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MEDIA RELEASE

Unaudited Results of Keppel DC REIT for the First Half Ended 30 June 2023

24 July 2023

The Directors of Keppel DC REIT Management Pte. Ltd., as Manager of Keppel DC REIT, are pleased to announce the unaudited results of Keppel DC REIT for the first half ended 30 June 2023.

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

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Keppel DC REIT achieves 1H 2023 DPU of 5.051 cents

Key Highlights

- Maintained high portfolio occupancy of 98.5% with long portfolio WALE of 8.0 years by lettable area
- Completed refinancing of all debt due in 2023, with bulk of debt expiring in 2026 and beyond
- Keppel DC Dublin 1 and 2 achieved LEED v4.1 Operations and Maintenance Gold certification
- Continued pursuit of data centre opportunities with disciplined capital management approach

(\$'000)	1H 2023	1H 2022	Change %
Gross Revenue	140,464	135,540	+3.6
Property Expenses	(13,111)	(12,305)	+6.6
Net Property Income	127,353	123,235	+3.3
Finance Income	5,549	4,120	+34.7
Distributable Income (DI)	91,311	91,158	+0.2
Distribution Per Unit (DPU)⁽¹⁾ (cents)	5.051	5.049	-
Annualised Distribution Yield ⁽²⁾ (%)	4.68	5.13	(45bps)

(1) DPU was computed based on the DI to Unitholders after the deduction of Capex Reserves that has been set aside.

(2) Based on closing price of \$2.160 and \$1.970 per Unit as at 30 June 2023 and 30 June 2022 respectively.

Financial Results

Keppel DC REIT Management Pte. Ltd., the Manager of Keppel DC REIT, is pleased to announce DI of \$91.3 million for 1H 2023, which was 0.2% higher than \$91.2 million in 1H 2022. The growth in DI was due mainly to contributions from the accretive acquisitions¹ of Guangdong Data Centre 2 and building shell of Guangdong Data Centre 3, reversions from contract renewals and escalations, as well as tax savings from approvals obtained for the NetCo Bonds² to be qualified as Qualifying Project Debt Securities.

These were partially offset by higher finance costs from the refinanced loans and floating interest rates loans, net lower contributions from some of the Singapore colocation assets arising from higher facilities expenses including electricity costs, a lower government incentive sum for our investments in Guangdong, and less favourable forex hedges.

Accordingly, Keppel DC REIT has declared a DPU of 5.051 cents for 1H 2023 compared to 5.049 cents a year ago. The 1H 2023 DPU will be paid on 14 September 2023. Based on the closing price of \$2.160 per Unit on 30 June 2023, Keppel DC REIT's annualised distribution yield is 4.68%.

Portfolio Updates

Portfolio occupancy remained healthy at 98.5%³ with a long portfolio weighted average lease expiry (WALE) of 8.0 years⁴ as at 30 June 2023, testament to the Manager's continued proactive asset management efforts. Keppel DC REIT has a well-diversified client base with a well-spread expiry profile. Majority of rental income is derived from clients with investment grade or equivalent credit profiles.

¹ The acquisition of the building shell of Guangdong Data Centre 3 was completed in August 2022 and is expected to be fully-fitted by the third quarter of 2023.

² Bonds issued by M1 Network Private Limited (NetCo).

³ Not adjusted for the ongoing litigation with DXC Technology Services Singapore Pte. Ltd.

⁴ By lettable area. WALE by rental income was 4.7 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

In 1H 2023, the Manager secured new, renewal and expansion contracts at Keppel DC REIT's data centres in Singapore, Ireland and the Netherlands with overall positive reversions. Over half of the portfolio have built in income and rental escalations whilst the remaining contracts with no escalation have a WALE by rental income of approximately 1.7 years. 3.4% of contracts by lettable area is due to expire for the remaining of 2023 and the Manager is proactively engaging clients to secure renewals.

Capital Management

Aggregate leverage was healthy at 36.3%, with 73% of borrowings fixed through interest rate swaps as at 30 June 2023. Average cost of debt for 1H 2023 was 3.1% and interest coverage ratio at 6.0 times.

In April 2023, the Manager completed the refinancing of all loans due in 2023. Keppel DC REIT's debt profile remains favourable, with the bulk of debt expiring in 2026 and beyond. The Manager borrows in currencies that correspond with its investments to provide a natural hedge to the extent possible, and the borrowings are diversified across five currencies.

As at July 2023, our forecast foreign sourced distributions have been substantially hedged till end June 2024 to ensure cash flow stability.

The Manager remains disciplined in its capital management approach to manage the impact of borrowing costs and currency fluctuations on distributions, while ensuring sufficient debt headroom to pursue strategic opportunities.

Growing in a Sustainable Manner

In 1H 2023, Keppel DC Dublin 1 and 2 achieved Leadership in Energy and Environmental Design (LEED) v4.1 Operations and Maintenance (O+M) Gold certification, a testament to Keppel DC REIT's commitment towards sustainability, ahead of its 2030 target for these assets. LEED O+M certification is a globally recognised green building standard, covering all aspects of the building operations including energy, water efficiency and waste performance.

Keppel DC Dublin 1 and 2 also registered as a participant of the European Code of Conduct for Data Centres Energy Efficiency, a voluntary initiative endorsed by the European Commission and widely participated by industry peers to support energy efficiency as a commitment to sustainability.

Looking Ahead

The World Bank expects global economic growth to slow from 3.1% in 2022 to 2.1% in 2023. Weak growth prospects and heightened risks in the near term will compound a long-term slowdown in potential growth, which has been exacerbated by the overlapping shocks of the pandemic, Russian-Ukraine conflict, and the sharp tightening of global financial conditions.

Despite the macroeconomic headwinds, data centre demand is expected to remain resilient. Structure Research forecasts that the global data centre colocation and interconnection market will grow 12% year-on-year to US\$72.7 billion in 2023.⁵ Continued expansion by hyperscalers, growth in consumer and enterprise activities and adoption of cloud computing, digital transformation initiatives; and artificial intelligence (AI) & machine learning (e.g. generative AI including ChatGPT) will also support demand for data centres.^{6,7,8}

⁵ 2023: Global Data Centre Colocation & Interconnection Report, Structure Research, May 2023

⁶ Asia Pacific Data Centre Trends H2 2022, CBRE, Apr 2023

⁷ Europe Data Centres 1Q 2023, CBRE, May 2023

⁸ EMEA Data Centre Report Q1 2023, JLL, May 2023

Looking ahead, the Manager remains cautiously optimistic on growth opportunities and will continue to grow its diversified global portfolio of data centres, with a focus on diversification to strengthen income resilience.

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About Keppel DC REIT (www.keppeldcreit.com)

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

Keppel DC REIT's investment strategy is to principally invest, directly or indirectly, in a diversified portfolio of income-producing real estate assets which are used primarily for data centre purposes, as well as real estate and assets necessary to support the digital economy.

Keppel DC REIT's investments comprise an optimal mix of colocation, fully-fitted and shell and core assets, as well as debt securities issued by NetCo which holds network assets⁹, thereby reinforcing the diversity and resiliency of its portfolio.

Keppel DC REIT is managed by Keppel DC REIT Management Pte. Ltd. (the Manager) and is sponsored by Keppel, a global asset manager and operator with strong expertise in sustainability-related solutions spanning the areas of infrastructure, real estate and connectivity.

Important Notice

The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this release may not be based on historical information or facts and may be "forward-looking" statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from similar developments, shifts in expected levels of property rental income, changes in operating expenses, including employee wages, benefits and training, property expenses and governmental and public policy changes, and the continued availability of financing in the amounts and terms necessary to support future business.

Prospective investors and unitholders of Keppel DC REIT (Unitholders) are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Keppel DC REIT Management Pte. Ltd., as manager of Keppel DC REIT (the Manager) on future events. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information, or opinions contained in this release. None of the Manager, the trustee of Keppel DC REIT or any of their respective advisors, representatives or agents shall have any responsibility or liability whatsoever (for negligence or otherwise) for any loss howsoever arising from any use of this release or its contents or otherwise arising in connection with this release. The information set out herein may be subject to updating, completion, revision, verification and amendment and such information may change materially. The value of units in Keppel DC REIT (Units) and the income derived from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including possible loss of principal amount invested.

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on Singapore Exchange Securities Trading Limited (SGX-ST). Listing of the Units on SGX-ST does not guarantee a liquid market for the Units.

⁹ Bonds issued by M1 Network Private Limited (NetCo).