

**KEPPEL DC REIT
FINANCIAL STATEMENTS ANNOUNCEMENT****CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AND DISTRIBUTION
ANNOUNCEMENT FOR THE SECOND HALF AND FULL YEAR ENDED 31
DECEMBER 2022**CONTENTS

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KEPPEL DC REIT AND ITS SUBSIDIARIES

SUMMARY OF KEPPEL DC REIT RESULTS

| | 2H 2022 \$'000 | 2H 2021 \$'000 | +/(-) % | FY 2022 \$'000 | FY 2021 \$'000 | +/(-) % |
|--|-------------------|-------------------|---------|-------------------|-------------------|---------|
| Gross Revenue | 141,782 | 135,918 | 4.3 | 277,322 | 271,065 | 2.3 |
| Property Expenses | (12,472) | (11,598) | 7.5 | (24,777) | (22,911) | 8.1 |
| Net Property Income | 129,310 | 124,320 | 4.0 | 252,545 | 248,154 | 1.8 |
| Finance Income | 5,134 | 518 | >100 | 9,254 | 558 | >100 |
| Distributable Income to Unitholders (DI) | 93,714 | 87,350 | 7.3 | 184,872 | 171,606 | 7.7 |
| Distribution per Unit (DPU) (cents) ¹ | 5.165 | 4.927 | 4.8 | 10.214 | 9.851 | 3.7 |
| Distribution Yield (%) ² | | | | 5.77 | 3.99 | 178bps |

Notes:

- 1 Computed based on the DI to Unitholders after the deduction of Capex Reserves that has been set aside.
- 2 Based on closing unit price of \$1.770 and \$2.470 per Unit as at 31 December 2022 and 31 December 2021 respectively.

For details, refer to **Condensed profit and loss and distribution statement and Other Information Paragraph 3 - Review of Performance.**

| | |
|-------------------------------------|---|
| Distribution | 19 th Distribution Distribution for the period from 1 July to 31 December 2022 |
| Distribution type | (a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution |
| Distribution rate | Distribution for the period from 1 July to 31 December 2022 (a) Taxable Income – 2.137 cents per Unit (b) Tax-exempt Income – 1.797 cents per Unit (c) Capital Distribution – 1.231 cents per Unit |
| Distribution amount (\$'000) | 88,768 |
| Record Date | 8 February 2023 |
| Payment Date | 14 March 2023 |

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.

As at 31 December 2022, the REIT has a portfolio size of approximately \$3.7 billion. The portfolio comprises mainly 23 high quality well located data centres in Singapore, Malaysia, China, Australia, the United Kingdom (UK), the Netherlands, Republic of Ireland (Ireland), Italy and Germany.

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 1 | China | (Guangdong DC 1) | |
| 9) | Guangdong Data Centre 2 | China | (Guangdong DC 2) | <i>Acquired on 12 August 2022</i> |
| 10) | Guangdong Data Centre 3 | China | (Guangdong DC 3) | <i>Acquired on 12 August 2022¹</i> |
| 11) | Gore Hill Data Centre | Australia | (Gore Hill DC) | |
| 12) | Intellicentre Campus | Australia | (IC DC) | |

Europe

| | | | | |
|-----|-------------------------|-----------------|------------------|------------------------------------|
| 13) | Cardiff Data Centre | UK | (Cardiff DC) | |
| 14) | GV7 Data Centre | UK | (GV7 DC) | |
| 15) | London Data Centre | UK | (London DC) | <i>Acquired on 11 January 2022</i> |
| 16) | Almere Data Centre | The Netherlands | (Almere DC) | |
| 17) | Amsterdam Data Centre | The Netherlands | (Amsterdam DC) | |
| 18) | Eindhoven Campus | The Netherlands | (Eindhoven DC) | |
| 19) | Keppel DC Dublin 1 | Ireland | (KDC DUB 1) | |
| 20) | Keppel DC Dublin 2 | Ireland | (KDC DUB 2) | |
| 21) | Milan Data Centre | Italy | (Milan DC) | |
| 22) | maincubes Data Centre | Germany | (maincubes DC) | |
| 23) | 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 2022 and the corresponding period of the preceding year.
- FY – Refers to the financial year ended 31 December 2022 and the corresponding period of the preceding year
- Nm – Not meaningful

¹ Comprising building shell of Guangdong Data Centre 3

KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED PROFIT AND LOSS AND DISTRIBUTION STATEMENT

FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

| | 2H 2022 \$'000 | 2H 2021 \$'000 | + / (-) % | FY 2022 \$'000 | FY 2021 \$'000 | + / (-) % | Referen ce |
|---|-------------------|-------------------|---------------|-------------------|-------------------|---------------|---------------|
| Gross rental income | 140,392 | 134,343 | 4.5 | 273,517 | 265,797 | 2.9 | (a) |
| Other income | 1,390 | 1,575 | (11.7) | 3,805 | 5,268 | (27.8) | (b) |
| Gross Revenue | 141,782 | 135,918 | 4.3 | 277,322 | 271,065 | 2.3 | |
| Property operating expenses | (12,472) | (11,598) | 7.5 | (24,777) | (22,911) | 8.1 | (c) |
| Net Property Income | 129,310 | 124,320 | 4.0 | 252,545 | 248,154 | 1.8 | |
| Finance income | 5,134 | 518 | >100.0 | 9,254 | 558 | >100.0 | (d) |
| Finance costs | (17,975) | (11,118) | 61.7 | (31,072) | (21,215) | 46.5 | (d) |
| Trustees' fees | (259) | (234) | 10.7 | (524) | (470) | 11.5 | |
| Manager's base fee | (8,949) | (7,770) | 15.2 | (17,741) | (15,375) | 15.4 | (e) |
| Manager's performance fee | (4,388) | (4,189) | 4.8 | (8,598) | (8,411) | 2.2 | (e) |
| Net gains on derivatives | 4,332 | 3,922 | 10.5 | 8,627 | 4,400 | 96.1 | (f) |
| Other trust expenses | (4,360) | (4,267) | 2.2 | (6,629) | (7,065) | (6.2) | (g) |
| Profit before joint venture | 102,845 | 101,182 | 1.6 | 205,862 | 200,576 | 2.6 | |
| Share of results of a joint venture | (8,983) | (1,000) | >100.0 | (8,983) | (1,000) | >100.0 | (h) |
| Profit before divestment of a subsidiary and net change in fair value of investment properties | 93,862 | 100,182 | (6.3) | 196,879 | 199,576 | (1.4) | |
| Loss on divestment of a subsidiary | - | (200) | (100.0) | - | (200) | (100.0) | (i) |
| Net change in fair value of investment properties | 68,289 | 152,541 | (55.2) | 68,289 | 151,373 | (54.9) | (j) |
| Profit before tax | 162,151 | 252,523 | (35.8) | 265,168 | 350,749 | (24.4) | |
| Tax expenses | (21,890) | (20,099) | 8.9 | (30,994) | (29,176) | 6.2 | (k) |
| Profit after tax | 140,261 | 232,424 | (39.7) | 234,174 | 321,573 | (27.2) | |
| Attributable to: | | | | | | | |
| Unitholders | 138,535 | 226,129 | (38.7) | 230,905 | 313,656 | (26.4) | |
| Non-controlling interests | 1,726 | 6,295 | (72.6) | 3,269 | 7,917 | (58.7) | |
| | 140,261 | 232,424 | (39.7) | 234,174 | 321,573 | (27.2) | |
| Earnings per Unit (cents) | | | | | | | |
| - basic and diluted | 8.06 | 13.37 | (39.7) | 13.44 | 18.87 | (28.8) | |
| <u>Distribution Statement</u> | | | | | | | |
| Profit after tax attributable to Unitholders | 138,535 | 226,129 | (38.7) | 230,905 | 313,656 | (26.4) | |
| Net tax and other adjustments | (44,821) | (138,779) | (67.7) | (46,033) | (142,050) | (67.6) | (l) |
| Income available for distribution | 93,714 | 87,350 | 7.3 | 184,872 | 171,606 | 7.7 | (m) |
| Distribution per Unit (cents) | 5.165 | 4.927 | 4.8 | 10.214 | 9.851 | 3.7 | (n) |

KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference (2022 and 2021):

- (a) In 2H 2022 and FY 2022, gross rental income was higher mainly due to acquisitions of Guangdong DC 1, 2 and building shell of Guangdong DC 3, London DC, Eindhoven DC, positive income reversions, as well as contributions following the completion of asset enhancement initiatives (AEIs) at the Dublin assets and completion of Intellicentre 3 East Data Centre (IC3 East DC).

This was partially offset by the net lower contributions from the Singapore colocation assets, largely arising from the higher facility expenses (including electricity, staff and maintenance costs) and provisions made for DXC at KDC SGP 1. In addition, the depreciation of foreign currencies against the SGD and the cessation of contribution following the divestment of isseek DC resulted in lower foreign sourced income.

- (b) In FY 2022, other income was lower mainly due to the cessation of rental top up at KDC SGP 4, partially offset by one-off government incentives received at Guangdong DC 1.

- (c) The following were included as part of the operating expenses:

| | 2H 2022 \$'000 | 2H 2021 \$'000 | FY 2022 \$'000 | FY 2021 \$'000 |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| Property-related taxes | (1,794) | (1,727) | (3,713) | (3,449) |
| Facility management and related costs | (6,237) | (6,853) | (12,700) | (13,300) |
| Repairs and maintenance | (874) | (503) | (1,842) | (1,140) |
| Other property-related costs | (3,567) | (2,515) | (6,522) | (5,022) |
| | (12,472) | (11,598) | (24,777) | (22,911) |

- (d) In 2H 2022 and FY2022, finance income increased mainly due to the income from the debt securities issued by M1 Network Private Limited (NetCo) and coupon income from Guangdong DC 3.

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 London DC, Guangdong DC 2 and building shell of Guangdong DC 3, as well as full period contributions from Guangdong DC 1, IC3 East DC and Eindhoven DC.

- (f) These relate to the net gains on the foreign currency forward contracts entered into by the Group for hedging purposes.

- (g) Other trust expenses were lower mainly due to the cessation of rental top up at KDC SGP 4, which results in a lower fair value loss of financial asset at fair value through profit or loss (FVTPL). These were partially offset by higher foreign exchange loss.

- (h) Share of loss of a joint venture (NetCo) arising mainly from depreciation of the fixed assets. This does not affect Keppel DC REIT's distributable income and has been adjusted in full in net tax and other adjustments (refer to Note I). For share of NetCo's other comprehensive income, refer to Statement of Comprehensive Income.

- (i) Loss on divestment of a subsidiary in 2H 2021 and FY2021 pertains to the loss on divestment of isseek DC.

- (j) Net change in fair value of investment properties for 2022 pertains to the net revaluation gains of the Group's investment properties based on independent valuations obtained from third party valuers and the effects of recognising rental income on a straight-line basis over the lease terms.

- (k) Tax expenses comprise (a) tax in relation to the taxable income that are not accorded full tax transparency treatment, (b) tax expenses of the Group's overseas properties, and (c) net deferred tax expenses recognised on tax depreciation, tax losses carried forward and fair value changes in investment properties.

KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference (2022 and 2021):

(l) Included in the net tax and other adjustments were the following:

| | 2H 2022 \$'000 | 2H 2021 \$'000 | FY 2022 \$'000 | FY 2021 \$'000 |
|---|-------------------|-------------------|-------------------|-------------------|
| Trustee's fees | 218 | 194 | 442 | 389 |
| Rental income adjustment on a straight-line basis | (1,618) | (2,047) | (2,834) | (2,805) |
| Amortisation of capitalised transaction costs | 474 | 498 | 940 | 943 |
| Net change in fair value of investment properties | (68,172) | (147,943) | (68,172) | (146,775) |
| Foreign exchange losses | 1,836 | 1,655 | 2,476 | 296 |
| Deferred tax | 17,586 | 15,541 | 21,025 | 18,658 |
| Net change in fair value of financial assets at fair value through profit or loss | 187 | - | 377 | 2,723 |
| Loss on divestment of a subsidiary | - | 200 | - | 200 |
| Share of results of a joint venture | 8,983 | 1,000 | 8,983 | 1,000 |
| Other net adjustments | (4,315) | (7,877) | (9,270) | (16,679) |
| Net tax and other adjustments | (44,821) | (138,779) | (46,033) | (142,050) |

Included in other net adjustments were dividends and distribution income, lease charges, other non-taxable income and non-deductible expenses.

(m) Higher DI in 2H 2022 and FY 2022 were mainly due to higher net property income as well as the resultant contributions derived from the hedging contracts for foreign-sourced income. These were partially offset by higher finance costs.

(n) DPU was computed based on DI (Note m) after the deduction of Capex Reserves which has been set aside.

Keppel DC REIT declares distributions on a half-yearly basis. For the financial period from 1 July to 31 December 2022, a distribution of 5.165 cents per Unit has been declared.

Consolidated Earnings Per Unit and Distribution Per Unit

| | 2H 2022 | 2H 2021 | FY 2022 | FY 2021 |
|---|----------------------|---------------|----------------------|---------------|
| Earnings per Unit (EPU) | | | | |
| EPU (basic and diluted) (cents) | 8.06 | 13.37 | 13.44 | 18.87 |
| Weighted average number of Units ¹ | 1,718,236,951 | 1,691,034,292 | 1,717,678,403 | 1,662,472,755 |
| Profit after tax ² (\$'000) | 138,535 | 226,129 | 230,905 | 313,656 |
| Distribution per Unit (DPU) | | | | |
| DPU³ (cents) | 5.165 | 4.927 | 10.214 | 9.851 |
| Total number of Units in issue at end of period/year | 1,718,650,015 | 1,715,511,855 | 1,718,650,015 | 1,715,511,855 |
| Income available for distribution to Unitholders (\$'000) | 93,714 | 87,350 | 184,872 | 171,606 |

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 Computed based on the DI to Unitholders after the deduction of Capex Reserves which has been set aside.

KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

| | 2H 2022 \$'000 | 2H 2021 \$'000 | +/(-) % | FY 2022 \$'000 | FY 2021 \$'000 | +/(-) % |
|---|-------------------|-------------------|---------------|-------------------|-------------------|------------------|
| Profit after tax | 140,261 | 232,424 | (39.7) | 234,174 | 321,573 | (27.2) |
| Other comprehensive income | | | | | | |
| Movement in hedging reserves | 14,009 | 9,531 | 47.0 | 50,403 | 19,979 | >100.0 |
| Share of movement in hedging reserves of a joint venture | 35,458 | - | Nm | 35,458 | - | Nm |
| Realisation of net currency translation differences upon divestment of a subsidiary | - | 110 | (100.0) | - | 110 | (100.0) |
| Foreign currency translation movement | (37,076) | (19,346) | 91.6 | (56,057) | (8,838) | >100.0 |
| Total other comprehensive income/(loss) | 12,391 | (9,705) | Nm | 29,804 | 11,251 | >100.0 |
| Total comprehensive income | 152,652 | 222,719 | (31.5) | 263,978 | 332,824 | (20.7) |
| Attributable to: | | | | | | |
| Unitholders | 150,929 | 216,422 | (30.3) | 260,720 | 324,910 | (19.8) |
| Non-controlling interests | 1,723 | 6,297 | (72.6) | 3,258 | 7,914 | (58.8) |
| | 152,652 | 222,719 | (31.5) | 263,978 | 332,824 | (20.7) |

Note:

Other comprehensive income items relate to (i) the fair value changes of the mark-to-market derivatives as a result of interest rate swaps entered into by the Group and by the joint venture, and (ii) 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 2022

| | Note | Group | | | Trust | | | Reference |
|--------------------------------------|------|---------------------|---------------------|---------------|---------------------|---------------------|--------------|-----------|
| | | 31-Dec-22 \$'000 | 31-Dec-21 \$'000 | + / (-) % | 31-Dec-22 \$'000 | 31-Dec-21 \$'000 | + / (-) % | |
| Non-current assets | | | | | | | | |
| Investment properties | 3 | 3,639,453 | 3,401,436 | 7.0 | 530,228 | 526,726 | 0.7 | (a) |
| Investment in subsidiaries | | - | - | - | 2,246,084 | 2,128,751 | 5.5 | (b) |
| Loans to subsidiaries | | - | - | - | 311,881 | 335,854 | (7.1) | (b) |
| Investment in a joint venture | 4 | 26,475 | - | Nm | - | - | - | (c) |
| Notes receivables | | 82,559 | 85,768 | (3.7) | 82,559 | 85,768 | (3.7) | (d) |
| Trade and other receivables | | 31,233 | 24,798 | 25.9 | - | - | - | (e) |
| Derivative financial assets | | 49,762 | 3,954 | >100.0 | 1,607 | 1,747 | (8.0) | (f) |
| Deposits | | 13,896 | - | Nm | - | - | - | (g) |
| Deferred tax assets | | 1,679 | 2,006 | (16.3) | - | - | - | (h) |
| Total non-current assets | | 3,845,057 | 3,517,962 | 9.3 | 3,172,359 | 3,078,846 | 3.0 | |
| Current assets | | | | | | | | |
| Notes receivables | | 3,208 | 2,932 | 9.4 | 3,208 | 2,932 | 9.4 | (d) |
| Trade and other receivables | | 61,404 | 50,373 | 21.9 | 14,232 | 31,079 | (54.2) | (e) |
| Derivative financial assets | | 7,595 | 2,540 | >100.0 | 6,784 | 2,540 | >100.0 | (f) |
| Deposits | | - | 10,402 | (100.0) | - | - | - | (g) |
| Cash and cash equivalents | | 190,399 | 195,941 | (2.8) | 98,079 | 90,590 | 8.3 | |
| Total current assets | | 262,606 | 262,188 | 0.2 | 122,303 | 127,141 | (3.8) | |
| TOTAL ASSETS | | 4,107,663 | 3,780,150 | 8.7 | 3,294,662 | 3,205,987 | 2.8 | |
| Current liabilities | | | | | | | | |
| Loans from subsidiaries | | - | - | - | 161,899 | 158,659 | 2.0 | (i) |
| Loans and borrowings | 5 | 175,425 | 163,037 | 7.6 | - | - | - | (j) |
| Trade and other payables | | 62,646 | 50,143 | 24.9 | 21,713 | 21,429 | 1.3 | (k) |
| Derivative financial liabilities | | - | 892 | (100.0) | - | 317 | (100.0) | (f) |
| Provision for taxation | | 6,569 | 6,537 | 0.5 | 2,549 | 2,239 | 13.8 | (l) |
| Total current liabilities | | 244,640 | 220,609 | 10.9 | 186,161 | 182,644 | 1.9 | |
| Non-current liabilities | | | | | | | | |
| Loans from subsidiaries | | - | - | - | 1,139,538 | 1,045,121 | 9.0 | (i) |
| Loans and borrowings | 5 | 1,299,708 | 1,136,233 | 14.4 | 7,928 | 7,726 | 2.6 | (j) |
| Trade and other payables | | 6,338 | - | Nm | - | - | - | (k) |
| Derivative financial liabilities | | 2,180 | 5,290 | (58.8) | - | - | - | (f) |
| Provision | | 18,273 | 20,025 | (8.7) | - | - | - | (m) |
| Deferred tax liabilities | | 79,606 | 62,317 | 27.7 | 13,191 | 13,191 | - | (h) |
| Total non-current liabilities | | 1,406,105 | 1,223,865 | 14.9 | 1,160,657 | 1,066,038 | 8.9 | |
| TOTAL LIABILITIES | | 1,650,745 | 1,444,474 | 14.3 | 1,346,818 | 1,248,682 | 7.9 | |
| NET ASSETS | | 2,456,918 | 2,335,676 | 5.2 | 1,947,844 | 1,957,305 | (0.5) | |
| Represented by: | | | | | | | | |
| Unitholders' funds | 6 | 2,414,118 | 2,293,247 | 5.3 | 1,947,844 | 1,957,305 | (0.5) | |
| Non-controlling interests | | 42,800 | 42,429 | 0.9 | - | - | - | (n) |
| | | 2,456,918 | 2,335,676 | 5.2 | 1,947,844 | 1,957,305 | (0.5) | |
| Net asset value per Unit (\$) | | 1.40 | 1.34 | 4.5 | 1.13 | 1.14 | (0.9) | (o) |
| Aggregate leverage / | | 36.4 | 34.6 | 180bps | Nm | Nm | Nm | (p) |
| Deposited properties (%) | | | | | | | | |

KEPPEL DC REIT AND ITS SUBSIDIARIES

Reference:

Net Asset Value (NAV) / Net Tangible Asset (NTA) Per Unit

| | Group | |
|--|--------------------|--------------------|
| | As at 31 Dec 22 | As at 31 Dec 21 |
| NAV¹ per Unit² (\$) | 1.40 | 1.34 |
| Adjusted NAV ¹ per unit ² (excluding the distributable income) | 1.35 | 1.30 |
| NTA¹ per Unit² (\$) | 1.40 | 1.34 |
| Adjusted NTA ¹ per unit ² (excluding the distributable income) | 1.35 | 1.30 |

- 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.

Balance sheet analysis

- (a) Included in the investment properties were leases of \$12.7 million (2021: \$12.1 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 22 (\$'000)</u> | <u>As at 31 Dec 21 (\$'000)</u> |
|------------------------------|---|---|---|
| Keppel DC Singapore 1 | Leasehold, expiring 30 Sept 2055 [^] | 347,228 | 343,725 |
| Keppel DC Singapore 2 | Leasehold, expiring 31 July 2051 | 183,000 | 183,000 |
| Keppel DC Singapore 3 | Leasehold, expiring 31 Jan 2052 | 319,000 | 316,378 |
| Keppel DC Singapore 4 | Leasehold, expiring 30 June 2050 | 446,000 | 426,000 |
| Keppel DC Singapore 5 | Leasehold, expiring 31 August 2041 [*] | 395,389 | 360,000 |
| DC1 | Leasehold, expiring 31 July 2044 | 286,300 | 273,000 |
| Basis Bay Data Centre | Freehold | 19,994 | 22,107 |
| Guangdong Data Centre 1 | Leasehold, expiring 17 January 2067 | 135,100 | 148,005 |
| Guangdong Data Centre 2 | Leasehold, expiring 17 January 2067 | 135,100 | - |
| Guangdong Data Centre 3 | Leasehold, expiring 17 January 2067 | 12,429 | - |
| Gore Hill Data Centre | Freehold | 211,531 | 224,135 |
| Intellicentre Campus | Freehold | 113,123 | 102,323 |
| Cardiff Data Centre | Freehold | 41,651 | 47,447 |
| GV7 Data Centre | Leasehold, expiring 28 Sept 2183 | 59,033 | 65,696 |
| London Data Centre | Freehold | 92,927 | - |
| Almere Data Centre | Freehold | 144,594 | 155,270 |
| Amsterdam Data Centre | Freehold | 41,353 | 45,028 |
| Eindhoven Campus | Freehold | 52,612 | 57,450 |
| Keppel DC Dublin 1 | Leasehold, expiring 31 Dec 2998 | 152,950 | 150,612 |
| Keppel DC Dublin 2 | Leasehold, expiring 31 Dec 2997 | 139,850 | 141,296 |
| Milan Data Centre | Freehold | 55,232 | 60,478 |
| maincubes Data Centre | Freehold | 148,701 | 155,270 |
| Kelsterbach Data Centre | Freehold | 106,356 | 124,216 |
| | | <u>3,639,453</u> | <u>3,401,436</u> |

[^] Include option to renew for 30 years

^{*} Include offer to extend for a further term of 9 years

KEPPEL DC REIT AND ITS SUBSIDIARIES

Balance sheet analysis (cont'd)

- (b) These relate to the investments in subsidiaries as well as interest-bearing and quasi-equity loans to subsidiaries.
- (c) These relate to the investment in a joint venture and share of post-acquisition reserves, which mainly consists of mark-to-market gains from an interest rate swap.
- (d) These relate to investment in debt securities issued by a joint venture.
- (e) Included in trade and other receivables were accrued rental revenue from the clients.
- (f) 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.
- (g) These mainly relate to deposits paid in 2022 to the vendor for the advance payment of Guangdong DC 3 facilities and equipment. Deposits paid in 2021 relate to amount paid to the vendor for the acquisition of London DC.
- (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) These relate to loans from subsidiaries. The higher balances as at 31 December 2022 were mainly due to the drawdown of loans for acquisitions.
- (j) These relate to external borrowings of \$1,464.8 million, lease liabilities pertaining to a land rent option and an extension offer, and capitalised debt-related transaction costs. The higher external borrowings as at 31 December 2022 were mainly due to proceeds drawn from new bank borrowings.
- (k) Included in trade and other payables were trade creditors, accrued liabilities and deferred revenue.
- (l) Included in income tax provision were income tax expense accrued for the Group and provision of withholding tax expense in relation to the income received from the Group's overseas investments.
- (m) This relates to a provision for contractual obligation assumed on the acquisition of a subsidiary. Cash has been set aside by the vendor to settle the contractual provision assumed, and the remaining obligation is recoverable from a related corporation.
- (n) This relates to the non-controlling interests' share of net assets.
- (o) This excludes the non-controlling interests' share of net assets.
- (p) Aggregate leverage relates to the \$1,464.8 million external borrowings drawn down and deferred payment as a percentage 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 option and extension offer.

KEPPEL DC REIT AND ITS SUBSIDIARIES

CONDENSED STATEMENTS OF MOVEMENTS IN UNITHOLDERS' FUNDS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

| GROUP (2022) | 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 2022 | | 2,054,294 | 5,869 | (3,616) | (95,751) | 332,451 | 2,293,247 | 42,429 | 2,335,676 |
| Operations | | | | | | | | | |
| Profit after tax for the period | | - | - | - | - | 92,370 | 92,370 | 1,543 | 93,913 |
| Net increase in net assets resulting from operations | | - | - | - | - | 92,370 | 92,370 | 1,543 | 93,913 |
| Other comprehensive income | | | | | | | | | |
| Movement in hedging reserves | 1 | - | - | 36,394 | - | - | 36,394 | - | 36,394 |
| Foreign currency translation movement | 1 | - | (18,973) | - | - | - | (18,973) | (8) | (18,981) |
| Net increase in other comprehensive income | | - | (18,973) | 36,394 | - | - | 17,421 | (8) | 17,413 |
| Unitholders' transactions | | | | | | | | | |
| Distributions to Unitholders | | (16,006) | - | - | - | (44,140) | (60,146) | - | (60,146) |
| Payment of management fees in Units | | 5,363 | - | - | - | - | 5,363 | - | 5,363 |
| Net decrease in net assets resulting from Unitholders' transactions | | (10,643) | - | - | - | (44,140) | (54,783) | - | (54,783) |
| Dividends paid to non- controlling interests | | - | - | - | - | - | - | (1,391) | (1,391) |
| At 30 June 2022 | | 2,043,651 | (13,104) | 32,778 | (95,751) | 380,681 | 2,348,255 | 42,573 | 2,390,828 |
| Operations | | | | | | | | | |
| Profit after tax for the period | | - | - | - | - | 138,535 | 138,535 | 1,726 | 140,261 |
| Net increase in net assets resulting from operations | | - | - | - | - | 138,535 | 138,535 | 1,726 | 140,261 |
| Other comprehensive income | | | | | | | | | |
| Movement in hedging reserves | 1 | - | - | 14,009 | - | - | 14,009 | - | 14,009 |
| Share of movement in hedging reserves hedges of a joint venture | 1 | - | - | 35,458 | - | - | 35,458 | - | 35,458 |
| Foreign currency translation movement | 1 | - | (37,073) | - | - | - | (37,073) | (3) | (37,076) |
| Net decrease in other comprehensive income | | - | (37,073) | 49,467 | - | - | 12,394 | (3) | 12,391 |
| Unitholders' transactions | | | | | | | | | |
| Distributions to Unitholders | | (19,050) | - | - | - | (67,680) | (86,730) | - | (86,730) |
| Payment of management fees in Units | | 1,664 | - | - | - | - | 1,664 | - | 1,664 |
| Net increase in net assets resulting from Unitholders' transactions | | (17,386) | - | - | - | (67,680) | (85,066) | - | (85,066) |
| Capital reductions of non- controlling interests | | - | - | - | - | - | - | (100) | (100) |
| Distributions to non- controlling interest | | - | - | - | - | - | - | (1,396) | (1,396) |
| At 31 December 2022 | | 2,026,265 | (50,177) | 82,245 | (95,751) | 451,536 | 2,414,118 | 42,800 | 2,456,918 |

Note:

- Other comprehensive income items relate to (i) the fair value changes of the mark-to-market derivatives as a result of interest rate swaps entered into by the Group and by a joint venture, and (ii) 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 2022

| GROUP (2021) | Note | Foreign Currency | | Hedging Reserve | Other Reserve | Accumulated Profits | Unitholders' Funds | Non- Controlling Interests | Total | |
|--|------|-----------------------------|--------------------------------|----------------------------|--------------------------|--------------------------------|-------------------------------|---|------------------|--|
| | | Units in Issue | Translation Reserve | | | | | | | |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'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 | |
| 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 | |
| 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) | |
| 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 | |
| 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) | |
| 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) | |
| At 31 December 2021 | | 2,054,294 | 5,869 | (3,616) | (95,751) | 332,451 | 2,293,247 | 42,429 | 2,335,676 | |

Note:

- 1 Other comprehensive income items relate to (i) the fair value changes of the mark-to-market derivatives as a result of interest rate swaps entered into by the Group and (ii) 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 2022

| <u>TRUST (2022)</u> | Note | <u>Unit in Issue</u> \$'000 | <u>Other Reserve</u> \$'000 | <u>Accumulated Profits/ (Losses)</u> \$'000 | <u>Unitholders' Funds</u> \$'000 |
|--|------|--------------------------------|--------------------------------|--|-------------------------------------|
| At 1 January 2022 | | 2,054,294 | (95,751) | (1,238) | 1,957,305 |
| Operations | | | | | |
| Profit after tax for the period | | - | - | 106,180 | 106,180 |
| Net increase in net assets resulting from operations | | - | - | 106,180 | 106,180 |
| Unitholders' transactions | | | | | |
| Distribution to Unitholders | | (16,006) | - | (44,140) | (60,146) |
| Payment of management fees in Units | | 5,363 | - | - | 5,363 |
| Net decrease in net assets resulting from Unitholders' transactions | | (10,643) | - | (44,140) | (54,783) |
| At 30 June 2022 | | 2,043,651 | (95,751) | 60,802 | 2,008,702 |
| Operations | | | | | |
| Profit after tax for the period | | - | - | 24,208 | 24,208 |
| Net increase in net assets resulting from operations | | - | - | 24,208 | 24,208 |
| Unitholders' transactions | | | | | |
| Distribution to Unitholders | | (19,050) | - | (67,680) | (86,730) |
| Payment of management fees in Units | | 1,664 | - | - | 1,664 |
| Net decrease in net assets resulting from Unitholders' transactions | | (17,386) | - | (67,680) | (85,066) |
| At 31 December 2022 | | 2,026,265 | (95,751) | 17,330 | 1,947,844 |

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 2022

| <u>TRUST (2021)</u> | Note | <u>Unit in Issue</u> \$'000 | <u>Other Reserve</u> \$'000 | <u>Accumulated Losses</u> \$'000 | <u>Unitholders' Funds</u> \$'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 CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

| | 2H 2022 \$'000 | 2H 2021 \$'000 | FY 2022 \$'000 | FY 2021 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Operating activities | | | | |
| Profit after tax | 140,261 | 232,424 | 234,174 | 321,573 |
| Adjustments for: | | | | |
| Tax expenses | 21,890 | 20,099 | 30,994 | 29,176 |
| Finance income | (5,134) | (518) | (9,254) | (558) |
| Finance costs | 17,975 | 11,118 | 31,072 | 21,215 |
| Net change in fair value of FVTPL | 187 | - | 377 | 2,723 |
| Loss on divestment of a subsidiary | - | 200 | - | 200 |
| Share of results of a joint venture | 8,983 | 1,000 | 8,983 | 1,000 |
| Net change in fair value of derivatives | (1,177) | (5,827) | (4,463) | (7,068) |
| Net change in fair value of investment properties | (68,289) | (152,541) | (68,289) | (151,373) |
| Management fees payable in Units | 2,684 | 1,362 | 4,974 | 2,433 |
| Unrealised currency translation differences | 3,475 | 982 | 3,941 | 1,789 |
| | 120,855 | 108,299 | 232,509 | 221,110 |
| Changes in working capital: | | | | |
| - Trade and other receivables | (16,987) | (4,041) | (19,804) | (14,091) |
| - Trade and other payables | 23,879 | (2,091) | 15,388 | (7,790) |
| Cash generated from operations | 127,747 | 102,167 | 228,093 | 199,229 |
| Net tax paid | (4,194) | (5,905) | (9,802) | (7,728) |
| Net cash generated from operating activities | 123,553 | 96,262 | 218,291 | 191,501 |
| Cash flows from investing activities | | | | |
| Acquisition of interests in investment properties (Note A) | (133,022) | (195,523) | (246,877) | (195,523) |
| Additions to investment properties | (3,745) | (8,764) | (8,669) | (8,764) |
| Capital expenditures on investment properties | (21,298) | (17,411) | (39,422) | (77,571) |
| Payment on property under development | - | (26,406) | - | (26,406) |
| Divestment of subsidiary, net of cash received | - | 33,982 | - | 33,982 |
| Acquisition of a financial asset | - | - | (1,004) | - |
| Rental top up received | - | - | 1,004 | - |
| Coupon received from notes receivables | 4,011 | - | 8,067 | - |
| Repayment of notes receivables | 1,489 | - | 2,933 | - |
| Investment in notes and preference shares in a joint venture | - | (89,700) | - | (89,700) |
| Deposits paid to a vendor | (14,738) | (10,402) | (14,738) | (10,402) |
| Net cash used in investing activities | (167,303) | (314,224) | (298,706) | (374,384) |
| Cash flows from financing activities | | | | |
| Gross proceeds from equity fund raising | - | 204,282 | - | 204,282 |
| Proceeds from borrowings | 199,845 | 486,137 | 518,006 | 551,183 |
| Capital reduction of a non-controlling interest | (100) | - | (100) | - |
| Payment of financing transaction costs | (152) | (874) | (509) | (1,060) |
| Repayment of borrowings | (43,318) | (363,726) | (251,551) | (408,401) |
| Payment of lease liabilities | - | (3,950) | (4,378) | (3,950) |
| Finance costs paid | (15,438) | (10,442) | (28,135) | (19,789) |
| Distributions paid to Unitholders | (86,730) | (103,654) | (146,876) | (181,962) |
| Dividends paid to non-controlling interests | (1,396) | (1,489) | (2,787) | (3,075) |
| Payment of equity fund raising transaction costs | - | (2,258) | - | (2,258) |
| Net cash generated from financing activities | 52,711 | 204,026 | 83,670 | 134,970 |
| Net increase/(decrease) in cash and cash equivalents | 8,961 | (13,936) | 3,255 | (47,913) |
| Cash and cash equivalents at beginning of period/year | 188,228 | 208,709 | 195,941 | 244,387 |
| Effects of exchange rate fluctuations on cash held | (6,790) | 1,168 | (8,797) | (533) |
| Cash and cash equivalents at end of period/year | 190,399 | 195,941 | 190,399 | 195,941 |

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Note A – Acquisition of interests in investment properties

In September 2021 and December 2021, Keppel DC REIT completed the acquisitions of Eindhoven DC and Guangdong DC 1 respectively.

In January 2022, Keppel DC REIT completed the acquisition of London DC located at Waterside House, Longshot Lane, Bracknell RG12 1WB, United Kingdom. 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 August 2022, Keppel DC REIT completed the acquisitions of Guangdong DC 2 and building shell of Guangdong DC 3 located at No. 6 and 7 Bluesea Intelligence Valley, Shaping Street, Heshan, Jiangmen, Guangdong Province, People's Republic of China respectively.

Cash flow analysis (FY 2022 vs FY 2021)

Cash generated from operating activities for the FY 2022 was \$218.3 million, \$26.8 million higher than the \$191.5 million for the corresponding period last year. This was mainly due to higher operational cash inflow and lower working capital requirements.

Net cash used in investing activities for FY 2022 was \$298.7 million, comprising mainly the acquisitions of London DC, Guangdong DC 2 and the building shell of Guangdong DC 3 as well as capital expenditures and deposit paid for the advance payment of Guangdong DC 3 facilities and equipment. This was partially offset by coupon received and partial repayment of notes receivables. Net cash used in investing activities for last year was \$374.4 million, comprising mainly the acquisitions of Eindhoven DC and Guangdong DC 1, investment in debt securities as well as capital expenditures which include completion of fit-out works for DC1 and a deposit paid for the acquisition of London DC. These were partially offset by the net proceeds from the divestment of isseek DC.

The Group recorded net cash generated from financing activities of \$83.7 million in FY 2022 as compared to \$135.0 million for last year. Net cash generated in FY 2022 was mainly from the drawdown of bank borrowings. These were partially offset by distributions paid to Unitholders, refinancing of borrowings, settlement of lease liabilities and finance costs. Net cash generated from financing activities for FY 2021 was mainly from the issuance of equity and the drawdown of bank borrowings. These were partially offset by distributions paid to Unitholders, refinancing of borrowings, settlement of lease liabilities and finance costs.

Cash flow analysis (2H 2022 vs 2H 2021)

Net cash generated from operating activities for the 2H 2022 was \$123.6 million, \$27.3 million higher than the \$96.3 million for the corresponding period last year. This was mainly due to higher operational cash inflow and lower working capital requirements.

Net cash used in investing activities for 2H 2022 was \$167.3 million, comprising mainly acquisitions of Guangdong DC 2 and the building shell of Guangdong DC 3 as well as capital expenditures and deposit paid for the advance payment of Guangdong DC 3 facilities and equipment. These were partially offset by coupon received and partial repayment of notes receivables. Net cash used in investing activities for the corresponding period last year was \$314.2 million, comprising mainly acquisitions of Eindhoven DC and Guangdong DC 1, investment in debt securities as well as capital expenditures and a deposit paid for the acquisition of London DC. These were partially offset by the net proceeds from the divestment of isseek DC.

The Group recorded net cash generated from financing activities of \$52.7 million in 2H 2022 as compared to \$204.0 million for the corresponding period last year. Net cash used in 2H 2022 was mainly from the drawdown of bank borrowings. These were partially offset by distributions paid to Unitholders, refinancing of borrowings and finance costs. Net cash from 2H 2021 was mainly from the issuance of equity and the drawdown of bank borrowings. These were partially offset by distributions paid to Unitholders, refinancing of borrowings, settlement of lease liabilities and finance costs.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

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

These condensed consolidated financial statements for the second half and full year ended 31 December 2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 Interim Financial Reporting (SFRS (I) 1-34). These 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 2021 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 2021, except for the adoption of new and revised standards effective as of 1 January 2022.

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) 3 Business Combinations (Reference to the Conceptual Framework)
- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)

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 2021 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 2021 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 2022

3 INVESTMENT PROPERTIES

| | Group | |
|---|------------------|------------------|
| | 2022 \$'000 | 2021 \$'000 |
| At 1 January | 3,401,436 | 3,005,038 |
| Acquisitions ^(b) | 257,279 | 195,523 |
| Additions ^(c) | 15,790 | 10,263 |
| Divestment of a subsidiary ^(d) | - | (43,269) |
| Capital expenditure | 39,422 | 77,571 |
| Transfer from property under development | - | 27,169 |
| Net change in fair value | 70,969 | 159,475 |
| Currency translation differences | (145,443) | (30,334) |
| At 31 December | <u>3,639,453</u> | <u>3,401,436</u> |

Reconciliation of fair value measurement to valuation report

| | Group | |
|---|------------------|------------------|
| | 2022 \$'000 | 2021 \$'000 |
| Fair value on investment properties based on valuation report | 3,626,736 | 3,389,332 |
| Add: Carrying amount of lease liabilities ^(e) | 12,717 | 12,104 |
| Carrying amount of investment properties | <u>3,639,453</u> | <u>3,401,436</u> |

(a) Investment properties are stated at fair value based on valuations performed by independent valuers, Savills Valuation and Professional Services (S) Pte Ltd and Knight Frank LLP (2021: CBRE Pte. Ltd., CBRE Limited, Cushman & Wakefield (Valuations) Pty Ltd, Cushman & Wakefield Netherlands B.V., Jones Lang LaSalle Limited and Savills Valuation and Professional Services (S) Pte Ltd). 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 makes 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 London DC on 11 January 2022, and Guangdong DC 2 and building shell of Guangdong DC 3 on 12 August 2022. These acquisitions have been accounted for as asset acquisitions.

In 2021, Keppel DC REIT completed the acquisitions of Eindhoven DC and Guangdong DC 1.

(c) The additions include transaction-related costs and any costs other than capital expenditures capitalised as part of the investment properties.

(d) In 2021, Keppel DC REIT completed the divestment of isek DC.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

3 INVESTMENT PROPERTIES (CONT'D)

- (e) The lease liabilities of the Group relate to estimated payments for certain leasehold lands in Singapore for (i) extension options of which the Group is reasonably certain to exercise and (ii) an offer to extend the remaining land tenure for a further term. In 2022, the Group extended the leasehold land interest in KDC SGP 3 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 A JOINT VENTURE

| | Group | |
|----------------------------|----------------|----------------|
| | 2022 \$'000 | 2021 \$'000 |
| Equity investments at cost | 1,000 | 1,000 |
| Share of reserves | 25,475 | (1,000) |
| | 26,475 | - |

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint venture, is as follows:

| | Group | |
|---|----------------|----------------|
| | 2022 \$'000 | 2021 \$'000 |
| At 1 January/incorporation of a joint venture | - | 1,000 |
| Share of results for the year | (8,983) | (1,000) |
| Share of movement in fair value of cash flow hedges | 35,458 | - |
| At 31 December | 26,475 | - |

5 LOANS AND BORROWINGS

| | Group | |
|--|---------------------------|---------------------------|
| | As at 31 Dec 22 \$'000 | As at 31 Dec 21 \$'000 |
| <u>Unsecured borrowings</u> ¹ | | |
| Amount repayable within one year | 175,425 | 158,659 |
| Amount repayable after one year | 1,289,367 | 1,130,921 |
| | 1,464,792 | 1,289,580 |
| Total borrowings | 1,464,792 | 1,289,580 |
| Capitalised transactions costs of debt financing | (2,305) | (2,414) |
| <u>Lease liabilities</u> | | |
| Within one year | - | 4,378 |
| After one year | 12,646 | 7,726 |
| | 1,475,133 | 1,299,270 |

¹ Keppel DC REIT has unsecured borrowings of approximately \$687.0 million (2021: \$834.6 million) and \$530.0 million (2021: \$299.7 million) and \$247.8 million (2021: \$155.3 million) under its term loan facilities, revolving credit facilities and Multicurrency Debt Issuance Programme respectively.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

5 LOANS AND BORROWINGS (CONT'D)

As at 31 December 2022, the Group had total borrowings of approximately \$1,464.8 million and unutilised facilities of approximately \$486.9 million. The all-in average interest rate for borrowings was 2.2% per annum for the financial year ended 31 December 2022.

6 UNITHOLDERS' FUNDS

Units in Issue

| GROUP AND TRUST | 1 Jan 22 to 31 Dec 22 | 1 Jan 21 to 31 Dec 21 |
|---|--------------------------|--------------------------|
| | No. of Units | No. of Units |
| Issued Units as at beginning of period | 1,715,511,855 | 1,633,120,606 |
| Management fees paid in Units | 3,138,160 | 1,391,249 |
| Issuance of placement Units | - | 81,000,000 |
| Issued Units as at end of period | 1,718,650,015 | 1,715,511,855 |

Total number of issued units

Keppel DC REIT did not hold any treasury units as at 31 December 2022 and 31 December 2021.

| | Group | |
|-------------------------------------|----------------------|-----------------|
| | As at 31 Dec 22 | As at 31 Dec 21 |
| Total number of issued Units | 1,718,650,015 | 1,715,511,855 |

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 2022 \$'000 | FY 2021 \$'000 |
| Fixed rental income from related corporations | 30,473 | 28,902 |
| Variable rental income from related corporations | 91,447 | 99,678 |
| Management base fees to the Manager | (17,741) | (15,375) |
| Management performance fees to the Manager | (8,598) | (8,411) |
| Acquisition and development management fees to the Manager | (2,622) | (4,563) |
| Divestment fees to the Manager | - | (172) |
| Facility management fees to related corporations | (3,695) | (4,027) |
| Project management fees to related corporations | (102) | (475) |
| Support services fee to a related corporation | (615) | (468) |
| Interest expense to a related corporation | - | (988) |
| Interest income from a joint venture | 8,060 | 223 |
| Investment in notes and preference shares in a joint venture | - | 89,700 |

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

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 2022**

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 2022 | | | | |
| Derivative financial assets | – | 57,357 | – | 57,357 |
| Investment properties | – | – | 3,639,453 | 3,639,453 |
| | | <u>57,357</u> | <u>3,639,453</u> | <u>3,696,810</u> |
| Derivative financial liabilities | – | (2,180) | – | (2,180) |
| 31 December 2021 | | | | |
| Derivative financial assets | – | 6,494 | – | 6,494 |
| Investment properties | – | – | 3,401,436 | 3,401,436 |
| | – | <u>6,494</u> | <u>3,401,436</u> | <u>3,407,930</u> |
| Derivative financial liabilities | – | (6,182) | – | (6,182) |
| Trust | | | | |
| 31 December 2022 | | | | |
| Derivative financial assets | – | 8,391 | – | 8,391 |
| Investment properties | – | – | 530,228 | 530,228 |
| | – | – | <u>530,228</u> | <u>538,619</u> |
| 31 December 2021 | | | | |
| Derivative financial assets | – | 4,287 | – | 4,287 |
| Investment properties | – | – | 526,726 | 526,726 |
| | – | <u>4,287</u> | <u>526,726</u> | <u>531,013</u> |
| Derivative financial liabilities | – | (317) | – | (317) |

There were no transfers between levels of the fair value hierarchy during the years ended 31 December 2022 and 31 December 2021.

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 2022

8 FAIR VALUE OF ASSETS AND LIABILITIES (CONT'D)

Assets and liabilities carried at fair value (cont'd)

Level 3 fair values – Investment properties

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: 3.96% to 11.55% (2021: 4.40% to 9.31%) | The estimated fair value varies inversely against the capitalisation rate. |
| Discounted cash flow approach | Discount rate: 4.88% to 10.50% (2021: 5.50% to 11.25%) Terminal yield rate: 4.00% to 8.25% (2021: 5.49% to 10.50%) | 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 2022

9 SEGMENTAL INFORMATION

| <u>By type of asset class (\$'000)</u> | 2H 2022 | | | |
|--|------------------------|---------------|----------------|------------------|
| | Colocation | Fully-fitted | Shell and core | Total |
| Gross revenue | 86,774 | 36,541 | 18,467 | 141,782 |
| Net property income | 75,585 | 36,164 | 17,561 | 129,310 |
| Finance income | 660 | 444 | - | 1,104 |
| Finance costs | (6,322) | (6,988) | (3,565) | (16,875) |
| Net change in fair value of financial assets at FVTPL | - | - | (187) | (187) |
| Net change in fair value of investment properties ¹ | 45,472 | 22,507 | 310 | 68,289 |
| Reportable segment profit before tax | 114,230 | 51,597 | 13,838 | 179,665 |
| Unallocated amounts: | | | | |
| - Finance income | | | | 4,030 |
| - Finance costs | | | | (1,100) |
| - Other corporate expenses: | | | | (20,444) |
| Profit before tax | | | | 162,151 |
| | As at 31-Dec-22 | | | |
| <u>By type of asset class (\$'000)</u> | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 2,175,408 | 979,366 | 729,290 | 3,884,064 |
| Other unallocated amounts | | | | 223,599 |
| Consolidated assets | | | | 4,107,663 |
| Segment liabilities | 588,926 | 567,475 | 425,181 | 1,581,582 |
| Other unallocated amounts | | | | 69,163 |
| Consolidated liabilities | | | | 1,650,745 |
| Other segment items: | | | | |
| Capital expenditures / Additions | 42,696 | 2,616 | 9,901 | 55,213 |

| <u>By type of asset class (\$'000)</u> | 2H 2021 | | | |
|--|------------------------|---------------|----------------|------------------|
| | Colocation | Fully-fitted | Shell and core | Total |
| 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 |
| | As at 31-Dec-21 | | | |
| <u>By type of asset class (\$'000)</u> | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 2,124,693 | 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 |

Note:

1 Pertains to the net revaluation gains/losses of the Group's investment properties based on independent valuations obtained from third party valuers and the effects of recognising rental income on a straight-line basis over the lease terms.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

9 SEGMENTAL INFORMATION (CONT'D)

| <u>By type of asset class (\$'000)</u> | FY 2022 | | | |
|--|----------------|---------------|----------------|----------------|
| | Colocation | Fully-fitted | Shell and core | Total |
| Gross revenue | 170,722 | 69,708 | 36,892 | 277,322 |
| Net property income | 148,667 | 69,066 | 34,812 | 252,545 |
| Finance income | 715 | 479 | - | 1,194 |
| Finance costs | (11,851) | (10,715) | (6,329) | (28,895) |
| Net change in fair value of financial assets at FVTPL | - | - | (377) | (377) |
| Net change in fair value of investment properties ¹ | 45,472 | 22,507 | 310 | 68,289 |
| Reportable segment profit before tax | 182,484 | 80,464 | 26,262 | 289,210 |
| Unallocated amounts: | | | | |
| - Finance income | | | | 8,060 |
| - Finance costs | | | | (2,177) |
| - Other corporate expenses: | | | | (29,925) |
| Profit before tax | | | | 265,168 |

| <u>By type of asset class (\$'000)</u> | As at 31-Dec-22 | | | |
|--|-----------------|--------------|----------------|------------------|
| | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 2,175,408 | 979,366 | 729,290 | 3,884,064 |
| Other unallocated amounts | | | | 223,599 |
| Consolidated assets | | | | 4,107,663 |
| Segment liabilities | 588,926 | 567,475 | 425,181 | 1,581,582 |
| Other unallocated amounts | | | | 69,163 |
| Consolidated liabilities | | | | 1,650,745 |
| Other segment items: | | | | |
| Capital expenditures / Additions | 42,696 | 2,616 | 9,901 | 55,213 |

| <u>By type of asset class (\$'000)</u> | FY 2021 | | | |
|--|----------------|---------------|----------------|----------------|
| | Colocation | Fully-fitted | Shell and core | Total |
| 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) |
| Net change in fair value of financial assets at FVTPL | (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> | As at 31-Dec-21 | | | |
|--|-----------------|--------------|----------------|------------------|
| | Colocation | Fully-fitted | Shell and core | Total |
| Segment assets | 2,124,693 | 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 |

Note:

- Pertains to the revaluation gains/losses of the Group's investment properties based on independent valuations obtained from third party valuers and the effects of recognising rental income on a straight-line basis over the lease terms.

KEPPEL DC REIT AND ITS SUBSIDIARIES

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

9 SEGMENTAL INFORMATION (CONT'D)

By geographical area

| | FY 2022 | FY 2021 |
|----------------------------|----------------|----------------|
| | \$'000 | \$'000 |
| <u>Gross Revenue</u> | | |
| - Singapore | 147,619 | 157,414 |
| - Australia | 24,363 | 28,607 |
| - Ireland | 31,807 | 32,449 |
| - China | 19,381 | 564 |
| - Germany | 17,540 | 19,184 |
| - The Netherlands | 15,965 | 15,762 |
| - Other countries | 20,647 | 17,085 |
| Total gross revenue | 277,322 | 271,065 |

Major Customers

Revenue of \$121.7 million (2021: \$129.9 million) were derived from 1 separate client from Singapore (2021: Singapore).

Investment Properties

| | As at 31 Dec 22 | As at 31 Dec 21 |
|---|------------------|------------------|
| | \$'000 | \$'000 |
| - Singapore | 1,976,917 | 1,902,103 |
| - Australia | 324,654 | 326,458 |
| - Ireland | 292,800 | 291,908 |
| - China | 282,629 | 148,005 |
| - Germany | 255,057 | 279,486 |
| - The Netherlands | 238,559 | 257,748 |
| - Other countries | 268,837 | 195,728 |
| Total value of investment properties | 3,639,453 | 3,401,436 |

10 SUBSEQUENT EVENTS

On 31 January 2023, the Manager declared a distribution of 5.165 cents per Unit for the period from 1 July 2022 to 31 December 2022.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

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 2022 and 2021 results

FY 2022 vs FY 2021

Gross rental income for FY 2022 was \$273.5 million, an increase of \$7.7 million or 2.9% from FY 2021 of \$265.8 million. This was mainly due to acquisitions of Guangdong DC 1, 2 and building shell of Guangdong DC 3, London DC, Eindhoven DC, positive income reversions, as well as contributions following the completion of AEs at DC1 and the Dublin assets, and the completion of IC3 East DC.

This was partially offset by the net lower contributions from the Singapore colocation assets, largely arising from the higher facility expenses including electricity, staff and maintenance costs and provisions made for DXC at KDC SGP 1. In addition, the depreciation of foreign currencies against the SGD and the cessation of contribution following the divestment of iseek DC resulted in lower foreign sourced income.

Other income of \$3.8 million was \$1.5 million lower than FY 2021 mainly due to the cessation of rental top up at KDC SGP 4, partially offset by one-off government incentives received at Guangdong DC 1.

Property operating expenses for FY 2022 was \$24.8 million, an increase of \$1.9 million or 8.1% from FY 2021 of \$22.9 million. This was mainly due to the assets in Dublin.

Net property income of \$252.5 million for FY 2022 was \$4.4 million or 1.8% higher than FY 2021.

Profit after tax for FY 2022 was \$234.2 million, after taking into account the net fair value gain in investment properties of \$68.3 million (2021: net fair value gain of \$151.4 million) and deferred tax expense of \$13.3 million (2021: deferred tax expense of \$10.1 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 2022 was \$179.2 million, a decrease of \$1.1 million or 0.6% as compared to FY 2021 of \$180.3 million. This was mainly due to depreciation of foreign currencies against the SGD, higher finance costs, higher Manager's fees and share of results of a joint venture, partially offset by higher net contributions from the portfolio, income from the NetCo debt securities and net gains on derivatives recorded.

2H 2022 vs 2H 2021

Gross rental income for 2H 2022 was \$140.4 million, an increase of \$6.1 million or 4.5% from 2H 2021 of \$134.3 million. This was mainly due to acquisitions of Guangdong DC 1, 2 and building shell of DC 3, London DC, Eindhoven DC, contract renewals, as well as contributions following the completion of AEs from the KDC DUB 1.

This was partially offset by the cessation of contribution post the divestment of iseek DC, net lower contributions from the Singapore colocation assets, largely arising from the higher facility expenses including electricity, staff and maintenance costs and provisions made for DXC at KDC SGP 1. In addition, the depreciation of foreign currencies against SGD resulted in lower foreign sourced income.

Property operating expenses for 2H 2022 was \$12.5 million, an increase of \$0.9 million or 7.5% from 2H 2021 of \$11.6 million. This was mainly due to higher property-related expenses recorded at the assets in Dublin following the completion of AEs.

Net property income of \$129.3 million for 2H 2022 was \$5.0 million or 4.0% higher than 2H 2021.

Profit after tax for 2H 2022 was \$140.3 million, after taking into account the net fair value gain in investment properties of \$68.3 million (2021: net fair value gain of \$152.5 million) and deferred tax expense of \$13.3 million (2021: deferred tax expense of \$10.1 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 2022 was \$85.3 million, a decrease of \$4.7 million or 5.2% as compared to 2H 2021 of \$90.0 million. This was mainly due to depreciation of foreign currencies against SGD, higher finance costs, higher Manager's fees and share of results of a joint venture, partially offset by higher net contributions from the portfolio, income from the NetCo debt securities and net gains on derivatives recorded.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

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

In the January 2023 Global Economic Prospects report issued by the World Bank, global economic growth is forecast to decelerate to 1.7% in 2023, the third weakest pace in nearly three decades, apart from the global recessions caused by the COVID-19 pandemic in 2020 and the global financial crisis in 2009. Downside risks include higher inflation, tighter monetary policies, deeper weakness in major economies and rising geopolitical tensions.

Notwithstanding the macroeconomic headwinds, Gartner forecasts¹ that worldwide end-user spending on public cloud services will grow 20.7% to US\$591.8 billion in 2023 as compared to 18.8% growth in 2022. The agile and scalable nature of cloud computing will help to support growth during uncertain times. Further, industry trends including the acceleration of digitalisation, adoption of technologies such as the internet of things or artificial intelligence and the rise of the digital economy will continue to bolster demand for data centres. Strong continued growth of the colocation market is projected, driven by demand from large cloud and internet companies, as well as enterprises moving their IT infrastructure off premise.

The Manager remains cautiously optimistic on growth opportunities and will continue to drive growth in its diversified global portfolio of data centres by strengthening its income resilience through acquisitions.

E. RISK FACTORS AND RISK MANAGEMENT

The Manager ascribes importance to risk management and constantly and 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.

Liquidity risk

The Manager manages 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.

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.

Currency risk

The Group's foreign currency risk relates mainly to its exposure from its investments in Australia, China, Europe and Malaysia, and the distributable income and interest income from progressive payments related to such foreign investments. The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

The Manager monitors the Group's foreign currency exposure on an on-going basis and continue to manage its exposure to adverse movements in foreign currency exchange rates through financial instruments.

¹ Gartner forecasts World Worldwide Public Cloud End-User Spending to Reach Nearly \$600 Billion in 2023, 31 October 2022. Gartner is an independent research and consultancy company.

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

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.

Competition risk

The Manager actively manages 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 rental and income growth.

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 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 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

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

F. DISTRIBUTIONS

(a) Current Financial Period reported on

Any distribution recommended for the current financial period reported on?

| | |
|-------------------------------|---|
| Name of distribution: | <u>19th</u> Distribution for the period from 1 July to 31 December 2022 |
| Distribution type: | (a) Taxable Income (b) Tax-exempt Income (c) Capital Distribution |
| Distribution rate: | Distribution for the period from 1 July to 31 December 2022 (a) Taxable Income – 2.137 cents per Unit (b) Tax-exempt Income – 1.797 cents per Unit (c) Capital Distribution – 1.231 cents per Unit |
| Distribution amount (\$'000): | 88,768 |
| Tax rate: | <p>(a) <u>Taxable Income Distribution</u></p> <p>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.</p> <p>Investors using CPF funds and SRS funds will also receive pre-tax distributions. These distributions are tax-exempt.</p> <p>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%.</p> <p>All other investors will receive their distributions after deduction of tax at the rate of 17%.</p> <p>(b) <u>Tax-exempt Income Distribution</u></p> <p>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.</p> <p>(c) <u>Capital Distribution</u></p> <p>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.</p> |

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

(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: | (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>16th</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. |

(c) Record date

The Transfer Books and Register of Unitholders of Keppel DC REIT for the 19th Distribution will be closed at 5.00 p.m. on 8 February 2023 for the purposes of determining each Unitholder's entitlement to the REIT's distribution.

(d) Date payable

The date the 19th Distribution is payable: 14 March 2023

KEPPEL DC REIT AND ITS SUBSIDIARIES

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 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.

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 2022 \$'000 | FY 2021 \$'000 |
| Temasek Holdings Group | | |
| - Rental income | 28,722 | 18,166 |
| Keppel Corporation Limited and its subsidiaries | | |
| - Variable rental income | 88,892 | 96,989 |
| - Facility management and property management fees | 8,554 | 3,919 |
| - Manager's management fees | 26,339 | 23,787 |
| - Manager's acquisition and development management fees | 2,622 | 4,563 |
| - Manager's divestment fees | - | 172 |
| - Project management fees | 102 | 475 |
| - Rental top up income | - | 2,723 |
| - Support services fees | 857 | 860 |
| - 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 |
| Perpetual (Asia) Limited | | |
| - Trustee fees | 442 | 389 |

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 2022 \$'000 | FY 2021 \$'000 | +/(%) |
|-------------------------------|-------------------|-------------------|-----------|
| First half year | | | |
| Gross revenue reported | 135,540 | 135,147 | 0.3 |
| Profit after tax | 93,913 | 89,149 | 5.3 |
| Second half year | | | |
| Gross revenue reported | 141,782 | 135,918 | 4.3 |
| Profit after tax ¹ | 85,255 | 91,110 | (6.4) |

Note:

1 Profit after tax excludes net gains of \$55.0 million relating to net fair value gains and their related deferred tax impact (2H 2021: net gains of \$141.3 million relating to net fair value gains 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

OTHER INFORMATION FOR THE SECOND HALF AND FULL YEAR ENDED 31 DECEMBER 2022

J. BREAKDOWN OF ANNUAL TOTAL DISTRIBUTION

| | FY 2022 \$'000 | FY 2021 \$'000 |
|---------------------------------|-------------------|-------------------|
| 1 January 2021 to 30 June 2021 | - | 80,438 |
| 1 July 2021 to 31 December 2021 | - | 83,361 |
| 1 January 2022 to 30 June 2022 | 86,729 | - |
| 1 July 2022 to 31 December 2022 | 88,768 | - |
| | 175,497 | 163,799 |

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 2022

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 / Darren Tan

Joint Company Secretaries
31 January 2023