



Keppel DC REIT

The background of the slide features two large data center buildings. The building on the left is a tall, modern structure with a dark, perforated metal facade and a glass-enclosed rooftop section. The building on the right is a multi-story building with a grey facade, accented with horizontal bands of red and dark blue panels. A large, semi-transparent orange arrow points from the left building towards the right building. The sky is blue with some white clouds. In the foreground, there is a road with a green traffic light and a street sign that reads 'Marshall Rd'.

**Proposed Acquisitions of
99% Interest in Keppel DC Singapore 4
and 100% Interest in 1-Net North DC**

16 September 2019

Outline

- Transactions Highlights
- Merits of the Proposed Acquisitions
- Additional Information

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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.

Transactions Highlights

Transactions Highlights

Strengthening Foothold in Singapore with DPU-accretive Acquisitions

- Agreed values for KDC SGP 4 and 1-Net North DC are supported by independent valuations
- Proposed acquisitions to be funded by a combination of (i) private placement, (ii) preferential offering and (iii) debt
- Transactions expected to be completed in 4Q 2019



99% Interest in Keppel DC Singapore 4 (KDC SGP 4)

- Five-storey carrier-neutral and purpose-built colocation facility completed in 2017
- Occupancy rate of 92.0% with IT power fully-committed
- Two-year rental support of approx. \$8.7m
- Agreed value of \$384.9m is below Cushman & Wakefield's and Savills' valuations of approx. \$385.1m (including rental support)



100% Interest in 1-Net North Data Centre (1-Net North DC)

- Five-storey purpose-built facility completed in 2016
- Triple-net master lease – No capital and operating expense obligations
- Agreed value of \$200.2m is below Knight Frank's valuation of \$200.5m and Edmund Tie's \$201.5m

Strengthening Foothold in Singapore



- ✓ DPU- accretive
- ✓ Grow AUM



- ✓ Greater income resilience with enlarged portfolio



- ✓ Stronger platform and better access to debt and equity markets for growth



Pro forma DPU

from 7.32 cents to

8.01 cents¹

for FY2018



Portfolio Occupancy

from 93.2% to

94.1%²



Aggregate Leverage

from 31.9%

30.3%³

post-completion



Assets under Management

from \$1.98b to

\$2.58b



Portfolio WALE

from 7.8 years to

8.9 years²

by leased area



- ✓ Opportunity for Unitholders to participate in Keppel DC REIT's continued growth through the preferential offering

¹ Assuming the Proposed Acquisitions are fully funded via a combination of private placement, preferential offering and debt, and completed on 1 Jan 2018; Assume KDC SGP 4 tax transparency not granted. Pro forma DPU will increase to 8.23 cents with KDC SGP 4 tax transparency granted.

² Pro forma occupancy rate and WALE as at 30 Jun 2019.

³ Including funds raised for capital expenditures; based on pro forma figure as at 30 Jun 2019.

Merits of the Proposed Acquisitions

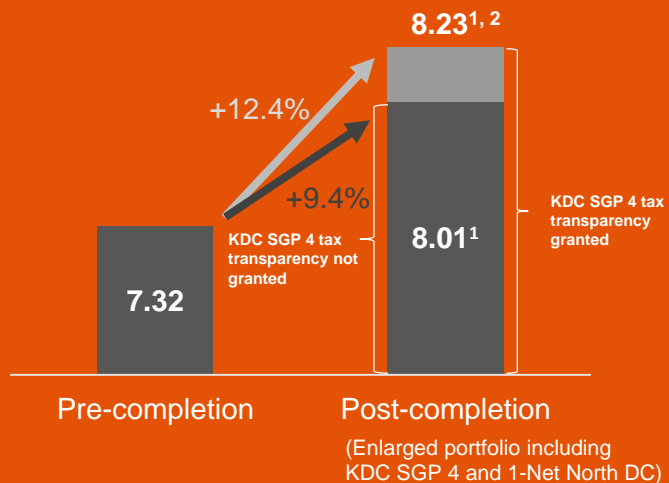
Benefits to Unitholders



- 1 Distribution per Unit (DPU) accretive acquisitions
- 2 Strengthens foothold in Singapore
- 3 Greater income resilience through exposure to a larger portfolio
- 4 Improvement in portfolio occupancy and lease profile
- 5 Enlarged portfolio creates a stronger platform for growth
- 6 Greater leasing synergies and operational efficiency
- 7 Alignment of interests with the fully underwritten preferential offering as part of funding for the Proposed Acquisitions

Pro Forma DPU¹ (cents)

Proposed Acquisitions are expected to be DPU-accretive



1 DPU-accretive Acquisitions

- Accretion without KDC SGP 4 tax transparency: 9.4%
- Accretion with KDC SGP 4 tax transparency: 12.4%

Effects of the Proposed Acquisitions For pro forma FY 2018		Actual FY2018	With KDC SGP 4	With 1-Net North DC	With KDC SGP 4 and 1-Net North DC
KDC SGP 4 Tax Transparency not Granted	DPU (cents)	7.32	7.62	7.76	8.01
	Accretion (%)	-	4.1%	6.0%	9.4%
KDC SGP 4 Tax Transparency Granted ²	DPU (cents)	7.32	7.87	7.76	8.23
	Accretion (%)	-	7.5%	6.0%	12.4%

¹ Assuming the Proposed Acquisitions are fully funded via a combination of private placement issuance, preferential offering issuance and external debt and completed on 1 Jan 2018

² An application to Inland Revenue Authority of Singapore (IRAS) to seek a ruling that the income from KDC SGP 4 Target Entity would be tax transparent will be submitted.



New demand in Singapore is estimated to grow at a CAGR of 9.4% between 2018 and 2022¹



Large hyperscale cloud providers could potentially take up around 40% of Singapore's colocation space

- **Singapore is one of the world's fast-growing data centre markets**
 - Strong demand from internet enterprises as well as the IT services, telecommunications and financial services sectors
 - Robust connectivity, strong legal and regulatory framework, pro-business environment
- **Market expected to continue to tighten in 2019 with limited supply¹**

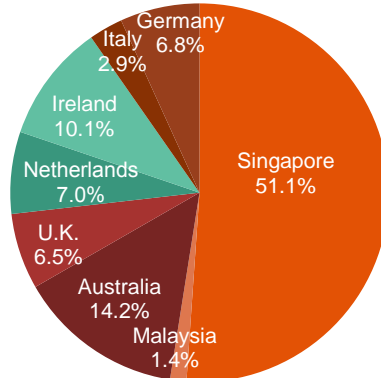
2 Strengthens foothold in Singapore



Portfolio AUM in Singapore to increase from 51.1% to 62.7% post-completion

Portfolio AUM breakdown

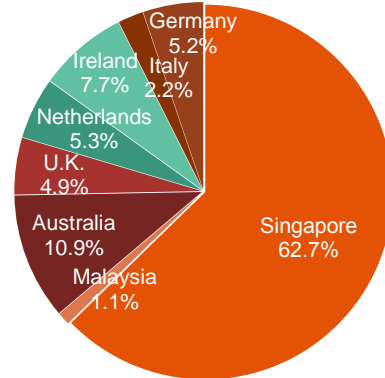
Pre-completion



Portfolio AUM breakdown

Post-completion

(Enlarged portfolio including KDC SGP 4 and 1-Net North DC)



¹ Source: Broadgroup

3 Greater income resilience through exposure to a larger portfolio

- Portfolio AUM will increase by 30.7% from \$1.98b to \$2.58b with an enlarged asset base of 17 assets

Europe

Ireland

1. Keppel DC Dublin 1, Dublin
2. Keppel DC Dublin 2, Dublin

United Kingdom

3. GV7 Data Centre, London
4. Cardiff Data Centre, Cardiff

The Netherlands

5. Almere Data Centre, Almere

Germany

6. maincubes Data Centre, Offenbach am Main

Italy

7. Milan Data Centre, Milan

Asia-Pacific

Singapore

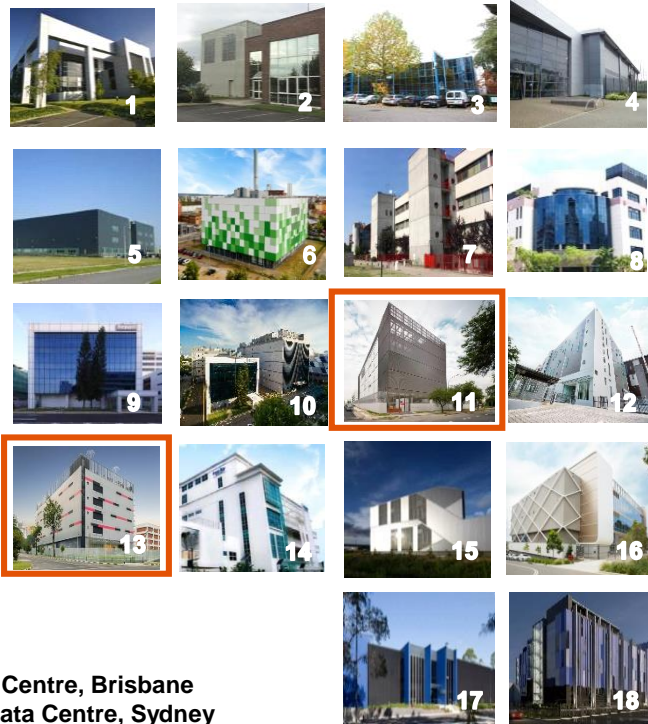
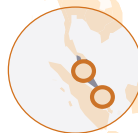
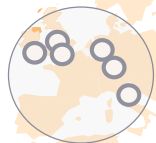
8. Keppel DC Singapore 1
9. Keppel DC Singapore 2
10. Keppel DC Singapore 3
11. Keppel DC Singapore 4
12. Keppel DC Singapore 5
13. 1-Net North Data Centre

Malaysia

14. Basis Bay Data Centre, Cyberjaya

Australia

15. iseek Data Centre, Brisbane
16. Gore Hill Data Centre, Sydney
17. Intellicentre 2 Data Centre, Sydney
18. Intellicentre 3 East Data Centre, Sydney[^]



[^] Construction expected to be completed in 2020.

Higher portfolio occupancy and longer WALE

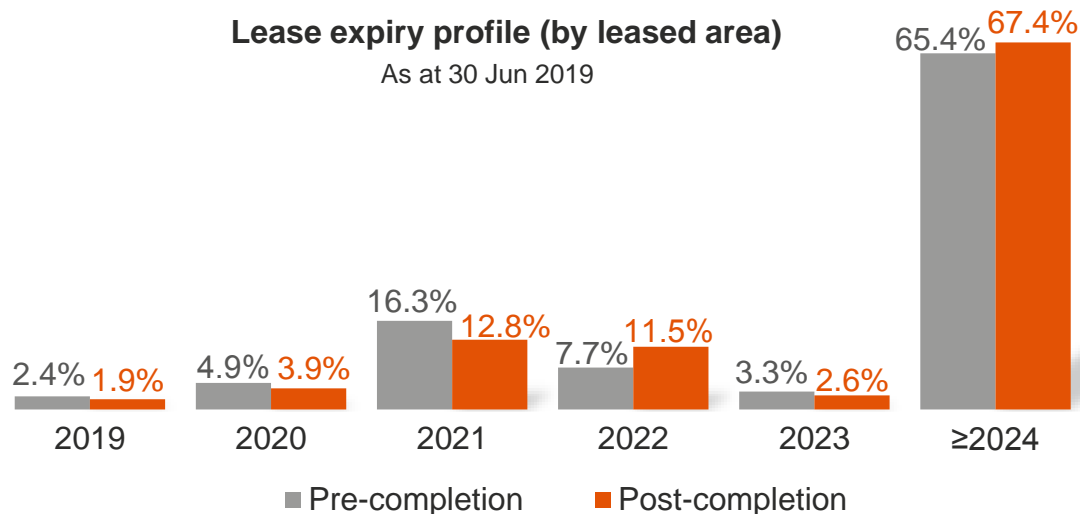
↑ **Portfolio Occupancy**
from 93.2% to
94.1%¹

↑ **Portfolio WALE**
from 7.8 years to
8.9 years¹
by leased area

¹Pro forma figures as at 30 Jun 2019

4 Improvement in portfolio occupancy and lease profile

- Well-spread lease expiry with less than 5% of leases up for renewal between 2019 and 2020



5 Stronger platform for growth

 **Aggregate Leverage**
from 31.9% to

30.3%¹

post-completion

- Higher debt headroom to pursue further growth opportunities
- Better access to the debt and equity markets with an enlarged and fully unencumbered portfolio

6 Greater leasing synergies and operational efficiency

KDC SGP 4:

- Proximity to KDC SGP 2 and KDC SGP 3: Strengthens the REIT's presence within Tampines Industrial Park
- Potential to achieve leasing synergies, increase operational efficiency and economies of scale with enlarged portfolio

1-Net North DC:

- Provides diversification of location to the Northern part of Singapore, complementing Keppel DC REIT's existing assets in the Central, Eastern and Western regions
- Located just outside the Woodlands Regional Centre: A planned key commercial hub expected to be the largest in Singapore's Northern region

¹ Including funds raised for capital expenditures



1-Net North Data Centre

7 Alignment of interests with fully underwritten preferential offering

- Preferential offering allows unitholders to participate in Keppel DC REIT's growth
- Keppel Telecommunications & Transportation and Keppel Capital have provided irrevocable undertakings to subscribe for their pro-rata entitlements
- Free float and trading liquidity of the Units could improve



Thank You

Additional Information

Key Property Information

The proposed acquisitions are subject to, and conditional upon, among others, the approval of the Unitholders of Keppel DC REIT at an extraordinary general meeting.



99% Interest in Keppel DC Singapore 4 (KDC SGP 4)

Location	20 Tampines Street 92, Singapore 528875
Land tenure	30-year leasehold till 30 June 2020; option to renew for another 30 years
Building description	Five-storey carrier-neutral and purpose-built facility completed in 2017
Net Lettable area	Approx. 84,544 sq ft
Occupancy ¹	<ul style="list-style-type: none"> Occupancy: 92.0% IT power fully-committed
WALE ¹	3.0 years
Independent Valuations ²	<ul style="list-style-type: none"> Cushman & Wakefield³: S\$385.1m Savills⁴: S\$385.1m
Agreed Value	S\$384.9 million
Vendors	Thorium DC Pte. Ltd., a 70:30 joint venture between Alpha Data Centre Fund and Keppel Data Centres Holding



100% Interest in 1-Net North Data Centre (1-Net North DC)

Location	18 Riverside Road, Singapore 739088
Land tenure	70-year 5-month leasehold till 31 Jul 2044
Building description	Five-storey purpose-built data centre facility completed in 2016
Net Lettable area	Approx. 213,815 sq ft
Occupancy ¹	100% committed on a triple-net master lease with ~17 years remaining; Option to renew for another 7.6 years
WALE ¹	16.8 years
Independent Valuations	<ul style="list-style-type: none"> Knight Frank³: \$200.5m Edmund Tie⁴: \$201.5m
Agreed Value	S\$200.2 million
Vendors	51% from CityDC Pte. Ltd. (subsidiary of Keppel Infrastructure Trust) and 49% from WDC Development Pte. Ltd (subsidiary of Shimizu Corporation)

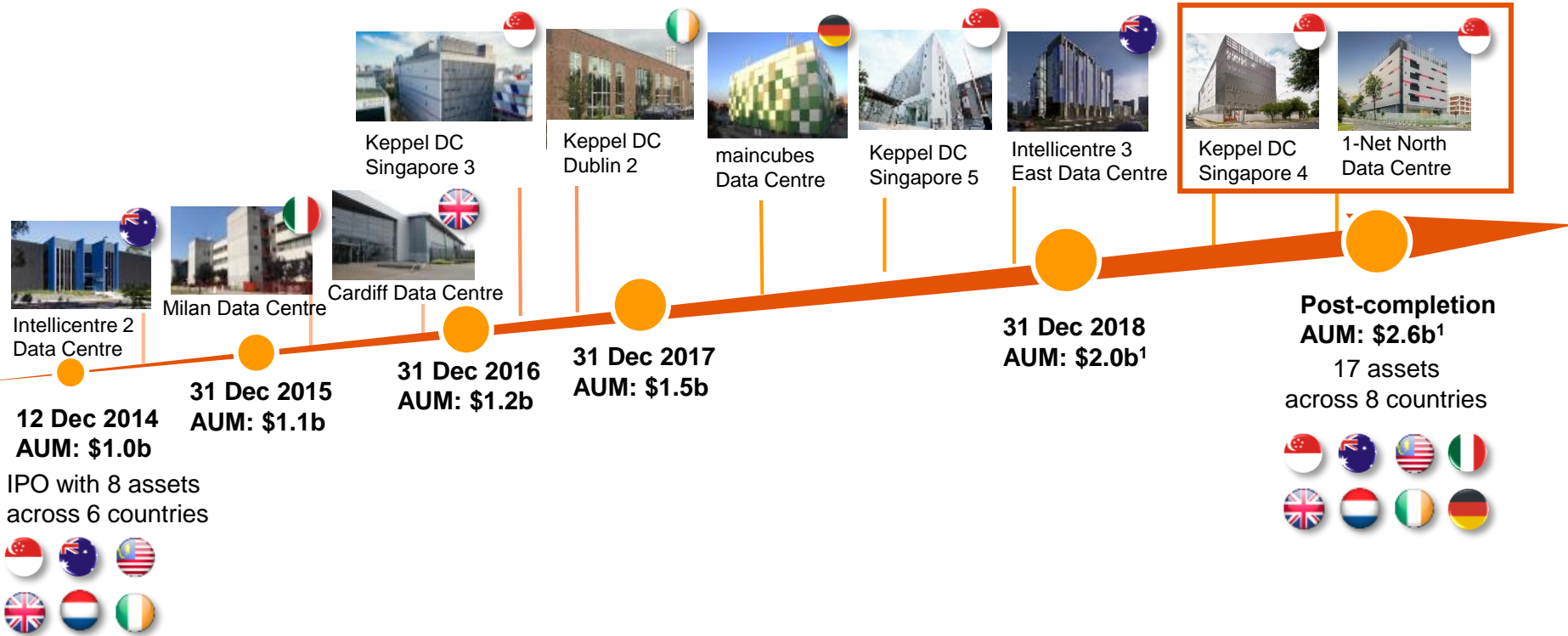
¹ As at 30 Jun 2019

² Based on 99% interest and includes rental support

³ Appointed by the Manager

⁴ Appointed by the Trustee

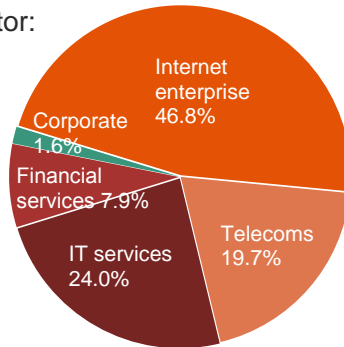
Portfolio Growth since Listing



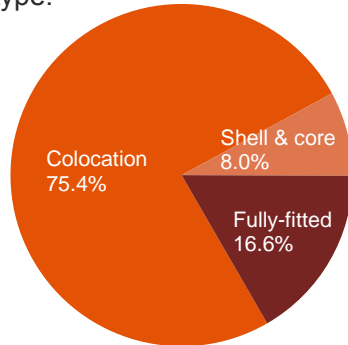
Rental income breakdown for the month of Jun 2019¹

Existing Portfolio

By trade sector:

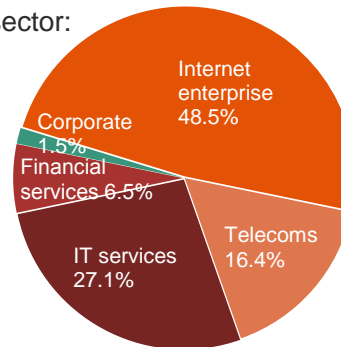


By lease type:

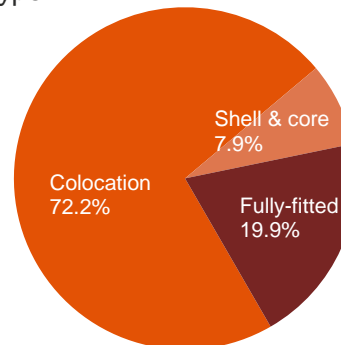


Enlarged Portfolio

By trade sector:



By lease type:



Portfolio Overview (as at 30 Jun 2019)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ² (\$m)	Lease type	WALE (years)	Land lease title
Asia Pacific									
Keppel DC Singapore 1	Singapore	100%	109,721	17	86.9	287.0	Keppel lease / Colocation	2.8	Leasehold (Expiring 30 Sep 2025, with option to extend by 30 years)
Keppel DC Singapore 2	Singapore	100%	38,090	4	100.0	169.0	Keppel lease / Colocation	2.1	Leasehold (Expiring 31 Jul 2021, with option to extend by 30 years)
Keppel DC Singapore 3	Singapore	90%	49,433	2	100.0	231.3	Keppel lease / Colocation	2.9	Leasehold (Expiring 31 Jan 2022, with option to extend by 30 years)
Keppel DC Singapore 4	Singapore	99%	83,698	5	92.0%	Cushman & Wakefield: 385.1 ⁴ Savills: 385.1 ⁴	Keppel lease / Colocation	3.0	Leasehold (Expiring 30 June 2020, with option to extend by 30 years)
Keppel DC Singapore 5	Singapore	99%	97,781	3	84.2	316.8	Keppel lease / Colocation	2.3	Leasehold (Expiring 31 Aug 2041)
1-Net North Data Centre	Singapore	100%	213,815	1	100%	Knight Frank: 200.5 Edmund Tie: 201.5	Triple-net/ (Fully-fitted/ Shell & core)	16.8	Leasehold (Expiring 31 Jul 2044)
Basis Bay Data Centre	Cyberjaya, Malaysia	99%	48,193	1	63.1	27.7	Colocation	3.0	Freehold
Gore Hill Data Centre	Sydney, Australia	100%	90,955	3	100.0	196.2	Triple-net (Shell & core) / Colocation	5.9	Freehold
iseek Data Centre	Brisbane, Australia	100%	12,389	1	100.0	32.9	Double-net ³ (Fully-fitted)	7.0	Leasehold (Expiring 29 Sep 2040, with option to extend by 7 years)

Portfolio Overview (as at 30 Jun 2019)

	Location	Interest	Attributable lettable area (sq ft)	No. of clients ¹	Occupancy rate (%)	Valuation ² (\$m)	Lease type	WALE (years)	Land lease title
Intellicentre 2 Data Centre	Sydney, Australia	100%	87,930	1	100.0	51.0	Triple-net (Shell & core)	16.1	Freehold
Intellicentre 3 East Data Centre ⁵	Sydney, Australia	100%	Min. 86,000	1	100.0 ³	A\$26.0-A\$36.0m (development costs)	Triple-net (Shell & core)	20.0 ³	Freehold
Europe									
Cardiff Data Centre	Cardiff, United Kingdom	100%	79,439	1	100.0	64.9	Triple-net (Shell & core)	12.0	Freehold
GV7 Data Centre	London, United Kingdom	100%	24,972	1	100.0	63.0	Triple-net (Fully-fitted)	7.6	Leasehold (Expiring 28 Sep 2183)
Almere Data Centre	Almere, Netherlands	100%	118,403	1 ⁶	100.0	137.6	Double-net (Fully-fitted)	9.2	Freehold
Keppel DC Dublin 1	Dublin, Ireland	100%	68,118	19	61.8	76.0	Colocation	1.7	Leasehold ⁷ (Expiring 11 Apr 2041)
Keppel DC Dublin 2	Dublin, Ireland	100%	25,127	4	90.7	103.8	Colocation	9.0	Leasehold (Expiring 31 Dec 2997)
Milan Data Centre	Milan, Italy	100%	165,389	1	100.0	56.7	Double-net (Shell & core)	8.5	Freehold
maincubes Data Centre	Offenbach am Main, Germany	100%	97,043	1	100.0	134.1	Triple-net (Fully-fitted)	13.8	Freehold

1. Certain clients have signed more than one colocation arrangement using multiple entities.

2. Based on respective independent valuations and respective ownership interests as at 31 Dec 2018, unless otherwise stated.

3. Keppel DC REIT has in place the iseek Lease with the client of iseek Data Centre. While the iseek Lease is called a colocation arrangement, the terms are structured as effectively equivalent to a double-net lease.

4. Based on 99% interest and include rental support.

5. This development is expected to be completed in 2020 and is excluded from the portfolio's asset under management; Facility will be fully leased to Macquarie Telecom upon completion.

6. Keppel DC REIT, through its wholly-owned subsidiary has entered into the Ground Lease with Borchveste. With the Ground Lease in place, the lease with the underlying client becomes conceptually similar to a sub-lease, with Borchveste being (i) the leasehold client of KDCR Almere B.V. and (ii) the lessor to the underlying client.

7. On 14 Mar 2018, Keppel DC REIT entered into a contract to acquire the remainder of the 999-year (from 1 Jan 2000) leasehold land interest in Keppel DC Dublin 1. Legal completion of the acquisition is expected in 1H 2020.

Overview of Lease Arrangements

Asia Pacific	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Keppel DC Singapore 1	Keppel lease ¹ / Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 2	Keppel lease ¹ / Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 3	Keppel lease ² / Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 4	Keppel lease ³ / Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Keppel DC Singapore 5	Keppel lease ² / Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
1-Net North Data Centre	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except insurance for the shell of the building; responsible for facilities management 	-	-	-	-
Basis Bay Data Centre	Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent; responsible for facilities management Owner: Bears pre-agreed facilities management amount, insurance and property tax 	✓	✓	✓	✓
Gore Hill Data Centre (for one client)	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management in their space 	-	-	-	-
Gore Hill Data Centre (for two clients)	Colocation ⁴	<ul style="list-style-type: none"> Client: Pays rent Owner: Bears all expenses; responsible for facilities management 	✓	✓	✓	✓
Intellicentre 2 Data Centre	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management 	-	-	-	-
iseek Data Centre	Double-net lease ⁵	<ul style="list-style-type: none"> Client: Pays rent and all outgoings except building insurance; responsible for facilities management 	-	✓	-	✓
Intellicentre 3 East Data Centre ⁶ (under development)	Triple-net lease	<ul style="list-style-type: none"> Client: Pays rent and all outgoings; responsible for facilities management 	-	-	-	-

Overview of Lease Arrangements

Europe	Lease Arrangement	Description	Responsibilities of Owner			
			Property Tax	Building Insurance	Maintenance Opex	Refresh Capex
Cardiff Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
GV7 Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-
Almere Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
Keppel DC Dublin 1	Colocation ^{4,7}	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Keppel DC Dublin 2	Colocation ^{4,7}	■ Client: Pays rent ■ Owner: Bears all expenses; responsible for facilities management	✓	✓	✓	✓
Milan Data Centre	Double-net lease	■ Client: Pays rent and all outgoings except building insurance and property tax; responsible for facilities management	✓	✓	-	-
maincubes Data Centre	Triple-net lease	■ Client: Pays rent and all outgoings; responsible for facilities management	-	-	-	-

1. Refers to the leases entered into by Keppel DC REIT with the Keppel lessees (Keppel DC Singapore 1 Ltd and Keppel DC Singapore 2 Pte Ltd) in relation to Keppel DC Singapore 1 and Keppel DC Singapore 2 respectively. Due to the pass-through nature of the Keppel leases, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangements between Keppel lessees and the underlying clients.
2. Refers to the leases entered into by Keppel DC Singapore 3 LLP and Keppel DC Singapore 5 LLP with the Keppel lessee (Keppel DCS3 Services Pte Ltd) in relation to Keppel DC Singapore 3 and Keppel DC Singapore 5 respectively.
3. In connection with the proposed acquisition, the KDC SGP 4 Target Entity will also enter into the Keppel Lease Agreement with the Keppel lessee (Keppel DC Singapore 2 Pte Ltd). Due to the pass-through nature of the Keppel lease, Keppel DC REIT will substantially enjoy the benefits and assume the liabilities of the underlying colocation arrangement between Keppel lessee and the underlying client.
4. Colocation arrangements are typically entered into by end-clients who utilise colocation space for the installation of their servers and other mission critical IT equipment. Keppel DC REIT is usually responsible for facilities management in respect of such colocation arrangements, except in the case of Basis Bay Data Centre where the client is responsible for facilities management.
5. Keppel DC REIT has in place the isek Lease with the client of isek Data Centre. While the isek Lease is called a colocation arrangement, the terms thereof are structured as effectively equivalent to a double-net lease.
6. This development is expected to be completed in 2020 and is excluded from the portfolio's assets under management; Facility will be leased to Macquarie Telecom upon completion.
7. Keppel DC REIT has in place colocation arrangements with the clients of Keppel DC Dublin 1 and Keppel DC Dublin 2.

Existing Keppel DC REIT Structure

