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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for the First Half Ended 30 June 2020

21 July 2020

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 first half ended 30 June 2020.

The materials are also available at www.keppeldcreit.com, www.keppeltt.com.sg, www.kepcapital.com and www.kepcorp.com.

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Keppel DC REIT delivers 38% y-o-y growth in distributable income for 1H 2020 supported by new acquisitions

Key Highlights

- Distributable income increased by 38.0% year-on-year (y-o-y) to \$75.0 million in 1H 2020, largely contributed by the acquisitions of Keppel DC Singapore 4 and DC1 in 4Q 2019
- Declared DPU of 4.375 cents for 1H 2020, 13.6% higher than 1H 2019's 3.850 cents
- Completed two European acquisitions and obtained tax transparency treatment for Keppel DC Singapore 4 in 1H 2020
- Strong income visibility supported by healthy portfolio statistics and sector resilience amid the COVID-19 pandemic

(\$'000)	1H 2020	1H 2019	% Change
Gross Revenue	123,950	95,493	29.8
Property Expenses	(9,733)	(9,003)	8.1
Net Property Income	114,217	86,490	32.1
Distributable Income to Unitholders ⁽¹⁾	74,980	54,353	38.0
Distribution per Unit ⁽²⁾ (DPU) (cents)	4.375	3.850	13.6
Annualised Distribution Yield ⁽³⁾ (%)	3.44	3.03	41bps

(1) Distributable income includes an amount of capital expenditure set aside for certain properties (Capex Reserves).

(2) DPU was computed based on the distributable income to Unitholders and excludes Capex Reserves.

(3) Computed based on 1H 2020's closing price of \$2.540 per Unit.

Financial Review

Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT, is pleased to announce that the REIT has delivered distributable income of \$75.0 million for 1H 2020, 38.0% higher compared to 1H 2019. The acquisitions of Keppel DC Singapore 4 and DC1 in 4Q 2019, as well as the addition of Kelsterbach Data Centre in May 2020, contributed to the positive performance for 1H 2020.

Accordingly, Keppel DC REIT declared DPU of 4.375 cents for 1H 2020, 13.6% higher than 1H 2019's 3.850 cents. Based on the closing price of \$2.540 on 30 June 2020, the REIT's annualised distribution yield was 3.44%.

Portfolio Review

In 1H 2020, the Manager completed the acquisitions of the remaining 999-year leasehold land interest at Keppel DC Dublin 1, and Kelsterbach Data Centre, increasing the REIT's assets under management to approximately \$2.8 billion as at 30 June 2020.

Following the acquisition of Keppel DC Singapore 4 in 4Q 2019, the REIT has obtained tax transparency treatment for its share of taxable income from the asset and exercised the option to extend its land lease title by 30 years to June 2050.

As at 30 June 2020, the REIT's portfolio occupancy rate remained healthy at 96.1% with a long weighted average lease expiry (WALE) of 7.4 years. The REIT has 2.6% of total net lettable area (NLA) up for renewal in 2H 2020. The Manager has started engaging clients for early renewals and brought down the total NLA due for expiry in 2021 from 10.7% as at end-2019 to 6.2% as at 30 June 2020.

Managing COVID-19 Impact

Data centres are critical infrastructure of the digital economy.

The Manager has put in place heightened controls and safety measures to protect its clients and employees, while ensuring that the REIT's assets continue to operate with zero downtime. Beyond the regulations set out by the respective governments, the Manager has also equipped its colocation facilities with sufficient supplies and set up alternative network operating centres, where practicable, in case of an infection at its facilities.

Following the 2-month lockdown by the Irish government to curb the spread of COVID-19, the asset enhancement works at Keppel DC Dublin 1 have resumed, and are expected to be completed in 2H 2020, subject to further delays caused by the pandemic. The Manager has also commenced works to convert additional space at Keppel DC Dublin 2 into a data hall, with expected completion in 1H 2021.

In Singapore, the additional power capacity at Keppel DC Singapore 5 has been fully committed by an existing client in the facility. Meanwhile, the asset enhancement works at Keppel DC Singapore 5 and DC1 remained suspended. The Manager will continue to monitor the situation amid manpower and supply chain constraints. Should construction works remain suspended in the near-term, delays in the completion of the asset enhancement works can be expected.

Capital Management

Keppel DC REIT has in May 2020 refinanced its short-term Euro loan to a four-year term loan at favourable margins. The Manager has also secured the refinancing of the Australian dollar loan due in 3Q 2020 to 2024.

As at 30 June 2020, the REIT's average cost of debt remained competitive at 1.7% per annum and its interest coverage ratio is at a healthy level of 12.8 times. Aggregate leverage remained low at 34.5%, providing the REIT with a comfortable debt headroom to pursue acquisition growth.

To mitigate the REIT's exposure to fluctuations in interest rates, the Manager has hedged 69.0% of its borrowings as at 30 June 2020 through floating-to-fixed interest rate swaps, with the remaining unhedged borrowings in Euro. Forecasted foreign sourced distributions have also been substantially hedged till 2H 2021 with foreign currency forward contracts, mitigating the impact of currency fluctuations.

Looking Ahead

In its Global Economic Prospects published in June 2020, the World Bank expects the global economy to contract by 5.2% in 2020, which could be the worst recession in 80 years despite fiscal and monetary policy support efforts.

The COVID-19 pandemic has radically altered the business and social landscape. While a number of business sectors have been adversely affected, the technology sector continues to do well. The widespread lockdowns have contributed to an accelerated adoption of digital technology. The data centre industry remains resilient, supporting data storage and processing requirements of the digital economy.

The Manager believes that the prospects for the data centre market remain robust, underpinned by strong digital trends such as rapid cloud adoption, smart technologies, big-data analytics, and 5G deployment.

Keppel DC REIT remains well-positioned to benefit from the growth of the data centre market, supported by its established track record and enlarged portfolio of assets. The Manager will continue to leverage its competencies in investment, asset and capital management, and build on Keppel Group's capabilities in project development and facilities management, to seek opportunities and strengthen its presence across key data centre hubs globally.

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About Keppel DC REIT (www.keppeldcreit.com)

Listed on 12 December 2014, Keppel DC REIT is the first pure-play data centre REIT listed in Asia and on the Singapore Exchange (SGX-ST).

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 related assets.

As at 30 June 2020, its portfolio comprises 18 data centres¹ strategically located in key data centre hubs. With an aggregate lettable area of approximately 1,952,280 sq ft, the portfolio spans 11 cities in eight countries across Asia Pacific and Europe.

Keppel Telecommunications & Transportation Ltd (Keppel T&T), the Sponsor of the REIT, has also granted Rights of First Refusal (ROFR) to the REIT for future acquisition opportunities of its data centre assets.

The REIT is managed by Keppel DC REIT Management Pte. Ltd.. 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 assets under management comprising real estate, infrastructure and data centre properties in key global markets.

The Manager's key objectives are to provide the REIT's Unitholders with regular and stable distributions, as well as achieve long-term growth 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

¹ Excludes Intellicentre 3 East Data Centre, which is currently under development and is expected to be completed in 1H 2021.

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.