

**SIAS-Keppel DC REIT  
Virtual Dialogue Session  
for Proposed Investment in the  
NetCo Bonds and Preference Shares**

22 November 2021

# Disclaimer

This presentation shall be read in conjunction with the announcement dated 14 October 2021 and the circular dated 10 November 2021 issued by Keppel DC REIT.

**Important Notice:** The past performance of Keppel DC REIT is not necessarily indicative of its future performance. Certain statements made in this presentation 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.

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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.

## Constituent of:



FTSE Straits  
Times Index



FTSE EPRA Nareit Global  
Developed Index



MSCI Singapore  
Small Cap Index



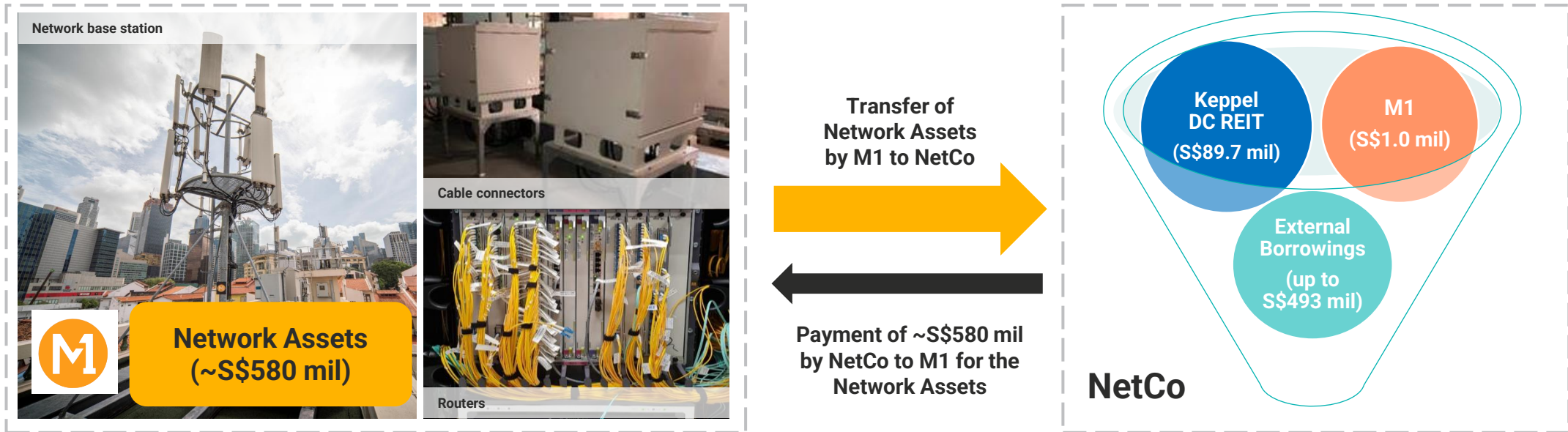
GPR 250  
Index Series

## Awards and Certifications:



# Transaction Overview (1)

- M1 is one of the largest<sup>1</sup> and most established Singapore telecommunications operators, which has been in operation since 1997
- M1 owns 100% of ordinary shares in M1 Network Private Limited (“NetCo”)
- NetCo to own M1’s mobile, fixed and fibre assets (“Network Assets”) and to receive network service fees from M1
- Keppel DC REIT to subscribe for bonds and preference shares to be issued by NetCo (“NetCo Bonds and Preference Shares Investment”)
- Keppel DC REIT to receive from NetCo a fixed amount of S\$11.0 mil p.a.(comprising principal and interest) for 15 years



# Transaction Overview (2)



## Proposed NetCo Bonds and Preference Shares Investment

Proposed Investment	S\$89.7 mil
---------------------	-------------

Add:

- |   |            |
|---|------------|
| - Acquisition Fee<br>(if approved by Unitholders) | S\$0.9 mil |
| - Estimated Fees and Expenses                     | S\$1.8 mil |

Less:

- |                                      |             |
|--------------------------------------|-------------|
| - Fees and Expenses to be Reimbursed | (S\$2.7mil) |
|--------------------------------------|-------------|

<b>Total Investment Outlay (Net of Reimbursement)</b>	<b>S\$89.7 mil</b>
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# DPU Accretive Investment Providing Regular and Stable Cash Flow

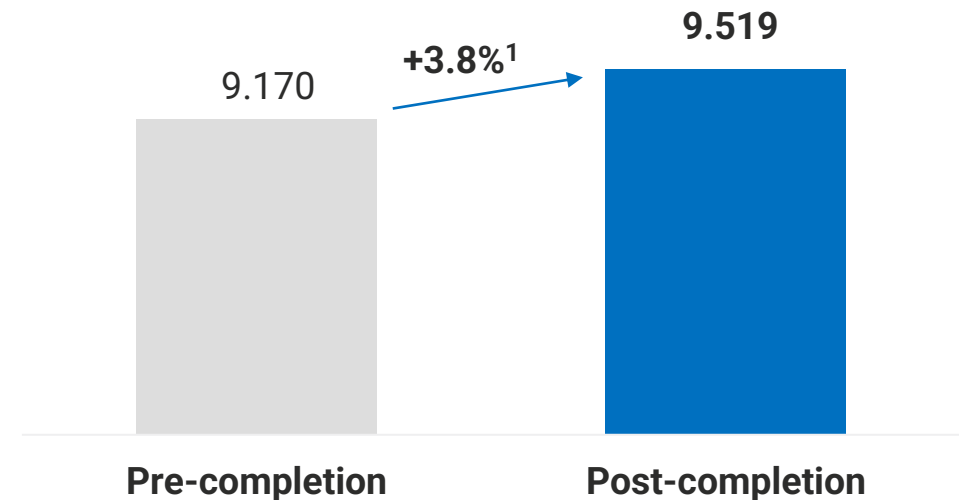
## 1 DPU Accretive Investment

- DPU accretion of 3.8%<sup>1</sup>
- DPU accretive investment forms less than 3% of our portfolio

## 2 Regular & Stable Cash Flow

- **Regular, stable cash flow of S\$11.0 mil p.a.** (comprising principal and interest) **for 15 years**, providing an **effective yield of 9.17% p.a.**
- **No operational management risks or capex obligations** for Keppel DC REIT: M1 will perform the day-to-day operation and maintenance of, as well as capex work for the Network Assets
- Payback period for the aggregate subscription amount is approximately 8 years<sup>2</sup>

### Distribution per Unit (cents)



Post-completion, FY2020 pro forma DPU will increase to 9.519 cents, with an accretion of 3.8%<sup>1</sup>



# Enhance Income Resilience and Growth Platform

## 3 Greater Income Resilience

- Further **strengthen income resilience** of Keppel DC REIT's portfolio
- Benefit from **further diversification of income streams**



Fibre network equipment

## 4 Stronger Growth Platform

- AUM will increase by 2.8% to **S\$3.3 bil**
- Enlarged portfolio will create a **stronger platform for acquisition growth** via better access to capital and debt markets



Monopole



Mast pole

# Proposed Fee Supplement

- Seeking Unitholders' approval for the acquisition fee payable to the Manager just for this investment
- Keppel DC REIT will be reimbursed for professional and other fees and expenses incurred of up to S\$2.7 mil

## Proposed Fee Supplement

	If <u>APPROVED</u> by Unitholders	If <u>NOT APPROVED</u> by Unitholders
<b>Nature of fees and expenses</b>	Professional fees Acquisition fee Other fees and expenses	Professional fees Other fees and expenses
<b>Expected Reimbursement</b>	~S\$2.7 mil	~S\$1.8 mil

- Acquisition fees will be paid in Units and shall not be sold within one year from issuance
- No divestment fee will be payable to the Manager at the maturity of the NetCo Bonds

# EGM Resolutions

**Resolution 1:** The Proposed NetCo Bonds and Preference Shares Investment, as an Interested Person Transaction  
**Resolution 2:** The Proposed Fee Supplement

## Deloitte.

Independent Financial Adviser (IFA)<sup>1</sup>  
Deloitte & Touche Corporate Finance Pte. Ltd.



The IFA is of the opinion that **both Resolution 1 and Resolution 2** are on **normal commercial terms** and are **not prejudicial to the interests of Keppel DC REIT and its minority Unitholders.**



The IFA advises the Independent Directors and the Audit and Risk Committee to recommend that the minority Unitholders vote **in favour of both Resolution 1 and Resolution 2.**

## Institutional Shareholder Services (ISS)<sup>2</sup>



**ISS has Recommended a Vote FOR both Resolutions 1 and 2**



# Thank You

For more information, please visit:  
[www.keppeldcreit.com](http://www.keppeldcreit.com)

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