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## **MEDIA RELEASE**

### **Unaudited Results of Keppel DC REIT for the Second Half and Full Year Ended 31 December 2021**

**24 January 2022**

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 2021.

*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 achieves 7.4% y-o-y growth in DPU for FY 2021

### Key Highlights

- Distribution per Unit (DPU) of 9.851 cents for FY 2021, a 7.4% increase from FY 2020
- Higher distributable income (DI) in FY 2021 underpinned by contributions from new acquisitions and higher asset occupancies largely contributed by the completion of asset enhancement initiatives
- Keen focus on value creation with a record number of four accretive acquisitions and investments across strategic markets within one year
- Maintained stable portfolio metrics with high portfolio occupancy of 98.3% and long weighted average lease expiry of 7.5 years by leased area

(\$'000)	2H 2021	2H 2020	Change %	FY 2021	FY 2020	Change %
Gross Revenue	135,918	141,621	(4.0)	271,065	265,571	2.1
Property Expenses	(11,598)	(11,672)	(0.6)	(22,911)	(21,405)	7.0
Net Property Income	124,320	129,949	(4.3)	248,154	244,166	1.6
<b>Distributable Income</b>	<b>87,350</b>	<b>81,935</b>	<b>6.6</b>	<b>171,606</b>	<b>156,915</b>	<b>9.4</b>
<b>DPU<sup>(1)</sup> (cents)</b>	<b>4.927</b>	<b>4.795</b>	<b>2.8</b>	<b>9.851</b>	<b>9.170</b>	<b>7.4</b>
Distribution Yield <sup>(2)</sup> (%)				3.99	3.71	28bps

(1) DPU was computed based on the distributable income to Unitholders and excludes capex reserves set aside. Keppel DC REIT has paid an advanced distribution of 1.421 cents per Unit to eligible Unitholders on 20 October 2021 for the period from 1 July to 22 August 2021 in connection with the private placement launched on 12 August 2021. For the period from 23 August to 31 December 2021, eligible Unitholders will receive a distribution of 3.506 cents per Unit.

(2) Based on FY 2021's closing price of \$2.470 per Unit.

### Financial Review

Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT, is pleased to announce that Keppel DC REIT has achieved DI of \$87.4 million for the second half of 2021 (2H 2021), bringing DI for FY 2021 to \$171.6 million.

The 9.4% year-on-year (y-o-y) growth in DI was supported by contributions from new acquisitions including Kelsterbach Data Centre in Germany (May 2020), Amsterdam Data Centre (December 2020) and Eindhoven Campus (September 2021) in the Netherlands; the completion of Intellicentre 3 East Data Centre (IC3 East DC) development at Intellicentre Campus in Sydney, Australia in July 2021; as well as the completion of asset enhancement initiatives at data centres in Dublin and Singapore in 1Q 2021.

Accordingly, Keppel DC REIT has declared a DPU of 4.927 cents for 2H 2021, which includes the advanced distribution of 1.421 cents per Unit in relation to the private placement in August 2021. This brought DPU for FY 2021 to 9.851 cents, a 7.4% increase from 9.170 cents in FY 2020.

## **Portfolio Review**

Value creation remained a priority for Keppel DC REIT as the Manager continued to deliver on acquisitions and portfolio optimisation efforts, in line with its aim to grow its portfolio of data centre assets, with at least 90% of its assets under management (AUM) invested in data centres.

In September 2021, Keppel DC REIT acquired Eindhoven Campus, its third data centre in the Netherlands. In December 2021, Keppel DC REIT completed the acquisition of Guangdong Data Centre, marking its maiden entry into the data centre market in China. It has also completed its investment in bonds and preference shares issued by M1 Network Private Limited. Keppel DC REIT ended 2021 with the announcement of the acquisition of London Data Centre in Bracknell, which will strengthen its foothold in the top global data centre hub of London. The acquisition was completed in January 2022.

In July 2021, the Manager completed the development of IC3 East DC, which saw the commencement of a new 20-year triple net master lease with Macquarie Data Centres for both Intellicentre 2 Data Centre and IC3 East DC, collectively renamed as Intellicentre Campus, which will further strengthen stable distributions to Unitholders. In 3Q 2021, Keppel DC REIT completed the divestment of iseek Data Centre in Brisbane, which is in line with Keppel DC REIT's strategy to continually review and selectively consider divestments to ensure an optimal portfolio mix.

The value creation initiatives, combined with portfolio valuation uplifts, saw Keppel DC REIT's AUM grow to \$3.4 billion as at 31 December 2021, up from \$3.0 billion a year ago. Assuming the acquisition of London Data Centre was completed in 2021, Keppel DC REIT's AUM would be \$3.5 billion as at 31 December 2021.

As part of its proactive asset and lease management efforts, the Manager concluded new, renewal and expansion leases for the data centres, with leases renewed ahead of expiry. As at 31 December 2021, the portfolio occupancy rate was 98.3%, the highest since the IPO listing in December 2014 with a long weighted average lease expiry (WALE) of 7.5 years by leased area, a 10.3% increase from a year ago. The improved portfolio performance was driven by active acquisitions and strong asset management, which is in line with the goal to provide stable and long-term income to Unitholders.

## **Capital Management**

In 4Q 2021, the Manager extended two SGD-denominated loans amounting to S\$275 million for two years until 2027; and another GBP-denominated loan of GBP 11.2 million for five years until 2027. Keppel DC REIT also obtained a six-year revolving credit facility of S\$150 million and a five-year RMB 400 million credit facility during the quarter.

As at end-2021, Keppel DC REIT's average cost of debt remained low at 1.6% per annum and interest coverage ratio is high at 10.8 times. Aggregate leverage remained healthy at 34.6%, and the debt maturity profile well-spread at 3.9 years.

The Manager continues to monitor risk exposure to interest rate fluctuations and safeguard against evolving market conditions. Approximately 74% of the REIT's borrowings have been hedged through floating-to-fixed interest rate swaps, with the remaining unhedged borrowings in Euro. Keppel DC

REIT's forecasted foreign sourced distributions have also been substantially hedged with foreign currency forward contracts until 1H 2023 to enhance the stability of distributions to Unitholders.

### **Ensuring Sustainable Growth**

Adopting a holistic approach in managing its business, Keppel DC REIT also considers material environmental, social and governance (ESG) issues in its business strategy and operations guided by the three thrusts of its Sustainability Framework – Environmental Stewardship, Responsible Business, and People and Community:

**Environmental Stewardship:** *In line with Keppel's Vision 2030, Keppel DC REIT will do its part to combat climate change, and is committed to improving resource efficiency and reducing its environmental impact.*

- To progressively reduce our combined Scope 1 and Scope 2 emissions with an aim to halve this by 2030 from a 2019 baseline.
- To introduce renewable energy<sup>1</sup> (RE) to at least 50% of the colocation assets by 2030, as well as encourage RE use at all other portfolio assets.
- To achieve at least a 10% reduction in effective PUE for colocation assets that undergo major asset enhancement<sup>2</sup> works, by 2025 from a 2019 baseline.
- Commitment to align reporting with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

**Responsible Business:** *The long-term sustainability of Keppel DC REIT's business is driven at the highest level of the organisation through a strong and effective board, good corporate governance and prudent risk management.*

- Uphold strong corporate governance, robust risk management, as well as timely and transparent communications with stakeholders.
- Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure, with zero incidents of data breaches and non-compliance with data privacy laws.
- Maintain high standards of ethical business conduct and compliance best practices, with zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations.
- To obtain and maintain green certification for all Singapore colocation assets by 2025 and obtain green certification for all colocation assets by 2030.
- To achieve an above satisfactory score for our Annual Customer Satisfaction Survey<sup>3</sup>.
- Commitment to aim for zero client dissatisfaction over the physical security of all our colocation properties for our Annual Customer Satisfaction Survey.

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<sup>1</sup> This includes exploring the use of solar powered ancillary equipment (e.g. signage lights).

<sup>2</sup> Major asset enhancement defined as any capex above S\$1 million targeted at enhancing asset value and/or revenue but excludes repairs and maintenance as well as replacement.

<sup>3</sup> Ratings based. A scale of 1-5 is used in the survey. The higher the score, the more satisfied/confident the client is with Keppel DC REIT's assets.

**People and Community:** *People are the cornerstone of Keppel DC REIT's business. Keppel DC REIT is committed to providing a safe and healthy workplace, investing in developing and training its people, and uplifting communities wherever it operates.*

- To achieve 25% female directors on the Board by 2025.
- Provide a safe and healthy environment for all stakeholders, adopting the Keppel Zero Fatality Strategy to achieve a zero fatality workplace.
- Achieve at least 20 hours of training hours per employee in 2022.
- Achieve at least 75% in employee engagement score in 2022.
- Engage with local communities and contribute to Keppel Capital's target of >500 hours of staff volunteerism in 2022.

Keppel DC REIT's commitment to sustainable growth is further reflected in its 'A' rating by the MSCI ESG Ratings assessment, which was designed to measure a company's resilience to long-term, industry material ESG risks. In 2021, Keppel DC REIT was ranked 6<sup>th</sup> in the Governance Index for Trusts and 31<sup>st</sup> in the Singapore Governance and Transparency Index under the REITs and Business Trusts Category.

### **Looking Ahead**

The World Bank projects that global growth will decelerate to 4.1% this year from 5.5% in 2021, amid COVID-19 flare-ups, diminished government policy support and supply chain disruptions. The global outlook is clouded by various downside risks, including new COVID-19 variants, and a rise in inflation. However, increased investments in digital infrastructure and adoption of and access to technologies bodes well for the digital economy.

According to research by IT research and consultancy Gartner, data centre systems spending in 2022 is forecast to reach US\$207 billion, a 5.8% increase from 2021<sup>4</sup>. Synergy Research Group expects hyperscalers to continue to aggressively expand their operations, with rapid growth of both enterprise and consumer-oriented cloud markets<sup>5</sup>. Market watchers also expect strong demand for data centres in key global markets to continue throughout 2022<sup>6,7</sup>.

Keppel DC REIT is well-positioned to benefit from the positive industry trends. Its strong operational expertise, extensive industry network and healthy balance sheet enable it to capture strategic opportunities as they arise. Keppel DC REIT will also leverage the Keppel ecosystem in providing end-to-end solutions from project development to facilities management and innovative carbon reduction solutions to grow sustainably. Keppel DC REIT's Sponsor and Keppel's private data centre fund have more than \$2 billion of assets under management and development. Keppel DC REIT may look to potentially acquire these assets if it is beneficial to the Unitholders.

- END -

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<sup>4</sup> [Gartner Forecasts Worldwide IT Spending to Exceed \\$4 Trillion in 2022, Gartner, 20 October 2021](#)

<sup>5</sup> [As Two of the Top Four US Data Center Operators are Acquired, M&A Pushes Towards New Heights, Synergy Research Group, 15 November 2021](#)

<sup>6</sup> JLL, Catch 22 APAC Commercial Real Estate Outlook, 2 December 2021

<sup>7</sup> CBRE, 2022 EMEA Outlook, 9 December 2021

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

Keppel DC REIT was listed on the Singapore Exchange on 12 December 2014 and the first pure-play data centre REIT to list in Asia.

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 and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise an optimal mix of colocation, fully-fitted and shell and core assets, as well as network assets through its investments in debt securities, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is sponsored by Keppel Telecommunications & Transportation Ltd (Keppel T&T), and managed by Keppel DC REIT Management Pte. Ltd. (the Manager). 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 a diversified portfolio in real estate, infrastructure, data centres and alternative assets in key global markets through its listed REITs and Trust, as well as private funds. The Keppel Group, through Keppel T&T and the private data centre funds has currently over \$2 billion worth of data centre assets under development.

The Manager's key objectives are to provide Keppel DC REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth through at least 90% of its AUM in data centre investments, 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.*

**KEPPEL DC REIT  
FINANCIAL STATEMENTS ANNOUNCEMENT****CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION  
ANNOUNCEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 31  
DECEMBER 2021**CONTENTS

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## KEPPEL DC REIT AND ITS SUBSIDIARIES

### SUMMARY OF KEPPEL DC REIT RESULTS

	2H 2021 \$'000	2H 2020 \$'000	+/(-) %	FY 2021 \$'000	FY 2020 \$'000	+/(-) %
Gross Revenue	135,918	141,621	(4.0)	271,065	265,571	2.1
Property Expenses	(11,598)	(11,672)	(0.6)	(22,911)	(21,405)	7.0
Net Property Income	124,320	129,949	(4.3)	248,154	244,166	1.6
Distributable Income to Unitholders (DI)	87,350	81,935	6.6	171,606	156,915	9.4
Distribution per Unit (DPU) (cents) <sup>1,2</sup>	4.927	4.795	2.8	9.851	9.170	7.4
Distribution Yield (%) <sup>2,3</sup>				3.99	3.71	28bps

#### Notes:

- 1 Excludes an amount of capex reserves that has been set aside.
- 2 Keppel DC REIT paid an advanced distribution of 1.421 cents per Unit to eligible Unitholders for the period from 1 July to 22 August 2021 in connection with the private placement launched on 12 August 2021. For the period from 23 August to 31 December 2021, eligible unitholders will receive distribution of 3.506 cents per Unit.  
  
Keppel DC REIT declares distributions on a half-yearly basis. Semi-annual distributions will resume thereafter.
- 3 Annualised distribution yields were computed based on FY 2021 closing unit price of \$2.470.

For details, refer to **Condensed profit and loss and distribution statement and Other Information Paragraph 3 - Review of Performance.**

<b>Distribution</b>	<u>17th</u> Distribution Distribution for the period from 23 August to 31 December 2021
<b>Distribution type</b>	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
<b>Distribution rate</b>	Distribution for the period from 23 August to 31 December 2021 (a) Taxable Income – 0.983 cents per Unit (b) Tax-exempt Income – 1.590 cents per Unit (c) Capital Distribution – 0.933 cents per Unit
<b>Distribution amount (\$'000)</b>	60,146
<b>Record Date</b>	3 February 2022
<b>Payment Date</b>	10 March 2022



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### 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 principally 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 and assets necessary to support the digital economy.

On 27 December 2021, Keppel DC REIT entered into a sale and purchase agreement to acquire 100% freehold interest in a shell and core data centre facility in Bracknell, United Kingdom. The acquisition has been completed on 11 January 2022.

As at 31 December 2021, the REIT has a portfolio size of approximately \$3.4 billion. The portfolio comprises mainly 20 high quality well located data centres in Singapore, Malaysia, China, Australia, the United Kingdom (UK), the Netherlands, Republic of Ireland (Ireland), Italy and Germany, and other investments.

#### 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)	Guangdong Data Centre	China	(Guangdong DC)	<i>Acquired on 16 December 2021</i>
9)	Gore Hill Data Centre	Australia	(Gore Hill DC)	
10)	Intellcentre Campus	Australia	(IC 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)	
15)	Eindhoven Campus	The Netherlands	(Eindhoven DC)	<i>Acquired on 2 September 2021</i>
16)	Keppel DC Dublin 1	Ireland	(KDC DUB 1)	
17)	Keppel DC Dublin 2	Ireland	(KDC DUB 2)	
18)	Milan Data Centre	Italy	(Milan DC)	
19)	maincubes Data Centre	Germany	(maincubes DC)	
20)	Kelsterbach Data Centre	Germany	(Kelsterbach DC)	

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

- 2H – Refers to the second half from 1 July to 31 December 2021 and the corresponding period of the preceding year.
- FY – Refers to the financial year ended 31 December 2021 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

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED PROFIT AND LOSS AND DISTRIBUTION STATEMENT

FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

	2H 2021 \$'000	2H 2020 \$'000	+/(-) %	FY 2021 \$'000	FY 2020 \$'000	+/(-) %	Reference
Gross rental income	134,343	138,086	(2.7)	265,797	257,642	3.2	(a)
Other income	1,575	3,535	(55.4)	5,268	7,929	(33.6)	(b)
<b>Gross Revenue</b>	<b>135,918</b>	<b>141,621</b>	<b>(4.0)</b>	<b>271,065</b>	<b>265,571</b>	<b>2.1</b>	
Property operating expenses	(11,598)	(11,672)	(0.6)	(22,911)	(21,405)	7.0	(c)
<b>Net Property Income</b>	<b>124,320</b>	<b>129,949</b>	<b>(4.3)</b>	<b>248,154</b>	<b>244,166</b>	<b>1.6</b>	
Finance income	518	119	>100.0	558	445	25.4	
Finance costs	(11,118)	(8,963)	24.0	(21,215)	(18,730)	13.3	(d)
Trustees' fees	(234)	(210)	11.4	(470)	(416)	13.0	
Manager's base fee	(7,770)	(7,121)	9.1	(15,375)	(13,741)	11.9	(e)
Manager's performance fee	(4,189)	(4,166)	0.6	(8,411)	(7,936)	6.0	(e)
Net gains/(losses) on derivatives	3,922	(3,051)	Nm	4,400	(1,092)	Nm	
Other trust expenses	(4,267)	(3,502)	21.8	(7,065)	(10,591)	(33.3)	(f)
<b>Profit before joint venture</b>	<b>101,182</b>	<b>103,055</b>	<b>(1.8)</b>	<b>200,576</b>	<b>192,105</b>	<b>4.4</b>	
Share of results of a joint venture	(1,000)	-	Nm	(1,000)	-	Nm	(g)
<b>Profit before divestment of a subsidiary and net change in fair value of investment properties</b>	<b>100,182</b>	<b>103,055</b>	<b>(2.8)</b>	<b>199,576</b>	<b>192,105</b>	<b>3.9</b>	
Loss on divestment of a subsidiary	(200)	-	Nm	(200)	-	Nm	(h)
Net change in fair value of investment properties	152,541	645	>100.0	151,373	645	>100.0	(i)
<b>Profit before tax</b>	<b>252,523</b>	<b>103,700</b>	<b>&gt;100.0</b>	<b>350,749</b>	<b>192,750</b>	<b>82.0</b>	
Tax expenses	(20,099)	(16,299)	23.3	(29,176)	(21,022)	38.8	(j)
<b>Profit after tax</b>	<b>232,424</b>	<b>87,401</b>	<b>&gt;100.0</b>	<b>321,573</b>	<b>171,728</b>	<b>87.3</b>	
<b>Attributable to:</b>							
Unitholders	226,129	85,620	>100.0	313,656	168,152	86.5	
Non-controlling interests	6,295	1,781	>100.0	7,917	3,576	>100.0	
	<b>232,424</b>	<b>87,401</b>	<b>&gt;100.0</b>	<b>321,573</b>	<b>171,728</b>	<b>87.3</b>	
<b>Earnings per Unit (cents)</b>							
- basic and diluted	13.37	5.24	>100.0	18.87	10.30	83.2	
<u>Distribution Statement</u>							
Profit after tax attributable to Unitholders	226,129	85,620	>100.0	313,656	168,152	86.5	
Net tax and other adjustments	(138,779)	(3,685)	>100.0	(142,050)	(11,237)	>100.0	(k)
<b>Income available for distribution</b>	<b>87,350</b>	<b>81,935</b>	<b>6.6</b>	<b>171,606</b>	<b>156,915</b>	<b>9.4</b>	(l)
<b>Distribution per Unit (cents)</b>	<b>4.927</b>	<b>4.795</b>	<b>2.8</b>	<b>9.851</b>	<b>9.170</b>	<b>7.4</b>	(m)

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Reference (2021 and 2020):

(a) In 2H 2021, lower gross rental income was mainly due to absence of an upward non-cash straight-lining adjustment, cessation of excess rent paid to the vendor at Kelsterbach DC, absence of one-off revenue and expenses reduction from the Singapore colocation assets and the divestment of iseek DC. This was partially offset by asset enhancement initiatives ("AEI") contributions from the Dublin and Singapore assets, full period contribution from Amsterdam DC, as well as the acquisitions of Eindhoven DC and Guangdong DC.

In FY 2021, higher gross rental income was mainly due to AEI contributions from Dublin and Singapore assets, full year contributions from Kelsterbach DC and Amsterdam DC, as well as the acquisitions of Eindhoven DC and Guangdong DC. This was partially offset by the cessation of excess rent paid to the vendor at Kelsterbach DC, the divestment of iseek DC, and absence of one-off revenue and expenses reduction from the Singapore colocation assets.

(b) In 2H 2021 and FY 2021, lower other income was mainly due to lower rental top up recognised respectively.

(c) Included as part of the property operating expenses were the following:

	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Property-related taxes	(1,727)	(1,752)	(3,449)	(3,405)
Facility management and related costs	(6,567)	(6,428)	(13,300)	(12,555)
Repairs and maintenance	(503)	(1,087)	(1,140)	(1,589)
Other property-related costs	(2,801)	(2,405)	(5,022)	(3,856)
	<b>(11,598)</b>	<b>(11,672)</b>	<b>(22,911)</b>	<b>(21,405)</b>

(d) Included in finance costs were interest expense, amortisation of debt-related transaction costs from borrowings and lease charges recognised.

(e) Increase in Manager's base fee and performance fee were mainly due to the acquisitions of Eindhoven DC and Guangdong DC, full period contributions from Kelsterbach DC and Amsterdam DC as well as AEI contributions from the Dublin and Singapore assets.

(f) Included in the lower other trust expenses in 2H 2021 and FY 2021 were lower amortisation of intangible assets.

(g) This pertains to the Group's share of results of M1 Network Private Limited ("NetCo")'s results, which is mainly due to reimbursement of expenses recognised at the joint venture.

(h) Loss on divestment of a subsidiary pertains to the divestment of iseek DC.

(i) Net change in fair value of investment properties for 2021 pertains to the effects of recognising rental income on a straight-line basis over the lease terms and the net revaluation gains of the Group's investment properties based on independent valuations obtained from third party valuers.

(j) 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 depreciation, tax losses carried forward and fair value changes in investment properties.

(k) Included in the net tax and other adjustments were the following:

	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
Trustee's fees	194	172	389	341
Rental income adjustment on a straight-line basis	(2,047)	(4,509)	(2,805)	(5,910)
Amortisation of capitalised transaction costs	498	243	943	451
Net change in fair value of investment properties	(147,943)	(728)	(146,775)	(728)
Foreign exchange losses / (gains)	1,655	(97)	296	1,077
Deferred tax	15,541	13,572	18,658	14,763
Amortisation of intangible assets	-	2,178	2,723	5,626
Loss on divestment of a subsidiary	200	-	200	-
Share of results of a joint venture	1,000	-	1,000	-
Other net adjustments	(7,877)	(14,516)	(16,679)	(26,857)
<b>Net tax and other adjustments</b>	<b>(138,779)</b>	<b>(3,685)</b>	<b>(142,050)</b>	<b>(11,237)</b>

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

(l) Higher DI in 2H 2021 and FY 2021 were mainly due to the acquisition of Eindhoven DC, full year contributions from Kelsterbach DC and Amsterdam DC as well as AEI contributions from the Dublin and Singapore assets.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Reference (2021 and 2020):

(m) The DPU was computed based on DI (Note I) and has excluded Capex Reserves.

Keppel DC REIT paid an advanced distribution of 1.421 cents per Unit to eligible Unitholders for the period from 1 July to 22 August 2021 in connection with the Private Placement. For the period from 23 August to 31 December 2021, eligible unitholders will receive a distribution of 3.506 cents per Unit.

Keppel DC REIT declares distributions on a half-yearly basis. Semi-annual distributions will resume thereafter.

### Consolidated Earnings Per Unit and Distribution Per Unit

	2H 2021	2H 2020	FY 2021	FY 2020
<b><u>Earnings per Unit (EPU)</u></b>				
<b>EPU (basic and diluted) (cents)</b>	<b>13.37</b>	5.24	<b>18.87</b>	10.30
Weighted average number of Units <sup>1</sup>	<b>1,691,034,292</b>	1,633,037,442	<b>1,662,472,755</b>	1,632,901,066
Profit after tax <sup>2</sup> (\$'000)	<b>226,129</b>	85,620	<b>313,656</b>	168,152
<b><u>Distribution per Unit (DPU)</u></b>				
<b>DPU<sup>3</sup> (cents)</b>	<b>4.927</b>	4.795	<b>9.851</b>	9.170
Total number of Units in issue at end of period/year	<b>1,715,511,855</b>	1,633,120,606	<b>1,715,511,855</b>	1,633,120,606
Income available for distribution to Unitholders (\$'000)	<b>87,350</b>	81,935	<b>171,606</b>	156,915

### 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 after tax for the period.
- 3 DPU excludes Capex Reserves. Keppel DC REIT paid an advanced distribution of 1.421 cents per Unit to eligible Unitholders for the period from 1 July to 22 August 2021 in connection with the private placement launched on 12 August 2021. For the period from 23 August to 31 December 2021, eligible unitholders will receive distribution of 3.506 cents per Unit.

Keppel DC REIT declares distributions on a half-yearly basis. Semi-annual distributions will resume thereafter.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

	2H 2021 \$'000	2H 2020 \$'000	+/(-) %	FY 2021 \$'000	FY 2020 \$'000	+/(-) %
<b>Profit after tax</b>	<b>232,424</b>	<b>87,401</b>	<b>&gt;100.0</b>	<b>321,573</b>	<b>171,728</b>	<b>87.3</b>
<b>Other comprehensive income</b>						
Movement in fair value of cash flow hedges	9,531	(478)	Nm	19,979	(19,105)	Nm
Realisation of net currency translation differences upon divestment of a subsidiary	110	-	Nm	110	-	Nm
Foreign currency translation movement	(19,346)	15,582	Nm	(8,838)	26,596	Nm
<b>Total other comprehensive (loss)/income</b>	<b>(9,705)</b>	<b>15,104</b>	<b>Nm</b>	<b>11,251</b>	<b>7,491</b>	<b>50.2</b>
<b>Total comprehensive income</b>	<b>222,719</b>	<b>102,505</b>	<b>&gt;100.0</b>	<b>332,824</b>	<b>179,219</b>	<b>85.7</b>
<b>Attributable to:</b>						
Unitholders	216,422	100,722	>100.0	324,910	175,626	85.0
Non-controlling interests	6,297	1,783	>100.0	7,914	3,593	>100.0
	<b>222,719</b>	<b>102,505</b>	<b>&gt;100.0</b>	<b>332,824</b>	<b>179,219</b>	<b>85.7</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 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.

# KEPPEL DC REIT AND ITS SUBSIDIARIES

## CONDENSED BALANCE SHEETS AS AT 31 DECEMBER 2021

	Note	Group			Trust			Reference
		31-Dec-21 \$'000	31-Dec-20 \$'000	+ /(-) %	31-Dec-21 \$'000	31-Dec-20 \$'000	+ /(-) %	
<b>Non-current assets</b>								
Investment properties	3	3,401,436	3,005,038	13.2	526,726	483,182	9.0	(a)
Property under development		-	24,676	(100.0)	-	-	-	(b)
Investment in subsidiaries	4	-	-	-	2,128,751	1,946,969	9.3	(c)
Loans to subsidiaries		-	-	-	335,854	332,493	1.0	(c)
Investment in a joint venture		-	-	-	-	-	-	(d)
Notes receivables		85,768	-	Nm	85,768	-	Nm	(e)
Trade and other receivables		24,798	13,161	88.4	-	-	-	(f)
Derivative financial assets		3,954	39	>100.0	1,747	39	>100.0	(g)
Deferred tax assets		2,006	2,353	(14.7)	-	-	-	(h)
<b>Total non-current assets</b>		<b>3,517,962</b>	<b>3,045,267</b>	<b>15.5</b>	<b>3,078,846</b>	<b>2,762,683</b>	<b>11.4</b>	
<b>Current assets</b>								
Trade and other receivables		50,373	54,381	(7.4)	31,079	45,238	(31.3)	(f)
Deposits		10,402	-	Nm	-	-	-	(i)
Notes receivables		2,932	-	Nm	2,932	-	Nm	(e)
Intangible assets		-	2,723	(100.0)	-	2,723	(100.0)	(j)
Derivative financial assets		2,540	34	>100.0	2,540	34	>100.0	(g)
Tax recoverables		-	3,036	(100.0)	-	-	-	(k)
Cash and cash equivalents		195,941	244,387	(19.8)	90,590	116,711	(22.4)	
<b>Total current assets</b>		<b>262,188</b>	<b>304,561</b>	<b>(13.9)</b>	<b>127,141</b>	<b>164,706</b>	<b>(22.8)</b>	
<b>TOTAL ASSETS</b>		<b>3,780,150</b>	<b>3,349,828</b>	<b>12.8</b>	<b>3,205,987</b>	<b>2,927,389</b>	<b>9.5</b>	
<b>Current liabilities</b>								
Loans from subsidiaries		-	-	-	158,659	127,914	24.0	(l)
Loans and borrowings	5	163,037	144,316	13.0	-	-	-	(m)
Derivative financial liabilities		892	2,362	(62.2)	317	1,986	(84.0)	(g)
Trade and other payables		50,143	79,951	(37.3)	21,429	19,622	9.2	(n)
Provision for taxation		6,537	6,989	(6.5)	2,239	2,913	(23.1)	(k)
<b>Total current liabilities</b>		<b>220,609</b>	<b>233,618</b>	<b>(5.6)</b>	<b>182,644</b>	<b>152,435</b>	<b>19.8</b>	
<b>Non-current liabilities</b>								
Loans from subsidiaries		-	-	-	1,045,121	1,022,486	2.2	(l)
Loans and borrowings	5	1,136,233	1,043,604	8.9	7,726	11,182	(30.9)	(m)
Derivative financial liabilities		5,290	24,447	(78.4)	-	1,227	(100.0)	(g)
Provision		20,025	21,100	(5.1)	-	-	-	(o)
Deferred tax liabilities		62,317	44,817	39.0	13,191	8,136	62.1	(h)
<b>Total non-current liabilities</b>		<b>1,223,865</b>	<b>1,133,968</b>	<b>7.9</b>	<b>1,066,038</b>	<b>1,043,031</b>	<b>2.2</b>	
<b>TOTAL LIABILITIES</b>		<b>1,444,474</b>	<b>1,367,586</b>	<b>5.6</b>	<b>1,248,682</b>	<b>1,195,466</b>	<b>4.5</b>	
<b>NET ASSETS</b>		<b>2,335,676</b>	<b>1,982,242</b>	<b>17.8</b>	<b>1,957,305</b>	<b>1,731,923</b>	<b>13.0</b>	
<b>Represented by:</b>								
Unitholders' funds	6	2,293,247	1,944,652	17.9	1,957,305	1,731,923	13.0	
Non-controlling interests		42,429	37,590	12.9	-	-	-	(p)
		<b>2,335,676</b>	<b>1,982,242</b>	<b>17.8</b>	<b>1,957,305</b>	<b>1,731,923</b>	<b>13.0</b>	
<b>Net asset value per Unit (\$)</b>		<b>1.34</b>	<b>1.19</b>	<b>12.6</b>	<b>1.14</b>	<b>1.06</b>	<b>7.5</b>	(q)
<b>Aggregate leverage /</b>		<b>34.6</b>	<b>36.2</b>	<b>(160bps)</b>	<b>Nm</b>	<b>Nm</b>	<b>Nm</b>	(r)
<b>Deposited properties (%)</b>								

## KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference:

### Net Asset Value (NAV) / Net Tangible Asset (NTA) Per Unit

	Group	
	As at 31 Dec 21	As at 31 Dec 20
<b>NAV<sup>1</sup> per Unit<sup>2</sup> (\$)</b>	<b>1.34</b>	1.19
Adjusted NAV <sup>1</sup> per unit <sup>2</sup> (excluding the distributable income)	<b>1.30</b>	1.14
<b>NTA<sup>1</sup> per Unit<sup>2</sup> (\$)</b>	<b>1.34</b>	1.19
Adjusted NTA <sup>1</sup> per unit <sup>2</sup> (excluding the distributable income)	<b>1.30</b>	1.14

- 1 This excludes the non-controlling interests' share of net asset value / net tangible asset and profit and loss after tax for the period.
- 2 The NAV per Unit and the NTA per Unit were computed based on the issued Units at the end of the financial year.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### Balance sheet analysis

- (a) Included in the investment properties were leases of \$12.1 million (2020: \$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>As at 31 Dec 21</u> <u>(\$'000)</u>	<u>As at 31 Dec 20</u> <u>(\$'000)</u>
Keppel DC Singapore 1	Leasehold, expiring 30 Sept 2055 <sup>^</sup>	343,725	305,528
Keppel DC Singapore 2	Leasehold, expiring 31 July 2051	183,000	177,654
Keppel DC Singapore 3	Leasehold, expiring 31 Jan 2052 <sup>^</sup>	316,378	268,626
Keppel DC Singapore 4	Leasehold, expiring 30 June 2050	426,000	387,250
Keppel DC Singapore 5	Leasehold, expiring 31 August 2041	360,000	360,000
DC1	Leasehold, expiring 31 July 2044	273,000	212,000
Basis Bay Data Centre	Freehold	22,107	23,630
Guangdong Data Centre	Leasehold, expiring 17 January 2067	148,005	-
Gore Hill Data Centre	Freehold	224,135	205,810
Intellicentre Campus	Freehold	102,323	58,239
iseek Data Centre	Leasehold, expiring 29 June 2047 <sup>^</sup>	-	43,896
GV7 Data Centre	Leasehold, expiring 28 Sept 2183	65,696	66,346
Cardiff Data Centre	Freehold	47,447	65,054
Almere Data Centre	Freehold	155,270	150,946
Amsterdam Data Centre	Freehold	45,028	44,867
Eindhoven Campus	Freehold	57,450	-
Keppel DC Dublin 1	Leasehold, expiring 31 Dec 2998	150,612	153,670
Keppel DC Dublin 2	Leasehold, expiring 31 Dec 2997	141,296	143,014
Milan Data Centre	Freehold	60,478	61,212
maincubes Data Centre	Freehold	155,270	150,706
Kelsterbach Data Centre	Freehold	124,216	126,590
		<u>3,401,436</u>	<u>3,005,038</u>

<sup>^</sup> Include options to renew between 7 to 30 years

- (b) Property under development pertains to costs capitalised for IC3 East DC. The development has been completed on 13 July 2021.
- (c) These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- (d) These relate to the subscription of 100% preference shares in a joint venture.
- (e) These relate to the subscription of bonds issued by a joint venture.
- (f) 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.
- (g) 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.
- (h) These relate to the net deferred tax assets/liabilities recognised in different tax jurisdictions that arose on tax depreciation, tax losses carried forward and fair value changes in certain investment properties.
- (i) This relates to a deposit paid in 2021 to the vendor for the acquisition of London DC. London DC was completed on 11 January 2022. 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.
- (j) This relates to intangible assets with finite useful lives recognised in relation to a rental top up provided by the vendors. As at 31 December 2021, the rental top up has been fully utilised.
- (k) 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.
- (l) These relate to loans from subsidiaries. The higher balances as at 31 December 2021 were mainly due to the additional loans drawn.
- (m) These relate to external borrowings of \$1,289.6 million, lease liabilities pertaining to land rent options, and capitalised debt-related transaction costs. The higher external borrowings as at 31 December 2021 were mainly due to proceeds drawn from new bank borrowings.
- (n) Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.
- (o) 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 to settle part of the provision and the remaining amount is recoverable from a related corporation.
- (p) This relates to the non-controlling interests' share of net assets.
- (q) This excludes the non-controlling interests' share of net assets.
- (r) Aggregate leverage relates to the \$1,289.6 million external borrowings drawn down 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.



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

<b>GROUP (2021)</b>	Note	<b>Units in Issue \$'000</b>	<b>Foreign Currency Translation Reserve \$'000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Profits \$'000</b>	<b>Unitholders' Funds \$'000</b>	<b>Non- Controlling Interests \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2021</b>		1,859,299	14,594	(23,595)	(95,751)	190,105	1,944,652	37,590	1,982,242
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	87,527	87,527	1,622	89,149
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>87,527</b>	<b>87,527</b>	<b>1,622</b>	<b>89,149</b>
<b>Unitholders' transactions</b>									
Distributions to Unitholders		-	-	-	-	(78,308)	(78,308)	-	(78,308)
Payment of management fees in Units		1,304	-	-	-	-	1,304	-	1,304
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>1,304</b>	-	-	-	<b>(78,308)</b>	<b>(77,004)</b>	-	<b>(77,004)</b>
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,586)	(1,586)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	10,448	-	-	10,448	-	10,448
Foreign currency translation movement	1	-	10,513	-	-	-	10,513	(5)	10,508
<b>Net increase in other comprehensive income</b>		-	<b>10,513</b>	<b>10,448</b>	-	-	<b>20,961</b>	<b>(5)</b>	<b>20,956</b>
<b>At 30 June 2021</b>		<b>1,860,603</b>	<b>25,107</b>	<b>(13,147)</b>	<b>(95,751)</b>	<b>199,324</b>	<b>1,976,136</b>	<b>37,621</b>	<b>2,013,757</b>
<b>Operations</b>									
Profit after tax for the period		-	-	-	-	226,129	226,129	6,295	232,424
<b>Net increase in net assets resulting from operations</b>		-	-	-	-	<b>226,129</b>	<b>226,129</b>	<b>6,295</b>	<b>232,424</b>
<b>Unitholders' transactions</b>									
Net increase in net assets resulting from Unitholders' contribution		202,024	-	-	-	-	202,024	-	202,024
Distributions to Unitholders		(10,652)	-	-	-	(93,002)	(103,654)	-	(103,654)
Payment of management fees in Units		2,319	-	-	-	-	2,319	-	2,319
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>193,691</b>	-	-	-	<b>(93,002)</b>	<b>100,689</b>	-	<b>100,689</b>
Dividends paid to non- controlling interests		-	-	-	-	-	-	(1,489)	(1,489)
<b>Other comprehensive income</b>									
Movement in hedging reserve	1	-	-	9,531	-	-	9,531	-	9,531
Realisation of net currency translation differences upon divestment of subsidiary		-	110	-	-	-	110	-	110
Foreign currency translation movement	1	-	(19,348)	-	-	-	(19,348)	2	(19,346)
<b>Net decrease in other comprehensive income</b>		-	<b>(19,238)</b>	<b>9,531</b>	-	-	<b>(9,707)</b>	<b>2</b>	<b>(9,705)</b>
<b>At 31 December 2021</b>		<b>2,054,294</b>	<b>5,869</b>	<b>(3,616)</b>	<b>(95,751)</b>	<b>332,451</b>	<b>2,293,247</b>	<b>42,429</b>	<b>2,335,676</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 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.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D) FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

GROUP (2020)	Note	Foreign Currency Translation		Hedging Reserve \$'000	Other Reserve \$'000	Accumulated Profits \$'000	Unitholders' Funds \$'000	Non- Controlling Interests \$'000	Total \$'000
		Units in Issue \$'000	Reserve \$'000						
<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	11,014
<b>Net decrease in other comprehensive income</b>		-	<b>10,999</b>	<b>(18,627)</b>	-	-	<b>(7,628)</b>	<b>15</b>	<b>(7,613)</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 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.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D) FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

<b>TRUST (2021)</b>	<b>Note</b>	<b>Unit in Issue \$'000</b>	<b>Hedging Reserve \$'000</b>	<b>Other Reserve \$'000</b>	<b>Accumulated Losses \$'000</b>	<b>Unitholders' Funds \$'000</b>
<b>At 1 January 2021</b>		1,859,299	-	(95,751)	(31,625)	1,731,923
<b>Operations</b>						
Profit after tax for the period		-	-	-	86,460	86,460
<b>Net increase in net assets resulting from operations</b>		-	-	-	86,460	86,460
<b>Unitholders' transactions</b>						
Distribution to Unitholders		-	-	-	(78,308)	(78,308)
Payment of management fees in Units		1,304	-	-	-	1,304
<b>Net decrease in net assets resulting from Unitholders' transactions</b>		<b>1,304</b>	-	-	<b>(78,308)</b>	<b>(77,004)</b>
<b>At 30 June 2021</b>		<b>1,860,603</b>	-	<b>(95,751)</b>	<b>(23,473)</b>	<b>1,741,379</b>
<b>Operations</b>						
Profit after tax for the period		-	-	-	115,237	115,237
<b>Net increase in net assets resulting from operations</b>		-	-	-	<b>115,237</b>	<b>115,237</b>
<b>Unitholders' transactions</b>						
Net increase in net assets resulting from Unitholders' contribution		202,024	-	-	-	202,024
Distribution to Unitholders		(10,652)	-	-	(93,002)	(103,654)
Payment of management fees in Units		2,319	-	-	-	2,319
<b>Net increase in net assets resulting from Unitholders' transactions</b>		<b>193,691</b>	-	-	<b>(93,002)</b>	<b>100,689</b>
<b>At 31 December 2021</b>		<b>2,054,294</b>	-	<b>(95,751)</b>	<b>(1,238)</b>	<b>1,957,305</b>

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS (CONT'D) FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

<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 Losses \$'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>		<b>1,058</b>	-	-	<b>(31,832)</b>	<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>		-	<b>(2,063)</b>	-	-	<b>(2,063)</b>
<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>		<b>3,222</b>	-	-	<b>(71,440)</b>	<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>		-	<b>(1,159)</b>	-	-	<b>(1,159)</b>
<b>At 31 December 2020</b>		<b>1,859,299</b>	-	<b>(95,751)</b>	<b>(31,625)</b>	<b>1,731,923</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.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

	2H 2021 \$'000	2H 2020 \$'000	FY 2021 \$'000	FY 2020 \$'000
<b>Operating activities</b>				
Profit after tax	232,424	87,401	321,573	171,728
Adjustments for:				
Tax expenses	20,099	16,299	29,176	21,022
Finance income	(518)	(119)	(558)	(445)
Finance costs	11,118	8,963	21,215	18,730
Amortisation of intangible assets	-	2,178	2,723	5,626
Loss on disposal of a subsidiary	200	-	200	-
Share of results of a joint venture	1,000	-	1,000	-
Net change in fair value of derivatives	(5,827)	3,141	(7,068)	3,141
Net change in fair value of investment properties	(152,541)	(645)	(151,373)	(645)
Management fees payable in Units	1,362	908	2,433	1,765
Unrealised currency translation differences	982	12,732	1,789	7,297
	<b>108,299</b>	<b>130,858</b>	<b>221,110</b>	<b>228,219</b>
Changes in working capital:				
- Trade and other receivables	(4,041)	(5,995)	(14,091)	17,804
- Trade and other payables	(2,091)	20,327	(7,790)	(1,969)
<b>Cash generated from operations</b>	<b>102,167</b>	<b>145,190</b>	<b>199,229</b>	<b>244,054</b>
Net tax (paid)/refunded	(5,905)	287	(7,728)	(9,070)
<b>Net cash generated from operating activities</b>	<b>96,262</b>	<b>145,477</b>	<b>191,501</b>	<b>234,984</b>
<b>Cash flows from investing activities</b>				
Acquisition of interests in investment properties (Note A)	(195,523)	(32,923)	(195,523)	(133,709)
Acquisition of a subsidiary, net of cash acquired (Note B)	-	-	-	7,920
Additions to investment properties	(8,764)	(20,952)	(8,764)	(23,464)
Capital expenditures on investment properties	(17,411)	(51,871)	(77,571)	(59,557)
Payment on property under development	(26,406)	-	(26,406)	-
Disposal of subsidiary, net of cash received	33,982	-	33,982	-
Investment in notes and preference shares in a joint venture	(89,700)	-	(89,700)	-
Deposit paid to a vendor	(10,402)	-	(10,402)	-
<b>Net cash used in investing activities</b>	<b>(314,224)</b>	<b>(105,746)</b>	<b>(374,384)</b>	<b>(208,810)</b>
<b>Cash flows from financing activities</b>				
Gross proceeds from equity fund raising	204,282	-	204,282	-
Proceeds from borrowings	486,137	133,070	551,183	371,359
Capital contribution from a non-controlling interest	-	292	-	2,900
Payment of financing transaction costs	(874)	(324)	(1,060)	(924)
Repayment of borrowings	(363,726)	(55,755)	(408,401)	(131,052)
Payment of lease liabilities	(3,950)	-	(3,950)	(51,050)
Finance costs paid	(10,442)	(8,604)	(19,789)	(17,674)
Distributions paid to Unitholders	(103,654)	(71,440)	(181,962)	(103,272)
Dividends paid to non-controlling interests	(1,489)	(917)	(3,075)	(3,433)
Payment of equity fund raising transaction costs	(2,258)	-	(2,258)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>204,026</b>	<b>(3,678)</b>	<b>134,970</b>	<b>66,854</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,936)</b>	<b>36,053</b>	<b>(47,913)</b>	<b>93,028</b>
Cash and cash equivalents at beginning of period/year	208,709	205,167	244,387	155,876
Effects of exchange rate fluctuations on cash held	1,168	3,167	(533)	(4,517)
<b>Cash and cash equivalents at end of period/year</b>	<b>195,941</b>	<b>244,387</b>	<b>195,941</b>	<b>244,387</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 completed the acquisition of a 100% interest in Penta Schipol-Rijk B.V., a company incorporated in Netherlands, which in turns hold Amsterdam DC.

In September 2021 and December 2021, Keppel DC REIT completed the acquisition of Eindhoven DC located at Dillenburgstraat 25A-25E, 25E1, 25F, 25G and 25J-25M, 5652 AM and Guangdong Data Centre located at No. 5 Bluesea Intelligence Valley, Shaping Street, Heshan, Jiangmen, Guangdong Province, People's Republic of China, respectively.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

#### Note B – Acquisition of a subsidiary

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 assets acquired, liabilities assumed and net of consideration paid. .

#### Cash flow analysis (FY 2021 vs FY 2020)

Cash generated from operating activities for the FY 2021 was \$191.5 million, \$43.5 million lower than the \$235.0 million for the corresponding period last year. This was mainly due to higher working capital requirements.

Net cash used in investing activities for FY 2021 was \$374.4 million, comprising mainly the acquisitions of Eindhoven DC and Guangdong DC, investment in NetCo's debt securities as well as capital expenditures which include completion of fit-out works for DC1 and deposit paid for the acquisition of London DC, which was partially offset by the divestment of isseek DC. Net cash used in investing activities for the corresponding period last year was \$208.8 million, comprising the acquisitions of Kelsterbach DC, the remaining leasehold land interest of KDC DUB 1 and Amsterdam DC as well as capital expenditures.

The Group recorded net cash generated from financing activities of \$135.0 million in FY 2021 as compared to net cash generated from financing activities of \$66.9 million for the corresponding period last year. Net cash generated in FY 2021 was mainly from issuance of equity and 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 2020 comprised mainly bank borrowings, partially offset by distributions paid to Unitholders, repayment of borrowings and finance costs.

#### Cash flow analysis (2H 2021 vs 2H 2020)

Net cash generated from operating activities for the 2H 2021 was \$96.3 million, \$49.2 million lower than the \$145.5 million for the corresponding period last year. This was mainly due to higher working capital requirements.

Net cash used in investing activities for 2H 2021 was \$314.2 million, comprising mainly acquisitions of Eindhoven DC and Guangdong DC, investment in NetCo's debt securities as well as capital expenditures and deposit paid for the acquisition of London DC, which was partially offset by the divestment of isseek DC. Net cash used in investing activities for the corresponding period last year was \$105.7 million, comprising mainly the acquisition of Amsterdam DC and capital expenditures.

The Group recorded net cash generated from financing activities of \$204.0 million in 2H 2021 as compared to net cash used in financing activities of \$3.7 million for the corresponding period last year. Net cash used in 2H 2021 was mainly from issuance of equity and bank borrowings. These were partially offset by distributions paid to Unitholders, payment of lease liabilities and repayment of borrowings and finance costs. Net cash used in 2H 2020 was mainly due to distributions paid to Unitholders and repayment of borrowings and finance costs, partially offset by proceeds from borrowings.

#### Usage of proceeds of the Private Placement

Further to the announcement dated 25 October 2021 titled "Key Business and Operational Updates for the Third Quarter 2021", (the Announcement), the Manager wishes to update that the remaining net proceeds raised from the Private Placement (the Net Proceeds) have been fully utilised.

Intended Use	Amount allocated (as stated in the Announcements)	Reallocation of the use of Net Proceeds	Amount utilised as at 31 December 2021	Balance of Net Proceeds as at 31 December 2021
	\$'000	\$'000	\$'000	\$'000
To partially fund the acquisition and the associated costs	67,885	(3,263)	(64,622)	-
To fund future acquisitions and to repay debt (including debt previously drawn down for investments) to create debt headroom for future acquisitions	132,720	4,682 <sup>1</sup>	(137,402)	-
<b>Total Use of Net Proceeds</b>	<b>200,605</b>	<b>1,419</b>	<b>(202,024)</b>	<b>-</b>

#### Note:

1 During the year, approximately \$1.4 million of transaction costs has been adjusted from the Unitholder's funds and reallocated to other uses.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 1 GENERAL

Keppel DC REIT is a Singapore-domiciled real estate investment trust constituted by the trust deed dated 17 March 2011 (as amended) (the "Trust Deed") between Keppel DC REIT Management Pte. Ltd. and AEP Investment Management Pte. Ltd., together as Trustee-Managers.

Pursuant to the Deed of Appointment and Retirement dated 24 October 2014, the Trustee-Managers were replaced by Keppel DC REIT Management Pte. Ltd. (the "Manager"). Meanwhile, Perpetual (Asia) Limited (the "Trustee") was appointed as the trustee of the Trust on 24 October 2014.

The Trust Deed is governed by the laws of The Republic of Singapore. The Trustee is under a duty to take into custody and hold the assets of the Group in trust for the holders ("Unitholders") of units in the Trust (the "Units"). The address of the Trustee's registered office and principal place of business is 8 Marina Boulevard #05-02, Marina Bay Financial Centre, Singapore 018981 and 16 Collyer Quay #07-01, Singapore 049318 respectively.

The Trust was formally admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 12 December 2014 and was included under the Central Provident Fund ("CPF") Investment Scheme on 12 December 2014.

The principal activity of the Trust is to principally 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 and assets necessary to support the digital economy.

#### 2 SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of Preparation

This condensed consolidated financial statements for the second half and full year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 Interim Financial Reporting (SFRS (I) 1-34). This condensed financial statements do not include all the disclosures included in the Group's financial report. Accordingly, this report should be read in conjunction with the Group's Annual Report for the financial year ended 31 December 2020 and any public announcements made by Keppel DC REIT during the reporting period.

##### 2.2 Changes in Accounting Policies

The accounting policies adopted by the Group in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's Annual Report for the financial year ended 31 December 2020, except for the adoption of new and revised standards effective as of 1 January 2021.

The following are the new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s, that are relevant to the Group:

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16: Interest Rate Benchmark Reform - Phase 2
- Amendment to SFRS(I) 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021

The adoption of the above new or amended SFRS(I)s, SFRS (I) Interpretations and amendments to SFRS(I)s did not have any significant impact on the condensed consolidated financial statements of the Group.

##### 2.3 Significant Accounting Estimates and Judgements

In the process of applying the Group's accounting policies, there is no instance of application of judgements with significant updates since the audited financial statements as at 31 December 2020 and this is not expected to have a significant effect on the amounts recognised in the condensed consolidated financial statements.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and with significant updates since the audited financial statements as at 31 December 2020 are disclosed in Note 8 Fair Value of Assets and Liabilities.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 3 INVESTMENT PROPERTIES

	Group	
	2021 \$'000	2020 \$'000
At 1 January	3,005,038	2,637,026
Acquisitions <sup>(b)</sup>	195,523	173,455
Additions <sup>(c)</sup>	10,263	45,301
Disposal of a subsidiary <sup>(d)</sup>	(43,269)	-
Capital expenditure	77,571	59,557
Transfer from property under development	27,169	-
Net change in fair value	159,475	25,612
Currency translation differences	(30,334)	64,087
At 31 December	<b>3,401,436</b>	<b>3,005,038</b>

Reconciliation of fair value measurement to valuation report

	Group	
	2021 \$'000	2020 \$'000
Fair value on investment properties based on valuation report	3,389,332	2,980,883
Add: Carrying amount of lease liabilities (Note 5) <sup>(e)</sup>	12,104	24,155
Carrying amount of investment properties	<b>3,401,436</b>	<b>3,005,038</b>

- (a) Investment properties are stated at fair value based on valuations performed by independent valuers, CBRE Pte. Ltd., CBRE Limited, Cushman & Wakefield (Valuations) Pty Ltd, Cushman & Wakefield V.O.F, Jones Lang LaSalle Limited and Savills Valuation and Professional Services (S) Pte Ltd (2020: CBRE Pte. Ltd., CBRE Limited, Cushman & Wakefield (Valuations) Pty Ltd and Jones Lang LaSalle Limited). The external independent valuers have the appropriate recognised professional qualifications and recent experience in the locations and categories of properties being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In determining the fair value, the valuers have used capitalisation approach and discounted cash flows approach which make reference to certain estimates. The key assumptions used to determine the fair value of investment properties include, amongst others, market-corroborated capitalisation yields, terminal yields and discount rates. In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation approaches and estimates are reflective of current market conditions and that the valuation reports are prepared in accordance with recognised appraisal and valuation standards.

The capitalisation approach capitalises in perpetuity an income stream with appropriate adjustments for rental shortfalls and overages and discounts the stream using an appropriate capitalisation rate to arrive at the market value. The discounted cash flow approach involves estimation and projection of an income stream over a period and discounting the income stream with an internal rate of return to arrive at the market value. The discounted cash flow approach requires the valuer to assume a rental growth rate indicative of the market and the selection of a target internal rate of return consistent with current market requirements.

- (b) Keppel DC REIT completed the acquisitions of Eindhoven DC and Guangdong DC on 2 September 2021 and 16 December 2021 respectively. These acquisitions have been accounted for as asset acquisitions.

In 2020, Keppel DC REIT completed the acquisitions of Kelsterbach DC and Amsterdam DC respectively.

- (c) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.
- (d) On 17 May 2021, Keppel DC REIT has granted an option to isek Pty Ltd to purchase isek DC and management has obtained a separate independent valuation for isek DC as at 30 June 2021. The divestment was completed on 1 September 2021.



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 3 INVESTMENT PROPERTIES (CONT'D)

(e) The lease liabilities of the Group relate to estimated payments for extension options of certain leasehold lands in Singapore which the Group is reasonably certain to exercise. In 2021, the Group has extended the leasehold land interest in KDC SGP 2 by 30 years.

The lease liabilities of the Trust relate to estimated payments for extension options of certain leasehold lands in Singapore which the Group is reasonably certain to exercise.

#### 4 INVESTMENT IN SUBSIDIARIES

For the financial period from 1 July 2021 to 31 December 2021, Keppel DC REIT established 6 wholly-owned subsidiaries<sup>1</sup>. Three subsidiaries are incorporated in Singapore, being (i) KDCR Singapore 3 Pte. Ltd., (ii) KDCR Singapore 4 Pte. Ltd., and (iii) KDCR Singapore 5 Pte. Ltd., each with a share capital of approximately S\$1.00 and principal activity is to serve as an investment holding company.

Two subsidiaries are incorporated in Guernsey, being KDCR UK Holdings Limited and KDCR England Limited, each with a share capital of GBP100.00 and principal activity is to serve as an investment holding company and investment in real estate properties, respectively. One subsidiary is incorporated in the Republic of China, being KDCR Guangdong Co., Ltd with a share capital of RMB 76 million and principal activity is letting of self-owned or lease real estate property.

#### 5 LOANS AND BORROWINGS

	Group	
	As at 31 Dec 21 \$'000	As at 31 Dec 20 \$'000
<b><u>Secured borrowings<sup>1</sup></u></b>		
Amount repayable within one year	-	15,356
	-	<b>15,356</b>
<b><u>Unsecured borrowings<sup>2</sup></u></b>		
Amount repayable within one year	158,659	127,914
Amount repayable after one year	1,130,921	1,022,486
	<b>1,289,580</b>	<b>1,150,400</b>
<b>Total borrowings</b>	<b>1,289,580</b>	<b>1,165,756</b>
Capitalised transactions costs of debt financing	(2,414)	(1,991)
<b><u>Lease liabilities</u></b>		
Within one year	4,378	1,046
After one year	7,726	23,109
<b>Total loans and borrowings</b>	<b>1,299,270</b>	<b>1,187,920</b>

#### Note:

<sup>1</sup> These borrowings were taken over as part of the acquisition of Amsterdam DC and have been fully repaid in January 2021.

<sup>2</sup> Keppel DC REIT has unsecured borrowings of approximately \$834.6 million (2020: \$681.1 million) and \$299.7 million (2020: \$309.2 million) and \$155.3 million (2020: \$160.1 million) under its term loan facilities, revolving credit facilities and Multicurrency Debt Issuance Programme respectively.

As at 31 December 2021, the Group had total borrowings of approximately \$1,289.6 million and unutilised facilities of approximately \$481.5 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 2021.

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

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 6 UNITHOLDERS' FUNDS

##### Units in Issue

GROUP AND TRUST	1 Jan 21 to 31 Dec 21	1 Jan 20 to 31 Dec 20
	No. of Units	No. of Units
Issued Units as at beginning of period	1,633,120,606	1,632,395,361
Management fees paid in Units	1,391,249	725,245
Issuance of placement Units	81,000,000	-
<b>Issued Units as at end of period</b>	<b>1,715,511,855</b>	<b>1,633,120,606</b>

##### Total number of issued units

Keppel DC REIT did not hold any treasury units as at 31 December 2021 and 31 December 2020.

	Group	
	As at 31 Dec 21	As at 31 Dec 20
<b>Total number of issued Units</b>	<b>1,715,511,855</b>	<b>1,633,120,606</b>

#### 7 RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Group when the Group has the ability, whether directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions or vice-versa, or where the Group and the party are subject to common control or with a Unitholder that has significant influence. Other than disclosed elsewhere in the financial statements, the following are significant transactions with related parties on terms agreed between the parties.

	Group	
	FY 2021 \$'000	FY 2020 \$'000
Fixed rental income from related corporations	28,902	25,282
Variable rental income from related corporations	99,678	107,096
Management base fees to the Manager	(15,375)	(13,741)
Management performance fees to the Manager	(8,411)	(7,936)
Acquisition and development management fees to the Manager	(4,563)	(4,853)
Divestment fees to the Manager	(172)	-
Facility management fees to related corporations	(4,027)	(4,327)
Project management fees to related corporations	(475)	-
Support services fee to a related corporation	(468)	(272)
Interest expense to a related corporation	(988)	-
Interest income from a joint venture	223	-
Investment in notes and preference shares in a joint venture	89,700	-
Recoverables in relation to an obligation assumed from a related corporation	-	13,161
Purchase consideration paid to a related corporation in relation to an interest in KDC SGP 4	-	(503)

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 8 FAIR VALUE OF ASSETS AND LIABILITIES

##### Determination of fair values

The following valuation methods and assumptions are used to estimate the fair values of the following significant classes of assets and liabilities:

##### *Investment properties*

External, independent valuation companies, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, value the Group's investment properties portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

In the absence of current prices in an active market, the valuations are prepared by considering the estimated rental revenue of the property. A market yield is applied to the estimated rental value to arrive at the gross property valuation. When actual rents differ materially from the estimated rental value, adjustments are made to reflect actual rents.

Valuations reflect, when appropriate, the type of clients actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, the allocation of maintenance and insurance responsibilities between the Group and the lessee, and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices, and when appropriate counter-notices, have been served validly and within the appropriate time.

##### *Non-derivative financial liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of expected future principal and interest cash flows, where the discount rate is computed from the market rate of interest at the reporting date.

##### *Other financial assets and liabilities*

The carrying amounts of financial assets and financial liabilities with a maturity of less than one period (including trade and other receivables, cash and cash equivalents and trade and other payables) are assumed to approximate their fair values because of the short period to maturity. All other financial assets and liabilities are discounted to determine their fair values.

The carrying amounts of the Trust's interest-bearing amounts owing by subsidiaries are assumed to approximate their fair values because of the short period to maturity.

##### Fair value hierarchy

The table below analyses fair value measurements for financial assets, financial liabilities and non-financial assets carried at fair value. The different levels are defined as follows:

*Level 1:* quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;

*Level 2:* inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

*Level 3:* unobservable inputs for the asset or liability.

**KEPPEL DC REIT AND ITS SUBSIDIARIES**

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021**

**8 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)**

**Assets and liabilities carried at fair value**

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2021</b>				
Derivative financial assets	–	6,494	–	6,494
Investment properties	–	–	3,401,436	3,401,436
	–	6,494	3,401,436	3,407,930
Derivative financial liabilities	–	(6,182)	–	(6,182)
<b>31 December 2020</b>				
Derivative financial assets	–	73	–	73
Investment properties	–	–	3,005,038	3,005,038
	–	73	3,005,038	3,005,111
Derivative financial liabilities	–	(26,809)	–	(26,809)
<b>Trust</b>				
<b>31 December 2021</b>				
Derivative financial assets	–	4,287	–	4,287
Investment properties	–	–	526,726	526,726
	–	4,287	526,726	531,013
Derivative financial liabilities	–	(317)	–	(317)
<b>31 December 2020</b>				
Derivative financial assets	–	73	–	73
Investment properties	–	–	483,182	483,182
	–	73	483,182	483,255
Derivative financial liabilities	–	(3,213)	–	(3,213)

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2021 and 31 December 2020.

Movement in Level 3 fair value of investment property for the financial year is as shown in Note 3.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 8 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

##### Assets and liabilities carried at fair value (cont'd)

###### *Level 3 fair values*

The following table shows the valuation techniques and the significant unobservable inputs used in the determination of fair value.

<u>Valuation method</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
<b>Investment properties – data centres</b>		
Capitalisation approach	Capitalisation rate: 4.40% to 9.31% (2020: 4.95% to 10.12%)	The estimated fair value varies inversely against the capitalisation rate.
Discounted cash flow approach	Discount rate: 5.50% to 11.25% (2020: 5.04% to 11.50%)  Terminal yield rate: 5.49% to 10.50% (2020: 5.25% to 14.35%)	The estimated fair value varies inversely against the discount rate and terminal yield rate.

##### **Fair value**

The basis for fair value measurement of financial assets and liabilities is set out above. The carrying amounts of other financial assets and liabilities approximate their fair values.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

9 SEGMENTAL INFORMATION

<b>By type of asset class (\$'000)</b>	<b>2H 2021</b>			<b>Total</b>
	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	
Gross revenue	90,892	28,204	16,822	135,918
Net property income	80,369	28,216	15,735	124,320
Finance income	169	124	-	293
Finance costs	(5,503)	(3,362)	(1,887)	(10,752)
Net change in fair value of investment properties <sup>1</sup>	122,727	30,895	(1,081)	152,541
<b>Reportable segment profit before tax</b>	<b>210,061</b>	<b>57,310</b>	<b>(3,673)</b>	<b>263,698</b>
<b>Unallocated amounts:</b>				
- Finance income				225
- Finance costs				(366)
- Other corporate expenses:				(11,034)
<b>Profit before tax</b>				<b>252,523</b>
<b>By type of asset class (\$'000)</b>	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	<b>Total</b>
<b>Segment assets</b>	2,214,693	841,964	627,735	3,594,392
Other unallocated amounts				185,758
<b>Consolidated assets</b>				<b>3,780,150</b>
<b>Segment liabilities</b>	592,474	407,772	366,065	1,366,311
Other unallocated amounts				78,163
<b>Consolidated liabilities</b>				<b>1,444,474</b>
<b>Other segment items:</b>				
Capital expenditures / Additions	22,959	58,590	8,260	<b>89,809</b>

<b>By type of asset class (\$'000)</b>	<b>2H 2020</b>			<b>Total</b>
	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	
Gross revenue	98,156	24,108	19,357	141,621
Net property income	87,731	23,457	18,761	129,949
Finance income	115	-	4	119
Finance costs	(5,305)	(2,538)	(1,088)	(8,931)
Amortisation of intangible assets	(2,178)	-	-	(2,178)
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>101,047</b>	<b>28,421</b>	<b>(11,084)</b>	<b>118,384</b>
<b>Unallocated amounts:</b>				
- Finance costs				(32)
- Other corporate expenses:				(14,652)
<b>Profit before tax</b>				<b>103,700</b>
<b>By type of asset class (\$'000)</b>	<b>Colocation</b>	<b>Fully-fitted</b>	<b>Shell and core</b>	<b>Total</b>
<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	85,584	71	43,879	<b>129,534</b>

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.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

9 SEGMENTAL INFORMATION (CONT'D)

By type of asset class (\$'000)	FY 2021			Total
	Colocation	Fully-fitted	Shell and core	
Gross revenue	184,287	55,819	30,959	271,065
Net property income	163,088	56,070	28,996	248,154
Finance income	208	125	-	333
Finance costs	(11,077)	(5,935)	(3,564)	(20,576)
Amortisation of intangible assets	(2,723)	-	-	(2,723)
Net change in fair value of investment properties <sup>1</sup>	122,727	29,727	(1,081)	151,373
<b>Reportable segment profit before tax</b>	<b>283,770</b>	<b>81,035</b>	<b>7,613</b>	<b>372,418</b>
<b>Unallocated amounts:</b>				
- Finance income				225
- Finance costs				(639)
- Other corporate expenses:				(21,255)
<b>Profit before tax</b>				<b>350,749</b>
By type of asset class (\$'000)	Colocation	Fully-fitted	Shell and core	Total
<b>Segment assets</b>	2,214,693	841,964	627,735	3,594,392
Other unallocated amounts				185,758
<b>Consolidated assets</b>				<b>3,780,150</b>
<b>Segment liabilities</b>	592,474	407,772	366,065	1,366,311
Other unallocated amounts				78,163
<b>Consolidated liabilities</b>				<b>1,444,474</b>
<b>Other segment items:</b>				
Capital expenditures / Additions	22,959	58,590	8,260	89,809

By type of asset class (\$'000)	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	(5,626)	-	-	(5,626)
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>
By type of asset class (\$'000)	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	85,584	71	43,879	129,534

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.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### 9 SEGMENTAL INFORMATION (CONT'D)

##### By geographical area

	FY 2021	FY 2020
<u>Gross Revenue</u>	<u>\$'000</u>	<u>\$'000</u>
- Singapore	157,414	161,711
- Australia	28,607	29,101
- Ireland	32,449	26,129
- Germany	19,184	21,805
- The Netherlands	15,762	10,492
- Other countries	17,649	16,333
<b>Total gross revenue</b>	<b>271,065</b>	<b>265,571</b>

##### Major Customers

Revenue of \$146.8 million (2020: \$154.9 million) were derived from 2 separate clients from Singapore and Australia (2020: Singapore and Australia).

##### Investment Properties

	As at 31 Dec 21	As at 31 Dec 20
	<u>\$'000</u>	<u>\$'000</u>
- Singapore	1,902,103	1,711,057
- Australia	326,458	307,946
- Ireland	291,908	296,684
- Germany	279,486	277,296
- The Netherlands	257,748	195,813
- Other countries	343,733	216,242
<b>Total value of investment properties</b>	<b>3,401,436</b>	<b>3,005,038</b>

#### 10 SUBSEQUENT EVENTS

On 11 January 2022, the Group completed the acquisition of a shell and core data centre facility in Bracknell, United Kingdom, for \$104.0 million.

On 24 January 2022, the Manager declared a distribution of 3.506 cents per Unit for the period from 23 August 2021 to 31 December 2021.



## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### A. 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.

#### B. AUDITORS' REPORT

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

Not applicable.

#### C. REVIEW OF PERFORMANCE

Review of the Performance between 2021 and 2020 results

##### FY 2021 vs FY 2020

Gross rental income for FY 2021 was \$265.8 million, an increase of \$8.2 million or 3.2% from FY 2020 of \$257.6 million. This was mainly due to AEI contributions from Dublin and Singapore assets, full year contributions from Kelsterbach DC and Amsterdam DC as well as the acquisitions of Eindhoven DC and Guangdong DC. This was partially offset by the cessation of excess rent paid to the vendor at Kelsterbach DC, the divestment of iseek DC, and absence of one-off revenue and expenses reduction from the Singapore colocation assets.

Other income of \$5.3 million was \$2.6 million lower than FY 2020 mainly due to lower of rental top up income recognised.

Property operating expenses for FY 2021 was \$22.9 million, an increase of \$1.5 million or 7.0% from FY 2020 of \$21.4 million. This was mainly due to the acquisition of Amsterdam DC, as well as higher property-related expenses recorded at the assets in Dublin.

Net property income of \$248.2 million for FY 2021 was \$4.0 million or 1.6% higher than FY 2020.

Profit after tax for FY 2021 was \$321.6 million, after taking into account the net fair value gain in investment properties of \$151.4 million (2020: net fair value gain of \$0.6 million) and deferred tax expense of \$10.1 million (2020: deferred tax expense of \$6.2 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 2021 was \$180.3 million, an increase of \$3.0 million or 1.7% as compared to FY 2020 of \$177.3 million. This was mainly due to higher net property income, net gains on derivatives, lower amortisation of rental top up, partially offset by higher Manager's fees, higher finance costs and higher tax expenses as compared to FY 2020.

##### 2H 2021 vs 2H 2020

Gross rental income for 2H 2021 was \$134.3 million, a decrease of \$3.8 million or 2.7% from 2H 2020 of \$138.1 million. This was mainly due to lower rental non-cash income adjustment on a straight-lining basis, cessation of excess rent paid to the vendor at Kelsterbach DC, absence of one-off revenue and expenses reduction from the Singapore colocation assets and the divestment of iseek DC. This was partially offset by AEI contributions from the Dublin and Singapore assets, full half year contribution from Amsterdam DC as well as acquisitions of Eindhoven DC and Guangdong DC.

Other income of \$1.6 million was \$1.9 million lower than 2H 2020 due to absence of rental top up income recognised.

Property operating expenses for 2H 2021 was \$11.6 million, a decrease of \$0.1 million or 0.6% from 2H 2020 of \$11.7 million.

Net property income of \$124.3 million for 2H 2021 was \$5.6 million or 4.3% lower than 2H 2020.

Profit after tax for 2H 2021 was \$232.4 million, after taking into account the net fair value gain in investment properties of \$152.5 million (2020: net fair value gain of \$0.6 million) and deferred tax expense of \$10.1 million (2020: deferred tax expense of \$6.2 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 2021 was \$90.0 million, a decrease of \$3.0 million or 3.2% as compared to 2H 2020 of \$93.0 million. This was mainly due to lower net property income, offset by higher Manager's fees, higher finance costs, higher tax expenses, net gains on derivatives, lower amortisation of rental top up as compared to 2H 2020.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### D. 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

The World Bank projects that global growth will decelerate to 4.1% this year from 5.5% in 2021, amid COVID-19 flare-ups, diminished government policy support and supply chain disruptions. The global outlook is clouded by various downside risks, including new COVID-19 variants and a rise in inflation. However, increased investments in digital infrastructure and adoption of and access to technologies bodes well for the digital economy.

According to research by IT research and consultancy Gartner, data centre systems spending in 2022 is forecast to reach US\$207 billion, a 5.8% increase from 2021. Synergy Research Group expects hyperscalers to continue to aggressively expand their operations, with rapid growth of both enterprise and consumer-oriented cloud markets. Market watchers also expect strong demand for data centres in key global markets to continue throughout 2022.

Keppel DC REIT is well-positioned to benefit from the positive industry trends. Its strong operational expertise, extensive industry network and healthy balance sheet enable it to capture strategic opportunities as they arise. Keppel DC REIT will also leverage the Keppel ecosystem in providing end-to-end solutions from project development to facilities management and innovative carbon reduction solutions to grow sustainably. Keppel DC REIT's Sponsor and Keppel's private data centre fund have more than \$2 billion of assets under management and development. Keppel DC REIT may look to potentially acquire these assets if it is beneficial to the Unitholders.

#### E. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly and proactively embarks on 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.

## **KEPPEL DC REIT AND ITS SUBSIDIARIES**

### **OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021**

#### **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 the sustainability of net property income. These measures include steps taken to discuss on early renewals with clients, manage expenses, actively monitor contractual payments from clients and continuously evaluate the Group's counterparties.

In addition, the Manager also performs an annual review of the adequacy and appropriateness of insurance coverage, 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.

In view of the current COVID-19 pandemic, the Manager has activated business continuity plans and implemented extensive safety measures to ensure continued operations with minimal disruption and loss.

#### **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.

#### **Cybersecurity risk**

The Manager recognises the increasing and ever present threats to cybersecurity in today's digital economy. To address data security risks, the Manager actively works with its clients and facility managers to ensure that cyber security governance structures and technology are aligned with leading industry standards. The Manager remains committed to ensure that data security and potential cybersecurity threats are managed in a proactive manner, in order to secure and protect our data and assets.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### F. DISTRIBUTIONS

##### (a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

Name of distribution:	(i) <u>16th</u> Distribution for the period from 1 July to 22 August 2021 (ii) <u>17th</u> Distribution for the period from 23 August to 31 December 2021
Distribution type:	(a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution
Distribution rate:	<u>16h</u> Distribution for the period from 1 July to 22 August 2021 (a) Taxable Income – 0.620 cents per Unit (b) Tax-exempt Income – 0.606 cents per Unit (c) Capital Distribution – 0.195 cents per Unit  <u>17th</u> Distribution for the period from 23 August to 31 December 2021 (a) Taxable Income – 0.983 cents per Unit (b) Tax-exempt Income – 1.590 cents per Unit (c) Capital Distribution – 0.933 cents per Unit
Distribution amount (\$'000):	(i) 16th Distribution – 23,215 (ii) 17th Distribution – 60,146
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) <u>Capital Distribution</u>  Capital distribution represents a return of capital to Unitholders for Singapore income tax purposes and is therefore not subject to income tax. For Unitholders who are liable to Singapore income tax on profits from sale of Keppel DC REIT Units, the amount of capital distribution will be applied to reduce the cost base of their Keppel DC REIT Units for Singapore income tax purposes.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### **(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:	<u>14th</u> Distribution Distribution for the period from 1 July to 31 December 2020
Distribution type:	(a) Taxable Income (b) Tax-exempt Income
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:	(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 17th Distribution will be closed at 5.00 p.m. on 3 February 2022 for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

#### **(d) Date payable**

The date the 17th Distribution is payable: 10 March 2022

### **G. DISTRIBUTION STATEMENT**

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

Other than as disclosed in Paragraph F - Distributions, no distribution has been declared / recommended.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### H. 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 2021 \$'000	FY 2020 \$'000
<b>Temasek Holdings Group</b>		
- Rental income	18,166	18,094
<b>Keppel Corporation Limited and its subsidiaries</b>		
- Variable rental income	96,989	103,979
- Facility management and property management fees	3,919	4,543
- Manager's management fees	23,787	21,677
- Manager's acquisition and development management fees	4,563	4,853
- Manager's divestment fees	172	-
- Project management fees	475	-
- Rental top up income	2,723	5,626
- Support services fees	860	850
- Interest expense	988	-
- Investment in notes and preference shares in a joint venture	89,700	-
- Interest income from a joint venture	76,300	-
- Reimbursement expenses from a joint venture	2,700	-
- Recoverables in relation to an obligation assumed	-	13,161
- Purchase consideration of 99% interest in KDC SGP 4	-	503
<b>Perpetual (Asia) Limited</b>		
- Trustee fees	389	341

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

#### I. BREAKDOWN OF SALES

	FY 2021 \$'000	FY 2020 \$'000	+/( )%
<b>First half year</b>			
Gross revenue reported	135,147	123,950	9.0
Profit after tax	89,149	84,327	5.7
<b>Second half year</b>			
Gross revenue reported	135,918	141,621	(4.0)
Profit after tax <sup>1</sup>	91,110	92,964	(2.0)

**Note:**

1 Profit after tax excludes net gains of \$141.3 million relating to net fair value gains and their related deferred tax impact (2H 2020: net losses of \$5.6 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.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

#### J. BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

	FY 2021 \$'000	FY 2020 \$'000
1 January 2020 to 30 June 2020	-	71,440
1 July 2020 to 31 December 2020	-	78,308
1 January 2021 to 30 June 2021	<b>80,438</b>	-
1 July 2021 to 31 December 2021	<b>83,361</b>	-
	<b>163,799</b>	149,748

#### K. 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.

#### L. 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.

## KEPPEL DC REIT AND ITS SUBSIDIARIES

### OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2021

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**

Chiam Yee Sheng

Company Secretary  
24 January 2022



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 entire slide is a server room with blue and green lighting and a large red arrow pointing upwards and to the right.

**Keppel DC REIT**

# Second Half and Full Year 2021 Financial Results

24 January 2022

# Outline

Key Highlights	3
Financial Results	6
Portfolio Updates	11
Outlook	17
Additional Information	21

## Constituent of:



## Awards and Certifications:



# Key Highlights

# FY 2021 Key Highlights



## Sustainable Financial Growth

### Distributable Income

**\$171.6m**

for FY 2021, a 9.4% y-o-y increase, due mainly to contributions from accretive acquisitions and completion of asset enhancement initiative works.

### Continued DPU growth

**9.851 cents**

for FY 2021, representing a 7.4% y-o-y growth.

### DPU yield

**4.0%**

based on the market closing price of \$2.470 per Unit at 31 Dec 2021.



## Resilient & Diversified Portfolio

### Growth in AUM

**\$3.4b<sup>1</sup>**

as at 31 Dec 2021, representing a 13.3% growth from a year ago, underpinned mainly by new acquisitions and portfolio valuation uplift.

### Record High Portfolio Occupancy

**98.3%**

as at 31 Dec 2021.

### Long Portfolio WALE

**7.5 years<sup>2</sup>**

by leased area.



## Strong Balance Sheet

### Aggregate Leverage<sup>3</sup>

**34.6%**

as at 31 Dec 2021, providing sufficient debt headroom for further growth.

### High Interest Coverage

**10.8 times**

as at 31 Dec 2021.

### Average Cost of Debt<sup>4</sup>

**1.6%**

as at 31 Dec 2021.

# Value Creation with DPU Accretive Investments

## Strengthening foothold in Europe

- Strategic acquisitions of **London Data Centre** in the UK and **Eindhoven Campus** in the Netherlands
- The UK is the fourth largest data centre market globally<sup>1</sup>, and London has seen healthy demand from hyperscalers and cloud providers expanding around the western corridor<sup>2</sup>
- The Netherlands data centre market is among the top four major data centre hubs in Europe, and expected to see 5.3% CAGR in 2021-2026<sup>3</sup>



## Maiden acquisition in China

- Strategic acquisition of **Guangdong Data Centre** to tap into China's growing digital economy
- Guangdong is one of the top and fastest growing data centre locations in China, with demand supported by the city government's push to develop a digital and intelligent economy

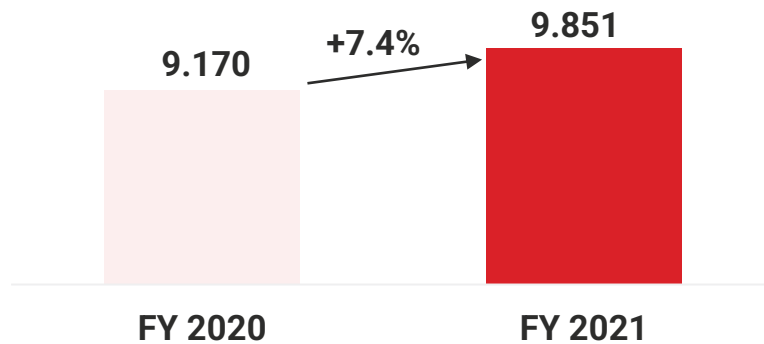
## Enhancing Income Resilience

- Investment in **bonds and preference shares issued by M1 Network Private Limited**
- Provides stable cash flow of \$11.0m p.a. (comprising both principal<sup>4</sup> and interest) for 15 years, without assuming any operational management risks

# Financial Results

# Delivering Stable Returns to Unitholders

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



### Distribution

for the period from 23 Aug to 31 Dec 2021

**DPU** 3.506 cents<sup>1</sup>

**Ex-Date** 31 Jan 2022

**Record Date** 3 Feb 2022

**Payment Date** 10 Mar 2022

(\$'000)	2H 2021	2H 2020	+ / (-) %	FY 2021	FY 2020	+ / (-) %
<b>Distributable Income</b>	87,350	81,935	6.6	171,606	156,915	9.4
<b>Comprising:</b>						
<b>Gross Revenue</b>	135,918	141,621	(4.0)	271,065	265,571	2.1
<b>Property Expenses</b>	(11,598)	(11,672)	(0.6)	(22,911)	(21,405)	7.0
<b>Net Property Income</b>	124,320	129,949	(4.3)	248,154	244,166	1.6
<b>Distribution per Unit<sup>1</sup> (DPU) (cents)</b>	<b>4.927</b>	<b>4.795</b>	<b>2.8</b>	<b>9.851</b>	<b>9.170</b>	<b>7.4</b>
<b>Distribution Yield<sup>2</sup> (%)</b>				3.99	3.71	28 bps

- DPU was computed based on the distributable income to Unitholders and excludes capex reserves set aside. Keppel DC REIT has paid an advanced distribution of 1.421 cents per Unit to eligible Unitholders on 20 Oct 2021 for the period from 1 Jul to 22 Aug 2021 in connection with the private placement launched on 12 Aug 2021. For the period from 23 Aug to 31 Dec 2021, eligible Unitholders will receive a distribution of 3.506 cents per Unit.
- Based on FY 2021's closing price of \$2.470 per Unit.

# Maintaining a Strong Balance Sheet

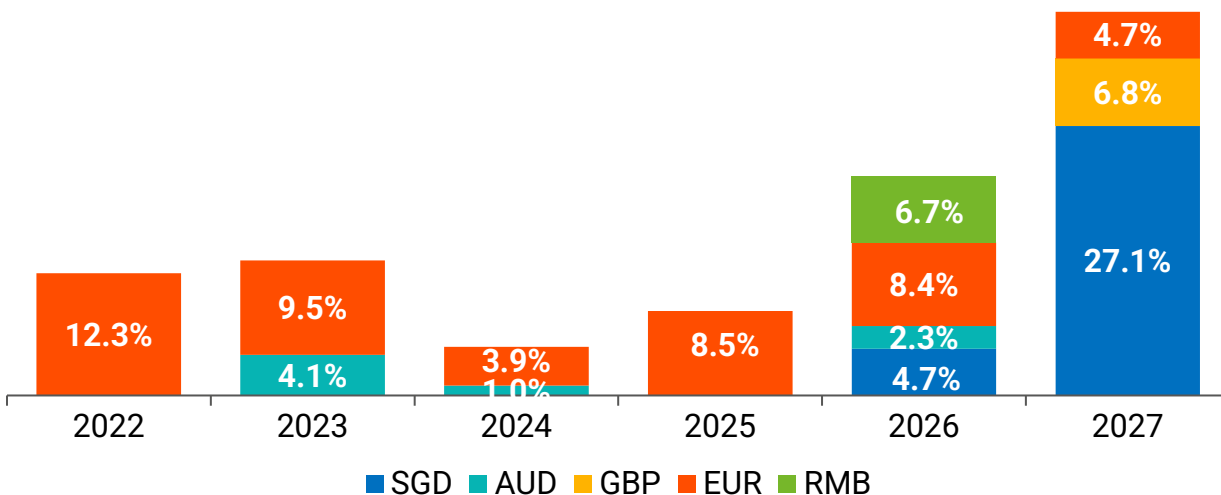
(\$'000)	As at 31 Dec 2021	As at 31 Dec 2020	+ / (-) %
<b>Investment Properties</b>	3,401,436	3,005,038	+13.2
<b>Property under development</b>	-	24,676	(100.0)
<b>Total Assets</b>	3,780,150	3,349,828	+12.8
<b>Gross Borrowings<sup>1</sup></b>	1,289,580	1,165,756	+10.6
<b>Total Liabilities</b>	1,444,474	1,367,586	+5.6
<b>Unitholders' Funds</b>	<b>2,293,247</b>	<b>1,944,652</b>	<b>+17.9</b>
<b>Units in Issue ('000)</b>	1,715,512	1,633,121	+5.0
<b>Net Asset Value (NAV) per Unit (\$)</b>	1.34	1.19	+12.6
<b>Unit Price (Closing price of last trading day) (\$)</b>	2.47	2.81	(12.1)
<b>Premium to NAV (%)</b>	+84.3	+136.1	(-51.8pp)



# Healthy Leverage & Well-diversified Debt Maturity Profile

- In 4Q 2021, Keppel DC REIT:
  - Extended loans of S\$275m by 2 years until 2027; and GBP 11.2m for 5 years until 2027
  - Obtained 1 revolving credit facility of S\$150m for 6 years and 1 loan of RMB400m for 5 years

**Debt Maturity Profile**  
as at 31 Dec 2021



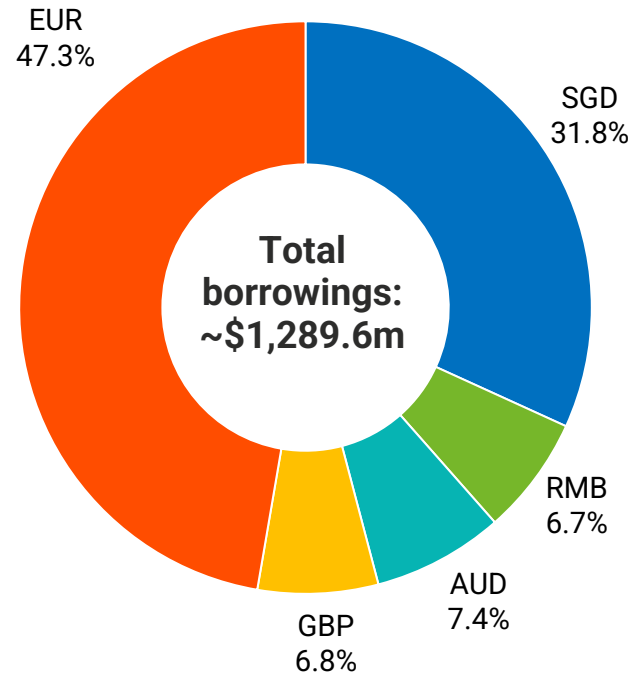
## As at 31 Dec 2021

<b>Available Facilities</b>	~\$481.5m of undrawn credit facilities
<b>Aggregate Leverage<sup>1</sup></b>	34.6%
<b>Average Cost of Debt<sup>2</sup></b>	1.6%
<b>Debt Tenor</b>	3.9 years
<b>Interest Coverage (ICR)</b>	10.8 times
<b>Borrowings on fixed rates</b>	74%

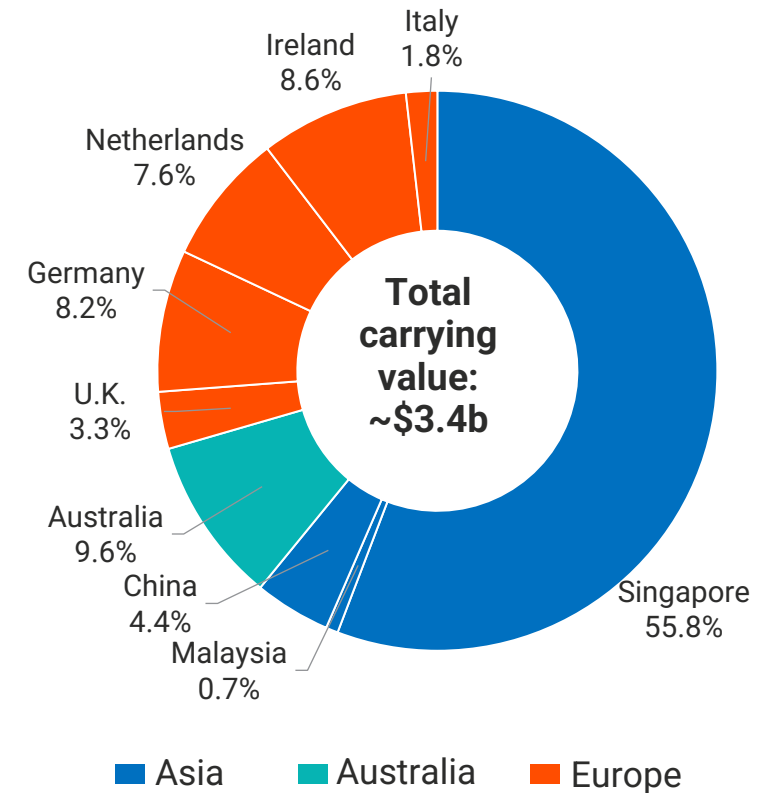
# Prudent Capital Management

- **Managing interest rate exposure:** 74% of loans hedged through floating-to-fixed interest rate swaps, with the remaining unhedged borrowings in EUR
- **Mitigating impact of currency fluctuations:**
  - Forecasted foreign-sourced distributions have been substantially hedged till 1H 2023 with foreign currency forward contracts
  - Adopted natural hedging by borrowing in currencies that match the corresponding investments

**Debt currency breakdown**  
(as at 31 Dec 2021)



**Investment properties breakdown<sup>1</sup>**  
(as at 31 Dec 2021)



# Portfolio Updates



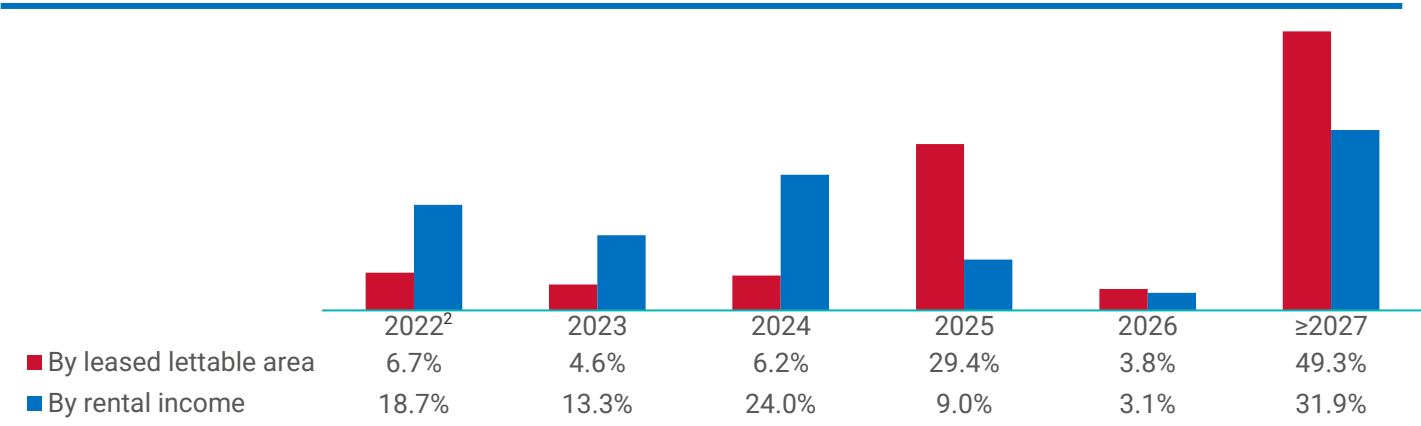
**Sustainable income stream underpinned by healthy portfolio occupancy and long WALE**

<p><b>High Portfolio Occupancy</b></p> <p><b>98.3%</b></p> <p>as at 31 Dec 2021</p>	<p><b>Long Portfolio WALE</b></p> <p><b>7.5 years<sup>1</sup></b></p> <p>by leased area</p>
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# Proactive Portfolio Management

- Strengthened portfolio with the completion of the acquisition of Guangdong Data Centre and the investment in bonds and preference shares issued by M1 Network Private Limited
- Continued leasing momentum in 4Q 2021 with healthy lease renewals
- Portfolio WALE increased from 6.8 years as at 31 Dec 2020 to 7.5 years as at 31 Dec 2021 due to acquisitions of long lease assets and lease renewals
- Extended land lease for Keppel DC Singapore 3 by 30 years in Jan 2022

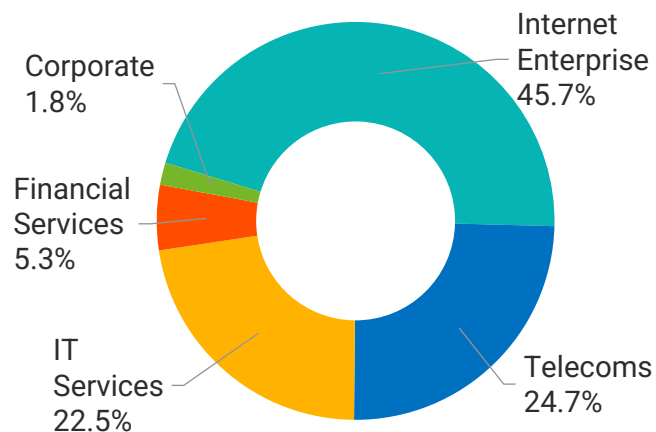
## Lease Expiry Profile (as at 31 Dec 2021)



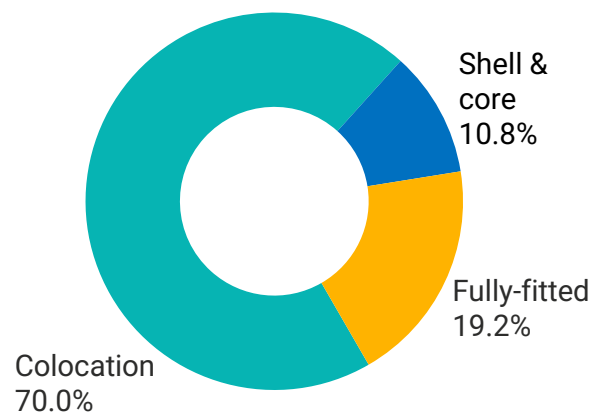
1. By leased area. WALE by rental income was 4.9 years as a higher proportion of rental income is from colocation assets, which typically have shorter lease periods.  
 2. Lease renewal discussions for Basis Bay Data Centre concluded in Jan 2022.

# Diversified and Resilient Portfolio

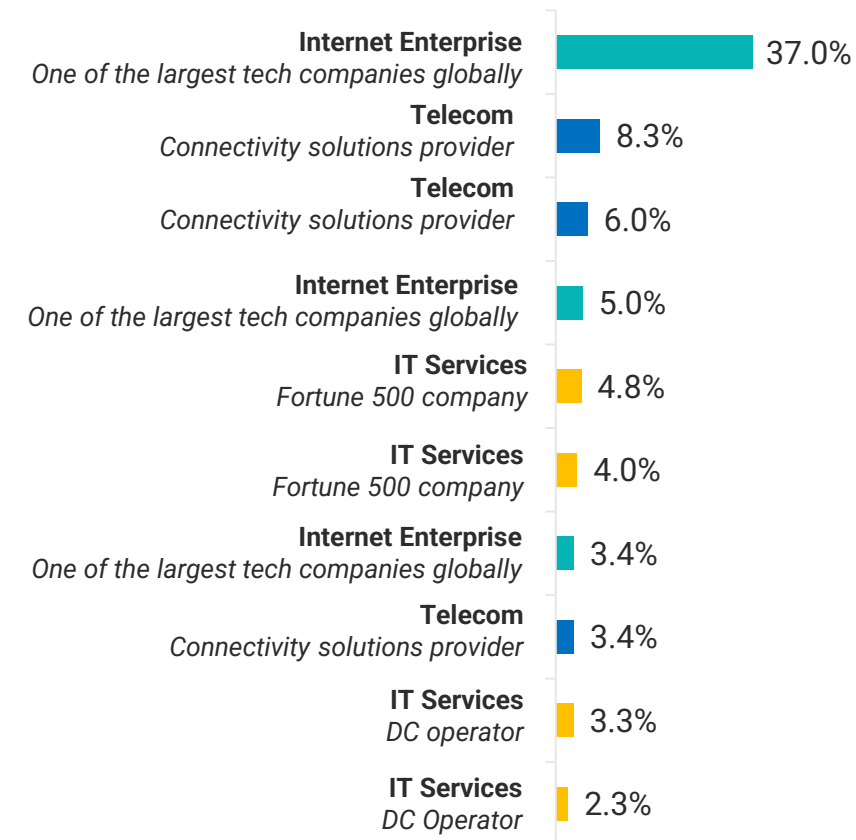
**Rental Income by Trade Sector**  
(for the month of Dec 2021)<sup>1</sup>



**Rental Income by Lease Type**  
(for the month of Dec 2021)<sup>1</sup>



**Top 10 Clients**  
(for the month of Dec 2021)<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	2.5	✓	✓	-
Fully-fitted	Single	12.4	✓	-	-
Shell & core	Single	6.9	-	-	-

# Commitment to ESG Excellence



## Environmental Stewardship

- **Emissions**

To **progressively reduce our combined Scope 1 and Scope 2 emissions** with an aim to **halve this by 2030** from a 2019 baseline

- **Energy**

- To introduce **renewable energy<sup>1</sup> (RE) to at least 50% of the colocation assets by 2030**, as well as encourage RE use at all other portfolio assets
- To achieve at least a 10% reduction in effective Power Usage Effectiveness (PUE) for colocation assets that undergo major asset enhancement<sup>2</sup> works, **by 2025** from a 2019 baseline

- **Climate Change Adaptation**

Commitment to align reporting with the recommendations of the **Taskforce on Climate-related Financial Disclosures (TCFD)**

# Commitment to ESG Excellence (Cont'd)



## Responsible Business

- **Corporate Governance**  
Uphold **strong corporate governance, robust risk management**, as well as **timely and transparent communications** with stakeholders
- **Cybersecurity and Data Privacy**  
Uphold high standards of cybersecurity and data protection best practices through the Keppel Cybersecurity governance structure, with **zero incidents of data breaches and non-compliance with data privacy laws**
- **Ethics and Integrity**  
Maintain high standards of ethical business conduct and compliance best practices, with **zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations**
- **Building and Service Quality**
  - To obtain and maintain **green certification for all Singapore colocation assets by 2025** and **obtain green certification for all colocation assets by 2030**
  - To achieve an **above satisfactory score for our Annual Customer Satisfaction Survey**<sup>1</sup>
  - Commitment to aim for **zero client dissatisfaction over the physical security** of all our colocation properties for our Annual Customer Satisfaction Survey

# Commitment to ESG Excellence (Cont'd)



## People & Community

- **Diversity and Inclusion**  
To achieve **25% female directors** on the Board by 2025
- **Employee Health and Wellbeing**  
Provide a safe and healthy environment for all stakeholders, adopting the **Keppel Zero Fatality Strategy** to achieve a zero fatality workplace
- **Human Capital Management**
  - Achieve at least **20 hours of training hours** per employee in 2022
  - Achieve at least **75% in employee engagement score** in 2022
- **Community Development and Engagement**  
Engage with local communities and contribute to Keppel Capital's target of **>500 hours of staff volunteerism** in 2022

**MSCI**  
ESG RATINGS



CCC B BB BBB A AA AAA

Keppel DC REIT received a rating of 'A' in the MSCI ESG Ratings assessment 2021 that measures a company's resilience to long-term, financially relevant material ESG risks<sup>1</sup>



# Outlook



Sustainability will be an increasing focus for the data centre industry

# Outlook for Data Centres Remains Optimistic



Data centre systems spending in 2022 is forecast to reach US\$207b, a 5.8% increase year-on-year<sup>1</sup>



Hyperscalers continue to aggressively expand their operations, with rapid growth of both enterprise and consumer-oriented cloud markets<sup>2</sup>



Expect strong demand for data centres in APAC throughout 2022, with 750 MW under construction in five large markets (Sydney, Hong Kong, Singapore, Tokyo, Jakarta)<sup>3</sup>



Vacancies across the Frankfurt, London, Amsterdam and Paris markets will reach multi-year lows as demand for space rises across Europe's largest data centre markets<sup>4</sup>



Number of 5G subscriptions expected to exceed 660m as at end-2021, with service providers including more data in packages for video conferencing, web browsing, video streaming and office software<sup>5</sup>

# Well-Positioned for Growth

The Manager will continue to capitalise on growth opportunities in the data centre industry, and strengthen Keppel DC REIT's global presence.

## Proxy to Fast-Growing Tech Sector



**Resilient asset class with highly defensive and long-term sustainable income stream**

- Diversified portfolio of assets globally, with a large and stable client base



**Strong operational expertise and proven track record**



**Focused and disciplined investment strategy**

- Global mandate to invest in data centres, and real estate and assets necessary to support the digital economy
- Over \$2b worth of data centre assets under development and management through our sponsor, Keppel T&T<sup>1</sup>, and Keppel's private data centre funds



**Ongoing commitment to address climate change issues**

- Utilising green energy, where available, at our data centres
- Pursuing sustainability-related certifications

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

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# Thank You

**Important Notice:** The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation 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.

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For more information, please visit: [www.keppeldcreit.com](http://www.keppeldcreit.com)

Connect with us on: 

# Additional Information

# Focused on Growing Data Centre Portfolio

**Keppel DC REIT**  
**Assets under Management**

**\$3.4b<sup>1</sup>**

20 data centres across 9 countries  
 as at 31 Dec 2021

**Potential Data Centre Assets for Acquisitions**

**>\$2b**

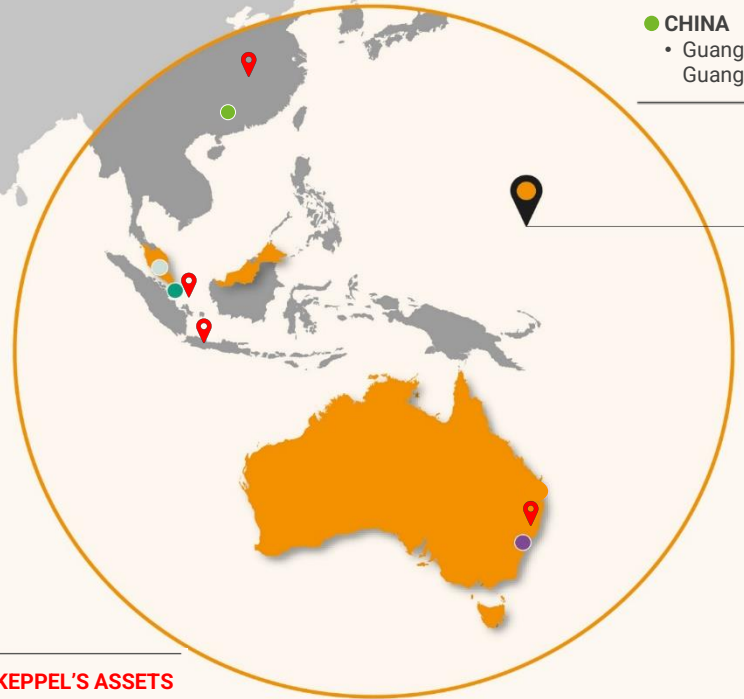
Data centre assets under development and management through Keppel T&T<sup>2</sup>, and Keppel's private data centre funds

1. Including the acquisition of London Data Centre which was completed in Jan 2022, Keppel DC REIT's AUM would be \$3.5b.  
 2. Keppel T&T has granted the Rights of First Refusal (ROFR) to Keppel DC REIT for future acquisition opportunities of its data centre assets.



**EUROPE**

- **UNITED KINGDOM**
  - Cardiff Data Centre, Cardiff
  - GV7 Data Centre, London
  - London Data Centre, London
- **IRELAND**
  - Keppel DC Dublin 1, Dublin
  - Keppel DC Dublin 2, Dublin
- **THE NETHERLANDS**
  - Almere Data Centre, Almere
  - Amsterdam Data Centre, Amsterdam
  - Eindhoven Campus, Eindhoven
- **ITALY**
  - Milan Data Centre, Milan
- **GERMANY**
  - Kelsterbach Data Centre, Kelsterbach
  - maincubes Data Centre, Offenbach am Main



**ASIA PACIFIC**

- **SINGAPORE**
  - DC1
  - Keppel DC Singapore 1
  - Keppel DC Singapore 2
  - Keppel DC Singapore 3
  - Keppel DC Singapore 4
  - Keppel DC Singapore 5
- **MALAYSIA**
  - Basis Bay Data Centre, Cyberjaya
- **AUSTRALIA**
  - Gore Hill Data Centre, Sydney
  - Intellicentre Campus, Sydney
- **CHINA**
  - Guangdong Data Centre, Guangdong Province

**KEPPEL'S ASSETS**

- Australia
- China
- Indonesia
- Singapore
- The Netherlands

# Portfolio Overview (as at 31 Dec 2021)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients <sup>1</sup>	Occupancy rate (%)	Valuation <sup>2</sup>	Lease type	WALE (years) <sup>3</sup>	Land lease title
<b>Asia Pacific</b>									
Keppel DC Singapore 1	Singapore	100%	109,721	25	93.1	S\$336.0m	Keppel lease / Colocation	3.0	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,480	5	98.2	S\$183.0m	Keppel lease / Colocation	2.8	Leasehold (Expiring 31 Jul 2051)
Keppel DC Singapore 3	Singapore	90%	49,433	2	100.0	S\$280.8m	Keppel lease / Colocation	2.8	Leasehold <sup>4</sup> (Expiring 31 Jan 2052)
Keppel DC Singapore 4	Singapore	99%	83,698	6	95.7	S\$421.7m	Keppel lease / Colocation	0.7	Leasehold (Expiring 30 Jun 2050)
Keppel DC Singapore 5	Singapore	99%	92,889	3	100.0	S\$356.4m	Keppel lease / Colocation	2.6	Leasehold (Expiring 31 Aug 2041)
DC1	Singapore	100%	213,815	1	100.0	S\$273.0m	Triple-net (Fully-fitted)	14.3	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	MYR 67.3m (S\$21.9m)	Colocation	0.5	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	A\$230.0m (S\$224.1m)	Triple-net (Shell & core) / Colocation	4.0	Freehold
Intellicentre Campus	Sydney, Australia	100%	174,042	1	100.0	A\$105.0m (S\$102.3m)	Triple-net (Shell & core)	19.5	Freehold
Guangdong Data Centre	Guangdong Province, China	100%	221,689	1	100.0	RMB690.0m (S\$148.0m)	Triple-net (Fully-fitted)	15.0	Leasehold (Expiring 17 Jan 2067)

# Portfolio Overview (as at 31 Dec 2021)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients <sup>1</sup>	Occupancy rate (%)	Valuation <sup>2</sup>	Lease type	WALE (years) <sup>3</sup>	Land lease title
<b>Europe</b>									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	£26.0m (S\$47.4m)	Triple-net (Shell & core)	9.5	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	£36.0m (S\$65.7m)	Triple-net (Fully-fitted)	5.1	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, The Netherlands	100%	118,403	1	100.0	€100.0m (S\$155.3m)	Double-net (Fully-fitted)	6.7	Freehold
Amsterdam Data Centre	Amsterdam, The Netherlands	100%	141,698	10	99.1	€29.0m (S\$45.0m)	Double-net (Shell & core)	3.5	Freehold
Eindhoven Campus	Eindhoven, The Netherlands	100%	83,841	3	100.0	€37.0m (S\$57.4m)	Double-net (Shell & core)	6.3	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	25	82.3	€97.0m (S\$150.6m)	Colocation	3.2	Leasehold (Expiring 31 Dec 2998)
Keppel DC Dublin 2	Dublin, Ireland	100%	28,128	4	100.0	€91.0m (S\$141.3m)	Colocation	6.9	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	€39.0m (S\$60.5m)	Double-net (Shell & core)	6.0	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	€100.0m (S\$155.3m)	Triple-net (Fully-fitted)	11.2	Freehold
Kelsterbach Data Centre	Kelsterbach, Germany	100%	540,869	1	100.0	€80.0m (S\$124.2m)	Triple-net (Shell & core)	4.0	Freehold



# Portfolio Valuation

	31 Dec 2021 <sup>1</sup>	31 Dec 2020
<b>Income Capitalisation Approach</b>		
Capitalisation Rate	4.40% - 9.31%	4.95% - 10.12%
- Asia Pacific	5.25% - 8.75%	5.25% - 10.12%
- Europe	4.40% - 9.31%	4.95% - 8.26%

# 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 Campus	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings; responsible for facilities management</li> </ul>	-	-	-	-
Guangdong Data Centre	Triple-net lease	<ul style="list-style-type: none"> <li>Client: Pays rent and all outgoings except real estate tax where the lessee shall bear up to a certain threshold; 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 owner's property tax; responsible for facilities management	✓	✓	-	-
Amsterdam Data Centre	Double-net lease	■ DC Client: Pays rent and all outgoings except building insurance and owner's property tax; responsible for facilities management in their space	✓	✓	-	-
Eindhoven Campus	Double-net lease	■ DC Client: Pays rent and all outgoings except building insurance and owner's property tax; responsible for facilities management in their space	✓	✓	-	-
Keppel DC Dublin 1	Colocation <sup>2,3</sup>	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation <sup>2,3</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 owner's 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 colocation arrangements with the clients of Keppel DC Dublin 1 and Keppel DC Dublin 2.

# Keppel DC REIT Structure as (at 31 Dec 2021)

