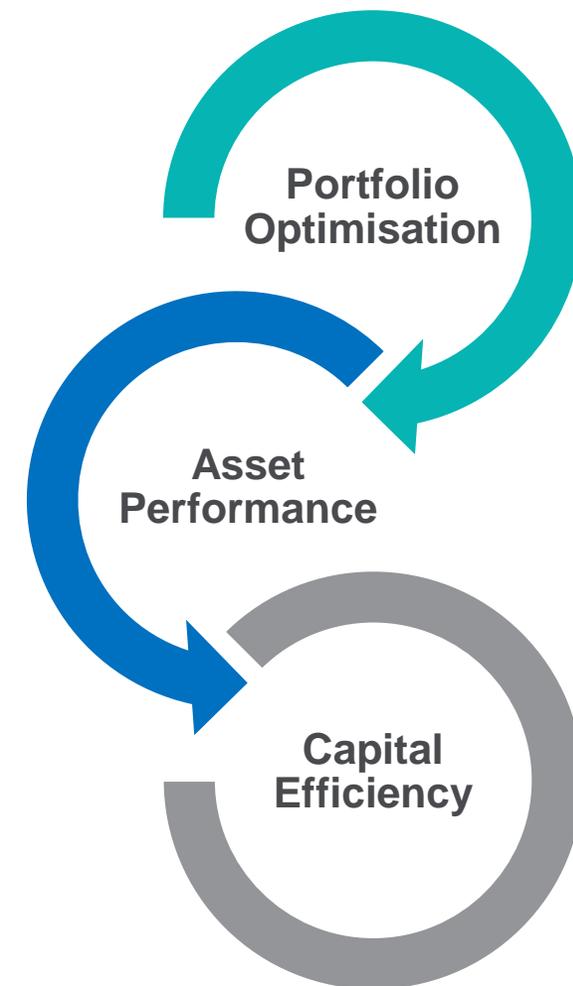
- Portfolio optimisation to improve yield, while maintaining exposure to Singapore CBD
- Hold quality assets across different markets for improved income stability and to provide more long-term growth opportunities

Asset Performance

- Drive individual asset performance with proactive leasing and cost management strategies
- Implement initiatives to future proof assets and enhance sustainability

Capital Efficiency

- Optimise capital structure to reduce borrowing costs and improve returns
- Manage debt maturities and hedging profiles to reduce risk



Thank You

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Singapore