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MEDIA RELEASE**Unaudited Results of Keppel DC REIT for the First Half Ended 30 June 2024****26 July 2024**

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 2024.

The materials are also available at www.keppeldcreit.com and www.keppel.com.

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Keppel DC REIT achieves 1H 2024 DPU of 4.549 cents underpinned by strong organic growth

Key Highlights

- Robust portfolio performance with strong positive reversions
- Delivered on value creation strategy via acquisition of Tokyo Data Centre 1, opportunistic divestment of Intellicentre Campus and investment in Australia Data Centre Note
- Continued pursuit of data centre growth opportunities supported by agile financial strategies

(\$'000)	1H 2024	2H 2023	% Change 1H 2024 vs 2H 2023	1H 2024	1H 2023	% Change 1H 2024 vs 1H 2023
Gross Revenue	157,180	140,743	+11.7	157,180	140,461	+11.9
Property Expenses	(24,531)	(23,145)	+6.0	(24,531)	(13,111)	+87.1
Net Property Income	132,649	117,598	+12.8	132,649	127,353	+4.2
Finance Income	5,492	5,380	+2.1	5,492	5,549	(1.0)
Finance Costs	(25,907)	(25,803)	+0.4	(25,907)	(22,715)	+14.1
Distributable Income (DI)	80,878	76,407	+5.9	80,878	91,311	(11.4)
Distribution Per Unit (DPU)⁽¹⁾ (cents)	4.549	4.332	+5.0	4.549	5.051	(9.9)
Annualised Distribution Yield ⁽²⁾ (%)				5.05	4.68	+37 bps

(1) Computed based on DI after setting aside Capex Reserves.

(2) Based on closing price of \$1.800 and \$2.160 per Unit as at 30 June 2024 and 30 June 2023 respectively.

Financial Results

Keppel DC REIT announced DI of \$80.9 million for 1H 2024, an increase of 5.9% as compared to 2H 2023. The increase was mainly due to strong positive reversions and escalations as well as the favourable outcome arising from resolution of the dispute between Keppel DC Singapore 1 Ltd. (KDC)¹ and DXC Technology Services Singapore Pte. Ltd. (DXC Dispute) in February 2024. The higher variable rent arising from the settlement sum received relating to the DXC Dispute will be distributed in two equal tranches on a half-yearly basis for FY 2024. The increases were partially offset by the impact from the less favourable foreign exchange hedges entered for foreign-sourced income in 1H 2024.

DPU for 1H 2024 was 4.549 cents, 5.0% higher than 4.332 cents in 2H 2023. Based on Keppel DC REIT's closing price of \$1.800 per Unit on 30 June 2024, annualised distribution yield was 5.05% for 1H 2024.

On a year-on-year basis, the lower DI in 1H 2024 was mainly due to loss allowance made for the receivables from the Guangdong data centres, higher finance costs as well as the depreciation of foreign currencies against the Singapore dollar. These were partially offset by the increase in rents contributed by strong positive reversions and escalations as well as higher variable rent arising from the settlement sum received relating to the DXC Dispute².

¹ KDC is an indirect wholly-owned subsidiary of Keppel Ltd.

² Settlement sum of \$13.3 million (GST-inclusive) relating to the dispute with DXC has been received in full. After the deduction of related expenses and GST, distributable income of approx. \$11.2 million will be distributed in two equal tranches on a half-yearly basis for FY 2024.

Portfolio Updates

Capitalising on the strong demand for data centres, healthy rates and positive reversions were secured for new and renewal contracts across its portfolio in 1H 2024. In the leading colocation market of Singapore, strong positive reversion of more than 40% were achieved for a major renewal contract. As at 30 June 2024, portfolio occupancy remained high at 97.5% with portfolio weighted average lease expiry (WALE) at 6.4 years³.

In line with the Manager's active asset management, the REIT opportunistically divested Intellicentre Campus in Sydney, Australia for A\$174.0 million, at close to 150% premium to the original investment value. Part of the sales proceeds were re-invested into an Australia Data Centre Note with an initial yield of approximately 7%, with an annual inflation-linked escalation. The back-to-back transactions enabled Keppel DC REIT to crystallise value from an existing asset and achieve a higher DPU while maintaining its exposure to the Australia data centre market.

In July 2024, Keppel DC REIT made its maiden foray into Japan, the second largest data centre hub in Asia. The DPU-accretive acquisition of Tokyo Data Centre 1 is in line with Keppel DC REIT's strategy of acquiring stable and income-producing quality assets in key data centre hubs and also enhances income diversification.

Mr Loh Hwee Long, CEO of Keppel DC REIT Management Pte. Ltd, said, "Our strong operational performance and organic growth achieved in 1H 2024 underscore our commitment to create value. This was complemented by the strategic DPU-accretive transactions involving Tokyo Data Centre 1 and Intellicentre Campus. We will continue to optimise our portfolio, leverage our expertise and network to seize growth opportunities while upholding financial discipline to deliver sustainable returns."

Capital Management

As at 30 Jun 2024, the REIT's aggregate leverage was 35.8%, 180 basis points lower compared to 31 March 2024. This was mainly due to repayment of approximately S\$58.5 million of loans for Intellicentre Campus and other Euro denominated debt. Average cost of debt was 3.5%, with 74.0% of borrowings fixed through interest rate swaps. Interest rate coverage ratio remains healthy at 5.1 times.

Post-acquisition of Tokyo Data Centre 1, the aggregate leverage is expected to be 39.2%, with a lower average cost of debt of approximately 3.3%.

Agile financial strategies, including active capital management and diversification of funding sources, will provide the REIT with financial flexibility to pursue accretive data centre investment opportunities.

Looking Ahead

The World Bank projects that global growth will stabilise at 2.6% this year. Global risks remain tilted to the downside, including escalating geopolitical tensions and high interest rates. Global inflation is projected to moderate and average 3.5% this year.⁴

³ By area. WALE by rental income was 4.1 years as a higher proportion of rental income is from colocation assets, which typically have shorter contractual periods.

⁴ Global Economic Prospects, The World Bank, June 2024.

The strong momentum of investments into data centres is expected to continue this year fuelled by institutional investments and strong underlying fundamentals. The reliance on data centre facilities and digital infrastructure for business, commerce and communication continues to grow on the back of demand to power new-age technologies such as generative artificial intelligence, streaming services, digital applications, Internet of Things and e-commerce platforms.⁵

Keppel DC REIT is well-positioned to capitalise on the robust growth of the data centre industry. Overall, the operating performance of Keppel DC REIT's portfolio is expected to remain strong, underpinned by high occupancy and positive reversions. Looking ahead, the Manager remains focused on enhancing its portfolio through strategic acquisitions, portfolio optimisation and proactive asset management, ensuring sustainable value creation for its stakeholders.

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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 a mix of colocation, fully-fitted and shell and core assets, as well as debt securities, 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.

⁵ CBRE 2024 Global Data Center Investor Intentions Survey Report, June 2024