



Keppel DC REIT Management Pte Ltd

(Co Reg No. 199508930C) Tel: (65) 6803 1818
1 HarbourFront Avenue, Level 2 Fax: (65) 6803 1717
Keppel Bay Tower
Singapore 098632
www.keppeldcreit.com

Media Release

Keppel DC REIT to strengthen portfolio with DPU-accretive acquisition of second data centre in London

Singapore, 27 December 2021 - Keppel DC REIT has entered into an agreement to acquire a data centre located in Bracknell, United Kingdom, which is part of the Greater London urban area, for £57.0 million (S\$105.5 million¹). The property has been acquired from a Fiera Real Estate/SEDCO Capital joint venture and marks Keppel DC REIT's second acquisition of a data centre located in the fast-growing data centre hub of Greater London, and its third in the UK.

Situated on a 4.7-acre plot of freehold land and with a gross floor space of 94,867 sq ft, the property, which will be named London Data Centre, consists of three interlinked two-storey buildings that house data centre space along with ancillary office space. The property has been independently valued² by Newmark Valuation & Advisory, LLC, an independent valuation firm appointed by the trustee of Keppel DC REIT, at £57.0 million (S\$105.5 million¹). The property is fully leased on an existing triple-net lease on a shell and core basis to a leading telecommunications company, till 2039.

Bracknell is a thriving commercial centre in the Thames Valley, a region known as the Silicon Valley of the UK due to its large concentration of multinational technology companies and conglomerates. London Data Centre is strategically located near Bracknell's town centre, 32 kilometres from London Heathrow Airport, and 55 kilometres from Central London.

Ms Anthea Lee, CEO of Keppel DC REIT Management Pte. Ltd, the Manager of Keppel DC REIT said, "We are pleased to strengthen our presence in London, a top global data centre hub, with the acquisition of a data centre with a long leaseback period to a strong tenant. Our acquisition of London Data Centre reflects our judicious criteria for identifying and evaluating potential high-quality assets in key data centre hubs and other prime locations, with strong tenancies that yield stable and regular income."

The UK is the fourth largest data centre market globally³, and London has seen healthy demand from hyperscalers and cloud providers expanding around the western corridor, according to CBRE⁴. The western corridor covers regions westwards of London towards Reading, including

¹ Based on the exchange rate of GBP 1.00 to S\$ 1.85 as at 30 September 2021.

² Based on the valuation report dated 23 December 2021, and based on the direct capitalisation, discounted cash flow and sale comparison methods.

³ According to Structure Research, in 2019, UK is ranked 4th globally, after the US, China and Japan.

⁴ CBRE Report 1Q2021 Europe Data Centres.

Slough and Bracknell. In addition to London Data Centre, Keppel DC REIT's portfolio of assets in the UK includes the Cardiff Data Centre in Cardiff and the GV7 Data Centre in London. New data centre demand in London is estimated to grow at a CAGR of 14.2% between 2020 and 2024⁵.

The acquisition is expected to be accretive to Keppel DC REIT's distribution per Unit. Post-acquisition, Keppel DC REIT will increase the proportion of its shell and core data centre leases from approximately 18.3% to 20.9% (by assets under management)⁶.

The purchase price was arrived at on a willing-buyer and willing-seller basis. The Manager intends to fund the acquisition, which is expected to be completed in 1Q 2022, with part of the proceeds from the recent placement, and external financing. Post completion, Keppel DC REIT's aggregate leverage is expected to increase from 36.4% as at 30 September 2021 to 38.2⁷.

The property will improve Keppel DC REIT's portfolio's lease profile by increasing the weighted average lease expiry (WALE) from 7.7 years to 8.1 years⁶. The portfolio occupancy will remain healthy at 98.3%.

With the acquisition of London Data Centre, Keppel DC REIT will have a total of 21 data centres in Asia Pacific and Europe.

This acquisition constitutes a non-discloseable transaction under Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

- End -

For more information, please contact:

Media Relations

Mr Stefan Loe
Deputy Manager
Group Corporate Communications
Keppel Corporation Limited
Tel: (65) 6413 6426
Email: stefan.loe@kepcorp.com

Investor Relations

Ms Renee Goh
Assistant Manager
Investor Relations
Keppel Capital
Tel: (65) 6803 1679
Email: renee.goh@kepcapital.com

⁵ Danseb Consulting.

⁶ As at 30 September 2021, adjusted for the completion of Guangdong Data Centre and only AUM impact of the investment in debt securities and preference shares in M1 Network Private Limited (the "NetCo Investment").

⁷ As at 30 September, adjusted for the NetCo Investment.

About Keppel DC REIT (www.keppeldcreit.com)

Listed on the Singapore Exchange on 12 December 2014, 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.

The REIT is managed by Keppel DC REIT Management. Keppel Capital has a 50% interest in the Manager, with the remaining interest held by Keppel Telecommunications & Transportation. Keppel Capital is a premier asset manager in Asia with assets under management comprising real estate, infrastructure and data centre properties in key global markets.

The Manager's key objectives are to provide Keppel DC REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth while maintaining an optimal capital structure.