

**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) ^{1,2} | 4.927 | 4.795 | 2.8 | 9.851 | 9.170 | 7.4 |
| Distribution Yield (%) ^{2,3} | | | | 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.**

| | |
|-------------------------------------|--|
| Distribution | <u>17th</u> Distribution 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 | 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) | 60,146 |
| Record Date | 3 February 2022 |
| Payment Date | 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) |
| Gross Revenue | 135,918 | 141,621 | (4.0) | 271,065 | 265,571 | 2.1 | |
| Property operating expenses | (11,598) | (11,672) | (0.6) | (22,911) | (21,405) | 7.0 | (c) |
| Net Property Income | 124,320 | 129,949 | (4.3) | 248,154 | 244,166 | 1.6 | |
| 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) |
| Profit before joint venture | 101,182 | 103,055 | (1.8) | 200,576 | 192,105 | 4.4 | |
| Share of results of a joint venture | (1,000) | - | Nm | (1,000) | - | Nm | (g) |
| Profit before divestment of a subsidiary and net change in fair value of investment properties | 100,182 | 103,055 | (2.8) | 199,576 | 192,105 | 3.9 | |
| 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) |
| Profit before tax | 252,523 | 103,700 | >100.0 | 350,749 | 192,750 | 82.0 | |
| Tax expenses | (20,099) | (16,299) | 23.3 | (29,176) | (21,022) | 38.8 | (j) |
| Profit after tax | 232,424 | 87,401 | >100.0 | 321,573 | 171,728 | 87.3 | |
| Attributable to: | | | | | | | |
| 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 | |
| | 232,424 | 87,401 | >100.0 | 321,573 | 171,728 | 87.3 | |
| Earnings per Unit (cents) | | | | | | | |
| - 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) |
| Income available for distribution | 87,350 | 81,935 | 6.6 | 171,606 | 156,915 | 9.4 | (l) |
| Distribution per Unit (cents) | 4.927 | 4.795 | 2.8 | 9.851 | 9.170 | 7.4 | (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) |
| | (11,598) | (11,672) | (22,911) | (21,405) |

(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) |
| Net tax and other adjustments | (138,779) | (3,685) | (142,050) | (11,237) |

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 |
|---|----------------------|---------------|----------------------|---------------|
| <u>Earnings per Unit (EPU)</u> | | | | |
| EPU (basic and diluted) (cents) | 13.37 | 5.24 | 18.87 | 10.30 |
| Weighted average number of Units ¹ | 1,691,034,292 | 1,633,037,442 | 1,662,472,755 | 1,632,901,066 |
| Profit after tax ² (\$'000) | 226,129 | 85,620 | 313,656 | 168,152 |
| <u>Distribution per Unit (DPU)</u> | | | | |
| DPU³ (cents) | 4.927 | 4.795 | 9.851 | 9.170 |
| Total number of Units in issue at end of period/year | 1,715,511,855 | 1,633,120,606 | 1,715,511,855 | 1,633,120,606 |
| Income available for distribution to Unitholders (\$'000) | 87,350 | 81,935 | 171,606 | 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 | +/(-) % |
|---|-------------------|-------------------|------------------|-------------------|-------------------|-------------|
| Profit after tax | 232,424 | 87,401 | >100.0 | 321,573 | 171,728 | 87.3 |
| Other comprehensive income | | | | | | |
| 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 |
| Total other comprehensive (loss)/income | (9,705) | 15,104 | Nm | 11,251 | 7,491 | 50.2 |
| Total comprehensive income | 222,719 | 102,505 | >100.0 | 332,824 | 179,219 | 85.7 |
| Attributable to: | | | | | | |
| 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 |
| | 222,719 | 102,505 | >100.0 | 332,824 | 179,219 | 85.7 |

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 | + /(-) % | |
| Non-current assets | | | | | | | | |
| 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) |
| Total non-current assets | | 3,517,962 | 3,045,267 | 15.5 | 3,078,846 | 2,762,683 | 11.4 | |
| Current assets | | | | | | | | |
| 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) | |
| Total current assets | | 262,188 | 304,561 | (13.9) | 127,141 | 164,706 | (22.8) | |
| TOTAL ASSETS | | 3,780,150 | 3,349,828 | 12.8 | 3,205,987 | 2,927,389 | 9.5 | |
| Current liabilities | | | | | | | | |
| 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) |
| Total current liabilities | | 220,609 | 233,618 | (5.6) | 182,644 | 152,435 | 19.8 | |
| Non-current liabilities | | | | | | | | |
| 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) |
| Total non-current liabilities | | 1,223,865 | 1,133,968 | 7.9 | 1,066,038 | 1,043,031 | 2.2 | |
| TOTAL LIABILITIES | | 1,444,474 | 1,367,586 | 5.6 | 1,248,682 | 1,195,466 | 4.5 | |
| NET ASSETS | | 2,335,676 | 1,982,242 | 17.8 | 1,957,305 | 1,731,923 | 13.0 | |
| Represented by: | | | | | | | | |
| 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) |
| | | 2,335,676 | 1,982,242 | 17.8 | 1,957,305 | 1,731,923 | 13.0 | |
| Net asset value per Unit (\$) | | 1.34 | 1.19 | 12.6 | 1.14 | 1.06 | 7.5 | (q) |
| Aggregate leverage / | | 34.6 | 36.2 | (160bps) | Nm | Nm | Nm | (r) |
| Deposited properties (%) | | | | | | | | |

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 |
| NAV¹ per Unit² (\$) | 1.34 | 1.19 |
| Adjusted NAV ¹ per unit ² (excluding the distributable income) | 1.30 | 1.14 |
| NTA¹ per Unit² (\$) | 1.34 | 1.19 |
| Adjusted NTA ¹ per unit ² (excluding the distributable income) | 1.30 | 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 [^] | 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 [^] | 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 [^] | - | 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> |

[^] 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

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

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 | | | | | | |
| At 1 January 2020 | | 1,855,019 | (11,985) | (4,490) | (95,751) | 125,225 | 1,868,018 | 34,530 | 1,902,548 |
| Operations | | | | | | | | | |
| Profit after tax for the period | | - | - | - | - | 82,532 | 82,532 | 1,795 | 84,327 |
| Net increase in net assets resulting from operations | | - | - | - | - | 82,532 | 82,532 | 1,795 | 84,327 |
| Unitholders' transactions | | | | | | | | | |
| Distributions to Unitholders | | - | - | - | - | (31,832) | (31,832) | - | (31,832) |
| Payment of management fees in Units | | 1,058 | - | - | - | - | 1,058 | - | 1,058 |
| Net decrease in net assets resulting from Unitholders' transactions | | 1,058 | - | - | - | (31,832) | (30,774) | - | (30,774) |
| Capital contribution of a non- controlling interest into a subsidiary | | - | - | - | - | - | - | 2,608 | 2,608 |
| Dividends paid to non- controlling interests | | - | - | - | - | - | - | (2,516) | (2,516) |
| Other comprehensive income | | | | | | | | | |
| Movement in hedging reserve | 1 | - | - | (18,627) | - | - | (18,627) | - | (18,627) |
| Foreign currency translation movement | 1 | - | 10,999 | - | - | - | 10,999 | 15 | 11,014 |
| Net decrease in other comprehensive income | | - | 10,999 | (18,627) | - | - | (7,628) | 15 | (7,613) |
| At 30 June 2020 | | 1,856,077 | (986) | (23,117) | (95,751) | 175,925 | 1,912,148 | 36,432 | 1,948,580 |
| Operations | | | | | | | | | |
| Profit after tax for the period | | - | - | - | - | 85,620 | 85,620 | 1,781 | 87,401 |
| Net increase in net assets resulting from operations | | - | - | - | - | 85,620 | 85,620 | 1,781 | 87,401 |
| Unitholders' transactions | | | | | | | | | |
| 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 |
| Net decrease in net assets resulting from Unitholders' transactions | | 3,222 | - | - | - | (71,440) | (68,218) | - | (68,218) |
| Capital contribution of a non- controlling interest into a subsidiary | | - | - | - | - | - | - | 292 | 292 |
| Dividends paid to non- controlling interests | | - | - | - | - | - | - | (917) | (917) |
| Other comprehensive income | | | | | | | | | |
| Movement in hedging reserve | 1 | - | - | (478) | - | - | (478) | - | (478) |
| Foreign currency translation movement | 1 | - | 15,580 | - | - | - | 15,580 | 2 | 15,582 |
| Net increase in other comprehensive income | | - | 15,580 | (478) | - | - | 15,102 | 2 | 15,104 |
| At 31 December 2020 | | 1,859,299 | 14,594 | (23,595) | (95,751) | 190,105 | 1,944,652 | 37,590 | 1,982,242 |

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

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

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

| TRUST (2020) | Note | Unit in Issue \$'000 | Hedging Reserve \$'000 | Other Reserve \$'000 | Accumulated Losses \$'000 | Unitholders' Funds \$'000 |
|--|-------------|---------------------------------|---------------------------------------|-------------------------------------|--|--|
| At 1 January 2020 | | 1,855,019 | 3,222 | (95,751) | (43,595) | 1,718,895 |
| Operations | | | | | | |
| Profit after tax for the period | | - | - | - | 69,014 | 69,014 |
| Net increase in net assets resulting from operations | | - | - | - | 69,014 | 69,014 |
| Unitholders' transactions | | | | | | |
| Distribution to Unitholders | | - | - | - | (31,832) | (31,832) |
| Payment of management fees in Units | | 1,058 | - | - | - | 1,058 |
| Net decrease in net assets resulting from Unitholders' transactions | | 1,058 | - | - | (31,832) | (30,774) |
| Other comprehensive income | | | | | | |
| Movement in hedging reserve | 1 | - | (2,063) | - | - | (2,063) |
| Net decrease in other comprehensive income | | - | (2,063) | - | - | (2,063) |
| At 30 June 2020 | | 1,856,077 | 1,159 | (95,751) | (6,413) | 1,755,072 |
| Operations | | | | | | |
| Profit after tax for the period | | - | - | - | 46,228 | 46,228 |
| Net increase in net assets resulting from operations | | - | - | - | 46,228 | 46,228 |
| Unitholders' transactions | | | | | | |
| 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 |
| Net decrease in net assets resulting from Unitholders' transactions | | 3,222 | - | - | (71,440) | (68,218) |
| Other comprehensive income | | | | | | |
| Movement in hedging reserve | 1 | - | (1,159) | - | - | (1,159) |
| Net decrease in other comprehensive income | | - | (1,159) | - | - | (1,159) |
| At 31 December 2020 | | 1,859,299 | - | (95,751) | (31,625) | 1,731,923 |

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 |
|---|-------------------|-------------------|-------------------|-------------------|
| Operating activities | | | | |
| 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 |
| | 108,299 | 130,858 | 221,110 | 228,219 |
| 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) |
| Cash generated from operations | 102,167 | 145,190 | 199,229 | 244,054 |
| Net tax (paid)/refunded | (5,905) | 287 | (7,728) | (9,070) |
| Net cash generated from operating activities | 96,262 | 145,477 | 191,501 | 234,984 |
| Cash flows from investing activities | | | | |
| 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) | - |
| Net cash used in investing activities | (314,224) | (105,746) | (374,384) | (208,810) |
| Cash flows from financing activities | | | | |
| 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) | - |
| Net cash generated from/(used in) financing activities | 204,026 | (3,678) | 134,970 | 66,854 |
| Net (decrease)/increase in cash and cash equivalents | (13,936) | 36,053 | (47,913) | 93,028 |
| 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) |
| Cash and cash equivalents at end of period/year | 195,941 | 244,387 | 195,941 | 244,387 |

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 ¹ | (137,402) | - |
| Total Use of Net Proceeds | 200,605 | 1,419 | (202,024) | - |

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 ^(b) | 195,523 | 173,455 |
| Additions ^(c) | 10,263 | 45,301 |
| Disposal of a subsidiary ^(d) | (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 | 3,401,436 | 3,005,038 |

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) ^(e) | 12,104 | 24,155 |
| Carrying amount of investment properties | 3,401,436 | 3,005,038 |

- (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 subsidiaries¹. 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 |
| <u>Secured borrowings¹</u> | | |
| Amount repayable within one year | - | 15,356 |
| | - | 15,356 |
| <u>Unsecured borrowings²</u> | | |
| Amount repayable within one year | 158,659 | 127,914 |
| Amount repayable after one year | 1,130,921 | 1,022,486 |
| | 1,289,580 | 1,150,400 |
| Total borrowings | 1,289,580 | 1,165,756 |
| Capitalised transactions costs of debt financing | (2,414) | (1,991) |
| <u>Lease liabilities</u> | | |
| Within one year | 4,378 | 1,046 |
| After one year | 7,726 | 23,109 |
| Total loans and borrowings | 1,299,270 | 1,187,920 |

Note:

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

² 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.

¹ 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 | - |
| Issued Units as at end of period | 1,715,511,855 | 1,633,120,606 |

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 |
| Total number of issued Units | 1,715,511,855 | 1,633,120,606 |

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 |
|----------------------------------|-------------------|-------------------|-------------------|-----------------|
| 31 December 2021 | | | | |
| 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) |
| 31 December 2020 | | | | |
| 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) |
| Trust | | | | |
| 31 December 2021 | | | | |
| Derivative financial assets | – | 4,287 | – | 4,287 |
| Investment properties | – | – | 526,726 | 526,726 |
| | – | 4,287 | 526,726 | 531,013 |
| Derivative financial liabilities | – | (317) | – | (317) |
| 31 December 2020 | | | | |
| 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> |
|---|--|--|
| Investment properties – data centres | | |
| 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

| By type of asset class (\$'000) | 2H 2021 | | | Total |
|--|-------------------|---------------------|-----------------------|------------------|
| | Colocation | Fully-fitted | Shell and core | |
| 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 ¹ | 122,727 | 30,895 | (1,081) | 152,541 |
| Reportable segment profit before tax | 210,061 | 57,310 | (3,673) | 263,698 |
| Unallocated amounts: | | | | |
| - Finance income | | | | 225 |
| - Finance costs | | | | (366) |
| - Other corporate expenses: | | | | (11,034) |
| Profit before tax | | | | 252,523 |
| By type of asset class (\$'000) | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 2,214,693 | 841,964 | 627,735 | 3,594,392 |
| Other unallocated amounts | | | | 185,758 |
| Consolidated assets | | | | 3,780,150 |
| Segment liabilities | 592,474 | 407,772 | 366,065 | 1,366,311 |
| Other unallocated amounts | | | | 78,163 |
| Consolidated liabilities | | | | 1,444,474 |
| Other segment items: | | | | |
| Capital expenditures / Additions | 22,959 | 58,590 | 8,260 | 89,809 |

| By type of asset class (\$'000) | 2H 2020 | | | Total |
|--|-------------------|---------------------|-----------------------|------------------|
| | Colocation | Fully-fitted | Shell and core | |
| 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 ¹ | 20,918 | 7,686 | (27,959) | 645 |
| Reportable segment profit before tax | 101,047 | 28,421 | (11,084) | 118,384 |
| Unallocated amounts: | | | | |
| - Finance costs | | | | (32) |
| - Other corporate expenses: | | | | (14,652) |
| Profit before tax | | | | 103,700 |
| By type of asset class (\$'000) | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 1,991,874 | 561,016 | 680,192 | 3,233,082 |
| Other unallocated amounts | | | | 116,746 |
| Consolidated assets | | | | 3,349,828 |
| Segment liabilities | 605,900 | 303,061 | 431,834 | 1,340,795 |
| Other unallocated amounts | | | | 26,791 |
| Consolidated liabilities | | | | 1,367,586 |
| Other segment items: | | | | |
| 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)

| <u>By type of asset class (\$'000)</u> | 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 ¹ | 122,727 | 29,727 | (1,081) | 151,373 |
| Reportable segment profit before tax | 283,770 | 81,035 | 7,613 | 372,418 |
| Unallocated amounts: | | | | |
| - Finance income | | | | 225 |
| - Finance costs | | | | (639) |
| - Other corporate expenses: | | | | (21,255) |
| Profit before tax | | | | 350,749 |
| <u>By type of asset class (\$'000)</u> | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 2,214,693 | 841,964 | 627,735 | 3,594,392 |
| Other unallocated amounts | | | | 185,758 |
| Consolidated assets | | | | 3,780,150 |
| Segment liabilities | 592,474 | 407,772 | 366,065 | 1,366,311 |
| Other unallocated amounts | | | | 78,163 |
| Consolidated liabilities | | | | 1,444,474 |
| Other segment items: | | | | |
| Capital expenditures / Additions | 22,959 | 58,590 | 8,260 | 89,809 |

| <u>By type of asset class (\$'000)</u> | 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 ¹ | 20,918 | 7,686 | (27,959) | 645 |
| Reportable segment profit before tax | 173,572 | 48,251 | (4,413) | 217,410 |
| Unallocated amounts: | | | | |
| - Finance costs | | | | (83) |
| - Other corporate expenses: | | | | (24,577) |
| Profit before tax | | | | 192,750 |
| <u>By type of asset class (\$'000)</u> | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 1,991,874 | 561,016 | 680,192 | 3,233,082 |
| Other unallocated amounts | | | | 116,746 |
| Consolidated assets | | | | 3,349,828 |
| Segment liabilities | 605,900 | 303,061 | 431,834 | 1,340,795 |
| Other unallocated amounts | | | | 26,791 |
| Consolidated liabilities | | | | 1,367,586 |
| Other segment items: | | | | |
| 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 |
| Total gross revenue | 271,065 | 265,571 |

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 |
| Total value of investment properties | 3,401,436 | 3,005,038 |

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

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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 |
| Temasek Holdings Group | | |
| - Rental income | 18,166 | 18,094 |
| Keppel Corporation Limited and its subsidiaries | | |
| - 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 |
| Perpetual (Asia) Limited | | |
| - 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 | +/(-) % |
|-------------------------------|-------------------|-------------------|---------|
| First half year | | | |
| Gross revenue reported | 135,147 | 123,950 | 9.0 |
| Profit after tax | 89,149 | 84,327 | 5.7 |
| Second half year | | | |
| Gross revenue reported | 135,918 | 141,621 | (4.0) |
| Profit after tax ¹ | 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

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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 | 80,438 | - |
| 1 July 2021 to 31 December 2021 | 83,361 | - |
| | 163,799 | 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