

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 photograph of a server room with blue lighting and a person in the distance. A large red diagonal graphic is overlaid on the right side of the image.

Keppel DC REIT

1Q 2023

Operational Updates

18 April 2023

Outline

Key Highlights	3
Portfolio Updates	5
Capital Management	9
Additional Information	13

Constituent of:



Awards and Certifications:



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2. Keppel DC REIT Management Pte. Ltd. is a signatory to the United Nations-supported Principles for Responsible Investment, under the membership of Keppel Capital.

1Q 2023 Key Highlights



Resilient financial performance underpinned by quality portfolio

- Distributable income and DPU for 1Q 2023 increased by 4.1% and 3.0% year-on-year respectively, mainly due to contributions from acquisitions and proactive asset management
- Majority of rental income is derived from clients with investment grade or equivalent credit profiles
- Obtained approvals for the NetCo Bonds to be qualified as Qualifying Project Debt Securities (QPDS)



Proactive management of borrowing costs and impact of currency fluctuations

- Bulk of debt expiring from 2026 and beyond. By Apr 2023, completed the refinancing of all loans due in 2023
- Interest rates exposures are mitigated with 73% of loans fixed
- Forecast foreign sourced distributions have been substantially hedged till end 2023. In Apr 2023, progressively hedged part of the forecast foreign sourced distributions till end Jun 2024



Continued pursuit of growth opportunities

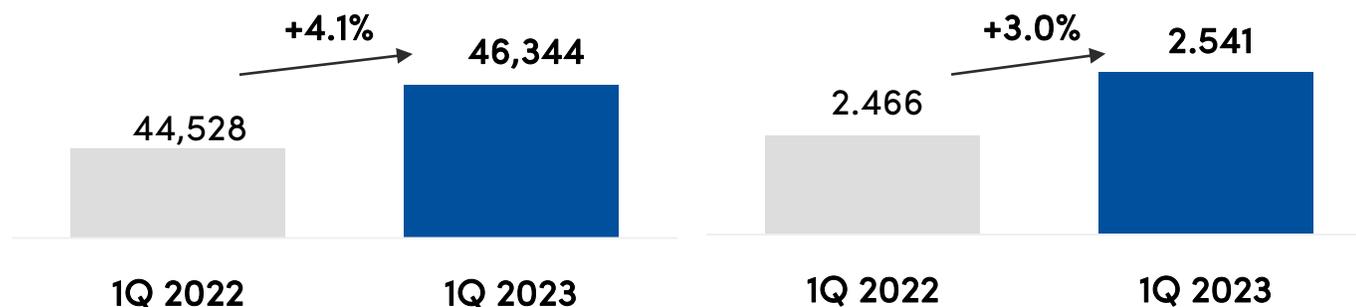
- Disciplined pursuit of data centre acquisition opportunities
- Continued geographical diversification for growth and income resilience

Higher Distributable Income and DPU

Distributable Income (\$'000)¹

Distribution Per Unit (cents)²

1Q 2023 vs 1Q 2022



- Higher distributable income and DPU were mainly due to:
 - Increase in gross revenue from the acquisitions of Guangdong Data Centre 2 & building shell of Guangdong Data Centre 3;
 - Completed asset enhancement initiatives (AEI), renewals and income escalations; and
 - Tax savings³ from approvals obtained for the NetCo Bonds to be qualified as QPDS

These were partially offset by :

- Net lower contributions from some of the Singapore colocation assets arising from higher facilities expenses including electricity costs
- Higher finance costs from the refinanced loans, as well as unhedged loans
- Depreciation of foreign currencies against SGD
- Higher property expenses mainly from the Dublin assets following AEI completion
- Higher finance income mainly due to coupon income from Guangdong Data Centre 3

(\$'000)	1Q 2023	1Q 2022	% Change
Gross Revenue	70,403	66,104	+6.5
Property Expenses	(6,515)	(5,975)	+9.0
Net Property Income	63,888	60,129	+6.3
Finance Income	2,956	2,055	+43.8
Distributable Income	46,344	44,528	+4.1
Distribution per Unit (DPU) ² (cents)	2.541	2.466	+3.0

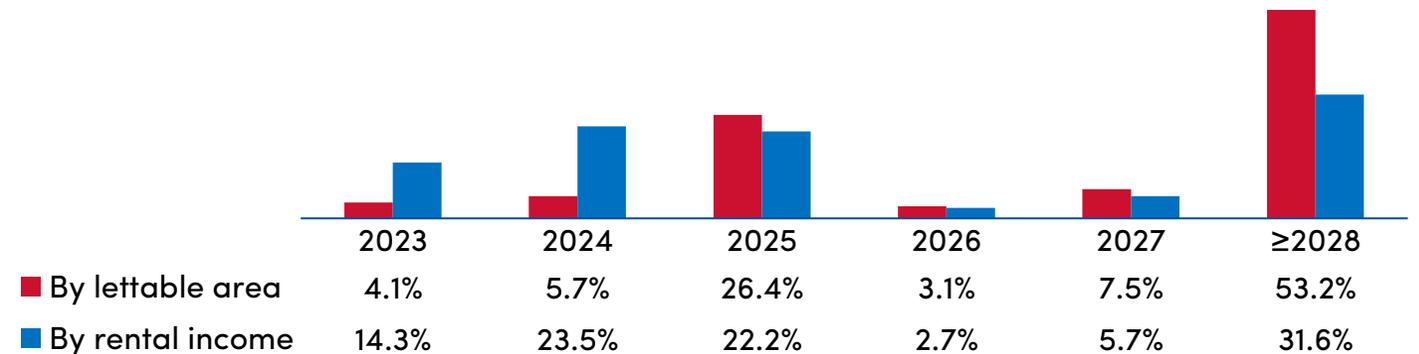
Portfolio Updates



Diversified Portfolio of Quality Data Centres

- Maintained high portfolio occupancy of 98.5% as at 31 Mar 2023
- Healthy WALE of 8.2 years as at 31 Mar 2023
- Built-in income and rental escalations based on Consumer Price Index or similar indexation, or fixed rate mechanisms embedded in more than half of the portfolio, with the WALE by rental income of contracts with no escalation at approximately 2.0 years

Well-Spread Expiry Profile (as at 31 Mar 2023)



Focused on optimising portfolio returns to ensure income resilience

High Portfolio Occupancy

98.5%¹

as at 31 Mar 2023

Long Portfolio WALE

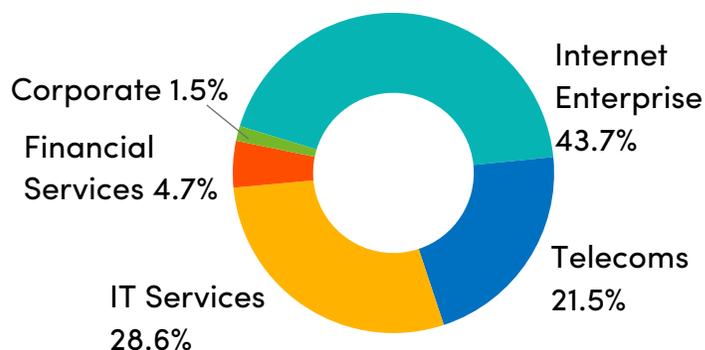
8.2 years²

By area

High-quality Global Client Base

- Majority of rental income is derived from clients with investment grade or equivalent credit profiles

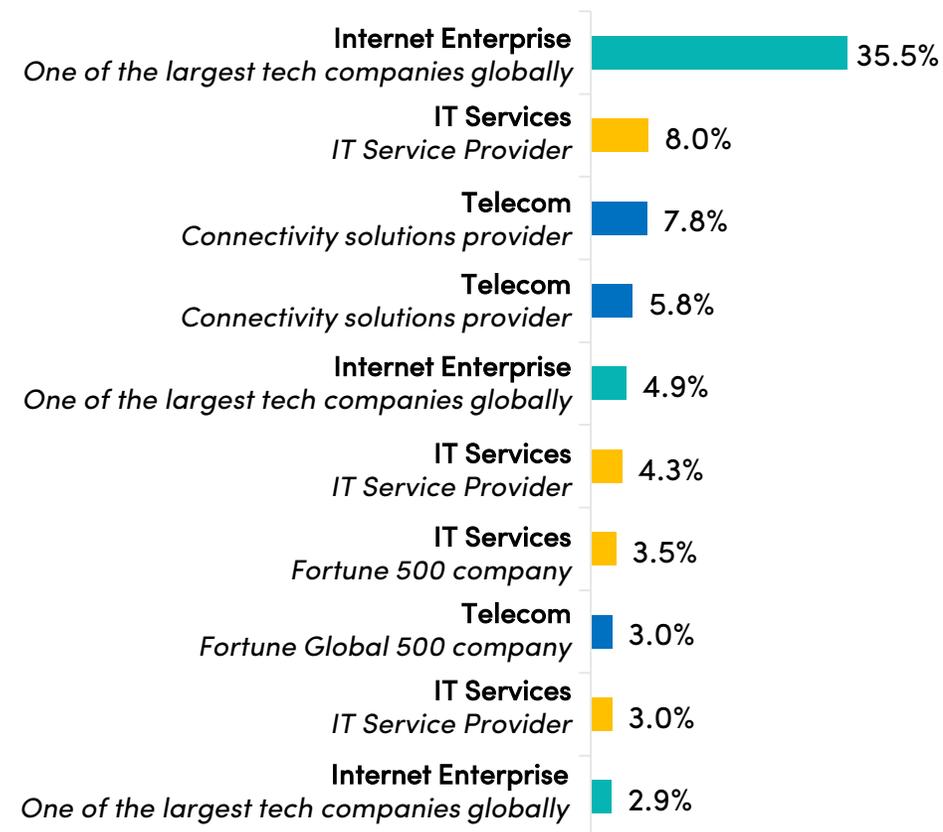
Rental Income by Trade Sector
(for the month of Mar 2023)¹



Rental Income by Type of Contracts
(for the month of Mar 2023)¹



Top 10 Clients by Rental Income
(for the month of Mar 2023)¹



Contract Type	Client Count	WALE ² (years)	Ownership of Data Centre Components		
			M&E Equipment	Facility Management	Servers & Racks
Colocation	Multi	2.2	✓	✓	-
Fully-fitted	Single	11.9	✓	-	-
Shell & core	Single	8.0	-	-	-

Demand Underpinned by Strong Market Fundamentals



- Data centre demand continues to be driven by long-term trends including adoption of cloud computing, digital transformation initiatives; and artificial intelligence (AI) & machine learning (e.g. generative AI including ChatGPT)



- Worldwide cloud market grew by US\$47b in 2022 (2021: grew by US\$49b); Synergy Research forecasts continued strong growth of worldwide cloud market in the coming years¹



- Hyperscalers continued to see growth in their cloud businesses, with US hyperscalers reporting ~20% to 32% growth rates in 2022



- Key markets are facing power constraints, and ready-for-service timelines may be slowed by supply chain issues and community resistance; emergence of submarkets around existing data centre corridors^{2,3}

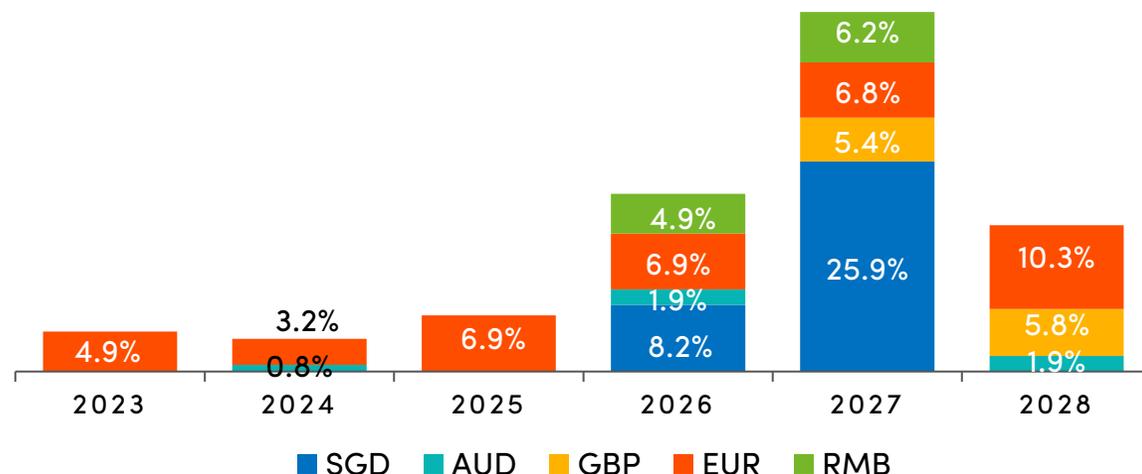


Capital Management

Favourable Debt Profile

- Debt is diversified across five currencies, with the bulk of debt expiring from 2026 and beyond. By Apr 2023, completed the refinancing of all loans due in 2023
- Healthy aggregate leverage provides debt headroom for growth opportunities

Debt Maturity Profile
as at 31 Mar 2023

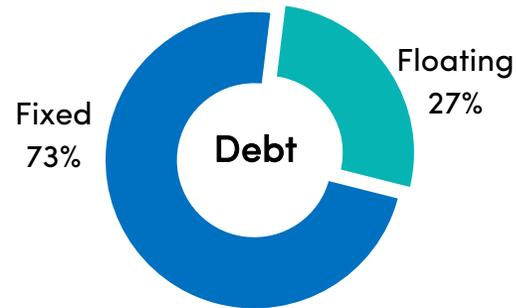


	As at 31 Mar 2023	Change from 31 Dec 2022
Aggregate Leverage¹	36.8%	+40 bps
Average Cost of Debt	2.8% (1Q 2023)	+10 bps
Weighted Average Debt Tenor	3.8 years ³	+0.1 years
Weighted Average Hedge Tenor	3.9 years	+0.6 years
Interest Coverage Ratio (ICR) (trailing 12 months)	6.8 times	-0.8
Net Asset Value (NAV) per Unit (\$)	1.37	-2.1%
Premium to NAV (%)⁴	+50.4%	24.0 pp

1. Computed based on gross borrowings and deferred payment as a percentage of deposited properties, both of which do not consider the lease liabilities pertaining to land rent options and an extension offer. As at 31 Mar 2023, the deposited properties was \$3,977.8m (31 Dec 2022: \$4,051.7m).
2. Including amortisation of upfront debt financing costs and excluding lease charges.
3. In Apr 2023, the REIT has issued notes to refinance the remaining notes due in 2023. Including this issuance, the weighted average debt tenor would be 4.1 years as at 31 Mar 2023 on a pro forma basis.
4. Based on closing price of \$2.06 as at 31 Mar 2023 and \$1.77 as at 31 Dec 2022.

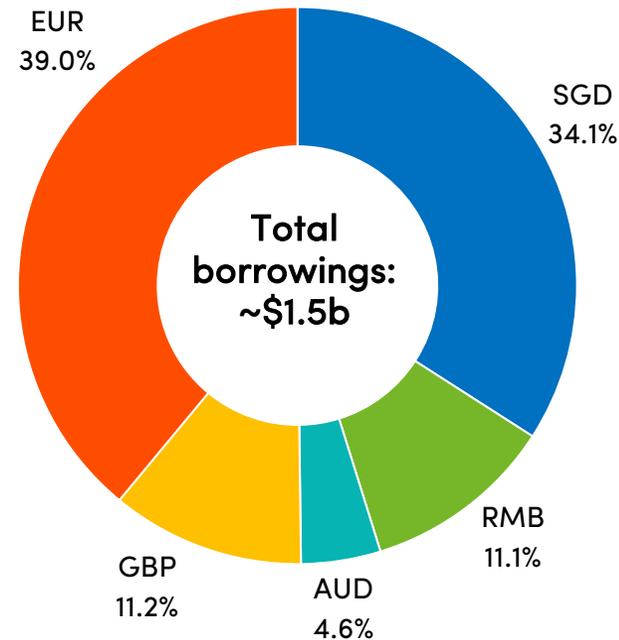
Prudent Management of Borrowing Costs and Impact of Currency Fluctuations

Majority of loans fixed through interest rate swaps

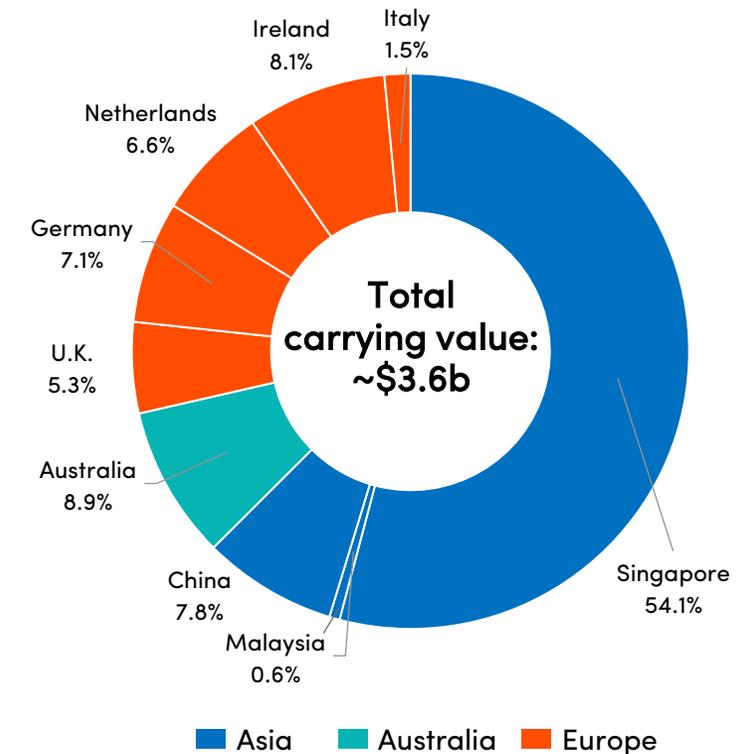


- With 73% of debt fixed, an increase in interest rates would only affect the remaining 27% unhedged borrowings. A 100bps increase would have a ~2.2%¹ impact to 1Q 2023's DPU on a pro forma basis
- Forecast foreign sourced distributions have been substantially hedged till end 2023. In Apr 2023, progressively hedged part of the forecast foreign sourced distributions till end Jun 2024
- Adopted natural hedging by borrowing in currencies that match the corresponding investments

Debt currency breakdown (as at 31 Mar 2023)



Investment properties breakdown² (as at 31 Mar 2023)



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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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.

For more information, please visit: www.keppeldcreit.com

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Additional Information

Focused on Growing Data Centre Portfolio

Keppel DC REIT Assets under Management

\$3.7b¹

23 data centres across 9 countries
as at 31 Mar 2023

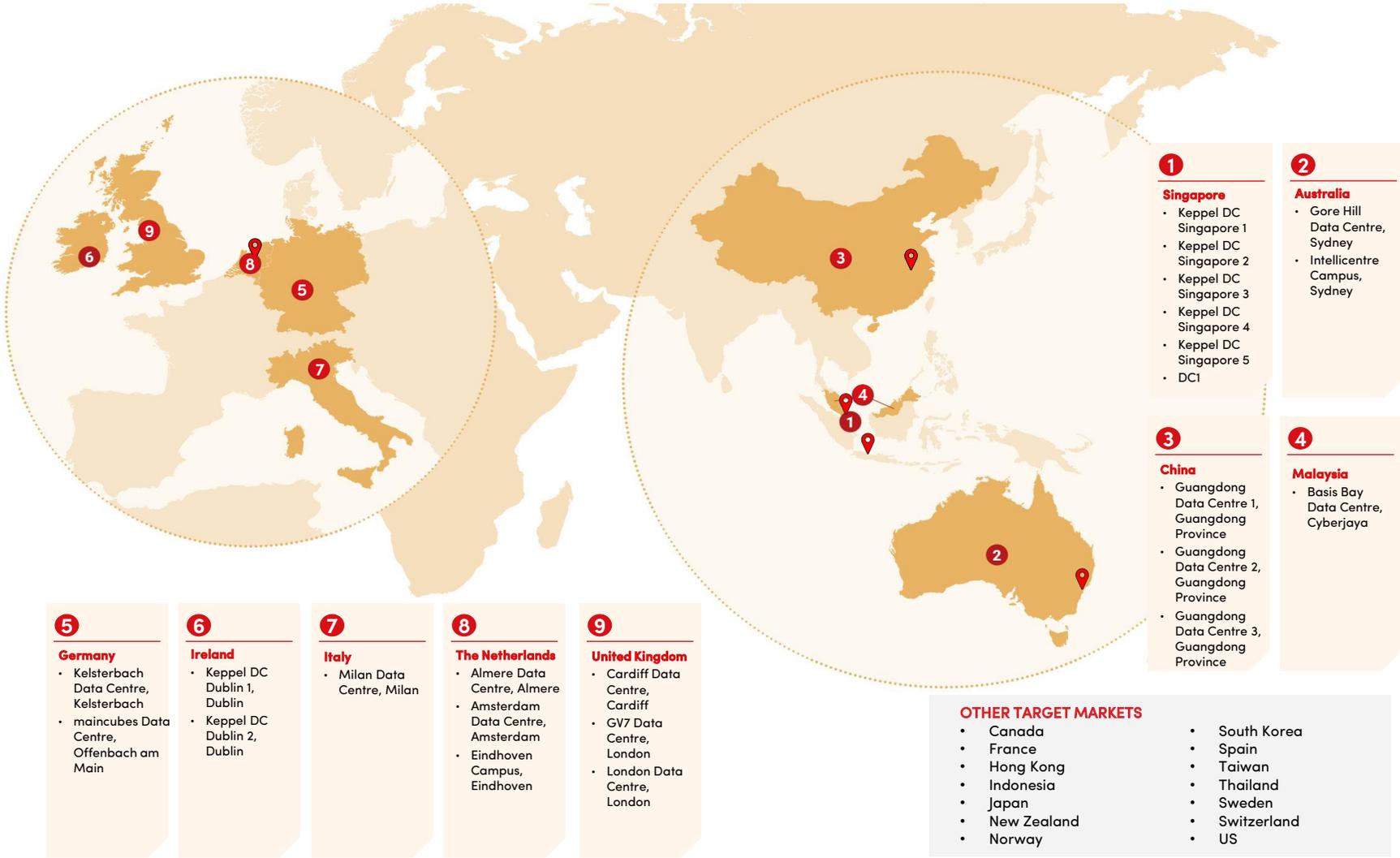
AUM Breakdown (as at 31 Mar 2023) ²			
Asia Pacific	71.6%	Europe	28.4%
Singapore	54.7%	Germany	7.0%
Australia	8.7%	Ireland	8.0%
China	7.7%	Italy	1.5%
Malaysia	0.5%	The Netherlands	6.6%
		United Kingdom	5.3%

Potential Data Centre Assets for Acquisitions

>\$2b

Data centre assets under development and management through Keppel T&T³, and Keppel's private data centre funds

- KEPPEL'S ASSETS**
- AUSTRALIA
 - CHINA
 - INDONESIA
 - SINGAPORE
 - THE NETHERLANDS



1. The acquisition of the building shell of Guangdong Data Centre 3 was completed in Aug 2022 and is expected to be fully-fitted by the third quarter of 2023.
 2. Includes investment in debt securities issued by NetCo.
 3. Keppel T&T has granted the Rights of First Refusal (ROFR) to Keppel DC REIT for future acquisition opportunities of its data centre assets.

Portfolio Overview (as at 31 Mar 2023)

	Interest	Attributable lettable area (sq ft)	No. of Clients ¹	Occupancy rate (%)	Valuation ²	Lease type	WALE (years) ³	Land lease title	Land lease remaining (years)
Asia Pacific									
Keppel DC Singapore 1, Singapore	100%	109,721	24	89.1 ⁴	S\$339.3m	Keppel lease / Colocation	2.0	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)	32.5 ⁵
Keppel DC Singapore 2, Singapore	100%	38,480	5	98.2	S\$183.0m	Keppel lease / Colocation	1.8	Leasehold (Expiring 31 Jul 2051)	28.3
Keppel DC Singapore 3, Singapore	90%	49,433	2	100.0	S\$287.1m	Keppel lease / Colocation	1.6	Leasehold (Expiring 31 Jan 2052)	28.8
Keppel DC Singapore 4, Singapore	99%	83,698	6	95.7	S\$441.5m	Keppel lease / Colocation	2.2	Leasehold (Expiring 30 Jun 2050)	27.3
Keppel DC Singapore 5, Singapore	99%	92,889	3	100.0	S\$386.7m	Keppel lease / Colocation	1.3	Leasehold (Expiring 31 Aug 2050)	27.4 ⁶
DC1, Singapore	100%	213,815	1	100.0	S\$286.3m	Triple-net (Fully-fitted)	13.0	Leasehold (Expiring 31 Jul 2044)	21.3
Gore Hill Data Centre, Sydney, Australia	100%	90,955	3	100.0	A\$230.0m (S\$211.5m)	Triple-net (Shell & core) / Colocation	2.8	Freehold	-
Intellicentre Campus, Sydney, Australia	100%	235,527	1	100.0	A\$123.0m (S\$113.1m)	Triple-net (Shell & core)	18.3	Freehold	-
Guangdong Data Centre 1, Guangdong Province, China	100%	221,689	1	100.0	RMB700.0m (S\$135.1m)	Triple-net (Fully-fitted)	13.7	Leasehold (Expiring 17 Jan 2067)	43.8
Guangdong Data Centre 2, Guangdong Province, China	100%	218,615	1	100.0	RMB700.0m (S\$135.1m)	Triple-net (Fully-fitted)	14.4	Leasehold (Expiring 17 Jan 2067)	43.8
Guangdong Data Centre 3, Guangdong Province, China	100%	221,847	1	100.0	RMB64.4m (S\$12.4m)	Triple-net (Shell & core)	14.4	Leasehold (Expiring 17 Jan 2067)	43.8
Basis Bay Data Centre, Cyberjaya, Malaysia	99%	48,193	1	40.2	MYR 64.4m (S\$19.8m)	Colocation	3.7	Freehold	-

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

2. Based on latest respective independent valuations and respective ownership interests as at 31 Dec 2022, unless otherwise stated

3. By area

4. Not adjusted for the ongoing litigation with DXC Technology Services Singapore Pte. Ltd.

5. Including 30 years option term

6. Including a further term of nine years

Portfolio Overview (as at 31 Mar 2023)

	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ²	Lease type	WALE (years) ³	Land lease title	Land lease remaining (years)
Europe									
Kelsterbach Data Centre, Kelsterbach, Germany	100%	540,869	1	100.0	€75.1m (S\$106.4m)	Triple-net (Shell & core)	2.8	Freehold	-
maincubes Data Centre, Offenbach am Main, Germany	100%	97,043	1	100.0	€105.0m (S\$148.7m)	Triple-net (Fully-fitted)	10.0	Freehold	-
Keppel DC Dublin 1, Dublin, Ireland	100%	66,124	22	97.3	€108.0m (S\$152.9m)	Colocation	2.9	Leasehold (Expiring 31 Dec 2998)	975.8
Keppel DC Dublin 2, Dublin, Ireland	100%	28,484	4	100.0	€98.8m (S\$139.8m)	Colocation	6.7	Leasehold (Expiring 31 Dec 2997)	974.8
Milan Data Centre, Milan, Italy	100%	165,389	1	100.0	€39.0m (S\$55.2m)	Double-net (Shell & core)	4.8	Freehold	-
Almere Data Centre, Almere, The Netherlands	100%	118,403	1	100.0	€102.1m (S\$144.6m)	Double-net (Fully-fitted)	5.4	Freehold	-
Amsterdam Data Centre, Amsterdam, The Netherlands	100%	141,698	10	99.7	€29.2m (S\$41.4m)	Double-net (Shell & core)	2.4	Freehold	-
Eindhoven Campus, Eindhoven, The Netherlands	100%	83,841	3	100.0	€37.2m (S\$52.6m)	Double-net (Shell & core)	5.5	Freehold	-
Cardiff Data Centre, Cardiff, United Kingdom	100%	79,439	1	100.0	£25.4m (S\$41.7m)	Triple-net (Shell & core)	8.2	Freehold	-
GV7 Data Centre, London, United Kingdom	100%	24,972	1	100.0	£36.0m (S\$59.0m)	Triple-net (Fully-fitted)	3.9	Leasehold (Expiring 28 Sep 2183)	160.5
London Data Centre, London, United Kingdom	100%	94,867	1	100.0	£57.0m (S\$93.5m)	Triple-net (Shell & core)	16.2	Freehold	-

Overview of Contractual Arrangements

Asia Pacific	Contractual Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Keppel DC Singapore 1	Keppel lease ¹ / Colocation ²	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 2	Keppel lease ¹ / Colocation ²	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 3	Keppel lease ¹ / Colocation ²	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 4	Keppel lease ¹ / Colocation ²	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 5	Keppel lease ¹ / Colocation ²	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
DC1	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent, responsible for facilities management and all outgoings except insurance for the shell of the building 	-	✓	-	-
Gore Hill Data Centre (for one client)	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management in their space 	-	-	-	-
Gore Hill Data Centre (for two clients)	Colocation ²	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Intellicentre Campus	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management 	-	-	-	-
Guangdong Data Centre 1	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except real estate tax where the lessee shall bear up to a certain threshold; responsible for facilities management 	✓	-	-	-
Guangdong Data Centre 2	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except real estate tax where the lessee shall bear up to a certain threshold; responsible for facilities management 	✓	-	-	-
Guangdong Data Centre 3	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except real estate tax where the lessee shall bear up to a certain threshold; responsible for facilities management 	✓	-	-	-
Basis Bay Data Centre	Colocation ²	<ul style="list-style-type: none"> Client: Pays rent; responsible for facilities management Owner: Bears pre-agreed facilities management amount, insurance and property tax 	✓	✓	✓	✓

Overview of Contractual Arrangements

Europe	Contractual Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Kelsterbach Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
maincubes Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Keppel DC Dublin 1	Colocation ^{1,2}	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation ^{1,2}	■ 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	✓	✓	-	-
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	✓	✓	-	-
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	-	-	-	-
London Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-

ESG Targets and Commitments

Environmental Stewardship



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



Achieve a **50% reduction for Scope 1 and Scope 2 emissions** by 2030, from 2019



Introduce **renewable energy (RE)** to **≥ 50% of colocation assets** by 2030



Achieve **≥ 10% reduction in effective Power Usage Effectiveness (PUE)** for colocation assets that undergo major asset enhancement works, by 2025 from 2019



Responsible Business



Obtain and maintain green certification for all Singapore colocation assets by 2025 and obtain **green certification for all colocation assets** by 2030



Achieve an **above satisfactory score for Annual Customer Satisfaction Survey**



Zero client dissatisfaction over physical security of all colocation properties in the Annual Customer Satisfaction Survey



Uphold **strong corporate governance, robust risk management**, as well as **timely and transparent stakeholder communications**



Zero incidents of data breaches and non-compliance with data privacy laws



Zero incidents of fraud, corruption, bribery and non-compliance with laws and regulations



People & Community



Engage with local communities and contribute to Keppel Capital's target of **>500 hours of staff volunteerism** in 2023



≥ 25% female representation on the Board by 2025



Provide a safe and healthy environment for all stakeholders, adopting the **Keppel Zero Fatality Strategy**



Achieve on average of **20 training hours per employee** in 2023



Conduct **employee engagement surveys** to track and enhance employee engagement

ESG Highlights

Environmental Stewardship



- Progressive implementation of Taskforce on Climate-related Financial Disclosures (TCFD) recommendations
- Renewable electricity procured for both Dublin assets; Supportive of initiatives to introduce renewable energy for all assets
- Attained Green Star for inaugural GRESB submission
- Achieved LEED v4.1 Operations + Maintenance (O+M) Gold certification for Keppel DC Dublin 2

People & Community



- Dedicated >1,000 community hours in 2022, in conjunction with Keppel Capital
- Female directors represent 25% of the Board
- Achieved a zero-fatality workplace in 2022
- Achieved 38.3 training hours per employee and employee engagement score of $\geq 75\%$ in 2022



Responsible Business



- Dedicated Board ESG Committee
- Singapore colocation assets maintained green certifications in 2022
- Achieved 'AA' rating in the MSCI ESG Ratings Assessment 2022, an improvement from the 'A' rating in 2021
- Achieved above satisfactory score for all categories in the 2022 annual customer satisfaction survey
- > 850 engagements with analysts and institutional investors in 2022
- Upheld strong corporate governance as well as high standards of ethical business conduct
- Refinanced borrowings with green loan in Mar 2023

Diversified global portfolio with strong Asia Pacific presence

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.

Creating Long-term Stakeholder Value



Diversified global portfolio with a strong Asia Pacific presence

- Strong operational expertise and proven growth track record
- Proactive asset management to optimise portfolio returns
- Large and stable client base



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&T¹, and Keppel's private data centre funds



Ongoing commitment to sustainability

- Align reporting with TCFD recommendations
- Progressively reduce carbon emissions and utilise renewable energy, where available
- Ensure strong corporate governance
- Nurture our people and the local communities

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.

Keppel DC REIT Structure (as at 31 Mar 2023)

